



**CITY OF DOVER
TUSCARAWAS COUNTY**

REGULAR AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2006



Mary Taylor, CPA
Auditor of State

CITY OF DOVER
TUSCARAWAS COUNTY

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Mary Taylor, CPA

Auditor of State

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

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

To the Honorable Mayor and 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, 2006, which collectively comprise the City's basic financial statements and have issued our report thereon dated July 27, 2007. 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 as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the City's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the City's internal control over financial reporting.

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

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

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

We noted certain matters that we reported to the City's management in a separate letter dated July 27, 2007.

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*.

We did note certain noncompliance or other matters that we reported to the City's management in a separate letter dated July 27, 2007.

We intend this report solely for the information and use of management and City Council. We intend it for no one other than these specified parties.

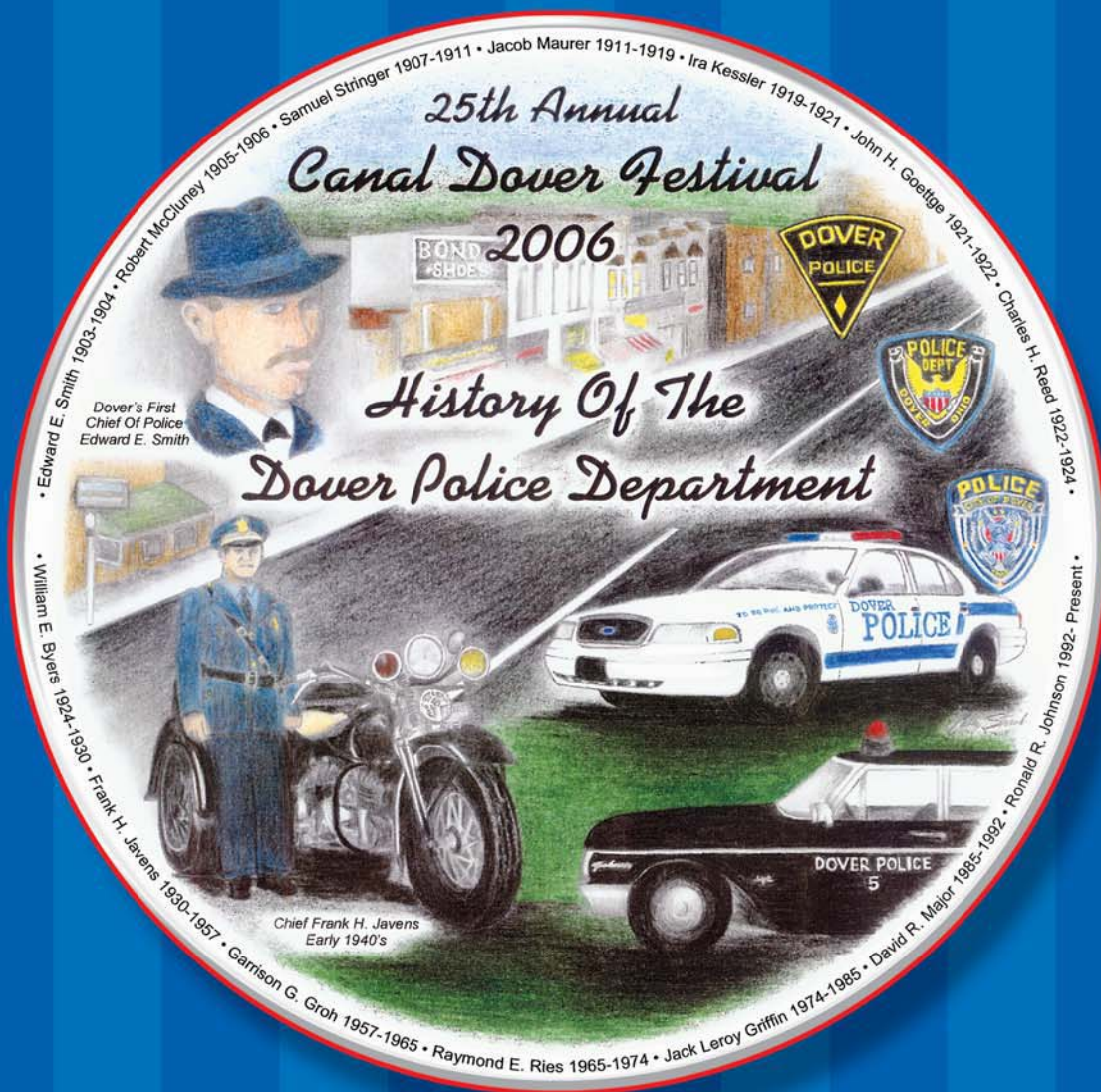
A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

July 27, 2007

~ CITY OF DOVER, OHIO ~

COMPREHENSIVE ANNUAL FINANCIAL REPORT



FOR THE YEAR ENDED DECEMBER 31, 2006



In 1867, the townspeople petitioned the state legislature and were issued a charter to form a village form of government. The first record of a peace officer for the Village of Dover is found in the only known council journal from the late 1800's, (November 1875 to August 11, 1890) with the following entry: "Mayor Sheeler pay \$25.00 to W.P. Parrish, Marshal of Dennison, Ohio for the arrest and delivering to Marshal Wenz of Dover, Ohio: Peter Rogers, Edward Hubbard, Thos Roach & Jno Black, including \$9.75 paid out by said party for boarding prisoners redeeming goods." Marshal Valentine Wenz was probably elected in April 1872, April 1874 and re-elected in 1876.

The marshal or mayor would suggest to council a name of a person to serve as deputy marshal. With council's approval, a deputy marshal would be sworn in. The marshal received \$400 dollars per annum paid \$200.00 semi annually. The deputy and any special police officers, civilians sworn in by the marshal or mayor as needed, received a \$1.50 per day of service. They were paid at the beginning of each month for services rendered the previous month.

The marshal worked during the day and the deputy marshal worked as a night watchman. On special occasions, such as the 4th of July or during the County Fair, men of the town were sworn in as night watchman or bridge watchman and paid \$1.50 per day for their service. The reason for the night watchman was to ensure that the town did not catch fire and burn to the ground. Most of the buildings were made of wood and candles and lanterns provided the only light during the night.

The title of Marshal was changed to Chief of Police when Dover changed its form of government from a village to a city. Edward E. Smith was the Day Marshal during this time and the City Council changed his title to Chief of Police thus making him the first Chief of Police for the City of Dover, Ohio. Fourteen Chiefs of Police have served the police department to date.

During the 1920's and '30's, Prohibition Era, there were a lot of officers who did not stay long with the department. A more significant reason for the high turnover rate of officers was their work schedule. Dover Police Officers were required to work 12-hour shifts, 7 days per week. Officer's pay ranged from \$90.00 per month in the 1920's to \$120.00 per month in the 1930's. Men of the community were sworn in as part time officers during special events; i.e.: fairs, circuses and other events and were paid a day rate, \$2.00 to \$4.00 per day.

In the late 1920's and early 1930's, the department consisted of 6 men. The Chief of Police worked from 7 am to 7 pm, seven days per week. The officer in charge of the night police was titled Captain, a title still used today for shift supervisors. The Captain worked from 7 pm to 7 am, seven days per week. The other 4 officers were assigned to one of the two shifts. Two of the officers were titled Traffic Officer. They rode the department's motorcycle to patrol and respond to calls. The other two officers were titled Patrolman and they walked foot patrol in the downtown and residential areas. Officers worked the above schedule until August 01, 1941, when the department went to an eight hour per day, six-day workweek. The department also grew to nine officers to meet the current work schedule.

After 1930 and the end of Prohibition, many of the police officers stayed on the force eventually retiring with 20 plus years of service. From the 1950's to the mid 1970's, there was a significant turnover rate of officers with the department. However, from the 1975 to present there have been few officers who have left the department. Many have served 25 plus years and have retired from the department. Over time the department has grown from three officers in 1903 to 22 sworn officers today and one civilian desk clerk.

Submitted by

Ronald R. Johnson, Dover Police Chief



INTRODUCTORY SECTION

The only way the desk clerk could communicate with the officers on patrol was by turning on a light switch at the station that was connected to light bulbs situated on the top of traffic lights in the downtown area. When an officer observed the light bulb lit above the traffic light, he was to head for the station or to the nearest store that had a telephone to call the station and get the location of the call. The light switch is still operable at the station but is not connected to the streetlights today. Officers today are equipped with 800 Mhz radios and cell phones in the cruisers, and portable radios on their person.



City of Dover, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2006
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City Of Dover

Auditor's Office

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July 27, 2007

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

It is our privilege to present to you the City of Dover's (the City) Comprehensive Annual Financial Report (CAFR). This CAFR represents the official report of the City's operations and financial position for the year ended December 31, 2006, and details the status of City finances to residents, elected officials, investment bankers, underwriters, rating agencies and all other interested parties. This report enables the City to comply with Ohio Administrative Code Section 117-2-03(B), which requires reporting on a Generally Accepted Accounting Principles (GAAP) basis, and Ohio Revised Code Section 117.38 which requires cities reporting on a GAAP basis to file an annual report with the Auditor of State within 150 days of fiscal year end.

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

The Auditor of State of Ohio has issued an unqualified ("clean") opinion on the City of Dover's financial statements for the year ended December 31, 2006. The independent accountants' report is located at the front of the financial section of this report.

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

City Profile

Dover lies 80 miles south of Cleveland and Lake Erie and 100 miles west of Pittsburgh. Though originally called Dover, the prefix "canal" was added in 1807 by postal authorities to distinguish the City from the Village of Dover in Cuyahoga County. Canal Dover was an appropriate name at this particular time considering the town's first prosperity was stimulated by the construction of the Ohio and Erie Canal in the late 1820's. This "canal town" was incorporated as a village in 1842 and established as a city in 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 at-large council members and four ward council members. A safety director, service director, auditor, treasurer, and law director are responsible for various departments of City business. For financial reporting purposes, the City has considered all departments and organizations making up the City of Dover (the primary government).

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

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

The City adopts a temporary appropriation budget on or before January 1 of each year for the period January 1 through March 31. An annual appropriation budget is passed by April 1 of each year for the period January 1 through December 31. All disbursements and transfers of cash between funds require appropriation authority. Budgetary control is maintained at the object level by the encumbrance of estimated purchase amounts coupled with the manual auditing of each purchase order prior to its release to a vendor or prior to payment to ensure that financial information generated is both accurate and reliable. Those purchase orders which exceed the available appropriation are returned to the department head.

Local Economy

Dover is located in northeastern Ohio, south of Cleveland and Canton in Tuscarawas County and is accessible from I-77. Dover covers an area of 5.71 square miles. This popular and expanding residential community is noted for its older elegant homes built on quiet tree-lined streets and newly developed areas. Dover is a 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; eight of our ten principal employers had more than 200 employees, lending to the City's diversification.

Six banks (Huntington National, Chase, First National Bank of Dennison, Citizens Bank, National City, First Federal Bank) are located in the City. Financial institutions located in the County had total deposits of \$166,291,000 on December 31, 2006.

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

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

Year 2006, saw movement in the restoration of our downtown, with at least two buildings receiving a face lift on the exterior and interior. One building houses a new business to the area. Lavender Bridal Salon

joined an existing business, Teresa's Children's Apparel to offer a full service bridal salon along with a childrens clothing boutique. The store offers designer bridal gowns, attendants' dresses, and mother of the bride/groom dresses, flower girl apparel, prom, homecoming and other special occasion dresses. Accessories are offered, as well as tuxedos for boys.

Right next door is Blossom's Floral Shop which offers a combined 33 years of floral design. Blossom's is a full-service florist, delivering worldwide and serving all locations in Tuscarawas County. Blossom's specializes in modern flower arranging, such as European and English garden design, in daily occasion as well as bridal bouquets.

Dover recently welcomed Ariel's Oak Furniture Store. Despite its name the company works with many different woods to create middle to high end quality pieces at mid-range prices.

Union Hospital continues to be the City's largest employer and a valuable asset to the community. Union celebrated 100 years in 2006 and is ready to serve the community's health care needs into its second century. The hospital is committed to maintaining low cost care, while providing local options and expanding the scope and quality of care.

Three examples of this commitment are the Maternity Center Project; the goal of the \$6.2 million dollar project was to meet the need of families, provide comfort, space and privacy. There are 17 private patient rooms with baths, comfortable furnishings complete with a convertible sofa bed to allow new Dads the opportunity to stay overnight with the mother and baby. \$2.6 million in gifts were collected to offset the cost of construction.

The next example is the FirstCare Center opening. FirstCare Center offers the proper level of care for non-emergency patients when their family doctor is not immediately available after hours and on weekends. Patients are treated on a walk in basis by a Doctor who is a member of the hospital's medical staff.

The third example of Union Hospital's commitment to this community is what they call the Community Benefit Report. As a not for profit community hospital, services are provided at a discounted rate, as much as 90 percent. In 2005, Union hospital provided more than \$2.5 million in free and discounted care. Nearly \$200,000 was spent on promoting health and wellness. Through health screenings, educational programs, health fairs and school presentations, more than 8,000 people learned more about their health. The benefits of the hospital to this community are immeasurable and their continued growth only adds to its importance, as the medical needs of our Citizens are being met.

Allied Machine & Engineering Corporation (AMEC), a long standing Dover company, provides metal cutting solutions by manufacturing precision drilling systems. Now in its third generation of ownership AMEC was established in 1941, manufacturing locknuts, locknut washers and taper sleeve adapters for the bearing industry. In 1966, AMEC began manufacturing Universal Style spade drills and holders. One of the most significant breakthroughs in the spade drill industry came in 1982, when AMEC introduced the T-A Drilling System which revolutionized the spade drill industry. This year, AMEC has again introduced a new product. The GEN3SYS is a high penetration drill which the company hopes will set new industry standards.

A 70 year Dover company is filled with excitement and enthusiasm about new products. Marlite is a privately owned manufacturer and distributor of retail merchandising and commercial wall systems. Consumers of the retail wall systems include stores such as Bed, Bath & Beyond, the Limited, the Gap and Abercrombie & Fitch to name a few. During 2006, additional customers such as Sears were added. Commercial wall systems can be found in businesses such as Burger King, McDonalds, Rite Aid, and most recently in the Eli Lilly pharmaceutical headquarters, CBS headquarters, the Los Angeles and Spokane airports and more. Closer to home, Marlite manufactured the majestic wall system in the atrium of the newly expanded Aultman hospital in Canton, Ohio. Two of the biggest innovations coming out of the commercial wall system are its quick change and wood veneers. These products allow for changes in

design and looks with little effort. Dover is quickly becoming the world's most exclusive supplier for fine veneers.

Between October 2005 and December 2006, Meteor Sealing Systems launched the Corvette Convertible Project, bringing 85 new jobs to the community. Meteor Sealing Systems can manufacture everything from a simple door seal to complete sealing systems for an entire vehicle. With the new design of the Chrysler Sebring, Meteor was awarded the project that requires the company to produce sealing systems solutions for convertible soft tops and retractable hard tops. As a result of this project, 30 jobs will be created and \$2 million will be invested. The project will be launched in 2007 and is set to produce 271 cars per day. Meteor is planning an additional expansion in 2008-2009 that will add an additional 70 new positions.

Newhouse Printing, a small local printer expanded its operation in 2006. The expansion included remodeling the current plant, purchasing the adjoining property for expansion and the opening of a second 22,500 square feet manufacturing space that houses the nearly \$400,000 of newly acquired production equipment. Further expansion is planned for 2007.

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 affects our generating plant.

New maximum achievable control technology (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 be in full compliance with these standards by September of 2007. The City is in the process of completing many plant updates and the construction of a bag house to accommodate the new MACT standards for the removal of fly ash.

Construction has started for a \$13 million dollar expansion to our Wastewater Treatment Plant, which will nearly double the existing capacity and change the way in which the waste is processed. Using the submerged membrane activated sludge technology, new headworks facilities including new fine screens and grit and grease removal will be constructed, thus eliminating the primary settling tanks. The engineering firm of Burgess & Niple, Inc. from Akron, Ohio has been selected as the lead engineer. The design and engineering phases are being paid from the Sewer revenue fund with the construction to be funded with a loan approved by the Ohio Water Development Authority (OWDA). 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.

The Tuscarawas Avenue Bridge, which is one of two major bridges in Dover that cross the Tuscarawas River is slated to be rebuilt. The Ohio Department of Transportation will be funding up to 80 percent of the cost, with the City funding the remaining 20 percent. A loan has been obtained from the State Infrastructure Bank for Dover's share. Design and engineering on the project is currently underway, with construction to begin early in 2009.

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.

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 2005 and continued with periodic salting through mid March. A total of 976 tons of salt was used. Seven streets were paved using 4,052 tons of asphalt at a cost of \$149,936. Profiling was done at a cost of \$12,000.

The leaf season this year consisted of thirty-two working days with 705 gallons of fuel used, and 1,284 man hours. There were 1,792 requests for brush pickup throughout the year. The cost for the removal of construction materials was \$8,715 and an additional \$5,000 was expended for a grinder to come on site and haul the matter to the location to compost. We would like to continue this practice of recycling while reducing the amount to be hauled to the landfill. Debris that couldn't be chipped was disposed of at cost of \$8,030. The storm sewer catch basin program had 12 catch basins either repaired or rebuilt.

The Traffic Department, a division of the Street Department, painting program during 2006 consisted of the use of 320 gallons of yellow paint, 125 gallons of white paint and 3,400 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 128 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 2006, the City appropriated \$20,000 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 38 baseball teams. Groups start at age 6 through 18. Combined these teams played a total of 302 scheduled games in 2006. Dover Girls Softball Association played 145 scheduled games at the City Park. The City of Dover operates an adult men's slow pitch softball and a co-ed slow pitch softball program consisting of 14 teams who played 128 regular and tournaments games in 2006. 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 2006, the Dover Fire Department responded to 1,802 calls; 1,182 were E.M.S. calls and the remainders were fire and miscellaneous responses. 1,336 of the calls were in Dover corporation limits and 362 were in Dover Township, 45 to New Philadelphia and the remainder was to our surrounding villages and townships. In 2006, a set of Genesis Hydraulic Rescue tools replaced the Tuscarawas County's original "Jaws of Life" purchased in 1976.

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 business 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.

Dover was founded in 1807 and in 2007 the City will celebrate its bicentennial. There are many things planned to celebrate the year. This includes a lecture series, an old time baseball game, and a downtown celebration that will include a parade, a concert, an auction of the official bicentennial coin and the unveiling of the City's collage mural. This mural consists of sixteen panels painted individually by different artists. Each artist was asked to depict an important contribution to the history of Dover. Designed by a local artist, the panels will then be placed together to form a collage of Dover's history. We are very excited to have such a unique artistic display of our City. The year of celebration will be completed by a downtown ice cream social and music fair, a historic home tour, an outdoor drama by the local historical society, cemetery walks and our annual Christmas parade and downtown lighting.

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

Department Focus Each year the City selects a department to highlight for its efforts and accomplishments. In keeping with the theme of this report, we are focusing the report on the City's Police Department for its second year.

The City of Dover had no homicides occur during 2006. The other Uniform crimes reported to the Federal Bureau of Investigation have increased slightly in 2006. The police department investigated 5 Rape incidents, 5 Robbery, 17 Burglaries, 15 Vehicle Thefts, and 52 Assault cases. The department investigated 1 single car fatal accident for the year.

The department investigated 495 minor accidents and 84 accidents with injuries in 2006 compared to 450 minor accidents and 81 in 2005.

Overall calls for service to the Dover Police Department declined to 11,866 in 2006 from 12,270 in 2005.

The department continued to support the residents of Dover with their annual 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 – 5th grade, and the 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 which involved 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 time. The department also worked with other county law enforcement officers on several Operating Vehicle Intoxicated (OVI) and other traffic offense enforcement projects. 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.

Long-Term Financial Planning

The City ensures there are funding sources for all projects it undertakes. A portion of the City's income tax is restricted for the master capital projects fund to provide considerable pay-as-you-go financing of capital projects. Additionally the City obtains resources to finance long-term needs through bond anticipation notes, bonds, and intergovernmental borrowing.

In 2006 the City proposed and the electorate approved an increase in the income tax rate from 1 percent to 1.5 percent.

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, 2005.

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-fifth Tree City USA Award for the year ended December 31, 2006. These prestigious awards recognize the City for its annual program of planting new trees and maintaining and removing old trees.

Acknowledgments

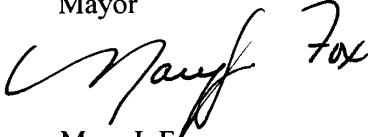
The preparation of the Comprehensive Annual Financial Report requires a major effort. We would like to thank everyone who has been involved in this report either directly or indirectly. The preparation of this report could not have been accomplished without the efficient and dedicated services of the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

A handwritten signature in cursive script, reading "Richard P. Homrighausen", followed by a horizontal line.

Richard P. Homrighausen,
Mayor

A handwritten signature in cursive script, reading "Mary J. Fox".

