CITY OF DOVER
TUSCARAWAS COUNTY

REGULAR AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2002

Auditor of State
Betty Montgomery

CITY OF DOVER
TUSCARAWAS COUNTY

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Auditor of State
Betty Montgomery

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

City of Dover
Tuscarawas County
122 East Third Street
Dover, Ohio 44622

To the Members of City Council:

We have audited the basic financial statements of the City of Dover, Tuscarawas County, Ohio, (the City) as of and for the year ended December 31, 2002, and have issued our report thereon dated June 6, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2002-001.

We also noted certain immaterial instances of noncompliance that we have reported to management of the City in a separate letter dated June 6, 2003.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the City's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying Schedule of Findings as item 2002-002.

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A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we consider the reportable condition described above to be a material weakness.

We also noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the City in a separate letter dated June 6, 2003.

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

Betty Montgomery

Betty Montgomery
Auditor of State

June 6, 2003

CITY OF DOVER
TUSCARAWAS COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2002

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

FINDING NUMBER 2002-001

Material Citation

Ohio Rev. Code Section 5705.41(D) states in part, that no subdivision or taxing unit shall make any contract or order any expenditure of money unless there is attached thereto a certificate of the fiscal officer of the subdivision that the amount required to meet the same has been lawfully appropriated for such purpose 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 null and void and no warrant shall be issued in payment of any amount due thereon.

This section also provides two "exceptions" to the above requirements:

A. Then and Now Certificate - If no certificate is furnished as required, upon receipt of the fiscal officer's certificate that both at the time that the contract or order was made and at the time that she is completing her certification a sufficient sum was appropriated and free of any previous encumbrances, the Council may authorize the issuance of a warrant in payment of the amount due upon such contract or order by resolution within 30 days from the receipt of such certificate, if such expenditure is otherwise valid.

B. If the amount involved is less than $1,000 (which was increased to $3,000 on April 7, 2003), the fiscal officer may authorize it to be paid without the affirmation of Council, upon completion of the then and now certificate, provided that the expenditure is otherwise lawful.

Of the expenditures tested, 20% were not certified by the Auditor prior to incurring the commitment and the two exceptions noted above were not utilized. The City should inform all City employees of the requirements of Ohio Rev. Code Section 5705.41(D) and the importance of certifying the availability of funds. The City should implement the use of Then and Now Certificates and Blanket Certificates as further permitted by Ohio Rev. Code Section 5705.41.

FINDING NUMBER 2002-002

Material Weakness

The Treasurer prepares monthly bank reconciliations that the Auditor reviews and signs. Although monthly reconciliations had been performed during 2002, these reconciliations contained variances between the bank balance and the book balance which have not been resolved since May 2002. The lack of timely and complete monthly bank reconciliations increases the possibility that errors and irregularities may occur and not be detected timely. In addition, the City's ability to identify lingering reconciling items including stale dated checks is impaired.

The Treasurer should perform timely monthly bank reconciliations and all reconciling items should be supported by appropriate documentation. In addition, Council should periodically review these reconciliations and follow up on significant or unusual items to better monitor the finances of the City.

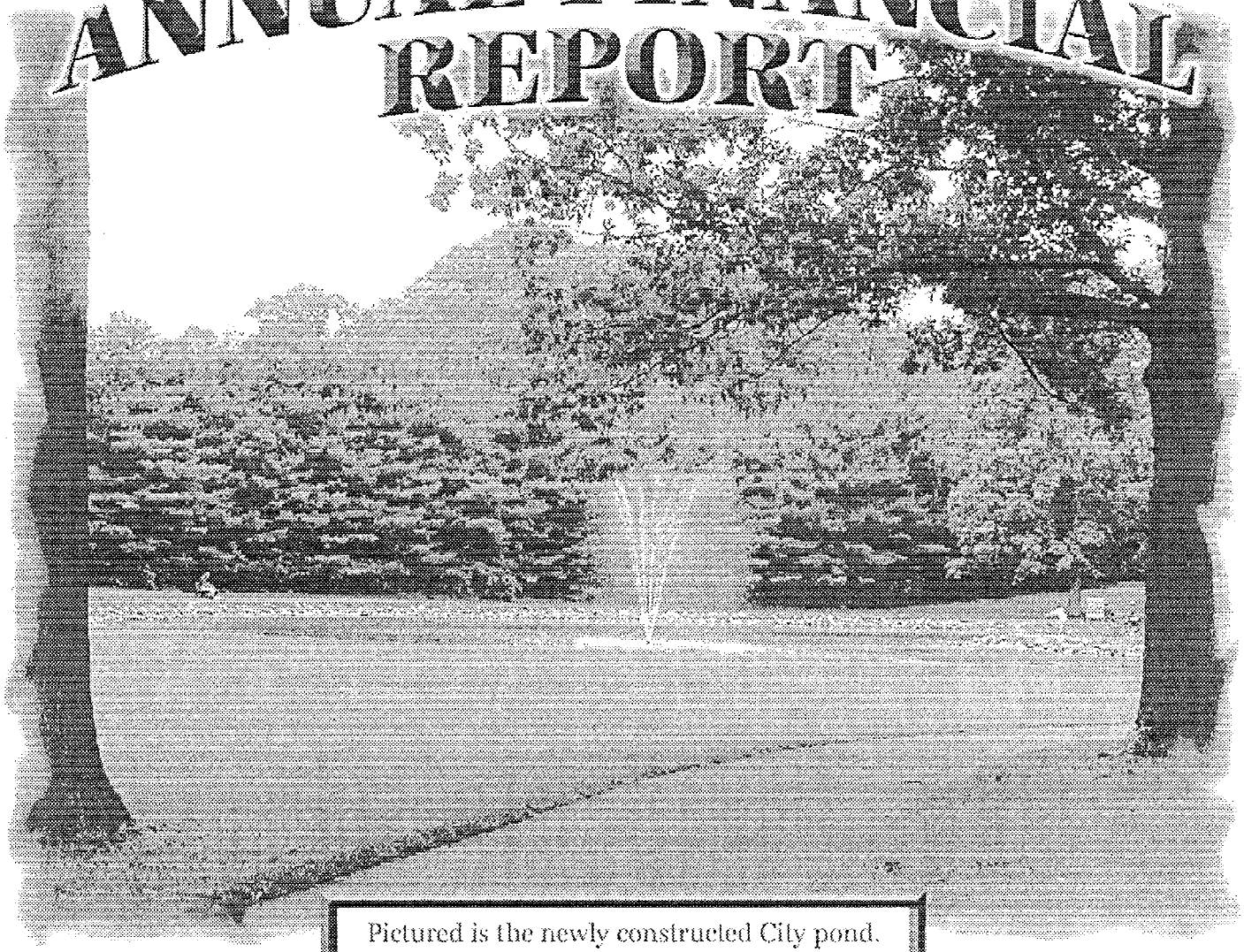
CITY OF DOVER
TUSCARAWAS COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2002

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; ***Explain***:
2001-21279-001	Ohio Rev. Code Section 135.18, funds were not properly collateralized	Yes	Fully corrected. The City obtained properly collateral for all funds.
2001-21279-002	Bank reconciliations for May through December were not performed until March 2002	No	Not corrected. Refer to Finding 2002-002.

City of Dover, Ohio

COMPREHENSIVE ANNUAL FINANCIAL REPORT



Pictured is the newly constructed City pond. This site was chosen for its low lying nature and overall beauty. The pond has become a popular spot for walkers and young fishermen. The lighted fountain was purchased with money donated by local service organizations.

– Photos by Scott Daniels –

For The Year Ended December 31, 2002

Introductory Section

City of Dover, Ohio

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For The Year Ended December 31, 2002

Prepared by the City of Dover Auditor's Office

Mary J. Fox • Dover City Auditor
Joyce Ray • Assistant Auditor
Debra Edwards • Office Assistant

City of Dover, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2002
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City Of Dover

Auditor's Office

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June 6, 2003

Dear Members of Council and
Residents of the City of Dover:

The purpose of this letter is to acquaint you with the City of Dover's Comprehensive Annual Financial Report (CAFR), prepared by the City Auditor's Office. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data as presented is accurate in all material respects, that it is presented in a manner designed to set forth fairly the financial position and results of operations of the City and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial activity have been included. This report will provide the taxpayers of the City of Dover with comprehensive financial data in a format which will enable them to gain an understanding of the City of Dover's financial affairs. Copies will be made available to the Chamber of Commerce, major taxpayers, Dover Public Library, financial rating services and other interested parties.

The comprehensive annual financial report is presented in three sections as follows:

1. The Introductory Section contains the table of contents, letter of transmittal, GFOA Certificate of Achievement, elected and principal officials of the City, and the City's organizational chart.

2. The Financial Section begins with the Independent Accountant's Report, and includes Management's Discussion and Analysis, the Basic Financial Statements and Notes that provide an overview of the City's financial position and operating results, the Combining Statements for nonmajor funds and other schedules that provide detailed information relative to the Basic Financial Statements.

3. The Statistical Section presents various tables reflecting social and economic information, financial trends, and fiscal capacity of the City.

City Organization

Dover lies 80 miles south of Cleveland and Lake Erie and 100 miles west of Pittsburgh. Though originally called Dover, the prefix "canal" was added in 1807 by postal authorities to distinguish the City from the Village of Dover in Cuyahoga County. Canal Dover was an appropriate name at this particular time considering the town's first prosperity was stimulated by the construction of the Ohio and Erie Canal in the late 1820's. This "canal town" was incorporated as a village in 1842 and established as a city in 1901. By December 18, 1915, the City was officially referred to by its original name of Dover.

Operating under the Mayor/Council form of government, the citizens of Dover elect a mayor, auditor, law director, treasurer and eight members of the council, including the president, three council members-at-large and four ward council members. A safety director, service director, auditor, treasurer, and law director are responsible for various departments of City business.

Reporting Entity and Services Provided

For financial reporting purposes, the City has considered all departments and organizations making up the City of Dover (the primary government).

The City of Dover, as a governmental entity, is totally separate and distinct from the Dover City School District. Although the two entities share similar names, they are independent of each other in terms of governing bodies, financial resources and management. Because of the separate and independent nature of the school district, the school district's financial statements are not included in this report. The Community Improvement Corporation of Tuscarawas County, the Tuscarawas County Regional Planning Commission, the Southeastern Ohio Narcotics Team and the Ohio Mid-Eastern Governments Association are reported as jointly governed organizations. The City is also associated with one joint venture, the Ohio Municipal Electric Generation Agency (JV2).

The City provides the full range of municipal services. These services include police, fire, health care, recreation programs (including parks), transportation programs (including streets), water treatment and distribution and water back flow prevention and cross connection control programs, electric and electric pollution discharge elimination and PCB elimination programs, sewer and sewer industrial pretreatment programs, planning and zoning, and general administrative services.

Economic Condition and Outlook

Dover covers an area of 5.71 square miles in northeastern Ohio and is located to the south of Cleveland and Canton. The City is easily accessible from Interstate 77. This popular and expanding residential community is noted for its older elegant homes built on quiet tree-lined streets. Dover is a highly desirable City to live in Tuscarawas County, as property values outpace inflation. The underlying strength of Dover's growing economy comes from its diversity. Dover does not depend on one firm for local employment; as many as five corporations employ in excess of 200 people each, lending to the City's diversification.

Five banks (Huntington National, Bank One, First National Bank of Dennison, Citizens Bank, First Federal Bank) are located in the City. Financial institutions located in the County had total deposits of $236,126,000 on December 31, 2002.

Residents of Dover receive information through various media. The New Philadelphia Times-Reporter, a daily morning newspaper, serves the City. In addition, the City is within the broadcast area of five television stations, and Adelphia Cable Company provides digital cable TV services. Three AM and FM radio stations are located in the County (one within the City).

Post-Secondary schooling is available through two-year and four-year colleges and universities, including the Kent State University, Tuscarawas Campus.

Construction of the Boulevard South addition to Union Hospital began in July 2001. The first floor is completed and the hospital’s Cardiology Center and Vascular Center has moved in. The second and third floors will house patients in 50 beds in 34 private and semi-private rooms. The addition of these beds increases the hospital’s inpatient bed capacity by 38 percent. Union Hospital is Dover’s largest employer reporting 802 employees at 2002 year end. They are currently recruiting personnel to fill 130 new positions and have already hired 70 additional employees in 2002. By 2003 year end, the hospital will employ nearly 1,000 individuals. This 18 million dollar expansion coupled with the additional hiring had

been compared to the economic impact of building a new industrial plant and hiring 300 workers by hospital personnel. The hospital held a public open house of the new facilities on April 27, 2003. Its continued growth and quality health care makes Union Hospital a great asset to the City of Dover.

Another notable Dover business is Allied Machine and Engineering Corporation (AMEC). AMEC is a global leader in the engineering and manufacturing of replaceable drill inserts and drill holders. AMEC is consistently changing to keep in pace with the industries ever changing needs, while continuing to expand their market share by hiring additional sales staff to accommodate the needs in Europe. Another significant change for AMEC is the development of external business development relationships. An agreement was finalized with the Certatizit company to become the exclusive North American marketing channel for their patented EcoCut product line. The EcoCut product is one tool that replaces four for a customer. This tool is a very cost effective solution for many manufacturing applications. AMEC plans to continue to invest the human and capital resources. This investment coupled with the desire to continually improve throughout the company positions AMEC to make a difference in the future.

The former AK Steel complex has a new owner. The Tuscarawas County Port Authority bought the building on January 9, 2003 for nearly $1.5 million. The 700,000 square feet of buildings on 44 acres of land has been empty for nearly three years. The Port Authority plans to invest an additional $1.6 million for renovations. Owens-Corning, based at Toledo, Ohio, became the first tenant on February 15th of 2003, when they signed a lease for 232,500 square feet of space for a warehouse. Owens-Corning will phase in 10 to 12 jobs during the first six months of their occupancy. Owens-Corning has expressed much interest in the City's fiber optic network possibilities, and currently uses fiber for communications between their existing plants and customers. The Port Authority has other businesses interested in the space and will be leasing to tenants as the building is renovated.

Marlite, a long time Dover Company, that manufactures and sells a variety of rigid wall coverings used in commercial buildings has added six new products to its line in 2002. The retail line of products are used to create wall, floor and free-standing displays. Among the new retail products are five new Visplay products. Visplay, a manufacturer of high-end retail merchandising products, entered into a partnership with Marlite in 2000. The agreement gives Marlite the exclusive marketing rights to the North American market. The Surface System Radius was introduced in 2002. The Surface Systems, a modular wall covering with pre-engineered grid system has been a long time signature product for Marlite. The Radius Wall option allows architects to use the product on virtually any curved wall. In 2003, Marlite is looking forward to expanding the product line, as well as pursing strategic partnerships.

Zimmer Orthopedic Surgical Products (formerly Zimmer Patient Care) reported excellent growth in the first three quarters for the year 2002. This gowth is in part due to the innovation and sales of the OrthoPAT System (Orthopedic Perioperative Autotransfusion System). This system salvages a patient's own blood during an orthopedic procedure. The system washes out impurities of the blood and refreshes the red blood cells to the patient. The most unique feature of this system is its ability to collect blood during and after surgery, thus reducing the need for blood transfusions. In the fourth quarter of 2002, Zimmer Orthopedic Surgical Products introduced the A.T.S. 1200 tourniquet system, the Zimmer tissue bank dermatome, and the Pulsavac LP wound debridement system. Each of these products has unique features to allow for improvement in the quality of care provided to patients. In 2003, Zimmer Orthopedic Surgical Products' major goal is the development of new product lines while continuing to research ways to improve existing lines.

Dover is very proud of one of its more unique residents. Dover was the home of Ernest "Mooney" Warther and is still home to many of his descendants. Mooney Warther was a master carver, who began whittling at age five. Throughout his life, he carved the history of the steam engine. He also carved high quality knives. One hundred and one years after Mooney Warther carved his first kitchen knife, the family continues to manufacture the fine cutlery, as well as operating the museum that houses Mooney's many carvings. A $1.5 million addition that doubled the size of the museum and gift shop was completed in June 2002. The museum now includes a 50 seat theater, and a conference room. Frieda Warther collected

buttons and the "button house" showcases 73,000 buttons. The museum offers guided tours daily. Dinner tours are also available, to tours of 25 or more, with a catered dinner served in the Ivory Room of the museum.

Major Intitiatives

For the Year The City of Dover has been actively involved in many issues that will affect the City for many years to come. Aggressive annexations and new housing developments are providing the City with expected growth economically as well as expanding the City's size.

The City has kept a keen interest in the legislation that affects the municipal electric industry. Our Mayor Richard Homrighausen serves as the president of the Ohio Municipal Electric Association. He has been asked to testify in Washington, D.C. at a Senate Sub Committee in recent years and continues to be a voice in Washington, advocating the needs of small municipal electric generating plants in Ohio.

The Utility Office software update is completed and the City is able to bill "unbundled" rates for electric service such as generation and distribution. The KWh tax imposed by the State of Ohio is tracked by the billing system. An ordinance passed in 2003 allows the KWh tax to be passed on to the consumer outside the City limits. The City does not pass the tax on to the consumer inside the City limits. The City pays the tax from electric fund and allocates it per law to the General fund. The City is discussing the KWh transfer to the General fund and a decision concerning the amount to be transferred back into the electric fund will be decided, and legislation will be passed to allow that transfer by year end.

Construction is in progress of a 69 KV line from the Northern Intertie to the Light Plant that will provide a loop feed. This loop will greatly increase our reliability and provide ease of maintenance of the system. A new distribution substation at the Northern Intertie is being constructed, and the existing substation equipment at that site is being upgraded and relocated to the site of the current south substation. This project was scheduled for completion in 2002, however, due to unforeseen issues the project continues into 2003.

It is the City's intention not only to improve the quality of our electric system, but to also provide the City with state of the art Communications with the use of fiber optic cable. A Telecommunications Administrator was hired in July of 2002. He has been kept busy researching the needs of the City departments, and anticipating the needs of business and industry in Dover. The purchase of equipment was approved in 2003, and the City will be "linking" all City departments soon via our own fiber network. The ability to provide local business a fiber optic connection will be realized in 2003. The administration and City Council are exploring the many opportunities this telecommunication link can provide, and will continue to research the most cost effective way to utilize this valuable asset.

The Cemetery Department has been kept busy constructing an additional maintenance/storage building to meet the growing demands of the department. Much of the work such as electrical, water, cement and landscaping was performed by department personnel. Cemetery records have been maintained by computer since 1989 with regular updates. The cemeteries are beautifully landscaped full service facilities providing ground lots, a mausoleum and cemetery niches.

In 2002, the Street Department assumed the additional responsibility of mowing of the right of ways which consists of thirty-six locations. The Street Department provides many services to the public such as leaf and brush removal, catch basin repair, street cleaning and sign maintenance, just to name a few. The leaf season this year consisted of thirty-nine working days with 158 loads of leaves collected, 1,144 gallons of fuel used, and 1,608 man hours. Brush removal requests totaled 1,608 in 2002. The City maintained its existing paving program, with 7,664 tons of asphalt used for a cost of $262,625.

The Traffic Department's, a division of the Street Department, 2002 painting program consisted of the use of 425 gallons of yellow paint, 270 gallons of white paint and 6,200 pounds of glass beads applied to the

City's streets, numerous parking stalls, crosswalks, railroad crossing emblems and turn bays. The department also installed or replaced a total of 192 signs and maintained the City's twenty eight traffic light systems.

In January 2002, the police department was awarded a grant from the Ohio Office of Criminal Justice Services to update the department's computer system. The total amount of the grant was $23,398, with a 10 percent local match by the City. This money was used to purchase mobile data terminals for the cruisers, which will be installed and operational in 2003.

The police department continues to serve the community by providing service programs such as the Third Grade Seat Belt Program, Fourth Grade Bicycle Safety Program, National Child Safety Program for K thru 5th grade, Halloween Safety from grades 1 thru 6, and the Tuscarawas Safe Kids Coalition. Officers represent the department and make presentations at many organizations upon request. It is a priority of the police department to provide the best service and education as possible to the Citizens of Dover.

The fire department recognized Fire Prevention Week by hosting an open house in October 2002, that was attended by citizens and City officials. Displays included fire safety, EMS, and various informational and historical presentations. Department members were on hand to demonstrate the uses of various equipment. The fire department is consistently updating standard operating procedures and keeping the public informed of fire safety.

The City's website at www.doverohio.com continues to expand and receive positive feedback. Our Utility Director created the website in-house and is responsible for the site's periodic updating. The site provides links to other sites of interest in the area as well as information about the City and its departments.

The City continued its celebration of 100 years of incorporation throughout the year. The City participated in many area parades and hosted an old fashioned ice cream social in September of 2002. Another downtown event was held in December to mark the end of the year long celebration. During the December event, the community Christmas tree and downtown was lit and entertainment was provided. A 2003 calendar was printed featuring turn of the century homes of the City and sold throughout the year. The City of Dover is proud of its history and plans to continue to provide its citizens the chance to participate and explore the colorful past of the City.

As always, all departments have kept a progressive approach to management and are continually upgrading their education and licenses as well as implementing new ideas to make the City services they provide to its citizens the best they can be.

For the Future The City of Dover is currently considering the first tax abatement for a local business who is planning a large expansion. City Council will be voting on this issue in June 2003. With this new expansion, the purchase of the former AK Steel building by the Tuscarawas County Port Authority, and the ensuing leasing of that space, the City of Dover will be seeing an expanding tax base. One of the primary goals for 2003 is the building of an industrial park on the land annexed in 2002. The City administration has a firm commitment from two companies who are in the process of expansion and have purchased 10 acres. Water, sewer and electric utilities will need to extend to this area, and tax incremental financing (TIF) is being explored as a means of recouping the City's investment in this area, located along the southwest edge of the City.

Tuscarawas County Port Authority's purchase of the former AK Steel building is an incentive for the City of Dover to continue with the fiber optic network. It is the City's plan to offer fiber optic connectivity to any business in the future. The City is placing a special focus on this area to fulfill requests from potential businesses interested in leasing the space. The City of Dover will be using the fiber network in 2003 to connect all City offices and departments.

