

JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**CITY OF DOVER
TUSCARAWAS COUNTY**

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

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

To the Members of City Council:

We have audited the financial statements of the City of Dover, Tuscarawas County, Ohio, (the City) as of and for the year ended December 31, 2001, and have issued our report thereon dated June 10, 2002, in which we noted the City adopted Governmental Accounting Standards Board Statement No. 34. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying Schedule of Findings as item 2001-21279-001.

We also noted certain immaterial instances of noncompliance that we have reported to management of the City in a separate letter dated June 10, 2002.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the City's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying Schedule of Findings as item 2001-21279-002.

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

City of Dover
Tuscarawas County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

We also noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the City in a separate letter dated June 10, 2002.

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

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large, sweeping initial "J" and a long, horizontal stroke extending to the right.

Jim Petro
Auditor of State

June 10, 2002

**CITY OF DOVER
TUSCARAWAS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2001**

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

FINDING NUMBER 2001-21279-001

Material Noncompliance

Ohio Rev. Code Section 135.18 requires the treasurer of any public subdivision to require all depositories holding public funds to provide security for those public funds in an amount equal to the amount of deposit with the institution. This section further describes the securities which may be provided as security for public deposits.

The City had funds on deposit with First National Bank of Dennison at December 31, 2001, in the amount \$518,000 which were not properly collateralized due to the securities pledged being municipal bonds from cities outside of Ohio. Such securities are not among those described in Ohio Rev. Code Section 135.18. To ensure public deposits are secured as required, the Treasurer should require the financial institution to provide security for those public funds deposited in accordance with section 135.18. The Treasurer should periodically review evidence of such security to help ensure compliance with the section.

FINDING NUMBER 2001-21279-002

Material Weakness

The Treasurer prepares monthly bank reconciliations that the Auditor reviews and signs. However, monthly reconciliations were not performed for May through December, until March 2002. The lack of timely and complete monthly bank reconciliations increases the possibility that errors or irregularities may occur and not be detected timely. In addition, the City's ability to identify lingering reconciling items, including stale dated checks, is impaired.

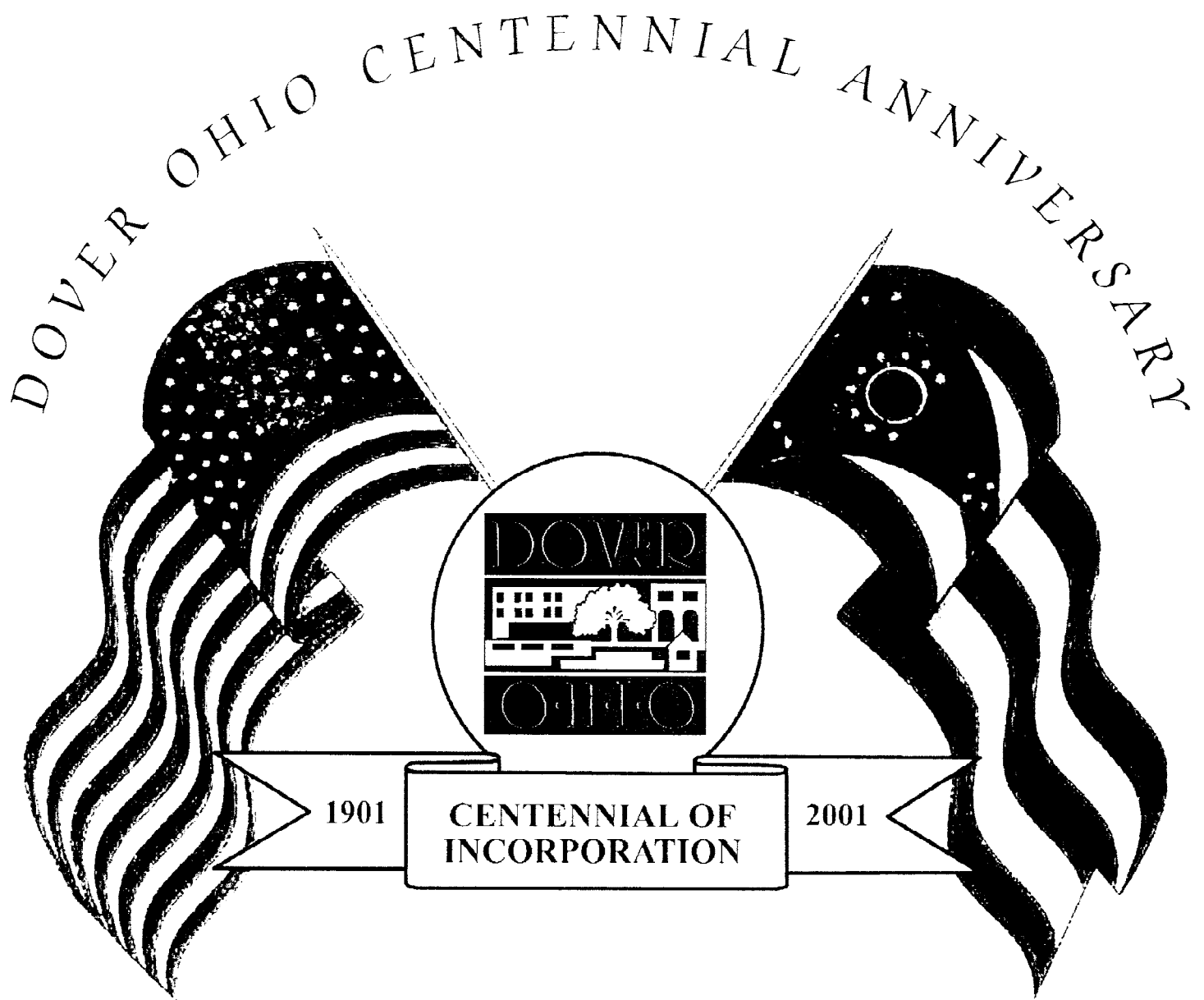
The Treasurer should perform timely monthly bank reconciliations to help ensure detection of errors or irregularities that may occur. In addition, Council should review and approve these reconciliations to better monitor the financial position of the City.

**CITY OF DOVER
TUSCARAWAS COUNTY**

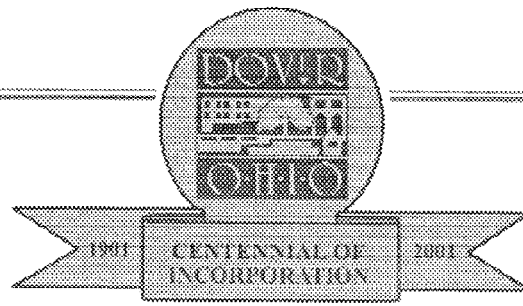
**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2001**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2000-21279-001	Revised Code 5705.41(D), failure to certify funds prior to obligation.	No	Partially Corrected - Reduced failure to certify from 58% to 17%. See comment in Management letter.

CITY *of* DOVER, OHIO
**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**



For The Year Ended December 31, 2001



The City of Dover celebrated 100 years of incorporation on December 6th of 2011. The City marked the historical milestone with pride. A Centennial committee was formed to help plan the events to celebrate our history. These events included the creation of a historical commemorative calendar. The pictures featured in the calendar were chosen to reflect life at the turn of the twentieth century in the City of Dover. The pictures in this report are from the 2012 calendar.

A new City logo and downtown banners were designed by Mayor Homrighausen and introduced for use throughout the year. The cover of this report is an example of the banners. The design for the banners was based on a commemorative plate sponsored by the Exchange Club of Dover. This year, at the twenty-first annual Canal Days festival, the first numbered plate designed by Angela Tedesco, was auctioned for a record-breaking \$3,125.00. Each year the Exchange Club auctions the first twenty-five numbered plates and uses the auction proceeds to fund their scholarship program.

The City of Dover and the Centennial committee are very proud of Dover's colorful history and plan to continue the historical calendars until the bicentennial of the City's founding in 2017. Meanwhile, the celebration of the City's incorporation continues throughout the year with educational and entertainment events.

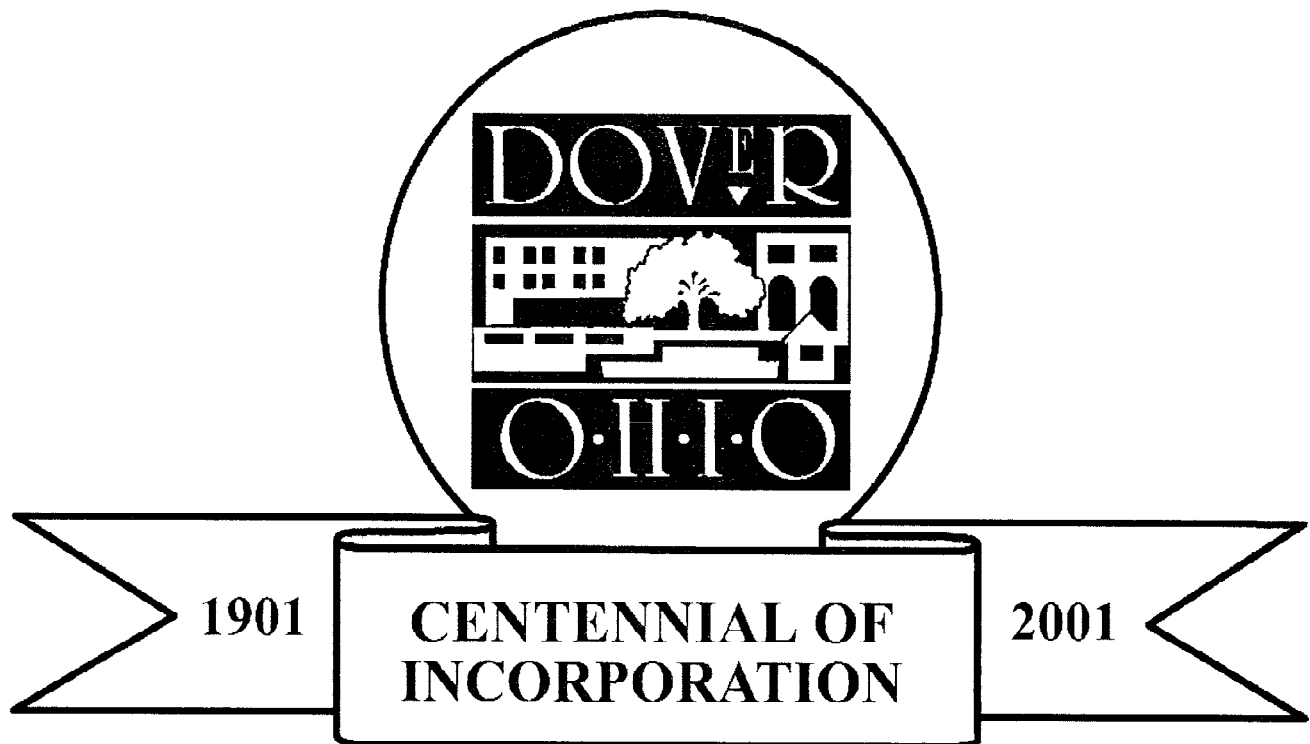
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Introductory Section

CITY *of* DOVER, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For The Year Ended December 31, 2001



Prepared by the City of Dover Auditor's Office

Mary J. Fox • Dover City Auditor

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City of Dover, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2001
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City Of Dover

Auditor's Office

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June 10, 2002

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

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

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

1. The Introductory Section contains the table of contents, letter of transmittal, GFOA Certificate of Achievement, elected and principal officials of the City, and the City's organizational chart.
2. The Financial Section begins with the Report of Independent Accountants, and includes Management's Discussion and Analysis, the Basic Financial Statements and Notes that provide an overview of the City's financial position and operating results, the Combining Statements for nonmajor funds and other schedules that provide detailed information relative to the Basic Financial Statements.
3. The Statistical Section presents various tables reflecting social and economic information, financial trends, and fiscal capacity of the City.

City Organization

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



TREE CITY USA

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

Reporting Entity and Services Provided

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

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

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

Economic Condition and Outlook

Dover covers an area of 5.32 square miles in northeastern Ohio and is located to the south of Cleveland and Canton. The City is easily accessible from Interstate 77. This popular and expanding residential community is noted for its older elegant homes built on quiet tree-lined streets. Dover is a highly desirable City to live in Tuscarawas County, as property values outpace inflation. The underlying strength of Dover's growing economy comes from its diversity. Dover does not depend on one firm for local employment; as many as five corporations employ in excess of 200 people each, lending to the City's diversification.

Five banks (Huntington National, Bank One, First National Bank of Dennison, Citizens Bank, First Federal Bank) are located in the City. Financial institutions located in the County had total deposits of \$222,631,000 on December 31, 2001.

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

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

Dover's largest employer, Union Hospital is expanding again. In 2001, the hospital's board of trustees decided to undertake the largest addition to the hospital since 1970. The three story addition will house, on the first floor, an expanded outpatient Cardiology and Vascular Center, thirty additional inpatient beds on the second floor, and the use of the third floor has not yet been determined. The issue of increased staffing is being addressed with the recruitment of personnel. In 2001, Union hospital increased its staff by eighty. Another project that is underway at the hospital is the expansion of the emergency department. The current facility has surpassed its designated capacity of 36,000 patient visits per year. The goal of the expansion is

to reduce the waiting and treatment time. The combined addition and expansion projects will total an estimated 18 million dollars. Grants and contributions from the community have exceeded 1 million dollars and hospital revenue bonds have been sold to finance the remainder. Union Hospital provides Dover with not only health care but has a large impact on the local economy. It has been estimated that health care dollars “turn over” six or seven times in the community. Union hospital estimated its positive economic impact in the form of wages, goods and services, will represent more than half a billion dollars, along with the compounding effect of that spending. Union Hospital has undertaken five construction projects since the mid 1980s. Its continued growth and the quality health care Union Hospital provides makes the hospital a great asset to the City of Dover.

Mercy Medical Center’s STATCARE facility opened its doors in 2001. This facility offers a bridge between the emergency room and the doctors’ offices. Patients are seen at STATCARE for a mixture of ailments such as minor illness, headaches, earaches, flu symptoms, as well as fractures, cuts and sprains. The addition of this immediate non-emergency care enables the patient to be seen by a doctor without an appointment and outside a physicians’ normal business hours. STATCARE began seeing patients in April of 2001, at the 38,000 square foot Oxford Street location.

The year 2001 has been a year full of medical related facilities either locating in the City or expanding existing operations within the City. The City of Dover considers the recent growth within the medical community a valuable addition to the tax base of the City.

Zimmer Orthopedic Surgical Products (formerly Zimmer Patient Care) recorded an excellent sales year with several new health care products. At the head of the product line was the OrthoPAT System (Orthopedic Perioperative Autotransfusion System). This system salvages a patient’s own blood during an orthopedic procedure. The system washes out impurities of the blood and refreshes the red blood cells to the patient. The most unique feature of this system is its ability to collect blood during and after surgery. Similar products do one or the other, but not both. Another innovative product introduced in 2001 was the Palm Pump pain management system. This system is no bigger than the average cell phone and can be carried in a pocket or attached to a belt. The system allows the patient under the care of their surgeon to control their post-surgical pain medication. At the conclusion of the surgery, an infusion line is placed within the surgical site allowing the medication to be dispensed directly to the site. Other products introduced earlier continue to gain momentum, giving Zimmer Orthopedic Surgical Products a successful 2001. The year was a milestone for the company because it was spun off from its parent company Bristol-Myers Squibb and is now an independent publicly traded company.

Dover is very proud of one of its more unique residents. Dover was the home of Ernest “Mooney” Warther and is still home to many of his descendants. Mooney Warther was a master carver. Warther Carving Museum is expanding to include a 10,000 square foot Swiss Chalet to open in 2002. The addition will include a new theater, larger display rooms and a newly expanded knife and woodworking shop. This facility will enhance the existing Warther tour as well as house a corporate dinner meeting facility.

A long standing business in Dover has been the Barkett Fruit Co., Inc., founded in 1924. The company has remained a family owned operation through four generations. For the past three years the company has seen double digit growth. Certification by Primus Labs for its high level of food safety and cleanliness has contributed to the company supplying more than 100 Subway stores across northeast Ohio, as well as many hospitals and institutions.

Major Intitatives

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

The City has spent many hours preparing and debating the issue of electric deregulation. The laws concerning electric deregulation directly affect our municipal power system and Mayor Richard Homrighausen has been a strong active voice regarding the overall effects of deregulation. In addition to testifying in Washington, D.C. at a Senate Sub Committee, he is the president of the Ohio Municipal Electric Association.

The Utility Office has been busy throughout the year entering data to the City's new utility software. The software purchase was done through a competitive bid process. Harris Computer Systems of Ontario, Canada was awarded the bid and the work began. After many months of "paralleling" we are anticipating being "live" for the first billing in June of 2002. This system will allow the City to "unbundle" the electric rates, and bill for each phase of service such as generation and distribution. The system will also track the KWh tax which was effective May of 2001. Although, the amount of tax is shown on the consumer's electric bill, the City opted not to pass the additional cost on to the consumer, but to pay the tax out of the electric revenue fund.

There are actually two tax payments made, one to the State of Ohio for electric distributed outside the City limits and another payment transferred to the City's General Fund for the tax on electric distributed to the residents of the City of Dover. The City of Dover has the option to either keep the tax revenue within the General Fund or move all or a portion of the dollars back to the Electric Revenue Fund. The City of Dover has not yet made a final decision as to the distribution of the money which amounted to \$527,839 in 2001.

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

The Street Department maintained its approach of completing paving in phases in order to realize the most value for our paving dollars. In total, thirteen streets and thirteen alleys were paved in 2001, at a cost of \$219,834. The department also provides services such as leaf removal, storm sewer catch basin repairs and street sweeping. In 2001, 115 alleys were maintained using approximately 1,094 tons of limestone.

The Traffic Department, a division of the Street Department, 2001 painting program consisted of the stripping of 30 plus streets, numerous parking stalls, crosswalks, railroad crossing emblems and turn bays. The department also installed or replaced a total of 155 signs and maintained the City's twenty eight traffic light systems. Four historical corporation markers were installed in 2001 at major entrances to the City.

In 2001, the City committed to enhance the Shade Tree Program by providing funding for a consultant to use the tree keeper software package and recommend what trees need to be maintained or removed. The City has 3,880 curb strip trees with an estimated value of over \$4 million.

The police department remains actively involved in the community, either sponsoring or participating in many programs such as the Teen Rodeo, the Seatbelt Program for the pupils of the 3rd grade, Safe Kids Healthy Kids, a bicycle safety program for 4th graders and Safety Pup, which is funded by local businesses. This program is designed for children, Kindergarten through 5th grade.

The police department continues to update their computer system, and was a test agency for the OCJS Ohio Incident Based Reporting System. This software is compliant with the Federal Bureau of Investigation's software on reporting Uniform Crime Reports. The City of Dover was murder free in 2001. Two rapes were reported in 2001. The Police department is consistently increasing efforts to serve and protect the Citizens of Dover by obtaining as much data as is available to the department and pro-actively investigating all calls.

Dover fire department responded to 1,656 EMS, hazardous material, investigation, public service, rescue, and fire calls in 2001. This is an increase of 9.67 percent over 2000. In 2001, two vehicles were replaced adding to the efficiency of the department with enhancements added to both new vehicles. Dive and rescue equipment, and a multimedia projector for use in training were purchased in 2001. These projects were made possible in part by local foundation donations.

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

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

For the Future The year 2002 is a year of celebration for the City of Dover. We celebrated our 100th birthday as a City on December 6, 2001, and are continuing to recognize the milestone throughout the year. We finalized the annexing of over 250 acres of commercial, industrial and residential properties along the southwest edge of the City. Of the 63 acres of industrial property, 10 acres have been sold to a local company in the process of expanding their operation. In turn, this company has sold two additional five acre plots to support companies which will further enhance their expansion efforts.

Legislation was passed in 2001, which brings us one step closer to establishing a citywide and City-owned fiber optic system which will provide state of the art broadband telecommunications for all city buildings, as well as business, industrial and residential customers. With 3.3 miles of 48 strand and 6.7 miles of 96 strand fiber installed, we will have the capability to provide high speed internet service, remote meter reading, remote traffic signalization, a citywide network, and cable television. City Council and the administration are researching all options.

These projects, coupled with the ongoing projects of other City departments are allowing the City to enter the 21st century on a progressively positive note. We look forward to the completion of these projects and the exciting new opportunities they will bring to the City.

Department Focus Each year the City selects a department to highlight for its efforts and accomplishments. For 2001, instead of a department we would like to focus on the City Centennial Celebration.