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, 2005

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



President

Executive Director

City of Dover, Ohio
Principal Officials
December 31, 2006

Mayor..... Richard P. Homrighausen
President of Council.....Roy G. Crawford
Councilman – Ward I..... Donald H. Maurer
Councilman – Ward II James W. Schumacher
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..... Zachary J. Cummings
Clerk of Council..... Lois A. Linard
Law Director..... Douglas J. O’Meara
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

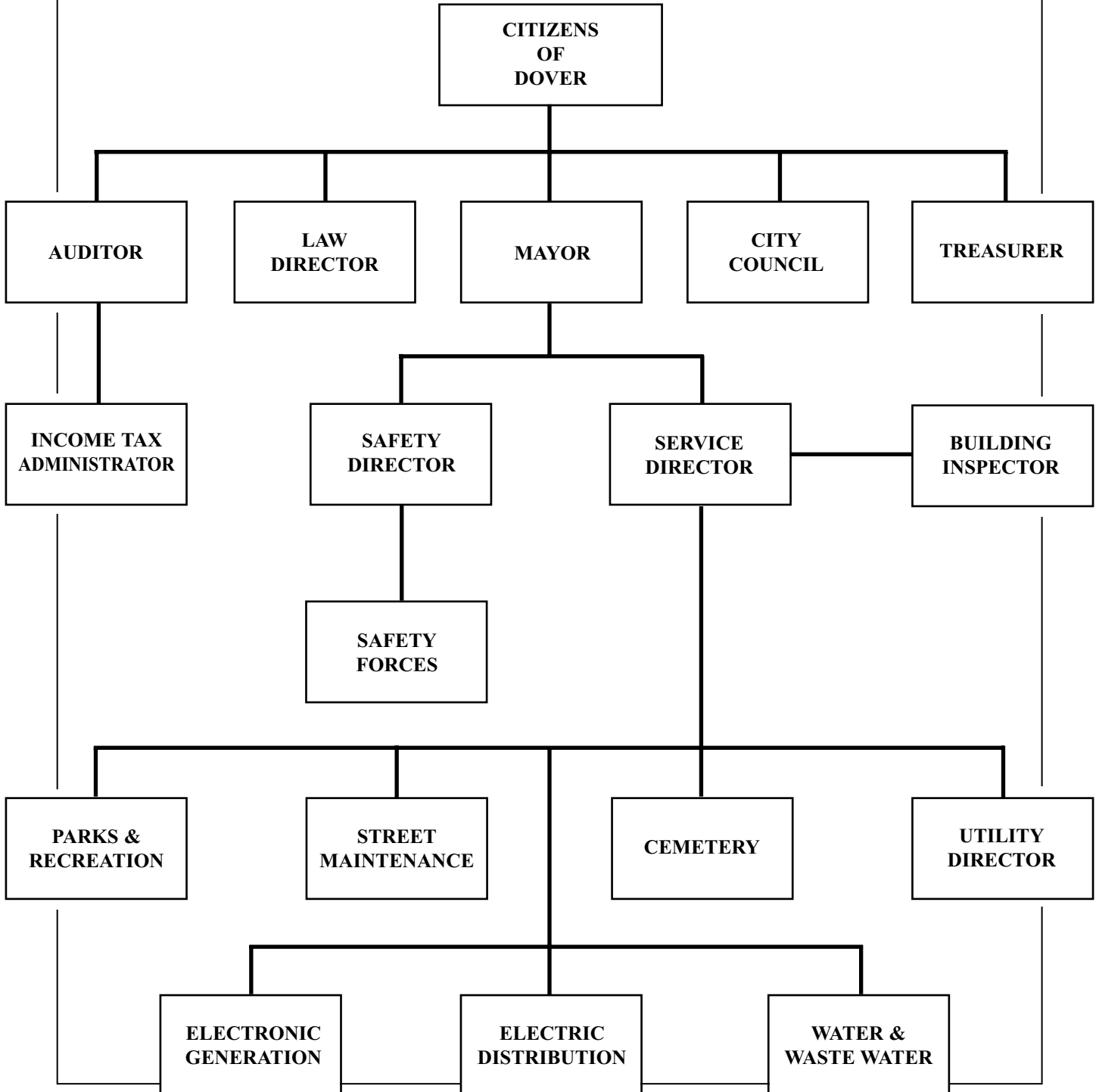
Service Department

Service Director David F. Douglas
Cemetery Scott Harmon
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



After WWII, the department used two cruisers and one three wheel Harley-Davidson motorcycle to patrol and respond to calls. Officers were still assigned to foot patrol in the downtown area for many years. The motorcycle was phased out of service in 1972. The department continued to add cruisers to the fleet and today there are six marked and two unmarked cruisers.





Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Honorable Mayor and 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, 2006, 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, 2006, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 27, 2007, 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 44702-1509
Telephone: (330) 438-0617 (800) 443-9272 Fax: (330) 471-0001
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.

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

Mary Taylor, CPA
Auditor of State

July 27, 2007

City of Dover, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2006
Unaudited

The discussion and analysis for the City of Dover's financial statements provides an overall review of the financial activity of the City for the twelve months ended December 31, 2006. 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 2006 are as follows:

- Total net assets increased \$2,622,780. Net Assets of governmental activities decreased \$82,687 which represents a 1.0 percent decrease from 2005. Net assets of business-type activities increased \$2,705,467 or 8.6 percent from 2005 due primarily to increased electric rates.
- Total assets increased \$4,581,057 or 6.4 percent above the 2005 level due primarily to unspent note proceeds in the business-type activities, specifically electric.
- Total liabilities increased \$1,958,277 or 6.1 percent from 2005. This reflects the increased notes payable in the business-type activities.
- Total capital assets increased \$775,804, which represents a 1.6 percent increase.
- Total outstanding debt increased \$1,977,773 or 7.7 percent during 2006.

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 2006 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, 2006
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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, 2006
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 2006 as they compare to 2005.

Table 1
Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Assets						
Current and Other Assets	\$5,919,389	\$5,971,955	\$21,111,976	\$17,254,157	\$27,031,365	\$23,226,112
Capital Assets, Net	8,479,975	8,042,472	40,690,991	40,352,690	49,170,966	48,395,162
<i>Total Assets</i>	<u>14,399,364</u>	<u>14,014,427</u>	<u>61,802,967</u>	<u>57,606,847</u>	<u>76,202,331</u>	<u>71,621,274</u>
Liabilities						
Current Liabilities	2,461,436	1,919,326	2,876,563	2,798,009	5,337,999	4,717,335
Long-Term Liabilities:						
Due Within One Year	374,632	331,692	1,750,363	4,490,473	2,124,995	4,822,165
Due in More Than One Year	3,433,690	3,551,116	23,097,254	18,945,045	26,530,944	22,496,161
<i>Total Liabilities</i>	<u>6,269,758</u>	<u>5,802,134</u>	<u>27,724,180</u>	<u>26,233,527</u>	<u>33,993,938</u>	<u>32,035,661</u>
Net Assets						
Invested in Capital Assets, Net of Related Debt	5,805,738	5,322,472	22,635,000	18,482,783	28,440,738	23,805,255
Restricted for:						
Cemetery	630,347	589,139	0	0	630,347	589,139
Street Maintenance and Repair	442,933	328,974	0	0	442,933	328,974
Ambulance	118,692	112,159	0	0	118,692	112,159
Police and Fire Pension	0	9,928	0	0	0	9,928
Revolving Loan	510,806	532,482	0	0	510,806	532,482
Shade Tree	2,737	2,737	0	0	2,737	2,737
Law Enforcement and Education	34,172	30,789	0	0	34,172	30,789
Debt Service	0	0	1,376,277	1,254,300	1,376,277	1,254,300
Capital Projects	571,812	1,083,749	0	0	571,812	1,083,749
Replacement and Improvement	0	0	2,591,239	2,558,135	2,591,239	2,558,135
Unrestricted	12,369	199,864	7,476,271	9,078,102	7,488,640	9,277,966
<i>Total Net Assets</i>	<u>\$8,129,606</u>	<u>\$8,212,293</u>	<u>\$34,078,787</u>	<u>\$31,373,320</u>	<u>\$42,208,393</u>	<u>\$39,585,613</u>

Total assets increased in 2006 by \$4,581,057. The majority of the increase was in the business-type activities. The increase of \$4,196,120 for business-type activities is attributable to an increase of approximately four million in cash and cash equivalents, the unspent proceeds of a note issued for constructing, installing and equipping pollution control facilities for the electric system.

Total liabilities increased by \$1,958,277. This increase is also concentrated in the business-type activities and reflects the note payable discussed above.

Total net assets increased by \$2,622,780 which includes a decrease in governmental activities and an increase in business-type activities.

City of Dover, Ohio
Management's Discussion and Analysis
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The City also works hard to increase net assets through our investment program. Investment earnings for governmental and business-type activities were \$616,919 in 2006. This is an increase of \$307,608 from 2005. This increase is a result of higher interest rates on the City's investments.

Table 2 shows the changes in net assets for the fiscal year 2006 for both our Governmental activities and our Business-Type activities.

Table 2
Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Revenues						
Program Revenues:						
Charges for Services and Sales	\$1,044,532	\$997,763	\$22,974,322	\$20,037,412	\$24,018,854	\$21,035,175
Operating Grants and Contributions	817,722	855,317	0	0	817,722	855,317
Capital Grants and Contributions	404,216	640,088	0	312,599	404,216	952,687
Total Program Revenues	2,266,470	2,493,168	22,974,322	20,350,011	25,240,792	22,843,179
General Revenues:						
Property Taxes	1,197,300	1,161,506	0	0	1,197,300	1,161,506
Income Taxes	3,651,952	3,941,499	0	0	3,651,952	3,941,499
Grants and Entitlements	1,785,908	1,711,617	0	0	1,785,908	1,711,617
Investments	174,285	186,319	442,634	122,992	616,919	309,311
Miscellaneous	126,142	119,238	496,979	920,040	623,121	1,039,278
Total General Revenues	6,935,587	7,120,179	939,613	1,043,032	7,875,200	8,163,211
Total Revenues	9,202,057	9,613,347	23,913,935	21,393,043	33,115,992	31,006,390
Program Expenses						
General Government	1,098,324	1,053,903	0	0	1,098,324	1,053,903
Security of Persons and Property	3,845,604	3,799,383	0	0	3,845,604	3,799,383
Transportation	1,355,383	1,539,960	0	0	1,355,383	1,539,960
Public Health Services	616,158	685,021	0	0	616,158	685,021
Community Environment	454,646	462,327	0	0	454,646	462,327
Basic Utility Services	433,167	423,012	0	0	433,167	423,012
Leisure Time Activities	666,868	647,646	0	0	666,868	647,646
Interest and Fiscal Charges	164,594	33,675	0	0	164,594	33,675
Enterprise Operations:						
Sewer	0	0	2,112,304	2,005,511	2,112,304	2,005,511
Electric	0	0	18,228,596	17,121,282	18,228,596	17,121,282
Water	0	0	1,517,568	1,881,816	1,517,568	1,881,816
Total Program Expenses	8,634,744	8,644,927	21,858,468	21,008,609	30,493,212	29,653,536
Increase in Net Assets						
Before Transfers	567,313	968,420	2,055,467	384,434	2,622,780	1,352,854
Transfers	(650,000)	(600,000)	650,000	600,000	0	0
Increase (Decrease) in Net Assets	(82,687)	368,420	2,705,467	984,434	2,622,780	1,352,854
Net Assets Beginning of Year						
- Restated - See Note 3	8,212,293	7,843,873	31,373,320	30,388,886	39,585,613	38,232,759
Net Assets End of Year	\$8,129,606	\$8,212,293	\$34,078,787	\$31,373,320	\$42,208,393	\$39,585,613

City of Dover, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2006
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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. In the November election of 2006, the voters voted to increase the income tax rate by ½ percent. There is no restriction on how the additional ½ percent is to be used. The income tax accounted for revenues of \$3,651,952 in 2006. 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, maintaining City streets and purchasing equipment.

Security of Persons and Property represent the largest expense of the Governmental Activities and includes Police and Fire. This expense of \$3,845,604 represents 44.5 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 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 were decreased by \$184,577 from 2005. Flooding in various areas of the City in early 2005 increased the expenses for salt and additional pumping and manning.

The City also maintains three cemeteries (public health services) and two parks (leisure time activities) within the City. These areas had expenses of \$1,283,026 in 2006, representing 14.9 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 2006, the electric utility generated \$18,299,853 in charges for services. 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. The City is

City of Dover, Ohio
Management's Discussion and Analysis
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considering other partnering options with AMP Ohio. These investments help to ensure the City's goal of reliable, affordable power and give the City the opportunity of selling any excess City owned power to others.

The water utility serviced 5,560 consumers with a minimum monthly pumpage of 1.17 million gallons and a maximum monthly pumpage of 3.12 million gallons in 2006. 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 1,475,000 gallons per day during 2006. 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. This \$13 million expansion broke ground in 2007. The City is paying for the engineering and design through the Sewer operating fund and has been approved for a loan through Ohio Water Development Authority for the construction of the project. The plant is slated for completion in 2009.

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 2006, charges for services of \$22,974,322 accounted for approximately 96.1 percent of the revenues. The total expenses for the utilities were \$21,858,468. The City had an increase in net assets of \$2,705,467 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 \$5,998,113 and expenditures of \$5,292,231. Although this shows an excess of revenues over expenditures of \$705,882, the complete 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. After the transfer of \$650,000 the increase in fund balance was \$55,882 for 2006. The Master Capital fund had revenues of \$848,629 and expenditures of \$1,341,668, leaving an excess of expenditures over revenues of \$493,039. 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 \$3,077,163, which exceeded operating expenses of \$2,003,931. The Electric fund had operating revenues of \$18,574,589 and operating expenses of \$17,211,713 and the Water fund had operating revenues of \$1,819,549 and operating expenses of \$1,357,670. The City consistently monitors these funds and takes the required actions to ensure strength in our enterprise funds. In October of 2006, a 15 percent across the board increase in electric rates was passed by City Council to insure sufficient debt coverage for the revenue bond that was refunded at the end of 2005. The issuance included additional monies to pay down a portion of bond anticipation notes, but did not extend the years of payment, therefore, demanding a larger fund balance at year end to meet

City of Dover, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2006
Unaudited

debt coverage requirements. The rate increase will also allow the City to make necessary capital improvements.

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 Council action.

For 2006, the most significant change between the original and final appropriations was the appropriation for the transfer to the Electric fund discussed earlier. Additionally, there was an increase in estimated revenues due to anticipated increased collections. However, actual revenues were 3.2 percent less than final estimated revenues, while actual expenditures were 4.8 percent less than final budgeted expenditures.

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, 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	
	2006	2005	2006	2005	2006	2005
Land	\$860,689	\$851,930	\$435,066	\$410,386	\$1,295,755	\$1,262,316
Buildings	1,583,853	1,616,401	14,785,597	15,214,543	16,369,450	16,830,944
Improvements Other than Buildings	388,793	409,971	0	0	388,793	409,971
Equipment and Machinery	800,822	834,238	2,769,434	3,397,814	3,570,256	4,232,052
Furniture and Fixtures	13,164	15,301	22,947	50,450	36,111	65,751
Vehicles	489,794	703,324	159,799	235,052	649,593	938,376
Infrastructure	3,774,056	3,611,307	17,726,732	15,191,829	21,500,788	18,803,136
Construction-In-Progress	568,804	0	4,791,416	5,852,616	5,360,220	5,852,616
<i>Total Capital Assets</i>	<u>\$8,479,975</u>	<u>\$8,042,472</u>	<u>\$40,690,991</u>	<u>\$40,352,690</u>	<u>\$49,170,966</u>	<u>\$48,395,162</u>

City of Dover, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2006
Unaudited

Total Capital Assets for the City of Dover for the year ended December 31, 2006 were \$49,170,966 which reflects a \$775,804 increase over the 2005 figure of \$48,395,162. 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 2006, \$162,749 was added for the improvements and additions to fire hydrants, streets and storm sewers bringing the net book value of governmental infrastructure to \$3,774,056. In the business-type activities, there was a net increase of \$338,301 for 2006. Capital asset activity for 2006 is provided in Note 8.

Debt

The outstanding debt for the City of Dover as of December 31, 2006 was \$27,748,053. This balance reflected an increase of \$1,977,773 from the previous year's balance of \$25,770,280, an increase of approximately 7.7 percent.

Table 4
Outstanding Debt at Year End

	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Police and Fire Pension	\$296,577	\$301,861	\$0	\$0	\$296,577	\$301,861
Revenue Bonds	0	0	15,276,476	16,108,419	15,276,476	16,108,419
General Obligations Bonds	0	0	455,000	640,000	455,000	640,000
Notes Payable	2,970,000	2,720,000	8,750,000	6,000,000	11,720,000	8,720,000
<i>Total</i>	<u>\$3,266,577</u>	<u>\$3,021,861</u>	<u>\$24,481,476</u>	<u>\$22,748,419</u>	<u>\$27,748,053</u>	<u>\$25,770,280</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 \$75,000.

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 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 payments for the electric utility, sewer utility and water utility in 2006 were \$6,221,508, \$1,223,646, and \$417,993 respectively.

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

City of Dover, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2006
Unaudited

Current Financial Issues

In order to comply with regulations concerning the containment of particulate matter into the air, it is necessary to construct a bag house to accommodate the disposal of this matter in a manner that meets industry regulations. In addition to the containment, the bag house will reduce the mercury emissions by 30%. In June of 2006, the City issued \$5,500,000 in bond anticipation notes for that construction. The project is underway, on schedule, and slated for completion in September of 2007.

The passage of the ½ percent income tax rate increase was a major financial issue in 2006. The City, like many other Cities, was not collecting sufficient revenues to continue the level of City services, personnel, and meet the demands and growth of our infrastructure while maintaining financial security, without generating new revenue. The issue was taken to the voters for the first time in the fall of 2006. Every effort was made to educate our Citizens of our current needs, while stressing the future. The levy passed and the additional ½ percent is currently being withheld by Dover employers as of January 1, 2007. It is the City's intention to cautiously return our workforce to staffing levels prior to the years of revenue shortfalls. Every effort will be made to restore the Master Capital income tax revenue to 40% of tax collected in 2007. However, the City will continue to monitor the funds and make adjustments as necessary to the distribution of the income tax collections based on need.

The City of Dover continues to offer 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 has been testing the system with a few business customers, and 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. City Council has passed in 2007 an economic development electric rate as a tool to attract new business to the City. This rate will allow the business to acclimate itself financially and will be conditionally offered to any business looking to locate within the City. The City is also exploring alternative methods of power generation such as hydropower. The City's goal is to diversify our power sources, through purchased power and our own generation to provide the most reliable power at the lowest cost to our Citizens.

The Tuscarawas Port Authority continues to grow and provide Dover with economic development. Five companies, Schneider Computer Technologies, Holmes-Wayne-Tuscarawas Transportation, Owens Corning, Rolite Plastics and TalMac Construction currently lease space at the Reeves Mill Business Park. The Business Factory, the business incubator operation, houses McKeever Decorating, MPS Mfg and Electronic Data Payment Systems. The port authority formed in 2000 by the Tuscarawas County Commissioners to promote, retain, expand or acquire businesses in the Tuscarawas Valley has managed to give life to the otherwise, idle industrial site, formerly the AK Steel Building. The City of Dover has partnered with the Port Authority whenever possible to aid in the common purpose of economic growth. The City of Dover provided Rolite Plastics a low interest \$500,000 loan through the City of Dover's Economic Revolving Loan Fund. Rolite Plastics has exceeded their original projections and is repaying the loan to the City of Dover. The loan money is available to any eligible business and applications are

City of Dover, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2006
Unaudited

reviewed by the City's Revolving Loan Fund committee and then, if deemed eligible, are submitted to the State of Ohio's Department of Development.

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 2006. Our goal remains to grow and meet the needs of the future while maintaining fiscal soundness. The City of Dover shows its strength of a diversified tax base by consistently keeping pace with prior years collections of income tax. City departments are staffed and the City continues to replace equipment by necessity. We are proceeding with our yearly paving program, and extending our streets and utilities to new areas based on need. 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 growing and providing our Citizens with consistent service and meeting their needs. We watch our funds closely and make sure monies are budgeted to provide for proper maintenance of our equipment and facilities. Our administration and department superintendents are all involved in our budget process. Our budget is developed from the bottom up with the emphasis on good stewardship of our ratepayers and taxpayers money.