New housing developments continue in the City, increasing the demand for City utilities. The City of Dover is keeping an eye on the future and planning expansions of our utilities accordingly. A notable expansion currently underway is the Sewer Treatment Plant. The plant was last expanded in 1987 and is currently suitable for the City. The expansion will double the plant's capacity to meet and exceed our growing demand. This expansion is in the design stage and has been planned for the last two years. We expect to break ground in 2004.

The future of the City is being guided by an administration and City Council that is keeping close watch on our costs, as well as needs, in keeping the City an attractive place to raise a family and operate a successful business. With this strategy we feel the City will continue into the 21st century on a progressively positive note.

Department Focus Each year the City selects a department to highlight for its efforts and accomplishments. For 2002, we would like to focus on the City Parks and Recreation department.

The City of Dover Parks and Recreation department is responsible for the maintenance of two parks, two swimming pools, eight tennis courts, nine baseball and softball diamonds and the operation and rental of Memorial Hall. The department superintendent also serves as the Shade Tree Commissioner.

2002 was a banner year for the department due to a long awaited remodeling of Memorial Hall. Doing most of the carpentry work "in house" utilizing the expertise of the employees of the parks and recreation department, the basement of the hall was updated to provide the users with a more comfortable atmosphere. The basement is used for wedding receptions, anniversary parties, family reunions and a host of other parties throughout the years. The project is to be finalized in 2003. During the summer, the City pond was relocated to the other side of the creek. The pond was moved to this otherwise unusable piece of land, due to its low nature and the ensuing water problems. This allowed the area where the pond was previously located to be made useful for other purposes. This project was funded by a grant from the Ohio Department of Natural Resources. A picture of the new pond is featured on the front cover of this year's report. The pond will be stocked with aquatic wildlife for young fisherman, and a walking path has been installed around the pond. Donations were made by local civic organizations for two lighted fountains.

The Shade Tree Commission was busy this year with 102 new trees planted, 434 trees pruned and 66 trees removed. The Shade Tree Commission consists of eight members and the Commissioner. With the help of a consultant, the City's trees are inventoried, examined, and decisions are made by the Commission based on the consultants recommendations. The City has been the recipient of the Tree City USA award for the last twenty two years. Grants and donations have been made throughout the years to help maintain their noncapitalized asset value at over 4 million dollars to the City of Dover and its residents.

The Parks and Recreation Department does an outstanding job of keeping the parks beautiful and the many softball, volleyball, baseball and bocce leagues accommodated. A coed softball league was added in 2003, with hopes of expanding past the four teams that played. There were seven men's softball teams, seven women's and eight men's adult bocce teams. The youth baseball program had 32 teams with over 500 boys playing, while the girls had 17 teams with about 250 girls. Adult women's volleyball consisted of eight teams. Coed volleyball had twelve teams in 2002. The City offers classes throughout the year for various sports. We are happy to provide these services to the residents and plan to continue to improve and expand our park department to meet the needs of the citizens of Dover.

Financial Information

Internal Accounting and Budgetary Control In the preparation of its annual report, the City uses the modified accrual basis of accounting for governmental funds, and the accrual basis for enterprise, internal service and fiduciary funds. When using the modified accrual basis, revenues are recognized when measurable and available, and expenditures are recognized when goods and services are received. The

accrual basis recognizes revenues when earned and expenses when incurred. This timing enables management to improve the quality of its decision making process by providing more consistent, comparable information regarding the current and past operations and financial position of the City.

In developing and updating the City's accounting and reporting control system, consideration is given to the adequacy of internal control in providing reasonable but not absolute assurance regarding the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived from its implementation, and that the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. The City Auditor's responsibilities include evaluating the appropriateness of internal control, developing procedures to enhance internal control and working closely with outside auditors.

The City uses a fully automated accounting system which provides the capability to prepare financial information based on generally accepted accounting principles (GAAP) for governments. Budgetary control is maintained at the object level by the encumbrance of estimated purchase amounts coupled with the manual auditing of each purchase order prior to its release to a vendor or prior to payment to ensure that financial information generated is both accurate and reliable. Those purchase orders which exceed the available appropriation are returned to the department head.

The City adopts a temporary appropriation budget on or before January 1 of each year for the period January 1 through March 31. An annual appropriation budget is passed by April 1 of each year for the period January 1 through December 31. All disbursements and transfers of cash between funds require appropriation authority.

New Financial Reporting This is the second year the City has prepared financial statements following "GASB Statement 34 - Basic Financial Statements-and-Management's Discussion and Analysis - for State and Local Governments." GASB 34 creates new basic financial statements for reporting on the City's financial activities as follows:

> ***Government-wide financial statements*** These statements are prepared on an accrual basis of accounting, which is similar to the basis of accounting followed by many businesses. The government-wide statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.
>
> ***Fund financial statements*** These statements present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include reconciliation to the governmental activities accrual information presented in the government-wide financial statements. Proprietary and fiduciary funds use the accrual basis of accounting.
>
> ***Statements of budgetary comparisons*** These statements present comparisons of actual information to the legally adopted budget. The budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances.

As a part of this new reporting model, management is responsible for preparing a Management Discussion and Analysis of the City. This discussion follows the Independent Accountant's Report, providing an assessment of the City finances for 2002 and the outlook for the future.

Financial Highlights - Internal Service Fund There is one internal service fund carried on the City's financial records. The self insurance-internal service fund has net assets of ($5,993) as of December 31, 2002.

Cash Management Cash temporarily idle during the year was invested in demand deposits, certificates of deposit, STAR Ohio and mutual funds.

Protection of the City's deposits is provided by the federal deposit insurance corporation as well as by qualified securities pledged by the institution holding the assets. By law, financial institutions may establish a collateral pool to cover all public funds deposited.

Risk Management The City of Dover manages the hospital/medical health benefits for its employees on a self-insured basis. A third party administrator processes and pays the claims. An excess coverage insurance policy covers claims in excess of $45,000 per employee per year and in the aggregate of $1,172,568 per year. The advantages of the self-insurance arrangement include the City of Dover holding the reserves and earning interest on them as well as saving on administrative costs. Control of the plan rests with the City.

All employees of the City of Dover are covered by a blanket bond, while certain individuals in policy making roles are covered by separate, higher limit bond coverage. The City uses the State Workers' Compensation plan and pays the premium based on a rate per $100 of salaries. The City contracts for general liability insurance with a $1,000,000 limit and a $5,000,000 limit Umbrella Policy.

Independent Audit

The financial records, books of accounts and transactions of the City of Dover, Ohio, for the year ended December 31, 2002, have been audited by the Auditor of State Betty Montgomery's Office. The Auditor's opinion has been included in this report.

Awards

GFOA Certificate of Achievement The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Dover for its Comprehensive Annual Financial Report for the year ended December 31, 2001.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report which conforms to program standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to GFOA for review.

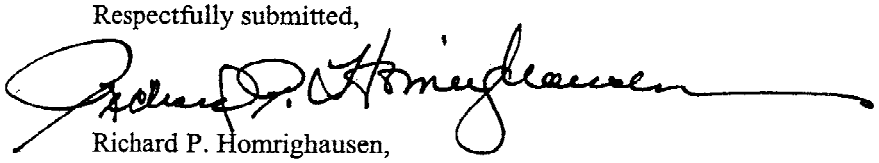
Tree City USA The City received its twenty-second Tree City USA Award for the year ended December 31, 2002. These prestigious awards recognize the City for its annual program of planting new trees and maintaining and removing old trees.

Acknowledgments

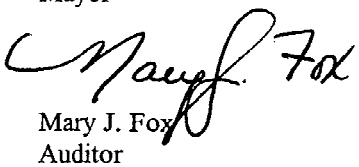
The preparation of the Comprehensive Annual Financial Report requires a major effort. We would like to thank everyone who has been involved in this report either directly or indirectly. The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the finance department, supervisors of other City departments, and both the Audit and the Local Government Services Section of the Auditor of State Betty Montgomery's office.

We are happy to report that the City's financial policies and management, combined with a strong local economy, have enabled Dover to continue to improve its already sound financial condition. In addition, the prospects for continuing this pattern are encouraging. Each year we renew our commitment to implement responsible and progressive changes in order to improve our responsiveness to the citizenry and to insure the financial stability of the community. We extend our appreciation to City Council for its support and commitment to responsible fiscal reporting.

Respectfully submitted,



Richard P. Homrighausen,
Mayor



Mary J. Fox
Auditor

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Dover, Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2001

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

President

Executive Director

City of Dover, Ohio
Principal Officials
December 31, 2002

Mayor	Richard P. Homrighausen
President of Council	Roy G. Crawford
Councilman – Ward I	George L. Wilson
Councilman – Ward II	Daniel R. Minnis
Councilman – Ward III	Sandra K. Moss
Councilman – Ward IV	Robert A. Mueller
Council-at-Large	J. Marc Cappell
Council-at-Large	Timothy W. Tarulli
Council-at-Large	Larry E. Kellicker
Clerk of Council	Lois A. Linard
Law Director	Zachary T. Space
Building Inspector	Kenneth G. Beitzel
Civil Service	Martha M. Mills

Finance Department

Auditor	Mary J. Fox
Treasurer	O. Colby Byrom
Income Tax Administrator	Sandra C. Hall

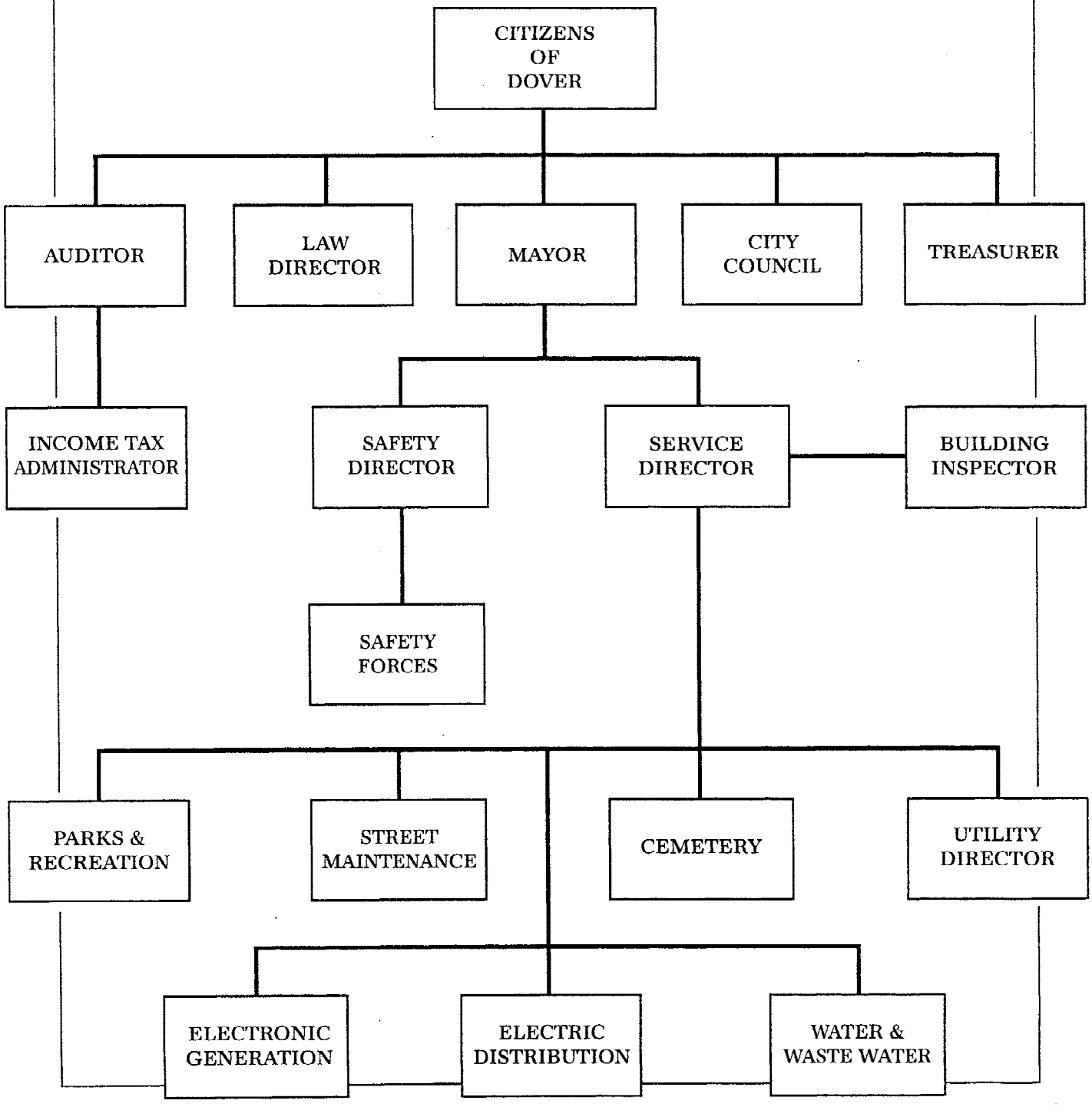
Safety Department

Safety Director	Tweed Vorhees
Fire Chief	Russell Volkert
Police Chief	Ronald R. Johnson

Service Department

Service Director	David F. Douglas
Cemetery	James A. Mizer
Electric Distribution	Lindley Singer
Electric Plant	David G. Borland
General Services	Rick D. Young
Parks and Recreation	William R. Heid
Utilities Office	Scott D. Daniels
Water and Sewer	Gary L. Taylor

CITY OF DOVER, OHIO
Organization Chart



DOVER
O·H·I·O

Financial Section

Auditor of State
Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

City of Dover
Tuscarawas County
122 East Third Street
Dover, Ohio 44622

To the Members of City Council:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dover, Tuscarawas County, Ohio (the City) as of and for the year ended December 31, 2002, which collectively comprise the City's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dover, Tuscarawas County, Ohio, as of December 31, 2002, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the General fund thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 6, 2003 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

111 Second St., NW / Fourth Floor / Canton, OH 44702
Telephone: (330) 438-0617 (800) 443-9272 Fax: (330) 471-0001
www.auditor.state.oh.us

We conducted our audit to form opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining nonmajor fund statements and schedules and statistical tables are presented for additional analysis and are not a required part of the basic financial statements. We subjected the combining nonmajor fund statements and schedules to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical tables to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

Betty Montgomery

Betty Montgomery
Auditor of State

June 6, 2003

The discussion and analysis for the City of Dover's financial statements provides an overall review of the financial activity of the City for the twelve months ended December 31, 2002. The intent of this discussion is to provide a narrative that describes the City's performance as a whole. To obtain a more detailed understanding, one should also review the transmittal letter and the basic financial statements.

Financial Highlights

Financial highlights for 2002 are as follows:

- Total Net Assets increased $335,123. Net Assets of governmental activities increased $723,024 which represents a 10 percent increase from 2001. Net assets of business-type activities decreased $387,901 or 1 percent from 2001.
- Total Assets of Government Activities increased $996,127 or 8 percent above the 2001 level.
- Total Current Liabilities decreased $15,611.
- Total Capital Assets increased $754,113, which represents a 2 percent increase.
- Total Outstanding Debt decreased $984,465 or 4 percent during 2002.

Using this Annual Financial Report

This report is designed to allow the reader to look at the financial activities of the City of Dover as a whole and is intended to allow the reader to obtain a summary view or a more detailed view of the City operations, as they prefer.

The Statement of Net Assets and the Statement of Changes in Net Assets provide information from a summary perspective showing the effects of the operations for the year 2002 and how they affected the operations of the City as a whole.

Reporting the City of Dover as a Whole

Statement of Net Assets and Statement of Activities

The Statement of Net Assets and the Statement of Activities provide summary information concerning the financial position and operations of the City as an entity. They provide a good resource for an overall evaluation of the City's financial performance "on one page." These statements include all non-fiduciary assets and liabilities using the accrual basis of accounting. This method takes into account all revenues when they are earned and all expenses when they are incurred. These transactions are booked when they occur and not when the actual cash is received for revenues or when invoices are paid for expenses.

These two statements report the City's net assets and changes in those assets. The change in net assets is important since it is an indication of whether the financial position of the City is improving or declining. However, to properly evaluate the operation of the City, certain non-cash items should be taken into consideration. These items would include the current economic situation as a whole, the current tax base for the City and the age and condition of the City buildings and infrastructure.

In the Statement of Net Assets and the Statement of Activities, the City is divided into two major activities:

- Governmental Activities - Most of the City's programs and services are reported here, including general government, security of persons and property, transportation, public health services, community environment, basic utility services, and leisure time activities.

- Business-Type Activities - These services are provided on a fee basis to recover all of the expenses of the goods or services provided. The City's business-type activities are sewer, electric and water.

Reporting on the Most Significant Funds of the City of Dover

Fund Financial Statements

The analysis of the City's major funds begins on page 8. The fund financial reports give a detailed report of the activities within the funds. The City currently has twenty funds. These funds are in existence to provide a multitude of services to the citizens of Dover. Each fund is in some ways an entity unto itself. Each fund has a designed revenue stream and restricted uses for the monies within the fund.

In this report, the focus is on five major funds, the General fund, the Master Capital fund, the Sewer fund, the Electric fund, and the Water fund. For purposes of this report, the Sewer Revenue and Wastewater Reserve are reported as the "Sewer Fund." Likewise the Electric Revenue, Guarantee Deposit, Electric Replacement and Improvement, Electric System Construction, Electric System Capital Reserve, Electric Surplus, and the Municipal Electric Improvement are all reported under the "Electric Fund" and the Water Revenue, Water Surplus, Water Construction and the Water Replacement and Improvement are reported as the "Water Fund"

Governmental Funds All of the City's major activities (excluding the Water, Sewer and Electric funds) are reported in the governmental funds. This report shows how monies flow into and out of these funds and also shows what balances are available for future expenditures. The accounting method used to report this activity is the modified accrual method. This method reports cash and like-cash items that can be converted into cash. This shows what level of financial resources is available or will be available to provide the services that the general government provides in the near future. These services include police and fire protection, as well as the improving and maintaining the City's streets, parks, cemeteries, and City Hall. The relationship between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and the government funds is reconciled in the financial statements.

Proprietary Funds Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match.

The City of Dover as a Whole

The Statement of Net Assets provides an overall view of the City. Table 1 shows a summary of the City's net assets for 2002 as they compare to 2001.

Table 1
Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2001	2002	2001	2002	2001	2002
Assets						
Current and Other Assets	$7,265,167	$7,355,162	$16,350,784	$15,247,778	$23,615,951	$22,602,940
Capital Assets, Net	5,541,325	6,447,457	38,918,279	38,766,260	44,459,604	45,213,717
Total Assets	12,806,492	13,802,619	55,269,063	54,014,038	68,075,555	67,816,657
Liabilities						
Current Liabilities	4,062,763	4,244,903	8,042,413	7,844,662	12,105,176	12,089,565
Long-Term Liabilities:						
Due Within One Year	281,246	300,923	929,815	990,578	1,211,061	1,291,501
Due in More Than One Year	1,050,692	1,121,978	15,318,655	14,588,519	16,369,347	15,710,497
Total Liabilities	5,394,701	5,667,804	24,290,883	23,423,759	29,685,584	29,091,563
Net Assets						
Invested in Capital Assets, Net of Related Debt	3,071,325	3,897,457	19,203,899	18,093,037	22,275,224	21,990,494
Restricted for:						
Other Purposes	1,280,927	1,226,474	0	0	1,280,927	1,226,474
Replacement and Improvement	0	0	4,690,504	4,269,181	4,690,504	4,269,181
Unrestricted	3,059,539	3,010,884	7,083,777	8,228,061	10,143,316	11,238,945
Total Net Assets	$7,411,791	$8,134,815	$30,978,180	$30,590,279	$38,389,971	$38,725,094

Total assets decreased in 2002 by $258,898. Total liabilities decreased by $594,021. Assets and liabilities remained consistent to that of 2001.

The reduction of $594,021 in total liabilities is due to reductions in both current as well as long-term liabilities. The reduction in current liabilities is $15,611. The reduction in long-term liabilities is primarily the result of the payments on the revenue bonds and debt in the enterprise funds. All three utilities have long-term debt.

Total net assets increased by $335,123. This number reflects an increase in governmental activities and a decrease in the net assets of the business-type activities.

The City also works hard to increase net assets through our investment program. Investment earnings for governmental and business-type activities were $399,371 in 2002. This is a decrease of $274,984 from 2001. This decrease is a result of lower interest rates and the timing of City investments.

Table 2 shows the changes in net assets for the fiscal year 2002 for both our Governmental activities and our Business-Type activities. Since this is the second year the City is reporting under the GASB 34 reporting model, revenue and expense comparisons can be made between the years 2001 and 2002.

