

COMPREHENSIVE ANNUAL FINANCIAL REPORT THE CITY OF DOVER, OH



FOR THE YEAR ENDED
DECEMBER 31, 2016



Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the City of Dover, Tuscarawas County, prepared by Rea & Associates, Inc., for the audit period January 1, 2016 through December 31, 2016. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost
Auditor of State

August 29, 2017

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THE CITY OF DOVER, OH
DOVEROHIO.COM

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The background of the cover is a photograph of a baseball field. A chain-link fence is in the foreground, with a banner hanging from it that reads '2015 10-11 YEAR OLD OHIO CHAMPIONS'. Below the banner is a circular sign with the number '1'. In the background, a red and white banner with the word 'DOVER' is visible. The field is green with a brown infield. The sky is overcast.

COMPREHENSIVE

ANNUAL FINANCIAL REPORT

Prepared by the City of Dover Auditor's Office

Nicole L. Stoldt – Dover City Auditor

Kelly Elliot – Deputy Auditor

Angie Gump – Assistant Auditor

FOR THE YEAR ENDED DECEMBER 31, 2016

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The background of the cover is a photograph of a golf course. In the foreground, there is a paved path and a grassy area. In the middle ground, a large pond is visible with several water fountains spraying water into the air. The background is filled with lush green trees under a blue sky with light clouds.

INTRODUCTORY

SECTION

FOR THE YEAR ENDED DECEMBER 31, 2016

THE CITY OF DOVER, OH
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City of Dover
Tuscarawas County, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2016
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City Of Dover

Auditor's Office

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June 28, 2017

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, 2016, and details the status of City finances to residents, elected officials, investment bankers, underwriters, rating agencies and all other interested parties. This report enables the City to comply with Ohio Administrative Code Section 117-2-03(B), which requires reporting on a Generally Accepted Accounting Principles (GAAP) basis, and Ohio Revised Code Section 117.38 which requires cities reporting on a GAAP basis to file an annual report with the Auditor of State within 150 days of fiscal year end.

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

Rea and Associates, Inc. has issued an unmodified ("clean") opinion on the City of Dover's financial statements for the year ended December 31, 2016. The independent auditor's report is located at the front of the financial section of this report.

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

City Profile

Dover lies 80 miles south of Cleveland and Lake Erie and 100 miles west of Pittsburgh. Though originally called Dover, the prefix "canal" was added in 1807 by postal authorities to distinguish the City from the Village of Dover in Cuyahoga County. Canal Dover was an appropriate name at this particular time considering the town's first prosperity was stimulated by the construction of the Ohio and Erie Canal in the late 1820's. This "canal town" was incorporated as a village in 1842 and established as a city in early 1900's. By December 18, 1915, the City was officially changed to its original name of Dover.

Operating under the Mayor/Council form of government, the citizens of Dover elect a mayor, auditor, law director, treasurer and eight members of the council, including the president, three at-large council members and four ward council members. A safety director, service director, auditor, treasurer, and law director are responsible for various departments of City business. For financial reporting purposes, the City has considered all departments and organizations making up the City of Dover (the primary government).



TREE CITY USA

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

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

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

Local Economy

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

Six banks (Huntington National, Chase, First National Bank of Dennison, Citizens Bank, First Merit, First Federal Bank) are located in the City.

Residents of Dover receive information through various media. The New Philadelphia Times-Reporter, a daily morning newspaper, serves the City. In addition, the City is within the broadcast area of five television stations, and 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 is a great asset to the City of Dover. Not only is it our City's largest employer, it is a nationally ranked and award winning hospital. In 2016, Union Hospital was recognized for various clinical quality achievements. In addition to Union Hospital's new \$17.7 million dollar emergency center, the hospital also opened a north end facility which houses eight doctors. The investment in the construction of this facility was \$4.4 million.

Also on the City's north end was a project that will provide space for over 200 employees. The construction of this new office was completed by Novogradac & Company. This \$6.5 million investment is another commitment by a company that calls Dover home.

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

Major Initiatives

For the Year

On September 17, 2012, Dover City Council passed an Ordinance to impose a three percent lodging tax for establishments offering sleeping accommodations to guests and in which there are five or more rooms, starting on January 1, 2013. Currently this tax affects three local motels. The monies are to be deposited into the general fund and will be used for the economic development and tourism in the City of Dover. Requests can be submitted by groups or organizations wanting funding for projects being completed in the City. The Dover Architectural Review Board reviews the requests and makes a recommendation to Council. As of the end of 2016, the City has awarded \$36,289.

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

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

2016 was a year for maintenance and upgrades to the City's largest asset. The Dover Light Plant continues to supply efficient and affordable electric to its residents and businesses for over 100 years. During the annual shut down much of the work is done to the plant. This year was no exception, the boiler, the turbine, the coal handling equipment, and various other pieces of equipment received yearly inspection, maintenance, and upgrades.

The City's Electric Field Division sees that the power is supplied to our consumers reliably and efficiently. Residentially 34 poles were replaced and maintenance on the existing lines was done throughout the City, making the system more reliable. Commercial and industrial growth was better than expected, adding an additional 9 commercial and 4 industrial business accounts. The Electric Field Division also assisted the traffic light contractors in energizing the new traffic boxes, removing and replacing old poles as well as adding new LED street lights.

Department Information

2016 was a mild winter for the Street Department. The entire salting season required 893 tons of salt, compared to 2,062 in the previous season.

Mowing of the City's right of ways is done by the general services division. There are 50 plus locations throughout the City that are maintained by mowing and weed eating. Mowing is done weekly, bi-weekly, and monthly as required. This year, two new mowers and trailers to haul them were purchased to replace aging equipment.

The leaf season lasted about 39 working days. Leaves were picked up using our leaf machine and two truck mounted collection boxes. The loader and dump trucks were used to complete the removal. For the entire process, we used 1,100 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. The brush and yard debris was hauled by Bull Country Compost to their facility for a cost of \$4,575. This year in conjunction with a grant through Stark-Tusc-Wayne Joint Solid Waste Management District, the City opened a compost site that was used immensely by the residents.

The street sweeper logged 106 days in 2016, the majority of the sweeping was done on Sunday nights. The painting program continued in 2016 with total supplies for the program consisting of 600 gallons of paint. Over 30 miles of streets were striped.

The general services division also maintains traffic control devices. There are 29 traffic light systems, 12 four way flasher/warning flashers, and 8 school speed limit light systems in the City of Dover. With the help of an ODOT grant, the City continued Phase I of a traffic signalization project costing over \$1.4 million in 2016. This project consists of new signals in over half of the City, and is expected to be completed in 2017 at a total cost of about \$2 million. Phase II is currently in the planning stages. Signs are also a big part of our program. New signs are installed to replace old worn signs and stolen or damaged ones, while others are to keep in compliance with the Ohio Uniform Traffic Code. During 2016, 45 new signs and 20 new posts were installed.

Dover City Parks Department continues to be a great asset to the City. The department offers recreational men's, women's and co-ed leagues for softball, bocce, volleyball and basketball. Summer activities include youth basketball, football and baseball camps, tennis, golf, and swimming lessons. Summer youth baseball and softball continue to be very popular along with the pool and our disc golf course. In 2016, the parks department hosted the City's annual end of summer celebration which featured a day of music, a car/motorcycle show, and food. The evening was topped off by an impressive fireworks display, sponsored by two local businesses, Kimble Recycling and Disposal and Price Gregory. The City Park was also the location for the 2016 10-year-old Little League State Baseball Tournament. Teams from all over Ohio came to the City of Dover for a week to compete for the coveted title.

The City Park is always a busy place in the summer. The department operates two concession stands and is home to a state of the art playground donated in part to the City from a host of sponsors. Our picnic shelters had 52 reservations and the pool was rented 50 times. Memorial Hall is a rental for the City which consists of a dining hall, meeting rooms and a gym. The Parks received \$73,980 in rental, camp and league fees throughout 2016.

The parks department also is responsible for the shade tree program. In 2016, 103 trees were maintained and 80 trees were removed. The City is proud to be a Tree City USA recipient for 36 consecutive years.

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

The Dover Police Department was kept busy in 2016. The department received 11,256 calls, investigated 527 traffic accidents, 41 of those involving injuries and with no fatalities. The department investigates all infractions of State law and City Ordinances.

The Dover Police Department continued to serve the community by keeping the City of Dover a safe place to live and visit. The Department consists of 22 sworn officers, 8 Special/Reserves officers, 3 civilian dispatchers, a K-9 Unit and also maintains 11 service vehicles. The Department provides services such as money escorts, funeral escorts, vehicle lockouts, home vacation checks, and security for annual events throughout the year.

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

The Dover Fire Department also helped keep the community safe. They responded to 1,531 EMS calls, 78 Fire calls and completed over 1,750 training hours. The Fire Department hosts an annual open house to share their services with the community.

The City's Electric Field division received the Diamond Member status from American Public Power Association's (APPA) RP3 Program. This is a very prestigious award that shows Dover is ensuring reliable power for its customers. The electric field employees also provide year-long community service by installing banners and temporary wiring for all of the downtown events. The employees are responsible for decorating the downtown for the Christmas season, and without their attention to detail, the City would never be able to light the downtown and surrounding areas all at once on the evening of our Christmas holiday parade.

Dover's Water/Wastewater Departments are working year-long to maintain and improve our systems. In 2016, 570 feet of new water main was installed on Main Street and Commercial Parkway, 3 water valves were replaced, repairs were made on 23 water main and water service leaks, 30 street and curb boxes were repaired, and 23 new water services were installed. In order to ensure fire protection for the City, the department replaced 6 fire hydrants, winterized 620 fire hydrants, and flushed more than 1,247 fire hydrants during the year.

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

In 2016, the City of Dover Wastewater department worked on lift stations for 15 days, cleaned sewer lines on 105 occasions, and responded to 54 sewer calls. Sewer lift station operations are checked upon daily by department employees.

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

For the Future

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

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

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

Long Term Financial Planning

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

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

Relevant Financial Planning

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

The split of our City's income tax revenue has been addressed elsewhere in the report; however, the practice of allocating a percentage of our income tax revenue to the master capital fund continues to be a most valuable tool. In the time of financial downturn the percentage can be lowered to allow for additional yearly revenue for operating expense, but otherwise, 40 percent of income tax revenue is used to maintain and grow our City, providing infrastructure and enhancements to serve our citizens. In 2016, only 25 percent of income tax was allocated to the master capital fund, as operating funds benefited from the additional revenue.

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

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

Awards

GFOA Certificate of Achievement The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Dover for its Comprehensive Annual Financial Report for the year ended December 31, 2015.

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

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

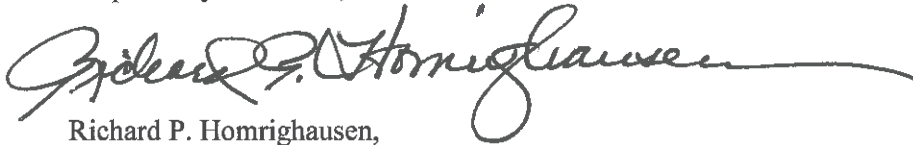
Tree City USA The City received its thirty-sixth Tree City USA Award for the year ended December 31, 2016. These prestigious awards recognize the City for its annual program of planting new trees and maintaining and removing old trees. Dover has been the second longest recipient of this award at the City level.

Acknowledgments

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

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

Respectfully submitted,



Richard P. Homrighausen,
Mayor



Nicole L. Stoldt
Auditor



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Dover
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2015

Executive Director/CEO

City of Dover
Tuscarawas County, Ohio
Principal Officials
December 31, 2016

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

Finance Department

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

Safety Department

Safety/Human Resources Director..... Timothy N. Tarulli
Fire Chief Russell R. Volkert
Police Chief..... Paul Bantum

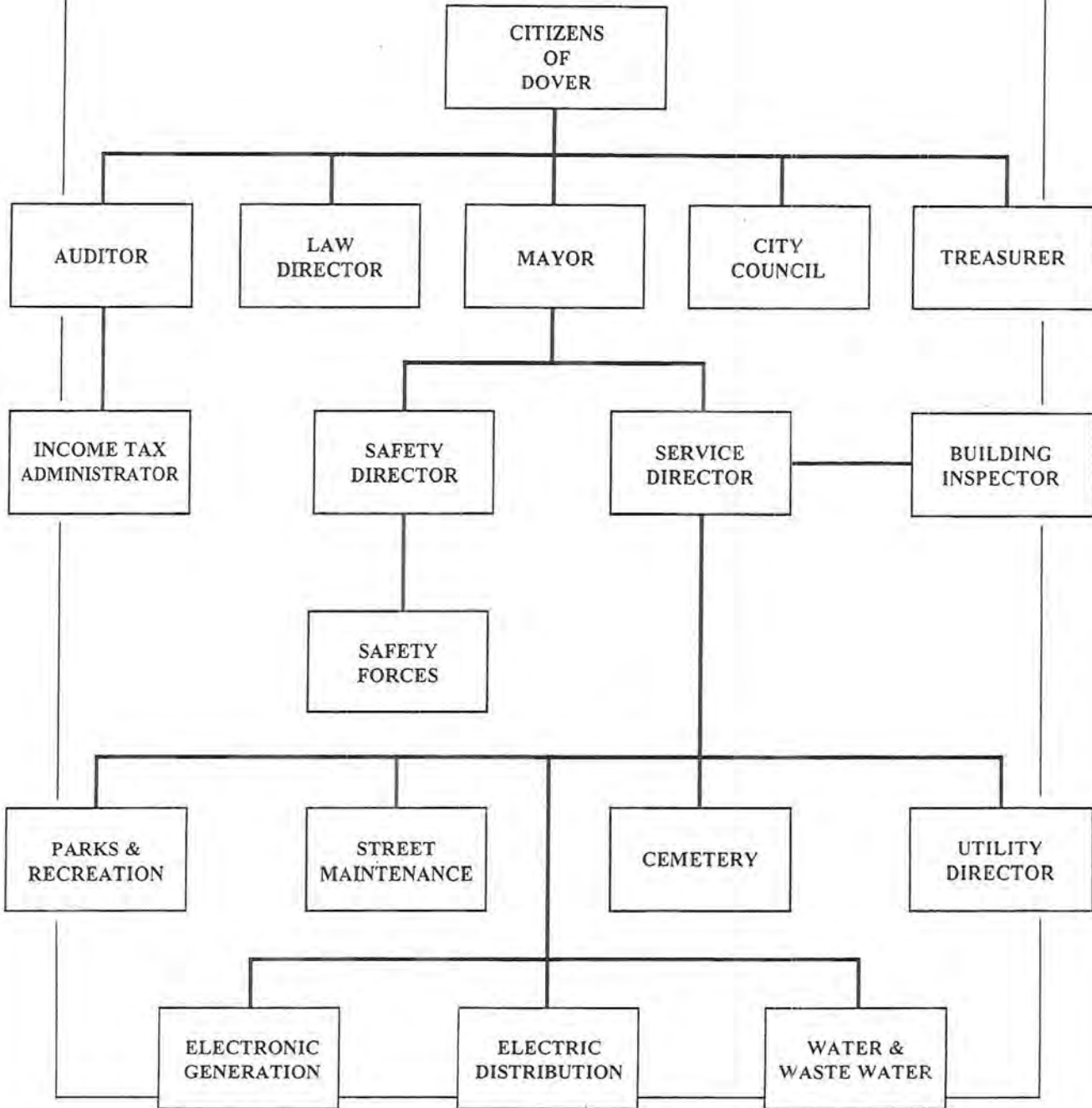
Service Department

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



CITY OF DOVER, OHIO

Organization Chart



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An aerial photograph of a large sports complex, likely a baseball field complex, with several baseball fields arranged around a central road. The fields are green with brown dirt bases. The surrounding area is lush with trees and greenery. The image is partially overlaid by a red graphic element on the left side.

FINANCIAL

SECTION

FOR THE YEAR ENDED DECEMBER 31, 2016

THE CITY OF DOVER, OH
DOVEROHIO.COM

June 28, 2017

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

Independent Auditor's Report

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dover, Tuscarawas County, Ohio, (the City) as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dover, Tuscarawas County, Ohio, as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2017 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

Rea & Associates, Inc.

New Philadelphia, Ohio

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City of Dover
Tuscarawas County, Ohio
Management's Discussion and Analysis
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The discussion and analysis for the City of Dover's (the City's) financial statements provides an overall review of the financial activity of the City for the twelve months ended December 31, 2016. 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 2016 are as follows:

In 2016, the City embarked on a major revitalization project to the City's Riverfront. Grants were obtained through Ohio Public Works Commission to purchase homes along the Riverfront that were torn down to make way for a park like atmosphere. The City also obtained a grant from Ohio Department of Natural Resources to put in a boat ramp for additional parking and access on the Riverfront.

The City partnered with Ohio Department of Transportation to complete Phase I of a traffic signalization upgrade. Half of the City had new traffic signals installed which are connected by fiber and put on sensors for better traffic flow and safer response for safety personnel responding to emergency calls. Phase II will commence in 2017.

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

Several departments benefited in 2016 from the master capital fund. The Parks Department resurfaced the tennis courts, built press boxes on two baseball fields to host the Little League State Tournament, and purchased a new vehicle for the department. The Police Department purchased dash radars. The Cemetery Department upgraded with a new mower, and the Street Department added some much needed equipment including new dump trucks, new department trucks, new mowers, leaf collection boxes, and a black top buggy.

In September of 2012, the City passed an ordinance effective January 1, 2013, to enact a 3 percent lodging tax for any establishment in which 5 rooms are provided for the accommodation of guests. The monies are to be deposited into the general fund and will be used for economic development and tourism in the City of Dover. Requests can be submitted by groups or organizations seeking funding for projects being completed in the City. The Dover Architectural Review Board reviews the requests and makes a recommendation to Council. As of the end of 2016, the City of Dover has distributed \$36,289 since the start of the program.

Using this Annual Financial Report

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

The statement of net position and the statement of changes in net position provide information from a summary perspective showing the effects of the operations for the year 2016 and how they affected the operations of the City as a whole.

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Reporting the City of Dover as a Whole

Statement of Net Position and Statement of Activities

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

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

In the statement of net position and the statement of activities, the City is divided into two major activities:

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

Reporting on the Most Significant Funds of the City of Dover

Fund Financial Statements

The analysis of the City's major funds begins on page 12. The fund financial reports give a detailed report of the activities within the funds. These funds are in existence to provide a multitude of services to the citizens of Dover. Each fund is in some ways an entity unto itself. Each fund has a designed revenue stream and specific uses for the monies within the fund.

In this report, the focus is on five major funds, the general fund, the master capital fund, the sewer fund, the electric fund, and the water fund. For purposes of this report, the sewer revenue and wastewater reserve are reported as the "sewer fund." Likewise, the electric revenue, guarantee deposit, electric replacement and improvement, electric system construction, electric system capital reserve, electric surplus, and the municipal electric improvement are all reported under the "electric fund" and the water revenue, water surplus, water construction and the water replacement and improvement are reported as the "water fund."

Governmental Funds All of the City's major activities (excluding the water, sewer and electric funds) are reported in the governmental funds. This report shows how monies flow into and out of these funds and also shows what balances are available for future expenditures. The accounting method used to report this activity is the modified accrual method. This method reports cash and like-cash items that can be converted into cash. This shows what level of financial resources is available or will be available to provide the services that the general government provides in the near future. These services include

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police and fire protection, as well as improving and maintaining the City's streets, parks, cemeteries, and City Hall. The relationship between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and the government funds is reconciled in the financial statements.

Proprietary Funds Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match, except for the internal service fund allocations.

The City of Dover as a Whole

The Statement of Net Position provides an overall view of the City. Table 1 shows a summary of the City's net position for 2016 as compared to 2015.

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Assets						
Current and Other Assets	\$12,261,419	\$11,706,667	\$19,560,385	\$19,085,362	\$31,821,804	\$30,792,029
Capital Assets, Net	20,264,849	17,014,332	48,308,616	47,094,047	68,573,465	64,108,379
Total Assets	32,526,268	28,720,999	67,869,001	66,179,409	100,395,269	94,900,408
Deferred Outflows of Resources						
Deferred Charge on Refunding	0	0	163,166	204,960	163,166	204,960
Pension	3,423,458	1,263,359	2,166,194	697,476	5,589,652	1,960,835
Total Deferred Outflows of Resources	3,423,458	1,263,359	2,329,360	902,436	5,752,818	2,165,795
Liabilities						
Current Liabilities	1,568,831	1,421,825	3,402,772	1,862,620	4,971,603	3,284,445
Long-Term Liabilities						
Due Within One Year	410,990	406,151	2,922,554	2,802,475	3,333,544	3,208,626
Due in More Than One Year:						
Net Pension Liability	12,007,729	9,083,993	5,474,529	3,944,166	17,482,258	13,028,159
Other Amounts	3,821,253	3,891,010	20,282,651	23,005,211	24,103,904	26,896,221
Total Liabilities	17,808,803	14,802,979	32,082,506	31,614,472	49,891,309	46,417,451
Deferred Inflows of Resources						
Property Taxes	1,549,018	893,946	0	0	1,549,018	893,946
Pension	86,813	37,311	270,101	69,291	356,914	106,602
Total Deferred Inflows of Resources	1,635,831	931,257	270,101	69,291	1,905,932	1,000,548
Net Position						
Net Investment in Capital Assets	17,768,347	14,280,928	28,026,128	25,937,921	45,794,475	40,218,849
Restricted for:						
Cemetery	826,741	789,155	0	0	826,741	789,155
Street Maintenance and Repair	688,948	569,349	0	0	688,948	569,349
Police and Fire Pension	105,778	94,133	0	0	105,778	94,133
Revolving Loan Program	447,336	445,919	0	0	447,336	445,919
Law Enforcement and Education	43,332	42,437	0	0	43,332	42,437
Capital Projects	23,635	45,550	0	0	23,635	45,550
Unclaimed Monies	17,037	13,804	0	0	17,037	13,804
Unrestricted (Deficit)	(3,416,062)	(2,031,153)	9,819,626	9,460,161	6,403,564	7,429,008
Total Net Position	\$16,505,092	\$14,250,122	\$37,845,754	\$35,398,082	\$54,350,846	\$49,648,204

The net pension liability (NPL) is the largest single liability reported by the City at December 31, 2016, and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement 27." For reasons discussed below, many end users of this financial

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

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

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

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

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

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

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

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In total, the City's net position showed increases for 2016 due to increases in capital grants and contributions, income taxes, and charges for services and sales revenues, which outpaced the increases in expenses, primarily security of persons and property expense and electric fund expense. Capital assets increased in 2016, as the City had various projects, including a signalization project, street projects, the riverfront project, an electric utility project, and the restoration of the Speedway Sanitary Pump Station. Several of these projects were partially funded by grants. For governmental activities, a smaller increase was seen for current and other assets, primarily an increase in property taxes receivable, due to a 4.0 mill replacement levy that is effective for tax year 2016.

