



Dave Yost • Auditor of State

CITY OF DOVER
TUSCARAWAS COUNTY

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Dave Yost • 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, 2010, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 10, 2011, wherein we noted the City's capital assets were restated due to an error in the Construction in Progress account. Construction in Progress was decreased and Net assets at January 1, 2010 have been restated accordingly. 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 the purpose of expressing our opinion on the financial statements, but not for the purpose of opining 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies or material weaknesses. However, as described in the accompanying Schedule of Findings we identified a certain deficiency in internal control over financial reporting, that we consider a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and timely corrected. We consider finding 2010-01 described in the accompanying Schedule of Findings to be a material weakness.

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 matters not requiring inclusion in this report that we reported to the City's management in a separate letter dated June 10, 2011.

The City's response to the finding identified in our audit is described in the accompanying Schedule of Findings. We did not audit the City's response and, accordingly, we express no opinion on it.

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 black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

June 10, 2011

**CITY OF DOVER
TUSCARAWAS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2010**

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

FINDING NUMBER 2010-01

Material Weakness

Financial Reporting Including Capital Asset Accounting

As a result of the audit procedures performed, errors were noted in the financial statements that required audit adjustments as follows:

- A General Fund inheritance tax receipt totaling \$158,309 received outside the City's available period of 31 days for revenue recognition was improperly recognized as intergovernmental revenue rather than as deferred revenue.
- A Master Capital Fund land acquisition expenditure encumbered prior to December 31 but not paid until after December 31 totaling \$175,000 was not properly recognized as a year-end liability.
- During testing of capital assets, certain deficiencies in the City's capital asset worksheets were identified that contributed to a restatement of the January 1, 2010 beginning balances in the Sewer Fund, Electric Fund and Governmental Type Activities totaling \$65,622, (\$3,793,270) and (\$39,797), respectively. Deficiencies include: 1) The master capital asset listings did not always agree to the summaries of capital asset additions, deletions, and depreciation, 2) Depreciation worksheets did not always properly calculate annual and accumulated depreciation, 3) The master capital asset listings appeared to include assets whose values were less than the capital asset threshold of \$1,000 and 4) Detailed listings of construction in progress are not maintained for each on-going City project.

The financial statements and client's capital asset listings have been adjusted accordingly.

Sound financial reporting is the responsibility of the City Auditor and City Council and is essential to help ensure the information provided to the readers of the financial statements is complete and accurate.

To help ensure the City's financial statements and notes to the financial statements are complete and accurate, the City should adopt policies and procedures, including a final review of the statements and notes by the City Auditor and City Council, to identify and correct errors and omissions. The City Auditor should also review their capital asset worksheets to ensure formulas are correct and the worksheets properly roll forward to each capital asset summary. In addition, the City should consider utilizing a capital asset accounting system. This will help the City more accurately track its capital assets for financial reporting.

FINDING NUMBER 2010-001 (Continued)

Official's Response:

It is a timing issue regarding the inheritance tax as to when it arrives before or after the available period. The dollar amount remains the same whether it is recognized as intergovernmental or deferred revenue. We have consistently in the past regardless of the date received included the amount when reporting intergovernmental revenue with no objection. It is duly noted to take notice of the available period and adjust the journal entry accordingly.

The \$175,000 land purchase was included in the encumbered balance at the end of 2010, therefore reducing the available unrestricted balance, although, the purchase was not included in the accounts payable journal entry, the desired effect of restricting the amount of the available money at year end was achieved by the encumbrance of the purchase.

The fixed assets have been an ongoing issue. The restatement of the assets was a necessary adjustment of projects that were included in construction in progress and then not finished to the extent of becoming a fixed asset, therefore needing to be expensed as maintenance. Our fixed asset inventory is extensive and is being tracked using a spreadsheet program. Given the number of assets and the dollar amounts some immaterial discrepancies in the calculation of the annual and accumulated depreciation is inevitable. We have with the help of the Local Government Services division of the Auditor of State's Office tried to review and streamline the calculations used in the spreadsheet program, however, we agree, although, a spreadsheet program is adequate and creates no material differences, the program is not the most desirable way to track our assets. We will take into consideration the suggestion of purchasing a capital asset accounting program

COMPREHENSIVE ANNUAL FINANCIAL REPORT



THE CITY OF **DOVER, OHIO**

FOR THE YEAR ENDING DECEMBER 31, 2010



Pictured on the front cover are two projects that reached completion in 2010. Both were projects of the Ohio Department of Transportation and had been in the planning stages for years. The County Road 80 interchange (Exit 85 from Interstate 77) was an \$11,170,034 project, funded by the federal government with a local share of \$1,000,000 paid by the City of Dover. The interchange was designed to provide much needed traffic relief and provide access for growth in the northern part of the City.

The second project was the replacement of the Tuscarawas Avenue Bridge, one of two bridges that cross the Tuscarawas River in Dover. The original bridge built in 1906 had reached the end of its useful life. The project price tag of \$3,640,446 was funded with state, federal and local money. The new multi-span, multi-beam bridge is complete with sidewalks and pedestrian railing.

Both projects were officially opened to the public on November 12, 2010 at a ribbon cutting ceremony at each venue.

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Prepared by the
City of Dover Auditor's Office

Mary J. Fox – Dover City Auditor

Debra L. Edwards – Assistant Auditor

Kelly L. Elliott – Office Assistant



THE CITY OF **DOVER, OHIO**

FOR THE YEAR ENDING DECEMBER 31, 2010

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INTRODUCTORY SECTION



THE CITY OF DOVER, OHIO

City of Dover, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2010
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City Of Dover
Auditor's Office

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June 10, 2011

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, 2010, 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, 2010. 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 early 1900's. By December 18, 1915, the City was officially changed to 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 desirable City to live in Tuscarawas County, as property values have outpaced inflation. The underlying strength of Dover's growing economy comes from its diversity. Dover does not depend on one firm for local employment; five 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, PNC, First Federal Bank) are located in the City. Financial institutions located in the County had total deposits of \$210,142,000 on December 31, 2009 (the latest information available).

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 Time 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.

Union Hospital remains our largest employer and the City considers itself fortunate to be home to an award winning hospital. In 2009, Union Hospital was named by Thomson Reuters a “100 Top Hospitals” award winner. The award placed Union Hospital among the best hospitals in the nation for a combination of clinical outcomes, patient safety, financial stability and patient satisfaction scores. The data collected for the award is reported to the federal government and can be viewed at www.unionhospital.org and click on Quality. Union Hospital was also recognized by Hospitals & Health Network magazine as one of the Nation’s twenty five “Most Wired Small and Rural Hospitals”. The hospital’s goal is moving away from paper toward a fully electronic system. Some of the “wired” programs started or being developed will enable the physicians to order and receive tests and their results from their own office. The ultimate goal of the hospital would be to have a portal on the website where patients can schedule their hospital appointments, get test results, access their medical records and pay their bills through a secure Regional Health Information Exchange. This network could be accessed by other hospitals to help increase continuity of care, increase access to physician care, and keep costs among the lowest in Ohio.

The City of Dover will partner with Union Hospital to install a fiber communication backbone throughout the hospital’s campus in 2011. The need is present to connect the Community Mental Healthcare Agency located within the medical park in order to help alleviate a growing caseload and a shortage of psychiatrists. Connecting via fiber to the Ohio University at Athens will bring a much needed psychiatrist to the Dover facility.

Moore & Neidenthal Inc, Certified Public Accountants opened its newly constructed building in May of 2010. The firm has been in operation for more than 40 years in Dover, and was formerly located in the downtown area. The move places the firm close to the new interchange providing easier access for their customer base located throughout the surrounding counties. The building provides more space, parking, ergonomic workstations, electronic document storage, and many energy efficient enhancements.

The Lavendar and Lace Bridal Salon, which opened in August of 2006 in downtown Dover, has exceeded the owner’s original expectations. In the years since the salon opened, the number of employees has doubled and the salon expanded to include homecoming and prom dresses. The clientele includes local brides and out of state brides. The designer dresses are chosen very carefully for a mix of styles, designs, and price points. The website has allowed for many brides to see some of the exclusive designer lines carried by only a few stores which bring them to Dover for a one stop shopping experience for their special day. The store also handles mother of the bride, attendants’ dresses and many accessories.

Another local business which specializes in unique one of a kind item is McDonald Niklaus Framing & Treasured Gifts which opened in Dover 19 years ago. Stone Mountain Studio, located inside, features local artist Nancy McDonald’s talents which include oils, pastels, watercolors, acrylics, collages, and clay prints.

Local artists are featured that include photographers and sculptors as well. The gift gallery represents more than 23 talented craftsmen. Framing is a large part of the business and in 2010 the business was recognized in a national magazine for the trade. The preservation of art and photographs is a service they take very seriously and are constantly looking for ways to improve and customize each job making the customer’s experience unique and rewarding.

Major Initiatives

For the Year

The City of Dover considered 2010 a banner year. On November 12, 2010 the City opened two newly constructed bridges, one of which was part of a newly constructed interchange at the north end of the City. These projects were years in the making and both reached completion almost simultaneously. The openings consisted of ribbon cutting ceremonies and many thanks to all that made these projects a reality. Read more about the bridges and the interchanges on the inside cover of this report.

In 2010, the City owned and operated electric generating plant reached its 100 year anniversary. This is a milestone of which the City is extremely proud. The generating plant is one of five its size in Ohio. The construction of the electric plant was a hard fought battle by the City's administration more than 100 years ago. The plant was completed and opened its doors in 1910. The City celebrated the anniversary in many ways with education at the forefront. Brochures explaining the history of the plant throughout the years and an activity book were printed for distribution to the public. The activity book is a teaching tool the City will take to the schools for many years to come. The City's Mayor, Richard Homrighausen is very active in all aspects of the plant, serving as president of the Ohio Municipal Electric Association for many years. The organization advocates the needs of the small generating plants in Ohio. He testifies before the United States Senate Sub Committee often to provide our legislators with the voice of the communities affected by pending legislation. The following is an excerpt of the speech presented on March 17, 2011 at U.S. Senate Committee hearing:

The City of Dover's electric system is supported by electric generation units directly owned by the City, some jointly owned units, as well as electricity purchased through our membership in American Municipal Power, Inc. (AMP). AMP is a wholesale electricity and services provider for 128 member municipal electric systems located in Ohio and five other states. Dover's membership in AMP has enabled us to benefit from a more diversified power supply portfolio than what we could have developed by ourselves, which includes renewable as well as fossil resources. Over the next several years, Dover's participation in AMP-developed projects is expected to add approximately 18.7 mega-watts(MW) of new coal, hydroelectric, and solar capacity to our power supply portfolio.

Even with the planned diversification of our energy portfolio, Dover is still highly dependent on cost-effective Midwestern coal-fired generation. Dover is located in coal country, and the cornerstone of the City's electric system is the City-owned, 16-MW coal-fired baseload power plant. Through its membership in AMP, Dover also is a participant in the Prairie State Energy Campus, a new 1600-MW baseload coal plant currently under construction in Illinois and scheduled to commence commercial operation of the first unit later this year. Once completed, Prairie State will supply Dover with approximately 5 MW of some of the cleanest coal-fired capacity in the nation. In addition to these Dover and AMP projects, Dover obtains approximately 23 percent of its power supply needs from the wholesale electric market. In our region of the country, the Energy Information Administration (EIA) estimates that approximately 72 percent of these wholesale market purchases come from coal-fired generation units. Thus, regulations that impact any coal units in our region are expected to impact the cost of electricity for Dover and our customers.

Dover's other local generation resources include an additional 16.2 MW of "stand-by" electricity that can be generated by our natural gas turbine. We have seven diesel generators with a total capacity of 13.4 MW. Four of these diesel units are solely owned by the City, and three are jointly owned by the City and AMP.

With our on-site capacity, we are able to generate approximately 37 percent of our electricity demand locally. The reliability and energy security value of these local power generation resources was reinforced by the August 2003 blackout in our part of the country. While surrounding communities were without power for hours, and in some instances days, Dover never lost power. But the benefit of having and maintaining local generation comes with significant costs to the City, particularly compliance costs related to an ever-increasing array of environmental regulations on our fossil – and especially coal-fired – generation resources.

Unlike larger investor-owned utility companies, Dover does not own or have access to a fleet of power plants that we can selectively control or shut down in response to new emission control requirements. Thus, environmental regulations on coal-fired generation resources can have a greater impact on the power supply decisions made by municipal electric systems such as ours, because we have limited response options to such regulations. Put simply, EPA's rulemakings can put us in the untenable position of deciding to either spend millions of dollars on the plant upgrades necessary to assure compliance, or

shut down our local generation capacity. While neither option is acceptable to us, the latter decision is one we especially hope to avoid, as it would result in loss of local decision-making and control of our power supply, increased vulnerability to volatile electricity markets, eventually higher electricity costs to customers, and direct job losses at our power plant. Because business decisions are most often related to their costs, we can only expect that significant electricity cost increases in Dover would also result in negative economic impacts for our energy-intensive business customers.

Over the years, Dover has invested significant time and resources in order to position our local power generation to continually advance in a logical, measured way that assures both reliability and environmental stewardship while maintaining costs.

The \$13 million dollar expansion of the Wastewater Treatment Plant is completed. The expansion doubled the plant's existing capacity and changed the way the waste is processed. The new process uses the submerged membrane activated sludge technology and new headworks facilities including new fine screens and grit and grease removal, thus eliminating the primary settling tanks. While the City funded the engineering and design phases through the sewer fund, the actual construction was paid for by an Ohio Water Development Authority (OWDA) loan; the City began repayment of the loan in June of 2009.

Funding was put in place for a major storm sewer project which began in the spring of 2011. This project was much needed and anticipated for many years. One of the major initiatives of the City is always to maintain, upgrade and expand our infrastructure.

Department Information

During the snow season of 2010 the first snow salting began on December 10, 2009, and we had periodic salting until February 28, 2010. The entire salting season required 2,125 tons of salt.

The storm sewer catch basin program went well with 23 catch basins being repaired or rebuilt. Crews were kept busy this year by installing 2 new catch basins 200 feet of 14" plastic pipe.

Mowing of the City's right of ways is done by the general services division. There are 50 plus locations throughout the City that are maintained by mowing and weed eating. Mowing is done weekly, bi-weekly, and monthly as required. Mowing started April 12, 2010 and went until October 11, 2010.

The leaf season started on the 1st of November, lasting 31 working days and finished on the 16th of December. Leaves were picked up using our leaf machine and two truck mounted collection boxes. For the entire process we used 632.8 gallons of diesel fuel and 992 man-hours.

The City of Dover's mini dump was used primarily as a collection area again this year for the brush, construction materials and cement that we collected from the 1,632 brush slips received throughout the year. Construction materials were disposed of at Kimble's Landfill at a cost of \$11,226.

The general services division also maintains traffic control devices. There are 29 traffic light systems, 12 four way flasher/warning flashers, and 8 school speed limit light systems in the City of Dover. Signs are also a big part of our program with 95 new signs and 24 new posts being installed in 2010. The majority of these signs are installed to replace old worn signs and stolen or damaged ones, while others are to keep in compliance with the Ohio Uniform Traffic Code.

The City of Dover operates and maintains three cemeteries. In 2010, 95 ground spaces, 2 mausoleum crypts and 9 cremation niches were sold. 73 ground burials and 34 cremations were conducted throughout 2010.

In 2010, the Cemetery department completed a new cremation scattering garden located at Dover Burial Park. The project was done by the Cemetery department. To make way for the garden, there was the excavation for 75' walkway leading up to the garden and 130' walkway around the garden. Other work included compacting a crushed limestone base for the stone pavers to be placed, installing a catch basin and drainpipe beneath the walkway, laying the paver walkway and planting the garden area with a weeping cherry tree, 250 daffodils and purple creeper ground cover. Lastly, work was completed by setting the granite bible feature for memorization. There were six pre-need rights sold in 2010 for the scattering garden. An additional section of one cemetery was completed in June of 2010; 23 lots were sold from that section in 2010. To maintain the park like atmosphere 22 trees of different species were planted.

There were many improvements made at the Dover City Park in 2010. The playground area was landscaped with the addition of a paver walkway and picnic area. The property acquired in 2009 received renovations that included new vinyl siding, new entrance doors, and a stone façade on the office area exterior. It is the City's goal to move the park offices to this location from Memorial Hall. A maintenance garage was converted to a much needed restroom facility in that area of the park and the picnic shelters had new vinyl siding installed.

The City took ownership of the two concession stands located in the park and at the pool. These stands, historically owned by independent contractors, are now operated by parks and recreation personnel throughout the summer months.

The Dover Police Department was kept busy in 2010. The department received 10,443 calls, investigated 366 traffic accidents, 68 of those involving injuries. The department investigated 3 rapes, 3 robberies, 14 burglaries, 8 vehicle thefts and 31 assault cases. 2010 saw two fatalities responded to by the Police Department, one a homicide and the other a vehicle fatal accident.

The Police Department continued to provide services such as escorts for bank deposits, funeral escorts, and unlocking citizens' car doors and checking citizens' homes while they are away for an extended period. Investigation into private property vehicle accidents is also provided. The Department maintains 6 marked cruisers, 2 unmarked vehicles and a specially equipped Special Response Team van. The team consists of six officers specially trained to handle difficult situations.

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

We are very proud of the services provided to our City's residents and applaud the efforts of our departments in maintaining a progressive approach to management and continually upgrading their education and licenses as well as implementing new ideas to make the City services they provide to its citizens the best they can be.

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

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

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

Department Focus Each year the City of Dover selects a department to focus on. This year we would like to focus on the Electric Field department. Our distribution system is an integral part of the City's power supply to our citizens. The Electric Field Division is all about service, expanding our electric service to new construction, new allotments and upgrading service to existing customers. The Dover Light and Power's slogan is "Reliable, Affordable, Local Power. The Electric Field Division is a major part of the reliable portion of that slogan. The citizens are very fortunate to have such an efficient department in their community restoring power during the storm seasons in Ohio. Power is restored to residents within hours, while other areas bordering the City have been without power for days. This efficiency makes Dover's power a selling point when attracting new business or maintaining existing business. The department responded to 477 reports of wires down or other electrical problems in the past year.

In 2010, the department received three awards from AMP. The first is a safety award for having no lost time injuries. Safety is of the utmost importance to the City and all employees are furnished with Arc Flash related gear, and safety equipment. We also offer any related training, whether mandatory to the position or not, to employees to encourage the safest work environment possible. The second award was for our 100 year anniversary and the third was for the electric portion of the City's website.

The Electric Field Division helps with many community events, logging 265 hours in 2010 in other departments and providing temporary power for all of the downtown festivities. The department also "lights up" the City for Christmas. This past Christmas the lights used for the tree and the downtown area were replaced with LED energy efficient lights.

We are very proud of the work of the Electric Field Division; the work completed by the department is done competently and efficiently and is considered an asset to the City of Dover.

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 to the master capital fund to help provide considerable pay-as-you-go financing of governmental capital projects and capital assets. Traditionally, the City has funded projects for our enterprise funds by issuing mortgage revenue bonds and bond anticipation notes as necessary. To fund our Wastewater treatment plant, the City of Dover has secured a low interest loan through the Ohio Water Development Authority (OWDA). The City also has secured a loan for our portion of the Tuscarawas Avenue Bridge project through the State Infrastructure Bank. A no interest loan was obtained through the Ohio Department of Development to be used as part of the financing for the Wills Avenue storm sewer project.

One project that continues to be a long term goal is the construction of a new City Hall. This project will take years to plan, design and build. The City is taking the necessary steps to secure the financial condition and prioritizing projects before embarking on such a major undertaking, but continues to take steps to making the project a reality.

Relevant Financial Planning

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

The split of our City's income tax revenue has been addressed elsewhere in the report; however, the practice of allocating 40 percent of our income tax revenue to the master capital fund continues to be a most valuable tool. In the time of financial downturn the percentage can be lowered to allow for additional yearly revenue for operating expense, but otherwise, 40 percent of income tax revenue is used to maintain and grow our City, providing infrastructure and enhancements to serve our citizens. In 2010, only 20 percent of income tax was allocated to the master capital fund, as operating funds needed additional revenue.

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

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

Awards

GFOA Certificate of Achievement The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Dover for its Comprehensive Annual Financial Report for the year ended December 31, 2009.

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-ninth Tree City USA Award for the year ended December 31, 2010. These prestigious awards recognize the City for its annual program of planting new trees and maintaining and removing old trees. Dover has been the second longest recipient of this award at the City level.

Acknowledgments

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

We are happy to report that the City's financial policies and management have enabled Dover to continue to provide a sound financial condition. Each year we renew our commitment to implement responsible and progressive changes in order to improve our responsiveness to the citizenry and to insure the financial stability of the community. We extend our appreciation to City Council for its support and commitment to responsible fiscal reporting.

Respectfully submitted,



Richard P. Homrighausen,
Mayor



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, 2009

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.



A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

City of Dover, Ohio
Principal Officials
December 31, 2010

Mayor Richard P. Homrighausen
President of Council..... Timothy W. Tarulli
Councilman – Ward I.....Gregory M. Bair
Councilman – Ward II Shane Gunnoe
Councilman – Ward III Sandra K. Moss
Councilman – Ward IV Robert A. Mueller
Council-at-Large Tony Kornes
Council-at-Large Joseph A. Parolini
Council-at-Large Donald H. Maurer
Clerk of Council..... Julie L. Leggett
Law Director Douglas J. O’Meara
Building Inspector..... Jeffrey C. Beitzel
Civil Service.....Jeffrey C. Border

Finance Department

Auditor Mary J. Fox
Treasurer Nicole L. Stoldt
Income Tax Administrator Cheryl J. Saylor

Safety Department

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

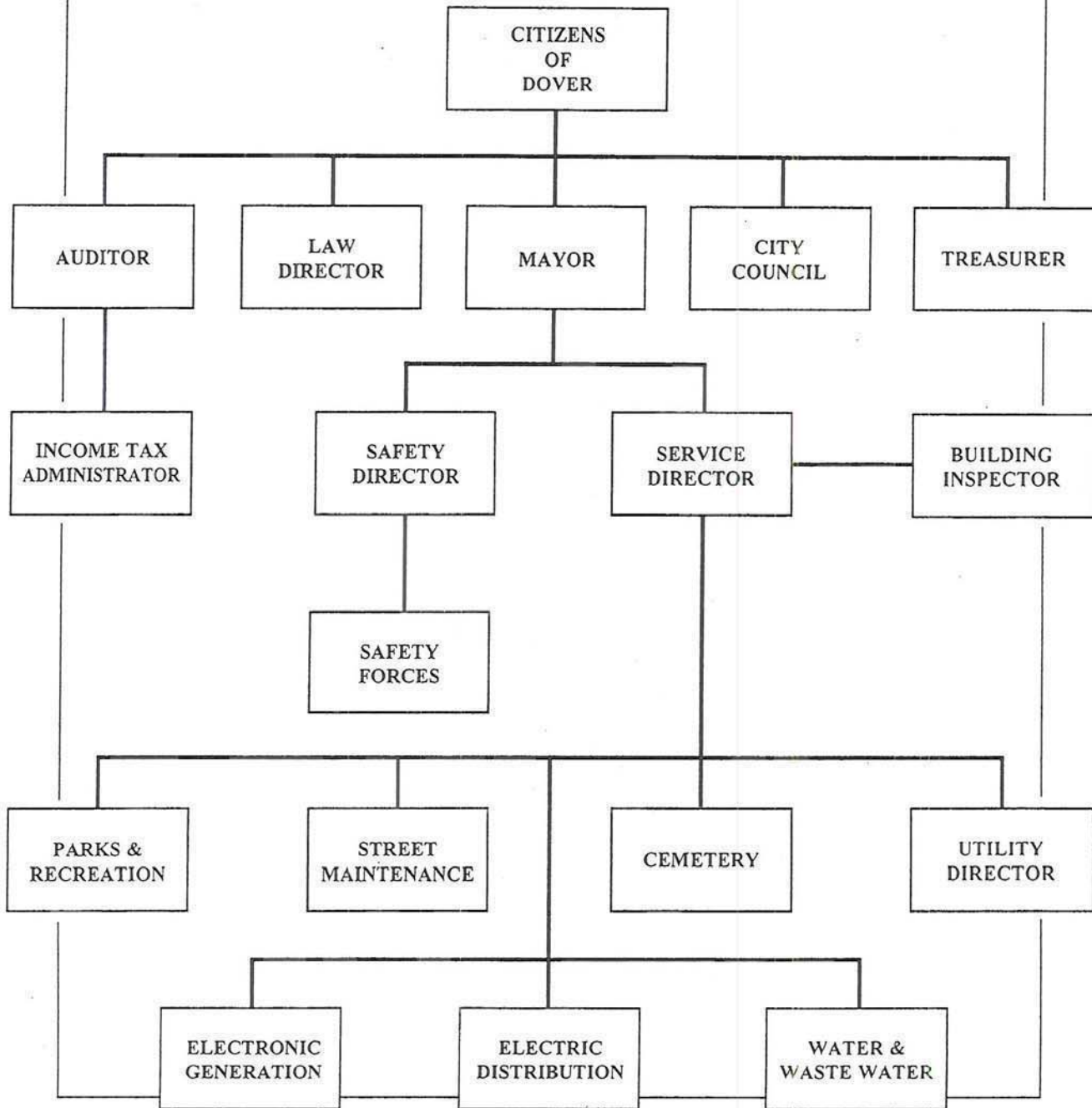
Service Department

Service Director David F. Douglas
Cemetery Scott Harmon
Electric Distribution..... Lawrence D. Lautzenheiser
Electric Plant..... David A. Filippi
General Services Rick D. Young
Parks and Recreation..... Scott A. Jerles
Utilities Office Susan Solvey
Water and Sewer William R. Craigo



CITY OF DOVER, OHIO

Organization Chart



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FINANCIAL SECTION



THE CITY OF **DOVER, OHIO**

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Dave Yost • 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, 2010, 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, 2010, and the respective changes in financial position and where applicable, cash flows, thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As more fully discussed in Note 3 to the basic financial statements, the City's capital assets were restated due to errors in the Construction in Progress account. Construction in Progress was decreased and Net assets at January 1, 2010 have been restated accordingly.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 10, 2011, 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.