On December 6, 1901, the City of Dover was incorporated. The City officials wanted to mark the event with an increased awareness of the City's past. A committee was formed consisting of citizens and City officials, with a goal in mind of celebrating the establishment of the City of Dover. Festivities downtown were planned on December 6, 2001, due to the date being close to Christmas, the City started the tradition of a downtown Christmas lighting ceremony, complete with a 25 foot tree adorned with ornaments made by elementary students. Santa arrived and the Mayor recited "Twas the Night Before Christmas" to the children in attendance.

Entertainment was provided at different venues throughout the City, along with birthday cake and refreshments to celebrate the City's "birthday." City officials dressed in period costumes and welcomed the citizens to the various events and the fire and police chiefs, in costume, demonstrated old fire equipment and kept the peace.

The event was very well attended with crowds of people enjoying the old-fashioned downtown atmosphere. Horse drawn carriage rides were given to young and old. The City also offered, for the first time, a calendar consisting of old photographs from the turn of the century as well as a Christmas ornament sold by the local Rotary Club.

The City of Dover also participated in the Unity Christmas Parade held in November by sponsoring a float along with City officials, and residents dressed in period costumes handing out candy and flyers announcing our birthday celebration along the parade route. The City also sponsored a carriage belonging to one of Dover's prominent historic residents, Jeremiah E. Reeves. The 1892 carriage is rare, being one of the twelve known in existence. It was made by the Riddle Coach and Hearse Company of Ravenna, Ohio. This carriage was considered top of the line in its time, sporting leather interior, beveled glass, silk shades, and an ivory door handle. It also included two battery operated lanterns and runners for winter time use. We were very fortunate to see this museum piece in the parade, as it was estimated to have been in storage since the early 1900's when automobiles became the mode of transportation. The carriage is now back safely housed at J.E. Reeves Home and Museum here in Dover.

The committee is actively planning another calendar to be available for the planned old fashioned ice cream social this summer, along with a historical tour of the City's downtown buildings. The committee has also been hosting educational events held at the J.E. Reeves Home and Museum. These events allow residents a hands on approach to Dover's history with many examples of artifacts and historic pictures. The City is sponsoring a float again in 2002 and attending parades in the area. We are pleased with the interest our City's centennial celebration has generated and hope to continue many of the traditions started this year all the way through to our bicentennial of our founding in 2007.

Financial Information

Internal Accounting and Budgetary Control In the preparation of its annual report, the City uses the modified accrual basis of accounting for governmental funds, and the accrual basis for enterprise, internal service and fiduciary funds. When using the modified accrual basis, revenues are recognized when measurable and available, and expenditures are recognized when goods and services are received. The accrual basis recognizes revenues when earned and expenses when incurred. This timing enables management to improve the quality of its decision making process by providing more consistent, comparable information regarding the current and past operations and financial position of the City.

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

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

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

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

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

Government-wide financial statements These statements are prepared on an accrual basis of accounting, which is similar to the basis of accounting followed by many businesses. The government-wide statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

Fund financial statements These statements present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column. Governmental funds are the modified accrual basis of accounting and include reconciliation to the governmental activities accrual information presented in the government-wide financial statements. Proprietary and fiduciary funds use the accrual basis of accounting.

Statements of budgetary comparisons These statements present comparisons of actual information to the legally adopted budget. The budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances.

As a part of this new reporting model, management is responsible for preparing a Management Discussion and Analysis of the City. This discussion follows the Report of Independent Accountants, providing an assessment of the City finances for 2001 and the outlook for the future.

Financial Highlights - Internal Service Fund There is one internal service fund carried on the City's financial records. The self insurance-internal service fund has net assets of (\$7,291).

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

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

Risk Management The City of Dover manages the hospital/medical health benefits for its employees on a self-insured basis. A third party administrator processes and pays the claims. An excess coverage insurance policy covers claims in excess of \$45,000 per employee per year and in the aggregate of \$1,028,592 per year. The advantages of the self-insurance arrangement include the City of Dover holding the reserves and earning interest on them as well as saving on administrative costs. Control of the plan rests with the City.

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

Independent Audit

The City is subjected to an annual examination by the Auditor of State. Independent auditor Jim Petro, Auditor of State, has rendered an opinion on the City's financial statements as of December 31, 2001. Pursuant to statute, the State prescribed a uniform accounting system to standardize accounting classification and financial reporting for all governments in Ohio. The City adopted and has been in conformance with that system beginning with its 1987 financial report. An annual audit serves to maintain and strengthen the City's accounting and budgetary controls.

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, 2000.

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

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

Tree City USA The City received its twenty-first Tree City USA Award and its first Growth Award for the year ended December 31, 2001. These prestigious awards recognize the City for its annual program of planting new trees and maintaining and removing old trees. The City of Dover was one of three entries in a region of thirty-one to receive the Growth award.

Acknowledgments


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

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

Respectfully submitted,



Richard P. Homrighausen,
Mayor



Mary J. Fox
Auditor

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Dover,
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2000

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



Imelda Aru
President

Jeffrey L. Essler
Executive Director

City of Dover
Principal Officials
December 31, 2001

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

Finance Department

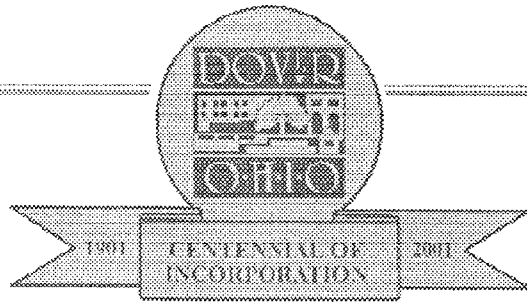
Auditor Mary J. Fox
Treasurer O. Colby Byrom
Income Tax Administrator Sandra C. Hall

Safety Department

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

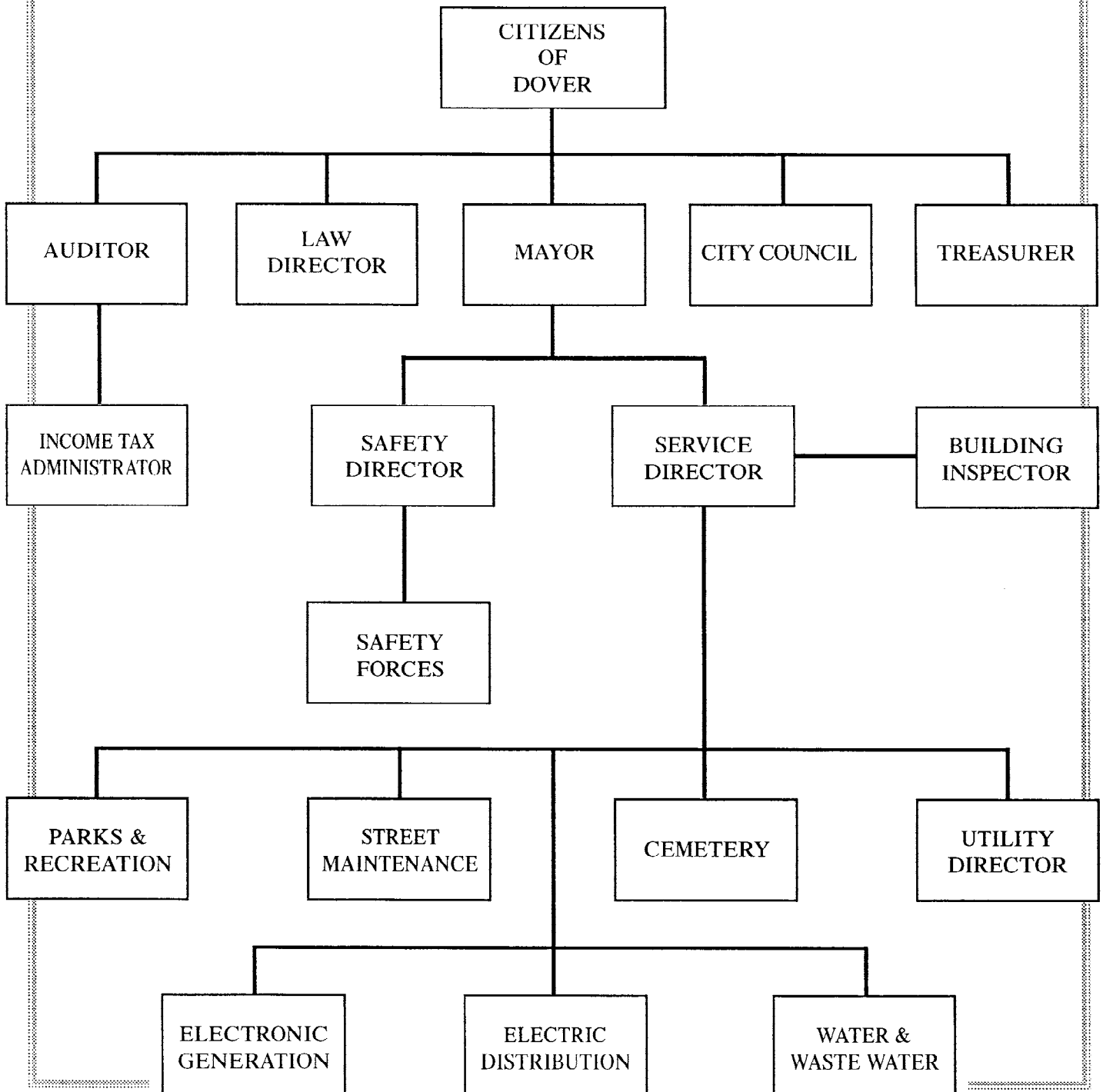
Service Department

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



CITY OF DOVER, OHIO

Organization Chart



Financial Section



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

111 Second Street, NW
Fourth Floor
Canton, Ohio 44702
Telephone 330-438-0617
800-443-9272
Facsimile 330-471-0001
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

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

To Members of City Council:

We have audited the accompanying basic financial statements of the City of Dover, Tuscarawas County, Ohio, (the City) as of and for the year ended December 31, 2001, as listed in the Table of Contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the City as of December 31, 2001, and the results of its operations and the cash flows of its proprietary funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 4, effective January 1, 2001, the City adopted Governmental Accounting Standards Board Statement No. 34.

In accordance with *Governmental Auditing Standards*, we have also issued our report dated June 10, 2002 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements, but is supplementary information the Governmental Accounting Standards Board requires. We applied limited procedures, consisting principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. We did not audit the information and express no opinion thereon.

We performed our audit to form an opinion on the basic financial statements of the City, taken as a whole. The combining and individual fund statements and schedules listed in the Table of Contents are presented for additional analysis and are not a required part of the basic financial statements. We subjected this information to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, it is fairly presented in all material respects, in relation to the basic financial statements taken as a whole.

We did not audit the data included in the introductory and statistical sections of this report and therefore express no opinion thereon.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is fluid and cursive, with a large loop at the end.

Jim Petro
Auditor of State

June 10, 2002

City of Dover, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2001
Unaudited

The discussion and analysis for the City of Dover's financial statements provides an overall review of the financial activity of the City for the twelve months ended December 31, 2001. 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 2001 are as follows:

- Total Net Assets increased \$1,931,150. Net Assets of governmental activities increased \$2,575,649 which represents a 49 percent increase from 2000. Net assets of business-type activities decreased \$644,499 or 2 percent from 2000.
- Total Assets of Government Activities increased \$2,295,404 or 21 percent above the 2000 level.
- Total Current Liabilities decreased \$220,424. This is a decrease of 2 percent from the previous year.
- Total Capital Assets increased \$3,310,860, which represents an 8 percent increase.
- Total Outstanding Debt decreased \$855,718 or 3.6 percent during 2001.

Using this Annual Financial Report

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

The Statement of Net Assets and the Statement of Changes in Net Assets provide information from a summary perspective showing the effects of the operations for the year 2001 and how they affected the operations of the City as a whole.

Reporting the City of Dover as a Whole

Statement of Net Assets and Statement of Activities

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

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

City of Dover, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2001
Unaudited

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

- **Governmental Activities** - Most of the City's programs and services are reported here, including general government, security of persons and property, transportation, public health services, community environment, basic utility services, and leisure time activities.
- **Business-Type Activities** - These services are provided on a fee basis to recover all of the expenses of the goods or services provided. The City's business-type activities are sewer, electric and water.

Reporting on the Most Significant Funds of the City of Dover

Fund Financial Statements

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

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

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

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

City of Dover, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2001
Unaudited

The City of Dover as a Whole

The Statement of Net Assets provides an overall view of the City. Table one shows a summary of the City's net assets for 2001 as they compare to 2000.

Table 1
Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2000	2001	2000	2001	2000	2001
Assets						
Current and Other Assets	\$6,877,386	\$7,642,362	\$19,199,899	\$16,350,784	\$26,077,285	\$23,993,146
Capital Assets, Net	4,010,897	5,541,325	37,137,847	38,918,279	41,148,744	44,459,604
<i>Total Assets</i>	<i>10,888,283</i>	<i>13,183,687</i>	<i>56,337,746</i>	<i>55,269,063</i>	<i>67,226,029</i>	<i>68,452,750</i>
Liabilities						
Current Liabilities	4,421,252	4,062,763	7,904,348	8,042,413	12,325,600	12,105,176
Long-Term Liabilities:						
Due Within One Year	261,833	281,246	932,745	929,815	1,194,578	1,211,061
Due in More Than One Year	991,861	1,050,692	15,877,974	15,318,655	16,869,835	16,369,347
<i>Total Liabilities</i>	<i>5,674,946</i>	<i>5,394,701</i>	<i>24,715,067</i>	<i>24,290,883</i>	<i>30,390,013</i>	<i>29,685,584</i>
Net Assets						
Invested in Capital Assets, Net of Related Debt	1,340,897	3,071,325	16,152,847	19,203,899	17,493,744	22,275,224
Restricted for:						
Other Purposes	1,234,867	1,280,927	0	0	1,234,867	1,280,927
Replacement and Improvement	0	0	4,957,789	4,690,504	4,957,789	4,690,504
Unrestricted	2,637,573	3,436,734	10,512,043	7,083,777	13,149,616	10,520,511
<i>Total Net Assets</i>	<i>\$5,213,337</i>	<i>\$7,788,986</i>	<i>\$31,622,679</i>	<i>\$30,978,180</i>	<i>\$36,836,016</i>	<i>\$38,767,166</i>

Total assets increased in 2001 by \$1,226,721. Total liabilities decreased by \$704,429. The increase in assets is reflected primarily in the capital assets where the increase was \$3,310,860.

The reduction of \$704,429 in total liabilities is due to reductions in both current as well as long-term liabilities. The reduction in current liabilities is \$220,424. The reduction in long-term liabilities is primarily the result of the payments on the revenue bonds and debt in the enterprise funds. All three utilities have long-term debt.

Total net assets increased by \$1,931,150. This number reflects an increase in governmental activities and a decrease in the net assets of the business-type activities. This decrease is reflective of a much needed sewer rate increase. The sewer rate increase was addressed and a seven year plan was adopted by City Council. The first year of the plan was effective April 1, 2002, with a rate increase of forty-five percent.

City of Dover, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2001
Unaudited

The City also works hard to increase net assets through our investment program. Investment earnings for governmental and business-type activities were \$674,355 in 2001.

Table 2 shows the changes in net assets for the year ended December 31, 2001 for both our Governmental activities and our Business-Type activities. Since this is the first year the City is reporting under the GASB 34 reporting model, revenue and expense comparisons to the year 2000 are not available. In future years, when prior-year information is available, a comparative analysis of government-wide data will be presented.

Table 2
Changes in Net Assets

	Governmental Activities 2001	Business-Type Activities 2001	Total 2001
Revenues			
Program Revenues:			
Charges for Services	\$772,159	\$15,825,874	\$16,598,033
Operating Grants and Contributions	455,451	0	455,451
Capital Grants and Contributions	331,673	193,814	525,487
General Revenues:			
Property Taxes	1,051,082	0	1,051,082
Income Taxes	3,513,479	0	3,513,479
Grants and Entitlements	1,807,058	0	1,807,058
Investments	361,563	312,792	674,355
Miscellaneous	168,593	67,787	236,380
Transfers	11,325	(11,325)	0
<i>Total Revenues and Transfers</i>	<u>8,472,383</u>	<u>16,388,942</u>	<u>24,861,325</u>
Program Expenses			
General Government	843,700	0	843,700
Security of Persons and Property	2,961,926	0	2,961,926
Transportation	421,984	0	421,984
Public Health Services	459,964	0	459,964
Leisure Time Activities	599,834	0	599,834
Basic Utility Service	441,833	0	441,833
Community Environment	72,811	0	72,811
Interest and Fiscal Charges	94,682	0	94,682
Enterprise Operations:			
Sewer	0	1,786,036	1,786,036
Electric	0	13,217,704	13,217,704
Water	0	2,029,701	2,029,701
<i>Total Expenses</i>	<u>5,896,734</u>	<u>17,033,441</u>	<u>22,930,175</u>
<i>Increase/Decrease in Net Assets</i>	<u>\$2,575,649</u>	<u>(\$644,499)</u>	<u>\$1,931,150</u>

City of Dover, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2001
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Governmental Activities

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

The City's income tax was established by ordinance to be effective January 1, 1970 at a rate of 1 percent. The rate has not been increased. Even though this rate is much lower than the state average for municipalities that have an income tax, there are no plans at this time to increase the rate. The income tax accounted for revenues of \$3,513,479 in 2001. These revenues were split with 40 percent to the Master Capital fund, and the remaining 60 percent divided between the Street Maintenance and Repair fund, the Cemetery fund, the Police and Fire Pension fund and the General fund. The income tax revenue is distributed to the special revenue funds on an as needed basis as a subsidy. Remaining income tax revenue is receipted in the General fund. This allocation is set by ordinance and changed throughout the year to reflect need. At this time there are no plans to change the percentage of allocation to the Master Capital fund. This practice of putting a percentage of income tax revenue into the Master Capital fund has been an excellent tool for the City in making capital improvements without the need to issue debt.

Police and fire represent the largest expense of the Governmental Activities. This expense of \$2,961,926 represents 50 percent of the total expenses. These two departments operate out of the General fund.

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

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

Our Street Maintenance and Repair and Traffic Department employs 16 full time employees who provide the City and its citizens many services that include public road salting, leaf and debris pickup, paint striping, and alley profiling.

The City also maintains two cemeteries (public health services) and two parks (leisure time activities) within the City. These areas had expenses of \$1,059,798 in 2001, equaling 18 percent of the total governmental services expenses.

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 2001, the electric utility sold 213,079,791 KWH of electricity to generate \$12,748,852 in revenue. We burned 188,600 tons of coal at a cost of \$1,332,790. In 2001, the City entered into a joint venture project with other municipalities and American Municipal Power of Ohio (AMP Ohio) to ensure the availability and consistent pricing when purchasing peak power. This investment helps to ensure the City's goal of reliable, affordable power and gives the City the opportunity of selling any excess City owned power to others.

City of Dover, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2001
Unaudited

The water utility services 5,311 residents with a minimum monthly pump age of 1.54 million gallons and a maximum monthly pump age of 3.55 million gallons in 2001. The water plant is the newest of the utility facilities. It was put into service in 1998. The raw water is supplied through four wells currently in service into the plant where it's treated with chlorine and filtered through green sand filters and distributed throughout the City. The City has three water towers.

The sewer facility processed an average of 1,365,000 gallons per day during 2001. This facility is near its peak capacity and a sludge press was added in 2001 to increase the efficiency of the plant. The City is in the planning stages of a major expansion or rebuild of the sewer treatment plant. The tentative date for groundbreaking is in 2004. The City will be seeking grants, loans or a revenue bond to finance the project.

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 2001, charges for services of \$15,825,874 accounted for 97 percent of the revenues. The total expenses for the utilities were \$17,033,441, thus leaving an excess of revenue under expense of \$644,499 for the business-type activities.

The City's Funds

Information about the City's governmental funds begins on page 16. These funds are accounted for using the modified accrual method of accounting. All governmental funds had revenues of \$8,090,687 and expenditures of \$7,353,261. The funds are monitored consistently with adjustments made throughout the year in budgets to accommodate yearly revenues. The one fund that consistently exceeds our expenditure expectations is our Employee Health Insurance fund. Our medical and dental benefit plans have been self-funded since 1988. The costs in 2001 were higher than expected. We are currently in the process of negotiating with our unions for plan modifications to help control plan costs.

Information about the Business-Type Funds starts on page 21. These funds are accounted for on an accrual basis. All business type funds had operating revenues of \$15,893,661, which exceeded operating expenses of \$15,664,726 by \$228,935 or 1.4 percent of operating revenues. The City is consistent with reviews of these funds, and the necessary adjustments are made to ensure strength in our enterprise funds.

Budgeting Highlights

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

City of Dover, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2001
Unaudited

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

Strong emphasis is placed on fund balances. The City Auditor reviews fund balances on a daily basis. Special attention is paid to the operating funds, which are the General, the Electric, Sewer and Water funds. Council also receives a monthly report showing beginning fund balance for all funds at the beginning of the year, the change in the balance thus far year to date, and the current fund balance.