The large increase in current liabilities was related to an increase in contracts payable for business-type activities resulting from a slight timing difference in the City's payments for purchased power, with the last two months of 2016 being paid in early 2017.

The significant increase in total deferred outflows of resources in 2016 was due to an increase in the difference between projected and actual earnings on investments related to the City's net pension liability for OPERS and for OPF.

The net pension liability increase represents the City's proportionate share of the unfunded benefits of the OPERS traditional plan and the OPF plan. As indicated previously, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability.

Other amounts due in more than one year decreased as the City continued to pay down debt.

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

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

Table 2
Change in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues						
Program Revenues						
Charges for Services and Sales	\$1,441,172	\$1,531,228	\$31,519,340	\$28,389,796	\$32,960,512	\$29,921,024
Operating Grants and Contributions	671,014	653,949	0	0	671,014	653,949
Capital Grants and Contributions	2,441,738	607,313	143,797	0	2,585,535	607,313
Total Program Revenues	4,553,924	2,792,490	31,663,137	28,389,796	36,217,061	31,182,286
General Revenues						
Property Taxes	1,017,196	1,016,215	0	0	1,017,196	1,016,215
Kilowatt per Hour Tax	707,221	717,005	0	0	707,221	717,005
Income Taxes	8,402,216	7,841,122	0	0	8,402,216	7,841,122
Grants and Entitlements	446,054	441,197	0	0	446,054	441,197
Unrestricted Contributions	20,616	13,771	0	0	20,616	13,771
Investment Earnings	53,653	25,514	9,485	1,649	63,138	27,163
Miscellaneous	249,524	249,906	77,377	208,514	326,901	458,420
Total General Revenues	10,896,480	10,304,730	86,862	210,163	10,983,342	10,514,893
Total Revenues	\$15,450,404	\$13,097,220	\$31,749,999	\$28,599,959	\$47,200,403	\$41,697,179

(continued)

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Table 2
Change in Net Position (Continued)

	Governmental		Business-Type		Total	
	Activities		Activities			
	2016	2015	2016	2015	2016	2015
Program Expenses						
General Government	\$1,667,919	\$1,340,412	\$0	\$0	\$1,667,919	\$1,340,412
Security of Persons and Property	5,923,090	4,899,426	0	0	5,923,090	4,899,426
Transportation	2,172,494	2,704,103	0	0	2,172,494	2,704,103
Public Health Services	765,011	711,562	0	0	765,011	711,562
Community Environment	136,628	130,931	0	0	136,628	130,931
Basic Utility Services	603,309	708,629	0	0	603,309	708,629
Leisure Time Activities	1,157,740	1,046,395	0	0	1,157,740	1,046,395
Interest and Fiscal Charges	96,888	99,907	0	0	96,888	99,907
Enterprise Operations:						
Sewer	0	0	3,349,740	3,282,367	3,349,740	3,282,367
Electric	0	0	24,598,405	21,929,834	24,598,405	21,929,834
Water	0	0	2,026,537	1,814,774	2,026,537	1,814,774
Total Program Expenses	12,523,079	11,641,365	29,974,682	27,026,975	42,497,761	38,668,340
Change in Net Position Before Transfers	2,927,325	1,455,855	1,775,317	1,572,984	4,702,642	3,028,839
Transfers	(672,355)	(600,000)	672,355	600,000	0	0
Change in Net Position	2,254,970	855,855	2,447,672	2,172,984	4,702,642	3,028,839
Net Position Beginning of Year	14,250,122	13,394,267	35,398,082	33,225,098	49,648,204	46,619,365
Net Position End of Year	\$16,505,092	\$14,250,122	\$37,845,754	\$35,398,082	\$54,350,846	\$49,648,204

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, capital grants and contributions, and charges for services and sales.

The City's income tax was established by ordinance to be effective January 1, 1970, at a rate of 1 percent. In the November election of 2006, the voters voted to increase the income tax rate by ½ percent. There is no restriction on how the additional ½ percent is to be used. The income tax accounted for revenues of \$8,402,216 in 2016. This represents an increase in income tax revenues from the prior year, even though cash basis income tax receipts decreased due to one employer making a large payment of 2016 taxes in early 2017. By City ordinance, income tax proceeds, after income tax department expenditures, are credited to the following funds: 25 percent of the net income tax to the master capital, capital projects fund and the remaining balance divided between the cemetery special revenue fund, the street maintenance and repair special revenue fund, the police and fire pension special revenue fund, and the general fund. In 2016, the City allocated 25 percent of income tax revenue to the master capital fund. This practice continues to be an excellent tool in making capital improvements, maintaining City streets and purchasing equipment. It is the plan to review the allocation to the master capital fund on a yearly basis in an effort to ensure good operating balances along with ample dollars for capital improvements.

Capital grants and contributions increased in 2016 due to the receipt of grant moneys for the signalization project and the riverfront project.

Security of persons and property represents the largest expense of the governmental activities and includes the police and fire departments. The yearly expense increased from 2015, primarily due to an increase in pension expense related to the net pension liability. The City worked diligently to control expenses. Both of these departments are paid out of the general fund.

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Our fire department employs 19 full-time employees including the Chief. The City is committed to maintaining a very efficient department. Regular meetings, drills and training sessions are held. There is a strong emphasis on equipment with financial planning in place for replacement of worn equipment on a regular basis. The department's functions include firefighting, emergency medical service (including paramedic service), fire prevention education and investigation. The department also contracts with Dover Township to provide firefighting and emergency medical services. The revenues generated by this contract are reported under the charges for services area.

Our police department is a full-time, 24 hours a day, 365 days a year department with 23 officers, including a full-time Chief.

Our street maintenance and repair and traffic department employs 12 full-time employees who provide the City and its citizens many services that include public road salting, leaf and debris pickup, paint striping and alley profiling. Transportation expenses in 2016 decreased from 2015, because of a mild winter with decreased salt and fuel usage.

The City also maintains three cemeteries (public health services) and two parks (leisure time activities) within the City. Leisure time activities increased in 2016 because of a new concession stand causing an increase in salaries due to more hours and more employees.

Business-Type Activities

The City also operates a Utility Department that consists of three utilities. The largest from an asset and revenue standpoint is the electric utility. This utility consists of a coal fired generation plant and distribution system that serves the City and surrounding area with reliable and competitively priced power. In 2016, the electric utility generated \$25,761,590 in charges for services revenue. In 2001, the City entered into a joint venture project with other municipalities and AMP (American Municipal Power) to ensure the availability and consistent pricing when purchasing peak power. The City is always looking for ways to generate and purchase the most affordable power for the Citizens of Dover. Our Mayor remains involved on a daily basis with other electric communities partnering and exploring all avenues of the electric industry to continue to provide this unique high quality service to Dover.

The water utility serviced 5,679 consumers with a minimum daily pumpage of 1.21 million gallons and a maximum daily pumpage of 4.00 million gallons in 2016. The water plant was put into service in 1998. The raw water is supplied through five wells currently in service into the plant where the water is treated with chlorine and filtered through green sand filters and distributed throughout the City. The City has three water towers.

The sewer facility processed an average of 1.35 million gallons per day during 2016 and served 5,570 customers. The sewer plant expansion was a major project for the City. This \$13 million expansion broke ground in 2007. The City has paid for the engineering and design through the sewer fund and funded the remainder with a loan through the Ohio Water Development Authority for the construction phase of the project. The City began to repay the 20 year loan in June of 2009. The new sewer plant was tested throughout 2009. The 3 million gallon per day Membrane Bioreactor (MBR) Plant utilizes modern technology that requires trained and vigilant operators. The plant is manned 24 hours per day 7 days per week.

The revenues and expenses for all three of these utilities are reported under the business-type activities on Table 2. The majority of the City's revenues and expenses flow through the business-type activities. The revenues are generated primarily from charges for services. In 2016, charges for services accounted for approximately 99.3 percent of the revenues. Total charges for services increased in 2016, mainly due to

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the increase in the electric fund due to a rate increase. The total expenses for the utilities increased from 2015 due to an increase in purchased power expense. The City had an increase in net position for the business-type activities with the increase in revenues outpacing the increase in expenses.

The City's Funds

Information about the City's governmental funds begins on page 20. These funds are accounted for using the modified accrual method of accounting. The general fund had revenues and other financing sources of \$7,816,338 and expenditures and other financing uses of \$7,881,367, resulting in a \$65,029 decrease in fund balance. As compared to 2015, revenues decreased while expenditures increased slightly from the prior year. The decrease in revenues was primarily a result of decreased income tax collections during 2016 and the available period. The master capital fund had revenues and other financing sources of \$4,397,178 and expenditures of \$4,938,346, leaving a \$541,168 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 2016, the master capital fund received 25 percent of income tax collections, allowing many projects to be funded and completed. Intergovernmental revenue and capital outlay expenditures both increased from 2015 in the master capital fund due to the receipt of an ODOT grant for the signalization project, as well as OPWC grants for a street project and for the riverfront project. It is a practice of the City to pay cash for items such as fire trucks. Sinking funds are only utilized when necessary. The City's funds are monitored consistently with adjustments made throughout the year in budgets to accommodate yearly revenues.

The one fund that consistently exceeds our expense expectations is our employee health insurance fund. Our medical/surgical and dental benefit plans have been self-funded since 1988. An ordinance was passed in 2012 to increase the premium by \$100 monthly for family coverage and by \$50 for single coverage and allow for an additional \$500 per employee per month to be contributed to the fund on an as-needed basis and this has helped maintain the fund. In 2016, the fund had an operating loss of \$344,460, due to an increase in claims expense. We are consistently negotiating with all our unions for plan modifications and increased employee contributions to help control plan costs.

Information about the proprietary funds starts on page 25. These funds are accounted for on an accrual basis. The sewer, electric, and water funds had increases in net position with the increases in revenues outpacing increases in expenses. 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 the object level within each department. Any budgetary modifications at that level may only be made by Council action.

For 2016, general fund appropriations were modified by Council several times. Final budgeted revenues were equal to original budgeted revenues, and final appropriations were slightly higher than original appropriations due to revised estimates in certain general government and security of persons and

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property expenditure categories. Actual revenues were higher than the final budgeted revenues due to the receipt of slightly higher amounts in several categories of revenues, most significantly income tax collections. Actual expenditures were lower than the final appropriations due to conservative spending in general government, security of persons and property, and leisure time activities.

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

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

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

Capital Assets

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

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land	\$2,272,930	\$1,556,704	\$1,197,605	\$1,197,605	\$3,470,535	\$2,754,309
Construction in Progress	2,843,658	673,892	2,498,966	112,396	5,342,624	786,288
Buildings	2,387,885	2,182,644	19,111,084	19,483,599	21,498,969	21,666,243
Improvements other than Buildings	921,323	889,450	1,594,664	1,770,892	2,515,987	2,660,342
Equipment and Machinery	1,223,388	1,208,693	7,393,602	7,725,895	8,616,990	8,934,588
Furniture and Fixtures	286	859	25,458	29,101	25,744	29,960
Vehicles	790,238	871,326	439,487	406,042	1,229,725	1,277,368
Infrastructure	9,825,141	9,630,764	16,047,750	16,368,517	25,872,891	25,999,281
Total Capital Assets	\$20,264,849	\$17,014,332	\$48,308,616	\$47,094,047	\$68,573,465	\$64,108,379

For both governmental and business-type activities, capital assets for the City of Dover increased from 2015 to 2016. This increase is due to capital asset additions exceeding current year depreciation. Capital asset activity for 2016 is provided in Note 11.

City of Dover
Tuscarawas County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2016
Unaudited

Debt

The outstanding debt for the City of Dover as of December 31, 2016, was as follows:

(Table 4)
 Outstanding Debt at Year End

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
General Obligation Bonds	\$2,161,923	\$2,273,717	\$7,344,257	\$8,099,875	\$9,506,180	\$10,373,592
Revenue Bonds	0	0	4,900,000	6,020,000	4,900,000	6,020,000
State Infrastructure						
Bank Loan	352,387	463,024	0	0	352,387	463,024
OPWC Loans	91,325	60,000	0	0	91,325	60,000
OWDA Loan	0	0	8,973,411	9,576,086	8,973,411	9,576,086
Capital Lease	9,239	0	0	0	9,239	0
Police and Fire Pension	229,497	237,544	0	0	229,497	237,544
AMPGS Payable	0	0	1,116,097	1,284,133	1,116,097	1,284,133
Total	\$2,844,371	\$3,034,285	\$22,333,765	\$24,980,094	\$25,178,136	\$28,014,379

This balance reflected a decrease from the previous year's balance. Debts were reduced as principal payments were made. In addition, an OPWC loan was issued and a capital lease began in 2016.

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

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

Current Financial Issues

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

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

A few large purchases of the year involved the water and wastewater funds. They purchased a large truck and dump body for hauling sludge. They also purchased mobile generators for the sewer pump stations and three of the lift stations in 2015, and those were installed during 2016. One major project in 2016 was the restoration of the Speedway Sanitary Pump Station. This upgrade to the station included new pumps, motors, controllers, transducer, overhead trolley, generator, and an upgraded stainless steel floor.

City of Dover
Tuscarawas County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2016
Unaudited

Two sources of funding continue to offer the City flexibility in controlling revenues to the general fund. One is the KWH tax collected by the electric fund. This tax was created by the State as part of the legislation passed for electric deregulation. The tax collected from power sold within City limits is to be receipted in the general fund. Legislation was passed by City Council to allow the tax to be returned to the electric fund. In an effort to keep rates low, it is the City's intent to use a portion of the money in the electric fund each year unless there are significant revenue shortfalls in the general fund. In 2016, 85 percent of the KWH tax revenue was returned to the electric fund to help maintain the fund balance. The other flexible source of funding is the split of the income tax. The standard practice is for 40 percent of tax collections to be allocated to the master capital fund for capital projects; however, in 2011 that amount was reduced to 20 percent and in 2012 changed to 25 percent. This remained at 25 percent in 2016. The percentage can be adjusted yearly by City Council to aid in keeping adequate operating balances.

In 2006, the citizens of Dover passed a ½ percent tax increase which was greatly needed; however, it wasn't long before the economic downturn affected the area leaving revenue estimates falling short. In 2012, the State of Ohio's biennial budget made significant cuts to the Local Government Fund subsidies to the City along with an accelerated phase out of the personal property tax reimbursement from the State. These measures reduced 2012 revenue expectations, which were only offset by an increase in income tax collections. This continues to be the case in 2016. The City continues to work short of prior year's staffing levels in a few departments in an effort to control costs.

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

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

The strength of Dover continues to be the number of small businesses who provide the City of Dover diversity in its tax base. Only one employer has more than 1,000 employees; Union Hospital 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 2016. 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.

City of Dover
Tuscarawas County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2016
Unaudited

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

Contacting the City's Finance Department

This report is intended to provide our citizens and anyone interested in the financial aspects of the City of Dover a general overview of our financial operation. If there are questions, please contact Auditor, Nicole Stoldt, City of Dover, 122 East Third Street, Dover, Ohio 44622, by telephone 330-343-6385 by website at www.doverohio.com or by e-mail nicole.stoldt@doverohio.com.

City of Dover
Tuscarawas County, Ohio
Statement of Net Position
December 31, 2016

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$6,271,853	\$12,112,926	\$18,384,779
Cash and Cash Equivalents with Fiscal Agents	84,736	64,481	149,217
Materials and Supplies Inventory	146,603	1,244,176	1,390,779
Accrued Interest Receivable	1,089	0	1,089
Accounts Receivable	177,276	4,388,649	4,565,925
Internal Balances	374,111	(374,111)	0
Intergovernmental Receivable	741,649	43,426	785,075
Prepaid Items	95,835	269,606	365,441
Income Tax Receivable	2,771,900	0	2,771,900
Property Taxes Receivable	1,568,790	0	1,568,790
Loans Receivable	27,577	0	27,577
Regulated Asset	0	1,116,097	1,116,097
Investment in Joint Venture	0	695,135	695,135
Nondepreciable Capital Assets	5,116,588	3,696,571	8,813,159
Depreciable Capital Assets, Net	15,148,261	44,612,045	59,760,306
<i>Total Assets</i>	<u>32,526,268</u>	<u>67,869,001</u>	<u>100,395,269</u>
Deferred Outflows of Resources			
Deferred Charge on Refunding	0	163,166	163,166
Pension	3,423,458	2,166,194	5,589,652
<i>Total Deferred Outflows of Resources</i>	<u>3,423,458</u>	<u>2,329,360</u>	<u>5,752,818</u>
Liabilities			
Accounts Payable	35,171	117,452	152,623
Accrued Wages	236,243	172,072	408,315
Contracts Payable	178,487	2,551,787	2,730,274
Intergovernmental Payable	183,635	119,995	303,630
Accrued Interest Payable	8,667	24,333	33,000
Vacation Benefits Payable	334,774	253,890	588,664
Retainage Payable	84,736	64,481	149,217
Customer Deposits	0	98,762	98,762
Claims Payable	507,118	0	507,118
Long-Term Liabilities:			
Due Within One Year	410,990	2,922,554	3,333,544
Due in More Than One Year:			
Net Pension Liability (See Note 12)	12,007,729	5,474,529	17,482,258
Other Amounts	3,821,253	20,282,651	24,103,904
<i>Total Liabilities</i>	<u>17,808,803</u>	<u>32,082,506</u>	<u>49,891,309</u>
Deferred Inflows of Resources			
Property Taxes	1,549,018	0	1,549,018
Pension	86,813	270,101	356,914
<i>Total Deferred Inflows of Resources</i>	<u>1,635,831</u>	<u>270,101</u>	<u>1,905,932</u>
Net Position			
Net Investment in Capital Assets	17,768,347	28,026,128	45,794,475
Restricted for:			
Cemetery	826,741	0	826,741
Street Maintenance and Repair	688,948	0	688,948
Police and Fire Pension	105,778	0	105,778
Revolving Loan Program	447,336	0	447,336
Law Enforcement and Education	43,332	0	43,332
Capital Projects	23,635	0	23,635
Unclaimed Monies	17,037	0	17,037
Unrestricted (Deficit)	(3,416,062)	9,819,626	6,403,564
<i>Total Net Position</i>	<u>\$16,505,092</u>	<u>\$37,845,754</u>	<u>\$54,350,846</u>

See accompanying notes to the basic financial statements

City of Dover
Tuscarawas County, Ohio
Statement of Activities
For the Year Ended December 31, 2016

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$1,667,919	\$190,038	\$0	\$0
Security of Persons and Property	5,923,090	578,568	17,882	0
Transportation	2,172,494	0	653,132	1,544,265
Public Health Services	765,011	453,630	0	0
Community Environment	136,628	16,473	0	85,420
Basic Utility Services	603,309	77,505	0	0
Leisure Time Activities	1,157,740	124,958	0	812,053
Interest and Fiscal Charges	96,888	0	0	0
<i>Total Governmental Activities</i>	<u>12,523,079</u>	<u>1,441,172</u>	<u>671,014</u>	<u>2,441,738</u>
Business-Type Activities:				
Sewer	3,349,740	3,445,743	0	78,397
Electric	24,598,405	25,761,590	0	0
Water	2,026,537	2,312,007	0	65,400
<i>Total Business-Type Activities</i>	<u>29,974,682</u>	<u>31,519,340</u>	<u>0</u>	<u>143,797</u>
<i>Total - Primary Government</i>	<u>\$42,497,761</u>	<u>\$32,960,512</u>	<u>\$671,014</u>	<u>\$2,585,535</u>

General Revenues

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

Total General Revenues

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
(\$1,477,881)	\$0	(\$1,477,881)
(5,326,640)	0	(5,326,640)
24,903	0	24,903
(311,381)	0	(311,381)
(34,735)	0	(34,735)
(525,804)	0	(525,804)
(220,729)	0	(220,729)
(96,888)	0	(96,888)
(7,969,155)	0	(7,969,155)
0	174,400	174,400
0	1,163,185	1,163,185
0	350,870	350,870
0	1,688,455	1,688,455
(7,969,155)	1,688,455	(6,280,700)
889,470	0	889,470
127,726	0	127,726
707,221	0	707,221
4,826,664	0	4,826,664
647,687	0	647,687
368,074	0	368,074
504,270	0	504,270
2,055,521	0	2,055,521
446,054	0	446,054
20,616	0	20,616
53,653	9,485	63,138
249,524	77,377	326,901
10,896,480	86,862	10,983,342
(672,355)	672,355	0
10,224,125	759,217	10,983,342
2,254,970	2,447,672	4,702,642
14,250,122	35,398,082	49,648,204
<u>\$16,505,092</u>	<u>\$37,845,754</u>	<u>\$54,350,846</u>

City of Dover
Tuscarawas County, Ohio
Balance Sheet
Governmental Funds
December 31, 2016

	General	Master Capital	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$2,471,319	\$1,673,031	\$1,938,476	\$6,082,826
Restricted Assets:				
Cash and Cash Equivalents With Fiscal Agents	0	84,736	0	84,736
Equity in Pooled Cash and Cash Equivalents	17,037	0	0	17,037
Materials and Supplies Inventory	29,937	0	116,666	146,603
Accrued Interest Receivable	1,027	0	62	1,089
Accounts Receivable	94,339	0	82,937	177,276
Intergovernmental Receivable	203,082	228,477	310,090	741,649
Prepaid Items	76,875	0	18,960	95,835
Income Taxes Receivable	1,602,783	678,670	490,447	2,771,900
Property Taxes Receivable	1,442,935	0	125,855	1,568,790
Loans Receivable	0	0	27,577	27,577
<i>Total Assets</i>	<u>\$5,939,334</u>	<u>\$2,664,914</u>	<u>\$3,111,070</u>	<u>\$11,715,318</u>
Liabilities				
Accounts Payable	\$20,496	\$4,395	\$10,280	\$35,171
Accrued Wages	194,450	0	41,793	236,243
Contracts Payable	2,285	176,202	0	178,487
Intergovernmental Payable	76,081	0	107,554	183,635
Retainage Payable	0	84,736	0	84,736
<i>Total Liabilities</i>	<u>293,312</u>	<u>265,333</u>	<u>159,627</u>	<u>718,272</u>
Deferred Inflows of Resources				
Property Taxes	1,424,930	0	124,088	1,549,018
Unavailable Revenue	1,433,984	514,531	685,627	2,634,142
<i>Total Deferred Inflows of Resources</i>	<u>2,858,914</u>	<u>514,531</u>	<u>809,715</u>	<u>4,183,160</u>
Fund Balances				
Nonspendable	123,849	0	135,626	259,475
Restricted	0	0	1,672,921	1,672,921
Committed	0	1,885,050	357,368	2,242,418
Assigned	848,548	0	0	848,548
Unassigned (Deficit)	1,814,711	0	(24,187)	1,790,524
<i>Total Fund Balances</i>	<u>2,787,108</u>	<u>1,885,050</u>	<u>2,141,728</u>	<u>6,813,886</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$5,939,334</u>	<u>\$2,664,914</u>	<u>\$3,111,070</u>	<u>\$11,715,318</u>