Table 2
Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2001	2002	2001	2002	2001	2002
Revenues						
Program Revenues:						
Charges for Services	$772,159	$899,791	$15,825,874	$17,045,341	$16,598,033	$17,945,132
Operating Grants and Contributions	455,451	456,671	0	0	455,451	456,671
Capital Grants and Contributions	331,673	322,207	193,814	97,692	525,487	419,899
Total Program Revenues	1,559,283	1,678,669	16,019,688	17,143,033	17,578,971	18,821,702
General Revenues:						
Property Taxes	1,051,082	1,070,319	0	0	1,051,082	1,070,319
Income Taxes	3,136,284	2,980,329	0	0	3,136,284	2,980,329
Grants and Entitlements	1,807,058	1,545,024	0	0	1,807,058	1,545,024
Investments	361,563	313,767	312,792	85,604	674,355	399,371
Miscellaneous	168,593	86,492	67,787	84,893	236,380	171,385
Total General Revenues	6,524,580	5,995,931	380,579	170,497	6,905,159	6,166,428
Total Revenues	8,083,863	7,674,600	16,400,267	17,313,530	24,484,130	24,988,130
Program Expenses						
General Government	843,700	969,886	0	0	843,700	969,886
Security of Persons and Property	2,961,926	3,104,690	0	0	2,961,926	3,104,690
Transportation	421,984	1,296,099	0	0	421,984	1,296,099
Public Health Services	459,964	483,663	0	0	459,964	483,663
Community Environment	72,811	82,789	0	0	72,811	82,789
Basic Utility Service	441,833	361,789	0	0	441,833	361,789
Leisure Time Activites	599,834	540,740	0	0	599,834	540,740
Interest and Fiscal Charges	94,682	119,045	0	0	94,682	119,045
Enterprise Operations:						
Sewer	0	0	1,786,036	1,732,960	1,786,036	1,732,960
Electric	0	0	13,217,704	13,961,954	13,217,704	13,961,954
Water	0	0	2,029,701	1,999,392	2,029,701	1,999,392
Total Program Expenses	5,896,734	6,958,701	17,033,441	17,694,306	22,930,175	24,653,007
Increase (Decrease) in Net Assets Before Transfers	2,187,129	715,899	(633,174)	(380,776)	1,553,955	335,123
Transfers	11,325	7,125	(11,325)	(7,125)	0	0
Increase (Decrease) in Net Assets	$2,198,454	$723,024	($644,499)	($387,901)	$1,553,955	$335,123

Governmental Activities

The funding for the governmental activities comes from several different sources, the most significant being the municipal income tax. Other prominent sources are property taxes, grants and entitlements, charges for services, and investment interest.

The City's income tax was established by ordinance to be effective January 1, 1970 at a rate of 1 percent. The rate has not been increased. Even though this rate is much lower than the state average for municipalities that have an income tax, there are no plans at this time to increase the rate. The income tax accounted for revenues of $2,980,329 in 2002. These revenues were split with 40 percent to the Master Capital fund, and the remaining 60 percent divided between the Street Maintenance and Repair fund, the Cemetery fund, the Police and Fire Pension fund and the General fund. The income tax revenue is distributed to the special revenue funds on an as needed basis as a subsidy. Remaining income tax revenue is receipted in the General fund. This allocation is set by ordinance and changed throughout the year to reflect need. At this time there are no plans to change the percentage of allocation to the Master Capital fund. This practice of putting a percentage of income tax revenue into the Master Capital fund has been an excellent tool for the City in making capital improvements without the need to issue debt.

Police and fire represent the largest expense of the Governmental Activities. This expense of $3,104,690 represents 45 percent of the total expenses. These two departments operate out of the General fund.

Our Fire Department employs 17 full time employees including the Chief. The City is very committed to maintaining a very efficient department. Regular meetings, drills, and training sessions are held. There is a strong emphasis on equipment with financial planning in place for replacement of worn equipment on a regular basis. The department's functions include firefighting, emergency medical service including paramedic service, fire prevention education, and investigation. The department also contracts with Dover Township to provide firefighting and emergency medical services. The revenues generated by this contract are reported under the charges for services area.

Our Police Department is also funded through the General fund. The department is a full time 24 hour a day, 365 days a year department with 22 officers and a full time Chief.

Our Street Maintenance and Repair and Traffic Department employs 16 full time employees who provide the City and its citizens many services that include public road salting, leaf and debris pickup, paint striping, and alley profiling. Transportation expenses increased by $874,155 due to several non-capitalized repairs.

The City also maintains two cemeteries (public health services) and two parks (leisure time activities) within the City. These areas had expenses of $1,024,403 in 2002, equaling 15 percent of the total governmental services expenses.

Business-Type Activities

The City also operates a Utility Department that consists of three utilities. The largest from an asset and revenue standpoint is the electric utility. This utility consists of a coal fired generation plant and distribution system that serves the City and surrounding area with reliable and competitively priced power. In 2002, the electric utility sold 230,889,319 KWH of electricity to generate $13,382,771 in revenue. We burned 41,167 tons of coal at a cost of $1,396,581. In 2001, the City entered into a joint venture project with other municipalities and American Municipal Power of Ohio (AMP Ohio) to ensure the availability and consistent pricing when purchasing peak power. This investment helps to ensure the

City's goal of reliable, affordable power and gives the City the opportunity of selling any excess City owned power to others.

The water utility services 5,422 residents with a minimum monthly pumpage of 1.52 million gallons and a maximum monthly pumpage of 3.54 million gallons in 2002. The water plant is the newest of the utility facilities. It was put into service in 1998. The raw water is supplied through four wells currently in service into the plant where it's treated with chlorine and filtered through green sand filters and distributed throughout the City. The City has three water towers.

The sewer facility processed an average of 1,365,000 gallons per day during 2002. This facility is near its peak capacity and a sludge press was added in 2001 to increase the efficiency of the plant. The City is moving forward with a sewer plant expansion.

The revenues and expenses for all three of these utilities are reported under the business-type activities on Table 2. The majority of the City's revenues and expenses flow through the business-type activities. The revenues are generated primarily from charges for services. In 2002, charges for services of $17,045,341 accounted for 98 percent of the revenues. The total expenses for the utilities were $17,694,306, thus leaving a decrease in net assets of $380,776 for the business-type activities.

The City's Funds

Information about the City's governmental funds begins on page 16. These funds are accounted for using the modified accrual method of accounting. All governmental funds had revenues of $7,428,171 and expenditures of $7,499,492. The funds are monitored consistently with adjustments made throughout the year in budgets to accommodate yearly revenues. The one fund that consistently exceeds our expenditure expectations is our Employee Health Insurance fund. Our medical and dental benefit plans have been self-funded since 1988. The monthly premium paid to the fund was increased in 2002 to help offset the rising costs. We are currently in the process of negotiating with our unions for plan modifications to help control plan costs.

Information about the Proprietary Funds starts on page 21. These funds are accounted for on an accrual basis. All business type funds had operating revenues of $17,130,234, which exceeded operating expenses of $16,269,525 by $860,709 or 5 percent of operating revenues. The City is consistent with reviews of these funds, and the necessary adjustments are made to ensure strength in our enterprise funds.

Budgeting Highlights

The City's budget is prepared according to the laws of the State of Ohio and is based on accounting for certain transactions on a cash basis for receipts, expenditures, and encumbrances. The City of Dover is somewhat different than many other Ohio cities its size in that the General fund is not our most significant fund. Because we own and operate an electric generating and distribution facility, our Electric fund is our most significant. Our budget is adopted at object level within each department. Any budgetary modifications at the level may only be made by Councilmatic action.

All recommendations for appropriation changes come to Council from the City Auditor. The Finance Committee of Council reviews them, and they make their recommendation to the Council as a whole.

Strong emphasis is placed on fund balances. The City Auditor reviews fund balances on a daily basis. Special attention is paid to the operating funds, which are the General, the Electric, Sewer and Water

funds. Council also receives a monthly report showing beginning fund balance for all funds at the beginning of the year, the change in the balance thus far year to date, and the current fund balance.

Line item reports are reviewed regularly by the City Auditor to ensure spending is within the legal level. The managers and superintendents, as well as the Utility and Safety Service Directors, also monitor their appropriations and fund balances to ensure the entire operation of the City operates within the appropriations.

Capital Assets

Table 3
Capital Assets at December 31

	Governmental Activities		Business-Type Activities		Total	
	2001	2002	2001	2002	2001	2002
Land	$851,930	$851,930	$410,386	$410,386	$1,262,316	$1,262,316
Buildings and Improvements	1,392,530	1,530,700	13,572,842	13,209,058	14,965,372	14,739,758
Improvements Other than Buildings	401,319	452,714	0	0	401,319	452,714
Equipment and Machinery	909,702	951,809	5,730,876	5,104,480	6,640,578	6,056,289
Furniture and Fixtures	25,754	22,205	72,870	66,949	98,624	89,154
Vehicles	384,779	363,690	456,693	337,712	841,472	701,402
Infrastructure	1,575,311	2,274,409	14,484,068	14,492,291	16,059,379	16,766,700
Construction-In-Progress	0	0	4,290,544	5,145,384	4,290,544	5,145,384
Total Capital Assets	$5,541,325	$6,447,457	$39,018,279	$38,766,260	$44,559,604	$45,213,717

Total Capital Assets for the City of Dover for the year ended December 31, 2002 were $45,213,717, which reflects a $654,113 increase over the 2001 figure of $44,559,604. Infrastructure acquired or constructed prior to 2000 has not been reported in the governmental activities. In 2001, the City reported its current year infrastructure and will phase in the beginning balance in future years. In 2002, $737,846 was added for the improvements and additions to fire hydrants, streets and storm sewers bringing the total governmental infrastructure to $2,329,259. In the business-type activities, there was a decrease of $252,019 for 2002. Note 7 provides capital asset activity during the 2002 year.

Debt

The outstanding debt for the City of Dover as of December 31, 2002 was $23,851,142. This balance reflected a reduction of $984,465 from the previous year's balance of $24,835,607, a reduction of 4.0 percent.

Table 4
Oustanding Debt at Year End

	Governmental Activities		Business-Type Activities		Total	
	2001	2002	2001	2002	2001	2002
Police and Fire Pension	$320,607	$316,142	$0	$0	$320,607	$316,142
Revenue Bonds	0	0	13,980,000	13,530,000	13,980,000	13,530,000
General Obligations Bonds	0	0	1,415,000	1,205,000	1,415,000	1,205,000
Notes Payable	2,470,000	2,550,000	6,650,000	6,250,000	9,120,000	8,800,000
Total	$2,790,607	$2,866,142	$22,045,000	$20,985,000	$24,835,607	$23,851,142

The Utility Department carries the vast majority of the debt, the largest debt being that of the electric utility. Most of this debt is a revenue bond, and various purpose notes that were issued for major upgrades to the power plant. The electric utility also has two outstanding general obligation bonds in the amount of $430,000.

The water utility has a revenue bond issued in 1994 for the construction of a new treatment plant. It is scheduled to be paid off in 2020.

The sewer utility has a general obligation bond. It will be paid off in 2009.

Debt service current year payments for the electric utility in 2002 were $7,056,063. For the sewer utility it was $921,177, and for the water utility $499,251.

Additional information on the City's long-term debt can be found in Note 9 of this report. Note 13 provides information regarding bond anticipation notes.

Current Financial Issues

The City of Dover is in the process of growing. Annexation of over 250 acres of land was finalized in April of 2002. With this annexation came a few businesses and the opportunity for another Industrial Park. The City administration is currently working with businesses to occupy the park. Extension of City utilities to the new area is in the planning and design stages. The City is currently going through the process to obtain an engineering firm and alternative funding through grants, is being actively pursued.

The City is exploring various economic development plans to entice businesses to locate or expand their business to the City of Dover.

The City is consistently searching for ways to improve the electric service to our residents. An improvement project started in 1999 is still in progress. This project is enhancing the City's electric system's integrity in the event of a natural disaster affecting a substation, allowing the City to change automatically to an alternate feeder without any disruption of service.

The fiber optic cable network currently in place is being used as a tool to attract new and existing businesses to the City of Dover. The use of the cable will provide a business in Dover with reliable, efficient access to virtually anywhere in the world. The benefit of the use of the cable to the medical community would be the link to any specialist throughout the world. We feel this access to technology is worth exploring and the administration is researching the most cost efficient ways to provide the City of Dover and its citizens the pathway to this technology.

In the year 2003, the City of Dover is moving forward with a plan to use the existing fiber optic network to its greatest potential by providing our business and industry with high speed broadband communications. This will begin with a plan to interconnect all City of Dover facilities via a local area network to improve our communications capabilities. We will then move to provide business and industry with those same services. A plan to provide these services to our residential customers will also be developed.

The City is currently in the process of interviewing engineering firms for the sewer plant expansion project. This project is expected to break ground in 2004. The City will be seeking financing for the project through grants, loans or a revenue bond issuance.

The City plans to replace its 1968 snorkel fire truck in 2003, the City has been anticipating replacement for several years and earmarking funds. The estimated cost of replacement is $625,000.

The plans for the future are always made keeping a careful watch on the financial condition of the City. The City of Dover is financially strong. It is the goal to keep it that way and still grow and meet the needs of the future. Even though the year 2002 was a year of economic downturn, the City of Dover showed its strength by continuing to provide service to the citizens at its highest level. All our City departments stayed staffed at full levels, and continued to proceed with business as usual. In the year 2003, the City will continue the replacement plans currently in place for equipment, proceed with the yearly paving programs, and extend our streets and utilities to new areas. City Council has again provided funding for a sidewalk replacement program and an alley paving program. With 2003 being the year of the State of Ohio's Bicentennial, the City of Dover has implemented a downtown banner program, as well as other events to join the State in its celebration.

The Council and the Administration work very hard to keep the City fiscally strong. We watch our funds closely and make sure monies are budgeted to provide for proper maintenance of our equipment and facilities. Our administration and department superintendents are all involved in our budget process. Our budget is developed from the bottom up with the emphasis of good stewardship of our ratepayers and taxpayers money.

The City of Dover has committed itself to financial excellence. We are reporting under the GASB 34 statement earlier than required, and we are also preparing a Comprehensive Annual Financial Report for the sixteenth time. We will be submitting our CAFR for the Government Finance Officers Award Certificate of Achievement of Excellence.

On behalf of the City of Dover we would like to thank the staff from the Auditor of State for their help in preparing this report. They were cooperative, professional, efficient, and their guidance is extremely helpful and appreciated during this time and throughout the year.

Contacting the City's Finance Department

This report is intended to provide our citizens and anyone interested in the financial aspects of the City of Dover a general overview of our financial operation. If there are questions, please contact Auditor, Mary J. Fox, City of Dover, 122 East Third Street, Dover, Ohio 44622, telephone 330-343-6395 or website at www.doverohio.com.

City of Dover, Ohio
Statement of Net Assets
December 31, 2002

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	$3,993,471	$7,149,285	$11,142,756
Cash and Cash Equivalents:			
In Segregated Accounts	0	1,389,834	1,389,834
With Fiscal Agents	38,124	87,062	125,186
Materials and Supplies Inventory	108,433	908,407	1,016,840
Accrued Interest Receivable	190,375	0	190,375
Accounts Receivable	112,670	2,324,396	2,437,066
Internal Balances	2,670	(2,670)	0
Intergovernmental Receivable	900,716	3,312	904,028
Prepaid Items	69,784	364,081	433,865
Unamortized Bond Issuance Costs	0	311,777	311,777
Income Tax Receivable	830,981	0	830,981
Property Taxes Receivable	1,083,156	0	1,083,156
Loans Receivable	24,782	0	24,782
Investment in Joint Venture	0	2,712,294	2,712,294
Nondepreciable Capital Assets	851,930	5,555,770	6,407,700
Depreciable Capital Assets, Net	5,595,527	33,210,490	38,806,017
Total Assets	13,802,619	54,014,038	67,816,657
Liabilities			
Accounts Payable	37,075	134,391	171,466
Accrued Wages	105,722	89,971	195,693
Contracts Payable	100,140	709,098	809,238
Intergovernmental Payable	230,138	179,941	410,079
Matured Interest Payable	1,735	3,204	4,939
Accrued Interest Payable	80,234	308,983	389,217
Retainage Payable	36,389	83,858	120,247
Customer Deposits	0	85,216	85,216
Claims Payable	62,583	0	62,583
Deferred Revenue	1,040,887	0	1,040,887
Notes Payable	2,550,000	6,250,000	8,800,000
Long-Term Liabilities:			
Due Within One Year	300,923	990,578	1,291,501
Due In More Than One Year	1,121,978	14,588,519	15,710,497
Total Liabilities	5,667,804	23,423,759	29,091,563
Net Assets			
Invested in Capital Assets, Net of Related Debt	3,897,457	18,093,037	21,990,494
Restricted for:			
Electric Replacement and Improvement	0	3,634,618	3,634,618
Water Replacement and Improvement	0	634,563	634,563
Other Purposes	1,226,474	0	1,226,474
Unrestricted	3,010,884	8,228,061	11,238,945
Total Net Assets	$8,134,815	$30,590,279	$38,725,094

See accompanying notes to the basic financial statements

City of Dover, Ohio
Statement of Activities
For the Year Ended December 31, 2002

	Expenses	Program Revenues: Charges for Services and Sales	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Governmental Activities:				
General Government	$969,886	$40,206	$0	$0
Security of Persons and Property	3,104,690	109,674	0	20,607
Transportation	1,296,099	1,308	456,671	262,000
Public Health Services	483,663	241,210	0	0
Community Environment	82,789	21,122	0	39,600
Basic Utility Services	361,789	418,426	0	0
Leisure Time Activities	540,740	67,845	0	0
Interest and Fiscal Charges	119,045	0	0	0
Total Governmental Activities	6,958,701	899,791	456,671	322,207
Business-Type Activities:				
Sewer	1,732,960	1,900,129	0	44,472
Electric	13,961,954	13,382,771	0	0
Water	1,999,392	1,762,441	0	53,220
Total Business-Type Activities	17,694,306	17,045,341	0	97,692
Total - Primary Government	$24,653,007	$17,945,132	$456,671	$419,899

General Revenues
Property Taxes Levied for:
  General Purposes
  Other Purposes
Income Tax Levied for:
  General Purposes
  Other Purposes
  Capital Outlay
Grants and Entitlements not Restricted to Specific Programs
Investment Earnings
Miscellaneous

Total General Revenues

Transfers

Total General Revenues and Transfers

Change in Net Assets

Net Assets Beginning of Year - Restated (See Note 18)

Net Assets End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-Type Activities	Total
($929,680)	$0	($929,680)
(2,974,409)	0	(2,974,409)
(576,120)	0	(576,120)
(242,453)	0	(242,453)
(22,067)	0	(22,067)
56,637	0	56,637
(472,895)	0	(472,895)
(119,045)	0	(119,045)
(5,280,032)	0	(5,280,032)
0	211,641	211,641
0	(579,183)	(579,183)
0	(183,731)	(183,731)
0	(551,273)	(551,273)
(5,280,032)	(551,273)	(5,831,305)
960,839	0	960,839
109,480	0	109,480
1,035,582	0	1,035,582
752,310		752,310
1,192,437	0	1,192,437
1,545,024	0	1,545,024
313,767	85,604	399,371
86,492	84,893	171,385
5,995,931	170,497	6,166,428
7,125	(7,125)	0
6,003,056	163,372	6,166,428
723,024	(387,901)	335,123
7,411,791	30,978,180	38,389,971
$8,134,815	$30,590,279	$38,725,094

City of Dover, Ohio
Balance Sheet
Governmental Funds
December 31, 2002

	General	Master Capital	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	$1,740,108	$1,240,029	$956,744	$3,936,881
Cash and Cash Equivalents With Fiscal Agents	0	33,890	4,234	38,124
Materials and Supplies Inventory	17,950	0	90,483	108,433
Accrued Interest Receivable	152,041	0	38,334	190,375
Accounts Receivable	71,975	0	40,695	112,670
Intergovernmental Receivable	629,818	0	270,898	900,716
Prepaid Items	49,169	0	20,615	69,784
Income Taxes Receivable	293,805	315,864	221,312	830,981
Property Taxes Receivable	946,641	0	136,515	1,083,156
Loans Receivable	0	0	24,782	24,782
Total Assets	$3,901,507	$1,589,783	$1,804,612	$7,295,902
Liabilities				
Accounts Payable	$29,038	$2,728	$5,309	$37,075
Accrued Wages	84,496	0	21,226	105,722
Contracts Payable	65,162	25,100	9,878	100,140
Intergovernmental Payable	44,746	0	13,355	58,101
Matured Interest Payable	0	0	1,735	1,735
Accrued Interest Payable	0	76,875	0	76,875
Retainage Payable	0	33,890	2,499	36,389
Deferred Revenue	1,695,812	181,239	543,498	2,420,549
Notes Payable	0	2,550,000	0	2,550,000
Total Liabilities	1,919,254	2,869,832	597,500	5,386,586
Fund Balances				
Reserved for Encumbrances	87,425	423,209	15,468	526,102
Reserved for Loans Receivable	0	0	24,782	24,782
Unreserved:				
Undesignated (Deficit), Reported in:				
General Fund	1,894,828	0	0	1,894,828
Special Revenue Funds	0	0	1,166,862	1,166,862
Capital Projects Funds	0	(1,703,258)	0	(1,703,258)
Total Fund Balances	1,982,253	(1,280,049)	1,207,112	1,909,316
Total Liabilities and Fund Balances	$3,901,507	$1,589,783	$1,804,612	$7,295,902

See accompanying notes to the basic financial statements

City of Dover, Ohio

Reconciliation of Total Governmental Fund Balances to
Net Assets of Governmental Activities
December 31, 2002

Total Governmental Fund Balances		$1,909,316
Amounts reported for governmental activities in the statement of net assets are different because		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds		6,447,457
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Property Taxes	42,269	
Income Tax	476,807	
Grants	819,891	
Charges for Services	40,695	
Total		1,379,662
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental-type activities in the statement of net assets.		(5,993)
Intergovernmental payable includes contractually required pension contributions not expected to be paid with expendable available financial resources and therefore not reported in the funds.		(172,037)
An internal balance is recorded in governmental activities to reflect underpayments to the internal service fund by the business-type activities.		2,670
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(3,359)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Police and Fire Pension	(316,142)	
Compensated Absences	(1,106,759)	
Total		(1,422,901)
Net Assets of Governmental Activities		$8,134,815

See accompanying notes to the basic financial statements

City of Dover, Ohio

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Year Ended December 31, 2002