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis* and *required budgetary comparison schedule* as listed in the Table of Contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any other assurance.

We conducted our audit to opine on the financial statements that collectively comprise the City's basic financial statements taken as a whole. The introductory section, the financial section's combining statements, individual fund statements and schedules, and the statistical section information provides additional analysis and are not a required part of the basic financial statements. The financial section's combining statements, individual fund statements and schedules are management's responsibility, and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. These statements and schedules were subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. 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 section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.



Dave Yost
Auditor of State

June 10, 2011

City of Dover, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2010
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, 2010. 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 2010 are as follows:

- The major accomplishment for the City of Dover in 2010 was the addition of an additional I-77 interchange at the north end of the City. This interchange has been in planning for many years. The project was funded primarily by federal monies and was a project of the Ohio Department of Transportation. The City of Dover contributed \$1 million to the project which was completed in 2010 and officially opened to traffic on November 12th of 2010. This interchange opens up the opportunity for growth in that area which has the potential for many types of commercial endeavors.
- During 2010, the City secured partial funding from the Ohio Public Works Commission (OPWC) for the replacement and extension of an existing storm sewer. The storm sewer which is located in what is considered the Reeves Heights addition of the City involves many streets. The project was initially estimated at \$1,213,000. The financing is as follows: \$640,000 from a note issued by the City, \$100,000 in an interest free loan from the Ohio Department of Development, a \$399,000 grant from OPWC, and additional costs paid from City funds. The project was bid and awarded in early 2011.
- The former Elks building which the City purchased in 2005 was razed. The property is adjacent to City Hall and adds to the area which will be the site of the future City Hall. Although there are no immediate plans to build a new City Hall, the City continues to plan for the future and has been expanding its footprint to allow for the new building with adequate access and parking.

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 2010 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.

City of Dover, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2010
Unaudited

However, to properly evaluate the operation of the City, certain non-financial items should be taken into consideration. These items would include the current economic situation as a whole, the current tax base for the City and the age and condition of the City's buildings and infrastructure.

In the Statement of Net 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 nineteen 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, 2010
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 2010 as they compare to 2009.

Table 1
Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Assets						
Current and Other Assets	\$8,041,044	\$6,342,699	\$17,063,161	\$16,222,589	\$25,104,205	\$22,565,288
Capital Assets, Net	16,808,739	16,763,145	53,528,851	55,235,313	70,337,590	71,998,458
Total Assets	24,849,783	23,105,844	70,592,012	71,457,902	95,441,795	94,563,746
Liabilities						
Current Liabilities	2,814,545	2,216,880	2,238,972	3,441,817	5,053,517	5,658,697
Long-Term Liabilities						
Due Within One Year	139,303	167,009	1,195,247	1,210,822	1,334,550	1,377,831
Due in More Than One Year	4,536,045	3,626,892	30,674,522	32,580,962	35,210,567	36,207,854
Total Liabilities	7,489,893	6,010,781	34,108,741	37,233,601	41,598,634	43,244,382
Net Assets						
Invested in Capital Assets, Net of Related Debt	14,068,739	14,563,145	22,616,181	22,607,499	36,684,920	37,170,644
Restricted for:						
Cemetery	654,587	632,997	0	0	654,587	632,997
Street Maintenance and Repair	256,472	115,661	0	0	256,472	115,661
Ambulance	167,550	250,831	0	0	167,550	250,831
Revolving Loan Program	518,920	504,913	0	0	518,920	504,913
Shade Tree	2,737	2,737	0	0	2,737	2,737
Law Enforcement and Education	37,753	38,511	0	0	37,753	38,511
Debt Service	0	0	1,525,242	1,530,347	1,525,242	1,530,347
Capital Projects	762,907	1,514,623	0	0	762,907	1,514,623
Replacement and Improvement	0	0	2,416,222	2,429,686	2,416,222	2,429,686
Unrestricted (Deficit)	890,225	(528,355)	9,925,626	7,656,769	10,815,851	7,128,414
Total Net Assets	\$17,359,890	\$17,095,063	\$36,483,271	\$34,224,301	\$53,843,161	\$51,319,364

In total our net assets showed increases for the year with the retirement of long-term debt being a significant factor in the increase. Also contributing to the increase was an increase in current assets, as cash balances increased.

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

City of Dover, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2010
Unaudited

Table 2 shows the changes in net assets for 2010 for both governmental and business-type activities.

Table 2
Change in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues						
Program Revenues						
Charges for Services and Sales	\$1,222,714	\$1,244,852	\$25,861,705	\$23,898,435	\$27,084,419	\$25,143,287
Operating Grants and Contributions	699,620	835,492	0	0	699,620	835,492
Capital Grants and Contributions	337,425	0	0	0	337,425	0
Total Program Revenues	2,259,759	2,080,344	25,861,705	23,898,435	28,121,464	25,978,779
General Revenues						
Property Taxes	941,708	1,183,508	0	0	941,708	1,183,508
Income Taxes	6,150,379	5,491,170	0	0	6,150,379	5,491,170
Grants and Entitlements	1,627,904	1,243,082	0	0	1,627,904	1,243,082
Investments	81,244	333,594	4,417	21,616	85,661	355,210
Miscellaneous	289,210	187,094	637,903	287,546	927,113	474,640
Total General Revenues	9,090,445	8,438,448	642,320	309,162	9,732,765	8,747,610
<i>Total Revenues</i>	<i>11,350,204</i>	<i>10,518,792</i>	<i>26,504,025</i>	<i>24,207,597</i>	<i>37,854,229</i>	<i>34,726,389</i>
Program Expenses						
General Government	1,396,691	1,394,202	0	0	1,396,691	1,394,202
Security of Persons and Property	4,566,373	4,637,683	0	0	4,566,373	4,637,683
Transportation	842,745	3,666,602	0	0	842,745	3,666,602
Public Health Services	1,078,392	757,168	0	0	1,078,392	757,168
Community Environment	106,332	108,259	0	0	106,332	108,259
Basic Utility Services	610,467	532,610	0	0	610,467	532,610
Leisure Time Activities	2,474,704	1,010,371	0	0	2,474,704	1,010,371
Interest and Fiscal Charges	9,673	73,248	0	0	9,673	73,248
Enterprise Operations:						
Sewer	0	0	2,886,179	2,839,223	2,886,179	2,839,223
Electric	0	0	19,311,806	18,429,586	19,311,806	18,429,586
Water	0	0	2,047,070	1,715,425	2,047,070	1,715,425
Total Program Expenses	11,085,377	12,180,143	24,245,055	22,984,234	35,330,432	35,164,377
Increase (Decrease) in Net Assets	264,827	(1,661,351)	2,258,970	1,223,363	2,523,797	(437,988)
Net Assets Beginning of Year	17,095,063	18,756,414	34,224,301	33,000,938	51,319,364	51,757,352
Net Assets End of Year	\$17,359,890	\$17,095,063	\$36,483,271	\$34,224,301	\$53,843,161	\$51,319,364

City of Dover, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2010
Unaudited

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 \$6,150,379 in 2010. By City ordinance, income tax proceeds, after income tax department expenditures, are credited to the following funds: 40 percent of the net income tax to the master capital, capital projects fund and the remaining balance divided between the cemetery special revenue fund, the street maintenance and repair special revenue fund, the police and fire pension special revenue fund and the general fund. In 2010, the City changed the practice of putting 40 percent of income tax revenue to 20 percent into the master capital fund which continues to be an excellent tool in making capital improvements, maintaining City streets and purchasing equipment. The City has had to reduce the percentage to the master capital fund before to cover the expenses outpacing revenue in the operating funds. It is the plan to review this practice on a yearly basis in an effort to ensure good operating balances along with ample dollars for capital improvements.

Security of persons and property represent the largest expense of the governmental activities and includes the police and fire departments. The yearly expense slightly decreased as compared to 2009. This decrease is a result of the City's continued efforts to control costs in every department. Both of these departments are paid out of the general fund.

Our fire department employs 18 full time employees including the Chief. The City is committed to maintaining a very efficient department. Regular meetings, drills and training sessions are held. There is a strong emphasis on equipment with financial planning in place for replacement of worn equipment on a regular basis. The department's functions include firefighting, emergency medical service (including paramedic service), fire prevention education and investigation. The department also contracts with Dover Township to provide firefighting and emergency medical services. The revenues generated by this contract are reported under the charges for services area.

Our police department is a full-time, 24 hour a day, 365 days a year department with 19 officers, including a full time Chief.

Our street maintenance and repair and traffic department employs 14 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 decreased from 2009. This decrease is primarily the result of 2009 including the cost of the City's share of two ODOT projects, the 77 interchange and the Tuscarawas Avenue bridge.

The City also maintains three cemeteries (public health services) and two parks (leisure time activities) within the City. Public health services increased in 2010, due to wage increases and increased purchasing of supplies. Leisure time activities increased slightly, primarily due to increased salary and benefit costs.

City of Dover, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2010
Unaudited

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 2010, the electric utility generated \$20,680,073 in charges for services revenue. In 2001, the City entered into a joint venture project with other municipalities and AMP (American Municipal Power) to ensure the availability and consistent pricing when purchasing peak power. The City is always looking for ways to generate and purchase the most affordable power to the Citizens of Dover. Our mayor remains involved on a daily basis with other electric communities partnering and exploring all avenues of the electric industry to continue to provide this unique high quality service to Dover.

The water utility serviced 5,608 consumers with a minimum monthly pumpage of 1.01 million gallons and a maximum monthly pumpage of 2.95 million gallons in 2010. The water plant was put into service in 1998. The raw water is supplied through four wells currently in service into the plant where the water is treated with chlorine and filtered through green sand filters and distributed throughout the City. The City has three water towers.

The sewer facility processed an average of 1,383,200 gallons per day during 2010. The sewer plant expansion was a major project for the City. This \$13 million expansion broke ground in 2007. The City has paid for the engineering and design through the sewer fund and funded the remainder with a loan through Ohio Water Development Authority for the construction phase of the project. The City began to repay the 20 year loan in June of 2009. The new sewer plant was being tested throughout 2009. The final phase of the plant was completed in 2010.

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 2010, charges for services accounted for approximately 97.6 percent of the revenues. The total expenses for the utilities increased from 2009 due to increases in purchased services and depreciation. The City had an increase in net assets 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 \$6,780,649 and expenditures of \$6,194,048, resulting in an excess of revenues over expenditures. An increase in several revenue sources, most notably income tax, and a decrease in expenditures led to the overall increase in fund balance as compared to 2009. The master capital fund had revenues of \$956,994 and expenditures of \$2,167,800, leaving an excess of expenditures over revenues. After factoring in the issuance and repayment of notes, this fund had a slight decrease in fund balance. The income tax allocated to the master capital fund has always been the source of revenue for many projects such as the purchase of land and equipment and improvements to infrastructure. In 2010, the master capital fund received 20 percent of income tax collections, allowing many smaller projects to be funded and completed. It is a practice of the City to pay cash for items such as fire trucks. Sinking funds are only utilized when necessary. The City's funds are monitored consistently with adjustments made throughout the year in budgets to accommodate yearly revenues.

City of Dover, Ohio
Management's Discussion and Analysis
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Unaudited

The one fund that consistently exceeds our expense expectations is our employee health insurance fund. Our medical/surgical and dental benefit plans have been self-funded since 1988. An ordinance was passed in 2007 to increase the premium by \$300 monthly and allow for an additional \$100 per employee per month to be contributed to the fund on an as-needed basis. We are consistently negotiating with all our unions for plan modifications and increased employee contributions to help control plan costs.

Information about the proprietary funds starts on page 21. These funds are accounted for on an accrual basis. Two of the three funds had expenses exceeding revenues in 2010, decreasing the net assets of the electric and water funds. The City consistently monitors these funds and takes the required actions to ensure strength in our enterprise funds. In 2008, the City found it necessary to pass along a 25 percent water rate increase effective in January of 2009. In an effort to avoid large percentage increases in the future, a 3 percent increase will be effective in January of every year to come. This increase will allow the City to properly maintain and grow the water system for the future.

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 that level may only be made by Council action.

For 2010, general fund appropriations were modified by Council four times. Final budgeted revenues and final appropriations were both higher than their respective original amounts due to revised estimates in all revenue categories and most expenditures. Actual revenues were higher than the final budgeted revenues due to higher income tax collections and intergovernmental revenues. Actual expenditures were lower than the final appropriations due to conservative budgeting.

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

Strong emphasis is placed on fund balances. The City Auditor reviews fund balances on a daily basis. Special attention is paid to the operating funds, which are the general, street maintenance and repair, cemetery, electric, sewer, and water funds. Council also receives a monthly report showing beginning fund balance for all funds at the beginning of the year, the change in the balance thus far year to date, and the current fund balance.

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

City of Dover, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2010
Unaudited

Capital Assets

(Table 3)
 Capital Assets at December 31
 (Net of Accumulated Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Land	\$1,265,813	\$1,075,202	\$435,066	\$435,066	\$1,700,879	\$1,510,268
Construction in Progress	58,759	509,290	343,520	20,504,837	402,279	21,014,127
Buildings	1,962,066	2,069,579	22,641,418	13,751,970	24,603,484	15,821,549
Improvements other than Buildings	1,025,789	934,996	1,889,260	1,183,722	2,915,049	2,118,718
Equipment and Machinery	1,493,590	1,327,030	9,999,672	1,901,960	11,493,262	3,228,990
Furniture and Fixtures	7,008	8,288	60,901	28,233	67,909	36,521
Vehicles	834,604	345,042	538,782	415,124	1,373,386	760,166
Infrastructure	10,161,110	10,493,718	17,620,232	17,014,401	27,781,342	27,508,119
Total Capital Assets	\$16,808,739	\$16,763,145	\$53,528,851	\$55,235,313	\$70,337,590	\$71,998,458

Total capital assets for the City of Dover for the year ended December 31, 2010 decreased over 2009. This decrease is due to annual depreciation outpacing the 2010 additions to capital assets. Capital asset activity for 2010 is provided in Note 11.

Debt

The outstanding debt for the City of Dover as of December 31, 2010 was as follows:

(Table 4)
 Outstanding Long-term Obligations at Year End

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Police and Fire Pension	\$273,072	\$279,324	\$0	\$0	\$273,072	\$279,324
Revenue Bonds	0	0	11,723,698	12,655,641	11,723,698	12,655,641
State Infrastructure						
Bank Loan	530,860	0	0	0	530,860	0
OWDA Loan	0	0	12,282,841	12,795,611	12,282,841	12,795,611
Notes Payable	2,640,000	2,100,000	6,900,000	7,200,000	9,540,000	9,300,000
Total	\$3,443,932	\$2,379,324	\$30,906,539	\$32,651,252	\$34,350,471	\$35,030,576

This balance reflected a decrease from the previous year's balance. Debts were reduced as principal payments were made.

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, OWDA loan and various purpose notes that were issued for major upgrades to the power plant.

City of Dover, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2010
Unaudited

In 2004, the water utility refunded their 1994 waterworks system revenue bond. The new issue is scheduled to be paid off in 2022. In 2005, the electric utility refunded their 1995 municipal electric system revenue bonds, the 2005 bonds are scheduled for payoff in 2019. In 2009, the City began repayment of a 20 year loan from the Ohio Water Development Authority for the construction of the wastewater treatment plant.

Additional information on the City's long-term debt can be found in Note 15 of this report.

Current Financial Issues

The Tuscarawas Avenue bridge replacement project has been in the works for many years and 2010 is the year that the project was completed. The bridge was fully replaced. Although stalled early in 2010 due to inclement weather, the bridge was completed in the fall of 2010. This is a project of the Ohio Department of Transportation and the City contributed by paying engineering expenses and the purchase of right of ways necessary to the project. The City was responsible for 20 percent of the total cost. The project, when bid in the summer of 2009, came in well under the original estimation. The City of Dover received a loan from the State Infrastructure Bank for the funds needed for the City share of the project.

In 2010, the City purchased a 2010 Braun Chief XL Prestige Ambulance at a cost of \$119,488. The purchase was made from ambulance call receipts. The ambulance fund is regularly used to purchase ambulances, equipment for the ambulances, and for call-out hours paid to firefighters as a result of ambulance calls. This service provided by the City continues to grow yearly.

Two sources of funding continue to offer the City flexibility in controlling revenues to the general fund. One is the KWH tax collected by the electric fund. This tax was imposed by the State as part of the legislation passed for electric deregulation. The tax collected from power sold within City limits is to be transferred to the general fund. Legislation was passed by City Council to allow the tax to be returned to the electric fund. In an effort to keep rates low, it is the City's intent to return the money to the electric fund each year unless there are significant revenue shortfalls in the general fund. The other flexible source of funding is the split of the income tax. The standard practice is for 40 percent of tax collections to be allocated to the master capital fund for capital projects, however, in 2010 and again in 2011 that amount was reduced to 20 percent. The percentage can be adjusted yearly by City Council to aid in keep adequate operating balances.

In 2010, a goal of the City was to grow the fund balances. In 2006, the citizens of Dover passed a ½ percent tax increase which was greatly needed, however, it wasn't long before the economic downturn affected the area leaving revenue estimates falling short. Because 2010 was a year of 27 pay periods, instead of the usual 26, measures were put in place to control expenses. The City implemented a hiring freeze for every department, with the only exceptions being for safety sensitive positions. Budgets were trimmed to essential spending only. The AFSCME union contract was negotiated for a 0 percent increase in 2010. The City's non-bargaining unit has agreed to no increase in 2011. These measures, along with a careful eye on spending, made 2010 a year of nominal forward progress financially.

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

City of Dover, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2010
Unaudited

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

The strength of Dover continues to be the number of small businesses who provide the City of Dover diversity in its tax base. No one employer has more than 1,000 employees, the closest in number is 736 at Union Hospital, which continues to expand its facilities and provide new services.

The plans for the future are always made keeping a careful watch on the financial condition of the City. The City of Dover has a firm commitment to its citizens and has continued to provide a high level of services in 2010. Our goal remains to grow and meet the needs of the future while maintaining fiscal soundness. City departments are adequately staffed and the City continues to replace equipment by necessity. We are proceeding with our yearly paving program, and extending our streets and utilities to new areas based on need.