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

Capital Assets

Table 4
Capital Assets at December 31

	Governmental Activities		Business-Type Activities		Total	
	2000	2001	2000	2001	2000	2001
Land	\$851,930	\$851,930	\$410,386	\$410,386	\$1,262,316	\$1,262,316
Buildings and Improvements	1,350,658	1,392,530	13,938,843	13,572,842	15,289,501	14,965,372
Improvements Other than Buildings	422,424	401,319	0	0	422,424	401,319
Equipment and Machinery	919,645	909,702	5,187,239	5,730,876	6,106,884	6,640,578
Furniture and Fixtures	28,387	25,754	78,432	72,870	106,819	98,624
Vehicles	363,296	384,779	502,019	456,693	865,315	841,472
Infrastructure	0	1,575,311	14,403,994	14,384,068	14,403,994	15,959,379
Construction-In-Progress	74,557	0	2,616,934	4,290,544	2,691,491	4,290,544
<i>Total Capital Assets</i>	<u>\$4,010,897</u>	<u>\$5,541,325</u>	<u>\$37,137,847</u>	<u>\$38,918,279</u>	<u>\$41,148,744</u>	<u>\$44,459,604</u>

Total Capital Assets for the City of Dover for the year ended December 31, 2001 were \$44,459,604, which reflects a \$3,310,860 increase over the 2000 figure of \$41,148,744. Infrastructure was added in 2001 for the governmental activities. In 2001, the City reported its current year infrastructure and will phase in the beginning balance in future years. \$1,575,311 was added for the improvements and additions to fire hydrants, streets and storm sewers. In the business-type activities, an \$800,000 sludge press was obtained in 2001 along with over \$2 million for construction in progress for improvements to the electric system. Note 8 provides capital asset activity during the 2001 year.

Debt

The outstanding debt for the City of Dover as of December 31, 2001 was \$24,835,607. This balance reflected a reduction of \$855,718 from the previous year's balance of \$23,979,889, a reduction of 3.6 percent.

City of Dover, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2001
Unaudited

Table 5
Outstanding Debt at Year End

	Governmental Activities		Business-Type Activities		Total	
	2000	2001	2000	2001	2000	2001
Police and Fire Pension	\$324,889	\$320,607	\$0	\$0	\$324,889	\$320,607
Revenue Bonds	0	0	14,415,000	13,980,000	14,415,000	13,980,000
General Obligations Bonds	0	0	1,620,000	1,415,000	1,620,000	1,415,000
Notes Payable	2,670,000	2,470,000	4,950,000	6,650,000	7,620,000	9,120,000
<i>Total</i>	<u>\$2,994,889</u>	<u>\$2,790,607</u>	<u>\$20,985,000</u>	<u>\$22,045,000</u>	<u>\$23,979,889</u>	<u>\$24,835,607</u>

The Utility Department carries the vast majority of the debt, the largest debt being that of the electric utility. Most of this debt is a revenue bond, and various purpose notes that were issued for major upgrades to the power plant. The electric utility also has two outstanding general obligation bonds in the amount of \$560,000.

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

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

The total debt service obligation for the electric utility in 2001 was \$5,257,917. For the sewer utility it was \$1,029,696, and for the water utility \$495,737.

Additional information on the City's long-term debt can be found in Note 10 of this report. Note 14 provides information regarding bond anticipation notes.

Current Financial Issues

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

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

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

City of Dover, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2001
Unaudited

In the year 2002, the City of Dover is moving forward with a plan to use the existing fiber optic network to its greatest potential by providing our residents, business and industry with high speed broadband communications. This will begin with a plan to interconnect all City of Dover facilities via a local area network to improve our communications capabilities. We will then move to provide business and industry with those same services. A plan to provide these services to our residential customers will also be developed.

The plan to relocate the City pond is being realized in 2002. This plan will allow the site of the current pond to be used for additional parking along with an ice skating rink during the winter months. Funds for the relocation were obtained through a grant from the State of Ohio.

City Council has approved funding, and design work has been completed, for the replacement of the Walnut Street Bridge. This bridge replacement has been a goal of the administration, and construction will start in the summer of 2002.

The plans for the future are always made keeping a careful watch on the financial condition of the City. The City of Dover is financially strong. It is the goal to keep it that way and still grow and meet the needs of the future. Even though the year 2001 was a year of economic downturn, the City of Dover showed its strength by continuing to provide service to the citizens at its highest level. All our City departments stayed staffed at full levels, and continued to proceed with business as usual. In the year 2002, the City will continue the replacement plans currently in place for equipment, to proceed with the yearly paving programs, and extend our streets and utilities to new areas. City Council has also provided funding for a sidewalk replacement program and an alley paving program, both new in 2002.

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

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

On behalf of the City of Dover we would like to thank the staff from the Auditor of State for their help in preparing the GASB 33 and 34 statements. They were cooperative, professional, and efficient. This was our first experience reporting under GASB statements 33 and 34 and their guidance was extremely valuable.

City of Dover, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2001
Unaudited

Contacting the City's Finance Department

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

City of Dover, Ohio

Statement of Net Assets

December 31, 2001

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$3,968,126	\$8,014,105	\$11,982,231
Cash and Cash Equivalents:			
In Segregated Accounts	0	1,436,141	1,436,141
With Fiscal Agents	26,013	82,014	108,027
Materials and Supplies Inventory	89,901	848,040	937,941
Accrued Interest Receivable	128,369	0	128,369
Accounts Receivable	121,947	2,480,655	2,602,602
Internal Balances	4,049	(4,049)	0
Intergovernmental Receivable	839,642	4,843	844,485
Prepaid Items	44,976	288,360	333,336
Unamortized Bond Issuance Costs	0	330,620	330,620
Income Tax Receivable	1,286,100	0	1,286,100
Property Taxes Receivable	1,095,865	0	1,095,865
Loans Receivable	37,374	0	37,374
Investment in Joint Venture	0	2,870,055	2,870,055
Nondepreciable Capital Assets	851,930	4,700,930	5,552,860
Depreciable Capital Assets, Net	4,689,395	34,217,349	38,906,744
<i>Total Assets</i>	<u>13,183,687</u>	<u>55,269,063</u>	<u>68,452,750</u>
Liabilities			
Accounts Payable	32,840	129,844	162,684
Accrued Wages	87,273	69,403	156,676
Contracts Payable	52,658	595,409	648,067
Intergovernmental Payable	248,741	222,109	470,850
Matured Interest Payable	1,735	3,204	4,939
Accrued Interest Payable	40,712	225,468	266,180
Retainage Payable	24,278	78,810	103,088
Customer Deposits	0	68,166	68,166
Claims Payable	55,148	0	55,148
Deferred Revenue	1,049,378	0	1,049,378
Notes Payable	2,470,000	6,650,000	9,120,000
Long-Term Liabilities:			
Due Within One Year	281,246	929,815	1,211,061
Due In More Than One Year	1,050,692	15,318,655	16,369,347
<i>Total Liabilities</i>	<u>5,394,701</u>	<u>24,290,883</u>	<u>29,685,584</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	3,071,325	19,203,899	22,275,224
Restricted for:			
Electric Replacement and Improvement	0	3,595,294	3,595,294
Water Replacement and Improvement	0	1,095,210	1,095,210
Other Purposes	1,280,927	0	1,280,927
Unrestricted	3,436,734	7,083,777	10,520,511
<i>Total Net Assets</i>	<u>\$7,788,986</u>	<u>\$30,978,180</u>	<u>\$38,767,166</u>

See accompanying notes to the basic financial statements

City of Dover, Ohio
Statement of Activities
For the Year Ended December 31, 2001

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$843,700	\$21,521	\$0	\$0
Security of Persons and Property	2,961,926	58,576	0	0
Transportation	421,984	0	455,451	293,873
Public Health Services	459,964	184,286	0	0
Community Environment	72,811	22,989	0	37,800
Basic Utility Services	441,833	412,544	0	0
Leisure Time Activities	599,834	72,243	0	0
Interest and Fiscal Charges	94,682	0	0	0
<i>Total Governmental Activities</i>	<u>5,896,734</u>	<u>772,159</u>	<u>455,451</u>	<u>331,673</u>
Business-Type Activities:				
Sewer	1,786,036	1,341,492	0	105,541
Electric	13,217,704	12,748,852	0	0
Water	2,029,701	1,735,530	0	88,273
<i>Total Business-Type Activities</i>	<u>17,033,441</u>	<u>15,825,874</u>	<u>0</u>	<u>193,814</u>
<i>Total - Primary Government</i>	<u>\$22,930,175</u>	<u>\$16,598,033</u>	<u>\$455,451</u>	<u>\$525,487</u>

General Revenues

Property Taxes Levied for:

 General Purposes

 Other Purposes

Income Tax Levied for:

 General Purposes

 Other Purposes

 Capital Outlay

Grants and Entitlements not Restricted to Specific Programs

Investment Earnings

Miscellaneous

Total General Revenues

Transfers

Total General Revenues and Transfers

Change in Net Assets

Net Assets Beginning of Year - (See Note 4)

Net Assets End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-Type Activities	Total
(\$822,179)	\$0	(\$822,179)
(2,903,350)	0	(2,903,350)
327,340	0	327,340
(275,678)	0	(275,678)
(12,022)	0	(12,022)
(29,289)	0	(29,289)
(527,591)	0	(527,591)
(94,682)	0	(94,682)
<u>(4,337,451)</u>	<u>0</u>	<u>(4,337,451)</u>
0	(339,003)	(339,003)
0	(468,852)	(468,852)
0	(205,898)	(205,898)
<u>0</u>	<u>(1,013,753)</u>	<u>(1,013,753)</u>
<u>(4,337,451)</u>	<u>(1,013,753)</u>	<u>(5,351,204)</u>
954,208	0	954,208
96,874	0	96,874
1,341,848	0	1,341,848
815,863		815,863
1,355,768	0	1,355,768
1,807,058	0	1,807,058
361,563	312,792	674,355
168,593	67,787	236,380
<u>6,901,775</u>	<u>380,579</u>	<u>7,282,354</u>
<u>11,325</u>	<u>(11,325)</u>	<u>0</u>
<u>6,913,100</u>	<u>369,254</u>	<u>7,282,354</u>
2,575,649	(644,499)	1,931,150
<u>5,213,337</u>	<u>31,622,679</u>	<u>36,836,016</u>
<u>\$7,788,986</u>	<u>\$30,978,180</u>	<u>\$38,767,166</u>

City of Dover, Ohio

Balance Sheet

Governmental Funds

December 31, 2001

	General	Master Capital	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$2,079,220	\$904,472	\$936,577	\$3,920,269
Cash and Cash Equivalents				
With Fiscal Agents	0	21,789	4,224	26,013
Materials and Supplies Inventory	12,486	0	77,415	89,901
Accrued Interest Receivable	118,268	0	10,101	128,369
Accounts Receivable	70,638	0	51,309	121,947
Intergovernmental Receivable	567,038	0	272,604	839,642
Prepaid Items	30,419	0	14,557	44,976
Income Taxes Receivable	490,372	496,726	299,002	1,286,100
Property Taxes Receivable	958,235	0	137,630	1,095,865
Loans Receivable	0	0	37,374	37,374
<i>Total Assets</i>	<u>\$4,326,676</u>	<u>\$1,422,987</u>	<u>\$1,840,793</u>	<u>\$7,590,456</u>
Liabilities				
Accounts Payable	\$26,448	\$0	\$6,392	\$32,840
Accrued Wages	70,344	0	16,929	87,273
Contracts Payable	32,756	19,902	0	52,658
Intergovernmental Payable	69,061	0	19,584	88,645
Matured Interest Payable	0	0	1,735	1,735
Accrued Interest Payable	0	34,211	3,114	37,325
Retainage Payable	0	21,789	2,489	24,278
Deferred Revenue	1,813,966	352,417	655,807	2,822,190
Notes Payable	0	2,370,000	100,000	2,470,000
<i>Total Liabilities</i>	<u>2,012,575</u>	<u>2,798,319</u>	<u>806,050</u>	<u>5,616,944</u>
Fund Balances				
Reserved for Encumbrances	131,350	50,290	27,900	209,540
Reserved for Inventory	12,486	0	77,415	89,901
Reserved for Loans Receivable	0	0	37,374	37,374
Unreserved:				
Undesignated (Deficit), Reported in:				
General Fund	2,170,265	0	0	2,170,265
Special Revenue Funds	0	0	995,168	995,168
Capital Projects Funds	0	(1,425,622)	(103,114)	(1,528,736)
<i>Total Fund Balances</i>	<u>2,314,101</u>	<u>(1,375,332)</u>	<u>1,034,743</u>	<u>1,973,512</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$4,326,676</u>	<u>\$1,422,987</u>	<u>\$1,840,793</u>	<u>\$7,590,456</u>

See accompanying notes to the basic financial statements

City of Dover, Ohio
*Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 December 31, 2001*

Total Governmental Fund Balances	\$1,973,512
 <i>Amounts reported for governmental activities in the statement of net assets are different because</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	5,541,325
Other long-term assets are not available to pay for current- period expenditures and therefore are deferred in the funds:	
Property Taxes	46,487
Income Tax	917,160
Grants	757,856
Charges for Services	<u>51,309</u>
Total	1,772,812
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental-type activities in the statement of net assets.	(7,291)
Due to other governments includes contractually required pension contributions not expected to be paid with expendable available financial resources and therefore not reported in the funds.	(160,096)
An interfund receivable is recorded in governmental activities to reflect underpayments to the internal service fund by the business-type activities.	4,049
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.	(3,387)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Police and Fire Pension	(320,607)
Compensated Absences	<u>(1,011,331)</u>
Total	<u>(1,331,938)</u>
 <i>Net Assets of Governmental Activities</i>	 <u><u>\$7,788,986</u></u>

See accompanying notes to the basic financial statements

City of Dover, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2001

	General	Master Capital	Other Governmental Funds	Total Governmental Funds
Revenues				
Property and Other Local Taxes	\$984,124	\$0	\$101,216	\$1,085,340
Income Taxes	1,224,199	1,255,347	765,000	3,244,546
Intergovernmental	1,633,646	293,873	532,764	2,460,283
Interest	326,087	121	34,731	360,939
Fines, Licenses and Permits	43,792	0	1,587	45,379
Charges for Services	542,494	0	184,286	726,780
Other	62,821	17,568	87,031	167,420
<i>Total Revenues</i>	<u>4,817,163</u>	<u>1,566,909</u>	<u>1,706,615</u>	<u>8,090,687</u>
Expenditures				
Current:				
General Government	893,214	0	0	893,214
Security of Persons and Property	2,610,652	0	389,631	3,000,283
Transportation	0	0	798,741	798,741
Public Health Services	11,009	0	422,833	433,842
Community Environment	65,855	0	2,439	68,294
Basic Utility Services	375,863	0	0	375,863
Leisure Time Activities	571,899	0	0	571,899
Capital Outlay	0	1,078,598	37,800	1,116,398
Debt Service:				
Interest and Fiscal Charges	0	88,903	5,824	94,727
<i>Total Expenditures</i>	<u>4,528,492</u>	<u>1,167,501</u>	<u>1,657,268</u>	<u>7,353,261</u>
<i>Excess of Revenues Over Expenditures</i>	<u>288,671</u>	<u>399,408</u>	<u>49,347</u>	<u>737,426</u>
Other Financing Sources (Uses)				
Transfers In	0	11,325	47,070	58,395
Transfers Out	0	(47,070)	0	(47,070)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>(35,745)</u>	<u>47,070</u>	<u>11,325</u>
<i>Net Change in Fund Balances</i>	288,671	363,663	96,417	748,751
<i>Fund Balances Beginning of Year - Restated (See Note 4)</i>	2,033,240	(1,738,995)	938,326	1,232,571
Decrease in Reserve for Inventory	(7,810)	0	0	(7,810)
<i>Fund Balances End of Year</i>	<u>\$2,314,101</u>	<u>(\$1,375,332)</u>	<u>\$1,034,743</u>	<u>\$1,973,512</u>

See accompanying notes to the basic financial statements

City of Dover, Ohio
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2001*

Net Change in Fund Balances - Total Governmental Funds \$748,751

*Amounts reported for governmental activities in the
statement of activities are different because*

Governmental funds report capital outlays as expenditures.

However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Fixed Asset Additions	1,806,381	
Current Year Depreciation	(275,953)	
Total		1,530,428

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property Taxes	(34,258)	
Income Tax	268,933	
Grants	133,899	
Total		368,574

Repayment of the police and fire pension liability is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 4,282

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 45

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	(82,526)	
Pension Obligation	(13,833)	
Change in Inventory	(7,810)	
Total		(104,169)

The internal service funds used by management to charge the cost of insurance to individual funds is not reported in the entity-wide statement of activities. Governmental expenditures and related internal service fund revenues are eliminated. The change for governmental funds is reported for the year. 27,738

Change in Net Assets of Governmental Activities \$2,575,649

See accompanying notes to the basic financial statements

City of Dover, Ohio
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2001

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property and Other Local Taxes	\$860,000	\$859,600	\$984,124	\$124,524
Income Taxes	1,181,000	1,181,064	1,189,021	7,957
Intergovernmental	933,000	932,736	1,748,295	815,559
Interest	235,000	234,793	370,264	135,471
Fines, Licenses and Permits	38,100	38,100	46,608	8,508
Charges for Services	556,500	556,484	528,706	(27,778)
Other	66,613	59,647	61,798	2,151
<i>Total Revenues</i>	<u>3,870,213</u>	<u>3,862,424</u>	<u>4,928,816</u>	<u>1,066,392</u>
Expenditures				
Current:				
General Government	1,264,233	1,175,185	1,010,487	164,698
Security of Persons and Property	2,734,282	2,776,361	2,635,378	140,983
Public Health Services	11,500	11,500	11,009	491
Community Environment	69,874	70,624	65,509	5,115
Basic Utility Services	375,900	375,900	375,863	37
Leisure Time Activities	601,274	643,374	621,028	22,346
<i>Total Expenditures</i>	<u>5,057,063</u>	<u>5,052,944</u>	<u>4,719,274</u>	<u>333,670</u>
<i>Net Change in Fund Balance</i>	(1,186,850)	(1,190,520)	209,542	1,400,062
<i>Fund Balance Beginning of Year</i>	1,554,521	1,554,521	1,554,521	0
Prior Year Encumbrances Appropriated	<u>147,218</u>	<u>147,218</u>	<u>147,218</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$514,889</u>	<u>\$511,219</u>	<u>\$1,911,281</u>	<u>\$1,400,062</u>

See accompanying notes to the basic financial statements

City of Dover, Ohio
Statement of Fund Net Assets
Proprietary Funds
December 31, 2001

	Business-Type Activities				Governmental Activities - Internal Service Fund
	Sewer	Electric	Water	Total	
Assets					
<i>Current Assets:</i>					
Equity in Pooled Cash and Cash Equivalents	\$96,410	\$2,793,808	\$219,628	\$3,109,846	\$47,857
Cash and Cash Equivalents With Fiscal Agents	21,608	38,826	21,580	82,014	0
Receivables:					
Accounts	201,270	1,950,604	328,781	2,480,655	0
Intergovernmental	4,843	0	0	4,843	0
Materials and Supplies Inventory	12,804	737,597	97,639	848,040	0
Prepaid Items	47,503	185,676	55,181	288,360	0
Deferred Charges	13,800	204,516	112,304	330,620	0
Total Current Assets	398,238	5,911,027	835,113	7,144,378	47,857
<i>Non-Current Assets:</i>					
Equity in Pooled Cash and Cash Equivalents Held by Trustee:	144,272	3,663,477	1,096,510	4,904,259	0
Cash Equivalents in Segregated Accounts	0	865,779	570,362	1,436,141	0
Investment in Joint Venture	0	2,870,055	0	2,870,055	0
Land and Construction in Progress	137,969	4,525,540	37,421	4,700,930	0
Depreciable Capital Assets, Net	9,920,715	14,102,258	10,194,376	34,217,349	0
Total Non-Current Assets	10,202,956	26,027,109	11,898,669	48,128,734	0
Total Assets	10,601,194	31,938,136	12,733,782	55,273,112	47,857
Liabilities					
<i>Current Liabilities:</i>					
Accounts Payable	\$19,538	\$61,263	\$49,043	\$129,844	\$0
Accrued Wages	14,989	41,394	13,020	69,403	0
Contracts Payable	2,200	580,532	12,677	595,409	0
Intergovernmental Payable	41,469	147,508	33,132	222,109	0
Compensated Absences Payable	42,554	184,529	37,732	264,815	0
Matured Interest Payable		927	2,277	3,204	0
Accrued Interest Payable	29,728	167,940	27,800	225,468	0
Retainage Payable	21,608	37,899	19,303	78,810	0
Customer Deposits	0	68,166	0	68,166	0
Notes Payable	750,000	5,900,000	0	6,650,000	0
Claims Payable	0	0	0	0	55,148
Total Current Liabilities	922,086	7,190,158	194,984	8,307,228	55,148
<i>Current Liabilities Payable from Restricted Assets:</i>					
Revenue Bonds Payable	0	285,000	170,000	455,000	0
General Obligation Bonds Payable	80,000	130,000	0	210,000	0
Total Current Liabilities Payable from Restricted Assets	80,000	415,000	170,000	665,000	0
<i>Long-Term Liabilities:</i>					
Compensated Absences Payable (net of current portion)	146,017	292,763	149,875	588,655	0
General Obligation Payable (net of current portion)	775,000	430,000	0	1,205,000	0
Revenue Bonds Payable (net of current portion)	0	8,135,000	5,390,000	13,525,000	0
				0	
Total Long-Term Liabilities	921,017	8,857,763	5,539,875	15,318,655	0
Total Liabilities	1,923,103	16,462,921	5,904,859	24,290,883	55,148
Net Assets					
Invested in Capital Assets, Net of Related Debt	8,467,484	5,952,314	4,784,101	19,203,899	0
Restricted for:					
Replacement and Improvement	0	3,595,294	1,095,210	4,690,504	0
Unrestricted (Deficit)	210,607	5,927,607	949,612	7,087,826	(7,291)
Total Net Assets (Deficit)	\$8,678,091	\$15,475,215	\$6,828,923	30,982,229	(\$7,291)

Some amounts reported for business-type activities in the statement of net assets are different because internal service fund assets and liabilities are included with business-type activities.