	General	Master Capital	Other Governmental Funds	Total Governmental Funds
Revenues				
Property and Other Local Taxes	$964,780	$0	$109,757	$1,074,537
Income Taxes	1,019,241	1,174,920	849,326	3,043,487
Intergovernmental	1,442,494	0	557,373	1,999,867
Interest	254,947	0	58,807	313,754
Fines, Licenses and Permits	68,466	0	3,534	72,000
Charges for Services	586,581	0	251,824	838,405
Other	67,801	15,097	3,223	86,121
Total Revenues	4,404,310	1,190,017	1,833,844	7,428,171
Expenditures				
Current:				
General Government	959,875	0	0	959,875
Security of Persons and Property	2,755,176	0	437,116	3,192,292
Transportation	0	0	820,998	820,998
Public Health Services	10,695	0	466,875	477,570
Community Environment	70,183	0	0	70,183
Basic Utility Services	361,789	0	0	361,789
Leisure Time Activities	578,440	0	0	578,440
Capital Outlay	0	879,672	39,600	919,272
Debt Service:				
Interest and Fiscal Charges	0	119,073	0	119,073
Total Expenditures	4,736,158	998,745	1,764,589	7,499,492
Excess of Revenues Over (Under) Expenditures	(331,848)	191,272	69,255	(71,321)
Other Financing Sources (Uses)				
Transfers In	0	0	103,114	103,114
Transfers Out	0	(95,989)	0	(95,989)
Total Other Financing Sources (Uses)	0	(95,989)	103,114	7,125
Net Change in Fund Balances	(331,848)	95,283	172,369	(64,196)
Fund Balances (Deficit) Beginning of Year	2,314,101	(1,375,332)	1,034,743	1,973,512
Fund Balances (Deficit) End of Year	$1,982,253	($1,280,049)	$1,207,112	$1,909,316

See accompanying notes to the basic financial statements

City of Dover, Ohio

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2002

Net Change in Fund Balances - Total Governmental Funds		($64,196)
Amounts reported for governmental activities in the statement of activities are different because		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Capital Asset Additions	1,339,713	
Current Year Depreciation	(433,581)	
Total		906,132
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property Taxes	(4,218)	
Income Tax	(63,158)	
Charges for Services	(10,614)	
Grants	62,035	
Total		(15,955)
Repayment of the police and fire pension liability is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		4,465
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		28
Some expenses reported in the statement of activities, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Compensated Absences	(95,428)	
Pension Obligation	(11,941)	
Total		(107,369)
The internal service funds used by management to charge the the cost of insurance to individual funds is not reported in the entity-wide statement of activities. Governmental expenditures and related internal service fund revenues are eliminated. The change for governmental funds is reported for the year.		(81)
Change in Net Assets of Governmental Activities		$723,024

See accompanying notes to the basic financial statements

City of Dover, Ohio

Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2002

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property and Other Local Taxes	$1,010,000	$926,100	$964,780	$38,680
Income Taxes	1,000,000	1,104,512	1,061,386	(43,126)
Intergovernmental	1,017,962	1,441,709	1,445,965	4,256
Interest	251,155	251,155	221,174	(29,981)
Fines, Licenses and Permits	38,600	38,100	68,559	30,459
Charges for Services	535,984	535,984	593,844	57,860
Other	38,292	33,292	59,824	26,532
Total Revenues	3,891,993	4,330,852	4,415,532	84,680
Expenditures				
Current:				
General Government	1,747,355	1,230,523	1,000,093	230,430
Security of Persons and Property	2,893,722	2,992,951	2,777,173	215,778
Public Health Services	0	11,500	10,868	632
Community Environment	56,825	74,819	70,925	3,894
Basic Utility Services	0	378,300	361,789	16,511
Leisure Time Activities	635,712	642,713	610,490	32,223
Total Expenditures	5,333,614	5,330,806	4,831,338	499,468
Net Change in Fund Balance	(1,441,621)	(999,954)	(415,806)	584,148
Fund Balance Beginning of Year	1,911,281	1,911,281	1,911,281	0
Prior Year Encumbrances Appropriated	147,561	147,561	147,561	0
Fund Balance End of Year	$617,221	$1,058,888	$1,643,036	$584,148

See accompanying notes to the basic financial statements

City of Dover, Ohio
Statement of Fund Net Assets
Proprietary Funds
December 31, 2002

	Business-Type Activities				Governmental Activities - Internal Service Fund
	Sewer	Electric	Water	Total	
Assets					
Current Assets:					
Equity in Pooled Cash and Cash Equivalents	$301,261	$1,866,703	$309,424	$2,477,388	$56,590
Cash and Cash Equivalents					
With Fiscal Agents	15,884	47,149	24,029	87,062	0
Receivables:					
Accounts	310,648	1,714,222	299,526	2,324,396	0
Intergovernmental	3,312	0	0	3,312	0
Materials and Supplies Inventory	13,392	797,267	97,748	908,407	0
Prepaid Items	71,763	208,976	83,342	364,081	0
Total Current Assets	716,260	4,634,317	814,069	6,164,646	56,590
Non-Current Assets:					
Restricted Assets:					
Equity in Pooled Cash and Cash Equivalents	317,414	3,719,920	634,563	4,671,897	0
Cash Equivalents in Segregated Accounts Held by Trustee	0	839,633	550,201	1,389,834	0
Deferred Charges	11,960	193,752	106,065	311,777	0
Investment in Joint Venture	0	2,712,294	0	2,712,294	0
Land and Construction in Progress	137,969	5,380,380	37,421	5,555,770	0
Depreciable Capital Assets, Net	9,590,418	13,370,576	10,249,496	33,210,490	0
Total Non-Current Assets	10,057,761	26,216,555	11,577,746	47,852,062	0
Total Assets	10,774,021	30,850,872	12,391,815	54,016,708	56,590
Liabilities					
Current Liabilities:					
Accounts Payable	$6,191	$100,068	$28,132	$134,391	$0
Accrued Wages	18,286	55,427	16,258	89,971	0
Contracts Payable	14,991	689,107	5,000	709,098	0
Intergovernmental Payable	34,719	117,213	28,009	179,941	0
Compensated Absences Payable	76,991	178,845	39,742	295,578	0
Matured Interest Payable	0	927	2,277	3,204	0
Accrued Interest Payable	25,875	208,650	0	234,525	0
Retainage Payable	15,884	46,222	21,752	83,858	0
Customer Deposits	0	85,216	0	85,216	0
Notes Payable	750,000	5,500,000	0	6,250,000	0
Claims Payable	0	0	0	0	62,583
Total Current Liabilities	942,937	6,981,675	141,170	8,065,782	62,583
Current Liabilities Payable from Restricted Assets:					
Accrued Interest Payable	4,534	42,974	26,950	74,458	0
Revenue Bonds Payable	0	300,000	180,000	480,000	0
General Obligation Bonds Payable	90,000	130,000	0	220,000	0
Total Current Liabilities Payable from Restricted Assets	94,534	472,974	206,950	774,458	0
Long-Term Liabilities:					
Compensated Absences Payable (net of current portion)	130,418	249,826	168,275	548,519	0
General Obligation Payable (net of current portion)	685,000	300,000	0	985,000	0
Revenue Bonds Payable (net of current portion)	0	7,835,000	5,215,000	13,050,000	0
				0	
Total Long-Term Liabilities	815,418	8,384,826	5,383,275	14,583,519	0
Total Liabilities	1,852,889	15,839,475	5,731,395	23,423,759	62,583
Net Assets					
Invested in Capital Assets, Net of Related Debt	8,215,347	4,879,708	4,997,982	18,093,037	0
Restricted for:					
Replacement and Improvement	0	3,634,618	634,563	4,269,181	0
Unrestricted (Deficit)	705,785	6,497,071	1,027,875	8,230,731	(5,993)
Total Net Assets (Deficit)	$8,921,132	$15,011,397	$6,660,420	30,592,949	($5,993)
Some amounts reported for business-type activities in the statement of net assets are different because internal service fund assets and liabilities are included with business-type activities.				(2,670)	
			Net assets of business-type activities	$30,590,279	

See accompanying notes to the basic financial statements

City of Dover, Ohio
Statement of Revenues,
Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2002

	Business-Type	
	Sewer	Electric
Operating Revenues		
Charges for Services	$1,900,129	$11,899,179
Electric/Water Charges Pledged as Security for Revenue Bonds	0	1,483,592
Other	36,948	47,945
Total Operating Revenues	1,937,077	13,430,716
Operating Expenses		
Salaries and Wages	684,765	1,844,401
Fringe Benefits	269,736	720,899
Purchased Services	202,343	1,479,206
Materials and Supplies	89,952	2,381,518
Purchased Power	0	5,589,286
Depreciation	392,872	954,588
Claims	0	0
Total Operating Expenses	1,639,668	12,969,898
Operating Income	297,409	460,818
Non-Operating Revenues (Expenses)		
Interest and Fiscal Charges	(93,698)	(835,061)
Loss on Investment in Joint Venture	0	(157,761)
Interest	1,983	68,186
Total Non-Operating Revenues (Expenses)	(91,715)	(924,636)
Income (Loss) before Capital Contributions and Transfers	205,694	(463,818)
Capital Contributions	44,472	0
Transfers Out	(7,125)	0
Change in Net Assets	243,041	(463,818)
Net Assets (Deficit) Beginning of Year	8,678,091	15,475,215
Net Assets (Deficit) End of Year	$8,921,132	$15,011,397

Some amounts reported for business-type activities in the statement of activities are different because the net expense of the internal service fund is reported with business-type activities.

Change in net assets of business-type activities

See accompanying notes to the basic financial statements

Activities		Governmental Activities - Internal Service Fund
Water	Total	
$1,181,594	$14,980,902	$944,398
580,847	2,064,439	0
0	84,893	2,162
1,762,441	17,130,234	946,560
601,544	3,130,710	0
217,669	1,208,304	0
188,964	1,870,513	105,084
188,852	2,660,322	0
0	5,589,286	0
462,930	1,810,390	0
0	0	840,191
1,659,959	16,269,525	945,275
102,482	860,709	1,285
(339,640)	(1,268,399)	0
0	(157,761)	0
15,435	85,604	13
(324,205)	(1,340,556)	13
(221,723)	(479,847)	1,298
53,220	97,692	0
0	(7,125)	0
(168,503)	(389,280)	1,298
6,828,923		(7,291)
$6,660,420		($5,993)
	1,379	
	($387,901)	

City of Dover, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2002

	Business-Type Activities				Governmental Activities - Internal Service Fund
	Sewer	Electric	Water	Total	
Increase (Decrease) in Cash and Cash Equivalents					
Cash Flows from Operating Activities					
Cash Received from Customers	$1,792,282	$13,619,153	$1,791,696	$17,203,131	$0
Cash Received from Transactions with Other Funds	0	0	0	0	944,398
Other Cash Receipts	36,948	47,945	0	84,893	2,162
Electric Deposits Received	0	17,893	0	17,893	0
Cash Payments to Employees for Services	(939,078)	(2,608,209)	(800,697)	(4,347,984)	0
Cash Payments for Goods and Services	(315,537)	(9,379,981)	(426,062)	(10,121,580)	(105,084)
Electric Deposits Returned	0	(843)	0	(843)	0
Cash Payments for Claims	0	0	0	0	(832,756)
Net Cash Provided by Operating Activities	574,615	1,695,958	564,937	2,835,510	8,720
Cash Flows from Noncapital Financing Activities					
Transfers Out	(7,125)	0	0	(7,125)	0
Cash Flows from Capital and Related Financing Activities					
Proceeds from Sale of Notes	750,000	5,500,000	0	6,250,000	0
Principal Paid on Bonds	(80,000)	(415,000)	(165,000)	(660,000)	0
Interest Paid on Bonds	(60,704)	(201,159)	(334,251)	(596,114)	0
Tap-In Fees for Construction	3,472	0	10,220	13,692	0
Principal Paid on Notes	(750,000)	(5,900,000)	0	(6,650,000)	0
Interest Paid on Notes	(30,473)	(539,904)	0	(570,377)	0
Payments for Capital Acquisitions	(29,499)	(1,096,566)	(481,204)	(1,607,269)	0
Net Cash Used in Capital and Related Financing Activities	(197,204)	(2,652,629)	(970,235)	(3,820,068)	0
Cash Flows from Investing Activities					
Interest on Investments	1,983	68,186	15,435	85,604	13
Net Increase (Decrease) in Cash and Cash Equivalents	372,269	(888,485)	(389,863)	(906,079)	8,733
Cash and Cash Equivalents Beginning of Year	262,290	7,361,890	1,908,080	9,532,260	47,857
Cash and Cash Equivalents End of Year	$634,559	$6,473,405	$1,518,217	$8,626,181	$56,590

(continued)

City of Dover, Ohio
Statement of Cash Flows
Proprietary Funds (continued)
For the Year Ended December 31, 2002

	Business-Type Activities				Governmental Activities - Internal Service Fund
	Sewer	Electric	Water	Total	
Reconciliation of Operating Income to Net Cash Provided by Operating Activities					
Operating Income	$297,409	$460,818	$102,482	$860,709	$1,285
Adjustments:					
Depreciation	392,872	954,588	462,930	1,810,390	0
(Increase) Decrease in Assets:					
Accounts Receivable	(109,378)	236,382	29,255	156,259	0
Intergovernmental Receivable	1,531	0	0	1,531	0
Prepaid Items	(24,260)	(23,300)	(28,161)	(75,721)	0
Materials and Supplies Inventory	(588)	(59,670)	(109)	(60,367)	0
Increase (Decrease) in Liabilities:					
Accounts Payable	(13,347)	(9,869)	(12,308)	(35,524)	0
Contracts Payable	14,991	184,842	(7,677)	192,156	0
Accrued Wages	3,297	14,033	3,238	20,568	0
Compensated Absences Payable	18,838	(48,621)	20,410	(9,373)	0
Intergovernmental Payable	(6,750)	(30,295)	(5,123)	(42,168)	0
Customer Deposits	0	17,050	0	17,050	0
Claims Payable	0	0	0	0	7,435
Net Cash Provided by Operating Activities	$574,615	$1,695,958	$564,937	$2,835,510	$8,720

Noncash Capital Financing Activities:
During 2002, capital assets were donated by developers to the water and sewer enterprise funds in the amount of $43,000 and $41,000 respectively.

See accompanying notes to the basic financial statements

City of Dover, Ohio

Statement of Fiduciary Net Assets

Fiduciary Funds

December 31, 2002

	Private Purpose Trust
Assets	
Equity in Pooled Cash and Cash Equivalents	$186,097
Net Assets	
Held in Trust for Shade Trees	2,909
Held in Trust for Cemetery	183,188
Total Net Assets	$186,097

See accompanying notes to the basic financial statements

City of Dover, Ohio

Statement of Changes in Fiduciary Net Assets

Fiduciary Funds

For the Year Ended December 31, 2002

	Private-Purpose Trust
Additions	
Charges for Services	$16,004
Interest	2,672
Total Additions	18,676
Deductions	
Burial Expense	19,935
Change in Net Assets	(1,259)
Net Assets Beginning of Year	187,356
Net Assets End of Year	$186,097

See accompanying notes to the basic financial statements

Note 1 - Description of the City and Reporting Entity

The City of Dover (the "City") is a municipal corporation established and operated under the laws of the State of Ohio. Originally called Dover, the prefix "Canal" was added in 1807 by postal authorities to distinguish it from the Village of Dover in Cuyahoga County. Canal Dover was an appropriate name at this particular time due to the significance of the canal to the City's economic growth. This "canal town" was incorporated in 1842 and established as a city in 1901. By 1915, the City was officially referred to by its original name of "Dover."

The City is organized as a Mayor/Council form of government. The Mayor, Council, Auditor, Treasurer and Law Director are elected.

Reporting Entity

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that financial statements are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the City. The primary government provides the following services to its citizens: police and fire protection, parks and recreation, building inspection, street maintenance and repairs, water, electric, sewer and refuse collection. Council has direct responsibility for these activities.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board; and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organizations. Component units may also include organizations for which the City authorizes the issuance of debt or the levying of taxes, or determines the budget. There are no component units included as part of this report.

The City participates in the Community Improvement Corporation of Tuscarawas County, Tuscarawas County Regional Planning Commission, Southeastern Ohio Narcotics Team (SENT) and Ohio Mid-Eastern Governments Association (OMEGA) as jointly governed organizations and the Ohio Municipal Electric Generation Agency (JV2) joint venture. The City is also associated with the Ohio Association of Rural Water and Wastewater Systems Workers' Compensation Group Rating Plan, an insurance purchasing pool. These organizations are presented in Notes 15, 16 and 20 of the Basic Financial Statements.

Note 2 - Summary of Significant Accounting Policies

The financial statements of the City of Dover have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The City also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental and business-type activities and to its proprietary funds provided they do not conflict with or contradict GASB pronouncements. The most significant of the City's accounting policies are described below.

A. Basis of Presentation

The City's basic financial statements consist of government-wide 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 City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid "doubling up" revenues and expenses. The statements distinguish between those activities of the City that are governmental and those that are considered business-type.

The statement of net assets presents the financial condition of the governmental and business-type activities of the City at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities and for the business-type activities of the City. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program or business activity is self-financing or draws from the general revenues of the City.

Fund Financial Statements During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City 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. The internal service fund is presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by type.

B. Fund Accounting

The City 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. There are three categories of funds: governmental, proprietary and fiduciary.

Governmental Funds Governmental funds are those through which most governmental functions are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the City's major governmental funds:

> ***General Fund*** The general fund accounts for all financial resources except those required to be accounted for in another fund. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the charter of the City of Dover and/or the general laws of Ohio.
>
> ***Master Capital Fund*** The capital improvement fund accounts for that portion of municipal income tax designated by Council for the purpose of improving, constructing, maintaining, and purchasing those items necessary to enhance the operation of the City.

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

Proprietary Funds Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position and cash flows. Proprietary funds are classified as either enterprise or internal service.

> ***Enterprise Funds*** Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following are the City's major enterprise funds:
>
> > ***Sewer Fund*** The sewer fund accounts for the provision of sanitary sewer service to the residents and commercial users located within the City.
> >
> > ***Electric Fund*** The electric fund accounts for the provision of electric power service to the residents and commercial users located within the City.
> >
> > ***Water Fund*** The water fund accounts for the provision of water treatment and distribution to the residents and commercial users located within the City.
>
> ***Internal Service Fund*** Internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City's internal service fund reports on a self-insurance program for employee medical benefits.

Fiduciary Funds Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. The City's only trust funds are private-purpose trust funds established to account for the funds used for money held for individuals for their future burial costs and shade tree purchases.

C. Measurement Focus

Government-wide Financial Statements The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the City are included on the Statement of Net Assets. The Statement of Activities presents increases (e.g. revenues) and decreases (e.g. expenses) in total net assets.

Fund Financial Statements All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the Statement of Fund Net Assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in total net assets. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

Private purpose trust funds are reported using the economic resources measurement focus.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting; proprietary and fiduciary funds also use the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue and in the presentation of expenses versus expenditures.

Revenues - Exchange and Nonexchange Transactions Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, the resources must also be available before they can be recorded as revenue. Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the City, available means expected to be received within thirty-one days of year-end.

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 5). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: income tax, state-levied locally shared taxes (including gasoline tax and motor vehicle license fees), fines and forfeitures, interest, grants and rentals.

Deferred Revenue Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of December 31, 2002, but which were levied to finance year 2003 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

Expenses/Expenditures On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

E. Cash and Cash Equivalents

To improve cash management, cash received by the City is pooled. Monies for all funds, except the investment trust fund, are maintained in this pool. Individual fund integrity is maintained through City records. Interest in the pool is presented as "equity in pooled cash and cash equivalents".

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as repurchase agreements and nonnegotiable certificates of deposit are reported at cost.

The City of Dover has invested in the State Treasury Asset Reserve of Ohio (STAROhio) during 2002. STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold at December 31, 2002.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest is distributed to the general fund, street maintenance and repair, cemetery and revolving loan special revenue funds, the master capital capital projects fund, the employee self-insurance internal service fund, the cemetery interment private-purpose trust fund, and the sewer, electric, and water enterprise funds. Interest revenue credited to the general fund during 2002 amounted to $254,947 which includes $192,881 assigned from other City funds.

The City utilizes a financial institution to service bonded debt as principal and interest payments come due. The balances in these accounts are presented on the statement of fund net assets as, "cash equivalents held by trustee." The City also uses a fiscal agent to hold retainage on construction contracts. The balances in these accounts are presented on the combined balance sheet as "cash and cash equivalents with fiscal agents" and represent deposits or short-term investments in certificates of deposit. See Note 4, Deposits and Investments.

Investments with an original maturity of three months or less at the time of purchase and investments of the cash management pool are presented on the financial statements as cash equivalents.

F. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2002, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount at the time of purchase and reflecting the expenditure/expense in the year in which the services are consumed.

G. Inventory

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used. Inventory consists of expendable supplies.

H. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation. Restricted assets in the water enterprise fund and the electric enterprise fund include cash and cash equivalents set aside to satisfy bond indenture requirements for construction, current and future debt payments and the replacement of capital assets originally acquired with bond proceeds. Electric customer deposits have also been restricted because the deposit remains the property of the customer. The restricted asset account is balanced by a customer deposits payable liability account.

I. Capital Assets

General capital assets are capital assets which are associated with and generally arise from governmental activities. They generally result from expenditures in the governmental funds. General capital assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net assets and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of one thousand dollars. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of proprietary fund capital assets is also capitalized.

All capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Buildings	45 years	45 years
Improvements other than Buildings	20 years	20-50 years
Machinery and Equipment	15 years	10-15 years
Furniture and Fixtures	6-20 years	20 years
Vehicles	6 years	6 years
Infrastructure	30-65 years	30-65 years

The City's infrastructure consists of bridges, culverts, curbs, sidewalks, storm sewers, streets, and water and sewer lines. For 2001, the City reported infrastructure for the first time. The City only reports the amounts acquired after 2000. The City plans to phase in the prior year amounts in future years.

J. Interfund Balances

On fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as "interfund receivables/payables." Interfund loans which do not represent available expendable resources are offset by a fund balance reserve account. Interfund balance amounts are eliminated in the statement of net assets, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

K. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. The City records a liability for all accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the termination method. An accrual for earned sick leave is made to the extent it is probable that benefits will result in termination payments. The liability is an estimate based on the City's past experience of making termination payments.

L. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds and long-term loans are recognized as a liability on the governmental fund financial statements when due.