See accompanying notes to the basic financial statements

City of Dover
Tuscarawas County, Ohio
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
December 31, 2016

Total Governmental Fund Balances		\$6,813,886
 <i>Amounts reported for governmental activities in the statement of net position are different because</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		20,264,849
Other long-term assets are not available to pay for current-period expenditures and therefore are reported as unavailable revenue in the funds:		
Delinquent Property Taxes	19,772	
Income Tax	2,101,503	
Grants	441,486	
Charges for Services	71,381	
Total	2,634,142	2,634,142
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental-type activities in the statement of net position.		(335,128)
An internal balance is recorded in governmental activities to reflect underpayments to the internal service fund by the business-type activities.		374,111
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(8,667)
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.		(334,774)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
General Obligation Bonds	(2,161,923)	
State Infrastructure Bank Loan	(352,387)	
OPWC Loan	(91,325)	
Capital Lease	(9,239)	
Police and Fire Pension	(229,497)	
Compensated Absences	(1,387,872)	
Total	(4,232,243)	(4,232,243)
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:		
Deferred Outflows - Pension	3,423,458	
Deferred Inflows - Pension	(86,813)	
Net Pension Liability	(12,007,729)	
Total	(8,671,084)	(8,671,084)
<i>Net Position of Governmental Activities</i>		\$16,505,092

See accompanying notes to the basic financial statements

City of Dover
Tuscarawas County, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2016

	General	Master Capital	Other Governmental Funds	Total Governmental Funds
Revenues				
Property Taxes	\$889,167	\$0	\$128,848	\$1,018,015
Income Taxes	4,589,970	1,947,636	1,419,728	7,957,334
Kilowatt per Hour Tax	707,221	0	0	707,221
Intergovernmental	464,336	2,298,413	746,359	3,509,108
Interest	47,298	0	6,355	53,653
Fines, Licenses and Permits	33,006	0	895	33,901
Charges for Services	956,235	0	452,382	1,408,617
Contributions and Donations	20,616	2,105	0	22,721
Other	97,633	107,699	1,126	206,458
<i>Total Revenues</i>	<u>7,805,482</u>	<u>4,355,853</u>	<u>2,755,693</u>	<u>14,917,028</u>
Expenditures				
Current:				
General Government	1,461,851	0	0	1,461,851
Security of Persons and Property	4,127,802	0	621,032	4,748,834
Transportation	0	0	1,188,000	1,188,000
Public Health Services	8,518	0	708,773	717,291
Community Environment	126,128	0	0	126,128
Basic Utility Services	603,309	0	0	603,309
Leisure Time Activities	940,840	0	0	940,840
Capital Outlay	10,856	4,622,092	107,350	4,740,298
Debt Service:				
Principal Retirement	1,617	230,637	8,047	240,301
Interest and Fiscal Charges	446	85,617	9,998	96,061
<i>Total Expenditures</i>	<u>7,281,367</u>	<u>4,938,346</u>	<u>2,643,200</u>	<u>14,862,913</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>524,115</u>	<u>(582,493)</u>	<u>112,493</u>	<u>54,115</u>
Other Financing Sources (Uses)				
Inception of Capital Lease	10,856	0	0	10,856
OPWC Loan Issued	0	41,325	0	41,325
Transfers Out	(600,000)	0	0	(600,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(589,144)</u>	<u>41,325</u>	<u>0</u>	<u>(547,819)</u>
<i>Net Change in Fund Balances</i>	<u>(65,029)</u>	<u>(541,168)</u>	<u>112,493</u>	<u>(493,704)</u>
<i>Fund Balances Beginning of Year</i>	<u>2,852,137</u>	<u>2,426,218</u>	<u>2,029,235</u>	<u>7,307,590</u>
<i>Fund Balances End of Year</i>	<u>\$2,787,108</u>	<u>\$1,885,050</u>	<u>\$2,141,728</u>	<u>\$6,813,886</u>

See accompanying notes to the basic financial statements

City of Dover
Tuscarawas County, Ohio
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2016*

Net Change in Fund Balances - Total Governmental Funds (\$493,704)

*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 and contributions exceeded depreciation in the current period:

Capital Asset Additions:		
Capital Outlay	4,280,392	
Capital Contributions	55,800	
Current Year Depreciation	<u>(954,155)</u>	
Total		3,382,037

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. (131,520)

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

Property Taxes	(819)	
Income Tax	444,882	
Intergovernmental	(8,207)	
Charges for Services	<u>(1,346)</u>	
Total		434,510

Repayment of debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 240,301

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

Accrued Interest	(2,621)	
Amortization of Premium	<u>1,794</u>	
Total		(827)

Other financing sources in the governmental funds that increase long-term liabilities in the statement of net position are not reported as revenues in the statement of activities:

Inception of Capital Lease	(10,856)	
OPWC Loan Issued	<u>(41,325)</u>	
Total		(52,181)

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	(124,996)	
Vacation Benefits Payable	<u>(20,816)</u>	
Total		(145,812)

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 Position	(344,460)	
Change in Internal Balance	<u>179,765</u>	
Total		(164,695)

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows. 874,952

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities. (1,688,091)

Change in Net Position of Governmental Activities \$2,254,970

See accompanying notes to the basic financial statements

City of Dover
Tuscarawas County, Ohio
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$859,251	\$880,835	\$888,777	\$7,942
Income Taxes	4,779,929	4,701,832	4,738,605	36,773
Kilowatt per Hour Tax	683,681	700,902	707,221	6,319
Intergovernmental	449,384	461,040	465,197	4,157
Interest	45,227	46,366	46,784	418
Fines, Licenses and Permits	31,450	32,242	32,533	291
Charges for Services	923,233	946,500	955,034	8,534
Contributions and Donations	19,753	20,432	20,616	184
Other	88,572	90,331	91,144	813
<i>Total Revenues</i>	<u>7,880,480</u>	<u>7,880,480</u>	<u>7,945,911</u>	<u>65,431</u>
Expenditures				
Current:				
General Government	1,921,310	1,924,855	1,488,421	436,434
Security of Persons and Property	4,359,926	4,365,926	4,161,860	204,066
Public Health Services	9,000	9,000	8,518	482
Community Environment	137,480	137,480	127,138	10,342
Basic Utility Services	660,000	660,000	658,152	1,848
Leisure Time Activities	1,051,932	1,051,932	947,675	104,257
<i>Total Expenditures</i>	<u>8,139,648</u>	<u>8,149,193</u>	<u>7,391,764</u>	<u>757,429</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(259,168)	(268,713)	554,147	822,860
Other Financing Sources (Uses)				
Transfers Out	(600,000)	(600,000)	(600,000)	0
<i>Net Change in Fund Balance</i>	(859,168)	(868,713)	(45,853)	822,860
<i>Fund Balance Beginning of Year</i>	2,415,738	2,415,738	2,415,738	0
Prior Year Encumbrances Appropriated	40,326	40,326	40,326	0
<i>Fund Balance End of Year</i>	<u>\$1,596,896</u>	<u>\$1,587,351</u>	<u>\$2,410,211</u>	<u>\$822,860</u>

See accompanying notes to the basic financial statements

City of Dover
Tuscarawas County, Ohio
Statement of Fund Net Position
Proprietary Funds
December 31, 2016

	Business-Type Activities				Governmental Activities - Internal Service Fund
	Sewer	Electric	Water	Total	
Assets					
<i>Current Assets:</i>					
Equity in Pooled Cash and Cash Equivalents	\$4,457,339	\$5,917,753	\$1,639,072	\$12,014,164	\$171,990
Cash and Cash Equivalents with Fiscal Agents	9,485	54,996	0	64,481	0
<i>Restricted Assets:</i>					
Equity in Pooled Cash and Cash Equivalents	0	98,762	0	98,762	0
<i>Receivables:</i>					
Accounts	399,187	3,609,951	379,511	4,388,649	0
Intergovernmental	43,426	0	0	43,426	0
Regulated Asset	0	1,116,097	0	1,116,097	0
Materials and Supplies Inventory	13,847	1,023,739	206,590	1,244,176	0
Prepaid Items	50,863	191,878	26,865	269,606	0
<i>Total Current Assets</i>	<u>4,974,147</u>	<u>12,013,176</u>	<u>2,252,038</u>	<u>19,239,361</u>	<u>171,990</u>
<i>Non-Current Assets:</i>					
Investment in Joint Venture	0	695,135	0	695,135	0
Land and Construction in Progress	556,304	2,333,311	806,956	3,696,571	0
Depreciable Capital Assets, Net	18,171,704	18,360,836	8,079,505	44,612,045	0
<i>Total Non-Current Assets</i>	<u>18,728,008</u>	<u>21,389,282</u>	<u>8,886,461</u>	<u>49,003,751</u>	<u>0</u>
<i>Total Assets</i>	<u>23,702,155</u>	<u>33,402,458</u>	<u>11,138,499</u>	<u>68,243,112</u>	<u>171,990</u>
Deferred Outflows of Resources					
Deferred Charge on Refunding Pension	0	87,595	75,571	163,166	0
	502,689	1,226,909	436,596	2,166,194	0
<i>Total Deferred Outflows of Resources</i>	<u>502,689</u>	<u>1,314,504</u>	<u>512,167</u>	<u>2,329,360</u>	<u>0</u>
Liabilities					
<i>Current Liabilities:</i>					
Accounts Payable	6,025	92,659	18,768	117,452	0
Accrued Wages	36,184	106,158	29,730	172,072	0
Contracts Payable	7,439	2,544,348	0	2,551,787	0
Intergovernmental Payable	26,198	72,164	21,633	119,995	0
Vacation Benefits Payable	60,190	146,313	47,387	253,890	0
Compensated Absences Payable	48,249	88,385	86,093	222,727	0
Accrued Interest Payable	0	19,581	4,752	24,333	0
Retainage Payable	9,485	54,996	0	64,481	0
Customer Deposits	0	98,762	0	98,762	0
AMPGS Payable	0	167,406	0	167,406	0
General Obligation Bonds Payable	0	765,000	0	765,000	0
Revenue Bonds Payable	0	690,000	455,000	1,145,000	0
OWDA Loans Payable	622,421	0	0	622,421	0
Claims Payable	0	0	0	0	507,118
<i>Total Current Liabilities</i>	<u>816,191</u>	<u>4,845,772</u>	<u>663,363</u>	<u>6,325,326</u>	<u>507,118</u>
<i>Long-Term Liabilities (net of current portion):</i>					
Compensated Absences Payable	204,410	327,039	117,264	648,713	0
AMPGS Payable	0	948,691	0	948,691	0
General Obligation Payable	0	6,579,257	0	6,579,257	0
Revenue Bonds Payable	0	1,415,000	2,340,000	3,755,000	0
OWDA Loans Payable	8,350,990	0	0	8,350,990	0
Net Pension Liability	1,216,562	3,215,200	1,042,767	5,474,529	0
<i>Total Long-Term Liabilities (net of current portion)</i>	<u>9,771,962</u>	<u>12,485,187</u>	<u>3,500,031</u>	<u>25,757,180</u>	<u>0</u>
<i>Total Liabilities</i>	<u>10,588,153</u>	<u>17,330,959</u>	<u>4,163,394</u>	<u>32,082,506</u>	<u>507,118</u>
Deferred Inflows of Resources					
Pension	23,506	226,447	20,148	270,101	0
Net Position					
Net Investment in Capital Assets	9,738,229	12,120,867	6,167,032	28,026,128	0
Unrestricted	3,854,956	5,038,689	1,300,092	10,193,737	(335,128)
<i>Total Net Position</i>	<u>\$13,593,185</u>	<u>\$17,159,556</u>	<u>\$7,467,124</u>	<u>38,219,865</u>	<u>(\$335,128)</u>

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

(374,111)
Net position of business-type activities \$37,845,754

See accompanying notes to the basic financial statements

City of Dover
Tuscarawas County, Ohio
*Statement of Revenues,
Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2016*

	Business-Type	
	Sewer	Electric
Operating Revenues		
Charges for Services	\$3,445,743	\$25,761,590
Other	0	73,675
<i>Total Operating Revenues</i>	<u>3,445,743</u>	<u>25,835,265</u>
Operating Expenses		
Salaries and Wages	894,085	2,608,328
Fringe Benefits	566,939	1,493,332
Purchased Services	318,223	3,085,114
Materials and Supplies	148,086	2,937,901
Purchased Power	0	12,941,116
Depreciation	1,044,202	958,135
Claims	0	0
<i>Total Operating Expenses</i>	<u>2,971,535</u>	<u>24,023,926</u>
<i>Operating Income (Loss)</i>	<u>474,208</u>	<u>1,811,339</u>
Non-Operating Revenues (Expenses)		
Interest	0	7,936
Loss on Investment in Joint Venture	0	(170,870)
Loss on Sale of Fixed Assets	(59,856)	(19,175)
Interest and Fiscal Charges	(270,461)	(282,763)
<i>Total Non-Operating Revenues (Expenses)</i>	<u>(330,317)</u>	<u>(464,872)</u>
<i>Income (Loss) before Capital Contributions and Transfers</i>	143,891	1,346,467
Capital Contributions	78,397	0
Transfers In	0	600,000
<i>Change in Net Position</i>	222,288	1,946,467
<i>Net Position Beginning of Year</i>	<u>13,370,897</u>	<u>15,213,089</u>
<i>Net Position End of Year</i>	<u>\$13,593,185</u>	<u>\$17,159,556</u>

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

Change in net position of business-type activities

See accompanying notes to the basic financial statements

Activities		Governmental Activities - Internal Service Fund
Water	Total	
\$2,312,007	\$31,519,340	\$2,206,378
3,702	77,377	43,066
<u>2,315,709</u>	<u>31,596,717</u>	<u>2,249,444</u>
719,704	4,222,117	0
435,009	2,495,280	0
226,918	3,630,255	285,661
134,920	3,220,907	0
0	12,941,116	0
381,063	2,383,400	0
0	0	2,308,243
<u>1,897,614</u>	<u>28,893,075</u>	<u>2,593,904</u>
<u>418,095</u>	<u>2,703,642</u>	<u>(344,460)</u>
1,549	9,485	0
0	(170,870)	0
(19,175)	(98,206)	0
(79,542)	(632,766)	0
<u>(97,168)</u>	<u>(892,357)</u>	<u>0</u>
320,927	1,811,285	(344,460)
137,755	216,152	0
0	600,000	0
458,682	2,627,437	(344,460)
<u>7,008,442</u>		<u>9,332</u>
<u>\$7,467,124</u>		<u>(\$335,128)</u>
	<u>(179,765)</u>	
	<u>\$2,447,672</u>	

City of Dover
Tuscarawas County, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2016

	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	\$3,444,387	\$25,343,968	\$2,311,700	\$31,100,055	\$0
Cash Received from Transactions with Other Funds	0	0	0	0	2,206,378
Other Cash Receipts	0	73,675	3,702	77,377	43,066
Electric Deposits Received	0	27,017	0	27,017	0
Cash Payments to Employees for Services	(1,366,212)	(3,971,722)	(1,074,358)	(6,412,292)	0
Cash Payments for Purchased Power	0	(11,377,992)	0	(11,377,992)	0
Cash Payments for Goods and Services	(459,941)	(6,091,462)	(401,200)	(6,952,603)	(285,661)
Electric Deposits Returned	0	(27,697)	0	(27,697)	0
Cash Payments for Claims	0	0	0	0	(1,982,351)
Other Cash Payments	0	(193,758)	0	(193,758)	0
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>1,618,234</u>	<u>3,782,029</u>	<u>839,844</u>	<u>6,240,107</u>	<u>(18,568)</u>
Cash Flows from Noncapital Financing Activities					
Transfers In	0	600,000	0	600,000	0
Cash Flows from Capital and Related Financing Activities					
Principal Paid on Loans	(602,675)	0	0	(602,675)	0
Interest Paid on Loans	(270,461)	0	0	(270,461)	0
Principal Paid on Bonds	0	(1,430,000)	(440,000)	(1,870,000)	0
Interest Paid on Bonds	0	(261,328)	(67,694)	(329,022)	0
Payments for Capital Acquisitions	(625,944)	(2,520,945)	(270,640)	(3,417,529)	0
<i>Net Cash Provided by (Used in) Capital and Related Financing Activities</i>	<u>(1,499,080)</u>	<u>(4,212,273)</u>	<u>(778,334)</u>	<u>(6,489,687)</u>	<u>0</u>
Cash Flows from Investing Activities					
Interest on Investments	0	7,936	1,549	9,485	0
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	<u>119,154</u>	<u>177,692</u>	<u>63,059</u>	<u>359,905</u>	<u>(18,568)</u>
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>4,347,670</u>	<u>5,893,819</u>	<u>1,576,013</u>	<u>11,817,502</u>	<u>190,558</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$4,466,824</u>	<u>\$6,071,511</u>	<u>\$1,639,072</u>	<u>\$12,177,407</u>	<u>\$171,990</u>

(continued)

City of Dover
Tuscarawas County, Ohio
Statement of Cash Flows
Proprietary Funds (continued)
For the Year Ended December 31, 2016

	Business-Type Activities				Governmental Activities - Internal Service Fund
	Sewer	Electric	Water	Total	
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities					
Operating Income (Loss)	\$474,208	\$1,811,339	\$418,095	\$2,703,642	(\$344,460)
Adjustments:					
Depreciation	1,044,202	958,135	381,063	2,383,400	0
(Increase) Decrease in Assets:					
Accounts Receivable	1,217	(611,380)	(307)	(610,470)	0
Intergovernmental Receivable	(2,573)	0	0	(2,573)	0
Regulated Asset	0	168,036	0	168,036	0
Materials and Supplies Inventory	7,357	4,914	(34,721)	(22,450)	0
Prepaid Items	1,077	2,261	(1,634)	1,704	0
(Increase) Decrease in Deferred Outflows of Resources - Pension	100,730	269,094	87,906	457,730	0
Increase (Decrease) in Liabilities:					
Accounts Payable	(2,828)	11,297	(3,334)	5,135	0
Accrued Wages	8,531	12,889	4,890	26,310	0
Contracts Payable	0	1,491,953	0	1,491,953	0
Intergovernmental Payable	(2,678)	(35,025)	(2,475)	(40,178)	0
Vacation Benefits Payable	2,910	(2,169)	(2,730)	(1,989)	0
AMPGS Payable	0	(168,036)	0	(168,036)	0
Compensated Absences Payable	12,627	15,377	15,844	43,848	0
Customer Deposits	0	(680)	0	(680)	0
Net Pension Liability	(12,531)	(33,120)	(10,741)	(56,392)	0
Claims Payable	0	0	0	0	325,892
Increase (Decrease) in Deferred Inflows of Resources - Pension	(14,015)	(112,856)	(12,012)	(138,883)	0
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>\$1,618,234</u>	<u>\$3,782,029</u>	<u>\$839,844</u>	<u>\$6,240,107</u>	<u>(\$18,568)</u>

Noncash Capital Financing Activities:

During 2016, capital assets were donated by developers to the sewer fund and the water fund in the amounts of \$78,397 and \$65,400, respectively.

During 2016, water lines completed as part of a street project totaling \$72,355 were transferred from governmental activities to the water enterprise fund. These amounts are included in capital contributions.

Changes in accounts payable, retainage payable, intergovernmental payable, and contracts payable recorded in the sewer fund in the amount of (\$148), \$9,485, (\$632), and \$7,439, respectively; changes in accounts payable, retainage payable, and contracts payable recorded in the sewer fund in the amount of (\$9,879), \$54,996, and \$414, respectively; and change in accounts payable recorded in the water fund in the amount of \$819 impact the payments for capital acquisitions.

See accompanying notes to the basic financial statements

City of Dover
Tuscarawas County, Ohio
Statement of Fiduciary Net Position
Fiduciary Fund
December 31, 2016

	Private Purpose Trust
Assets	
Equity in Pooled Cash and Cash Equivalents	\$236,785
Net Position	
Held in Trust for Cemetery	\$236,785

See accompanying notes to the basic financial statements

City of Dover
Tuscarawas County, Ohio
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Year Ended December 31, 2016

	Private-Purpose Trust
Additions	
Deposits for Burial Expenses	\$26,907
Interest	1,058
<i>Total Additions</i>	27,965
Deductions	
Burial Expense	20,597
<i>Change in Net Position</i>	7,368
<i>Net Position Beginning of Year</i>	229,417
<i>Net Position End of Year</i>	\$236,785

See accompanying notes to the basic financial statements

City of Dover
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Note 1 – Description of the City and Reporting Entity

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

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

Reporting Entity

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

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

The City participates in the Community Improvement Corporation of Tuscarawas County, Tuscarawas County Regional Planning Commission, and Ohio Mid-Eastern Governments Association (OMEGA) as jointly governed organizations and the Ohio Municipal Electric Generation Agency (JV2) joint venture. These organizations are presented in Notes 19 and 20 of the Basic Financial Statements.

Note 2 – Summary of Significant Accounting Policies

The financial statements of the City of Dover have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The more significant of the City's accounting policies are described below.

Basis of Presentation

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

City of Dover
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

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

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

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

Fund Accounting

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

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

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

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

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

City of Dover
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

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

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

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

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

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

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

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

Measurement Focus

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

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

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

City of Dover
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

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

Basis of Accounting

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

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

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

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

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

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the City, deferred inflows of resources include property taxes, pension, and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2016, but which were levied to finance 2017 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City unavailable revenue

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

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

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

Cash and Cash Equivalents

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

During 2016, the City invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer’s Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB) Statement No. 79, “Certain External Investment Pools and Pool Participants.” The City measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2016, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest is distributed to the general fund, street maintenance and repair, state highway, cemetery, and revolving loan special revenue funds, the community housing improvement program capital projects fund, the cemetery interment private-purpose trust fund, and the electric and water enterprise funds. Interest revenue credited to the general fund during 2016 amounted to \$47,298 which includes \$38,788 assigned from other City funds.

