

THE CITY OF DOVER • OH



FOR THE YEAR ENDED **DECEMBER 31, 2017**

COMPREHENSIVE ANNUAL **FINANCIAL REPORT**





Dave Yost • Auditor of State

City Council
City of Dover
122 East Third Street
Dover, Ohio 44622

We have reviewed the *Independent Auditor's Report* of the City of Dover, Tuscarawas County, prepared by Rea & Associates, Inc., for the audit period January 1, 2017 through December 31, 2017. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The City of Dover is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

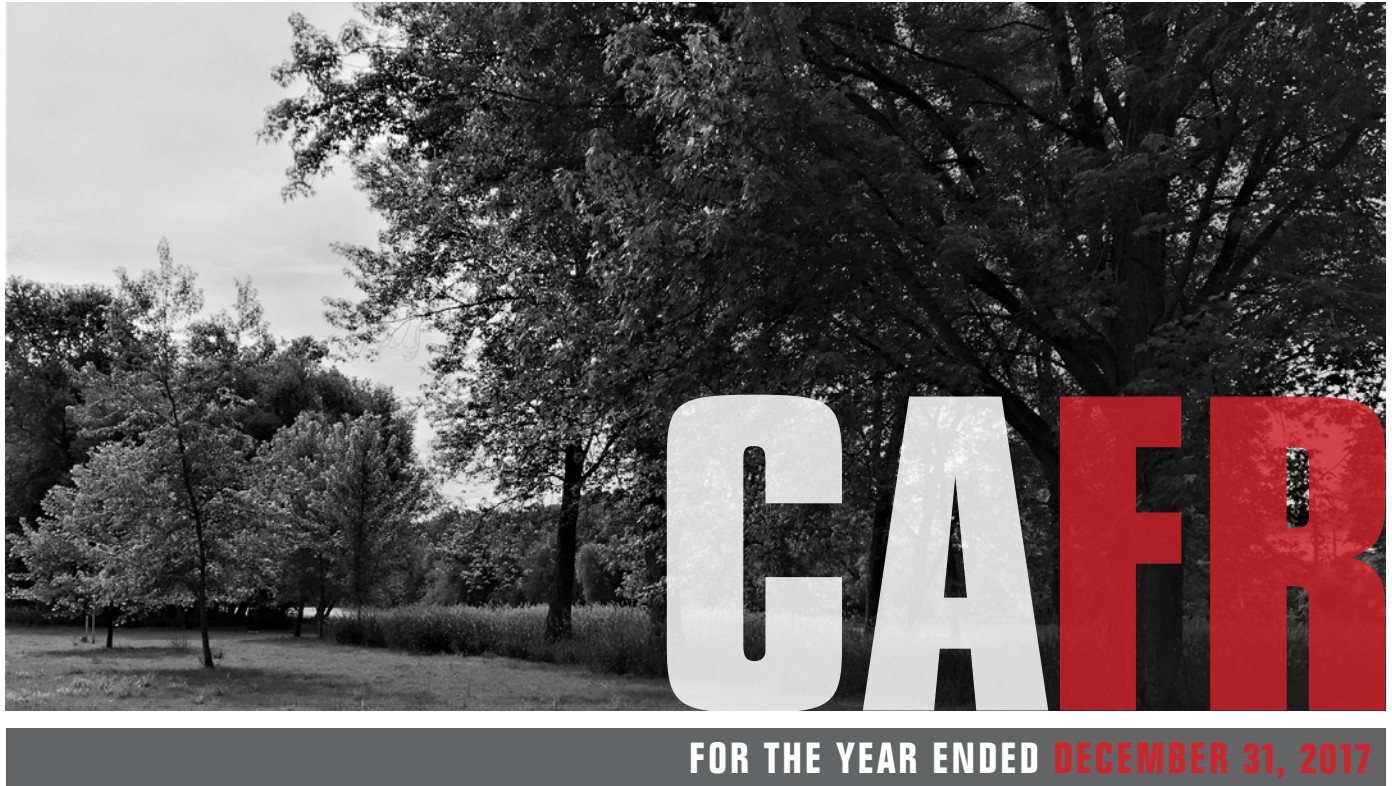
Dave Yost
Auditor of State

August 16, 2018

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COMPREHENSIVE ANNUAL **FINANCIAL REPORT**

Prepared by the City of Dover Auditor's Office

Nicole L. Stoldt • Dover City Auditor

Kelly Elliott • Deputy Auditor

Angie Gump • Assistant Auditor



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THE CITY OF DOVER • OH



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FOR THE YEAR ENDED **DECEMBER 31, 2017**

INTRODUCTORY **SECTION**

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City of Dover
Tuscarawas County, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2017
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City Of Dover

Auditor's Office

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June 27, 2018

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

It is our privilege to present to you the City of Dover's (the City) Comprehensive Annual Financial Report (CAFR). This CAFR represents the official report of the City's operations and financial position for the year ended December 31, 2017, and details the status of City finances to residents, elected officials, investment bankers, underwriters, rating agencies and all other interested parties. This report enables the City to comply with Ohio Administrative Code Section 117-2-03(B), which requires reporting on a Generally Accepted Accounting Principles (GAAP) basis, and Ohio Revised Code Section 117.38 which requires cities reporting on a GAAP basis to file an annual report with the Auditor of State within 150 days of fiscal year end.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free from any material misstatements.

Rea and Associates, Inc. has issued an unmodified ("clean") opinion on the City of Dover's financial statements for the year ended December 31, 2017. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction to it.

City Profile

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 early 1900's. By December 18, 1915, the City was officially changed to 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 at-large council members and four ward council members. A safety director, service director, auditor, treasurer, and law director are responsible for various departments of City business. For financial reporting purposes, the City has considered all departments and organizations making up the City of Dover (the primary government).



TREE CITY USA

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, 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, public health services, recreation programs (including parks), transportation programs (including streets), water treatment and distribution, 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.

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. 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.

Local Economy

Dover is located in northeastern Ohio, south of Cleveland and Canton in Tuscarawas County and is accessible from I-77. Dover covers an area of 5.76 square miles. This popular and expanding residential community is noted for its older elegant homes built on quiet tree-lined streets and newly developed areas. Dover is a desirable city to live in Tuscarawas County, as property values have outpaced inflation. The underlying strength of Dover's growing economy comes from its diversity. Dover does not depend on one firm for local employment; seven of our ten principal employers each had more than 200 employees, lending to the City's diversification.

Seven banks (Huntington National, Chase, First National Bank of Dennison, Citizens Bank, Unified, First Federal Bank, and Dover-Phila Federal Credit Union) are located in the City.

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 Spectrum Cable Company provides digital cable TV services. Three AM and two FM radio stations are located in the County.

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

Union Hospital is a great asset to the City of Dover. Not only is it our City's largest employer, it is a nationally ranked and award-winning hospital. In 2017, Union Hospital began talks with Cleveland Clinic of a possible merger. In April of 2018 it was announced that Union Hospital is now a full member of the Cleveland Clinic health system. Union Hospital is the 11th regional hospital in the Cleveland Clinic health system and will be known as Cleveland Clinic Union Hospital.

The City's north end has flourished with the new \$6.5 million investment of Novogradac & Company for a new office and the \$4.4 million investment in the Cleveland Clinic Union Hospital as a north end facility. This is also the area that will be home to the City's north end safety sub-station, which should break ground in 2018.

Another company that chose to expand in 2016, with completion in 2017, was Meteor Sealing Systems. They are investing \$5 million in a 40,000 square foot expansion of their manufacturing facility on South Tuscarawas Avenue. Meteor Sealing specializes in designing, developing and producing highly engineered, complex sealing systems for both domestic and foreign automobile manufacturers.

A downtown church also embarked on an expansion in 2017. Lifebridge Church is expanding its auditorium area, as well as enlarging the basement, adding an elevator, multipurpose space, and a coffee house. This expansion is estimated to be around \$0.5 million.

Major Initiatives

For the Year

On September 17, 2012, Dover City Council passed an Ordinance to impose a three percent lodging tax for establishments offering sleeping accommodations to guests and in which there are five or more rooms, starting on January 1, 2013. Currently this tax affects three local motels. The monies are to be deposited into the general fund and will be used for the economic development and tourism in the City of Dover. Requests can be submitted by groups or organizations wanting funding for projects being completed in the City. The Dover Architectural Review Board reviews the requests and makes a recommendation to Council. As of the end of 2017, the City has awarded \$51,086.

The City of Dover's electric generating plant is one of four its size in Ohio. The construction of the electric plant was a hard fought battle by the City's administration more than 100 years ago. The plant was completed and opened its doors in 1910. The City's Mayor, Richard Homrighausen, is very active in all aspects of the plant, serving as president of the Ohio Municipal Electric Association for many years. The organization advocates the needs of the small generating plants in Ohio. He testifies before the United States Senate Sub Committee often to provide our legislators with the voice of the communities affected by pending legislation.

Our City light plant is an immeasurable asset to the City. Our electric system supplies reliable, affordable power to the entire City with the emphasis on reliable. In the past, when the weather has knocked out power to the area, our City's electric field division is on the streets restoring power as soon as safely possible. We are fortunate to have our power restored efficiently while others are waiting. Reliable power is an advantage to every business in the City, as well as every power customer. Affordability is a direct result of a diversified power portfolio and our ability to generate power ourselves. The City is always looking for ways to save the citizens and be responsible in our choices.

2017 was a year for maintenance and upgrades to the City's largest asset. The Dover Light Plant continues to supply efficient and affordable electric to its residents and businesses for over 100 years. During the annual shut down much of the work is done to the plant. This year was no exception, the boiler, the turbine, the coal handling equipment, and various other pieces of equipment received yearly inspection, maintenance, and upgrades.

The City's Electric Field Division sees that the power is supplied to our consumers reliably and efficiently. Residentially 33 poles were replaced and maintenance on the existing lines was done throughout the City, making the system more reliable. Commercial and industrial growth was better than expected, adding an additional 1 commercial and 3 industrial business accounts. The Electric Field Division also assisted the traffic light contractors in energizing the new traffic boxes, removing and replacing old poles as well as adding new LED street lights.

Department Information

2017 was a harsh winter for the Street Department. The entire salting season required 1,222 tons of salt, compared to 893 in the previous season.

Mowing of the City's right of ways is done by the general services division. There are 50 plus locations throughout the City that are maintained by mowing and weed eating. Mowing is done weekly, bi-weekly, and monthly as required.

The leaf season lasted for months due to poor temperatures this year. Leaves were picked up using our leaf machine and two new truck-mounted collection boxes. The loader and dump trucks were used to complete the removal. For the entire process, we used 944 man-hours to haul 154 loads of leaves.

The City of Dover's mini dump was used primarily as a collection area again this year for the brush, construction materials and cement that we collected. The brush and yard debris were hauled by Bull Country Compost to their facility for a cost of \$3,525. This year, in conjunction with a grant through Stark-Tusc-Wayne Joint Solid Waste Management District, the City continued to operate a compost site that was used immensely by the residents.

The street sweeper logged 140 days in 2017; the majority of the sweeping was done on Sunday nights. The painting program continued in 2017 with total supplies for the program consisting of 775 gallons of paint. Over 30 miles of streets were striped, along with 530 parking stalls, 98 crosswalks, and 31 turn bays.

The general services division also maintains traffic control devices. There are 29 traffic light systems, 12 four-way flasher/warning flashers, and 8 school speed limit light systems in the City of Dover. With the help of an ODOT grant, the City continued Phase I of a traffic signalization project costing about \$0.5 million in 2017. This project consists of new signals in over half of the City, and is expected to be completed in 2018 at a total cost of about \$2.2 million. Phase II is currently in the planning and application stages. Signs are also a big part of our program. New signs are installed to replace old worn signs and stolen or damaged ones, while others are to keep in compliance with the Ohio Uniform Traffic Code. During 2017, 84 new signs and 8 new posts were installed.

Dover City Parks Department continues to be a great asset to the City. The department offers recreational men's, women's and co-ed leagues for softball, bocce, volleyball and basketball. Summer activities include youth basketball, football and baseball camps, tennis, golf, and swimming lessons. Summer youth baseball and softball continue to be very popular along with the pool and our disc golf course. In 2017, the parks department hosted the City's annual end of summer celebration which featured a day of music, a car/motorcycle show, and food. The evening was topped off by an impressive fireworks display, sponsored by Kimble Recycling and Disposal.

The City Park is always a busy place in the summer. The department operates two concession stands and is home to a state of the art playground donated in part to the City from a host of sponsors. Our picnic shelters had 36 reservations and the pool was rented 54 times. Memorial Hall is a rental for the City which consists of a dining hall, meeting rooms and a gym. The Parks received \$68,585 in rental, camp and league fees throughout 2017.

The parks department also is responsible for the shade tree program. In 2017, 108 trees were maintained and 58 trees were removed. The City is proud to be a Tree City USA recipient for 37 consecutive years.

The City owns and operates three cemeteries. The department keeps busy year-round by consistently maintaining and improving properties. In 2017, the cemetery department conducted 115 interments. We are very proud of our cemeteries. They are well-kept, beautifully-landscaped properties providing the Dover citizens with a picturesque final resting place.

The Dover Police Department was kept busy in 2017. The department received 13,277 calls, investigated 311 traffic accidents, 17 of those involving injuries and with no fatalities. The department investigates all infractions of State law and City Ordinances.

The Dover Police Department continued to serve the community by keeping City of Dover a safe place to live and visit. The Department consists of 22 sworn officers, 6 Special/Reserves officers, 3 civilian dispatchers, and a K-9 Unit and also maintains 11 service vehicles. The Department provides services such as money escorts, funeral escorts, vehicle lockouts, home vacation checks, and security for annual events throughout the year.

The Dover Police Department participated in community service programs such as the Fourth Grade Bicycle Safety Program, National Child Safety Program for grades K-5, Trunk or Treat, and Tuscarawas County Safe Kids Coalition Teen Rodeo. K-9 demonstrations, Department tours and Senior Citizen Safety talks were conducted also. The Department had the opportunity to provide A.L.I.C.E training for approximately 300 Dover City School staff members.

The Dover Fire Department also helped keep the community safe. They responded to 1,615 EMS calls and 92 Fire calls and completed 1,636 training hours. The Fire Department hosts an annual open house to share their services with the community.

The City's Electric Field division received the AMP Public Power Promotion Award, AMP Electric System Sustainability Award, System Improvement Award Division 3, and Transmission/Distribution Safety Commendation. The electric field employees also provide year-long community service by installing banners and temporary wiring for all of the downtown events. The employees are responsible for decorating the downtown for the Christmas season, and without their attention to detail, the City would never be able to light the downtown and surrounding areas all at once on the evening of our Christmas holiday parade.

Dover's Water/Wastewater Departments are working year-long to maintain and improve our systems. In 2017, 2,800 feet of new water main was installed, 400 feet of 8-inch main from the water plant to the old Armory, 2,000 feet of 14-inch main from West Ohio Avenue north to Deeds Drive, and 400 feet on Galaxy Drive for the North Star Allotment. In addition, 5 water valves were replaced, repairs were made on 10 water main and water service leaks, 10 street and curb boxes were repaired, and 17 new water services were installed. In order to ensure fire protection for the City, the department replaced 7 fire hydrants, winterized 620 fire hydrants, and flushed more than 1,240 fire hydrants during the year.

The Water department annually prepares a Consumer Confidence Report which provides users with information about their drinking water. This report is available on the City website.

In 2017, the City of Dover Wastewater department worked on lift stations for 45 days, cleaned sewer lines on 91 occasions, and responded to 43 sewer calls. Sewer lift station operations are checked upon daily by department employees.

We are very proud of the services provided to our City's residents and applaud the efforts of our departments in maintaining a progressive approach to management and 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

Dover continues to strive to improve upon its desirability as a place to reside, worship and conduct business in Tuscarawas County. Short term and long term goals are set yearly and every effort is made to realize each goal. It is a primary focus of the City's administration to prioritize and achieve these goals for the betterment of the citizens of the City of Dover.

The future for most municipalities like the City of Dover is one of economic uncertainty, however, the City of Dover will continue to use every asset and every economic tool available to maintain existing businesses and entice new business to the area.

A goal every year is to provide the citizens of Dover with the same or a better level of service than that of the previous year. We would like the Citizens of Dover to have a City to be proud of and that cares for their changing needs while maintaining a fiscally sound base.

Long Term Financial Planning

The City ensures there are funding sources for all projects it undertakes. A portion of the City's income tax is allocated to the master capital fund to help provide considerable pay-as-you-go financing of governmental capital projects and capital assets. Traditionally, the City has funded projects for our enterprise funds by issuing mortgage revenue bonds and bond anticipation notes as necessary. In 2011, the City issued a general obligation bond to pay off all of its outstanding bond anticipation notes. We plan to scrutinize every project and use the means available to us to complete any necessary improvements. Our wastewater treatment plant is funded by a low interest loan through the Ohio Water Development Authority (OWDA). A no-interest loan was obtained through the Ohio Public Works Commission and was used as part of the financing for the Wills Avenue storm sewer project. In December 2015, the City issued \$2,245,000 in Municipal Electric System Improvement Bonds. The proceeds were used for a pollution control facilities project that came in under budget.

Another long term goal has been a north end safety sub-station. The City has diligently been setting aside funds for the construction of this site. On March 15, 2016, the City passed a 4-mill replacement levy to fund the additional safety forces that will be needed at this north end safety sub-station. We are set to break ground in 2018. This will help ensure that Dover remains a safe community.

Relevant Financial Planning

The financial planning for the City is based many times upon need. For example, in compliance with Ohio law, the City of Dover collects a kilowatt per hour tax; this tax revenue is to be receipted in the general fund in an effort to offset the general fund's loss of other revenues related to electric. The City has passed legislation that allows the transfer back to the electric fund based on need. Yearly, it is decided upon, by the administration and the finance committee of City Council, which fund will be the recipient of all or part of this revenue.

The split of our City's income tax revenue has been addressed elsewhere in the report; however, the practice of allocating a percentage of our income tax revenue to the master capital fund continues to be a most valuable tool. In the time of financial downturn the percentage can be lowered to allow for additional yearly revenue for operating expense, but otherwise, 40 percent of income tax revenue is used to maintain and grow our City, providing infrastructure and enhancements to serve our citizens. In 2017, only 25 percent of income tax was allocated to the master capital fund, as operating funds benefited from the additional revenue.

The financial condition of the City is reviewed by the finance committee of City Council through reports from both the Auditor and Mayor. Recommendations are submitted and either acted upon by the committee or taken under advisement for the future.

The City of Dover's present operations, current financial condition, and the future are reviewed, executed and planned as a cooperative effort of dedicated elected officials and administrative staff with a single goal in mind, to make Dover citizens proud to call this City home.

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, 2016.

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.

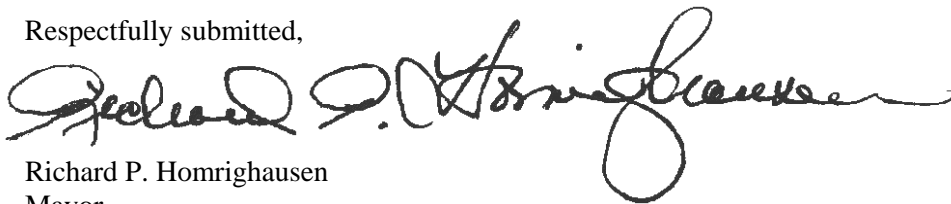
Tree City USA The City received its thirty-seventh Tree City USA Award for the year ended December 31, 2017. These prestigious awards recognize the City for its annual program of planting new trees and maintaining and removing old trees. Dover has been the second longest recipient of this award at the City level.

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 City Auditor's office and the supervisors of other City departments, and the Local Government Services section of the Auditor of State Dave Yost's office.

We are happy to report that the City's financial policies and management have enabled Dover to continue to provide a sound financial condition. 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



Nicole L. Stoldt
Auditor



Government Finance Officers Association

**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, 2016

Christopher P. Morill

Executive Director/CEO

City of Dover
Tuscarawas County, Ohio
Principal Officials
December 31, 2017

Mayor	Richard P. Homrighausen
President of Council.....	Shane N. Gunnoe
Councilman – Ward I.....	Gregory M. Bair
Councilman – Ward II	John McFadden
Councilman – Ward III	Sandra K. Moss
Councilman – Ward IV	Robert A. Mueller
Council-at-Large	John Correll
Council-at-Large	Justin Perkowski
Council-at-Large	Donald H. Maurer
Clerk of Council.....	Julie L. Leggett
Law Director	Douglas J. O’Meara
Building Inspector.....	Jeffrey C. Beitzel
Civil Service.....	Linda E. Hildebrand

Finance Department

Auditor	Nicole L. Stoldt
Treasurer	Susan Solvey
Income Tax Administrator	Cheryl J. Saylor

Safety Department

Safety/Human Resources Director.....	Vacant
Fire Chief	Russell R. Volkert
Police Chief.....	Paul Bantum

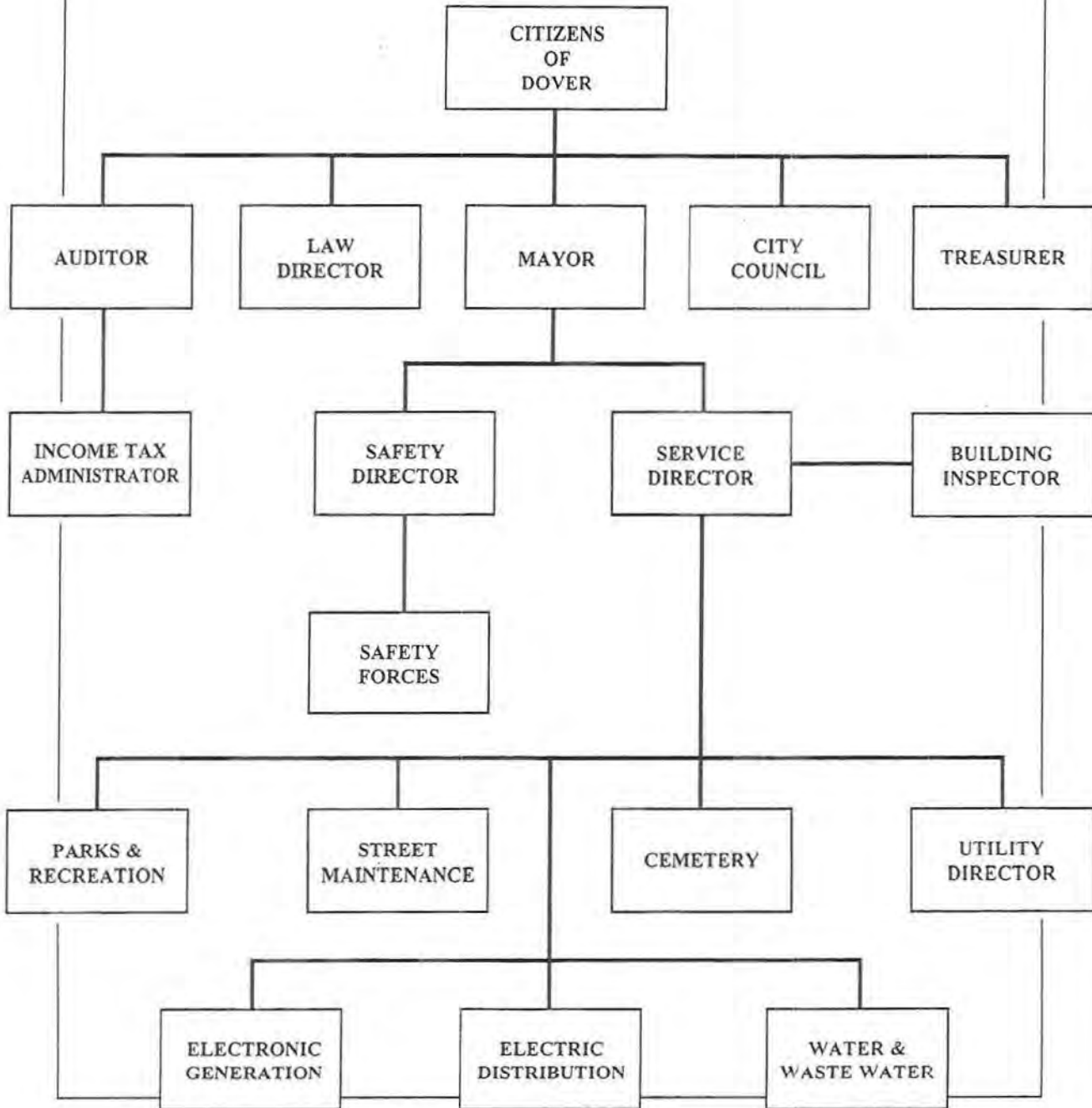
Service Department

Service Director	David F. Douglas
Cemetery	Scott J. Harmon
Electric Distribution.....	Charles W. Stull
Electric Plant.....	David A. Filippi
General Services	Kenny Young
Parks and Recreation.....	Scott A. Jerles
Utilities Office	Beth E. Jones
Water and Sewer	Mark R. Keyser



CITY OF DOVER, OHIO

Organization Chart



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doverohio.com

FOR THE YEAR ENDED **DECEMBER 31, 2017**

FINANCIAL **SECTION**

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June 27, 2018

To the Members of Council and Management
City of Dover
Tuscarawas County, Ohio
122 East Third Street
Dover, OH 44622

Independent Auditor's Report

Report on the Financial Statements

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, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis, Schedule of City's Proportionate Share of the Net Pension Liability, and Schedule of City Contributions* on pages 5-16, 71-72, and 73-75 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Dover's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2018 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

Rea & Associates, Inc.

New Philadelphia, Ohio

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City of Dover
Tuscarawas County, Ohio
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The discussion and analysis for the City of Dover's (the City's) financial statements provides an overall review of the financial activity of the City for the twelve months ended December 31, 2017. 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 2017 are as follows:

The revitalization project to the City's Riverfront continued in 2017. Additional grants were obtained through Ohio Public Works Commission to enhance the park-like atmosphere. The City has applied for various other grants to work on making an inviting gateway from the downtown area to the Riverfront.

The City partnered with Ohio Department of Transportation to continue Phase I of a traffic signalization upgrade. Half of the City had new traffic signals installed which are connected by fiber and put on sensors for better traffic flow and safer response for safety personnel responding to emergency calls. Applications have been submitted for Phase II.

As State funding is being cut at many levels, the City has found it necessary to change our practice of placing 40 percent of our income tax revenue into the master capital fund. Since 2012, the City has placed 25 percent of income tax collections into the fund for projects, leaving the additional 15 percent to be used for operating expenses.

Several departments benefited in 2017 from the master capital fund. The Parks Department renovated the amphitheater, improved the concrete on the picnic shelters, purchased a new mower and an RTV. The Police Department purchased new police cruisers. The Cemetery Department purchased a mud buggy for hauling concrete that was partially funded by a BWC grant.

In September of 2012, the City passed an ordinance effective January 1, 2013, to enact a 3 percent lodging tax for any establishment in which 5 rooms are provided for the accommodation of guests. The monies are to be deposited into the general fund and will be used for economic development and tourism in the City of Dover. Requests can be submitted by groups or organizations seeking funding for projects being completed in the City. The Dover Architectural Review Board reviews the requests and makes a recommendation to Council. As of the end of 2017, the City of Dover has distributed \$51,086 since the start of the program.

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 position and the statement of changes in net position provide information from a summary perspective showing the effects of the operations for the year 2017 and how they affected the operations of the City as a whole.

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Reporting the City of Dover as a Whole

Statement of Net Position and Statement of Activities

The statement of net position 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 position and changes in that position. The change in net position 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-financial 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's buildings and infrastructure.

In the statement of net position 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 12. The fund financial reports give a detailed report of the activities within the 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 specific 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

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police and fire protection, as well as improving and maintaining the City's streets, parks, cemeteries, and City Hall. The relationship between governmental activities (reported in the statement of net position 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, except for the internal service fund allocations.

The City of Dover as a Whole

The statement of net position provides an overall view of the City. Table 1 shows a summary of the City's net position for 2017 as compared to 2016.

