



**Auditor of State  
Betty Montgomery**



**CITY OF DOVER  
TUSCARAWAS COUNTY**

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## **Auditor of State Betty Montgomery**

### **INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS 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 governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dover, Tuscarawas County, Ohio, (the City) as of and for the year ended December 31, 2005, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 6, 2006, in which we noted the City restated fund balance/net assets to reflect loans receivable activity previously understated and notes payable and accrued interest payable which were improperly classified. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City's internal control over financial reporting to determine our auditing procedures in order to express our opinions on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the City's management dated June 6, 2006, we reported other matters involving internal control over financial reporting we did not deem reportable conditions.

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

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*. In a separate letter to the City's management dated June 6, 2006, we reported other matters related to noncompliance we deemed immaterial.

101 Central Plaza South / 700 Chase Tower / Canton, OH 44702  
Telephone: (330) 438-0617 (800) 443-9272 Fax: (330) 471-0001  
[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

We intend this report solely for the information and use of management, City Council, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.

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

**Betty Montgomery**  
Auditor of State

June 6, 2006



## Auditor of State Betty Montgomery

### INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

To the Members of City Council:

#### Compliance

We have audited the compliance of the City of Dover, Tuscarawas County, Ohio, (the City) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement that apply to each of its major federal programs for the year ended December 31, 2005. The summary of auditor's results section of the accompanying Schedule of Findings identifies the City's major federal programs. The City's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the types of compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that apply to each of its major federal programs for the year ended December 31, 2005. In a separate letter to the City's management dated June 6, 2006, we reported a matter related to federal noncompliance not requiring inclusion in this report.

#### Internal Control Over Compliance

The City's management is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could directly and materially affect a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

101 Central Plaza South / 700 Chase Tower / Canton, OH 44702  
Telephone: (330) 438-0617 (800) 443-9272 Fax: (330) 471-0001  
[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable 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 noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

#### **Federal Awards Receipts and Expenditures Schedule**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Dover as of and for the year ended December 31, 2005, and have issued our report thereon dated June 6, 2006, in which we noted the City restated fund balance/net assets to reflect loans receivable activity previously understated and notes payable and accrued interest payable which were improperly classified. Our audit was performed to form opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying Federal Awards Receipts and Expenditures Schedule provides additional information as required by OMB Circular A-133 and is 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. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

We intend this report solely for the information and use of management, City Council, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



**Betty Montgomery**  
Auditor of State

June 6, 2006



CITY OF DOVER  
TUSCARAWAS COUNTY

FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2005

Federal Grantor/ Pass Through Grantor/ Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Expenditures
<b><u>U.S. DEPARTMENT OF HOMELAND SECURITY</u></b>				
<i>(Direct)</i>				
Assistance to Firefighters Grant	N/A	97.044	\$ 60,538	\$ 60,538
<i>(Passed through the Ohio Department of Public Safety - Ohio Emergency Management Agency)</i>				
Disaster Grants - Public Assistance	DR-1580	97.036	<u>244,161</u>	<u>244,161</u>
Total U.S. Department of Homeland Security			304,699	304,699
<b><u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u></b>				
<i>(Passed through the Ohio Department of Development)</i>				
Community Development Block Grants	A-C-03-114-1	14.228	141,380	117,811
Home Improvement Partnership Program	A-C-03-114-2	14.239	<u>192,082</u>	<u>197,946</u>
Total U.S. Department of Housing and Urban Development			<u>333,462</u>	<u>315,757</u>
Total			<u>\$ 638,161</u>	<u>\$ 620,456</u>

See accompanying Notes to the Federal Awards Receipts and Expenditures Schedule.

**CITY OF DOVER  
TUSCARAWAS COUNTY**

**NOTES TO THE FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2005**

**NOTE A – SIGNIFICANT ACCOUNTING POLICIES**

The Federal Awards Receipts and Expenditures Schedule (the Schedule) is a summary of the activity of the City's federal award programs. The Schedule has been prepared on the cash basis of accounting.

**NOTE B - COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) REVOLVING LOAN PROGRAMS**

The City has established a revolving loan program to provide low-interest loans to businesses to create jobs for persons from low-moderate income households. The Federal Department of Housing and Urban Development (HUD) grants money for these loans to the City passed through the Ohio Department of Development. The initial loan of this money was recorded as a disbursement by the City during fiscal year 2004. Loans repaid, including interest, are used to make additional loans. Such subsequent loans are subject to certain compliance requirements imposed by HUD, but are not included as disbursements on the Federal Awards Receipts and Expenditures Schedule.

These loans are collateralized by mortgages on the property. At December 31, 2005, the gross amount of loans outstanding under this program was \$459,187.

**CITY OF DOVER  
TUSCARAWAS COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
DECEMBER 31, 2005**

**1. SUMMARY OF AUDITOR'S RESULTS**

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unqualified
<b>(d)(1)(ii)</b>	<b>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material non-compliance at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any material internal control weakness conditions reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any other reportable internal control weakness conditions reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unqualified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under § .510?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	Community Development Block Grants/States Program – CFDA #14.228 Home Improvement Partnership Program – CFDA #14.239
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A\B Programs</b>	Type A: > \$ 300,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee?</b>	No

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

None

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None



• CITY of DOVER, OHIO •

# Comprehensive Annual Financial Report



• For the Year Ended December 31, 2005 •





On May 19, 2006, the City of Dover was honored to host the Ohio Flags of Honor. The flag display is a memorial to the fallen soldiers of Operation Iraqi Freedom. One hundred and eight flags placed in the circle of honor represent each one of the fallen in Ohio, while support flags in excess of 300 surround the area.

The Ohio Flags of Honor was created after an American Legion Post had set up an avenue of flags at Rickenbacker International Airport to honor and welcome a returning Marine regiment serving in Iraq. The display inspired Gino and Lisa Zimmer, whose son, Army Specialist Nicholas Zimmer was killed in May of 2004 in Iraq, to set up the organization and take a display of flags across the State as a traveling memorial to their son and to all of the soldiers who sacrificed their lives for our Country.

The interest and the support of this organization is growing and we at the City of Dover, were proud to lend our support to this most humbling, thought-provoking, and beautiful display of patriotism and sacrifice made by our American families and their sons and daughters.

We would like to extend our thanks to the Ohio Flags of Honor for choosing Dover as one of its stops and for the use of our cover picture. To view more information about the organization, please visit their website at [www.4thefallen.com](http://www.4thefallen.com).



# Introductory SECTION

“Off with your hat, as the flag goes by!  
And let the heart have its say;  
you're man enough for a tear in your  
eye that you will not wipe away.”

- Henry Cuyler Bunner







CITY of DOVER, OHIO

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# Comprehensive Annual Financial Report

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*For the Year Ended*

December 31, 2005

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*Prepared*

by the  
City of Dover Auditor's Office

Mary J. Fox ~ Dover City Auditor  
Debra L. Edwards ~ Assistant Auditor  
Kelly L. Elliott ~ Office Assistant



**City of Dover, Ohio**  
*Comprehensive Annual Financial Report*  
*For the Year Ended December 31, 2005*  
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# City Of Dover

## Auditor's Office

122 EAST THIRD STREET • DOVER, OHIO 44622

(330) 343-6385

**Mary J. Fox, Auditor**  
e-mail: auditor@doverohio.com

Fax (330) 343-2775

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

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

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

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

### City Organization

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



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 is also associated with the Ohio Association of Rural Water and Wastewater Systems Workers' Compensation Group Rating Plan, an insurance purchasing pool.

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

## **Economic Condition and Outlook**

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

Five banks (Huntington National, Bank One, First National Bank of Dennison, Citizens Bank, First Federal Bank) are located in the City. Financial institutions located in the County had total deposits of \$164,847,000 on December 31, 2005.

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.

The City's largest employer Union Hospital is consistently growing. The hospital is focusing on patient care more than ever. Investments in new facilities include an ambulatory care center, a wound healing center and a new rehab program for patients suffering from peripheral artery disease. Union Hospital strives to meet the growing needs of the community. New specialists and staff have earned Union Hospital high ratings in the northeast area of Ohio. Union Hospital continues to be an invaluable asset to the City of Dover and its citizens.

Dover is fortunate to provide the County with many long term and short term nursing care facilities and rehabilitation centers. They provide excellent care to the needs of many. Park Village Care Center of Dover continues to expand its facility. A new 4,000 square foot addition, plus 2,000 square feet of renovated space is home to a rehabilitation center, which includes a physical and occupation therapy center, an education center, a nurse's station and five private suites. At a cost of \$700,000 this expansion resulted in the hiring of seven additional employees. Park Village Care Center is a 100 bed skilled nursing facility, with 115 assisted living apartments on 10 acres of land.

Marlite, a long standing Dover company which manufactures retail merchandising systems changed hands in 2004. Two former employees purchased the company in March of 2004. An aggressive growth plan was adopted for 2005 and the company added a new host of retail merchandising systems to its line. An internal restructuring was completed to better serve its customers. No local jobs were lost as a result. An additional manufacturing facility was acquired in Charleston, SC to free up additional manufacturing capacity at the Dover headquarters and to ensure an exclusive manufacturing agreement with one the nation largest retail display builders. A commitment to the company and to community keeps this locally owned company looking forward for ways to expand and to serve.

Adventure Harley Davidson opened its doors in May of 2005, a carefully planned expansion of H & M Cycle of Dover. The 33,000 square foot facility was designed with careful attention to detail. With a wraparound front porch complete with rocking chairs and a picnic area, the dealership offers riders a haven to relax and enjoy the lodge like atmosphere of the dealership. The business does a brisk business worldwide on the internet and has expanded its employees, full and part-time from 28 to 44 at the new location. There are currently 11 service bays in operation, up from 5 at the old location. New owners get a thorough introduction to their motorcycles that includes training by state-certified motorcycle riding instructors and a picture of themselves and their new purchase in the "delivery room". The \$3 million dollar property and building is owned locally and offers 65 motorcycles on display along with accessories, parts and general merchandise.

The Tuscarawas County Port Authority continues its work for jobs in Tuscarawas County. The Port Authority, which is located at the Reeves Mill Business Park on Oxford Street in Dover, houses many businesses in its complex. These businesses include Rolite Plastics, Inc., which manufactures plastic office chair mats, Owens Corning, which is a warehouse and distribution operation for its cultured stone products, and Norris Mfg, which restores and custom builds cranes.

The Business Factory is a business incubator operation located in the complex. The Business Factory is home to E.D. Payment Systems, which is a credit card service provider, McKeever Decorating, which is an office, storage and paint mixing facility for a painting contractor, and MPS Mfg., which manufactures rubber and metal mounts for vehicles. The Tuscarawas County Port Authority also leases office space for a number of businesses, both for permanent and temporary use. The Tuscarawas Port Authority continues to be an asset to Tuscarawas County and to the City of Dover, which is fortunate to include the Port Authority as one of its residents.

## **Major Initiatives**

***For the Year*** The City of Dover has been actively involved in many issues that will affect the City for many years to come.

The City of Dover owns and operates its own electric generating plant. Our Mayor Richard P. Homrighausen serves as the president of the Ohio Municipal Electric Association, which advocates the needs of small municipal generating plants in Ohio. He has provided testimony many times at United States Senate Sub Committee hearings regarding the legislation that affects the municipal electric industry and the City maintains a keen interest in all legislation that affect our generating plant.



New MACT standards came into effect in November of 2004. These environmental standards include a lower particulate limit and for the first time limits on mercury and hydrochloric acid. The City will need to be in full compliance with these standards by September of 2007. The City will be undertaking many plant updates and building a bag house to accommodate the new MACT standards for the removal of fly ash. The integration of PJM as our regional transmission occurred in 2004. The inclusion into PJM has highlighted the benefits of ownership in our power generation plant.

Construction of a 69 KV line from the Northern Intertie to the Light Plant has been delayed by unforeseen issues but continues to be an initiative of the City as the line will provide a loop feed. This loop will greatly increase our reliability and provide ease of maintenance of the system.

It is the City's intention not only to improve the quality of our electric system, but to also provide the City with state of the art communications with the use of fiber optic cable. The City has been working with consultants and surveys have been completed to analyze the City needs for the future. These projections were presented to City Council early in 2005. Since then, the City has been exploring financing possibilities and examining the most cost effective ways to provide the efficient and affordable service to the citizens. While the City continues to provide and expand its fiber system, the City currently provides fiber links within the City departments, the Dover Schools, Union Hospital and a few local businesses. Our fiber system is an asset to the community and can provide so many opportunities; the City continues to place emphasis on developing the system to its full potential.

An expansion of the sewer treatment plant is moving forward. The engineering firm of Burgess & Niple, Inc. from Akron, Ohio has been selected as the lead engineer. The City has reviewed options and financing alternatives and is proceeding with the plan to expand its operations with the design of the project to be completed in 2006 with ground breaking early in 2007. This expansion will accommodate the expected growth in the City for an estimated 20 years, thus providing the City with a building block for future industry and residential development.

Construction of infrastructure to the annexed area along State Route 39 continued throughout the year in 2005. The City continues to develop its utilities systems to residents and businesses as progress in this area continues.

The Street Department provides many services to the public such as leaf and brush removal, street painting, catch basin repair, street cleaning and sign maintenance, and snow removal just to name a few. This year snow removal season began in December of 2004 and continued with periodic salting through mid March. A total of 1,598 tons of salt was used. The leaf season this year consisted of thirty-two working days with 705 gallons of fuel used, and 1,284 man hours. There were 1,756 requests for brush pickup throughout the year. The cost for brush removal this year amounted to approximately \$10,000 and the landfill fees were \$7,570. The storm sewer catch basin program had 16 catch basins either repaired or rebuilt.

The Traffic Department, a division of the Street Department, painting program during 2005 consisted of the use of 445 gallons of yellow paint, 265 gallons of white paint and 6,880 pounds of glass beads applied to the City's streets, numerous parking stalls, crosswalks, railroad crossing emblems and turn bays. The department also installed or replaced a total of 151 signs and maintained the City's twenty eight traffic light systems.

Much of the City of Dover maintenance of City vehicles is done in house by the Street Department also known as General Services Division. Welding and fabrication for special projects, as well as oil changes, lube jobs, engine tune-ups, brake jobs, and hydraulic and electrical repairs for City equipment is done by the department, along with the maintenance of small power equipment.

The City offered a sidewalk replacement program, which the City funded 50 percent of the replacement with the resident being responsible for the remaining 50 percent. In 2005, the City appropriated \$16,000 for the program.

The City of Dover Parks and Recreation Department offers many services to the community. Dover Baseball Leagues, Inc. has a total of 39 baseball teams. Groups start at age 6 through 18. Combined these teams played a total of 287 scheduled games in 2005. Dover Girls Softball Association played 165 scheduled games at the City Park. The City of Dover operates an adult men's slow pitch softball and a co-ed slow pitch soft ball program consisting of 14 teams who played 138 regular and tournaments games in 2005. With the games being played throughout the summer, the activity level at the park is constant. Our City Pool adds to the activity and many residents use our park system on a daily basis. We also offer indoor activities at our Memorial Hall location, with an opportunity to rent the gymnasium and our dining hall on an hourly basis.

In 2005, the Dover Fire Department responded to 1,802 responses, 1,128 were E.M.S. calls and the remainder were fire and miscellaneous responses. Training is a high priority in our fire department, 1,632 man hours were logged, an average of 108.8 hours per man.

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

The ownership of our power generation plant, transmission and fiber optic system gives the City of Dover the opportunity to provide potential businesses with the necessary infrastructure customized according to their needs. The City continues to use every asset and every economic development tool available to it, to entice new business and maintain current businesses throughout the City. The City continues to diversify its tax base by pursuing annexations and growth of both residential and commercial property.

A goal every year is to provide the citizens of Dover with the same or a better level of service than that of the previous year. This goal becomes increasingly difficult as fiscal responsibilities continue to be challenging. Cost cutting efforts, negotiations, cost of service studies and revenue enhancements are again a focus in 2006. We know that the future of the City remains bright, as we continue to grow existing assets and develop new opportunities for the residents and business located with the City.

***Department Focus*** Each year the City selects a department to highlight for its efforts and accomplishments. For 2005, we are focusing the report on the City's Police Department.

The City of Dover had no homicides occur during 2005. Of the other Uniform crimes reported to the Federal Bureau of Investigation, the City's reported crimes have met the FBI's pattern of a decrease in violent crimes in general. The police department investigated 3 rape incidents, 1 robbery, 14 burglaries, 12 vehicle thefts, and 35 assault cases. The department did investigate 1 single car fatal accident for the year.

The department investigated 450 minor accidents and 81 accidents with injuries in 2005 compared to 451 minor accidents and 82 in 2004.

Overall calls for service to the Dover Police Department declined in 2005 compared to 2004. The department received 12,270 calls in 2005 compared to 12,586 in 2004.

The department continued to support the residents of Dover with their yearly participation in community service programs such as the Third Grade Seat Belt Program, Fourth Grade Bicycle Safety Program, National Child Safety Program for grades K – 5<sup>th</sup> grade, and Halloween Safety program for grade 1 – 6. The department also participated in programs sponsored by the Tuscarawas Safe Kids Coalition, such as the TEEN Rodeo at the Tuscarawas County Fairgrounds involving students from all of the County's school districts. The department is also involved with the Safe Kids/Healthy Kids day at Kent State Tuscarawas Campus. All of the programs consist of officers working with others to provide information to the Dover school children promoting safety and good choices.

The department also provides several services that many larger agencies do not. The department provides home checks while the residents are away on vacation. We also provide money escorts for businesses for bank deposits, funeral escorts, and unlock citizen's car doors. Investigation into private property vehicle accidents is also provided.

Officers of the department participated with the Ohio Public Safety Department's "What's holding you back? Click It or Ticket" program where officers enforced speed and seat belt violations during the summer program time. The department also worked with other county law enforcement officers on several Operating Vehicle Intoxicated (OVI) and other traffic offense enforcement projects. Officers arrested 116 OVI offenders in 2005. Officers also gave numerous talks to organizations by request.

The City of Dover is proud of our police department's goal to protect and provide the best police service to the citizen's of Dover. The department's officers remain high profile, whether it is law enforcement or by their involvement in our community, and their efforts are greatly appreciated by the City and its residents.

## **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 fifth year the City has prepared financial statements following “GASB Statement 34 - Basic Financial Statements-and-Management’s Discussion and Analysis - for State and Local Governments.” GASB 34 creates new basic financial statements for reporting on the City’s financial activities as follows:

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

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

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

As a part of this new reporting model, management is responsible for preparing a Management Discussion and Analysis of the City. This discussion follows the Independent Accountants’ Report, providing an assessment of the City finances for 2005 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 (\$39,881) as of December 31, 2005.

***Cash Management*** Cash during the year was invested in demand deposits, certificates of deposit, Federal Home Loan Bank Bonds, U.S. Treasury Bills, STAR Ohio and mutual funds.

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

***Risk Management*** The City of Dover manages the hospital/medical health benefits for its employees on a self-insured basis. A third party administrator processes and pays the claims. An excess coverage insurance policy covers claims in excess of \$65,000 per employee per year and in the aggregate of \$1,713,335 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 contracts for general liability insurance with a \$1,000,000 limit and a \$5,000,000 limit Umbrella Policy.

## Independent Audit

The financial records, books of accounts and transactions of the City of Dover, Ohio, for the year ended December 31, 2005, have been audited by the Auditor of State Betty Montgomery's Office. The Auditor's opinion has been included in this report.

## Awards

**GFOA Certificate of Achievement** The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Dover for its Comprehensive Annual Financial Report for the year ended December 31, 2004.

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-fourth Tree City USA Award for the year ended December 31, 2005. These prestigious awards recognize the City for its annual program of planting new trees and maintaining and removing old trees.

## Acknowledgments

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

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

Respectfully submitted,



Richard P. Homrighausen,  
Mayor



Mary J. Fox  
Auditor

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Dover,  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2004

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.