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

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

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2016, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount at the time of purchase and reflecting the expenditure/expense in the year in which the services are consumed.

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Inventory

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

Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation.

Restricted assets in the general fund include unclaimed monies. Restricted assets in the master capital projects fund represents money set aside as retainage payable on construction projects. Electric customer deposits have also been restricted because the deposit remains the property of the customer. The restricted asset account is balanced by a customer deposits payable liability account.

Capital Assets

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

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

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

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

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

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Interfund Balances

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

Compensated Absences

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

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

Pensions

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

Accrued Liabilities and Long-Term Obligations

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

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

Fund Balance

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

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

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

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

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

Assigned Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by City Council. In the general fund, assigned amounts represent intended uses established by City Council or a City official delegated that authority by City Charter or ordinance, or by State statute. State statute authorizes the City Auditor to assign fund balance for purchases on order, provided such amounts have been lawfully appropriated. City Council assigned fund balance for law enforcement, for police and fire uniforms and equipment, and to cover a gap between estimated revenue and appropriations in the 2017 appropriated budget.

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

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

Net Position

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

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

Operating Revenues and Expenses

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

Bond Premiums

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

Contributions of Capital

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

Interfund Activity

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

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other

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financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Deferred Charge on Refunding

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

Estimates

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

Regulated Asset

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

Budgetary Process

All funds are legally required to be budgeted and appropriated. There was no budget adopted for the nonmajor law enforcement block grant special revenue fund in 2016 as there was no budgetary activity for 2016. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriations resolution is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of control has been established by Council at the object level within each department. Any budgetary modifications at this level may only be made by resolution of City Council.

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

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

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Note 3 – Changes in Accounting Principles

For 2016, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 72, “Fair Value Measurement and Application,” GASB Statement No 73, “Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68,” GASB Statement No. 76, “The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments,” GASB Statement No. 77, “Tax Abatement Disclosures,” GASB Statement No. 79, “Certain External Investment Pools and Pool Participants,” and GASB Statement No. 82, “Pension Issues an Amendment of GASB Statements No. 67, No. 68 and No. 73.”

GASB Statement No. 72 addresses accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining a fair value measurement for financial reporting purposes for applying fair value to certain investments and disclosures related to all fair value measurements. These changes were incorporated in the City’s 2016 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 73 establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, Accounting and Financial Reporting for Pensions, as well as for the assets accumulated for purposes of providing those pensions. It also amends certain provisions of Statement No. 67, Financial Reporting for Pension Plans, and Statement 68. The implementation of this GASB pronouncement did not result in any changes to the City’s financial statements.

GASB Statement No. 76 identifies – in the context of the current governmental financial reporting environment – the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with generally accepted accounting principles (GAAP) and the framework for selecting those principles. The implementation of this GASB pronouncement did not result in any changes to the City’s financial statements.

GASB Statement No. 77 requires disclosure of information about the nature and magnitude of tax abatements. These changes were incorporated in the City’s 2016 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 79 establishes accounting and financial reporting standards for qualifying external investment pools that elect to measure for financial reporting purposes all of their investments at amortized cost. This Statement provides accounting and financial reporting guidance and also establishes additional note disclosure requirements for governments that participate in those pools. The City participates in STAR Ohio which implemented GASB Statement No. 79 for 2016. The City incorporated the corresponding GASB 79 guidance into their 2016 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 82 improves consistency in the application of pension accounting. These changes were incorporated in the City’s 2016 financial statements; however, there was no effect on beginning net position/fund balance.

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Note 4 – Accountability

As of December 31, 2016, the police and fire pension special revenue fund had a fund balance deficit of \$24,187, and the employee health insurance internal service fund had a net position deficit of \$335,128. The deficits were the result of the application of generally accepted accounting principles. The general fund provides transfers to cover deficit balances in other funds; however, this is done when cash is needed rather than when accruals occur.

Note 5 – Budgetary Basis of Accounting

While the City is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The statement of revenues, expenditures and changes in fund balance - budget (non-GAAP Basis) and actual presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

The major differences between the budget basis and GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Unrecorded cash represents amounts received but not reported by the City on the operating statements (budget), but which is reported on the GAAP basis operating statements.
3. Expenditures/expenses are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
4. Encumbrances are treated as expenditures (budget) rather than as restricted, committed, or assigned fund balance for the portion of outstanding encumbrances not already recognized as accounts payable. (GAAP).

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

Net Change in Fund Balance	
GAAP Basis	(\$65,029)
Net Adjustment for Revenue Accruals	133,950
Beginning Unrecorded Cash	3,620
Ending Unrecorded Cash	(7,997)
Net Adjustment for Expenditure Accruals	(40,249)
Encumbrances	<u>(70,148)</u>
Budget Basis	<u><u>(\$45,853)</u></u>

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Note 6 – Deposits and Investments

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

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

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

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio, and with certain limitations, bonds and other obligations of political subdivisions of the State of Ohio;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and
8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

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Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited.

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

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$6,482,816 of the City's bank balance of \$14,767,493 was uninsured and uncollateralized. Although the securities were held by the pledging financial institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the Federal Deposit Insurance Corporation.

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

Investments

As of December 31, 2016, the City had investments in STAR Ohio in the amount of \$4,152,971 with an average maturity of 51.6 days. The City measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio.

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

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

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

Note 7 – Receivables

Receivables at December 31, 2016, 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.

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	Accounts Receivable	Allowance for Uncollectibles	Net Accounts Receivable
Governmental Type Activities	\$177,276	\$0	\$177,276
Business Type Activities	4,641,922	253,273	4,388,649

The community development block grant monies loaned to local businesses are reported as loans receivable and are also considered collectible in full. \$10,243 of the \$27,577 loans receivable are not scheduled to be collected within one year.

Property Taxes

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2016 for real and public utility property taxes represents collections of the 2015 taxes.

2016 real property taxes are levied after October 1, 2016, on the assessed value as of January 1, 2016, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2016 real property taxes are collected in and intended to finance 2017.

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. 2016 public utility property taxes which became a lien December 31, 2015, are levied after October 1, 2016, and are collected in 2017 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2016, was \$6.60 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2016 property tax receipts were based are as follows:

Real Property	\$238,383,530
Public Utility Property	1,075,000
Total	\$239,458,530

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City of Dover. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and public utility property taxes and outstanding delinquencies which are measurable as of December 31, 2016, and for which there is an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2016 operations is offset to deferred inflows of resources – property taxes. On an accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

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Income Taxes

For 2016, 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-five 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	
Gasoline Tax	\$248,513
Local Government	145,085
Federal Grant	125,507
Homestead and Rollback	61,991
Motor Vehicle Tax	52,621
ODOT Project Refund	45,927
OPWC Grants	33,853
ODNR Grant	23,190
Recycling Grant	4,962
<i>Total Governmental Activities</i>	\$741,649
Business-Type Activities	
Sewer	\$43,426

Note 8 - Tax Abatements

As of December 31, 2016, the City provides tax abatements through Enterprise Zone Tax Exemptions. Pursuant to Ohio Revised Code Chapter 5709, the City established an Enterprise Zone to provide property tax abatements to encourage new investment and job creation or retention. Abatements are obtained through application by the property owner, including annual verification that the improvements have been made and job commitments have been fulfilled, and equal up to 100 percent of the increase in assessed value resulting from the improvement. The amount of the abatement is a reduction of the taxable assessed valuation thus reducing the recipient's tax bill. The City's 2016 taxes abated under enterprise zone tax exemptions amounted to \$2,613.

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Note 9 – Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2016, the City contracted with The Travelers Company for boiler and machinery insurance. EMC covers the general liability and property insurance. Auto Owners 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 Merchants Mutual covers a \$5,000,000 excess law enforcement liability. The City has a cyber insurance policy with Axis Insurance.

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

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

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

The City has elected to provide employee medical/surgical benefits through a self-insured program. The City maintains a self-insurance internal service fund to account for and finance its uninsured risks of loss in this program. A third-party administrator, Aultcare, Inc. located in Canton, Ohio, reviews all claims which are then paid by the City. An excess coverage insurance policy covers claims in excess of \$175,000 per employee and an aggregate of \$2,844,584 per year. The City pays into the self-insurance internal service fund \$1,000 family coverage or \$500 individual coverage per employee per month which represents the entire premium required. This premium is paid by the fund that pays the salary of the employee and is based on historic cost information. In 2012, a resolution was adopted which allows an additional \$500 premium to be paid for each employee monthly on an as needed basis.

The claims liability of \$507,118 reported in the fund at December 31, 2016, 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 2015 and 2016 were as follows:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2015	\$233,471	\$1,900,889	\$1,953,134	\$181,226
2016	181,226	2,308,243	1,982,351	507,118

Note 10 – Interfund Transfers

During 2016, the City transferred \$600,000 of the kilowatt per hour tax from the general fund to the electric enterprise fund as allowed by State statute.

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Note 11 – Capital Assets

Capital asset activity for the year ended December 31, 2016, was as follows:

	Balance 12/31/15	Additions	Deductions	Transfers	Balance 12/31/16
Governmental Activities					
Capital Assets, not being depreciated:					
Land	\$1,556,704	\$716,226	\$0	\$0	\$2,272,930
Construction in Progress	673,892	2,924,988	(682,867)	(72,355)	2,843,658
Total Capital Assets, not being Depreciated	<u>2,230,596</u>	<u>3,641,214</u>	<u>(682,867)</u>	<u>(72,355)</u>	<u>5,116,588</u>
Capital Assets, being Depreciated					
Buildings	3,365,854	279,805	0	0	3,645,659
Improvements Other Than Buildings	1,971,987	115,802	0	0	2,087,789
Equipment and Machinery	2,330,825	200,990	(78,884)	0	2,452,931
Furniture and Fixtures	11,455	0	0	0	11,455
Vehicles	3,863,524	231,897	0	0	4,095,421
Infrastructure	21,897,998	549,351	0	0	22,447,349
Total Capital Assets, being Depreciated	<u>33,441,643</u>	<u>1,377,845</u>	<u>(78,884)</u>	<u>0</u>	<u>34,740,604</u>
Less Accumulated Depreciation:					
Buildings	(1,183,210)	(74,564)	0	0	(1,257,774)
Improvements Other Than Buildings	(1,082,537)	(83,929)	0	0	(1,166,466)
Equipment and Machinery	(1,122,132)	(127,130)	19,719	0	(1,229,543)
Furniture and Fixtures	(10,596)	(573)	0	0	(11,169)
Vehicles	(2,992,198)	(312,985)	0	0	(3,305,183)
Infrastructure	(12,267,234)	(354,974)	0	0	(12,622,208)
Total Accumulated Depreciation	<u>(18,657,907)</u>	<u>(954,155)*</u>	<u>19,719</u>	<u>0</u>	<u>(19,592,343)</u>
Total Capital Assets, being Depreciated, net	<u>14,783,736</u>	<u>423,690</u>	<u>(59,165)</u>	<u>0</u>	<u>15,148,261</u>
Governmental Activities Capital Assets, Net	<u>\$17,014,332</u>	<u>\$4,064,904</u>	<u>(\$742,032)</u>	<u>(\$72,355)</u>	<u>\$20,264,849</u>

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

General Government	\$34,159
Security of Persons and Property	250,518
Transportation	502,923
Public Health Services	25,373
Leisure Time Activities	141,182
Total Governmental Depreciation Expense	<u>\$954,155</u>

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	Balance 12/31/15	Additions	Deductions	Transfers	Balance 12/31/16
Business-Type Activities					
Capital Assets, not being depreciated:					
Land	\$1,197,605	\$0	\$0	\$0	\$1,197,605
Construction in Progress	112,396	2,386,570	0	0	2,498,966
Total Capital Assets, not being Depreciated	<u>1,310,001</u>	<u>2,386,570</u>	<u>0</u>	<u>0</u>	<u>3,696,571</u>
Capital Assets, being Depreciated					
Buildings	29,746,249	271,458	0	0	30,017,707
Improvements Other Than Buildings	3,531,606	0	0	0	3,531,606
Equipment and Machinery	25,188,913	559,680	(127,802)	0	25,620,791
Furniture and Fixtures	95,013	0	0	0	95,013
Vehicles	2,143,834	174,642	0	0	2,318,476
Infrastructure	33,254,420	231,470	0	72,355	33,558,245
Total Capital Assets, being Depreciated	<u>93,960,035</u>	<u>1,237,250</u>	<u>(127,802)</u>	<u>72,355</u>	<u>95,141,838</u>
Less Accumulated Depreciation:					
Buildings	(10,262,650)	(643,973)	0	0	(10,906,623)
Improvements Other Than Buildings	(1,760,714)	(176,228)	0	0	(1,936,942)
Equipment and Machinery	(17,463,018)	(793,767)	29,596	0	(18,227,189)
Furniture and Fixtures	(65,912)	(3,643)	0	0	(69,555)
Vehicles	(1,737,792)	(141,197)	0	0	(1,878,989)
Infrastructure	(16,885,903)	(624,592)	0	0	(17,510,495)
Total Accumulated Depreciation	<u>(48,175,989)</u>	<u>(2,383,400)</u>	<u>29,596</u>	<u>0</u>	<u>(50,529,793)</u>
Total Capital Assets, being Depreciated, net	<u>45,784,046</u>	<u>(1,146,150)</u>	<u>(98,206)</u>	<u>72,355</u>	<u>44,612,045</u>
Business-Type Activities Capital Assets, Net	<u>\$47,094,047</u>	<u>\$1,240,420</u>	<u>(\$98,206)</u>	<u>\$72,355</u>	<u>\$48,308,616</u>

During the year, the City received storm sewers valued at \$55,800 from developers in governmental activities. The sewer enterprise fund received sanitary sewer lines from developers valued at \$78,397, and the water enterprise fund received water lines from developers valued at \$65,400.

Note 12 – Defined Benefit Pension Plans

Net Pension Liability

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

The net pension liability represents the City’s proportionate share of each pension plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan’s fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

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

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

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

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

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

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

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

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

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

	<u>State and Local</u>
2016 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2016 Actual Contribution Rates	
Employer:	
Pension	12.0 %
Postemployment Health Care Benefits	<u>2.0</u>
Total Employer	<u>14.0 %</u>
Employee	<u>10.0 %</u>

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$761,733 for 2016. Of this amount, \$92,625 is reported as an intergovernmental payable.

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Plan Description – Ohio Police & Fire Pension Fund (OPF)

Plan Description – City full-time police and firefighters participate in the Ohio Police and Fire Pension Fund (OPF), a cost-sharing, multiple-employer defined benefit pension plan administered by OPF. OPF provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OPF issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OPF fiduciary net position. The report may be obtained by visiting the OPF website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

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

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

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit, and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit.

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

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either 3 percent or the percent increase, if any, in the consumer price index (CPI) over the 12-month period ending on September 30 of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013, is equal to 3 percent of their base pension or disability benefit.

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

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	<u>Police</u>	<u>Firefighters</u>
2016 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
2016 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	<u>0.50</u>	<u>0.50</u>
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OPF was \$593,111 for 2016. Of this amount, \$76,290 is reported as an intergovernmental payable.

In addition to current contributions, the City pays installments on a specific liability of the City incurred when the State of Ohio established the statewide pension system for police and fire fighters in 1967. As of December 31, 2016, the specific liability of the City was \$229,497 payable in semi-annual payments through the year 2035.

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

The net pension liability for OPERS was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OPF's total pension liability was measured as of December 31, 2015, and was determined by rolling forward the total pension liability as of January 1, 2015, to December 31, 2015. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>OPERS</u>	<u>OPF</u>	
Proportion of the Net Pension Liability:			
Current Measurement Date	0.050168%	0.1366770%	
Prior Measurement Date	<u>0.050310%</u>	<u>0.1343562%</u>	
Change in Proportionate Share	<u>-0.0001420%</u>	<u>0.0023208%</u>	
			<u>Total</u>
Proportionate Share of the Net Pension Liability	\$8,689,730	\$8,792,528	\$17,482,258
Pension Expense	\$1,213,185	\$1,217,253	\$2,430,438

At December 31, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	<u>OPERS</u>	<u>OPF</u>	<u>Total</u>
Deferred Outflows of Resources			
Net difference between projected and actual earnings on pension plan investments	\$2,554,238	\$1,431,086	\$3,985,324
Changes in proportion and differences between City contributions and proportionate share of contributions	153,022	96,462	249,484
City contributions subsequent to the measurement date	<u>761,733</u>	<u>593,111</u>	<u>1,354,844</u>
Total Deferred Outflows of Resources	<u><u>\$3,468,993</u></u>	<u><u>\$2,120,659</u></u>	<u><u>\$5,589,652</u></u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$167,902	\$24,689	\$192,591
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>164,323</u>	<u>0</u>	<u>164,323</u>
Total Deferred Inflows of Resources	<u><u>\$332,225</u></u>	<u><u>\$24,689</u></u>	<u><u>\$356,914</u></u>

\$1,354,844 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	<u>OPERS</u>	<u>OPF</u>	<u>Total</u>
2017	\$553,423	\$390,673	\$944,096
2018	594,264	390,673	984,937
2019	649,324	390,673	1,039,997
2020	578,024	308,722	886,746
2021	0	18,586	18,586
Thereafter	<u>0</u>	<u>3,532</u>	<u>3,532</u>
Total	<u><u>\$2,375,035</u></u>	<u><u>\$1,502,859</u></u>	<u><u>\$3,877,894</u></u>

Actuarial Assumptions – OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2015, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuations are presented as follows:

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

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

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

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

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 115 Health Care Trust portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan, and the VEBA Trust. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The money-weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 0.4 percent for 2015.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The following table displays the Board-approved asset allocation policy for 2015 and the long-term expected real rates of return:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed Income	23.00 %	2.31 %
Domestic Equities	20.70	5.84
Real Estate	10.00	4.25
Private Equity	10.00	9.25
International Equities	18.30	7.40
Other Investments	18.00	4.59
Total	<u>100.00 %</u>	<u>5.27 %</u>

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

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the City's proportionate share of the net pension liability calculated using the current period discount rate assumption of 8 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7 percent) or one percentage point higher (9 percent) than the current rate:

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$13,844,863	\$8,689,730	\$4,341,539

Changes between Measurement Date and Report Date

In October 2016, the OPERS Board adopted certain assumption changes which will impact their annual actuarial valuation prepared as of December 31, 2016. The most significant change is a reduction in the discount rate from 8.0 percent to 7.5 percent. Although the exact amount of these changes is not known, the impact to the City's net pension liability is expected to be significant.

Actuarial Assumptions – OPF

OPF's total pension liability as of December 31, 2015, is based on the results of an actuarial valuation date of January 1, 2015, and rolled forward using generally accepted actuarial procedures. The total pension liability is determined by OPF's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2015, are presented as follows:

Valuation Date	January 1, 2015
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.25 percent
Projected Salary Increases	4.25 percent to 11 percent
Payroll Increases	3.75 percent
Inflation Assumptions	3.25 percent
Cost of Living Adjustments	2.60 percent and 3.00 percent, simple

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF's target asset allocation as of December 31, 2015, are summarized as follows:

Asset Class	Target Allocation	10 Year Expected Real Rate of Return**	30 Year Expected Real Rate of Return**
Cash and Cash Equivalents	- %	0.00 %	0.00 %
Domestic Equity	16.00	6.50	7.80
Non-US Equity	16.00	6.70	8.00
Core Fixed Income *	20.00	3.50	5.35
Global Inflation Protected Securities*	20.00	3.50	4.73
High Yield	15.00	6.35	7.21
Real Estate	12.00	5.80	7.43
Private Markets	8.00	9.50	10.73
Timber	5.00	6.55	7.35
Master Limited Partnerships	8.00	9.65	10.75
Total	<u>120.00 %</u>		

Note: Assumptions are geometric.

* levered 2x

** Numbers are net of expected inflation.

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

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

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Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact, the following table presents the net pension liability calculated using the discount rate of 8.25 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.25 percent), or one percentage point higher (9.25 percent) than the current rate:

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
City's proportionate share of the net pension liability	\$11,596,166	\$8,792,528	\$6,417,570

Note 13 – Postemployment Benefits

Ohio Public Employees Retirement System

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

OPERS maintained two cost-sharing, multiple-employer defined benefit postemployment health care trusts, which funded multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients of both the traditional pension and the combined plans. Members of the member-directed plan do not qualify for ancillary benefits, including OPERS sponsored health care coverage.

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

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

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2016, state and local employers contributed at a rate of 14.0 percent of earnable salary. This is the maximum employer contribution rate permitted by the Ohio Revised Code. Active member contributions do not fund health care.

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At the beginning of 2016, OPERS maintained three health care trusts. The two cost-sharing, multiple employer trusts, the 401(h) Health Care Trust (401(h) Trust) and the 115 Health Care Trust (115 Trust), worked together to provide health care funding to eligible retirees of the traditional pension and combined plans. Each year, the OPERS Board of Trustees determines the portion of the employer contributions rate that will be set aside to fund health care plans. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2016, remained at 2.0 percent for both the traditional pension and combined plans. The Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The third trust is a Voluntary Employee's Beneficiary Association (VEBA) Trust that provides funding for a Retiree Medical Account (RMA) for member-directed plan members. The employer contribution as a percentage of covered payroll deposited to the RMAs for 2016 was 4.0 percent.

In March 2016, OPERS received two favorable rulings from the IRS allowing OPERS to consolidate all health care assets into the 115 Trust. Transition to the new health care trust structure occurred during 2016. OPERS Combining Statements of Changes in Fiduciary Net Position for the year ended December 31, 2016, will reflect a partial year of activity in the 401(h) Trust and VEBA Trust prior to the termination of these trusts as of end of business day June 30, 2016, and the assets and liabilities, or net position, of these trusts being consolidated into the 115 Trust on July 1, 2016.

Substantially all of the City's contribution allocated to fund postemployment health care benefits relates to the cost-sharing, multiple employer trusts. The corresponding contribution for the years ended December 31, 2016, 2015, and 2014 was \$126,956, \$124,879, and \$128,671, respectively. For 2016, 87.84 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2015 and 2014.

Ohio Police and Fire Pension Fund

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

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

The Ohio Revised Code allows, but does not mandate OPF to provide OPEB benefits. Authority for the OPF 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.

OPF issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by visiting the OPF website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

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

OPF maintains funds for health care in two separate accounts. One for health care benefits under an IRS Code Section 115 trust and one for Medicare Part B reimbursements administered as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OPF 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 2016, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's contribution to OPF for the years ended December 31, 2016, 2015, and 2014 were \$607,074, \$601,610, and \$575,498, respectively, of which \$13,963, \$13,794, and \$13,226, respectively, was allocated to the healthcare plan. For 2016, 87.12 percent has been contributed for both police and firefighters with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2015 and 2014.