Contacting the City's Finance Department

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

City of Dover, Ohio
Statement of Net Assets
December 31, 2006

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$2,088,794	\$12,129,981	\$14,218,775
Cash and Cash Equivalents:			
Held by Trustee	0	1,668,100	1,668,100
With Fiscal Agents	33,853	86,159	120,012
Materials and Supplies Inventory	100,215	882,820	983,035
Accounts Receivable	130,877	3,460,627	3,591,504
Internal Balances	29,007	(29,007)	0
Intergovernmental Receivable	932,032	2,680	934,712
Prepaid Items	92,780	306,636	399,416
Income Tax Receivable	1,050,000	0	1,050,000
Property Taxes Receivable	1,045,076	0	1,045,076
Loans Receivable	416,755	0	416,755
Deferred Charges	0	416,715	416,715
Investment in Joint Venture	0	2,187,265	2,187,265
Nondepreciable Capital Assets	1,429,493	5,226,482	6,655,975
Depreciable Capital Assets, Net	7,050,482	35,464,509	42,514,991
<i>Total Assets</i>	<u>14,399,364</u>	<u>61,802,967</u>	<u>76,202,331</u>
Liabilities			
Accounts Payable	139,938	1,485,736	1,625,674
Accrued Wages	161,358	136,547	297,905
Contracts Payable	151,197	40,942	192,139
Intergovernmental Payable	369,595	258,105	627,700
Matured Interest Payable	1,735	3,204	4,939
Accrued Interest Payable	104,489	344,398	448,887
Retainage Payable	32,118	82,955	115,073
Customer Deposits	0	74,676	74,676
Claims Payable	91,807	0	91,807
Deferred Revenue	1,009,199	0	1,009,199
Notes Payable	400,000	450,000	850,000
Long-Term Liabilities:			
Due Within One Year	374,632	1,750,363	2,124,995
Due In More Than One Year	3,433,690	23,097,254	26,530,944
<i>Total Liabilities</i>	<u>6,269,758</u>	<u>27,724,180</u>	<u>33,993,938</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	5,805,738	22,635,000	28,440,738
Restricted for:			
Cemetery	630,347	0	630,347
Street Maintenance and Repair	442,933	0	442,933
Ambulance	118,692	0	118,692
Revolving Loan	510,806	0	510,806
Shade Tree	2,737	0	2,737
Law Enforcement and Education	34,172	0	34,172
Debt Service	0	1,376,277	1,376,277
Capital Projects	571,812	0	571,812
Electric Replacement and Improvement	0	2,220,661	2,220,661
Water Replacement and Improvement	0	370,578	370,578
Unrestricted	12,369	7,476,271	7,488,640
<i>Total Net Assets</i>	<u>\$8,129,606</u>	<u>\$34,078,787</u>	<u>\$42,208,393</u>

See accompanying notes to the basic financial statements

City of Dover, Ohio
Statement of Activities
For the Year Ended December 31, 2006

	Program Revenues			
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$1,098,324	\$24,207	\$0	\$0
Security of Persons and Property	3,845,604	82,473	10,847	0
Transportation	1,355,383	0	806,875	0
Public Health Services	616,158	319,218	0	0
Community Environment	454,646	23,796	0	404,216
Basic Utility Services	433,167	515,941	0	0
Leisure Time Activities	666,868	78,897	0	0
Interest and Fiscal Charges	164,594	0	0	0
<i>Total Governmental Activities</i>	<u>8,634,744</u>	<u>1,044,532</u>	<u>817,722</u>	<u>404,216</u>
Business-Type Activities:				
Sewer	2,112,304	2,889,367	0	0
Electric	18,228,596	18,299,853	0	0
Water	1,517,568	1,785,102	0	0
<i>Total Business-Type Activities</i>	<u>21,858,468</u>	<u>22,974,322</u>	<u>0</u>	<u>0</u>
<i>Total - Primary Government</i>	<u>\$30,493,212</u>	<u>\$24,018,854</u>	<u>\$817,722</u>	<u>\$404,216</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
(\$1,074,117)	\$0	(\$1,074,117)
(3,752,284)	0	(3,752,284)
(548,508)	0	(548,508)
(296,940)	0	(296,940)
(26,634)	0	(26,634)
82,774	0	82,774
(587,971)	0	(587,971)
(164,594)	0	(164,594)
(6,368,274)	0	(6,368,274)
0	777,063	777,063
0	71,257	71,257
0	267,534	267,534
0	1,115,854	1,115,854
(6,368,274)	1,115,854	(5,252,420)
1,041,905		1,041,905
155,395	0	155,395
2,119,470	0	2,119,470
243,398	0	243,398
305,224	0	305,224
278,085	0	278,085
705,775	0	705,775
1,785,908	0	1,785,908
174,285	442,634	616,919
126,142	496,979	623,121
6,935,587	939,613	7,875,200
(650,000)	650,000	0
6,285,587	1,589,613	7,875,200
(82,687)	2,705,467	2,622,780
8,212,293	31,373,320	39,585,613
\$8,129,606	\$34,078,787	\$42,208,393

City of Dover, Ohio

Balance Sheet

Governmental Funds

December 31, 2006

	<u>General</u>	<u>Master Capital</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets				
Equity in Pooled Cash and Cash Equivalents	\$242,727	\$783,466	\$1,037,149	\$2,063,342
Cash and Cash Equivalents				
With Fiscal Agents	0	29,584	4,269	33,853
Materials and Supplies Inventory	12,308	0	87,907	100,215
Accounts Receivable	79,360	0	48,944	128,304
Intergovernmental Receivable	585,517	0	346,515	932,032
Prepaid Items	82,026	0	10,754	92,780
Income Taxes Receivable	602,405	203,038	244,557	1,050,000
Property Taxes Receivable	904,327	0	140,749	1,045,076
Loans Receivable	0	0	416,755	416,755
<i>Total Assets</i>	<u>\$2,508,670</u>	<u>\$1,016,088</u>	<u>\$2,337,599</u>	<u>\$5,862,357</u>
Liabilities				
Accounts Payable	\$122,490	\$0	\$17,448	\$139,938
Accrued Wages	124,631	0	36,727	161,358
Contracts Payable	8,973	142,062	162	151,197
Intergovernmental Payable	162,629	0	206,966	369,595
Matured Interest Payable	0	0	1,735	1,735
Accrued Interest Payable	0	8,114	0	8,114
Retainage Payable	0	29,584	2,534	32,118
Deferred Revenue	1,790,442	27,783	704,833	2,523,058
Notes Payable	0	400,000	0	400,000
<i>Total Liabilities</i>	<u>2,209,165</u>	<u>607,543</u>	<u>970,405</u>	<u>3,787,113</u>
Fund Balances				
Reserved for Encumbrances	22,292	341,935	261,159	625,386
Reserved for Loans Receivable	0	0	364,434	364,434
Unreserved:				
Undesignated, Reported in:				
General Fund	277,213	0	0	277,213
Special Revenue Funds	0	0	955,905	955,905
Capital Projects Funds (Deficit)	0	66,610	(214,304)	(147,694)
<i>Total Fund Balances</i>	<u>299,505</u>	<u>408,545</u>	<u>1,367,194</u>	<u>2,075,244</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$2,508,670</u>	<u>\$1,016,088</u>	<u>\$2,337,599</u>	<u>\$5,862,357</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, 2006*

Total Governmental Fund Balances	\$2,075,244
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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	8,479,975
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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	35,877
Income Tax	597,526
Grants	831,512
Charges for Services	48,944

Total	1,513,859
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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.	(63,782)
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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.	29,007
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Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.	(96,375)
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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	(296,577)
Notes Payable	(2,570,000)
Compensated Absences	(941,745)

Total	(3,808,322)
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<i>Net Assets of Governmental Activities</i>	<u><u>\$8,129,606</u></u>
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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, 2006

	General	Master Capital	Other Governmental Funds	Total Governmental Funds
Revenues				
Property and Other Local Taxes	\$1,035,506	\$0	\$154,648	\$1,190,154
Income Taxes	2,204,808	766,014	885,000	3,855,822
Intergovernmental	1,805,817	62,520	1,077,683	2,946,020
Interest	129,830	0	44,455	174,285
Fines, Licenses and Permits	49,553	0	3,865	53,418
Charges for Services	671,896	0	317,740	989,636
Other	100,703	20,095	5,344	126,142
<i>Total Revenues</i>	<u>5,998,113</u>	<u>848,629</u>	<u>2,488,735</u>	<u>9,335,477</u>
Expenditures				
Current:				
General Government	1,063,197	0	0	1,063,197
Security of Persons and Property	3,098,453	0	486,031	3,584,484
Transportation	0	0	934,808	934,808
Public Health Services	9,907	0	643,915	653,822
Community Environment	76,565	0	39,674	116,239
Basic Utility Services	433,167	0	0	433,167
Leisure Time Activities	610,942	0	0	610,942
Capital Outlay	0	1,182,634	334,899	1,517,533
Debt Service:				
Principal Retirement	0	50,000	5,284	55,284
Interest and Fiscal Charges	0	109,034	12,761	121,795
<i>Total Expenditures</i>	<u>5,292,231</u>	<u>1,341,668</u>	<u>2,457,372</u>	<u>9,091,271</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>705,882</u>	<u>(493,039)</u>	<u>31,363</u>	<u>244,206</u>
Other Financing Sources (Uses)				
Notes Issued	0	2,570,000		2,570,000
Premium on Debt Issuance	0	30,307	0	30,307
Payment to Refund Notes	0	(2,570,000)		(2,570,000)
Transfers Out	(650,000)	0	0	(650,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(650,000)</u>	<u>30,307</u>	<u>0</u>	<u>(619,693)</u>
<i>Net Change in Fund Balances</i>	55,882	(462,732)	31,363	(375,487)
<i>Fund Balances Beginning of Year</i>	<u>243,623</u>	<u>871,277</u>	<u>1,335,831</u>	<u>2,450,731</u>
<i>Fund Balances End of Year</i>	<u>\$299,505</u>	<u>\$408,545</u>	<u>\$1,367,194</u>	<u>\$2,075,244</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, 2006*

Net Change in Fund Balances - Total Governmental Funds (\$375,487)

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

Governmental funds report capital outlays as expenditures.

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

Capital Asset Additions	957,295	
Current Year Depreciation	<u>(519,792)</u>	
Total		437,503

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

Property Taxes	7,146	
Income Tax	(203,870)	
Charges for Services	1,478	
Grants	<u>61,826</u>	
Total		(133,420)

Repayment of debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 2,625,284

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

Accrued Interest	(73,106)	
Amortization of Premium	<u>30,307</u>	(42,799)

Proceeds of notes is an other financing source in the governmental funds, but increases liabilities in governmental activities.

Notes Issued	(2,570,000)	
Premium on Notes Issued	<u>(30,307)</u>	(2,600,307)

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. 19,202

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

The change for governmental funds is reported for the year. (12,663)

Change in Net Assets of Governmental Activities (\$82,687)

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, 2006

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property and Other Local Taxes	\$971,800	\$971,800	\$1,035,506	\$63,706
Income Taxes	2,310,261	2,263,469	2,155,334	(108,135)
Intergovernmental	1,613,498	1,863,498	1,806,119	(57,379)
Interest	150,000	150,000	129,830	(20,170)
Fines, Licenses and Permits	48,700	49,200	49,421	221
Charges for Services	604,210	754,210	649,221	(104,989)
Other	129,380	69,587	100,428	30,841
<i>Total Revenues</i>	<u>5,827,849</u>	<u>6,121,764</u>	<u>5,925,859</u>	<u>(195,905)</u>
Expenditures				
Current:				
General Government	1,329,531	1,215,260	1,110,092	105,168
Security of Persons and Property	3,253,389	3,285,390	3,145,160	140,230
Public Health Services	11,000	11,000	9,907	1,093
Community Environment	80,429	80,429	78,272	2,157
Basic Utility Services	473,000	473,000	473,000	0
Leisure Time Activities	647,868	647,868	624,704	23,164
<i>Total Expenditures</i>	<u>5,795,217</u>	<u>5,712,947</u>	<u>5,441,135</u>	<u>271,812</u>
<i>Excess of Revenues Over Expenditures</i>	32,632	408,817	484,724	75,907
Other Financing Uses				
Transfers Out	0	(700,000)	(650,000)	50,000
<i>Net Change in Fund Balance</i>	32,632	(291,183)	(165,276)	125,907
<i>Fund Balance Beginning of Year</i>	274,635	274,635	274,635	0
Prior Year Encumbrances Appropriated	55,047	55,047	55,047	0
<i>Fund Balance End of Year</i>	<u>\$362,314</u>	<u>\$38,499</u>	<u>\$164,406</u>	<u>\$125,907</u>

See accompanying notes to the basic financial statements

City of Dover, Ohio
Statement of Fund Net Assets
Proprietary Funds
December 31, 2006

	Business-Type Activities				Governmental Activities - Internal Service Fund
	Sewer	Electric	Water	Total	
Assets					
<i>Current Assets:</i>					
Equity in Pooled Cash and Cash Equivalents	\$2,176,821	\$1,026,033	\$492,106	\$3,694,960	\$25,452
Cash and Cash Equivalents With Fiscal Agents	24,993	49,525	11,641	86,159	0
<i>Restricted Assets:</i>					
Equity in Pooled Cash and Cash Equivalents	0	643,037	298,798	941,835	0
<i>Receivables:</i>					
Accounts	362,053	2,792,456	306,118	3,460,627	2,573
Intergovernmental	2,680	0	0	2,680	0
Materials and Supplies Inventory	7,135	766,517	109,168	882,820	0
Prepaid Items	38,659	232,900	35,077	306,636	0
<i>Total Current Assets</i>	<u>2,612,341</u>	<u>5,510,468</u>	<u>1,252,908</u>	<u>9,375,717</u>	<u>28,025</u>
<i>Non-Current Assets:</i>					
<i>Restricted Assets:</i>					
Equity in Pooled Cash and Cash Equivalents	0	7,150,991	342,195	7,493,186	0
Cash Equivalents Held by Trustee	0	1,086,653	581,447	1,668,100	0
Deferred Charges	4,600	263,592	148,523	416,715	0
Investment in Joint Venture	0	2,187,265	0	2,187,265	0
Land and Construction in Progress	908,247	4,125,328	192,907	5,226,482	0
Depreciable Capital Assets, Net	10,115,504	15,342,968	10,006,037	35,464,509	0
<i>Total Non-Current Assets</i>	<u>11,028,351</u>	<u>30,156,797</u>	<u>11,271,109</u>	<u>52,456,257</u>	<u>0</u>
<i>Total Assets</i>	<u>13,640,692</u>	<u>35,667,265</u>	<u>12,524,017</u>	<u>61,831,974</u>	<u>28,025</u>
Liabilities					
<i>Current Liabilities:</i>					
Accounts Payable	\$44,112	\$1,396,001	\$45,623	\$1,485,736	\$0
Accrued Wages	25,845	85,619	25,083	136,547	0
Contracts Payable	27,857	13,085	0	40,942	0
Intergovernmental Payable	50,784	165,410	41,911	258,105	0
Compensated Absences Payable	96,959	311,278	132,126	540,363	0
Matured Interest Payable	0	927	2,277	3,204	0
Accrued Interest Payable	9,131	316,469	18,798	344,398	0
Retainage Payable	24,993	48,598	9,364	82,955	0
Customer Deposits	0	74,676	0	74,676	0
Notes Payable	450,000	200,000	0	650,000	0
General Obligation Bonds Payable	120,000	75,000	0	195,000	0
Revenue Bonds Payable	0	535,000	280,000	815,000	0
Claims Payable	0	0	0	0	91,807
<i>Total Current Liabilities</i>	<u>849,681</u>	<u>3,222,063</u>	<u>555,182</u>	<u>4,626,926</u>	<u>91,807</u>
<i>Long-Term Liabilities:</i>					
Compensated Absences Payable (net of current portion)	105,039	86,956	83,783	275,778	0
Notes Payable (net of current portion)	0	8,100,000	0	8,100,000	0
General Obligation Payable (net of current portion)	260,000	0	0	260,000	0
Revenue Bonds Payable (net of current portion)	0	8,906,728	5,554,748	14,461,476	0
<i>Total Long-Term Liabilities</i>	<u>365,039</u>	<u>17,093,684</u>	<u>5,638,531</u>	<u>23,097,254</u>	<u>0</u>
<i>Total Liabilities</i>	<u>1,214,720</u>	<u>20,315,747</u>	<u>6,193,713</u>	<u>27,724,180</u>	<u>91,807</u>
Net Assets					
Invested in Capital Assets, Net of Related Debt	10,198,351	7,653,515	4,783,134	22,635,000	0
<i>Restricted for:</i>					
Debt Service	0	813,628	562,649	1,376,277	0
Replacement and Improvement	0	2,220,661	370,578	2,591,239	0
Unrestricted (Deficit)	<u>2,227,621</u>	<u>4,663,714</u>	<u>613,943</u>	<u>7,505,278</u>	<u>(63,782)</u>
<i>Total Net Assets (Deficit)</i>	<u>\$12,425,972</u>	<u>\$15,351,518</u>	<u>\$6,330,304</u>	<u>34,107,794</u>	<u>(\$63,782)</u>

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

	(29,007)
Net assets of business-type activities	\$34,078,787

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, 2006*

	Business-Type	
	Sewer	Electric
Operating Revenues		
Charges for Services	\$2,889,367	\$17,346,353
Electric/Water Charges Pledged as Security for Revenue Bonds	0	953,500
Other	187,796	274,736
<i>Total Operating Revenues</i>	<u>3,077,163</u>	<u>18,574,589</u>
Operating Expenses		
Salaries and Wages	681,105	2,240,914
Fringe Benefits	370,776	979,632
Purchased Services	563,114	2,712,126
Materials and Supplies	33,435	3,065,475
Purchased Power	0	7,485,318
Depreciation	355,501	728,248
Claims	0	0
<i>Total Operating Expenses</i>	<u>2,003,931</u>	<u>17,211,713</u>
<i>Operating Income (Loss)</i>	<u>1,073,232</u>	<u>1,362,876</u>
Non-Operating Revenues (Expenses)		
Interest	6,130	331,875
Loss on Investment in Joint Venture	0	(128,972)
Interest and Fiscal Charges	(105,647)	(881,454)
<i>Total Non-Operating Revenues (Expenses)</i>	<u>(99,517)</u>	<u>(678,551)</u>
<i>Income (Loss) before Transfers</i>	973,715	684,325
Transfers In	0	650,000
<i>Change in Net Assets</i>	973,715	1,334,325
<i>Net Assets (Deficit) Beginning of Year - Restated (See Note 3)</i>	<u>11,452,257</u>	<u>14,017,193</u>
<i>Net Assets (Deficit) End of Year</i>	<u>\$12,425,972</u>	<u>\$15,351,518</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	
\$1,286,426	\$21,522,146	\$1,495,465
498,676	1,452,176	0
34,447	496,979	8,520
<u>1,819,549</u>	<u>23,471,301</u>	<u>1,503,985</u>
654,660	3,576,679	0
306,867	1,657,275	0
31,103	3,306,343	133,910
27,705	3,126,615	0
0	7,485,318	0
337,335	1,421,084	0
0	0	1,393,976
<u>1,357,670</u>	<u>20,573,314</u>	<u>1,527,886</u>
<u>461,879</u>	<u>2,897,987</u>	<u>(23,901)</u>
104,629	442,634	0
0	(128,972)	0
<u>(157,843)</u>	<u>(1,144,944)</u>	<u>0</u>
<u>(53,214)</u>	<u>(831,282)</u>	<u>0</u>
408,665	2,066,705	(23,901)
0	650,000	0
408,665	2,716,705	(23,901)
<u>5,921,639</u>		<u>(39,881)</u>
<u>\$6,330,304</u>		<u>(\$63,782)</u>
	<u>(11,238)</u>	
	<u>\$2,705,467</u>	

City of Dover, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2006

	Business-Type Activities				Governmental Activities - Internal Service Fund
	Sewer	Electric	Water	Total	
Increase (Decrease) in Cash and Cash Equivalents					0
Cash Flows from Operating Activities					
Cash Received from Customers	\$2,969,459	\$18,182,140	\$1,778,637	\$22,930,236	\$0
Cash Received from Transactions with Other Funds	0	0	0	0	1,495,465
Other Cash Receipts	184,028	274,736	34,447	493,211	7,358
Electric Deposits Received	0	29,103	0	29,103	0
Cash Payments to Employees for Services	(1,070,471)	(3,220,333)	(959,327)	(5,250,131)	0
Cash Payments for Goods and Services	(638,033)	(13,602,844)	(85,036)	(14,325,913)	(133,910)
Electric Deposits Returned	0	(27,283)	0	(27,283)	0
Cash Payments for Claims	0	0	0	0	(1,376,434)
<i>Net Cash Provided by (Used in) Operating Activities</i>	<u>1,444,983</u>	<u>1,635,519</u>	<u>768,721</u>	<u>3,849,223</u>	<u>(7,521)</u>
Cash Flows from Noncapital Financing Activities					
Transfers In	0	650,000	0	650,000	0
Cash Flows from Capital and Related Financing Activities					
Proceeds from Sale of Notes	450,000	8,300,000	0	8,750,000	0
Premium Received on Sale of Notes	973	9,146	0	10,119	0
Principal Paid on Bonds	(110,000)	(605,000)	(275,000)	(990,000)	0
Interest Paid on Bonds	(34,790)	(423,500)	(142,993)	(601,283)	0
Principal Paid on Notes	(1,000,000)	(5,000,000)	0	(6,000,000)	0
Interest Paid on Notes	(78,856)	(193,008)	0	(271,864)	0
Payments for Capital Acquisitions	(968,647)	(563,506)	(285,899)	(1,818,052)	0
<i>Net Cash Provided by (Used in) Capital and Related Financing Activities</i>	<u>(1,741,320)</u>	<u>1,524,132</u>	<u>(703,892)</u>	<u>(921,080)</u>	<u>0</u>
Cash Flows from Investing Activities					
Interest on Investments	6,130	331,875	104,629	442,634	0
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	(290,207)	4,141,526	169,458	4,020,777	(7,521)
<i>Cash and Cash Equivalents Beginning 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>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$2,201,814</u>	<u>\$9,956,239</u>	<u>\$1,726,187</u>	<u>\$13,884,240</u>	<u>\$25,452</u>

(continued)

City of Dover, Ohio
Statement of Cash Flows
Proprietary Funds (continued)
For the Year Ended December 31, 2006

	Business-Type Activities				Governmental Activities - Internal Service Fund
	Sewer	Electric	Water	Total	
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities					
Operating Income (Loss)	\$1,073,232	\$1,362,876	\$461,879	\$2,897,987	(\$23,901)
Adjustments:					
Depreciation	355,501	728,248	337,335	1,421,084	0
(Increase) Decrease in Assets:					
Accounts Receivable	76,711	(117,713)	(6,465)	(47,467)	(1,162)
Intergovernmental Receivable	(387)	0	0	(387)	0
Prepaid Items	21,657	(61,899)	15,542	(24,700)	0
Materials and Supplies Inventory	2,771	(104,217)	(6,875)	(108,321)	0
Increase (Decrease) in Liabilities:					
Accounts Payable	(97,771)	1,268,957	26,592	1,197,778	0
Contracts Payable	25,973	(1,435,248)	(60,516)	(1,469,791)	0
Accrued Wages	(715)	4,124	1,814	5,223	0
Compensated Absences Payable	(3,151)	25,580	6,613	29,042	0
Intergovernmental Payable	(8,838)	(37,009)	(7,198)	(53,045)	0
Customer Deposits	0	1,820	0	1,820	0
Claims Payable	0	0	0	0	17,542
<i>Net Cash Provided by (Used in) Operating Activities</i>	<u>\$1,444,983</u>	<u>\$1,635,519</u>	<u>\$768,721</u>	<u>\$3,849,223</u>	<u>(\$7,521)</u>

See accompanying notes to the basic financial statements

City of Dover, Ohio
Statement of Fiduciary Net Assets
Fiduciary Funds
December 31, 2006

	Private Purpose Trust
Assets	
Equity in Pooled Cash and Cash Equivalents	\$207,586
Net Assets	
Held in Trust for Cemetery	\$207,586

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, 2006

	Private-Purpose Trust
Additions	
Deposits for burial expenses	\$9,335
Interest	9,489
<i>Total Additions</i>	18,824
Deductions	
Burial Expense	21,668
<i>Change in Net Assets</i>	(2,844)
<i>Net Assets Beginning of Year</i>	210,430
<i>Net Assets End of Year</i>	\$207,586

See accompanying notes to the basic financial statements

City of Dover, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

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, 2006

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, 2006

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 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
For the Year Ended December 31, 2006

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, 2006, but which were levied to finance year 2007 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, 2006

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 2006, investments were limited to STAROhio, US Treasury Bills, First American Funds Government Obligations Mutual Fund and Huntington Treasury Money Market II.