M. Fund Balance Reserves

Reserves represent those portions of fund equity not available for appropriation or legally segregated for a specific future use. Fund balance reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Fund balances are reserved for encumbrances and loans receivable.

N. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net assets restricted for other purposes include street construction, maintenance and repair, cemetery upkeep and police and fire pension payment requirements.

The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

O. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for electric, waste water treatment, water services and self-insurance programs. Operating expenses are necessary costs that have been incurred in order to provide the good or service that is the primary activity of the fund. Revenues and expenses not meeting these definitions are reported as nonoperating.

P. Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, tap-in fees to the extent they exceed the cost of the connection to the system, or from grants or outside contributions of resources restricted to capital acquisition and construction.

Q. Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods 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 revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

R. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence.

S. Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

T. Budgetary Process

All 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 resolution, 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 Council may appropriate. The appropriations resolution is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of control has been established by Council at the object level within each department. Any budgetary modifications at this level may only be made by resolution of City Council.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Finance Director. 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 Council.

The appropriation resolution 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 resolution 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 Council during the year.

Note 3 - Budgetary Basis of Accounting

While the City is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).

2. Expenditures/expenses are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).

3. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund.

	Net Change in Fund Balance
GAAP Basis	($331,848)
Net Adjustment for Revenue Accruals	11,222
Net Adjustment for Expenditure Accruals	619
Encumbrances	(95,799)
Budget Basis	($415,806)

Note 4 - Deposits and Investments

State statutes classify monies held by the City into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the City 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 Council has 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.

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Interim monies may be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, 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 obligations or securities 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 that the market value of the securities subject to the repurchase agreement exceeds the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;

4. Bonds and other obligation of the State of Ohio;

5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and,

6. The State Treasurer’s investment pool (STAROhio).

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 City, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

The following information classifies deposits and investments by categories or risk as defined in GASB Statement No. 3, "Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements".

Cash on Hand At year end, the City had $69,651 in undeposited cash on hand which is included on the Combined Balance Sheet of the City as part of "Equity in Pooled Cash and Cash Equivalents."

Deposits At year-end, the carrying amount of the City's deposits was $5,514,778 and the bank balance was $5,646,609. Of the bank balance:

1. $404,943 was covered by federal depository insurance.

2. $5,241,666 was uncollateralized and uninsured. Although the securities were held by the pledging financial institutions trust department or agent in the City's name and all State statutory requirements for the investment of money had been followed, noncompliance with federal requirements could potentially subject the City to a successful claim by the FDIC.

Investments The City's investments are required to be categorized to give an indication of the level or risk assumed by the City at year end. Category 1 includes investments that are insured or registered or are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments which are held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments which are held by the counterparty, or by its trust department or agent but not in the City's name. STAROhio and Star Public Funds Mutual Fund are unclassified investments since they are not evidenced by securities that exist in physical or book entry form.

	Carrying/ Fair Value
Investment in State Treasurer's Investment Pool	$5,869,611
Star Public Funds Mutual Fund	1,389,833
Total Investments	$7,259,444

The classification of cash and cash equivalents and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9, "Reporting Cash Flows of Proprietary and Non-Expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting."

A reconciliation between the classifications of cash and cash equivalents and investments on the combined financial statements and the classification of deposits and investments presented above per GASB Statement No. 3 is as follows:

	Cash and Cash Equivalents	Investments
GASB Statement No. 9	$12,843,873	$0
Investments of the Cash Management Pool:		
STAR Ohio	(5,869,611)	5,869,611
Star Public Fund Mutual Fund	(1,389,833)	1,389,833
Cash on Hand	(69,651)	0
GASB Statement No. 3	$5,514,778	$7,259,444

Note 5 - Receivables

Receivables at December 31, 2002, consisted primarily of municipal income taxes, property and other taxes, intergovernmental receivables arising from entitlements and shared revenues, accrued interest on investments and accounts (billings for utility service). Loans receivable expected to be collected in more than one year for the City amount to $11,546. All allowances for uncollectibles represent estimates of uncollectible receivables in the accounts receivable classification.

	Accounts Receivable	Allowance for Uncollectibles	Net Accounts Receivables
Governmental Type Activities	$112,670	$0	$112,670
Business Type Activities	2,460,536	136,140	2,324,396

A. Property Taxes

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Property tax revenue received during 2002 for real and public utility property taxes represents collections of the 2001 taxes. Property tax payments received during 2002 for tangible personal property (other than public utility property) are for 2002 taxes.

2002 real property taxes are levied after October 1, 2002, on the assessed value as of January 1, 2002, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2002 real property taxes are collected in and intended to finance 2003.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2002 public utility property taxes which became a lien December 31, 2001, are levied after October 1, 2002, and are collected in 2003 with real property taxes.

2002 tangible personal property taxes are levied after October 1, 2001, on the value as of December 31, 2001. Collections are made in 2002. Tangible personal property assessments are 25 percent of true value for capital assets and 24 percent for inventory.

The full tax rate for all City operations for the year ended December 31, 2002, was $6.60 per $1,000 of assessed value. The assessed values of real and tangible personal property upon which 2001 property tax receipts were based are as follows:

Real Property	$208,989,510
Tangible Personal Property	47,145,495
Public Utility Property	3,147,730
Total	$259,282,735

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

Tangible personal property taxes paid 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 30; with the remainder payable by September 20.

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City of Dover. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represent real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2002 and for which there is an enforceable legal claim. In the general fund and police and fire special revenue fund, the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2002 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as revenue while on a modified accrual basis the revenue is deferred.

B. Income Taxes

The City levies a municipal income tax of 1 percent on substantially all earned income arising from employment, residency or business activities within the City. The City allows a credit of 100 percent for the income tax paid to another municipality, not to exceed one percent of taxable income, to a maximum of the total amount assessed.

Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City either monthly or quarterly, as required. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually. By City ordinance, income tax proceeds, after income tax department expenditures, are credited to the following funds: Forty percent to the master capital projects fund, up to one hundred eighty thousand dollars to the cemetery special revenue fund, up to three hundred twenty five thousand dollars to the street maintenance and repair special revenue fund, up to two hundred thirty thousand dollars to the police and fire pension special revenue fund and the remaining balance to the general fund.

C. Intergovernmental Receivables

A summary of intergovernmental receivables follows:

	Amount
Governmental Activities	
Local Government and Local Government Revenue Assistance	$412,892
Gasoline Tax	201,981
Estate Tax	169,000
Motor Vehicle Tax	61,153
Homestead and Rollback	53,693
Municpal Court Fines	1,821
Hotel/Motel Tax	176
Total Governmental Activities	$900,716
Business-Type Activities	
Sewer	$3,312

Note 6 - Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2002, the City contracted with The Travelers Company for property and general liability insurance with a $25,000 deductible. Travelers Insurance Company covers boiler and machinery and electronic data processing, while police and professional liability are protected by the Columbia Casualty/CNA with a $1,000,000 limit and a $5,000 deductible. An umbrella policy with Clarendon TIG covers a $5,000,000 excess law enforcement liability.

Boiler and machinery deductible levels vary by object. Vehicles are covered by Westfield Companies Insurance Company and hold a $250 deductible for comprehensive and collision. Automobile liability has a $2,000,000 combined single limit of liability.

There has not been a significant reduction in coverage from the prior year. Settled claims have not exceeded this commercial coverage in any of the past three years.

The City participates in the Ohio Association of Rural Water and Wastewater Systems Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (See Note 20). The intent of GRP is to achieve the benefit of a reduced premium for the City by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating cities is calculated as one experience and a common premium rate is applied to all cities in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This equity pooling arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to participants that can meet the GRP's selection criteria. The firm of CompManagement, Inc. provides administrative, cost controls, and actuarial services to the GRP.

The City has elected to provide employee medical/surgical benefits through a self-insured program. The City maintains a self-insurance internal service fund to account for and finance its uninsured risks of loss in this program. A third-party administrator, Aultcare, Inc. located in Canton, Ohio, reviews all claims which are then paid by the City. An excess coverage insurance policy covers claims in excess of $45,000 per employee and an aggregate of $1,172,568 per year. The City pays into the self-insurance internal service fund $600 family coverage or $300 individual coverage per employee per month which represents the entire premium required. This premium is paid by the fund that pays the salary of the employee and is based on historic cost information.

The claims liability of $62,583 reported in the fund at December 31, 2002, was estimated by a third-party administrator and is based on the requirements of Governmental Accounting Standards Board Statement No. 30 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expense and does not include allocated or unallocated claims adjustment expenses. Changes in the fund's claims liability amount in 2001 and 2002 were:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2001	$92,644	$737,174	$774,670	$55,148
2002	55,148	840,191	832,756	62,583

Note 7 - Contingent Liabilities

A. Litigation

The City management is of the opinion that the ultimate disposition of claims and legal proceedings will not have a material effect, if any, on the financial condition of the City.

B. Federal and State Grants

The City participates in several federally assisted programs. These programs are subject to financial and compliance audits by the grantor or their representative. As of December 31, 2002, the audits of certain of these programs have not been completed. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any, would be immaterial.

Note 8 - Capital Assets

Capital asset activity for the year ended December 31, 2002, was as follows:

	Balance 12/31/01	Additions	Deductions	Balance 12/31/02
Governmental Activities				
Capital Assets, not being depreciated:				
Land	$851,930	$0	$0	$851,930
Construction in Progress	0	0	0	0
Total Capital Assets, not being Depreciated	851,930	0	0	851,930
Capital Assets, being Depreciated				
Buildings	1,888,224	177,381	0	2,065,605
Improvements Other Than Buildings	652,382	130,540	0	782,922
Equipment and Machinery	1,855,375	151,282	(8,878)	1,997,779
Furniture and Fixtures	59,412	0	0	59,412
Vehicles	1,392,599	142,664	(62,004)	1,473,259
Infrastructure	1,591,413	737,846	0	2,329,259
Total Capital Assets, being Depreciated	7,439,405	1,339,713	(70,882)	8,708,236
Less Accumulated Depreciation:				
Buildings	(495,694)	(39,211)	0	(534,905)
Improvements Other Than Buildings	(251,063)	(79,145)	0	(330,208)
Equipment and Machinery	(945,673)	(109,175)	8,878	(1,045,970)
Furniture and Fixtures	(33,658)	(3,549)	0	(37,207)
Vehicles	(1,007,820)	(163,753)	62,004	(1,109,569)
Infrastructure	(16,102)	(38,748)	0	(54,850)
Total Accumulated Depreciation	(2,750,010)	(433,581) *	70,882	(3,112,709)
Total Capital Assets, being Depreciated, net	4,689,395	906,132	0	5,595,527
Governmental Activities Capital Assets, Net	$5,541,325	$906,132	$0	$6,447,457
Business-Type Activities				
Capital Assets, not being depreciated:				
Land	$410,386	$0	$0	$410,386
Construction in Progress	4,290,544	854,840	0	5,145,384
Total Capital Assets, not being Depreciated	4,700,930	854,840	0	5,555,770
Capital Assets, being Depreciated				
Buildings	16,762,654	0	0	16,762,654
Equipment and Machinery	19,780,329	124,529	(20,465)	19,884,393
Furniture and Fixtures	114,533	0	0	114,533
Vehicles	1,382,727	17,762	(4,600)	1,395,889
Infrastructure	23,841,066	561,240	(54,956)	24,347,350
Total Capital Assets, being Depreciated	61,881,309	703,531	(80,021)	62,504,819
Less Accumulated Depreciation:				
Buildings	(3,189,812)	(363,784)	0	(3,553,596)
Equipment and Machinery	(14,049,453)	(750,925)	20,465	(14,779,913)
Furniture and Fixtures	(41,663)	(5,921)	0	(47,584)
Vehicles	(926,034)	(136,743)	4,600	(1,058,177)
Infrastructure	(9,356,998)	(553,017)	54,956	(9,855,059)
Total Accumulated Depreciation	(27,563,960)	(1,810,390)	80,021	(29,294,329)
Total Capital Assets, being Depreciated, net	34,317,349	(1,106,859)	0	33,210,490
Business-Type Activities Capital Assets, Net	$39,018,279	($252,019)	$0	$38,766,260

* Depreciation expense was charged to governmental activities as follows:

General Government	$15,918
Security of Persons and Property	181,183
Public Health and Welfare	17,241
Leisure Time Activities	100,813
Transportation	118,161
Community Environment	265
Total Depreciation Expense	$433,581

During 2002, the City received $262,000 in capital contributions for additions to infrastructure.

Note 9 – Other Employee Benefits

A. Compensated Absences

Vacation and sick leave benefits are derived from negotiated agreements and State laws. Employees earn ten to thirty days of vacation per year, depending upon length of service. Vacation accumulation is limited to the amount earned in one year. All accumulated unused vacation time is paid upon termination of employment.

Employees earn sick leave at different rates depending upon type of employment. Sick leave accrual is continuous, without limit. Upon retirement or death, an employee can be paid a maximum of 960 hours of accumulated, unused sick leave, except fire department employees, who can receive a maximum of 1520 hours.

B. Life Insurance

The City provides life insurance and accidental death and dismemberment insurance to its employees through Standard Insurance.

Note 10 - Long-Term Debt

Debt Issue	Interest Rate	Original Issue Amount	Date of Maturity
Business-Type Activities			
Waterworks System Revenue Bonds - 1994	4.25-6.17%	$6,430,000	December 1, 2020
Municipal Electric System Revenue Bonds - 1995	4.4-6.0	10,075,000	December 1, 2019
Electric Plant General Obligation Bonds - 1983	9.25	1,100,000	December 1, 2003
Electric North Subsystem General Obligation Bonds - 1987	6	1,500,000	December 1, 2007
Sewer System Improvement General Obligation Bonds - 1989	7.02	1,500,000	December 1, 2009

A schedule of changes in bonds and other long-term obligations of the City during 2002 follows:

	Amount Outstanding 1/1/02	Additions	Deletions	Amount Outstanding 12/31/02	Amounts Due in One Year
Governmental Activities					
Police and Fire Pension	$320,607	$0	$4,465	$316,142	$4,357
Compensated Absences	1,011,331	156,897	61,469	1,106,759	296,566
Total Governmental Activities	$1,331,938	$156,897	$65,934	$1,422,901	$300,923
Business-Type Activities					
Revenue Bonds					
Waterworks System	$5,560,000	$0	$165,000	$5,395,000	$180,000
Municipal Electric System	8,420,000	0	285,000	8,135,000	300,000
Total Revenue Bonds	13,980,000	0	450,000	13,530,000	480,000
General Obligation Bonds					
Electric Plant	110,000	0	55,000	55,000	55,000
Electric North Substation	450,000	0	75,000	375,000	75,000
Sewer System Improvement	855,000	0	80,000	775,000	90,000
Total General Obligation Bonds	1,415,000	0	210,000	1,205,000	220,000
Compensated Absences	853,470	22,557	31,930	844,097	295,578
Total Business-Type Activities	$16,248,470	$22,557	$691,930	$15,579,097	$995,578

The revenue bonds and the general obligation bonds will be paid from charges for services revenue in the enterprise funds. The police and fire pension liability will be paid from taxes receipted in the police and fire pension special revenue fund as an expenditure for the security or persons and property.

Compensated absences will be paid from the general fund, the street maintenance and repair special revenue fund, and the sewer, electric and water enterprise funds.

Revenue Bonds

In 1994, the City issued $6,430,000 in Waterworks System Revenue Bonds with interest rates varying from 4.25 percent to 6.17 percent. Proceeds were used to improve the municipal water system. The revenue bonds include serial and term bonds. The term bonds have annual mandatory sinking fund redemption requirements and there are optional redemption provisions for the serial bonds. The term bonds mature in 2013, 2015 and 2020 in the amounts of $1,615,000, $675,000 and $2,110,000, respectively, at a redemption price equal to 100 percent of the principal plus accrued interest to the redemption date. The bonds maturing on or after December 1, 2005 are subject to early redemption, at the sole option of the City, either in whole on any date or in part on any interest payment date, on or after December 1, 2004, in multiples of $5,000, at the following redemption prices plus accrued interest:

Redemption Dates	Redemption Prices
December 1, 2004 through November 30, 2005	102 percent
December 1, 2005 through November 30, 2006	101 percent
December 1, 2006 and thereafter	101 percent

Restricted assets relating to the water revenue bonds at December 31, 2002, were as follows:

Restricted Assets Held by City	
Replacement and Improvement	$634,563
Restricted Assets Held by the Trustee	
Revenue Bond Current Debt Service	$550,201

In 1995, the City issued $10,075,000 in Municipal Electric System Revenue Bonds with interest rates varying from 4.40 percent to 6.00 percent. Proceeds were used to improve the municipal electric system. The revenue bonds include serial and term bonds. The term bonds have annual mandatory sinking fund redemption requirements and there are optional redemption provisions for the serial bonds. The term bonds mature in 2014 and 2019 in the amounts of $2,430,000 and $3,250,000, respectively, at a redemption price equal to 100 percent of the principal plus accrued interest to the redemption date. The bonds maturing on or after December 1, 2006 are subject to early redemption, at the sole option of the City, either in whole on any date or in part on any interest payment date, on or after December 1, 2005, in multiples of $5,000, at the following redemption prices plus accrued interest:

Redemption Dates	Redemption Prices
December 1, 2005 through November 30, 2006	101 percent
December 1, 2006 and thereafter	100 percent

Restricted assets relating to the electric revenue bonds at December 31, 2002, were as follows:

Restricted Assets Held by City	
Replacement and Improvement	$3,634,618
Restricted Assets Held by the Trustee	
Revenue Bond Current Debt Service	$839,633

As of December 31, 2002, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was $24,674,687 and the unvoted legal debt margin was $11,710,550. Principal and interest requirements to retire the City's long-term obligations outstanding at December 31, 2002 are as follows:

Year Ending	Waterworks System Revenue Bonds		Municipal Electric System Revenue Bonds		Electric General Obligation Bonds	
December 31	Principal	Interest	Principal	Interest	Principal	Interest
2003	$180,000	$318,738	$300,000	$472,463	$130,000	$27,587
2004	185,000	309,198	315,000	456,863	75,000	18,000
2005	200,000	299,208	330,000	440,640	75,000	13,500
2006	210,000	288,208	350,000	423,315	75,000	9,000
2007	220,000	276,658	365,000	404,590	75,000	4,500
2008-2012	1,305,000	1,174,690	2,165,000	1,687,983	0	0
2013-2017	1,765,000	731,648	2,895,000	964,897	0	0
2018-2020	1,330,000	162,300	1,415,000	128,700	0	0
Total	$5,395,000	$3,560,648	$8,135,000	$4,979,451	$430,000	$72,587

Year Ending December 31	Sewer General Obligation Bonds Principal	Interest	Police and Fire Pension Principal	Interest
2003	$90,000	$55,026	$4,357	$13,688
2004	95,000	48,634	4,858	13,187
2005	100,000	41,890	5,066	12,979
2006	110,000	34,790	5,285	12,760
2007	120,000	26,980	5,511	12,534
2008-2012	260,000	28,046	31,317	58,908
2013-2017	0	0	38,645	51,580
2018-2035	0	0	221,103	103,707
Total	$775,000	$235,366	$316,142	$279,343

Note 11 - Defined Benefit Pension Plans

A. Ohio Public Employees Retirement System

All full-time employees, other than non-administrative full-time police officers and firefighters, participate in the Ohio Public Employees Retirement System of Ohio (OPERS), a cost-sharing multiple-employer public employee retirement system administered by the Ohio Public Employees Retirement Board. OPERS provides basic retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. The authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report which may be obtained by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642.

Plan members are required to contribute 8.5 percent of their annual covered salary to fund pension obligations. The 2002 employer pension contribution rate for City was 8.55 percent of covered payroll, reduced from 9.25 percent in 2001. Contributions are authorized by State statute. The City's required contributions to OPERS for the years ended December 31, 2002, 2001, and 2000 were $429,143, $417,418, and $281,41, respectively. The full amount has been contributed for 2001 and 2000. 73.90 percent has been contributed for 2002 with the remainder being presented as "intergovernmental payable" in the governmental activities column of the statement of net assets.

B. Ohio Police and Fire Pension Fund

The City contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple employer public employee retirement system administered by the OP&F's Board of Trustees. OP&F provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information. That report may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Police and firefighters are required to contribute 10 percent of their annual covered salary to fund pension obligations and the City is required to contribute 11.75 percent for police and 16.25 percent for firefighters. Contributions are authorized by State statute. The City's contributions to the OP&F for police and firefighters were $107,307 and $141,610 for the year ended December 31, 2002, $115,573 and $117,814 for the year ended December 31, 2001 and $115,521 and $121,687 for the year ended December 31, 2000. The full amount has been contributed for 2001 and 2000. 70.49 percent and 73.45

percent, respectively, have been contributed for 2002 with the remainder being presented as "intergovernmental payable" in the governmental activities column of the statement of net assets.

In addition to the current contribution, the City pays installments on the accrued liability incurred when the State of Ohio established the statewide pension system for police and firefighters in 1967. As of December 31, 2002, the unfunded liability of the City was $316,142 payable in semiannual payments through the year 2035. This in an accounting liability of the City which will not vary.

Note 12 - Postemployment Benefits

A. Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System of Ohio (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. 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 OPERS is set aside for the funding of postretirement health care based on authority granted by State statute. The 2002 employer contribution rate was 13.55 percent of covered payroll; 5.00 percent was the portion that was used to fund health care for 2002. For 2001, the contribution rate was 13.55 percent of covered payroll; 4.30 percent was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal cost method. Significant actuarial assumptions, based on PERS's latest actuarial review performed as of December 31, 2001, include a rate of return on investments of 8.00 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 6.30 percent based on additional annual pay increases. Health care premiums were assumed to increase 4.00 percent annually.

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.

The number of active contributing participants was 402,041. The City's actual contributions for 2002 which were used to fund postemployment benefits were $250,961. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2001, (the latest information available) were $11.6 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were $16.4 billion and $4.8 billion, respectively.