*Carla E. Judge*

President

*Jeffrey R. Emer*

Executive Director

**City of Dover, Ohio**  
*Principal Officials*  
*December 31, 2005*

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

Finance Department

Auditor ..... Mary J. Fox  
Treasurer ..... Joseph C. Maybaugh  
Income Tax Administrator.....Cheryl J. Saylor

Safety Department

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

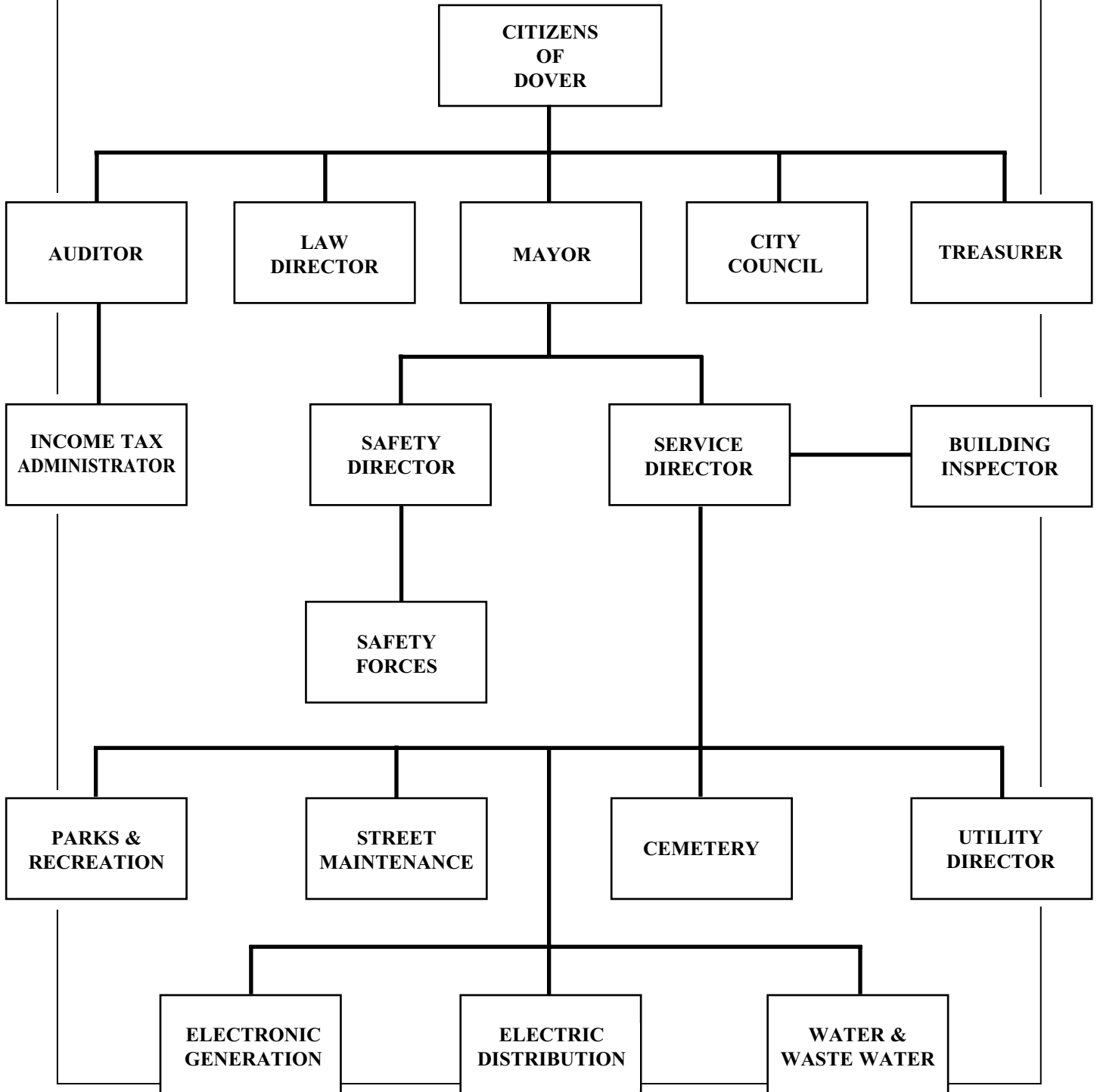
Service Department

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



# CITY OF DOVER, OHIO

Organization Chart







# Financial

## SECTION

"Sure I wave the American flag. Do you know a better flag to wave? Sure I love my country with all her faults. I'm not ashamed of that, never have been, never will be."

- John Wayne





## Auditor of State Betty Montgomery

### INDEPENDENT ACCOUNTANTS' REPORT

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

To the Members of City Council:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dover, Tuscarawas County, Ohio, (the City) as of and for the year ended December 31, 2005, which collectively comprise the City's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dover, Tuscarawas County, Ohio, as of December 31, 2005, and the respective changes in financial position and where applicable, cash flows, thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3, the City restated fund balance/net assets at December 31, 2004 to reflect loans receivable activity which was previously understated and notes payable and accrued interest payable which were improperly classified.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 6, 2006, 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 grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

101 Central Plaza South / 700 Chase Tower / Canton, OH 44702  
Telephone: (330) 438-0617 (800) 443-9272 Fax: (330) 471-0001  
[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

Management's Discussion & Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

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



**Betty Montgomery**  
Auditor of State

June 6, 2006

**City of Dover, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2005*  
*Unaudited*

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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, 2005. 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 2005 are as follows:

- Total Net Assets increased \$1,352,854. Net Assets of governmental activities increased \$368,420 which represents a 4.6 percent increase from 2004. Net assets of business-type activities increased \$984,434 or 3.3 percent from 2004.
- Total Assets of Government Activities increased \$296,873 or 2.2 percent above the 2004 level.
- Total Current Liabilities decreased \$62,074.
- Total Capital Assets increased \$1,942,296, which represents a 4.2 percent increase.
- Total Outstanding Debt increased \$1,421,137 or 5.8 percent during 2005.

**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 2005 and how they affected the operations of the City as a whole.

***Reporting the City of Dover as a Whole***

Statement of Net Assets and Statement of Activities

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

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

**City of Dover, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2005*  
*Unaudited*

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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 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, except for the internal service fund allocations.

**City of Dover, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2005*  
*Unaudited*

**The City of Dover as a Whole**

The Statement of Net Assets provides an overall view of the City. Table 1 shows a summary of the City's net assets for 2005 as they compare to 2004.

**Table 1**  
**Net Assets**

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
<b>Assets</b>						
Current and Other Assets	\$5,971,955	\$5,572,294	\$17,254,157	\$16,282,268	\$23,226,112	\$21,854,562
Capital Assets, Net	8,042,472	8,145,260	40,352,690	38,307,606	48,395,162	46,452,866
<i>Total Assets</i>	<i>14,014,427</i>	<i>13,717,554</i>	<i>57,606,847</i>	<i>54,589,874</i>	<i>71,621,274</i>	<i>68,307,428</i>
<b>Liabilities</b>						
Current Liabilities	1,919,326	1,948,857	8,798,009	8,830,552	10,717,335	10,779,409
Long-Term Liabilities:						
Due Within One Year	2,851,692	2,887,698	1,390,473	1,019,929	4,242,165	3,907,627
Due in More Than One Year	931,116	937,126	16,145,045	14,450,507	17,076,161	15,387,633
<i>Total Liabilities</i>	<i>5,702,134</i>	<i>5,773,681</i>	<i>26,333,527</i>	<i>24,300,988</i>	<i>32,035,661</i>	<i>30,074,669</i>
<b>Net Assets</b>						
Invested in Capital Assets, Net of Related Debt	5,422,472	5,425,260	18,382,783	17,332,983	23,805,255	22,758,243
Restricted for:						
Cemetery	589,139	540,441	0	0	589,139	540,441
Street Maintenance and Repair	328,974	186,730	0	0	328,974	186,730
Ambulance	112,159	85,383	0	0	112,159	85,383
Police and Fire Pension	9,928	0	0	0	9,928	0
Revolving Loan	532,482	507,771	0	0	532,482	507,771
Shade Tree	2,737	2,909	0	0	2,737	2,909
Law Enforcement and Education	30,789	26,449	0	0	30,789	26,449
Debt Service	0	0	1,254,300	1,280,500	1,254,300	1,280,500
Capital Projects	1,083,749	941,300	0	0	1,083,749	941,300
Replacement and Improvement	0	0	2,558,135	2,857,360	2,558,135	2,857,360
Unrestricted	199,864	227,630	9,078,102	8,818,043	9,277,966	9,045,673
<i>Total Net Assets</i>	<i>\$8,312,293</i>	<i>\$7,943,873</i>	<i>\$31,273,320</i>	<i>\$30,288,886</i>	<i>\$39,585,613</i>	<i>\$38,232,759</i>

Total assets increased in 2005 by \$3,313,846. The majority of the increase was in the business-type activities. The increase of \$3,016,973 for business-type activities is attributable to an increase of approximately two million in capital assets along with an increase in accounts receivable from the prior year.

Total liabilities increased by \$1,960,992. This increase is also concentrated in the business-type activities. This increase of \$2,032,539 is the result of the issuance of \$2,480,000 of new electric revenue bonds.

Total net assets increased by \$1,352,854. This number reflects an increase in both governmental and business-type activities.

**City of Dover, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2005*  
*Unaudited*

The City also works hard to increase net assets through our investment program. Investment earnings for governmental and business-type activities were \$309,311 in 2005. This is an increase of \$133,681 from 2004. This increase is a result of higher interest rates and the timing of City investments.

Table 2 shows the changes in net assets for the fiscal year 2005 for both our Governmental activities and our Business-Type activities. Since this is the fifth year the City is reporting under the GASB 34 reporting model, revenue and expense comparisons can be made between the years 2004 and 2005.

**Table 2**  
**Changes in Net Assets**

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
<b>Revenues</b>						
Program Revenues:						
Charges for Services and Sales	\$997,763	\$920,380	\$20,037,412	\$18,079,789	\$21,035,175	\$19,000,169
Operating Grants and Contributions	855,317	698,398	0	0	855,317	698,398
Capital Grants and Contributions	640,088	202,273	312,599	38,159	952,687	240,432
<b>Total Program Revenues</b>	<b>2,493,168</b>	<b>1,821,051</b>	<b>20,350,011</b>	<b>18,117,948</b>	<b>22,843,179</b>	<b>19,938,999</b>
General Revenues:						
Property Taxes	1,161,506	1,066,481	0	0	1,161,506	1,066,481
Income Taxes	3,941,499	3,543,317	0	0	3,941,499	3,543,317
Grants and Entitlements	1,711,617	1,865,282	0	0	1,711,617	1,865,282
Investments	186,319	106,991	122,992	68,639	309,311	175,630
Miscellaneous	119,238	133,753	920,040	278,626	1,039,278	412,379
<b>Total General Revenues</b>	<b>7,120,179</b>	<b>6,715,824</b>	<b>1,043,032</b>	<b>347,265</b>	<b>8,163,211</b>	<b>7,063,089</b>
<b>Total Revenues</b>	<b>9,613,347</b>	<b>8,536,875</b>	<b>21,393,043</b>	<b>18,465,213</b>	<b>31,006,390</b>	<b>27,002,088</b>
<b>Program Expenses</b>						
General Government	1,053,903	1,030,940	0	0	1,053,903	1,030,940
Security of Persons and Property	3,799,383	3,492,242	0	0	3,799,383	3,492,242
Transportation	1,539,960	1,323,868	0	0	1,539,960	1,323,868
Public Health Services	685,021	645,274	0	0	685,021	645,274
Community Environment	462,327	90,541	0	0	462,327	90,541
Basic Utility Services	423,012	459,082	0	0	423,012	459,082
Leisure Time Activities	647,646	602,131	0	0	647,646	602,131
Interest and Fiscal Charges	33,675	51,326	0	0	33,675	51,326
Enterprise Operations:						
Sewer	0	0	2,005,511	1,857,449	2,005,511	1,857,449
Electric	0	0	17,121,282	14,883,421	17,121,282	14,883,421
Water	0	0	1,881,816	2,574,878	1,881,816	2,574,878
<b>Total Program Expenses</b>	<b>8,644,927</b>	<b>7,695,404</b>	<b>21,008,609</b>	<b>19,315,748</b>	<b>29,653,536</b>	<b>27,011,152</b>
Increase (Decrease) in Net Assets						
Before Transfers	968,420	841,471	384,434	(850,535)	1,352,854	(9,064)
Transfers	(600,000)	(579,652)	600,000	579,652	0	0
<b>Increase (Decrease) in Net Assets</b>	<b>368,420</b>	<b>261,819</b>	<b>984,434</b>	<b>(270,883)</b>	<b>1,352,854</b>	<b>(9,064)</b>
Net Assets Beginning of Year	7,943,873	7,682,054	30,288,886	30,559,769	38,232,759	38,241,823
<b>Net Assets End of Year</b>	<b>\$8,312,293</b>	<b>\$7,943,873</b>	<b>\$31,273,320</b>	<b>\$30,288,886</b>	<b>\$39,585,613</b>	<b>\$38,232,759</b>



**City of Dover, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2005*  
*Unaudited*

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***Governmental Activities***

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

The City's income tax was established by ordinance to be effective January 1, 1970 at a rate of 1 percent. The rate has not been increased. Even though this rate is much lower than the state average for municipalities that have an income tax, there are no plans at this time to increase the rate. The income tax accounted for revenues of \$3,941,499 in 2005. By City ordinance, income tax proceeds, after income tax department expenditures, are credited to the following funds: Forty percent of the first \$2,000,000 to the master capital projects fund and the remaining balance divided between the cemetery special revenue fund, the street maintenance and repair special revenue fund, the police and fire pension special revenue fund and the general fund. This practice of putting a percentage of income tax revenue into the Master Capital fund has been an excellent tool for the City in making capital improvements without the need to issue debt.

Police and fire represent the largest expense of the Governmental Activities. This expense of \$3,799,383 represents 44 percent of the total expenses. These two departments operate out of the General fund.

Our Fire Department employs 16 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 15 full time employees who provide the City and its citizens many services that include public road salting, leaf and debris pickup, paint striping, and alley profiling. Transportation expenses increased by \$216,092 due to expenses for salt, and the additional pumping and manning in early 2005 because of flooding in various areas of the City.

The City also maintains three cemeteries (public health services) and two parks (leisure time activities) within the City. These areas had expenses of \$1,332,667 in 2005, equaling 15 percent of the total governmental activities expenses.

***Business-Type Activities***

The City also operates a Utility Department that consists of three utilities. The largest from an asset and revenue standpoint is the electric utility. This utility consists of a coal fired generation plant and distribution system that serves the City and surrounding area with reliable and competitively priced power. In 2005, the electric utility sold 240,492,318 KWH of electricity to generate \$15,559,521 in revenue. We burned 42,838 tons of coal at a cost of \$1,662,648. 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 of Dover, Ohio**  
*Management's Discussion and Analysis*  
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City's goal of reliable, affordable power and gives the City the opportunity of selling any excess City owned power to others.

The water utility services 5,718 residents with a minimum monthly pumpage of 1.17 million gallons and a maximum monthly pumpage of 3.38 million gallons in 2005. 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 1,721,000 gallons per day during 2005. This facility is near its peak capacity and a sludge press was added in 2001 to increase the efficiency of the plant. The City is moving forward with a sewer plant expansion.

The revenues and expenses for all three of these utilities are reported under the business-type activities on Table 2. The majority of the City's revenues and expenses flow through the business-type activities. The revenues are generated primarily from charges for services. In 2005, charges for services of \$20,037,412 accounted for approximately 94 percent of the revenues. The total expenses for the utilities were \$21,008,609. The City had an increase in net assets of \$984,434 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. The General fund had revenues of \$5,644,881 and expenditures of \$5,191,803. Although this shows a surplus of \$453,078, the true picture is somewhat different. Some of the revenue collected in the general fund is from the collection of the Kilowatt-hour tax that is then passed back through the electric fund by the way of a transfer. When these receipts and other transfers are eliminated, the true deficit is \$146,922. The Master Capital fund had revenues of \$816,356 and expenditures of \$649,838, leaving a surplus of \$166,518. The funds are monitored consistently with adjustments made throughout the year in budgets to accommodate yearly revenues.

The one fund that consistently exceeds our expense expectations is our Employee Health Insurance fund. Our medical and dental benefit plans have been self-funded since 1988. The ordinance was passed in 2003 to allow for an additional \$100 per employee per month to be contributed to the fund on an as-needed basis. We are currently in the process of negotiating with our unions for plan modifications to help control plan costs.

Information about the Proprietary Funds starts on page 21. These funds are accounted for on an accrual basis. The Sewer fund had operating revenues of \$2,975,692, which exceeded operating expenses of \$1,938,168. The Electric fund had operating revenues of \$16,222,019 and operating expenses of \$16,261,905 and the Water fund had operating revenues of \$1,759,741 and operating expenses of \$1,712,234. The City is consistent with reviews of these funds, and the necessary adjustments are made to ensure strength in our enterprise funds.

**City of Dover, Ohio**  
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***Budgeting Highlights***

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

For 2005, there were no material changes in the original and final appropriations. However, there was an increase in estimated revenues due to increased collections.

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

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

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

***Capital Assets***

**Table 3**  
**Capital Assets at December 31**

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Land	\$851,930	\$851,930	\$410,386	\$410,386	\$1,262,316	\$1,262,316
Buildings	1,616,401	1,497,491	15,214,543	12,650,104	16,830,944	14,147,595
Improvements Other than Buildings	409,971	435,313	0	0	409,971	435,313
Equipment and Machinery	834,238	943,647	3,397,814	3,739,769	4,232,052	4,683,416
Furniture and Fixtures	15,301	17,898	50,450	56,075	65,751	73,973
Vehicles	703,324	838,772	235,052	339,407	938,376	1,178,179
Infrastructure	3,611,307	3,560,209	15,191,829	14,124,899	18,803,136	17,685,108
Construction-In-Progress	0	0	5,852,616	6,986,966	5,852,616	6,986,966
<i>Total Capital Assets</i>	<u>\$8,042,472</u>	<u>\$8,145,260</u>	<u>\$40,352,690</u>	<u>\$38,307,606</u>	<u>\$48,395,162</u>	<u>\$46,452,866</u>

**City of Dover, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2005*  
*Unaudited*

Total Capital Assets for the City of Dover for the year ended December 31, 2005 were \$48,395,162, which reflects a \$1,942,296 increase over the 2004 figure of \$46,452,866. Infrastructure acquired or constructed prior to 2000 has not been reported in the governmental activities. In 2001, the City reported its current year infrastructure and will phase in the beginning balance in future years. In 2005, \$132,627 was added for the improvements and additions to fire hydrants, streets and storm sewers bringing the total governmental infrastructure to \$3,611,307. In the business-type activities, there was an increase of \$2,045,084 for 2005. This increase can be attributed to the partial completion of a project making modifications and adding to our existing electric distribution system. Note 8 provides capital asset activity during the 2005 year.

***Debt***

The outstanding debt for the City of Dover as of December 31, 2005 was \$25,770,280. This balance reflected an increase of \$1,421,137 from the previous year's balance of \$24,349,143, an increase of approximately 6 percent.

**Table 4**  
**Outstanding Debt at Year End**

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Police and Fire Pension	\$301,861	\$306,927	\$0	\$0	\$301,861	\$306,927
Revenue Bonds	0	0	16,108,419	13,907,216	16,108,419	13,907,216
General Obligations Bonds	0	0	640,000	815,000	640,000	815,000
Notes Payable	2,620,000	2,720,000	6,100,000	6,600,000	8,720,000	9,320,000
<i>Total</i>	<u>\$2,921,861</u>	<u>\$3,026,927</u>	<u>\$22,848,419</u>	<u>\$21,322,216</u>	<u>\$25,770,280</u>	<u>\$24,349,143</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 outstanding general obligation bonds in the amount of \$150,000.

The water utility issued a revenue bond in 2003 for improvements to the waterworks system. It is scheduled to be paid off in 2022. In 2004, the water utility also current refunded their 1994 waterworks system revenue bond. The new issue is scheduled to be paid off in 2022.

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

Debt service current year payments for the electric utility in 2005 were \$5,895,315. For the sewer utility it was \$1,690,673, and for the water utility \$500,861.

Additional information on the City's long-term debt can be found in Note 14 of this report. Note 15 provides information regarding bond anticipation notes.