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, 2006, 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 2006. 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, 2006.

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 cemetery interment private-purpose trust fund, and the sewer, electric, and water enterprise funds. Interest revenue credited to the general fund during 2006 amounted to \$129,830 which includes \$120,453 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, 2006, 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, 2006

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 and electric enterprise funds 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
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For the Year Ended December 31, 2006

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 \$6,279,015 of restricted net assets, of which \$749,039 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, 2006

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. Internal allocations of overhead expenses from one function to another or within the same function are eliminated in the Statement of Activities.

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. There was no budget adopted for the nonmajor debt service fund in 2006 as there was no budgetary activity for 2006. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriations resolution is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of control has been established by Council at the object level within each department. Any budgetary modifications at this level may only be made by resolution of City Council.

City of Dover, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Finance Director. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by Council.

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

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

For 2006, the City has implemented GASB Statement No. 44, “Economic Condition Reporting: The Statistical Section-an amendment of NCGA Statement 1” and GASB Statement No. 47, “Accounting for Termination Benefits.”

GASB Statement No. 44 establishes guidance for the preparation of the statistical section.

GASB Statement No. 47 establishes accounting standards for termination benefits.

The implementation of GASB Statements No. 44 and 47 did not affect the presentation of the financial statements of the City. However, a various purpose bond anticipation note payable was improperly allocated between governmental and business-type activities in the prior year. These restatements had the following effect on the net assets of the sewer enterprise fund of the City and net assets of governmental and business-type activities as they were previously reported as of December 31, 2005.

		Sewer	
Net Assets December 31, 2005		\$11,352,257	
Notes Payable		100,000	
Adjusted Net Assets, December 31, 2005		\$11,452,257	
	Governmental Activities	Business-Type Activities	Total
Net Assets, December 31, 2005	\$8,312,293	\$31,273,320	\$39,585,613
Notes Payable	(100,000)	100,000	0
Adjusted Net Assets, December 31, 2005	\$8,212,293	\$31,373,320	\$39,585,613

Note 4 – Accountability and Compliance

A. Accountability

At December 31, 2006, the police and fire pension special revenue fund had a deficit fund balance of \$141,133. 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, 2006

At December 31, 2006, the employee health insurance internal service fund had deficit net assets in the amount of \$63,782. Management is currently analyzing the operations of this fund to determine appropriate action to alleviate the deficit.

Note 5 - Budgetary Basis of Accounting

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

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. 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	\$55,882
Net Adjustment for Revenue Accruals	(72,254)
Net Adjustment for Expenditure Accruals	(72,542)
Encumbrances	(76,362)
Budget Basis	<u><u>(\$165,276)</u></u>

City of Dover, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

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;
6. The State Treasurer's investment pool (STAROhio); and

City of Dover, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

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 \$5,319,973 and the bank balance was \$5,384,881. Of the bank balance \$418,099 was covered by Federal depository insurance and \$4,966,782 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, 2006, the City had the following investments:

	Fair Value	Maturity
Investment in State		
Treasurer's Investment Pool	\$9,226,405	35 day average
Huntington Treasury Money Market II	2,417	23 day average
US Treasury Bills	579,030	5/31/07
First American Funds Government Obligations Mutual Fund	1,086,653	28 day average
Total Investments	\$10,894,505	

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, Huntington Treasury Money Market II 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 City has no investment policy that would further limit its investment choices.

City of Dover, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

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, 2006:

	Percentage of Investments
STAROhio	84.7 %
Huntington Treasury Money Market II	0.0
US Treasury Bills	5.3
First American Funds Government Obligations Mutual Fund	10.0

Note 7 - Receivables

Receivables at December 31, 2006, 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	\$130,877	\$0	\$130,877
Business Type Activities	3,642,650	182,023	3,460,627

The community development block grant monies loaned to local businesses are reported as loans receivable and are also considered collectible in full. \$364,434 of the \$416,755 loans receivable are not scheduled to be collected in the subsequent year.

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 2006 for real and public utility property taxes represents collections of the 2005 taxes. Property tax payments received during 2006 for tangible personal property (other than public utility property) are for 2006 taxes.

2006 real property taxes are levied after October 1, 2006, on the assessed value as of January 1, 2006, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2006 real property taxes are collected in and intended to finance 2007.

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2006 public utility property taxes which became a lien December 31, 2005, are levied after October 1, 2006, and are collected in 2007 with real property taxes.

2006 tangible personal property taxes are levied after October 1, 2005, on the value as of December 31, 2005. Collections are made in 2006. Tangible personal property assessments are being phased out. The assessment percentages for all property including inventory for 2006 is 18.75 percent. This will be reduced to 12.5 percent for 2007, 6.25 percent for 2008 and zero for 2009. Payments by multi-county

City of Dover, Ohio
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For the Year Ended December 31, 2006

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 full tax rate for all City operations for the year ended December 31, 2006, was \$6.60 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2006 property tax receipts were based are as follows:

Real Property	\$231,522,890
Tangible Personal Property	33,252,203
Public Utility Property	<u>2,149,330</u>
Total	<u><u>\$266,924,423</u></u>

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City of Dover. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2006 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 2006 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On an accrual basis, collectible delinquent property taxes have been recorded as revenue while on a modified accrual basis the revenue is deferred.

B. Income Taxes

For 2006, the City levied 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.

In November 2006, the voters approved an increase in the income tax rate from 1 percent to 1.5 percent effective January 1, 2007.

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
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

C. Intergovernmental Receivables

A summary of intergovernmental receivables follows:

	Amount
Governmental Activities	
Local Government and Local Government	
Revenue Assistance	\$350,635
Estate Tax	197,070
Gasoline Tax	235,930
Motor Vehicle Tax	103,623
Homestead and Rollback	41,947
Miscellaneous	275
Municipal Court Fines	2,383
Hotel/Motel Tax	169
<i>Total Governmental Activities</i>	\$932,032
Business-Type Activities	
Sewer	\$2,680

Note 8 - Capital Assets

Capital asset activity for the year ended December 31, 2006, was as follows:

	Balance 12/31/05	Additions	Deductions	Balance 12/31/06
Governmental Activities				
Capital Assets, not being depreciated:				
Land	\$851,930	\$8,759	\$0	\$860,689
Construction in Progress	0	568,804	0	568,804
Total Capital Assets, not being Depreciated	851,930	577,563	0	1,429,493
Capital Assets, being Depreciated				
Buildings	2,280,413	11,881	0	2,292,294
Improvements Other Than Buildings	923,278	8,527	0	931,805
Equipment and Machinery	2,248,380	98,966	(65,121)	2,282,225
Furniture and Fixtures	59,412	0	0	59,412
Vehicles	2,215,895	15,194	(52,700)	2,178,389
Infrastructure	3,873,278	245,164	0	4,118,442
Total Capital Assets, being Depreciated	11,600,656	379,732	(117,821)	11,862,567
Less Accumulated Depreciation:				
Buildings	(664,012)	(44,429)	0	(708,441)
Improvements Other Than Buildings	(513,307)	(29,705)	0	(543,012)
Equipment and Machinery	(1,414,142)	(132,382)	65,121	(1,481,403)
Furniture and Fixtures	(44,111)	(2,137)	0	(46,248)
Vehicles	(1,512,571)	(228,724)	52,700	(1,688,595)
Infrastructure	(261,971)	(82,415)	0	(344,386)
Total Accumulated Depreciation	(4,410,114)	(519,792) *	117,821	(4,812,085)
Total Capital Assets, being Depreciated, net	7,190,542	(140,060)	0	7,050,482
Governmental Activities Capital Assets, Net	\$8,042,472	\$437,503	\$0	\$8,479,975

City of Dover, Ohio
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For the Year Ended December 31, 2006

	Balance 12/31/05	Additions	Deductions	Balance 12/31/06
Business-Type Activities				
Capital Assets, not being depreciated:				
Land	\$410,386	\$24,680	\$0	\$435,066
Construction in Progress	5,852,616	1,702,755	(2,763,955)	4,791,416
Total Capital Assets, not being Depreciated	<u>6,263,002</u>	<u>1,727,435</u>	<u>(2,763,955)</u>	<u>5,226,482</u>
Capital Assets, being Depreciated				
Buildings	19,896,170	3,566	0	19,899,736
Equipment and Machinery	20,316,196	26,344	0	20,342,540
Furniture and Fixtures	114,533	0	(21,977)	92,556
Vehicles	1,520,311	2,040	0	1,522,351
Infrastructure	26,691,937	2,763,955	0	29,455,892
Total Capital Assets, being Depreciated	<u>68,539,147</u>	<u>2,795,905</u>	<u>(21,977)</u>	<u>71,313,075</u>
Less Accumulated Depreciation:				
Buildings	(4,681,627)	(432,512)	0	(5,114,139)
Equipment and Machinery	(16,918,382)	(676,701)	21,977	(17,573,106)
Furniture and Fixtures	(64,083)	(5,526)	0	(69,609)
Vehicles	(1,285,259)	(77,293)	0	(1,362,552)
Infrastructure	(11,500,108)	(229,052)	0	(11,729,160)
Total Accumulated Depreciation	<u>(34,449,459)</u>	<u>(1,421,084)</u>	<u>21,977</u>	<u>(35,848,566)</u>
Total Capital Assets, being Depreciated, net	<u>34,089,688</u>	<u>1,374,821</u>	<u>0</u>	<u>35,464,509</u>
Total Business-Type Activities Capital Assets, Net	<u>\$40,352,690</u>	<u>\$3,102,256</u>	<u>(\$2,763,955)</u>	<u>\$40,690,991</u>

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

General Government	\$19,152
Security of Persons and Property	252,931
Transportation	187,460
Public Health Services	15,494
Leisure Time Activities	44,540
Community Environment	215
Total Governmental Depreciation Expense	<u>\$519,792</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 2006, 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 \$1,000 deductible for comprehensive and collision. Automobile liability has a \$1,000,000 combined single limit of liability.

City of Dover, Ohio
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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 \$91,807 reported in the fund at December 31, 2006, 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 2005 and 2006 were:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2005	\$139,440	\$1,294,450	\$1,359,625	\$74,265
2006	74,265	1,393,976	1,376,434	91,807

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
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

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, 2006, 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
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

For the year ended December 31, 2006, the members of all three plans, except those in law enforcement, were required to contribute 9.0 percent of their annual covered salaries. Members in the law enforcement classification, which consists generally of sheriffs, deputy sheriffs, and township police, contributed 10.1 percent of their annual covered salary. The City's contribution rate for pension benefits for 2006 was 9.20 percent, except for those plan members in law enforcement or public safety. For those classifications, the City's pension contributions were 12.43 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, 2006, 2005, and 2004 were \$494,672, \$506,473 and \$502,381, respectively; 75.08 percent has been contributed for 2006 and 100 percent for 2005 and 2004. Contributions to the member-directed plan for 2006 were \$6,837 made by the City and \$4,491 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 \$128,843 and \$157,547 for the year ended December 31, 2006, \$123,321 and \$156,515 for the year ended December 31, 2005 and \$121,266 and \$150,904 for the year ended December 31, 2004 equal to the required contributions for each year. The full amount has been contributed for 2005 and 2004. 71.20 percent and 71.59 percent, respectively, have been contributed for 2006 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, 2006, the unfunded liability of the City was \$296,577 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. 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 2006 local government employer contribution rate was 13.70 percent of covered payroll (16.93 percent for public safety and law enforcement); 4.50 percent of covered payroll was the portion that was used to fund health care.

City of Dover, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

Benefits are advance-funded using the individual entry age actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2005, include a rate of return on investments of 6.50 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 0.50 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase 0.5 to 6.00 percent annually for the next nine years and 4.00 percent annually after nine years.

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

The number of active contributing participants in the traditional and combined plans was 369,214. The number of active contributing participants for both plans used in the December 31, 2005 actuarial valuation was 358,804. Actual employer contributions for 2006 which were used to fund postemployment benefits were \$241,959. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2005, (the latest information available) were \$11.1 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$31.3 billion and \$20.2 billion, respectively.

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

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 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 19.50 percent of covered payroll and the total firefighter employer contribution rate is 24.00 percent of covered payroll, of which 7.75 percent of covered payroll was applied to the postemployment health care program during 2006 and 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 2006 that were used to fund postemployment benefits were \$84,982 for police and \$75,138 for firefighters. The OP&F's total health care expense for the year ended December 31, 2005, (the latest information available) was \$108,039,449, which was net of member contributions of \$55,271,881. The number of OP&F participants eligible to receive health care benefits as of December 31, 2005, was 13,922 for police and 10,537 for firefighters.

City of Dover, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

Note 14 - Long-Term Debt

Debt Issue	Interest Rate	Original Issue Amount	Date of Maturity
Governmental Activities			
Various Purpose Bond Anticipation Note	5.00%	\$2,570,000	April 6, 2007
Business-Type Activities			
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
Municipal Electric Bond Anticipation Note Series 2006	4.5	2,800,000	January 11, 2007
Municipal Electric Bond Anticipation Note Series 2006A	5	5,500,000	June 6, 2007
Electric North Substation General Obligation Bonds - 1987	6	1,500,000	December 1, 2007
Sewer System Improvement General Obligation Bonds - 1989	7.02	1,500,000	December 1, 2009

A schedule of changes in bonds and other long-term obligations of the City during 2006 follows:

	Amount			Amount	Amounts
	Outstanding 12/31/05	Additions	Deletions	Outstanding 12/31/06	Due in One Year
Governmental Activities					
Police and Fire Pension	\$301,861	\$0	\$5,284	\$296,577	\$5,511
Various Purpose Bond Anticipation Note	2,620,000	2,570,000	2,620,000	2,570,000	0
Compensated Absences	960,947	288,538	307,740	941,745	369,121
Total Governmental Activities	\$3,882,808	\$2,858,538	\$2,933,024	\$3,808,322	\$374,632
Business-Type Activities					
<u>Revenue Bonds</u>					
Waterworks System Refunding	\$5,310,964	\$0	\$241,407	\$5,069,557	\$245,797
Discount	(29,840)	0	(1,756)	(28,084)	0
Accounting Loss	93,321	0	5,489	87,832	0
Municipal Electric System Refunding	9,670,000	0	530,000	9,140,000	535,000
Premium	258,174	0	18,441	239,733	0
Accounting Loss	66,764	0	4,769	61,995	0
Waterworks System Improvement	739,036	0	33,593	705,443	34,203
Total Revenue Bonds	16,108,419	0	831,943	15,276,476	815,000
<u>Bond Anticipation Notes</u>					
Municipal Electric Series 2006	5,000,000	2,800,000	5,000,000	2,800,000	200,000
Municipal Electric Series 2006A	0	5,500,000	0	5,500,000	0
Total Bond Anticipation Notes	5,000,000	8,300,000	5,000,000	8,300,000	200,000
<u>General Obligation Bonds</u>					
Electric North Substation	150,000	0	75,000	75,000	75,000
Sewer System Improvement	490,000	0	110,000	380,000	120,000
Total General Obligation Bonds	640,000	0	185,000	455,000	195,000
Compensated Absences	787,099	278,214	249,172	816,141	540,363
Total Business-Type Activities	\$22,535,518	\$8,578,214	\$6,266,115	\$24,847,617	\$1,750,363

City of Dover, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

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 capital projects fund.

The revenue bonds, bond anticipation notes, and the general obligation bonds will be paid from charges for services revenue in the enterprise funds. The municipal electric note series 2006 was used to build a substation and various electric improvements and for the investment in the JV2 joint venture. The municipal electric note series 2006-A was issued to construct, install and equip pollution control facilities and had unspent proceeds of \$5,498,622 at December 31, 2006.

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, 2006, were as follows:

Restricted Assets Held by City	
Replacement and Improvement	\$370,578
Restricted Assets Held by the Trustee	
Revenue Bond Current Debt Service	\$581,447

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

City of Dover, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

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 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, 2006, were as follows:

Restricted Assets Held by City	
Replacement and Improvement	\$2,220,661
Restricted Assets Held by the Trustee	
Revenue Bond Current Debt Service	\$1,086,653

As of December 31, 2006, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$25,057,064 and the unvoted legal debt margin was \$11,710,843. Principal and interest requirements to retire the City's long-term obligations outstanding at December 31, 2006 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
2007	\$280,000	\$218,176	\$535,000	\$386,448	\$75,000	\$45,000
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	310,000	187,339	630,000	294,847	0	0
2012-2016	1,725,000	755,759	3,635,000	1,011,119	0	0
2017-2021	2,115,000	378,702	2,585,000	207,442	0	0
2022	470,000	20,445	0	0	0	0
Total	\$5,775,000	\$2,173,396	\$9,140,000	\$2,926,598	\$75,000	\$45,000

City of Dover, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

Year Ending December 31	Sewer General Obligation Bonds		Police and Fire Pension		Various Purpose Bond Anticipation Note	
	Principal	Interest	Principal	Interest	Principal	Interest
2007	\$120,000	\$26,980	\$5,511	\$12,534	\$2,570,000	\$109,225
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	0	0	6,521	11,524	0	0
2012-2016	0	0	37,054	53,171	0	0
2017-2021	0	0	45,724	44,501	0	0
2022-2026	0	0	56,425	33,800	0	0
2027-2031	0	0	69,628	20,597	0	0
2032-2035	0	0	57,720	4,934	0	0
Total	\$380,000	\$55,026	\$296,577	\$217,202	\$2,570,000	\$109,225

Note 15 - Notes Payable

A summary of the note transactions for the year ended December 31, 2006, follows:

	Outstanding 12/31/05	Issued	Retired	Outstanding 12/31/06
Governmental Activities:				
5.00% Various Purpose - Master Capital	\$100,000	\$50,000	\$100,000	\$50,000
4.25% Bridge Improvement, Series 2006	0	350,000	0	350,000
<i>Total Governmental Activities</i>	<u>100,000</u>	<u>400,000</u>	<u>100,000</u>	<u>400,000</u>
Business Type Activities:				
4.25% Sanitary Sewer Improvement Note	650,000	350,000	650,000	350,000
5.00% Various Purpose - Sewer Portion	350,000	100,000	350,000	100,000
<i>Total Business Type Activities</i>	<u>1,000,000</u>	<u>450,000</u>	<u>1,000,000</u>	<u>450,000</u>
Total	<u><u>\$1,100,000</u></u>	<u><u>\$850,000</u></u>	<u><u>\$1,100,000</u></u>	<u><u>\$850,000</u></u>

The governmental activities various purpose note outstanding at year end was used for storm sewer projects, and street and bridge construction. The bridge improvement note was issued for reconstructing and improving the Tuscarawas bridge.

The municipal sewer notes were issued for a sludge press and various sanitary sewer improvements.

The bridge improvement note had \$295,763 of unspent proceeds. All the remaining note proceeds had been spent at December 31, 2006. 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 2006, 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 2006, 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 2006, no monies were contributed by the City.

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 2006, 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 \$2,187,265 at December 31, 2006. 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.

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, 2006

Note 19 - Interfund Transfers

Interfund transfers for the year ended December 31, 2006, consisted of the following:

<u>Transfer to</u>	<u>Transfer From</u> <u>General</u>
Electric	\$650,000

\$650,000 was transferred from the general fund to the electric fund to give back part of the kilowatt per hour tax.

Note 20 – Contractual Commitments

As of December 31, 2006, the open construction contracts awarded for the Fabric Filer Baghouse associated with improvements to the municipal electric system were \$1,838,879 and contracts in the amount of \$2,517,346 were subsequently awarded in 2007.

The expansion of the wastewater treatment plant and the replacement of the Tuscarawas Avenue bridge were in the engineering phase at December 31, 2006.

Note 21 – Subsequent Events

On January 11, 2007 the City refinanced \$2,800,000 in municipal electric system improvement bond anticipation notes. The new notes had an interest rate of 4.25 percent and matured on June 6, 2007.

On April 5, 2007, the City refinanced \$2,520,000 in various purpose bond anticipation notes. The new note has an interest rate of 4.25 percent and matures on April 3, 2008.

On June 6, 2007, the City refinanced \$8,100,000 in municipal electric system improvement bond anticipation notes. The new note has an interest rate of 4.25 percent and matures June 5, 2008.

**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 that are restricted 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 that are restricted 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 2006.

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 down payments.