B. Ohio Police and Fire Pension Fund

The Ohio Police and Fire Pension Fund (OP&F) provides postretirement health care coverage to any person who receives or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school or under the age of 22 if attending school full-time or on a 2/3 basis.

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. The Ohio Revised Code provides the authority allowing the Ohio Police and Fire Pension Fund's board of trustees to provide health care coverage and states that health care costs paid from the Ohio Police and Fire Pension Fund shall be included in the

employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution is 19.5 percent of covered payroll and the total firefighter employer contribution rate is 24 percent of covered payroll, of which 7.75 percent of covered payroll was applied to the postemployment health care program during 2002. For 2001 the percent used to fund healthcare was 7.50 percent. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment.

The City's actual contributions for 2002 that were used to fund postemployment benefits were $70,777 for police and $67,537 for fire. OP&F's total health care expenses for the year ended December 31, 2001, (the latest information available) were $122,298,771, which was net of member contributions of $6,874,699. The number of OP&F participants eligible to receive health care benefits as of December 31, 2001, was 13,174 for police and 10,239 for firefighters.

Note 13 - Notes Payable

A summary of the note transactions for the year ended December 31, 2002, follows:

	Outstanding 1/1/02	Issued	Retired	Outstanding 12/31/02
Governmental Activities:				
2.85% Master Capital	$1,895,000	$1,895,000	$1,895,000	$1,895,000
2.85% Master Capital	0	300,000	0	300,000
5.05% Storm Sewer	100,000	0	100,000	0
2.85% Master Capital	250,000	250,000	250,000	250,000
2.85% Master Capital	20,000	20,000	20,000	20,000
2.85% Master Capital	85,000	85,000	85,000	85,000
3.95% Master Capital	120,000	0	120,000	0
Total Governmental Activities	2,470,000	2,550,000	2,470,000	2,550,000
Business Type Activities:				
2.25% Municpal Electric	3,900,000	3,700,000	3,900,000	3,700,000
2.15% Electric JV2	2,000,000	1,800,000	2,000,000	1,800,000
2.85% Municpal Sewer	750,000	750,000	750,000	750,000
Total Business Type Activities	6,650,000	6,250,000	6,650,000	6,250,000
Total	$9,120,000	$8,800,000	$9,120,000	$8,800,000

The notes outstanding at year end for $1,895,000 and $250,000 were used for storm sewer projects. The $20,000 note was used for tennis courts. The $85,000 and $300,000 notes were used for land and bridge construction, respectively.

The municipal electric note was used to build a substation and various electric improvements. The $1,800,000 note was used for the investment in the JV2 joint venture. The municipal sewer note was issued for a sludge press and various sanitary sewer improvements.

All note proceeds had been spent at December 31, 2002. All of the notes are bond anticipation notes, are backed by the full faith and credit of the City, and mature within one year. The note liability is reflected in the fund which received the proceeds and will repay the debt.

Note 14 - Interfund Balances and Transfers

Interfund transfers for the year ended December 31, 2002, consisted of the following:

	Transfer From		
Transfer to	Sewer	Master Capital	Total
Nonmajor funds	$7,125	$95,989	$103,114

$7,125 was transferred from the sewer fund to the storm sewer fund for debt obligations. $95,989 was transferred from the master capital fund to the storm sewer fund for debt obligations.

Note 15 – Jointly Governed Organizations

A. Community Improvement Corporation of Tuscarawas County

The City is associated with the Community Improvement Corporation of Tuscarawas County as a Jointly Governed Organization. The Corporation is operated by Tuscarawas County, New Philadelphia, Dover, Uhrichsville, Dennison, Strasburg, Sugarcreek and Gnadenhutten. It is controlled by 25 trustees consisting of the three County Commissioners, the mayor of each participating city and fifteen elected trustees. The board exercises total control over the operation of the corporation including budgeting, appropriating, contracting and designating management. Each participant's degree of control is limited to its representation on the board. In 2002, no monies were contributed by the City.

B. Tuscarawas County Regional Planning Commission

The City 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. Of the 61 members, the City appoints three. 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, economic and governmental characteristics, functions and services of the county. In 2002, the City contributed $1,221 which represents 1.12 percent of total contributions.

C. Southeastern Ohio Narcotics Team (S.E.N.T)

The City is associated with the Southeastern Ohio Narcotics Team (S.E.N.T.) as a Jointly Governed Organization. S.E.N.T. is a multi-jurisdictional drug task force with the primary goal of combating major narcotics traffickers in Guernsey, Monroe and Tuscarawas Counties. It is jointly governed among the participating counties and cities. A grant is received from the State of Ohio of which the participating entities must match 25 percent. Of the 11 member governing board, the City appoints one. Each participant's control over the operation of S.E.N.T. is limited to its representation on the board. In 2002, the City contributed $3,663 which represents 1.9 percent of total contributions.

D. Ohio Mid-Eastern Governments Association (OMEGA)

The City is associated with the Ohio Mid-Eastern Governments Association (OMEGA), which is a ten county regional council of governments comprised of Belmont, Carroll, Coshocton, Columbiana, Guernsey, Harrison, Holmes, Jefferson, Muskingum and Tuscarawas counties. OMEGA was formed to aid and assist the participating counties and political subdivisions within the counties in the application for Appalachian Regional Commission and Economic Development grant monies. OMEGA is governed by a seventeen member executive board comprised of members appointed from each participating county and cities within each county. City membership is voluntary. The mayor of the City of Dover serves as the City's representative on the board. The board has total control over budgeting, personnel and financial matters. Each member currently pays a per capita membership fee based on the most recent United States census. During 2002, OMEGA received $1,465 from the City of Dover for an annual fee. OMEGA has no outstanding debt.

Note 16 – Joint Venture

Ohio Municipal Electric Generation Agency Joint Venture (JV2)

The City is a participant with 36 subdivisions within the State of Ohio in a joint venture to secure distributive generation resources to provide power and energy during times of high power prices or transmission constraints limiting power availability. The Ohio Municipal Electric Generation Agency Joint Venture 2 (JV2) was created for that purpose. On dissolution of the joint venture, the net assets of JV2 will be shared by the participants on a percentage basis. The JV2 is managed by AMP-Ohio, who acts as the joint venture's agent. The participants are obligated by the agreement to remit monthly for operating expenses and demand costs. In accordance with the agreement, the City remitted $3,057,810 to the joint venture for 2001. The City's net investment and its share of the operating results of JV2 are reported in the City's electric enterprise fund. The City's equity interest in JV2 was $2,712,294 at December 31, 2002. Financial information can be obtained from AMP-Ohio, 2600 Airport Drive, Columbus, Ohio 43219, or from the City's utility department.

Note 17 – Electric Deregulation

Beginning January 1, 2001, retail electric customers of investor owned utilities (IOUs) had the option of choosing power suppliers. Electric services are broken down into three components: distribution, generation and transmission. This deregulation will affect only the generation of electricity. The City of Dover has done a cost study analysis to identify the costs associated with each of these components. The City has several options available to them related to this deregulation. The City of Dover has chosen to protect their lines through Ordinance 45-98. This decision will allow the City to charge any other electric suppliers who may want to use their lines. The City also has the option of closing its borders, meaning no other electric suppliers could deliver services in the City of Dover. It is the City's intent to open its borders and compete with the surrounding IOUs and cooperatives; however, legislation to that effect is still pending. The City of Dover, depending on the time of year, generates approximately 40 to 60 percent of its electric needs; the remainder is purchased through the City's wholesale provider, American Electric Power of Ohio. The City feels any loss in revenue resulting from lost customers will be offset by reduced purchased power expense. Beginning May 1, 2001, the City is required to collect a kilowatt per hour tax that must be remitted to the State of Ohio for all customers the City of Dover provides power to located outside the City limits. The tax collected by the City from its residents is being receipted in the general fund of the City of Dover. Although the City is preparing for deregulation, the full impact cannot be known at this time.

Note 18 – Restatement of Net Assets

Income taxes receivable for the year ended December 31, 2001, were overstated. This change decreased the net assets of the governmental activities by $377,195 from $7,788,986 to $7,411,791. This restatement decreased the change in net assets as previously reported by $377,195 from $2,575,649 to $2,198,454. This change has no effect on fund balance.

Note 19 – Accountability

At December 31, 2002, the master capital capital projects fund had a deficit fund balance of $1,280,049. This deficit arose from the requirement to report bond anticipation note liabilities in the fund which received the note proceeds. The deficit will be alleviated when the bonds are issued or the notes are paid.

Note 20 – Insurance Purchasing Pool

Ohio Association of Rural Water and Wastewater Systems Workers' Compensation Group Rating Plan

The Ohio Association of Rural Water and Wastewater Systems Workers' Compensation Group Rating Plan has created a group insurance pool for the purpose of creating a group rating plan for workers' compensation. The governing body is comprised of the members who have been appointed by the respective governing body of each member.

The intent of the pool is to achieve a reduced rate for the City and the other group members. The injury claim history of all participating members is used to calculate a common rate for the group. An annual fee is paid to Comp Management, Inc. to administer the group and to manage any injury claims. Premium savings created by the group are prorated to each member entity annually based on its payroll percent of the group.

Combining Statements and

Individual Fund Schedules

Combining Statements – Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

To account for the proceeds of specific revenue sources (other than amounts relating to major capital projects) that are legally restricted to expenditures for specific purposes.

Street Maintenance and Repair Fund - Required by the Ohio Revised Code to account for State gasoline tax and motor vehicle registration fees designated for maintenance of streets within the City.

State Highway Fund - Required by the Ohio Revised Code to account for State gasoline tax and motor vehicle registration fees designated for maintenance of State highways within the City.

Police and Fire Pension Fund - To accommodate property taxes levied for the payment of the current and accrued liability for police and firemen's disability and pension benefits.

Ambulance Fund - To account for monies collected from the use of the ambulance by the citizens of Dover and Dover Township.

Cemetery Fund - To account for revenue from the sale of plots and interest used for the care and upkeep of the cemetery.

Revolving Loan Fund - To account for initial loans made by the City to local businesses and subsequent repayment of these loans.

Drug Law Enforcement Fund - To account for monies from mandatory fines for trafficking offenses to be used for the investigation and prosecution of drug cases.

Law Enforcement Block Grant Fund - To account for grant monies to be used for upgrades to police computer systems.

Enforcement and Education Fund - To account for monies received from convictions of alcohol related cases used for the education of the community at large.

Nonmajor Debt Service Fund

Debt service funds are used to account for the accumulation for resources for, and the payment of, general long-term principal, interest and related costs.

Debt Service Fund - To account proceeds of debt issued and its' repayment.

Nonmajor Capital Projects Funds

Capital projects funds are established to account for financial resources to be used for the construction or acquisition of major capital facilities (other than those financed by proprietary funds.)

Storm Sewer Fund - To account for note proceeds expended for the construction of storm sewers. This fund is budgeted as part of the debt service fund, but is presented as a GAAP basis capital projects fund.

Small Cities Block Grant Fund - To account for monies received from the State government, distributed by the County, under the Community Development Block Grant program for street repairs and replacements.

City of Dover, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2002

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	$956,744	$0	$956,744
Cash and Cash Equivalents With Fiscal Agents	2,499	1,735	4,234
Materials and Supplies Inventory	90,483	0	90,483
Accrued Interest Receivable	38,334	0	38,334
Accounts Receivable	40,695	0	40,695
Intergovernmental Receivable	270,898	0	270,898
Prepaid Items	20,615	0	20,615
Income Tax Receivable	221,312	0	221,312
Property Taxes Receivable	136,515	0	136,515
Loans Receivable	24,782	0	24,782
Total Assets	$1,802,877	$1,735	$1,804,612
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	$5,309	$0	$5,309
Accrued Wages	21,226	0	21,226
Contracts Payable	9,878	0	9,878
Intergovernmental Payable	13,355	0	13,355
Matured Interest Payable	0	1,735	1,735
Retainage Payable	2,499	0	2,499
Deferred Revenue	543,498	0	543,498
Total Liabilities	595,765	1,735	597,500
Fund Balances			
Reserved for Encumbrances	15,468	0	15,468
Reserved for Loans Receivable	24,782	0	24,782
Unreserved, Undesignated, Reported in:			
Special Revenue Funds	1,166,862	0	1,166,862
Total Fund Balances	1,207,112	0	1,207,112
Total Liabilities and Fund Balances	$1,802,877	$1,735	$1,804,612

City of Dover, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2002

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues			
Property and Other Local Taxes	$109,757	$0	$109,757
Income Taxes	849,326	0	849,326
Intergovernmental	517,773	39,600	557,373
Interest	58,807	0	58,807
Fines, Licenses and Permits	3,534	0	3,534
Charges for Services	251,824	0	251,824
Other	3,223	0	3,223
Total Revenues	1,794,244	39,600	1,833,844
Expenditures			
Current:			
Security of Persons and Property	437,116	0	437,116
Transportation	820,998	0	820,998
Public Health Services	466,875	0	466,875
Community Environment	0	0	0
Capital Outlay	0	39,600	39,600
Total Expenditures	1,724,989	39,600	1,764,589
Excess of Revenues Over Expenditures	69,255	0	69,255
Other Financing Sources			
Transfers In	0	103,114	103,114
Net Change in Fund Balances	69,255	103,114	172,369
Fund Balances (Deficit) Beginning of Year	1,137,857	(103,114)	1,034,743
Fund Balances End of Year	$1,207,112	$0	$1,207,112

City of Dover, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2002

	Street Maintenance and Repair	State Highway	Police and Fire Pension	Ambulance
Assets				
Equity in Pooled Cash and Cash Equivalents	$22,159	$32,397	$1,567	$99,074
Cash and Cash Equivalents With Fiscal Agents	2,499	0	0	0
Materials and Supplies Inventory	90,483	0	0	0
Accrued Interest Receivable	0	0	0	0
Accounts Receivable	0	0	0	40,695
Intergovernmental Receivable	243,521	19,614	7,763	0
Prepaid Items	14,788	0	0	1,834
Income Tax Receivable	93,324	0	70,660	0
Property Taxes Receivable	0	0	136,515	0
Loans Receivable	0	0	0	0
Total Assets	$466,774	$52,011	$216,505	$141,603
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	$2,939	$252	$0	$1,300
Accrued Wages	13,305	0	0	0
Contracts Payable	0	9,878	0	0
Intergovernmental Payable	8,653	0	0	0
Retainage Payable	2,499	0	0	0
Deferred Revenue	267,843	17,244	184,822	40,695
Total Liabilities	295,239	27,374	184,822	41,995
Fund Balances				
Reserved for Encumbrances	2,582	5,340	0	7,546
Reserved for Loans Receivable	0	0	0	0
Unreserved	168,953	19,297	31,683	92,062
Total Fund Balances	171,535	24,637	31,683	99,608
Total Liabilities and Fund Balances	$466,774	$52,011	$216,505	$141,603

Cemetery	Revolving Loan	Drug Law Enforcement	Law Enforcement Block Grant	Enforcement and Education	Total Nonmajor Special Revenue Funds
$559,995	$218,269	$12,485	$427	$10,371	$956,744
0	0	0	0	0	2,499
0	0	0	0	0	90,483
35,972	2,362	0	0	0	38,334
0	0	0	0	0	40,695
0	0	0	0	0	270,898
3,993	0	0	0	0	20,615
57,328	0	0	0	0	221,312
0	0	0	0	0	136,515
0	24,782	0	0	0	24,782
$657,288	$245,413	$12,485	$427	$10,371	$1,802,877
$818	$0	$0	$0	$0	$5,309
7,921	0	0	0	0	21,226
0	0	0	0	0	9,878
4,702	0	0	0	0	13,355
0	0	0	0	0	2,499
32,894	0	0	0	0	543,498
46,335	0	0	0	0	595,765
0	0	0	0	0	15,468
0	24,782	0	0	0	24,782
610,953	220,631	12,485	427	10,371	1,166,862
610,953	245,413	12,485	427	10,371	1,207,112
$657,288	$245,413	$12,485	$427	$10,371	$1,802,877

City of Dover, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2002

	Street Maintenance and Repair	State Highway	Police and Fire Pension	Ambulance
Revenues				
Property and Other Local Taxes	$0	$0	$109,757	$0
Income Taxes	364,776	0	255,116	0
Intergovernmental	426,117	34,550	36,499	0
Interest	1,442	0	0	0
Fines, Licenses and Permits	1,308	0	0	0
Charges for Services	0	0	0	124,501
Other	0	1,481	0	1,440
Total Revenues	793,643	36,031	401,372	125,941
Expenditures				
Current:				
Security of Persons and Property	0	0	411,752	0
Transportation	771,005	49,993	0	0
Public Health Services	0	0	0	103,297
Total Expenditures	771,005	49,993	411,752	103,297
Net Change in Fund Balances	22,638	(13,962)	(10,380)	22,644
Fund Balances Beginning of Year	148,897	38,599	42,063	76,964
Fund Balances End of Year	$171,535	$24,637	$31,683	$99,608

Cemetery	Revolving Loan	Drug Law Enforcement	Law Enforcement Block Grant	Enforcement and Education	Total Nonmajor Special Revenue Funds
$0	$0	$0	$0	$0	$109,757
229,434	0	0	0	0	849,326
0	0	0	20,607	0	517,773
52,871	4,494	0	0	0	58,807
0	0	0	0	2,226	3,534
127,323	0	0	0	0	251,824
0	0	0	0	302	3,223
409,628	4,494	0	20,607	2,528	1,794,244
0	0	0	20,180	5,184	437,116
0	0	0	0	0	820,998
363,578	0	0	0	0	466,875
363,578	0	0	20,180	5,184	1,724,989
46,050	4,494	0	427	(2,656)	69,255
564,903	240,919	12,485	0	13,027	1,137,857
$610,953	$245,413	$12,485	$427	$10,371	$1,207,112

City of Dover, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2002

	Storm Sewer	Small Cities Block Grant	Total Nonmajor Capital Projects Funds
Revenues			
Intergovernmental	$0	$39,600	$39,600
Expenditures			
Capital Outlay	0	39,600	39,600
Excess of Revenues Over Expenditures	0	0	0
Other Financing Sources			
Transfers In	103,114	0	103,114
Net Change in Fund Balances	103,114	0	103,114
Fund Balances (Deficit) Beginning of Year	(103,114)	0	(103,114)
Fund Balances End of Year	$0	$0	$0

Combining Statements - Fiduciary Funds

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations. The City's only trust funds are private-purpose trust.

Private Purpose Trust Funds

Shade Tree Fund - This fund was established so that individuals or organizations could donate money for the purpose of planting trees.

Cemetery Interment Fund – Money held for individuals until death for their burial cost.

City of Dover, Ohio

Combining Statement of Fiduciary Net Assets

Fiduciary Funds

December 31, 2002

	Private Purpose Trust		
	Shade Tree	Cemetery Interment	Totals
Assets			
Equity in Pooled Cash and Cash Equivalents	$2,909	$183,188	$186,097
Net Assets			
Held in Trust for Shade Trees	$2,909	$0	$2,909
Held in Trust for Cemetery	0	183,188	183,188
Total Net Assets	$2,909	$183,188	$186,097

City of Dover, Ohio

Combining Statement of Changes in Fiduciary Net Assets

Fiduciary Funds

For the Year Ended December 31, 2002

	Private Purpose Trust		
	Shade Tree	Cemetery Interment	Totals
Additions			
Charges for Services	$0	$16,004	$16,004
Investment Earnings	0	2,672	2,672
Total Additions	0	18,676	18,676
Deductions			
Other	0	19,935	19,935
Change in Net Assets	0	(1,259)	(1,259)
Net Assets Beginning of Year	2,909	184,447	187,356
Net Assets End of Year	$2,909	$183,188	$186,097

Individual Fund Schedules of Revenues, Expenditures/Expenses

and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual

City of Dover, Ohio

Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2002

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property and Other Local Taxes	$1,010,000	$926,100	$964,780	$38,680
Income Taxes	1,000,000	1,104,512	1,061,386	(43,126)
Intergovernmental	1,017,962	1,441,709	1,445,965	4,256
Interest	251,155	251,155	221,174	(29,981)
Fines, Licenses and Permits	38,600	38,100	68,559	30,459
Charges for Services	535,984	535,984	593,844	57,860
Other	38,292	33,292	59,824	26,532
Total Revenues	3,891,993	4,330,852	4,415,532	84,680
Expenditures				
Current:				
General Government:				
Mayor:				
Salaries and Wages	93,276	96,526	87,174	9,352
Fringe Benefits	37,760	37,760	35,673	2,087
Purchased Services	4,850	4,850	3,226	1,624
Materials and Supplies	4,347	4,347	3,956	391
Travel, Schooling and Dues	3,032	6,032	5,502	530
Total Mayor	143,265	149,515	135,531	13,984
Auditor:				
Salaries and Wages	107,722	79,684	66,860	12,824
Fringe Benefits	49,350	48,350	42,777	5,573
Purchased Services	10,000	22,680	20,196	2,484
Materials and Supplies	4,670	5,670	4,042	1,628
Travel, Schooling and Dues	3,000	3,000	2,802	198
Total Auditor	174,742	159,384	136,677	22,707
Treasurer:				
Salaries and Wages	6,482	6,482	6,481	1
Fringe Benefits	1,825	1,725	1,686	39
Purchased Services	1,200	1,250	1,196	54
Materials and Supplies	100	150	128	22
Travel, Schooling and Dues	1,000	1,000	898	102
Total Treasurer	$10,607	$10,607	$10,389	$218

(continued)