**City of Dover, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2005*  
*Unaudited*

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**Current Financial Issues**

The City of Dover has been choosing projects carefully due to limited funding in many funds. We are continuing to extend utility and roadway to a 250 acre annexation that was finalized in April of 2002. The City of Dover has plans for an industrial park in this area. The City administration continues to work with potential tenants for the park, using every resource currently available to attract and retain businesses to the City. This annexation included some existing businesses and residents. A major expansion of an existing Dover business opened its doors in May of 2005 on the newly annexed land. Adventure Harley Davidson, formerly known as H & M Cycle of Dover, built a 33,000 square foot facility complete with a wraparound front porch, with rocking chairs and a picnic area, to provide a haven for riders as well as an opportunity to view the extensive inventory of Harley Davidson motorcycles in the extensive showroom, or relax while their motorcycle is being serviced in one of the 11 bays. The 3 million dollar property is owned locally is open six days a week and accessible via the internet.

The City of Dover offers tax incremental financing as one tool to aid businesses in their relocation, or establishment. This economic development tool will aid businesses in expediting the extension of utilities to the area. Tax abatements and the use of Economic Development Revolving Loan fund monies, are also offered and reviewed on a case by case basis.

With a fiber optic network already in place, allowing time for an extension to their location, businesses can be offered a reliable, affordable and an efficient fiber connection through the City of Dover's network. The City currently has tested the system with a few business customers, and has been providing a connection to the local schools, hospital and the City facilities. We feel this technology is an effective economic development tool and deserves to be considered and developed and for all existing and future endeavors by Dover businesses.

The City of Dover prides itself on providing reliable, affordable utility services to all its residents and reviews each project with that mission as the top priority.

Dover is the home of the Tuscarawas Port Authority which houses several businesses at its Reeves Mill Business Park and at The Business Factory, which is the business incubator operation. The port authority also offers office space either on a permanent or temporary basis to small local operations. Most businesses at the Reeves Mill Business Park location have met or exceeded their original projections. At the end of 2005, Rolite Plastics, Inc. remained the largest employer with 62 employees. Rolite Plastics, Inc. relocated its business to Dover from its former location in Midvale, Ohio due to the need for expansion. Rolite Plastic, Inc. is the second largest manufacturer of plastic mats for under office chairs. Their operation is worldwide. Norris Manufacturing employed 20 employees at year end and was seeking to add additional employees in 2006. They restore and custom build cranes. The port authority continues to actively pursue additional tenants and have 22 acres available for expansion. The City of Dover is working with the port authority by providing our Economic Development Revolving Loan Fund monies to eligible businesses such as Rolite Plastics, Inc., who began to repay their \$500,000 loan in 2005, thus paving the way for other businesses to apply for the money. The City of Dover also granted \$35,000 to aid in the start up of the business incubator operation.

**City of Dover, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2005*  
*Unaudited*

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The plans for the future are always made keeping a careful watch on the financial condition of the City. The City of Dover has a firm commitment to its citizens and has continued to provide the same level of services in 2005. Our goal remains to grow and meet the needs of the future, despite the effects felt by the economic downturn. The City of Dover shows its strength of a diversified tax base by keeping pace with prior years collections of income tax. City departments remain adequately staffed and the City continues to replace equipment by necessity. We are proceeding with modified yearly paving programs, and extending our streets and utilities to new areas based on need. City Council has again provided funding for a sidewalk replacement program and an alley paving program.

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

**Contacting the City's Finance Department**

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

**City of Dover, Ohio**  
*Statement of Net Assets*  
*December 31, 2005*

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$2,194,878	\$8,163,357	\$10,358,235
Cash and Cash Equivalents:			
Held by Trustee	0	1,555,280	1,555,280
With Fiscal Agents	19,618	144,826	164,444
Materials and Supplies Inventory	91,024	774,499	865,523
Accounts Receivable	106,012	3,413,160	3,519,172
Internal Balances	17,769	(17,769)	0
Intergovernmental Receivable	867,619	2,293	869,912
Prepaid Items	16,541	281,936	298,477
Income Tax Receivable	1,154,830	0	1,154,830
Property Taxes Receivable	1,044,477	0	1,044,477
Loans Receivable	459,187	0	459,187
Unamortized Bond Issuance Costs	0	620,338	620,338
Investment in Joint Venture	0	2,316,237	2,316,237
Nondepreciable Capital Assets	851,930	6,263,002	7,114,932
Depreciable Capital Assets, Net	7,190,542	34,089,688	41,280,230
<i>Total Assets</i>	<u>14,014,427</u>	<u>57,606,847</u>	<u>71,621,274</u>
<b>Liabilities</b>			
Accounts Payable	60,917	287,958	348,875
Accrued Wages	164,853	131,324	296,177
Contracts Payable	71,065	1,510,733	1,581,798
Intergovernmental Payable	388,796	311,150	699,946
Matured Interest Payable	1,735	3,204	4,939
Accrued Interest Payable	24,066	239,162	263,228
Retainage Payable	17,883	141,622	159,505
Customer Deposits	0	72,856	72,856
Claims Payable	74,265	0	74,265
Deferred Revenue	1,015,746	0	1,015,746
Notes Payable	100,000	6,100,000	6,200,000
Long-Term Liabilities:			
Due Within One Year	2,851,692	1,390,473	4,242,165
Due In More Than One Year	931,116	16,145,045	17,076,161
<i>Total Liabilities</i>	<u>5,702,134</u>	<u>26,333,527</u>	<u>32,035,661</u>
<b>Net Assets</b>			
Invested in Capital Assets, Net of Related Debt	5,422,472	18,382,783	23,805,255
Restricted for:			
Cemetery	589,139	0	589,139
Street Maintenance and Repair	328,974	0	328,974
Ambulance	112,159	0	112,159
Police and Fire Pension	9,928	0	9,928
Revolving Loan	532,482	0	532,482
Shade Tree	2,737	0	2,737
Law Enforcement and Education	30,789	0	30,789
Debt Service	0	1,254,300	1,254,300
Capital Projects	1,083,749	0	1,083,749
Electric Replacement and Improvement	0	2,059,299	2,059,299
Water Replacement and Improvement	0	498,836	498,836
Unrestricted	199,864	9,078,102	9,277,966
<i>Total Net Assets</i>	<u>\$8,312,293</u>	<u>\$31,273,320</u>	<u>\$39,585,613</u>

See accompanying notes to the basic financial statements

**City of Dover, Ohio**  
*Statement of Activities*  
For the Year Ended December 31, 2005

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
General Government	\$1,053,903	\$24,025	\$0	\$0
Security of Persons and Property	3,799,383	100,455	8,978	0
Transportation	1,539,960	6	780,801	0
Public Health Services	685,021	341,713	65,538	0
Community Environment	462,327	20,524	0	640,088
Basic Utility Services	423,012	426,042	0	0
Leisure Time Activities	647,646	84,998	0	0
Interest and Fiscal Charges	33,675	0	0	0
<i>Total Governmental Activities</i>	<u>8,644,927</u>	<u>997,763</u>	<u>855,317</u>	<u>640,088</u>
<b>Business-Type Activities:</b>				
Sewer	2,005,511	2,720,284	0	132,955
Electric	17,121,282	15,559,521	0	0
Water	1,881,816	1,757,607	0	179,644
<i>Total Business-Type Activities</i>	<u>21,008,609</u>	<u>20,037,412</u>	<u>0</u>	<u>312,599</u>
<i>Total - Primary Government</i>	<u>\$29,653,536</u>	<u>\$21,035,175</u>	<u>\$855,317</u>	<u>\$952,687</u>

**General Revenues**

Property Taxes Levied for:

    General Purposes

    Police and Fire Pension

Income Tax Levied for:

    General Purposes

    Street Maintenance and Repair

    Cemetery

    Police and Fire Pension

    Capital Outlay

Grants and Entitlements not Restricted to Specific Programs

Investment Earnings

Miscellaneous

*Total General Revenues*

Transfers

*Total General Revenues and Transfers*

Change in Net Assets

*Net Assets Beginning of Year - Restated (See Note 3)*

*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
(\$1,029,878)	\$0	(\$1,029,878)
(3,689,950)	0	(3,689,950)
(759,153)	0	(759,153)
(277,770)	0	(277,770)
198,285	0	198,285
3,030	0	3,030
(562,648)	0	(562,648)
(33,675)	0	(33,675)
<u>(6,151,759)</u>	<u>0</u>	<u>(6,151,759)</u>
0	847,728	847,728
0	(1,561,761)	(1,561,761)
0	55,435	55,435
<u>0</u>	<u>(658,598)</u>	<u>(658,598)</u>
<u>(6,151,759)</u>	<u>(658,598)</u>	<u>(6,810,357)</u>
1,013,703		1,013,703
147,803	0	147,803
2,204,050	0	2,204,050
362,831	0	362,831
311,280	0	311,280
313,730	0	313,730
749,608	0	749,608
1,711,617	0	1,711,617
186,319	122,992	309,311
119,238	920,040	1,039,278
<u>7,120,179</u>	<u>1,043,032</u>	<u>8,163,211</u>
<u>(600,000)</u>	<u>600,000</u>	<u>0</u>
<u>6,520,179</u>	<u>1,643,032</u>	<u>8,163,211</u>
368,420	984,434	1,352,854
<u>7,943,873</u>	<u>30,288,886</u>	<u>38,232,759</u>
<u>\$8,312,293</u>	<u>\$31,273,320</u>	<u>\$39,585,613</u>

**City of Dover, Ohio**

*Balance Sheet*

*Governmental Funds*

*December 31, 2005*

	<u>General</u>	<u>Master Capital</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>				
Equity in Pooled Cash and				
Cash Equivalents	\$331,418	\$839,875	\$990,612	\$2,161,905
Cash and Cash Equivalents				
With Fiscal Agents	0	15,360	4,258	19,618
Materials and Supplies Inventory	11,171	0	79,853	91,024
Accounts Receivable	57,135	0	47,466	104,601
Intergovernmental Receivable	605,094	0	262,525	867,619
Prepaid Items	14,373	0	2,168	16,541
Income Taxes Receivable	638,269	223,711	292,850	1,154,830
Property Taxes Receivable	906,557	0	137,920	1,044,477
Loans Receivable	0	0	459,187	459,187
<i>Total Assets</i>	<u>\$2,564,017</u>	<u>\$1,078,946</u>	<u>\$2,276,839</u>	<u>\$5,919,802</u>
<b>Liabilities</b>				
Accounts Payable	\$36,447	\$826	\$23,644	\$60,917
Accrued Wages	133,831	0	31,022	164,853
Contracts Payable	44,016	801	26,248	71,065
Intergovernmental Payable	208,181	1,863	178,752	388,796
Matured Interest Payable	0	0	1,735	1,735
Accrued Interest Payable	0	797	0	797
Retainage Payable	0	15,360	2,523	17,883
Deferred Revenue	1,897,919	88,022	677,084	2,663,025
Notes Payable	0	100,000	0	100,000
<i>Total Liabilities</i>	<u>2,320,394</u>	<u>207,669</u>	<u>941,008</u>	<u>3,469,071</u>
<b>Fund Balances</b>				
Reserved for Encumbrances	29,998	88,006	15,796	133,800
Reserved for Loans Receivable	0	0	459,187	459,187
Unreserved:				
Undesignated, Reported in:				
General Fund	213,625	0	0	213,625
Special Revenue Funds	0	0	836,398	836,398
Capital Projects Funds	0	783,271	24,450	807,721
<i>Total Fund Balances</i>	<u>243,623</u>	<u>871,277</u>	<u>1,335,831</u>	<u>2,450,731</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$2,564,017</u>	<u>\$1,078,946</u>	<u>\$2,276,839</u>	<u>\$5,919,802</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, 2005*

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<b>Total Governmental Fund Balances</b>	<b>\$2,450,731</b>
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*Amounts reported for governmental activities in the  
 statement of net assets are different because*

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	8,042,472
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Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:

Property Taxes	28,731
Income Tax	801,396
Grants	769,686
Charges for Services	47,466

Total	1,647,279
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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.	(39,881)
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An internal balance is recorded in governmental activities to reflect underpayments to the internal service fund by the business-type activities.	17,769
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Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.	(23,269)
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:

Police and Fire Pension	(301,861)
Notes Payable	(2,520,000)
Compensated Absences	(960,947)

Total	(3,782,808)
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<i>Net Assets of Governmental Activities</i>	<b>\$8,312,293</b>
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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, 2005*

	General	Master Capital	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Property and Other Local Taxes	\$1,016,330	\$0	\$148,390	\$1,164,720
Income Taxes	2,143,975	740,732	875,000	3,759,707
Intergovernmental	1,651,706	10,000	1,379,465	3,041,171
Interest	143,986	1,514	40,819	186,319
Fines, Licenses and Permits	49,416	0	4,690	54,106
Charges for Services	601,944	0	341,336	943,280
Other	37,524	64,110	13,388	115,022
<i>Total Revenues</i>	<u>5,644,881</u>	<u>816,356</u>	<u>2,803,088</u>	<u>9,264,325</u>
<b>Expenditures</b>				
Current:				
General Government	1,032,690	0	0	1,032,690
Security of Persons and Property	3,028,155	0	419,924	3,448,079
Transportation	0	0	998,710	998,710
Public Health Services	10,065	0	663,617	673,682
Community Environment	98,369	0	6,671	105,040
Basic Utility Services	423,012	0	0	423,012
Leisure Time Activities	599,512	0	0	599,512
Capital Outlay	0	599,816	612,383	1,212,199
Debt Service:				
Principal Retirement	0	0	5,066	5,066
Interest and Fiscal Charges	0	50,022	12,979	63,001
<i>Total Expenditures</i>	<u>5,191,803</u>	<u>649,838</u>	<u>2,719,350</u>	<u>8,560,991</u>
<i>Excess of Revenues Over Expenditures</i>	<u>453,078</u>	<u>166,518</u>	<u>83,738</u>	<u>703,334</u>
<b>Other Financing Sources (Uses)</b>				
Notes Issued	0	2,520,000		2,520,000
Payment to Refund Notes	0	(2,620,000)		(2,620,000)
Transfers Out	(600,000)	0	0	(600,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(600,000)</u>	<u>(100,000)</u>	<u>0</u>	<u>(700,000)</u>
<i>Net Change in Fund Balances</i>	(146,922)	66,518	83,738	3,334
<i>Fund Balances Beginning of Year - Restated (See Note 3)</i>	<u>390,545</u>	<u>804,759</u>	<u>1,252,093</u>	<u>2,447,397</u>
<i>Fund Balances End of Year</i>	<u>\$243,623</u>	<u>\$871,277</u>	<u>\$1,335,831</u>	<u>\$2,450,731</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, 2005*

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**Net Change in Fund Balances - Total Governmental Funds** \$3,334

*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 depreciation exceeded capital outlays in the current period.

Capital Asset Additions	458,786	
Current Year Depreciation	(561,574)	
Total		(102,788)

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

Property Taxes	(3,214)	
Income Tax	181,792	
Charges for Services	377	
Grants	165,851	
Total		344,806

Repayment of debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 2,625,066

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 29,326

Proceeds of notes is an other financing source in the governmental funds, but increases liabilities in governmental activities. (2,520,000)

Compensated absences 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. (63,050)

The internal service funds used by management to charge the the cost of insurance to individual funds is not reported in the entity-wide statement of activities. Governmental expenditures and related internal service fund revenues are eliminated. The change for governmental funds is reported for the year. 51,726

*Change in Net Assets of Governmental Activities* \$368,420

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, 2005*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Property and Other Local Taxes	\$900,000	\$934,100	\$1,016,330	\$82,230
Income Taxes	1,933,682	2,343,099	2,059,634	(283,465)
Intergovernmental	1,500,000	1,518,587	1,651,465	132,878
Interest	100,000	150,000	143,986	(6,014)
Fines, Licenses and Permits	40,000	48,700	48,984	284
Charges for Services	600,000	604,598	613,831	9,233
Other	50,000	55,550	37,524	(18,026)
<i>Total Revenues</i>	<u>5,123,682</u>	<u>5,654,634</u>	<u>5,571,754</u>	<u>(82,880)</u>
<b>Expenditures</b>				
Current:				
General Government	1,283,083	1,120,183	1,013,149	107,034
Security of Persons and Property	3,072,607	3,201,401	2,998,188	203,213
Public Health Services	11,000	11,000	10,065	935
Community Environment	73,161	99,525	96,729	2,796
Basic Utility Services	425,000	425,000	423,012	1,988
Leisure Time Activities	609,866	626,866	602,309	24,557
<i>Total Expenditures</i>	<u>5,474,717</u>	<u>5,483,975</u>	<u>5,143,452</u>	<u>340,523</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(351,035)	170,659	428,302	257,643
<b>Other Financing Uses</b>				
Transfers Out	<u>0</u>	<u>(600,000)</u>	<u>(600,000)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(351,035)	(429,341)	(171,698)	257,643
<i>Fund Balance Beginning of Year</i>	397,580	397,580	397,580	0
Prior Year Encumbrances Appropriated	<u>48,753</u>	<u>48,753</u>	<u>48,753</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$95,298</u>	<u>\$16,992</u>	<u>\$274,635</u>	<u>\$257,643</u>

See accompanying notes to the basic financial statements

**City of Dover, Ohio**  
*Statement of Fund Net Assets*  
*Proprietary Funds*  
*December 31, 2005*

	Business-Type Activities				Governmental Activities - Internal Service Fund
	Sewer	Electric	Water	Total	
<b>Assets</b>					
<i>Current Assets:</i>					
Equity in Pooled Cash and Cash Equivalents	\$2,439,005	\$2,663,657	\$332,566	\$5,435,228	\$32,973
Cash and Cash Equivalents					
With Fiscal Agents	53,016	35,128	56,682	144,826	0
<i>Restricted Assets:</i>					
Equity in Pooled Cash and Cash Equivalents	0	636,164	284,498	920,662	0
<i>Receivables:</i>					
Accounts	438,764	2,674,743	299,653	3,413,160	1,411
Intergovernmental	2,293	0	0	2,293	0
Materials and Supplies Inventory	9,906	662,300	102,293	774,499	0
Prepaid Items	60,316	171,001	50,619	281,936	0
<i>Total Current Assets</i>	<u>3,003,300</u>	<u>6,842,993</u>	<u>1,126,311</u>	<u>10,972,604</u>	<u>34,384</u>
<i>Non-Current Assets:</i>					
<i>Restricted Assets:</i>					
Equity in Pooled Cash and Cash Equivalents	0	1,495,991	311,476	1,807,467	0
Cash Equivalents Held by Trustee	0	983,773	571,507	1,555,280	0
Deferred Charges	6,440	456,092	157,806	620,338	0
Investment in Joint Venture	0	2,316,237	0	2,316,237	0
Land and Construction in Progress	1,336,312	3,853,056	1,073,634	6,263,002	0
Depreciable Capital Assets, Net	9,102,316	15,765,585	9,221,787	34,089,688	0
<i>Total Non-Current Assets</i>	<u>10,445,068</u>	<u>24,870,734</u>	<u>11,336,210</u>	<u>46,652,012</u>	<u>0</u>
<i>Total Assets</i>	<u>13,448,368</u>	<u>31,713,727</u>	<u>12,462,521</u>	<u>57,624,616</u>	<u>34,384</u>
<b>Liabilities</b>					
<i>Current Liabilities:</i>					
Accounts Payable	\$141,883	\$127,044	\$19,031	\$287,958	\$0
Accrued Wages	26,560	81,495	23,269	131,324	0
Contracts Payable	1,884	1,448,333	60,516	1,510,733	0
Intergovernmental Payable	59,622	202,419	49,109	311,150	0
Compensated Absences Payable	86,665	212,376	101,432	400,473	0
Matured Interest Payable	0	927	2,277	3,204	0
Accrued Interest Payable	17,997	211,667	9,498	239,162	0
Retainage Payable	53,016	34,201	54,405	141,622	0
Customer Deposits	0	72,856	0	72,856	0
Notes Payable	1,100,000	5,000,000	0	6,100,000	0
General Obligation Bonds Payable	110,000	75,000	0	185,000	0
Revenue Bonds Payable	0	530,000	275,000	805,000	0
Claims Payable	0	0	0	0	74,265
<i>Total Current Liabilities</i>	<u>1,597,627</u>	<u>7,996,318</u>	<u>594,537</u>	<u>10,188,482</u>	<u>74,265</u>
<i>Long-Term Liabilities:</i>					
Compensated Absences Payable (net of current portion)	118,484	160,278	107,864	386,626	0
General Obligation Payable (net of current portion)	380,000	75,000	0	455,000	0
Revenue Bonds Payable (net of current portion)	0	9,464,938	5,838,481	15,303,419	0
<i>Total Long-Term Liabilities</i>	<u>498,484</u>	<u>9,700,216</u>	<u>5,946,345</u>	<u>16,145,045</u>	<u>0</u>
<i>Total Liabilities</i>	<u>2,096,111</u>	<u>17,696,534</u>	<u>6,540,882</u>	<u>26,333,527</u>	<u>74,265</u>
<b>Net Assets</b>					
Invested in Capital Assets, Net of Related Debt	8,855,068	5,187,969	4,339,746	18,382,783	0
<i>Restricted for:</i>					
Debt Service	0	692,291	562,009	1,254,300	0
Replacement and Improvement	0	2,059,299	498,836	2,558,135	0
Unrestricted (Deficit)	2,497,189	6,077,634	521,048	9,095,871	(39,881)
<i>Total Net Assets (Deficit)</i>	<u>\$11,352,257</u>	<u>\$14,017,193</u>	<u>\$5,921,639</u>	<u>31,291,089</u>	<u>(\$39,881)</u>