	(4,049)
Net assets of business-type activities	\$30,978,180

See accompanying notes to the basic financial statements

City of Dover, Ohio
*Statement of Revenues,
Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2001*

	Business-Type	
	Sewer	Electric
Operating Revenues		
Charges for Services	\$1,341,492	\$11,431,185
Electric/Water Charges Pledged as Security for Revenue Bonds	0	1,317,667
Other	10,122	57,665
<i>Total Operating Revenues</i>	<u>1,351,614</u>	<u>12,806,517</u>
Operating Expenses		
Salaries and Wages	645,933	1,807,935
Fringe Benefits	285,904	670,837
Purchased Services	210,426	1,460,646
Materials and Supplies	145,853	1,431,017
Utilities	0	6,058,947
Depreciation	396,855	851,551
Claims	0	0
<i>Total Operating Expenses</i>	<u>1,684,971</u>	<u>12,280,933</u>
<i>Operating Income (Loss)</i>	<u>(333,357)</u>	<u>525,584</u>
Non-Operating Revenues (Expenses)		
Interest and Fiscal Charges	(103,242)	(760,690)
Loss on Investment in Joint Venture	0	(187,755)
Loss on Sale of Fixed Assets	(3,869)	0
Interest	37,627	225,932
<i>Total Non-Operating Revenues (Expenses)</i>	<u>(69,484)</u>	<u>(722,513)</u>
<i>Loss before Capital Contributions and Transfers</i>	(402,841)	(196,929)
Capital Contributions	105,541	0
Transfers Out	(11,325)	0
<i>Change in Net Assets</i>	(308,625)	(196,929)
<i>Net Assets (Deficit) Beginning of Year</i>	<u>8,986,716</u>	<u>15,672,144</u>
<i>Net Assets (Deficit) End of Year</i>	<u><u>\$8,678,091</u></u>	<u><u>\$15,475,215</u></u>

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

Change in net assets of business-type activities

See accompanying notes to the basic financial statements

Activities		Governmental Activities - Internal Service Fund
Water	Total	
\$1,237,613	\$14,010,290	\$874,845
497,917	1,815,584	0
0	67,787	1,173
<u>1,735,530</u>	<u>15,893,661</u>	<u>876,018</u>
569,392	3,023,260	0
201,975	1,158,716	0
242,542	1,913,614	90,883
223,215	1,800,085	0
0	6,058,947	0
461,698	1,710,104	0
0	0	737,174
<u>1,698,822</u>	<u>15,664,726</u>	<u>828,057</u>
<u>36,708</u>	<u>228,935</u>	<u>47,961</u>
(334,006)	(1,197,938)	0
0	(187,755)	0
0	(3,869)	0
49,233	312,792	624
<u>(284,773)</u>	<u>(1,076,770)</u>	<u>624</u>
(248,065)	(847,835)	48,585
88,273	193,814	0
0	(11,325)	0
(159,792)	(665,346)	48,585
<u>6,988,715</u>		<u>(55,876)</u>
<u>\$6,828,923</u>		<u>(\$7,291)</u>
	<u>20,847</u>	
	<u>(\$644,499)</u>	

City of Dover, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2001

	Business-Type Activities				Governmental Activities - Internal Service Fund
	Sewer	Electric	Water	Total	
Increase (Decrease) in Cash and Cash Equivalents					
Cash Flows from Operating Activities					
Cash Received from Customers	\$1,316,534	\$12,577,442	\$1,648,302	\$15,542,278	\$0
Cash Received from Transactions with Other Funds	0	0	0	0	874,845
Other Cash Receipts	10,122	57,665	0	67,787	1,173
Cash Payments to Employees for Services	(918,638)	(2,389,345)	(728,220)	(4,036,203)	0
Cash Payments for Goods and Services	(370,780)	(8,919,531)	(468,482)	(9,758,793)	(90,883)
Cash Payments for Claims	0	0	0	0	(774,670)
<i>Net Cash Provided by Operating Activities</i>	<u>37,238</u>	<u>1,326,231</u>	<u>451,600</u>	<u>1,815,069</u>	<u>10,465</u>
Cash Flows from Noncapital Financing Activities					
Transfers Out	(11,325)	0	0	(11,325)	0
Cash Flows from Capital and Related Financing Activities					
Proceeds from Sale of Notes	750,000	5,900,000	0	6,650,000	0
Principal Paid on Bonds	(75,000)	(400,000)	(165,000)	(640,000)	0
Interest Paid on Bonds	(66,191)	(546,767)	(330,737)	(943,695)	0
Tap-In Fees for Construction	3,641	0	16,173	19,814	0
Principal Paid on Notes	(850,000)	(4,100,000)	0	(4,950,000)	0
Interest Paid on Notes	(38,505)	(211,150)	0	(249,655)	0
Payments for Capital Acquisitions	(620,003)	(3,602,578)	(216,280)	(4,438,861)	0
<i>Net Cash Used in Capital and Related Financing Activities</i>	<u>(896,058)</u>	<u>(2,960,495)</u>	<u>(695,844)</u>	<u>(4,552,397)</u>	<u>0</u>
Cash Flows from Investing Activities					
Investment in Joint Venture	0	(3,057,810)	0	(3,057,810)	0
Interest on Investments	37,627	225,932	49,233	312,792	624
<i>Net Cash Provided by (Used in) Investing Activities</i>	<u>37,627</u>	<u>(2,831,878)</u>	<u>49,233</u>	<u>(2,745,018)</u>	<u>624</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	(832,518)	(4,466,142)	(195,011)	(5,493,671)	11,089
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>1,094,808</u>	<u>11,828,032</u>	<u>2,103,091</u>	<u>15,025,931</u>	<u>36,768</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$262,290</u>	<u>\$7,361,890</u>	<u>\$1,908,080</u>	<u>\$9,532,260</u>	<u>\$47,857</u>

(continued)

City of Dover, Ohio
Statement of Cash Flows
Proprietary Funds (continued)
For the Year Ended December 31, 2001

	Business-Type Activities				Governmental Activities - Internal Service Fund
	Sewer	Electric	Water	Total	
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities					
Operating Income (Loss)	(\$333,357)	\$252,584	\$36,708	\$228,935	\$47,961
Adjustments:					
Depreciation	396,855	851,551	461,698	1,710,104	0
(Increase) Decrease in Assets:					
Accounts Receivable	(23,757)	(171,410)	(87,228)	(282,395)	0
Intergovernmental Receivable	(1,201)	0	0	(1,201)	0
Prepaid Items	(18,531)	(44,333)	(21,621)	(84,485)	0
Materials and Supplies Inventory	882	585,689	9,013	595,584	0
Increase (Decrease) in Liabilities:					
Accounts Payable	8,682	(781,022)	4,297	(768,043)	0
Contracts Payable	(5,202)	248,657	5,767	249,222	0
Accrued Wages	2,516	9,708	3,217	15,441	0
Compensated Absences Payable	(1,601)	49,607	30,465	78,471	0
Due to Other Funds	0	0	0	0	0
Intergovernmental Payable	11,952	52,200	9,284	73,436	0
Claims Payable	0	0	0	0	(37,496)
<i>Net Cash Provided by Operating Activities</i>	<u>\$37,238</u>	<u>\$1,326,231</u>	<u>\$451,600</u>	<u>\$1,815,069</u>	<u>\$10,465</u>

Noncash Capital Financing Activities:

During 2001, fixed assets were donated by developers to the water and sewer enterprise funds in the amount of \$72,100 and \$101,900 respectively.

See accompanying notes to the basic financial statements

City of Dover, Ohio
Statement of Fiduciary Net Assets
Fiduciary Funds
December 31, 2001

	Private Purpose Trust
Assets	
Equity in Pooled Cash and Cash Equivalents	\$187,356
Net Assets	
Held in Trust for Shade Trees	2,909
Held in Trust for Cemetery	184,447
<i>Total Net Assets</i>	\$187,356

See accompanying notes to the basic financial statements

City of Dover, Ohio
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Year Ended December 31, 2001

	Private-Purpose Trust
Additions	
Charges for Services	\$16,642
Interest	6,134
<i>Total Additions</i>	22,776
Deductions	10,415
<i>Change in Net Assets</i>	12,361
<i>Net Assets Beginning of Year</i>	174,995
<i>Net Assets End of Year</i>	\$187,356

See accompanying notes to the basic financial statements

City of Dover, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2001

Note 1 - Description of the City and Reporting Entity

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

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

Reporting Entity

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

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

The City participates in the Community Improvement Corporation of Tuscarawas County, Tuscarawas County Regional Planning Commission, Southeastern Ohio Narcotics Team (SENT) and Ohio Mid-Eastern Governments Association (OMEGA) as jointly governed organizations and the Ohio Municipal Electric Generation Agency (JV2) joint venture. These organizations are presented in Notes 16 and 17 of the Basic Financial Statements.

Note 2 - Summary of Significant Accounting Policies

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

A. Basis of Presentation

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

City of Dover, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2001

Government-wide Financial Statements The statement of net assets and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid “doubling up” revenues and expenses. The statements distinguish between those activities of the City that are governmental and those that are considered business-type.

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

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

B. Fund Accounting

The City uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary.

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

General Fund The general fund accounts for all financial resources except those required to be accounted for in another fund. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the charter of the City of Dover and/or the general laws of Ohio.

Master Capital Fund The capital improvement fund accounts for that portion of municipal income tax designated by Council for the purpose of improving, constructing, maintaining, and purchasing those items necessary to enhance the operation of the City.

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

City of Dover, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2001

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

Enterprise Funds Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following are the City's major enterprise funds:

Sewer Fund The sewer fund accounts for the provision of sanitary sewer service to the residents and commercial users located within the City.

Electric Fund The electric fund accounts for the provision of electric power service to the residents and commercial users located within the City.

Water Fund The water fund accounts for the provision of water treatment and distribution to the residents and commercial users located within the City.

Internal Service Fund Internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City's internal service fund reports on a self-insurance program for employee medical benefits.

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

C. Measurement Focus

Government-wide Financial Statements The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the City are included on the Statement of Net Assets.

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

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

City of Dover, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2001

D. Basis of Accounting

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

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

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 6). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

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

Property taxes for which there is an enforceable legal claim as of December 31, 2001, but which were levied to finance year 2002 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

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

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

City of Dover, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2001

E. Cash and Cash Equivalents

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

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

The City of Dover has invested in the State Treasury Asset Reserve of Ohio (STAROhio) during 2001. STAROhio is an investment pool managed by the State Treasurer’s Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio’s share price which is the price the investment could be sold at December 31, 2001.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest is distributed to the general fund, street maintenance and repair and revolving loan special revenue funds, the master capital capital projects fund, the employee self-insurance internal service fund, the cemetery interment private-purpose trust fund, and the sewer, electric, and water enterprise funds. Interest revenue credited to the general fund during 2001 amounted to \$326,087 which includes \$222,914 assigned from other City funds.

The City utilizes a financial institution to service bonded debt as principal and interest payments come due. The City also uses a fiscal agent to hold retainage on construction contracts. The balances in these accounts are presented on the combined balance sheet as "cash and cash equivalents with fiscal agents" and represent deposits or short-term investments in certificates of deposit. See Note 5, Deposits and Investments.

The City utilizes a fiscal agent to hold monies set aside for current and future debt service payments under the provisions of the bond indenture. The balances in these accounts are presented on the statement of fund net assets as, “cash and cash equivalents in segregated accounts.”

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

F. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2001, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount at the time of purchase and reflecting the expenditure/expense in the year in which the services are consumed.

G. Inventory

On government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used.

On fund financial statements, inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. The cost of inventory items is recorded as an expenditure in the governmental fund types when purchased. Inventories of the proprietary funds are expensed when used.

Inventory consists of expendable supplies held for consumption.

City of Dover, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2001

H. Restricted Assets

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

I. Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of one thousand dollars. The City's infrastructure consists of bridges, culverts, curbs, sidewalks, storm sewers, streets, and water and sewer lines. For 2001, the City reported infrastructure for the first time. The City only reported the amounts acquired during 2001. The City plans to phase in the prior year amounts in future years. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of proprietary fund capital assets is also capitalized.

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

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

City of Dover, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2001

J. Interfund Balances

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

K. Compensated Absences

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

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

L. Accrued Liabilities and Long-Term Obligations

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

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

M. Fund Balance Reserves

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

N. Net Assets

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

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

City of Dover, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2001

O. Operating Revenues and Expenses

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

P. Contributions of Capital

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

Q. Interfund Activity

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

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

R. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2001.

S. Estimates

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

T. Budgetary Process

All funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriations resolution is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of control has been established by Council at the object level within each department. Any budgetary modifications at this level may only be made by resolution of City Council.

City of Dover, Ohio
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The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Finance Director. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during 2001.

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

Note 3 - Budgetary Basis of Accounting

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

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures/expenses are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP).

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

Net Change in Fund Balance	
GAAP Basis	\$288,671
Net Adjustment for Revenue Accruals	111,653
Net Adjustment for Expenditure Accruals	(22,843)
Encumbrances	(167,939)
Budget Basis	<u><u>\$209,542</u></u>

City of Dover, Ohio
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Note 4 - Change in Accounting Principles and Restatement of Prior Year Fund Equity

Changes in Accounting Principles For 2001, the City has implemented GASB Statement No. 33, “Accounting and Financial Reporting for Nonexchange Transactions”, GASB Statement No. 34, “Basic Financial Statements - and Management’s Discussion and Analysis - for State and Local Governments”, GASB Statement No. 36, “Recipient Reporting for Certain Shared Nonexchange Revenues”, GASB Statement No. 37, “Basic Financial Statements and Management’s Discussion and Analysis for State and Local Governments: Omnibus”, Statement No. 38, “Certain Financial Statement Note Disclosures”, and GASB Interpretation No. 6, “Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements.”

GASB Statements No. 33 and 36 establish accounting and financial reporting standards for nonexchange transactions involving financial or capital resources. The timing for the recognition of assets, liabilities, and expenditures/expenses resulting from nonexchange transactions will be the same whether the accrual or modified accrual basis of accounting is required. For revenue recognition to occur on the modified accrual basis, however, the criteria established for accrual basis revenue recognition must be met and the revenue must be available.

GASB 34 creates new basic financial statements for reporting on the City’s financial activities. The financial statements now include government-wide financial statements prepared on an accrual basis of accounting and fund financial statements which present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column.

The government-wide financial statements split the City’s programs between business-type and governmental activities. The beginning net asset amount for governmental activities reflects the change in fund balance for governmental funds at December 31, 2000, caused by the elimination of the internal service fund and the conversion to the accrual basis of accounting.

GASB Statement No. 37 clarifies certain provisions of Statement No. 34, including the required content of the MD&A, the classification of program revenues and the criteria for determining major funds. GASB Statement No. 38 modifies, establishes and rescinds certain financial statement note disclosures.

GASB Interpretation No. 6 clarifies the application of standards for modified accrual recognition of certain liabilities and expenditures in areas where differences have arisen, or potentially could arise, in interpretation and practice.

Restatement of Fund Balance The implementation of these changes had the following effects on fund balance of the major and nonmajor funds of the City as they were previously reported. The transition from governmental fund balance to net assets of the governmental activities is also presented.

City of Dover, Ohio
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For the Year Ended December 31, 2001

	General	Master Capital	Nonmajor	Total
Fund Balances, December 31, 2000	\$2,028,789	(\$1,738,995)	\$937,245	\$1,227,039
Implementation of GASB Interpretation No. 6	4,451	0	1,081	5,532
GASB 33 Adjustments:				
Taxes Receivable	223,092	0	173,139	396,231
Intergovernmental Receivable	383,204	251,996	240,753	875,953
Accounts Receivable	0	0	51,309	51,309
Deferred Revenue	(606,296)	(251,996)	(465,201)	(1,323,493)
Adjusted Fund Balance, December 31, 2000	<u>\$2,033,240</u>	<u>(\$1,738,995)</u>	<u>\$938,326</u>	<u>\$1,232,571</u>
GASB 34 Adjustments:				
Capital Assets				4,010,897
Internal Service Fund				(30,980)
Long-Term Liabilities and Accrued Interest				(1,403,389)
Long-Term (Deferred) Assets				1,404,238
Governmental Activities Net Assets, December 31, 2000				<u>\$5,213,337</u>

Note 5 - 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 two year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

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

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States:
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National

City of Dover, Ohio
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Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement exceeds the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligation of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and,
6. The State Treasurer's investment pool (STAROhio).

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

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

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

Cash on Hand At year end, the City had \$81,227 in undeposited cash on hand which is included on the Combined Balance Sheet of the City as part of "Equity in Pooled Cash and Cash Equivalents."

Deposits At year-end, the carrying amount of the City's deposits was \$3,808,008 and the bank balance was \$4,563,756. Of the bank balance:

1. \$386,238 was covered by federal depository insurance.
2. \$4,177,518 was uncollateralized and uninsured. Although the securities were held by the pledging financial institutions trust department or agent in the City's name and all State statutory requirements for the investment of money had been followed, noncompliance with federal requirements could potentially subject the City to a successful claim by the FDIC.

Investments The City's investments are required to be categorized to give an indication of the level or risk assumed by the City at year end. Category 1 includes investments that are insured or registered or are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments which are held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments which are held by the counterparty, or by its trust

City of Dover, Ohio
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For the Year Ended December 31, 2001

department or agent but not in the City's name. STAROhio and Star Public Funds Mutual Fund are unclassified investments since they are not evidenced by securities that exist in physical or book entry form.

	Category 3	Carrying/ Fair Value
Repurchase Agreements	\$834,138	\$834,138
Investment in State Treasurer's Investment Pool		7,554,242
Star Public Funds Mutual Fund		1,436,140
Total Investments	\$834,138	\$9,824,520

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

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

	Cash and Cash Equivalents	Investments
GASB Statement No. 9	\$13,713,755	\$0
Investments of the Cash Management Pool:		
STAR Ohio	(7,554,242)	7,554,242
Repurchase Agreement	(834,138)	834,138
Star Public Fund Mutual Fund	(1,436,140)	1,436,140
Cash on Hand	(81,227)	0
GASB Statement No. 3	\$3,808,008	\$9,824,520

Note 6 - Receivables

Receivables at December 31, 2001, consisted primarily of municipal income taxes, property and other taxes, intergovernmental receivables arising from entitlements and shared revenues, accrued interest on investments and accounts (billings for utility service). Loans receivable expected to be collected in more than one year for the City amount to \$24,782. All allowances for uncollectibles represent estimates of uncollectible receivables in the accounts receivable classification.

	Accounts Receivable	Allowance for Uncollectibles	Net Accounts Receivables
Governmental Type Activities	\$121,947	\$0	\$121,947
Business Type Activities	2,606,151	125,496	2,480,655

City of Dover, Ohio
Notes to the Basic Financial Statements
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A. Property Taxes

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Property tax revenue received during 2001 for real and public utility property taxes represents collections of the 2000 taxes. Property tax payments received during 2001 for tangible personal property (other than public utility property) are for 2001 taxes.