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

Contacting the City's Finance Department

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

City of Dover, Ohio
Statement of Net Assets
December 31, 2010

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$3,763,570	\$7,996,325	\$11,759,895
Cash and Cash Equivalents:			
Held by Trustee	0	1,566,764	1,566,764
With Fiscal Agents	4,374	6,535	10,909
Materials and Supplies Inventory	115,040	1,194,535	1,309,575
Accounts Receivable	171,982	4,235,881	4,407,863
Internal Balances	84,364	(84,364)	0
Intergovernmental Receivable	808,436	4,080	812,516
Prepaid Items	119,022	180,306	299,328
Income Tax Receivable	1,794,391	0	1,794,391
Property Taxes Receivable	898,761	0	898,761
Loans Receivable	281,104	0	281,104
Deferred Charges	0	293,879	293,879
Investment in Joint Venture	0	1,669,220	1,669,220
Nondepreciable Capital Assets	1,324,572	778,586	2,103,158
Depreciable Capital Assets, Net	15,484,167	52,750,265	68,234,432
<i>Total Assets</i>	24,849,783	70,592,012	95,441,795
Liabilities			
Accounts Payable	260,670	245,181	505,851
Accrued Wages	101,994	73,507	175,501
Contracts Payable	571,666	943,165	1,514,831
Intergovernmental Payable	392,331	237,409	629,740
Matured Compensated Absences Payable	23,490	0	23,490
Matured Interest Payable	1,735	3,204	4,939
Accrued Interest Payable	31,396	94,522	125,918
Vacation Benefits Payable	283,127	262,819	545,946
Retainage Payable	2,639	3,331	5,970
Customer Deposits	0	75,834	75,834
Claims Payable	184,097	0	184,097
Deferred Revenue	861,400	0	861,400
Notes Payable	100,000	300,000	400,000
Long-Term Liabilities:			
Due Within One Year	139,303	1,195,247	1,334,550
Due In More Than One Year	4,536,045	30,674,522	35,210,567
<i>Total Liabilities</i>	7,489,893	34,108,741	41,598,634
Net Assets			
Invested in Capital Assets, Net of Related Debt	14,068,739	22,616,181	36,684,920
Restricted for:			
Cemetery	654,587	0	654,587
Street Maintenance and Repair	256,472	0	256,472
Ambulance	167,550	0	167,550
Revolving Loan Program	518,920	0	518,920
Shade Tree	2,737	0	2,737
Law Enforcement and Education	37,753	0	37,753
Debt Service	0	1,525,242	1,525,242
Capital Projects	762,907	0	762,907
Electric Replacement and Improvement	0	2,035,426	2,035,426
Water Replacement and Improvement	0	380,796	380,796
Unrestricted	890,225	9,925,626	10,815,851
<i>Total Net Assets</i>	\$17,359,890	\$36,483,271	\$53,843,161

See accompanying notes to the basic financial statements

City of Dover, Ohio
Statement of Activities
For the Year Ended December 31, 2010

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$1,396,691	\$0	\$0	\$0
Security of Persons and Property	4,566,373	53,280	18,328	0
Transportation	842,745	12	681,292	32,174
Public Health Services	1,078,392	355,597	0	0
Community Environment	106,332	0	0	305,251
Basic Utility Services	610,467	813,825	0	0
Leisure Time Activities	2,474,704	0	0	0
Interest and Fiscal Charges	9,673	0	0	0
<i>Total Governmental Activities</i>	<u>11,085,377</u>	<u>1,222,714</u>	<u>699,620</u>	<u>337,425</u>
Business-Type Activities:				
Sewer	2,886,179	3,160,156	0	0
Electric	19,311,806	20,680,073	0	0
Water	2,047,070	2,021,476	0	0
<i>Total Business-Type Activities</i>	<u>24,245,055</u>	<u>25,861,705</u>	<u>0</u>	<u>0</u>
<i>Total - Primary Government</i>	<u>\$35,330,432</u>	<u>\$27,084,419</u>	<u>\$699,620</u>	<u>\$337,425</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

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
(\$1,396,691)	\$0	(\$1,396,691)
(4,494,765)	0	(4,494,765)
(129,267)	0	(129,267)
(722,795)	0	(722,795)
198,919	0	198,919
203,358	0	203,358
(2,474,704)	0	(2,474,704)
(9,673)	0	(9,673)
(8,825,618)	0	(8,825,618)
0	273,977	273,977
0	1,368,267	1,368,267
0	(25,594)	(25,594)
0	1,616,650	1,616,650
(8,825,618)	1,616,650	(7,208,968)
785,909	0	785,909
155,799	0	155,799
3,802,963	0	3,802,963
611,838	0	611,838
356,637	0	356,637
482,557	0	482,557
896,384	0	896,384
1,627,904	0	1,627,904
81,244	4,417	85,661
289,210	637,903	927,113
9,090,445	642,320	9,732,765
264,827	2,258,970	2,523,797
17,095,063	34,224,301	51,319,364
<u>\$17,359,890</u>	<u>\$36,483,271</u>	<u>\$53,843,161</u>

City of Dover, Ohio

Balance Sheet

Governmental Funds

December 31, 2010

	General	Master Capital	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$895,070	\$1,618,460	\$1,107,512	\$3,621,042
Cash and Cash Equivalents With Fiscal Agents	0	2,639	1,735	4,374
Materials and Supplies Inventory	10,621	0	104,419	115,040
Accounts Receivable	100,945	0	68,154	169,099
Intergovernmental Receivable	512,302	0	296,134	808,436
Prepaid Items	85,933	0	33,089	119,022
Income Taxes Receivable	1,054,202	349,282	390,907	1,794,391
Property Taxes Receivable	771,434	0	127,327	898,761
Loans Receivable	0	0	281,104	281,104
<i>Total Assets</i>	<u>\$3,430,507</u>	<u>\$1,970,381</u>	<u>\$2,410,381</u>	<u>\$7,811,269</u>
Liabilities				
Accounts Payable	\$42,614	\$175,000	\$43,056	\$260,670
Accrued Wages	69,937	0	32,057	101,994
Contracts Payable	52,207	518,784	675	571,666
Intergovernmental Payable	189,711	0	202,620	392,331
Matured Compensated Absences Payable	0	0	23,490	23,490
Matured Interest Payable	0	0	1,735	1,735
Accrued Interest Payable	0	1,146	0	1,146
Retainage Payable	0	2,639	0	2,639
Deferred Revenue	1,915,972	232,959	724,011	2,872,942
Notes Payable	0	100,000	0	100,000
<i>Total Liabilities</i>	<u>2,270,441</u>	<u>1,030,528</u>	<u>1,027,644</u>	<u>4,328,613</u>
Fund Balances				
Reserved for Encumbrances	51,717	1,136,944	23,625	1,212,286
Reserved for Loans Receivable	0	0	215,880	215,880
Unreserved:				
Undesignated, Reported in:				
General Fund	1,108,349	0	0	1,108,349
Special Revenue Funds	0	0	1,122,277	1,122,277
Capital Projects Funds (Deficit)	0	(197,091)	20,955	(176,136)
<i>Total Fund Balances</i>	<u>1,160,066</u>	<u>939,853</u>	<u>1,382,737</u>	<u>3,482,656</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$3,430,507</u>	<u>\$1,970,381</u>	<u>\$2,410,381</u>	<u>\$7,811,269</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, 2010*

Total Governmental Fund Balances	\$3,482,656
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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.	16,808,739
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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	37,361		
Income Tax	1,197,212		
Grants	708,815		
Charges for Services	68,154		
Total			2,011,542

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.	(38,686)
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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.	84,364
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Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.	(30,250)
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Vacation benefits payable is a contractually required benefit not expected to be paid with expendable available financial resources and therefore not reported in the funds.	(283,127)
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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	(273,072)		
Notes Payable	(2,640,000)		
State Infrastructure Bank Loan	(530,860)		
Compensated Absences	(1,231,416)		
Total			(4,675,348)

<i>Net Assets of Governmental Activities</i>	<u><u>\$17,359,890</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, 2010

	General	Master Capital	Other Governmental Funds	Total Governmental Funds
Revenues				
Property Taxes	\$787,830	\$0	\$156,333	\$944,163
Income Taxes	3,520,457	898,780	1,221,919	5,641,156
Intergovernmental	1,441,275	32,174	943,784	2,417,233
Interest	58,988	0	22,256	81,244
Fines, Licenses and Permits	49,639	0	3,653	53,292
Charges for Services	813,825	0	375,113	1,188,938
Other	108,635	26,040	11,700	146,375
<i>Total Revenues</i>	<u>6,780,649</u>	<u>956,994</u>	<u>2,734,758</u>	<u>10,472,401</u>
Expenditures				
Current:				
General Government	1,114,329	0	0	1,114,329
Security of Persons and Property	3,532,367	0	509,204	4,041,571
Transportation	0	0	1,212,992	1,212,992
Public Health Services	9,324	0	795,294	804,618
Community Environment	103,808	0	0	103,808
Basic Utility Services	610,467	0	0	610,467
Leisure Time Activities	823,753	0	0	823,753
Capital Outlay	0	2,234,412	308,765	2,543,177
Debt Service:				
Principal Retirement	0	100,000	6,252	106,252
Interest and Fiscal Charges	0	8,388	11,793	20,181
<i>Total Expenditures</i>	<u>6,194,048</u>	<u>2,342,800</u>	<u>2,844,300</u>	<u>11,381,148</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>586,601</u>	<u>(1,385,806)</u>	<u>(109,542)</u>	<u>(908,747)</u>
Other Financing Sources (Uses)				
General Obligation Notes Issued	0	2,640,000	0	2,640,000
State Infrastructure Bank Loan Issued	0	530,860	0	530,860
Current Refunding	0	(2,000,000)	0	(2,000,000)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>1,170,860</u>	<u>0</u>	<u>1,170,860</u>
<i>Net Change in Fund Balances</i>	586,601	(214,946)	(109,542)	262,113
<i>Fund Balances Beginning of Year</i>	<u>573,465</u>	<u>1,154,799</u>	<u>1,492,279</u>	<u>3,220,543</u>
<i>Fund Balances End of Year</i>	<u>\$1,160,066</u>	<u>\$939,853</u>	<u>\$1,382,737</u>	<u>\$3,482,656</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, 2010*

Net Change in Fund Balances - Total Governmental Funds \$262,113

*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 outlay exceeded depreciation in the current period.

Capital Asset Additions:

Capital Outlay	1,202,285	
Current Year Depreciation	(942,028)	
Total		260,257

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. (214,663)

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

Property Taxes	(2,455)	
Income Tax	509,223	
Grants	247,716	
Charges for Services	(19,516)	
Total		734,968

Repayment of debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 2,106,252

In the statement of activities, interest is accrued on outstanding notes, whereas in governmental funds, an interest expenditure is reported when due. 10,508

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

Notes Issued	(2,640,000)	
State Infrastructure Bank Loan Issued	(530,860)	
Total		(3,170,860)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:

Compensated Absences	183,161	
Vacation Benefits Payable	3,629	
Total		186,790

The internal service funds used by management are not reported in the City-wide statement of activities. Governmental fund expenditures and related internal service fund revenue are eliminated. The net revenue (expense) of the internal service funds is allocated among the governmental activities.

Change in Net Assets	42,099	
Change in Internal Balance	47,363	
Total		89,462

Change in Net Assets of Governmental Activities \$264,827

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, 2010*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$785,000	\$785,000	\$787,830	\$2,830
Income Taxes	3,750,456	3,426,192	3,465,405	39,213
Intergovernmental	1,429,596	1,305,993	1,511,551	205,558
Interest	82,098	75,000	58,988	(16,012)
Fines, Licenses and Permits	62,598	57,186	50,141	(7,045)
Charges for Services	867,395	792,400	794,795	2,395
Other	63,958	58,427	108,635	50,208
<i>Total Revenues</i>	<u>7,041,101</u>	<u>6,500,198</u>	<u>6,777,345</u>	<u>277,147</u>
Expenditures				
Current:				
General Government	1,910,597	1,353,115	1,177,147	175,968
Security of Persons and Property	3,833,946	3,942,246	3,682,924	259,322
Public Health Services	9,000	9,900	9,324	576
Community Environment	115,241	114,343	106,877	7,466
Basic Utility Services	577,441	611,445	610,467	978
Leisure Time Activities	881,952	881,953	851,872	30,081
<i>Total Expenditures</i>	<u>7,328,177</u>	<u>6,913,002</u>	<u>6,438,611</u>	<u>474,391</u>
<i>Net Change in Fund Balance</i>	(287,076)	(412,804)	338,734	751,538
<i>Fund Balance Beginning of Year</i>	419,956	419,956	419,956	0
Prior Year Encumbrances Appropriated	<u>43,600</u>	<u>43,600</u>	<u>43,600</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$176,480</u>	<u>\$50,752</u>	<u>\$802,290</u>	<u>\$751,538</u>

See accompanying notes to the basic financial statements

City of Dover, Ohio
Statement of Fund Net Assets
Proprietary Funds
December 31, 2010

	Business-Type Activities				Governmental Activities - Internal Service Fund
	Sewer	Electric	Water	Total	
Assets					
<i>Current Assets:</i>					
Equity in Pooled Cash and Cash Equivalents	\$3,619,007	\$1,419,091	\$410,573	\$5,448,671	\$142,528
Cash and Cash Equivalents					
With Fiscal Agents	1,070	1,428	4,037	6,535	0
<i>Restricted Assets:</i>					
Equity in Pooled Cash and Cash Equivalents	0	731,293	326,132	1,057,425	0
<i>Receivables:</i>					
Accounts	522,899	3,330,357	382,625	4,235,881	2,883
Intergovernmental	4,080	0	0	4,080	0
Materials and Supplies Inventory	7,859	1,058,065	128,611	1,194,535	0
Prepaid Items	54,374	98,112	27,820	180,306	0
<i>Total Current Assets</i>	<u>4,209,289</u>	<u>6,638,346</u>	<u>1,279,798</u>	<u>12,127,433</u>	<u>145,411</u>
<i>Non-Current Assets:</i>					
<i>Restricted Assets:</i>					
Equity in Pooled Cash and Cash Equivalents	0	1,389,367	100,862	1,490,229	0
Cash Equivalents Held by Trustee	0	1,013,969	552,795	1,566,764	0
Deferred Charges	0	182,488	111,391	293,879	0
Investment in Joint Venture	0	1,669,220	0	1,669,220	0
Land and Construction in Progress	297,502	443,663	37,421	778,586	0
Depreciable Capital Assets, Net	23,089,780	20,371,986	9,288,499	52,750,265	0
<i>Total Non-Current Assets</i>	<u>23,387,282</u>	<u>25,070,693</u>	<u>10,090,968</u>	<u>58,548,943</u>	<u>0</u>
<i>Total Assets</i>	<u>27,596,571</u>	<u>31,709,039</u>	<u>11,370,766</u>	<u>70,676,376</u>	<u>145,411</u>
Liabilities					
<i>Current Liabilities:</i>					
Accounts Payable	34,966	157,942	52,273	245,181	0
Accrued Wages	16,967	44,170	12,370	73,507	0
Contracts Payable	131	942,723	311	943,165	0
Intergovernmental Payable	53,502	151,548	32,359	237,409	0
Vacation Benefits Payable	63,181	144,913	54,725	262,819	0
Compensated Absences Payable	28,867	154,217	72,163	255,247	0
Matured Interest Payable	0	927	2,277	3,204	0
Accrued Interest Payable	0	78,390	16,132	94,522	0
Retainage Payable	1,070	501	1,760	3,331	0
Customer Deposits	0	75,834	0	75,834	0
Notes Payable	0	300,000	0	300,000	0
Revenue Bonds Payable	0	630,000	310,000	940,000	0
Claims Payable	0	0	0	0	184,097
<i>Total Current Liabilities</i>	<u>198,684</u>	<u>2,681,165</u>	<u>554,370</u>	<u>3,434,219</u>	<u>184,097</u>
<i>Long-Term Liabilities:</i>					
Compensated Absences Payable (net of current portion)	272,376	264,141	171,466	707,983	0
Notes Payable (net of current portion)	0	6,900,000	0	6,900,000	0
Revenue Bonds Payable (net of current portion)	0	6,428,888	4,354,810	10,783,698	0
OWDA Loans Payable (net of current portion)	12,282,841	0	0	12,282,841	0
<i>Total Long-Term Liabilities</i>	<u>12,555,217</u>	<u>13,593,029</u>	<u>4,526,276</u>	<u>30,674,522</u>	<u>0</u>
<i>Total Liabilities</i>	<u>12,753,901</u>	<u>16,274,194</u>	<u>5,080,646</u>	<u>34,108,741</u>	<u>184,097</u>
Net Assets					
Invested in Capital Assets, Net of Related Debt	11,104,441	6,739,249	4,772,491	22,616,181	0
<i>Restricted for:</i>					
Debt Service	0	988,579	536,663	1,525,242	0
Replacement and Improvement	0	2,035,426	380,796	2,416,222	0
Unrestricted (Deficit)	3,738,229	5,671,591	600,170	10,009,990	(38,686)
<i>Total Net Assets (Deficit)</i>	<u>\$14,842,670</u>	<u>\$15,434,845</u>	<u>\$6,290,120</u>	<u>36,567,635</u>	<u>(\$38,686)</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.				(84,364)	
			Net assets of business-type activities	<u>\$36,483,271</u>	

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, 2010*

	Business-Type	
	Sewer	Electric
Operating Revenues		
Charges for Services	\$3,160,156	\$20,680,073
Other	22,732	593,791
<i>Total Operating Revenues</i>	<u>3,182,888</u>	<u>21,273,864</u>
Operating Expenses		
Salaries and Wages	832,642	2,390,247
Fringe Benefits	478,085	1,155,615
Purchased Services	251,025	1,763,309
Materials and Supplies	117,225	3,848,592
Purchased Power	0	7,764,554
Depreciation	769,995	1,754,685
Claims	0	0
<i>Total Operating Expenses</i>	<u>2,448,972</u>	<u>18,677,002</u>
<i>Operating Income</i>	<u>733,916</u>	<u>2,596,862</u>
Non-Operating Revenues (Expenses)		
Interest	0	2,051
Loss on Investment in Joint Venture	0	(130,699)
Interest and Fiscal Charges	(425,720)	(476,889)
<i>Total Non-Operating Revenues (Expenses)</i>	<u>(425,720)</u>	<u>(605,537)</u>
<i>Change in Net Assets</i>	308,196	1,991,325
<i>Net Assets (Deficit) Beginning of Year</i>	<u>14,534,474</u>	<u>13,443,520</u>
<i>Net Assets (Deficit) End of Year</i>	<u>\$14,842,670</u>	<u>\$15,434,845</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	
\$2,021,476	\$25,861,705	\$1,850,962
21,380	637,903	142,835
<u>2,042,856</u>	<u>26,499,608</u>	<u>1,993,797</u>
609,340	3,832,229	0
300,187	1,933,887	0
149,190	2,163,524	167,862
270,767	4,236,584	0
0	7,764,554	0
501,517	3,026,197	0
<u>0</u>	<u>0</u>	<u>1,783,836</u>
<u>1,831,001</u>	<u>22,956,975</u>	<u>1,951,698</u>
<u>211,855</u>	<u>3,542,633</u>	<u>42,099</u>
2,366	4,417	0
0	(130,699)	0
<u>(207,409)</u>	<u>(1,110,018)</u>	<u>0</u>
<u>(205,043)</u>	<u>(1,236,300)</u>	<u>0</u>
6,812	2,306,333	42,099
<u>6,283,308</u>		<u>(80,785)</u>
<u>\$6,290,120</u>		<u>(\$38,686)</u>
	<u>(47,363)</u>	
	<u>\$2,258,970</u>	

City of Dover, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2010

	Business-Type Activities				Governmental Activities - Internal Service Fund
	Sewer	Electric	Water	Total	
Increase (Decrease) in Cash and Cash Equivalents					
Cash Flows from Operating Activities					
Cash Received from Customers	\$3,096,475	\$20,382,197	\$1,979,378	\$25,458,050	\$0
Cash Received from Transactions with Other Funds	0	0	0	0	1,850,962
Other Cash Receipts	22,732	593,791	21,380	637,903	143,027
Electric Deposits Received	0	30,569	0	30,569	0
Cash Payments to Employees for Services	(1,406,559)	(3,720,121)	(993,495)	(6,120,175)	0
Cash Payments for Purchased Power	0	(8,583,803)	0	(8,583,803)	0
Cash Payments for Goods and Services	(402,005)	(5,837,468)	(397,770)	(6,637,243)	(167,862)
Electric Deposits Returned	0	(40,095)	0	(40,095)	0
Cash Payments for Claims	0	0	0	0	(1,694,398)
<i>Net Cash Provided by Operating Activities</i>	<u>1,310,643</u>	<u>2,825,070</u>	<u>609,493</u>	<u>4,745,206</u>	<u>131,729</u>
Cash Flows from Capital and Related Financing Activities					
Proceeds from Sale of Notes	0	7,200,000	0	7,200,000	0
Principal Paid on Loans	(512,770)	0	0	(512,770)	0
Interest Paid on Loans	(425,720)	0	0	(425,720)	0
Principal Paid on Bonds	0	(605,000)	(300,000)	(905,000)	0
Interest Paid on Bonds	0	(319,047)	(201,361)	(520,408)	0
Principal Paid on Notes	0	(7,500,000)	0	(7,500,000)	0
Interest Paid on Notes	0	(244,012)	0	(244,012)	0
Disposal of Capital Assets	363	0	20,112	20,475	0
Payments for Capital Acquisitions	(210,422)	(1,089,566)	(110,749)	(1,410,737)	0
<i>Net Cash Used in Capital and Related Financing Activities</i>	<u>(1,148,549)</u>	<u>(2,557,625)</u>	<u>(591,998)</u>	<u>(4,298,172)</u>	<u>0</u>
Cash Flows from Investing Activities					
Interest on Investments	0	2,051	344	2,395	0
<i>Net Increase in Cash and Cash Equivalents</i>	162,094	269,496	17,839	449,429	131,729
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>3,457,983</u>	<u>4,285,652</u>	<u>1,376,560</u>	<u>9,120,195</u>	<u>10,799</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$3,620,077</u>	<u>\$4,555,148</u>	<u>\$1,394,399</u>	<u>\$9,569,624</u>	<u>\$142,528</u>

(continued)

City of Dover, Ohio
Statement of Cash Flows
Proprietary Funds (continued)
For the Year Ended December 31, 2010

	Business-Type Activities				Governmental Activities - Internal Service Fund
	Sewer	Electric	Water	Total	
Reconciliation of Operating Income to Net Cash Provided by Operating Activities					
Operating Income	\$733,916	\$2,596,862	\$211,855	\$3,542,633	\$42,099
Adjustments:					
Depreciation	769,995	1,754,685	501,517	3,026,197	0
(Increase) Decrease in Assets:					
Accounts Receivable	(63,398)	(284,825)	(43,307)	(391,530)	192
Intergovernmental Receivable	(283)	0	0	(283)	0
Prepaid Items	(17,036)	54,220	9,694	46,878	0
Materials and Supplies Inventory	(5,086)	(225,980)	(22,763)	(253,829)	0
Increase (Decrease) in Liabilities:					
Accounts Payable	(3,445)	42,984	29,557	69,096	0
Contracts Payable	(7,380)	(954,637)	(776)	(962,793)	0
Accrued Wages	(31,103)	(90,670)	(22,664)	(144,437)	0
Vacation Benefits Payable	(1,260)	6,552	4,194	9,486	0
Compensated Absences Payable	(54,893)	(64,595)	(57,814)	(177,302)	0
Intergovernmental Payable	(9,384)	0	0	(9,384)	0
Customer Deposits	0	(9,526)	0	(9,526)	0
Claims Payable	0	0	0	0	89,438
<i>Net Cash Provided by Operating Activities</i>	<u>\$1,310,643</u>	<u>\$2,825,070</u>	<u>\$609,493</u>	<u>\$4,745,206</u>	<u>\$131,729</u>

See accompanying notes to the basic financial statements

City of Dover, Ohio
Statement of Fiduciary Net Assets
Fiduciary Fund
December 31, 2010

	Private Purpose Trust
Assets	
Equity in Pooled Cash and Cash Equivalents	\$222,900
Net Assets	
Held in Trust for Cemetery	\$222,900

See accompanying notes to the basic financial statements

City of Dover, Ohio
Statement of Changes in Fiduciary Net Assets
Fiduciary Fund
For the Year Ended December 31, 2010

	Private-Purpose Trust
Additions	
Deposits for Burial Expenses	\$16,322
Interest	233
	16,555
 Deductions	
Burial Expense	18,940
	(2,385)
 <i>Change in Net Assets</i>	
 <i>Net Assets Beginning of Year</i>	225,285
 <i>Net Assets End of Year</i>	\$222,900

See accompanying notes to the basic financial statements

City of Dover, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

Note 1 - Description of the City and Reporting Entity

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

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

Reporting Entity

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

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board; and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organizations. Component units may also include organizations for which the City 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 and Ohio Mid-Eastern Governments Association (OMEGA) as jointly governed organizations and the Ohio Municipal Electric Generation Agency (JV2) joint venture. These organizations are presented in Notes 16 and 17 of the Basic Financial Statements.

Note 2 - Summary of Significant Accounting Policies

The financial statements of the City of Dover have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The City also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental and business-type activities and to its proprietary funds provided they do not conflict with or contradict GASB pronouncements. The entity has elected not to apply FASB pronouncements and Interpretations issued after November 30, 1989, to its business-type activities and enterprise funds. The more 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, 2010

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.

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.

City of Dover, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

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

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

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

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

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

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

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

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

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

Measurement Focus

Government-wide Financial Statements The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and 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)

City of Dover, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

and decreases (i.e., expenses) in total net assets. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

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

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, 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, 2010, but which were levied to finance year 2011 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

City of Dover, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

Cash and Cash Equivalents

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

During 2010, investments were limited to STAROhio, Huntington Treasury Money Market II Mutual Fund and First American Funds Government Obligations Mutual Fund.

Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts such and nonnegotiable certificates of deposit are reported at cost. The fair value of the mutual funds is determined by the fund's December 31, 2010, 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 2010. 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, 2010.

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 electric and water enterprise funds. Interest revenue credited to the general fund during 2010 amounted to \$58,988 which includes \$53,318 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.

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.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2010, 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.

Inventory

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

City of Dover, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

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.

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	50 years	50 years
Improvements other than Buildings	20 years	20-50 years
Equipment and Machinery	20 years	10-15 years
Furniture and Fixtures	20 years	20 years
Vehicles	6 years	6 years
Infrastructure	30-65 years	30-65 years

The City's infrastructure consists of bridges, culverts, curbs, sidewalks, storm sewers, streets, and water and sewer lines and includes infrastructure acquired prior to December 31, 1980.