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Assets						
Current and Other Assets	\$12,019,394	\$12,261,419	\$19,917,964	\$19,560,385	\$31,937,358	\$31,821,804
Capital Assets, Net	20,803,188	20,264,849	47,211,467	48,308,616	68,014,655	68,573,465
Total Assets	32,822,582	32,526,268	67,129,431	67,869,001	99,952,013	100,395,269
Deferred Outflows of Resources						
Deferred Charge on Refunding	0	0	121,373	163,166	121,373	163,166
Pension	3,013,877	3,423,458	2,814,038	2,166,194	5,827,915	5,589,652
Total Deferred Outflows of Resources	3,013,877	3,423,458	2,935,411	2,329,360	5,949,288	5,752,818
Liabilities						
Current Liabilities	1,394,682	1,568,831	3,610,697	3,402,772	5,005,379	4,971,603
Long-Term Liabilities						
Due Within One Year	511,887	410,990	2,917,888	2,922,554	3,429,775	3,333,544
Due in More Than One Year:						
Net Pension Liability	12,188,520	12,007,729	7,253,406	5,474,529	19,441,926	17,482,258
Other Amounts	3,309,146	3,821,253	17,365,147	20,282,651	20,674,293	24,103,904
Total Liabilities	17,404,235	17,808,803	31,147,138	32,082,506	48,551,373	49,891,309
Deferred Inflows of Resources						
Property Taxes	1,598,126	1,549,018	0	0	1,598,126	1,549,018
Pension	384,070	86,813	61,609	270,101	445,679	356,914
Total Deferred Inflows of Resources	1,982,196	1,635,831	61,609	270,101	2,043,805	1,905,932
Net Position						
Net Investment in Capital Assets	18,599,070	17,768,347	29,156,990	28,026,128	47,756,060	45,794,475
Restricted for:						
Cemetery	793,870	826,741	0	0	793,870	826,741
Street Maintenance and Repair	622,931	688,948	0	0	622,931	688,948
Police and Fire Pension	92,716	105,778	0	0	92,716	105,778
Revolving Loan Program	448,372	447,336	0	0	448,372	447,336
Law Enforcement and Education	43,912	43,332	0	0	43,912	43,332
Capital Projects	25,489	23,635	0	0	25,489	23,635
Unclaimed Monies	17,037	17,037	0	0	17,037	17,037
Unrestricted (Deficit)	(4,193,369)	(3,416,062)	9,699,105	9,819,626	5,505,736	6,403,564
Total Net Position	\$16,450,028	\$16,505,092	\$38,856,095	\$37,845,754	\$55,306,123	\$54,350,846

The net pension liability (NPL) is the largest single liability reported by the City at December 31, 2017, and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement 27." For reasons discussed as follows, many end users of this financial

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statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability*. GASB 68 takes an earnings approach to pension accounting; however, the nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 requires the net pension liability to equal the City's proportionate share of each plan's collective:

1. Present value of estimated future pension benefits attributable to active and inactive employees' past service
2. Minus plan assets available to pay these benefits

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability. As explained previously, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68, the City's statements prepared on an accrual basis of accounting include an annual pension expense for their proportionate share of each plan's *change* in net pension liability not accounted for as deferred inflows/outflows.

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In total, the City's net position showed an increase for 2017 as revenues continued to exceed expenses, despite a decrease in revenues, primarily in capital grants and contributions, and an increase in expenses, primarily electric fund expense.

Capital assets decreased slightly in 2017, as depreciation expense exceeded current year additions, which included various projects such as an EPA injection project, electric switchgear, street projects, the riverfront project, boat ramp, and the restoration of the Speedway Sanitary Pump Station. A few of these projects were partially funded by grants. For governmental activities, a small increase was seen for capital assets.

Total liabilities decreased from 2016, primarily due to a decrease in other amounts due in more than one year, as the City continued to pay down long-term debt. This decrease was partly offset by an increase in the net pension liability. The net pension liability increase represents the City's proportionate share of the unfunded benefits of the OPERS traditional plan and the OP&F plan. As indicated previously, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability.

The City of Dover makes a conscious effort to grow and maintain the City's services and assets while paying down debt and maintaining balances to help meet current needs.

Table 2 shows the changes in net position for 2017 and 2016 for both governmental and business-type activities.

Table 2
Change in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues						
Program Revenues						
Charges for Services and Sales	\$1,475,528	\$1,441,172	\$32,476,187	\$31,519,340	\$33,951,715	\$32,960,512
Operating Grants and Contributions	682,262	671,014	0	0	682,262	671,014
Capital Grants and Contributions	683,524	2,441,738	0	143,797	683,524	2,585,535
Total Program Revenues	2,841,314	4,553,924	32,476,187	31,663,137	35,317,501	36,217,061
General Revenues						
Property Taxes	1,764,189	1,017,196	0	0	1,764,189	1,017,196
Kilowatt per Hour Tax	678,961	707,221	0	0	678,961	707,221
Income Taxes	7,321,211	8,402,216	0	0	7,321,211	8,402,216
Grants and Entitlements	516,440	446,054	0	0	516,440	446,054
Unrestricted Contributions	14,805	20,616	0	0	14,805	20,616
Investment Earnings	169,451	53,653	18,386	9,485	187,837	63,138
Miscellaneous	116,572	249,524	136,424	77,377	252,996	326,901
Total General Revenues	10,581,629	10,896,480	154,810	86,862	10,736,439	10,983,342
Total Revenues	\$13,422,943	\$15,450,404	\$32,630,997	\$31,749,999	\$46,053,940	\$47,200,403

(continued)

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Table 2
Change in Net Position (Continued)

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Program Expenses						
General Government	\$1,898,611	\$1,667,919	\$0	\$0	\$1,898,611	\$1,667,919
Security of Persons and Property	5,613,851	5,923,090	0	0	5,613,851	5,923,090
Transportation	2,334,839	2,172,494	0	0	2,334,839	2,172,494
Public Health Services	869,210	765,011	0	0	869,210	765,011
Community Environment	148,743	136,628	0	0	148,743	136,628
Basic Utility Services	697,490	603,309	0	0	697,490	603,309
Leisure Time Activities	1,209,073	1,157,740	0	0	1,209,073	1,157,740
Interest and Fiscal Charges	85,950	96,888	0	0	85,950	96,888
Enterprise Operations:						
Sewer	0	0	3,544,431	3,349,740	3,544,431	3,349,740
Electric	0	0	26,714,336	24,598,405	26,714,336	24,598,405
Water	0	0	1,982,129	2,026,537	1,982,129	2,026,537
Total Program Expenses	12,857,767	12,523,079	32,240,896	29,974,682	45,098,663	42,497,761
Change in Net Position Before Transfers	565,176	2,927,325	390,101	1,775,317	955,277	4,702,642
Transfers	(620,240)	(672,355)	620,240	672,355	0	0
Change in Net Position	(55,064)	2,254,970	1,010,341	2,447,672	955,277	4,702,642
Net Position Beginning of Year	16,505,092	14,250,122	37,845,754	35,398,082	54,350,846	49,648,204
Net Position End of Year	\$16,450,028	\$16,505,092	\$38,856,095	\$37,845,754	\$55,306,123	\$54,350,846

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 and charges for services and sales.

The City's income tax was established by ordinance to be effective January 1, 1970, at a rate of 1 percent. In the November election of 2006, the voters voted to increase the income tax rate by ½ percent. There is no restriction on how the additional ½ percent is to be used. The income tax accounted for revenues of \$7,321,211 in 2017. This represents a decrease in income tax revenues from the prior year due to a decrease in the estimated receivable. By City ordinance, income tax proceeds, after income tax department expenditures, are credited to the following funds: 25 percent of the net income tax to the master capital, capital projects fund and the remaining balance divided between the cemetery special revenue fund, the street maintenance and repair special revenue fund, the police and fire pension special revenue fund, and the general fund. In 2017, the City allocated 25 percent of income tax revenue to the master capital fund. This practice continues to be an excellent tool in making capital improvements, maintaining City streets and purchasing equipment. It is the plan to review the allocation to the master capital fund on a yearly basis in an effort to ensure good operating balances along with ample dollars for capital improvements.

Capital grants and contributions decreased from 2016. Although the City continued to receive grant moneys for the signalization project and the riverfront project in 2017, a larger portion of these grants were received for 2016.

Security of persons and property represents the largest expense of the governmental activities and includes the police and fire departments. The yearly expense decreased from 2016, primarily due to a decrease in pension expense related to the net pension liability. The City worked diligently to control expenses. Both of these departments are paid out of the general fund.

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Our fire department employs 22 full-time employees including the Chief. The City is 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 a full-time, 24 hours a day, 365 days a year department with 25 officers, including a full-time Chief.

Our street maintenance and repair and traffic department employs 13 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 in 2017 increased slightly from 2016, because of a mild winter in 2016 with decreased salt and fuel usage.

The City also maintains three cemeteries (public health services) and two parks (leisure time activities) within the City. Leisure time activities increased slightly in 2017 because of an increase in salaries due to increased wages and more employees.

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 2017, the electric utility generated \$26,987,344 in charges for services revenue. In 2001, the City entered into a joint venture project with other municipalities and AMP (American Municipal Power) to ensure the availability and consistent pricing when purchasing peak power. The City is always looking for ways to generate and purchase the most affordable power for the Citizens of Dover. Our Mayor remains involved on a daily basis with other electric communities partnering and exploring all avenues of the electric industry to continue to provide this unique high quality service to Dover.

The water utility serviced 5,675 consumers with a minimum daily pumpage of .86 million gallons and a maximum daily pumpage of 2.91 million gallons in 2017. The water plant was put into service in 1998. The raw water is supplied through five wells currently in service into the plant where the water is 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 1.38 million gallons per day during 2017 and served 5,564 customers. The sewer plant expansion was a major project for the City. This \$13 million expansion broke ground in 2007. The City has paid for the engineering and design through the sewer fund and funded the remainder with a loan through the Ohio Water Development Authority for the construction phase of the project. The City began to repay the 20 year loan in June of 2009. The new sewer plant was tested throughout 2009. The 3 million gallon per day Membrane Bioreactor (MBR) Plant utilizes modern technology that requires trained and vigilant operators. The plant is manned 24 hours per day 7 days per week.

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 2017, charges for services accounted for approximately 99.5 percent of the revenues. Total charges for services increased in 2017, mainly due to

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the increase in the electric fund due an increase in power cost adjustment. The total expenses for the utilities increased from 2016 due to an increase in purchased power expense. The City had an increase in net position for the business-type activities, because increasing revenues continued to exceed expenses, despite a larger increase in expenses.

The City's Funds

Information about the City's governmental funds begins on page 20. These funds are accounted for using the modified accrual method of accounting. The general fund had revenues and other financing sources of \$8,850,087 and expenditures and other financing uses of \$8,435,022, resulting in a \$415,065 increase in fund balance. As compared to 2016, both revenues and expenditures increased from the prior year. The increase in revenues was primarily due to an increase in property taxes resulting from the 4 mill replacement levy that was effective for collection year 2017. The increase in expenditures is primarily due to the increase in expenditures for security of persons and property, mainly resulting from an increase in salaries and wages and fringe benefits for fire prevention. The master capital fund had revenues and other financing sources of \$2,735,419 and expenditures of \$2,386,537, leaving a \$348,882 increase in fund balance. The income tax allocated to the master capital fund has always been the source of revenue for many projects such as the purchase of land and equipment and improvements to infrastructure. In 2017, the master capital fund received 25 percent of income tax collections, allowing many projects to be funded and completed. Intergovernmental revenue and capital outlay expenditures both decreased from 2016 in the master capital fund due to the receipt in 2016 of a large portion of an ODOT grant for the signalization project, as well as OPWC grants for a street project and for the riverfront project. It is a practice of the City to pay cash for items such as fire trucks. Sinking funds are only utilized when necessary. The City's funds are monitored consistently with adjustments made throughout the year in budgets to accommodate yearly revenues.

The one fund that consistently exceeds our expense expectations is our employee health insurance fund. Our medical/surgical and dental benefit plans have been self-funded since 1988. An ordinance was passed in 2012 to increase the premium by \$100 monthly for family coverage and by \$50 for single coverage and allow for an additional \$500 per employee per month to be contributed to the fund on an as-needed basis and this has helped maintain the fund. In 2017, the fund had an operating loss of \$62,372, due to an increase in claims expense, despite the increase in charges for services. We are consistently negotiating with all our unions for plan modifications and increased employee contributions to help control plan costs.

Information about the proprietary funds starts on page 25. These funds are accounted for on an accrual basis. The sewer fund had a decrease in net position due to a decrease in revenues and an increase in expenses. The electric fund had an increase in net position, because revenues continued to exceed expenses, with the increase in expenses being partly offset by the increase in revenues. The water fund also had an increase in net position with revenues continuing to exceed expenses with a small decrease in expenses, despite a decrease in revenues, mainly capital contributions. The City consistently monitors these funds and takes the required actions to ensure strength in our enterprise funds. In 2008, the City found it necessary to pass along a 25 percent water rate increase effective in January of 2009. In an effort to avoid large percentage increases in the future, a 3 percent increase will be effective in January of every year to come. This increase will allow the City to properly maintain and grow the water system for the future.

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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. Our budget is adopted at the object level within each department. Any budgetary modifications at that level may only be made by Council action.

For 2017, general fund appropriations were modified by Council several times. Final budgeted revenues were equal to original budgeted revenues, and final appropriations were a little higher than original appropriations due to revised estimates in several expenditure categories. Actual revenues were higher than the final budgeted revenues due to the receipt of slightly higher amounts in several categories of revenues, most significantly property tax collections and interest. Actual expenditures were lower than the final appropriations due to conservative spending in general government, security of persons and property, and leisure time activities.

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, street maintenance and repair, cemetery, 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
 (Net of Accumulated Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$2,343,940	\$2,272,930	\$1,197,605	\$1,197,605	\$3,541,545	\$3,470,535
Construction in Progress	2,774,344	2,843,658	211,398	2,498,966	2,985,742	5,342,624
Buildings	2,479,626	2,387,885	18,544,872	19,111,084	21,024,498	21,498,969
Improvements other than Buildings	1,304,510	921,323	1,440,360	1,594,664	2,744,870	2,515,987
Equipment and Machinery	1,239,744	1,223,388	9,035,807	7,393,602	10,275,551	8,616,990
Furniture and Fixtures	0	286	22,335	25,458	22,335	25,744
Vehicles	608,634	790,238	551,835	439,487	1,160,469	1,229,725
Infrastructure	10,052,390	9,825,141	16,207,255	16,047,750	26,259,645	25,872,891
Total Capital Assets	\$20,803,188	\$20,264,849	\$47,211,467	\$48,308,616	\$68,014,655	\$68,573,465

City of Dover
Tuscarawas County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

Capital assets for the City of Dover increased from 2016 to 2017 for governmental activities and decreased for business-type activities. The increase for governmental activities is due to capital asset additions exceeding current year depreciation and deletions. The decrease for business-type activities is due to current year depreciation exceeding capital asset additions. Capital asset activity for 2017 is provided in Note 11.

Significant additions to capital assets for governmental activities included the continuation of the riverfront revitalization and the traffic signalization upgrade projects, as well as street projects, an amphitheater renovation, picnic shelter concrete improvements, a mower and RTV for the parks department, police cruisers, and a mud buggy. Some of the additions to capital assets for business-type activities included an EPA injection project, electric switchgear, the restoration of the Speedway Sanitary Pump Station, a fork lift, a ¾ ton pick-up truck and snow plow, and water lines.

Debt

The outstanding debt for the City of Dover as of December 31, 2017, was as follows:

(Table 4)
 Outstanding Debt at Year End

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
General Obligation Bonds	\$2,045,128	\$2,161,923	\$6,573,640	\$7,344,257	\$8,618,768	\$9,506,180
Revenue Bonds	0	0	3,755,000	4,900,000	3,755,000	4,900,000
State Infrastructure						
Bank Loan	238,404	352,387	0	0	238,404	352,387
OPWC Loans	81,374	91,325	0	0	81,374	91,325
OWDA Loan	0	0	8,350,990	8,973,411	8,350,990	8,973,411
Capital Lease	7,203	9,239	0	0	7,203	9,239
Police and Fire Pension	221,105	229,497	0	0	221,105	229,497
AMPGS Payable	0	0	843,540	1,116,097	843,540	1,116,097
Total	\$2,593,214	\$2,844,371	\$19,523,170	\$22,333,765	\$22,116,384	\$25,178,136

This balance reflected a decrease from the previous year's balance. Debts were reduced as principal payments were made. An additional portion of an OPWC loan was issued during 2017.

The utility department carries the vast majority of the debt, the largest debt being that of the electric utility. Utility debt includes revenue bonds, an OWDA loan, AMPGS payable, and general obligation bonds that were issued for major upgrades to the power plant.

Additional information on the City's long-term debt can be found in Notes 16 and 17 of this report.

Current Financial Issues

With the refinancing of the water and electric revenue bonds in 2014, the City will save a significant amount of money over the life of the bonds. This allowed the City to purchase land to further expand our water well footprint and save on our future yearly payments. This has made it possible to forecast debt payments more accurately. Knowing what we will be paying allows us to budget more effectively with the goal of accumulating money to complete capital projects in all funds.

City of Dover
Tuscarawas County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

We have been actively purchasing new equipment and vehicles, paving our streets, expanding and maintaining water and sewer lines, and making the necessary improvements to our electric system, without issuing any debt. In 2015, however the EPA enacted new regulations for coal burning electric generation plants. Therefore, we needed to update our boiler. We issued a five year bond for \$2,245,000 to allow the upgrade to happen in a timely fashion. The project was completed in 2017 under budget.

A few large purchases of the year involved the water and wastewater funds. They purchased a fork lift and a ¾ ton pick-up truck and snow plow. One major project finalized in 2017 was the restoration of the Speedway Sanitary Pump Station. This upgrade to the station included new pumps, motors, controllers, transducer, overhead trolley, generator, and an upgraded stainless-steel floor.

Two sources of funding continue to offer the City flexibility in controlling revenues to the general fund. One is the KWH tax collected by the electric fund. This tax was created by the State as part of the legislation passed for electric deregulation. The tax collected from power sold within City limits is to be receipted in the general fund. Legislation was passed by City Council to allow the tax to be returned to the electric fund. In an effort to keep rates low, it is the City's intent to use a portion of the money in the electric fund each year unless there are significant revenue shortfalls in the general fund. In 2017, 88 percent of the KWH tax revenue was returned to the electric fund to help maintain the fund balance. The other flexible source of funding is the split of the income tax. The standard practice is for 40 percent of tax collections to be allocated to the master capital fund for capital projects; however, in 2011 that amount was reduced to 20 percent and in 2012 changed to 25 percent. This remained at 25 percent in 2017. The percentage can be adjusted yearly by City Council to aid in keeping adequate operating balances.

In 2006, the citizens of Dover passed a ½ percent tax increase which was greatly needed; however, it wasn't long before the economic downturn affected the area leaving revenue estimates falling short. In 2012, the State of Ohio's biennial budget made significant cuts to the Local Government Fund subsidies to the City along with an accelerated phase out of the personal property tax reimbursement from the State. These measures reduced 2012 revenue expectations, which were only offset by an increase in income tax collections. This continues to be the case in 2017. The City continues to work short of prior year's staffing levels in a few departments in an effort to control costs.

With a fiber optic network already in place, allowing time for an extension to their location, businesses can be offered a reliable, affordable and efficient fiber connection through the City of Dover's network. The City has been testing the system with a few business customers, and providing a connection to the local schools, hospital and the City facilities.

The City of Dover prides itself on providing reliable, affordable utility services to all its residents and reviews each project with that mission as the top priority. An economic development electric rate as a tool to attract new business to the City is being used by a few qualifying customers. This discounted rate allows the business time to become financially stable and is conditionally offered to any business looking to locate within the City. The City continues to be involved with American Municipal Power (AMP) projects. The City, along with AMP, continues to research alternative methods of power generation, such as hydropower. The City's goal is to diversify our power sources, through purchased power and our own generation, to provide the most reliable power at the lowest cost to our citizens.

The strength of Dover continues to be the number of small businesses who provide the City of Dover diversity in its tax base. Only one employer has more than 1,000 employees; Cleveland Clinic Union Hospital continues to expand its facilities and provide new services.

City of Dover
Tuscarawas County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

The plans for the future are always made keeping a careful watch on the financial condition of the City. The City of Dover has a firm commitment to its citizens and has continued to provide a high level of services in 2017. Our goal remains to grow and meet the needs of the future while maintaining fiscal soundness. City departments are adequately staffed and the City continues to replace equipment by necessity. We are proceeding with our yearly paving program and extending our streets and utilities to new areas based on need.

The Council and the Administration work very hard to keep the City growing and providing our Citizens with consistent service and meeting their needs. 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 on good stewardship of our ratepayers and taxpayers money.

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, Nicole Stoldt, City of Dover, 122 East Third Street, Dover, Ohio 44622, by telephone 330-343-6385 by website at www.doverohio.com or by e-mail nicole.stoldt@doverohio.com.

City of Dover
Tuscarawas County, Ohio
Statement of Net Position
December 31, 2017

	Governmental Activities	Business-Type Activities*	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$7,119,074	\$13,019,638	\$20,138,712
Cash and Cash Equivalents with Fiscal Agents	71,775	0	71,775
Materials and Supplies Inventory	142,462	1,140,708	1,283,170
Accrued Interest Receivable	33,589	0	33,589
Accounts Receivable	170,554	4,489,617	4,660,171
Internal Balances	423,236	(423,236)	0
Intergovernmental Receivable	548,259	44,264	592,523
Prepaid Items	97,297	279,180	376,477
Income Tax Receivable	1,779,957	0	1,779,957
Property Taxes Receivable	1,616,266	0	1,616,266
Loans Receivable	16,925	0	16,925
Regulated Asset	0	843,540	843,540
Investment in Joint Venture	0	524,253	524,253
Nondepreciable Capital Assets	5,118,284	1,409,003	6,527,287
Depreciable Capital Assets, Net	15,684,904	45,802,464	61,487,368
<i>Total Assets</i>	<u>32,822,582</u>	<u>67,129,431</u>	<u>99,952,013</u>
Deferred Outflows of Resources			
Deferred Charge on Refunding Pension	0	121,373	121,373
	3,013,877	2,814,038	5,827,915
<i>Total Deferred Outflows of Resources</i>	<u>3,013,877</u>	<u>2,935,411</u>	<u>5,949,288</u>
Liabilities			
Accounts Payable	103,596	165,158	268,754
Accrued Wages	232,048	169,175	401,223
Contracts Payable	23,766	2,739,564	2,763,330
Intergovernmental Payable	183,201	156,850	340,051
Accrued Interest Payable	7,347	21,069	28,416
Vacation Benefits Payable	313,195	257,476	570,671
Retainage Payable	71,775	0	71,775
Customer Deposits	0	101,405	101,405
Claims Payable	459,754	0	459,754
Long-Term Liabilities:			
Due Within One Year	511,887	2,917,888	3,429,775
Due in More Than One Year:			
Net Pension Liability (See Note 12)	12,188,520	7,253,406	19,441,926
Other Amounts	3,309,146	17,365,147	20,674,293
<i>Total Liabilities</i>	<u>17,404,235</u>	<u>31,147,138</u>	<u>48,551,373</u>
Deferred Inflows of Resources			
Property Taxes	1,598,126	0	1,598,126
Pension	384,070	61,609	445,679
<i>Total Deferred Inflows of Resources</i>	<u>1,982,196</u>	<u>61,609</u>	<u>2,043,805</u>
Net Position			
Net Investment in Capital Assets	18,599,070	29,156,990	47,756,060
Restricted for:			
Cemetery	793,870	0	793,870
Street Maintenance and Repair	622,931	0	622,931
Police and Fire Pension	92,716	0	92,716
Revolving Loan Program	448,372	0	448,372
Law Enforcement and Education	43,912	0	43,912
Capital Projects	25,489	0	25,489
Unclaimed Monies	17,037	0	17,037
Unrestricted (Deficit)	(4,193,369)	9,699,105	5,505,736
<i>Total Net Position</i>	<u>\$16,450,028</u>	<u>\$38,856,095</u>	<u>\$55,306,123</u>

*After deferred outflows and inflows of resources related to the change in internal proportionate share of pension-related items have been eliminated.

See accompanying notes to the basic financial statements

City of Dover
Tuscarawas County, Ohio
Statement of Activities
For the Year Ended December 31, 2017

	Program Revenues			
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$1,898,611	\$197,651	\$0	\$0
Security of Persons and Property	5,613,851	581,978	17,898	0
Transportation	2,334,839	0	661,532	415,536
Public Health Services	869,210	465,738	2,832	6,018
Community Environment	148,743	16,868	0	0
Basic Utility Services	697,490	88,969	0	0
Leisure Time Activities	1,209,073	124,324	0	261,970
Interest and Fiscal Charges	85,950	0	0	0
<i>Total Governmental Activities</i>	<u>12,857,767</u>	<u>1,475,528</u>	<u>682,262</u>	<u>683,524</u>
Business-Type Activities:				
Sewer	3,544,431	3,189,962	0	0
Electric	26,714,336	26,987,344	0	0
Water	1,982,129	2,298,881	0	0
<i>Total Business-Type Activities</i>	<u>32,240,896</u>	<u>32,476,187</u>	<u>0</u>	<u>0</u>
<i>Total - Primary Government</i>	<u>\$45,098,663</u>	<u>\$33,951,715</u>	<u>\$682,262</u>	<u>\$683,524</u>

General Revenues

Property Taxes Levied for:
General Purposes
Police and Fire Pension
Kilowatt per Hour Taxes Levied for
General Purposes
Income Tax Levied for:
General Purposes
Street Maintenance and Repair
Cemetery
Police and Fire Pension
Capital Outlay
Grants and Entitlements not Restricted
to Specific Programs
Unrestricted Contributions
Investment Earnings
Miscellaneous

Total General Revenues

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
(\$1,700,960)	\$0	(\$1,700,960)
(5,013,975)	0	(5,013,975)
(1,257,771)	0	(1,257,771)
(394,622)	0	(394,622)
(131,875)	0	(131,875)
(608,521)	0	(608,521)
(822,779)	0	(822,779)
(85,950)	0	(85,950)
<u>(10,016,453)</u>	<u>0</u>	<u>(10,016,453)</u>
0	(354,469)	(354,469)
0	273,008	273,008
<u>0</u>	<u>316,752</u>	<u>316,752</u>
0	235,291	235,291
<u>(10,016,453)</u>	<u>235,291</u>	<u>(9,781,162)</u>
1,624,958	0	1,624,958
139,231	0	139,231
678,961	0	678,961
4,217,363	0	4,217,363
513,677	0	513,677
318,691	0	318,691
480,120	0	480,120
1,791,360	0	1,791,360
516,440	0	516,440
14,805	0	14,805
169,451	18,386	187,837
<u>116,572</u>	<u>136,424</u>	<u>252,996</u>
10,581,629	154,810	10,736,439
<u>(620,240)</u>	<u>620,240</u>	<u>0</u>
<u>9,961,389</u>	<u>775,050</u>	<u>10,736,439</u>
(55,064)	1,010,341	955,277
<u>16,505,092</u>	<u>37,845,754</u>	<u>54,350,846</u>
<u>\$16,450,028</u>	<u>\$38,856,095</u>	<u>\$55,306,123</u>

City of Dover
Tuscarawas County, Ohio
Balance Sheet
Governmental Funds
December 31, 2017

	General	Master Capital	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$2,870,326	\$2,091,780	\$2,077,677	\$7,039,783
Restricted Assets:				
Cash and Cash Equivalents with Fiscal Agents	0	71,775	0	71,775
Equity in Pooled Cash and Cash Equivalents	17,037	0	0	17,037
Materials and Supplies Inventory	27,740	0	114,722	142,462
Accrued Interest Receivable	26,027	0	7,562	33,589
Accounts Receivable	90,443	0	80,111	170,554
Intergovernmental Receivable	219,956	17,013	311,290	548,259
Prepaid Items	77,560	0	19,737	97,297
Income Taxes Receivable	1,026,449	435,573	317,935	1,779,957
Property Taxes Receivable	1,480,579	0	135,687	1,616,266
Loans Receivable	0	0	16,925	16,925
<i>Total Assets</i>	<u>\$5,836,117</u>	<u>\$2,616,141</u>	<u>\$3,081,646</u>	<u>\$11,533,904</u>
Liabilities				
Accounts Payable	\$78,588	\$15,025	\$9,983	\$103,596
Accrued Wages	186,388	0	45,660	232,048
Contracts Payable	0	23,766	0	23,766
Intergovernmental Payable	73,494	0	109,707	183,201
Retainage Payable	0	71,775	0	71,775
<i>Total Liabilities</i>	<u>338,470</u>	<u>110,566</u>	<u>165,350</u>	<u>614,386</u>
Deferred Inflows of Resources				
Property Taxes	1,464,060	0	134,066	1,598,126
Unavailable Revenue	831,414	271,643	491,152	1,594,209
<i>Total Deferred Inflows of Resources</i>	<u>2,295,474</u>	<u>271,643</u>	<u>625,218</u>	<u>3,192,335</u>
Fund Balances				
Nonspendable	122,337	0	134,459	256,796
Restricted	0	0	1,717,633	1,717,633
Committed	0	2,233,932	438,986	2,672,918
Assigned	1,164,409	0	0	1,164,409
Unassigned	1,915,427	0	0	1,915,427
<i>Total Fund Balances</i>	<u>3,202,173</u>	<u>2,233,932</u>	<u>2,291,078</u>	<u>7,727,183</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$5,836,117</u>	<u>\$2,616,141</u>	<u>\$3,081,646</u>	<u>\$11,533,904</u>