2001 real property taxes are levied after October 1, 2001, on the assessed value as of January 1, 2001, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2001 real property taxes are collected in and intended to finance 2002.

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. 2001 public utility property taxes which became a lien December 31, 2000, are levied after October 1, 2001, and are collected in 2002 with real property taxes.

2001 tangible personal property taxes are levied after October 1, 2000, on the value as of December 31, 2000. Collections are made in 2001. Tangible personal property assessments are 25 percent of true value.

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

Real Property	\$203,371,820
Tangible Personal Property	47,992,835
Public Utility Property	3,204,400
Total	<u><u>\$254,569,055</u></u>

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

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30; with the remainder payable by September 20.

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City of Dover. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represent real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2001 and for which there is an enforceable legal claim. In the general fund and police and fire special revenue fund, the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2001 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as revenue while the remainder of the receivable is deferred.

City of Dover, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2001

B. Income Taxes

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

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

C. Intergovernmental Receivables

A summary of intergovernmental receivables follows:

	Amount
Governmental Activities	
Local Government	\$306,124
Gasoline Tax	208,664
Estate Tax	120,748
Local Government Revenue Assistance	94,520
Motor Vehicle Tax	56,609
Homestead and Rollback	51,361
Municipal Court Fines	1,169
Hotel/Motel Tax	447
<i>Total Governmental Activities</i>	\$839,642
Business-Type Activities	
Sewer	\$4,843

Note 7 - 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 2001, the City contracted with The Travelers Company for property and general liability insurance with a \$25,000 deductible. Travelers Insurance Company covers boiler and machinery and electronic data processing, while police and professional liability are protected by the Zurich American with a \$1,000,000 limit and a \$5,000 deductible. An umbrella policy with TIG covers a \$5,000,000 excess law enforcement liability.

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

City of Dover, Ohio
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For the Year Ended December 31, 2001

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

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

The City has elected to provide employee medical/surgical benefits through a self-insured program. The City maintains a self-insurance internal service fund to account for and finance its uninsured risks of loss in this program. A third-party administrator, Aultcare, Inc. located in Canton, Ohio, reviews all claims which are then paid by the City. An excess coverage insurance policy covers claims in excess of \$45,000 per employee and an aggregate of \$1,028,592 per year. The City pays into the self-insurance internal service fund \$500 family coverage or \$250 individual coverage per employee per month which represents the entire premium required. This premium is paid by the fund that pays the salary of the employee and is based on historic cost information.

The claims liability of \$55,148 reported in the fund at December 31, 2001, was estimated by a third-party administrator and is based on the requirements of Governmental Accounting Standards Board Statement No. 10 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 1999, 2000 and 2001 were:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
1999	\$64,370	\$650,266	\$643,985	\$70,651
2000	70,651	699,731	677,738	92,644
2001	92,644	737,174	774,670	55,148

Note 8 - Capital Assets

Capital asset activity for the year ended December 31, 2001, was as follows:

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	Balance 12/31/00	Additions	Deductions	Balance 12/31/01
Governmental Activities				
Capital Assets, not being depreciated:				
Land	\$851,930	\$0	\$0	\$851,930
Construction in Progress	74,557	0	(74,557)	0
Total Capital Assets, not being Depreciated	<u>926,487</u>	<u>0</u>	<u>(74,557)</u>	<u>851,930</u>
Capital Assets, being Depreciated				
Buildings	1,807,388	80,836	0	1,888,224
Improvements Other Than Buildings	710,271	0	(57,889)	652,382
Equipment and Machinery	1,767,574	94,089	(6,288)	1,855,375
Furniture and Fixtures	60,411	0	(999)	59,412
Vehicles	1,356,946	114,600	(78,947)	1,392,599
Infrastructure	0	1,591,413	0	1,591,413
Total Capital Assets, being Depreciated	<u>5,702,590</u>	<u>1,880,938</u>	<u>(144,123)</u>	<u>7,439,405</u>
Less Accumulated Depreciation:				
Buildings	(456,730)	(38,964)	0	(495,694)
Improvements Other Than Buildings	(287,847)	(21,105)	57,889	(251,063)
Equipment and Machinery	(847,929)	(104,032)	6,288	(945,673)
Furniture and Fixtures	(32,024)	(2,633)	999	(33,658)
Vehicles	(993,650)	(93,117)	78,947	(1,007,820)
Infrastructure	0	(16,102)	0	(16,102)
Total Accumulated Depreciation	<u>(2,618,180)</u>	<u>(275,953) *</u>	<u>144,123</u>	<u>(2,750,010)</u>
Total Capital Assets, being Depreciated, net	<u>3,084,410</u>	<u>1,604,985</u>	<u>0</u>	<u>4,689,395</u>
Governmental Activities Capital Assets, Net	<u>\$4,010,897</u>	<u>\$1,604,985</u>	<u>(\$74,557)</u>	<u>\$5,541,325</u>
Business-Type Activities				
Capital Assets, not being depreciated:				
Land	\$410,386	\$0	\$0	\$410,386
Construction in Progress	2,616,934	2,461,394	(787,784)	4,290,544
Total Capital Assets, not being Depreciated	<u>3,027,320</u>	<u>2,461,394</u>	<u>(787,784)</u>	<u>4,700,930</u>
Capital Assets, being Depreciated				
Buildings	16,762,654	0	0	16,762,654
Equipment and Machinery	18,547,899	1,234,731	(2,301)	19,780,329
Furniture and Fixtures	114,533	0	0	114,533
Vehicles	1,312,695	86,082	(16,050)	1,382,727
Infrastructure	23,270,296	499,982	(29,212)	23,741,066
Total Capital Assets, being Depreciated	<u>60,008,077</u>	<u>1,820,795</u>	<u>(47,563)</u>	<u>61,781,309</u>
Less Accumulated Depreciation:				
Buildings	(2,823,811)	(366,001)	0	(3,189,812)
Equipment and Machinery	(13,360,660)	(691,094)	2,301	(14,049,453)
Furniture and Fixtures	(36,101)	(5,562)	0	(41,663)
Vehicles	(810,676)	(127,539)	12,181	(926,034)
Infrastructure	(8,866,302)	(519,908)	29,212	(9,356,998)
Total Accumulated Depreciation	<u>(25,897,550)</u>	<u>(1,710,104)</u>	<u>43,694</u>	<u>(27,563,960)</u>
Total Capital Assets, being Depreciated, net	<u>34,110,527</u>	<u>110,691</u>	<u>(3,869)</u>	<u>34,217,349</u>
Business-Type Activities Capital Assets, Net	<u>\$37,137,847</u>	<u>\$2,572,085</u>	<u>(\$791,653)</u>	<u>\$38,918,279</u>

City of Dover, Ohio
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* Depreciation expense was charged to governmental activities as follows:

General Government	\$15,238
Security of Persons and Property	102,509
Public Health and Welfare	16,260
Leisure Time Activities	47,685
Transportation	93,996
Community Environment	265
Total Depreciation Expense	\$275,953

Note 9 – Other Employee Benefits

A. *Compensated Absences*

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

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

B. *Life Insurance*

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

Note 10 - Long-Term Debt

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

City of Dover, Ohio
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A schedule of changes in bonds and other long-term obligations of the City during 2001 follows:

	Amount			Amount	Amounts
	Outstanding			Outstanding	Due in
	1/1/01	Additions	Deletions	12/31/01	One Year
Governmental Activities					
Police and Fire Pension	\$324,889	\$0	\$4,282	\$320,607	\$4,466
Compensated Absences	928,805	340,077	257,551	1,011,331	276,780
Total Governmental Activities	<u>\$1,253,694</u>	<u>\$340,077</u>	<u>\$261,833</u>	<u>\$1,331,938</u>	<u>\$281,246</u>
Business-Type Activities					
<u>Revenue Bonds</u>					
Waterworks System	\$5,725,000	\$0	\$165,000	\$5,560,000	\$170,000
Municipal Electric System	8,690,000	0	270,000	8,420,000	285,000
Total Revenue Bonds	<u>14,415,000</u>	<u>0</u>	<u>435,000</u>	<u>13,980,000</u>	<u>455,000</u>
<u>General Obligation Bonds</u>					
Electric Plant	165,000	0	55,000	110,000	55,000
Electric North Substation	525,000	0	75,000	450,000	75,000
Sewer System Improvement	930,000	0	75,000	855,000	80,000
Total General Obligation Bonds	<u>1,620,000</u>	<u>0</u>	<u>205,000</u>	<u>1,415,000</u>	<u>210,000</u>
Compensated Absences	<u>770,734</u>	<u>375,481</u>	<u>292,745</u>	<u>853,470</u>	<u>264,815</u>
Total Business-Type Activities	<u>\$16,805,734</u>	<u>\$375,481</u>	<u>\$932,745</u>	<u>\$16,248,470</u>	<u>\$929,815</u>

The revenue bonds and the general obligation bonds will be paid from charges for services revenue in the enterprise funds. The police and fire pension liability will be paid from taxes received in the police and fire pension special revenue fund.

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

Revenue Bonds

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

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

City of Dover, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2001

Restricted assets relating to the water revenue bonds at December 31, 2001, were as follows:

Restricted Assets Held by City	
Replacement and Improvement	\$1,096,510
Restricted Assets Held by the Trustee	
Revenue Bond Current Debt Service	\$570,362

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

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

Restricted assets relating to the electric revenue bonds at December 31, 2001, were as follows:

Restricted Assets Held by City	
Replacement and Improvement	\$3,663,477
Restricted Assets Held by the Trustee	
Revenue Bond Current Debt Service	\$865,779

As of December 31, 2001, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$24,259,751 and the unvoted legal debt margin was \$11,531,298. Principal and interest requirements to retire the City's long-term obligations outstanding at December 31, 2001 are as follows:

Year Ending December 31	Waterworks System Revenue Bonds		Municipal Electric System Revenue Bonds		Electric General Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2002	\$170,000	\$327,578	\$285,000	\$487,140	\$130,000	\$37,175
2003	180,000	318,738	300,000	472,463	130,000	27,587
2004	185,000	309,198	315,000	456,863	75,000	18,000
2005	200,000	299,208	330,000	440,640	75,000	13,500
2006	210,000	288,208	350,000	423,315	75,000	9,000
2007-2011	1,230,000	1,247,610	2,045,000	1,805,645	75,000	4,500
2012-2016	1,655,000	831,286	2,730,000	1,127,925	0	0
2017-2020	1,730,000	266,400	2,065,000	252,600	0	0
Total	\$5,560,000	\$3,888,226	\$8,420,000	\$5,466,591	\$560,000	\$109,762

City of Dover, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2001

Year Ending December 31	Sewer General Obligation Bonds		Police and Fire Pension	
	Principal	Interest	Principal	Interest
2002	\$80,000	\$60,704	\$4,466	\$13,579
2003	90,000	55,026	4,658	13,387
2004	95,000	48,634	4,858	13,187
2005	100,000	41,890	5,067	12,978
2006	110,000	34,790	5,284	12,761
2007-2011	380,000	55,026	30,027	60,198
2012-2016	0	0	37,054	53,171
2017-2035	0	0	229,193	113,662
Total	\$855,000	\$296,070	\$320,607	\$292,923

Note 11 - Defined Benefit Pension Plans

A. Public Employees Retirement System

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

Plan members are required to contribute 8.5 percent of their annual covered salary to fund pension obligations. The 2001 employer pension contribution rate for the City was 9.25 percent of covered payroll, increased from 6.54 percent in 2000. For 2000, PERS instituted a temporary employer rate rollback for state and local governments. Contributions are authorized by State statute. The contribution rates are determined actuarially. The City's required contributions to PERS for the years ended December 31, 2001, 2000, and 1999 were \$417,418, \$281,141, and \$393,298, respectively. The full amount has been contributed for 2000 and 1999. 71.18 percent has been contributed for 2001, with the remainder being presented as "due to other governments" in the governmental activities column of the statement of net assets.

B. Ohio Police and Fire Pension Fund

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

Police and firefighters are required to contribute 10 percent of their annual covered salary to fund pension obligations and the City is required to contribute 12 percent for police and 16.5 percent for firefighters. For 2000, the City contributions were 12.25 percent for police and 16.75 percent for firefighters. Contributions are authorized by State statute. The City's contributions to the OP&F for police and firefighters were \$115,573 and \$117,814 for the year ended December 31, 2001, \$115,521 and \$121,687 for the year ended December 31, 2000, and \$110,675 and \$114,180 for the year ended December 31,

City of Dover, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2001

1999. The full amount has been contributed for 2000 and 1999. 72.58 percent and 73.97 percent, respectively, have been contributed for 2001, with the remainder being presented as “due to other governments” in the governmental activities column of the statement of net assets.

In addition to the current contribution, the City pays installments on the accrued liability incurred when the State of Ohio established the statewide pension system for police and firefighters in 1967. As of December 31, 2001, the unfunded liability of the City was \$320,607 payable in semiannual payments through the year 2035. This is an accounting liability of the City which will not vary. The liability is reported in the governmental funds.

Note 12 - Postemployment Benefits

A. Public Employees Retirement System

The Public Employees Retirement System of Ohio (PERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in GASB Statement No. 12. A portion of each employer's contribution to PERS is set aside for the funding of postretirement health care based on authority granted by State statute. The 2001 employer contribution rate was 13.55 percent of covered payroll; 4.30 percent was the portion that was used to fund health care for 2001. For 2000, the contribution rate was 10.84 percent of covered payroll; 4.30 percent was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal cost method. Significant actuarial assumptions, based on PERS's latest actuarial review performed as of December 31, 2000, include a rate of return on investments of 7.75 percent, an annual increase in active employee total payroll of 4.75 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .54 percent and 5.1 percent based on additional annual pay increases. Health care premiums were assumed to increase 4.75 percent annually.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets.

The number of active contributing participants was 411,076. The City's actual contributions for 2001 which were used to fund postemployment benefits were \$194,043. The actual contribution and the actuarially required contribution amounts are the same. PERS's net assets available for payment of benefits at December 31, 2000, (the latest information available) were \$11,735.9 million. The actuarially accrued liability and the unfunded actuarial accrued liability were \$14,364.6 million and \$2,628.7 million, respectively.

B. Police and Firemen's Disability and Pension Fund

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

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. The Ohio Revised Code provides the authority

City of Dover, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2001

allowing the Ohio Police and Fire Pension Fund's board of trustees to provide health care coverage and states that health care costs paid from the Ohio Police and Fire Pension Fund shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution is 19.5 percent of covered payroll and the total firefighter employer contribution rate is 24 percent of covered payroll, of which 7.5 percent of covered payroll was applied to the postemployment health care program during 2001. For 2000 the percent used to fund healthcare was 7.25 percent. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment.

The City's actual contributions for 2001 that were used to fund postemployment benefits were \$72,233 for police and \$53,552 for fire. The OP&F's total health care expense for the year ended December 31, 2000, (the latest information available) was \$106,160,054, which was net of member contributions of \$5,657,431. The number of OP&F participants eligible to receive health care benefits as of December 31, 2000, was 12,853 for police and 10,037 for firefighters.

Note 13 - Contingent Liabilities

A. Litigation

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

B. Federal and State Grants

The City participates in several federally assisted programs. These programs are subject to financial and compliance audits by the grantor or their representative. As of December 31, 2001, the audits of certain of these programs have not been completed. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any, would be immaterial.

Note 14 - Notes Payable

A summary of the note transactions for the year ended December 31, 2001, follows:

	Outstanding 1/1/01	Issued	Retired	Outstanding 12/31/01
Governmental Activities:				
3.95% Master Capital	\$1,955,000	\$1,895,000	\$1,955,000	\$1,895,000
5.05% Master Capital	40,000	0	40,000	0
5.05% Storm Sewer	140,000	100,000	140,000	100,000
4.53% Master Capital	250,000	250,000	250,000	250,000
5.05% Master Capital	40,000	20,000	40,000	20,000
3.95% Master Capital	105,000	85,000	105,000	85,000
3.95% Master Capital	140,000	120,000	140,000	120,000
<i>Total Governmental Activities</i>	<u>2,670,000</u>	<u>2,470,000</u>	<u>2,670,000</u>	<u>2,470,000</u>

City of Dover, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2001

	Outstanding 1/1/01	Issued	Retired	Outstanding 12/31/01
Business Type Activities:				
5.15% Municipal Electric	\$4,100,000	\$3,900,000	\$4,100,000	\$3,900,000
3.9% Electric JV2	0	2,000,000	0	2,000,000
4.53% Municipal Sewer	850,000	750,000	850,000	750,000
<i>Total Business Type Activities</i>	4,950,000	6,650,000	4,950,000	6,650,000
Total	<u>\$7,620,000</u>	<u>\$9,120,000</u>	<u>\$7,620,000</u>	<u>\$9,120,000</u>

The notes outstanding at year end for \$1,895,000, \$100,000 and \$250,000 were used for storm sewer projects. The \$20,000 note was used for tennis courts. The \$85,000 and \$120,000 notes were used for land and the purchase of a building, respectively.

The municipal electric note was used to build a substation and various electric improvements. The \$2,000,000 note was used for the investment in the JV2 joint venture. The municipal sewer note was issued for a sludge press and various sanitary sewer improvements.

All of the notes are bond anticipation notes, are backed by the full faith and credit of the City, and mature within one year. The note liability is reflected in the fund which received the proceeds.

Note 15 - Interfund Balances and Transfers

Interfund transfers for the year ended December 31, 2001, consisted of the following:

Transfer to	Transfer From		
	Sewer	Master Capital	Total
Master Capital	\$11,325	\$0	\$11,325
Nonmajor funds	0	47,070	47,070
	<u>\$11,325</u>	<u>\$47,070</u>	<u>\$58,395</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to segregate money for anticipated capital projects; to provide additional resources for current operations or debt service; and to return money to the fund from which it was originally provided once a project is completed.

\$11,325 was transferred from the sewer fund to the master capital fund for debt obligations. \$47,070 was transferred from the master capital fund to the storm sewer fund for debt obligations.

Note 16 – Jointly Governed Organizations

A. Community Improvement Corporation of Tuscarawas County

The City is associated with the Community Improvement Corporation of Tuscarawas County as a Jointly Governed Organization. The Corporation is operated by Tuscarawas County, New Philadelphia, Dover, Uhrichsville, Dennison, Strasburg, Sugarcreek and Gnadenhutten. It is controlled by 25 trustees consisting of the three County Commissioners, the mayor of each participating city and fifteen elected trustees. The board exercises total control over the operation of the corporation including budgeting, appropriating, contracting and designating management. Each participant's degree of control is limited to its representation on the board. In 2001, no monies were contributed by the City.

B. Tuscarawas County Regional Planning Commission

The City is associated with the Tuscarawas County Regional Planning Commission as a Jointly Governed Organization. The Commission is a statutorily created political subdivision of the State. The commission is jointly governed among Tuscarawas County, municipalities and townships. Of the 61 members, the City appoints three. Each member's control over the operation of the Commission is limited to its representation on the board. The Commission makes studies, maps, plans, recommendations and reports concerning the physical, environmental, social, economic and governmental characteristics, functions and services of the county. In 2001, the City contributed \$1,133 which represents 1.28 percent of total contributions.

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

The City is associated with the Southeastern Ohio Narcotics Team (S.E.N.T.) as a Jointly Governed Organization. S.E.N.T. is a multi-jurisdictional drug task force with the primary goal of combating major narcotics traffickers in Guernsey, Monroe and Tuscarawas Counties. It is jointly governed among the participating counties and cities. A grant is received from the State of Ohio of which the participating entities must match 25 percent. Of the 11 member governing board, the City appoints one. Each participant's control over the operation of S.E.N.T. is limited to its representation on the board. In 2001, the City contributed \$3,419 which represents 1.85 percent of total contributions.

D. Ohio Mid-Eastern Governments Association (OMEGA)

The City is associated with the Ohio Mid-Eastern Governments Association (OMEGA), which is a ten county regional council of governments comprised of Belmont, Carroll, Coshocton, Columbiana, Guernsey, Harrison, Holmes, Jefferson, Muskingum and Tuscarawas counties. OMEGA was formed to aid and assist the participating counties and political subdivisions within the counties in the application for Appalachian Regional Commission and Economic Development grant monies. OMEGA is governed by a seventeen member executive board comprised of members appointed from each participating county and cities within each county. City membership is voluntary. The mayor of the City of Dover serves as the City's representative on the board. The board has total control over budgeting, personnel and financial matters. Each member currently pays a per capita membership fee based on the most recent United States census. During 2001, OMEGA received \$1,020 from the City of Dover for an annual fee. OMEGA has no outstanding debt.