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

City of Dover, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

resources are offset by a fund balance reserve account. Interfund balance amounts are eliminated in the governmental and business-type activities columns of the statement of net assets, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. The City records a liability for all accumulated unused vacation time when earned for all employees with more than one year of service. Since the City's policy limits the accrual of vacation time to the amount accrued in one year, the outstanding liability is recorded as "vacation benefits payable" on the statement of net assets rather than as a long-term liability.

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

The entire compensated absences liability is reported on the government-wide financial statements.

On the governmental fund financial statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "Matured Compensated Absences Payable" in the fund from which the employee who has accumulated unpaid leave is paid.

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.

Bond Issuance Costs

Bond issuance costs are being amortized using the straight-line method over the life of the water and electric revenue bonds on the government-wide and enterprise fund statements. The straight-line method of amortization is not materially different from the effective-interest method.

As permitted by State statute, the City paid bond issuance costs from the bond proceeds and therefore does not consider that portion of the debt to be capital-related debt. That portion of the debt was offset against the unamortized bond issuance costs, which were included in the determination of unrestricted net assets. Reporting both within the same element of net assets prevents one classification from being overstated while another is understated by the same amount.

City of Dover, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

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.

Net Assets

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

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

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.

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.

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.

Budgetary Process

All funds are legally required to be budgeted and appropriated. There was no budget adopted for the nonmajor law enforcement block grant special revenue fund and the nonmajor debt service fund in 2010 as there was no budgetary activity for 2010. 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, 2010

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

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

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

Change in Accounting Principles

For fiscal year 2010, the City has implemented Governmental Accounting Standard Board (GASB) Statement No. 51, “Accounting and Reporting for Intangible Assets”. GASB Statement No. 51 establishes accounting and financial reporting requirements for intangible assets to reduce inconsistencies thereby enhancing the comparability of accounting and financial reporting of such assets among state and local governments. The implementation of this statement did not result in any change to the City’s financial statements.

Restatement of Net Assets

During 2010, it was determined that capital assets were incorrectly reported in prior years, resulting in a restatement of net assets of governmental activities of (\$39,797), from \$17,134,860 to \$17,095,063. This also resulted in the following restatements:

	Sewer	Electric	Water	Total Enterprise Funds
Net Assets at December 31, 2009	\$14,468,852	\$17,236,790	\$6,283,308	\$37,988,950
Capital Assets	65,622	(3,793,270)	0	(3,727,648)
Net Assets as of January 1, 2010	<u>\$14,534,474</u>	<u>\$13,443,520</u>	<u>\$6,283,308</u>	34,261,302
Internal Service				(37,001)
Total Net Assets as of January 1, 2010				<u>\$34,224,301</u>

Note 4 – Accountability

At December 31, 2010, the state highway and police and fire pension special revenue funds had deficit fund balances of \$10,403 and \$105,893, respectively. The deficits in these funds are caused by the application of generally accepted accounting principles to these funds. The general fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

At December 31, 2010, the employee health insurance internal service fund had deficit net assets in the amount of \$38,686. Management is currently analyzing the operations of this fund to determine appropriate action to alleviate the deficit.

City of Dover, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

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).
4. Unrecorded cash represents amounts received but not reported by the City on the operating statements (budget), but which is reported on the GAAP basis operating statements.

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	\$744,910
Net Adjustment for Revenue Accruals	(159,559)
Unrecorded Cash	(2,054)
Net Adjustment for Expenditure Accruals	(153,837)
Encumbrances	<u>(90,726)</u>
Budget Basis	<u><u>\$338,734</u></u>

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.

City of Dover, Ohio
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For the Year Ended December 31, 2010

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. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations;
7. The State Treasurer's investment pool (STAROhio); and
8. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 25 percent of the interim monies available for investment at any one time.

The City may also invest any monies not required to be used for a period of six months or more in the following:

1. Bonds of the State of Ohio;
2. Bonds of any municipal corporation, village, county, township or other political subdivision of this State, as to which there is no default of principal, interest or coupons; and
3. Obligations of the City.

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

City of Dover, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

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.

Investments

Investments are reported at fair value. As of December 31, 2010, the City had the following investments:

	<u>Fair Value</u>	<u>Maturity</u>
Investment in State		
Treasurer's Investment Pool	\$4,969,158	58 day average
Huntington Treasury Money		
Market II Mutual Fund	552,795	47 day average
First American Funds Government		
Obligations Mutual Fund	<u>1,013,969</u>	49 day average
Total Investments	<u><u>\$6,535,922</u></u>	

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 funds 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.

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, 2010:

	<u>Percentage of Investments</u>
Huntington Treasury Money	
Market II Mutual Fund	8.46 %
First American Funds Government	
Obligations Mutual Fund	15.51

Note 7 - Receivables

Receivables at December 31, 2010, consisted primarily of municipal income taxes, property taxes, intergovernmental receivables arising from entitlements and shared revenues, accrued interest on investments and accounts (billings for utility service). Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year. All allowances for uncollectibles represent estimates of uncollectible receivables in the accounts receivable classification.

City of Dover, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

	Accounts Receivable	Allowance for Uncollectibles	Net Accounts Receivable
Governmental Type Activities	\$171,982	\$0	\$171,982
Business Type Activities	4,439,703	203,822	4,235,881

The community development block grant monies loaned to local businesses are reported as loans receivable and are also considered collectible in full. \$215,880 of the \$281,104 loans receivable are not scheduled to be collected within one year.

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 2010 for real and public utility property taxes represents collections of the 2009 taxes. Property tax payments received during 2010 for tangible personal property (other than public utility property) are for 2010 taxes.

2010 real property taxes are levied after October 1, 2010, on the assessed value as of January 1, 2010, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2010 real property taxes are collected in and intended to finance 2011.

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. 2010 public utility property taxes which became a lien December 31, 2009, are levied after October 1, 2010, and are collected in 2011 with real property taxes.

Tangible personal property tax revenue received during 2010 (other than public utility property tax) represents the collection of 2010 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, furniture and fixtures is no longer levied and collected. Tangible personal property taxes received from telephone companies in 2010 were levied after October 1, 2009, on the value as of December 21, 2009. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20.

The full tax rate for all City operations for the year ended December 31, 2010, was \$6.60 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2010 property tax receipts were based are as follows:

Real Property	\$233,552,370
Tangible Personal Property	204,870
Public Utility Property	589,510
Total	\$234,346,750

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, 2010 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

City of Dover, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

deferred revenue since the current taxes were not levied to finance 2010 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.

Income Taxes

For 2010, the City levied a municipal income tax of 1.5 percent on substantially all earned income arising from employment, residency or business activities within the City. The City allows a credit of 100 percent for the income tax paid to another municipality, not to exceed one and a half percent of taxable income, to a maximum of the total amount assessed.

Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City either monthly or quarterly, as required. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually. By City ordinance, income tax proceeds, after income tax department expenditures, are credited to the following funds: Twenty percent 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.

Intergovernmental Receivables

A summary of intergovernmental receivables follows:

	Amount
Governmental Activities	
Local Government	\$306,200
Gasoline Tax	238,671
Estate Tax	158,309
Homestead and Rollback	55,608
Motor Vehicle Tax	48,605
Municipal Court Fines	845
Hotel/Motel Tax	198
<i>Total Governmental Activities</i>	\$808,436
Business-Type Activities	
Sewer	\$4,080

Note 8 - 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 2010, 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 Westfield/Scottsdale/Merchants Mutual with a \$1,000,000 limit and a \$10,000 deductible. An umbrella policy with Clarendon America covers a \$5,000,000 excess law enforcement liability.

City of Dover, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

Boiler and machinery deductible levels vary by object. Vehicles are covered by Westfield Companies Insurance Company and hold a \$1,000 deductible for comprehensive and collision. Automobile liability has a \$1,000,000 combined single limit of liability.

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

The City pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. The rate is calculated based on accident history and administrative costs.

The City has elected to provide employee medical/surgical benefits through a self-insured program. The City maintains a self-insurance internal service fund to account for and finance its uninsured risks of loss in this program. A third-party administrator, Aultcare, Inc. located in Canton, Ohio, reviews all claims which are then paid by the City. An excess coverage insurance policy covers claims in excess of \$125,000 per employee and an aggregate of \$2,439,737 per year. The City pays into the self-insurance internal service fund \$900 family coverage or \$450 individual coverage per employee per month which represents the entire premium required. This premium is paid by the fund that pays the salary of the employee and is based on historic cost information. In 2007, a resolution was adopted which allows an additional \$100 premium to be paid for each employee monthly on an as needed basis.

The claims liability of \$184,097 reported in the fund at December 31, 2010, 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 2008 and 2010 were:

	Beginning of Year	Year Claims	Claim Payments	at End of Year
2009	\$92,725	\$1,881,136	\$1,879,202	\$94,659
2010	94,659	1,783,836	1,694,398	184,097

Note 9 - Contingent Liabilities

Litigation

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

Federal and State Grants

The City participates in several federally assisted programs. These programs are subject to financial and compliance audits by the grantor or their representative. As of December 31, 2010, 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.

City of Dover, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

Note 10 – Other Employee Benefits

Compensated Absences

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

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 1542 hours.

Life Insurance

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

Note 11 - Capital Assets

Capital asset activity for the year ended December 31, 2010, was as follows:

	Restated Balance 12/31/09	Additions	Deductions	Balance 12/31/10
Governmental Activities				
Capital Assets, not being depreciated:				
Land	\$1,075,202	\$190,611	\$0	\$1,265,813
Construction in Progress	509,290	94,730	(545,261)	58,759
Total Capital Assets, not being Depreciated	<u>1,584,492</u>	<u>285,341</u>	<u>(545,261)</u>	<u>1,324,572</u>
Capital Assets, being Depreciated				
Buildings	2,941,508	85,261	(147,780)	2,878,989
Improvements Other Than Buildings	1,601,719	129,509	0	1,731,228
Equipment and Machinery	2,788,823	449,811	(197,193)	3,041,441
Furniture and Fixtures	54,716	0	0	54,716
Vehicles	2,444,712	729,740	(168,027)	3,006,425
Infrastructure	21,654,706	67,884	0	21,722,590
Total Capital Assets, being Depreciated	<u>31,486,184</u>	<u>1,462,205</u>	<u>(513,000)</u>	<u>32,435,389</u>
Less Accumulated Depreciation:				
Buildings	(871,929)	(61,963)	16,969	(916,923)
Improvements Other Than Buildings	(666,723)	(38,716)	0	(705,439)
Equipment and Machinery	(1,461,793)	(239,033)	152,975	(1,547,851)
Furniture and Fixtures	(46,428)	(1,280)	0	(47,708)
Vehicles	(2,099,670)	(200,544)	128,393	(2,171,821)
Infrastructure	(11,160,988)	(400,492)	0	(11,561,480)
Total Accumulated Depreciation	<u>(16,307,531)</u>	<u>(942,028) *</u>	<u>298,337</u>	<u>(16,951,222)</u>
Total Capital Assets, being Depreciated, net	<u>15,178,653</u>	<u>520,177</u>	<u>(214,663)</u>	<u>15,484,167</u>
Governmental Activities Capital Assets, Net	<u>\$16,763,145</u>	<u>\$805,518</u>	<u>(\$759,924)</u>	<u>\$16,808,739</u>

City of Dover, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

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

General Government	\$47,997
Security of Persons and Property	125,165
Transportation	145,149
Public Health Services	601,159
Leisure Time Activities	21,645
Community Environment	913
Total Governmental Depreciation Expense	\$942,028

	Restated Balance 12/31/09	Additions	Deductions	Balance 12/31/10
Business-Type Activities				
Capital Assets, not being depreciated:				
Land	\$435,066	\$0	\$0	\$435,066
Construction in Progress	20,504,837	582,316	(20,743,633)	343,520
Total Capital Assets, not being Depreciated	20,939,903	582,316	(20,743,633)	778,586
Capital Assets, being Depreciated				
Buildings	20,129,214	9,437,589	0	29,566,803
Improvements Other Than Buildings	2,031,719	826,476	0	2,858,195
Equipment and Machinery	17,366,520	8,788,369	(2,017,718)	24,137,171
Furniture and Fixtures	113,422	39,043	(1,310)	151,155
Vehicles	1,597,716	292,077	(265,802)	1,623,991
Infrastructure	29,372,685	2,117,973	(27,262)	31,463,396
Total Capital Assets, being Depreciated	70,611,276	21,501,527	(2,312,092)	89,800,711
Less Accumulated Depreciation:				
Buildings	(6,377,244)	(548,141)	0	(6,925,385)
Improvements Other Than Buildings	(847,997)	(120,938)	0	(968,935)
Equipment and Machinery	(15,464,560)	(669,531)	1,996,592	(14,137,499)
Furniture and Fixtures	(85,189)	(6,316)	1,251	(90,254)
Vehicles	(1,182,592)	(168,419)	265,802	(1,085,209)
Infrastructure	(12,358,284)	(1,512,852)	27,972	(13,843,164)
Total Accumulated Depreciation	(36,315,866)	(3,026,197)	2,291,617	(37,050,446)
Total Capital Assets, being Depreciated, net	34,295,410	18,475,330	(20,475)	52,750,265
Business-Type Activities Capital Assets, Net	\$55,235,313	\$19,057,646	(\$20,764,108)	\$53,528,851

Note 12 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Plan Description – The City participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent 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. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, the

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Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, 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 Pension 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. Interested parties may obtain a copy by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units and 18.1 percent of covered payroll for law and public safety employer units. Member contribution rates, as set in the Ohio Revised Code, are not to exceed 10 percent. For the year ended December 31, 2010, members in state and local classifications contributed 10 percent of covered payroll while public safety and law enforcement members contributed 10.5 percent and 11.1 percent, respectively. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Pension Plan. For 2010, member and employer contribution rates were consistent across all three plans.

The City's 2010 contribution rate was 14.0 percent, except for those plan members in law enforcement or public safety, for whom the City's contribution was 17.87 percent of covered payroll. The portion of employer contributions used to fund pension benefits is net of post-employment health care benefits. The portion of employer contribution allocated to health care for members in the Traditional Plan was 5.5 percent from January 1 through February 28, 2010, and 5 percent from March 1 through December 31, 2010. The portion of employer contributions allocated to health care for members in the Combined Plan was 4.73 percent from January 1 through February 28, 2010, and 4.23 percent from March 1 through December 31, 2010. Employer contribution rates are actuarially determined.

The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2010, 2009, and 2008 were \$576,795, \$505,515, and \$425,990, respectively. For 2010, 86.50 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2009 and 2008. There were no contributions to the member-directed plan for 2010.

Ohio Police and Fire Pension Fund

Plan Description – 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 OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy – The Ohio Revised Code requires plan members to contribute 10.0 percent of their annual covered salary, while employers are required to contribute 19.5 percent for police officers and 24.0 percent for firefighters.

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The OP&F Pension Fund is authorized by the Ohio Revised Code to allocate a portion of the employer contributions to retiree health care benefits. The portion of employer contributions used to fund pension benefits was 12.75 percent of covered payroll for police officers and 17.25 percent of covered payroll for firefighters. The City's contributions to OP&F for police and firefighters pension were \$160,776 and \$214,047 for the year ended December 31, 2010, \$151,792 and \$197,550 for the year ended December 31, 2009, and \$148,489 and \$182,673 for the year ended December 31, 2008, respectively. For 2010, 72.38 percent has been contributed for police and 71.56 percent has been contributed for firefighters with the balance for both police and firefighters being reported as an intergovernmental payable. The full amount has been contributed for 2009 and 2008.

In addition to current contributions, the City pays installments on the accrued liability incurred when the State of Ohio established the statewide pension system for police and fire fighters in 1967. As of December 31, 2010, the unfunded liability of the City was \$273,072, payable in semi-annual payments through the year of 2035. This is an accounting liability of the City which will not vary.

Note 13 – Postemployment Benefits

Ohio Public Employees Retirement System

Plan Description – Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan—a cost sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan—a defined contribution plan; and the Combined Plan—a cost sharing, multiple employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing multiple-employer defined benefit post-employment health care plan for qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage. The plan includes a medical plan, prescription drug program and Medicare Part B premium reimbursement.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not mandate, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy – The post-employment health care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). The Ohio Revised Code provides the statutory authority requiring public employers to fund post retirement health care through contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2010, state and local employers contributed at a rate of 14.0 percent of covered payroll, and public safety and law enforcement employers contributed at 17.87 percent. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units and 18.1 percent of covered payroll for law and public safety employer units.

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Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 5.5 percent from January 1 through February 28, 2010, and 5 percent from March 1 through December 31, 2010. The portion of employer contributions allocated to health care for members in the Combined Plan was 4.73 percent from January 1 through February 28, 2010, and 4.23 percent from March 1 through December 31, 2010.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the post-employment health care plan.

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2010, 2009, and 2008 were \$328,489, \$365,526, and \$425,990, respectively. For 2010, 86.50 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2009 and 2008.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased on January 1 of each year from 2006 to 2008. Rates for law and public safety employers increased over a six year period beginning on January 1, 2006, with a final rate increase on January 1, 2011. These rate increases allowed additional funds to be allocated to the health care plan.

Ohio Police and Fire Pension Fund

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

OP&F provides access to post-retirement health care coverage for 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. The health care coverage provided by OP&F meets the definition of an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 45.

The Ohio Revised Code allows, but does not mandate OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required by Ohio Revised Code to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.5 percent and 24.0 percent of covered payroll for police and fire employers, respectively. Active members do not make contributions to the OPEB Plan.

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2010, the employer contribution allocated to the health care plan was 6.75 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's contributions to OP&F which were allocated to fund post-employment health care benefits for police and firefighters were \$85,117 and \$83,757 for the year ended December 31, 2010, \$80,360 and \$77,302 for the year ended December 31, 2009, and \$78,612 and \$71,481 for the year ended December 31, 2008. For 2010, 72.38 percent has been contributed for police and 71.56 percent has been contributed for firefighters with the balance for both police and firefighters being reported as an intergovernmental payable. The full amount has been contributed for 2009 and 2008.

Note 14 - Notes Payable

A summary of the note transactions for the year ended December 31, 2010, follows:

	Outstanding 12/31/09	Issued	Retired	Outstanding 12/31/10
Governmental Activities:				
2.55% Various Purpose - Master Capital 2009	\$100,000	\$0	\$100,000	\$0
1.50% Various Purpose - Master Capital 2010	0	100,000	0	100,000
<i>Total Governmental Activities</i>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
Business Type Activities:				
4.25% Municipal Electric Series 2009	300,000	0	300,000	0
1.25% Municipal Electric Series 2010	0	300,000	0	300,000
<i>Total Business Type Activities</i>	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>
Total	<u><u>\$400,000</u></u>	<u><u>\$400,000</u></u>	<u><u>\$400,000</u></u>	<u><u>\$400,000</u></u>

On April 2, 2009, the City issued the various purpose 2009 note, which matured on April 1, 2010. On April 1, 2010, the City issued the various purpose 2010 note to finance storm sewer projects, and street and bridge construction. These notes mature on March 31, 2011.

On June 4, 2009, the City issued the municipal electric series 2009 notes, which matured on June 4, 2010. On June 3, 2010, the City issued the municipal electric series 2010 notes, which mature on March 31, 2011. All of these notes were issued to improve the City's utilities.

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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 15 - Long-Term Debt

Debt Issue	Interest Rate	Original Issue Amount	Date of Maturity
Governmental Activities			
Various Purpose Bond Anticipation Note	1.50%	\$2,640,000	March 31, 2011
Business-Type Activities			
Waterworks System Refunding Revenue Bonds - 2004	2.0-4.5	5,785,000	December 1, 2022
Municipal Electric System Refunding Revenue Bonds - 2005	3.7-5.0	9,670,000	December 1, 2019
Waterworks System Improvement Revenue Bonds - 2003	2.0-4.5	805,000	December 1, 2022
Municipal Electric Bond Anticipation Note Series 2010	1.25	6,900,000	March 31, 2011

A schedule of changes in bonds and other long-term obligations of the City during 2010 follows:

	Amount Outstanding 12/31/09	Additions	Deletions	Amount Outstanding 12/31/10	Amounts Due in One Year
Governmental Activities					
Police and Fire Pension	\$279,324	\$0	\$6,252	\$273,072	\$6,521
Various Purpose Bond Anticipation Note	2,100,000	2,640,000	2,100,000	2,640,000	0
State Infrastructure Bank Loan	0	530,860	0	530,860	0
Compensated Absences	1,414,577	48,318	231,479	1,231,416	132,782
Total Governmental Activities	\$3,793,901	\$3,219,178	\$2,337,731	\$4,675,348	\$139,303
Business-Type Activities					
Revenue Bonds					
Waterworks System Refunding	\$4,318,999	\$0	\$263,354	\$4,055,645	\$272,132
Discount	(22,819)	0	(1,756)	(21,063)	0
Accounting Loss	71,362	0	5,489	65,873	0
Municipal Electric System Refunding	7,455,000	0	605,000	6,850,000	630,000
Premium	184,410	0	18,441	165,969	0
Accounting Loss	47,688	0	4,769	42,919	0
Waterworks System Improvement	601,001	0	36,646	564,355	37,868
Total Revenue Bonds	12,655,641	0	931,943	11,723,698	940,000
Bond Anticipation Notes					
Municipal Electric Series 2009	7,200,000	0	7,200,000	0	0
Municipal Electric Series 2010	0	6,900,000	0	6,900,000	0
Total Bond Anticipation Notes	7,200,000	6,900,000	7,200,000	6,900,000	0
OWDA Loan Payable	12,795,611	0	512,770	12,282,841	0
Compensated Absences	1,140,532	45,343	222,645	963,230	255,247
Total Business-Type Activities	\$33,791,784	\$6,945,343	\$8,867,358	\$31,869,769	\$1,195,247

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The police and fire pension liability will be paid from taxes receipted 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 receipted 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 2009 municipal electric note was issued to retire a note that was issued to construct, install and equip pollution control facilities. The 2010 municipal electric note was issued to retire the 2009 notes.

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 and take advantage of lower interest rates. The refunded bonds were callable at 102 percent. The proceeds of the new bonds were placed in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the City's financial statements. On December 31, 2010, \$3,665,000 of the defeased bonds are still outstanding.

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, 2013, in multiples of \$5,000, at the following redemption prices plus accrued interest:

Redemption Dates	Redemption Prices
December 1, 2013 and thereafter	100 percent

Restricted assets relating to the water revenue bonds at December 31, 2010, were as follows:

Restricted Assets Held by City	
Replacement and Improvement	\$380,796
Restricted Assets Held by the Trustee	
Revenue Bond Current Debt Service	\$552,795

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, 2013, in multiples of \$5,000, at the following redemption prices plus accrued interest:

Redemption Dates	Redemption Prices
December 1, 2013 and thereafter	100 percent

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The City has pledged future revenues to repay the Waterworks System Improvement Refunding Revenue and Revenue Bonds. The bonds are payable solely from net revenues and are payable through 2022. Net revenues include all revenues received by the water utility less all operating expenses other than depreciation expense. The total principal and interest remaining to be paid on the bonds is \$5,962,245. Principal and interest paid for the current year were \$501,361, net revenues were \$715,738 and total revenues were \$2,045,222.

In 2006, the City issued \$9,670,000 in Municipal Electric System Refunding Revenue Bonds with interest rates varying from 3.7 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 to take advantage of lower interest rates. The refunded bonds were callable at 101 percent. The proceeds of the new bonds were placed in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the City's financial statements. On December 31, 2010, \$5,250,000 of the defeased bonds are still outstanding.