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

(17,769)  
Net assets of business-type activities \$31,273,320

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, 2005*

	Business-Type	
	Sewer	Electric
<b>Operating Revenues</b>		
Charges for Services	\$2,720,284	\$14,713,824
Electric/Water Charges Pledged as Security for Revenue Bonds	0	845,697
Other	255,408	662,498
<i>Total Operating Revenues</i>	<u>2,975,692</u>	<u>16,222,019</u>
<b>Operating Expenses</b>		
Salaries and Wages	733,508	2,065,158
Fringe Benefits	391,923	961,880
Purchased Services	374,476	1,206,127
Materials and Supplies	29,665	1,918,253
Purchased Power	0	9,300,457
Depreciation	408,596	810,030
Claims	0	0
<i>Total Operating Expenses</i>	<u>1,938,168</u>	<u>16,261,905</u>
<i>Operating Income (Loss)</i>	<u>1,037,524</u>	<u>(39,886)</u>
<b>Non-Operating Revenues (Expenses)</b>		
Interest	3,559	75,553
Loss on Investment in Joint Venture	0	(131,226)
Interest and Fiscal Charges	(79,583)	(751,227)
<i>Total Non-Operating Revenues (Expenses)</i>	<u>(76,024)</u>	<u>(806,900)</u>
<i>Income (Loss) before Capital Contributions and Transfers</i>	961,500	(846,786)
Capital Contributions	132,955	0
Transfers In	0	600,000
<i>Change in Net Assets</i>	1,094,455	(246,786)
<i>Net Assets (Deficit) Beginning of Year</i>	<u>10,257,802</u>	<u>14,263,979</u>
<i>Net Assets (Deficit) End of Year</i>	<u>\$11,352,257</u>	<u>\$14,017,193</u>

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

Change in net assets of business-type activities

See accompanying notes to the basic financial statements



Activities		Governmental Activities - Internal Service Fund
Water	Total	
\$1,191,451	\$18,625,559	\$1,510,722
566,156	1,411,853	0
2,134	920,040	7,604
1,759,741	20,957,452	1,518,326
625,024	3,423,690	0
317,830	1,671,633	0
246,491	1,827,094	130,582
48,120	1,996,038	0
0	9,300,457	0
474,769	1,693,395	0
0	0	1,294,450
1,712,234	19,912,307	1,425,032
47,507	1,045,145	93,294
43,880	122,992	0
0	(131,226)	0
(175,834)	(1,006,644)	0
(131,954)	(1,014,878)	0
(84,447)	30,267	93,294
179,644	312,599	0
0	600,000	0
95,197	942,866	93,294
5,826,442		(133,175)
\$5,921,639		(\$39,881)
	41,568	
	\$984,434	

**City of Dover, Ohio**  
*Statement of Cash Flows*  
*Proprietary Funds*  
For the Year Ended December 31, 2005

	Business-Type Activities				Governmental Activities - Internal Service Fund
	Sewer	Electric	Water	Total	
<b>Increase (Decrease) in Cash and Cash Equivalents</b>					
<b>Cash Flows from Operating Activities</b>					
Cash Received from Customers	\$2,682,135	\$14,798,860	\$1,772,087	\$19,253,082	\$0
Cash Received from Transactions with Other Funds	0	0	0	0	1,510,722
Other Cash Receipts	255,408	662,498	2,134	920,040	6,193
Electric Deposits Received	0	29,370	0	29,370	0
Cash Payments to Employees for Services	(1,092,000)	(2,960,819)	(913,349)	(4,966,168)	0
Cash Payments for Goods and Services	(284,839)	(12,040,834)	(237,246)	(12,562,919)	(130,582)
Electric Deposits Returned	0	(26,911)	0	(26,911)	0
Cash Payments for Claims	0	0	0	0	(1,359,625)
<i>Net Cash Provided by Operating Activities</i>	<u>1,560,704</u>	<u>462,164</u>	<u>623,626</u>	<u>2,646,494</u>	<u>26,708</u>
<b>Cash Flows from Noncapital Financing Activities</b>					
Transfers In	0	600,000	0	600,000	0
<b>Cash Flows from Capital and Related Financing Activities</b>					
Proceeds from Sale of Revenue Bonds	0	2,243,850	0	2,243,850	0
Proceeds from Sale of Notes	1,100,000	5,000,000	0	6,100,000	0
Principal Paid on Bonds	(100,000)	(405,000)	(270,000)	(775,000)	0
Interest Paid on Bonds	(42,039)	(211,815)	(230,861)	(484,715)	0
Tap-In Fees for Construction	4,261	0	12,038	16,299	0
Principal Paid on Notes	(1,500,000)	(5,100,000)	0	(6,600,000)	0
Interest Paid on Notes	(48,634)	(178,500)	0	(227,134)	0
Capital Grants	128,694	0	141,606	270,300	0
Payments for Capital Acquisitions	(1,239,464)	(1,632,401)	(925,692)	(3,797,557)	0
<i>Net Cash Used in Capital and Related Financing Activities</i>	<u>(1,697,182)</u>	<u>(283,866)</u>	<u>(1,272,909)</u>	<u>(3,253,957)</u>	<u>0</u>
<b>Cash Flows from Investing Activities</b>					
Interest on Investments	3,559	75,553	43,880	122,992	0
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	<u>(132,919)</u>	<u>853,851</u>	<u>(605,403)</u>	<u>115,529</u>	<u>26,708</u>
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>2,624,940</u>	<u>4,960,862</u>	<u>2,162,132</u>	<u>9,747,934</u>	<u>6,265</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$2,492,021</u>	<u>\$5,814,713</u>	<u>\$1,556,729</u>	<u>\$9,863,463</u>	<u>\$32,973</u>

(continued)

**City of Dover, Ohio**  
*Statement of Cash Flows*  
*Proprietary Funds (continued)*  
*For the Year Ended December 31, 2005*

	Business-Type Activities				Governmental Activities - Internal Service Fund
	Sewer	Electric	Water	Total	
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities</b>					
Operating Income (Loss)	\$1,037,524	(\$39,886)	\$47,507	\$1,045,145	\$93,294
Adjustments:					
Depreciation	408,596	810,030	474,769	1,693,395	0
(Increase) Decrease in Assets:					
Accounts Receivable	(38,477)	(760,661)	55,543	(743,595)	(1,411)
Intergovernmental Receivable	328	0	0	328	0
Prepaid Items	(10,078)	44,856	8,542	43,320	0
Materials and Supplies Inventory	2,077	72,459	(6,799)	67,737	0
Increase (Decrease) in Liabilities:					
Accounts Payable	125,463	(106,323)	(41,164)	(22,024)	0
Contracts Payable	1,884	366,647	56,006	424,537	0
Accrued Wages	(2,698)	4,967	(1,223)	1,046	0
Compensated Absences Payable	20,309	3,058	15,512	38,879	0
Intergovernmental Payable	15,776	64,558	14,933	95,267	0
Customer Deposits	0	2,459	0	2,459	0
Claims Payable	0	0	0	0	(65,175)
<i>Net Cash Provided by Operating Activities</i>	<u>\$1,560,704</u>	<u>\$462,164</u>	<u>\$623,626</u>	<u>\$2,646,494</u>	<u>\$26,708</u>

**Noncash Capital Financing Activities:**

During 2005, capital assets were donated by developers to the water enterprise fund in the amount of \$26,000.

During 2005, noncash activity occurred in the electric enterprise fund for a current debt refunding. Proceeds of bonds for \$7,426,150 and a premium of \$278,032 were used to pay principal payment (\$7,190,000), interest expense (\$287,505) and issuance costs (\$226,677) directly and were never received by the City.

See accompanying notes to the basic financial statements

**City of Dover, Ohio**  
*Statement of Fiduciary Net Assets*  
*Fiduciary Funds*  
*December 31, 2005*

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	Private Purpose Trust
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$210,430</u>
<b>Net Assets</b>	
Held in Trust for Cemetery	<u>\$210,430</u>

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, 2005*

	Private-Purpose Trust
<b>Additions</b>	
Charges for Services	\$9,010
Interest	5,740
<i>Total Additions</i>	14,750
<b>Deductions</b>	
Burial Expense	8,217
<i>Change in Net Assets</i>	6,533
<i>Net Assets Beginning of Year</i>	203,897
<i>Net Assets End of Year</i>	\$210,430

See accompanying notes to the basic financial statements

**City of Dover, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2005*

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**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 (S.E.N.T.) and Ohio Mid-Eastern Governments Association (OMEGA) as jointly governed organizations and the Ohio Municipal Electric Generation Agency (JV2) joint venture. The City is also associated with the Ohio Association of Rural Water and Wastewater Systems Workers' Compensation Group Rating Plan, an insurance purchasing pool. These organizations are presented in Notes 16, 17 and 18 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 entity has elected not to apply FASB pronouncements and Interpretations issued after November 30, 1989, to its business-type activities and enterprise funds. The most significant of the City's accounting policies are described below.

**City of Dover, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2005*

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**A. Basis of Presentation**

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

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

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

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

**B. Fund Accounting**

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

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

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

**City of Dover, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2005*

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

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

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

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

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

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

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

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

### **C. Measurement Focus**

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

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

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



**City of Dover, Ohio**  
*Notes to the Basic Financial Statements*  
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Private purpose trust funds are reported using the economic resources measurement focus.

***D. Basis of Accounting***

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

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

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 7). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: income tax, state-levied locally shared taxes (including gasoline tax and motor vehicle license fees), fines 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, 2005, but which were levied to finance year 2006 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, 2005*

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***E. Cash and Cash Equivalents***

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

During 2005, investments were limited to Federal Home Loan Bank Bonds, US Treasury Bills, First American Funds Government Obligations Mutual Fund and STAROhio.

Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts such as repurchase agreements and nonnegotiable certificates of deposit are reported at cost. The fair value of the mutual fund is determined by the fund's December 31, 2005, share price. Any increase or decrease in fair value is reported as a component of interest income.

The City of Dover has invested in the State Treasury Asset Reserve of Ohio (STAROhio) during 2005. 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, 2005.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest is distributed to the general fund, street maintenance and repair, cemetery and revolving loan special revenue funds, the master capital capital projects fund, the employee self-insurance internal service fund, the cemetery interment private-purpose trust fund, and the sewer, electric, and water enterprise funds. Interest revenue credited to the general fund during 2005 amounted to \$143,986 which includes \$135,497 assigned from other City funds.

The City utilizes a financial institution to service bonded debt as principal and interest payments come due. The balances in these accounts are presented on the financial statements as, "cash equivalents held by trustee." The City also uses a fiscal agent to hold retainage on construction contracts. The balances in these accounts are presented on the financial statements as "cash and cash equivalents with fiscal agents" and represent deposits or short-term investments in certificates of deposit. See Note 6, Deposits and Investments.

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

***F. Prepaid Items***

Payments made to vendors for services that will benefit periods beyond December 31, 2005, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount at the time of purchase and reflecting the expenditure/expense in the year in which the services are consumed.

***G. Inventory***

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

**City of Dover, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2005*

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**H. Restricted Assets**

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

**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. The City was able to estimate the historical cost for the initial reporting of capital assets by backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of one thousand dollars. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of proprietary fund capital assets is also capitalized.

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

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

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

**City of Dover, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2005*

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***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 and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds and long-term loans are recognized as a liability on the governmental fund financial statements when due.

***M. Fund Balance Reserves***

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

***N. Net Assets***

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The government-wide statement of net assets reports \$6,502,392 of restricted net assets, of which \$711,226 is restricted by enabling legislation.

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, 2005*

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***O. Operating Revenues and Expenses***

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

***P. Contributions of Capital***

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

***Q. Interfund Activity***

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

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

***R. Extraordinary and Special Items***

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

***S. Estimates***

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

***T. Budgetary Process***

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Finance Director. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original

**City of Dover, Ohio**  
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appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by Council.

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

**Note 3 – Change in Accounting Principles and Restatement of Fund Balance/Net Assets**

For 2005, the City has implemented GASB Statement No. 40, “Deposit and Investment Risk Disclosures” and GASB Statement No. 42, “Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries.”

GASB Statement No. 40 establishes new disclosure requirements for risks associated with deposits and investments.

GASB Statement No. 42 establishes accounting and financial reporting standards for impairment of capital assets and clarifies and establishes accounting requirements for insurance recoveries.

The implementation of GASB Statements No. 40 and 42 did not affect the presentation of the financial statements of the City. However, loans receivable were understated in the prior year. Also, notes payable in the governmental funds were improperly classified in the prior year. These restatements had the following effect on the fund balance of the governmental funds of the City and net assets of governmental activities as they were previously reported as of December 31, 2004.

	General	Master Capital	Nonmajor	Total
Fund Balances, December 31, 2004	\$390,545	(\$1,864,591)	\$752,093	(\$721,953)
Loans Receivable	0	0	500,000	500,000
Notes Payable	0	2,620,000	0	2,620,000
Accrued Interest Payable	0	49,350	0	49,350
Adjusted Fund Balance, December 31, 2004	<u>\$390,545</u>	<u>\$804,759</u>	<u>\$1,252,093</u>	<u>\$2,447,397</u>

	Governmental Activities
Net Assets, December 31, 2004	\$7,443,873
Loans Receivable	500,000
Adjusted Net Assets,	

**Note 4 – Accountability and Compliance**

**A. Accountability**

At December 31, 2005, the police and fire pension special revenue fund had a deficit fund balances of \$95,205. The deficit in this fund is caused by the application of generally accepted accounting principles to this fund. The general fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

**City of Dover, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2005*

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At December 31, 2005, the employee health insurance internal service fund had deficit net assets in the amount of \$39,881. Management is currently analyzing the operations of this fund to determine appropriate action to alleviate the deficit.

**B. Compliance**

Contrary to Section 5705.39, Ohio Revised Code, the following fund had original and final appropriations in excess of certifications plus beginning balances:

	Certifications Plus Beginning Balances	Appropriations	Excess
FEMA Grant Fund	\$0	\$275,000	(\$275,000)

Although these budgetary violations were not corrected by year end, management has indicated that appropriations will be closely monitored to ensure no future violations.

**Note 5 - Budgetary Basis of Accounting**

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

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. 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	(\$146,922)
Net Adjustment for Revenue Accruals	(73,127)
Net Adjustment for Expenditure Accruals	103,396
Encumbrances	(55,045)
Budget Basis	(\$171,698)

**City of Dover, Ohio**  
*Notes to the Basic Financial Statements*  
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**Note 6 - Deposits and Investments**

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

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

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

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

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

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

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



**City of Dover, Ohio**  
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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.

**Deposits**

Custodial credit risk for deposits is the risk that in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year-end, the carrying amount of the City's deposits was \$7,454,690 and the bank balance was \$7,543,390. Of the bank balance \$659,505 was covered by Federal depository insurance and \$6,883,885 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institutions' trust department or agent, but not in the City's name.

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

**Investments**

Investments are reported at fair value. As of December 31, 2005, the City had the following investments:

	Fair Value	Maturity
Investment in State		
Treasurer's Investment Pool	\$2,826,044	39 days
Federal Home Loan Bank Bonds	498,595	6/30/06
US Treasury Bills	523,968	1/12/06
First American Funds Government Obligations Mutual Fund	985,092	26 days
Total Investments	\$4,833,699	

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

**Credit Risk** STAROhio and First American Funds Government Obligations mutual fund carry a rating of AAAM by Standard and Poor's. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service. The Federal Home Loan Bank Bond carries of rating of AAA by Fitch. The City has no investment policy that would further limit its investment choices.

**City of Dover, Ohio**  
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**Custodial Credit Risk** For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Federal Home Loan Bank Bond is exposed to custodial credit risk in that it is uninsured, unregistered, and held by the counterparty's trust department or agent in the pledging institution's name. The City has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investment to the treasurer or qualified trustee.

**Concentration of Credit Risk** The City places no limit on the amount it may invest in any one issuer. The following is the City's allocation as of December 31, 2005:

	of Investments
STAROhio	58.5 %
Federal Home Loan Bank Bonds	10.3
US Treasury Bills	10.8
First American Funds Government Obligations Mutual Fund	20.4

**Note 7 - Receivables**

Receivables at December 31, 2005, 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). All allowances for uncollectibles represent estimates of uncollectible receivables in the accounts receivable classification.

	Accounts Receivable	Allowance for Uncollectibles	Net Accounts Receivable
Governmental Type Activities	\$106,012	\$0	\$106,012
Business Type Activities	3,561,903	148,743	3,413,160

The community development block grant monies loaned to local businesses are reported as loans receivable and are also considered collectible in full.

**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 2005 for real and public utility property taxes represents collections of the 2004 taxes. Property tax payments received during 2005 for tangible personal property (other than public utility property) are for 2005 taxes.

2005 real property taxes are levied after October 1, 2005, on the assessed value as of January 1, 2005, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2005 real property taxes are collected in and intended to finance 2006.

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. 2005 public utility property taxes which became a lien December 31, 2004, are levied after October 1, 2005, and are collected in 2006 with real property taxes.

**City of Dover, Ohio**  
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2005 tangible personal property taxes are levied after October 1, 2004, on the value as of December 31, 2004. Collections are made in 2005. Tangible personal property assessments are 25 percent of true value for capital assets and 23 percent for inventory.

The full tax rate for all City operations for the year ended December 31, 2005, was \$6.60 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2005 property tax receipts were based are as follows:

Real Property	\$228,238,950
Tangible Personal Property	43,387,454
Public Utility Property	<u>2,580,200</u>
Total	<u><u>\$274,206,604</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, 2005 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 2005 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as revenue while on a modified accrual basis the revenue is deferred.

***B. Income Taxes***

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

Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City either monthly or quarterly, as required. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually. By City ordinance, income tax proceeds, after income tax department expenditures, are credited to the following funds: Forty percent of the first \$2,000,000 to the master capital projects fund and the remaining balance divided between the cemetery special revenue fund, the street maintenance and repair special revenue fund, the police and fire pension special revenue fund and the general fund.