Note 14 – Other Employee Benefits

Compensated Absences

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

Employees earn sick leave at different rates depending upon type of employment. Sick leave accrual is continuous, without limit. Upon retirement or death, an employee can be paid a maximum of 960 hours of accumulated, unused sick leave, except fire department employees, who can receive a maximum of 1,542 hours.

Life Insurance

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

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Note 15 – Fund Balances

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

Fund Balances	General	Master Capital	Other Governmental Funds	Total
<u>Nonspendable:</u>				
Inventory	\$29,937	\$0	\$116,666	\$146,603
Prepays	76,875	0	18,960	95,835
Unclaimed Monies	17,037	0	0	17,037
<i>Total Nonspendable</i>	<u>123,849</u>	<u>0</u>	<u>135,626</u>	<u>259,475</u>
<u>Restricted for:</u>				
Street Maintenance and Repair	0	0	337,010	337,010
Cemetery	0	0	821,608	821,608
Law Enforcement and Education	0	0	43,332	43,332
Revolving Loan Program	0	0	447,336	447,336
Capital Improvements	0	0	23,635	23,635
<i>Total Restricted</i>	<u>0</u>	<u>0</u>	<u>1,672,921</u>	<u>1,672,921</u>
<u>Committed to:</u>				
Ambulance	0	0	354,631	354,631
Shade Tree	0	0	2,737	2,737
Capital Improvements	0	1,885,050	0	1,885,050
<i>Total Committed</i>	<u>0</u>	<u>1,885,050</u>	<u>357,368</u>	<u>2,242,418</u>
<u>Assigned to:</u>				
Law Enforcement	9,387	0	0	9,387
Police and Fire Uniforms and Equipment	30,978	0	0	30,978
Purchases on Order for:				
City Administration	17,909	0	0	17,909
Safety	43,449	0	0	43,449
Parks and Recreation	4,053	0	0	4,053
Building Inspection	930	0	0	930
2017 Operations	741,842	0	0	741,842
<i>Total Assigned</i>	<u>848,548</u>	<u>0</u>	<u>0</u>	<u>848,548</u>
Unassigned (Deficit)	<u>1,814,711</u>	<u>0</u>	<u>(24,187)</u>	<u>1,790,524</u>
Total Fund Balances	<u><u>\$2,787,108</u></u>	<u><u>\$1,885,050</u></u>	<u><u>\$2,141,728</u></u>	<u><u>\$6,813,886</u></u>

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Note 16 – Long-Term Debt

Debt Issue	Interest Rate	Original Issue Amount	Date of Maturity
Governmental Activities			
Various Purpose General Obligation Bonds - 2011	2.0-3.625 %	\$2,670,000	December 1, 2031
State Infrastructure Bank Loan - 2010	3.00	902,165	September 22, 2019
Extension of Wills Avenue Storm Sewer OPWC Loan - 2011	0.00	100,000	December 31, 2021
Reconstruction of Oxford & Prospect Streets OPWC Loan - 2016	0.00	Not Finalized	Not Finalized
Business-Type Activities			
Waterworks System Refunding Revenue Bonds - 2014	2.04	3,010,000	December 1, 2022
Waterworks Land Purchase Bonds - 2014	2.04	820,000	December 1, 2022
Municipal Electric System Refunding Revenue Bonds - 2014	1.35	3,745,000	December 1, 2019
Various Purpose General Obligation Bonds - 2011	2.0-3.25	6,975,000	December 1, 2031
Municipal Electric System Improvement Bonds - 2015	1.72	2,245,000	December 1, 2020
OWDA Loan - 2006	3.25	13,292,114	January 1, 2029

A schedule of changes in bonds and other long-term obligations of the City during 2016 follows:

	Amount Outstanding 12/31/15	Additions	Deletions	Amount Outstanding 12/31/16	Amounts Due in One Year
Governmental Activities					
<u>General Obligation Bonds:</u>					
Various Purpose General Obligation Bonds	\$2,245,000	\$0	\$110,000	\$2,135,000	\$115,000
Premium on Various Purpose Bonds	28,717	0	1,794	26,923	0
Total General Obligation Bonds	<u>2,273,717</u>	<u>0</u>	<u>111,794</u>	<u>2,161,923</u>	<u>115,000</u>
<u>Loans:</u>					
State Infrastructure Bank Loan	463,024	0	110,637	352,387	113,983
<u>OPWC Loans:</u>					
Extension of Wills Avenue Storm Sewer	60,000	0	10,000	50,000	10,000
Reconstruction of Oxford & Prospect Streets	0	41,325	0	41,325	0
Total Loans	<u>523,024</u>	<u>41,325</u>	<u>120,637</u>	<u>443,712</u>	<u>123,983</u>
<u>Other Long-Term Liabilities:</u>					
Capital Lease	0	10,856	1,617	9,239	2,036
Police and Fire Pension	237,544	0	8,047	229,497	8,392
Compensated Absences	1,262,876	292,463	167,467	1,387,872	161,579
Total Other Long-Term Liabilities	<u>1,500,420</u>	<u>303,319</u>	<u>177,131</u>	<u>1,626,608</u>	<u>172,007</u>
<u>Net Pension Liability:</u>					
OPERS	2,123,782	1,091,419	0	3,215,201	0
OPF	6,960,211	1,832,317	0	8,792,528	0
Total Net Pension Liability	<u>9,083,993</u>	<u>2,923,736</u>	<u>0</u>	<u>12,007,729</u>	<u>0</u>
Total Governmental Activities	<u>\$13,381,154</u>	<u>\$3,268,380</u>	<u>\$409,562</u>	<u>\$16,239,972</u>	<u>\$410,990</u>

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	Amount Outstanding 12/31/15	Additions	Deletions	Amount Outstanding 12/31/16	Amounts Due in One Year
Business-Type Activities					
<u>Revenue Bonds:</u>					
Waterworks System Refunding 2014	\$2,535,000	\$0	\$345,000	\$2,190,000	\$360,000
Waterworks Land Purchase Bonds	700,000	0	95,000	605,000	95,000
Municipal Electric System Refunding 2014	2,785,000	0	680,000	2,105,000	690,000
Total Revenue Bonds	<u>6,020,000</u>	<u>0</u>	<u>1,120,000</u>	<u>4,900,000</u>	<u>1,145,000</u>
<u>General Obligation Bonds:</u>					
Various Purpose General Obligation Bonds	5,765,000	0	320,000	5,445,000	325,000
Premium on Various Purpose Bonds	89,875	0	5,618	84,257	0
Municipal Electric System Improvement Bonds	2,245,000	0	430,000	1,815,000	440,000
Total General Obligation Bonds	<u>8,099,875</u>	<u>0</u>	<u>755,618</u>	<u>7,344,257</u>	<u>765,000</u>
<u>Other Long-Term Obligations:</u>					
OWDA Loan Payable	9,576,086	0	602,675	8,973,411	622,421
AMPGS Payable	1,284,133	25,722	193,758	1,116,097	167,406
Compensated Absences	827,592	206,242	162,394	871,440	222,727
Total Other Long-Term Obligations	<u>11,687,811</u>	<u>231,964</u>	<u>958,827</u>	<u>10,960,948</u>	<u>1,012,554</u>
<u>Net Pension Liability - OPERS:</u>					
Sewer	788,833	427,729	0	1,216,562	0
Electric	2,487,859	727,341	0	3,215,200	0
Water	667,474	375,293	0	1,042,767	0
Total Net Pension Liability	<u>3,944,166</u>	<u>1,530,363</u>	<u>0</u>	<u>5,474,529</u>	<u>0</u>
Total Business-Type Activities	<u>\$29,751,852</u>	<u>\$1,762,327</u>	<u>\$2,834,445</u>	<u>\$28,679,734</u>	<u>\$2,922,554</u>

The revenue bonds and the enterprise general obligation bonds will be paid from charges for services revenue in the enterprise funds.

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

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

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

General Obligation Bonds

On December 3, 2015, the City issued \$2,245,000 in Municipal Electric System Improvement Bonds for the purpose of improving the municipal electric system by acquiring, constructing, installing and equipping pollution control facilities. The bonds were issued with an interest rate of 1.72 percent. The bonds were issued for a five year period with final maturity on December 1, 2020. At December 31, 2016, \$1,467,287 of the proceeds had been spent.

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Revenue Bonds

The City has pledged future water revenues to repay the Waterworks System Refunding and Waterworks Land Purchase Bonds. The bonds are payable solely from net revenues and are payable through 2022. Net revenues include all revenues received by the water utility less all operating expenses other than depreciation expense. Annual principal payments on the loans are expected to require less than 64 percent of net revenues and less than 22 percent of total revenues. The total principal and interest remaining to be paid on the bonds is \$2,996,654. Principal and interest paid for the current year were \$507,694, net revenues were \$800,707 and total revenues were \$2,317,258.

The City has pledged future electric revenues to repay the Municipal Electric System Refunding Revenue Bonds. The bonds are payable solely from net revenues and are payable through 2019. Net revenues include all revenues received by the electric utility less all operating expenses other than depreciation expense. Annual principal payments on the bonds are expected to require about 20 percent of net revenues and less than 3 percent of total revenues. The total principal and interest remaining to be paid on the bonds is \$2,162,172. Principal and interest paid for the current year were \$717,548, net revenues were \$3,377,410 and total revenues were \$26,443,201.

A line of credit has been established with the Ohio Public Works Commission in the amount of \$66,000 for the reconstruction of Oxford and Prospect streets. The balance of the loan at December 31, 2016, is \$41,325. Since the loan repayment schedule has not yet been finalized, the repayment schedule for this loan is not included in the schedule of debt service requirements. Until final repayment schedules are available, the City will pay based on estimates.

As of December 31, 2016, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$15,656,821 and the unvoted legal debt margin was \$3,683,894. Principal and interest requirements to retire the City's long-term obligations outstanding at December 31, 2016, are as follows:

Year Ending December 31	Governmental Activities						
	Various Purpose General Obligation Bonds		State Infrastructure Bank Loan		OPWC Loan	Police and Fire Pension	
	Principal	Interest	Principal	Interest	Principal	Principal	Interest
2017	\$115,000	\$69,250	\$113,983	\$9,723	\$10,000	\$8,392	\$9,653
2018	115,000	64,650	117,427	6,278	10,000	8,753	9,292
2019	120,000	58,900	120,977	2,729	10,000	9,129	8,916
2020	120,000	56,200	0	0	10,000	9,521	8,524
2021	125,000	53,200	0	0	10,000	9,929	8,116
2022-2026	700,000	210,901	0	0	0	56,425	33,800
2027-2031	840,000	90,812	0	0	0	69,628	20,597
2032-2035	0	0	0	0	0	57,720	4,934
Total	<u>\$2,135,000</u>	<u>\$603,913</u>	<u>\$352,387</u>	<u>\$18,730</u>	<u>\$50,000</u>	<u>\$229,497</u>	<u>\$103,832</u>

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Year Ending December 31	Business-Type Activities					
	Waterworks System Revenue and Land Purchase Bonds		Municipal Electric System Revenue Bonds		Municipal Electric System General Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$455,000	\$57,018	\$690,000	\$28,417	\$765,000	\$206,549
2018	455,000	47,736	700,000	19,102	785,000	185,981
2019	460,000	38,454	715,000	9,653	800,000	161,491
2020	465,000	29,070	0	0	815,000	145,929
2021	480,000	19,584	0	0	360,000	129,182
2022-2026	480,000	9,792	0	0	1,980,000	489,182
2027-2031	0	0	0	0	1,755,000	189,900
Total	<u>\$2,795,000</u>	<u>\$201,654</u>	<u>\$2,105,000</u>	<u>\$57,172</u>	<u>\$7,260,000</u>	<u>\$1,508,214</u>

Year Ending December 31	Business-Type Activities		
	OWDA Loan		AMPGS Payable
	Principal	Interest	Principal
2017	\$622,421	\$264,572	\$167,406
2018	642,814	245,747	167,406
2019	663,875	226,306	167,406
2020	685,626	206,228	167,406
2021	708,090	185,492	167,406
2022-2026	3,904,031	591,850	279,067
2027-2028	1,746,554	66,024	0
Total	<u>\$8,973,411</u>	<u>\$1,786,219</u>	<u>\$1,116,097</u>

American Municipal Power Generating Station Project

The City is a member of American Municipal Power (AMP) and has participated in the AMP Generating Station (AMPGS) Project. This project was intended to develop a pulverized coal power plant in Meigs County, Ohio. The City's project share was 21,000 kilowatts (kW) of a total 771,281 kW, giving the City a 2.72 percent project share. The AMPGS Project required participants to sign "take or pay" contracts with AMP. As such, the participants are obligated to pay any costs incurred for the project. In November 2009, the participants voted to terminate the AMPGS Project due to projected escalating costs. All project costs incurred prior to the cancellation and related to the cancellation were therefore deemed *impaired*, and participants were obligated to pay those incurred costs. As a result of a March 2014 legal ruling, the AMP Board of Trustees on April 15, 2014, and the AMPGS participants on April 16, 2014, approved the collection of the impaired costs and provided the participants with an estimate of their liability. The City's estimated share of the impaired costs at March 31, 2014, was \$3,638,459. The City received a credit of \$1,182,083 related to the City's participation in the AMP Freemont Energy Center (AFEC) Project, and another credit of \$949,722 related to the AMPGS costs deemed to have future benefit for the project participants, classified as Plant Held for Future Use (PHFU), leaving an initial net impaired cost estimate of \$1,506,654, which was reported as an AMPGS Payable in the electric enterprise fund as of December 31, 2013. AMP financed these costs on its revolving line of credit. Any additional costs (including line-of-credit interest and legal fees) or amounts received related to the project will impact the City's liability. These amounts will be recorded as they become estimable.

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Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

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

Since March 31, 2014, the City has made payments of \$464,667 to AMP toward its net impaired cost estimate. Also since March 31, 2014, the City's allocation of additional costs incurred by the project is \$36,593 and interest expense incurred on AMP's line-of-credit of \$37,517, resulting in a net impaired cost estimate at December 31, 2016, of \$1,116,097. The City does have a potential PHFU liability of \$976,854 resulting in a net total potential liability of \$2,092,951, assuming the assets making up the PHFU (principally the land comprising the Meigs County site) have no value and also assuming the City's credit balance would earn zero interest. Stranded costs as well as PHFU costs are subject to change, including future borrowing costs on the AMP line of credit. Activities include negative items such as property taxes, as well as positive items such as revenue from leases or sale of all or a portion of the Meigs County site property.

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

Note 17 – Capital Lease Payable

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

The asset acquired through the capital lease is as follows:

	Governmental Activities
Machinery and Equipment	\$10,856
Less: Accumulated depreciation	(543)
Current Book Value	\$10,313

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

	Governmental Activities
Year Ending December 31	
2017	\$2,475
2018	2,475
2019	2,475
2020	2,475
2021	413
Total Minimum Lease Payments	10,313
Less: Amount Representing Interest	(1,074)
Present Value of Minimum Lease Payments	\$9,239

City of Dover
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Note 18 – Contingent Liabilities

Litigation

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

Federal and State Grants

The City participates in several federally assisted programs. These programs are subject to financial and compliance audits by the grantor or their representative. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any, would be immaterial.

Note 19 – Jointly Governed Organizations

Community Improvement Corporation of Tuscarawas County

The City is associated with the Community Improvement Corporation of Tuscarawas County as a Jointly Governed Organization. The Corporation advances, encourages and promotes the industrial, economic, commercial, and civic development of all Tuscarawas County. The Corporation is operated by Tuscarawas County, New Philadelphia, Dover, Uhrichsville, Dennison, Strasburg, Sugarcreek and Gnadenhutten. It is controlled by fifty-five trustees consisting of the three County Commissioners, the mayor of each participating city and forty-five elected trustees. Each member's control over the operation of the Corporation is limited to its representation on the board. The board exercises total control over the operation of the corporation including budgeting, appropriating, contracting and designating management. Each participant's degree of control is limited to its representation on the board. In 2016, the City contributed \$24,000.

Tuscarawas County Regional Planning Commission

The City is associated with the Tuscarawas County Regional Planning Commission as a Jointly Governed Organization. The Commission is a statutorily created political subdivision of the State. The commission is jointly governed among Tuscarawas County, municipalities and townships. Of the 61 board members, the City appoints three. Each member's control over the operation of the Commission is limited to its representation on the board. The board exercises total control over the operation of the Commission including budgeting, appropriating, contracting, and designating management. The Commission makes studies, maps, plans, recommendations and reports concerning the physical, environmental, social, economic and governmental characteristics, functions and services of the County. In 2016, the City contributed \$2,052.

Ohio Mid-Eastern Governments Association (OMEGA)

The City is associated with the Ohio Mid-Eastern Governments Association (OMEGA), which is a ten county regional council of governments comprised of Belmont, Carroll, Coshocton, Columbiana, Guernsey, Harrison, Holmes, Jefferson, Muskingum and Tuscarawas counties. OMEGA was formed to aid and assist the participating counties and political subdivisions within the counties in the application for Appalachian Regional Commission and Economic Development grant monies. OMEGA is governed by a twenty-one member executive board comprised of members appointed from each participating county and cities within

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Tuscarawas County, Ohio
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For the Year Ended December 31, 2016

each county. City membership is voluntary. The mayor of the City of Dover serves as the City's representative on the board. Each member's control over the operation of the Association is limited to its representation on the board. The board has total control over the operation of OMEGA, including budgeting, personnel and financial matters. Each member currently pays a per capita membership fee based on the most recent United States census. During 2016, OMEGA received \$1,924 from the City of Dover for an annual fee. OMEGA has no outstanding debt.

Note 20 – Joint Venture

Ohio Municipal Electric Generation Agency (JV2)

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

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

OMEGA JV2 was created to provide additional sources of reliable, reasonably priced electric power and energy when prices are high or during times of generation shortages or transmission constraints, and to improve the reliability and economic status of the participants' respective municipal electric utility system. The Project consists of 138.65 MW of distributed generation of which 134.081 MW is the participants' entitlement and 4.569 MW are held in reserve. On dissolution of OMEGA JV2, the net position will be shared by the participants on a percentage of ownership basis. OMEGA JV2 is managed by AMP, which acts as the joint venture's agent. During 2001, AMP issued \$50,260,000 of 20 year fixed rate bonds on behalf of the Financing Participants of OMEGA JV2. The net proceeds of the bond issue of \$45,904,712 were contributed to OMEGA JV2. On January 3, 2011, AMP redeemed all of the \$31,110,000 OMEGA JV2 Project Distributive Generation Bonds then outstanding by borrowing on AMP's revolving credit facility. As such, the remaining outstanding bond principal of the OMEGA JV2 indebtedness was reduced to zero, with the remaining principal balance now residing on the AMP credit facility. As of December 31, 2016, the outstanding debt was \$4,142,633. 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 \$695,135 at December 31, 2016. Complete financial statements for OMEGA JV2 may be obtained from AMP or from the State Auditor's website at www.ohioauditor.gov.

Note 21 – Significant Commitments

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

City of Dover
Tuscarawas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Governmental Funds:		Proprietary Funds:	
General	\$70,148	Sewer	\$80,625
Master Capital	636,267	Electric	875,218
Other Governmental Funds	<u>28,598</u>	Water	<u>55,727</u>
Total	<u><u>\$735,013</u></u>	Total	<u><u>\$1,011,570</u></u>

Note 22 – Subsequent Event

On June 20, 2016, the City approved a settlement with the Tuscarawas County Metropolitan Sewer District (TCMSD) to transfer the Lowden, Parral and Willow Glens/Ridgewood collection system, as well as the Ridgewood water system, to the City to operate and maintain. The City had agreed to pay Tuscarawas County \$1.32 million for the assets. After discovery of some additional information, this agreement has since been revoked, and the City and the County are still in discussions on the transfer. This is expected to be settled and the City is still to take ownership of the assets, as well as customer accounts, effective the later part of 2017.

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>
City's Proportion of the Net Pension Liability	0.050168%	0.050310%	0.050310%
City's Proportionate Share of the Net Pension Liability	\$8,689,730	\$6,067,948	\$5,930,894
City's Covered Payroll	\$6,243,950	\$6,168,050	\$5,859,373
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	139.17%	98.38%	101.22%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81.08%	86.45%	86.36%

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

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

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

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

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

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

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

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

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

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$593,111	\$587,816	\$562,272	\$448,347
Contributions in Relation to the Contractually Required Contribution	<u>(593,111)</u>	<u>(587,816)</u>	<u>(562,272)</u>	<u>(448,347)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$2,792,670	\$2,758,835	\$2,645,273	\$2,474,047
Contributions as a Percentage of Covered Payroll	21.24%	21.31%	21.26%	18.12%

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$366,827	\$372,079	\$374,823	\$349,342	\$331,162	\$317,466
<u>(366,827)</u>	<u>(372,079)</u>	<u>(374,823)</u>	<u>(349,342)</u>	<u>(331,162)</u>	<u>(317,466)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$2,451,108	\$2,479,887	\$2,501,840	\$2,335,743	\$2,223,594	\$2,137,048
14.97%	15.00%	14.98%	14.96%	14.89%	14.86%

Combining and Individual Fund Statements and Schedules

Fund Descriptions – Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

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

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

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

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

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

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

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

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

Law Enforcement Block Grant Fund – To account for and report grant monies restricted for upgrades to police computer systems. This fund has no budgetary activity for 2016.