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

Restricted assets relating to the electric revenue bonds at December 31, 2010, were as follows:

Restricted Assets Held by City	
Replacement and Improvement	\$2,035,426
Restricted Assets Held by the Trustee	
Revenue Bond Current Debt Service	\$1,013,969

The City has pledged future revenues to repay the Municipal Electric System Refunding Revenue Bonds. The bonds are payable solely from net revenues and are payable through 2019. Net revenues include all revenues received by the water utility less all operating expenses other than depreciation expense. The total principal and interest remaining to be paid on the bonds is \$8,363,408. Principal and interest paid for the current year were \$924,047, net revenues were \$373,406 and total revenues were \$21,275,915.

The City has entered into a contractual agreement for a line of credit in the amount of \$13,722,732 from the Ohio Water Development Authority for improvements to the wastewater treatment plant. The City has also entered into a contractual agreement for a State Infrastructure Bank line of credit in the amount of \$1,868,675 from the Ohio Department of Transportation. Since the loan repayment schedules have not yet been finalized, repayment schedules are not included in the schedule of debt service requirements.

As of December 31, 2010, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$21,335,549 and the unvoted legal debt margin was \$9,618,211. Principal and interest requirements to retire the City's long-term obligations outstanding at December 31, 2010 are as follows:

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Year Ending December 31	Waterworks System		Municipal Electric System	
	Revenue Bonds		Revenue Bonds	
	Principal	Interest	Principal	Interest
2011	\$310,000	\$187,339	\$630,000	\$294,847
2012	320,000	176,954	655,000	269,647
2013	330,000	165,594	700,000	236,897
2014	345,000	150,744	730,000	201,899
2015	355,000	137,978	760,000	165,398
2016-2020	2,035,000	463,181	3,375,000	344,720
2021-2022	925,000	60,455	0	0
Total	\$4,620,000	\$1,342,245	\$6,850,000	\$1,513,408

Year Ending December 31	Police and Fire Pension	
	Principal	Interest
2011	\$6,521	\$11,524
2012	6,801	11,244
2013	7,093	10,952
2014	7,398	10,647
2015	7,715	10,330
2016-2020	43,842	46,383
2021-2025	54,100	36,125
2026-2030	66,761	23,464
2031-2035	72,841	7,858
Total	\$273,072	\$168,527

Note 16 – Jointly Governed Organizations

Community Improvement Corporation of Tuscarawas County

The City is associated with the Community Improvement Corporation of Tuscarawas County as a Jointly Governed Organization. The Corporation advances, encourages and promotes the industrial, economic, commercial, and civic development of all Tuscarawas County. The Corporation is operated by Tuscarawas County, New Philadelphia, Dover, Uhrichsville, Dennison, Strasburg, Sugarcreek and Gnadenhutten. It is controlled by fifty trustees consisting of the three County Commissioners, the mayor of each participating city and forty 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 2010, the City contributed \$48,245.

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 2010, the City contributed \$1,709 which represents 1.40 percent of total contributions.

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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 2010, 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 \$1,669,220 at December 31, 2010. OMEGA JV2 is not accumulating significant financial resources or experiencing fiscal distress which would cause additional financial benefit to or burden on the City. 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.

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Note 18 – Subsequent Events

On April 1, 2011, the City refinanced \$2,640,000 in various purpose bond anticipation notes. The new note has an interest rate of .695 percent and matures on November 30, 2011.

On April 1, 2011, the City refinanced \$6,900,000 in municipal electric system improvement bond anticipation notes. The new note has an interest rate of .695 percent and matures November 30, 2011.

Combining and Individual Fund Statements and 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. This fund has no budgetary activity for 2010.

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 2010.

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.

Community Housing Improvement Program (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, 2010

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,086,557	\$0	\$20,955	\$1,107,512
Cash and Cash Equivalents With Fiscal Agents	0	1,735	0	1,735
Materials and Supplies Inventory	104,419	0	0	104,419
Accounts Receivable	68,154	0	0	68,154
Intergovernmental Receivable	296,134	0	0	296,134
Prepaid Items	33,089	0	0	33,089
Income Tax Receivable	390,907	0	0	390,907
Property Taxes Receivable	127,327	0	0	127,327
Loans Receivable	281,104	0	0	281,104
<i>Total Assets</i>	<u>\$2,387,691</u>	<u>\$1,735</u>	<u>\$20,955</u>	<u>\$2,410,381</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$43,056	\$0	\$0	\$43,056
Accrued Wages	32,057	0	0	32,057
Contracts Payable	675	0	0	675
Intergovernmental Payable	202,620	0	0	202,620
Matured Compensated Absences Payable	23,490	0	0	23,490
Matured Interest Payable	0	1,735	0	1,735
Deferred Revenue	724,011	0	0	724,011
<i>Total Liabilities</i>	<u>1,025,909</u>	<u>1,735</u>	<u>0</u>	<u>1,027,644</u>
Fund Balances				
Reserved for Encumbrances	23,625	0	0	23,625
Reserved for Loans Receivable	215,880	0	0	215,880
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	1,122,277	0	0	1,122,277
Capital Projects Fund	0	0	20,955	20,955
<i>Total Fund Balances</i>	<u>1,361,782</u>	<u>0</u>	<u>20,955</u>	<u>1,382,737</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$2,387,691</u>	<u>\$1,735</u>	<u>\$20,955</u>	<u>\$2,410,381</u>

City of Dover, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2010

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues			
Property Taxes	\$156,333	\$0	\$156,333
Income Taxes	1,221,919	0	1,221,919
Intergovernmental	638,533	305,251	943,784
Interest	22,256	0	22,256
Fines, Licenses and Permits	3,653	0	3,653
Charges for Services	375,113	0	375,113
Other	11,700	0	11,700
<i>Total Revenues</i>	<u>2,429,507</u>	<u>305,251</u>	<u>2,734,758</u>
Expenditures			
Current:			
Security of Persons and Property	509,204	0	509,204
Transportation	1,212,992	0	1,212,992
Public Health Services	795,294	0	795,294
Capital Outlay	0	308,765	308,765
Debt Service:			
Principal Retirement	6,252	0	6,252
Interest and Fiscal Charges	11,793	0	11,793
<i>Total Expenditures</i>	<u>2,535,535</u>	<u>308,765</u>	<u>2,844,300</u>
<i>Net Change in Fund Balances</i>	(106,028)	(3,514)	(109,542)
<i>Fund Balances Beginning of Year</i>	<u>1,467,810</u>	<u>24,469</u>	<u>1,492,279</u>
<i>Fund Balances End of Year</i>	<u><u>\$1,361,782</u></u>	<u><u>\$20,955</u></u>	<u><u>\$1,382,737</u></u>

City of Dover, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2010

	Street Maintenance and Repair	State Highway	Police and Fire Pension	Ambulance	Cemetery
Assets					
Equity in Pooled Cash and					
Cash Equivalents	\$43,240	\$3,887	\$16,724	\$83,306	\$661,120
Materials and Supplies Inventory	99,232	0	0	5,187	0
Accounts Receivable	0	0	0	68,154	0
Intergovernmental Receivable	265,730	21,546	8,832	0	0
Prepaid Items	11,700	0	0	17,939	3,450
Income Tax Receivable	174,919	0	112,557	0	103,431
Property Taxes Receivable	0	0	127,327	0	0
Loans Receivable	0	0	0	0	0
<i>Total Assets</i>	<u>\$594,821</u>	<u>\$25,433</u>	<u>\$265,440</u>	<u>\$174,586</u>	<u>\$768,001</u>
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	\$21,350	\$14,676	\$0	\$6,361	\$669
Accrued Wages	21,318	3,250	0	0	7,489
Contracts Payable	0	0	0	675	0
Intergovernmental Payable	34,215	0	152,617	0	15,788
Matured Compensated Absences Payable	23,490	0	0	0	0
Deferred Revenue	345,800	17,910	218,716	68,154	73,431
<i>Total Liabilities</i>	<u>446,173</u>	<u>35,836</u>	<u>371,333</u>	<u>75,190</u>	<u>97,377</u>
Fund Balances					
Reserved for Encumbrances	7,360	0	0	7,396	8,869
Reserved for Loans Receivable	0	0	0	0	0
Unreserved (Deficit)	141,288	(10,403)	(105,893)	92,000	661,755
<i>Total Fund Balances (Deficit)</i>	<u>148,648</u>	<u>(10,403)</u>	<u>(105,893)</u>	<u>99,396</u>	<u>670,624</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$594,821</u>	<u>\$25,433</u>	<u>\$265,440</u>	<u>\$174,586</u>	<u>\$768,001</u>

Revolving Loan	Drug Law Enforcement	Law Enforcement Block Grant	Enforcement and Education	Shade Tree	Total Nonmajor Special Revenue Funds
\$237,816	\$10,720	\$427	\$26,580	\$2,737	\$1,086,557
0	0	0	0	0	104,419
0	0	0	0	0	68,154
0	0	0	26	0	296,134
0	0	0	0	0	33,089
0	0	0	0	0	390,907
0	0	0	0	0	127,327
281,104	0	0	0	0	281,104
<u>\$518,920</u>	<u>\$10,720</u>	<u>\$427</u>	<u>\$26,606</u>	<u>\$2,737</u>	<u>\$2,387,691</u>
\$0	\$0	\$0	\$0	\$0	\$43,056
0	0	0	0	0	32,057
0	0	0	0	0	675
0	0	0	0	0	202,620
0	0	0	0	0	23,490
0	0	0	0	0	724,011
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,025,909</u>
0	0	0	0	0	23,625
215,880	0	0	0	0	215,880
303,040	10,720	427	26,606	2,737	1,122,277
<u>518,920</u>	<u>10,720</u>	<u>427</u>	<u>26,606</u>	<u>2,737</u>	<u>1,361,782</u>
<u>\$518,920</u>	<u>\$10,720</u>	<u>\$427</u>	<u>\$26,606</u>	<u>\$2,737</u>	<u>\$2,387,691</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, 2010

	Street Maintenance and Repair	State Highway	Police and Fire Pension	Ambulance	Cemetery
Revenues					
Property Taxes	\$0	\$0	\$156,333	\$0	\$0
Income Taxes	486,919	0	400,000	0	335,000
Intergovernmental	574,584	45,471	18,478	0	0
Interest	235	0	0	0	8,014
Fines, Licenses and Permits	12	0	0	0	0
Charges for Services	0	0	0	231,622	143,491
Other	3,752	99	0	7,100	5
<i>Total Revenues</i>	<u>1,065,502</u>	<u>45,570</u>	<u>574,811</u>	<u>238,722</u>	<u>486,510</u>
Expenditures					
Current:					
Security of Persons and Property	0	0	504,061	0	0
Transportation	1,150,298	62,694	0	0	0
Public Health Services	0	0	0	302,487	492,807
Debt Service:					
Principal Retirement	0	0	6,252	0	0
Interest and Fiscal Charges	0	0	11,793	0	0
<i>Total Expenditures</i>	<u>1,150,298</u>	<u>62,694</u>	<u>522,106</u>	<u>302,487</u>	<u>492,807</u>
<i>Net Change in Fund Balances</i>	(84,796)	(17,124)	52,705	(63,765)	(6,297)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>233,444</u>	<u>6,721</u>	<u>(158,598)</u>	<u>163,161</u>	<u>676,921</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$148,648</u>	<u>(\$10,403)</u>	<u>(\$105,893)</u>	<u>\$99,396</u>	<u>\$670,624</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	\$156,333
0	0	0	0	0	1,221,919
0	0	0	0	0	638,533
14,007	0	0	0	0	22,256
0	1,980	0	1,661	0	3,653
0	0	0	0	0	375,113
0	0	0	744	0	11,700
<u>14,007</u>	<u>1,980</u>	<u>0</u>	<u>2,405</u>	<u>0</u>	<u>2,429,507</u>
0	0	0	5,143	0	509,204
0	0	0	0	0	1,212,992
0	0	0	0	0	795,294
0	0	0	0	0	6,252
0	0	0	0	0	11,793
<u>0</u>	<u>0</u>	<u>0</u>	<u>5,143</u>	<u>0</u>	<u>2,535,535</u>
14,007	1,980	0	(2,738)	0	(106,028)
<u>504,913</u>	<u>8,740</u>	<u>427</u>	<u>29,344</u>	<u>2,737</u>	<u>1,467,810</u>
<u>\$518,920</u>	<u>\$10,720</u>	<u>\$427</u>	<u>\$26,606</u>	<u>\$2,737</u>	<u>\$1,361,782</u>

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

City of Dover, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$785,000	\$785,000	\$787,830	\$2,830
Income Taxes	3,750,456	3,426,192	3,465,405	39,213
Intergovernmental	1,429,596	1,305,993	1,511,551	205,558
Interest	82,098	75,000	58,988	(16,012)
Fines, Licenses and Permits	62,598	57,186	50,141	(7,045)
Charges for Services	867,395	792,400	794,795	2,395
Other	63,958	58,427	108,635	50,208
<i>Total Revenues</i>	7,041,101	6,500,198	6,777,345	277,147
Expenditures				
Current:				
General Government:				
Mayor:				
Salaries and Wages	123,403	123,403	120,942	2,461
Fringe Benefits	67,803	65,303	59,845	5,458
Purchased Services	13,726	15,100	13,602	1,498
Materials and Supplies	5,438	6,375	6,268	107
<i>Total Mayor</i>	210,370	210,181	200,657	9,524
Auditor:				
Salaries and Wages	146,692	111,113	111,113	0
Fringe Benefits	78,996	77,996	72,653	5,343
Purchased Services	13,300	25,400	25,092	308
Materials and Supplies	4,376	4,376	3,769	607
<i>Total Auditor</i>	243,364	218,885	212,627	6,258
Treasurer:				
Salaries and Wages	13,309	13,309	13,309	0
Fringe Benefits	4,515	4,515	4,486	29
Purchased Services	1,300	1,300	1,141	159
Materials and Supplies	50	50	0	50
<i>Total Treasurer</i>	\$19,174	\$19,174	\$18,936	\$238

(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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Law Director:				
Salaries and Wages	\$67,904	\$67,904	\$67,904	\$0
Fringe Benefits	31,200	31,200	30,561	639
Purchased Services	96,596	96,596	92,450	4,146
Materials and Supplies	5,183	5,183	2,078	3,105
Total Law Director	200,883	200,883	192,993	7,890
Civil Service Commission:				
Salaries and Wages	3,000	3,000	3,000	0
Fringe Benefits	600	600	254	346
Purchased Services	3,600	3,550	2,684	866
Materials and Supplies	0	50	12	38
Total Civil Service Commission	7,200	7,200	5,950	1,250
Income Tax Department:				
Salaries and Wages	93,171	93,171	92,825	346
Fringe Benefits	51,068	50,468	47,603	2,865
Purchased Services	72,903	33,095	12,913	20,182
Materials and Supplies	6,378	6,978	5,668	1,310
Total Income Tax Department	223,520	183,712	159,009	24,703
Council:				
Salaries and Wages	44,961	44,960	44,960	0
Fringe Benefits	14,823	14,823	14,360	463
Purchased Services	23,675	23,675	20,620	3,055
Materials and Supplies	664	664	216	448
Total Council	84,123	84,122	80,156	3,966
Clerk of Council:				
Salaries and Wages	5,739	5,738	5,534	204
Fringe Benefits	2,572	2,572	2,477	95
Purchased Services	650	550	386	164
Materials and Supplies	361	461	385	76
Total Clerk of Council	\$9,322	\$9,321	\$8,782	\$539

(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, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Service Director:				
Salaries and Wages	\$108,229	\$17,935	\$17,093	\$842
Fringe Benefits	62,624	62,625	58,218	4,407
Purchased Services	7,275	7,275	6,228	1,047
Materials and Supplies	3,500	3,500	2,142	1,358
Total Service Director	181,628	91,335	83,681	7,654
Rubbish-Janitor-City Hall:				
Salaries and Wages	37,331	19,331	17,627	1,704
Fringe Benefits	20,450	17,450	12,754	4,696
Purchased Services	105	20,100	14,755	5,345
Materials and Supplies	750	750	0	750
Total Rubbish-Janitor-City Hall	58,636	57,631	45,136	12,495
Other:				
Purchased Services	562,377	228,104	141,540	86,564
Materials and Supplies	3,000	3,000	1,566	1,434
Capital Outlay	27,000	32,067	20,538	11,529
Other	80,000	7,500	5,576	1,924
Total Other	672,377	270,671	169,220	101,451
Total General Government	1,910,597	1,353,115	1,177,147	175,968
Security of Persons and Property:				
Police:				
Salaries and Wages	1,413,581	1,413,581	1,348,317	65,264
Fringe Benefits	401,618	391,618	344,302	47,316
Purchased Services	87,670	84,170	63,289	20,881
Materials and Supplies	60,250	93,935	57,700	36,235
Total Police	1,963,119	1,983,304	1,813,608	169,696
Traffic Safety:				
Salaries and Wages	142,700	144,700	140,766	3,934
Fringe Benefits	76,393	74,393	73,754	639
Purchased Services	34,171	34,171	31,631	2,540
Materials and Supplies	36,968	33,968	33,097	871
Total Traffic Safety	\$290,232	\$287,232	\$279,248	\$7,984

(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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Fire Prevention:				
Salaries and Wages	\$1,068,731	\$1,147,731	\$1,130,102	\$17,629
Fringe Benefits	338,978	332,978	291,825	41,153
Purchased Services	73,085	76,084	58,985	17,099
Materials and Supplies	55,663	70,365	65,962	4,403
Total Fire Prevention	1,536,457	1,627,158	1,546,874	80,284
Director of Public Safety:				
Salaries and Wages	32,638	32,638	32,638	0
Fringe Benefits	8,825	8,825	8,798	27
Purchased Services	2,575	2,989	1,758	1,231
Materials and Supplies	100	100	0	100
Total Director of Public Safety	44,138	44,552	43,194	1,358
Total Security of Persons and Property	3,833,946	3,942,246	3,682,924	259,322
Public Health Services:				
County Health Services:				
Purchased Services	9,000	9,900	9,324	576
Community Environment:				
Demolition and Mowing:				
Purchased Services	17,500	16,600	16,258	342
Building Inspector:				
Salaries and Wages	57,413	57,413	57,413	0
Fringe Benefits	35,591	35,592	28,990	6,602
Purchased Services	3,000	3,150	2,889	261
Materials and Supplies	1,737	1,588	1,327	261
Total Building Inspector	97,741	97,743	90,619	7,124
Total Community Environment	\$115,241	\$114,343	\$106,877	\$7,466

(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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Basic Utility Services:				
Refuse Collections and Disposals:				
Purchased Services	\$577,441	\$611,445	\$610,467	\$978
Leisure Time Activities:				
Parks and Recreation:				
Personal Services	475,422	475,423	465,908	9,515
Fringe Benefits	221,086	221,086	213,201	7,885
Purchased Services	94,209	94,209	87,939	6,270
Materials and Supplies	91,235	91,235	84,824	6,411
Total Leisure Time Activities	881,952	881,953	851,872	30,081
<i>Total Expenditures</i>	<u>7,328,177</u>	<u>6,913,002</u>	<u>6,438,611</u>	<u>474,391</u>
<i>Net Change in Fund Balance</i>	(287,076)	(412,804)	338,734	751,538
<i>Fund Balance Beginning of Year</i>	419,956	419,956	419,956	0
Prior Year Encumbrances Appropriated	43,600	43,600	43,600	0
<i>Fund Balance End of Year</i>	<u>\$176,480</u>	<u>\$50,752</u>	<u>\$802,290</u>	<u>\$751,538</u>

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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Income Taxes	\$847,737	\$1,115,402	\$1,148,170	\$32,768
Intergovernmental	698,764	919,393	32,174	(887,219)
Other	98,499	129,599	26,040	(103,559)
<i>Total Revenues</i>	<u>1,645,000</u>	<u>2,164,394</u>	<u>1,206,384</u>	<u>(958,010)</u>
Expenditures				
Capital Outlay	3,201,765	3,698,388	3,178,968	519,420
Debt Service:				
Principal Retirement	2,200,000	2,200,000	2,200,000	0
Interest and Fiscal Charges	0	0	9,183	(9,183)
<i>Total Debt Service</i>	<u>2,200,000</u>	<u>2,200,000</u>	<u>2,209,183</u>	<u>(9,183)</u>
<i>Total Expenditures</i>	<u>5,401,765</u>	<u>5,898,388</u>	<u>5,388,151</u>	<u>510,237</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(3,756,765)</u>	<u>(3,733,994)</u>	<u>(4,181,767)</u>	<u>(447,773)</u>
Other Financing Sources				
General Obligation Notes Issued	2,840,000	2,840,000	2,740,000	(100,000)
State Infrastructure Bank Loan Issued	0	0	530,860	530,860
<i>Total Other Financing Sources</i>	<u>2,840,000</u>	<u>2,840,000</u>	<u>3,270,860</u>	<u>430,860</u>
<i>Net Change in Fund Balance</i>	<u>(916,765)</u>	<u>(893,994)</u>	<u>(910,907)</u>	<u>(16,913)</u>
<i>Fund Balance Beginning of Year</i>	579,103	579,103	579,103	0
Prior Year Encumbrances Appropriated	333,883	333,883	333,883	0
<i>Fund Balance (Deficit) End of Year</i>	<u>(\$3,779)</u>	<u>\$18,992</u>	<u>\$2,079</u>	<u>(\$16,913)</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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$3,516,535	\$3,097,900	\$3,095,913	(\$1,987)
Tap-In Fees	1,135	1,000	5,483	4,483
Other	682,330	601,100	22,732	(578,368)
<i>Total Revenues</i>	4,200,000	3,700,000	3,124,128	(575,872)
Expenses				
Salaries and Wages:				
Sewer Office	53,915	85,255	85,125	130
Sewer Disposal Plant	835,701	835,701	834,773	928
Total Salaries and Wages	889,616	920,956	919,898	1,058
Fringe Benefits:				
Sewer Office	40,224	40,224	34,269	5,955
Sewer Disposal Plant	532,381	532,381	453,902	78,479
Total Fringe Benefits	572,605	572,605	488,171	84,434
Purchased Services:				
Sewer Office	112,544	80,905	50,173	30,732
Sewer Disposal Plant	437,865	452,865	263,733	189,132
Total Purchased Services	550,409	533,770	313,906	219,864
Materials and Supplies:				
Sewer Office	6,148	7,647	6,726	921
Sewer Disposal Plant	174,677	174,676	132,886	41,790
Total Materials and Supplies	180,825	182,323	139,612	42,711
Capital Outlay:				
Sewer Office	15,000	13,800	1,221	12,579
Sewer Disposal Plant	781,000	426,000	162,674	263,326
Wastewater Reserve	800,000	838,640	61,707	776,933
Wastewater Construction	300,000	300,000	0	300,000
Total Capital Outlay	1,896,000	1,578,440	225,602	1,352,838
Debt Service:				
Principal Retirement	512,770	512,770	512,770	0
Interest and Fiscal Charges	426,720	426,720	425,720	1,000
Total Debt Service	939,490	939,490	938,490	1,000
<i>Total Expenses</i>	\$5,028,945	\$4,727,584	\$3,025,679	\$1,701,905

(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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>Excess of Revenues Over (Under) Expenses</i>	(\$828,945)	(\$1,027,584)	\$98,449	\$1,126,033
<i>Transfers In</i>	0	160,000	0	(160,000)
<i>Net Change in Fund Equity</i>	(828,945)	(867,584)	98,449	966,033
<i>Fund Equity Beginning of Year</i>	3,372,696	3,372,696	3,372,696	0
<i>Prior Year Encumbrances Appropriated</i>	73,440	73,440	73,440	0
<i>Fund Equity End of Year</i>	\$2,617,191	\$2,578,552	\$3,544,585	\$966,033