Note 17 – Joint Venture

A. Ohio Municipal Electric Generation Agency Joint Venture (JV2)

The City is a participant with 36 subdivisions within the State of Ohio in a joint venture to secure distributive generation resources to provide power and energy during times of high power prices or transmission constraints limiting power availability. The Ohio Municipal Electric Generation Agency Joint Venture 2 (JV2) was created for that purpose. On dissolution of the joint venture, the net assets of JV2 will be shared by the participants on a percentage basis. The JV2 is managed by AMP-Ohio, who acts as the joint venture's agent. The participants are obligated by the agreement to remit monthly for operating expenses and demand costs. In accordance with the agreement, the City remitted \$3,057,810 to the joint venture for 2001. The City's net investment and its share of the operating results of JV2 are reported in the City's electric enterprise fund. The City's equity interest in JV2 was \$2,870,055 at December 31, 2001. Financial information can be obtained from AMP-Ohio, 2600 Airport Drive, Columbus, Ohio 43219, or from the City's utility department.

Note 18 – Electric Deregulation

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

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**Combining Statements and
Individual Fund Schedules**

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Combining Statements – Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

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

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

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

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

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

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

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

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

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

Nonmajor Capital Projects Funds

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

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

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

City of Dover, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2001

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$936,577	\$0	\$0	\$936,577
Cash and Cash Equivalents:				
With Fiscal Agents	2,489	1,735	0	4,224
Materials and Supplies Inventory	77,415	0	0	77,415
Accrued Interest Receivable	10,101	0	0	10,101
Accounts Receivable	51,309	0	0	51,309
Intergovernmental Receivable	272,604	0	0	272,604
Prepaid Items	14,557	0	0	14,557
Income Tax Receivable	299,002	0	0	299,002
Property Taxes Receivable	137,630	0	0	137,630
Loans Receivable	37,374	0	0	37,374
<i>Total Assets</i>	<u>\$1,839,058</u>	<u>\$1,735</u>	<u>\$0</u>	<u>\$1,840,793</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$6,392	\$0	\$0	\$6,392
Accrued Wages	16,929	0	0	16,929
Intergovernmental Payable	19,584	0	0	19,584
Matured Interest Payable	0	1,735	0	1,735
Accrued Interest Payable	0	0	3,114	3,114
Retainage Payable	2,489	0	0	2,489
Deferred Revenue	655,807	0	0	655,807
Notes Payable	0	0	100,000	100,000
<i>Total Liabilities</i>	<u>701,201</u>	<u>1,735</u>	<u>103,114</u>	<u>806,050</u>
Fund Balances (Deficit)				
Reserved for Encumbrances	27,900	0	0	27,900
Reserved for Inventory	77,415	0	0	77,415
Reserved for Loans Receivable	37,374	0	0	37,374
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	995,168	0	0	995,168
Capital Projects Funds	0	0	(103,114)	(103,114)
<i>Total Fund Balances</i>	<u>1,137,857</u>	<u>0</u>	<u>(103,114)</u>	<u>1,034,743</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,839,058</u>	<u>\$1,735</u>	<u>\$0</u>	<u>\$1,840,793</u>

City of Dover, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2001

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues			
Property and Other Local Taxes	\$101,216	\$0	\$101,216
Income Taxes	765,000	0	765,000
Intergovernmental	494,964	37,800	532,764
Interest	34,731	0	34,731
Fines, Licenses and Permits	1,587	0	1,587
Charges for Services	184,286	0	184,286
Other	87,031	0	87,031
<i>Total Revenues</i>	<u>1,668,815</u>	<u>37,800</u>	<u>1,706,615</u>
Expenditures			
Current:			
Security of Persons and Property	389,631	0	389,631
Transportation	798,741	0	798,741
Public Health Services	422,833	0	422,833
Community Environment	2,439	0	2,439
Capital Outlay	0	37,800	37,800
Debt Service:			
Interest and Fiscal Charges	0	5,824	5,824
<i>Total Expenditures</i>	<u>1,613,644</u>	<u>43,624</u>	<u>1,657,268</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	55,171	(5,824)	49,347
Other Financing Sources (Uses)			
Transfers In	0	47,070	47,070
<i>Net Change in Fund Balances</i>	55,171	41,246	96,417
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>1,082,686</u>	<u>(144,360)</u>	<u>938,326</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$1,137,857</u></u>	<u><u>(\$103,114)</u></u>	<u><u>\$1,034,743</u></u>

City of Dover, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2001

	Street Maintenance and Repair	State Highway	Police and Fire Pension	Ambulance
Assets				
Equity in Pooled Cash and Cash Equivalents	\$36,592	\$36,368	\$2,063	\$76,339
Cash and Cash Equivalents:				
With Fiscal Agents	2,489	0	0	0
Materials and Supplies Inventory	77,415	0	0	0
Accrued Interest Receivable	0	0	0	0
Accounts Receivable	0	0	0	51,309
Intergovernmental Receivable	245,378	19,895	7,331	0
Prepaid Items	11,285	0	0	625
Income Tax Receivable	134,035	0	98,980	0
Property Taxes Receivable	0	0	137,630	0
Loans Receivable	0	0	0	0
<i>Total Assets</i>	<u>\$507,194</u>	<u>\$56,263</u>	<u>\$246,004</u>	<u>\$128,273</u>
 Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$4,833	\$0	\$0	\$0
Accrued Wages	11,083	0	0	0
Intergovernmental Payable	12,986	0	0	0
Retainage Payable	2,489	0	0	0
Deferred Revenue	326,906	17,664	203,941	51,309
<i>Total Liabilities</i>	<u>358,297</u>	<u>17,664</u>	<u>203,941</u>	<u>51,309</u>
 Fund Balances				
Reserved for Encumbrances	4,835	20,215	0	2,572
Reserved for Inventory	77,415	0	0	0
Reserved for Loans Receivable	0	0	0	0
Unreserved	66,647	18,384	42,063	74,392
<i>Total Fund Balances</i>	<u>148,897</u>	<u>38,599</u>	<u>42,063</u>	<u>76,964</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$507,194</u>	<u>\$56,263</u>	<u>\$246,004</u>	<u>\$128,273</u>

Cemetery	Revolving Loan	Drug Law Enforcement	Enforcement and Education	Total Nonmajor Special Revenue Funds
\$556,158	\$203,545	\$12,485	\$13,027	\$936,577
0	0	0	0	2,489
0	0	0	0	77,415
10,101	0	0	0	10,101
0	0	0	0	51,309
0	0	0	0	272,604
2,647	0	0	0	14,557
65,987	0	0	0	299,002
0	0	0	0	137,630
0	37,374	0	0	37,374
<u>\$634,893</u>	<u>\$240,919</u>	<u>\$12,485</u>	<u>\$13,027</u>	<u>\$1,839,058</u>
\$1,559	\$0	\$0	\$0	\$6,392
5,846	0	0	0	16,929
6,598	0	0	0	19,584
0	0	0	0	2,489
55,987	0	0	0	655,807
<u>69,990</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>701,201</u>
278	0	0	0	27,900
0	0	0	0	77,415
0	37,374	0	0	37,374
564,625	203,545	12,485	13,027	995,168
<u>564,903</u>	<u>240,919</u>	<u>12,485</u>	<u>13,027</u>	<u>1,137,857</u>
<u>\$634,893</u>	<u>\$240,919</u>	<u>\$12,485</u>	<u>\$13,027</u>	<u>\$1,839,058</u>

City of Dover, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2001

	Street Maintenance and Repair	State Highway	Police and Fire Pension	Ambulance
Revenues				
Property and Other Local Taxes	\$0	\$0	\$101,216	\$0
Income Taxes	325,000	0	280,000	0
Intergovernmental	419,595	34,024	41,345	0
Interest	1,584	0	0	0
Fines, Licenses and Permits	0	0	0	0
Charges for Services	0	0	0	79,656
Other	8,072	1,244	0	939
<i>Total Revenues</i>	<u>754,251</u>	<u>35,268</u>	<u>422,561</u>	<u>80,595</u>
Expenditures				
Current:				
Security of Persons and Property	0	0	389,088	0
Transportation	774,175	24,566	0	0
Public Health Services	0	0	0	70,864
Community Environment	0	0	0	0
<i>Total Expenditures</i>	<u>774,175</u>	<u>24,566</u>	<u>389,088</u>	<u>70,864</u>
<i>Net Change in Fund Balances</i>	(19,924)	10,702	33,473	9,731
<i>Fund Balances Beginning of Year</i>	<u>168,821</u>	<u>27,897</u>	<u>8,590</u>	<u>67,233</u>
<i>Fund Balances End of Year</i>	<u>\$148,897</u>	<u>\$38,599</u>	<u>\$42,063</u>	<u>\$76,964</u>

Cemetery	Revolving Loan	Drug Law Enforcement	Enforcement and Education	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$101,216
160,000	0	0	0	765,000
0	0	0	0	494,964
30,951	2,196	0	0	34,731
0	0	99	1,488	1,587
104,630	0	0	0	184,286
69,526	6,685	120	445	87,031
<u>365,107</u>	<u>8,881</u>	<u>219</u>	<u>1,933</u>	<u>1,668,815</u>
0	0	0	543	389,631
0	0	0	0	798,741
351,969	0	0	0	422,833
0	2,439	0	0	2,439
<u>351,969</u>	<u>2,439</u>	<u>0</u>	<u>543</u>	<u>1,613,644</u>
13,138	6,442	219	1,390	55,171
<u>551,765</u>	<u>234,477</u>	<u>12,266</u>	<u>11,637</u>	<u>1,082,686</u>
<u>\$564,903</u>	<u>\$240,919</u>	<u>\$12,485</u>	<u>\$13,027</u>	<u>\$1,137,857</u>

City of Dover, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2001

	<u>Storm Sewer</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$0</u>
<i>Total Assets</i>	<u><u>\$0</u></u>
 Liabilities and Fund Balances	
Liabilities	
Accrued Interest Payable	\$3,114
Notes Payable	<u>100,000</u>
<i>Total Liabilities</i>	103,114
 Fund Balances (Deficit)	
Unreserved	<u>(103,114)</u>
<i>Total Liabilities and Fund Balances</i>	<u><u>\$0</u></u>

City of Dover, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2001

	Storm Sewer	Small Cities Block Grant	Total Nonmajor Capital Projects Funds
Revenues			
Intergovernmental	\$0	\$37,800	\$37,800
Expenditures			
Capital Outlay	0	37,800	37,800
Debt Service:			
Interest and Fiscal Charges	5,824	0	5,824
<i>Total Expenditures</i>	5,824	37,800	43,624
<i>Excess of Revenues Under Expenditures</i>	(5,824)	0	(5,824)
Other Financing Sources			
Transfers In	47,070	0	47,070
<i>Net Change in Fund Balances</i>	41,246	0	41,246
<i>Fund Balances (Deficit) Beginning of Year</i>	(144,360)	0	(144,360)
<i>Fund Balances (Deficit) End of Year</i>	(\$103,114)	\$0	(\$103,114)

Combining Statements - Fiduciary Funds

Fiduciary Funds

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

Private Purpose Trust Fund

Shade Tree Fund - This fund was established so that individuals or organizations could donate money to the City of Dover for the purpose of providing shade trees throughout the City in public right-of-way.

Cemetery Interment Fund – Voluntary arrangement with plot holders, whereby they may prepay opening and closing fees on a preneed basis, allowing for all services to be available at death regardless of increased costs at that time.

City of Dover, Ohio
Combining Statement of Fiduciary Net Assets
Fiduciary Funds
December 31, 2001

	Private Purpose Trust		Totals
	Shade Tree	Cemetery Interment	
Assets			
Equity in Pooled Cash and Cash Equivalents	\$2,909	\$184,447	\$187,356
Net Assets			
Held in Trust for Shade Trees	\$2,909	\$0	\$2,909
Held in Trust for Cemetery	0	184,447	184,447
<i>Total Net Assets</i>	\$2,909	\$184,447	\$187,356

City of Dover, Ohio
Combining Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Year Ended December 31, 2001

	Private Purpose Trust		Totals
	Shade Tree	Cemetery Interment	
Additions			
Charges for Services	\$0	\$16,642	\$16,642
Investment Earnings	0	6,134	6,134
<i>Total Additions</i>	0	22,776	22,776
Deductions			
Other	0	10,415	10,415
<i>Change in Net Assets</i>	0	12,361	12,361
<i>Net Assets Beginning of Year</i>	2,909	172,086	174,995
<i>Net Assets End of Year</i>	<u>\$2,909</u>	<u>\$184,447</u>	<u>\$187,356</u>

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

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City of Dover, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2001

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property and Other Local Taxes	\$860,000	\$859,600	\$984,124	\$124,524
Income Taxes	1,181,000	1,181,064	1,189,021	7,957
Intergovernmental	933,000	932,736	1,748,295	815,559
Interest	235,000	234,793	370,264	135,471
Fines, Licenses and Permits	38,100	38,100	46,608	8,508
Charges for Services	556,500	556,484	528,706	(27,778)
Other	66,613	59,647	61,798	2,151
<i>Total Revenues</i>	3,870,213	3,862,424	4,928,816	1,066,392
Expenditures				
Current:				
General Government:				
Mayor:				
Salaries and Wages	89,447	89,447	79,507	9,940
Fringe Benefits	36,791	36,791	33,626	3,165
Purchased Services	7,750	5,250	3,160	2,090
Materials and Supplies	4,500	4,500	3,828	672
Travel, Schooling and Dues	2,532	5,032	4,861	171
<i>Total Mayor</i>	141,020	141,020	124,982	16,038
Auditor:				
Salaries and Wages	102,781	75,553	75,422	131
Fringe Benefits	43,825	44,650	44,520	130
Purchased Services	20,363	20,363	12,878	7,485
Materials and Supplies	3,527	3,527	3,081	446
Travel, Schooling and Dues	2,500	3,900	3,251	649
<i>Total Auditor</i>	172,996	147,993	139,152	8,841
Treasurer:				
Salaries and Wages	6,300	6,300	6,280	20
Fringe Benefits	1,600	1,600	1,458	142
Purchased Services	1,400	1,400	632	768
Materials and Supplies	100	100	0	100
Travel, Schooling and Dues	500	1,500	1,180	320
<i>Total Treasurer</i>	\$9,900	\$10,900	\$9,550	\$1,350

(continued)

City of Dover, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2001

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Law Director:				
Salaries and Wages	\$30,825	\$30,825	\$30,825	\$0
Fringe Benefits	14,900	14,900	13,936	964
Purchased Services	62,000	62,000	58,469	3,531
Materials and Supplies	3,787	3,787	1,075	2,712
Travel, Schooling and Dues	1,500	1,500	704	796
Total Law Director	<u>113,012</u>	<u>113,012</u>	<u>105,009</u>	<u>8,003</u>
Civil Service Commission:				
Salaries and Wages	3,000	3,000	3,000	0
Fringe Benefits	650	650	381	269
Purchased Services	4,100	4,100	3,989	111
Materials and Supplies	700	700	0	700
Travel, Schooling and Dues	500	500	0	500
Total Civil Service Commission	<u>8,950</u>	<u>8,950</u>	<u>7,370</u>	<u>1,580</u>
Income Tax Department:				
Salaries and Wages	65,012	65,012	64,858	154
Fringe Benefits	29,076	29,726	29,392	334
Purchased Services	48,700	9,200	8,085	1,115
Materials and Supplies	5,358	5,358	4,666	692
Travel, Schooling and Dues	1,000	1,000	941	59
Total Income Tax Department	<u>149,146</u>	<u>110,296</u>	<u>107,942</u>	<u>2,354</u>
Council:				
Salaries and Wages	36,980	36,980	36,788	192
Fringe Benefits	9,500	9,625	9,568	57
Purchased Services	15,132	16,632	16,063	569
Materials and Supplies	641	641	580	61
Travel, Schooling and Dues	250	750	655	95
Total Council	<u>62,503</u>	<u>64,628</u>	<u>63,654</u>	<u>974</u>
Clerk of Council:				
Salaries and Wages	4,675	4,675	4,573	102
Fringe Benefits	1,220	1,220	1,153	67
Purchased Services	415	415	116	299
Materials and Supplies	316	316	241	75
Travel, Schooling and Dues	50	50	0	50
Total Clerk of Council	<u>\$6,676</u>	<u>\$6,676</u>	<u>\$6,083</u>	<u>\$593</u>

(continued)

City of Dover, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2001

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Service Director:				
Salaries and Wages	\$72,727	\$25,157	\$22,515	\$2,642
Fringe Benefits	30,600	30,600	27,251	3,349
Purchased Services	4,600	4,600	3,559	1,041
Materials and Supplies	5,049	5,049	1,401	3,648
Travel, Schooling and Dues	1,670	1,670	1,503	167
Total Service Director	114,646	67,076	56,229	10,847
Rubbish-Janitor-City Hall:				
Salaries and Wages	28,524	28,524	27,414	1,110
Fringe Benefits	14,975	14,975	13,493	1,482
Purchased Services	9,820	19,820	19,086	734
Materials and Supplies	12,500	12,500	2,859	9,641
Total Rubbish-Janitor-City Hall	65,819	75,819	62,852	12,967
Other:				
Purchased Services	323,064	332,314	258,055	74,259
Materials and Supplies	27,000	27,000	26,821	179
Capital Outlay	41,901	41,901	36,094	5,807
Other	27,600	27,600	6,694	20,906
Total Other	419,565	428,815	327,664	101,151
Total General Government	1,264,233	1,175,185	1,010,487	164,698
Security of Persons and Property:				
Police:				
Salaries and Wages	1,080,575	1,080,575	1,043,833	36,742
Fringe Benefits	207,350	217,450	214,645	2,805
Purchased Services	61,371	65,371	59,202	6,169
Materials and Supplies	44,471	48,971	45,029	3,942
Travel, Schooling and Dues	9,380	10,880	10,538	342
Total Police	1,403,147	1,423,247	1,373,247	50,000
Traffic Safety:				
Salaries and Wages	115,034	115,034	103,881	11,153
Fringe Benefits	48,702	48,702	42,590	6,112
Purchased Services	35,220	32,220	22,102	10,118
Materials and Supplies	80,225	83,225	77,349	5,876
Travel, Schooling and Dues	1,000	1,000	798	202
Total Traffic Safety	\$280,181	\$280,181	\$246,720	\$33,461

(continued)

City of Dover, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2001

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Fire Prevention:				
Salaries and Wages	\$721,808	\$705,808	\$671,051	\$34,757
Fringe Benefits	214,697	226,673	213,930	12,743
Purchased Services	42,197	56,950	51,810	5,140
Materials and Supplies	38,419	49,669	49,634	35
Travel, Schooling and Dues	15,932	15,932	14,105	1,827
Total Fire Prevention	<u>1,033,053</u>	<u>1,055,032</u>	<u>1,000,530</u>	<u>54,502</u>
Director of Public Safety:				
Salaries and Wages	12,001	12,001	12,001	0
Fringe Benefits	3,400	3,400	2,778	622
Purchased Services	1,300	1,300	66	1,234
Materials and Supplies	700	700	36	664
Travel, Schooling and Dues	500	500	0	500
Total Director of Public Safety	<u>17,901</u>	<u>17,901</u>	<u>14,881</u>	<u>3,020</u>
Total Security of Persons and Property	<u>2,734,282</u>	<u>2,776,361</u>	<u>2,635,378</u>	<u>140,983</u>
Public Health Services:				
County Health Services:				
Purchased Services	11,500	11,500	11,009	491
Community Environment:				
Demolition and Mowing:				
Purchased Services	17,184	17,184	13,553	3,631
Other Community Environment:				
Salaries and Wages	34,034	34,034	34,034	0
Fringe Benefits	15,320	15,720	15,542	178
Purchased Services	1,550	1,550	911	639
Materials and Supplies	1,550	1,550	1,006	544
Travel, Schooling and Dues	236	586	463	123
Total Other Community Environment	<u>52,690</u>	<u>53,440</u>	<u>51,956</u>	<u>1,484</u>
Total Community Environment	<u>\$69,874</u>	<u>\$70,624</u>	<u>\$65,509</u>	<u>\$5,115</u>

(continued)

City of Dover, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2001

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Basic Utility Services:				
Refuse Collections and Disposals:				
Purchased Services	\$375,900	\$375,900	\$375,863	\$37
Leisure Time Activities:				
Parks and Recreation:				
Personal Services	326,142	320,142	311,101	9,041
Fringe Benefits	128,900	128,900	119,680	9,220
Purchased Services	72,894	118,094	115,782	2,312
Materials and Supplies	72,338	75,238	73,800	1,438
Travel, Schooling and Dues	1,000	1,000	665	335
Total Leisure Time Activities	601,274	643,374	621,028	22,346
<i>Total Expenditures</i>	5,057,063	5,052,944	4,719,274	333,670
<i>Net Change in Fund Balance</i>	(1,186,850)	(1,190,520)	209,542	1,400,062
<i>Fund Balance Beginning of Year</i>	1,554,521	1,554,521	1,554,521	0
Prior Year Encumbrances Appropriated	147,218	147,218	147,218	0
<i>Fund Balance End of Year</i>	\$514,889	\$511,219	\$1,911,281	\$1,400,062