See accompanying notes to the basic financial statements

City of Dover
Tuscarawas County, Ohio
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
December 31, 2017

Total Governmental Fund Balances	\$7,727,183
 <i>Amounts reported for governmental activities in the statement of net position are different because</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	20,803,188
Other long-term assets are not available to pay for current-period expenditures and therefore are reported as unavailable revenue in the funds:	
Delinquent Property Taxes	18,140
Income Tax	1,073,989
Grants	452,452
Charges for Services	49,628
Total	1,594,209
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 position.	(397,500)
An internal balance is recorded in governmental activities to reflect underpayments to the internal service fund by the business-type activities.	423,236
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.	(7,347)
Vacation benefits payable is a contractually required benefit not expected to be paid with expendable available financial resources and therefore not reported in the funds.	(313,195)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
General Obligation Bonds	(2,045,128)
State Infrastructure Bank Loan	(238,404)
OPWC Loans	(81,374)
Capital Lease	(7,203)
Police and Fire Pension	(221,105)
Compensated Absences	(1,227,819)
Total	(3,821,033)
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:	
Deferred Outflows - Pension	3,013,877
Net Pension Liability	(12,188,520)
Deferred Inflows - Pension	(384,070)
Total	(9,558,713)
 <i>Net Position of Governmental Activities</i>	 <u>\$16,450,028</u>

See accompanying notes to the basic financial statements

City of Dover
Tuscarawas County, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2017

	General	Master Capital	Other Governmental Funds	Total Governmental Funds
Revenues				
Property Taxes	\$1,626,444	\$0	\$139,377	\$1,765,821
Income Taxes	4,813,167	2,043,075	1,492,483	8,348,725
Kilowatt per Hour Tax	678,961	0	0	678,961
Intergovernmental	514,767	562,307	681,796	1,758,870
Interest	150,752	6	18,693	169,451
Fines, Licenses and Permits	33,923	0	580	34,503
Charges for Services	982,240	0	480,538	1,462,778
Contributions and Donations	14,805	88,540	0	103,345
Other	32,108	31,099	3,818	67,025
<i>Total Revenues</i>	<u>8,847,167</u>	<u>2,725,027</u>	<u>2,817,285</u>	<u>14,389,479</u>
Expenditures				
Current:				
General Government	1,552,030	0	0	1,552,030
Security of Persons and Property	4,410,553	0	632,266	5,042,819
Transportation	0	0	1,282,274	1,282,274
Public Health Services	8,397	0	768,958	777,355
Community Environment	131,686	0	0	131,686
Basic Utility Services	697,490	0	0	697,490
Leisure Time Activities	1,032,391	0	0	1,032,391
Capital Outlay	0	2,058,238	0	2,058,238
Debt Service:				
Principal Retirement	2,036	249,326	8,392	259,754
Interest and Fiscal Charges	439	78,973	9,653	89,065
<i>Total Expenditures</i>	<u>7,835,022</u>	<u>2,386,537</u>	<u>2,701,543</u>	<u>12,923,102</u>
<i>Excess of Revenues Over Expenditures</i>	<u>1,012,145</u>	<u>338,490</u>	<u>115,742</u>	<u>1,466,377</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	2,920	0	9,758	12,678
OPWC Loan Issued	0	10,392	0	10,392
Insurance Recoveries	0	0	23,850	23,850
Transfers Out	(600,000)	0	0	(600,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(597,080)</u>	<u>10,392</u>	<u>33,608</u>	<u>(553,080)</u>
<i>Net Change in Fund Balances</i>	415,065	348,882	149,350	913,297
<i>Fund Balances Beginning of Year</i>	<u>2,787,108</u>	<u>1,885,050</u>	<u>2,141,728</u>	<u>6,813,886</u>
<i>Fund Balances End of Year</i>	<u>\$3,202,173</u>	<u>\$2,233,932</u>	<u>\$2,291,078</u>	<u>\$7,727,183</u>

See accompanying notes to the basic financial statements

City of Dover
Tuscarawas County, 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, 2017*

Net Change in Fund Balances - Total Governmental Funds		\$913,297
 <i>Amounts reported for governmental activities in the statement of activities are different because</i>		
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 asset additions exceeded depreciation in the current period:		
Capital Asset Additions	1,614,424	
Current Year Depreciation	<u>(980,495)</u>	
Total		633,929
Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.		
		(95,590)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds:		
Property Taxes	(1,632)	
Income Tax	(1,027,514)	
Intergovernmental	10,966	
Charges for Services	<u>(21,753)</u>	
Total		(1,039,933)
Repayment of debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
		259,754
In the statement of activities, interest is accrued on outstanding notes, whereas in governmental funds, an interest expenditure is reported when due:		
Accrued Interest	1,320	
Amortization of Premium	<u>1,795</u>	
Total		3,115
Other financing sources in the governmental funds, such as OPWC loans issued, that increase long-term liabilities in the statement of net position are not reported as revenues in the statement of activities.		
		(10,392)
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	160,053	
Vacation Benefits Payable	<u>21,579</u>	
Total		181,632
The internal service funds used by management are not reported in the City-wide statement of activities. Governmental fund expenditures and related internal service fund revenue are eliminated. The net revenue (expense) of the internal service is allocated among the governmental activities:		
Change in Net Position	(62,372)	
Change in Internal Balance	<u>49,125</u>	
Total		(13,247)
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
		921,760
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.		
		<u>(1,809,389)</u>
<i>Change in Net Position of Governmental Activities</i>		<u><u>(\$55,064)</u></u>
See accompanying notes to the basic financial statements		

City of Dover
Tuscarawas County, Ohio
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property Taxes	\$1,315,000	\$1,315,000	\$1,625,618	\$310,618
Income Taxes	4,729,000	4,729,000	4,794,303	65,303
Kilowatt per Hour Tax	750,000	750,000	678,961	(71,039)
Intergovernmental	509,521	509,521	508,186	(1,335)
Interest	20,000	20,000	117,799	97,799
Fines, Licenses and Permits	29,100	29,100	33,777	4,677
Charges for Services	902,625	902,625	974,039	71,414
Contributions and Donations	14,110	14,110	14,805	695
Other	22,769	22,769	29,677	6,908
<i>Total Revenues</i>	<u>8,292,125</u>	<u>8,292,125</u>	<u>8,777,165</u>	<u>485,040</u>
Expenditures				
Current:				
General Government	1,854,185	1,909,230	1,512,502	396,728
Security of Persons and Property	4,757,108	4,837,557	4,422,030	415,527
Public Health Services	9,000	9,000	8,397	603
Community Environment	136,443	136,443	131,693	4,750
Basic Utility Services	675,000	697,500	697,490	10
Leisure Time Activities	1,073,499	1,102,700	1,033,475	69,225
<i>Total Expenditures</i>	<u>8,505,235</u>	<u>8,692,430</u>	<u>7,805,587</u>	<u>886,843</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(213,110)</u>	<u>(400,305)</u>	<u>971,578</u>	<u>1,371,883</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	2,920	2,920	2,920	0
Transfers Out	(600,000)	(600,000)	(600,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(597,080)</u>	<u>(597,080)</u>	<u>(597,080)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(810,190)	(997,385)	374,498	1,371,883
<i>Fund Balance Beginning of Year</i>	2,410,211	2,410,211	2,410,211	0
Prior Year Encumbrances Appropriated	70,148	70,148	70,148	0
<i>Fund Balance End of Year</i>	<u>\$1,670,169</u>	<u>\$1,482,974</u>	<u>\$2,854,857</u>	<u>\$1,371,883</u>

See accompanying notes to the basic financial statements

City of Dover
Tuscarawas County, Ohio
Statement of Fund Net Position
Proprietary Funds
December 31, 2017

	Business-Type Activities				Governmental Activities - Internal Service Fund
	Sewer	Electric	Water	Total	
Assets					
<i>Current Assets:</i>					
Equity in Pooled Cash and Cash Equivalents	\$4,644,770	\$6,529,867	\$1,743,596	\$12,918,233	\$62,254
Restricted Assets:					
Equity in Pooled Cash and Cash Equivalents	0	101,405	0	101,405	0
Receivables:					
Accounts	360,564	3,741,215	387,838	4,489,617	0
Intergovernmental	44,264	0	0	44,264	0
Regulated Asset	0	843,540	0	843,540	0
Materials and Supplies Inventory	8,579	904,467	227,662	1,140,708	0
Prepaid Items	49,614	203,474	26,092	279,180	0
<i>Total Current Assets</i>	<u>5,107,791</u>	<u>12,323,968</u>	<u>2,385,188</u>	<u>19,816,947</u>	<u>62,254</u>
<i>Non-Current Assets:</i>					
Investment in Joint Venture	0	524,253	0	524,253	0
Land and Construction in Progress	135,905	260,194	1,012,904	1,409,003	0
Depreciable Capital Assets, Net	17,719,200	20,319,681	7,763,583	45,802,464	0
<i>Total Non-Current Assets</i>	<u>17,855,105</u>	<u>21,104,128</u>	<u>8,776,487</u>	<u>47,735,720</u>	<u>0</u>
<i>Total Assets</i>	<u>22,962,896</u>	<u>33,428,096</u>	<u>11,161,675</u>	<u>67,552,667</u>	<u>62,254</u>
Deferred Outflows of Resources					
Deferred Charge on Refunding	0	58,397	62,976	121,373	0
Pension	626,810	1,824,644	497,057	2,948,511	0
<i>Total Deferred Outflows of Resources</i>	<u>626,810</u>	<u>1,883,041</u>	<u>560,033</u>	<u>3,069,884</u>	<u>0</u>
Liabilities					
<i>Current Liabilities:</i>					
Accounts Payable	16,504	144,213	4,441	165,158	0
Accrued Wages	37,710	102,623	28,842	169,175	0
Contracts Payable	0	2,731,309	8,255	2,739,564	0
Intergovernmental Payable	27,785	107,693	21,372	156,850	0
Vacation Benefits Payable	65,118	147,646	44,712	257,476	0
Compensated Absences Payable	49,459	62,644	55,565	167,668	0
Accrued Interest Payable	0	17,091	3,978	21,069	0
Customer Deposits	0	101,405	0	101,405	0
AMPGS Payable	0	167,406	0	167,406	0
General Obligation Bonds Payable	0	785,000	0	785,000	0
Revenue Bonds Payable	0	700,000	455,000	1,155,000	0
OWDA Loans Payable	642,814	0	0	642,814	0
Claims Payable	0	0	0	0	459,754
<i>Total Current Liabilities</i>	<u>839,390</u>	<u>5,067,030</u>	<u>622,165</u>	<u>6,528,585</u>	<u>459,754</u>
<i>Long-Term Liabilities (net of current portion):</i>					
Compensated Absences Payable	176,795	298,896	116,506	592,197	0
AMPGS Payable	0	676,134	0	676,134	0
General Obligation Payable	0	5,788,640	0	5,788,640	0
Revenue Bonds Payable	0	715,000	1,885,000	2,600,000	0
OWDA Loans Payable	7,708,176	0	0	7,708,176	0
Net Pension Liability	1,562,272	4,463,634	1,227,500	7,253,406	0
<i>Total Long-Term Liabilities (net of current portion)</i>	<u>9,447,243</u>	<u>11,942,304</u>	<u>3,229,006</u>	<u>24,618,553</u>	<u>0</u>
<i>Total Liabilities</i>	<u>10,286,633</u>	<u>17,009,334</u>	<u>3,851,171</u>	<u>31,147,138</u>	<u>459,754</u>
Deferred Inflows of Resources					
Pension	21,508	115,069	59,505	196,082	0
Net Position					
Net Investment in Capital Assets	9,504,115	13,161,667	6,491,208	29,156,990	0
Unrestricted (Deficit)	3,777,450	5,025,067	1,319,824	10,122,341	(397,500)
<i>Total Net Position</i>	<u>\$13,281,565</u>	<u>\$18,186,734</u>	<u>\$7,811,032</u>	<u>39,279,331</u>	<u>(\$397,500)</u>

Some amounts reported for business-type activities in the statement of net position are different because they include accumulated underpayments to the internal service fund.

	(423,236)
Net position of business-type activities	\$38,856,095

See accompanying notes to the basic financial statements

City of Dover
Tuscarawas County, Ohio
*Statement of Revenues,
Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2017*

	Business-Type	
	Sewer	Electric
Operating Revenues		
Charges for Services	\$3,189,962	\$26,987,344
Other	9,153	111,450
<i>Total Operating Revenues</i>	<u>3,199,115</u>	<u>27,098,794</u>
Operating Expenses		
Salaries and Wages	940,660	2,667,734
Fringe Benefits	722,383	1,890,855
Purchased Services	428,226	2,990,622
Materials and Supplies	150,097	3,207,020
Purchased Power	0	14,501,798
Depreciation	1,025,037	1,001,957
Claims	0	0
<i>Total Operating Expenses</i>	<u>3,266,403</u>	<u>26,259,986</u>
<i>Operating Income (Loss)</i>	<u>(67,288)</u>	<u>838,808</u>
Non-Operating Revenues (Expenses)		
Interest	0	15,381
Loss on Investment in Joint Venture	0	(170,882)
Interest and Fiscal Charges	(264,572)	(256,129)
<i>Total Non-Operating Revenues (Expenses)</i>	<u>(264,572)</u>	<u>(411,630)</u>
<i>Income (Loss) before Capital Contributions and Transfers</i>	(331,860)	427,178
Capital Contributions	20,240	0
Transfers In	0	600,000
<i>Change in Net Position</i>	(311,620)	1,027,178
<i>Net Position Beginning of Year</i>	<u>13,593,185</u>	<u>17,159,556</u>
<i>Net Position End of Year</i>	<u>\$13,281,565</u>	<u>\$18,186,734</u>

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

Change in net position of business-type activities

See accompanying notes to the basic financial statements

Activities		Governmental Activities - Internal Service Fund
Water	Total	
\$2,298,881	\$32,476,187	\$2,524,244
15,821	136,424	49,547
<u>2,314,702</u>	<u>32,612,611</u>	<u>2,573,791</u>
687,743	4,296,137	0
538,393	3,151,631	0
181,669	3,600,517	242,152
117,541	3,474,658	0
0	14,501,798	0
377,914	2,404,908	0
0	0	2,394,011
<u>1,903,260</u>	<u>31,429,649</u>	<u>2,636,163</u>
<u>411,442</u>	<u>1,182,962</u>	<u>(62,372)</u>
3,005	18,386	0
0	(170,882)	0
(70,539)	(591,240)	0
<u>(67,534)</u>	<u>(743,736)</u>	<u>0</u>
343,908	439,226	(62,372)
0	20,240	0
0	600,000	0
343,908	1,059,466	(62,372)
<u>7,467,124</u>		<u>(335,128)</u>
<u>\$7,811,032</u>		<u>(\$397,500)</u>
	<u>(49,125)</u>	
	<u>\$1,010,341</u>	

City of Dover
Tuscarawas County, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2017

	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	\$3,227,747	\$27,160,930	\$2,290,554	\$32,679,231	\$0
Cash Received from Transactions with Other Funds	0	0	0	0	2,524,244
Other Cash Receipts	9,153	103,750	15,821	128,724	49,547
Electric Deposits Received	0	28,201	0	28,201	0
Cash Payments to Employees for Services	(1,462,371)	(4,071,431)	(1,098,360)	(6,632,162)	0
Cash Payments for Purchased Power	0	(14,382,356)	0	(14,382,356)	0
Cash Payments for Goods and Services	(560,772)	(5,927,964)	(331,796)	(6,820,532)	(242,152)
Electric Deposits Returned	0	(25,558)	0	(25,558)	0
Cash Payments for Claims	0	0	0	0	(2,441,375)
Other Cash Payments	0	(297,150)	0	(297,150)	0
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>1,213,757</u>	<u>2,588,422</u>	<u>876,219</u>	<u>4,678,398</u>	<u>(109,736)</u>
Cash Flows from Noncapital Financing Activities					
Transfers In	0	600,000	0	600,000	0
Cash Flows from Capital and Related Financing Activities					
Principal Paid on Loans	(622,421)	0	0	(622,421)	0
Interest Paid on Loans	(264,572)	0	0	(264,572)	0
Principal Paid on Bonds	0	(1,455,000)	(455,000)	(1,910,000)	0
Interest Paid on Bonds	0	(235,038)	(58,718)	(293,756)	0
Payments for Capital Acquisitions	(148,818)	(954,004)	(260,982)	(1,363,804)	0
<i>Net Cash Used in Capital and Related Financing Activities</i>	<u>(1,035,811)</u>	<u>(2,644,042)</u>	<u>(774,700)</u>	<u>(4,454,553)</u>	<u>0</u>
Cash Flows from Investing Activities					
Interest on Investments	0	15,381	3,005	18,386	0
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	177,946	559,761	104,524	842,231	(109,736)
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>4,466,824</u>	<u>6,071,511</u>	<u>1,639,072</u>	<u>12,177,407</u>	<u>171,990</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$4,644,770</u>	<u>\$6,631,272</u>	<u>\$1,743,596</u>	<u>\$13,019,638</u>	<u>\$62,254</u>

(continued)

City of Dover
Tuscarawas County, Ohio
Statement of Cash Flows
Proprietary Funds (continued)
For the Year Ended December 31, 2017

	Business-Type Activities				Governmental Activities - Internal Service Fund
	Sewer	Electric	Water	Total	
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities					
Operating Income (Loss)	(\$67,288)	\$838,808	\$411,442	\$1,182,962	(\$62,372)
Adjustments:					
Depreciation	1,025,037	1,001,957	377,914	2,404,908	0
(Increase) Decrease in Assets:					
Accounts Receivable	38,623	(131,264)	(8,327)	(100,968)	0
Intergovernmental Receivable	(838)	0	0	(838)	0
Regulated Asset	0	272,557	0	272,557	0
Materials and Supplies Inventory	5,268	119,272	(21,072)	103,468	0
Prepaid Items	1,249	(11,596)	773	(9,574)	0
Decrease in Deferred Outflows of Resources - Pension	211,020	573,923	177,323	962,266	0
Increase (Decrease) in Liabilities:					
Accounts Payable	10,479	73,550	(13,030)	70,999	0
Accrued Wages	1,526	(3,535)	(888)	(2,897)	0
Contracts Payable	0	176,288	0	176,288	0
Intergovernmental Payable	1,587	35,529	(261)	36,855	0
Vacation Benefits Payable	4,928	1,333	(2,675)	3,586	0
AMPGS Payable	0	(272,557)	0	(272,557)	0
Compensated Absences Payable	(26,405)	(53,884)	(31,286)	(111,575)	0
Customer Deposits	0	2,643	0	2,643	0
Net Pension Liability	34,973	99,923	27,478	162,374	0
Claims Payable	0	0	0	0	(47,364)
Decrease in Deferred Inflows of Resources - Pension	(26,402)	(134,525)	(41,172)	(202,099)	0
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>\$1,213,757</u>	<u>\$2,588,422</u>	<u>\$876,219</u>	<u>\$4,678,398</u>	<u>(\$109,736)</u>

Noncash Capital Financing Activities:

During 2017, equipment with a book value of \$20,240 was transferred from governmental activities to the sewer enterprise fund. This amount is included in capital contributions.

At December 31, 2016, the City had retainage payable and contracts payable related to the acquisition of capital assets of \$9,485 and \$7,439, respectively, in the sewer fund; accounts payable, retainage payable, and contracts payable related to the acquisition of capital assets of \$21,996, \$54,996, and \$414, respectively, in the electric fund; and accounts payable related to the acquisition of capital assets of \$1,297 in the water fund.

At December 31, 2017, the City had contracts payable related to the acquisition of capital assets of \$11,087 in the electric fund and \$8,255 in the water fund.

See accompanying notes to the basic financial statements

City of Dover
Tuscarawas County, Ohio
Statement of Fiduciary Net Position
Fiduciary Fund
December 31, 2017

	Private Purpose Trust
Assets	
Equity in Pooled Cash and Cash Equivalents	\$239,923
Net Position	
Held in Trust for Cemetery	\$239,923

See accompanying notes to the basic financial statements

City of Dover
Tuscarawas County, Ohio
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Year Ended December 31, 2017

	Private-Purpose Trust
Additions	
Deposits for Burial Expenses	\$21,033
Interest	2,215
	23,248
Deductions	
Burial Expense	20,110
	3,138
<i>Change in Net Position</i>	3,138
<i>Net Position Beginning of Year</i>	236,785
	239,923
	\$239,923

See accompanying notes to the basic financial statements

City of Dover
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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, cemetery maintenance, emergency medical services, 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 approves the budget, the issuance of debt, or the levying of taxes and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. 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, and Ohio Mid-Eastern Governments Association (OMEGA) as jointly governed organizations and the Ohio Municipal Electric Generation Agency (JV2) joint venture. These organizations are presented in Notes 19 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 more significant of the City's accounting policies are described as follows.

Basis of Presentation

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

City of Dover
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Government-wide Financial Statements The statement of net position 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 position 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.

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 deferred outflows of resources and liabilities and deferred inflows of resources is reported as fund balance. The following are the City's major governmental funds:

General Fund The general fund accounts for and reports 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 general laws of Ohio.

Master Capital Fund The master capital fund accounts for and reports, most significantly, the portion of municipal income tax committed 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 and report grants and other resources whose use is restricted, committed, or assigned to a particular purpose.

City of Dover
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Proprietary Funds Proprietary fund reporting focuses on the determination of operating income, changes in net position, 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 employee health insurance internal service fund reports on a self-insurance program for employee medical benefits.

Fiduciary Funds Fiduciary fund reporting focuses on net position and changes in net position. 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 fund is the cemetery internment private-purpose trust fund established to account for money held for individuals for their future burial costs.

Measurement Focus

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

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 deferred outflows of resources and current liabilities and deferred inflows of resources 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 deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of fund net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

City of Dover
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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

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 outflows/inflows of resources 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 7). 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, interest, grants and rentals.

Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources are reported on the government-wide statement of net position for a deferred charge on refunding and for pension. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension are explained in Note 12.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the City, deferred inflows of resources include property taxes, pension, and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2017, but which were levied to finance 2018 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City unavailable revenue includes delinquent property taxes, income taxes, charges for services, and

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intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the reconciliation of total governmental fund balances to net position of governmental activities found on page 21. Deferred inflows of resources related to pension are reported on the government-wide statement of net position (See Note 12).

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.

Cash and Cash Equivalents

To improve cash management, cash received by the City is pooled. Monies for all funds 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”.

During 2017, the City invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer’s Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB) Statement No. 79, “Certain External Investment Pools and Pool Participants.” The City measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2017, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest is distributed to the general fund, street maintenance and repair, state highway, cemetery, and revolving loan special revenue funds, the cemetery interment private-purpose trust fund, and the electric and water enterprise funds. Interest revenue credited to the general fund during 2017 amounted to \$150,752 which includes \$123,824 assigned from other City funds.

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.

The City uses a fiscal agent to hold retainage on construction contracts. The balances in these accounts are presented on the financial statements as “cash and cash equivalents with fiscal agents” and represent deposits.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2017, 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.

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Inventory

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

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 general fund include unclaimed monies. Restricted assets in the master capital capital projects fund represents money set aside as retainage payable on construction projects. 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.

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 position 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 position 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. The City was able to estimate the historical cost for the initial reporting of capital assets by backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). Donated capital assets are recorded at their acquisition values as of the date received. The City maintains a capitalization threshold of five 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	50 years	50 years
Improvements other than Buildings	20 years	20-50 years
Equipment and Machinery	20 years	10-15 years
Furniture and Fixtures	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 and includes infrastructure acquired prior to December 31, 1980.

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Interfund Balances

On fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as “interfund receivables/payables.” Interfund balance amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

Deferred inflows of resources and deferred outflows of resources from the change in internal proportionate share related to pension items are eliminated in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts between governmental and business-type activities. These residual amounts are eliminated in the total column of the entity wide statement of net position.

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. Since the City's policy limits the accrual of vacation time to the amount accrued in one year, the outstanding liability is recorded as “vacation benefits payable” on the statement of net position rather than as a long-term liability.

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.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

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 and net pension liability 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, long-term loans, and capital leases are recognized as a liability on the governmental fund financial statements when due.

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Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

Restricted Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation (City ordinances).

Enabling legislation authorizes the City to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the City can be compelled by an external party—such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by the highest level formal action (ordinance or resolution, as both are equally legally binding) of City Council. Those committed amounts cannot be used for any other purpose unless City Council removes or changes the specified use by taking the same type of action (ordinance or resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by City Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by City Council. In the general fund, assigned amounts represent intended uses established by City Council or a City official delegated that authority by City Charter or ordinance, or by State statute. State statute authorizes the City Auditor to assign fund balance for purchases on order, provided such amounts have been lawfully appropriated. City Council assigned fund balance for law enforcement, for police and fire uniforms and equipment, and to cover a gap between estimated revenue and appropriations in the 2018 appropriated budget.

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Unassigned Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit fund balance.

The City applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Net Position

Net position represents the difference between all other elements in the statement of financial position. Net investment in capital assets 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 position 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.

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

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, sewer, 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.

Bond Premiums

On the government-wide financial statements, bond premiums are deferred and amortized for the term of the bonds using the straight-line method. Bond premiums are presented as an increase of the face amount of the bonds payable. On governmental fund statements, bond premiums are receipted in the year the bonds are issued. Under Ohio law, premiums on the original issuance of debt are to be deposited to the bond retirement fund to be used for debt retirement and are precluded from being applied to the project fund. Ohio law does allow premiums on refunding debt to be used as part of the payment to the bond escrow agent.

Contributions of Capital

Contributions of capital in the governmental activities and proprietary fund statements arise from outside contributions of capital assets or from grants or outside contributions of resources restricted to capital acquisition and construction.

Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Transfers between governmental activities are eliminated on the government-wide financial statements. Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the statement of activities. Interfund payments for services provided and used are not eliminated.

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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.

Deferred Charge on Refunding

On the government-wide financial statements, the difference between the reacquisition price (funds required to refund the old debt) and the net carrying amount of the old debt, the gain/loss on the refunding, is being amortized as a component of interest expense. This deferred amount is amortized over the life of the old or new debt, whichever is shorter, using the effective interest method and is presented as deferred outflows of resources on the statement of net position.

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.

Regulated Asset

As determined by the City's Utility Board, electric rates are designed to recover the cost of providing electric service and it is reasonable to assume that those rates can be charged to and collected from electric customers. In 2013, the City incurred a share of the impaired costs related to the AMP Generating Station project (see Note 16). This specific amount will be included in future electric rates through an automatic rate adjustment clause in order for the City to recover these impaired costs from electric customers and therefore has been recorded as a regulated asset on the City's financial statements.

Budgetary Process

All funds are legally required to be budgeted and appropriated. There was no budget adopted for the nonmajor law enforcement block grant special revenue fund in 2017 as there was no budgetary activity for 2017. 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 City Auditor. The amounts reported as the original and final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time original and 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.

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Note 3 – Change in Accounting Principle

For 2017, the City implemented Governmental Accounting Standards Board (GASB) *Implementation Guide No. 2016-1*. These changes were incorporated in the City’s 2017 financial statements; however, there was no effect on beginning net position/fund balance.

Note 4 – Accountability

As of December 31, 2017, the employee health insurance internal service fund had a net position deficit of \$397,500. The deficit was the result of the application of generally accepted accounting principles. The general fund provides transfers to cover deficit balances in other funds; however, this is done when cash is needed rather than when accruals occur. The City is reviewing employee contributions, copays, and deductibles for both medical and prescription coverage in order to address this deficit.

Note 5 – 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. Unrecorded cash represents amounts received but not reported by the City on the operating statements (budget), but which is reported on the GAAP basis operating statements.
3. Expenditures/expenses are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
4. Encumbrances are treated as expenditures (budget) rather than as restricted, committed, or assigned fund balance for the portion of outstanding encumbrances not already recognized as accounts payable. (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	\$415,065
Net Adjustment for Revenue Accruals	(62,728)
Beginning Unrecorded Cash	7,997
Ending Unrecorded Cash	(15,271)
Net Adjustment for Expenditure Accruals	46,670
Encumbrances	(17,235)
Budget Basis	<u><u>\$374,498</u></u>

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Note 6 – 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, or by the financial institution's participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio, and with certain limitations, bonds and other obligations of political subdivisions of the State of Ohio;
6. The State Treasurer's investment pool (STAR Ohio);

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7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and
8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

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.