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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Interest	\$34,630	\$35,500	\$2,051	(\$33,449)
Charges for Services	20,972,137	21,498,786	20,382,197	(1,116,589)
Electric Deposits Received	29,265	30,000	30,569	569
Notes Issued	7,023,624	7,200,000	7,200,000	0
Other	205,344	210,500	593,791	383,291
<i>Total Revenues</i>	<u>28,265,000</u>	<u>28,974,786</u>	<u>28,208,608</u>	<u>(766,178)</u>
Expenses				
Salaries and Wages:				
Electric Office	124,479	162,155	147,447	14,708
Electric Distribution	1,006,504	1,044,341	1,027,511	16,830
Electric Plant	1,396,728	1,396,728	1,364,002	32,726
Total Salaries and Wages	<u>2,527,711</u>	<u>2,603,224</u>	<u>2,538,960</u>	<u>64,264</u>
Fringe Benefits:				
Electric Office	58,485	58,485	50,672	7,813
Electric Distribution	545,621	507,784	500,004	7,780
Electric Plant	697,803	687,803	650,657	37,146
Total Fringe Benefits	<u>1,301,909</u>	<u>1,254,072</u>	<u>1,201,333</u>	<u>52,739</u>
Purchased Services:				
Electric Office	98,840	57,164	46,403	10,761
Electric Distribution	406,488	456,488	446,927	9,561
Electric Plant	1,991,631	1,293,417	1,245,740	47,677
Total Purchased Services	<u>2,496,959</u>	<u>1,807,069</u>	<u>1,739,070</u>	<u>67,999</u>
Materials and Supplies:				
Electric Office	5,060	9,060	6,542	2,518
Electric Distribution	120,423	156,424	146,186	10,238
Electric Plant	3,764,412	4,414,412	4,250,353	164,059
Total Materials and Supplies	<u>3,889,895</u>	<u>4,579,896</u>	<u>4,403,081</u>	<u>176,815</u>
Purchased Power:				
Electric Plant	<u>\$8,000,000</u>	<u>\$8,760,000</u>	<u>\$8,583,803</u>	<u>\$176,197</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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Capital Outlay:				
Electric Construction	\$25,000	\$25,000	\$0	\$25,000
Electric Capital Reserve	100,000	100,000	0	100,000
Electric Surplus	100,000	100,000	0	100,000
Electric Office	2,500	2,500	1,221	1,279
Municipal Electric Improvement	9,272	9,272	0	9,272
Electric Distribution	908,362	822,361	702,497	119,864
Electric Plant	634,616	784,615	411,113	373,502
Total Capital Outlay	1,779,750	1,843,748	1,114,831	728,917
Debt Service:				
Principal Retirement	8,649,150	8,105,000	8,105,000	0
Interest and Fiscal Charges	0	569,150	563,059	6,091
Total Debt Service	8,649,150	8,674,150	8,668,059	6,091
Electric Deposits Returned:				
Refunds	85,000	85,000	40,095	44,905
Total Expenses	28,730,374	29,607,159	28,289,232	1,317,927
Net Change in Fund Equity	(465,374)	(632,373)	(80,624)	551,749
Fund Equity Beginning of Year	2,766,364	2,766,364	2,766,364	0
Prior Year Encumbrances Appropriated	437,040	437,040	437,040	0
Fund Equity End of Year	\$2,738,030	\$2,571,031	\$3,122,780	\$551,749

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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest	\$750	\$750	\$344	(\$406)
Charges for Services	1,925,100	1,925,100	1,976,378	51,278
Tap-In Fees	19,300	19,300	3,000	(16,300)
Other	5,550	5,550	21,380	15,830
<i>Total Revenues</i>	<u>1,950,700</u>	<u>1,950,700</u>	<u>2,001,102</u>	<u>50,402</u>
Expenses				
Salaries and Wages:				
Water Office	54,415	84,556	57,013	27,543
Water Plant	612,083	648,304	628,611	19,693
Total Salaries and Wages	<u>666,498</u>	<u>732,860</u>	<u>685,624</u>	<u>47,236</u>
Fringe Benefits:				
Water Office	45,205	44,500	26,509	17,991
Water Plant	310,417	290,196	288,031	2,165
Total Fringe Benefits	<u>355,622</u>	<u>334,696</u>	<u>314,540</u>	<u>20,156</u>
Purchased Services:				
Water Office	88,500	57,564	46,768	10,796
Water Plant	112,993	112,993	96,273	16,720
Total Purchased Services	<u>201,493</u>	<u>170,557</u>	<u>143,041</u>	<u>27,516</u>
Materials and Supplies:				
Water Office	6,229	6,229	5,673	556
Water Plant	135,660	145,759	133,898	11,861
Total Materials and Supplies	<u>141,889</u>	<u>151,988</u>	<u>139,571</u>	<u>12,417</u>
Capital Outlay:				
Water Office	0	1,500	1,221	279
Water Plant	441,628	416,629	190,194	226,435
Water Surplus	200,000	200,000	106,137	93,863
Total Capital Outlay	<u>\$641,628</u>	<u>\$618,129</u>	<u>\$297,552</u>	<u>\$320,577</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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Debt Service:				
Principal Retirement	\$300,000	\$300,000	\$300,000	\$0
Interest and Fiscal Charges	182,500	212,500	201,361	11,139
Total Debt Service	<u>482,500</u>	<u>512,500</u>	<u>501,361</u>	<u>11,139</u>
<i>Total Expenses</i>	<u>2,489,630</u>	<u>2,520,730</u>	<u>2,081,689</u>	<u>439,041</u>
<i>Net Change in Fund Equity</i>	(538,930)	(570,030)	(80,587)	489,443
<i>Fund Equity Beginning of Year</i>	737,578	737,578	737,578	0
Prior Year Encumbrances Appropriated	<u>78,532</u>	<u>78,532</u>	<u>78,532</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$277,180</u>	<u>\$246,080</u>	<u>\$735,523</u>	<u>\$489,443</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, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Income Taxes	\$562,766	\$575,000	\$575,000	\$0
Intergovernmental	581,851	594,500	574,471	(20,029)
Interest	4,404	4,500	235	(4,265)
Fines, Licenses and Permits	49	50	12	(38)
Other	930	950	3,752	2,802
<i>Total Revenues</i>	<u>1,150,000</u>	<u>1,175,000</u>	<u>1,153,470</u>	<u>(21,530)</u>
Expenditures				
Current:				
Transportation:				
Street Construction and Reconstruction:				
Salaries and Wages	583,660	611,577	590,411	21,166
Fringe Benefits	355,492	321,492	319,940	1,552
Purchased Services	84,314	55,397	50,353	5,044
Materials and Supplies	131,406	191,407	173,095	18,312
<i>Total Expenditures</i>	<u>1,154,872</u>	<u>1,179,873</u>	<u>1,133,799</u>	<u>46,074</u>
<i>Net Change in Fund Balance</i>	(4,872)	(4,873)	19,671	24,544
<i>Fund Balance Beginning of Year</i>	6,437	6,437	6,437	0
Prior Year Encumbrances Appropriated	<u>5,420</u>	<u>5,420</u>	<u>5,420</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$6,985</u>	<u>\$6,984</u>	<u>\$31,528</u>	<u>\$24,544</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, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$50,000	\$50,000	\$45,462	(\$4,538)
Other	<u>0</u>	<u>0</u>	<u>99</u>	<u>99</u>
<i>Total Revenues</i>	50,000	50,000	45,561	(4,439)
Expenditures				
Current:				
Transportation:				
Street Construction and Reconstruction:				
Materials and Supplies	<u>45,000</u>	<u>45,000</u>	<u>44,768</u>	<u>232</u>
<i>Net Change in Fund Balance</i>	5,000	5,000	793	(4,207)
<i>Fund Balance Beginning of Year</i>	<u>3,094</u>	<u>3,094</u>	<u>3,094</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$8,094</u></u>	<u><u>\$8,094</u></u>	<u><u>\$3,887</u></u>	<u><u>(\$4,207)</u></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, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$151,000	\$151,000	\$156,333	\$5,333
Income Taxes	349,553	370,000	370,000	0
Intergovernmental	9,447	10,000	18,478	8,478
<i>Total Revenues</i>	<u>510,000</u>	<u>531,000</u>	<u>544,811</u>	<u>13,811</u>
Expenditures				
Current:				
Security of Persons and Property:				
Police Disability and Pension:				
Fringe Benefits	245,000	245,000	244,702	298
Fire Disability and Pension:				
Fringe Benefits	265,000	295,000	292,886	2,114
<i>Total Expenditures</i>	<u>510,000</u>	<u>540,000</u>	<u>537,588</u>	<u>2,412</u>
<i>Net Change in Fund Balance</i>	0	(9,000)	7,223	16,223
<i>Fund Balance Beginning of Year</i>	<u>9,501</u>	<u>9,501</u>	<u>9,501</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$9,501</u></u>	<u><u>\$501</u></u>	<u><u>\$16,724</u></u>	<u><u>\$16,223</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, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$175,000	\$235,000	\$231,622	(\$3,378)
Other	0	0	7,100	7,100
<i>Total Revenues</i>	<u>175,000</u>	<u>235,000</u>	<u>238,722</u>	<u>3,722</u>
Expenditures				
Current:				
Public Health Services:				
Ambulance:				
Salaries and Wages	125,000	125,000	111,432	13,568
Purchased Services	22,000	22,000	21,507	493
Materials and Supplies	113,232	120,232	72,939	47,293
Capital Outlay	0	120,000	119,488	512
<i>Total Expenditures</i>	<u>260,232</u>	<u>387,232</u>	<u>325,366</u>	<u>61,866</u>
<i>Net Change in Fund Balance</i>	(85,232)	(152,232)	(86,644)	65,588
<i>Fund Balance Beginning of Year</i>	146,391	146,391	146,391	0
Prior Year Encumbrances Appropriated	<u>13,232</u>	<u>13,232</u>	<u>13,232</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$74,391</u></u>	<u><u>\$7,391</u></u>	<u><u>\$72,979</u></u>	<u><u>\$65,588</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, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Income Taxes	\$340,000	\$340,000	\$340,000	\$0
Interest	12,500	12,500	8,014	(4,486)
Charges for Services	132,500	132,500	143,491	10,991
Other	15,000	15,000	5	(14,995)
<i>Total Revenues</i>	<u>500,000</u>	<u>500,000</u>	<u>491,510</u>	<u>(8,490)</u>
Expenditures				
Current:				
Public Health Services:				
Cemetery:				
Salaries and Wages	305,739	305,738	305,266	472
Fringe Benefits	161,331	156,331	154,975	1,356
Purchased Services	16,385	16,385	15,621	764
Materials and Supplies	19,895	24,395	23,417	978
Capital Outlay	1,000	6,000	5,690	310
Other	0	40,000	8,008	31,992
<i>Total Expenditures</i>	<u>504,350</u>	<u>548,849</u>	<u>512,977</u>	<u>35,872</u>
<i>Net Change in Fund Balance</i>	(4,350)	(48,849)	(21,467)	27,382
<i>Fund Balance Beginning of Year</i>	673,341	673,341	673,341	0
Prior Year Encumbrances Appropriated	<u>2,630</u>	<u>2,630</u>	<u>2,630</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$671,621</u>	<u>\$627,122</u>	<u>\$654,504</u>	<u>\$27,382</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, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$61,500	\$61,500	\$76,446	\$14,946
Interest	500	500	21	(479)
<i>Total Revenues</i>	62,000	62,000	76,467	14,467
Expenditures				
Current:				
Community Environment:				
Other Community Environment:				
Purchased Services	175,000	175,000	0	175,000
<i>Net Change in Fund Balance</i>	(113,000)	(113,000)	76,467	189,467
<i>Fund Balance Beginning of Year</i>	161,349	161,349	161,349	0
<i>Fund Balance End of Year</i>	<u>\$48,349</u>	<u>\$48,349</u>	<u>\$237,816</u>	<u>\$189,467</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, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Fines, Licenses, and Permits	\$0	\$1,980	\$1,980	\$0
Expenditures				
Current:				
Security of Persons and Property:				
Drug Law Enforcement:				
Materials and Supplies	8,000	9,980	0	9,980
<i>Net Change in Fund Balance</i>	(8,000)	(8,000)	1,980	9,980
<i>Fund Balance Beginning of Year</i>	8,740	8,740	8,740	0
<i>Fund Balance End of Year</i>	<u>\$740</u>	<u>\$740</u>	<u>\$10,720</u>	<u>\$9,980</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, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines, Licenses and Permits	\$1,500	\$1,500	\$1,928	\$428
Other	<u>0</u>	<u>0</u>	<u>744</u>	<u>744</u>
<i>Total Revenues</i>	1,500	1,500	2,672	1,172
Expenditures				
Current:				
Security of Persons and Property:				
Enforcement and Education:				
Materials and Supplies	<u>30,000</u>	<u>30,000</u>	<u>5,143</u>	<u>24,857</u>
<i>Net Change in Fund Balance</i>	(28,500)	(28,500)	(2,471)	26,029
<i>Fund Balance Beginning of Year</i>	<u>29,051</u>	<u>29,051</u>	<u>29,051</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$551</u></u>	<u><u>\$551</u></u>	<u><u>\$26,580</u></u>	<u><u>\$26,029</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, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Current:				
General Government:				
Land Development:				
Purchased Services	2,000	2,000	0	2,000
<i>Net Change in Fund Balance</i>	(2,000)	(2,000)	0	2,000
<i>Fund Balance Beginning of Year</i>	2,737	2,737	2,737	0
<i>Fund Balance End of Year</i>	<u>\$737</u>	<u>\$737</u>	<u>\$2,737</u>	<u>\$2,000</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, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$41,400	\$41,400	\$0	(\$41,400)
Expenditures				
Capital Outlay	<u>41,400</u>	<u>41,400</u>	<u>0</u>	<u>41,400</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, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$300,000	\$300,000	\$305,251	\$5,251
Expenditures				
Capital Outlay	<u>324,000</u>	<u>324,000</u>	<u>308,765</u>	<u>15,235</u>
<i>Net Change in Fund Balance</i>	(24,000)	(24,000)	(3,514)	20,486
<i>Fund Balance Beginning of Year</i>	<u>24,469</u>	<u>24,469</u>	<u>24,469</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$469</u></u>	<u><u>\$469</u></u>	<u><u>\$20,955</u></u>	<u><u>\$20,486</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, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$1,950,000	\$1,950,000	\$1,850,962	(\$99,038)
Other	50,000	50,000	143,027	93,027
<i>Total Revenues</i>	<u>2,000,000</u>	<u>2,000,000</u>	<u>1,993,989</u>	<u>(6,011)</u>
Expenses				
Contractual Services	200,000	200,000	167,862	32,138
Claims	1,800,000	1,800,000	1,694,398	105,602
<i>Total Expenditures</i>	<u>2,000,000</u>	<u>2,000,000</u>	<u>1,862,260</u>	<u>137,740</u>
<i>Net Change in Fund Equity</i>	0	0	131,729	131,729
<i>Fund Equity Beginning of Year</i>	<u>10,799</u>	<u>10,799</u>	<u>10,799</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$10,799</u></u>	<u><u>\$10,799</u></u>	<u><u>\$142,528</u></u>	<u><u>\$131,729</u></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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Deposits for Burial Expenses	\$20,000	\$20,000	\$16,322	(\$3,678)
Interest	5,000	5,000	233	(4,767)
<i>Total Revenues</i>	25,000	25,000	16,555	(8,445)
Expenses				
Current:				
Public Health Services:				
Cemetery:				
Other	40,000	40,000	18,940	21,060
<i>Net Change in Fund Equity</i>	(15,000)	(15,000)	(2,385)	12,615
<i>Fund Equity Beginning of Year</i>	225,285	225,285	225,285	0
<i>Fund Equity End of Year</i>	<u>\$210,285</u>	<u>\$210,285</u>	<u>\$222,900</u>	<u>\$12,615</u>

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STATISTICAL SECTION



THE CITY OF **DOVER, OHIO**

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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.	

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

	2010	2009	2008	2007
Governmental Activities				
Invested in Capital Assets, Net of Related Debt	\$14,068,739	\$14,563,145	\$14,733,397	\$13,272,279
Restricted	2,400,926	3,060,273	3,852,663	3,946,056
Unrestricted (Deficit)	890,225	(528,355)	170,354	281,189
<i>Total Governmental Activities Net Assets</i>	<u>17,359,890</u>	<u>17,095,063</u>	<u>18,756,414</u>	<u>17,499,524</u>
Business Type - Activities				
Invested in Capital Assets, Net of Related Debt	22,616,181	22,607,499	20,850,882	17,417,960
Restricted	3,941,464	3,960,033	4,024,091	4,188,957
Unrestricted	9,925,626	7,656,769	8,125,965	8,802,130
<i>Total Business-Type Activities Net Assets</i>	<u>36,483,271</u>	<u>34,224,301</u>	<u>33,000,938</u>	<u>30,409,047</u>
Primary Government				
Invested in Capital Assets, Net of Related Debt	36,684,920	37,170,644	35,584,279	30,690,239
Restricted	6,342,390	7,020,306	7,876,754	8,135,013
Unrestricted	10,815,851	7,128,414	8,296,319	9,083,319
<i>Total Primary Government Net Assets</i>	<u>\$53,843,161</u>	<u>\$51,319,364</u>	<u>\$51,757,352</u>	<u>\$47,908,571</u>

2006	2005	2004	2003	2002	2001
\$13,573,055	\$13,189,789	\$13,192,577	\$12,422,701	\$11,664,774	\$10,838,642
2,311,499	2,689,957	2,290,983	3,074,163	1,729,383	1,783,836
12,369	199,864	227,630	352,507	3,010,884	3,059,539
15,896,923	16,079,610	15,711,190	15,849,371	16,405,041	15,682,017
19,479,944	15,227,727	14,177,927	16,313,496	14,937,981	16,048,843
3,967,516	3,812,435	4,137,860	4,718,108	4,269,181	4,690,504
7,476,271	9,078,102	8,818,043	6,473,109	8,228,061	7,083,777
30,923,731	28,118,264	27,133,830	27,504,713	27,435,223	27,823,124
33,052,999	28,417,516	27,370,504	28,736,197	26,602,755	26,887,485
6,279,015	6,502,392	6,428,843	7,792,271	5,998,564	6,474,340
7,488,640	9,277,966	9,045,673	6,825,616	11,238,945	10,143,316
\$46,820,654	\$44,197,874	\$42,845,020	\$43,354,084	\$43,840,264	\$43,505,141

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

	2010	2009	2008	2007
Program Revenues				
Governmental Activities:				
Charges for Services:				
General Government	\$0	\$0	\$0	\$0
Security of Persons and Property	53,280	39,557	58,882	55,318
Transportation	12	132	24	0
Public Health Services	355,597	419,193	285,747	339,393
Community Environment	0	0	0	0
Basic Utility Services	813,825	785,970	732,707	496,765
Leisure Time Activities	0	0	0	144,707
Subtotal - Charges for Services	<u>1,222,714</u>	<u>1,244,852</u>	<u>1,077,360</u>	<u>1,036,183</u>
Operating Grants and Contributions:				
Security of Persons and Property	18,328	9,928	0	0
Transportation	681,292	548,731	814,109	715,192
Public Health Services	0	0	0	0
Community Environment	0	276,833	83,171	0
Subtotal - Operating Grants and Contributions	<u>699,620</u>	<u>835,492</u>	<u>897,280</u>	<u>715,192</u>
Capital Grants and Contributions:				
Security of Persons and Property	0	0	0	0
Transportation	32,174	0	0	0
Community Environment	305,251	0	0	257,835
Leisure Time Activities	0	0	236,422	78,600
Subtotal - Capital Grants and Contributions	<u>337,425</u>	<u>0</u>	<u>236,422</u>	<u>336,435</u>
<i>Total Governmental Activities Program Revenues</i>	<u>2,259,759</u>	<u>2,080,344</u>	<u>2,211,062</u>	<u>2,087,810</u>
Business-Type Activities:				
Charges for Services:				
Sewer	3,160,156	3,187,337	3,223,641	3,132,570
Electric	20,680,073	18,748,969	20,080,589	20,145,313
Water	2,021,476	1,962,129	1,902,828	1,701,213
Subtotal - Charges for Services	<u>25,861,705</u>	<u>23,898,435</u>	<u>25,207,058</u>	<u>24,979,096</u>
Capital Grants and Contributions				
Sewer	0	0	0	0
Water	0	0	0	0
Subtotal - Capital Grants and Contributions	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Business-Type Activities Program Revenues</i>	<u>25,861,705</u>	<u>23,898,435</u>	<u>25,207,058</u>	<u>24,979,096</u>
<i>Total Primary Government Program Revenues</i>	<u>\$28,121,464</u>	<u>\$25,978,779</u>	<u>\$27,418,120</u>	<u>\$27,066,906</u>

2006	2005	2004	2003	2002	2001
\$24,207	\$24,025	\$24,917	\$24,779	\$40,206	\$21,521
82,473	100,455	92,138	69,315	109,674	58,576
0	6	12	0	1,308	0
319,218	341,713	283,036	239,944	241,210	184,286
23,796	20,524	23,059	20,632	21,122	22,989
515,941	426,042	424,740	444,926	418,426	412,544
78,897	84,998	72,478	59,852	67,845	72,243
<u>1,044,532</u>	<u>997,763</u>	<u>920,380</u>	<u>859,448</u>	<u>899,791</u>	<u>772,159</u>
10,847	8,978	0	0	0	0
806,875	780,801	413,393	539,613	456,671	455,451
0	65,538	285,005	0	0	0
0	0	0	0	0	0
<u>817,722</u>	<u>855,317</u>	<u>698,398</u>	<u>539,613</u>	<u>456,671</u>	<u>455,451</u>
0	0	0	0	20,607	0
0	0	0	261,000	262,000	293,873
404,216	640,088	202,273	39,600	39,600	37,800
0	0	0	0	0	0
<u>404,216</u>	<u>640,088</u>	<u>202,273</u>	<u>300,600</u>	<u>322,207</u>	<u>331,673</u>
2,266,470	2,493,168	1,821,051	1,699,661	1,678,669	1,559,283
2,889,367	2,720,284	2,429,520	2,326,892	1,900,129	1,341,492
18,299,853	15,559,521	13,946,111	13,443,971	13,382,771	12,748,852
1,785,102	1,757,607	1,704,158	1,895,600	1,762,441	1,735,530
<u>22,974,322</u>	<u>20,037,412</u>	<u>18,079,789</u>	<u>17,666,463</u>	<u>17,045,341</u>	<u>15,825,874</u>
0	132,955	8,166	93,732	44,472	105,541
0	179,644	29,993	119,225	53,220	88,273
0	312,599	38,159	212,957	97,692	193,814
<u>22,974,322</u>	<u>20,350,011</u>	<u>18,117,948</u>	<u>17,879,420</u>	<u>17,143,033</u>	<u>16,019,688</u>
<u>\$25,240,792</u>	<u>\$22,843,179</u>	<u>\$19,938,999</u>	<u>\$19,579,081</u>	<u>\$18,821,702</u>	<u>\$17,578,971</u>

(continued)