City of Dover, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances - Budget (Non-GAAP Basis) and Actual
Master Capital Fund
For the Year Ended December 31, 2001

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Income Taxes	\$1,100,445	\$1,100,445	\$1,204,426	\$103,981
Intergovernmental	499,300	499,300	293,873	(205,427)
Interest	500	500	121	(379)
Other	110,000	110,000	17,568	(92,432)
<i>Total Revenues</i>	1,710,245	1,710,245	1,515,988	(194,257)
Expenditures				
Capital Outlay	2,409,490	2,181,766	1,256,896	924,870
<i>Excess of Revenues Over (Under) Expenditures</i>	(699,245)	(471,521)	259,092	730,613
Other Financing Uses				
Transfers Out	0	(287,724)	(287,724)	0
<i>Net Change in Fund Balance</i>	(699,245)	(759,245)	(28,632)	730,613
<i>Fund Balances Beginning of Year</i>	227,279	227,279	227,279	0
Prior Year Encumbrances Appropriated	649,295	649,295	649,295	0
<i>Fund Balances End of Year</i>	<u>\$177,329</u>	<u>\$117,329</u>	<u>\$847,942</u>	<u>\$730,613</u>

City of Dover, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Water Fund
For the Year Ended December 31, 2001

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Interest	\$12,000	\$11,250	\$29,435	\$18,185
Charges for Services	2,184,000	1,680,950	1,645,844	(35,106)
Tap-In Fees	19,000	19,000	16,173	(2,827)
<i>Total Revenues</i>	<u>2,215,000</u>	<u>1,711,200</u>	<u>1,691,452</u>	<u>(19,748)</u>
Expenses				
Salaries and Wages:				
Water Office	42,302	60,301	57,698	2,603
Water Plant	471,600	481,600	477,435	4,165
Total Salaries and Wages	<u>513,902</u>	<u>541,901</u>	<u>535,133</u>	<u>6,768</u>
Fringe Benefits:				
Water Office	20,106	20,606	19,054	1,552
Water Plant	181,575	177,325	174,833	2,492
Total Fringe Benefits	<u>201,681</u>	<u>197,931</u>	<u>193,887</u>	<u>4,044</u>
Purchased Services:				
Water Office	54,064	34,565	31,897	2,668
Water Plant	131,500	242,550	231,381	11,169
Total Purchased Services	<u>185,564</u>	<u>277,115</u>	<u>263,278</u>	<u>13,837</u>
Materials and Supplies:				
Water Office	4,200	7,200	7,011	189
Water Surplus	56,185	56,185	56,185	0
Water Plant	165,000	173,100	156,150	16,950
Total Materials and Supplies	<u>225,385</u>	<u>236,485</u>	<u>219,346</u>	<u>17,139</u>
Capital Outlay:				
Water Office	50,000	52,000	51,033	967
Water Office	232,000	73,461	58,154	15,307
Water Construction	0	1,200	0	1,200
Water Replacement	100,000	0	0	0
Water Surplus	360,081	398,081	125,073	273,008
Water Reserve	29,256	129,256	0	129,256
Total Capital Outlay	<u>\$771,337</u>	<u>\$653,998</u>	<u>\$234,260</u>	<u>\$419,738</u>

(continued)

City of Dover, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Water Fund (continued)
For the Year Ended December 31, 2001

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Debt Service:				
Principal Retirement	\$165,000	\$165,000	\$165,000	\$0
Interest and Fiscal Charges	<u>320,000</u>	<u>320,000</u>	<u>316,814</u>	<u>3,186</u>
Total Debt Service	<u>485,000</u>	<u>485,000</u>	<u>481,814</u>	<u>3,186</u>
<i>Total Expenses</i>	<u>2,382,869</u>	<u>2,392,430</u>	<u>1,927,718</u>	<u>464,712</u>
<i>Net Change in Fund Balance</i>	(167,869)	(681,230)	(236,266)	444,964
<i>Fund Balance Beginning of Year</i>	1,505,557	1,505,557	1,505,557	0
Prior Year Encumbrances Appropriated	<u>7,995</u>	<u>7,995</u>	<u>7,995</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,345,683</u></u>	<u><u>\$832,322</u></u>	<u><u>\$1,277,286</u></u>	<u><u>\$444,964</u></u>

City of Dover, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Electric Fund
For the Year Ended December 31, 2001

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Interest	\$102,000	\$102,000	\$198,399	\$96,399
Charges for Services	13,583,876	15,463,000	12,549,602	(2,913,398)
Electric Deposits Received	2,000	2,000	1,286	(714)
Proceeds of Notes	0	0	2,000,000	2,000,000
Other	37,000	37,000	57,665	20,665
<i>Total Revenues</i>	<u>13,724,876</u>	<u>15,604,000</u>	<u>14,806,952</u>	<u>(797,048)</u>
Expenses				
Salaries and Wages:				
Electric Office	80,614	104,113	103,822	291
Electric Distribution	719,341	719,341	649,948	69,393
Electric Plant	1,072,575	1,072,575	968,085	104,490
Total Salaries and Wages	<u>1,872,530</u>	<u>1,896,029</u>	<u>1,721,855</u>	<u>174,174</u>
Fringe Benefits:				
Electric Office	36,641	40,441	39,707	734
Electric Distribution	251,520	253,295	251,052	2,243
Electric Plant	372,992	372,992	354,014	18,978
Total Fringe Benefits	<u>661,153</u>	<u>666,728</u>	<u>644,773</u>	<u>21,955</u>
Purchased Services:				
Electric Office	73,194	53,694	40,674	13,020
Electric Distribution	280,219	300,719	249,954	50,765
Electric Plant	658,541	1,308,541	1,194,894	113,647
Total Purchased Services	<u>1,011,954</u>	<u>1,662,954</u>	<u>1,485,522</u>	<u>177,432</u>
Materials and Supplies:				
Electric Office	5,350	5,350	3,126	2,224
Electric Distribution	51,891	51,891	27,403	24,488
Electric Plant	1,549,764	1,299,764	1,097,525	202,239
Total Materials and Supplies	<u>1,607,005</u>	<u>1,357,005</u>	<u>1,128,054</u>	<u>228,951</u>
Purchased Power:				
Electric Plant	<u>\$5,000,000</u>	<u>\$6,750,000</u>	<u>\$6,471,796</u>	<u>\$278,204</u>

(continued)

City of Dover, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Electric Fund (continued)
For the Year Ended December 31, 2001

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Capital Outlay:				
Electric Construction	\$1,500,000	\$1,500,056	\$482,626	\$1,017,430
Electric Capital Reserve	573,738	575,184	575,184	0
Electric Surplus	100,000	100,000	0	100,000
Electric Replacement and Improvement	100,000	100,000	0	100,000
Electric Office	100,000	100,000	97,426	2,574
Municipal Electric Improvement	4,220,379	4,220,338	2,612,537	1,607,801
Electric Distribution	793,079	774,816	448,151	326,665
Electric Plant	<u>3,281,988</u>	<u>2,909,112</u>	<u>2,651,989</u>	<u>257,123</u>
Total Capital Outlay	<u>10,669,184</u>	<u>10,279,506</u>	<u>6,867,913</u>	<u>3,411,593</u>
Debt Service:				
Principal Retirement	270,000	270,000	270,000	0
Interest and Fiscal Charges	<u>652,538</u>	<u>602,538</u>	<u>479,843</u>	<u>122,695</u>
Total Debt Service	<u>922,538</u>	<u>872,538</u>	<u>749,843</u>	<u>122,695</u>
Electric Deposits Returned:				
Refunds	<u>5,000</u>	<u>5,000</u>	<u>1,217</u>	<u>3,783</u>
<i>Total Expenses</i>	<u>21,749,364</u>	<u>23,489,760</u>	<u>19,070,973</u>	<u>4,418,787</u>
<i>Excess of Revenues Under Expenses</i>	(8,024,488)	(7,885,760)	(4,264,021)	3,621,739
Transfers In	177,124	177,124	0	(177,124)
Transfers Out	<u>(636,462)</u>	<u>(586,462)</u>	<u>(586,462)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(8,483,826)	(8,295,098)	(4,850,483)	3,444,615
<i>Fund Balance Beginning of Year</i>	10,813,635	10,813,635	10,813,635	0
Prior Year Encumbrances Appropriated	<u>117,553</u>	<u>117,553</u>	<u>117,553</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$2,447,362</u>	<u>\$2,636,090</u>	<u>\$6,080,705</u>	<u>\$3,444,615</u>

City of Dover, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Sewer Fund
For the Year Ended December 31, 2001

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest	\$10,000	\$10,000	\$37,627	\$27,627
Charges for Services	1,283,000	1,333,000	1,315,989	(17,011)
Tap-In Fees	10,700	10,700	3,641	(7,059)
Other	16,300	16,300	10,122	(6,178)
<i>Total Revenues</i>	<u>1,320,000</u>	<u>1,370,000</u>	<u>1,367,379</u>	<u>(2,621)</u>
Expenses				
Salaries and Wages:				
Sewer Office	41,201	59,201	57,296	1,905
Sewer Disposal Plant	556,920	586,920	586,522	398
Total Salaries and Wages	<u>598,121</u>	<u>646,121</u>	<u>643,818</u>	<u>2,303</u>
Fringe Benefits:				
Sewer Office	18,126	21,826	21,163	663
Sewer Disposal Plant	260,776	260,776	254,353	6,423
Total Fringe Benefits	<u>278,902</u>	<u>282,602</u>	<u>275,516</u>	<u>7,086</u>
Purchased Services:				
Sewer Office	53,500	33,001	27,283	5,718
Sewer Disposal Plant	133,000	222,300	208,444	13,856
Total Purchased Services	<u>186,500</u>	<u>255,301</u>	<u>235,727</u>	<u>19,574</u>
Materials and Supplies:				
Sewer Office	4,250	7,250	5,897	1,353
Sewer Disposal Plant	97,143	111,142	97,206	13,936
Wastewater Reserve	47,873	47,873	47,873	0
Total Materials and Supplies	<u>149,266</u>	<u>166,265</u>	<u>150,976</u>	<u>15,289</u>
Capital Outlay:				
Sewer Office	50,000	52,000	51,032	968
Sewer Disposal Plant	172,022	63,722	37,542	26,180
Wastewater Reserve	760,922	760,922	525,200	235,722
Total Capital Outlay	<u>982,944</u>	<u>876,644</u>	<u>613,774</u>	<u>262,870</u>
<i>Total Expenses</i>	<u>\$2,195,733</u>	<u>\$2,226,933</u>	<u>\$1,919,811</u>	<u>\$307,122</u> (continued)

City of Dover, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Sewer Fund (continued)
For the Year Ended December 31, 2001

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<i>Excess of Revenues Under Expenses</i>	(\$875,733)	(\$856,933)	(\$552,432)	\$304,501
Transfers In	133,000	133,000	0	(133,000)
Transfers Out	<u>(300,000)</u>	<u>(291,021)</u>	<u>(291,021)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(1,042,733)	(1,014,954)	(843,453)	171,501
<i>Fund Balance Beginning of Year</i>	931,587	931,587	931,587	0
Prior Year Encumbrances Appropriated	<u>120,994</u>	<u>120,994</u>	<u>120,994</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$9,848</u></u>	<u><u>\$37,627</u></u>	<u><u>\$209,128</u></u>	<u><u>\$171,501</u></u>

City of Dover, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Maintenance and Repair Fund
For the Year Ended December 31, 2001

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Income Taxes	\$325,000	\$325,000	\$325,000	\$0
Intergovernmental	394,000	394,000	419,509	25,509
Interest	5,500	5,500	1,584	(3,916)
Other	30,500	30,450	8,072	(22,378)
<i>Total Revenues</i>	<u>755,000</u>	<u>754,950</u>	<u>754,165</u>	<u>(785)</u>
Expenditures				
Current:				
Transportation:				
Street Construction and Reconstruction:				
Salaries and Wages	443,784	455,766	446,584	9,182
Fringe Benefits	198,929	206,629	203,730	2,899
Purchased Services	48,803	51,121	43,278	7,843
Materials and Supplies	111,782	109,082	101,871	7,211
Travel, Schooling and Dues	1,000	200	120	80
Capital Outlay	13,715	10,715	8,563	2,152
<i>Total Expenditures</i>	<u>818,013</u>	<u>833,513</u>	<u>804,146</u>	<u>29,367</u>
<i>Net Change in Fund Balance</i>	(63,013)	(78,563)	(49,981)	28,582
<i>Fund Balance Beginning of Year</i>	49,538	49,538	49,538	0
Prior Year Encumbrances Appropriated	<u>29,167</u>	<u>29,167</u>	<u>29,167</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$15,692</u>	<u>\$142</u>	<u>\$28,724</u>	<u>\$28,582</u>

City of Dover, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
State Highway Fund
For the Year Ended December 31, 2001

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$28,000	\$28,000	\$34,015	\$6,015
Other	2,000	2,000	1,244	(756)
<i>Total Revenues</i>	30,000	30,000	35,259	5,259
Expenditures				
Current:				
Transportation:				
Street Construction and Reconstruction:				
Materials and Supplies	45,071	45,071	44,781	290
<i>Net Change in Fund Balance</i>	(15,071)	(15,071)	(9,522)	5,549
<i>Fund Balance Beginning of Year</i>	20,104	20,104	20,104	0
Prior Year Encumbrances Appropriated	5,571	5,571	5,571	0
<i>Fund Balance End of Year</i>	<u>\$10,604</u>	<u>\$10,604</u>	<u>\$16,153</u>	<u>\$5,549</u>

City of Dover, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Police and Fire Pension Fund
For the Year Ended December 31, 2001

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property and Other Local Taxes	\$100,000	\$100,000	\$101,216	\$1,216
Income Taxes	210,000	250,000	240,000	(10,000)
Intergovernmental	41,500	41,500	41,345	(155)
<i>Total Revenues</i>	<u>351,500</u>	<u>391,500</u>	<u>382,561</u>	<u>(8,939)</u>
Expenditures				
Current:				
Security of Persons and Property:				
Police Disability and Pension:				
Fringe Benefits	179,950	201,950	201,672	278
Fire Disability and Pension:				
Fringe Benefits	<u>179,950</u>	<u>187,950</u>	<u>187,416</u>	<u>534</u>
<i>Total Expenditures</i>	<u>359,900</u>	<u>389,900</u>	<u>389,088</u>	<u>812</u>
<i>Net Change in Fund Balance</i>	(8,400)	1,600	(6,527)	(8,127)
<i>Fund Balance Beginning of Year</i>	<u>8,590</u>	<u>8,590</u>	<u>8,590</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$190</u>	<u>\$10,190</u>	<u>\$2,063</u>	<u>(\$8,127)</u>

City of Dover, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Ambulance Fund
For the Year Ended December 31, 2001

	<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	\$65,000	\$65,000	\$79,792	\$14,792
Other	0	0	939	939
<i>Total Revenues</i>	<u>65,000</u>	<u>65,000</u>	<u>80,731</u>	<u>15,731</u>
Expenditures				
Current:				
Public Health Services:				
Ambulance:				
Salaries and Wages	50,000	50,000	38,362	11,638
Materials and Supplies	52,686	52,686	39,328	13,358
<i>Total Expenditures</i>	<u>102,686</u>	<u>102,686</u>	<u>77,690</u>	<u>24,996</u>
<i>Net Change in Fund Balance</i>	(37,686)	(37,686)	3,041	40,727
<i>Fund Balance Beginning of Year</i>	66,577	66,577	66,577	0
Prior Year Encumbrances Appropriated	2,686	2,686	2,686	0
<i>Fund Balance End of Year</i>	<u>\$31,577</u>	<u>\$31,577</u>	<u>\$72,304</u>	<u>\$40,727</u>

City of Dover, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Cemetery Fund
For the Year Ended December 31, 2001

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Income Taxes	\$160,000	\$160,000	\$160,000	\$0
Interest	2,000	2,000	32,419	30,419
Charges for Services	153,000	153,000	104,630	(48,370)
Other	10,000	87,900	69,526	(18,374)
<i>Total Revenues</i>	<u>325,000</u>	<u>402,900</u>	<u>366,575</u>	<u>(36,325)</u>
Expenditures				
Current:				
Public Health Services:				
Cemetery:				
Salaries and Wages	215,161	222,161	218,981	3,180
Fringe Benefits	93,970	96,070	94,345	1,725
Purchased Services	10,495	24,995	19,568	5,427
Materials and Supplies	19,175	19,175	16,777	2,398
Travel, Schooling and Dues	1,200	1,200	1,010	190
Capital Outlay	2,400	2,400	1,261	1,139
<i>Total Expenditures</i>	<u>342,401</u>	<u>366,001</u>	<u>351,942</u>	<u>14,059</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(17,401)	36,899	14,633	(22,266)
Other Financing Uses				
Transfers Out	(10,000)	(50,000)	0	50,000
<i>Net Change in Fund Balance</i>	(27,401)	(13,101)	14,633	27,734
<i>Fund Balance Beginning of Year</i>	540,588	540,588	540,588	0
Prior Year Encumbrances Appropriated	320	320	320	0
<i>Fund Balance End of Year</i>	<u>\$513,507</u>	<u>\$527,807</u>	<u>\$555,541</u>	<u>\$27,734</u>

City of Dover, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Revolving Loan Fund
For the Year Ended December 31, 2001

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Interest	\$4,000	\$4,024	\$2,196	(\$1,828)
Other	14,200	14,176	18,664	4,488
<i>Total Revenues</i>	18,200	18,200	20,860	2,660
Expenditures				
Current:				
Community Environment:				
Other Community Environment:				
Purchased Services	10,000	10,000	2,439	7,561
<i>Net Change in Fund Balance</i>	8,200	8,200	18,421	10,221
<i>Fund Balance Beginning of Year</i>	185,124	185,124	185,124	0
<i>Fund Balance End of Year</i>	<u>\$193,324</u>	<u>\$193,324</u>	<u>\$203,545</u>	<u>\$10,221</u>

City of Dover, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Drug Law Enforcement Fund
For the Year Ended December 31, 2001

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines, Licenses and Permits	\$1,000	\$1,000	\$7,680	\$6,680
Other	<u>0</u>	<u>0</u>	<u>120</u>	<u>120</u>
<i>Total Revenues</i>	1,000	1,000	7,800	6,800
Expenditures				
Current:				
Security of Persons and Property:				
Drug Law Enforcement:				
Materials and Supplies	<u>1,000</u>	<u>1,000</u>	<u>0</u>	<u>1,000</u>
<i>Net Change in Fund Balance</i>	0	0	7,800	7,800
<i>Fund Balance Beginning of Year</i>	<u>4,685</u>	<u>4,685</u>	<u>4,685</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$4,685</u></u>	<u><u>\$4,685</u></u>	<u><u>\$12,485</u></u>	<u><u>\$7,800</u></u>

City of Dover, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Enforcement and Education Fund
For the Year Ended December 31, 2001

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines, Licenses and Permits	\$2,000	\$3,000	\$1,488	(\$1,512)
Other	<u>0</u>	<u>0</u>	<u>445</u>	<u>445</u>
<i>Total Revenues</i>	2,000	3,000	1,933	(1,067)
Expenditures				
Current:				
Security of Persons and Property:				
Enforcement and Education:				
Materials and Supplies	<u>3,000</u>	<u>3,000</u>	<u>543</u>	<u>2,457</u>
<i>Net Change in Fund Balance</i>	(1,000)	0	1,390	1,390
<i>Fund Balance Beginning of Year</i>	<u>11,637</u>	<u>11,637</u>	<u>11,637</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$10,637</u></u>	<u><u>\$11,637</u></u>	<u><u>\$13,027</u></u>	<u><u>\$1,390</u></u>

City of Dover, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Debt Service Fund
For the Year Ended December 31, 2001