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.

Investments

As of December 31, 2017, the City had investments in STAR Ohio in the amount of \$12,693,326 with an average maturity of 52.1 days. The City measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio.

Interest Rate Risk The City has no investment policy that addresses interest rate risk. State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the City, and that an investment must be purchased with the expectation that it will be held to maturity.

Credit Risk STAROhio carries a rating of AAAM by Standard and Poor's. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service. The City has no investment policy that would further limit its investment choices.

Concentration of Credit Risk The City places no limit on the amount it may invest in any one issuer.

Note 7 – Receivables

Receivables at December 31, 2017, consisted primarily of municipal income taxes, property taxes, intergovernmental receivables arising from entitlements and shared revenues, accrued interest on investments and accounts (billings for utility service). Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year. All allowances for uncollectibles represent estimates of uncollectible receivables in the accounts receivable classification.

	Accounts Receivable	Allowance for Uncollectibles	Net Accounts Receivable
Governmental Type Activities	\$170,554	\$0	\$170,554
Business Type Activities	4,761,101	271,484	4,489,617

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The community development block grant monies loaned to local businesses are reported as loans receivable and are also considered collectible in full. The full \$16,925 of loans receivable is scheduled to be collected within one year.

Property Taxes

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2017 for real and public utility property taxes represents collections of the 2016 taxes.

2017 real property taxes are levied after October 1, 2017, on the assessed value as of January 1, 2017, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2017 real property taxes are collected in and intended to finance 2018.

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.

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. 2017 public utility property taxes which became a lien December 31, 2016, are levied after October 1, 2017, and are collected in 2018 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2017, was \$7.00 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2017 property tax receipts were based are as follows:

Real Property	\$254,655,010
Public Utility Property	<u>1,134,140</u>
Total	<u><u>\$255,789,150</u></u>

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 represents real and public utility property taxes and outstanding delinquencies which are measurable as of December 31, 2017, and for which there is an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2017 operations is offset to deferred inflows of resources – property taxes. On an accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

Income Taxes

For 2017, the City levied a municipal income tax of 1.5 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 and a half 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,

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after income tax department expenditures, are credited to the following funds: Twenty-five percent to the master capital capital projects fund and the remaining balance divided between the cemetery special revenue fund, the street maintenance and repair special revenue fund, the police and fire pension special revenue fund and the general fund.

Intergovernmental Receivables

A summary of intergovernmental receivables follows:

	Amount
Governmental Activities	
Gasoline Tax	\$245,097
Local Government	150,366
Homestead and Rollback	61,919
Motor Vehicle Tax	53,868
Muskingum Watershed	
Conservancy District Grant	8,827
Police Continued Professional	
Training Reimbursement	8,620
OPWC Grant	8,186
Recycling Grant	5,815
Composte Grant	3,377
BWC Safety Council Refund	2,184
<i>Total Governmental Activities</i>	\$548,259
Business-Type Activities	
Sewer	\$44,264

Note 8 – Tax Abatements

As of December 31, 2017, the City provides tax abatements through Enterprise Zone Tax Exemptions. Pursuant to Ohio Revised Code Chapter 5709, the City established an Enterprise Zone to provide property tax abatements to encourage new investment and job creation or retention. Abatements are obtained through application by the property owner, including annual verification that the improvements have been made and job commitments have been fulfilled, and equal up to 100 percent of the increase in assessed value resulting from the improvement. The amount of the abatement is a reduction of the taxable assessed valuation thus reducing the recipient’s tax bill. If a property owner does not meet at least 75 percent of the job creation or retention commitment during any three-year period, the property owner can be required to repay the tax benefits received during that three-year period based on the enterprise zone agreement. The City also contracts with the overlapping school districts for payments in lieu of taxes when required by Ohio Revised Code. The City’s 2017 taxes abated under enterprise zone tax exemptions amounted to \$9,686.

Note 9 – 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 2017, the City contracted with the Hartford for boiler and machinery insurance. EMC covers the general liability and property insurance. Auto

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Owners covers electronic data processing, while police and professional liability are protected by Westfield/Hudson/Merchants Mutual with a \$1,000,000 limit and a \$10,000 deductible. An umbrella policy with Merchants Mutual covers a \$5,000,000 excess law enforcement liability. The City has a cyber insurance policy with Axis Insurance.

Boiler and machinery deductible levels vary by object. Vehicles are covered by Westfield Companies Insurance Company and hold a \$1,000 deductible for comprehensive and collision. Automobile liability has a \$1,000,000 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 pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. The rate is calculated based on accident history and administrative costs.

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 \$175,000 per employee and an aggregate of \$2,809,236 per year. The City pays into the self-insurance internal service fund \$1,000 family coverage or \$500 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. In 2012, a resolution was adopted which allows an additional \$500 premium to be paid for each employee monthly on an as needed basis.

The claims liability of \$459,754 reported in the fund at December 31, 2017, 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 2016 and 2017 were as follows:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2016	\$181,226	\$2,308,243	\$1,982,351	\$507,118
2017	507,118	2,394,011	2,441,375	459,754

Note 10 – Internal Activity

Interfund Transfers

During 2017, the City transferred \$600,000 of the kilowatt per hour tax from the general fund to the electric enterprise fund as allowed by State statute.

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Internal Balances – Change in Proportionate Share

The City uses an internal proportionate share to allocate its net pension liability and corresponding deferred outflows/inflows of resources and pension expense to its various funds. This allocation creates a change in internal proportionate share. The effects of the internal proportionate share are eliminated from the pension deferred outflows/inflows of resources in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts between governmental and business-type activities. These residual amounts are eliminated in the total column of the entity wide statement of net position, thus allowing the total column to present the change in proportionate share for the City as a whole.

Eliminations made in the business-type activities column include deferred outflows of resources for the sewer, electric, and water enterprise funds in the amounts of \$20,710, \$92,930, and \$20,833, respectively, and deferred inflows of resources for the sewer, electric, and water enterprise funds in the amounts of \$12,210, \$70,063, and \$52,200, respectively.

Note 11 – Capital Assets

Capital asset activity for the year ended December 31, 2017, was as follows:

	Balance 12/31/16	Additions	Deductions	Transfers	Balance 12/31/17
Governmental Activities					
Capital Assets, not being Depreciated:					
Land	\$2,272,930	\$71,010	\$0	\$0	\$2,343,940
Construction in Progress	2,843,658	947,359	(1,016,673)	0	2,774,344
Total Capital Assets, not being Depreciated	<u>5,116,588</u>	<u>1,018,369</u>	<u>(1,016,673)</u>	<u>0</u>	<u>5,118,284</u>
Capital Assets, being Depreciated:					
Buildings	3,645,659	270,531	(85,323)	0	3,830,867
Improvements Other Than Buildings	2,087,789	466,805	0	0	2,554,594
Equipment and Machinery	2,452,931	169,905	(7,250)	(26,400)	2,589,186
Furniture and Fixtures	11,455	0	0	0	11,455
Vehicles	4,095,421	113,117	(258,684)	0	3,949,854
Infrastructure	22,447,349	592,370	0	0	23,039,719
Total Capital Assets, being Depreciated	<u>34,740,604</u>	<u>1,612,728</u>	<u>(351,257)</u>	<u>(26,400)</u>	<u>35,975,675</u>
Less Accumulated Depreciation:					
Buildings	(1,257,774)	(117,168)	23,701	0	(1,351,241)
Improvements Other Than Buildings	(1,166,466)	(83,618)	0	0	(1,250,084)
Equipment and Machinery	(1,229,543)	(132,101)	6,042	6,160	(1,349,442)
Furniture and Fixtures	(11,169)	(286)	0	0	(11,455)
Vehicles	(3,305,183)	(282,201)	246,164	0	(3,341,220)
Infrastructure	(12,622,208)	(365,121)	0	0	(12,987,329)
Total Accumulated Depreciation	<u>(19,592,343)</u>	<u>(980,495) *</u>	<u>275,907</u>	<u>6,160</u>	<u>(20,290,771)</u>
Total Capital Assets, being Depreciated, Net	<u>15,148,261</u>	<u>632,233</u>	<u>(75,350)</u>	<u>(20,240)</u>	<u>15,684,904</u>
Governmental Activities Capital Assets, Net	<u>\$20,264,849</u>	<u>\$1,650,602</u>	<u>(\$1,092,023)</u>	<u>(\$20,240)</u>	<u>\$20,803,188</u>

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* Depreciation expense was charged to the governmental activities as follows:

General Government	\$73,090
Security of Persons and Property	204,065
Transportation	530,120
Public Health Services	26,648
Leisure Time Activities	<u>146,572</u>
Total Governmental Depreciation Expense	<u><u>\$980,495</u></u>

	Balance 12/31/16	Additions	Deductions	Transfers	Balance 12/31/17
Business-Type Activities					
Capital Assets, not being Depreciated:					
Land	\$1,197,605	\$0	\$0	\$0	\$1,197,605
Construction in Progress	2,498,966	545,839	(2,833,407)	0	211,398
Total Capital Assets, not being Depreciated	<u>3,696,571</u>	<u>545,839</u>	<u>(2,833,407)</u>	<u>0</u>	<u>1,409,003</u>
Capital Assets, being Depreciated:					
Buildings	30,017,707	79,131	0	0	30,096,838
Improvements Other Than Buildings	3,531,606	21,891	0	0	3,553,497
Equipment and Machinery	25,620,791	2,434,875	(21,995)	26,400	28,060,071
Furniture and Fixtures	95,013	0	0	0	95,013
Vehicles	2,318,476	256,769	(48,458)	0	2,526,787
Infrastructure	33,558,245	782,421	0	0	34,340,666
Total Capital Assets, being Depreciated	<u>95,141,838</u>	<u>3,575,087</u>	<u>(70,453)</u>	<u>26,400</u>	<u>98,672,872</u>
Less Accumulated Depreciation:					
Buildings	(10,906,623)	(645,343)	0	0	(11,551,966)
Improvements Other Than Buildings	(1,936,942)	(176,195)	0	0	(2,113,137)
Equipment and Machinery	(18,227,189)	(812,910)	21,995	(6,160)	(19,024,264)
Furniture and Fixtures	(69,555)	(3,123)	0	0	(72,678)
Vehicles	(1,878,989)	(144,421)	48,458	0	(1,974,952)
Infrastructure	(17,510,495)	(622,916)	0	0	(18,133,411)
Total Accumulated Depreciation	<u>(50,529,793)</u>	<u>(2,404,908)</u>	<u>70,453</u>	<u>(6,160)</u>	<u>(52,870,408)</u>
Total Capital Assets, being Depreciated, Net	<u>44,612,045</u>	<u>1,170,179</u>	<u>0</u>	<u>20,240</u>	<u>45,802,464</u>
Business-Type Activities Capital Assets, Net	<u><u>\$48,308,616</u></u>	<u><u>\$1,716,018</u></u>	<u><u>(\$2,833,407)</u></u>	<u><u>\$20,240</u></u>	<u><u>\$47,211,467</u></u>

Note 12 – Defined Benefit Pension Plans

Net Pension Liability

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions – between an employer and its employees – of salaries and benefits for employee services. Pensions are provided to an employee – on a deferred-payment basis – as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the City’s proportionate share of each pension plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan’s fiduciary net position. The net pension liability calculation is dependent on critical long-term variables,

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including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the City's obligation for this liability to annually required payments. The City cannot control benefit terms or the manner in which pensions are financed; however, the City does receive the benefit of employees' services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan's unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description – City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan, and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. City employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced previously for additional information, including requirements for reduced and unreduced benefits):

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Group A	Group B	Group C
Eligible to retire prior to January 7, 2013, or 5 years after January 7, 2013	20 years of service credit prior to January 7, 2013, or eligible to retire 10 years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

Final average salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost-of-living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Funding Policy – The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

2017 Statutory Maximum Contribution Rates	State and Local
Employer	14.0 %
Employee	10.0 %
2017 Actual Contribution Rates	
Employer:	
Pension	13.0 %
Postemployment Health Care Benefits	1.0
Total Employer	14.0 %
Employee	10.0 %

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$882,351 for 2017. Of this amount, \$99,754 is reported as an intergovernmental payable.

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Plan Description – Ohio Police & Fire Pension Fund (OP&F)

Plan Description – City full-time police and firefighters participate in the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing, multiple-employer defined benefit pension plan administered by OP&F. OP&F provides retirement and disability pension 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 and detailed information about OP&F fiduciary net position. The report may be obtained by visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Upon attaining a qualifying age with sufficient years of service, a member of OP&F may retire and receive a lifetime monthly pension. OP&F offers four types of service retirement: normal, service commuted, age/service commuted, and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member's average annual salary. The following discussion of the pension formula relates to normal service retirement.

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit, and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit. (See OP&F CAFR referenced previously for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits.)

Under normal service retirement, retired members who are at least 55 years old and have been receiving OP&F benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit and statutory survivors.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will receive a COLA equal to a percentage of the member's base pension benefit where the percentage is the lesser of 3 percent or the percentage increase in the consumer price index, if any, over the 12 month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

Funding Policy – The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

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	<u>Police</u>	<u>Firefighters</u>
2017 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
2017 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	<u>0.50</u>	<u>0.50</u>
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$612,937 for 2017. Of this amount, \$78,367 is reported as an intergovernmental payable.

In addition to current contributions, the City pays installments on a specific liability the City incurred when the State of Ohio established the statewide pension system for police and firefighters in 1967. As of December 31, 2017, the specific liability of the City was \$221,105 payable in semi-annual payments through the year 2035.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability for OPERS was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2016, and was determined by rolling forward the total pension liability as of January 1, 2016, to December 31, 2016. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>OPERS</u>	<u>OP&F</u>	
Proportion of the Net Pension Liability:			
Current Measurement Date	0.049141%	0.130770%	
Prior Measurement Date	<u>0.050168%</u>	<u>0.136677%</u>	
Change in Proportionate Share	<u>-0.001027%</u>	<u>-0.005907%</u>	
			<u>Total</u>
Proportionate Share of the Net Pension Liability	\$11,159,086	\$8,282,840	\$19,441,926
Pension Expense	\$2,318,903	\$986,555	\$3,305,458

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At December 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$15,125	\$2,343	\$17,468
Changes of assumptions	1,769,968	0	1,769,968
Net difference between projected and actual earnings on pension plan investments	1,661,845	805,470	2,467,315
Changes in proportion and differences between City contributions and proportionate share of contributions	0	77,876	77,876
City contributions subsequent to the measurement date	882,351	612,937	1,495,288
Total Deferred Outflows of Resources	<u>\$4,329,289</u>	<u>\$1,498,626</u>	<u>\$5,827,915</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$66,413	\$19,071	\$85,484
Changes in proportion and differences between City contributions and proportionate share of contributions	93,304	266,891	360,195
Total Deferred Inflows of Resources	<u>\$159,717</u>	<u>\$285,962</u>	<u>\$445,679</u>

\$1,495,288 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
2018	\$1,347,370	\$271,918	\$1,619,288
2019	1,401,393	271,918	1,673,311
2020	587,171	198,925	786,096
2021	(48,713)	(88,640)	(137,353)
2022	0	(49,204)	(49,204)
Thereafter	0	(5,190)	(5,190)
Total	<u>\$3,287,221</u>	<u>\$599,727</u>	<u>\$3,886,948</u>

Actuarial Assumptions – OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

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Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2016, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67. In 2016, the OPERS' actuarial consultants conducted an experience study for the period 2011 through 2015, comparing assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed rate of return from 8.0 percent down to 7.5 percent, for the defined benefit investments. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2016, compared with December 31, 2015, are presented as follows:

	December 31, 2016	December 31, 2015
Wage Inflation	3.25 percent	3.75 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	3 percent, simple through 2018, then 2.15 percent, simple	3 percent, simple through 2018, then 2.8 percent, simple
Investment Rate of Return	7.5 percent	8 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

For 2016, mortality rates are based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the previously described tables.

For 2015, mortality rates were based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males, 120 percent of the disabled female mortality rates were used, set forward two years. For females, 100 percent of the disabled female mortality rates were used.

The most recent experience study was completed for the five year period ended December 31, 2015. The prior experience study was completed for the five year period ended December 31, 2010.

The long-term rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

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During 2016, OPERS managed investments in four investment portfolios: the Defined Benefit portfolio, the 401(h) Health Care Trust portfolio, the 115 Health Care Trust portfolio, and the Defined Contribution portfolio. The 401(h) Health Care Trust portfolio was closed as of June 30, 2016, and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, and the annuitized accounts of the Member-Directed Plan. The Defined Benefit portfolio historically included the assets of the Member-Directed retiree medical accounts funded through the VEBA Trust. However, the VEBA Trust was closed as of June 30, 2016, and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investments expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio is 8.3 percent for 2016.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The following table displays the Board-approved asset allocation policy for 2016 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.75 %
Domestic Equities	20.70	6.34
Real Estate	10.00	4.75
Private Equity	10.00	8.97
International Equities	18.30	7.95
Other Investments	18.00	4.92
Total	100.00 %	5.66 %

Discount Rate The discount rate used to measure the total pension liability for 2016 was 7.5 percent. The discount rate for 2015 was 8 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the City's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.5 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.5 percent) or one percentage point higher (8.5 percent) than the current rate:

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	1% Decrease <u>(6.50%)</u>	Current Discount Rate <u>(7.50%)</u>	1% Increase <u>(8.50%)</u>
City's proportionate share of the net pension liability	\$17,047,996	\$11,159,086	\$6,251,718

Actuarial Assumptions – OP&F

OP&F's total pension liability as of December 31, 2016, is based on the results of an actuarial valuation date of January 1, 2016, and rolled forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, salary increases, disabilities, retirements, and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2016, are presented as follows:

Valuation Date	January 1, 2016, with actuarial liabilities rolled forward to December 31, 2016
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.25 percent
Projected Salary Increases	4.25 percent to 11 percent
Payroll Increases	3.75 percent
Inflation Assumptions	3.25 percent
	plus productivity increase rate of 0.5 percent
Cost of Living Adjustments	3.00 percent simple; 2.6 percent simple for increases based on the lesser of the increase in CPI and 3 percent

Rates of death are based on the RP2000 Combined Table, age-adjusted as follows. For active members, set back six years. For disability retirements, set forward five years for police and three years for firefighters. For service retirements, set back zero years for police and two years for firefighters. For beneficiaries, set back zero years. The rates are applied on a fully generational basis, with a base year of 2009, using mortality improvement Scale AA.

The most recent experience study was completed January 1, 2012.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2016, are summarized as follows:

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Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	- %	0.00 %
Domestic Equity	16.00	5.21
Non-US Equity	16.00	5.40
Core Fixed Income *	20.00	2.37
Global Inflation Protected Securities*	20.00	2.33
High Yield	15.00	4.48
Real Estate	12.00	5.65
Private Markets	8.00	7.99
Timber	5.00	6.87
Master Limited Partnerships	8.00	7.36
Total	<u>120.00 %</u>	

Note: Assumptions are geometric.
* levered 2x

OP&F's Board of Trustees has incorporated the "risk parity" concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective in the preceding table, the Total Portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

Discount Rate The total pension liability was calculated using the discount rate of 8.25 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return of 8.25 percent. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact, the following table presents the City's proportionate share of the net pension liability calculated using the discount rate of 8.25 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.25 percent) or one percentage point higher (9.25 percent) than the current rate:

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
City's proportionate share of the net pension liability	\$11,031,762	\$8,282,840	\$5,953,092

Changes between Measurement Date and Report Date

In October 2017, the OP&F Board adopted certain assumption changes which will impact their annual actuarial valuation prepared as of January 1, 2017. The most significant change is a reduction in the discount rate from 8.25 percent to 8 percent. Although the exact amount of these changes is not known, it has the potential to impact the City's net pension liability.

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Note 13 – Postemployment Benefits

Ohio Public Employees Retirement System

Plan Description – The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit postemployment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage, and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member-directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. See OPERS' CAFR referenced in the following paragraphs for additional information.

The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the OPERS Board of Trustees in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy – The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2017, state and local employers contributed at a rate of 14.0 percent of earnable salary. This is the maximum employer contribution rate permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the traditional pension plan and the combined plan was 1.0 percent during calendar year 2017.

As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2018, decreased to 0 percent for both the traditional pension and combined plans. The Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2017 was 4.0 percent.

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Substantially all of the City's contribution allocated to fund postemployment health care benefits relates to the cost-sharing, multiple employer trusts. The corresponding contribution for the years ended December 31, 2017, 2016, and 2015 was \$67,873, \$126,956, and \$124,879, respectively. For 2017, 88.69 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2016 and 2015.

Ohio Police and Fire Pension Fund

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined postemployment healthcare plan administered by OP&F. OP&F provides health care benefits including coverage for medical, prescription drug, dental, vision, Medicare Part B Premium, and long-term care to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to postretirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit, or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Government Accounting Standards Board (GASB) Statement No. 45.

The Ohio Revised Code allows, but does not mandate OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits is 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 for the plan. That report may be obtained by visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.5 percent and 24 percent of covered payroll for police and fire employer units. Active members do not make contributions to the OPEB Plan.

OP&F maintains funds for health care in two separate accounts. One for health care benefits under an IRS Code Section 115 trust and one for Medicare Part B reimbursements administered as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2017, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OP&F Board of Trustees is also authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

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The City's contribution to OP&F for the years ended December 31, 2017, 2016, and 2015 was \$627,301, \$607,074, and \$601,610, respectively, of which \$14,364, \$13,963, and \$13,794, respectively, was allocated to the healthcare plan. For 2017, 87.31 percent has been contributed for both police and firefighters with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2016 and 2015.

Note 14 – Other Employee Benefits

Compensated Absences

Vacation and sick leave benefits are derived from negotiated agreements and State laws. Employees earn five to thirty days of vacation per year, depending upon length of service and bargaining unit agreement or City policy. Vacation accumulation is limited to the amount earned in one year. All accumulated unused vacation time is paid upon termination of employment. Outstanding unused vacation is reflected as vacation benefits payable on the statement of net position.

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 and administration hired after January 1, 2015, who can receive a maximum of 1,542 hours and 720 hours, respectively.

Life Insurance

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

Note 15 – Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented as follows:

Fund Balances	General	Master Capital	Other Governmental Funds	Total
<u>Nonspendable:</u>				
Inventory	\$27,740	\$0	\$114,722	\$142,462
Prepays	77,560	0	19,737	97,297
Unclaimed Monies	17,037	0	0	17,037
<i>Total Nonspendable</i>	<u>122,337</u>	<u>0</u>	<u>134,459</u>	<u>256,796</u>
<u>Restricted for:</u>				
Cemetery	0	0	831,344	831,344
Street Maintenance and Repair	0	0	354,189	354,189
Police and Fire Pension	0	0	14,327	14,327
Revolving Loan Program	0	0	448,372	448,372
Law Enforcement and Education	0	0	43,912	43,912
Capital Improvements	0	0	25,489	25,489
<i>Total Restricted</i>	<u>\$0</u>	<u>\$0</u>	<u>\$1,717,633</u>	<u>\$1,717,633</u>

(continued)

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Fund Balances	General	Master Capital	Other Governmental Funds	Total
Committed to:				
Ambulance	\$0	\$0	\$436,249	\$436,249
Shade Tree	0	0	2,737	2,737
Capital Improvements	0	2,233,932	0	2,233,932
Total Committed	0	2,233,932	438,986	2,672,918
Assigned to:				
Law Enforcement	9,597	0	0	9,597
Police and Fire Uniforms and Equipment	34,573	0	0	34,573
Purchases on Order for:				
General Government	3,286	0	0	3,286
Security of Persons and Property	10,362	0	0	10,362
Community Environment	141	0	0	141
Leisure Time Activities	2,940	0	0	2,940
2018 Operations	1,103,510	0	0	1,103,510
Total Assigned	1,164,409	0	0	1,164,409
Unassigned	1,915,427	0	0	1,915,427
Total Fund Balances	\$3,202,173	\$2,233,932	\$2,291,078	\$7,727,183

Note 16 – Long-Term Debt

Debt Issue	Interest Rate	Original Issue Amount	Date of Maturity
Governmental Activities			
Various Purpose General Obligation Bonds - 2011	2.0-3.625 %	\$2,670,000	December 1, 2031
State Infrastructure Bank Loan - 2010	3.00	902,165	September 22, 2019
Extension of Wills Avenue Storm Sewer OPWC Loan - 2011	0.00	100,000	January 1, 2022
Reconstruction of Oxford & Prospect Streets OPWC Loan - 2016	0.00	51,717	January 1, 2022
Business-Type Activities			
Waterworks System Refunding Revenue Bonds - 2014	2.04	3,010,000	December 1, 2022
Waterworks Land Purchase Bonds - 2014	2.04	820,000	December 1, 2022
Municipal Electric System Refunding Revenue Bonds - 2014	1.35	3,745,000	December 1, 2019
Various Purpose General Obligation Bonds - 2011	2.0-3.25	6,975,000	December 1, 2031
Municipal Electric System Improvement Bonds - 2015	1.72	2,245,000	December 1, 2020
OWDA Loan - 2006	3.25	13,292,114	January 1, 2029

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A schedule of changes in bonds and other long-term obligations of the City during 2017 follows:

	Amount Outstanding 12/31/16	Additions	Deletions	Amount Outstanding 12/31/17	Amounts Due in One Year
Governmental Activities					
<u>General Obligation Bonds:</u>					
Various Purpose General Obligation Bonds	\$2,135,000	\$0	\$115,000	\$2,020,000	\$115,000
Premium on Various Purpose Bonds	26,923	0	1,795	25,128	0
Total General Obligation Bonds	<u>2,161,923</u>	<u>0</u>	<u>116,795</u>	<u>2,045,128</u>	<u>115,000</u>
<u>Loans:</u>					
State Infrastructure Bank Loan	352,387	0	113,983	238,404	117,427
<u>OPWC Loans:</u>					
Extension of Wills Avenue Storm Sewer	50,000	0	10,000	40,000	10,000
Reconstruction of Oxford & Prospect Streets	41,325	10,392	10,343	41,374	10,343
Total OPWC Loans	<u>91,325</u>	<u>10,392</u>	<u>20,343</u>	<u>81,374</u>	<u>20,343</u>
Total Loans	<u>443,712</u>	<u>10,392</u>	<u>134,326</u>	<u>319,778</u>	<u>137,770</u>
<u>Other Long-Term Liabilities:</u>					
Capital Lease	9,239	0	2,036	7,203	2,146
Police and Fire Pension	229,497	0	8,392	221,105	8,753
Compensated Absences	1,387,872	1,526	161,579	1,227,819	248,218
Total Other Long-Term Liabilities	<u>1,626,608</u>	<u>1,526</u>	<u>172,007</u>	<u>1,456,127</u>	<u>259,117</u>
<u>Net Pension Liability:</u>					
OPERS	3,215,201	690,479	0	3,905,680	0
OP&F	8,792,528	0	509,688	8,282,840	0
Total Net Pension Liability	<u>12,007,729</u>	<u>690,479</u>	<u>509,688</u>	<u>12,188,520</u>	<u>0</u>
Total Governmental Activities	<u>\$16,239,972</u>	<u>\$702,397</u>	<u>\$932,816</u>	<u>\$16,009,553</u>	<u>\$511,887</u>
Business-Type Activities					
<u>Revenue Bonds:</u>					
Waterworks System Refunding 2014	\$2,190,000	\$0	\$360,000	\$1,830,000	\$355,000
Waterworks Land Purchase Bonds	605,000	0	95,000	510,000	100,000
Municipal Electric System Refunding 2014	2,105,000	0	690,000	1,415,000	700,000
Total Revenue Bonds	<u>4,900,000</u>	<u>0</u>	<u>1,145,000</u>	<u>3,755,000</u>	<u>1,155,000</u>
<u>General Obligation Bonds:</u>					
Various Purpose General Obligation Bonds	5,445,000	0	325,000	5,120,000	335,000
Premium on Various Purpose Bonds	84,257	0	5,617	78,640	0
Municipal Electric System Improvement Bonds	1,815,000	0	440,000	1,375,000	450,000
Total General Obligation Bonds	<u>7,344,257</u>	<u>0</u>	<u>770,617</u>	<u>6,573,640</u>	<u>785,000</u>
<u>Other Long-Term Obligations:</u>					
OWDA Loan Payable	8,973,411	0	622,421	8,350,990	642,814
AMPGS Payable	1,116,097	24,593	297,150	843,540	167,406
Compensated Absences	871,440	111,152	222,727	759,865	167,668
Total Other Long-Term Obligations	<u>10,960,948</u>	<u>135,745</u>	<u>1,142,298</u>	<u>9,954,395</u>	<u>977,888</u>
<u>Net Pension Liability - OPERS:</u>					
Sewer	1,216,562	345,710	0	1,562,272	0
Electric	3,215,200	1,248,434	0	4,463,634	0
Water	1,042,767	184,733	0	1,227,500	0
Total Net Pension Liability	<u>5,474,529</u>	<u>1,778,877</u>	<u>0</u>	<u>7,253,406</u>	<u>0</u>
Total Business-Type Activities	<u>\$28,679,734</u>	<u>\$1,914,622</u>	<u>\$3,057,915</u>	<u>\$27,536,441</u>	<u>\$2,917,888</u>

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The revenue bonds and the enterprise 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. The governmental various purpose general obligation bonds, State Infrastructure Bank Loan and OPWC loans will be paid from taxes receipted in the master capital projects fund. The capital lease will be paid from the general fund.