**City of Dover, Ohio**  
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**C. Intergovernmental Receivables**

A summary of intergovernmental receivables follows:

	Amount
<b>Governmental Activities</b>	
Local Government and Local Government	
Revenue Assistance	\$362,960
Estate Tax	193,452
Gasoline Tax	164,663
Motor Vehicle Tax	89,475
Homestead and Rollback	54,770
Municipal Court Fines	1,828
Hotel/Motel Tax	471
<i>Total Governmental Activities</i>	\$867,619
<b>Business-Type Activities</b>	
Sewer	\$2,293

**Note 8 - Capital Assets**

Capital asset activity for the year ended December 31, 2005, was as follows:

	Balance 12/31/04	Additions	Deductions	Balance 12/31/05
<b>Governmental Activities</b>				
Capital Assets, not being depreciated:				
Land	\$851,930	\$0	\$0	\$851,930
Capital Assets, being Depreciated				
Buildings	2,116,741	163,672	0	2,280,413
Improvements Other Than Buildings	919,603	3,675	0	923,278
Equipment and Machinery	2,225,934	27,816	(5,370)	2,248,380
Furniture and Fixtures	59,412	0	0	59,412
Vehicles	2,219,463	130,996	(134,564)	2,215,895
Infrastructure	3,740,651	132,627	0	3,873,278
Total Capital Assets, being Depreciated	11,281,804	458,786	(139,934)	11,600,656
Less Accumulated Depreciation:				
Buildings	(619,250)	(44,762)	0	(664,012)
Improvements Other Than Buildings	(484,290)	(29,017)	0	(513,307)
Equipment and Machinery	(1,282,287)	(137,225)	5,370	(1,414,142)
Furniture and Fixtures	(41,514)	(2,597)	0	(44,111)
Vehicles	(1,380,691)	(266,444)	134,564	(1,512,571)
Infrastructure	(180,442)	(81,529)	0	(261,971)
Total Accumulated Depreciation	(3,988,474)	(561,574) *	139,934	(4,410,114)
Total Capital Assets, being Depreciated, net	7,293,330	(102,788)	0	7,190,542
Governmental Activities Capital Assets, Net	\$8,145,260	(\$102,788)	\$0	\$8,042,472

**City of Dover, Ohio**  
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	Balance 12/31/04	Additions	Deductions	Balance 12/31/05
<b>Business-Type Activities</b>				
Capital Assets, not being depreciated:				
Land	\$410,386	\$0	\$0	\$410,386
Construction in Progress	6,986,966	2,622,009	(3,756,359)	5,852,616
Total Capital Assets, not being Depreciated	<u>7,397,352</u>	<u>2,622,009</u>	<u>(3,756,359)</u>	<u>6,263,002</u>
Capital Assets, being Depreciated				
Buildings	16,932,105	2,964,065	0	19,896,170
Equipment and Machinery	19,954,194	362,002	0	20,316,196
Furniture and Fixtures	114,533	0	0	114,533
Vehicles	1,520,311	0	0	1,520,311
Infrastructure	25,166,638	1,546,762	(21,463)	26,691,937
Total Capital Assets, being Depreciated	<u>63,687,781</u>	<u>4,872,829</u>	<u>(21,463)</u>	<u>68,539,147</u>
Less Accumulated Depreciation:				
Buildings	(4,282,001)	(399,626)	0	(4,681,627)
Equipment and Machinery	(16,214,425)	(703,957)	0	(16,918,382)
Furniture and Fixtures	(58,458)	(5,625)	0	(64,083)
Vehicles	(1,180,904)	(104,355)	0	(1,285,259)
Infrastructure	(11,041,739)	(479,832)	21,463	(11,500,108)
Total Accumulated Depreciation	<u>(32,777,527)</u>	<u>(1,693,395)</u>	<u>21,463</u>	<u>(34,449,459)</u>
Total Capital Assets, being Depreciated, net	<u>30,910,254</u>	<u>3,179,434</u>	<u>0</u>	<u>34,089,688</u>
Business-Type Activities Capital Assets, Net	<u>\$38,307,606</u>	<u>\$5,801,443</u>	<u>(\$3,756,359)</u>	<u>\$40,352,690</u>

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

General Government	\$21,110
Security of Persons and Property	319,771
Transportation	158,791
Public Health Services	15,542
Leisure Time Activities	46,095
Community Environment	265
Total Governmental Depreciation Expense	<u>\$561,574</u>

**Note 9 - Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2005, the City contracted with The Travelers Company for boiler and machinery insurance. EMC covers the general liability and property insurance. Ohio Casualty covers electronic data processing, while police and professional liability are protected by the Scottsdale/National Casualty with a \$1,000,000 limit and a \$5,000 deductible. An umbrella policy with Clarendon America 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.

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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 Plan (GRP), an insurance purchasing pool (See Note 18). 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 \$65,000 per employee and an aggregate of \$1,713,335 per year. The City pays into the self-insurance internal service fund \$600 family coverage or \$300 individual coverage per employee per month which represents the entire premium required. In 2003, a resolution was adopted which allows an additional \$100 premium to be paid for each employee monthly on an as needed basis. 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 \$74,265 reported in the fund at December 31, 2005, was estimated by a third-party administrator and is based on the requirements of Governmental Accounting Standards Board Statement No. 30 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expense and does not include allocated or unallocated claims adjustment expenses. Changes in the fund's claims liability amount in 2004 and 2005 were:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2004	\$63,020	\$1,201,754	\$1,125,334	\$139,440
2005	139,440	1,294,450	1,359,625	74,265

**Note 10 - 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.

**City of Dover, Ohio**  
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***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, 2005, 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 11 – 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 12 - Defined Benefit Pension Plans**

***A. Ohio Public Employees Retirement System***

The City participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

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

**City of Dover, Ohio**  
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For the year ended December 31, 2005, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 8.5 percent of their annual covered salaries. Members participating in the traditional plan who were in law enforcement contributed 10.1 percent of their annual covered salary; members in public safety contributed 9 percent. The City's contribution rate for pension benefits for 2005 was 9.55 percent, except for those plan members in law enforcement or public safety. For those classifications, the City's pension contributions were 12.7 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

The City's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2005, 2004, and 2003 were \$506,473, \$502,381 and \$442,748, respectively; 72.30 percent has been contributed for 2005 and 100 percent for 2004 and 2003. Contributions to the member-directed plan for 2005 were \$219 made by the City and \$137 made by the plan members.

***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 defined benefit pension plan. OP&F provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations while the City is required to contribute 11.75 percent for police officers and 16.25 percent for firefighters. Contributions are authorized by State statute. The City's contributions to the Fund for police and firefighters were \$123,321 and \$156,515 for the year ended December 31, 2005, \$121,266 and \$150,904 for the year ended December 31, 2004 and \$120,170 and \$148,717 for the year ended December 31, 2003 equal to the required contributions for each year. The full amount has been contributed for 2004 and 2003. 69.91 percent and 73.89 percent, respectively, have been contributed for 2005 with the remainder being reported as a liability.

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, 2005, the unfunded liability of the City was \$301,861 payable in semiannual payments through the year 2035. This is an accounting liability of the City which will not vary.

**Note 13 - Postemployment Benefits**

***A. Ohio Public Employees Retirement System***

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in *GASB Statement No. 12*. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2005 local government employer contribution rate was 13.55 percent of



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covered payroll (16.7 percent for public safety and law enforcement); 4.00 percent of covered payroll was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2004, include a rate of return on investments of 8.00 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase 1 to 6 percent annually for the next eight years and 4 percent annually after eight years.

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

The number of active contributing participants in the traditional and combined plans was 376,109. Actual employer contributions for 2005 which were used to fund postemployment benefits were \$212,135. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2004, (the latest information available) were \$10.8 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$29.5 billion and \$18.7 billion, respectively.

On September 9, 2005 the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to increasing health care costs. Member and employer contribution rates increased as of January 1, 2006, which will allow additional funds to be allocated to the health care plan.

***B. Ohio Police and Fire Pension Fund***

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

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in *GASB Statement No. 12*. The Ohio Revised Code provides the authority allowing the Ohio Police and Fire Pension Fund's board of trustees to provide health care coverage and states that health care costs paid from the funds of OP&F 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 rate is 19.5 percent of covered payroll and the total firefighter employer contribution rate is 24 percent of covered payroll, of which 7.75 percent of covered payroll was applied to the postemployment health care program during 2005. In addition, since July 1, 1992, most retirees and survivors have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions.

The City's actual contributions for 2005 that were used to fund postemployment benefits were \$81,339 for police and \$74,646 for firefighters. The OP&F's total health care expense for the year ended December 31, 2004, (the latest information available) was \$102,173,796, which was net of member contributions of \$55,665,341. The number of OP&F participants eligible to receive health care benefits as of December 31, 2004, was 13,812 for police and 10,528 for firefighters.

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**Note 14 - Long-Term Debt**

Debt Issue	Interest Rate	Original Issue Amount	Date of Maturity
<b>Governmental Activities</b>			
Various Purpose Bond Anticipation Note	3.75%	\$2,520,000	April 7, 2006
<b>Business-Type Activities</b>			
Waterworks System Refunding Revenue Bonds - 2004	2.0-4.5	5,785,000	December 1, 2022
Waterworks System Revenue Improvement Bonds - 2003	2.0-4.5	805,000	December 1, 2022
Municipal Electric System Revenue Bonds - 1995	4.4-6.0	10,075,000	December 1, 2019
Municipal Electric System Refunding Revenue Bonds - 2005	3.7-5.0	9,670,000	December 1, 2019
Electric North Substation General Obligation Bonds - 1987	6	1,500,000	December 1, 2007

A schedule of changes in bonds and other long-term obligations of the City during 2005 follows:

	Amount Outstanding 12/31/04	Additions	Deletions	Amount Outstanding 12/31/05	Amounts Due in One Year
<b>Governmental Activities</b>					
Police and Fire Pension	\$306,927	\$0	\$5,066	\$301,861	\$5,284
Various Purpose Bond Anticipation Note	2,620,000	2,520,000	2,620,000	2,520,000	2,520,000
Compensated Absences	897,897	93,093	30,043	960,947	326,408
Total Governmental Activities	<u>\$3,824,824</u>	<u>\$2,613,093</u>	<u>\$2,655,109</u>	<u>\$3,782,808</u>	<u>\$2,851,692</u>
<b>Business-Type Activities</b>					
<u>Revenue Bonds</u>					
Waterworks System Refunding	\$5,547,982	\$0	\$237,018	\$5,310,964	\$241,407
Discount	(31,595)	0	(1,755)	(29,840)	0
Accounting Loss	98,811	0	5,490	93,321	0
Municipal Electric System Refunding	0	9,670,000	0	9,670,000	530,000
Premium	0	278,032	19,858	258,174	0
Accounting Loss	0	71,900	5,136	66,764	0
Waterworks System Improvement	772,018	0	32,982	739,036	33,593
Municipal Electric System	7,520,000	0	7,520,000	0	0
Total Revenue Bonds	<u>13,907,216</u>	<u>10,019,932</u>	<u>7,818,729</u>	<u>16,108,419</u>	<u>805,000</u>
<u>General Obligation Bonds</u>					
Electric North Substation	225,000	0	75,000	150,000	75,000
Sewer System Improvement	590,000	0	100,000	490,000	110,000
Total General Obligation Bonds	<u>815,000</u>	<u>0</u>	<u>175,000</u>	<u>640,000</u>	<u>185,000</u>
Compensated Absences	748,220	78,442	39,563	787,099	400,473
Total Business-Type Activities	<u>\$15,470,436</u>	<u>\$10,098,374</u>	<u>\$8,033,292</u>	<u>\$17,535,518</u>	<u>\$1,390,473</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. The various purpose bond anticipation note was used for storm sewer projects, land acquisition and bridge construction and will be paid from taxes received in the master capital projects fund. On April 6, 2006, the City refinanced the \$2,520,000 various bond anticipation note. The note had an interest rate of 5.25 percent and matures on April 1, 2007.

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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 2004, the City issued \$5,785,000 in Waterworks System Refunding Revenue Bonds with interest rates varying from 2.0 percent to 4.5 percent. Proceeds were used to current refund the \$5,215,000 current outstanding waterworks system revenue bonds. The bonds were callable at 102 percent. The revenue bonds are serial bonds. The bonds maturing on or after December 1, 2014 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, 2014, in multiples of \$5,000, at the following redemption prices plus accrued interest:

Redemption Dates	Redemption Prices
December 1, 2016 and thereafter	100 percent

The current refunding resulted in a difference between the reacquisition price and net carrying amount of the old debt of \$104,300. This difference, being reported as a liability in the accompanying financial statements, is being charged to operations through year 2022 using the straight-line method. The City decreased its total debt service payments by \$91,202 as a result of the refunding. They also incurred an economic gain (difference between the present values of the old and new debt service payments) of \$228,286.

Restricted assets relating to the water revenue bonds at December 31, 2005, were as follows:

Restricted Assets Held by City	
Replacement and Improvement	\$498,836
Restricted Assets Held by the Trustee	
Revenue Bond Current Debt Service	\$571,507

In 2003, the City issued \$805,000 in Waterworks System Improvement Revenue Bonds with interest rates varying from 2.0 percent to 4.5 percent. Proceeds were used to improve the municipal water system. The revenue bonds are serial bonds. The bonds maturing on or after December 1, 2014 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, 2014, in multiples of \$5,000, at the following redemption prices plus accrued interest:

Redemption Dates	Redemption Prices
December 1, 2016 and thereafter	100 percent

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 City current refunded these bonds in 2005.

In 2005, the City issued \$9,670,000 in Municipal Electric System Refunding Revenue Bonds with interest rates varying from 3.9 percent to 5.0 percent. Proceeds were used to current refund the \$7,190,000 current outstanding waterworks system revenue bonds and \$2,200,000 in bond anticipation notes. The bonds were callable at 101 percent. The revenue bonds are serial bonds. The bonds maturing on or after

**City of Dover, Ohio**  
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December 1, 2016 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, 2015, in multiples of \$5,000, at the following redemption prices plus accrued interest:

Redemption Dates	Redemption Prices
December 1, 2016 and thereafter	100 percent

The current refunding resulted in a difference between the reacquisition price and net carrying amount of the old debt of \$71,900. This difference, being reported as a liability in the accompanying financial statements, is being charged to operations through year 2019 using the straight-line method. The City decreased its total debt service payments by \$1,291,402 as a result of the refunding. They also incurred an economic gain (difference between the present values of the old and new debt service payments) of \$962,603.

Restricted assets relating to the electric revenue bonds at December 31, 2005, were as follows:

Restricted Assets Held by City	
Replacement and Improvement	\$2,059,299
Restricted Assets Held by the Trustee	
Revenue Bond Current Debt Service	\$983,773

As of December 31, 2005, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$26,171,693 and the unvoted legal debt margin was \$12,461,363. Principal and interest requirements to retire the City's long-term obligations outstanding at December 31, 2005 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
2006	\$275,000	\$223,676	\$530,000	\$423,500	\$75,000	\$9,000
2007	280,000	218,176	535,000	386,448	75,000	4,500
2008	285,000	211,877	560,000	365,047	0	0
2009	290,000	204,609	590,000	342,648	0	0
2010	300,000	196,489	605,000	319,047	0	0
2011-2015	1,660,000	818,609	3,475,000	1,168,688	0	0
2016-2020	2,035,000	463,181	3,375,000	344,720	0	0
2021-2022	925,000	60,455	0	0	0	0
Total	\$6,050,000	\$2,397,072	\$9,670,000	\$3,350,098	\$150,000	\$13,500

**City of Dover, Ohio**  
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Year Ending December 31	Sewer General Obligation Bonds		Police and Fire Pension		Various Purpose Bond Anticipation Note	
	Principal	Interest	Principal	Interest	Principal	Interest
2006	\$110,000	\$34,790	\$5,284	\$12,761	\$2,520,000	\$94,500
2007	120,000	26,980	5,511	12,534	0	0
2008	125,000	18,460	5,747	12,298	0	0
2009	135,000	9,586	5,995	12,050	0	0
2010	0	0	6,252	11,793	0	0
2011-2015	0	0	35,528	54,697	0	0
2016-2020	0	0	43,842	46,383	0	0
2021-2025	0	0	54,100	36,125	0	0
2026-2030	0	0	66,761	23,464	0	0
2031-2035	0	0	72,841	7,858	0	0
<b>Total</b>	<b>\$490,000</b>	<b>\$89,816</b>	<b>\$301,861</b>	<b>\$229,963</b>	<b>\$2,520,000</b>	<b>\$94,500</b>

**Note 15 - Notes Payable**

A summary of the note transactions for the year ended December 31, 2005, follows:

	Outstanding 12/31/04	Issued	Retired	Outstanding 12/31/05
<b>Governmental Activities:</b>				
3.75% Various Purpose	\$100,000	\$100,000	\$100,000	\$100,000
<b>Business Type Activities:</b>				
1.75% Municipal Electric	3,500,000	3,450,000	3,500,000	3,450,000
1.75% Electric JV2	1,600,000	1,550,000	1,600,000	1,550,000
1.75% Municipal Sewer	100,000	100,000	100,000	100,000
2.10% Municipal Sewer	850,000	650,000	850,000	650,000
1.75% Municipal Sewer	550,000	350,000	550,000	350,000
<i>Total Business Type Activities</i>	6,600,000	6,100,000	6,600,000	6,100,000
<b>Total</b>	<b>\$6,700,000</b>	<b>\$6,200,000</b>	<b>\$6,700,000</b>	<b>\$6,200,000</b>

The various purpose note outstanding at year end was used for storm sewer projects, land acquisition and bridge construction.

The municipal electric note was used to build a substation and various electric improvements. The \$1,550,000 note was used for the investment in the JV2 joint venture. The municipal sewer note was issued for a sludge press and various sanitary sewer improvements.

All note proceeds had been spent at December 31, 2005. All of the notes are bond anticipation notes, are backed by the full faith and credit of the City, and mature within one year. The note liability is reflected in the fund which received the proceeds and will repay the debt.

**Note 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 advances, encourages and promotes the industrial, economic, commercial, and civic development of all Tuscarawas County. The Corporation is operated by Tuscarawas County, New Philadelphia, Dover, Uhrichsville, Dennison, Strasburg, Sugarcreek and Gnadenhutten. It is controlled by 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 2005, 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 2005, the City contributed \$1,343 which represents 1.40 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 2005, the City contributed \$3,663 which represents 1.9 percent of total contributions.

***D. Ohio Mid-Eastern Governments Association (OMEGA)***

The City is associated with the Ohio Mid-Eastern Governments Association (OMEGA), which is a ten county regional council of governments comprised of Belmont, Carroll, Coshocton, Columbiana, Guernsey, Harrison, Holmes, Jefferson, Muskingum and Tuscarawas counties. OMEGA was formed to aid and assist the participating counties and political subdivisions within the counties in the application for Appalachian Regional Commission and Economic Development grant monies. OMEGA is governed by a seventeen member executive board comprised of members appointed from each participating county and cities within each county. City membership is voluntary. The mayor of the City of Dover serves as the City's representative on the board. The board has total control over budgeting, personnel and financial matters. Each member currently pays a per capita membership fee based on the most recent United States census. During 2005, OMEGA received \$1,832 from the City of Dover for an annual fee. OMEGA has no outstanding debt.

**Note 17 – Joint Venture**

***Ohio Municipal Electric Generation Agency (JV2)***

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

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

OMEGA JV2 was created to provide additional sources of reliable, reasonably priced electric power and energy when prices are high or during times of generation shortages or transmission constraints, and to improve the reliability and economic status of the participants' respective municipal electric utility system. The Project consists of 138.65 MW of distributed generation of which 134.081 MW is the participants' entitlement and 4.569 MW are held in reserve. On dissolution of OMEGA JV2, the net assets will be shared by the participants on a percentage of ownership basis. OMEGA JV2 is managed by AMP-Ohio, which acts as the joint venture's agent. During 2001, AMP-Ohio issued \$50,260,000 of 20 year fixed rate bonds on behalf of the Financing Participants of OMEGA JV2. The net proceeds of the bond issue of \$45,904,712 were contributed to OMEGA JV2. The City's net investment and its share of operating results of OMEGA JV2 are reported in the City's electric fund (an enterprise fund). The City's net investment in OMEGA JV2 was \$2,316,237 at December 31, 2005. Complete financial statements for OMEGA JV2 may be obtained from AMP-Ohio or from the State Auditor's website at [www.auditor.state.oh.us](http://www.auditor.state.oh.us).

**Note 18 – Insurance Purchasing Pool**

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

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

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

**City of Dover, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2005*

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**Note 19 - Interfund Balances and Transfers**

Interfund transfers for the year ended December 31, 2005, consisted of the following:

<u>Transfer to</u>	<u>Transfer From</u> <u>General</u>
Electric	\$600,000

\$600,000 was transferred from the general fund to the electric fund to give back part of the kilowatt per hour tax.

**Note 20 – Subsequent Events**

On April 6, 2006, the City refinanced \$2,520,000 in bond anticipation notes. The note had an interest rate of 5.25 percent and matures on April 1, 2007.



**Combining Statements  
and Individual Fund Schedules**

## Fund Descriptions – 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 account for property taxes levied for the payment of the current and accrued liability for police and firemen's disability and pension benefits.