City of Dover, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2006

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,005,902	\$0	\$31,247	\$1,037,149
Cash and Cash Equivalents With Fiscal Agents	2,534	1,735	0	4,269
Materials and Supplies Inventory	87,907	0	0	87,907
Accounts Receivable	48,944	0	0	48,944
Intergovernmental Receivable	346,515	0	0	346,515
Prepaid Items	10,754	0	0	10,754
Income Tax Receivable	244,557	0	0	244,557
Property Taxes Receivable	140,749	0	0	140,749
Loans Receivable	416,755	0	0	416,755
<i>Total Assets</i>	<u>\$2,304,617</u>	<u>\$1,735</u>	<u>\$31,247</u>	<u>\$2,337,599</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$17,448	\$0	\$0	\$17,448
Accrued Wages	36,727	0	0	36,727
Contracts Payable	162	0	0	162
Intergovernmental Payable	206,966	0	0	206,966
Matured Interest Payable	0	1,735	0	1,735
Retainage Payable	2,534	0	0	2,534
Deferred Revenue	704,833	0	0	704,833
<i>Total Liabilities</i>	<u>968,670</u>	<u>1,735</u>	<u>0</u>	<u>970,405</u>
Fund Balances				
Reserved for Encumbrances	15,608	0	245,551	261,159
Reserved for Loans Receivable	364,434	0	0	364,434
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	955,905	0	0	955,905
Capital Projects Funds (Deficit)	0	0	(214,304)	(214,304)
<i>Total Fund Balances</i>	<u>1,335,947</u>	<u>0</u>	<u>31,247</u>	<u>1,367,194</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$2,304,617</u>	<u>\$1,735</u>	<u>\$31,247</u>	<u>\$2,337,599</u>

City of Dover, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2006

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues			
Property and Other Local Taxes	\$154,648	\$0	\$154,648
Income Taxes	885,000	0	885,000
Intergovernmental	735,987	341,696	1,077,683
Interest	44,455	0	44,455
Fines, Licenses and Permits	3,865	0	3,865
Charges for Services	317,740	0	317,740
Other	5,344	0	5,344
<i>Total Revenues</i>	<u>2,147,039</u>	<u>341,696</u>	<u>2,488,735</u>
Expenditures			
Current:			
Security of Persons and Property	486,031	0	486,031
Transportation	934,808	0	934,808
Public Health Services	643,915	0	643,915
Community Environment	39,674	0	39,674
Capital Outlay	0	334,899	334,899
Debt Service:			
Principal Retirement	5,284	0	5,284
Interest and Fiscal Charges	12,761	0	12,761
<i>Total Expenditures</i>	<u>2,122,473</u>	<u>334,899</u>	<u>2,457,372</u>
<i>Net Change in Fund Balances</i>	24,566	6,797	31,363
<i>Fund Balances Beginning of Year</i>	<u>1,311,381</u>	<u>24,450</u>	<u>1,335,831</u>
<i>Fund Balances End of Year</i>	<u><u>\$1,335,947</u></u>	<u><u>\$31,247</u></u>	<u><u>\$1,367,194</u></u>

City of Dover, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2006

	Street Maintenance and Repair	State Highway	Police and Fire Pension	Ambulance	Cemetery
Assets					
Equity in Pooled Cash and Cash Equivalents	\$110,859	\$50,141	\$4,171	\$78,427	\$631,815
Cash and Cash Equivalents					
With Fiscal Agents	2,534	0	0	0	0
Materials and Supplies Inventory	87,907	0	0	0	0
Accounts Receivable	0	0	0	48,944	0
Intergovernmental Receivable	314,087	25,466	6,491	0	0
Prepaid Items	7,758	0	0	852	2,144
Income Tax Receivable	76,861	0	81,053	0	86,643
Property Taxes Receivable	0	0	140,749	0	0
Loans Receivable	0	0	0	0	0
<i>Total Assets</i>	<u>\$600,006</u>	<u>\$75,607</u>	<u>\$232,464</u>	<u>\$128,223</u>	<u>\$720,602</u>
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	\$7,370	\$0	\$0	\$8,711	\$1,367
Accrued Wages	18,099	5,637	0	0	12,991
Contracts Payable	162	0	0	0	0
Intergovernmental Payable	38,166	0	145,304	820	22,676
Retainage Payable	2,534	0	0	0	0
Deferred Revenue	344,271	21,682	228,293	48,944	61,643
<i>Total Liabilities</i>	<u>410,602</u>	<u>27,319</u>	<u>373,597</u>	<u>58,475</u>	<u>98,677</u>
Fund Balances					
Reserved for Encumbrances	6,028	8,667	0	913	0
Reserved for Loans Receivable	0	0	0	0	0
Unreserved (Deficit)	183,376	39,621	(141,133)	68,835	621,925
<i>Total Fund Balances (Deficit)</i>	<u>189,404</u>	<u>48,288</u>	<u>(141,133)</u>	<u>69,748</u>	<u>621,925</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$600,006</u>	<u>\$75,607</u>	<u>\$232,464</u>	<u>\$128,223</u>	<u>\$720,602</u>

Revolving Loan	Drug Law Enforcement	Law Enforcement Block Grant	Enforcement and Education	Shade Tree	Total Nonmajor Special Revenue Funds
\$94,051	\$12,485	\$427	\$20,789	\$2,737	\$1,005,902
0	0	0	0	0	2,534
0	0	0	0	0	87,907
0	0	0	0	0	48,944
0	0	0	471	0	346,515
0	0	0	0	0	10,754
0	0	0	0	0	244,557
0	0	0	0	0	140,749
416,755	0	0	0	0	416,755
<u>\$510,806</u>	<u>\$12,485</u>	<u>\$427</u>	<u>\$21,260</u>	<u>\$2,737</u>	<u>\$2,304,617</u>
\$0	\$0	\$0	\$0	\$0	\$17,448
0	0	0	0	0	36,727
0	0	0	0	0	162
0	0	0	0	0	206,966
0	0	0	0	0	2,534
0	0	0	0	0	704,833
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>968,670</u>
0	0	0	0	0	15,608
364,434	0	0	0	0	364,434
146,372	12,485	427	21,260	2,737	955,905
<u>510,806</u>	<u>12,485</u>	<u>427</u>	<u>21,260</u>	<u>2,737</u>	<u>1,335,947</u>
<u>\$510,806</u>	<u>\$12,485</u>	<u>\$427</u>	<u>\$21,260</u>	<u>\$2,737</u>	<u>\$2,304,617</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, 2006

	Street Maintenance and Repair	State Highway	Police and Fire Pension	Ambulance	Cemetery
Revenues					
Property and Other Local Taxes	\$0	\$0	\$154,648	\$0	\$0
Income Taxes	275,000	0	290,000	0	320,000
Intergovernmental	668,747	54,222	13,018	0	0
Interest	1,942	0	0	0	25,370
Fines, Licenses and Permits	0	0	0	0	0
Charges for Services	0	0	0	161,520	156,220
Other	3,403	1,086	0	0	0
<i>Total Revenues</i>	<u>949,092</u>	<u>55,308</u>	<u>457,666</u>	<u>161,520</u>	<u>501,590</u>
Expenditures					
Current:					
Security of Persons and Property	0	0	485,549	0	0
Transportation	907,223	27,585	0	0	0
Public Health Services	0	0	0	156,465	487,450
Community Environment	0	0	0	0	0
Debt Service:					
Principal Retirement	0	0	5,284	0	0
Interest and Fiscal Charges	0	0	12,761	0	0
<i>Total Expenditures</i>	<u>907,223</u>	<u>27,585</u>	<u>503,594</u>	<u>156,465</u>	<u>487,450</u>
<i>Net Change in Fund Balances</i>	41,869	27,723	(45,928)	5,055	14,140
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>147,535</u>	<u>20,565</u>	<u>(95,205)</u>	<u>64,693</u>	<u>607,785</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$189,404</u></u>	<u><u>\$48,288</u></u>	<u><u>(\$141,133)</u></u>	<u><u>\$69,748</u></u>	<u><u>\$621,925</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	\$154,648
0	0	0	0	0	885,000
0	0	0	0	0	735,987
17,143	0	0	0	0	44,455
0	0	0	3,865	0	3,865
0	0	0	0	0	317,740
855	0	0	0	0	5,344
17,998	0	0	3,865	0	2,147,039
0	0	0	482	0	486,031
0	0	0	0	0	934,808
0	0	0	0	0	643,915
39,674	0	0	0	0	39,674
0	0	0	0	0	5,284
0	0	0	0	0	12,761
39,674	0	0	482	0	2,122,473
(21,676)	0	0	3,383	0	24,566
532,482	12,485	427	17,877	2,737	1,311,381
\$510,806	\$12,485	\$427	\$21,260	\$2,737	\$1,335,947

City of Dover, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2006

	Small Cities Block Grant	CHIP	Total Nonmajor Capital Projects Funds
Revenues			
Intergovernmental	\$56,000	\$285,696	\$341,696
Expenditures			
Capital Outlay	56,000	278,899	334,899
<i>Net Change in Fund Balances</i>	0	6,797	6,797
<i>Fund Balances Beginning of Year</i>	0	24,450	24,450
<i>Fund Balances End of Year</i>	\$0	\$31,247	\$31,247

**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, 2006

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property and Other Local Taxes	\$971,800	\$971,800	\$1,035,506	\$63,706
Income Taxes	2,310,261	2,263,469	2,155,334	(108,135)
Intergovernmental	1,613,498	1,863,498	1,806,119	(57,379)
Interest	150,000	150,000	129,830	(20,170)
Fines, Licenses and Permits	48,700	49,200	49,421	221
Charges for Services	604,210	754,210	649,221	(104,989)
Other	129,380	69,587	100,428	30,841
<i>Total Revenues</i>	<u>5,827,849</u>	<u>6,121,764</u>	<u>5,925,859</u>	<u>(195,905)</u>
Expenditures				
Current:				
General Government:				
Mayor:				
Salaries and Wages	105,686	105,686	105,313	373
Fringe Benefits	55,685	53,985	49,832	4,153
Purchased Services	11,925	13,625	12,803	822
Materials and Supplies	7,501	7,501	6,902	599
Total Mayor	<u>180,797</u>	<u>180,797</u>	<u>174,850</u>	<u>5,947</u>
Auditor:				
Salaries and Wages	125,470	93,930	93,925	5
Fringe Benefits	66,407	67,047	66,130	917
Purchased Services	15,730	24,095	20,477	3,618
Materials and Supplies	4,600	4,600	4,057	543
Total Auditor	<u>212,207</u>	<u>189,672</u>	<u>184,589</u>	<u>5,083</u>
Treasurer:				
Salaries and Wages	12,000	12,000	12,000	0
Fringe Benefits	2,595	3,095	2,930	165
Purchased Services	2,000	1,500	1,007	493
Materials and Supplies	150	150	0	150
Total Treasurer	<u>\$16,745</u>	<u>\$16,745</u>	<u>\$15,937</u>	<u>\$808</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, 2006

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Law Director:				
Salaries and Wages	\$61,220	\$61,220	\$58,669	\$2,551
Fringe Benefits	26,500	26,500	24,601	1,899
Purchased Services	82,690	82,690	78,444	4,246
Materials and Supplies	6,158	6,158	2,938	3,220
Total Law Director	176,568	176,568	164,652	11,916
Civil Service Commission:				
Salaries and Wages	3,000	3,000	3,000	0
Fringe Benefits	550	550	450	100
Purchased Services	5,300	5,300	4,852	448
Materials and Supplies	300	300	0	300
Total Civil Service Commission	9,150	9,150	8,302	848
Income Tax Department:				
Salaries and Wages	76,523	76,523	76,523	0
Fringe Benefits	49,130	49,130	40,805	8,325
Purchased Services	82,520	34,728	14,084	20,644
Materials and Supplies	5,300	6,300	5,902	398
Total Income Tax Department	213,473	166,681	137,314	29,367
Council:				
Salaries and Wages	40,852	41,215	41,165	50
Fringe Benefits	11,800	11,800	11,694	106
Purchased Services	21,500	22,500	19,975	2,525
Materials and Supplies	1,750	1,250	538	712
Total Council	75,902	76,765	73,372	3,393
Clerk of Council:				
Salaries and Wages	5,088	5,089	5,088	1
Fringe Benefits	1,880	1,880	1,772	108
Purchased Services	900	1,400	925	475
Materials and Supplies	350	850	605	245
Total Clerk of Council	\$8,218	\$9,219	\$8,390	\$829

(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, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Service Director:				
Salaries and Wages	\$95,267	\$16,874	\$15,674	\$1,200
Fringe Benefits	52,085	52,085	47,553	4,532
Purchased Services	7,950	7,950	6,093	1,857
Materials and Supplies	6,329	6,329	1,530	4,799
Total Service Director	<u>161,631</u>	<u>83,238</u>	<u>70,850</u>	<u>12,388</u>
Rubbish-Janitor-City Hall:				
Salaries and Wages	32,698	34,648	34,148	500
Fringe Benefits	34,910	35,910	35,371	539
Purchased Services	21,575	43,575	41,158	2,417
Materials and Supplies	1,350	1,350	0	1,350
Total Rubbish-Janitor-City Hall	<u>90,533</u>	<u>115,483</u>	<u>110,677</u>	<u>4,806</u>
Other:				
Purchased Services	174,807	183,217	158,659	24,558
Materials and Supplies	2,500	2,500	2,500	0
Capital Outlay	5,000	3,225	0	3,225
Other	2,000	2,000	0	2,000
Total Other	<u>184,307</u>	<u>190,942</u>	<u>161,159</u>	<u>29,783</u>
Total General Government	<u>1,329,531</u>	<u>1,215,260</u>	<u>1,110,092</u>	<u>105,168</u>
Security of Persons and Property:				
Police:				
Salaries and Wages	1,173,526	1,200,526	1,177,362	23,164
Fringe Benefits	374,751	374,751	351,660	23,091
Purchased Services	87,414	87,415	72,915	14,500
Materials and Supplies	67,152	69,152	53,787	15,365
Total Police	<u>1,702,843</u>	<u>1,731,844</u>	<u>1,655,724</u>	<u>76,120</u>
Traffic Safety:				
Salaries and Wages	126,018	126,018	121,454	4,564
Fringe Benefits	75,806	75,806	64,301	11,505
Purchased Services	27,176	27,176	21,166	6,010
Materials and Supplies	36,872	36,872	31,113	5,759
Total Traffic Safety	<u>\$265,872</u>	<u>\$265,872</u>	<u>\$238,034</u>	<u>\$27,838</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, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Fire Prevention:				
Salaries and Wages	\$874,675	\$876,375	\$866,605	\$9,770
Fringe Benefits	249,135	247,435	241,220	6,215
Purchased Services	72,306	74,506	65,072	9,434
Materials and Supplies	50,878	51,678	41,778	9,900
Total Fire Prevention	<u>1,246,994</u>	<u>1,249,994</u>	<u>1,214,675</u>	<u>35,319</u>
Director of Public Safety:				
Salaries and Wages	28,330	28,330	28,329	1
Fringe Benefits	7,700	7,700	7,483	217
Purchased Services	1,550	1,550	905	645
Materials and Supplies	100	100	10	90
Total Director of Public Safety	<u>37,680</u>	<u>37,680</u>	<u>36,727</u>	<u>953</u>
Total Security of Persons and Property	<u>3,253,389</u>	<u>3,285,390</u>	<u>3,145,160</u>	<u>140,230</u>
Public Health Services:				
County Health Services:				
Purchased Services	11,000	11,000	9,907	1,093
Community Environment:				
Demolition and Mowing:				
Purchased Services	15,570	15,570	14,678	892
Building Inspector				
Salaries and Wages	39,458	36,858	36,840	18
Fringe Benefits	20,600	22,700	22,298	402
Purchased Services	2,636	2,636	2,213	423
Materials and Supplies	2,165	2,665	2,243	422
Total Building Inspector	<u>64,859</u>	<u>64,859</u>	<u>63,594</u>	<u>1,265</u>
Total Community Environment	<u>\$80,429</u>	<u>\$80,429</u>	<u>\$78,272</u>	<u>\$2,157</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Basic Utility Services:				
Refuse Collections and Disposals:				
Purchased Services	\$473,000	\$473,000	\$473,000	\$0
Leisure Time Activities:				
Parks and Recreation:				
Personal Services	351,026	351,026	348,645	2,381
Fringe Benefits	174,879	173,379	164,975	8,404
Purchased Services	81,241	82,741	72,885	9,856
Materials and Supplies	40,722	40,722	38,199	2,523
Total Leisure Time Activities	647,868	647,868	624,704	23,164
<i>Total Expenditures</i>	5,795,217	5,712,947	5,441,135	271,812
<i>Excess of Revenues Over Expenditures</i>	32,632	408,817	484,724	75,907
Other Financing Uses				
Transfers Out	0	(700,000)	(650,000)	50,000
<i>Net Change in Fund Balance</i>	32,632	(291,183)	(165,276)	125,907
<i>Fund Balance Beginning of Year</i>	274,635	274,635	274,635	0
Prior Year Encumbrances Appropriated	55,047	55,047	55,047	0
<i>Fund Balance End of Year</i>	\$362,314	\$38,499	\$164,406	\$125,907

City of Dover, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Master Capital Fund
For the Year Ended December 31, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Income Taxes	\$714,739	\$715,000	\$726,448	\$11,448
Intergovernmental	109,592	118,565	62,520	(56,045)
Other	20,000	20,000	20,095	95
<i>Total Revenues</i>	<u>844,331</u>	<u>853,565</u>	<u>809,063</u>	<u>(44,502)</u>
Expenditures				
Capital Outlay	<u>1,470,783</u>	<u>1,864,979</u>	<u>1,448,183</u>	<u>416,796</u>
Debt Service:				
Principal Retirement	2,720,000	2,720,000	2,720,000	0
Interest and Fiscal Charges	<u>101,727</u>	<u>101,717</u>	<u>101,717</u>	<u>0</u>
Total Debt Service	<u>2,821,727</u>	<u>2,821,717</u>	<u>2,821,717</u>	<u>0</u>
<i>Total Expenditures</i>	<u>4,292,510</u>	<u>4,686,696</u>	<u>4,269,900</u>	<u>416,796</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(3,448,179)</u>	<u>(3,833,131)</u>	<u>(3,460,837)</u>	<u>372,294</u>
Other Financing Sources				
Notes Issued	2,620,000	2,970,000	2,970,000	0
Premium on Notes Issued	<u>0</u>	<u>30,000</u>	<u>30,307</u>	<u>307</u>
<i>Total Other Financing Sources</i>	<u>2,620,000</u>	<u>3,000,000</u>	<u>3,000,307</u>	<u>307</u>
<i>Net Change in Fund Balance</i>	(828,179)	(833,131)	(460,530)	372,601
<i>Fund Balance Beginning of Year</i>	751,302	751,302	751,302	0
Prior Year Encumbrances Appropriated	<u>88,574</u>	<u>88,574</u>	<u>88,574</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$11,697</u></u>	<u><u>\$6,745</u></u>	<u><u>\$379,346</u></u>	<u><u>\$372,601</u></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, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest	\$100	\$100	\$6,130	\$6,030
Charges for Services	2,989,400	2,989,400	2,973,987	(15,413)
Notes Issued	0	450,000	450,000	0
Premium	0	0	973	973
Other	10,500	60,500	184,028	123,528
<i>Total Revenues</i>	<u>3,000,000</u>	<u>3,500,000</u>	<u>3,615,118</u>	<u>115,118</u>
Expenses				
Salaries and Wages:				
Sewer Office	46,144	73,815	73,107	708
Sewer Disposal Plant	672,406	672,406	611,864	60,542
Total Salaries and Wages	<u>718,550</u>	<u>746,221</u>	<u>684,971</u>	<u>61,250</u>
Fringe Benefits:				
Sewer Office	35,668	37,268	36,538	730
Sewer Disposal Plant	387,665	387,665	348,962	38,703
Total Fringe Benefits	<u>423,333</u>	<u>424,933</u>	<u>385,500</u>	<u>39,433</u>
Purchased Services:				
Sewer Office	94,497	65,226	58,702	6,524
Sewer Disposal Plant	1,083,775	1,183,775	1,087,073	96,702
Total Purchased Services	<u>1,178,272</u>	<u>1,249,001</u>	<u>1,145,775</u>	<u>103,226</u>
Materials and Supplies:				
Sewer Office	7,038	7,038	5,145	1,893
Sewer Disposal Plant	119,819	119,819	94,549	25,270
Total Materials and Supplies	<u>126,857</u>	<u>126,857</u>	<u>99,694</u>	<u>27,163</u>
Capital Outlay:				
Sewer Office	4,000	9,000	1,600	7,400
Sewer Disposal Plant	368,719	153,719	90,733	62,986
Wastewater Reserve	779,680	779,968	279,968	500,000
Total Capital Outlay	<u>1,152,399</u>	<u>942,687</u>	<u>372,301</u>	<u>570,386</u>
Debt Service:				
Principal Retirement	1,610,000	1,610,000	1,110,000	500,000
Interest and Fiscal Charges	186,000	186,000	113,646	72,354
Total Debt Service	<u>1,796,000</u>	<u>1,796,000</u>	<u>1,223,646</u>	<u>572,354</u>
<i>Total Expenses</i>	<u>\$5,395,411</u>	<u>\$5,285,699</u>	<u>\$3,911,887</u>	<u>\$1,373,812</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, 2006

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<i>Net Change in Fund Equity</i>	(\$2,395,411)	(\$1,785,699)	(\$296,769)	\$1,488,930
<i>Fund Equity Beginning of Year</i>	2,379,705	2,379,705	2,379,705	0
<i>Prior Year Encumbrances Appropriated</i>	47,844	47,844	47,844	0
<i>Fund Equity End of Year</i>	\$32,138	\$641,850	\$2,130,780	\$1,488,930