There is no repayment schedule for the net pension liability. However, employer pension contributions are made from the following funds: the general fund, the street maintenance and repair, cemetery, and police and fire pension special revenue funds, and the sewer, electric and water enterprise funds. For additional information related to the net pension liability, see Note 12. Compensated absences will be paid from the general fund, the street maintenance and repair and cemetery special revenue funds, and the sewer, electric and water enterprise funds.

The state infrastructure bank loan was issued for the City's share of the costs related to the Tuscarawas Avenue Bridge project; the bridge belongs to the Ohio Department of Transportation.

General Obligation Bonds

On December 3, 2015, the City issued \$2,245,000 in Municipal Electric System Improvement Bonds for the purpose of improving the municipal electric system by acquiring, constructing, installing and equipping pollution control facilities. The bonds were issued with an interest rate of 1.72 percent. The bonds were issued for a five year period with final maturity on December 1, 2020. At December 31, 2017, \$1,800,518 of the proceeds had been spent.

Revenue Bonds

The City has pledged future water revenues to repay the Waterworks System Refunding and Waterworks Land Purchase Bonds. The bonds are payable solely from net revenues and are payable through 2022. Net revenues include operating revenues, transfers, and interest income received by the water utility less all operating expenses other than depreciation expense. Annual principal and interest payments on the loans are expected to require about 65 percent of net revenues and about 22 percent of total revenues. The total principal and interest remaining to be paid on the bonds is \$2,484,636. Principal and interest paid for the current year were \$513,718, net revenues were \$792,361 and total revenues were \$2,317,707.

The City has pledged future electric revenues to repay the Municipal Electric System Refunding Revenue Bonds. The bonds are payable solely from net revenues and are payable through 2019. Net revenues include operating revenues, transfers, and interest income received by the electric utility less all operating expenses other than depreciation expense. Annual principal and interest payments on the bonds are expected to require less than 30 percent of net revenues and less than 3 percent of total revenues. The total principal and interest remaining to be paid on the bonds is \$1,443,755. Principal and interest paid for the current year were \$718,265, net revenues were \$2,456,146 and total revenues were \$2,714,175.

As of December 31, 2017, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$18,261,487 and the unvoted legal debt margin was \$5,472,029. Principal and interest requirements to retire the City's long-term obligations outstanding at December 31, 2017, are as follows:

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Governmental Activities							
Year Ending December 31	Various Purpose		State Infrastructure			Police and	
	General Obligation Bonds		Bank Loan		OPWC Loans	Fire Pension	
	Principal	Interest	Principal	Interest	Principal	Principal	Interest
2018	\$115,000	\$64,650	\$117,427	\$6,278	\$20,343	\$8,753	\$9,292
2019	120,000	58,900	120,977	2,729	20,343	9,129	8,916
2020	120,000	56,200	0	0	20,344	9,521	8,524
2021	125,000	53,200	0	0	20,344	9,929	8,116
2022	130,000	49,919	0	0	0	10,356	7,689
2023-2027	725,000	190,019	0	0	0	58,849	31,376
2028-2032	685,000	61,775	0	0	0	72,618	17,607
2033-2035	0	0	0	0	0	41,950	2,659
Total	<u>\$2,020,000</u>	<u>\$534,663</u>	<u>\$238,404</u>	<u>\$9,007</u>	<u>\$81,374</u>	<u>\$221,105</u>	<u>\$94,179</u>

Business-Type Activities						
Year Ending December 31	Waterworks System Revenue and Land Purchase Bonds		Municipal Electric System Revenue Bonds		Municipal Electric System General Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
	2018	\$455,000	\$47,736	\$700,000	\$19,102	\$785,000
2019	460,000	38,454	715,000	9,653	800,000	161,491
2020	465,000	29,070	0	0	815,000	145,929
2021	480,000	19,584	0	0	360,000	129,182
2022	480,000	9,792	0	0	370,000	119,731
2023-2027	0	0	0	0	1,935,000	430,120
2028-2031	0	0	0	0	1,430,000	129,231
Total	<u>\$2,340,000</u>	<u>\$144,636</u>	<u>\$1,415,000</u>	<u>\$28,755</u>	<u>\$6,495,000</u>	<u>\$1,301,665</u>

Business-Type Activities			
Year Ending December 31	OWDA Loan		AMPGS Payable
	Principal	Interest	Principal
	2018	\$642,814	\$245,747
2019	663,875	226,306	167,406
2020	685,626	206,228	167,406
2021	708,090	185,492	167,406
2022	731,290	164,077	167,406
2023-2027	4,031,943	473,778	6,510
2028	887,352	20,019	0
Total	<u>\$8,350,990</u>	<u>\$1,521,647</u>	<u>\$843,540</u>

American Municipal Power Generating Station Project

The City is a member of American Municipal Power (AMP) and has participated in the AMP Generating Station (AMPGS) Project. This project was intended to develop a pulverized coal power plant in Meigs County, Ohio. The City's project share was 21,000 kilowatts (kW) of a total 771,281 kW, giving the City a 2.72 percent project share. The AMPGS Project required participants to sign "take or pay" contracts with AMP. As such, the participants are obligated to pay any costs incurred for the project. In November 2009,

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the participants voted to terminate the AMPGS Project due to projected escalating costs. All project costs incurred prior to the cancellation and related to the cancellation were therefore deemed *impaired*, and participants were obligated to pay those incurred costs. As a result of a March 2014 legal ruling, the AMP Board of Trustees on April 15, 2014, and the AMPGS participants on April 16, 2014, approved the collection of the impaired costs and provided the participants with an estimate of their liability. The City's estimated share of the impaired costs at March 31, 2014, was \$3,638,459. The City received a credit of \$1,182,083 related to the City's participation in the AMP Freemont Energy Center (AFEC) Project, and another credit of \$949,722 related to the AMPGS costs deemed to have future benefit for the project participants, classified as Plant Held for Future Use (PHFU), leaving an initial net impaired cost estimate of \$1,506,654, which was reported as an AMPGS Payable in the electric enterprise fund as of December 31, 2013. AMP financed these costs on its revolving line of credit. Any additional costs (including line-of-credit interest and legal fees) or amounts received related to the project will impact the City's liability. These amounts will be recorded as they become estimable.

In late 2016, AMP reached a settlement in the Bechtel Corporation litigation. On December 8, 2016, at the AMPGS participants meeting, options for the allocation of the settlement funds were approved. The AMPGS participants and the AMP Board of Trustees voted to allocate the settlement among the participants and the AMP general fund based on each participant's original project share in kW, including the AMP general fund's project share.

Since March 31, 2014, the City has made payments of \$761,817 to AMP toward its net impaired cost estimate. Also since March 31, 2014, the City's allocation of additional costs incurred by the project is \$43,225 and interest expense incurred on AMP's line-of-credit of \$55,478, resulting in a net impaired cost estimate at December 31, 2017, of \$843,540. The City does have a potential PHFU liability of \$994,465 resulting in a net total potential liability of \$1,838,005, assuming the assets making up the PHFU (principally the land comprising the Meigs County site) have no value and also assuming the City's credit balance would earn zero interest. Stranded costs as well as PHFU costs are subject to change, including future borrowing costs on the AMP line of credit. Activities include negative items such as property taxes, as well as positive items such as revenue from leases or sale of all or a portion of the Meigs County site property.

The City intends to recover these costs and repay AMP over the next six years through a power cost adjustment; thus this incurred cost has been capitalized and reported as a regulated asset.

Note 17 – Capital Lease Payable

In 2016, the City entered into a capital lease for a copier. This lease meets the criteria of a capital lease. The asset was capitalized at the present value of the minimum lease payments at the time the lease was entered into.

The asset acquired through the capital lease is as follows:

	Governmental Activities
Machinery and Equipment	\$10,856
Less: Accumulated depreciation	(1,086)
Current Book Value	\$9,770

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Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Such agreements provide for minimum, annual lease payments as follows:

Year Ending December 31	Governmental Activities
2018	\$2,475
2019	2,475
2020	2,475
2021	413
Total Minimum Lease Payments	7,838
Less: Amount Representing Interest	(635)
Present Value of Minimum Lease Payments	\$7,203

Note 18 – Contingent Liabilities

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.

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. 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 19 – Jointly Governed Organizations

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 advances, encourages and promotes the industrial, economic, commercial, and civic development of all Tuscarawas County. The Corporation is operated by Tuscarawas County, New Philadelphia, Dover, Uhrichsville, Dennison, Strasburg, Sugarcreek and Gnadenhutten. It is controlled by fifty-five trustees consisting of the three County Commissioners, the mayor of each participating city and forty-five elected trustees. Each member's control over the operation of the Corporation is limited to its representation on the board. 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 2017, the City contributed \$500.

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 board members, the City appoints three. Each member's control over the operation of the Commission is limited to its

City of Dover
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

representation on the board. The board exercises total control over the operation of the Commission including budgeting, appropriating, contracting, and designating management. 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 2017, the City contributed \$2,052.

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 twenty-one 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. Each member's control over the operation of the Association is limited to its representation on the board. The board has total control over the operation of OMEGA, including budgeting, personnel and financial matters. Each member currently pays a per capita membership fee based on the most recent United States census. During 2017, OMEGA received \$1,924 from the City of Dover for an annual fee. OMEGA has no outstanding debt.

Note 20 – Joint Venture

Ohio Municipal Electric Generation Agency (JV2)

The City of Dover is a Non-Financing Participant and an Owner Participant with an ownership percentage of 5.22 percent and shares participation with thirty-five other subdivisions within the State of Ohio in the Ohio Municipal Electric Generation Agency (OMEGA JV2). Owner Participants own undivided interests, as tenants in common, in the OMEGA JV2 Project in the amount of their respective Project Shares. Purchaser Participants agree to purchase the output associated with their respective Project shares, ownership of which is held in trust for such Purchaser Participants.

Pursuant to the OMEGA JV2 Agreement, the participants jointly undertook as either Financing Participants or Non-Financing Participants and as either Owner Participants or Purchaser Participants, the acquisition, construction, and equipping of OMEGA JV2, including such portions of OMEGA JV2 as have been acquired, constructed or equipped by AMP and to pay or incur the costs of the same in accordance with the JV2 Agreement.

OMEGA JV2 was created to provide additional sources of reliable, reasonably priced electric power and energy when prices are high or during times of generation shortages or transmission constraints, and to improve the reliability and economic status of the participants' respective municipal electric utility system. The Project consists of 138.65 MW of distributed generation of which 134.081 MW is the participants' entitlement and 4.569 MW are held in reserve. On dissolution of OMEGA JV2, the net position will be shared by the participants on a percentage of ownership basis. OMEGA JV2 is managed by AMP, which acts as the joint venture's agent. During 2001, AMP issued \$50,260,000 of 20 year fixed rate bonds on behalf of the Financing Participants of OMEGA JV2. The net proceeds of the bond issue of \$45,904,712 were contributed to OMEGA JV2. On January 3, 2011, AMP redeemed all of the \$31,110,000 OMEGA JV2 Project Distributive Generation Bonds then outstanding by borrowing on AMP's revolving credit facility. As such, the remaining outstanding bond principal of the OMEGA JV2 indebtedness was reduced to zero, with

City of Dover
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

the remaining principal balance now residing on the AMP credit facility. As of December 31, 2017, the outstanding debt was \$188,606. The City's net investment and its share of operating results of OMEGA JV2 are reported in the City's electric fund (an enterprise fund). The City's net investment in OMEGA JV2 was \$524,253 at December 31, 2017. Complete financial statements for OMEGA JV2 may be obtained from AMP or from the State Auditor's website at www.ohioauditor.gov.

Note 21 – Significant Commitments

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

<i>Governmental Funds:</i>		<i>Proprietary Funds:</i>	
General	\$17,235	Sewer	\$20,202
Master Capital	602,721	Electric	1,181,036
Other Governmental Funds	<u>5,213</u>	Water	<u>66,466</u>
Total	<u><u>\$625,169</u></u>	Total	<u><u>\$1,267,704</u></u>

Note 22 – Subsequent Event

On June 20, 2016, the City approved a settlement with the Tuscarawas County Metropolitan Sewer District (TCMSD) to transfer the Lowden, Parral and Willow Glens/Ridgewood collection system, as well as the Ridgewood water system, to the City to operate and maintain. The City had agreed to pay Tuscarawas County \$1.32 million for the assets. After discovery of some additional information, this agreement has since been revoked, and the City and the County are still in discussions on the transfer. This is expected to be settled and the City is still to take ownership of the assets, as well as customer accounts, effective the later part of 2018.

Required Supplementary Information

City of Dover
Tuscarawas County, Ohio
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability
Ohio Public Employees Retirement System - Traditional Plan
*Last Four Years (1) **

	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.049141%	0.050168%	0.050310%	0.050310%
City's Proportionate Share of the Net Pension Liability	\$11,159,086	\$8,689,730	\$6,067,948	\$5,930,894
City's Covered Payroll	\$6,347,775	\$6,243,950	\$6,168,050	\$5,859,373
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	175.80%	139.17%	98.38%	101.22%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.25%	81.08%	86.45%	86.36%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2014 is not available. An additional column will be added each year.

* Amounts presented for each year were determined as of the City's measurement date, which is the prior year end.

See accompanying notes to the required supplementary information.

City of Dover
Tuscarawas County, Ohio
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability
Ohio Police and Fire Pension Fund
*Last Four Years (1) **

	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.13077000%	0.13667700%	0.13435620%	0.13435620%
City's Proportionate Share of the Net Pension Liability	\$8,282,840	\$8,792,528	\$6,960,211	\$6,543,568
City's Covered Payroll	\$2,792,670	\$2,758,835	\$2,645,273	\$2,474,047
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	296.59%	318.70%	263.12%	264.49%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.36%	66.77%	71.71%	73.00%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2014 is not available. An additional column will be added each year.

* Amounts presented for each year were determined as of the City's measurement date, which is the prior year end.

See accompanying notes to the required supplementary information.

City of Dover
Tuscarawas County, Ohio
Required Supplementary Information
Schedule of City Contributions
Ohio Public Employees Retirement System - Traditional Plan
Last Five Years (1)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$882,351	\$761,733	\$749,274	\$740,166	\$761,718
Contributions in Relation to the Contractually Required Contribution	<u>(882,351)</u>	<u>(761,733)</u>	<u>(749,274)</u>	<u>(740,166)</u>	<u>(761,718)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$6,787,315	\$6,347,775	\$6,243,950	\$6,168,050	\$5,859,373
Contributions as a Percentage of Covered Payroll	13.00%	12.00%	12.00%	12.00%	13.00%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2013 is not available. An additional column will be added each year.

See accompanying notes to the required supplementary information.

City of Dover
Tuscarawas County, Ohio
Required Supplementary Information
Schedule of City Contributions
Ohio Police and Fire Pension Fund
Last Ten Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$612,937	\$593,111	\$587,816	\$562,272
Contributions in Relation to the Contractually Required Contribution	<u>(612,937)</u>	<u>(593,111)</u>	<u>(587,816)</u>	<u>(562,272)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$2,872,766	\$2,792,670	\$2,758,835	\$2,645,273
Contributions as a Percentage of Covered Payroll	21.34%	21.24%	21.31%	21.26%

See accompanying notes to the required supplementary information.

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$448,347	\$366,827	\$372,079	\$374,823	\$349,342	\$331,162
<u>(448,347)</u>	<u>(366,827)</u>	<u>(372,079)</u>	<u>(374,823)</u>	<u>(349,342)</u>	<u>(331,162)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$2,474,047	\$2,451,108	\$2,479,887	\$2,501,840	\$2,335,743	\$2,223,594
18.12%	14.97%	15.00%	14.98%	14.96%	14.89%

City of Dover
Tuscarawas County, Ohio
Notes to the Required Supplementary Information
For the Year Ended December 31, 2017

Changes in Assumptions – OPERS

Amounts reported for 2017 incorporate changes in assumptions used by OPERS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in 2016 and prior are presented below:

	December 31, 2017	December 31, 2016 and Prior
Wage Inflation	3.25 percent	3.75 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	3 percent, simple through 2018, then 2.15 percent, simple	3 percent, simple through 2018, then 2.8 percent, simple
Investment Rate of Return	7.5 percent	8 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

Amounts reported for 2017 use mortality rates based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

Amounts reported for 2016 and prior use mortality rates based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

Combining and Individual Fund Statements and Schedules

Fund Descriptions – Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

Street Maintenance and Repair Fund – Required by the Ohio Revised Code to account for and report State gasoline tax and motor vehicle registration fees that are restricted for maintenance of streets within the City.

State Highway Fund – Required by the Ohio Revised Code to account for and report State gasoline tax and motor vehicle registration fees that are restricted for maintenance of State highways within the City.

Police and Fire Pension Fund – To account for and report property taxes levied and restricted for the payment of the current and accrued liability for police and firemen’s disability and pension benefits.

Ambulance Fund – To account for and report monies collected from the use of the ambulance by the citizens of Dover and Dover Township, which are committed to expenditures related to ambulance service.

Cemetery Fund – To account for and report revenue from the sale of plots and interest restricted for the care and upkeep of the cemetery.

Revolving Loan Fund – To account for and report initial loans made by the City to local businesses and subsequent repayment of these loans, which is restricted for future loans.

Drug Law Enforcement Fund – To account for and report monies from mandatory fines for trafficking offenses restricted for the investigation and prosecution of drug cases.

Law Enforcement Block Grant Fund – To account for and report grant monies restricted for upgrades to police computer systems. This fund has no budgetary activity for 2017.

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

Shade Tree Fund – To account for and report donations from individuals or organizations committed for the purpose of planting trees.

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Community Housing Improvement Program (CHIP) Fund – To account for and report monies received from the Ohio Regional Development restricted for low income renovations and down payments.

City of Dover
Tuscarawas County, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2017

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$2,052,188	\$25,489	\$2,077,677
Materials and Supplies Inventory	114,722	0	114,722
Accrued Interest Receivable	7,562	0	7,562
Accounts Receivable	80,111	0	80,111
Intergovernmental Receivable	311,290	0	311,290
Prepaid Items	19,737	0	19,737
Income Tax Receivable	317,935	0	317,935
Property Taxes Receivable	135,687	0	135,687
Loans Receivable	16,925	0	16,925
<i>Total Assets</i>	<u>\$3,056,157</u>	<u>\$25,489</u>	<u>\$3,081,646</u>
Liabilities			
Accounts Payable	\$9,983	\$0	\$9,983
Accrued Wages	45,660	0	45,660
Intergovernmental Payable	109,707	0	109,707
<i>Total Liabilities</i>	<u>165,350</u>	<u>0</u>	<u>165,350</u>
Deferred Inflows of Resources			
Property Taxes	134,066	0	134,066
Unavailable Revenue	491,152	0	491,152
<i>Total Deferred Inflows of Resources</i>	<u>625,218</u>	<u>0</u>	<u>625,218</u>
Fund Balances			
Nonspendable	134,459	0	134,459
Restricted	1,692,144	25,489	1,717,633
Committed	438,986	0	438,986
<i>Total Fund Balances</i>	<u>2,265,589</u>	<u>25,489</u>	<u>2,291,078</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$3,056,157</u>	<u>\$25,489</u>	<u>\$3,081,646</u>

City of Dover
Tuscarawas County, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2017

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues			
Property Taxes	\$139,377	\$0	\$139,377
Income Taxes	1,492,483	0	1,492,483
Intergovernmental	681,796	0	681,796
Interest	18,653	40	18,693
Fines, Licenses and Permits	580	0	580
Charges for Services	480,538	0	480,538
Other	2,004	1,814	3,818
<i>Total Revenues</i>	<u>2,815,431</u>	<u>1,854</u>	<u>2,817,285</u>
Expenditures			
Current:			
Security of Persons and Property	632,266	0	632,266
Transportation	1,282,274	0	1,282,274
Public Health Services	768,958	0	768,958
Debt Service:			
Principal Retirement	8,392	0	8,392
Interest and Fiscal Charges	9,653	0	9,653
<i>Total Expenditures</i>	<u>2,701,543</u>	<u>0</u>	<u>2,701,543</u>
<i>Excess of Revenues Over Expenditures</i>	<u>113,888</u>	<u>1,854</u>	<u>115,742</u>
Other Financing Sources			
Sale of Capital Assets	9,758	0	9,758
Insurance Recoveries	23,850	0	23,850
<i>Total Other Financing Sources</i>	<u>33,608</u>	<u>0</u>	<u>33,608</u>
<i>Net Change in Fund Balances</i>	147,496	1,854	149,350
<i>Fund Balances Beginning of Year</i>	<u>2,118,093</u>	<u>23,635</u>	<u>2,141,728</u>
<i>Fund Balances End of Year</i>	<u><u>\$2,265,589</u></u>	<u><u>\$25,489</u></u>	<u><u>\$2,291,078</u></u>

City of Dover
Tuscarawas County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2017

	Street Maintenance and Repair	State Highway	Police and Fire Pension	Ambulance	Cemetery
Assets					
Equity in Pooled Cash and Cash Equivalents	\$230,977	\$54,281	\$49,936	\$424,678	\$814,220
Materials and Supplies Inventory	114,722	0	0	0	0
Accrued Interest Receivable	0	0	0	0	7,562
Accounts Receivable	23,850	0	0	56,261	0
Intergovernmental Receivable	279,920	22,422	8,948	0	0
Prepaid Items	13,550	0	0	1,813	4,374
Income Tax Receivable	128,459	0	112,401	0	77,075
Property Taxes Receivable	0	0	135,687	0	0
Loans Receivable	0	0	0	0	0
<i>Total Assets</i>	<u>\$791,478</u>	<u>\$76,703</u>	<u>\$306,972</u>	<u>\$482,752</u>	<u>\$903,231</u>
Liabilities					
Accounts Payable	\$5,677	\$0	\$0	\$4,099	\$207
Accrued Wages	25,459	0	0	7,747	12,454
Intergovernmental Payable	21,058	0	80,190	112	8,347
<i>Total Liabilities</i>	<u>52,194</u>	<u>0</u>	<u>80,190</u>	<u>11,958</u>	<u>21,008</u>
Deferred Inflows of Resources					
Property Taxes	0	0	134,066	0	0
Unavailable Revenue	314,325	19,201	78,389	32,732	46,505
<i>Total Deferred Inflows of Resources</i>	<u>314,325</u>	<u>19,201</u>	<u>212,455</u>	<u>32,732</u>	<u>46,505</u>
Fund Balances					
Nonspendable	128,272	0	0	1,813	4,374
Restricted	296,687	57,502	14,327	0	831,344
Committed	0	0	0	436,249	0
<i>Total Fund Balances</i>	<u>424,959</u>	<u>57,502</u>	<u>14,327</u>	<u>438,062</u>	<u>835,718</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$791,478</u>	<u>\$76,703</u>	<u>\$306,972</u>	<u>\$482,752</u>	<u>\$903,231</u>

Revolving Loan	Drug Law Enforcement	Law Enforcement Block Grant	Enforcement and Education	Shade Tree	Total Nonmajor Special Revenue Funds
\$431,447	\$10,765	\$427	\$32,720	\$2,737	\$2,052,188
0	0	0	0	0	114,722
0	0	0	0	0	7,562
0	0	0	0	0	80,111
0	0	0	0	0	311,290
0	0	0	0	0	19,737
0	0	0	0	0	317,935
0	0	0	0	0	135,687
16,925	0	0	0	0	16,925
<u>\$448,372</u>	<u>\$10,765</u>	<u>\$427</u>	<u>\$32,720</u>	<u>\$2,737</u>	<u>\$3,056,157</u>
\$0	\$0	\$0	\$0	\$0	\$9,983
0	0	0	0	0	45,660
0	0	0	0	0	109,707
0	0	0	0	0	165,350
0	0	0	0	0	134,066
0	0	0	0	0	491,152
0	0	0	0	0	625,218
0	0	0	0	0	134,459
448,372	10,765	427	32,720	0	1,692,144
0	0	0	0	2,737	438,986
<u>448,372</u>	<u>10,765</u>	<u>427</u>	<u>32,720</u>	<u>2,737</u>	<u>2,265,589</u>
<u>\$448,372</u>	<u>\$10,765</u>	<u>\$427</u>	<u>\$32,720</u>	<u>\$2,737</u>	<u>\$3,056,157</u>

City of Dover
Tuscarawas County, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2017

	Street Maintenance and Repair	State Highway	Police and Fire Pension	Ambulance	Cemetery
Revenues					
Property Taxes	\$0	\$0	\$139,377	\$0	\$0
Income Taxes	599,003	0	531,542	0	361,938
Intergovernmental	613,317	47,741	17,906	0	2,832
Interest	2,517	374	0	0	14,726
Fines, Licenses and Permits	0	0	0	0	0
Charges for Services	0	0	0	343,912	136,626
Other	1,848	0	0	0	156
<i>Total Revenues</i>	<u>1,216,685</u>	<u>48,115</u>	<u>688,825</u>	<u>343,912</u>	<u>516,278</u>
Expenditures					
Current:					
Security of Persons and Property	0	0	632,266	0	0
Transportation	1,246,459	35,815	0	0	0
Public Health Services	0	0	0	262,278	506,680
Debt Service:					
Principal Retirement	0	0	8,392	0	0
Interest and Fiscal Charges	0	0	9,653	0	0
<i>Total Expenditures</i>	<u>1,246,459</u>	<u>35,815</u>	<u>650,311</u>	<u>262,278</u>	<u>506,680</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(29,774)</u>	<u>12,300</u>	<u>38,514</u>	<u>81,634</u>	<u>9,598</u>
Other Financing Sources					
Sale of Capital Assets	9,758	0	0	0	0
Insurance Recoveries	23,850	0	0	0	0
<i>Total Other Financing Sources</i>	<u>33,608</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	3,834	12,300	38,514	81,634	9,598
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>421,125</u>	<u>45,202</u>	<u>(24,187)</u>	<u>356,428</u>	<u>826,120</u>
<i>Fund Balances End of Year</i>	<u>\$424,959</u>	<u>\$57,502</u>	<u>\$14,327</u>	<u>\$438,062</u>	<u>\$835,718</u>

Revolving Loan	Drug Law Enforcement	Law Enforcement Block Grant	Enforcement and Education	Shade Tree	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$0	\$139,377
0	0	0	0	0	1,492,483
0	0	0	0	0	681,796
1,036	0	0	0	0	18,653
0	0	0	580	0	580
0	0	0	0	0	480,538
0	0	0	0	0	2,004
1,036	0	0	580	0	2,815,431
0	0	0	0	0	632,266
0	0	0	0	0	1,282,274
0	0	0	0	0	768,958
0	0	0	0	0	8,392
0	0	0	0	0	9,653
0	0	0	0	0	2,701,543
1,036	0	0	580	0	113,888
0	0	0	0	0	9,758
0	0	0	0	0	23,850
0	0	0	0	0	33,608
1,036	0	0	580	0	147,496
447,336	10,765	427	32,140	2,737	2,118,093
\$448,372	\$10,765	\$427	\$32,720	\$2,737	\$2,265,589

**Individual Fund Schedules of Revenues, Expenditures/Expenses
and Changes in Fund Balances/Equity - Budget (Non-GAAP Basis) and Actual**