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest	\$0	\$0	\$4,787	\$4,787
Expenditures				
Current:				
General Government:				
Purchased Services	2,297	2,297	2,297	0
Debt Service:				
Principal Retirement:				
Master Capital Notes	2,530,286	2,530,286	2,420,000	110,286
Electric Municipal Improvement	4,306,451	4,306,451	4,100,000	206,451
Sewer Improvement	1,263,484	1,263,484	1,175,000	88,484
Electric Precipitator Bond	55,002	55,002	55,000	2
Electric North Sub Station Bond	75,000	75,000	75,000	0
Total Principal Retirement	8,230,223	8,230,223	7,825,000	405,223
Interest and Fiscal Charges:				
Master Capital Notes	86,906	86,906	86,906	0
Electric Municipal Improvement	208,519	208,519	208,519	0
Sewer Improvement	115,722	115,722	115,722	0
Electric Precipitator Bond	15,263	15,263	15,263	0
Electric North Sub Station Bond	31,500	31,500	31,500	0
Total Interest and Fiscal Charges	457,910	457,910	457,910	0
Total Debt Service	8,688,133	8,688,133	8,282,910	405,223
<i>Total Expenditures</i>	8,690,430	8,690,430	8,285,207	405,223
<i>Excess of Revenues Under Expenditures</i>	(8,690,430)	(8,690,430)	(8,280,420)	410,010
Other Financing Sources				
Proceeds of Notes	6,718,010	6,718,010	7,120,000	401,990
Operating Transfers In	1,972,419	1,972,419	1,165,207	(807,212)
<i>Total Other Financing Sources</i>	8,690,429	8,690,429	8,285,207	(405,222)
<i>Net Change in Fund Balance</i>	(1)	(1)	4,787	4,788
<i>Fund Balance Beginning of Year</i>	1	1	1	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$4,788	\$4,788

City of Dover, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances - Budget (Non-GAAP Basis) and Actual
Small Cities Block Grant Fund
For the Year Ended December 31, 2001

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$37,800	\$37,800	\$37,800	\$0
Expenditures				
Capital Outlay	<u>37,800</u>	<u>37,800</u>	<u>37,800</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balances Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

City of Dover, 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, 2001

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

City of Dover, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Cemetery Interment Fund
For the Year Ended December 31, 2001

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$18,000	\$18,000	\$16,642	(\$1,358)
Interest	2,000	2,000	6,134	4,134
<i>Total Revenues</i>	20,000	20,000	22,776	2,776
Expenditures				
Current:				
Public Health Services:				
Cemetery:				
Other	10,000	15,000	10,415	4,585
<i>Net Change in Fund Balance</i>	10,000	5,000	12,361	7,361
<i>Fund Balance Beginning of Year</i>	172,086	172,086	172,086	0
<i>Fund Balance End of Year</i>	<u>\$182,086</u>	<u>\$177,086</u>	<u>\$184,447</u>	<u>\$7,361</u>

City of Dover, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Employee Health Insurance Fund
For the Year Ended December 31, 2001

	<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	\$850,000	\$850,000	\$874,845	\$24,845
Interest	0	0	624	624
Other	0	0	1,173	1,173
<i>Total Revenues</i>	850,000	850,000	876,642	26,642
Expenses				
Claims	850,000	880,000	865,553	14,447
<i>Net Change in Fund Balance</i>	0	(30,000)	11,089	41,089
<i>Fund Equity Beginning of Year</i>	36,768	36,768	36,768	0
<i>Fund Equity End of Year</i>	<u>\$36,768</u>	<u>\$6,768</u>	<u>\$47,857</u>	<u>\$41,089</u>

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Statistical Section

City of Dover, Ohio
*General Governmental Revenues by Source
and Expenses/Expenditures by Function
Last Ten Years*

	2001		2000	1999
	Full Accrual (1)	Modified Accrual		
Program Revenues				
Charges for Services and Sales	\$772,159	N/A	N/A	N/A
Operating Grants, Contributions and Interest	455,451	N/A	N/A	N/A
Capital Grants and Contributions	331,673	N/A	N/A	N/A
General Revenues				
Taxes (2)	\$4,564,561	\$4,329,886	\$3,973,721	\$3,909,327
Special Assessments	0	0	0	0
Intergovernmental	1,807,058	2,460,283	1,882,015	2,011,438
Interest	361,563	360,939	557,602	461,878
Fines, Licenses, and Permits	0	45,379	59,390	40,413
Rentals	0	0	0	0
Charges for Services	0	726,780	741,757	771,835
Contributions and Donations	0	0	27,983	21,500
Other	168,593	167,420	50,934	105,164
Total	\$8,461,058	\$8,090,687	\$7,293,402	\$7,321,555
Expenses/Expenditures				
General Government	\$843,700	\$893,214	\$851,494	\$908,558
Security of Persons and Property	2,961,926	3,000,283	2,815,614	2,775,270
Transportation	421,984	798,741	770,247	811,161
Public Health Services	459,964	433,842	422,110	455,576
Community Environment	72,811	68,294	63,742	59,935
Basic Utility Services	441,833	375,863	321,642	341,845
Leisure Time Activities	599,834	571,899	520,448	512,853
Capital Outlay	0	1,116,398	1,234,808	1,036,425
Debt Service				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	94,682	94,727	104,386	116,203
Total	\$5,896,734	\$7,353,261	\$7,104,491	\$7,017,826

Source: City financial records

(1) 2001 was the first year full accrual was used. A separate table for accrual revenues and expenses will be presented once sufficient data for a meaningful comparison has been accumulated.

(2) Includes all taxes

1998	1997	1996	1995	1994	1993	1992
N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A
\$3,904,919	\$3,570,133	\$3,584,433	\$3,410,288	\$3,289,642	\$3,036,724	\$2,889,858
0	0	0	0	891	12,123	13,517
1,621,328	1,462,047	1,964,308	1,837,899	1,688,948	1,125,034	1,186,708
408,831	263,619	234,570	241,204	324,750	163,772	186,079
39,762	35,407	47,025	37,785	45,345	41,494	44,087
0	0	0	0	0	0	0
816,364	779,605	766,529	780,782	802,779	791,967	718,970
73,044	30,000	133,430	20,000	22,960	0	0
145,409	26,323	56,916	34,082	39,398	61,192	92,975
<u>\$7,009,657</u>	<u>\$6,167,134</u>	<u>\$6,787,211</u>	<u>\$6,362,040</u>	<u>\$6,214,713</u>	<u>\$5,232,306</u>	<u>\$5,132,194</u>
\$679,256	\$648,291	\$603,351	\$606,815	\$540,700	\$578,996	\$655,761
2,632,752	2,488,579	2,413,326	2,199,744	2,143,559	2,089,013	2,010,584
736,070	627,528	686,972	714,379	760,132	695,507	636,244
358,720	364,464	299,616	261,753	342,889	261,177	255,936
65,979	57,942	382,482	210,997	356,929	59,172	46,349
361,484	381,101	403,801	389,391	512,202	461,976	422,149
495,150	459,873	464,931	419,187	383,053	411,814	436,518
1,151,032	1,614,695	1,758,679	1,687,320	2,970,284	668,818	725,905
0	0	0	0	0	10,000	10,000
116,373	131,060	126,147	124,009	89,339	26,674	28,001
<u>\$6,596,816</u>	<u>\$6,773,533</u>	<u>\$7,139,305</u>	<u>\$6,613,595</u>	<u>\$8,099,087</u>	<u>\$5,263,147</u>	<u>\$5,227,447</u>

City of Dover, Ohio
Property Tax Levies and Collections
Real and Public Utility Tax (1)
Last Ten Years

<u>Year</u>	<u>Total Tax Levy</u>	<u>Current Collections (2)</u>	<u>Delinquent Collections</u>	<u>Total Collections</u>	<u>Percent of Total Collections To Tax Levy</u>	<u>Accumulated Outstanding Delinquent Taxes (3)</u>	<u>Percent of Accumulated Delinquent Taxes To Total Tax Levy</u>
1992	\$494,186	\$477,611	\$9,581	\$487,192	98.58 %	\$10,982	2.22 %
1993	547,128	515,823	10,278	526,101	96.16	11,481	2.10
1994	580,175	549,711	11,564	561,275	96.74	18,798	3.24
1995	600,017	569,989	14,185	584,174	97.36	17,871	2.98
1996	657,431	625,753	9,637	635,390	96.65	21,107	3.21
1997	665,018	633,863	8,054	641,917	96.53	22,998	3.46
1998	665,328	610,972	21,834	632,806	95.11	16,151	2.43
1999	726,030	711,172	12,493	723,665	99.67	12,569	1.73
2000	733,677	711,475	13,581	725,056	99.82	29,535	4.03
2001	743,272	726,469	16,569	743,038	99.96	31,485	4.23

Source: Tuscarawas County Ohio; County Auditor

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

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

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

City of Dover, Ohio
Property Tax Rates--Direct and Overlapping Governments
(Per 1,000 of Assessed Valuation)
Last Ten Years

Year	City of Dover			Dover School District	Tuscarawas County	Tuscarawas County Health District	Buckeye JVS	Total
	General Fund	Police and Fire Pension	Total					
1992	\$6.00	\$0.60	\$6.60	\$37.77	\$5.70	\$1.00	\$1.80	\$52.87
1993	6.00	0.60	6.60	41.47	5.70	1.00	1.80	56.57
1994	6.00	0.60	6.60	41.47	5.70	1.00	1.80	56.57
1995	6.00	0.60	6.60	41.47	5.70	1.00	2.80	57.57
1996	6.00	0.60	6.60	41.17	5.70	1.00	2.80	57.27
1997	6.00	0.60	6.60	46.57	6.20	1.00	2.80	63.17
1998	6.00	0.60	6.60	46.57	8.10	1.00	2.80	65.07
1999	6.00	0.60	6.60	45.67	8.10	1.00	2.80	64.17
2000	6.00	0.60	6.60	45.62	8.10	1.00	2.80	64.12
2001	6.00	0.60	6.60	45.52	8.20	1.00	2.80	64.12

Source: Tuscarawas County, Ohio; County Auditor

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

Year	Agricultural/ Residential		Other		Total		Public		Tangible		Total		Total		Percent of Assessed Value To Estimated True Value (1)
	Real Estate	Real Estate	Real Estate	Real Estate	Real Estate	Real Estate	Utility Personal	Personal	Personal	Personal	Personal	Personal	Assessed Value	Estimated True Value	
1992	\$68,262,090	\$33,680,810	\$101,942,900	\$5,923,420	\$38,269,050	\$44,192,470	\$146,135,370	\$450,265,048	33						
1993	78,819,620	37,875,250	116,694,870	5,867,310	39,648,389	45,515,699	162,210,569	498,674,892	33						
1994	81,011,570	39,929,840	120,941,410	6,217,240	39,837,720	46,054,960	166,996,370	510,677,097	33						
1995	98,550,830	42,024,300	140,575,130	5,659,760	37,924,922	43,584,682	184,159,812	559,774,462	33						
1996	99,630,860	42,964,280	142,595,140	5,567,140	43,826,725	49,393,865	191,989,005	559,050,737	34						
1997	101,274,890	44,309,660	145,584,550	4,711,780	44,323,535	49,035,315	194,619,865	598,891,146	33						
1998	127,204,270	55,122,720	182,326,990	5,637,650	45,226,075	50,863,725	233,190,715	708,244,977	33						
1999	128,184,830	55,991,710	184,176,540	5,582,880	45,693,600	51,276,480	235,453,020	715,337,268	33						
2000	129,221,460	57,231,490	186,452,950	5,799,980	48,438,153	54,238,133	240,691,083	733,066,212	33						
2001	142,187,860	61,183,960	203,371,820	3,204,400	47,992,835	51,197,235	254,569,055	801,656,240	31						

Source: Tuscarawas County, Ohio; County Auditor

(1) This amount is calculated by dividing the assessed value by the assessment percentage.

The percentages for 2001 are:

35 percent for all real estate,

88 percent for public utility personal and

25 percent for tangible personal.

City of Dover
Special Assessment Collections
Last Ten Years

<u>Year</u>	<u>Billed</u>	<u>Amount Collected</u>	<u>Percent Collected</u>
1992	\$11,464	\$13,517	117.91%
1993	10,825	12,123	111.99
1994	0	891 (1)	n/a
1995	0	0	n/a
1996	0	0	n/a
1997	0	0	n/a
1998	0	0	n/a
1999	0	0	n/a
2000	0	0	n/a
2001	0	0	n/a

Source: Tuscarawas County, Ohio; County Auditor
 (1) Represents delinquent collections

City of Dover, Ohio
Computation of Overlapping General Obligation Bonded Debt
December 31, 2001

Jurisdiction	General Obligation Debt Outstanding	Percentage Applicable To City (1)	Amount Applicable To City
Dover City Schools	\$8,050,000	71.81%	\$5,780,705

Source: Tuscarawas County, Ohio; County Auditor

- (1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the City by the total assessed valuation of the subdivision. The valuations used were for the 2001 collection year.

City of Dover, Ohio
General Obligation Revenue Bond Coverage
Last Ten Years

Fund/Year	Operating Revenues	Operating Expenses (1)	Net Revenue Available for Debt Service	Debt Service Requirements (2)			Coverage
				Principal	Interest	Total	
Water Fund:							
1992	\$660,876	\$511,319	\$149,557	\$30,000	\$7,800	\$37,800	3.96
1993	682,167	591,654	90,513	30,000	5,850	35,850	2.52
1994	929,606	619,049	310,557	30,000	133,972	163,972	1.89
1995	1,493,073	697,177	795,896	30,000	374,802	404,802	1.97
1996	1,681,532	1,111,871	569,661	130,000	374,339	504,339	1.13
1997	1,636,727	763,220	873,507	135,000	368,777	503,777	1.73
1998	1,703,231	784,225	919,006	140,000	362,514	502,514	1.83
1999	1,757,478	916,615	840,863	145,000	352,861	497,861	1.69
2000	1,833,485	972,123	861,362	155,000	343,488	498,488	1.73
2001	1,735,530	1,237,124	498,406	165,000	335,738	500,738	1.00
Electric Fund:							
1992	\$8,796,451 (3)	\$7,611,884	\$1,184,567	\$130,000	\$133,050	\$263,050	4.50
1993	9,513,692	7,878,135	1,635,557	130,000	123,463	253,463	6.45
1994	10,014,748	7,839,404	2,175,344	130,000	113,826	243,826	8.92
1995	10,626,454	8,432,578	2,193,876	335,000	531,317	866,317	2.53
1996	10,895,388	9,490,751	1,404,637	345,000	661,207	1,006,207	1.40
1997	10,883,558	8,831,216	2,052,342	355,000	641,887	996,887	2.06
1998	11,082,539	9,096,135	1,986,404	365,000	621,637	986,637	2.01
1999	12,504,530	10,467,573	2,036,957	375,000	595,450	970,450	2.10
2000	12,437,522	9,649,872	2,787,650	390,000	570,752	960,752	2.90
2001	12,806,517	11,429,382	1,377,135	400,000	547,673	947,673	1.45
Sewer Fund:							
1992	\$1,185,620	\$835,773	\$349,847	\$40,000	\$99,226	\$139,226	2.51
1993	1,352,791	768,984	583,807	45,000	96,648	141,648	4.12
1994	1,427,011	877,006	550,005	50,000	93,454	143,454	3.83
1995	1,463,322	940,731	522,591	50,000	90,178	140,178	3.73
1996	1,369,424	970,975	398,449	55,000	88,468	143,468	2.78
1997	1,277,082	973,403	303,679	60,000	81,843	141,843	2.14
1998	1,349,477	1,015,119	334,358	60,000	80,268	140,268	2.38
1999	1,367,646	1,093,786	273,860	65,000	79,175	144,175	1.90
2000	1,383,076	1,089,946	293,130	70,000	72,572	142,572	2.06
2001	1,351,614	1,288,116	63,498	75,000	65,286	140,286	0.45

Source: City financial records

- (1) Total operating expenses exclusive of depreciation.
- (2) Includes principal and interest of general obligation revenue bonds only.
- (3) Includes operating revenues plus other non-operating revenues which represents funds received from a local corporation for retirement of the debt.

City of Dover, Ohio

Legal Debt Margin

December 31, 2001

Overall Debt Margin (10 1/2% of Assessed Valuation)	<u>\$26,729,751</u>
Gross Indebtedness	24,515,000
Less: Self Supporting Debt	<u>22,045,000</u>
Net Debt Within 10 1/2% Limitations	<u>2,470,000</u>
Legal Debt Margin Within 10 1/2% Limitations	<u><u>\$24,259,751</u></u>
Unvoted Debt Limitation (5 1/2% of Assessed Valuation)	<u>\$14,001,298</u>
Gross Indebtedness	24,515,000
Less: Self-Supporting Debt	<u>22,045,000</u>
Net debt within 5 1/2% limitation	<u>2,470,000</u>
Legal Debt Margin Within 5 1/2% limitation	<u><u>\$11,531,298</u></u>

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

City of Dover, Ohio
Property Value, Construction and Bank Deposits
Last Ten Years

Year	Property Value (1)	Residential Construction Value	Commercial Construction Value	Domestic Bank Deposits in the County (in thousands)
1992	\$291,265,429	\$1,902,060	\$1,158,640	\$374,765
1993	333,413,915	3,706,290	2,281,540	371,710
1994	344,261,171	2,761,510	169,740	383,091
1995	401,643,229	5,622,285	1,546,371	402,359
1996	407,417,543	2,749,400	2,686,257	407,639
1997	416,242,770	3,905,430	2,423,030	205,749 (2)
1998	520,934,257	3,196,942	4,063,054	222,464
1999	526,218,686	2,885,486	2,603,486	162,185
2000	532,722,715	2,722,257	3,842,428	211,927
2001	580,695,290	4,868,200	433,490	222,631

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

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

City of Dover, Ohio
Principal Taxpayers
December 31, 2001

<u>Taxpayer</u>	<u>Total Assessed Value</u>	<u>Percent of Assessed Value</u>
International Paper Company	\$9,612,250	3.78 %
Allied Machine and Engineering Corp	7,678,880	3.02
Snyder Laboratories, Inc.	4,688,980	1.84
New Plan Realty Trust	3,279,800	1.29
Commercial and Architectural Products	3,119,330	1.23
Buehler's Food Markets, Inc.	2,566,130	1.01
GTE North	2,555,090	1.00
Meteor-Lauren LLC	2,323,852	0.91
AK Steel Corporation	2,129,560	0.84
Snyder Manufacturing Inc.	<u>2,030,267</u>	<u>0.80</u>
	<u><u>\$39,984,139</u></u>	<u><u>15.72 %</u></u>

Source: Tuscarawas County, Ohio: County Auditor

City of Dover, Ohio

Bonded Debt

December 31, 2001

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

City of Dover, Ohio
Ten Largest Employers
December 31, 2001

Employer	Nature of Business	Number of Employees
Union Hospital	Hospital	780
Allied Machine and Engineering Corp	Manufacturer	370
Dover City Schools	School	301
Zimmer Patient Care Division	Manufacturer	293
Marlite	Manufacturer	269
Arizona Chemical Company	Manufacturer	163
New Dawn Health Care	Nursing Care Center	150
Hennis Care Center Incorporated	Nursing Care Center	145
Meteor Sealing	Manufacturer	115
G.E. Lighting	Manufacturer	83

Source: City records

City of Dover, Ohio
Demographic Statistics
Last Ten Years

<u>Year</u>	<u>Population (1)</u>	<u>School Enrollment (2)</u>	<u>Unemployment Rate Tuscarawas County (3)</u>
1992	11,782	2,758	7.8 %
1993	12,082	2,785	5.9
1994	12,402	2,858	4.8
1995	12,613	2,900	5.5
1996	13,067	2,875	5.2
1997	13,327	2,862	4.9
1998	13,570	2,830	4.8
1999	13,630	2,819	4.4
2000	13,431	2,766	4.1
2001	13,573	2,736	4.9

(1) Source: Estimated by the City

(2) Source: Dover Board of Education

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

City of Dover, Ohio
Miscellaneous Information
December 31, 2001

Date of Incorporation as a City	December 6, 1901
Form of Government	Mayor/Council
Area	5.32 Square Miles
Miles of Streets	67
Miles of Storm Sewers	31
Number of Street Lights	2,270
Hospital	1
Building Permits Issued	235
Education:	
Number of Teachers	186
Number of Students	2,736
Fire Protection:	
Number of Stations	1
Number of Firemen and Officers (Exclusive of Volunteer Firemen)	16
Fire Hydrants	543
Police Protection:	
Number of Stations	1
Number of Policemen and Officers	22
Municipal Utilities:	
Mile of Water Mains	80
Miles of Electric Lines	351
Miles of Sanitary Sewer	63
Number of Consumers:	
Water	5,311
Electric	6,423
Sewer	5,195
Average Daily Consumption (per household):	
Water	390
Electric	26
Sewer	165
Recreation and Culture:	
Number of Parks	3
Number of Libraries	1
Number of Swimming Pools	2
Number of Tennis Courts	8
Number of Baseball and Softball Diamonds	9
Employees:	
Full-Time	151
Part-Time	37

Source: City records

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STATE OF OHIO
OFFICE OF THE AUDITOR

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CITY OF DOVER

TUSCARAWAS COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 23, 2002**