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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Interest	\$500	\$225,304	\$258,075	\$32,771
Charges for Services	16,130,500	18,830,500	18,202,292	(628,208)
Electric Deposits Received	25,000	50,000	29,103	(20,897)
Notes Issued	2,850,000	8,350,000	8,309,146	(40,854)
Other	69,000	319,000	274,736	(44,264)
<i>Total Revenues</i>	<u>19,075,000</u>	<u>27,774,804</u>	<u>27,073,352</u>	<u>(701,452)</u>
Expenses				
Salaries and Wages:				
Electric Office	94,712	128,925	128,527	398
Electric Distribution	867,698	867,698	847,938	19,760
Electric Plant	1,162,928	1,252,928	1,234,747	18,181
Total Salaries and Wages	<u>2,125,338</u>	<u>2,249,551</u>	<u>2,211,212</u>	<u>38,339</u>
Fringe Benefits:				
Electric Office	59,132	59,632	58,611	1,021
Electric Distribution	451,500	420,500	410,200	10,300
Electric Plant	513,578	551,090	542,015	9,075
Total Fringe Benefits	<u>1,024,210</u>	<u>1,031,222</u>	<u>1,010,826</u>	<u>20,396</u>
Purchased Services:				
Electric Office	120,695	85,982	82,063	3,919
Electric Distribution	276,217	405,717	382,302	23,415
Electric Plant	1,824,314	2,389,314	2,221,902	167,412
Total Purchased Services	<u>2,221,226</u>	<u>2,881,013</u>	<u>2,686,267</u>	<u>194,746</u>
Materials and Supplies:				
Electric Office	5,000	5,000	2,634	2,366
Electric Distribution	77,000	79,000	73,919	5,081
Electric Plant	2,077,274	3,130,274	2,856,236	274,038
Total Materials and Supplies	<u>2,159,274</u>	<u>3,214,274</u>	<u>2,932,789</u>	<u>281,485</u>
Purchased Power:				
Electric Plant	<u>\$6,700,000</u>	<u>\$8,450,000</u>	<u>\$7,978,788</u>	<u>\$471,212</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Capital Outlay:				
Electric Construction	\$0	\$5,500,000	\$5,500,000	\$0
Electric Capital Reserve	118,804	118,804	45,111	73,693
Electric Surplus	200,000	200,000	0	200,000
Electric Replacement and Improvement	100,000	100,000	0	100,000
Electric Office	1,000	1,000	574	426
Municipal Electric Improvement	6,000	6,000	6,000	0
Electric Distribution	953,860	853,360	644,130	209,230
Electric Plant	12,000	72,000	0	72,000
Total Capital Outlay	<u>1,391,664</u>	<u>6,851,164</u>	<u>6,195,815</u>	<u>655,349</u>
Debt Service:				
Principal Retirement	5,610,000	5,610,000	5,605,000	5,000
Interest and Fiscal Charges	596,850	651,850	644,888	6,962
Total Debt Service	<u>6,206,850</u>	<u>6,261,850</u>	<u>6,249,888</u>	<u>11,962</u>
Electric Deposits Returned:				
Refunds	50,000	50,000	27,283	22,717
Total Expenses	<u>21,878,562</u>	<u>30,989,074</u>	<u>29,292,868</u>	<u>1,696,206</u>
<i>Excess of Revenues Under Expenses</i>	(2,803,562)	(3,214,270)	(2,219,516)	994,754
Transfers In	750,000	700,000	650,000	(50,000)
Net Change in Fund Equity	(2,053,562)	(2,514,270)	(1,569,516)	944,754
<i>Fund Equity Beginning of Year</i>	4,671,425	4,671,425	4,671,425	0
Prior Year Encumbrances Appropriated	86,278	86,278	86,278	0
Fund Equity End of Year	<u>\$2,704,141</u>	<u>\$2,243,433</u>	<u>\$3,188,187</u>	<u>\$944,754</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, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest	\$50	\$50	\$71,440	\$71,390
Charges for Services	1,838,100	1,838,100	1,779,949	(58,151)
Other	151,850	151,850	34,447	(117,403)
<i>Total Revenues</i>	<u>1,990,000</u>	<u>1,990,000</u>	<u>1,885,836</u>	<u>(104,164)</u>
Expenses				
Salaries and Wages:				
Water Office	48,392	74,563	71,774	2,789
Water Plant	578,389	578,389	574,460	3,929
Total Salaries and Wages	<u>626,781</u>	<u>652,952</u>	<u>646,234</u>	<u>6,718</u>
Fringe Benefits:				
Water Office	33,618	33,618	30,286	3,332
Water Plant	288,586	288,586	283,977	4,609
Total Fringe Benefits	<u>322,204</u>	<u>322,204</u>	<u>314,263</u>	<u>7,941</u>
Purchased Services:				
Water Office	70,800	44,629	38,350	6,279
Water Plant	195,880	195,880	123,749	72,131
Total Purchased Services	<u>266,680</u>	<u>240,509</u>	<u>162,099</u>	<u>78,410</u>
Materials and Supplies:				
Water Office	5,026	5,026	3,323	1,703
Water Plant	148,720	148,720	131,957	16,763
Total Materials and Supplies	<u>153,746</u>	<u>153,746</u>	<u>135,280</u>	<u>18,466</u>
Capital Outlay:				
Water Office	2,000	2,000	800	1,200
Water Plant	105,500	105,500	36,991	68,509
Water Construction	227,238	227,238	97,138	130,100
Water Surplus	200,000	200,000	153,659	46,341
Water Replacement	93,339	93,339	0	93,339
Total Capital Outlay	<u>\$628,077</u>	<u>\$628,077</u>	<u>\$288,588</u>	<u>\$339,489</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Debt Service:				
Principal Retirement	\$275,000	\$275,000	\$275,000	\$0
Interest and Fiscal Charges	245,000	245,000	119,744	125,256
Total Debt Service	<u>520,000</u>	<u>520,000</u>	<u>394,744</u>	<u>125,256</u>
<i>Total Expenses</i>	<u>2,517,488</u>	<u>2,517,488</u>	<u>1,941,208</u>	<u>576,280</u>
<i>Net Change in Fund Equity</i>	(527,488)	(527,488)	(55,372)	472,116
<i>Fund Equity Beginning of Year</i>	787,605	787,605	787,605	0
Prior Year Encumbrances Appropriated	<u>135,346</u>	<u>135,346</u>	<u>135,346</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$395,463</u>	<u>\$395,463</u>	<u>\$867,579</u>	<u>\$472,116</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, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Income Taxes	\$300,000	\$300,000	\$275,000	(\$25,000)
Intergovernmental	625,000	625,000	666,842	41,842
Interest	5,500	5,500	1,942	(3,558)
Fines, Licenses and Permits	50	50	0	(50)
Other	4,450	4,450	3,403	(1,047)
<i>Total Revenues</i>	<u>935,000</u>	<u>935,000</u>	<u>947,187</u>	<u>12,187</u>
Expenditures				
Current:				
Transportation:				
Street Construction and Reconstruction:				
Salaries and Wages	495,480	499,719	483,200	16,519
Fringe Benefits	281,294	284,794	273,950	10,844
Purchased Services	93,343	66,604	64,663	1,941
Materials and Supplies	147,886	167,886	139,403	28,483
Capital Outlay	18,000	27,000	15,077	11,923
<i>Total Expenditures</i>	<u>1,036,003</u>	<u>1,046,003</u>	<u>976,293</u>	<u>69,710</u>
<i>Net Change in Fund Balance</i>	(101,003)	(111,003)	(29,106)	81,897
<i>Fund Balance Beginning of Year</i>	90,083	90,083	90,083	0
Prior Year Encumbrances Appropriated	<u>35,429</u>	<u>35,429</u>	<u>35,429</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$24,509</u></u>	<u><u>\$14,509</u></u>	<u><u>\$96,406</u></u>	<u><u>\$81,897</u></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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$50,000	\$50,000	\$54,068	\$4,068
Other	0	0	1,086	1,086
<i>Total Revenues</i>	50,000	50,000	55,154	5,154
Expenditures				
Current:				
Transportation:				
Street Construction and Reconstruction:				
Materials and Supplies	60,837	60,837	30,615	30,222
<i>Net Change in Fund Balance</i>	(10,837)	(10,837)	24,539	35,376
<i>Fund Balance Beginning of Year</i>	16,098	16,098	16,098	0
Prior Year Encumbrances Appropriated	837	837	837	0
<i>Fund Balance End of Year</i>	<u>\$6,098</u>	<u>\$6,098</u>	<u>\$41,474</u>	<u>\$35,376</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, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property and Other Local Taxes	\$130,000	\$145,000	\$154,648	\$9,648
Income Taxes	290,000	290,000	290,000	0
Intergovernmental	20,400	20,400	13,018	(7,382)
<i>Total Revenues</i>	<u>440,400</u>	<u>455,400</u>	<u>457,666</u>	<u>2,266</u>
Expenditures				
Current:				
Security of Persons and Property:				
Police Disability and Pension:				
Fringe Benefits	210,000	222,500	222,221	279
Fire Disability and Pension:				
Fringe Benefits	<u>235,000</u>	<u>240,474</u>	<u>238,848</u>	<u>1,626</u>
<i>Total Expenditures</i>	<u>445,000</u>	<u>462,974</u>	<u>461,069</u>	<u>1,905</u>
<i>Net Change in Fund Balance</i>	(4,600)	(7,574)	(3,403)	4,171
<i>Fund Balance Beginning of Year</i>	<u>7,574</u>	<u>7,574</u>	<u>7,574</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$2,974</u></u>	<u><u>\$0</u></u>	<u><u>\$4,171</u></u>	<u><u>\$4,171</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, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	<u>\$175,000</u>	<u>\$175,000</u>	<u>\$161,520</u>	<u>(\$13,480)</u>
Expenditures				
Current:				
Public Health Services:				
Ambulance:				
Salaries and Wages	125,000	125,000	99,665	25,335
Purchased Services	0	1,500	784	716
Materials and Supplies	<u>111,684</u>	<u>110,184</u>	<u>62,717</u>	<u>47,467</u>
<i>Total Expenditures</i>	<u>236,684</u>	<u>236,684</u>	<u>163,166</u>	<u>73,518</u>
<i>Net Change in Fund Balance</i>	(61,684)	(61,684)	(1,646)	60,038
<i>Fund Balance Beginning of Year</i>	66,345	66,345	66,345	0
Prior Year Encumbrances Appropriated	<u>11,684</u>	<u>11,684</u>	<u>11,684</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$16,345</u></u>	<u><u>\$16,345</u></u>	<u><u>\$76,383</u></u>	<u><u>\$60,038</u></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, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Income Taxes	\$310,000	\$310,000	\$310,000	\$0
Interest	10,000	10,000	25,370	15,370
Charges for Services	120,000	120,000	156,220	36,220
<i>Total Revenues</i>	<u>440,000</u>	<u>440,000</u>	<u>491,590</u>	<u>51,590</u>
Expenditures				
Current:				
Public Health Services:				
Cemetery:				
Salaries and Wages	259,824	265,584	265,291	293
Fringe Benefits	165,295	160,995	154,268	6,727
Purchased Services	12,500	21,700	14,237	7,463
Materials and Supplies	15,682	24,482	22,977	1,505
Capital Outlay	3,500	0	0	0
Other	35,000	35,000	35,000	0
<i>Total Expenditures</i>	<u>491,801</u>	<u>507,761</u>	<u>491,773</u>	<u>15,988</u>
<i>Net Change in Fund Balance</i>	(51,801)	(67,761)	(183)	67,578
<i>Fund Balance Beginning of Year</i>	630,411	630,411	630,411	0
Prior Year Encumbrances Appropriated	982	982	982	0
<i>Fund Balance End of Year</i>	<u>\$579,592</u>	<u>\$563,632</u>	<u>\$631,210</u>	<u>\$67,578</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, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Interest	\$0	\$0	\$855	\$855
Other	<u>62,000</u>	<u>62,000</u>	<u>59,575</u>	<u>(2,425)</u>
<i>Total Revenues</i>	62,000	62,000	60,430	(1,570)
Expenditures				
Current:				
Community Environment:				
Other Community Environment:				
Purchased Services	<u>65,000</u>	<u>65,000</u>	<u>39,674</u>	<u>25,326</u>
<i>Net Change in Fund Balance</i>	(3,000)	(3,000)	20,756	23,756
<i>Fund Balance Beginning of Year</i>	<u>73,296</u>	<u>73,296</u>	<u>73,296</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$70,296</u></u>	<u><u>\$70,296</u></u>	<u><u>\$94,052</u></u>	<u><u>\$23,756</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, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues	\$0	\$0	\$0	\$0
Expenditures				
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, 2006

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

City of Dover, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Enforcement and Education Fund
For the Year Ended December 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines, Licenses and Permits	<u>\$1,500</u>	<u>\$1,500</u>	<u>\$3,669</u>	<u>\$2,169</u>
Expenditures				
Current:				
Security of Persons and Property:				
Enforcement and Education:				
Materials and Supplies	<u>7,500</u>	<u>7,500</u>	<u>482</u>	<u>7,018</u>
<i>Net Change in Fund Balance</i>	<u>(6,000)</u>	<u>(6,000)</u>	<u>3,187</u>	<u>9,187</u>
<i>Fund Balance Beginning of Year</i>	<u>17,602</u>	<u>17,602</u>	<u>17,602</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$11,602</u></u>	<u><u>\$11,602</u></u>	<u><u>\$20,789</u></u>	<u><u>\$9,187</u></u>

City of Dover, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Shade Tree Fund
For the Year Ended December 31, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Current:				
General Government:				
Land Development:				
Purchased Services	<u>1,172</u>	<u>1,172</u>	<u>172</u>	<u>1,000</u>
<i>Net Change in Fund Balance</i>	(1,172)	(1,172)	(172)	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>\$1,737</u></u>	<u><u>\$1,737</u></u>	<u><u>\$2,737</u></u>	<u><u>\$1,000</u></u>

City of Dover, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Small Cities Block Grant Fund
For the Year Ended December 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$112,000	\$112,000	\$56,000	(\$56,000)
Expenditures				
Capital Outlay	<u>112,000</u>	<u>112,000</u>	<u>56,000</u>	<u>56,000</u>
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

City of Dover, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
CHIP Fund
For the Year Ended December 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$500,000	\$500,000	\$285,696	(\$214,304)
Expenditures				
Capital Outlay	<u>524,450</u>	<u>524,450</u>	<u>524,450</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(24,450)	(24,450)	(238,754)	(214,304)
<i>Fund Balance Beginning of Year</i>	<u>24,450</u>	<u>24,450</u>	<u>24,450</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>(\$214,304)</u></u>	<u><u>(\$214,304)</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$1,500,000	\$1,500,000	\$1,495,465	(\$4,535)
Other	0	0	7,358	7,358
<i>Total Revenues</i>	1,500,000	1,500,000	1,502,823	2,823
Expenses				
Claims	1,500,000	1,530,000	1,510,344	19,656
<i>Net Change in Fund Equity</i>	0	(30,000)	(7,521)	22,479
<i>Fund Equity Beginning of Year</i>	32,973	32,973	32,973	0
<i>Fund Equity End of Year</i>	<u>\$32,973</u>	<u>\$2,973</u>	<u>\$25,452</u>	<u>\$22,479</u>

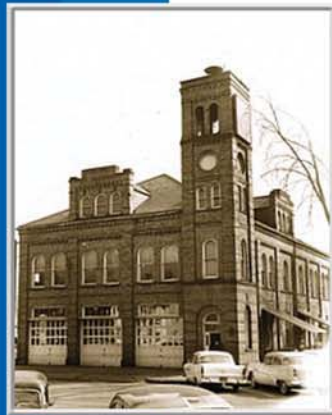
City of Dover, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Cemetery Interment Fund
For the Year Ended December 31, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Deposits for Burial Expenses	\$10,000	\$10,000	\$9,335	(\$665)
Interest	15,000	15,000	9,489	(5,511)
<i>Total Revenues</i>	25,000	25,000	18,824	(6,176)
Expenses				
Current:				
Public Health Services:				
Cemetery:				
Other	40,000	40,000	21,668	18,332
<i>Net Change in Fund Equity</i>	(15,000)	(15,000)	(2,844)	12,156
<i>Fund Equity Beginning of Year</i>	210,430	210,430	210,430	0
<i>Fund Equity End of Year</i>	<u>\$195,430</u>	<u>\$195,430</u>	<u>\$207,586</u>	<u>\$12,156</u>

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STATISTICAL SECTION



In 1907, the City built a new City Hall. The Police department shared an office with the Mayor on the second floor. The office is now part of Council Chambers.

In 1919, the fire department motorized their fire equipment thus doing away with the department's horses. The stable for the horses was located on the first floor in the very back of City Hall. The police department eventually moved to the first floor and converted the stable into the City's jail. The jail is still used today as a temporary holding facility. One tie hook for a horse's reign is still in the wall where a stable was.



City of Dover, Ohio

Statistical Section

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	S2-S13
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the City's ability to generate its income taxes and electric revenues.	S14-20
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	S21-S27
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.	S28-S29
Operating Information These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	S30-S37
Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year. The City implemented Statement 34 in 2001; schedules presenting government-wide information include information beginning in that year.	

City of Dover, Ohio
Net Assets By Component
Last Six Years
(Accrual Basis of Accounting)

	<u>2006</u>	<u>2005</u>
Governmental Activities		
Invested in Capital Assets, Net of Related Debt	\$5,805,738	\$5,422,472
Restricted	2,311,499	2,689,957
Unrestricted	<u>12,369</u>	<u>199,864</u>
<i>Total Governmental Activities Net Assets</i>	<u>8,129,606</u>	<u>8,312,293</u>
Business Type - Activities		
Invested in Capital Assets, Net of Related Debt	22,635,000	18,382,783
Restricted	3,967,516	3,812,435
Unrestricted	<u>7,476,271</u>	<u>9,078,102</u>
<i>Total Business-Type Activities Net Assets</i>	<u>34,078,787</u>	<u>31,273,320</u>
Primary Government		
Invested in Capital Assets, Net of Related Debt	28,440,738	23,805,255
Restricted	6,279,015	6,502,392
Unrestricted	<u>7,488,640</u>	<u>9,277,966</u>
<i>Total Primary Government Net Assets</i>	<u><u>\$42,208,393</u></u>	<u><u>\$39,585,613</u></u>

2004	2003	2002	2001
\$5,425,260	\$4,655,384	\$3,897,457	\$3,071,325
2,290,983	3,074,163	1,729,383	1,783,836
227,630	352,507	3,010,884	3,059,539
7,943,873	8,082,054	8,637,724	7,914,700
17,332,983	19,468,552	18,093,037	19,203,899
4,137,860	4,718,108	4,269,181	4,690,504
8,818,043	6,473,109	8,228,061	7,083,777
30,288,886	30,659,769	30,590,279	30,978,180
22,758,243	24,123,936	21,990,494	22,275,224
6,428,843	7,792,271	5,998,564	6,474,340
9,045,673	6,825,616	11,238,945	10,143,316
\$38,232,759	\$38,741,823	\$39,228,003	\$38,892,880

City of Dover, Ohio
Changes in Net Assets
Last Six Years
(Accrual Basis of Accounting)

	2006	2005	2004	2003
Program Revenues				
Governmental Activities:				
Charges for Services:				
General Government	\$24,207	\$24,025	\$24,917	\$24,779
Security of Persons and Property	82,473	100,455	92,138	69,315
Transportation	0	6	12	0
Public Health Services	319,218	341,713	283,036	239,944
Community Environment	23,796	20,524	23,059	20,632
Basic Utility Services	515,941	426,042	424,740	444,926
Leisure Time Activities	78,897	84,998	72,478	59,852
Subtotal - Charges for Services	<u>1,044,532</u>	<u>997,763</u>	<u>920,380</u>	<u>859,448</u>
Operating Grants and Contributions:				
Security of Persons and Property	10,847	8,978	0	0
Transportation	806,875	780,801	413,393	539,613
Public Health Services	0	65,538	285,005	0
Subtotal - Operating Grants and Contributions	<u>817,722</u>	<u>855,317</u>	<u>698,398</u>	<u>539,613</u>
Capital Grants and Contributions:				
Security of Persons and Property	0	0	0	0
Transportation	0	0	0	261,000
Community Environment	404,216	640,088	202,273	39,600
	<u>404,216</u>	<u>640,088</u>	<u>202,273</u>	<u>300,600</u>
<i>Total Governmental Activities Program Revenues</i>	<u>2,266,470</u>	<u>2,493,168</u>	<u>1,821,051</u>	<u>1,699,661</u>
Business-Type Activities:				
Charges for Services:				
Sewer	2,889,367	2,720,284	2,429,520	2,326,892
Electric	18,299,853	15,559,521	13,946,111	13,443,971
Water	1,785,102	1,757,607	1,704,158	1,895,600
Subtotal - Charges for Services	<u>22,974,322</u>	<u>20,037,412</u>	<u>18,079,789</u>	<u>17,666,463</u>
Capital Grants and Contributions				
Sewer	0	132,955	8,166	93,732
Water	0	179,644	29,993	119,225
Subtotal - Capital Grants and Contributions	<u>0</u>	<u>312,599</u>	<u>38,159</u>	<u>212,957</u>
<i>Total Business-Type Activities Program Revenues</i>	<u>22,974,322</u>	<u>20,350,011</u>	<u>18,117,948</u>	<u>17,879,420</u>
<i>Total Primary Government Program Revenues</i>	<u>\$25,240,792</u>	<u>\$22,843,179</u>	<u>\$19,938,999</u>	<u>\$19,579,081</u>

2002	2001
\$40,206	\$21,521
109,674	58,576
1,308	0
241,210	184,286
21,122	22,989
418,426	412,544
67,845	72,243
899,791	772,159
0	0
456,671	455,451
0	0
456,671	455,451
20,607	0
262,000	293,873
39,600	37,800
322,207	331,673
1,678,669	1,559,283
1,900,129	1,341,492
13,382,771	12,748,852
1,762,441	1,735,530
17,045,341	15,825,874
44,472	105,541
53,220	88,273
97,692	193,814
17,143,033	16,019,688
\$18,821,702	\$17,578,971

(continued)

City of Dover, Ohio
Changes in Net Assets (continued)
Last Six Years
(Accrual Basis of Accounting)