City of Dover, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2002

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Law Director:				
Salaries and Wages	$31,688	$31,688	$31,688	$0
Fringe Benefits	16,000	16,000	14,439	1,561
Purchased Services	70,587	69,087	62,875	6,212
Materials and Supplies	3,818	5,318	4,944	374
Travel, Schooling and Dues	3,000	3,000	1,519	1,481
Total Law Director	125,093	125,093	115,465	9,628
Civil Service Commission:				
Salaries and Wages	3,000	3,000	3,000	0
Fringe Benefits	650	2,450	2,336	114
Purchased Services	4,100	4,100	53	4,047
Materials and Supplies	700	700	0	700
Travel, Schooling and Dues	500	500	0	500
Total Civil Service Commission	8,950	10,750	5,389	5,361
Income Tax Department:				
Salaries and Wages	69,000	69,000	68,126	874
Fringe Benefits	31,708	31,708	31,149	559
Purchased Services	50,250	11,762	9,518	2,244
Materials and Supplies	6,610	6,610	5,729	881
Travel, Schooling and Dues	1,200	1,200	487	713
Total Income Tax Department	158,768	120,280	115,009	5,271
Council:				
Salaries and Wages	37,846	37,846	37,405	441
Fringe Benefits	9,950	12,450	11,779	671
Purchased Services	18,009	18,009	17,244	765
Materials and Supplies	750	750	440	310
Travel, Schooling and Dues	750	1,250	1,057	193
Total Council	67,305	70,305	67,925	2,380
Clerk of Council:				
Salaries and Wages	4,846	4,846	4,646	200
Fringe Benefits	1,400	1,400	1,358	42
Purchased Services	350	350	243	107
Materials and Supplies	700	700	225	475
Travel, Schooling and Dues	100	100	0	100
Total Clerk of Council	$7,396	$7,396	$6,472	$924

(continued)

City of Dover, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2002

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Service Director:				
Salaries and Wages	$84,500	$21,641	$13,766	$7,875
Fringe Benefits	33,265	34,265	33,701	564
Purchased Services	5,088	5,088	3,494	1,594
Materials and Supplies	6,471	6,471	2,529	3,942
Travel, Schooling and Dues	2,170	2,170	1,237	933
Total Service Director	131,494	69,635	54,727	14,908
Rubbish-Janitor-City Hall:				
Salaries and Wages	32,500	32,500	28,507	3,993
Fringe Benefits	15,050	15,050	14,354	696
Purchased Services	399,317	21,016	17,903	3,113
Materials and Supplies	7,500	7,500	983	6,517
Total Rubbish-Janitor-City Hall	454,367	76,066	61,747	14,319
Other:				
Purchased Services	343,720	320,892	206,485	114,407
Materials and Supplies	39,574	40,059	39,395	664
Capital Outlay	45,941	48,941	44,882	4,059
Other	36,133	21,600	0	21,600
Total Other	465,368	431,492	290,762	140,730
Total General Government	1,747,355	1,230,523	1,000,093	230,430
Security of Persons and Property:				
Police:				
Salaries and Wages	1,142,500	1,143,840	1,081,879	61,961
Fringe Benefits	222,550	218,325	192,950	25,375
Purchased Services	68,214	82,014	71,928	10,086
Materials and Supplies	47,335	49,760	45,011	4,749
Travel, Schooling and Dues	10,300	10,300	4,577	5,723
Total Police	1,490,899	1,504,239	1,396,345	107,894
Traffic Safety:				
Salaries and Wages	119,402	123,902	112,747	11,155
Fringe Benefits	49,005	49,005	45,629	3,376
Purchased Services	33,555	44,055	24,455	19,600
Materials and Supplies	82,294	82,294	64,856	17,438
Travel, Schooling and Dues	1,024	1,024	880	144
Other	0	500	250	250
Total Traffic Safety	$285,280	$300,780	$248,817	$51,963

(continued)

City of Dover, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2002

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Fire Prevention:				
Salaries and Wages	$798,000	$843,000	$805,803	$37,197
Fringe Benefits	180,567	193,330	188,887	4,443
Purchased Services	56,721	51,871	44,671	7,200
Materials and Supplies	47,505	53,505	48,749	4,756
Travel, Schooling and Dues	16,000	13,000	11,838	1,162
Total Fire Prevention	1,098,793	1,154,706	1,099,948	54,758
Director of Public Safety:				
Salaries and Wages	13,000	25,181	25,178	3
Fringe Benefits	3,900	6,200	6,029	171
Purchased Services	850	845	706	139
Materials and Supplies	500	500	100	400
Travel, Schooling and Dues	500	500	50	450
Total Director of Public Safety	18,750	33,226	32,063	1,163
Total Security of Persons and Property	2,893,722	2,992,951	2,777,173	215,778
Public Health Services:				
County Health Services:				
Purchased Services	0	11,500	10,868	632
Community Environment:				
Demolition and Mowing:				
Purchased Services	0	17,994	17,525	469
Other Community Environment:				
Salaries and Wages	36,077	36,077	35,048	1,029
Fringe Benefits	16,288	16,288	15,921	367
Purchased Services	1,900	1,900	1,238	662
Materials and Supplies	1,825	1,825	711	1,114
Travel, Schooling and Dues	735	735	482	253
Total Other Community Environment	56,825	56,825	53,400	3,425
Total Community Environment	$56,825	$74,819	$70,925	$3,894

(continued)

City of Dover, Ohio

Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2002

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Basic Utility Services:				
Refuse Collections and Disposals:				
Purchased Services	$0	$378,300	$361,789	$16,511
Leisure Time Activities:				
Parks and Recreation:				
Personal Services	331,638	331,638	315,878	15,760
Fringe Benefits	142,950	139,828	136,237	3,591
Purchased Services	105,045	112,045	103,906	8,139
Materials and Supplies	55,079	59,092	54,359	4,733
Travel, Schooling and Dues	1,000	110	110	0
Total Leisure Time Activities	635,712	642,713	610,490	32,223
Total Expenditures	5,333,614	5,330,806	4,831,338	499,468
Net Change in Fund Balance	(1,441,621)	(999,954)	(415,806)	584,148
Fund Balance Beginning of Year	1,911,281	1,911,281	1,911,281	0
Prior Year Encumbrances Appropriated	147,561	147,561	147,561	0
Fund Balance End of Year	$617,221	$1,058,888	$1,643,036	$584,148

City of Dover, Ohio

Schedule of Revenues, Expenditures and Changes
In Fund Balances - Budget (Non-GAAP Basis) and Actual
Master Capital Fund
For the Year Ended December 31, 2002

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Income Taxes	$1,176,717	$1,196,717	$1,184,604	($12,113)
Intergovernmental	127,683	127,683	15,097	(112,586)
Total Revenues	1,304,400	1,324,400	1,199,701	(124,699)
Expenditures				
Capital Outlay	1,930,153	2,233,353	1,293,022	940,331
Debt Service:				
Principal Retirement	120,000	120,000	120,000	0
Interest and Fiscal Charges	4,188	4,188	4,188	0
Total Debt Service	124,188	124,188	124,188	0
Total Expenditures	2,054,341	2,357,541	1,417,210	940,331
Excess of Revenues Under Expenditures	(749,941)	(1,033,141)	(217,509)	815,632
Other Financing Sources (Uses)				
Notes Issued	300,000	300,000	300,000	0
Transfers Out	(168,210)	(168,210)	(168,210)	0
Total Other Financing Sources (Uses)	131,790	131,790	131,790	0
Net Change in Fund Balance	(618,151)	(901,351)	(85,719)	815,632
Fund Balances Beginning of Year	847,942	847,942	847,942	0
Prior Year Encumbrances Appropriated	56,531	56,531	56,531	0
Fund Balances (Deficit) End of Year	$286,322	$3,122	$818,754	$815,632

City of Dover, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Water Fund
For the Year Ended December 31, 2002

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Interest	$10,000	$10,051	$12,859	$2,808
Charges for Services	2,121,000	1,730,950	1,792,050	61,100
Tap-In Fees	19,000	19,000	10,220	(8,780)
Total Revenues	2,150,000	1,760,001	1,815,129	55,128
Expenses				
Salaries and Wages:				
Water Office	43,000	69,900	69,268	632
Water Plant	495,500	515,000	508,628	6,372
Total Salaries and Wages	538,500	584,900	577,896	7,004
Fringe Benefits:				
Water Office	20,915	20,915	19,553	1,362
Water Plant	180,540	206,140	203,770	2,370
Total Fringe Benefits	201,455	227,055	223,323	3,732
Purchased Services:				
Water Office	62,732	46,832	44,559	2,273
Water Plant	146,481	201,581	193,029	8,552
Total Purchased Services	209,213	248,413	237,588	10,825
Materials and Supplies:				
Water Office	6,350	6,350	5,465	885
Water Plant	172,278	173,578	143,552	30,026
Total Materials and Supplies	178,628	179,928	149,017	30,911
Capital Outlay:				
Water Office	5,000	5,000	1,252	3,748
Water Plant	142,807	192,807	65,025	127,782
Water Construction	1,300	1,300	1,300	0
Water Replacement	100,000	0	0	0
Water Surplus	735,464	735,464	447,899	287,565
Water Reserve	29,256	100,000	28,251	71,749
Total Capital Outlay	$1,013,827	$1,034,571	$543,727	$490,844

(continued)

City of Dover, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Water Fund (continued)
For the Year Ended December 31, 2002

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Debt Service:				
Principal Retirement	$165,000	$165,000	$165,000	$0
Interest and Fiscal Charges	355,000	355,000	311,514	43,486
Total Debt Service	520,000	520,000	476,514	43,486
Total Expenses	2,661,623	2,794,867	2,208,065	586,802
Net Change in Fund Balance	(511,623)	(1,034,866)	(392,936)	641,930
Fund Balance Beginning of Year	1,277,286	1,277,286	1,277,286	0
Prior Year Encumbrances Appropriated	32,749	32,749	32,749	0
Fund Balance End of Year	$798,412	$275,169	$917,099	$641,930

City of Dover, Ohio

Schedule of Revenues, Expenses and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Electric Fund
For the Year Ended December 31, 2002

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Interest	$50,000	$50,000	$64,146	$14,146
Charges for Services	11,018,500	13,768,500	13,613,989	(154,511)
Electric Deposits Received	2,000	2,000	17,893	15,893
Notes Issued	1,800,000	1,800,000	1,800,000	0
Other	31,500	31,500	44,911	13,411
Total Revenues	12,902,000	15,652,000	15,540,939	(111,061)
Expenses				
Salaries and Wages:				
Electric Office	88,000	63,750	63,402	348
Electric Distribution	1,211,670	771,670	755,855	15,815
Electric Plant	1,019,500	1,074,500	1,059,732	14,768
Total Salaries and Wages	2,319,170	1,909,920	1,878,989	30,931
Fringe Benefits:				
Electric Office	41,750	42,750	41,987	763
Electric Distribution	294,633	314,633	302,388	12,245
Electric Plant	371,916	389,416	385,319	4,097
Total Fringe Benefits	708,299	746,799	729,694	17,105
Purchased Services:				
Electric Office	74,570	126,320	121,022	5,298
Electric Distribution	250,904	459,800	427,248	32,552
Electric Plant	1,399,655	1,202,805	1,126,476	76,329
Total Purchased Services	1,725,129	1,788,925	1,674,746	114,179
Materials and Supplies:				
Electric Office	4,350	6,850	6,526	324
Electric Distribution	65,295	66,399	57,251	9,148
Electric Plant	2,113,022	1,996,872	1,974,014	22,858
Total Materials and Supplies	2,182,667	2,070,121	2,037,791	32,330
Purchased Power:				
Electric Plant	$5,000,000	$5,794,000	$5,554,987	$239,013

(continued)

City of Dover, Ohio

Schedule of Revenues, Expenses and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Electric Fund (continued)
For the Year Ended December 31, 2002

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Capital Outlay:				
Electric Construction	$16	$16	$0	$16
Electric Capital Reserve	100,000	100,000	0	100,000
Electric Surplus	0	100,000	0	100,000
Electric Replacement and Improvement	100,000	100,000	0	100,000
Electric Office	32,696	28,196	26,947	1,249
Municipal Electric Improvement	0	1,864,242	854,840	1,009,402
Electric Distribution	786,142	786,142	679,608	106,534
Electric Plant	105,000	16,000	5,200	10,800
Total Capital Outlay	1,123,854	2,994,596	1,566,595	1,428,001
Debt Service:				
Principal Retirement	2,285,000	2,285,000	2,285,000	0
Interest and Fiscal Charges	829,040	544,040	539,904	4,136
Total Debt Service	3,114,040	2,829,040	2,824,904	4,136
Electric Deposits Returned:				
Refunds	5,000	5,000	843	4,157
Total Expenses	16,178,159	18,138,401	16,268,549	1,869,852
Excess of Revenues Under Expenses	(3,276,159)	(2,486,401)	(727,610)	1,758,791
Transfers Out	(497,610)	(497,610)	(497,610)	0
Net Change in Fund Balance	(3,773,769)	(2,984,011)	(1,225,220)	1,758,791
Fund Balance Beginning of Year	6,080,705	6,080,705	6,080,705	0
Prior Year Encumbrances Appropriated	319,963	319,963	319,963	0
Fund Balance End of Year	$2,626,899	$3,416,657	$5,175,448	$1,758,791

City of Dover, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Sewer Fund
For the Year Ended December 31, 2002

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Interest	$30,000	$30,000	$1,983	($28,017)
Charges for Services	1,393,000	1,693,000	1,789,564	96,564
Tap-In Fees	10,700	10,700	3,472	(7,228)
Other	16,300	16,300	36,948	20,648
Total Revenues	1,450,000	1,750,000	1,831,967	81,967
Expenses				
Salaries and Wages:				
Sewer Office	43,000	71,400	67,847	3,553
Sewer Disposal Plant	552,600	597,600	594,783	2,817
Total Salaries and Wages	595,600	669,000	662,630	6,370
Fringe Benefits:				
Sewer Office	17,230	24,129	20,997	3,132
Sewer Disposal Plant	256,799	258,799	255,830	2,969
Total Fringe Benefits	274,029	282,928	276,827	6,101
Purchased Services:				
Sewer Office	58,613	49,113	43,770	5,343
Sewer Disposal Plant	62,109	197,109	183,025	14,084
Total Purchased Services	120,722	246,222	226,795	19,427
Materials and Supplies:				
Sewer Office	5,250	4,750	4,332	418
Sewer Disposal Plant	96,701	108,301	93,393	14,908
Total Materials and Supplies	101,951	113,051	97,725	15,326
Capital Outlay:				
Sewer Office	10,258	10,758	10,510	248
Sewer Disposal Plant	9,022	129,022	5,506	123,516
Wastewater Reserve	228,827	228,827	11,839	216,988
Total Capital Outlay	248,107	368,607	27,855	340,752
Total Expenses	$1,340,409	$1,679,808	$1,291,832	$387,976

(continued)

City of Dover, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Sewer Fund (continued)
For the Year Ended December 31, 2002

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Excess of Revenues Over Expenses	$109,591	$70,192	$540,135	$469,943
Transfers Out	(295,000)	(269,000)	(178,302)	90,698
Net Change in Fund Balance	(185,409)	(198,808)	361,833	560,641
Fund Balance Beginning of Year	209,128	209,128	209,128	0
Prior Year Encumbrances Appropriated	27,899	27,899	27,899	0
Fund Balance End of Year	$51,618	$38,219	$598,860	$560,641

City of Dover, Ohio

Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Maintenance and Repair Fund
For the Year Ended December 31, 2002

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Income Taxes	$350,000	$350,000	$350,000	$0
Intergovernmental	400,000	400,000	424,398	24,398
Interest	5,500	5,500	1,442	(4,058)
Other	33,550	33,550	1,308	(32,242)
Total Revenues	789,050	789,050	777,148	(11,902)
Expenditures				
Current:				
Transportation:				
Street Construction and Reconstruction:				
Salaries and Wages	448,235	473,717	468,997	4,720
Fringe Benefits	201,600	215,400	214,528	872
Purchased Services	48,673	50,550	46,969	3,581
Materials and Supplies	96,908	77,408	57,374	20,034
Travel, Schooling and Dues	1,000	1,000	61	939
Capital Outlay	7,567	7,567	6,235	1,332
Total Expenditures	803,983	825,642	794,164	31,478
Net Change in Fund Balance	(14,933)	(36,592)	(17,016)	19,576
Fund Balance Beginning of Year	28,724	28,724	28,724	0
Prior Year Encumbrances Appropriated	7,868	7,868	7,868	0
Fund Balance End of Year	$21,659	$0	$19,576	$19,576

City of Dover, Ohio

Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
State Highway Fund
For the Year Ended December 31, 2002

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	$28,000	$28,000	$34,411	$6,411
Other	2,000	2,000	1,481	(519)
Total Revenues	30,000	30,000	35,892	5,892
Expenditures				
Current:				
Transportation:				
Street Construction and Reconstruction:				
Purchased Services	0	1,000	898	102
Materials and Supplies	62,715	61,715	54,431	7,284
Net Change in Fund Balance	(32,715)	(32,715)	(19,437)	13,278
Fund Balance Beginning of Year	16,153	16,153	16,153	0
Prior Year Encumbrances Appropriated	20,215	20,215	20,215	0
Fund Balance End of Year	$3,653	$3,653	$16,931	$13,278

City of Dover, Ohio

Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Police and Fire Pension Fund
For the Year Ended December 31, 2002

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property and Other Local Taxes	$100,000	$100,000	$109,757	$9,757
Income Taxes	255,000	265,000	265,000	0
Intergovernmental	47,000	47,000	36,499	(10,501)
Total Revenues	402,000	412,000	411,256	(744)
Expenditures				
Current:				
Security of Persons and Property:				
Police Disability and Pension:				
Fringe Benefits	200,000	200,000	199,870	130
Fire Disability and Pension:				
Fringe Benefits	200,000	212,000	211,882	118
Total Expenditures	400,000	412,000	411,752	248
Net Change in Fund Balance	2,000	0	(496)	(496)
Fund Balance Beginning of Year	2,063	2,063	2,063	0
Fund Balance End of Year	$4,063	$2,063	$1,567	($496)

City of Dover, Ohio

Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Ambulance Fund
For the Year Ended December 31, 2002

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Charges for Services	$65,000	$65,000	$124,501	$59,501
Other	0	0	1,440	1,440
Total Revenues	65,000	65,000	125,941	60,941
Expenditures				
Current:				
Public Health Services:				
Ambulance:				
Salaries and Wages	40,000	80,000	73,484	6,516
Materials and Supplies	44,035	44,035	37,167	6,868
Total Expenditures	84,035	124,035	110,651	13,384
Net Change in Fund Balance	(19,035)	(59,035)	15,290	74,325
Fund Balance Beginning of Year	72,304	72,304	72,304	0
Prior Year Encumbrances Appropriated	4,035	4,035	4,035	0
Fund Balance End of Year	$57,304	$17,304	$91,629	$74,325

City of Dover, Ohio

Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Cemetery Fund
For the Year Ended December 31, 2002

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Income Taxes	$190,000	$205,000	$215,000	$10,000
Interest	20,000	27,000	27,000	0
Charges for Services	120,000	125,000	127,323	2,323
Total Revenues	330,000	357,000	369,323	12,323
Expenditures				
Current:				
Public Health Services:				
Cemetery:				
Salaries and Wages	225,073	236,573	234,645	1,928
Fringe Benefits	60,100	100,700	100,357	343
Purchased Services	11,655	16,255	14,149	2,106
Materials and Supplies	19,438	15,838	13,399	2,439
Travel, Schooling and Dues	1,200	0	0	0
Capital Outlay	4,000	4,000	3,096	904
Total Expenditures	321,466	373,366	365,646	7,720
Net Change in Fund Balance	8,534	(16,366)	3,677	20,043
Fund Balance Beginning of Year	555,541	555,541	555,541	0
Prior Year Encumbrances Appropriated	617	617	617	0
Fund Balance End of Year	$564,692	$539,792	$559,835	$20,043

City of Dover, Ohio

Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Revolving Loan Fund
For the Year Ended December 31, 2002

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Interest	$4,024	$4,024	$2,911	($1,113)
Other	14,176	14,176	11,813	(2,363)
Total Revenues	18,200	18,200	14,724	(3,476)
Expenditures				
Current:				
Community Environment:				
Other Community Environment:				
Purchased Services	10,000	10,000	0	10,000
Net Change in Fund Balance	8,200	8,200	14,724	6,524
Fund Balance Beginning of Year	203,545	203,545	203,545	0
Fund Balance End of Year	$211,745	$211,745	$218,269	$6,524

City of Dover, Ohio

Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Drug Law Enforcement Fund
For the Year Ended December 31, 2002

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Fines, Licenses and Permits	$1,000	$1,000	$0	($1,000)
Expenditures				
Current:				
Security of Persons and Property:				
Drug Law Enforcement:				
Materials and Supplies	2,425	1,000	0	1,000
Net Change in Fund Balance	(1,425)	0	0	0
Fund Balance Beginning of Year	12,485	12,485	12,485	0
Fund Balance End of Year	$11,060	$12,485	$12,485	$0

City of Dover, Ohio

Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Law Enforcement Block Grant Fund
For the Year Ended December 31, 2002

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	$21,059	$21,059	$20,607	($452)
Expenditures				
Current:				
Security of Persons and Property:				
Law Enforcement Block Grant:				
Capital Outlay	21,059	21,059	20,180	879
Net Change in Fund Balance	0	0	427	427
Fund Balance Beginning of Year	0	0	0	0
Fund Balance End of Year	$0	$0	$427	$427

City of Dover, Ohio

Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Enforcement and Education Fund
For the Year Ended December 31, 2002

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Fines, Licenses and Permits	$2,000	$2,000	$2,226	$226
Other	0	0	302	302
Total Revenues	2,000	2,000	2,528	528
Expenditures				
Current:				
Security of Persons and Property:				
Enforcement and Education:				
Materials and Supplies	3,000	8,000	5,184	2,816
Net Change in Fund Balance	(1,000)	(6,000)	(2,656)	3,344
Fund Balance Beginning of Year	13,027	13,027	13,027	0
Fund Balance End of Year	$12,027	$7,027	$10,371	$3,344

City of Dover, Ohio

Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Debt Service Fund
For the Year Ended December 31, 2002