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

	2010	2009	2008	2007
Expenses				
Governmental Activities:				
General Government	\$1,396,691	\$1,394,202	\$1,378,583	\$1,421,425
Security of Persons and Property	4,566,373	4,637,683	4,732,202	4,114,123
Transportation	842,745	3,666,602	2,019,895	1,886,315
Public Health Services	1,078,392	757,168	672,959	734,164
Community Environment	106,332	108,259	195,913	406,736
Basic Utility Services	610,467	532,610	463,671	578,515
Leisure Time Activities	2,474,704	1,010,371	1,223,705	861,788
Interest and Fiscal Charges	9,673	73,248	31,636	1,468
<i>Total Governmental Activities Expenses</i>	<u>11,085,377</u>	<u>12,180,143</u>	<u>10,718,564</u>	<u>10,004,534</u>
Business-Type Activities				
Sewer	2,886,179	2,839,223	2,421,889	2,321,173
Electric	19,311,806	18,429,586	18,448,428	21,582,963
Water	2,047,070	1,715,425	2,277,084	2,326,837
<i>Total Business-Type Activities Expenses</i>	<u>24,245,055</u>	<u>22,984,234</u>	<u>23,147,401</u>	<u>26,230,973</u>
<i>Total Primary Government Expenses</i>	<u>35,330,432</u>	<u>35,164,377</u>	<u>33,865,965</u>	<u>36,235,507</u>
Net (Expense)/Revenue				
Governmental Activities	(8,825,618)	(10,099,799)	(8,507,502)	(7,916,724)
Business-Type Activities	<u>1,616,650</u>	<u>914,201</u>	<u>2,059,657</u>	<u>(1,251,877)</u>
<i>Total Primary Government Net (Expense)/Revenue</i>	<u>(\$7,208,968)</u>	<u>(\$9,185,598)</u>	<u>(\$6,447,845)</u>	<u>(\$9,168,601)</u>

2006	2005	2004	2003	2002	2001
\$1,098,324	\$1,053,903	\$1,030,940	\$1,210,455	\$969,886	\$843,700
3,845,604	3,799,383	3,492,242	3,687,742	3,104,690	2,961,926
1,355,383	1,539,960	1,323,868	1,056,544	1,296,099	421,984
616,158	685,021	645,274	547,149	483,663	459,964
454,646	462,327	590,541	91,624	82,789	72,811
433,167	423,012	459,082	360,112	361,789	441,833
666,868	647,646	602,131	658,363	540,740	599,834
164,594	33,675	51,326	62,513	119,045	94,682
<u>8,634,744</u>	<u>8,644,927</u>	<u>8,195,404</u>	<u>7,674,502</u>	<u>6,958,701</u>	<u>5,896,734</u>
2,112,304	2,005,511	1,857,449	1,826,540	1,732,960	1,786,036
18,228,596	17,121,282	14,883,421	14,672,954	13,961,954	13,217,704
1,517,568	1,881,816	2,574,878	2,062,920	1,999,392	2,029,701
<u>21,858,468</u>	<u>21,008,609</u>	<u>19,315,748</u>	<u>18,562,414</u>	<u>17,694,306</u>	<u>17,033,441</u>
<u>30,493,212</u>	<u>29,653,536</u>	<u>27,511,152</u>	<u>26,236,916</u>	<u>24,653,007</u>	<u>22,930,175</u>
(6,368,274)	(6,151,759)	(6,374,353)	(5,974,841)	(5,280,032)	(4,337,451)
1,115,854	(658,598)	(1,197,800)	(682,994)	(551,273)	(1,013,753)
<u>(\$5,252,420)</u>	<u>(\$6,810,357)</u>	<u>(\$7,572,153)</u>	<u>(\$6,657,835)</u>	<u>(\$5,831,305)</u>	<u>(\$5,351,204)</u>

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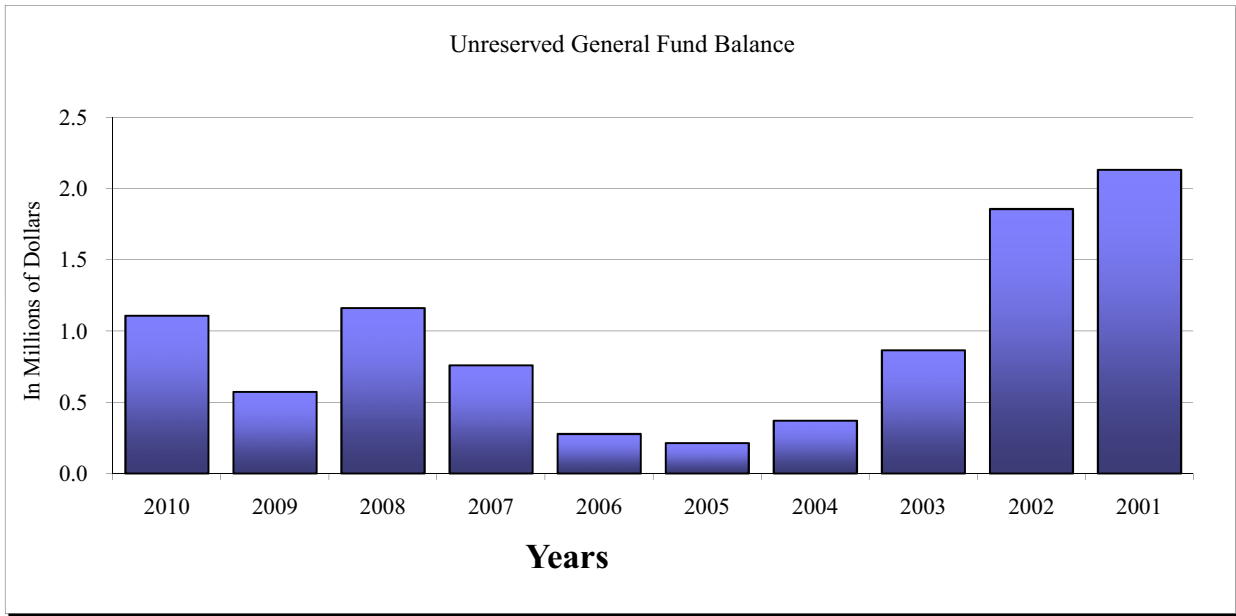
City of Dover, Ohio
Changes in Net Assets (continued)
Last Ten Years
(Accrual Basis of Accounting)

	2010	2009	2008	2007
General Revenues				
Governmental Activities				
Taxes:				
Property Taxes Levied For:				
General Purposes	\$785,909	\$1,027,642	\$1,053,027	\$1,032,747
Police and Fire Pension	155,799	155,866	158,448	126,312
Income Taxes levied for:				
General Purposes	3,802,963	2,257,720	2,908,923	2,507,749
Street Maintenance and Repair	611,838	438,574	535,272	312,374
Cemetery	356,637	316,676	331,960	341,515
Police and Fire Pension	482,557	340,000	241,842	347,105
Capital Outlay	896,384	2,138,200	2,576,903	2,577,460
Grants and Entitlements not Restricted to Specific Programs	1,627,904	1,243,082	1,487,366	1,708,557
Investment Income	81,244	333,594	228,603	319,702
Miscellaneous	289,210	187,094	242,048	245,804
<i>Total Governmental Activities</i>	<u>9,090,445</u>	<u>8,438,448</u>	<u>9,764,392</u>	<u>9,519,325</u>
Business-Type Activities				
Investment Income	4,417	21,616	198,481	490,570
Miscellaneous	637,903	287,546	333,753	246,623
<i>Total Business-Type Activities</i>	<u>642,320</u>	<u>309,162</u>	<u>532,234</u>	<u>737,193</u>
<i>Total Primary Government General Revenues</i>	<u>9,732,765</u>	<u>8,747,610</u>	<u>10,296,626</u>	<u>10,256,518</u>
Transfers				
Governmental Activities	0	0	0	0
Business-Type Activities	0	0	0	0
Change in Net Assets				
Governmental Activities	264,827	(1,661,351)	1,256,890	1,602,601
Business-Type Activities	2,258,970	1,223,363	2,591,891	(514,684)
<i>Total Primary Government Change in Net Assets</i>	<u>\$2,523,797</u>	<u>(\$437,988)</u>	<u>\$3,848,781</u>	<u>\$1,087,917</u>

2006	2005	2004	2003	2002	2001
\$1,041,905	\$1,013,703	\$926,655	\$922,657	\$960,839	\$954,208
155,395	147,803	139,826	136,848	109,480	96,874
2,119,470	2,204,050	1,955,294	1,481,810	1,035,582	1,341,848
243,398	362,831	355,425	371,883	316,752	343,511
305,224	311,280	290,001	232,810	198,297	215,048
278,085	313,730	301,522	278,556	237,261	257,304
705,775	749,608	641,075	1,088,144	1,192,437	1,355,768
1,785,908	1,711,617	1,865,282	1,136,833	1,545,024	1,807,058
174,285	186,319	106,991	171,851	313,767	361,563
126,142	119,238	133,753	118,164	86,492	168,593
6,935,587	7,120,179	6,715,824	5,939,556	5,995,931	6,901,775
442,634	122,992	68,639	37,128	85,604	312,792
496,979	920,040	278,626	194,971	84,893	67,787
939,613	1,043,032	347,265	232,099	170,497	380,579
7,875,200	8,163,211	7,063,089	6,171,655	6,166,428	7,282,354
(650,000)	(600,000)	(579,652)	(520,385)	7,125	11,325
650,000	600,000	579,652	520,385	(7,125)	(11,325)
(82,687)	368,420	(238,181)	(555,670)	723,024	2,575,649
2,705,467	984,434	(270,883)	69,490	(387,901)	(644,499)
<u>\$2,622,780</u>	<u>\$1,352,854</u>	<u>(\$509,064)</u>	<u>(\$486,180)</u>	<u>\$335,123</u>	<u>\$1,931,150</u>

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

	2010	2009	2008	2007
General Fund				
Reserved	\$51,717	\$0	\$0	\$42,249
Unreserved	1,108,349	573,465	1,161,245	759,758
Total General Fund	1,160,066	573,465	1,161,245	802,007
All Other Governmental Funds				
Reserved	1,376,449	625,665	427,335	688,582
Unreserved, Undesignated (Deficit), Reported in:				
Special Revenue Funds	1,122,277	1,175,161	1,173,059	1,112,140
Capital Projects Funds	(176,136)	846,252	1,569,386	1,023,428
Total All Other Governmental Funds	2,322,590	2,647,078	3,169,780	2,824,150
Total Governmental Funds	\$3,482,656	\$3,220,543	\$4,331,025	\$3,626,157



2006	2005	2004	2003	2002	2001
\$22,292	\$29,998	\$19,265	\$56,173	\$87,425	\$143,836
277,213	213,625	371,280	865,044	1,856,975	2,132,412
299,505	243,623	390,545	921,217	1,944,400	2,276,248
967,528	562,989	201,187	242,876	463,459	192,979
955,905	836,398	1,238,929	1,426,594	1,529,433	1,357,739
(147,694)	807,721	616,736	931,630	1,066,092	1,240,614
1,775,739	2,207,108	2,056,852	2,601,100	3,058,984	2,791,332
\$2,075,244	\$2,450,731	\$2,447,397	\$3,522,317	\$5,003,384	\$5,067,580

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

	2010	2009	2008	2007
Revenues				
Property Taxes	\$944,163	\$1,175,280	\$1,218,183	\$1,156,640
Income Taxes	5,641,156	5,618,512	6,770,438	5,692,860
Intergovernmental	2,575,542	2,179,043	2,377,839	2,958,335
Interest	81,244	333,594	228,603	319,702
Fines, Licenses and Permits	53,292	39,689	58,906	55,318
Charges for Services	1,188,938	1,163,085	1,040,296	962,375
Contributions and Donations	0	0	0	78,600
Other	146,375	187,094	242,048	245,804
<i>Total Revenues</i>	<u>10,630,710</u>	<u>10,696,297</u>	<u>11,936,313</u>	<u>11,469,634</u>
Expenditures				
Current:				
General Government	1,114,329	1,218,905	1,197,585	1,237,668
Security of Persons and Property	4,041,571	4,092,027	3,990,259	3,787,088
Transportation	1,212,992	1,181,395	1,234,454	1,067,923
Public Health Services	804,618	703,975	631,723	685,428
Community Environment	103,808	98,389	182,588	107,893
Basic Utility Services	610,467	532,610	463,671	578,515
Leisure Time Activities	823,753	837,296	872,576	710,690
Capital Outlay	2,543,177	2,959,903	2,412,778	1,522,384
Debt Service:				
Principal Retirement	106,252	105,995	175,747	205,511
Interest and Fiscal Charges	20,181	76,284	70,064	15,621
<i>Total Expenditures</i>	<u>11,381,148</u>	<u>11,806,779</u>	<u>11,231,445</u>	<u>9,918,721</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(750,438)</u>	<u>(1,110,482)</u>	<u>704,868</u>	<u>1,550,913</u>
Other Financing Sources (Uses)				
Notes Issued	2,640,000	2,100,000	2,200,000	2,370,000
Proceeds of Loan	530,860	0	0	0
Premium on Debt Issuance	0	0	0	0
Payment to Refund Notes	(2,000,000)	(2,100,000)	(2,200,000)	(2,370,000)
Transfers In	0	0	0	0
Transfers Out	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>1,170,860</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>\$420,422</u>	<u>(\$1,110,482)</u>	<u>\$704,868</u>	<u>\$1,550,913</u>
Debt Service as a Percentage of Noncapital Expenditures	1.2%	1.6%	2.7%	2.4%

2006	2005	2004	2003	2002	2001
\$1,190,154	\$1,164,720	\$1,056,781	\$1,079,529	\$1,074,537	\$1,085,340
3,855,822	3,759,707	3,461,933	3,391,790	3,043,487	3,244,546
2,946,020	3,041,171	2,796,069	2,162,986	1,999,867	2,460,283
174,285	186,319	106,991	171,846	313,754	360,939
53,418	54,106	53,242	51,425	72,000	45,379
989,636	943,280	866,364	802,403	838,405	726,780
0	0	0	0	0	0
126,142	115,022	132,767	117,508	86,121	167,420
<u>9,335,477</u>	<u>9,264,325</u>	<u>8,474,147</u>	<u>7,777,487</u>	<u>7,428,171</u>	<u>8,090,687</u>
1,063,197	1,032,690	1,021,408	1,079,208	959,875	901,024
3,584,484	3,448,079	3,346,954	3,391,342	3,192,292	3,000,283
934,808	998,710	914,163	913,496	820,998	798,741
653,822	673,682	639,736	521,479	477,570	433,842
116,239	105,040	600,399	89,066	70,183	68,294
433,167	423,012	459,082	360,112	361,789	375,863
610,942	599,512	566,443	588,496	578,440	571,899
1,517,533	1,212,199	1,267,063	1,746,083	919,272	1,116,398
55,284	105,066	4,858	0	0	0
121,795	63,001	51,378	65,925	119,073	94,727
<u>9,091,271</u>	<u>8,660,991</u>	<u>8,871,484</u>	<u>8,755,207</u>	<u>7,499,492</u>	<u>7,361,071</u>
<u>244,206</u>	<u>603,334</u>	<u>(397,337)</u>	<u>(977,720)</u>	<u>(71,321)</u>	<u>729,616</u>
2,570,000	2,520,000	0	0	0	0
0	0	0	0	0	0
30,307	0	0	17,038	0	0
(2,570,000)	(2,520,000)	0	0	0	0
0	0	0	7,454	103,114	58,395
<u>(650,000)</u>	<u>(600,000)</u>	<u>(677,583)</u>	<u>(527,839)</u>	<u>(95,989)</u>	<u>(47,070)</u>
<u>(619,693)</u>	<u>(600,000)</u>	<u>(677,583)</u>	<u>(503,347)</u>	<u>7,125</u>	<u>11,325</u>
<u>(\$375,487)</u>	<u>\$3,334</u>	<u>(\$1,074,920)</u>	<u>(\$1,481,067)</u>	<u>(\$64,196)</u>	<u>\$740,941</u>
2.2%	2.0%	0.7%	0.9%	1.9%	1.7%

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

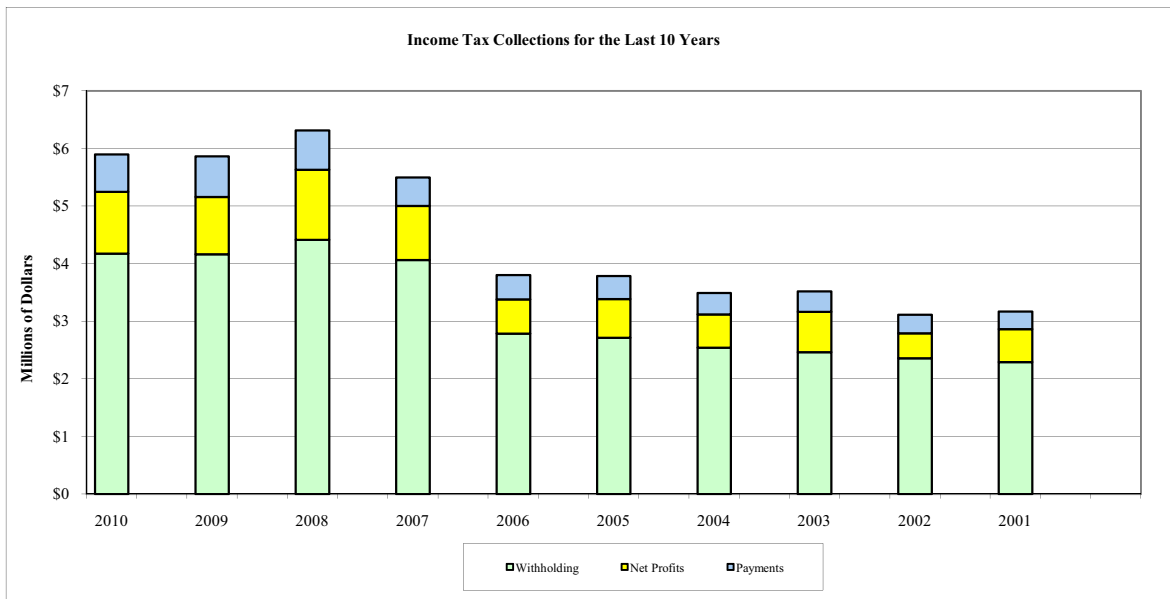
Tax Year	Tax Rate (1)	Total Tax Collected (2)	Taxes From Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits	Taxes from Individual Payments	Percentage of Taxes from Individual Payments
2010	1.50%	\$5,898,575	\$4,174,422	70.77%	\$1,072,951	18.19%	\$651,203	11.04%
2009	1.50	5,865,095	4,164,217	71.00	997,066	17.00	703,811	12.00
2008	1.50	6,314,388	4,413,757	69.90	1,218,045	19.29	682,585	10.81
2007	1.50	5,500,103	4,065,676	73.92	938,318	17.06	496,109	9.02
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

Source: City Income Tax Department

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

(2) Gross Collections - Cash Basis of Accounting

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



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

	2010	2009	2008	2007
Electric Sold (MWH) (000)				
Residential	60,813	55,830	58,807	58,317
Commercial	30,437	27,042	23,424	24,942
Industrial	141,090	128,300	134,536	139,024
Total	<u>232,340</u>	<u>211,172</u>	<u>216,767</u>	<u>222,283</u>
Number of Customers				
Residential	5,770	5,762	5,822	5,741
Commercial	841	836	868	846
Industrial	117	122	124	119
Total	<u>6,728</u>	<u>6,720</u>	<u>6,814</u>	<u>6,706</u>

Source: City Records

2006	2005	2004	2003	2002	2001
55,846	57,161	53,935	52,773	55,496	51,525
24,392	25,913	25,742	25,554	25,930	24,709
134,977	129,454	123,696	116,989	121,233	118,972
<u>215,215</u>	<u>212,528</u>	<u>203,373</u>	<u>195,316</u>	<u>202,659</u>	<u>195,206</u>
5,714	5,692	5,704	5,635	5,579	5,469
840	842	865	862	856	849
117	115	112	112	106	105
<u>6,671</u>	<u>6,649</u>	<u>6,681</u>	<u>6,609</u>	<u>6,541</u>	<u>6,423</u>

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

Type of Customer:	2010	2009	2008	2007
Residential:				
Customer Charge	\$5.97000	\$5.97000	\$5.97000	\$5.97000
First 800 KWH	0.06107	0.06107	0.06107	0.06107
Next 700 KWH - per KWH	0.05609	0.05609	0.05609	0.05609
All Over 1500 KWH - per KWH	0.04950	0.04950	0.04950	0.04950
Commercial:				
Customer Charge	5.97000	5.97000	5.97000	5.97000
First 50 KWH per KW of demand - per KWH	0.09900	0.09900	0.09990	0.09900
Next 150 KWH per KW of demnd - per KWH				
First 3,000 KWH per KWH	0.07997	0.07997	0.07997	0.07997
Over 3,000 KWH per KWH	0.05970	0.05970	0.05970	0.05970
For all remaining KWH per KWH	0.04701	0.04701	0.04701	0.04701
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	0.12189	0.12189	0.12189
Next 170 KWH per KVA of demand				
2,000 KWH - per KWH	0.08010	0.08010	0.08010	0.08010
8,000 KWH - per KWH	0.06765	0.06765	0.06765	0.06765
90,000 KWH - per KWH	0.05597	0.05597	0.05597	0.05597
Over 100,000 KWH - per KWH	0.04801	0.04801	0.04801	0.04801
Over 200 KWH per KVA of demand				
First 200,000 KWH - per KWH	0.03842	0.03842	0.03842	0.03842
All remaining KWH - per KWH	0.03283	0.03283	0.03283	0.03283

Source: City Records

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

2006	2005	2004	2003	2002	2001
\$5.97000	\$5.97000	\$5.97000	\$5.97000	\$5.97000	\$5.97000
0.06107	0.05310	0.05310	0.05310	0.05310	0.05310
0.05609	0.04877	0.04877	0.04877	0.04877	0.04877
0.04950	0.04304	0.04304	0.04304	0.04304	0.04304
5.97000	5.97000	5.97000	5.97000	5.97000	5.97000
0.09900	0.08609	0.08609	0.08609	0.08609	0.08609
0.07997	0.06954	0.06954	0.06954	0.06954	0.06954
0.05970	0.05191	0.05191	0.05191	0.05191	0.05191
0.04701	0.04088	0.04088	0.04088	0.04088	0.04088
2.75000	2.75000	2.75000	2.75000	2.75000	2.75000
0.12189	0.10599	0.10599	0.10599	0.10599	0.10599
0.08010	0.06965	0.06965	0.06965	0.06965	0.06965
0.06765	0.05883	0.05883	0.05883	0.05883	0.05883
0.05597	0.04867	0.04867	0.04867	0.04867	0.04867
0.04801	0.04175	0.04175	0.04175	0.04175	0.04175
0.03842	0.03341	0.03341	0.03341	0.03341	0.03341
0.03283	0.02855	0.02855	0.02855	0.02855	0.02855

City of Dover, Ohio
Principal Electric Customers
 2010 and 2004 (1)

Customer	2010	
	MWH Sold	Percentage of Total MWH Sold
Arizona Chemical Corporation	23,146,560	9.96 %
Dover Chemical Corporation	19,256,310	8.29
Union Hospital	9,188,160	3.95
Allied Machine & Engineering	9,381,000	4.04
City of Dover Light Plant	7,497,800	3.23
INCA Presswood Pallets Ltd	7,111,000	3.06
Meteor Sealing	6,729,354	2.90
Deflecto	5,998,600	2.58
Zimmer Orthopedic Surgical Products	4,490,460	1.93
Giant Eagle	3,799,500	1.64
Totals	<u>96,598,744</u>	<u>41.58 %</u>
Total MWH Sold	<u>232,340,436</u>	

Customer	2004	
	MWH Sold	Percentage of Total 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	3.93
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 Food Market Incorporated	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>	