City of Dover
Tuscarawas County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	\$1,315,000	\$1,315,000	\$1,625,618	\$310,618
Income Taxes	4,729,000	4,729,000	4,794,303	65,303
Kilowatt per Hour Tax	750,000	750,000	678,961	(71,039)
Intergovernmental	509,521	509,521	508,186	(1,335)
Interest	20,000	20,000	117,799	97,799
Fines, Licenses and Permits	29,100	29,100	33,777	4,677
Charges for Services	902,625	902,625	974,039	71,414
Contributions and Donations	14,110	14,110	14,805	695
Other	22,769	22,769	29,677	6,908
Total Revenues	8,292,125	8,292,125	8,777,165	485,040
Expenditures				
Current:				
General Government:				
Mayor:				
Salaries and Wages	135,227	135,227	134,327	900
Fringe Benefits	72,914	74,053	73,945	108
Purchased Services	8,750	9,225	9,170	55
Materials and Supplies	4,700	4,700	3,922	778
Total Mayor	221,591	223,205	221,364	1,841
Auditor:				
Salaries and Wages	178,361	178,361	142,002	36,359
Fringe Benefits	100,989	100,989	101,337	(348)
Purchased Services	21,800	21,800	20,945	855
Materials and Supplies	6,000	6,500	6,332	168
Total Auditor	307,150	307,650	270,616	37,034
Treasurer:				
Salaries and Wages	16,266	16,266	16,266	0
Fringe Benefits	4,811	4,811	4,648	163
Purchased Services	3,150	3,150	3,144	6
Materials and Supplies	100	100	0	100
Total Treasurer	24,327	24,327	24,058	269
Law Director:				
Salaries and Wages	80,975	80,975	80,975	0
Fringe Benefits	42,883	42,883	40,971	1,912
Purchased Services	93,900	98,900	85,236	13,664
Materials and Supplies	2,000	2,000	908	1,092
Total Law Director	\$219,758	\$224,758	\$208,090	\$16,668

(continued)

City of Dover
Tuscarawas County, 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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Civil Service Commission:				
Salaries and Wages	\$3,000	\$3,000	\$3,000	\$0
Fringe Benefits	555	555	543	12
Purchased Services	10,130	24,130	19,519	4,611
Materials and Supplies	100	100	34	66
Total Civil Service Commission	13,785	27,785	23,096	4,689
Income Tax Department:				
Salaries and Wages	107,848	107,848	97,837	10,011
Fringe Benefits	57,034	57,034	56,571	463
Purchased Services	99,500	99,500	17,673	81,827
Materials and Supplies	8,000	8,000	5,092	2,908
Total Income Tax Department	272,382	272,382	177,173	95,209
Council:				
Salaries and Wages	57,860	57,860	57,860	0
Fringe Benefits	17,024	17,024	16,507	517
Purchased Services	18,550	18,550	16,587	1,963
Materials and Supplies	500	500	428	72
Total Council	93,934	93,934	91,382	2,552
Clerk of Council:				
Salaries and Wages	7,350	7,350	7,200	150
Fringe Benefits	2,132	2,132	2,070	62
Purchased Services	2,900	2,900	2,713	187
Materials and Supplies	150	150	102	48
Total Clerk of Council	12,532	12,532	12,085	447
Service Director:				
Salaries and Wages	111,190	111,597	17,886	93,711
Fringe Benefits	65,743	65,336	64,104	1,232
Purchased Services	6,650	6,650	5,869	781
Materials and Supplies	6,750	6,750	6,227	523
Total Service Director	190,333	190,333	94,086	96,247
Rubbish-Janitor-City Hall:				
Salaries and Wages	39,717	39,311	34,683	4,628
Fringe Benefits	20,714	21,120	20,798	322
Purchased Services	47,250	47,250	45,396	1,854
Total Rubbish-Janitor-City Hall	\$107,681	\$107,681	\$100,877	\$6,804

(continued)

City of Dover
Tuscarawas County, 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, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Other:				
Purchased Services	\$201,022	\$232,552	\$197,497	\$35,055
Materials and Supplies	49,000	51,400	32,185	19,215
Capital Outlay	64,999	64,999	50,841	14,158
Other	75,691	75,692	9,152	66,540
Total Other	390,712	424,643	289,675	134,968
Total General Government	1,854,185	1,909,230	1,512,502	396,728
Security of Persons and Property:				
Police:				
Salaries and Wages	1,665,257	1,620,157	1,507,655	112,502
Fringe Benefits	481,939	557,038	530,538	26,500
Purchased Services	74,850	82,650	76,390	6,260
Materials and Supplies	69,607	74,607	56,905	17,702
Total Police	2,291,653	2,334,452	2,171,488	162,964
Traffic Safety:				
Salaries and Wages	152,980	152,980	141,256	11,724
Fringe Benefits	95,711	95,711	74,325	21,386
Purchased Services	4,800	4,800	2,470	2,330
Materials and Supplies	35,598	35,598	24,874	10,724
Total Traffic Safety	289,089	289,089	242,925	46,164
Fire Prevention:				
Salaries and Wages	1,543,302	1,523,302	1,393,461	129,841
Fringe Benefits	373,672	422,672	415,556	7,116
Purchased Services	83,600	92,250	88,776	3,474
Materials and Supplies	61,500	61,500	49,520	11,980
Total Fire Prevention	2,062,074	2,099,724	1,947,313	152,411
Director of Public Safety:				
Salaries and Wages	73,570	74,470	34,415	40,055
Fringe Benefits	38,387	37,487	23,748	13,739
Purchased Services	1,985	1,985	1,949	36
Materials and Supplies	350	350	192	158
Total Director of Public Safety	114,292	114,292	60,304	53,988
Total Security of Persons and Property	\$4,757,108	\$4,837,557	\$4,422,030	\$415,527

(continued)

City of Dover
Tuscarawas County, 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, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Public Health Services:				
County Health Services:				
Purchased Services	\$9,000	\$9,000	\$8,397	\$603
Community Environment:				
Demolition and Mowing:				
Purchased Services	25,000	25,000	21,081	3,919
Building Inspector:				
Salaries and Wages	70,242	70,242	70,242	0
Fringe Benefits	36,001	36,001	35,884	117
Purchased Services	3,600	3,600	3,288	312
Materials and Supplies	1,600	1,600	1,198	402
Total Building Inspector	111,443	111,443	110,612	831
Total Community Environment	136,443	136,443	131,693	4,750
Basic Utility Services:				
Refuse Collections and Disposals:				
Purchased Services	675,000	697,500	697,490	10
Leisure Time Activities:				
Parks and Recreation:				
Salaries and Wages	581,318	584,319	549,772	34,547
Fringe Benefits	263,381	285,281	274,333	10,948
Purchased Services	113,300	113,300	103,340	9,960
Materials and Supplies	115,500	119,800	106,030	13,770
Total Leisure Time Activities	1,073,499	1,102,700	1,033,475	69,225
<i>Total Expenditures</i>	8,505,235	8,692,430	7,805,587	886,843
<i>Excess of Revenues Over (Under) Expenditures</i>	(213,110)	(400,305)	971,578	1,371,883
Other Financing Sources (Uses)				
Sale of Capital Assets	2,920	2,920	2,920	0
Transfers Out	(600,000)	(600,000)	(600,000)	0
<i>Total Other Financing Sources (Uses)</i>	(597,080)	(597,080)	(597,080)	0
<i>Net Change in Fund Balance</i>	(810,190)	(997,385)	374,498	1,371,883
<i>Fund Balance Beginning of Year</i>	2,410,211	2,410,211	2,410,211	0
Prior Year Encumbrances Appropriated	70,148	70,148	70,148	0
<i>Fund Balance End of Year</i>	<u>\$1,670,169</u>	<u>\$1,482,974</u>	<u>\$2,854,857</u>	<u>\$1,371,883</u>

City of Dover
Tuscarawas County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Master Capital Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Income Taxes	\$1,957,500	\$2,057,500	\$2,034,457	(\$23,043)
Intergovernmental	74,622	222,757	736,671	513,914
Contributions and Donations	28,540	88,540	88,540	0
Other	141,946	197,811	77,026	(120,785)
<i>Total Revenues</i>	<u>2,202,608</u>	<u>2,566,608</u>	<u>2,936,694</u>	<u>370,086</u>
Expenditures				
Capital Outlay	3,307,968	3,858,968	2,802,765	1,056,203
Debt Service:				
Principal Retirement	249,326	249,326	249,326	0
Interest and Fiscal Charges	78,973	78,973	78,973	0
<i>Total Debt Service</i>	<u>328,299</u>	<u>328,299</u>	<u>328,299</u>	<u>0</u>
<i>Total Expenditures</i>	<u>3,636,267</u>	<u>4,187,267</u>	<u>3,131,064</u>	<u>1,056,203</u>
<i>Excess of Revenues Under Expenditures</i>	(1,433,659)	(1,620,659)	(194,370)	1,426,289
Other Financing Sources				
OPWC Loan Issued	10,392	10,392	10,392	0
<i>Net Change in Fund Balance</i>	(1,423,267)	(1,610,267)	(183,978)	1,426,289
<i>Fund Balance Beginning of Year</i>	1,036,764	1,036,764	1,036,764	0
Prior Year Encumbrances Appropriated	636,267	636,267	636,267	0
<i>Fund Balance End of Year</i>	<u>\$249,764</u>	<u>\$62,764</u>	<u>\$1,489,053</u>	<u>\$1,426,289</u>

City of Dover
Tuscarawas County, Ohio
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Sewer Fund
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$3,227,200	\$3,227,200	\$3,221,996	(\$5,204)
Other	0	0	9,153	9,153
<i>Total Revenues</i>	<u>3,227,200</u>	<u>3,227,200</u>	<u>3,231,149</u>	<u>3,949</u>
Expenses				
Salaries and Wages:				
Sewer Office	62,246	62,246	60,948	1,298
Sewer Disposal Plant	886,738	886,738	873,258	13,480
Total Salaries and Wages	<u>948,984</u>	<u>948,984</u>	<u>934,206</u>	<u>14,778</u>
Fringe Benefits:				
Sewer Office	38,719	38,720	31,332	7,388
Sewer Disposal Plant	568,669	578,669	501,201	77,468
Total Fringe Benefits	<u>607,388</u>	<u>617,389</u>	<u>532,533</u>	<u>84,856</u>
Purchased Services:				
Sewer Office	71,069	71,069	64,187	6,882
Sewer Disposal Plant	360,940	400,939	352,412	48,527
Total Purchased Services	<u>432,009</u>	<u>472,008</u>	<u>416,599</u>	<u>55,409</u>
Materials and Supplies:				
Sewer Office	3,000	3,000	2,986	14
Sewer Disposal Plant	171,459	171,459	150,211	21,248
Total Materials and Supplies	<u>174,459</u>	<u>174,459</u>	<u>153,197</u>	<u>21,262</u>
Capital Outlay:				
Sewer Office	21,250	21,250	0	21,250
Sewer Disposal Plant	1,495,719	1,495,719	71,681	1,424,038
Wastewater Reserve	1,013,462	1,013,462	74,462	939,000
Total Capital Outlay	<u>2,530,431</u>	<u>2,530,431</u>	<u>146,143</u>	<u>2,384,288</u>
Debt Service:				
Principal Retirement	622,425	622,425	622,421	4
Interest and Fiscal Charges	286,625	286,625	264,572	22,053
Total Debt Service	<u>909,050</u>	<u>909,050</u>	<u>886,993</u>	<u>22,057</u>
<i>Total Expenses</i>	<u>5,602,321</u>	<u>5,652,321</u>	<u>3,069,671</u>	<u>2,582,650</u>
<i>Net Change in Fund Equity</i>	(2,375,121)	(2,425,121)	161,478	2,586,599
<i>Fund Equity Beginning of Year</i>	4,370,572	4,370,572	4,370,572	0
Prior Year Encumbrances Appropriated	<u>80,626</u>	<u>80,626</u>	<u>80,626</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$2,076,077</u>	<u>\$2,026,077</u>	<u>\$4,612,676</u>	<u>\$2,586,599</u>

City of Dover
Tuscarawas County, Ohio
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Electric Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$25,965,000	\$26,265,000	\$27,148,413	\$883,413
Electric Deposits Received	2,000	2,000	28,151	26,151
Interest	1,575	1,575	14,693	13,118
Other	12,100	12,100	104,425	92,325
<i>Total Revenues</i>	<u>25,980,675</u>	<u>26,280,675</u>	<u>27,295,682</u>	<u>1,015,007</u>
Expenses				
Salaries and Wages:				
Electric Office	73,950	73,950	73,412	538
Electric Distribution	1,032,263	1,021,363	987,362	34,001
Electric Plant	1,643,535	1,643,535	1,612,019	31,516
Total Salaries and Wages	<u>2,749,748</u>	<u>2,738,848</u>	<u>2,672,793</u>	<u>66,055</u>
Fringe Benefits:				
Electric Office	46,472	46,472	45,701	771
Electric Distribution	519,503	555,403	538,327	17,076
Electric Plant	833,215	853,215	819,832	33,383
Total Fringe Benefits	<u>1,399,190</u>	<u>1,455,090</u>	<u>1,403,860</u>	<u>51,230</u>
Purchased Services:				
Electric Office	121,088	121,088	104,896	16,192
Electric Distribution	664,758	673,258	582,463	90,795
Electric Plant	3,276,973	3,276,973	2,389,761	887,212
Total Purchased Services	<u>4,062,819</u>	<u>4,071,319</u>	<u>3,077,120</u>	<u>994,199</u>
Materials and Supplies:				
Electric Office	6,000	6,000	5,973	27
Electric Distribution	180,611	180,611	130,946	49,665
Electric Plant	3,348,395	3,348,395	3,059,602	288,793
Total Materials and Supplies	<u>3,535,006</u>	<u>3,535,006</u>	<u>3,196,521</u>	<u>338,485</u>
Purchased Power:				
Electric Plant	\$12,756,057	\$14,456,057	\$14,456,057	\$0

(continued)

City of Dover
Tuscarawas County, Ohio
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Electric Fund (continued)
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Capital Outlay:				
Electric Capital Reserve	\$100,000	\$100,000	\$0	\$100,000
Electric Surplus	250,000	250,000	0	250,000
Electric Office	42,500	42,500	0	42,500
Municipal Electric Improvement	9,272	9,272	0	9,272
Electric Distribution	494,471	485,971	392,485	93,486
Electric Plant	<u>1,302,307</u>	<u>1,302,307</u>	<u>1,249,009</u>	<u>53,298</u>
Total Capital Outlay	<u>2,198,550</u>	<u>2,190,050</u>	<u>1,641,494</u>	<u>548,556</u>
Debt Service:				
Principal Retirement	1,766,421	1,766,421	1,766,101	320
Interest and Fiscal Charges	<u>236,492</u>	<u>236,492</u>	<u>235,038</u>	<u>1,454</u>
Total Debt Service	<u>2,002,913</u>	<u>2,002,913</u>	<u>2,001,139</u>	<u>1,774</u>
Electric Deposits Returned:				
Refunds	<u>40,000</u>	<u>40,000</u>	<u>25,558</u>	<u>14,442</u>
<i>Total Expenses</i>	<u>28,744,283</u>	<u>30,489,283</u>	<u>28,474,542</u>	<u>2,014,741</u>
<i>Excess of Revenues Under Expenses before Transfers</i>	(2,763,608)	(4,208,608)	(1,178,860)	3,029,748
Transfers In	<u>0</u>	<u>0</u>	<u>600,000</u>	<u>600,000</u>
<i>Net Change in Fund Equity</i>	(2,763,608)	(4,208,608)	(578,860)	3,629,748
<i>Fund Equity Beginning of Year</i>	5,093,283	5,093,283	5,093,283	0
Prior Year Encumbrances Appropriated	<u>875,218</u>	<u>875,218</u>	<u>875,218</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$3,204,893</u></u>	<u><u>\$1,759,893</u></u>	<u><u>\$5,389,641</u></u>	<u><u>\$3,629,748</u></u>

City of Dover
Tuscarawas County, Ohio
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Water Fund
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$2,156,500	\$2,156,500	\$2,287,163	\$130,663
Interest	75	75	2,869	2,794
Other	5,000	5,000	15,821	10,821
<i>Total Revenues</i>	<u>2,161,575</u>	<u>2,161,575</u>	<u>2,305,853</u>	<u>144,278</u>
Expenses				
Salaries and Wages:				
Water Office	57,546	57,546	57,102	444
Water Plant	642,738	644,415	640,310	4,105
Total Salaries and Wages	<u>700,284</u>	<u>701,961</u>	<u>697,412</u>	<u>4,549</u>
Fringe Benefits:				
Water Office	37,136	37,136	30,893	6,243
Water Plant	368,505	375,328	371,252	4,076
Total Fringe Benefits	<u>405,641</u>	<u>412,464</u>	<u>402,145</u>	<u>10,319</u>
Purchased Services:				
Water Office	71,019	71,019	64,169	6,850
Water Plant	160,464	160,464	117,351	43,113
Total Purchased Services	<u>231,483</u>	<u>231,483</u>	<u>181,520</u>	<u>49,963</u>
Materials and Supplies:				
Water Office	4,500	4,500	4,039	461
Water Plant	210,318	210,318	147,287	63,031
Total Materials and Supplies	<u>214,818</u>	<u>214,818</u>	<u>151,326</u>	<u>63,492</u>
Capital Outlay:				
Water Office	21,250	21,250	0	21,250
Water Plant	255,858	255,858	64,201	191,657
Water Surplus	500,000	500,000	261,000	239,000
Total Capital Outlay	<u>\$777,108</u>	<u>\$777,108</u>	<u>\$325,201</u>	<u>\$451,907</u>

(continued)

City of Dover
Tuscarawas County, Ohio
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Water Fund (continued)
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Debt Service:				
Principal Retirement	\$455,000	\$455,000	\$455,000	\$0
Interest and Fiscal Charges	59,200	59,200	58,718	482
Total Debt Service	514,200	514,200	513,718	482
<i>Total Expenses</i>	<i>2,843,534</i>	<i>2,852,034</i>	<i>2,271,322</i>	<i>580,712</i>
<i>Net Change in Fund Equity</i>	<i>(681,959)</i>	<i>(690,459)</i>	<i>34,531</i>	<i>724,990</i>
<i>Fund Equity Beginning of Year</i>	<i>1,578,582</i>	<i>1,578,582</i>	<i>1,578,582</i>	<i>0</i>
Prior Year Encumbrances Appropriated	55,728	55,728	55,728	0
<i>Fund Equity End of Year</i>	<i>\$952,351</i>	<i>\$943,851</i>	<i>\$1,668,841</i>	<i>\$724,990</i>

City of Dover
Tuscarawas County, 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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Income Taxes	\$600,000	\$600,000	\$600,000	\$0
Intergovernmental	572,536	572,536	612,385	39,849
Interest	300	300	2,517	2,217
Other	1,189	1,189	1,848	659
<i>Total Revenues</i>	<u>1,174,025</u>	<u>1,174,025</u>	<u>1,216,750</u>	<u>42,725</u>
Expenditures				
Current:				
Transportation:				
Street Construction and Reconstruction:				
Salaries and Wages	658,038	658,038	617,620	40,418
Fringe Benefits	379,436	379,436	364,743	14,693
Purchased Services	111,095	123,095	107,853	15,242
Materials and Supplies	186,341	186,341	151,333	35,008
Capital Outlay	15,028	15,028	8,012	7,016
<i>Total Expenditures</i>	<u>1,349,938</u>	<u>1,361,938</u>	<u>1,249,561</u>	<u>112,377</u>
<i>Excess of Revenues Under Expenditures</i>	(175,913)	(187,913)	(32,811)	155,102
Other Financing Sources				
Sale of Capital Assets	6,275	6,275	9,758	3,483
<i>Net Change in Fund Balance</i>	(169,638)	(181,638)	(23,053)	158,585
<i>Fund Balance Beginning of Year</i>	224,591	224,591	224,591	0
Prior Year Encumbrances Appropriated	24,601	24,601	24,601	0
<i>Fund Balance End of Year</i>	<u>\$79,554</u>	<u>\$67,554</u>	<u>\$226,139</u>	<u>\$158,585</u>

City of Dover
Tuscarawas County, 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, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$45,000	\$45,000	\$47,939	\$2,939
Interest	30	30	374	344
<i>Total Revenues</i>	45,030	45,030	48,313	3,283
Expenditures				
Current:				
Transportation:				
Street Construction and Reconstruction:				
Materials and Supplies	60,000	60,000	35,815	24,185
<i>Net Change in Fund Balance</i>	(14,970)	(14,970)	12,498	27,468
<i>Fund Balance Beginning of Year</i>	41,783	41,783	41,783	0
<i>Fund Balance End of Year</i>	<u>\$26,813</u>	<u>\$26,813</u>	<u>\$54,281</u>	<u>\$27,468</u>

City of Dover
Tuscarawas County, 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, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Property Taxes	\$127,100	\$127,100	\$139,377	\$12,277
Income Taxes	525,000	525,000	525,000	0
Intergovernmental	17,000	17,000	17,906	906
<i>Total Revenues</i>	<u>669,100</u>	<u>669,100</u>	<u>682,283</u>	<u>13,183</u>
Expenditures				
Current:				
Security of Persons and Property:				
Police Disability and Pension:				
Fringe Benefits	299,000	299,000	278,303	20,697
Fire Disability and Pension:				
Fringe Benefits	<u>370,000</u>	<u>370,000</u>	<u>369,907</u>	<u>93</u>
<i>Total Expenditures</i>	<u>669,000</u>	<u>669,000</u>	<u>648,210</u>	<u>20,790</u>
<i>Net Change in Fund Balance</i>	100	100	34,073	33,973
<i>Fund Balance Beginning of Year</i>	<u>15,863</u>	<u>15,863</u>	<u>15,863</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$15,963</u>	<u>\$15,963</u>	<u>\$49,936</u>	<u>\$33,973</u>

City of Dover
Tuscarawas County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Ambulance Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	<u>\$300,000</u>	<u>\$300,000</u>	<u>\$355,653</u>	<u>\$55,653</u>
Expenditures				
Current:				
Public Health Services:				
Ambulance:				
Salaries and Wages	175,000	175,000	117,670	57,330
Purchased Services	38,350	38,350	33,924	4,426
Materials and Supplies	<u>75,000</u>	<u>175,000</u>	<u>107,691</u>	<u>67,309</u>
<i>Total Expenditures</i>	<u>288,350</u>	<u>388,350</u>	<u>259,285</u>	<u>129,065</u>
<i>Net Change in Fund Balance</i>	11,650	(88,350)	96,368	184,718
<i>Fund Balance Beginning of Year</i>	<u>328,310</u>	<u>328,310</u>	<u>328,310</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$339,960</u></u>	<u><u>\$239,960</u></u>	<u><u>\$424,678</u></u>	<u><u>\$184,718</u></u>

City of Dover
Tuscarawas County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Cemetery Fund
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Income Taxes	\$360,000	\$360,000	\$360,000	\$0
Intergovernmental	0	0	2,832	2,832
Interest	50	50	7,202	7,152
Charges for Services	140,000	140,000	136,626	(3,374)
Other	100	100	156	56
<i>Total Revenues</i>	<u>500,150</u>	<u>500,150</u>	<u>506,816</u>	<u>6,666</u>
Expenditures				
Current:				
Public Health Services:				
Cemetery:				
Salaries and Wages	318,242	318,242	301,941	16,301
Fringe Benefits	165,928	165,928	161,081	4,847
Purchased Services	17,025	19,825	15,301	4,524
Materials and Supplies	29,400	29,400	25,016	4,384
Capital Outlay	4,500	4,500	3,656	844
Other	25,000	25,000	0	25,000
<i>Total Expenditures</i>	<u>560,095</u>	<u>562,895</u>	<u>506,995</u>	<u>55,900</u>
<i>Net Change in Fund Balance</i>	(59,945)	(62,745)	(179)	62,566
<i>Fund Balance Beginning of Year</i>	810,002	810,002	810,002	0
Prior Year Encumbrances Appropriated	3,998	3,998	3,998	0
<i>Fund Balance End of Year</i>	<u>\$754,055</u>	<u>\$751,255</u>	<u>\$813,821</u>	<u>\$62,566</u>

City of Dover
Tuscarawas County, 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, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Interest	\$823	\$823	\$1,014	\$191
Charges for Services	<u>10,652</u>	<u>10,652</u>	<u>10,643</u>	<u>(9)</u>
<i>Total Revenues</i>	11,475	11,475	11,657	182
Expenditures				
Current:				
Community Environment:				
Other Community Environment:				
Purchased Services	<u>250,000</u>	<u>250,000</u>	<u>0</u>	<u>250,000</u>
<i>Net Change in Fund Balance</i>	(238,525)	(238,525)	11,657	250,182
<i>Fund Balance Beginning of Year</i>	<u>419,768</u>	<u>419,768</u>	<u>419,768</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$181,243</u></u>	<u><u>\$181,243</u></u>	<u><u>\$431,425</u></u>	<u><u>\$250,182</u></u>

City of Dover
Tuscarawas County, 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, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Current:				
Security of Persons and Property:				
Drug Law Enforcement:				
Materials and Supplies	<u>10,000</u>	<u>10,000</u>	<u>0</u>	<u>10,000</u>
<i>Net Change in Fund Balance</i>	(10,000)	(10,000)	0	10,000
<i>Fund Balance Beginning of Year</i>	<u>10,765</u>	<u>10,765</u>	<u>10,765</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$765</u></u>	<u><u>\$765</u></u>	<u><u>\$10,765</u></u>	<u><u>\$10,000</u></u>

City of Dover
Tuscarawas County, 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, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines, Licenses and Permits	\$800	\$800	\$715	(\$85)
Expenditures				
Current:				
Security of Persons and Property:				
Enforcement and Education:				
Materials and Supplies	<u>30,000</u>	<u>30,000</u>	<u>0</u>	<u>30,000</u>
<i>Net Change in Fund Balance</i>	(29,200)	(29,200)	715	29,915
<i>Fund Balance Beginning of Year</i>	<u>32,005</u>	<u>32,005</u>	<u>32,005</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$2,805</u></u>	<u><u>\$2,805</u></u>	<u><u>\$32,720</u></u>	<u><u>\$29,915</u></u>

City of Dover
Tuscarawas County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Shade Tree Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Current:				
General Government:				
Land Development:				
Materials and Supplies	<u>2,000</u>	<u>2,000</u>	<u>0</u>	<u>2,000</u>
<i>Net Change in Fund Balance</i>	(2,000)	(2,000)	0	2,000
<i>Fund Balance Beginning of Year</i>	<u>2,737</u>	<u>2,737</u>	<u>2,737</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$737</u>	<u>\$737</u>	<u>\$2,737</u>	<u>\$2,000</u>

City of Dover
Tuscarawas County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
CHIP Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$40,000	\$40,000	\$0	(\$40,000)
Other	0	0	1,814	1,814
<i>Total Revenues</i>	40,000	40,000	1,814	(38,186)
Expenditures				
Capital Outlay	20,000	20,000	0	20,000
<i>Net Change in Fund Balance</i>	20,000	20,000	1,814	(18,186)
<i>Fund Balance Beginning of Year</i>	23,635	23,635	23,635	0
<i>Fund Balance End of Year</i>	<u>\$43,635</u>	<u>\$43,635</u>	<u>\$25,449</u>	<u>(\$18,186)</u>

City of Dover
Tuscarawas County, Ohio
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Employee Health Insurance Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$2,150,000	\$2,505,000	\$2,524,244	\$19,244
Other	50,000	50,000	49,547	(453)
<i>Total Revenues</i>	<u>2,200,000</u>	<u>2,555,000</u>	<u>2,573,791</u>	<u>18,791</u>
Expenses				
Purchased Services	300,000	244,000	242,152	1,848
Claims	2,000,000	2,481,000	2,441,375	39,625
<i>Total Expenses</i>	<u>2,300,000</u>	<u>2,725,000</u>	<u>2,683,527</u>	<u>41,473</u>
<i>Net Change in Fund Equity</i>	(100,000)	(170,000)	(109,736)	60,264
<i>Fund Equity Beginning of Year</i>	<u>171,990</u>	<u>171,990</u>	<u>171,990</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$71,990</u></u>	<u><u>\$1,990</u></u>	<u><u>\$62,254</u></u>	<u><u>\$60,264</u></u>

City of Dover
Tuscarawas County, Ohio
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Cemetery Interment Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Deposits for Burial Expenses	\$19,000	\$19,000	\$21,033	\$2,033
Interest	110	110	2,215	2,105
<i>Total Revenues</i>	<u>19,110</u>	<u>19,110</u>	<u>23,248</u>	<u>4,138</u>
Expenses				
Purchased Services	1,000	1,000	230	770
Other	25,000	25,000	19,880	5,120
<i>Total Expenditures</i>	<u>26,000</u>	<u>26,000</u>	<u>20,110</u>	<u>5,890</u>
<i>Net Change in Fund Equity</i>	(6,890)	(6,890)	3,138	10,028
<i>Fund Equity Beginning of Year</i>	<u>236,785</u>	<u>236,785</u>	<u>236,785</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$229,895</u></u>	<u><u>\$229,895</u></u>	<u><u>\$239,923</u></u>	<u><u>\$10,028</u></u>

THE CITY OF DOVER • OH



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FOR THE YEAR ENDED **DECEMBER 31, 2017**

STATISTICAL **SECTION**

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City of Dover Tuscarawas County, Ohio

Statistical Section

This part of the City of Dover's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplemental information says about the City's overall health.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	S2-S13
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the City's ability to generate its income taxes and electric revenues.	S14-S20
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	S21-S27
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.	S28-S29
Operating Information These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	S30-S37
Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.	