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

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

(continued)

Fund Descriptions – Nonmajor Governmental Funds (continued)

Nonmajor Capital Projects Fund

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

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

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

City of Dover
Tuscarawas County, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2016

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$1,914,841	\$23,635	\$1,938,476
Materials and Supplies Inventory	116,666	0	116,666
Accrued Interest Receivable	62	0	62
Accounts Receivable	82,937	0	82,937
Intergovernmental Receivable	310,090	0	310,090
Prepaid Items	18,960	0	18,960
Income Tax Receivable	490,447	0	490,447
Property Taxes Receivable	125,855	0	125,855
Loans Receivable	27,577	0	27,577
<i>Total Assets</i>	<u>\$3,087,435</u>	<u>\$23,635</u>	<u>\$3,111,070</u>
Liabilities			
Accounts Payable	\$10,280	\$0	\$10,280
Accrued Wages	41,793	0	41,793
Intergovernmental Payable	107,554	0	107,554
<i>Total Liabilities</i>	<u>159,627</u>	<u>0</u>	<u>159,627</u>
Deferred Inflows of Resources			
Property Taxes	124,088	0	124,088
Unavailable Revenue	685,627	0	685,627
<i>Total Deferred Inflows of Resources</i>	<u>809,715</u>	<u>0</u>	<u>809,715</u>
Fund Balances			
Nonspendable	135,626	0	135,626
Restricted	1,649,286	23,635	1,672,921
Committed	357,368	0	357,368
Unassigned (Deficit)	(24,187)	0	(24,187)
<i>Total Fund Balances</i>	<u>2,118,093</u>	<u>23,635</u>	<u>2,141,728</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$3,087,435</u>	<u>\$23,635</u>	<u>\$3,111,070</u>

City of Dover
Tuscarawas County, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2016

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues			
Property Taxes	\$128,848	\$0	\$128,848
Income Taxes	1,419,728	0	1,419,728
Intergovernmental	660,939	85,420	746,359
Interest	6,340	15	6,355
Fines, Licenses and Permits	895	0	895
Charges for Services	452,382	0	452,382
Other	1,126	0	1,126
<i>Total Revenues</i>	<u>2,670,258</u>	<u>85,435</u>	<u>2,755,693</u>
Expenditures			
Current:			
Security of Persons and Property	621,032	0	621,032
Transportation	1,188,000	0	1,188,000
Public Health Services	708,773	0	708,773
Capital Outlay	0	107,350	107,350
Debt Service:			
Principal Retirement	8,047	0	8,047
Interest and Fiscal Charges	9,998	0	9,998
<i>Total Expenditures</i>	<u>2,535,850</u>	<u>107,350</u>	<u>2,643,200</u>
<i>Net Change in Fund Balances</i>	134,408	(21,915)	112,493
<i>Fund Balances Beginning of Year</i>	<u>1,983,685</u>	<u>45,550</u>	<u>2,029,235</u>
<i>Fund Balances End of Year</i>	<u><u>\$2,118,093</u></u>	<u><u>\$23,635</u></u>	<u><u>\$2,141,728</u></u>

City of Dover
Tuscarawas County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2016

	Street Maintenance and Repair	State Highway	Police and Fire Pension	Ambulance	Cemetery
Assets					
Equity in Pooled Cash and Cash Equivalents	\$249,192	\$41,783	\$15,863	\$328,310	\$814,000
Materials and Supplies Inventory	116,666	0	0	0	0
Accrued Interest Receivable	0	0	0	0	62
Accounts Receivable	0	0	0	82,802	0
Intergovernmental Receivable	278,549	22,585	8,956	0	0
Prepaid Items	12,651	0	0	1,797	4,512
Income Tax Receivable	214,782	0	157,281	0	118,384
Property Taxes Receivable	0	0	125,855	0	0
Loans Receivable	0	0	0	0	0
<i>Total Assets</i>	<u>\$871,840</u>	<u>\$64,368</u>	<u>\$307,955</u>	<u>\$412,909</u>	<u>\$936,958</u>
Liabilities					
Accounts Payable	\$7,591	\$0	\$0	\$2,206	\$483
Accrued Wages	24,140	0	0	5,292	12,361
Intergovernmental Payable	19,772	0	78,089	1,451	8,242
<i>Total Liabilities</i>	<u>51,503</u>	<u>0</u>	<u>78,089</u>	<u>8,949</u>	<u>21,086</u>
Deferred Inflows of Resources					
Property Taxes	0	0	124,088	0	0
Unavailable Revenue	399,212	19,166	129,965	47,532	89,752
<i>Total Deferred Inflows of Resources</i>	<u>399,212</u>	<u>19,166</u>	<u>254,053</u>	<u>47,532</u>	<u>89,752</u>
Fund Balances					
Nonspendable	129,317	0	0	1,797	4,512
Restricted	291,808	45,202	0	0	821,608
Committed	0	0	0	354,631	0
Unassigned (Deficit)	0	0	(24,187)	0	0
<i>Total Fund Balances (Deficit)</i>	<u>421,125</u>	<u>45,202</u>	<u>(24,187)</u>	<u>356,428</u>	<u>826,120</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$871,840</u>	<u>\$64,368</u>	<u>\$307,955</u>	<u>\$412,909</u>	<u>\$936,958</u>

Revolving Loan	Drug Law Enforcement	Law Enforcement Block Grant	Enforcement and Education	Shade Tree	Total Nonmajor Special Revenue Funds
\$419,759	\$10,765	\$427	\$32,005	\$2,737	\$1,914,841
0	0	0	0	0	116,666
0	0	0	0	0	62
0	0	0	135	0	82,937
0	0	0	0	0	310,090
0	0	0	0	0	18,960
0	0	0	0	0	490,447
0	0	0	0	0	125,855
27,577	0	0	0	0	27,577
<u>\$447,336</u>	<u>\$10,765</u>	<u>\$427</u>	<u>\$32,140</u>	<u>\$2,737</u>	<u>\$3,087,435</u>
\$0	\$0	\$0	\$0	\$0	\$10,280
0	0	0	0	0	41,793
0	0	0	0	0	107,554
0	0	0	0	0	159,627
0	0	0	0	0	124,088
0	0	0	0	0	685,627
0	0	0	0	0	809,715
0	0	0	0	0	135,626
447,336	10,765	427	32,140	0	1,649,286
0	0	0	0	2,737	357,368
0	0	0	0	0	(24,187)
<u>447,336</u>	<u>10,765</u>	<u>427</u>	<u>32,140</u>	<u>2,737</u>	<u>2,118,093</u>
<u>\$447,336</u>	<u>\$10,765</u>	<u>\$427</u>	<u>\$32,140</u>	<u>\$2,737</u>	<u>\$3,087,435</u>

City of Dover
Tuscarawas County, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2016

	Street Maintenance and Repair	State Highway	Police and Fire Pension	Ambulance	Cemetery
Revenues					
Property Taxes	\$0	\$0	\$128,848	\$0	\$0
Income Taxes	615,375	0	461,246	0	343,107
Intergovernmental	595,083	48,250	17,606	0	0
Interest	926	63	0	0	3,934
Fines, Licenses and Permits	0	0	0	0	0
Charges for Services	0	0	0	303,197	149,185
Other	211	0	844	0	71
<i>Total Revenues</i>	<u>1,211,595</u>	<u>48,313</u>	<u>608,544</u>	<u>303,197</u>	<u>496,297</u>
Expenditures					
Current:					
Security of Persons and Property	0	0	621,032	0	0
Transportation	1,155,393	32,607	0	0	0
Public Health Services	0	0	0	213,125	495,648
Debt Service:					
Principal Retirement	0	0	8,047	0	0
Interest and Fiscal Charges	0	0	9,998	0	0
<i>Total Expenditures</i>	<u>1,155,393</u>	<u>32,607</u>	<u>639,077</u>	<u>213,125</u>	<u>495,648</u>
<i>Net Change in Fund Balances</i>	56,202	15,706	(30,533)	90,072	649
<i>Fund Balances Beginning of Year</i>	<u>364,923</u>	<u>29,496</u>	<u>6,346</u>	<u>266,356</u>	<u>825,471</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$421,125</u>	<u>\$45,202</u>	<u>(\$24,187)</u>	<u>\$356,428</u>	<u>\$826,120</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	\$128,848
0	0	0	0	0	1,419,728
0	0	0	0	0	660,939
1,417	0	0	0	0	6,340
0	0	0	895	0	895
0	0	0	0	0	452,382
0	0	0	0	0	1,126
1,417	0	0	895	0	2,670,258
0	0	0	0	0	621,032
0	0	0	0	0	1,188,000
0	0	0	0	0	708,773
0	0	0	0	0	8,047
0	0	0	0	0	9,998
0	0	0	0	0	2,535,850
1,417	0	0	895	0	134,408
445,919	10,765	427	31,245	2,737	1,983,685
<u>\$447,336</u>	<u>\$10,765</u>	<u>\$427</u>	<u>\$32,140</u>	<u>\$2,737</u>	<u>\$2,118,093</u>

City of Dover
Tuscarawas County, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2016

	Small Cities Block Grant	CHIP	Total Nonmajor Capital Projects Funds
Revenues			
Intergovernmental	\$77,700	\$7,720	\$85,420
Interest	0	15	15
<i>Total Revenues</i>	77,700	7,735	85,435
Expenditures			
Capital Outlay	77,700	29,650	107,350
<i>Net Change in Fund Balances</i>	0	(21,915)	(21,915)
<i>Fund Balances Beginning of Year</i>	0	45,550	45,550
<i>Fund Balances End of Year</i>	\$0	\$23,635	\$23,635

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

City of Dover
Tuscarawas County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2016

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	\$859,251	\$880,835	\$888,777	\$7,942
Income Taxes	4,779,929	4,701,832	4,738,605	36,773
Kilowatt per Hour Tax	683,681	700,902	707,221	6,319
Intergovernmental	449,384	461,040	465,197	4,157
Interest	45,227	46,366	46,784	418
Fines, Licenses and Permits	31,450	32,242	32,533	291
Charges for Services	923,233	946,500	955,034	8,534
Contributions and Donations	19,753	20,432	20,616	184
Other	88,572	90,331	91,144	813
<i>Total Revenues</i>	<u>7,880,480</u>	<u>7,880,480</u>	<u>7,945,911</u>	<u>65,431</u>
Expenditures				
Current:				
General Government:				
Mayor:				
Salaries and Wages	132,177	132,177	131,177	1,000
Fringe Benefits	74,763	74,763	69,245	5,518
Purchased Services	8,750	9,150	8,584	566
Materials and Supplies	5,300	5,300	3,681	1,619
Total Mayor	<u>220,990</u>	<u>221,390</u>	<u>212,687</u>	<u>8,703</u>
Auditor:				
Salaries and Wages	174,472	174,472	138,829	35,643
Fringe Benefits	100,930	102,430	95,052	7,378
Purchased Services	25,700	25,700	18,701	6,999
Materials and Supplies	7,000	7,000	6,667	333
Total Auditor	<u>308,102</u>	<u>309,602</u>	<u>259,249</u>	<u>50,353</u>
Treasurer:				
Salaries and Wages	16,266	16,266	16,266	0
Fringe Benefits	4,652	4,762	4,682	80
Purchased Services	3,100	3,100	3,064	36
Materials and Supplies	150	150	4	146
Total Treasurer	<u>24,168</u>	<u>24,278</u>	<u>24,016</u>	<u>262</u>
Law Director:				
Salaries and Wages	79,000	79,000	79,000	0
Fringe Benefits	46,256	46,256	37,787	8,469
Purchased Services	94,650	94,650	90,218	4,432
Materials and Supplies	2,000	2,000	876	1,124
Total Law Director	<u>\$221,906</u>	<u>\$221,906</u>	<u>\$207,881</u>	<u>\$14,025</u>

(continued)

City of Dover
Tuscarawas County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2016

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Civil Service Commission:				
Salaries and Wages	\$3,000	\$2,650	\$2,400	\$250
Fringe Benefits	515	540	424	116
Purchased Services	10,050	10,400	10,103	297
Materials and Supplies	100	100	38	62
Total Civil Service Commission	13,665	13,690	12,965	725
Income Tax Department:				
Salaries and Wages	107,997	107,997	94,560	13,437
Fringe Benefits	63,239	63,239	52,875	10,364
Purchased Services	118,100	118,100	15,760	102,340
Materials and Supplies	8,000	8,000	5,489	2,511
Total Income Tax Department	297,336	297,336	168,684	128,652
Council:				
Salaries and Wages	57,775	57,875	57,780	95
Fringe Benefits	16,557	16,917	16,615	302
Purchased Services	18,700	18,700	15,249	3,451
Materials and Supplies	500	500	327	173
Total Council	93,532	93,992	89,971	4,021
Clerk of Council:				
Salaries and Wages	7,200	7,200	7,200	0
Fringe Benefits	2,055	2,105	2,074	31
Purchased Services	2,900	2,900	2,733	167
Materials and Supplies	150	150	100	50
Total Clerk of Council	12,305	12,355	12,107	248
Service Director:				
Salaries and Wages	109,848	109,848	17,421	92,427
Fringe Benefits	70,020	70,020	60,656	9,364
Purchased Services	7,050	7,050	5,101	1,949
Materials and Supplies	7,653	7,653	6,684	969
Total Service Director	194,571	194,571	89,862	104,709
Rubbish-Janitor-City Hall:				
Salaries and Wages	38,960	39,260	38,419	841
Fringe Benefits	22,260	21,960	19,458	2,502
Purchased Services	64,339	65,339	43,691	21,648
Total Rubbish-Janitor-City Hall	\$125,559	\$126,559	\$101,568	\$24,991

(continued)

City of Dover
Tuscarawas County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2016

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Other:				
Purchased Services	\$218,462	\$218,462	\$194,063	\$24,399
Materials and Supplies	50,000	50,000	22,270	27,730
Capital Outlay	76,354	76,354	51,594	24,760
Other	64,360	64,360	41,504	22,856
Total Other	409,176	409,176	309,431	99,745
Total General Government	1,921,310	1,924,855	1,488,421	436,434
Security of Persons and Property:				
Police:				
Salaries and Wages	1,472,675	1,514,675	1,495,547	19,128
Fringe Benefits	491,320	448,320	431,908	16,412
Purchased Services	75,031	76,031	63,226	12,805
Materials and Supplies	81,647	81,647	52,101	29,546
Total Police	2,120,673	2,120,673	2,042,782	77,891
Traffic Safety:				
Salaries and Wages	146,555	147,555	129,217	18,338
Fringe Benefits	96,232	95,232	77,311	17,921
Purchased Services	4,250	4,250	2,670	1,580
Materials and Supplies	42,061	42,061	29,235	12,826
Total Traffic Safety	289,098	289,098	238,433	50,665
Fire Prevention:				
Salaries and Wages	1,327,819	1,327,819	1,277,896	49,923
Fringe Benefits	368,738	368,738	363,907	4,831
Purchased Services	79,250	84,250	78,200	6,050
Materials and Supplies	67,769	68,769	55,997	12,772
Total Fire Prevention	1,843,576	1,849,576	1,776,000	73,576
Director of Public Safety:				
Salaries and Wages	67,620	67,620	67,620	0
Fringe Benefits	36,717	36,717	35,191	1,526
Purchased Services	1,825	1,825	1,549	276
Materials and Supplies	417	417	285	132
Total Director of Public Safety	106,579	106,579	104,645	1,934
Total Security of Persons and Property	\$4,359,926	\$4,365,926	\$4,161,860	\$204,066

(continued)

City of Dover
Tuscarawas County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2016

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Public Health Services:				
County Health Services:				
Purchased Services	\$9,000	\$9,000	\$8,518	\$482
Community Environment:				
Demolition and Mowing:				
Purchased Services	25,000	25,000	20,807	4,193
Building Inspector:				
Salaries and Wages	68,869	68,869	68,869	0
Fringe Benefits	38,461	38,461	34,047	4,414
Purchased Services	3,550	3,550	3,061	489
Materials and Supplies	1,600	1,600	354	1,246
Total Building Inspector	112,480	112,480	106,331	6,149
Total Community Environment	137,480	137,480	127,138	10,342
Basic Utility Services:				
Refuse Collections and Disposals:				
Purchased Services	660,000	660,000	658,152	1,848
Leisure Time Activities:				
Parks and Recreation:				
Salaries and Wages	578,745	580,245	537,430	42,815
Fringe Benefits	238,957	237,457	206,813	30,644
Purchased Services	115,736	115,736	97,197	18,539
Materials and Supplies	118,494	118,494	106,235	12,259
Total Leisure Time Activities	1,051,932	1,051,932	947,675	104,257
<i>Total Expenditures</i>	8,139,648	8,149,193	7,391,764	757,429
<i>Excess of Revenues Over (Under) Expenditures</i>	(259,168)	(268,713)	554,147	822,860
Other Financing Sources (Uses)				
Transfers Out	(600,000)	(600,000)	(600,000)	0
<i>Net Change in Fund Balance</i>	(859,168)	(868,713)	(45,853)	822,860
<i>Fund Balance Beginning of Year</i>	2,415,738	2,415,738	2,415,738	0
Prior Year Encumbrances Appropriated	40,326	40,326	40,326	0
<i>Fund Balance End of Year</i>	<u>\$1,596,896</u>	<u>\$1,587,351</u>	<u>\$2,410,211</u>	<u>\$822,860</u>

City of Dover
Tuscarawas County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Master Capital Fund
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Income Taxes	\$1,665,375	\$1,656,001	\$2,006,477	\$350,476
Intergovernmental	1,673,282	1,704,955	2,115,863	410,908
Contributions and Donations	1,747	1,737	2,105	368
Other	51,271	50,982	61,772	10,790
<i>Total Revenues</i>	<u>3,391,675</u>	<u>3,413,675</u>	<u>4,186,217</u>	<u>772,542</u>
Expenditures				
Capital Outlay	<u>5,749,707</u>	<u>5,771,707</u>	<u>5,508,283</u>	<u>263,424</u>
Debt Service:				
Principal Retirement	230,637	230,637	230,637	0
Interest and Fiscal Charges	<u>85,617</u>	<u>85,617</u>	<u>85,617</u>	<u>0</u>
Total Debt Service	<u>316,254</u>	<u>316,254</u>	<u>316,254</u>	<u>0</u>
<i>Total Expenditures</i>	<u>6,065,961</u>	<u>6,087,961</u>	<u>5,824,537</u>	<u>263,424</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(2,674,286)	(2,674,286)	(1,638,320)	1,035,966
Other Financing Sources (Uses)				
OPWC Loan Issued	<u>41,325</u>	<u>41,325</u>	<u>41,325</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(2,632,961)	(2,632,961)	(1,596,995)	1,035,966
<i>Fund Balance Beginning of Year</i>	1,072,798	1,072,798	1,072,798	0
Prior Year Encumbrances Appropriated	<u>1,560,961</u>	<u>1,560,961</u>	<u>1,560,961</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$798</u>	<u>\$798</u>	<u>\$1,036,764</u>	<u>\$1,035,966</u>

City of Dover
Tuscarawas County, Ohio
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Sewer Fund
For the Year Ended December 31, 2016

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Charges for Services	\$3,201,200	\$3,201,200	\$3,445,291	\$244,091
Expenses				
Salaries and Wages:				
Sewer Office	60,536	60,836	60,420	416
Sewer Disposal Plant	883,543	886,143	822,224	63,919
Total Salaries and Wages	944,079	946,979	882,644	64,335
Fringe Benefits:				
Sewer Office	38,648	38,348	34,754	3,594
Sewer Disposal Plant	489,669	487,069	461,590	25,479
Total Fringe Benefits	528,317	525,417	496,344	29,073
Purchased Services:				
Sewer Office	84,755	84,755	62,944	21,811
Sewer Disposal Plant	393,952	393,952	279,387	114,565
Total Purchased Services	478,707	478,707	342,331	136,376
Materials and Supplies:				
Sewer Office	4,701	4,701	3,152	1,549
Sewer Disposal Plant	202,750	202,750	142,304	60,446
Total Materials and Supplies	207,451	207,451	145,456	61,995
Capital Outlay:				
Sewer Office	9,000	9,000	0	9,000
Sewer Disposal Plant	1,542,213	1,556,213	321,213	1,235,000
Wastewater Reserve	1,248,914	1,248,914	354,219	894,695
Total Capital Outlay	2,800,127	2,814,127	675,432	2,138,695
Debt Service:				
Principal Retirement	602,675	602,675	602,675	0
Interest and Fiscal Charges	310,000	310,000	270,461	39,539
Total Debt Service	912,675	912,675	873,136	39,539
<i>Total Expenses</i>	5,871,356	5,885,356	3,415,343	2,470,013
<i>Net Change in Fund Equity</i>	(2,670,156)	(2,684,156)	29,948	2,714,104
<i>Fund Equity Beginning of Year</i>	4,076,313	4,076,313	4,076,313	0
Prior Year Encumbrances Appropriated	264,311	264,311	264,311	0
<i>Fund Equity End of Year</i>	\$1,670,468	\$1,656,468	\$4,370,572	\$2,714,104

City of Dover
Tuscarawas County, Ohio
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Electric Fund
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$24,945,915	\$24,945,915	\$25,327,317	\$381,402
Electric Deposits Received	3,000	3,000	27,017	24,017
Interest	6,725	6,725	7,018	293
Other	69,580	69,580	72,616	3,036
<i>Total Revenues</i>	<u>25,025,220</u>	<u>25,025,220</u>	<u>25,433,968</u>	<u>408,748</u>
Expenses				
Salaries and Wages:				
Electric Office	71,078	72,528	71,918	610
Electric Distribution	1,004,659	1,012,394	981,842	30,552
Electric Plant	1,619,800	1,624,550	1,540,991	83,559
Total Salaries and Wages	<u>2,695,537</u>	<u>2,709,472</u>	<u>2,594,751</u>	<u>114,721</u>
Fringe Benefits:				
Electric Office	43,852	42,402	41,898	504
Electric Distribution	638,444	630,709	586,189	44,520
Electric Plant	878,726	873,976	783,548	90,428
Total Fringe Benefits	<u>1,561,022</u>	<u>1,547,087</u>	<u>1,411,635</u>	<u>135,452</u>
Purchased Services:				
Electric Office	134,361	134,361	102,408	31,953
Electric Distribution	634,397	679,397	475,567	203,830
Electric Plant	3,437,188	3,437,188	2,573,553	863,635
Total Purchased Services	<u>4,205,946</u>	<u>4,250,946</u>	<u>3,151,528</u>	<u>1,099,418</u>
Materials and Supplies:				
Electric Office	8,152	8,152	6,303	1,849
Electric Distribution	201,425	196,425	140,905	55,520
Electric Plant	3,317,893	3,017,893	2,835,359	182,534
Total Materials and Supplies	<u>3,527,470</u>	<u>3,222,470</u>	<u>2,982,567</u>	<u>239,903</u>
Purchased Power:				
Electric Plant	\$11,463,793	\$11,763,793	\$11,763,793	\$0

(continued)