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Expenses				
Governmental Activities:				
General Government	\$1,098,324	\$1,053,903	\$1,030,940	\$1,210,455
Security of Persons and Property	3,845,604	3,799,383	3,492,242	3,687,742
Transportation	1,355,383	1,539,960	1,323,868	1,056,544
Public Health Services	616,158	685,021	645,274	547,149
Community Environment	454,646	462,327	590,541	91,624
Basic Utility Services	433,167	423,012	459,082	360,112
Leisure Time Activities	666,868	647,646	602,131	658,363
Interest and Fiscal Charges	164,594	33,675	51,326	62,513
<i>Total Governmental Activities Expenses</i>	<u>8,634,744</u>	<u>8,644,927</u>	<u>8,195,404</u>	<u>7,674,502</u>
Business-Type Activities				
Sewer	2,112,304	2,005,511	1,857,449	1,826,540
Electric	18,228,596	17,121,282	14,883,421	14,672,954
Water	1,517,568	1,881,816	2,574,878	2,062,920
<i>Total Business-Type Activities Expenses</i>	<u>21,858,468</u>	<u>21,008,609</u>	<u>19,315,748</u>	<u>18,562,414</u>
<i>Total Primary Government Expenses</i>	<u>30,493,212</u>	<u>29,653,536</u>	<u>27,511,152</u>	<u>26,236,916</u>
Net (Expense)/Revenue				
Governmental Activities	(6,368,274)	(6,151,759)	(6,374,353)	(5,974,841)
Business-Type Activities	1,115,854	(658,598)	(1,197,800)	(682,994)
<i>Total Primary Government Net (Expense)/Revenue</i>	<u>(\$5,252,420)</u>	<u>(\$6,810,357)</u>	<u>(\$7,572,153)</u>	<u>(\$6,657,835)</u>

<u>2002</u>	<u>2001</u>
\$969,886	\$843,700
3,104,690	2,961,926
1,296,099	421,984
483,663	459,964
82,789	72,811
361,789	441,833
540,740	599,834
119,045	94,682
6,958,701	5,896,734
1,732,960	1,786,036
13,961,954	13,217,704
1,999,392	2,029,701
17,694,306	17,033,441
24,653,007	22,930,175
(5,280,032)	(4,337,451)
(551,273)	(1,013,753)
(\$5,831,305)	(\$5,351,204)

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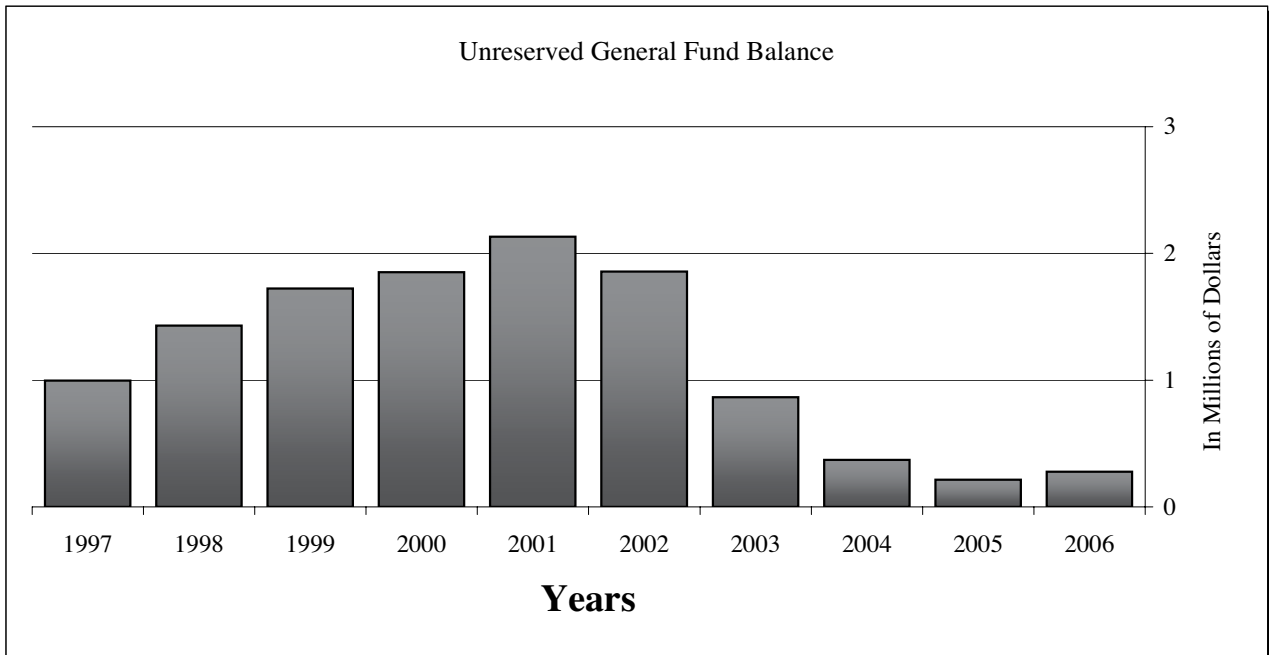
City of Dover, Ohio
Changes in Net Assets (continued)
Last Six Years
(Accrual Basis of Accounting)

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
General Revenues				
Governmental Activities				
Taxes:				
Property Taxes Levied For:				
General Purposes	\$1,041,905	\$1,013,703	\$926,655	\$922,657
Police and Fire Pension	155,395	147,803	139,826	136,848
Income Taxes levied for:				
General Purposes	2,119,470	2,204,050	1,955,294	1,481,810
Street Maintenance and Repair	243,398	362,831	355,425	371,883
Cemetery	305,224	311,280	290,001	232,810
Police and Fire Pension	278,085	313,730	301,522	278,556
Capital Outlay	705,775	749,608	641,075	1,088,144
Grants and Entitlements not Restricted to				
Specific Programs	1,785,908	1,711,617	1,865,282	1,136,833
Investment Income	174,285	186,319	106,991	171,851
Miscellaneous	126,142	119,238	133,753	118,164
<i>Total Governmental Activities</i>	<u>6,935,587</u>	<u>7,120,179</u>	<u>6,715,824</u>	<u>5,939,556</u>
Business-Type Activities				
Investment Income	442,634	122,992	68,639	37,128
Miscellaneous	496,979	920,040	278,626	194,971
<i>Total Business-Type Activities</i>	<u>939,613</u>	<u>1,043,032</u>	<u>347,265</u>	<u>232,099</u>
<i>Total Primary Government General Revenues</i>	<u>7,875,200</u>	<u>8,163,211</u>	<u>7,063,089</u>	<u>6,171,655</u>
Transfers				
Governmental Activities	(650,000)	(600,000)	(579,652)	(520,385)
Business-Type Activities	650,000	600,000	579,652	520,385
Change in Net Assets				
Governmental Activities	(82,687)	368,420	(238,181)	(555,670)
Business-Type Activities	2,705,467	984,434	(270,883)	69,490
<i>Total Primary Government Change in Net Assets</i>	<u>\$2,622,780</u>	<u>\$1,352,854</u>	<u>(\$509,064)</u>	<u>(\$486,180)</u>

<u>2002</u>	<u>2001</u>
\$960,839	\$954,208
109,480	96,874
1,035,582	1,341,848
316,752	343,511
198,297	215,048
237,261	257,304
1,192,437	1,355,768
1,545,024	1,807,058
313,767	361,563
86,492	168,593
5,995,931	6,901,775
85,604	312,792
84,893	67,787
170,497	380,579
6,166,428	7,282,354
7,125	11,325
(7,125)	(11,325)
723,024	2,575,649
(387,901)	(644,499)
\$335,123	\$1,931,150

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

	2006	2005	2004	2003
General Fund				
Reserved	\$22,292	\$29,998	\$19,265	\$56,173
Unreserved	277,213	213,625	371,280	865,044
Total General Fund	<u>299,505</u>	<u>243,623</u>	<u>390,545</u>	<u>921,217</u>
All Other Governmental Funds				
Reserved	967,528	562,989	201,187	242,876
Unreserved, Undesignated (Deficit), Reported in:				
Special Revenue Funds	955,905	836,398	1,238,929	1,426,594
Capital Projects Funds	(147,694)	807,721	616,736	931,630
Total All Other Governmental Funds	<u>1,775,739</u>	<u>2,207,108</u>	<u>2,056,852</u>	<u>2,601,100</u>
Total Governmental Funds	<u><u>\$2,075,244</u></u>	<u><u>\$2,450,731</u></u>	<u><u>\$2,447,397</u></u>	<u><u>\$3,522,317</u></u>



2002	2001	2000	1999	1998	1997
\$87,425	\$143,836	\$144,412	\$77,836	\$103,305	\$114,409
1,856,975	2,132,412	1,850,975	1,722,337	1,430,716	996,111
1,944,400	2,276,248	1,995,387	1,800,173	1,534,021	1,110,520
463,459	192,979	673,157	530,643	235,566	449,184
1,529,433	1,357,739	1,302,374	1,315,568	1,354,906	1,341,826
1,066,092	1,240,614	355,721	509,393	719,280	535,574
3,058,984	2,791,332	2,331,252	2,355,604	2,309,752	2,326,584
<u>\$5,003,384</u>	<u>\$5,067,580</u>	<u>\$4,326,639</u>	<u>\$4,155,777</u>	<u>\$3,843,773</u>	<u>\$3,437,104</u>

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

	2006	2005	2004	2003
Revenues				
Property and Other Taxes	\$1,190,154	\$1,164,720	\$1,056,781	\$1,079,529
Income Taxes	3,855,822	3,759,707	3,461,933	3,391,790
Intergovernmental	2,946,020	3,041,171	2,796,069	2,162,986
Interest	174,285	186,319	106,991	171,846
Fines, Licenses and Permits	53,418	54,106	53,242	51,425
Charges for Services	989,636	943,280	866,364	802,403
Other	126,142	115,022	132,767	117,508
<i>Total Revenues</i>	<u>9,335,477</u>	<u>9,264,325</u>	<u>8,474,147</u>	<u>7,777,487</u>
Expenditures				
Current:				
General Government	1,063,197	1,032,690	1,021,408	1,079,208
Security of Persons and Property	3,584,484	3,448,079	3,346,954	3,391,342
Transportation	934,808	998,710	914,163	913,496
Public Health Services	653,822	673,682	639,736	521,479
Community Environment	116,239	105,040	600,399	89,066
Basic Utilities Services	433,167	423,012	459,082	360,112
Leisure Time Activities	610,942	599,512	566,443	588,496
Capital Outlay	1,517,533	1,212,199	1,267,063	1,746,083
Debt Service:				
Principal Retirement	55,284	105,066	4,858	0
Interest and Fiscal Charges	121,795	63,001	51,378	65,925
<i>Total Expenditures</i>	<u>9,091,271</u>	<u>8,660,991</u>	<u>8,871,484</u>	<u>8,755,207</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>244,206</u>	<u>603,334</u>	<u>(397,337)</u>	<u>(977,720)</u>
Other Financing Sources (Uses)				
Notes Issued	2,570,000	2,520,000	0	0
Premium on Debt Issuance	30,307	0	0	17,038
Payment to Refund Notes	(2,570,000)	(2,520,000)	0	0
Sale of Capital Assets	0	0	0	0
Transfers In	0	0	0	7,454
Transfers Out	(650,000)	(600,000)	(677,583)	(527,839)
<i>Total Other Financing Sources (Uses)</i>	<u>(619,693)</u>	<u>(600,000)</u>	<u>(677,583)</u>	<u>(503,347)</u>
<i>Net Change in Fund Balances</i>	<u>(\$375,487)</u>	<u>\$3,334</u>	<u>(\$1,074,920)</u>	<u>(\$1,481,067)</u>
Debt Service as a Percentage of Noncapital Expenditures	2.2%	2.0%	0.7%	0.9%

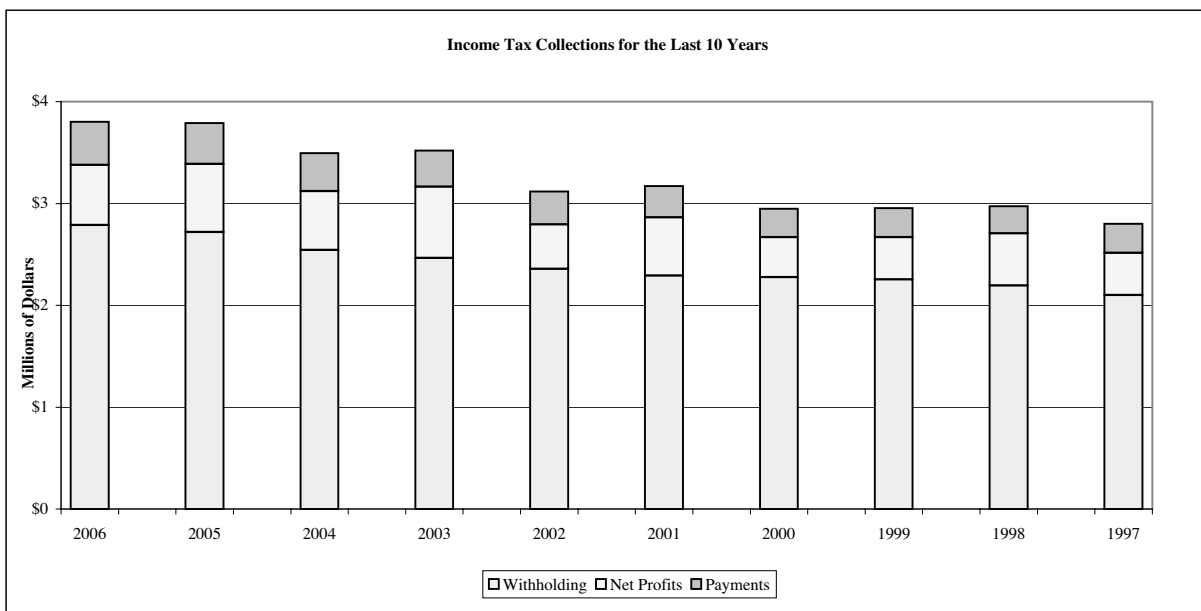
2002	2001	2000	1999	1998	1997
\$1,074,537	\$1,085,340	\$1,021,544	\$1,036,507	\$937,173	\$894,789
3,043,487	3,244,546	2,952,177	2,872,820	2,967,746	2,675,344
1,999,867	2,460,283	1,882,015	2,011,438	1,621,328	1,462,047
313,754	360,939	548,870	455,570	403,413	258,883
72,000	45,379	59,390	40,413	39,762	35,407
838,405	726,780	717,037	746,935	792,418	763,715
86,121	167,420	78,917	126,664	210,873	56,323
<u>7,428,171</u>	<u>8,090,687</u>	<u>7,259,950</u>	<u>7,290,347</u>	<u>6,972,713</u>	<u>6,146,508</u>
959,875	901,024	879,066	904,920	692,029	660,382
3,192,292	3,000,283	2,815,614	2,775,270	2,632,752	2,488,579
820,998	798,741	770,247	811,161	736,070	627,528
477,570	433,842	411,135	445,731	350,175	356,693
70,183	68,294	63,742	59,935	65,979	57,942
361,789	375,863	321,642	341,845	361,484	381,101
578,440	571,899	520,448	512,853	495,150	459,873
919,272	1,116,398	1,234,808	1,036,425	1,151,032	1,614,695
0	0	0	0	0	0
<u>119,073</u>	<u>94,727</u>	<u>104,386</u>	<u>116,203</u>	<u>116,373</u>	<u>131,060</u>
<u>7,499,492</u>	<u>7,361,071</u>	<u>7,121,088</u>	<u>7,004,343</u>	<u>6,601,044</u>	<u>6,777,853</u>
<u>(71,321)</u>	<u>729,616</u>	<u>138,862</u>	<u>286,004</u>	<u>371,669</u>	<u>(631,345)</u>
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	15,000
103,114	58,395	78,415	75,460	86,180	172,828
<u>(95,989)</u>	<u>(47,070)</u>	<u>(46,415)</u>	<u>(49,460)</u>	<u>(51,180)</u>	<u>(53,050)</u>
<u>7,125</u>	<u>11,325</u>	<u>32,000</u>	<u>26,000</u>	<u>35,000</u>	<u>134,778</u>
<u>(\$64,196)</u>	<u>\$740,941</u>	<u>\$170,862</u>	<u>\$312,004</u>	<u>\$406,669</u>	<u>(\$496,567)</u>
1.9%	1.7%	1.5%	1.8%	1.9%	2.2%

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

Tax Year	Tax Rate	Total Tax Collected (1)	Taxes From Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits	Taxes from Individual Payments	Percentage of Taxes from Individual Payments
2006	1.00%	\$3,803,674	\$2,787,387	73.28%	\$592,434	15.58%	\$423,853	11.14%
2005	1.00	3,790,428	2,717,521	71.69	669,197	17.65	403,710	10.65
2004	1.00	3,495,550	2,543,794	72.77	576,160	16.48	375,596	10.74
2003	1.00	3,519,700	2,464,205	70.01	699,420	19.87	356,075	10.12
2002	1.00	3,116,478	2,357,931	75.66	435,323	13.97	323,224	10.37
2001	1.00	3,169,989	2,293,091	72.34	570,746	18.00	306,152	9.66
2000	1.00	2,946,631	2,275,662	77.23	393,689	13.36	277,280	9.41
1999	1.00	2,955,289	2,253,628	76.26	416,054	14.08	285,607	9.66
1998	1.00	2,973,888	2,195,822	73.84	509,873	17.14	268,193	9.02
1997	1.00	2,799,997	2,101,138	75.04	413,230	14.76	285,629	10.20

Source: City Income Tax Department

(1) Gross Collections - Cash Basis of Accounting



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

	2006	2005	2004	2003
Electric Sold (MWH) (000)				
Residential	55,846	57,161	53,935	52,773
Commercial	24,392	25,913	25,742	25,554
Industrial	134,977	129,454	123,696	116,989
Total	<u>215,215</u>	<u>212,528</u>	<u>203,373</u>	<u>195,316</u>
 Number of Customers				
Residential	5,714	5,692	5,704	5,635
Commercial	840	842	865	862
Industrial	117	115	112	112
Total	<u>6,671</u>	<u>6,649</u>	<u>6,681</u>	<u>6,609</u>

2002	2001	2000	1999	1998	1997
55,496	51,525	49,168	49,874	48,990	47,045
25,930	24,709	24,507	24,430	25,458	22,877
121,233	118,972	121,208	118,725	110,744	114,539
<u>202,659</u>	<u>195,206</u>	<u>194,883</u>	<u>193,029</u>	<u>185,192</u>	<u>184,461</u>
5,579	5,469	5,424	5,385	5,334	5,349
856	849	834	807	802	791
106	105	101	101	98	97
<u>6,541</u>	<u>6,423</u>	<u>6,359</u>	<u>6,293</u>	<u>6,234</u>	<u>6,237</u>

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

Type of Customer:	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Residential:				
Customer Charge	\$5.97000	\$5.97000	\$5.97000	\$5.97000
First 800 KWH	0.06107	0.05310	0.05310	0.05310
Next 700 KWH - per KWH	0.05609	0.04877	0.04877	0.04877
All Over 1500 KWH - per KWH	0.04950	0.04304	0.04304	0.04304
Commercial:				
Customer Charge	5.97000	5.97000	5.97000	5.97000
First 50 KWH per KW od demand - per KWH	0.09900	0.08609	0.08609	0.08609
Next 150 KWH per KW of demnd - per KWH				
First 3,000 KWH per KWH	0.07997	0.06954	0.06954	0.06954
Over 3,000 KWH per KWH	0.05970	0.05191	0.05191	0.05191
For all remaining KWH per KWH	0.04701	0.04088	0.04088	0.04088
Industrial (per KVA):				
Minimum Charge - per KVA of demand	2.75000	2.75000	2.75000	2.75000
First 30 KWH, per KVA of demand - per KWH	0.12189	0.10599	0.10599	0.10599
Next 170 KWH per KVA of demand				
2,000 KWH - per KWH	0.08010	0.06965	0.06965	0.06965
8,000 KWH - per KWH	0.06765	0.05883	0.05883	0.05883
90,000 KWH - per KWH	0.05597	0.04867	0.04867	0.04867
Over 100,000 KWH - per KWH	0.04801	0.04175	0.04175	0.04175
Over 200 KWH per KVA of demand				
First 200,000 KWH - per KWH	0.03842	0.03341	0.03341	0.03341
All remaining KWH - per KWH	0.03283	0.02855	0.02855	0.02855

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

2002	2001	2000	1999	1998	1997
\$5.97000	\$5.97000	\$5.97000	\$5.97000	\$5.97000	\$5.97000
0.05310	0.05310	0.05310	0.05310	0.05310	0.05310
0.04877	0.04877	0.04877	0.04877	0.04877	0.04877
0.04304	0.04304	0.04304	0.04304	0.04304	0.04304
5.97000	5.97000	5.97000	5.97000	5.97000	5.97000
0.08609	0.08609	0.08609	0.08609	0.08609	0.08609
0.06954	0.06954	0.06954	0.06954	0.06954	0.06954
0.05191	0.05191	0.05191	0.05191	0.05191	0.05191
0.04088	0.04088	0.04088	0.04088	0.04088	0.04088
2.75000	2.75000	2.75000	2.75000	2.75000	2.75000
0.10599	0.10599	0.10599	0.10599	0.10599	0.10599
0.06965	0.06965	0.06965	0.06965	0.06965	0.06965
0.05883	0.05883	0.05883	0.05883	0.05883	0.05883
0.04867	0.04867	0.04867	0.04867	0.04867	0.04867
0.04175	0.04175	0.04175	0.04175	0.04175	0.04175
0.03341	0.03341	0.03341	0.03341	0.03341	0.03341
0.02855	0.02855	0.02855	0.02855	0.02855	0.02855

City of Dover, Ohio
Principal Electric Customers
2006 and 2004 (1)