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

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

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

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

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

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

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

(continued)

## **Fund Descriptions – Nonmajor Governmental Funds (continued)**

### ***Nonmajor Debt Service Fund***

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

***Debt Service Fund*** - To account for matured interest payable on past bond coupons held by a fiscal agent. This fund has no budgetary activity for 2005.

### ***Nonmajor Capital Projects Fund***

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.)

***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.

***CHIP Fund*** - To account for monies received from the Ohio Regional Development for low income renovations and downpayments.

***FEMA Grant Fund*** - To account for monies received from the Federal Emergency Management Agency.

**City of Dover, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Governmental Funds*  
*December 31, 2005*

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$966,162	\$0	\$24,450	\$990,612
Cash and Cash Equivalents With Fiscal Agents	2,523	1,735	0	4,258
Materials and Supplies Inventory	79,853	0	0	79,853
Accounts Receivable	47,466	0	0	47,466
Intergovernmental Receivable	262,525	0	0	262,525
Prepaid Items	2,168	0	0	2,168
Income Tax Receivable	292,850	0	0	292,850
Property Taxes Receivable	137,920	0	0	137,920
Loans Receivable	459,187	0	0	459,187
<i>Total Assets</i>	<u>\$2,250,654</u>	<u>\$1,735</u>	<u>\$24,450</u>	<u>\$2,276,839</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$23,644	\$0	\$0	\$23,644
Accrued Wages	31,022	0	0	31,022
Contracts Payable	26,248	0	0	26,248
Intergovernmental Payable	178,752	0	0	178,752
Matured Interest Payable	0	1,735	0	1,735
Retainage Payable	2,523	0	0	2,523
Deferred Revenue	677,084	0	0	677,084
<i>Total Liabilities</i>	<u>939,273</u>	<u>1,735</u>	<u>0</u>	<u>941,008</u>
<b>Fund Balances</b>				
Reserved for Encumbrances	15,796	0	0	15,796
Reserved for Loans Receivable	459,187	0	0	459,187
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	836,398	0	0	836,398
Capital Projects Funds	0	0	24,450	24,450
<i>Total Fund Balances</i>	<u>1,311,381</u>	<u>0</u>	<u>24,450</u>	<u>1,335,831</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$2,250,654</u>	<u>\$1,735</u>	<u>\$24,450</u>	<u>\$2,276,839</u>

**City of Dover, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Governmental Funds*  
*For the Year Ended December 31, 2005*

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues</b>			
Property and Other Local Taxes	\$148,390	\$0	\$148,390
Income Taxes	875,000	0	875,000
Intergovernmental	749,377	630,088	1,379,465
Interest	40,819	0	40,819
Fines, Licenses and Permits	4,690	0	4,690
Charges for Services	341,336	0	341,336
Other	13,388	0	13,388
<i>Total Revenues</i>	<u>2,173,000</u>	<u>630,088</u>	<u>2,803,088</u>
<b>Expenditures</b>			
Current:			
Security of Persons and Property	419,924	0	419,924
Transportation	998,710	0	998,710
Public Health Services	663,617	0	663,617
Community Environment	6,671	0	6,671
Capital Outlay	0	612,383	612,383
Debt Service:			
Principal Retirement	5,066	0	5,066
Interest and Fiscal Charges	12,979	0	12,979
<i>Total Expenditures</i>	<u>2,106,967</u>	<u>612,383</u>	<u>2,719,350</u>
<i>Net Change in Fund Balances</i>	66,033	17,705	83,738
<i>Fund Balances Beginning of Year</i>	<u>1,245,348</u>	<u>6,745</u>	<u>1,252,093</u>
<i>Fund Balances End of Year</i>	<u><u>\$1,311,381</u></u>	<u><u>\$24,450</u></u>	<u><u>\$1,335,831</u></u>

**City of Dover, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*December 31, 2005*

	Street Maintenance and Repair	State Highway	Police and Fire Pension	Ambulance	Cemetery
<b>Assets</b>					
Equity in Pooled Cash and					
Cash Equivalents	\$125,513	\$16,935	\$7,574	\$78,029	\$631,393
Cash and Cash Equivalents					
With Fiscal Agents	2,523	0	0	0	0
Materials and Supplies Inventory	79,853	0	0	0	0
Accounts Receivable	0	0	0	47,466	0
Intergovernmental Receivable	234,568	19,020	8,662	0	0
Prepaid Items	1,801	0	0	106	261
Income Tax Receivable	108,463	0	92,968	0	91,419
Property Taxes Receivable	0	0	137,920	0	0
Loans Receivable	0	0	0	0	0
<i>Total Assets</i>	<u>\$552,721</u>	<u>\$35,955</u>	<u>\$247,124</u>	<u>\$125,601</u>	<u>\$723,073</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts Payable	\$9,252	\$0	\$0	\$11,999	\$2,221
Accrued Wages	17,799	0	0	0	13,223
Contracts Payable	26,248	0	0	0	0
Intergovernmental Payable	51,105	0	102,779	1,443	23,425
Retainage Payable	2,523	0	0	0	0
Deferred Revenue	298,259	15,390	239,550	47,466	76,419
<i>Total Liabilities</i>	<u>405,186</u>	<u>15,390</u>	<u>342,329</u>	<u>60,908</u>	<u>115,288</u>
<b>Fund Balances</b>					
Reserved for Encumbrances	7,469	837	0	7,084	198
Reserved for Loans Receivable	0	0	0	0	0
Unreserved (Deficit)	140,066	19,728	(95,205)	57,609	607,587
<i>Total Fund Balances</i>	<u>147,535</u>	<u>20,565</u>	<u>(95,205)</u>	<u>64,693</u>	<u>607,785</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$552,721</u>	<u>\$35,955</u>	<u>\$247,124</u>	<u>\$125,601</u>	<u>\$723,073</u>

Revolving Loan	Drug Law Enforcement	Law Enforcement Block Grant	Enforcement and Education	Shade Tree	Total Nonmajor Special Revenue Funds
\$73,295	\$12,485	\$427	\$17,602	\$2,909	\$966,162
0	0	0	0	0	2,523
0	0	0	0	0	79,853
0	0	0	0	0	47,466
0	0	0	275	0	262,525
0	0	0	0	0	2,168
0	0	0	0	0	292,850
0	0	0	0	0	137,920
459,187	0	0	0	0	459,187
<u>\$532,482</u>	<u>\$12,485</u>	<u>\$427</u>	<u>\$17,877</u>	<u>\$2,909</u>	<u>\$2,250,654</u>
\$0	\$0	\$0	\$0	\$172	\$23,644
0	0	0	0	0	31,022
0	0	0	0	0	26,248
0	0	0	0	0	178,752
0	0	0	0	0	2,523
0	0	0	0	0	677,084
0	0	0	0	172	939,273
0	36	0	0	172	15,796
459,187	0	0	0	0	459,187
73,295	12,449	427	17,877	2,565	836,398
<u>532,482</u>	<u>12,485</u>	<u>427</u>	<u>17,877</u>	<u>2,737</u>	<u>1,311,381</u>
<u>\$532,482</u>	<u>\$12,485</u>	<u>\$427</u>	<u>\$17,877</u>	<u>\$2,909</u>	<u>\$2,250,654</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, 2005*

	Street Maintenance and Repair	State Highway	Police and Fire Pension	Ambulance	Cemetery
<b>Revenues</b>					
Property and Other Local Taxes	\$0	\$0	\$148,390	\$0	\$0
Income Taxes	330,000	0	260,000	0	285,000
Intergovernmental	624,769	50,713	8,357	65,538	0
Interest	1,407	0	0	0	20,133
Fines, Licenses and Permits	6	0	0	0	0
Charges for Services	0	0	0	190,480	150,856
Other	1,051	306	0	0	0
<i>Total Revenues</i>	<u>957,233</u>	<u>51,019</u>	<u>416,747</u>	<u>256,018</u>	<u>455,989</u>
<b>Expenditures</b>					
Current:					
Security of Persons and Property	0	0	419,480	0	0
Transportation	951,891	46,819	0	0	0
Public Health Services	0	0	0	229,619	433,998
Community Environment	0	0	0	0	0
Debt Service:					
Principal Retirement	0	0	5,066	0	0
Interest and Fiscal Charges	0	0	12,979	0	0
<i>Total Expenditures</i>	<u>951,891</u>	<u>46,819</u>	<u>437,525</u>	<u>229,619</u>	<u>433,998</u>
<i>Net Change in Fund Balances</i>	5,342	4,200	(20,778)	26,399	21,991
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>142,193</u>	<u>16,365</u>	<u>(74,427)</u>	<u>38,294</u>	<u>585,794</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$147,535</u></u>	<u><u>\$20,565</u></u>	<u><u>(\$95,205)</u></u>	<u><u>\$64,693</u></u>	<u><u>\$607,785</u></u>



Revolving Loan	Drug Law Enforcement	Law Enforcement Block Grant	Enforcement and Education	Shade Tree	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$0	\$148,390
0	0	0	0	0	875,000
0	0	0	0	0	749,377
19,279	0	0	0	0	40,819
0	0	0	4,684	0	4,690
0	0	0	0	0	341,336
11,931	0	0	100	0	13,388
31,210	0	0	4,784	0	2,173,000
0	0	0	444	0	419,924
0	0	0	0	0	998,710
0	0	0	0	0	663,617
6,499	0	0	0	172	6,671
0	0	0	0	0	5,066
0	0	0	0	0	12,979
6,499	0	0	444	172	2,106,967
24,711	0	0	4,340	(172)	66,033
507,771	12,485	427	13,537	2,909	1,245,348
<u>\$532,482</u>	<u>\$12,485</u>	<u>\$427</u>	<u>\$17,877</u>	<u>\$2,737</u>	<u>\$1,311,381</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, 2005*

	Small Cities Block Grant	CHIP	FEMA Grant	Total Nonmajor Capital Projects Funds
<b>Revenues</b>				
Intergovernmental	\$52,465	\$333,462	\$244,161	\$630,088
<b>Expenditures</b>				
Capital Outlay	52,465	315,757	244,161	612,383
<i>Net Change in Fund Balances</i>	0	17,705	0	17,705
<i>Fund Balances Beginning of Year</i>	0	6,745	0	6,745
<i>Fund Balances End of Year</i>	<u>\$0</u>	<u>\$24,450</u>	<u>\$0</u>	<u>\$24,450</u>

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

**City of Dover, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Property and Other Local Taxes	\$900,000	\$934,100	\$1,016,330	\$82,230
Income Taxes	1,933,682	2,343,099	2,059,634	(283,465)
Intergovernmental	1,500,000	1,518,587	1,651,465	132,878
Interest	100,000	150,000	143,986	(6,014)
Fines, Licenses and Permits	40,000	48,700	48,984	284
Charges for Services	600,000	604,598	613,831	9,233
Other	50,000	55,550	37,524	(18,026)
<i>Total Revenues</i>	<u>5,123,682</u>	<u>5,654,634</u>	<u>5,571,754</u>	<u>(82,880)</u>
<b>Expenditures</b>				
Current:				
General Government:				
Mayor:				
Salaries and Wages	100,850	100,850	100,582	268
Fringe Benefits	44,015	49,115	47,139	1,976
Purchased Services	11,030	11,030	9,142	1,888
Materials and Supplies	7,203	7,202	5,425	1,777
Total Mayor	<u>163,098</u>	<u>168,197</u>	<u>162,288</u>	<u>5,909</u>
Auditor:				
Salaries and Wages	121,187	121,187	121,187	0
Fringe Benefits	54,889	34,387	32,646	1,741
Purchased Services	15,805	24,068	19,982	4,086
Materials and Supplies	4,100	4,100	4,093	7
Total Auditor	<u>195,981</u>	<u>183,742</u>	<u>177,908</u>	<u>5,834</u>
Treasurer:				
Salaries and Wages	6,932	6,932	6,932	0
Fringe Benefits	2,060	2,060	1,813	247
Purchased Services	2,050	2,050	507	1,543
Materials and Supplies	150	150	6	144
Total Treasurer	<u>\$11,192</u>	<u>\$11,192</u>	<u>\$9,258</u>	<u>\$1,934</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, 2005*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Law Director:				
Salaries and Wages	\$59,437	\$59,437	\$59,380	\$57
Fringe Benefits	24,000	27,000	25,341	1,659
Purchased Services	85,255	82,255	77,459	4,796
Materials and Supplies	6,000	9,000	8,635	365
Total Law Director	<u>174,692</u>	<u>177,692</u>	<u>170,815</u>	<u>6,877</u>
Civil Service Commission:				
Salaries and Wages	3,000	3,000	3,000	0
Fringe Benefits	545	545	450	95
Purchased Services	5,550	5,550	106	5,444
Materials and Supplies	300	300	17	283
Total Civil Service Commission	<u>9,395</u>	<u>9,395</u>	<u>3,573</u>	<u>5,822</u>
Income Tax Department:				
Salaries and Wages	74,343	74,343	74,298	45
Fringe Benefits	50,458	40,458	39,163	1,295
Purchased Services	77,389	23,488	13,869	9,619
Materials and Supplies	6,800	6,800	4,356	2,444
Total Income Tax Department	<u>208,990</u>	<u>145,089</u>	<u>131,686</u>	<u>13,403</u>
Council:				
Salaries and Wages	40,213	40,213	40,163	50
Fringe Benefits	10,185	10,497	10,401	96
Purchased Services	21,500	21,188	14,250	6,938
Materials and Supplies	1,750	1,750	1,750	0
Total Council	<u>73,648</u>	<u>73,648</u>	<u>66,564</u>	<u>7,084</u>
Clerk of Council:				
Salaries and Wages	4,988	4,988	4,988	0
Fringe Benefits	2,475	2,475	1,440	1,035
Purchased Services	1,005	1,005	590	415
Materials and Supplies	350	350	15	335
Total Clerk of Council	<u>\$8,818</u>	<u>\$8,818</u>	<u>\$7,033</u>	<u>\$1,785</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, 2005*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Service Director:</b>				
Salaries and Wages	\$91,544	\$21,399	\$21,332	\$67
Fringe Benefits	42,517	47,017	45,377	1,640
Purchased Services	7,230	7,229	4,773	2,456
Materials and Supplies	6,531	6,531	4,115	2,416
<b>Total Service Director</b>	<u>147,822</u>	<u>82,176</u>	<u>75,597</u>	<u>6,579</u>
<b>Rubbish-Janitor-City Hall:</b>				
Salaries and Wages	31,750	31,750	31,272	478
Fringe Benefits	17,331	20,331	19,199	1,132
Purchased Services	49,500	49,500	40,722	8,778
Materials and Supplies	1,350	1,350	0	1,350
<b>Total Rubbish-Janitor-City Hall</b>	<u>99,931</u>	<u>102,931</u>	<u>91,193</u>	<u>11,738</u>
<b>Other:</b>				
Purchased Services	160,916	150,203	114,734	35,469
Materials and Supplies	3,600	3,600	2,500	1,100
Capital Outlay	5,000	1,500	0	1,500
Other	20,000	2,000	0	2,000
<b>Total Other</b>	<u>189,516</u>	<u>157,303</u>	<u>117,234</u>	<u>40,069</u>
<b>Total General Government</b>	<u>1,283,083</u>	<u>1,120,183</u>	<u>1,013,149</u>	<u>107,034</u>
<b>Security of Persons and Property:</b>				
<b>Police:</b>				
Salaries and Wages	1,166,428	1,166,428	1,134,669	31,759
Fringe Benefits	255,815	324,815	310,005	14,810
Purchased Services	86,447	86,447	57,585	28,862
Materials and Supplies	56,486	66,486	46,716	19,770
<b>Total Police</b>	<u>1,565,176</u>	<u>1,644,176</u>	<u>1,548,975</u>	<u>95,201</u>
<b>Traffic Safety:</b>				
Salaries and Wages	122,975	123,725	122,963	762
Fringe Benefits	65,719	74,719	63,966	10,753
Purchased Services	38,105	34,105	32,665	1,440
Materials and Supplies	46,978	50,227	42,355	7,872
<b>Total Traffic Safety</b>	<u>\$273,777</u>	<u>\$282,776</u>	<u>\$261,949</u>	<u>\$20,827</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, 2005*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Fire Prevention:				
Salaries and Wages	\$875,928	\$875,928	\$838,355	\$37,573
Fringe Benefits	207,341	246,141	218,749	27,392
Purchased Services	70,313	70,313	55,163	15,150
Materials and Supplies	43,767	45,762	39,894	5,868
Total Fire Prevention	<u>1,197,349</u>	<u>1,238,144</u>	<u>1,152,161</u>	<u>85,983</u>
Director of Public Safety:				
Salaries and Wages	28,000	28,000	27,508	492
Fringe Benefits	6,450	6,510	6,451	59
Purchased Services	1,355	1,355	1,144	211
Materials and Supplies	500	440	0	440
Total Director of Public Safety	<u>36,305</u>	<u>36,305</u>	<u>35,103</u>	<u>1,202</u>
Total Security of Persons and Property	<u>3,072,607</u>	<u>3,201,401</u>	<u>2,998,188</u>	<u>203,213</u>
Public Health Services:				
County Health Services:				
Purchased Services	<u>11,000</u>	<u>11,000</u>	<u>10,065</u>	<u>935</u>
Community Environment:				
Demolition and Mowing:				
Purchased Services	<u>10,500</u>	<u>13,850</u>	<u>13,635</u>	<u>215</u>
Other Community Environment:				
Salaries and Wages	38,314	58,740	58,740	0
Fringe Benefits	19,642	22,542	21,133	1,409
Purchased Services	2,705	2,705	1,820	885
Materials and Supplies	2,000	1,688	1,401	287
Total Other Community Environment	<u>62,661</u>	<u>85,675</u>	<u>83,094</u>	<u>2,581</u>
Total Community Environment	<u>\$73,161</u>	<u>\$99,525</u>	<u>\$96,729</u>	<u>\$2,796</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, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Basic Utility Services:				
Refuse Collections and Disposals:				
Purchased Services	\$425,000	\$425,000	\$423,012	\$1,988
Leisure Time Activities:				
Parks and Recreation:				
Personal Services	343,580	343,580	340,248	3,332
Fringe Benefits	148,200	165,200	157,652	7,548
Purchased Services	76,674	76,674	66,582	10,092
Materials and Supplies	41,412	41,412	37,827	3,585
Total Leisure Time Activities	609,866	626,866	602,309	24,557
<i>Total Expenditures</i>	5,474,717	5,483,975	5,143,452	340,523
<i>Excess of Revenues Over (Under) Expenditures</i>	(351,035)	170,659	428,302	257,643
<b>Other Financing Uses</b>				
Transfers Out	0	(600,000)	(600,000)	0
<i>Net Change in Fund Balance</i>	(351,035)	(429,341)	(171,698)	257,643
<i>Fund Balance Beginning of Year</i>	397,580	397,580	397,580	0
Prior Year Encumbrances Appropriated	48,753	48,753	48,753	0
<i>Fund Balance End of Year</i>	\$95,298	\$16,992	\$274,635	\$257,643



**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, 2005*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Income Taxes	\$917,280	\$917,280	\$721,894	(\$195,386)
Intergovernmental	187,720	187,720	10,000	(177,720)
Interest	0	0	1,514	1,514
Other	130,000	130,000	64,412	(65,588)
<i>Total Revenues</i>	<u>1,235,000</u>	<u>1,235,000</u>	<u>797,820</u>	<u>(437,180)</u>
<b>Expenditures</b>				
Capital Outlay	1,785,015	1,768,573	707,034	1,061,539
Debt Service:				
Principal Retirement	2,827,482	3,170,000	2,720,000	450,000
Interest and Fiscal Charges	49,225	49,225	49,225	0
Total Debt Service	<u>2,876,707</u>	<u>3,219,225</u>	<u>2,769,225</u>	<u>450,000</u>
<i>Total Expenditures</i>	<u>4,661,722</u>	<u>4,987,798</u>	<u>3,476,259</u>	<u>1,511,539</u>
<i>Excess of Revenues Under Expenditures</i>	(3,426,722)	(3,752,798)	(2,678,439)	1,074,359
<b>Other Financing Sources</b>				
Notes Issued	2,876,400	3,218,918	2,620,000	(598,918)
<i>Net Change in Fund Balance</i>	(550,322)	(533,880)	(58,439)	475,441
<i>Fund Balances Beginning of Year</i>	592,839	592,839	592,839	0
Prior Year Encumbrances Appropriated	<u>216,902</u>	<u>216,902</u>	<u>216,902</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u>\$259,419</u>	<u>\$275,861</u>	<u>\$751,302</u>	<u>\$475,441</u>