City of Dover
Tuscarawas County, Ohio
Net Position By Component
Last Ten Years
(Accrual Basis of Accounting)

	2017	2016	2015	(Restated) 2014
Governmental Activities				
Net Investment in Capital Assets	\$18,599,070	\$17,768,347	\$14,280,928	\$14,349,226
Restricted	2,044,327	2,152,807	2,000,347	2,124,886
Unrestricted (Deficit) (1)	(4,193,369)	(3,416,062)	(2,031,153)	(3,079,845)
<i>Total Governmental Activities Net Position</i>	<u>16,450,028</u>	<u>16,505,092</u>	<u>14,250,122</u>	<u>13,394,267</u>
Business-Type Activities				
Net Investment in Capital Assets	29,156,990	28,026,128	25,937,921	25,686,770
Restricted	0	0	0	0
Unrestricted (1)	9,699,105	9,819,626	9,460,161	7,538,328
<i>Total Business-Type Activities Net Position</i>	<u>38,856,095</u>	<u>37,845,754</u>	<u>35,398,082</u>	<u>33,225,098</u>
Primary Government				
Net Investment in Capital Assets	47,756,060	45,794,475	40,218,849	40,035,996
Restricted	2,044,327	2,152,807	2,000,347	2,124,886
Unrestricted (1)	5,505,736	6,403,564	7,429,008	4,458,483
<i>Total Primary Government Net Position</i>	<u>\$55,306,123</u>	<u>\$54,350,846</u>	<u>\$49,648,204</u>	<u>\$46,619,365</u>

(1) The City reported the impact of GASB Statement No. 68 on net position beginning in 2014.

2013	2012	2011	2010	2009	2008
\$14,665,693	\$14,711,043	\$14,781,422	\$14,068,739	\$14,563,145	\$14,733,397
1,947,165	1,691,379	1,737,344	2,230,639	3,060,273	3,852,663
4,465,268	3,306,443	3,398,807	1,060,512	(528,355)	170,354
<u>21,078,126</u>	<u>19,708,865</u>	<u>19,917,573</u>	<u>17,359,890</u>	<u>17,095,063</u>	<u>18,756,414</u>
23,029,114	22,222,982	22,166,479	22,616,181	22,607,499	20,850,882
4,560,733	4,135,673	4,002,175	3,941,464	3,960,033	4,024,091
7,710,001	8,820,517	9,853,852	9,925,626	7,656,769	8,125,965
<u>35,299,848</u>	<u>35,179,172</u>	<u>36,022,506</u>	<u>36,483,271</u>	<u>34,224,301</u>	<u>33,000,938</u>
37,694,807	36,934,025	36,947,901	36,684,920	37,170,644	35,584,279
6,507,898	5,827,052	5,739,519	6,172,103	7,020,306	7,876,754
12,175,269	12,126,960	13,252,659	10,986,138	7,128,414	8,296,319
<u>\$56,377,974</u>	<u>\$54,888,037</u>	<u>\$55,940,079</u>	<u>\$53,843,161</u>	<u>\$51,319,364</u>	<u>\$51,757,352</u>

City of Dover
Tuscarawas County, Ohio
Changes in Net Position
Last Ten Years
(Accrual Basis of Accounting)

	2017	2016	2015 (1)	2014
Program Revenues				
Governmental Activities:				
Charges for Services:				
General Government	\$197,651	\$190,038	\$193,071	\$341
Security of Persons and Property	581,978	578,568	605,856	125,303
Transportation	0	0	0	0
Public Health Services	465,738	453,630	481,290	462,782
Community Environment	16,868	16,473	13,972	24,165
Basic Utility Services	88,969	77,505	103,846	625,544
Leisure Time Activities	124,324	124,958	133,193	118,183
Subtotal - Charges for Services	<u>1,475,528</u>	<u>1,441,172</u>	<u>1,531,228</u>	<u>1,356,318</u>
Operating Grants and Contributions:				
Security of Persons and Property	17,898	17,882	17,282	17,424
Transportation	661,532	653,132	636,667	663,548
Public Health Services	2,832	0	0	0
Community Environment	0	0	0	42,000
Subtotal - Operating Grants and Contributions	<u>682,262</u>	<u>671,014</u>	<u>653,949</u>	<u>722,972</u>
Capital Grants and Contributions:				
Security of Persons and Property	0	0	0	0
Transportation	415,536	1,544,265	562,235	0
Public Health Services	6,018	0	0	0
Community Environment	0	85,420	45,078	197,621
Leisure Time Activities	261,970	812,053	0	0
Subtotal - Capital Grants and Contributions	<u>683,524</u>	<u>2,441,738</u>	<u>607,313</u>	<u>197,621</u>
<i>Total Governmental Activities Program Revenues</i>	<u>2,841,314</u>	<u>4,553,924</u>	<u>2,792,490</u>	<u>2,276,911</u>
Business-Type Activities:				
Charges for Services:				
Sewer	3,189,962	3,445,743	3,345,235	3,357,098
Electric	26,987,344	25,761,590	22,789,108	22,521,381
Water	2,298,881	2,312,007	2,255,453	2,114,210
Subtotal - Charges for Services	<u>32,476,187</u>	<u>31,519,340</u>	<u>28,389,796</u>	<u>27,992,689</u>
Capital Grants and Contributions				
Sewer	0	78,397	0	0
Water	0	65,400	0	0
Subtotal - Capital Grants and Contributions	<u>0</u>	<u>143,797</u>	<u>0</u>	<u>0</u>
<i>Total Business-Type Activities Program Revenues</i>	<u>32,476,187</u>	<u>31,663,137</u>	<u>28,389,796</u>	<u>27,992,689</u>
<i>Total Primary Government Program Revenues</i>	<u>\$35,317,501</u>	<u>\$36,217,061</u>	<u>\$31,182,286</u>	<u>\$30,269,600</u>

2013	2012	2011	2010	2009	2008
\$378	\$0	\$0	\$0	\$0	\$0
128,140	60,609	55,291	53,280	39,557	58,882
0	0	195	12	132	24
461,183	467,755	802,036	355,597	419,193	285,747
24,705	0	0	0	0	0
752,629	841,032	806,117	813,825	785,970	732,707
123,229	0	0	0	0	0
<u>1,490,264</u>	<u>1,369,396</u>	<u>1,663,639</u>	<u>1,222,714</u>	<u>1,244,852</u>	<u>1,077,360</u>
17,519	8,357	8,930	18,328	9,928	0
598,721	605,844	593,393	681,292	548,731	814,109
0	0	0	0	0	0
5,636	48,000	94,400	0	276,833	83,171
<u>621,876</u>	<u>662,201</u>	<u>696,723</u>	<u>699,620</u>	<u>835,492</u>	<u>897,280</u>
423,951	0	0	0	0	0
0	207,769	850,056	32,174	0	0
0	0	0	0	0	0
312,730	213,863	315,058	305,251	0	0
0	0	0	0	0	236,422
<u>736,681</u>	<u>421,632</u>	<u>1,165,114</u>	<u>337,425</u>	<u>0</u>	<u>236,422</u>
<u>2,848,821</u>	<u>2,453,229</u>	<u>3,525,476</u>	<u>2,259,759</u>	<u>2,080,344</u>	<u>2,211,062</u>
3,352,604	3,147,970	3,055,858	3,160,156	3,187,337	3,223,641
23,065,550	21,496,934	20,123,656	20,680,073	18,748,969	20,080,589
2,104,759	2,124,001	1,993,661	2,021,476	1,962,129	1,902,828
<u>28,522,913</u>	<u>26,768,905</u>	<u>25,173,175</u>	<u>25,861,705</u>	<u>23,898,435</u>	<u>25,207,058</u>
0	0	0	0	0	0
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>28,522,913</u>	<u>26,768,905</u>	<u>25,173,175</u>	<u>25,861,705</u>	<u>23,898,435</u>	<u>25,207,058</u>
<u>\$31,371,734</u>	<u>\$29,222,134</u>	<u>\$28,698,651</u>	<u>\$28,121,464</u>	<u>\$25,978,779</u>	<u>\$27,418,120</u>

(continued)

City of Dover
Tuscarawas County, Ohio
Changes in Net Position (continued)
Last Ten Years
(Accrual Basis of Accounting)

	2017	2016	2015 (1)	2014
Expenses				
Governmental Activities:				
General Government	\$1,898,611	\$1,667,919	\$1,340,412	\$1,912,267
Security of Persons and Property	5,613,851	5,923,090	4,899,426	5,190,764
Transportation	2,334,839	2,172,494	2,704,103	1,925,102
Public Health Services	869,210	765,011	711,562	1,481,578
Community Environment	148,743	136,628	130,931	130,344
Basic Utility Services	697,490	603,309	708,629	783,122
Leisure Time Activities	1,209,073	1,157,740	1,046,395	1,121,296
Interest and Fiscal Charges	85,950	96,888	99,907	99,979
<i>Total Governmental Activities Expenses</i>	<u>12,857,767</u>	<u>12,523,079</u>	<u>11,641,365</u>	<u>12,644,452</u>
Business-Type Activities				
Sewer	3,544,431	3,349,740	3,282,367	3,107,960
Electric	26,714,336	24,598,405	21,929,834	22,381,043
Water	1,982,129	2,026,537	1,814,774	1,840,661
<i>Total Business-Type Activities Expenses</i>	<u>32,240,896</u>	<u>29,974,682</u>	<u>27,026,975</u>	<u>27,329,664</u>
<i>Total Primary Government Expenses</i>	<u>45,098,663</u>	<u>42,497,761</u>	<u>38,668,340</u>	<u>39,974,116</u>
Net (Expense)/Revenue				
Governmental Activities	(10,016,453)	(7,969,155)	(8,848,875)	(10,367,541)
Business-Type Activities	235,291	1,688,455	1,362,821	663,025
<i>Total Primary Government Net (Expense)/Revenue</i>	<u>(\$9,781,162)</u>	<u>(\$6,280,700)</u>	<u>(\$7,486,054)</u>	<u>(\$9,704,516)</u>

2013	2012	2011	2010	2009	2008
\$2,313,710	\$1,809,857	\$1,284,689	\$1,396,691	\$1,394,202	\$1,378,583
5,082,413	5,094,116	4,647,659	4,566,373	4,637,683	4,732,202
1,928,227	1,879,829	2,186,664	842,745	3,666,602	2,019,895
762,721	808,220	788,705	1,078,392	757,168	672,959
268,923	188,273	115,729	106,332	108,259	195,913
672,945	629,555	570,453	610,467	532,610	463,671
1,291,658	1,134,362	1,007,014	2,474,704	1,010,371	1,223,705
113,423	164,403	40,903	9,673	73,248	31,636
12,434,020	11,708,615	10,641,816	11,085,377	12,180,143	10,718,564
3,727,710	3,670,590	3,518,361	2,886,179	2,839,223	2,421,889
23,723,046	22,992,501	20,818,346	19,311,806	18,429,586	18,448,428
1,802,403	1,854,651	1,931,539	2,047,070	1,715,425	2,277,084
29,253,159	28,517,742	26,268,246	24,245,055	22,984,234	23,147,401
41,687,179	40,226,357	36,910,062	35,330,432	35,164,377	33,865,965
(9,585,199)	(9,255,386)	(7,116,340)	(8,825,618)	(10,099,799)	(8,507,502)
(730,246)	(1,748,837)	(1,095,071)	1,616,650	914,201	2,059,657
(\$10,315,445)	(\$11,004,223)	(\$8,211,411)	(\$7,208,968)	(\$9,185,598)	(\$6,447,845)

(continued)

City of Dover
Tuscarawas County, Ohio
Changes in Net Position (continued)
Last Ten Years
(Accrual Basis of Accounting)

	2017	2016	2015 (1)	2014
General Revenues				
Governmental Activities				
Taxes:				
Property Taxes Levied For:				
General Purposes	\$1,624,958	\$889,470	\$885,041	\$897,494
Police and Fire Pension	139,231	127,726	131,174	132,413
Kilowatt per Hour Taxes Levied for				
General Purposes (2)	678,961	707,221	717,005	712,312
Income Taxes levied for:				
General Purposes	4,217,363	4,826,664	4,693,691	5,131,043
Street Maintenance and Repair	513,677	647,687	632,321	677,859
Cemetery	318,691	368,074	289,661	392,274
Police and Fire Pension	480,120	504,270	296,468	569,628
Capital Outlay	1,791,360	2,055,521	1,928,981	2,187,243
Grants and Entitlements not Restricted to				
Specific Programs	516,440	446,054	441,197	401,495
Unrestricted Contributions	14,805	20,616	13,771	20,108
Investment Earnings	169,451	53,653	25,514	11,633
Miscellaneous	116,572	249,524	249,906	275,643
<i>Total Governmental Activities</i>	<u>10,581,629</u>	<u>10,896,480</u>	<u>10,304,730</u>	<u>11,409,145</u>
Business-Type Activities				
Investment Earnings	18,386	9,485	1,649	4,976
Miscellaneous	136,424	77,377	208,514	699,450
<i>Total Business-Type Activities</i>	<u>154,810</u>	<u>86,862</u>	<u>210,163</u>	<u>704,426</u>
<i>Total Primary Government General Revenues</i>	<u>10,736,439</u>	<u>10,983,342</u>	<u>10,514,893</u>	<u>12,113,571</u>
Transfers				
Governmental Activities	(620,240)	(672,355)	(600,000)	0
Business-Type Activities	620,240	672,355	600,000	0
Change in Net Position				
Governmental Activities	(55,064)	2,254,970	855,855	1,041,604
Business-Type Activities	1,010,341	2,447,672	2,172,984	1,367,451
<i>Total Primary Government Change in Net Position</i>	<u>\$955,277</u>	<u>\$4,702,642</u>	<u>\$3,028,839</u>	<u>\$2,409,055</u>

(1) The City reported the impact of GASB Statement No. 68 on expenses beginning in 2015.

(2) Prior to 2014, Kilowatt per Hour Tax was reported as Grants and Entitlements not Restricted to Specific Programs.

2013	2012	2011	2010	2009	2008
\$875,654	\$748,044	\$756,066	\$785,909	\$1,027,642	\$1,053,027
130,611	135,398	143,431	155,799	155,866	158,448
0	0	0	0	0	0
4,700,061	3,377,249	4,018,591	3,802,963	2,257,720	2,908,923
560,660	469,110	522,226	611,838	438,574	535,272
360,872	316,019	348,053	356,637	316,676	331,960
579,482	409,554	405,322	482,557	340,000	241,842
2,005,426	1,607,109	1,283,425	896,384	2,138,200	2,576,903
1,352,561	1,406,047	1,868,255	1,627,904	1,243,082	1,487,366
14,700	0	0	0	0	0
18,961	29,144	61,496	81,244	333,594	228,603
355,472	549,004	267,158	289,210	187,094	242,048
10,954,460	9,046,678	9,674,023	9,090,445	8,438,448	9,764,392
1,153	913	975	4,417	21,616	198,481
849,769	904,590	633,331	637,903	287,546	333,753
850,922	905,503	634,306	642,320	309,162	532,234
11,805,382	9,952,181	10,308,329	9,732,765	8,747,610	10,296,626
0	0	0	0	0	0
0	0	0	0	0	0
1,369,261	(208,708)	2,557,683	264,827	(1,661,351)	1,256,890
120,676	(843,334)	(460,765)	2,258,970	1,223,363	2,591,891
\$1,489,937	(\$1,052,042)	\$2,096,918	\$2,523,797	(\$437,988)	\$3,848,781

City of Dover
Tuscarawas County, Ohio
Fund Balances, Governmental Funds
Last Ten Years
(Modified Accrual Basis of Accounting)

	2017	2016	2015	2014
General Fund				
Nonspendable	\$122,337	\$123,849	\$122,239	\$109,557
Assigned	1,164,409	848,548	993,022	475,892
Unassigned	1,915,427	1,814,711	1,736,876	1,417,828
Unreserved	N/A	N/A	N/A	N/A
Total General Fund	<u>3,202,173</u>	<u>2,787,108</u>	<u>2,852,137</u>	<u>2,003,277</u>
All Other Governmental Funds				
Nonspendable	134,459	135,626	161,080	142,542
Restricted	1,717,633	1,672,921	1,600,840	1,564,315
Committed	2,672,918	2,242,418	2,693,533	2,279,900
Unassigned (Deficit)	0	(24,187)	0	(41,200)
Reserved	N/A	N/A	N/A	N/A
Unreserved, Undesignated, Reported in:				
Special Revenue funds	N/A	N/A	N/A	N/A
Capital Projects funds	N/A	N/A	N/A	N/A
Total All Other Governmental Funds	<u>4,525,010</u>	<u>4,026,778</u>	<u>4,455,453</u>	<u>3,945,557</u>
Total Governmental Funds	<u><u>\$7,727,183</u></u>	<u><u>\$6,813,886</u></u>	<u><u>\$7,307,590</u></u>	<u><u>\$5,948,834</u></u>

Note: During 2010, the City implemented GASB Statement No. 54.

2013	2012	2011	2010	2009	2008
\$115,155	\$103,704	\$76,178	\$105,973	N/A	N/A
1,085,489	1,042,593	103,666	90,960	N/A	N/A
1,073,477	791,688	1,925,702	963,133	N/A	N/A
N/A	N/A	N/A	N/A	\$573,465	\$1,161,245
2,274,121	1,937,985	2,105,546	1,160,066	573,465	1,161,245
131,692	164,478	169,337	137,508	N/A	N/A
1,577,064	1,444,346	1,439,977	1,262,129	N/A	N/A
2,324,688	1,906,934	1,473,463	1,039,249	N/A	N/A
(45,780)	(75,785)	(123,350)	(116,296)	N/A	N/A
N/A	N/A	N/A	N/A	625,665	427,335
N/A	N/A	N/A	N/A	1,175,161	1,173,059
N/A	N/A	N/A	N/A	846,252	1,569,386
3,987,664	3,439,973	2,959,427	2,322,590	2,647,078	3,169,780
\$6,261,785	\$5,377,958	\$5,064,973	\$3,482,656	\$3,220,543	\$4,331,025

City of Dover
Tuscarawas County, Ohio
Changes in Fund Balances, Governmental Funds
Last Ten Years
(Modified Accrual Basis of Accounting)

	2017	2016	2015	2014
Revenues				
Property Taxes	\$1,765,821	\$1,018,015	\$1,018,379	\$1,034,679
Income Taxes	8,348,725	7,957,334	9,061,247	7,589,555
Kilowatt per Hour Tax (1)	678,961	707,221	717,005	712,312
Intergovernmental	1,758,870	3,509,108	1,553,872	1,450,826
Interest	169,451	53,653	25,514	11,633
Fines, Licenses and Permits	34,503	33,901	32,586	32,803
Charges for Services	1,462,778	1,408,617	1,455,957	1,391,234
Contributions and Donations	103,345	22,721	89,671	20,108
Other	67,025	206,458	207,323	240,256
<i>Total Revenues</i>	<u>14,389,479</u>	<u>14,917,028</u>	<u>14,161,554</u>	<u>12,483,406</u>
Expenditures				
Current:				
General Government	1,552,030	1,461,851	1,321,341	1,840,339
Security of Persons and Property	5,042,819	4,748,834	4,613,982	4,674,192
Transportation	1,282,274	1,188,000	1,231,769	1,300,051
Public Health Services	777,355	717,291	695,417	994,453
Community Environment	131,686	126,128	132,555	127,164
Basic Utility Services	697,490	603,309	708,629	783,122
Leisure Time Activities	1,032,391	940,840	911,380	973,292
Capital Outlay	2,058,238	4,740,298	2,246,225	1,769,293
Debt Service:				
Principal Retirement	259,754	240,301	240,107	231,639
Interest and Fiscal Charges	89,065	96,061	101,393	102,812
Issuance Costs	0	0	0	0
<i>Total Expenditures</i>	<u>12,923,102</u>	<u>14,862,913</u>	<u>12,202,798</u>	<u>12,796,357</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,466,377</u>	<u>54,115</u>	<u>1,958,756</u>	<u>(312,951)</u>
Other Financing Sources (Uses)				
Inception of Capital Lease	0	10,856	0	0
Sale of Capital Assets	12,678	0	0	0
General Obligation Bonds Issued	0	0	0	0
Notes Issued	0	0	0	0
Loans Issued	10,392	41,325	0	0
Premium on Debt Issuance	0	0	0	0
Payment to Refund Notes	0	0	0	0
Insurance Recoveries	23,850	0	0	0
Transfers In	0	0	0	24,000
Transfers Out	(600,000)	(600,000)	(600,000)	(24,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(553,080)</u>	<u>(547,819)</u>	<u>(600,000)</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>\$913,297</u>	<u>(\$493,704)</u>	<u>\$1,358,756</u>	<u>(\$312,951)</u>
Debt Service as a Percentage of Noncapital Expenditures	3.1%	3.2%	3.1%	3.0%

Note: The large increase in debt service in 2011 is due to issuing general obligation bonds to retire notes.

(1) Prior to 2014, Kilowatt per Hour Tax was reported as Intergovernmental.

2013	2012	2011	2010	2009	2008
\$1,009,800	\$890,268	\$898,970	\$944,163	\$1,175,280	\$1,218,183
7,626,454	6,609,398	6,416,265	5,641,156	5,618,512	6,770,438
0	0	0	0	0	0
2,776,288	2,722,755	3,648,133	2,417,233	2,179,043	2,377,839
18,961	29,144	61,496	81,244	333,594	228,603
35,640	60,609	55,486	53,292	39,689	58,906
1,419,987	1,261,803	1,215,871	1,188,938	1,163,085	1,040,296
14,700	0	2,740	0	0	0
352,689	472,561	127,081	146,375	187,094	242,048
<u>13,254,519</u>	<u>12,046,538</u>	<u>12,426,042</u>	<u>10,472,401</u>	<u>10,696,297</u>	<u>11,936,313</u>
2,124,429	1,717,237	1,115,260	1,114,329	1,218,905	1,197,585
4,272,192	4,396,320	4,331,070	4,041,571	4,092,027	3,990,259
1,158,730	1,157,078	1,037,961	1,212,992	1,181,395	1,234,454
735,189	751,935	707,902	804,618	703,975	631,723
259,771	190,316	111,227	103,808	98,389	182,588
672,945	629,555	570,453	610,467	532,610	463,671
831,149	913,126	829,489	823,753	837,296	872,576
1,989,870	1,639,805	2,528,446	2,543,177	2,959,903	2,412,778
210,334	208,377	2,646,521	106,252	105,995	175,747
116,083	129,804	63,678	20,181	76,284	70,064
0	0	36,229	0	0	0
<u>12,370,692</u>	<u>11,733,553</u>	<u>13,978,236</u>	<u>11,381,148</u>	<u>11,806,779</u>	<u>11,231,445</u>
883,827	312,985	(1,552,194)	(908,747)	(1,110,482)	704,868
0	0	0	0	0	0
0	0	0	0	0	0
0	0	2,670,000	0	0	0
0	0	0	2,640,000	2,100,000	2,200,000
0	0	428,614	530,860	0	0
0	0	35,897	0	0	0
0	0	0	(2,000,000)	(2,100,000)	(2,200,000)
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	3,134,511	1,170,860	0	0
<u>\$883,827</u>	<u>\$312,985</u>	<u>\$1,582,317</u>	<u>\$262,113</u>	<u>(\$1,110,482)</u>	<u>\$704,868</u>
2.9%	3.2%	22.0%	1.2%	1.6%	2.7%

City of Dover
Tuscarawas County, Ohio
Income Tax Rate, Revenue Base, and Collections
Last Ten Years

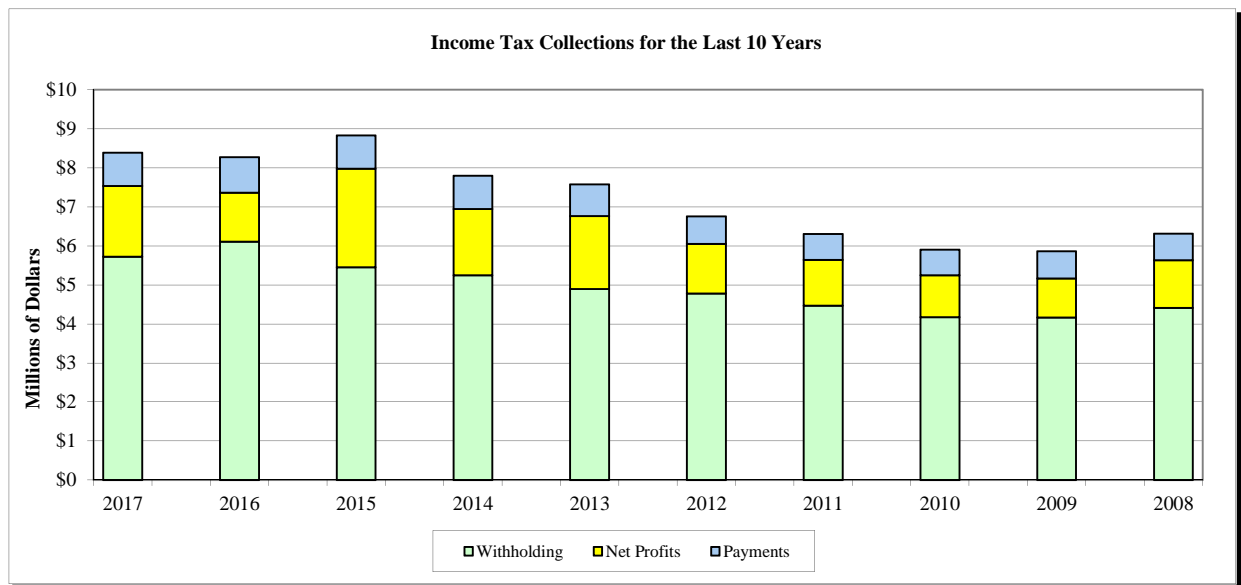
Tax Year	Tax Rate (1)	Total Tax Collected (2)	Taxes From Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits	Taxes from Individual Payments	Percentage of Taxes from Individual Payments
2017	1.50%	\$8,382,969	\$5,719,736	68.23%	\$1,813,333	21.63%	\$849,900	10.14%
2016	1.50	8,274,560	6,110,563	73.85	1,249,684	15.10	914,313	11.05
2015	1.50	8,828,196	5,447,276	61.70	2,529,964	28.66	850,956	9.64
2014	1.50	7,795,811	5,248,140	67.32	1,693,250	21.72	854,421	10.96
2013	1.50	7,571,745	4,894,478	64.64	1,869,111	24.69	808,156	10.67
2012	1.50	6,751,331	4,780,617	70.81	1,271,276	18.83	699,438	10.36
2011	1.50	6,304,720	4,464,372	70.81	1,178,983	18.70	661,365	10.49
2010	1.50	5,898,575	4,174,421	70.77	1,072,951	18.19	651,203	11.04
2009	1.50	5,865,095	4,164,218	71.00	997,066	17.00	703,811	12.00
2008	1.50	6,314,388	4,413,757	69.90	1,218,046	19.29	682,585	10.81

Source: City Income Tax Department

(1) The City's basic income tax rate may only be increased by a majority vote of the City's residents.

(2) Gross Collections - Cash Basis of Accounting

Note: The City is statutorily prohibited from presenting individual taxpayer information.