Customer	2006	
	MWH Sold	
Arizona Chemical Corporation	24,279,720	11.28 %
Dover Chemical Corporation	19,306,755	8.97
Allied Machine and Engineering	8,742,000	4.06
Union Hospital	8,447,400	3.93
Meteor Sealing Systems	6,633,113	3.08
INCA Presswood Pallets Ltd	6,020,500	2.80
Zimmer Patient Care Division	5,034,240	2.34
Buehlers	3,839,000	1.78
Bag-N-Save Foods Incorporated	3,753,000	1.74
Rolite Plastics Inc	2,949,600	1.37
Totals	<u>89,005,328</u>	<u>41.36 %</u>
Total MWH Sold	<u>215,215,000</u>	
Customer	2004	
	MWH Sold	
Arizona Chemical Corporation	22,104,600	10.87 %
Dover Chemical Corporation	17,387,280	8.55
Allied Machine and Engineering	8,032,000	3.95
Union Hospital	8,024,460	3.95
Zimmer Patient Care Division	5,731,065	2.82
INCA Presswood Pallets Ltd	5,594,500	2.75
Meteor Sealing Systems	4,214,295	2.07
Buehlers	3,998,500	1.97
Giant Eagle	3,897,500	1.92
Snyder Manufacturing Inc.	2,349,000	1.16
Totals	<u>81,333,200</u>	<u>39.99 %</u>
Total MWH Sold	<u>203,373,000</u>	

(1) Data from nine years ago is not available

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

Year	Governmental Activities		Percentage of Actual Taxable Value of Property	Per Capita (1)	Governmental Activities	
	Bond Anticipation Notes	Actual Taxable Value of Property			Police and Fire Pension	
2006	\$2,970,000	\$841,281,475	0.35 %	\$219		\$296,577
2005	2,720,000	843,684,435	0.32	\$202		301,861
2004	2,820,000	841,547,469	0.34	\$212		306,927
2003	2,820,000	791,259,012	0.36	\$207		311,785
2002	2,550,000	789,271,832	0.32	\$187		316,142
2001	2,470,000	776,675,046	0.32	\$182		320,607
2000	2,670,000	733,066,212	0.36	\$199		324,889
1999	2,870,000	715,337,268	0.40	\$211		328,995
1998	2,695,000	708,244,977	0.38	\$199		332,931
1997	2,895,000	598,891,146	0.48	\$217		336,706
Business-Type Activities						
Year	General Obligation Bonds	Revenue Bonds	Bond Anticipation Notes	Total Debt (2)	Percentage of Personal Income (1)	Per Capita (1)
2006	\$455,000	\$15,276,476	\$8,750,000	\$27,748,053	10.79 %	\$2,043
2005	640,000	16,108,419	6,000,000	25,770,280	10.09	1,910
2004	815,000	13,907,216	6,500,000	24,349,143	9.65	1,827
2003	985,000	13,855,000	5,750,000	23,721,785	9.19	1,739
2002	1,205,000	13,530,000	6,250,000	23,851,142	9.26	1,754
2001	1,415,000	13,980,000	6,650,000	24,835,607	9.67	1,830
2000	1,620,000	14,415,000	4,950,000	23,979,889	9.43	1,785
1999	1,820,000	14,830,000	5,250,000	25,098,995	14.37	1,841
1998	2,015,000	15,220,000	0	20,262,931	11.65	1,493
1997	2,205,000	15,595,000	100,000	21,131,706	12.37	1,586

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

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

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

City of Dover, Ohio

Computation of Direct and Overlapping Debt Attributable to Governmental Activities

December 31, 2006

	<u>Debt Attributable to Governmental Activities</u>	<u>Overlapping Percentage Applicable to Dover (1)</u>	<u>Amount of Direct and Overlapping Debt</u>
<u>Direct:</u>			
City of Dover			
Bond Anticipation Notes	\$2,970,000	100.00 %	\$2,970,000
Police and Fire Pension	<u>296,577</u>	100.00	<u>296,577</u>
Total Direct Debt	<u>3,266,577</u>		<u>3,266,577</u>
<u>Overlapping Debt:</u>			
Payable from Property Taxes			
Dover City School District Bonds	5,528,086	70.04	3,871,871
Tuscarawas County Bond Anticipation Notes	970,000	16.17	156,849
Payable from Other Sources			
Dover City School District Capital Leases	415,195	70.04	290,803
Tuscarawas County Capital Leases	<u>29,517</u>	16.17	<u>4,773</u>
Total Overlapping Debt	<u>6,942,798</u>		<u>4,324,296</u>
Total	<u>\$10,209,375</u>		<u>\$7,590,873</u>

Source: Tuscarawas County, Ohio; County Auditor

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

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

	2006	2005	2004	2003
Overall Legal Debt Limit (10.5% of Assessed Valuation)	\$28,027,064	\$28,791,693	\$28,450,248	\$27,162,737
Net Debt Applicable to Debt Limit	2,970,000	2,620,000	2,720,000	2,820,000
Overall Legal Debt Margin (10.5% of Assessed Valuation)	<u>\$25,057,064</u>	<u>\$26,171,693</u>	<u>\$25,730,248</u>	<u>\$24,342,737</u>
Legal Debt Margin as a Percentage of Debt Limit	89.40%	90.90%	90.44%	89.62%
Unvoted Legal Debt Limit (5.5% of Assessed Valuation)	\$14,680,843	\$15,081,363	\$14,902,511	\$14,260,550
Net Debt Applicable to Debt Limit	2,970,000	2,620,000	2,720,000	2,820,000
Unvoted Legal Debt Margin (5.5% of Assessed Valuation)	<u>\$11,710,843</u>	<u>\$12,461,363</u>	<u>\$12,182,511</u>	<u>\$11,440,550</u>
Legal Debt Margin as a Percentage of Debt Limit	79.77%	82.63%	81.75%	80.23%

Legal Debt Margin Calculation for the Year Ended December 31, 2006

	Overall Margin Within 10.5%	Unvoted Margin Within 5.5%
Assessed property value	<u>\$266,924,423</u>	<u>\$266,924,423</u>
Debt Limitation (percentage of assessed property value)	\$28,027,064	\$14,680,843
Gross Indebtedness	27,748,053	27,748,053
Less: Bond Anticipation Notes - Enterprise Funds	(8,750,000)	(8,750,000)
General Obligation Bonds - Enterprise Funds	(455,000)	(455,000)
Revenue Bonds	(15,276,476)	(15,276,476)
Police and Fire Pension	<u>(296,577)</u>	<u>(296,577)</u>
Net Debt Applicable to Debt Limit	2,970,000	2,970,000
Legal Debt Margin Within Limitations	<u>\$25,057,064</u>	<u>\$11,710,843</u>

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

<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
\$27,224,687	\$26,729,751	\$25,300,914	\$24,722,567	\$24,485,025	\$20,445,630
<u>2,550,000</u>	<u>2,470,000</u>	<u>2,670,000</u>	<u>2,870,000</u>	<u>2,695,000</u>	<u>2,895,000</u>
<u>\$24,674,687</u>	<u>\$24,259,751</u>	<u>\$22,630,914</u>	<u>\$21,852,567</u>	<u>\$21,790,025</u>	<u>\$17,550,630</u>
90.63%	90.76%	89.45%	88.39%	88.99%	85.84%
\$14,260,550	\$14,001,298	\$13,252,860	\$12,949,916	\$12,825,489	\$10,709,616
<u>2,550,000</u>	<u>2,470,000</u>	<u>2,670,000</u>	<u>2,870,000</u>	<u>2,695,000</u>	<u>2,895,000</u>
<u>\$11,710,550</u>	<u>\$11,531,298</u>	<u>\$10,582,860</u>	<u>\$10,079,916</u>	<u>\$10,130,489</u>	<u>\$7,814,616</u>
82.12%	82.36%	79.85%	77.84%	78.99%	72.97%

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

Year	Gross Revenues (1)	Direct Operating Expenses (2)	Net Revenue Available for Debt Service	Annual Debt Service Requirements (3)	Coverage
2006	\$1,924,178	\$1,020,335	\$903,843	\$417,993	2.16
2005	1,803,621	1,237,465	566,156	500,861	1.13
2004	1,743,102	1,244,303	498,799	534,467	0.93
2003	1,902,977	1,255,591	647,386	498,735	1.30
2002	1,762,441	1,197,029	565,412	499,251	1.13
2001	1,735,530	1,237,124	498,406	500,738	1.00
2000	1,833,485	972,123	861,362	498,488	1.73
1999	1,757,478	916,615	840,863	497,861	1.69
1998	1,703,231	784,225	919,006	502,514	1.83
1997	1,636,727	763,220	873,507	503,777	1.73

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

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

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

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

Year	Gross Revenues (1)	Direct Operating Expenses (2)	Net Revenue Available for Debt Service	Annual Debt Service Requirements (3)	Coverage
2006	\$19,556,464	\$16,483,465	\$3,072,999	\$1,028,500	2.99
2005	16,897,572	15,451,875	1,445,697	616,815	2.34
2004	14,729,101	13,271,813	1,457,288	859,328	1.70
2003	14,146,329	13,124,341	1,021,988	933,549	1.09
2002	13,430,716	12,015,310	1,415,406	616,159	2.30
2001	12,806,517	11,429,382	1,377,135	947,673	1.45
2000	12,437,522	9,649,872	2,787,650	960,752	2.90
1999	12,504,530	10,467,573	2,036,957	970,450	2.10
1998	11,082,539	9,096,135	1,986,404	986,637	2.01
1997	10,883,558	8,831,216	2,052,342	996,887	2.06

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

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

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

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

<u>Year</u>	<u>Population (1)</u>	<u>Total Personal Income (2)</u>	<u>Personal Income Per Capita (3)</u>	<u>Median Household Income (3)</u>	<u>Unemployment Rate (4)</u>
2006	13,585	\$257,136,880	\$18,928	\$44,604	5.1%
2005	13,492	255,376,576	18,928	44,604	5.7
2004	13,331	252,329,168	18,928	44,604	5.2
2003	13,643	258,234,704	18,928	44,604	6.5
2002	13,602	257,458,656	18,928	44,604	5.4
2001	13,573	256,909,744	18,928	44,604	4.9
2000	13,431	254,221,968	18,928	44,604	4.1
1999	13,630	174,709,340	12,818	27,688	4.4
1998	13,570	173,940,260	12,818	27,688	4.8
1997	13,327	170,825,486	12,818	27,688	4.9

(1) Estimated by the City

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

(3) Source: U. S. Census

(a) Years 2000 through 2005 - 2006 Federal Census

(b) Years 1997 through 1999 - 1990 Federal Census

(4) Ohio Department of Job and Family Services

City of Dover, Ohio

Principal Employers

2006 and 1997

2006

<u>Employer</u>	<u>Employees</u>
Union Hospital	966
Allied Machine	450
Zimmer	297
Dover City Schools	289
Buehlers	250
Meteor	222
Hennis	214
Marlite	210
City of Dover	192
New Dawn	189
	<hr/>
Total	<u>3,279</u>
Total Employment within the City	<u>n/a</u>

1997

<u>Employer</u>	<u>Employees</u>
Union Hospital	600
Union Camp Corporation	400
Zimmer	386
Allied Machine	320
Dover City Schools	278
Epic Technical Group	240
Buehlers	230
Commercial And Architectural Products	220
Greer Steel	200
Bag-N-Save Foods Incorporated	160
	<hr/>
Total	<u>3,034</u>
Total Employment within the City	<u>n/a</u>

n/a - Information not available

City of Dover, Ohio
Full-Time Equivalent City Government Employees by Function/Program
Last Seven Years (1)

Function/Program	2006	2005	2004
General Government			
Mayor and Council	11.0	11.0	11.5
Auditor	3.0	3.0	3.0
Treasurer	0.5	0.5	0.5
Law	1.0	1.0	1.0
Civil Service Commission	3.0	3.0	3.0
Income Tax Department	2.0	2.0	2.0
Service Director	2.5	2.5	2.5
Janitor	1.0	1.0	1.0
Shade Tree	0.0	0.5	0.5
Security of Persons and Property			
Police	23.0	23.0	23.0
Fire	16.0	16.0	16.0
Safety Director	0.5	0.5	0.5
Traffic Safety	9.5	10.5	10.5
Transportation			
Service/Street M&R	14.5	14.5	14.5
Public Health Services			
Cemetery	8.5	7.5	7.0
Community Environment			
Building	1.0	1.0	1.0
Leisure Time Activities			
Parks and Recreation	21.0	20.0	20.0
Basic Utility Services			
Sewer	17.5	17.0	18.0
Electric	42.5	42.0	43.0
Water	14.0	14.5	15.0
Totals:	<u>192.0</u>	<u>191.0</u>	<u>193.5</u>

Source: City of Dover, Ohio Payroll Department

Method: Using 1.0 for each full-time employee and 0.50 for each part-time and seasonal employee.

(1) Data prior to 2000 is not available.

2003	2002	2001	2000
12.0	11.0	11.0	11.0
3.0	3.0	3.0	3.0
0.5	0.5	0.5	0.5
1.0	1.0	1.0	1.0
3.0	3.0	3.0	3.0
2.0	2.0	3.0	3.0
2.5	2.5	2.5	3.0
1.0	1.0	1.0	1.0
0.0	0.5	0.0	0.0
22.0	22.0	22.0	22.0
17.0	17.0	16.0	15.0
0.5	0.5	0.5	0.5
10.5	11.0	11.0	11.0
14.5	14.5	14.5	13.5
7.5	8.0	7.5	7.0
1.0	1.0	1.0	1.0
21.5	19.0	20.0	23.5
17.0	17.5	19.0	17.5
43.0	44.0	41.5	39.0
15.5	17.0	15.5	13.5
<u>195.0</u>	<u>196.0</u>	<u>193.5</u>	<u>189.0</u>

City of Dover, Ohio
Operating Indicators by Function/Program
Last Ten Years (1)

Function/Program	2006	2005	2004
General Government			
<i>Council and Clerk</i>			
Number of Ordinances Passed	57	59	62
Number of Resolutions Passed	22	29	27
<i>Planning Commission</i>			
Number of Planning Commission docket items	19	22	21
<i>Finance Department</i>			
Number of checks/ vouchers issued	3,852	3,769	3,822
Amount of checks written	\$43,454,567	\$43,182,203	\$37,144,990
Interest earnings for fiscal year (cash basis)	\$129,830	\$143,896	\$92,562
Number of Receipts issued	511	533	525
General Fund Receipts (cash basis)	\$6,081,615	\$5,721,478	\$5,368,211
General Fund Expenditures (cash basis)	\$6,163,730	\$5,851,883	\$5,864,617
<i>Income Tax Department</i>			
Number of Business net profit forms processed	1,179	1,018	953
Number of Individual forms processed	2,459	2,466	2,317
Amount of Penalties and Interest Collected	\$22,017	\$10,859	\$11,135
<i>Civil Service</i>			
Number of police entry tests administered			
Number of fire entry tests administered	0	0	1
Number of police promotional tests administered	1	0	0
Number of fire promotional tests administered	0	0	0
Number of hires of Police Officers from certified lists	0	0	4
Number of hires of Fire/Medics from certified lists	0	0	2
Number of promotions from police certified lists	1	0	0
Number of promotions from fire certified lists	0	0	0
<i>Building and Zoning</i>			
Estimated Value of Construction	\$11,867,945	\$13,716,916	\$12,159,784
Number of permits issued (all types)	251	211	192
Amount of Revenue generated from permits	\$14,342	\$11,397	\$9,575
Number of contractor licenses	282	289	323
Zoning Board of Appeals hearings	38	6	24

(1) Information for some years is not available

2003	2002	2001	2000	1999	1998	1997
81	66	73	78	91	77	71
12	14	13	20	16	12	18
23	20	22	19	28	31	21
2,664	3,985	3,841	3,959	3,845	3,661	3,798
\$36,584,280	\$30,109,669	\$33,758,267	\$23,153,468	\$27,010,683	\$25,900,390	\$30,404,870
\$141,486	\$221,171	\$370,265	\$400,150	\$495,579	\$387,765	\$288,510
498	728	476	542	540	613	288
\$4,826,541	\$4,548,997	\$5,048,181	\$4,205,243	\$4,714,202	\$4,569,704	\$3,835,042
\$5,656,883	\$4,870,002	\$4,685,516	\$4,235,995	\$4,442,850	\$3,939,108	\$3,982,756
914	891	869	818	794	818	n/a
2,029	1,948	1,862	1,824	1,638	1,669	n/a
\$9,969	\$6,177	\$5,346	\$3,075	\$4,548	\$4,167	n/a
1	0	1	0	0	0	1
1	0	0	0	1	0	0
0	0	0	0	0	0	2
3	1	0	1	3	4	1
2	0	2	0	2	0	0
2	0	0	0	3	0	0
0	0	0	0	0	0	2
\$8,714,316	\$8,249,060	\$8,921,422	\$9,286,965	\$14,306,406	\$5,192,583	\$11,438,089
236	220	235	246	219	198	158
\$10,348	\$8,745	\$10,134	\$10,285	\$5,437	\$4,262	\$4,248
254	226	287	268	276	250	246
31	32	31	16	35	28	21

(continued)

City of Dover, Ohio
Operating Indicators by Function/Program (continued)
Last Ten Years (1)

Function/Program	2006	2005	2004
Security of Persons and Property			
<i>Police</i>			
Total Calls for Services	11,866	12,270	12,586
Number of traffic citations issued	1,243	1,270	1,111
Number of parking citations issued	389	267	185
Number of felony arrests	83	260	78
Number of misdemeanor arrests	540	372	473
Number of traffic accidents investigated	391	441	410
Number of injury accidents	84	112	83
Number of fatal accidents	1	1	1
Prisoners	56	63	118
Prisoner meal costs	\$3,645	\$5,130	\$5,715
Total miles driven	154,186	154,883	144,860
Total gasoline used	13,928	14,179	13,411
<i>Fire</i>			
EMS Calls	1,182	1,128	1,160
Fire Calls	119	101	134
Training hours	1,325	1,632	1,505
Leisure Time Activities			
<i>Recreation</i>			
Recreation League fees	\$6,044	\$10,280	\$12,486
Transportation			
Tons of asphalt	4,052	7,137	5,965
Tons of limestone	1,217	1,500	n/a
Paint Striping (gallons of paint)	445	710	585
Street sweeping (days)	111	134	n/a
Man hours of leaf pick-up	1,284	1,284	1,352
Tons of salt	976	n/a	n/a
Water Department			
Average residential gallons of water billed monthly	5,100	5,100	5,040
Wastewater Department			
Average residential gallons of sewer billed monthly	5,010	5,010	4,950

(1) Information for some years is not available

2003	2002	2001	2000	1999	1998	1997
12,148	12,473	11,687	12,428	10,829	10,792	10,424
1,481	1,260	1,261	1,620	1,432	1,229	1,060
188	136	245	479	302	278	514
86	109	76	185	94	41	80
581	696	519	593	569	556	511
480	502	470	473	559	569	497
94	99	100	85	96	95	83
0	1	0	1	0	0	0
116	14	2	4	5	11	15
\$6,570	\$3,600	\$495	\$450	\$90	\$945	\$1,890
153,797	149,881	163,353	157,091	167,103	171,800	159,975
14,107	13,696	14,437	14,256	14,871	14,209	13,440
n/a	1,110	1,006	988	1,020	958	955
n/a	177	143	134	141	198	215
n/a	2,384	1,736	1,881	2,740	2,152	n/a
\$11,527	\$11,695	\$13,755	\$14,052	\$12,867	\$13,982	\$14,980
7,500	7,664	6,772	7,137	9,180	8,181	12,044
1,500	n/a	1,094	1,500	1,120	1,321	1,796
760	695	595	695	635	535	520
155	n/a	164	165	147	159	166
1,192	1,608	1,152	1,296	940	1,148	1,736
2,135	n/a	1,886	1,426	1,589	200	600
5,490	5,460	11,700	8,790	8,460	8,700	8,940
4,950	4,950	4,950	5,070	5,130	4,770	4,500

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

Function/Program	2006	2005	2004	2003
General Government				
Square Footage Occupied	1,932	1,932	1,932	1,932
Vehicles	1	1	1	1
Security of Persons and Property				
Police				
Stations	1	1	1	1
Square Footage of Building	6,468	6,468	6,468	6,468
Vehicles	9	9	9	9
Fire				
Stations	1	1	1	1
Square Footage of Building	6,900	6,900	6,900	6,900
Fire Hydrants	582	582	566	562
Vehicles	15	15	13	13
Leisure Time Activities				
Recreation				
Number of Parks	2	2	2	2
Number of Swimming Pools	2	2	2	2
Number of Tennis Courts	8	8	8	8
Number of Baseball Diamonds	9	9	8	8
Transportation				
Service				
Streets (miles)	70	70	69	68
Street Lights	2,369	2,352	2,318	2,314
Storm Sewers (miles)	33	33	32	32
Utility Services				
Sanitary Sewers (miles)	66	66	65	64
Electric Lines (miles)	354	355	331	339
Water Lines (miles)	84	84	82	82

2002	2001	2000	1999	1998	1997
1,932	1,932	1,932	1,932	1,932	1,932
1	1	1	1	1	1
1	1	1	1	1	1
6,468	6,468	6,468	6,468	6,468	6,468
9	9	9	9	9	9
1 #	1	1	1	1	1
6,900	6,900	6,900	6,900	6,900	6,900
555	543	533	508	508	501
11	11	11	11	10	11
2	2	2	2	2	2
2	2	2	2	2	2
8	8	8	8	8	8
8	8	8	8	8	8
68	67	66	65	65	64
2,307	2,270	2,197	2,172	2,168	2,131
32	31	30	29	29	29
63	63	62	61	60	60
369	351	352	352	324	328
81	80	79	77	76	75

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CITY OF DOVER, OHIO

POLICE DEPARTMENT

*To Serve
and Protect*





Mary Taylor, CPA
Auditor of State

CITY OF DOVER

TUSCARAWAS COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
SEPTEMBER 6, 2007**