City of Dover
Tuscarawas County, Ohio
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Electric Fund (continued)
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Capital Outlay:				
Electric Capital Reserve	\$100,000	\$100,000	\$0	\$100,000
Electric Surplus	250,000	250,000	0	250,000
Electric Office	16,000	16,000	0	16,000
Municipal Electric Improvement	9,272	9,272	0	9,272
Electric Distribution	488,277	543,277	304,859	238,418
Electric Plant	<u>3,149,366</u>	<u>3,169,366</u>	<u>2,669,251</u>	<u>500,115</u>
Total Capital Outlay	<u>4,012,915</u>	<u>4,087,915</u>	<u>2,974,110</u>	<u>1,113,805</u>
Debt Service:				
Principal Retirement	1,637,802	1,637,802	1,637,709	93
Interest and Fiscal Charges	<u>278,000</u>	<u>278,000</u>	<u>261,328</u>	<u>16,672</u>
Total Debt Service	<u>1,915,802</u>	<u>1,915,802</u>	<u>1,899,037</u>	<u>16,765</u>
Electric Deposits Returned:				
Refunds	<u>40,000</u>	<u>40,000</u>	<u>27,697</u>	<u>12,303</u>
<i>Total Expenses</i>	<u>29,422,485</u>	<u>29,537,485</u>	<u>26,805,118</u>	<u>2,732,367</u>
<i>Excess of Revenues Over (Under)</i> <i>Expenses before Transfers</i>	(4,397,265)	(4,512,265)	(1,371,150)	3,141,115
Transfers In	<u>600,000</u>	<u>600,000</u>	<u>600,000</u>	<u>0</u>
<i>Net Change in Fund Equity</i>	(3,797,265)	(3,912,265)	(771,150)	3,141,115
<i>Fund Equity Beginning of Year</i>	3,283,399	3,283,399	3,283,399	0
Prior Year Encumbrances Appropriated	<u>2,581,034</u>	<u>2,581,034</u>	<u>2,581,034</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$2,067,168</u></u>	<u><u>\$1,952,168</u></u>	<u><u>\$5,093,283</u></u>	<u><u>\$3,141,115</u></u>

City of Dover
Tuscarawas County, Ohio
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Water Fund
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$1,958,710	\$1,958,710	\$2,312,089	\$353,379
Interest	1,159	1,159	1,368	209
Other	3,136	3,136	3,702	566
<i>Total Revenues</i>	<u>1,963,005</u>	<u>1,963,005</u>	<u>2,317,159</u>	<u>354,154</u>
Expenses				
Salaries and Wages:				
Water Office	55,950	56,250	55,819	431
Water Plant	655,100	657,100	655,619	1,481
Total Salaries and Wages	<u>711,050</u>	<u>713,350</u>	<u>711,438</u>	<u>1,912</u>
Fringe Benefits:				
Water Office	32,132	31,832	28,019	3,813
Water Plant	390,875	388,875	343,669	45,206
Total Fringe Benefits	<u>423,007</u>	<u>420,707</u>	<u>371,688</u>	<u>49,019</u>
Purchased Services:				
Water Office	85,205	85,205	62,915	22,290
Water Plant	239,169	239,169	167,090	72,079
Total Purchased Services	<u>324,374</u>	<u>324,374</u>	<u>230,005</u>	<u>94,369</u>
Materials and Supplies:				
Water Office	5,701	5,701	3,152	2,549
Water Plant	208,303	208,303	178,705	29,598
Total Materials and Supplies	<u>214,004</u>	<u>214,004</u>	<u>181,857</u>	<u>32,147</u>
Capital Outlay:				
Water Office	15,000	15,000	0	15,000
Water Plant	398,555	398,555	306,937	91,618
Water Surplus	300,000	300,000	0	300,000
Total Capital Outlay	<u>\$713,555</u>	<u>\$713,555</u>	<u>\$306,937</u>	<u>\$406,618</u>

(continued)

City of Dover
Tuscarawas County, Ohio
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Water Fund (continued)
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Debt Service:				
Principal Retirement	\$440,000	\$440,000	\$440,000	\$0
Interest and Fiscal Charges	68,000	68,000	67,694	306
Total Debt Service	<u>508,000</u>	<u>508,000</u>	<u>507,694</u>	<u>306</u>
<i>Total Expenses</i>	<u>2,893,990</u>	<u>2,893,990</u>	<u>2,309,619</u>	<u>584,371</u>
<i>Net Change in Fund Equity</i>	(930,985)	(930,985)	7,540	938,525
<i>Fund Equity Beginning of Year</i>	1,546,307	1,546,307	1,546,307	0
Prior Year Encumbrances Appropriated	<u>24,735</u>	<u>24,735</u>	<u>24,735</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$640,057</u></u>	<u><u>\$640,057</u></u>	<u><u>\$1,578,582</u></u>	<u><u>\$938,525</u></u>

City of Dover
Tuscarawas County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Maintenance and Repair Fund
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Income Taxes	\$624,382	\$624,382	\$635,000	\$10,618
Intergovernmental	595,600	595,600	604,154	8,554
Interest	911	911	926	15
Other	207	207	211	4
<i>Total Revenues</i>	<u>1,221,100</u>	<u>1,221,100</u>	<u>1,240,291</u>	<u>19,191</u>
Expenditures				
Current:				
Transportation:				
Street Construction and Reconstruction:				
Salaries and Wages	622,202	625,502	552,144	73,358
Fringe Benefits	375,675	372,375	321,317	51,058
Purchased Services	117,747	117,747	100,771	16,976
Materials and Supplies	212,244	212,244	162,789	49,455
Capital Outlay	25,028	25,028	13,011	12,017
<i>Total Expenditures</i>	<u>1,352,896</u>	<u>1,352,896</u>	<u>1,150,032</u>	<u>202,864</u>
<i>Net Change in Fund Balance</i>	(131,796)	(131,796)	90,259	222,055
<i>Fund Balance Beginning of Year</i>	121,413	121,413	121,413	0
Prior Year Encumbrances Appropriated	<u>12,919</u>	<u>12,919</u>	<u>12,919</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$2,536</u>	<u>\$2,536</u>	<u>\$224,591</u>	<u>\$222,055</u>

City of Dover
Tuscarawas County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
State Highway Fund
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$46,937	\$46,937	\$48,363	\$1,426
Interest	63	63	63	0
<i>Total Revenues</i>	47,000	47,000	48,426	1,426
Expenditures				
Current:				
Transportation:				
Street Construction and Reconstruction:				
Materials and Supplies	60,000	60,000	32,607	27,393
<i>Net Change in Fund Balance</i>	(13,000)	(13,000)	15,819	28,819
<i>Fund Balance Beginning of Year</i>	25,964	25,964	25,964	0
<i>Fund Balance End of Year</i>	<u>\$12,964</u>	<u>\$12,964</u>	<u>\$41,783</u>	<u>\$28,819</u>

City of Dover
Tuscarawas County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Police and Fire Pension Fund
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$129,439	\$129,439	\$128,848	(\$591)
Income Taxes	467,128	467,128	465,000	(2,128)
Intergovernmental	17,685	17,685	17,606	(79)
Other	848	848	844	(4)
<i>Total Revenues</i>	<u>615,100</u>	<u>615,100</u>	<u>612,298</u>	<u>(2,802)</u>
Expenditures				
Current:				
Security of Persons and Property:				
Police Disability and Pension:				
Fringe Benefits	283,000	297,100	282,767	14,333
Fire Disability and Pension:				
Fringe Benefits	<u>364,000</u>	<u>349,900</u>	<u>346,008</u>	<u>3,892</u>
<i>Total Expenditures</i>	<u>647,000</u>	<u>647,000</u>	<u>628,775</u>	<u>18,225</u>
<i>Net Change in Fund Balance</i>	(31,900)	(31,900)	(16,477)	15,423
<i>Fund Balance Beginning of Year</i>	<u>32,340</u>	<u>32,340</u>	<u>32,340</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$440</u>	<u>\$440</u>	<u>\$15,863</u>	<u>\$15,423</u>

City of Dover
Tuscarawas County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Ambulance Fund
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$325,250	\$325,250	\$299,386	(\$25,864)
Expenditures				
Current:				
Public Health Services:				
Ambulance:				
Salaries and Wages	171,369	171,369	123,020	48,349
Purchased Services	38,350	38,350	22,680	15,670
Materials and Supplies	75,000	75,000	68,524	6,476
<i>Total Expenditures</i>	<u>284,719</u>	<u>284,719</u>	<u>214,224</u>	<u>70,495</u>
<i>Net Change in Fund Balance</i>	40,531	40,531	85,162	44,631
<i>Fund Balance Beginning of Year</i>	<u>243,148</u>	<u>243,148</u>	<u>243,148</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$283,679</u>	<u>\$283,679</u>	<u>\$328,310</u>	<u>\$44,631</u>

City of Dover
Tuscarawas County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Cemetery Fund
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Income Taxes	\$346,961	\$346,961	\$350,000	\$3,039
Interest	5,084	5,084	5,129	45
Charges for Services	147,890	147,890	149,185	1,295
Other	70	70	71	1
<i>Total Revenues</i>	<u>500,005</u>	<u>500,005</u>	<u>504,385</u>	<u>4,380</u>
Expenditures				
Current:				
Public Health Services:				
Cemetery:				
Salaries and Wages	302,368	303,268	285,024	18,244
Fringe Benefits	194,777	193,877	171,539	22,338
Purchased Services	17,775	17,775	13,340	4,435
Materials and Supplies	30,350	30,350	21,238	9,112
Capital Outlay	4,000	4,000	3,172	828
Other	25,000	28,500	3,450	25,050
<i>Total Expenditures</i>	<u>574,270</u>	<u>577,770</u>	<u>497,763</u>	<u>80,007</u>
<i>Net Change in Fund Balance</i>	(74,265)	(77,765)	6,622	84,387
<i>Fund Balance Beginning of Year</i>	<u>803,380</u>	<u>803,380</u>	<u>803,380</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$729,115</u>	<u>\$725,615</u>	<u>\$810,002</u>	<u>\$84,387</u>

City of Dover
Tuscarawas County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Revolving Loan Fund
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$9,908	\$9,908	\$3,452	(\$6,456)
Interest	1,547	1,547	1,417	(130)
<i>Total Revenues</i>	11,455	11,455	4,869	(6,586)
Expenditures				
Current:				
Community Environment:				
Other Community Environment:				
Purchased Services	250,000	250,000	0	250,000
<i>Net Change in Fund Balance</i>	(238,545)	(238,545)	4,869	243,414
<i>Fund Balance Beginning of Year</i>	414,899	414,899	414,899	0
<i>Fund Balance End of Year</i>	\$176,354	\$176,354	\$419,768	\$243,414

City of Dover
Tuscarawas County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Drug Law Enforcement Fund
For the Year Ended December 31, 2016

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

City of Dover
Tuscarawas County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Enforcement and Education Fund
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines, Licenses and Permits	\$1,000	\$1,000	\$860	(\$140)
Expenditures				
Current:				
Security of Persons and Property:				
Enforcement and Education:				
Materials and Supplies	<u>30,000</u>	<u>30,000</u>	<u>0</u>	<u>30,000</u>
<i>Net Change in Fund Balance</i>	(29,000)	(29,000)	860	29,860
<i>Fund Balance Beginning of Year</i>	<u>31,145</u>	<u>31,145</u>	<u>31,145</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$2,145</u></u>	<u><u>\$2,145</u></u>	<u><u>\$32,005</u></u>	<u><u>\$29,860</u></u>

City of Dover
Tuscarawas County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Shade Tree Fund
For the Year Ended December 31, 2016

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

City of Dover
Tuscarawas County, 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, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$40,000	\$78,700	\$77,700	(\$1,000)
Expenditures				
Capital Outlay	<u>40,000</u>	<u>78,700</u>	<u>77,700</u>	<u>1,000</u>
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

City of Dover
Tuscarawas County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
CHIP Fund
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$39,985	\$39,985	\$7,720	(\$32,265)
Interest	<u>15</u>	<u>15</u>	<u>15</u>	<u>0</u>
<i>Total Revenues</i>	40,000	40,000	7,735	(32,265)
Expenditures				
Capital Outlay	<u>61,000</u>	<u>61,000</u>	<u>29,650</u>	<u>31,350</u>
<i>Net Change in Fund Balance</i>	(21,000)	(21,000)	(21,915)	(915)
<i>Fund Balance Beginning of Year</i>	24,550	24,550	24,550	0
Prior Year Encumbrances Appropriated	<u>21,000</u>	<u>21,000</u>	<u>21,000</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$24,550</u>	<u>\$24,550</u>	<u>\$23,635</u>	<u>(\$915)</u>

City of Dover
Tuscarawas County, Ohio
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Employee Health Insurance Fund
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$2,269,084	\$2,269,084	\$2,206,378	(\$62,706)
Other	130,916	130,916	43,066	(87,850)
<i>Total Revenues</i>	<u>2,400,000</u>	<u>2,400,000</u>	<u>2,249,444</u>	<u>(150,556)</u>
Expenses				
Purchased Services	315,000	315,000	285,661	29,339
Claims	2,269,832	2,269,832	1,982,351	287,481
<i>Total Expenses</i>	<u>2,584,832</u>	<u>2,584,832</u>	<u>2,268,012</u>	<u>316,820</u>
<i>Net Change in Fund Equity</i>	(184,832)	(184,832)	(18,568)	166,264
<i>Fund Equity Beginning of Year</i>	<u>190,558</u>	<u>190,558</u>	<u>190,558</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$5,726</u>	<u>\$5,726</u>	<u>\$171,990</u>	<u>\$166,264</u>

City of Dover
Tuscarawas County, Ohio
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Cemetery Interment Fund
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Deposits for Burial Expenses	\$17,329	\$17,329	\$26,907	\$9,578
Interest	681	681	1,058	377
<i>Total Revenues</i>	<u>18,010</u>	<u>18,010</u>	<u>27,965</u>	<u>9,955</u>
Expenses				
Purchased Services	10,000	10,000	975	9,025
Other	25,000	25,000	19,622	5,378
<i>Total Expenditures</i>	<u>35,000</u>	<u>35,000</u>	<u>20,597</u>	<u>14,403</u>
<i>Net Change in Fund Equity</i>	(16,990)	(16,990)	7,368	24,358
<i>Fund Equity Beginning of Year</i>	<u>229,417</u>	<u>229,417</u>	<u>229,417</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$212,427</u>	<u>\$212,427</u>	<u>\$236,785</u>	<u>\$24,358</u>



STATISTICAL SECTION

FOR THE YEAR ENDED DECEMBER 31, 2016

THE CITY OF DOVER, OH
DOVEROHIO.COM

City of Dover Tuscarawas County, Ohio

Statistical Section

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

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

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

	2016	2015	(Restated) 2014	2013
Governmental Activities				
Net Investment in Capital Assets	\$17,768,347	\$14,280,928	\$14,349,226	\$14,665,693
Restricted	2,152,807	2,000,347	2,124,886	1,947,165
Unrestricted (Deficit) (1)	(3,416,062)	(2,031,153)	(3,079,845)	4,465,268
<i>Total Governmental Activities Net Position</i>	<u>16,505,092</u>	<u>14,250,122</u>	<u>13,394,267</u>	<u>21,078,126</u>
Business Type - Activities				
Net Investment in Capital Assets	28,026,128	25,937,921	25,686,770	23,029,114
Restricted	0	0	0	4,560,733
Unrestricted (1)	9,819,626	9,460,161	7,538,328	7,710,001
<i>Total Business-Type Activities Net Position</i>	<u>37,845,754</u>	<u>35,398,082</u>	<u>33,225,098</u>	<u>35,299,848</u>
Primary Government				
Net Investment in Capital Assets	45,794,475	40,218,849	40,035,996	37,694,807
Restricted	2,152,807	2,000,347	2,124,886	6,507,898
Unrestricted (1)	6,403,564	7,429,008	4,458,483	12,175,269
<i>Total Primary Government Net Position</i>	<u>\$54,350,846</u>	<u>\$49,648,204</u>	<u>\$46,619,365</u>	<u>\$56,377,974</u>

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

2012	2011	2010	2009	2008	2007
\$14,711,043	\$14,781,422	\$14,068,739	\$14,563,145	\$14,733,397	\$13,272,279
1,691,379	1,737,344	2,230,639	3,060,273	3,852,663	3,946,056
3,306,443	3,398,807	1,060,512	(528,355)	170,354	281,189
19,708,865	19,917,573	17,359,890	17,095,063	18,756,414	17,499,524
22,222,982	22,166,479	22,616,181	22,607,499	20,850,882	17,417,960
4,135,673	4,002,175	3,941,464	3,960,033	4,024,091	4,188,957
8,820,517	9,853,852	9,925,626	7,656,769	8,125,965	8,802,130
35,179,172	36,022,506	36,483,271	34,224,301	33,000,938	30,409,047
36,934,025	36,947,901	36,684,920	37,170,644	35,584,279	30,690,239
5,827,052	5,739,519	6,172,103	7,020,306	7,876,754	8,135,013
12,126,960	13,252,659	10,986,138	7,128,414	8,296,319	9,083,319
\$54,888,037	\$55,940,079	\$53,843,161	\$51,319,364	\$51,757,352	\$47,908,571

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

	2016	2015 (1)	2014	2013
Program Revenues				
Governmental Activities:				
Charges for Services:				
General Government	\$190,038	\$193,071	\$341	\$378
Security of Persons and Property	578,568	605,856	125,303	128,140
Transportation	0	0	0	0
Public Health Services	453,630	481,290	462,782	461,183
Community Environment	16,473	13,972	24,165	24,705
Basic Utility Services	77,505	103,846	625,544	752,629
Leisure Time Activities	124,958	133,193	118,183	123,229
Subtotal - Charges for Services	<u>1,441,172</u>	<u>1,531,228</u>	<u>1,356,318</u>	<u>1,490,264</u>
Operating Grants and Contributions:				
Security of Persons and Property	17,882	17,282	17,424	17,519
Transportation	653,132	636,667	663,548	598,721
Community Environment	0	0	42,000	5,636
Subtotal - Operating Grants and Contributions	<u>671,014</u>	<u>653,949</u>	<u>722,972</u>	<u>621,876</u>
Capital Grants and Contributions:				
Security of Persons and Property	0	0	0	423,951
Transportation	1,544,265	562,235	0	0
Community Environment	85,420	45,078	197,621	312,730
Leisure Time Activities	812,053	0	0	0
Subtotal - Capital Grants and Contributions	<u>2,441,738</u>	<u>607,313</u>	<u>197,621</u>	<u>736,681</u>
<i>Total Governmental Activities Program Revenues</i>	<u>4,553,924</u>	<u>2,792,490</u>	<u>2,276,911</u>	<u>2,848,821</u>
Business-Type Activities:				
Charges for Services:				
Sewer	3,445,743	3,345,235	3,357,098	3,352,604
Electric	25,761,590	22,789,108	22,521,381	23,065,550
Water	2,312,007	2,255,453	2,114,210	2,104,759
Subtotal - Charges for Services	<u>31,519,340</u>	<u>28,389,796</u>	<u>27,992,689</u>	<u>28,522,913</u>
Capital Grants and Contributions				
Sewer	78,397	0	0	0
Water	65,400	0	0	0
Subtotal - Capital Grants and Contributions	<u>143,797</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Business-Type Activities Program Revenues</i>	<u>31,663,137</u>	<u>28,389,796</u>	<u>27,992,689</u>	<u>28,522,913</u>
<i>Total Primary Government Program Revenues</i>	<u>\$36,217,061</u>	<u>\$31,182,286</u>	<u>\$30,269,600</u>	<u>\$31,371,734</u>

2012	2011	2010	2009	2008	2007
\$0	\$0	\$0	\$0	\$0	\$0
60,609	55,291	53,280	39,557	58,882	55,318
0	195	12	132	24	0
467,755	802,036	355,597	419,193	285,747	339,393
0	0	0	0	0	0
841,032	806,117	813,825	785,970	732,707	496,765
0	0	0	0	0	144,707
<u>1,369,396</u>	<u>1,663,639</u>	<u>1,222,714</u>	<u>1,244,852</u>	<u>1,077,360</u>	<u>1,036,183</u>
8,357	8,930	18,328	9,928	0	0
605,844	593,393	681,292	548,731	814,109	715,192
48,000	94,400	0	276,833	83,171	0
<u>662,201</u>	<u>696,723</u>	<u>699,620</u>	<u>835,492</u>	<u>897,280</u>	<u>715,192</u>
0	0	0	0	0	0
207,769	850,056	32,174	0	0	0
213,863	315,058	305,251	0	0	257,835
0	0	0	0	236,422	78,600
<u>421,632</u>	<u>1,165,114</u>	<u>337,425</u>	<u>0</u>	<u>236,422</u>	<u>336,435</u>
<u>2,453,229</u>	<u>3,525,476</u>	<u>2,259,759</u>	<u>2,080,344</u>	<u>2,211,062</u>	<u>2,087,810</u>
3,147,970	3,055,858	3,160,156	3,187,337	3,223,641	3,132,570
21,496,934	20,123,656	20,680,073	18,748,969	20,080,589	20,145,313
2,124,001	1,993,661	2,021,476	1,962,129	1,902,828	1,701,213
<u>26,768,905</u>	<u>25,173,175</u>	<u>25,861,705</u>	<u>23,898,435</u>	<u>25,207,058</u>	<u>24,979,096</u>
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>26,768,905</u>	<u>25,173,175</u>	<u>25,861,705</u>	<u>23,898,435</u>	<u>25,207,058</u>	<u>24,979,096</u>
<u>\$29,222,134</u>	<u>\$28,698,651</u>	<u>\$28,121,464</u>	<u>\$25,978,779</u>	<u>\$27,418,120</u>	<u>\$27,066,906</u>

(continued)

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

	2016	2015 (1)	2014	2013
Expenses				
Governmental Activities:				
General Government	\$1,667,919	\$1,340,412	\$1,912,267	\$2,313,710
Security of Persons and Property	5,923,090	4,899,426	5,190,764	5,082,413
Transportation	2,172,494	2,704,103	1,925,102	1,928,227
Public Health Services	765,011	711,562	1,481,578	762,721
Community Environment	136,628	130,931	130,344	268,923
Basic Utility Services	603,309	708,629	783,122	672,945
Leisure Time Activities	1,157,740	1,046,395	1,121,296	1,291,658
Interest and Fiscal Charges	96,888	99,907	99,979	113,423
<i>Total Governmental Activities Expenses</i>	<u>12,523,079</u>	<u>11,641,365</u>	<u>12,644,452</u>	<u>12,434,020</u>
Business-Type Activities				
Sewer	3,349,740	3,282,367	3,107,960	3,727,710
Electric	24,598,405	21,929,834	22,381,043	23,723,046
Water	2,026,537	1,814,774	1,840,661	1,802,403
<i>Total Business-Type Activities Expenses</i>	<u>29,974,682</u>	<u>27,026,975</u>	<u>27,329,664</u>	<u>29,253,159</u>
<i>Total Primary Government Expenses</i>	<u>42,497,761</u>	<u>38,668,340</u>	<u>39,974,116</u>	<u>41,687,179</u>
Net (Expense)/Revenue				
Governmental Activities	(7,969,155)	(8,848,875)	(10,367,541)	(9,585,199)
Business-Type Activities	1,688,455	1,362,821	663,025	(730,246)
<i>Total Primary Government Net (Expense)/Revenue</i>	<u>(\$6,280,700)</u>	<u>(\$7,486,054)</u>	<u>(\$9,704,516)</u>	<u>(\$10,315,445)</u>