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City of Dover
Tuscarawas County, Ohio
Electric Sales (in MWH) and Number of Customers by Type
Last Ten Years

	2017	2016	2015	2014
Electric Sold (MWH) (000)				
Residential	53,000	57,572	57,404	58,765
Commercial	27,935	30,907	30,546	31,189
Industrial	141,185	142,506	143,035	146,636
Total	<u>222,120</u>	<u>230,985</u>	<u>230,985</u>	<u>236,590</u>
Number of Customers				
Residential	5,817	5,828	5,831	5,794
Commercial	891	888	879	871
Industrial	110	107	103	103
Total	<u>6,818</u>	<u>6,823</u>	<u>6,813</u>	<u>6,768</u>

Source: City Records

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
56,788	58,606	59,323	60,813	55,830	58,807
30,044	30,049	30,758	30,437	27,042	23,424
<u>140,649</u>	<u>141,896</u>	<u>138,487</u>	<u>141,090</u>	<u>128,300</u>	<u>134,536</u>
<u><u>227,481</u></u>	<u><u>230,551</u></u>	<u><u>228,568</u></u>	<u><u>232,340</u></u>	<u><u>211,172</u></u>	<u><u>216,767</u></u>
5,777	5,772	5,775	5,770	5,762	5,822
871	862	848	841	836	868
<u>102</u>	<u>102</u>	<u>113</u>	<u>117</u>	<u>122</u>	<u>124</u>
<u><u>6,750</u></u>	<u><u>6,736</u></u>	<u><u>6,736</u></u>	<u><u>6,728</u></u>	<u><u>6,720</u></u>	<u><u>6,814</u></u>

City of Dover
Tuscarawas County, Ohio
Electric Rates (Per Month)
Last Ten Years

Type of Customer:	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Residential:				
Customer Charge	\$6.92000	\$6.85000	\$6.78000	\$6.71000
First 800 KWH	0.12585	0.12460	0.12337	0.12215
Next 700 KWH - per KWH	0.12009	0.11890	0.11772	0.11655
All Over 1500 KWH - per KWH	0.11244	0.11133	0.11023	0.10914
Commercial:				
Customer Charge	6.55000	6.49000	6.43000	6.37000
First 50 KWH per KW of demand - per KWH	0.16114	0.15954	0.15796	0.15640
Next 150 KWH per KW of demand - per KWH				
First 3,000 KWH per KWH	0.14021	0.13882	0.13745	0.13609
Over 3,000 KWH per KWH	0.11794	0.11677	0.11561	0.11447
For all remaining KWH per KWH	0.10399	0.10296	0.10194	0.10093
Industrial (per KVA):				
Minimum Charge - per KVA of demand	2.75000	2.75000	2.75000	2.75000
First 30 KWH, per KVA of demand - per KWH	0.17962	0.17784	0.17608	0.17434
Next 170 KWH per KVA of demand				
2,000 KWH - per KWH	0.13535	0.13399	0.13266	0.13135
8,000 KWH - per KWH	0.12215	0.12094	0.11974	0.11855
90,000 KWH - per KWH	0.10977	0.10868	0.10760	0.10653
Over 100,000 KWH - per KWH	0.10131	0.10031	0.09932	0.09834
Over 200 KWH per KVA of demand				
First 200,000 KWH - per KWH	0.09113	0.09025	0.08936	0.08848
All remaining KWH - per KWH	0.08524	0.08440	0.08356	0.08273

Source: City Records

Note: Rates can be changed with approval by City Council.

2013	2012	2011	2010	2009	2008
\$5.97000	\$5.97000	\$5.97000	\$5.97000	\$5.97000	\$5.97000
0.06107	0.06107	0.06107	0.06107	0.06107	0.06107
0.05609	0.05609	0.05609	0.05609	0.05609	0.05609
0.04950	0.04950	0.04950	0.04950	0.04950	0.04950
5.97000	5.97000	5.97000	5.97000	5.97000	5.97000
0.09900	0.09900	0.09900	0.09900	0.09900	0.09900
0.07997	0.07997	0.07997	0.07997	0.07997	0.07997
0.05970	0.05970	0.05970	0.05970	0.05970	0.05970
0.04701	0.04701	0.04701	0.04701	0.04701	0.04701
2.75000	2.75000	2.75000	2.75000	2.75000	2.75000
0.12189	0.12189	0.12189	0.12189	0.12189	0.12189
0.08010	0.08010	0.08010	0.08010	0.08010	0.08010
0.06765	0.06765	0.06765	0.06765	0.06765	0.06765
0.05597	0.05597	0.05597	0.05597	0.05597	0.05597
0.04801	0.04801	0.04801	0.04801	0.04801	0.04801
0.03842	0.03842	0.03842	0.03842	0.03842	0.03842
0.03283	0.03283	0.03283	0.03283	0.03283	0.03283

City of Dover
Tuscarawas County, Ohio
Principal Electric Customers
2017 and 2008

Customer	<i>2017</i>	
	MWH Sold	Percentage of Total MWH Sold
Kraton Chemical Corporation	20,366	9.17 %
Dover Chemical Corporation	18,786	8.46
Meteor Sealing Systems, LLC	10,603	4.77
Deflecto Corporation	10,138	4.57
Allied Machine and Engineering Corporation	10,281	4.63
Union Hospital	10,280	4.63
Zimmer Patient Care Division	5,016	2.26
Inca Presswood Pallets, Ltd	3,802	1.71
Buehlers Food Market, Incorporated	3,739	1.68
Giant Eagle, Incorporated	3,180	1.43
Totals	<u>96,191</u>	<u>43.31 %</u>
Total MWH Sold	<u><u>222,120</u></u>	

Customer	<i>2008</i>	
	MWH Sold	Percentage of Total MWH Sold
Arizona Chemical Corporation	25,800	11.90 %
Dover Chemical Corporation	21,100	9.74
Allied Machine and Engineering Corporation	11,200	5.17
Union Hospital	9,000	4.15
Meteor Sealing Systems, LLC	7,200	3.32
Inca Presswood Pallets, Ltd	6,500	3.00
Zimmer Patient Care Division	4,400	2.03
Rolite Plastics, Incorporated	4,400	2.03
Buehlers Food Market, Incorporated	4,300	1.98
Giant Eagle, Incorporated	3,400	1.57
Totals	<u>97,300</u>	<u>44.89 %</u>
Total MWH Sold	<u><u>216,767</u></u>	

Source: City Records

City of Dover
Tuscarawas County, Ohio
Computation of Direct and Overlapping Debt Attributable to Governmental Activities
December 31, 2017

	Debt Attributable to Governmental Activities	Overlapping Percentage Applicable to Dover (1)	Amount of Direct and Overlapping Debt
<u>Direct:</u>			
City of Dover			
General Obligation Bonds	\$2,045,128	100.00 %	\$2,045,128
State Infrastructure Bank Loan	238,404	100.00	238,404
OPWC Loans	81,374	100.00	81,374
Capital Lease	7,203	100.00	7,203
Total Direct Debt	<u>2,372,109</u>		<u>2,372,109</u>
<u>Overlapping Debt:</u>			
Payable from Property Taxes			
Dover City School District Bonds	26,197,356	69.06	18,091,894
Tuscarawas County General Obligation Bonds	911,427	13.58	123,772
Tuscarawas County Bond Anticipation Notes	510,000	13.58	69,258
Payable from Other Sources			
Dover City School District Capital Leases	166,787	69.06	115,183
Tuscarawas County Capital Lease	7,770,921	13.58	1,055,291
Total Overlapping Debt	<u>35,556,491</u>		<u>19,455,398</u>
Total	<u><u>\$37,928,600</u></u>		<u><u>\$21,827,507</u></u>

Source: Tuscarawas County, Ohio; County Auditor

(1) Overlapping percentages were calculated by dividing each overlapping subdivision's assessed valuation within the City by the subdivision's total assessed valuation.

City of Dover
Tuscarawas County, Ohio
Ratios of Outstanding Debt by Type
Last Ten Years

Governmental Activities								
Year	General Obligation Bonds	Bond Anticipation Notes	Loans	Capital Lease	Total	Actual Taxable Value of Property	Percentage of Actual Taxable Value of Property	Per Capita (1)
2017	\$2,045,128	\$0	\$319,778	\$7,203	\$2,372,109	\$730,826,143	0.32 %	\$185
2016	2,161,923	0	443,712	9,239	2,614,874	684,167,229	0.38	203
2015	2,273,717	0	523,024	0	2,796,741	679,827,000	0.41	218
2014	2,385,512	0	645,416	0	3,030,928	674,320,771	0.45	235
2013	2,497,307	0	759,657	0	3,256,964	666,952,486	0.49	252
2012	2,604,102	0	857,898	0	3,462,000	668,288,486	0.52	268
2011	2,705,897	0	959,474	0	3,665,371	714,079,200	0.51	286
2010	0	2,640,000	530,860	0	3,170,860	729,445,967	0.43	247
2009	0	2,100,000	0	0	2,100,000	898,534,287	0.23	154
2008	0	2,470,000	0	0	2,470,000	841,281,475	0.29	183
Business-Type Activities								
Year	General Obligation Bonds	OWDA Loans	Revenue Bonds	Bond Anticipation Notes	Total Debt (2)	Percentage of Personal Income (1)	Per Capita (1)	
2017	\$6,573,640	\$8,350,990	\$3,755,000	\$0	\$21,051,739	6.19 %	\$1,639	
2016	7,344,257	8,973,411	4,900,000	0	23,832,542	7.49	1,848	
2015	8,099,875	9,576,086	6,020,000	0	26,492,702	8.45	2,061	
2014	6,175,492	10,159,641	7,110,000	0	26,476,061	9.51	2,052	
2013	6,486,109	10,641,507	8,619,848	0	29,004,428	10.42	2,248	
2012	6,796,726	11,206,348	9,666,534	0	31,131,608	11.18	2,413	
2011	7,087,343	11,753,270	10,658,220	0	33,164,204	11.99	2,586	
2010	0	12,282,841	11,723,698	6,900,000	34,077,399	12.32	2,657	
2009	0	12,795,611	12,655,641	7,200,000	34,751,252	13.49	2,553	
2008	0	12,511,688	13,562,586	7,800,000	36,344,274	14.19	2,687	

Source: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) See S28 for population and personal income data.

(2) Includes general bonded debt, other governmental debt and business-type activities debt, presented net.

Primary Government		
Total General Obligation Bonds	Percentage of Actual Taxable Value of Property	Per Capita (1)
\$8,618,768	1.18 %	\$671
9,506,180	1.39	737
10,373,592	1.53	807
8,561,004	1.27	663
8,983,416	1.35	696
9,400,828	1.41	729
9,793,240	1.37	764
0	0.00	0
0	0.00	0
0	0.00	0

City of Dover
Tuscarawas County, Ohio
Legal Debt Margin Information
Last Ten Years

	2017	2016	2015	2014
Overall Legal Debt Limit (10.5% of Assessed Valuation)	\$26,857,861	\$25,143,146	\$24,983,642	\$24,781,288
Net Debt Applicable to Debt Limit	8,596,374	9,486,325	10,315,000	8,510,000
Overall Legal Debt Margin (10.5% of Assessed Valuation)	<u>\$18,261,487</u>	<u>\$15,656,821</u>	<u>\$14,668,642</u>	<u>\$16,271,288</u>
Legal Debt Margin as a Percentage of Debt Limit	67.99%	62.27%	58.71%	65.66%
Unvoted Legal Debt Limit (5.5% of Assessed Valuation)	\$14,068,403	\$13,170,219	\$13,086,670	\$12,980,675
Net Debt Applicable to Debt Limit	8,596,374	9,486,325	10,315,000	8,510,000
Unvoted Legal Debt Margin (5.5% of Assessed Valuation)	<u>\$5,472,029</u>	<u>\$3,683,894</u>	<u>\$2,771,670</u>	<u>\$4,470,675</u>
Legal Debt Margin as a Percentage of Debt Limit	38.90%	27.97%	21.18%	34.44%

Legal Debt Margin Calculation for the Year Ended December 31, 2017

	Overall Margin Within 10.5%	Unvoted Margin Within 5.5%
Assessed property value	<u>\$255,789,150</u>	<u>\$255,789,150</u>
Debt Limitation (percentage of assessed property value)	<u>\$26,857,861</u>	<u>\$14,068,403</u>
Gross Indebtedness	21,161,873	21,161,873
Less: Revenue Bonds	(3,755,000)	(3,755,000)
SIB Loan	(238,404)	(238,404)
OWDA Loan	(8,350,990)	(8,350,990)
Police and Fire Pension	<u>(221,105)</u>	<u>(221,105)</u>
Net Debt Applicable to Debt Limit	8,596,374	8,596,374
Legal Debt Margin Within Limitations	<u>\$18,261,487</u>	<u>\$5,472,029</u>

Note: Under State of Ohio finance law, the City of Dover's outstanding general obligation debt that is supported through real estate value should not exceed 10.5 percent of total assessed property value. In addition, the outstanding general obligation debt net of voted debt should not exceed 5.5 percent of total assessed property value. By law, the general obligation debt subject to the limitation is offset by amounts set aside for repaying general obligation bonds.

2013	2012	2011	2010	2009	2008
\$24,510,504	\$24,559,602	\$24,559,602	\$26,242,211	\$27,400,427	\$28,608,566
8,935,000	10,117,898	10,604,474	3,270,860	2,200,000	2,470,000
<u>\$15,575,504</u>	<u>\$14,441,704</u>	<u>\$13,955,128</u>	<u>\$22,971,351</u>	<u>\$25,200,427</u>	<u>\$26,138,566</u>
63.55%	58.80%	56.82%	87.54%	91.97%	91.37%
\$12,838,835	\$12,864,553	\$12,864,553	\$13,746,025	\$14,352,605	\$14,985,439
8,935,000	10,117,898	10,604,474	3,270,860	2,200,000	2,470,000
<u>\$3,903,835</u>	<u>\$2,746,655</u>	<u>\$2,260,079</u>	<u>\$10,475,165</u>	<u>\$12,152,605</u>	<u>\$12,515,439</u>
30.41%	21.35%	17.57%	76.21%	84.67%	83.52%

City of Dover
Tuscarawas County, Ohio
Pledged Revenue Coverage
Mortgage Revenue Bonds - Water
Last Ten Years

Year	Gross Revenues (1)	Direct Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service (3)		Coverage
				Principal	Interest	
2017	\$2,317,707	\$1,525,346	\$792,361	\$455,000	\$58,718	1.54
2016	2,317,258	1,516,551	800,707	440,000	67,694	1.58
2015	2,261,075	1,318,507	942,568	425,000	75,664	1.88
2014	2,131,554	1,218,259	913,295	170,000	99,734	3.39
2013	2,118,602	1,130,110	988,492	330,000	165,533	1.99
2012	2,256,604	1,226,020	1,030,584	320,000	137,183	2.25
2011	2,018,126	1,154,185	863,941	310,000	187,141	1.74
2010	2,045,222	1,329,484	715,738	300,000	201,361	1.43
2009	1,994,092	1,045,257	948,835	290,000	189,176	1.98
2008	1,949,190	1,423,748	525,442	285,000	181,906	1.13

(1) Gross revenues include operating revenues, transfers and interest income in accordance with bond indentures.

(2) Direct operating expenses do not include depreciation and amortization expense.

(3) Annual debt service requirements include principal and interest on revenue bonds only.

City of Dover
Tuscarawas County, Ohio
Pledged Revenue Coverage
Mortgage Revenue Bonds - Electric
Last Ten Years

Year	Gross Revenues (1)	Direct Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service (3)		Coverage
				Principal	Interest	
2017	\$27,714,175	\$25,258,029	\$2,456,146	\$690,000	\$28,265	3.42
2016	26,443,201	23,065,791	3,377,410	680,000	37,548	4.71
2015	23,593,649	20,480,922	3,112,727	665,000	46,575	4.37
2014	23,192,677	20,894,165	2,298,512	600,000	309,300	2.53
2013	23,880,871	22,250,673	1,630,198	700,000	236,897	1.74
2012	22,115,910	21,232,477	883,433	655,000	269,647	0.96
2011	20,637,660	19,126,461	1,511,199	630,000	294,847	1.63
2010	21,275,915	16,922,317	4,353,598	605,000	319,047	4.71
2009	18,953,012	17,290,371	1,662,641	590,000	362,835	1.74
2008	20,537,863	17,528,791	3,009,072	560,000	365,048	3.25

- (1) Gross revenues include operating revenues, transfers and interest income in accordance with bond indentures.
- (2) Direct operating expenses do not include depreciation and amortization expense.
- (3) Annual debt service requirements include principal and interest on revenue bonds only.

City of Dover
Tuscarawas County, Ohio
Demographic and Economic Statistics
Last Ten Years

<u>Year</u>	<u>Population (1)</u>	<u>Total Personal Income (2)</u>	<u>Personal Income Per Capita (1)</u>	<u>Median Household Income (1)</u>	<u>Unemployment Rate (3)</u>
2017	12,843	\$340,056,954	\$26,478	\$47,451	4.7%
2016	12,899	318,050,643	24,657	44,083	4.9
2015	12,857	313,479,374	24,382	44,223	5.4
2014	12,904	278,390,896	21,574	43,951	4.8
2013	12,904	278,390,896	21,574	43,951	6.2
2012	12,904	278,390,896	21,574	43,951	7.5
2011	12,826	276,708,124	21,574	43,951	7.5
2010	12,826	276,708,124	21,574	43,951	10.5
2009	13,612	257,647,936	18,928	44,604	9.2
2008	13,528	256,057,984	18,928	44,604	6.4

(1) Source: U.S. Census Bureau

(2) Computation of per capita personal income multiplied by population

(3) Source: Ohio Department of Job and Family Services

City of Dover
Tuscarawas County, Ohio
Principal Employers
2017 and 2008

2017

Employer	Employees
Union Hospital	1,111
Allied Machine and Engineering Corporation	459
Zimmer Patient Care Division	364
Meteor Sealing Systems	325
Hennis Care Center, Incorporated	321
Dover City School District	289
New Dawn Health Care	245
Marlite, Incorporated	152
City of Dover	151
Buehlers Food Market, Incorporated	140
Total	3,557
Total Employment within the City	n/a

2008

Employer	Employees
Union Hospital	760
Allied Machine and Engineering Corporation	460
Zimmer Patient Care Division	302
Dover City School District	275
Buehlers Food Market, Incorporated	227
Marlite, Incorporated	175
Park Village	170
City of Dover	152
Hennis Care Center, Incorporated	152
New Dawn Health Care	101
Total	2,774
Total Employment within the City	n/a

Source: City Records
n/a - Information not available

City of Dover
Tuscarawas County, Ohio
Full-Time Equivalent City Government Employees by Function/Program
Last Ten Years

Function/Program	2017	2016	2015	2014	2013
General Government					
Mayor and Council	11.0	11.0	11.0	11.0	11.0
Auditor	3.0	3.0	3.0	3.0	3.0
Treasurer	0.5	0.5	0.5	0.5	0.5
Law	1.0	1.0	1.0	1.0	1.0
Civil Service Commission	3.0	1.5	1.0	1.5	1.5
Income Tax Department	2.5	2.5	2.5	2.5	3.5
Service Director	2.0	2.0	2.0	2.0	2.0
Janitor	1.0	1.0	1.0	1.0	1.0
Security of Persons and Property					
Police	25.0	23.0	23.0	23.0	23.0
Fire	22.0	19.0	19.0	19.0	18.0
Safety Director	0.0	1.0	1.0	1.0	0.5
Traffic Safety	8.5	11.0	10.5	8.0	6.5
Transportation					
Service/Street M&R	13.5	12.0	11.5	13.5	15.0
Public Health Services					
Cemetery	8.0	8.0	7.0	7.0	7.0
Community Environment					
Building	1.0	1.0	1.0	1.0	1.0
Leisure Time Activities					
Parks and Recreation	34.5	36.5	34.5	32.5	32.0
Basic Utility Services					
Sewer	18.0	16.5	16.5	18.5	19.5
Electric	40.5	42.5	43.5	41.0	42.0
Water	13.0	11.0	11.5	12.0	13.0
Totals	<u>208.0</u>	<u>204.0</u>	<u>201.0</u>	<u>199.0</u>	<u>201.0</u>

Source: City of Dover, Ohio, Payroll Department

Method: Using 1.0 for each full-time employee and 0.50 for each part-time and seasonal employee employed at year-end.

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
11.0	11.0	11.0	11.0	11.0
3.0	3.0	3.0	3.0	3.0
0.5	0.5	0.5	0.5	0.5
1.0	1.0	1.0	1.0	1.0
1.5	1.5	3.0	3.0	1.5
2.5	2.0	2.5	2.5	2.5
2.0	2.0	2.5	2.5	2.5
1.0	0.0	0.0	1.0	1.0
22.0	22.0	20.0	22.0	22.0
18.0	17.0	19.0	18.0	19.0
0.5	0.5	0.5	0.5	0.5
7.5	7.0	11.0	9.0	8.0
15.0	14.0	14.0	14.0	15.0
7.0	7.0	7.5	7.5	7.5
1.0	1.0	1.0	1.0	1.0
26.0	23.0	23.0	23.5	27.0
19.5	17.0	18.0	17.0	17.0
39.0	41.0	44.0	47.5	41.0
12.0	12.0	13.5	14.0	13.0
<u>190.0</u>	<u>182.5</u>	<u>195.0</u>	<u>198.5</u>	<u>194.0</u>

City of Dover
Tuscarawas County, Ohio
Operating Indicators by Function/Program
Last Ten Years

Function/Program	2017	2016	2015	2014
General Government				
<i>Council and Clerk</i>				
Number of ordinances passed	52	52	51	65
Number of resolutions passed	20	14	30	27
<i>Planning Commission</i>				
Number of Planning Commission docket items	36	14	28	28
<i>Finance Department</i>				
Number of checks/vouchers issued	4,337	4,189	4,292	4,197
Amount of checks written	\$48,290,720	\$48,564,187	\$43,126,613	\$55,183,032
Interest earnings for fiscal year (cash basis)	\$147,706	\$62,354	\$19,961	\$9,152
Number of receipts issued	499	551	534	555
General fund receipts (cash basis)	\$8,932,334	\$8,137,259	\$8,490,271	\$7,902,413
General fund expenditures (cash basis)	\$8,544,407	\$8,273,160	\$7,894,249	\$7,967,437
<i>Income Tax Department</i>				
Number of business net profit forms processed	1,338	1,357	1,339	1,333
Number of individual forms processed	2,754	2,973	3,150	2,902
Amount of penalties and interest collected	\$94,796	\$63,502	\$57,534	\$51,179
<i>Civil Service</i>				
Number of police entry tests administered	1	0	1	0
Number of fire entry tests administered	0	1	1	1
Number of police promotional tests administered	1	0	2	0
Number of hires of police officers from certified lists	2	0	2	0
Number of hires of fire/medics from certified lists	3	0	2	1
Number of promotions from police certified lists	1	0	0	0
<i>Building and Zoning</i>				
Estimated value of construction	\$5,754,058	\$16,314,458	\$33,278,239	\$19,135,419
Number of permits issued (all types)	244	217	207	223
Amount of revenue generated from permits	\$13,220	\$12,566	\$11,400	\$11,800
Number of contractor licenses	296	269	290	267
Zoning Board of Appeals hearings	24	13	13	28

2013	2012	2011	2010	2009	2008
67	63	57	66	70	71
26	16	19	22	22	32
25	15	25	16	36	26
3,782	3,818	4,037	3,981	4,048	7,904
\$52,888,467	\$49,211,053	\$58,220,483	\$54,842,028	\$50,816,846	\$55,934,193
\$14,515	\$21,504	\$51,834	\$69,653	\$210,568	\$184,436
564	540	557	543	584	517
\$8,055,961	\$7,184,714	\$7,500,648	\$6,777,345	\$6,167,226	\$5,893,616
\$7,644,025	\$7,448,613	\$6,652,344	\$6,347,883	\$6,321,992	\$6,194,109
1,374	1,265	1,294	1,238	1,261	1,278
4,817	4,394	2,557	2,564	2,590	2,662
\$45,894	\$32,544	\$38,627	\$37,362	\$29,725	\$22,533
1	1	0	1	0	1
0	0	1	1	1	0
1	0	0	2	0	0
0	0	3	0	0	1
0	1	0	0	0	1
1	0	3	0	0	0
\$12,799,960	\$20,454,790	\$8,490,640	\$2,838,874	\$5,884,436	\$6,896,283
275	280	240	225	228	272
\$8,884	\$9,730	\$13,595	\$10,115	\$21,478	\$19,927
295	319	261	278	285	326
28	27	26	22	29	26

(continued)

City of Dover
Tuscarawas County, Ohio
Operating Indicators by Function/Program (continued)
Last Ten Years

Function/Program	2017	2016	2015	2014
Security of Persons and Property				
<i>Police</i>				
Total calls for services	13,277	11,256	9,770	8,989
Number of traffic citations issued	981	736	532	483
Number of parking citations issued	61	74	57	91
Number of felony arrests	47	50	28	34
Number of misdemeanor arrests	562	477	374	383
Number of traffic accidents investigated	311	527	432	402
Number of injury accidents	17	41	44	48
Number of fatal accidents	0	0	0	0
Prisoners	87	82	90	101
Total miles driven	173,494	176,323	163,503	154,886
Total gasoline used	17,895	20,077	16,915	16,132
<i>Fire</i>				
EMS calls	1,615	1,531	1,454	1,385
Fire calls	92	78	99	87
Training hours	1,636	1,750	1,369	1,583
Leisure Time Activities				
<i>Recreation</i>				
Recreation League fees	\$18,060	\$19,815	\$19,960	\$19,909
Transportation				
Tons of asphalt	5,079	4,500	3,759	5,636
Tons of limestone	600	500	500	560
Paint striping (gallons of paint)	775	600	475	475
Street sweeping (days)	140	106	150	127
Man hours of leaf pick-up	944	1,100	970	1,312
Tons of salt	1,222	893	2,062	1,942
Water Department				
Average residential gallons of water billed monthly	3,900	4,200	4,000	4,300
Wastewater Department				
Average residential gallons of sewer billed monthly	3,700	4,000	3,900	4,100

Source: City Records

2013	2012	2011	2010	2009	2008
8,616	8,721	9,367	10,443	10,802	10,148
450	559	694	851	887	1,043
79	52	111	154	183	379
37	30	68	27	79	81
512	497	504	447	590	476
477	351	393	366	343	396
56	44	32	68	50	62
0	0	1	1	0	1
97	120	95	64	88	59
143,688	152,166	157,409	161,908	162,104	147,554
13,991	14,079	14,249	14,892	14,438	13,242
1,405	1,274	1,349	1,316	1,238	1,338
84	91	86	105	131	117
1,339	1,657	1,074	1,674	1,338	1,891
\$22,040	\$22,225	\$18,910	\$15,550	\$21,475	\$19,986
3,396	2,744	3,037	6,500	4,593	7,582
540	1,000	1,213	1,149	1,357	1,167
475	430	430	475	375	410
109	127	138	145	144	117
848	936	1,048	992	1,120	1,200
1,800	748	2,027	2,125	1,575	2,353
4,100	3,750	3,500	3,240	4,599	4,875
3,900	3,750	3,350	3,392	4,599	4,868

City of Dover
Tuscarawas County, Ohio
Capital Assets Statistics by Function/Program
Last Ten Years

Function/Program	2017	2016	2015	2014
General Government				
Square Footage Occupied	1,932	1,932	1,932	1,932
Vehicles	2	3	3	3
Security of Persons and Property				
 Police				
Stations	1	1	1	1
Square Footage of Building	6,468	6,468	6,468	6,468
Vehicles	11	12	10	9
 Fire				
Stations	1	1	1	1
Square Footage of Building	6,900	6,900	6,900	6,900
Fire Hydrants	644	640	636	636
Vehicles	15	15	15	15
Leisure Time Activities				
 Recreation				
Number of Parks	2	2	2	2
Number of Swimming Pools	2	2	2	2
Number of Tennis Courts	8	8	8	8
Number of Baseball Diamonds	10	10	10	10
Transportation				
 Service				
Streets (miles)	72	72	72	72
Street Lights	2,466	2,466	2,442	2,555
Storm Sewers (miles)	34	34	34	34
Utility Services				
Sanitary Sewers (miles)	68	68	67	67
Electric Lines (miles)	367	367	367	377
Water Lines (miles)	86	85	85	85

Source: City Records

2013	2012	2011	2010	2009	2008
1,932 2	1,932 4	1,932 3	1,932 3	1,932 3	1,932 3
1 6,468 9	1 6,468 9	1 6,468 10	1 6,468 10	1 6,468 13	1 6,468 11
1 6,900 634 14	1 6,900 634 13	1 6,900 633 12	1 6,900 633 12	1 6,900 633 12	1 6,900 633 12
2 2 8 10	2 2 8 10	2 2 8 10	2 2 8 10	2 2 8 10	2 2 8 10
72 2,461 34	72 2,448 34	72 2,438 34	71 2,437 33	71 2,397 33	70 2,387 33
67 377 85	67 376 85	67 375 85	67 359 85	67 357 85	67 357 84

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City of Dover
Tuscarawas County, Ohio

*Report Issued Pursuant to
Government Auditing Standards*

For the Year Ended
December 31, 2017

City of Dover
Tuscarawas County, Ohio
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December 31, 2017

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June 27, 2018

To the Members of Council
City of Dover
Tuscarawas County, Ohio
122 East Third Street
Dover, OH 44622

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the 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, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 27, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Kea & Associates, Inc.

New Philadelphia, Ohio



Dave Yost • Auditor of State

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
SEPTEMBER 4, 2018