**City of Dover, Ohio**  
*Schedule of Revenues, Expenses and Changes*  
*In Fund Equity - Budget (Non-GAAP Basis) and Actual*  
*Sewer Fund*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Interest	\$5,100	\$5,100	\$3,559	(\$1,541)
Charges for Services	2,966,000	2,793,680	2,674,628	(119,052)
Tap-In Fees	0	0	4,261	4,261
Intergovernmental	0	0	128,694	128,694
Notes Issued	1,700,000	1,700,000	1,100,000	(600,000)
Other	28,900	28,900	255,408	226,508
<i>Total Revenues</i>	<u>4,700,000</u>	<u>4,527,680</u>	<u>4,166,550</u>	<u>(361,130)</u>
<b>Expenses</b>				
Salaries and Wages:				
Sewer Office	44,700	68,705	68,017	688
Sewer Disposal Plant	697,690	682,384	647,880	34,504
Total Salaries and Wages	<u>742,390</u>	<u>751,089</u>	<u>715,897</u>	<u>35,192</u>
Fringe Benefits:				
Sewer Office	25,550	28,450	26,695	1,755
Sewer Disposal Plant	324,828	355,604	350,204	5,400
Total Fringe Benefits	<u>350,378</u>	<u>384,054</u>	<u>376,899</u>	<u>7,155</u>
Purchased Services:				
Sewer Office	78,155	58,650	55,960	2,690
Sewer Disposal Plant	378,308	381,388	229,194	152,194
Total Purchased Services	<u>456,463</u>	<u>440,038</u>	<u>285,154</u>	<u>154,884</u>
Materials and Supplies:				
Sewer Office	7,000	7,000	4,420	2,580
Sewer Disposal Plant	39,896	59,896	33,593	26,303
Total Materials and Supplies	<u>46,896</u>	<u>66,896</u>	<u>38,013</u>	<u>28,883</u>
Capital Outlay:				
Sewer Office	10,000	8,500	300	8,200
Sewer Disposal Plant	1,274,418	1,203,342	1,126,842	76,500
Wastewater Reserve	332,350	632,350	135,021	497,329
Total Capital Outlay	<u>1,616,768</u>	<u>1,844,192</u>	<u>1,262,163</u>	<u>582,029</u>
Debt Service:				
Principal Retirement	2,300,173	2,282,223	1,600,000	682,223
Interest and Fiscal Charges	245,827	263,777	90,673	173,104
Total Debt Service	<u>2,546,000</u>	<u>2,546,000</u>	<u>1,690,673</u>	<u>855,327</u>
<i>Total Expenses</i>	<u>\$5,758,895</u>	<u>\$6,032,269</u>	<u>\$4,368,799</u>	<u>\$1,663,470</u>

(continued)

**City of Dover, Ohio**  
*Schedule of Revenues, Expenses and Changes*  
*In Fund Equity - Budget (Non-GAAP Basis) and Actual*  
*Sewer Fund (continued)*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<i>Net Change in Fund Equity</i>	(\$1,058,895)	(\$1,504,589)	(\$202,249)	\$1,302,340
<i>Fund Equity Beginning of Year</i>	1,591,708	1,591,708	1,591,708	0
<i>Prior Year Encumbrances Appropriated</i>	990,246	990,246	990,246	0
<i>Fund Equity End of Year</i>	\$1,523,059	\$1,077,365	\$2,379,705	\$1,302,340

**City of Dover, Ohio**  
*Schedule of Revenues, Expenses and Changes*  
*In Fund Equity - Budget (Non-GAAP Basis) and Actual*  
*Electric Fund*  
*For the Year Ended December 31, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Interest	\$0	\$0	\$46,219	\$46,219
Charges for Services	11,996,750	14,680,500	14,874,301	193,801
Electric Deposits Received	23,000	23,000	29,370	6,370
Notes Issued	5,000,000	9,489,250	5,000,000	(4,489,250)
Bonds Issued	2,900,000	0	2,243,850	2,243,850
Other	700,000	744,500	662,498	(82,002)
<i>Total Revenues</i>	<u>20,619,750</u>	<u>24,937,250</u>	<u>22,856,238</u>	<u>(2,081,012)</u>
<b>Expenses</b>				
Salaries and Wages:				
Electric Office	93,658	124,679	123,907	772
Electric Distribution	843,222	843,222	820,846	22,376
Electric Plant	1,155,096	1,155,096	1,112,379	42,717
Total Salaries and Wages	<u>2,091,976</u>	<u>2,122,997</u>	<u>2,057,132</u>	<u>65,865</u>
Fringe Benefits:				
Electric Office	54,537	56,037	52,837	3,200
Electric Distribution	388,961	423,900	379,579	44,321
Electric Plant	481,642	501,126	473,296	27,830
Total Fringe Benefits	<u>925,140</u>	<u>981,063</u>	<u>905,712</u>	<u>75,351</u>
Purchased Services:				
Electric Office	120,157	91,136	78,715	12,421
Electric Distribution	275,211	291,273	232,358	58,915
Electric Plant	1,714,257	1,739,773	1,570,526	169,247
Total Purchased Services	<u>2,109,625</u>	<u>2,122,182</u>	<u>1,881,599</u>	<u>240,583</u>
Materials and Supplies:				
Electric Office	5,000	5,000	3,972	1,028
Electric Distribution	57,500	66,500	61,641	4,859
Electric Plant	1,700,365	1,700,365	1,656,023	44,342
Total Materials and Supplies	<u>1,762,865</u>	<u>1,771,865</u>	<u>1,721,636</u>	<u>50,229</u>
Purchased Power:				
Electric Plant	<u>\$5,900,000</u>	<u>\$8,500,000</u>	<u>\$8,499,187</u>	<u>\$813</u>

(continued)

**City of Dover, Ohio**  
*Schedule of Revenues, Expenses and Changes*  
*In Fund Equity - Budget (Non-GAAP Basis) and Actual*  
*Electric Fund (continued)*  
*For the Year Ended December 31, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Capital Outlay:				
Electric Capital Reserve	\$300,000	\$383,606	\$336,537	\$47,069
Electric Surplus	200,000	200,000	0	200,000
Electric Replacement and Improvement	100,000	100,000	0	100,000
Electric Office	10,000	10,000	210	9,790
Municipal Electric Improvement	1,091,172	1,007,567	1,005,693	1,874
Electric Distribution	605,103	605,103	336,685	268,418
Electric Plant	20,000	20,000	3,860	16,140
Total Capital Outlay	<u>2,326,275</u>	<u>2,326,276</u>	<u>1,682,985</u>	<u>643,291</u>
Debt Service:				
Principal Retirement	7,288,678	7,851,947	5,505,000	2,346,947
Interest and Fiscal Charges	507,709	507,709	503,246	4,463
Total Debt Service	<u>7,796,387</u>	<u>8,359,656</u>	<u>6,008,246</u>	<u>2,351,410</u>
Electric Deposits Returned:				
Refunds	50,000	50,000	26,911	23,089
<i>Total Expenses</i>	<u>22,962,268</u>	<u>26,234,039</u>	<u>22,783,408</u>	<u>3,450,631</u>
<i>Excess of Revenues Over (Under) Expenses</i>	(2,342,518)	(1,296,789)	72,830	1,369,619
Transfers In	600,000	600,000	600,000	0
<i>Net Change in Fund Equity</i>	(1,742,518)	(696,789)	672,830	1,369,619
<i>Fund Equity Beginning of Year</i>	3,841,755	3,841,755	3,841,755	0
Prior Year Encumbrances Appropriated	156,840	156,840	156,840	0
<i>Fund Equity End of Year</i>	<u>\$2,256,077</u>	<u>\$3,301,806</u>	<u>\$4,671,425</u>	<u>\$1,369,619</u>

**City of Dover, Ohio**  
*Schedule of Revenues, Expenses and Changes*  
*In Fund Equity - Budget (Non-GAAP Basis) and Actual*  
*Water Fund*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Interest	\$500	\$550	\$23,307	\$22,757
Charges for Services	1,615,000	1,890,100	1,771,966	(118,134)
Tap-In Fees	15,000	20,320	12,038	(8,282)
Intergovernmental	141,606	141,606	141,606	0
Other	8,394	30,244	2,134	(28,110)
<i>Total Revenues</i>	<u>1,780,500</u>	<u>2,082,820</u>	<u>1,951,051</u>	<u>(131,769)</u>
<b>Expenses</b>				
Salaries and Wages:				
Water Office	46,700	70,997	70,793	204
Water Plant	568,950	568,950	539,941	29,009
Total Salaries and Wages	<u>615,650</u>	<u>639,947</u>	<u>610,734</u>	<u>29,213</u>
Fringe Benefits:				
Water Office	28,275	28,733	26,979	1,754
Water Plant	264,776	389,326	276,917	112,409
Total Fringe Benefits	<u>293,051</u>	<u>418,059</u>	<u>303,896</u>	<u>114,163</u>
Purchased Services:				
Water Office	69,905	48,900	42,737	6,163
Water Plant	202,546	208,996	154,075	54,921
Total Purchased Services	<u>272,451</u>	<u>257,896</u>	<u>196,812</u>	<u>61,084</u>
Materials and Supplies:				
Water Office	4,750	4,750	3,860	890
Water Plant	111,527	111,527	71,800	39,727
Total Materials and Supplies	<u>116,277</u>	<u>116,277</u>	<u>75,660</u>	<u>40,617</u>
Capital Outlay:				
Water Office	5,000	5,000	210	4,790
Water Plant	85,500	85,500	23,609	61,891
Water Construction	772,532	922,533	860,373	62,160
Water Surplus	273,094	273,094	78,146	194,948
Water Replacement	100,000	100,000	6,660	93,340
Total Capital Outlay	<u>\$1,236,126</u>	<u>\$1,386,127</u>	<u>\$968,998</u>	<u>\$417,129</u>

(continued)

**City of Dover, Ohio**  
*Schedule of Revenues, Expenses and Changes*  
*In Fund Equity - Budget (Non-GAAP Basis) and Actual*  
*Water Fund (continued)*  
*For the Year Ended December 31, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Debt Service:				
Principal Retirement	\$270,000	\$270,000	\$270,000	\$0
Interest and Fiscal Charges	280,000	280,000	224,543	55,457
Total Debt Service	<u>550,000</u>	<u>550,000</u>	<u>494,543</u>	<u>55,457</u>
<i>Total Expenses</i>	<u>3,083,555</u>	<u>3,368,306</u>	<u>2,650,643</u>	<u>717,663</u>
<i>Net Change in Fund Equity</i>	(1,303,055)	(1,285,486)	(699,592)	585,894
<i>Fund Equity Beginning of Year</i>	1,548,503	1,548,503	1,548,503	0
Prior Year Encumbrances Appropriated	<u>32,033</u>	<u>32,033</u>	<u>32,033</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$277,481</u>	<u>\$295,050</u>	<u>\$880,944</u>	<u>\$585,894</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, 2005*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Income Taxes	\$300,000	\$350,000	\$350,000	\$0
Intergovernmental	536,000	575,000	622,518	47,518
Interest	5,000	5,500	1,407	(4,093)
Fines, Licenses and Permits	0	50	6	(44)
Other	4,000	4,450	1,051	(3,399)
<i>Total Revenues</i>	<u>845,000</u>	<u>935,000</u>	<u>974,982</u>	<u>39,982</u>
<b>Expenditures</b>				
Current:				
Transportation:				
Street Construction and Reconstruction:				
Salaries and Wages	487,184	516,814	509,921	6,893
Fringe Benefits	244,250	273,750	263,666	10,084
Purchased Services	64,949	43,319	23,026	20,293
Materials and Supplies	110,522	155,522	147,210	8,312
Capital Outlay	3,000	8,000	7,695	305
<i>Total Expenditures</i>	<u>909,905</u>	<u>997,405</u>	<u>951,518</u>	<u>45,887</u>
<i>Net Change in Fund Balance</i>	(64,905)	(62,405)	23,464	85,869
<i>Fund Balance Beginning of Year</i>	57,199	57,199	57,199	0
Prior Year Encumbrances Appropriated	9,420	9,420	9,420	0
<i>Fund Balance End of Year</i>	<u>\$1,714</u>	<u>\$4,214</u>	<u>\$90,083</u>	<u>\$85,869</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, 2005*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Intergovernmental	\$40,000	\$50,000	\$50,474	\$474
Other	0	0	306	306
<i>Total Revenues</i>	40,000	50,000	50,780	780
<b>Expenditures</b>				
Current:				
Transportation:				
Street Construction and Reconstruction:				
Materials and Supplies	55,000	55,000	53,798	1,202
<i>Net Change in Fund Balance</i>	(15,000)	(5,000)	(3,018)	1,982
<i>Fund Balance Beginning of Year</i>	19,116	19,116	19,116	0
<i>Fund Balance End of Year</i>	<u>\$4,116</u>	<u>\$14,116</u>	<u>\$16,098</u>	<u>\$1,982</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, 2005*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Property and Other Local Taxes	\$130,000	\$130,000	\$148,390	\$18,390
Income Taxes	280,000	300,000	300,000	0
Intergovernmental	24,400	24,400	8,357	(16,043)
<i>Total Revenues</i>	<u>434,400</u>	<u>454,400</u>	<u>456,747</u>	<u>2,347</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Police Disability and Pension:				
Fringe Benefits	207,000	207,000	213,690	(6,690)
Fire Disability and Pension:				
Fringe Benefits	<u>234,000</u>	<u>254,000</u>	<u>243,026</u>	<u>10,974</u>
<i>Total Expenditures</i>	<u>441,000</u>	<u>461,000</u>	<u>456,716</u>	<u>4,284</u>
<i>Net Change in Fund Balance</i>	(6,600)	(6,600)	31	6,631
<i>Fund Balance Beginning of Year</i>	<u>7,543</u>	<u>7,543</u>	<u>7,543</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$943</u></u>	<u><u>\$943</u></u>	<u><u>\$7,574</u></u>	<u><u>\$6,631</u></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, 2005*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Charges for Services	\$150,000	\$145,000	\$190,480	\$45,480
Intergovernmental	0	65,000	65,538	538
<i>Total Revenues</i>	<u>150,000</u>	<u>210,000</u>	<u>256,018</u>	<u>46,018</u>
<b>Expenditures</b>				
Current:				
Public Health Services:				
Ambulance:				
Salaries and Wages	100,000	125,000	121,772	3,228
Materials and Supplies	46,419	46,419	45,366	1,053
Capital Outlay	0	60,537	60,537	0
<i>Total Expenditures</i>	<u>146,419</u>	<u>231,956</u>	<u>227,675</u>	<u>4,281</u>
<i>Net Change in Fund Balance</i>	3,581	(21,956)	28,343	50,299
<i>Fund Balance Beginning of Year</i>	31,584	31,584	31,584	0
Prior Year Encumbrances Appropriated	<u>6,418</u>	<u>6,418</u>	<u>6,418</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$41,583</u>	<u>\$16,046</u>	<u>\$66,345</u>	<u>\$50,299</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, 2005*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Income Taxes	\$295,000	\$295,000	\$295,000	\$0
Interest	20,000	20,000	20,133	133
Charges for Services	110,000	140,045	150,856	10,811
<i>Total Revenues</i>	<u>425,000</u>	<u>455,045</u>	<u>465,989</u>	<u>10,944</u>
<b>Expenditures</b>				
Current:				
Public Health Services:				
Cemetery:				
Salaries and Wages	252,368	252,968	252,670	298
Fringe Benefits	120,395	134,195	130,475	3,720
Purchased Services	12,505	13,955	13,492	463
Materials and Supplies	15,448	30,693	26,487	4,206
Capital Outlay	3,500	3,500	3,217	283
Other	35,000	35,000	0	35,000
<i>Total Expenditures</i>	<u>439,216</u>	<u>470,311</u>	<u>426,341</u>	<u>43,970</u>
<i>Net Change in Fund Balance</i>	(14,216)	(15,266)	39,648	54,914
<i>Fund Balance Beginning of Year</i>	590,515	590,515	590,515	0
Prior Year Encumbrances Appropriated	248	248	248	0
<i>Fund Balance End of Year</i>	<u>\$576,547</u>	<u>\$575,497</u>	<u>\$630,411</u>	<u>\$54,914</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, 2005*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Interest	\$0	\$0	\$517	\$517
Other	<u>62,000</u>	<u>62,000</u>	<u>71,506</u>	<u>9,506</u>
<i>Total Revenues</i>	62,000	62,000	72,023	10,023
<b>Expenditures</b>				
Current:				
Community Environment:				
Other Community Environment:				
Purchased Services	<u>65,000</u>	<u>65,000</u>	<u>6,499</u>	<u>58,501</u>
<i>Net Change in Fund Balance</i>	(3,000)	(3,000)	65,524	68,524
<i>Fund Balance Beginning of Year</i>	<u>7,772</u>	<u>7,772</u>	<u>7,772</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$4,772</u></u>	<u><u>\$4,772</u></u>	<u><u>\$73,296</u></u>	<u><u>\$68,524</u></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, 2005*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Drug Law Enforcement:				
Materials and Supplies	<u>5,000</u>	<u>5,000</u>	<u>0</u>	<u>5,000</u>
<i>Net Change in Fund Balance</i>	(5,000)	(5,000)	0	5,000
<i>Fund Balance Beginning of Year</i>	<u>12,485</u>	<u>12,485</u>	<u>12,485</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$7,485</u></u>	<u><u>\$7,485</u></u>	<u><u>\$12,485</u></u>	<u><u>\$5,000</u></u>

**City of Dover, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Law Enforcement Block Grant Fund*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>	0	0	0	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	427	427	427	0
<i>Fund Balance End of Year</i>	<u>\$427</u>	<u>\$427</u>	<u>\$427</u>	<u>\$0</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, 2005*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Fines, Licenses and Permits	\$1,500	\$1,500	\$4,597	\$3,097
Other	0	0	100	100
<i>Total Revenues</i>	1,500	1,500	4,697	3,197
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Enforcement and Education:				
Materials and Supplies	7,500	7,500	444	7,056
<i>Net Change in Fund Balance</i>	(6,000)	(6,000)	4,253	10,253
<i>Fund Balance Beginning of Year</i>	13,349	13,349	13,349	0
<i>Fund Balance End of Year</i>	<u>\$7,349</u>	<u>\$7,349</u>	<u>\$17,602</u>	<u>\$10,253</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, 2005*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
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>	(1,000)	(1,000)	0	1,000
<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>\$1,909</u></u>	<u><u>\$1,909</u></u>	<u><u>\$2,909</u></u>	<u><u>\$1,000</u></u>

**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, 2005*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Intergovernmental	\$56,000	\$56,000	\$52,465	(\$3,535)
<b>Expenditures</b>				
Capital Outlay	<u>56,000</u>	<u>56,000</u>	<u>52,465</u>	<u>3,535</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 Balances - Budget (Non-GAAP Basis) and Actual*  
**CHIP Fund**  
*For the Year Ended December 31, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$350,000	\$350,000	\$333,462	(\$16,538)
<b>Expenditures</b>				
Capital Outlay	<u>350,000</u>	<u>350,000</u>	<u>315,757</u>	<u>34,243</u>
<i>Net Change in Fund Balance</i>	0	0	17,705	17,705
<i>Fund Balances Beginning of Year</i>	<u>6,745</u>	<u>6,745</u>	<u>6,745</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u><u>\$6,745</u></u>	<u><u>\$6,745</u></u>	<u><u>\$24,450</u></u>	<u><u>\$17,705</u></u>

**City of Dover, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balances - Budget (Non-GAAP Basis) and Actual*  
*FEMA Grant Fund*  
*For the Year Ended December 31, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$0	\$0	\$244,161	\$244,161
<b>Expenditures</b>				
Capital Outlay	<u>275,000</u>	<u>275,000</u>	<u>244,161</u>	<u>30,839</u>
<i>Net Change in Fund Balance</i>	(275,000)	(275,000)	0	275,000
<i>Fund Balances Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>(\$275,000)</u></u>	<u><u>(\$275,000)</u></u>	<u><u>\$0</u></u>	<u><u>\$275,000</u></u>

**City of Dover, Ohio**  
*Schedule of Revenues, Expenses and Changes*  
*In Fund Equity - Budget (Non-GAAP Basis) and Actual*  
*Employee Health Insurance Fund*  
*For the Year Ended December 31, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Charges for Services	\$1,145,000	\$1,545,000	\$1,510,722	(\$34,278)
Other	5,000	5,000	6,193	1,193
<i>Total Revenues</i>	1,150,000	1,550,000	1,516,915	(33,085)
<b>Expenses</b>				
Claims	1,150,000	1,550,000	1,490,207	59,793
<i>Net Change in Fund Equity</i>	0	0	26,708	26,708
<i>Fund Equity Beginning of Year</i>	6,265	6,265	6,265	0
<i>Fund Equity End of Year</i>	<u>\$6,265</u>	<u>\$6,265</u>	<u>\$32,973</u>	<u>\$26,708</u>

**City of Dover, Ohio**  
*Schedule of Revenues, Expenses and Changes*  
*In Fund Equity - Budget (Non-GAAP Basis) and Actual*  
*Cemetery Interment Fund*  
*For the Year Ended December 31, 2005*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Charges for Services	\$15,000	\$15,000	\$9,010	(\$5,990)
Interest	10,000	10,000	5,740	(4,260)
<i>Total Revenues</i>	25,000	25,000	14,750	(10,250)
<b>Expenses</b>				
Current:				
Public Health Services:				
Cemetery:				
Other	40,000	40,000	8,217	31,783
<i>Net Change in Fund Equity</i>	(15,000)	(15,000)	6,533	21,533
<i>Fund Equity Beginning of Year</i>	203,897	203,897	203,897	0
<i>Fund Equity End of Year</i>	<u>\$188,897</u>	<u>\$188,897</u>	<u>\$210,430</u>	<u>\$21,533</u>



# Statistical

## SECTION

“Oh, it's home again and home again, America  
for me! I want a ship that's westward bound  
to plough the rolling sea To the blessed land  
of Room Enough beyond the ocean bars,  
Where the air is full of sunlight and the flag  
is full of stars.”