Source: City Records

(1) Data from nine years ago is not available

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

Governmental Activities							
Year	Bond Anticipation Notes	State Infrastructure Bank Loan	Total	Actual Taxable Value of Property	Percentage of Actual Taxable Value of Property	Per Capita (1)	
2010	\$2,640,000	\$530,860	\$3,170,860	\$714,079,200	0.44 %	233	
2009	2,100,000	0	2,100,000	714,079,200	0.29	154	
2008	2,470,000	0	2,470,000	729,445,967	0.34	183	
2007	2,770,000	0	2,770,000	898,534,287	0.31	203	
2006	2,970,000	0	2,970,000	841,281,475	0.35	219	
2005	2,720,000	0	2,720,000	843,684,435	0.32	202	
2004	2,820,000	0	2,820,000	841,547,469	0.34	212	
2003	2,820,000	0	2,820,000	791,259,012	0.36	207	
2002	2,550,000	0	2,550,000	789,271,832	0.32	187	
2001	2,470,000	0	2,470,000	776,675,046	0.32	182	
Business-Type Activities							
Year	General Obligation Bonds	OWDA Loans	Revenue Bonds	Bond Anticipation Notes	Total Debt (2)	Percentage of Personal Income (1)	Per Capita (1)
2010	\$0	\$12,282,841	\$11,723,698	\$6,900,000	\$34,077,399	13.21 %	\$2,500
2009	0	12,795,611	12,655,641	7,200,000	34,751,252	13.49	2,553
2008	0	12,511,688	13,562,586	7,800,000	36,344,274	14.19	2,687
2007	260,000	8,248,331	14,434,531	8,100,000	33,812,862	13.11	2,482
2006	455,000	0	15,276,476	8,750,000	27,451,476	10.68	2,021
2005	640,000	0	16,108,419	6,000,000	25,468,419	9.97	1,888
2004	815,000	0	13,907,216	6,500,000	24,042,216	9.53	1,803
2003	985,000	0	13,855,000	5,750,000	23,410,000	9.07	1,716
2002	1,205,000	0	13,530,000	6,250,000	23,535,000	9.14	1,730
2001	1,415,000	0	13,980,000	6,650,000	24,515,000	9.54	1,806

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, 2010

	<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	\$2,740,000	100.00 %	\$2,740,000
State Infrastructure Bank Loan	530,860	100.00	530,860
Police and Fire Pension	<u>273,072</u>	100.00	<u>273,072</u>
Total Direct Debt	<u>3,543,932</u>		<u>3,543,932</u>
<u>Overlapping Debt:</u>			
Payable from Property Taxes			
Dover City School District Bonds	4,158,625	70.04	2,912,701
Tuscarawas County General Obligation Bonds	1,450,000	16.17	234,465
Tuscarawas County Bond Anticipation Notes	828,000	16.17	133,888
Payable from Other Sources			
Dover City School District Capital Leases	109,886	70.04	76,964
Tuscarawas County Capital Leases	<u>20,447</u>	16.17	<u>3,306</u>
Total Overlapping Debt	<u>6,566,958</u>		<u>3,361,324</u>
Total	<u><u>\$10,110,890</u></u>		<u><u>\$6,905,256</u></u>

Source: Tuscarawas County, Ohio; County Auditor

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

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

	2010	2009	2008	2007
Overall Legal Debt Limit (10.5% of Assessed Valuation)	\$24,606,409	\$26,242,211	\$27,400,427	\$28,608,566
Net Debt Applicable to Debt Limit	3,270,860	2,200,000	2,470,000	2,770,000
Overall Legal Debt Margin (10.5% of Assessed Valuation)	<u>\$21,335,549</u>	<u>\$24,042,211</u>	<u>\$24,930,427</u>	<u>\$25,838,566</u>
Legal Debt Margin as a Percentage of Debt Limit	86.71%	91.62%	90.99%	90.32%
Unvoted Legal Debt Limit (5.5% of Assessed Valuation)	\$12,889,071	\$13,746,025	\$14,352,605	\$14,985,439
Net Debt Applicable to Debt Limit	3,270,860	2,200,000	2,470,000	2,770,000
Unvoted Legal Debt Margin (5.5% of Assessed Valuation)	<u>\$9,618,211</u>	<u>\$11,546,025</u>	<u>\$11,882,605</u>	<u>\$12,215,439</u>
Legal Debt Margin as a Percentage of Debt Limit	74.62%	84.00%	82.79%	81.52%

Legal Debt Margin Calculation for the Year Ended December 31, 2010

	Overall Margin Within 10.5%	Unvoted Margin Within 5.5%
Assessed property value	<u>\$234,346,750</u>	<u>\$234,346,750</u>
Debt Limitation (percentage of assessed property value)	\$24,606,409	\$12,889,071
Gross Indebtedness	34,496,773	34,496,773
Less: Bond Anticipation Notes - Enterprise Funds	(7,200,000)	(7,200,000)
Revenue Bonds	(11,470,000)	(11,470,000)
OWDA Loan	(12,282,841)	(12,282,841)
Police and Fire Pension	<u>(273,072)</u>	<u>(273,072)</u>
Net Debt Applicable to Debt Limit	3,270,860	3,270,860
Legal Debt Margin Within Limitations	<u>\$21,335,549</u>	<u>\$9,618,211</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.

2006	2005	2004	2003	2002	2001
\$28,027,064	\$28,791,693	\$28,450,248	\$27,162,737	\$27,224,687	\$26,729,751
2,970,000	2,620,000	2,720,000	2,820,000	2,550,000	2,470,000
<u>\$25,057,064</u>	<u>\$26,171,693</u>	<u>\$25,730,248</u>	<u>\$24,342,737</u>	<u>\$24,674,687</u>	<u>\$24,259,751</u>
<u>89.40%</u>	<u>90.90%</u>	<u>90.44%</u>	<u>89.62%</u>	<u>90.63%</u>	<u>90.76%</u>
\$14,680,843	\$15,081,363	\$14,902,511	\$14,260,550	\$14,260,550	\$14,001,298
2,970,000	2,620,000	2,720,000	2,820,000	2,550,000	2,470,000
<u>\$11,710,843</u>	<u>\$12,461,363</u>	<u>\$12,182,511</u>	<u>\$11,440,550</u>	<u>\$11,710,550</u>	<u>\$11,531,298</u>
<u>79.77%</u>	<u>82.63%</u>	<u>81.75%</u>	<u>80.23%</u>	<u>82.12%</u>	<u>82.36%</u>

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	Debt Service		Coverage
				Principal	Interest	
2010	\$2,045,222	\$1,329,484	\$715,738	\$300,000	\$201,361	1.43
2009	1,994,092	1,045,257	948,835	290,000	189,176	1.98
2008	1,949,190	1,423,748	525,442	285,000	181,906	1.13
2007	1,761,325	1,594,531	166,794	280,000	221,016	0.33
2006	1,924,178	1,020,335	903,843	275,000	142,993	2.16
2005	1,803,621	1,237,465	566,156	270,000	230,861	1.13
2004	1,743,102	1,244,303	498,799	270,000	264,467	0.93
2003	1,902,977	1,255,591	647,386	180,000	318,735	1.30
2002	1,762,441	1,197,029	565,412	170,000	329,251	1.13
2001	1,735,530	1,237,124	498,406	165,000	335,738	1.00

(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	Debt Service		Coverage
				Principal	Interest	
2010	\$21,275,915	\$16,922,317	\$4,353,598	\$605,000	\$319,047	4.71
2009	18,953,012	17,290,371	1,662,641	590,000	362,835	1.74
2008	20,537,863	17,528,791	3,009,072	560,000	365,048	3.25
2007	20,774,394	19,761,146	1,013,248	610,000	431,448	0.97
2006	19,556,464	16,483,465	3,072,999	605,000	423,500	2.99
2005	16,897,572	15,451,875	1,445,697	330,000	286,815	2.34
2004	14,729,101	13,271,813	1,457,288	315,000	544,328	1.70
2003	14,146,329	13,124,341	1,021,988	300,000	633,549	1.09
2002	13,430,716	12,015,310	1,415,406	285,000	331,159	2.30
2001	12,806,517	11,429,382	1,377,135	270,000	677,673	1.45

(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>
2010	13,633	\$257,647,936	\$18,928	\$44,604	10.5%
2009	13,612	257,647,936	18,928	44,604	9.2
2008	13,528	256,057,984	18,928	44,604	6.4
2007	13,623	257,856,144	18,928	44,604	5.6
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

(1) Estimated by the City

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

(3) Source: 2000 U. S. Census

(4) Ohio Department of Job and Family Services

City of Dover, Ohio

Principal Employers

2010 and 2001

2010

Employer	Employees
Union Hospital	736
Allied Machine and Engineering Corporation	373
Zimmer Patient Care Division	292
Dover City Schools	283
Buehlers Food Market Incorporated	204
Meteor Sealing Systems	177
Marlite, Incorporated	168
City of Dover	147
Hennis Care Center	141
New Dawn Retirement Community	102
Total	<u>2,623</u>
Total Employment within the City	<u>n/a</u>

2001

Employer	Employees
Union Hospital	780
Allied Machine and Engineering Corporation	370
Dover City Schools	301
Zimmer Patient Care Division	293
Marlite	269
Arizona Chemical Company	163
New Dawn Health Care	150
Hennis Care Center Incorporated	145
Meteor Sealing	115
G.E. Lighting	83
Total	<u>2,669</u>
Total Employment within the City	<u>n/a</u>

Source: City Records

n/a - Information not available

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

Function/Program	2010	2009	2008	2007	2006
General Government					
Mayor and Council	11.0	11.0	11.0	11.0	11.0
Auditor	3.0	3.0	3.0	3.0	3.0
Treasurer	0.5	0.5	0.5	0.5	0.5
Law	1.0	1.0	1.0	1.0	1.0
Civil Service Commission	3.0	3.0	1.5	3.0	3.0
Income Tax Department	2.5	2.5	2.5	2.0	2.0
Service Director	2.5	2.5	2.5	2.5	2.5
Janitor	0.0	1.0	1.0	1.0	1.0
Shade Tree	0.0	0.0	0.0	0.0	0.0
Security of Persons and Property					
Police	20.0	22.0	22.0	23.0	23.0
Fire	19.0	18.0	19.0	18.0	16.0
Safety Director	0.5	0.5	0.5	0.5	0.5
Traffic Safety	11.0	9.0	8.0	8.5	9.5
Transportation					
Service/Street M&R	14.0	14.0	15.0	16.0	14.5
Public Health Services					
Cemetery	7.5	7.5	7.5	7.5	8.5
Community Environment					
Building	1.0	1.0	1.0	1.0	1.0
Leisure Time Activities					
Parks and Recreation	32.0	23.5	27.0	21.5	21.0
Basic Utility Services					
Sewer	18.0	17.0	17.0	16.0	17.5
Electric	44.0	47.5	41.0	39.5	42.5
Water	13.5	14.0	13.0	14.5	14.0
Totals:	<u>204.0</u>	<u>198.5</u>	<u>194.0</u>	<u>190.0</u>	<u>192.0</u>

Source: City of Dover, Ohio Payroll Department

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

<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
11.0	11.5	12.0	11.0	11.0
3.0	3.0	3.0	3.0	3.0
0.5	0.5	0.5	0.5	0.5
1.0	1.0	1.0	1.0	1.0
3.0	3.0	3.0	3.0	3.0
2.0	2.0	2.0	2.0	3.0
2.5	2.5	2.5	2.5	2.5
1.0	1.0	1.0	1.0	1.0
0.5	0.5	0.0	0.5	0.0
23.0	23.0	22.0	22.0	22.0
16.0	16.0	17.0	17.0	16.0
0.5	0.5	0.5	0.5	0.5
10.5	10.5	10.5	11.0	11.0
14.5	14.5	14.5	14.5	14.5
7.5	7.0	7.5	8.0	7.5
1.0	1.0	1.0	1.0	1.0
20.0	20.0	21.5	19.0	20.0
17.0	18.0	17.0	17.5	19.0
42.0	43.0	43.0	44.0	41.5
<u>14.5</u>	<u>15.0</u>	<u>15.5</u>	<u>17.0</u>	<u>15.5</u>
<u>191.0</u>	<u>193.5</u>	<u>195.0</u>	<u>196.0</u>	<u>193.5</u>

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

Function/Program	2010	2009	2008
General Government			
<i>Council and Clerk</i>			
Number of Ordinances Passed	66	70	71
Number of Resolutions Passed	22	22	32
<i>Planning Commission</i>			
Number of Planning Commission docket items	16	36	26
<i>Finance Department</i>			
Number of checks/ vouchers issued	3,981	4,048	7,904
Amount of checks written	\$54,842,028	\$50,816,846	\$55,934,193
Interest earnings for fiscal year (cash basis)	\$69,653	\$210,568	\$184,436
Number of Receipts issued	543	584	517
General Fund Receipts (cash basis)	\$6,777,345	\$6,167,226	\$5,893,616
General Fund Expenditures (cash basis)	\$6,347,883	\$6,321,992	\$6,194,109
<i>Income Tax Department</i>			
Number of Business net profit forms processed	1,238	1,261	1,278
Number of Individual forms processed	2,564	2,590	2,662
Amount of Penalties and Interest Collected	\$37,362	\$29,725	\$22,533
<i>Civil Service</i>			
Number of police entry tests administered	1	0	1
Number of fire entry tests administered	1	1	0
Number of police promotional tests administered	2	0	0
Number of fire promotional tests administered	0	0	0
Number of hires of Police Officers from certified lists	0	0	1
Number of hires of Fire/Medics from certified lists	0	0	1
Number of promotions from police certified lists	0	0	0
Number of promotions from fire certified lists	0	0	0
<i>Building and Zoning</i>			
Estimated Value of Construction	\$2,838,874	\$5,884,436	\$6,896,283
Number of permits issued (all types)	225	228	272
Amount of Revenue generated from permits	\$10,115	\$21,478	\$19,927
Number of contractor licenses	278	285	326
Zoning Board of Appeals hearings	22	29	26

Source: City Records

2007	2006	2005	2004	2003	2002	2001
76	57	59	62	81	66	73
17	22	29	27	12	14	13
18	19	22	21	23	20	22
3,806	3,852	3,769	3,822	2,664	3,985	3,841
\$61,851,209	\$43,454,567	\$43,182,203	\$37,144,990	\$36,584,280	\$30,109,669	\$33,758,267
\$255,612	\$129,830	\$143,896	\$92,562	\$141,486	\$221,171	\$370,265
518	511	533	525	498	728	476
\$6,415,847	\$6,081,615	\$5,721,478	\$5,368,211	\$4,826,541	\$4,548,997	\$5,048,181
\$5,901,479	\$6,163,730	\$5,851,883	\$5,864,617	\$5,656,883	\$4,870,002	\$4,685,516
1,219	1,179	1,018	953	914	891	869
2,560	2,459	2,466	2,317	2,029	1,948	1,862
\$24,223	\$22,017	\$10,859	\$11,135	\$9,969	\$6,177	\$5,346
1	0	0	0	1	0	1
1	0	0	1	1	0	1
1	1	0	0	1	0	0
0	0	0	0	0	0	0
0	0	0	4	3	1	0
1	0	0	2	2	0	2
2	1	0	0	2	0	0
0	0	0	0	0	0	0
\$9,562,157	\$11,867,945	\$13,716,916	\$12,159,784	\$8,714,316	\$8,249,060	\$8,921,422
290	251	211	192	236	220	235
\$21,987	\$14,342	\$11,397	\$9,575	\$10,348	\$8,745	\$10,134
205	282	289	323	254	226	287
37	38	6	24	31	32	31

(continued)

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

Function/Program	2010	2009	2008
Security of Persons and Property			
<i>Police</i>			
Total Calls for Services	10,443	10,802	10,148
Number of traffic citations issued	851	887	1,043
Number of parking citations issued	154	183	379
Number of felony arrests	27	79	81
Number of misdemeanor arrests	447	590	476
Number of traffic accidents investigated	366	343	396
Number of injury accidents	68	50	62
Number of fatal accidents	1	0	1
Prisoners	64	88	59
Prisoner meal costs	\$3,650	\$5,600	\$4,000
Total miles driven	161,908	162,104	147,554
Total gasoline used	14,892	14,438	13,242
<i>Fire</i>			
EMS Calls	1,316	1,238	1,338
Fire Calls	105	131	117
Training hours	1,674	1,338	1,891
Leisure Time Activities			
<i>Recreation</i>			
Recreation League fees	\$15,550	\$21,475	\$19,986
Transportation			
Tons of asphalt	6,500	4,593	7,582
Tons of limestone	1,149	1,357	1,167
Paint Striping (gallons of paint)	475	375	410
Street sweeping (days)	145	144	117
Man hours of leaf pick-up	992	1,120	1,200
Tons of salt	2,125	1,575	2,353
Water Department			
Average residential gallons of water billed monthly	3,240	4,599	4,875
Wastewater Department			
Average residential gallons of sewer billed monthly	3,392	4,599	4,868

Source: City Records

2007	2006	2005	2004	2003	2002	2001
11,007	11,866	12,270	12,586	12,148	12,473	11,687
929	1,243	1,270	1,111	1,481	1,260	1,261
293	389	267	185	188	136	245
39	83	260	78	86	109	76
427	540	372	473	581	696	519
375	391	441	410	480	502	470
94	84	112	83	94	99	100
1	1	1	1	0	1	0
44	56	63	118	116	14	2
\$2,600	\$3,645	\$5,130	\$5,715	\$6,570	\$3,600	\$495
139,049	154,186	154,883	144,860	153,797	149,881	163,353
13,025	13,928	14,179	13,411	14,107	13,696	14,437
1,165	1,182	1,128	1,160	n/a	1,110	1,006
118	119	101	134	n/a	177	143
1,178	1,325	1,632	1,505	n/a	2,384	1,736
\$11,915	\$6,044	\$10,280	\$12,486	\$11,527	\$11,695	\$13,755
3,930	4,052	7,137	5,965	7,500	7,664	6,772
1,255	1,217	1,500	n/a	1,500	n/a	1,094
575	445	710	585	760	695	595
123	111	134	n/a	155	n/a	164
1,328	1,284	1,284	1,352	1,192	1,608	1,152
1,361	976	n/a	n/a	2,135	n/a	1,886
4,913	5,100	5,100	5,040	5,490	5,460	11,700
4,913	5,010	5,010	4,950	4,950	4,950	4,950

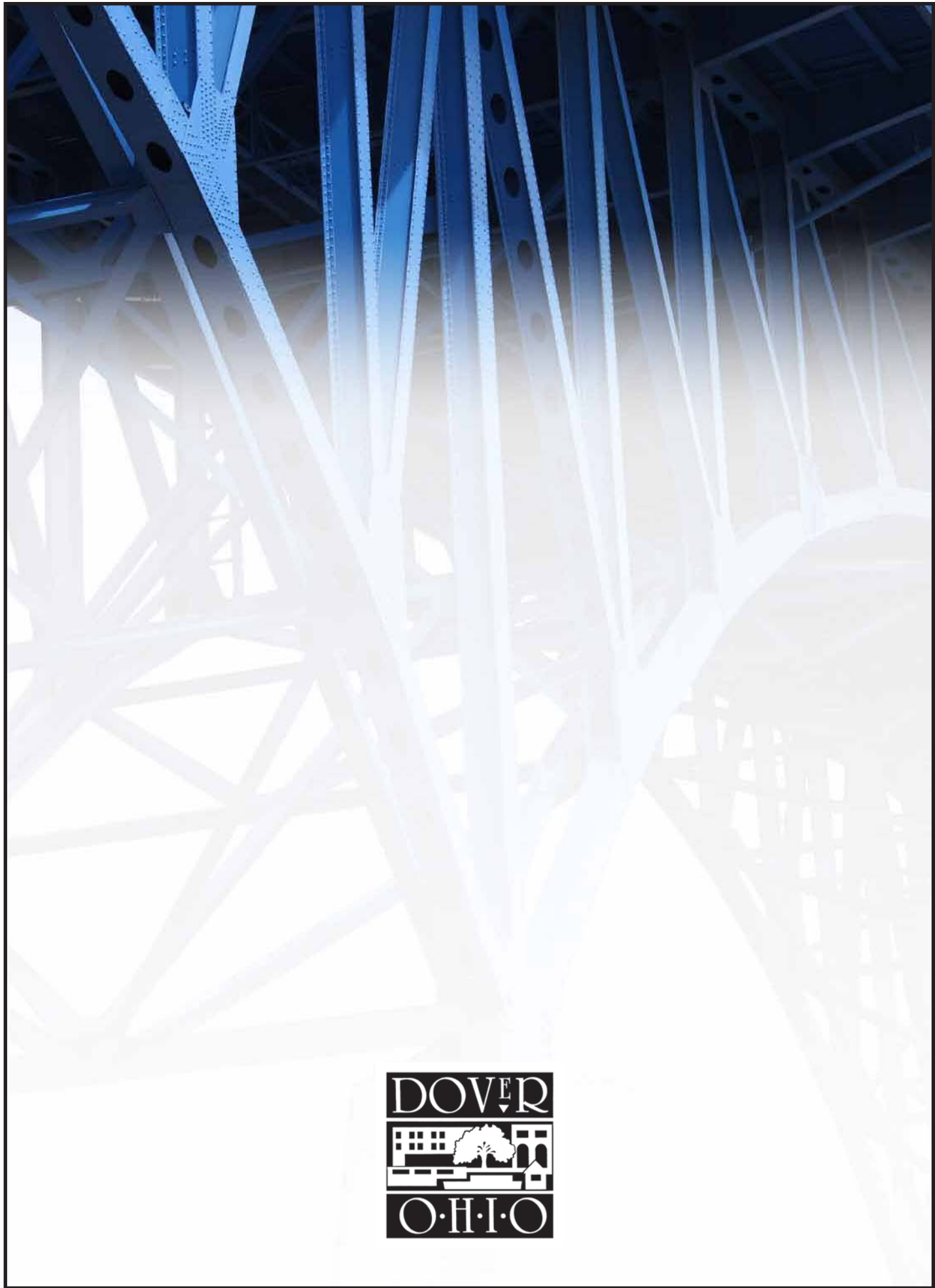
City of Dover, Ohio
Capital Assets Statistics by Function/Program
Last Ten Years

Function/Program	2010	2009	2008	2007
General Government				
Square Footage Occupied	1,932	1,932	1,932	1,932
Vehicles	3	3	3	3
Security of Persons and Property				
 Police				
Stations	1	1	1	1
Square Footage of Building	6,468	6,468	6,468	6,468
Vehicles	10	13	11	10
 Fire				
Stations	1	1	1	1
Square Footage of Building	6,900	6,900	6,900	6,900
Fire Hydrants	633	633	633	614
Vehicles	12	12	12	12
Leisure Time Activities				
 Recreation				
Number of Parks	2	2	2	2
Number of Swimming Pools	2	2	2	2
Number of Tennis Courts	8	8	8	8
Number of Baseball Diamonds	10	10	10	10
Transportation				
 Service				
Streets (miles)	71	71	70	70
Street Lights	2,437	2,397	2,387	2,380
Storm Sewers (miles)	33	33	33	33
Utility Services				
Sanitary Sewers (miles)	67	67	67	66
Electric Lines (miles)	359	357	357	354
Water Lines (miles)	85	85	84	84

Source: City Records

2006	2005	2004	2003	2002	2001
1,932 1	1,932 1	1,932 1	1,932 1	1,932 1	1,932 1
1 6,468 9	1 6,468 9	1 6,468 9	1 6,468 9	1 6,468 9	1 6,468 9
1 6,900 582 15	1 6,900 582 15	1 6,900 566 13	1 6,900 562 13	1 6,900 555 11	1 6,900 543 11
2 2 8 9	2 2 8 9	2 2 8 8	2 2 8 8	2 2 8 8	2 2 8 8
70 2,369 33	70 2,352 33	69 2,318 32	68 2,314 32	68 2,307 32	67 2,270 31
66 354 84	66 355 84	65 331 82	64 339 82	63 369 81	63 351 80

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Dave Yost • Auditor of State

CITY OF DOVER

TUSCARAWAS COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
JULY 14, 2011