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues	$0	$0	$0	$0
Expenditures				
Current:				
General Government:				
Purchased Services	0	750	150	600
Debt Service:				
Principal Retirement:				
Master Capital Notes	2,425,000	2,424,500	2,100,000	324,500
Electric Municipal Improvement	1,714,092	3,949,850	3,900,000	49,850
Sewer Improvement	1,080,000	1,080,000	1,080,000	0
Electric Precipitator Bond	55,000	55,002	55,000	2
Electric North Sub Station Bond	84,750	84,750	75,000	9,750
Total Principal Retirement	5,358,842	7,594,102	7,210,000	384,102
Interest and Fiscal Charges:				
Master Capital Notes	75,000	75,000	68,060	6,940
Electric Municipal Improvement	150,150	150,150	133,799	16,351
Sewer Improvement	95,000	98,302	98,302	0
Electric Precipitator Bond	10,175	10,175	10,174	1
Electric North Sub Station Bond	27,000	27,000	27,000	0
Total Interest and Fiscal Charges	357,325	360,627	337,335	23,292
Total Debt Service	5,716,167	7,954,729	7,547,335	407,394
Total Expenditures	5,716,167	7,955,479	7,547,485	407,994
Excess of Revenues Under Expenditures	(5,716,167)	(7,955,479)	(7,547,485)	407,994
Other Financing Sources				
Notes Issued	7,400,000	7,400,000	6,703,034	(696,966)
Transfers In	906,791	906,791	844,122	(62,669)
Total Other Financing Sources	8,306,791	8,306,791	7,547,156	(759,635)
Net Change in Fund Balance	2,590,624	351,312	(329)	(351,641)
Fund Balance Beginning of Year	4,788	4,788	4,788	0
Fund Balance End of Year	$2,595,412	$356,100	$4,459	($351,641)

City of Dover, Ohio

Schedule of Revenues, Expenditures and Changes
In Fund Balances - Budget (Non-GAAP Basis) and Actual
Small Cities Block Grant Fund
For the Year Ended December 31, 2002

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	$39,600	$39,600	$39,600	$0
Expenditures				
Capital Outlay	39,600	39,600	39,600	0
Net Change in Fund Balance	0	0	0	0
Fund Balances Beginning of Year	0	0	0	0
Fund Balances End of Year	$0	$0	$0	$0

City of Dover, Ohio

Schedule of Revenues, Expenses and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Shade Tree Fund
For the Year Ended December 31, 2002

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Contributions and Donations	$25	$25	$0	($25)
Expenses				
Current:				
General Government:				
Land Development:				
Purchased Services	1,000	1,000	0	1,000
Net Change in Fund Balance	(975)	(975)	0	975
Fund Balance Beginning of Year	2,909	2,909	2,909	0
Fund Balance End of Year	$1,934	$1,934	$2,909	$975

City of Dover, Ohio

Schedule of Revenues, Expenses and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Cemetery Interment Fund
For the Year Ended December 31, 2002

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Charges for Services	$18,000	$18,000	$16,004	($1,996)
Interest	2,000	2,150	2,672	522
Total Revenues	20,000	20,150	18,676	(1,474)
Expenses				
Current:				
Public Health Services:				
Cemetery:				
Other	15,000	23,000	19,935	3,065
Net Change in Fund Balance	5,000	(2,850)	(1,259)	1,591
Fund Balance Beginning of Year	184,447	184,447	184,447	0
Fund Balance End of Year	$189,447	$181,597	$183,188	$1,591

City of Dover, Ohio

Schedule of Revenues, Expenses and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Employee Health Insurance Fund
For the Year Ended December 31, 2002

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Charges for Services	$850,000	$906,000	$944,398	$38,398
Interest	0	0	13	13
Other	0	0	2,162	2,162
Total Revenues	850,000	906,000	946,573	40,573
Expenses				
Claims	850,000	951,000	937,840	13,160
Net Change in Fund Balance	0	(45,000)	8,733	53,733
Fund Balance Beginning of Year	47,857	47,857	47,857	0
Fund Balance End of Year	$47,857	$2,857	$56,590	$53,733

Statistical Section

City of Dover, Ohio

Governmental Activities by Source and Expenses by Function

Last Two Years (2)

	2002	2001
Program Revenues		
Charges for Services and Sales	$899,791	$772,159
Operating Grants, Contributions and Interest	456,671	455,451
Capital Grants and Contributions	322,207	331,673
General Revenues		
Taxes (1)	4,050,648	4,187,366
Intergovernmental	1,545,024	1,807,058
Interest	313,767	361,563
Other	86,492	168,593
Total	$7,674,600	$8,083,863
Expenses		
General Government	$969,886	$843,700
Security of Persons and Property	3,104,690	2,961,926
Transportation	1,296,099	421,984
Public Health Services	483,663	459,964
Community Environment	82,789	72,811
Basic Utility Services	361,789	441,833
Leisure Time Activities	540,740	599,834
Debt Service		
Interest and Fiscal Charges	119,045	94,682
Total	$6,958,701	$5,896,734

Source: City financial records

(1) Includes all taxes

(2) The City has only reported on a full accrual basis of accounting since 2001.

City of Dover, Ohio

General Governmental Revenues by Source and Expenditures by Function (1)

Last Ten Years

	2002	2001	2000	1999
Revenues				
Taxes (2)	$4,118,024	$4,329,886	$3,973,721	$3,909,327
Special Assessments	0	0	0	0
Intergovernmental	1,999,867	2,460,283	1,882,015	2,011,438
Interest	313,754	360,939	557,602	461,878
Fines, Licenses, and Permits	72,000	45,379	59,390	40,413
Charges for Services	838,405	726,780	741,757	771,835
Contributions and Donations	0	0	27,983	21,500
Other	86,121	167,420	50,934	105,164
Total	$7,428,171	$8,090,687	$7,293,402	$7,321,555
Expenditures				
General Government	$959,875	$893,214	$851,494	$908,558
Security of Persons and Property	3,192,292	3,000,283	2,815,614	2,775,270
Transportation	820,998	798,741	770,247	811,161
Public Health Services	477,570	433,842	422,110	455,576
Community Environment	70,183	68,294	63,742	59,935
Basic Utility Services	361,789	375,863	321,642	341,845
Leisure Time Activities	578,440	571,899	520,448	512,853
Capital Outlay	919,272	1,116,398	1,234,808	1,036,425
Debt Service				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	119,073	94,727	104,386	116,203
Total	$7,499,492	$7,353,261	$7,104,491	$7,017,826

Source: City financial records

(1) Includes all governmental fund types.

(2) Includes all taxes

1998	1997	1996	1995	1994	1993
$3,904,919	$3,570,133	$3,584,433	$3,410,288	$3,289,642	$3,036,724
0	0	0	0	891	12,123
1,621,328	1,462,047	1,964,308	1,837,899	1,688,948	1,125,034
408,831	263,619	234,570	241,204	324,750	163,772
39,762	35,407	47,025	37,785	45,345	41,494
816,364	779,605	766,529	780,782	802,779	791,967
73,044	30,000	133,430	20,000	22,960	0
145,409	26,323	56,916	34,082	39,398	61,192
$7,009,657	$6,167,134	$6,787,211	$6,362,040	$6,214,713	$5,232,306
$679,256	$648,291	$603,351	$606,815	$540,700	$578,996
2,632,752	2,488,579	2,413,326	2,199,744	2,143,559	2,089,013
736,070	627,528	686,972	714,379	760,132	695,507
358,720	364,464	299,616	261,753	342,889	261,177
65,979	57,942	382,482	210,997	356,929	59,172
361,484	381,101	403,801	389,391	512,202	461,976
495,150	459,873	464,931	419,187	383,053	411,814
1,151,032	1,614,695	1,758,679	1,687,320	2,970,284	668,818
0	0	0	0	0	10,000
116,373	131,060	126,147	124,009	89,339	26,674
$6,596,816	$6,773,533	$7,139,305	$6,613,595	$8,099,087	$5,263,147

City of Dover, Ohio

Property Tax Levies and Collections

Real and Public Utility Tax (1)

Last Ten Years

Year	Total Tax Levy	Current Tax Collections (2)	Percent of Current Taxes Collected	Delinquent Tax Collections	Total Tax Collections	Ratio of Total Tax Collections to Total Tax Levy	Outstanding Delinquent Taxes (3)	Ratio of Delinquent Taxes to Total Tax Levy
1993	$547,128	$515,823	94.28 %	$10,278	$526,101	96.16 %	$11,481	2.10 %
1994	580,175	549,711	94.75	11,564	561,275	96.74	18,798	3.24
1995	600,017	569,989	95.00	14,185	584,174	97.36	17,871	2.98
1996	657,431	625,753	95.18	9,637	635,390	96.65	21,107	3.21
1997	665,018	633,863	95.32	8,054	641,917	96.53	22,998	3.46
1998	665,328	610,972	91.83	21,834	632,806	95.11	16,151	2.43
1999	726,030	711,172	97.95	12,493	723,665	99.67	12,569	1.73
2000	733,677	711,475	96.97	13,581	725,056	98.82	29,535	4.03
2001	743,272	726,469	97.74	16,569	743,038	99.97	31,485	4.24
2002	775,009	757,265	97.71	20,236	777,501	100.32	27,809	3.59

Source: Tuscarawas County Ohio; County Auditor

(1) Does not include state reimbursements of homestead and rollback exemptions.

(2) Includes penalties which are not included in the total tax levy.

(3) This amount cannot be calculated based on other information in this statistical table because of retroactive additions and deletions which are brought on in one lump sum.

City of Dover, Ohio

Property Tax Rates--Direct and Overlapping Governments

(Per 1,000 of Assessed Valuation)

Last Ten Years

	City of Dover							
Year	General Fund	Police and Fire Pension	Total	Dover School District	Tuscarawas County	Tuscarawas County Health District	Buckeye JVS	Total
1993	$6.00	$0.60	$6.60	$41.47	$5.70	$1.00	$1.80	$56.57
1994	6.00	0.60	6.60	41.47	5.70	1.00	1.80	56.57
1995	6.00	0.60	6.60	41.47	5.70	1.00	2.80	57.57
1996	6.00	0.60	6.60	41.17	5.70	1.00	2.80	57.27
1997	6.00	0.60	6.60	46.57	6.20	1.00	2.80	63.17
1998	6.00	0.60	6.60	46.57	8.10	1.00	2.80	65.07
1999	6.00	0.60	6.60	45.67	8.10	1.00	2.80	64.17
2000	6.00	0.60	6.60	45.62	8.10	1.00	2.80	64.12
2001	6.00	0.60	6.60	45.52	8.20	1.00	2.80	64.12
2002	6.00	0.60	6.60	45.52	8.20	1.00	2.80	64.12

Source: Tuscarawas County, Ohio; County Auditor

City of Dover

Assessed Valuation and Estimated
True Values of Taxable Property
Last Ten Years

Year	Agricultural/ Residential Real Estate	Other Real Estate	Total Real Estate	Public Utility Personal
1993	$78,819,620	$37,875,250	$116,694,870	$5,867,310
1994	81,011,570	39,929,840	120,941,410	6,217,240
1995	98,550,830	42,024,300	140,575,130	5,659,760
1996	99,630,860	42,964,280	142,595,140	5,567,140
1997	101,274,890	44,309,660	145,584,550	4,711,780
1998	127,204,270	55,122,720	182,326,990	5,637,650
1999	128,184,830	55,991,710	184,176,540	5,582,880
2000	129,221,460	57,231,490	186,452,950	5,799,980
2001	142,187,860	61,183,960	203,371,820	3,204,400
2002	145,762,350	63,227,160	208,989,510	3,147,730

Source: Tuscarawas County, Ohio; County Auditor

(1) This amount is calculated by dividing the assessed value by the assessment percentage.
The percentages for 2002 are:
35 percent for all real estate,
88 percent for public utility personal and
25 percent for capital assets and 24 percent for inventory included in tangible personal

Tangible Personal	Total Personal	Total Assessed Value	Estimated True Value	Percent of Assessed Value To Estimated True Value (1)
$39,648,389	$45,515,699	$162,210,569	$498,674,892	33 %
39,837,720	46,054,960	166,996,370	510,677,097	33
37,924,922	43,584,682	184,159,812	559,774,462	33
43,826,725	49,393,865	191,989,005	559,050,737	34
44,323,535	49,035,315	194,619,865	598,891,146	33
45,226,075	50,863,725	233,190,715	708,244,977	33
45,693,600	51,276,480	235,453,020	715,337,268	33
48,438,153	54,238,133	240,691,083	733,066,212	33
47,992,835	51,197,235	254,569,055	776,675,046	33
47,145,495	50,293,225	259,282,735	789,271,832	33

City of Dover

Special Assessment Collections

Last Ten Years

Year	Billed	Amount Collected	Percent Collected
1993	$10,825	$12,123	111.99%
1994	0	891 (1)	n/a
1995	0	0	n/a
1996	0	0	n/a
1997	0	0	n/a
1998	0	0	n/a
1999	0	0	n/a
2000	0	0	n/a
2001	0	0	n/a
2002	0	0	n/a

Source: Tuscarawas County, Ohio; County Auditor

(1) Represents delinquent collections

City of Dover, Ohio

Computation of Overlapping General Obligation Bonded Debt

December 31, 2002

Jurisdiction	General Obligation Debt Outstanding	Percentage Applicable To City (1)	Amount Applicable To City
Dover City Schools	$7,480,000	71.81%	$5,371,388

Source: Tuscarawas County, Ohio; County Auditor

(1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the City by the total assessed valuation of the subdivision. The valuations used were for the 2002 collection year.

City of Dover, Ohio

General Obligation Revenue Bond Coverage

Last Ten Years

Fund/Year	Operating Revenues	Operating Expenses (1)	Net Revenue Available for Debt Service	Debt Service Requirements (2) Principal	Interest	Total	Coverage
Water Fund:							
1993	$682,167	$591,654	$90,513	$30,000	$5,850	$35,850	2.52
1994	929,606	619,049	310,557	30,000	133,972	163,972	1.89
1995	1,493,073	697,177	795,896	30,000	374,802	404,802	1.97
1996	1,681,532	1,111,871	569,661	130,000	374,339	504,339	1.13
1997	1,636,727	763,220	873,507	135,000	368,777	503,777	1.73
1998	1,703,231	784,225	919,006	140,000	362,514	502,514	1.83
1999	1,757,478	916,615	840,863	145,000	352,861	497,861	1.69
2000	1,833,485	972,123	861,362	155,000	343,488	498,488	1.73
2001	1,735,530	1,237,124	498,406	165,000	335,738	500,738	1.00
2002	1,762,441	1,197,029	565,412	165,000	334,251	499,251	1.13
Electric Fund:							
1993	$9,513,692 (3)	$7,878,135	$1,635,557	$130,000	$123,463	$253,463	6.45
1994	10,014,748	7,839,404	2,175,344	130,000	113,826	243,826	8.92
1995	10,626,454	8,432,578	2,193,876	335,000	531,317	866,317	2.53
1996	10,895,388	9,490,751	1,404,637	345,000	661,207	1,006,207	1.40
1997	10,883,558	8,831,216	2,052,342	355,000	641,887	996,887	2.06
1998	11,082,539	9,096,135	1,986,404	365,000	621,637	986,637	2.01
1999	12,504,530	10,467,573	2,036,957	375,000	595,450	970,450	2.10
2000	12,437,522	9,649,872	2,787,650	390,000	570,752	960,752	2.90
2001	12,806,517	11,429,382	1,377,135	400,000	547,673	947,673	1.45
2002	13,430,716	12,015,310	1,415,406	415,000	201,159	616,159	2.30
Sewer Fund:							
1993	$1,352,791	$768,984	$583,807	$45,000	$96,648	$141,648	4.12
1994	1,427,011	877,006	550,005	50,000	93,454	143,454	3.83
1995	1,463,322	940,731	522,591	50,000	90,178	140,178	3.73
1996	1,369,424	970,975	398,449	55,000	88,468	143,468	2.78
1997	1,277,082	973,403	303,679	60,000	81,843	141,843	2.14
1998	1,349,477	1,015,119	334,358	60,000	80,268	140,268	2.38
1999	1,367,646	1,093,786	273,860	65,000	79,175	144,175	1.90
2000	1,383,076	1,089,946	293,130	70,000	72,572	142,572	2.06
2001	1,351,614	1,288,116	63,498	75,000	65,286	140,286	0.45
2002	1,937,077	1,246,796	690,281	80,000	60,704	140,704	4.91

Source: City financial records

(1) Total operating expenses exclusive of depreciation.

(2) Includes principal and interest of general obligation revenue bonds only.

(3) Includes operating revenues plus other non-operating revenues which represents funds received from a local corporation for retirement of the debt.

City of Dover, Ohio
Legal Debt Margin
December 31, 2002

Overall Debt Margin (10 1/2% of Assessed Valuation)	$27,224,687
Gross Indebtedness	23,535,000
Less: Self Supporting Debt	20,985,000
Net Debt Within 10 1/2% Limitations	2,550,000
Legal Debt Margin Within 10 1/2% Limitations	$24,674,687
Unvoted Debt Limitation (5 1/2% of Assessed Valuation)	$14,260,550
Gross Indebtedness	23,535,000
Less: Self-Supporting Debt	20,985,000
Net debt within 5 1/2% limitation	2,550,000
Legal Debt Margin Within 5 1/2% limitation	$11,710,550

Sources: Tuscarawas County, Ohio; County Auditor, and City financial records

City of Dover, Ohio

Property Value, Construction and Bank Deposits

Last Ten Years

Year	Property Value (1)	Residential Construction Value	Commercial Construction Value	Domestic Bank Deposits in the County (in thousands)
1993	$333,413,915	$3,706,290	$2,281,540	$371,710
1994	344,261,171	2,761,510	169,740	383,091
1995	401,643,229	5,622,285	1,546,371	402,359
1996	407,417,543	2,749,400	2,686,257	407,639
1997	416,242,770	3,905,430	2,423,030	205,749 (2)
1998	520,934,257	3,196,942	4,063,054	222,464
1999	526,218,686	2,885,486	2,603,486	162,185
2000	532,722,715	2,722,257	3,842,428	211,927
2001	580,695,290	4,868,200	433,490	222,631
2002	597,112,886	6,059,829	6,451,400	236,126

Sources: Federal Reserve Bank - Cleveland, Ohio
Tuscarawas County, Ohio: County Auditor

(1) Represents estimated value of real estate.
(2) Certain bank deposits are not included due to reorganization.

City of Dover, Ohio
Principal Taxpayers
December 31, 2002

Taxpayer	Total Assessed Value	Percent of Assessed Value
International Paper Company	$9,963,630	3.84 %
Allied Machine and Engineering Corporation	9,455,940	3.65
Snyder Laboratories, Inc.	5,023,100	1.94
New Plan Realty Trust	3,279,800	1.26
Commercial and Architectural Products	3,152,210	1.22
Meteor-Lauren LLC	3,052,978	1.18
Buehler's Food Markets, Inc.	2,593,450	1.00
GTE North	2,549,070	0.98
Oxford Capital Enterprises LLC	2,087,480	0.81
General Electric	1,960,053	0.76
	$43,117,711	16.64 %

Source: Tuscarawas County, Ohio: County Auditor

City of Dover, Ohio
Bonded Debt
December 31, 2002

All of the general obligation debt of the City of Dover is to be paid from enterprise revenues. The City of Dover does not have any net general bonded debt; therefore, no ratio of net general bonded debt to assessed value and net bonded debt per capita and no ratio of annual debt service for general bonded debt to total general fund expenditures are presented in the City's statistical tables.

City of Dover, Ohio
Ten Largest Employers
December 31, 2002

Employer	Nature of Business	Number of Employees
Union Hospital	Hospital	802
Allied Machine and Engineering Corporation	Manufacturer	365
Marlite	Manufacturer	322
Dover City Schools	School	303
Zimmer Patient Care Division	Manufacturer	294
Buehler's	Grocery	250
Hennis Care Center Incorporated	Nursing Care Center	195
New Dawn Health Care	Nursing Care Center	174
Arizona Chemical Company	Manufacturer	150
Meteor Sealing	Manufacturer	123

Source: City records

City of Dover, Ohio
Demographic Statistics
Last Ten Years

Year	Population (1)	School Enrollment (2)	Unemployment Rate Tuscarawas County (3)
1993	12,082	2,785	5.9 %
1994	12,402	2,858	4.8
1995	12,613	2,900	5.5
1996	13,067	2,875	5.2
1997	13,327	2,862	4.9
1998	13,570	2,830	4.8
1999	13,630	2,819	4.4
2000	13,431	2,766	4.1
2001	13,573	2,736	4.9
2002	13,602	2,637	5.4

(1) Source: Estimated by the City

(2) Source: Dover Board of Education

(3) Source: Ohio Department of Unemployment, Labor Research

City of Dover, Ohio
Miscellaneous Information
December 31, 2002

Date of Incorporation as a City	December 6, 1901
Form of Government	Mayor/Council
Area	5.71 Square Miles
Miles of Streets	68
Miles of Storm Sewers	32
Number of Street Lights	2,307
Hospital	1
Building Permits Issued	252
Education:	
Number of Teachers	190
Number of Students	2,637
Fire Protection:	
Number of Stations	1
Number of Firemen and Officers	17
(Exclusive of Volunteer Firemen)	
Fire Hydrants	555
Police Protection:	
Number of Stations	1
Number of Policemen and Officers	22
Municipal Utilities:	
Mile of Water Mains	81
Miles of Electric Lines	369
Miles of Sanitary Sewer	63
Number of Consumers:	
Water	5,422
Electric	6,541
Sewer	5,311
Average Daily Consumption (per household):	
Water	182
Electric	26
Sewer	165
Recreation and Culture:	
Number of Parks	2
Number of Libraries	1
Number of Swimming Pools	2
Number of Tennis Courts	8
Number of Baseball and Softball Diamonds	8
Employees:	
Full-Time	156
Part-Time	35

Source: City records

DOVER
O·H·I·O

Auditor of State
Betty Montgomery

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Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

CITY OF DOVER

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
JULY 22, 2003