- Henry Van Dyke





**City of Dover, Ohio**  
*Governmental Activities Revenues by Source and Expenses by Function*  
*Last Five Years (2)*

	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
<b>Program Revenues</b>					
Charges for Services and Sales	\$997,763	\$920,380	\$859,448	\$899,791	\$772,159
Operating Grants and Contributions	855,317	698,398	539,613	456,671	455,451
Capital Grants and Contributions	640,088	202,273	300,600	322,207	331,673
<b>General Revenues</b>					
Taxes (1)	5,103,005	4,609,798	4,512,708	4,050,648	4,187,366
Intergovernmental	1,711,617	1,865,282	1,136,833	1,545,024	1,807,058
Interest	186,319	106,991	171,851	313,767	361,563
Other	119,238	133,753	118,164	86,492	168,593
Total	<u>\$9,613,347</u>	<u>\$8,536,875</u>	<u>\$7,639,217</u>	<u>\$7,674,600</u>	<u>\$8,083,863</u>
<b>Expenses</b>					
General Government	\$1,053,903	\$1,030,940	\$1,210,455	\$969,886	\$843,700
Security of Persons and Property	3,799,383	3,492,242	3,687,742	3,104,690	2,961,926
Transportation	1,539,960	1,323,868	1,056,544	1,296,099	421,984
Public Health Services	685,021	645,274	547,149	483,663	459,964
Community Environment	462,327	90,541	91,624	82,789	72,811
Basic Utility Services	423,012	459,082	360,112	361,789	441,833
Leisure Time Activities	647,646	602,131	658,363	540,740	599,834
Debt Service					
Interest and Fiscal Charges	33,675	51,326	62,513	119,045	94,682
Total	<u>\$8,644,927</u>	<u>\$7,695,404</u>	<u>\$7,674,502</u>	<u>\$6,958,701</u>	<u>\$5,896,734</u>

Source: City financial records

(1) Includes all taxes

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

**City of Dover, Ohio**  
*General Governmental Revenues by Source and Expenditures by Function (1)*  
*Last Ten Years*

	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
<b>Revenues</b>				
Taxes (2)	\$4,924,427	\$4,518,714	\$4,471,319	\$4,118,024
Intergovernmental	3,041,171	2,796,069	2,162,986	1,999,867
Interest	186,319	106,991	171,846	313,754
Fines, Licenses, and Permits	54,106	53,242	51,425	72,000
Charges for Services	943,280	866,364	802,403	838,405
Contributions and Donations	0	0	0	0
Other	115,022	132,767	117,508	86,121
<b>Total</b>	<u><u>\$9,264,325</u></u>	<u><u>\$8,474,147</u></u>	<u><u>\$7,777,487</u></u>	<u><u>\$7,428,171</u></u>
<b>Expenditures</b>				
General Government	\$1,032,690	\$1,021,408	\$1,079,208	\$959,875
Security of Persons and Property	3,448,079	3,346,954	3,391,342	3,192,292
Transportation	998,710	914,163	913,496	820,998
Public Health Services	673,682	639,736	521,479	477,570
Community Environment	105,040	100,399	89,066	70,183
Basic Utility Services	423,012	459,082	360,112	361,789
Leisure Time Activities	599,512	566,443	588,496	578,440
Capital Outlay	1,212,199	1,267,063	1,746,083	919,272
Debt Service	68,067	56,236	65,925	119,073
<b>Total</b>	<u><u>\$8,560,991</u></u>	<u><u>\$8,371,484</u></u>	<u><u>\$8,755,207</u></u>	<u><u>\$7,499,492</u></u>

Source: City financial records

(1) Includes all governmental fund types.

(2) Includes all taxes

<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
\$4,329,886	\$3,973,721	\$3,909,327	\$3,904,919	\$3,570,133	\$3,584,433
2,460,283	1,882,015	2,011,438	1,621,328	1,462,047	1,964,308
360,939	557,602	461,878	408,831	263,619	234,570
45,379	59,390	40,413	39,762	35,407	47,025
726,780	741,757	771,835	816,364	779,605	766,529
0	27,983	21,500	73,044	30,000	133,430
167,420	50,934	105,164	145,409	26,323	56,916
<u>\$8,090,687</u>	<u>\$7,293,402</u>	<u>\$7,321,555</u>	<u>\$7,009,657</u>	<u>\$6,167,134</u>	<u>\$6,787,211</u>
\$893,214	\$851,494	\$908,558	\$679,256	\$648,291	\$603,351
3,000,283	2,815,614	2,775,270	2,632,752	2,488,579	2,413,326
798,741	770,247	811,161	736,070	627,528	686,972
433,842	422,110	455,576	358,720	364,464	299,616
68,294	63,742	59,935	65,979	57,942	382,482
375,863	321,642	341,845	361,484	381,101	403,801
571,899	520,448	512,853	495,150	459,873	464,931
1,116,398	1,234,808	1,036,425	1,151,032	1,614,695	1,758,679
94,727	104,386	116,203	116,373	131,060	126,147
<u>\$7,353,261</u>	<u>\$7,104,491</u>	<u>\$7,017,826</u>	<u>\$6,596,816</u>	<u>\$6,773,533</u>	<u>\$7,139,305</u>

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

Year	Total Tax Levy	Current Tax Collections (2)	Percent of Current Taxes Collected to Total Tax Levy	Delinquent Tax Collections	Total Tax Collections	Ratio of Total Tax Collections to Total Tax Levy	Outstanding Delinquent Taxes (3)	Ratio of Delinquent Taxes to Total Tax Levy
1996	\$657,431	\$625,753	95.18 %	\$9,637	\$635,390	96.65 %	\$21,107	3.21 %
1997	665,018	633,863	95.32	8,054	641,917	96.53	22,998	3.46
1998	665,328	610,972	91.83	21,834	632,806	95.11	16,151	2.43
1999	726,030	711,172	97.95	12,493	723,665	99.67	12,569	1.73
2000	733,677	711,475	96.97	13,581	725,056	98.82	29,535	4.03
2001	743,272	726,469	97.74	16,569	743,038	99.97	31,485	4.24
2002	775,009	757,265	97.71	20,236	777,501	100.32	27,809	3.59
2003	796,489	773,160	97.07	19,914	793,074	99.57	27,432	3.44
2004	807,253	776,078	96.14	21,941	798,019	98.86	26,058	3.23
2005	844,372	828,066	98.07	17,061	845,127	100.09	32,071	3.80

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					
1996	\$6.00	\$0.60	\$6.60	\$41.17	\$5.70	\$1.00	\$2.80	\$57.27
1997	6.00	0.60	6.60	46.57	6.20	1.00	2.80	63.17
1998	6.00	0.60	6.60	46.57	8.10	1.00	2.80	65.07
1999	6.00	0.60	6.60	45.67	8.10	1.00	2.80	64.17
2000	6.00	0.60	6.60	45.62	8.10	1.00	2.80	64.12
2001	6.00	0.60	6.60	45.52	8.20	1.00	2.80	64.12
2002	6.00	0.60	6.60	45.52	8.20	1.00	2.80	64.12
2003	6.00	0.60	6.60	45.47	8.20	1.00	2.80	64.07
2004	6.00	0.60	6.60	52.17	8.20	1.00	2.80	70.77
2005	6.00	0.60	6.60	51.47	8.20	1.00	2.80	70.07

Source: Tuscarawas County, Ohio; County Auditor

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

Year	Agricultural/ Residential Real Estate	Other Real Estate	Total Real Estate	Public Utility Personal
1996	\$99,630,860	\$42,964,280	\$142,595,140	\$5,567,140
1997	101,274,890	44,309,660	145,584,550	4,711,780
1998	127,204,270	55,122,720	182,326,990	5,637,650
1999	128,184,830	55,991,710	184,176,540	5,582,880
2000	129,221,460	57,231,490	186,452,950	5,799,980
2001	142,187,860	61,183,960	203,371,820	3,204,400
2002	145,762,350	63,227,160	208,989,510	3,147,730
2003	147,647,110	64,113,650	211,760,760	3,076,130
2004	159,470,630	65,586,530	225,057,160	2,954,590
2005	162,663,530	65,575,420	228,238,950	2,580,200

Source: Tuscarawas County, Ohio; County Auditor

- (1) This amount is calculated based on the following percentages:  
 Real estate is assessed at 35 percent of actual value.  
 Public utility personal is assessed at various rates from 25 to 88 percent of actual value.  
 Capital assets for tangible personal property are assessed at 25 percent of actual value.  
 Inventory for tangible personal property is assessed at 23 percent of actual value.

<u>Tangible Personal</u>	<u>Total Personal</u>	<u>Total Assessed Value</u>	<u>Estimated True Value</u>	<u>Percent of Assessed Value To Estimated True Value (1)</u>
\$43,826,725	\$49,393,865	\$191,989,005	\$559,050,737	34 %
44,323,535	49,035,315	194,619,865	598,891,146	33
45,226,075	50,863,725	233,190,715	708,244,977	33
45,693,600	51,276,480	235,453,020	715,337,268	33
48,438,153	54,238,133	240,691,083	733,066,212	33
47,992,835	51,197,235	254,569,055	776,675,046	33
47,145,495	50,293,225	259,282,735	789,271,832	33
43,855,840	46,931,970	258,692,730	791,259,012	33
42,942,990	45,897,580	270,954,740	841,547,469	32
43,387,454	45,967,654	274,206,604	843,684,435	33

**City of Dover, Ohio**  
*Special Assessment Collections*  
*December 31, 2005*

The City of Dover does not have any special assessment debt; therefore, no special assessment collections billed and collected are presented in the City's statistical tables.



**City of Dover, Ohio**  
*Computation of Overlapping General Obligation Bonded Debt*  
*December 31, 2005*

<u>Jurisdiction</u>	<u>General Obligation Debt Outstanding</u>	<u>Percentage Applicable To City (1)</u>	<u>Amount Applicable To City</u>
Dover City Schools	\$5,943,806	70.04 %	\$4,163,042
Tuscarawas County	1,000,000	28.37	<u>283,700</u>
Total			<u><u>\$4,446,742</u></u>

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 2005 collection year.

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

Fund/Year	Operating Revenues (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements (3)			Coverage
				Principal	Interest	Total	
<b>Water Fund:</b>							
1996	\$1,681,532	\$1,111,871	\$569,661	\$130,000	\$374,339	\$504,339	1.13
1997	1,636,727	763,220	873,507	135,000	368,777	503,777	1.73
1998	1,703,231	784,225	919,006	140,000	362,514	502,514	1.83
1999	1,757,478	916,615	840,863	145,000	352,861	497,861	1.69
2000	1,833,485	972,123	861,362	155,000	343,488	498,488	1.73
2001	1,735,530	1,237,124	498,406	165,000	335,738	500,738	1.00
2002	1,762,441	1,197,029	565,412	165,000	334,251	499,251	1.13
2003	1,902,977	1,255,591	647,386	180,000	318,735	498,735	1.30
2004	1,743,102	1,244,303	498,799	270,000	264,467	534,467	0.93
2005	1,803,621	1,237,465	566,156	270,000	230,861	500,861	1.13
<b>Electric Fund:</b>							
1996	\$10,895,388	\$9,490,751	\$1,404,637	\$345,000	\$661,207	\$1,006,207	1.40
1997	10,883,558	8,831,216	2,052,342	355,000	641,887	996,887	2.06
1998	11,082,539	9,096,135	1,986,404	365,000	621,637	986,637	2.01
1999	12,504,530	10,467,573	2,036,957	375,000	595,450	970,450	2.10
2000	12,437,522	9,649,872	2,787,650	390,000	570,752	960,752	2.90
2001	12,806,517	11,429,382	1,377,135	400,000	547,673	947,673	1.45
2002	13,430,716	12,015,310	1,415,406	415,000	201,159	616,159	2.30
2003	14,146,329	13,124,341	1,021,988	430,000	503,549	933,549	1.09
2004	14,729,101	13,271,813	1,457,288	390,000	469,328	859,328	1.70
2005	16,897,572	15,451,875	1,445,697	405,000	211,815	616,815	2.34
<b>Sewer Fund:</b>							
1996	\$1,369,424	\$970,975	\$398,449	\$55,000	\$88,468	\$143,468	2.78
1997	1,277,082	973,403	303,679	60,000	81,843	141,843	2.14
1998	1,349,477	1,015,119	334,358	60,000	80,268	140,268	2.38
1999	1,367,646	1,093,786	273,860	65,000	79,175	144,175	1.90
2000	1,383,076	1,089,946	293,130	70,000	72,572	142,572	2.06
2001	1,351,614	1,288,116	63,498	75,000	65,286	140,286	0.45
2002	1,937,077	1,246,796	690,281	80,000	60,704	140,704	4.91
2003	2,377,095	1,337,969	1,039,126	90,000	55,056	145,056	7.16
2004	2,632,434	1,373,580	1,258,854	95,000	48,634	143,634	8.76
2005	2,979,251	1,529,572	1,449,679	100,000	42,039	142,039	10.21

Source: City financial records

- (1) Total operating revenues include transfers in and interest revenue in accordance with bond indentures.
- (2) Total operating expenses exclusive of depreciation.
- (3) Includes principal and interest of general obligation revenue bonds only.

**City of Dover, Ohio**  
*Legal Debt Margin*  
*December 31, 2005*

Overall Debt Limitation (10 1/2% of Assessed Valuation)	<u>\$28,791,693</u>
Gross Indebtedness	25,080,000
Less: Self Supporting Debt	<u>22,460,000</u>
Net Debt Within 10 1/2% Limitation	<u>2,620,000</u>
Legal Debt Margin Within 10 1/2% Limitation	<u><u>\$26,171,693</u></u>
Unvoted Debt Limitation (5 1/2% of Assessed Valuation)	<u>\$15,081,363</u>
Gross Indebtedness	25,080,000
Less: Self-Supporting Debt	<u>22,460,000</u>
Net debt within 5 1/2% limitation	<u>2,620,000</u>
Legal Debt Margin Within 5 1/2% limitation	<u><u>\$12,461,363</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)
1996	\$407,417,543	\$2,749,400	\$2,686,257	\$407,639
1997	416,242,770	3,905,430	2,423,030	205,749 (2)
1998	520,934,257	3,196,942	4,063,054	222,464
1999	526,218,686	2,885,486	2,603,486	162,185
2000	532,722,715	2,722,257	3,842,428	211,927
2001	580,695,290	4,868,200	433,490	222,631
2002	597,112,886	6,059,829	6,451,400	236,126
2003	605,030,743	5,473,400	2,188,114	247,585
2004	643,020,457	7,500,228	1,523,771	159,853 (3)
2005	652,111,286	8,473,771	2,407,143	164,847

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.
- (3) Certain bank deposits are not included due to two bank buyouts.

**City of Dover, Ohio**  
*Principal Taxpayers*  
*December 31, 2005*

<u>Taxpayer</u>	<u>Total Assessed Value</u>	<u>Percent of Assessed Value</u>
International Paper Company	\$9,050,970	3.30 %
Allied Machine and Engineering Corporation	8,484,740	3.09
Zimmer Orthopaedic Surgical Products	5,032,510	1.84
Commercial and Architectural Products	3,326,350	1.21
Buehler's Food Markets, Inc.	2,578,340	0.94
Oxford Capital Enterprises LLC	2,207,110	0.80
Meteor-Lauren LLC	2,139,870	0.78
New Plan Realty Trust	2,100,000	0.77
General Electric	2,006,240	0.73
Union Hospital Association	<u>1,987,980</u>	<u>0.72</u>
	<u><u>\$38,914,110</u></u>	<u><u>14.18 %</u></u>

Source: Tuscarawas County, Ohio: County Auditor

**City of Dover, Ohio**  
*Bonded Debt*  
*December 31, 2005*

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, 2005*

Employer	Nature of Business	Number of Employees
Union Hospital	Hospital	986
Allied Machine and Engineering Corporation	Manufacturer	383
Zimmer Orthopaedic Surgical Products	Manufacturer	305
Dover City Schools	School	293
Marlite	Manufacturer	204
Hennis Care Center Incorporated	Nursing Care Center	198
Buehler's	Grocery	194
New Dawn Health Care	Nursing Care Center	187
Meteor Sealing	Manufacturer	149
Arizona Chemical Company	Manufacturer	135

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>
1996	13,067	2,875	5.2 %
1997	13,327	2,862	4.9
1998	13,570	2,830	4.8
1999	13,630	2,819	4.4
2000	13,431	2,766	4.1
2001	13,573	2,736	4.9
2002	13,602	2,637	5.4
2003	13,643	2,621	6.5
2004	13,331	2,666	5.2
2005	13,492	2,679	5.7

(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, 2005*

Date of Incorporation as a City	December 6, 1901
Form of Government	Mayor/Council
Area	5.71 Square Miles
Miles of Streets	70
Miles of Storm Sewers	33
Number of Street Lights	2,352
Hospital	1
Building Permits Issued	217
Education:	
Number of Teachers	186
Number of Students	2,679
Fire Protection:	
Number of Stations	1
Number of Firemen and Officers (Exclusive of Volunteer Firemen)	16
Fire Hydrants	582
Police Protection:	
Number of Stations	1
Number of Policemen and Officers	23
Municipal Utilities:	
Mile of Water Mains	84
Miles of Electric Lines	355
Miles of Sanitary Sewer	66
Number of Consumers:	
Water	5,718
Electric	6,649
Sewer	5,515
Average Daily Consumption (per household):	
Water	170
Electric	28
Sewer	167
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	146
Part-Time	31

Source: City records

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Oh, say, can you see, by the dawn's early light,  
What so proudly we hail'd at the twilight's last gleaming?  
Whose broad stripes and bright stars, thro' the perilous fight,  
O'er the ramparts we watch'd, were so gallantly streaming?  
And the rockets' red glare, the bombs bursting in air,  
Gave proof thro' the night that our flag was still there.  
O say, does that star-spangled banner yet wave  
O'er the land of the free and the home of the brave?

- Francis Scott Key



DOVER  
OHIO



**Auditor of State  
Betty Montgomery**

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140

Telephone 614-466-4514  
800-282-0370

Facsimile 614-466-4490

**CITY OF DOVER  
TUSCARAWAS COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JULY 6, 2006**