2012	2011	2010	2009	2008	2007
\$1,809,857	\$1,284,689	\$1,396,691	\$1,394,202	\$1,378,583	\$1,421,425
5,094,116	4,647,659	4,566,373	4,637,683	4,732,202	4,114,123
1,879,829	2,186,664	842,745	3,666,602	2,019,895	1,886,315
808,220	788,705	1,078,392	757,168	672,959	734,164
188,273	115,729	106,332	108,259	195,913	406,736
629,555	570,453	610,467	532,610	463,671	578,515
1,134,362	1,007,014	2,474,704	1,010,371	1,223,705	861,788
164,403	40,903	9,673	73,248	31,636	1,468
<u>11,708,615</u>	<u>10,641,816</u>	<u>11,085,377</u>	<u>12,180,143</u>	<u>10,718,564</u>	<u>10,004,534</u>
3,670,590	3,518,361	2,886,179	2,839,223	2,421,889	2,321,173
22,992,501	20,818,346	19,311,806	18,429,586	18,448,428	21,582,963
1,854,651	1,931,539	2,047,070	1,715,425	2,277,084	2,326,837
<u>28,517,742</u>	<u>26,268,246</u>	<u>24,245,055</u>	<u>22,984,234</u>	<u>23,147,401</u>	<u>26,230,973</u>
<u>40,226,357</u>	<u>36,910,062</u>	<u>35,330,432</u>	<u>35,164,377</u>	<u>33,865,965</u>	<u>36,235,507</u>
(9,255,386)	(7,116,340)	(8,825,618)	(10,099,799)	(8,507,502)	(7,916,724)
<u>(1,748,837)</u>	<u>(1,095,071)</u>	<u>1,616,650</u>	<u>914,201</u>	<u>2,059,657</u>	<u>(1,251,877)</u>
<u>(\$11,004,223)</u>	<u>(\$8,211,411)</u>	<u>(\$7,208,968)</u>	<u>(\$9,185,598)</u>	<u>(\$6,447,845)</u>	<u>(\$9,168,601)</u>

(continued)

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

	2016	2015 (1)	2014	2013
General Revenues				
Governmental Activities				
Taxes:				
Property Taxes Levied For:				
General Purposes	\$889,470	\$885,041	\$897,494	\$875,654
Police and Fire Pension	127,726	131,174	132,413	130,611
Kilowatt per Hour Taxes Levied for				
General Purposes (2)	707,221	717,005	712,312	0
Income Taxes levied for:				
General Purposes	4,826,664	4,693,691	5,131,043	4,700,061
Street Maintenance and Repair	647,687	632,321	677,859	560,660
Cemetery	368,074	289,661	392,274	360,872
Police and Fire Pension	504,270	296,468	569,628	579,482
Capital Outlay	2,055,521	1,928,981	2,187,243	2,005,426
Grants and Entitlements not Restricted to				
Specific Programs	446,054	441,197	401,495	1,352,561
Unrestricted Contributions	20,616	13,771	20,108	14,700
Investment Earnings	53,653	25,514	11,633	18,961
Miscellaneous	249,524	249,906	275,643	355,472
<i>Total Governmental Activities</i>	<u>10,896,480</u>	<u>10,304,730</u>	<u>11,409,145</u>	<u>10,954,460</u>
Business-Type Activities				
Investment Earnings	9,485	1,649	4,976	1,153
Miscellaneous	77,377	208,514	699,450	849,769
<i>Total Business-Type Activities</i>	<u>86,862</u>	<u>210,163</u>	<u>704,426</u>	<u>850,922</u>
<i>Total Primary Government General Revenues</i>	<u>10,983,342</u>	<u>10,514,893</u>	<u>12,113,571</u>	<u>11,805,382</u>
Transfers				
Governmental Activities	(672,355)	(600,000)	0	0
Business-Type Activities	672,355	600,000	0	0
Change in Net Position				
Governmental Activities	2,254,970	855,855	1,041,604	1,369,261
Business-Type Activities	2,447,672	2,172,984	1,367,451	120,676
<i>Total Primary Government Change in Net Position</i>	<u>\$4,702,642</u>	<u>\$3,028,839</u>	<u>\$2,409,055</u>	<u>\$1,489,937</u>

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

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

2012	2011	2010	2009	2008	2007
\$748,044	\$756,066	\$785,909	\$1,027,642	\$1,053,027	\$1,032,747
135,398	143,431	155,799	155,866	158,448	126,312
0	0	0	0	0	0
3,377,249	4,018,591	3,802,963	2,257,720	2,908,923	2,507,749
469,110	522,226	611,838	438,574	535,272	312,374
316,019	348,053	356,637	316,676	331,960	341,515
409,554	405,322	482,557	340,000	241,842	347,105
1,607,109	1,283,425	896,384	2,138,200	2,576,903	2,577,460
1,406,047	1,868,255	1,627,904	1,243,082	1,487,366	1,708,557
0	0	0	0	0	0
29,144	61,496	81,244	333,594	228,603	319,702
549,004	267,158	289,210	187,094	242,048	245,804
9,046,678	9,674,023	9,090,445	8,438,448	9,764,392	9,519,325
913	975	4,417	21,616	198,481	490,570
904,590	633,331	637,903	287,546	333,753	246,623
905,503	634,306	642,320	309,162	532,234	737,193
9,952,181	10,308,329	9,732,765	8,747,610	10,296,626	10,256,518
0	0	0	0	0	0
0	0	0	0	0	0
(208,708)	2,557,683	264,827	(1,661,351)	1,256,890	1,602,601
(843,334)	(460,765)	2,258,970	1,223,363	2,591,891	(514,684)
(\$1,052,042)	\$2,096,918	\$2,523,797	(\$437,988)	\$3,848,781	\$1,087,917

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

	2016	2015	2014	2013
General Fund				
Nonspendable	\$123,849	\$122,239	\$109,557	\$115,155
Assigned	848,548	993,022	475,892	1,085,489
Unassigned	1,814,711	1,736,876	1,417,828	1,073,477
Reserved	N/A	N/A	N/A	N/A
Unreserved	N/A	N/A	N/A	N/A
Total General Fund	2,787,108	2,852,137	2,003,277	2,274,121
All Other Governmental Funds				
Nonspendable	\$135,626	\$161,080	\$142,542	\$131,692
Restricted	1,672,921	1,600,840	1,564,315	1,577,064
Committed	2,242,418	2,693,533	2,279,900	2,324,688
Unassigned (Deficit)	(24,187)	0	(41,200)	(45,780)
Reserved	N/A	N/A	N/A	N/A
Unreserved, Undesignated, Reported in:				
Special Revenue funds	N/A	N/A	N/A	N/A
Capital Projects funds	N/A	N/A	N/A	N/A
Total All Other Governmental Funds	4,026,778	4,455,453	3,945,557	3,987,664
Total Governmental Funds	\$6,813,886	\$7,307,590	\$5,948,834	\$6,261,785

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

2012	2011	2010	2009	2008	2007
\$103,704	\$76,178	\$105,973	N/A	N/A	N/A
1,042,593	103,666	90,960	N/A	N/A	N/A
791,688	1,925,702	963,133	N/A	N/A	N/A
N/A	N/A	N/A	\$0	\$0	\$42,249
N/A	N/A	N/A	573,465	1,161,245	759,758
1,937,985	2,105,546	1,160,066	573,465	1,161,245	802,007
\$164,478	\$169,337	\$137,508	N/A	N/A	N/A
1,444,346	1,439,977	1,262,129	N/A	N/A	N/A
1,906,934	1,473,463	1,039,249	N/A	N/A	N/A
(75,785)	(123,350)	(116,296)	N/A	N/A	N/A
N/A	N/A	N/A	625,665	427,335	688,582
N/A	N/A	N/A	1,175,161	1,173,059	1,112,140
N/A	N/A	N/A	846,252	1,569,386	1,023,428
3,439,973	2,959,427	2,322,590	2,647,078	3,169,780	2,824,150
\$5,377,958	\$5,064,973	\$3,482,656	\$3,220,543	\$4,331,025	\$3,626,157

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

	2016	2015	2014	2013
Revenues				
Property Taxes	\$1,018,015	\$1,018,379	\$1,034,679	\$1,009,800
Income Taxes	7,957,334	9,061,247	7,589,555	7,626,454
Kilowatt per Hour Tax (1)	707,221	717,005	712,312	0
Intergovernmental	3,509,108	1,553,872	1,450,826	2,776,288
Interest	53,653	25,514	11,633	18,961
Fines, Licenses and Permits	33,901	32,586	32,803	35,640
Charges for Services	1,408,617	1,455,957	1,391,234	1,419,987
Contributions and Donations	22,721	89,671	20,108	14,700
Other	206,458	207,323	240,256	352,689
<i>Total Revenues</i>	<u>14,917,028</u>	<u>14,161,554</u>	<u>12,483,406</u>	<u>13,254,519</u>
Expenditures				
Current:				
General Government	1,461,851	1,321,341	1,840,339	2,124,429
Security of Persons and Property	4,748,834	4,613,982	4,674,192	4,272,192
Transportation	1,188,000	1,231,769	1,300,051	1,158,730
Public Health Services	717,291	695,417	994,453	735,189
Community Environment	126,128	132,555	127,164	259,771
Basic Utility Services	603,309	708,629	783,122	672,945
Leisure Time Activities	940,840	911,380	973,292	831,149
Capital Outlay	4,740,298	2,246,225	1,769,293	1,989,870
Debt Service:				
Principal Retirement	240,301	240,107	231,639	210,334
Interest and Fiscal Charges	96,061	101,393	102,812	116,083
Issuance Costs	0	0	0	0
<i>Total Expenditures</i>	<u>14,862,913</u>	<u>12,202,798</u>	<u>12,796,357</u>	<u>12,370,692</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>54,115</u>	<u>1,958,756</u>	<u>(312,951)</u>	<u>883,827</u>
Other Financing Sources (Uses)				
Inception of Capital Lease	10,856	0	0	0
General Obligation Bonds Issued	0	0	0	0
Notes Issued	0	0	0	0
Loans Issued	41,325	0	0	0
Premium on Debt Issuance	0	0	0	0
Payment to Refund Notes	0	0	0	0
Transfers In	0	0	24,000	0
Transfers Out	(600,000)	(600,000)	(24,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(547,819)</u>	<u>(600,000)</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>(\$493,704)</u>	<u>\$1,358,756</u>	<u>(\$312,951)</u>	<u>\$883,827</u>
Debt Service as a Percentage of Noncapital Expenditures	3.2%	3.1%	3.0%	2.9%

Note: The large increase in debt service in 2011 is due to issuing general obligation bonds to retire notes.
(1) Prior to 2014, Kilowatt per Hour Tax was reported as Intergovernmental.

2012	2011	2010	2009	2008	2007
\$890,268	\$898,970	\$944,163	\$1,175,280	\$1,218,183	\$1,156,640
6,609,398	6,416,265	5,641,156	5,618,512	6,770,438	5,692,860
0	0	0	0	0	0
2,722,755	3,648,133	2,417,233	2,179,043	2,377,839	2,958,335
29,144	61,496	81,244	333,594	228,603	319,702
60,609	55,486	53,292	39,689	58,906	55,318
1,261,803	1,215,871	1,188,938	1,163,085	1,040,296	962,375
0	2,740	0	0	0	78,600
472,561	127,081	146,375	187,094	242,048	245,804
12,046,538	12,426,042	10,472,401	10,696,297	11,936,313	11,469,634
1,717,237	1,115,260	1,114,329	1,218,905	1,197,585	1,237,668
4,396,320	4,331,070	4,041,571	4,092,027	3,990,259	3,787,088
1,157,078	1,037,961	1,212,992	1,181,395	1,234,454	1,067,923
751,935	707,902	804,618	703,975	631,723	685,428
190,316	111,227	103,808	98,389	182,588	107,893
629,555	570,453	610,467	532,610	463,671	578,515
913,126	829,489	823,753	837,296	872,576	710,690
1,639,805	2,528,446	2,543,177	2,959,903	2,412,778	1,522,384
208,377	2,646,521	106,252	105,995	175,747	205,511
129,804	63,678	20,181	76,284	70,064	15,621
0	36,229	0	0	0	0
11,733,553	13,978,236	11,381,148	11,806,779	11,231,445	9,918,721
312,985	(1,552,194)	(908,747)	(1,110,482)	704,868	1,550,913
0	0	0	0	0	0
0	2,670,000	0	0	0	0
0	0	2,640,000	2,100,000	2,200,000	2,370,000
0	428,614	530,860	0	0	0
0	35,897	0	0	0	0
0	0	(2,000,000)	(2,100,000)	(2,200,000)	(2,370,000)
0	0	0	0	0	0
0	0	0	0	0	0
0	3,134,511	1,170,860	0	0	0
\$312,985	\$1,582,317	\$262,113	(\$1,110,482)	\$704,868	\$1,550,913
3.2%	22.0%	1.2%	1.6%	2.7%	2.4%

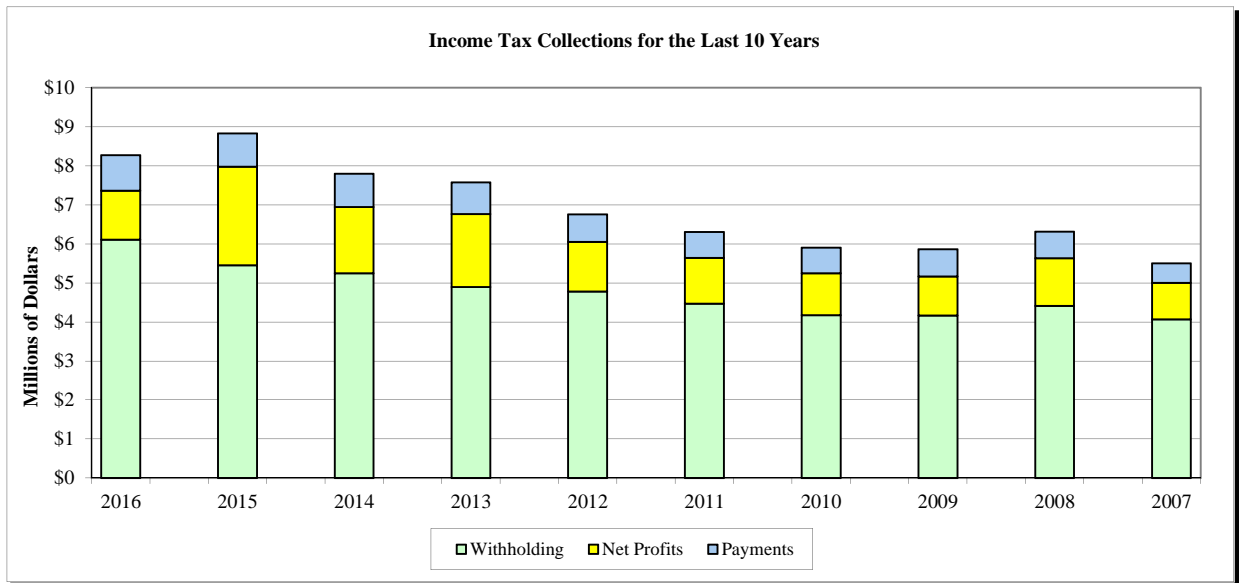
City of Dover
Tuscarawas County, Ohio
Income Tax Rate, Revenue Base, and Collections
Last Ten Years

Tax Year	Tax Rate (1)	Total Tax Collected (2)	Taxes From Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits	Taxes from Individual Payments	Percentage of Taxes from Individual Payments
2016	1.50%	\$8,274,560	\$6,110,563	73.85%	\$1,249,684	15.10%	\$914,313	11.05%
2015	1.50	8,828,196	5,447,276	61.70	2,529,964	28.66	850,956	9.64
2014	1.50	7,795,811	5,248,140	67.32	1,693,250	21.72	854,421	10.96
2013	1.50	7,571,745	4,894,478	64.64	1,869,111	24.69	808,156	10.67
2012	1.50	6,751,331	4,780,617	70.81	1,271,276	18.83	699,438	10.36
2011	1.50	6,304,720	4,464,372	70.81	1,178,983	18.70	661,365	10.49
2010	1.50	5,898,575	4,174,421	70.77	1,072,951	18.19	651,203	11.04
2009	1.50	5,865,095	4,164,218	71.00	997,066	17.00	703,811	12.00
2008	1.50	6,314,388	4,413,757	69.90	1,218,046	19.29	682,585	10.81
2007	1.50	5,500,103	4,065,676	73.92	938,318	17.06	496,109	9.02

Source: City Income Tax Department

- (1) The City's basic income tax rate may only be increased by a majority vote of the City's residents.
- (2) Gross Collections - Cash Basis of Accounting

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



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

	2016	2015	2014	2013
Electric Sold (MWH) (000)				
Residential	57,572	57,404	58,765	56,788
Commercial	30,907	30,546	31,189	30,044
Industrial	142,506	143,035	146,636	140,649
Total	<u>230,985</u>	<u>230,985</u>	<u>236,590</u>	<u>227,481</u>
Number of Customers				
Residential	5,828	5,831	5,794	5,777
Commercial	888	879	871	871
Industrial	107	103	103	102
Total	<u>6,823</u>	<u>6,813</u>	<u>6,768</u>	<u>6,750</u>

Source: City Records

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
58,606	59,323	60,813	55,830	58,807	58,317
30,049	30,758	30,437	27,042	23,424	24,942
<u>141,896</u>	<u>138,487</u>	<u>141,090</u>	<u>128,300</u>	<u>134,536</u>	<u>139,024</u>
<u><u>230,551</u></u>	<u><u>228,568</u></u>	<u><u>232,340</u></u>	<u><u>211,172</u></u>	<u><u>216,767</u></u>	<u><u>222,283</u></u>
5,772	5,775	5,770	5,762	5,822	5,741
862	848	841	836	868	846
<u>102</u>	<u>113</u>	<u>117</u>	<u>122</u>	<u>124</u>	<u>119</u>
<u><u>6,736</u></u>	<u><u>6,736</u></u>	<u><u>6,728</u></u>	<u><u>6,720</u></u>	<u><u>6,814</u></u>	<u><u>6,706</u></u>

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

Type of Customer:	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Residential:				
Customer Charge	\$6.85000	\$6.78000	\$6.71000	\$5.97000
First 800 KWH	0.12460	0.12337	0.12215	0.06107
Next 700 KWH - per KWH	0.11890	0.11772	0.11655	0.05609
All Over 1500 KWH - per KWH	0.11133	0.11023	0.10914	0.04950
Commercial:				
Customer Charge	6.49000	6.43000	6.37000	5.97000
First 50 KWH per KW of demand - per KWH	0.15954	0.15796	0.15640	0.09900
Next 150 KWH per KW of demand - per KWH				
First 3,000 KWH per KWH	0.13882	0.13745	0.13609	0.07997
Over 3,000 KWH per KWH	0.11677	0.11561	0.11447	0.05970
For all remaining KWH per KWH	0.10296	0.10194	0.10093	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	0.17784	0.17608	0.17434	0.12189
Next 170 KWH per KVA of demand				
2,000 KWH - per KWH	0.13399	0.13266	0.13135	0.08010
8,000 KWH - per KWH	0.12094	0.11974	0.11855	0.06765
90,000 KWH - per KWH	0.10868	0.10760	0.10653	0.05597
Over 100,000 KWH - per KWH	0.10031	0.09932	0.09834	0.04801
Over 200 KWH per KVA of demand				
First 200,000 KWH - per KWH	0.09025	0.08936	0.08848	0.03842
All remaining KWH - per KWH	0.08440	0.08356	0.08273	0.03283

Source: City Records

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

2012	2011	2010	2009	2008	2007
\$5.97000	\$5.97000	\$5.97000	\$5.97000	\$5.97000	\$5.97000
0.06107	0.06107	0.06107	0.06107	0.06107	0.06107
0.05609	0.05609	0.05609	0.05609	0.05609	0.05609
0.04950	0.04950	0.04950	0.04950	0.04950	0.04950
5.97000	5.97000	5.97000	5.97000	5.97000	5.97000
0.09900	0.09900	0.09900	0.09900	0.09990	0.09900
0.07997	0.07997	0.07997	0.07997	0.07997	0.07997
0.05970	0.05970	0.05970	0.05970	0.05970	0.05970
0.04701	0.04701	0.04701	0.04701	0.04701	0.04701
2.75000	2.75000	2.75000	2.75000	2.75000	2.75000
0.12189	0.12189	0.12189	0.12189	0.12189	0.12189
0.08010	0.08010	0.08010	0.08010	0.08010	0.08010
0.06765	0.06765	0.06765	0.06765	0.06765	0.06765
0.05597	0.05597	0.05597	0.05597	0.05597	0.05597
0.04801	0.04801	0.04801	0.04801	0.04801	0.04801
0.03842	0.03842	0.03842	0.03842	0.03842	0.03842
0.03283	0.03283	0.03283	0.03283	0.03283	0.03283

City of Dover
Tuscarawas County, Ohio
Principal Electric Customers
2016 and 2007

Customer	<i>2016</i>	
	MWH Sold	Percentage of Total MWH Sold
Arizona Chemical Corporation	19,510	8.45 %
Dover Chemical Corporation	19,494	8.44
Deflecto Corporation	10,870	4.70
Union Hospital	10,734	4.65
Allied Machine and Engineering Corporation	10,564	4.57
Meteor Sealing Systems, LLC	10,076	4.36
Zimmer Patient Care Division	5,217	2.26
Buehlers Food Market, Incorporated	3,786	1.64
Inca Presswood Pallets, Ltd	3,739	1.62
Giant Eagle, Incorporated	3,308	1.43
Totals	<u>97,298</u>	<u>42.12 %</u>
Total MWH Sold	<u>230,985</u>	

Customer	<i>2007</i>	
	MWH Sold	Percentage of Total MWH Sold
Arizona Chemical Corporation	23,438	10.54 %
Dover Chemical Corporation	21,227	9.55
Allied Machine and Engineering Corporation	8,920	4.01
Union Hospital	8,567	3.86
Inca Presswood Pallets, Ltd	5,982	2.69
Meteor Sealing Systems, LLC	5,393	2.43
Zimmer Patient Care Division	5,107	2.30
Buehlers Food Market, Incorporated	3,897	1.75
Giant Eagle, Incorporated	3,850	1.73
Rolite Plastics, Incorporated	3,800	1.71
Totals	<u>90,181</u>	<u>40.57 %</u>
Total MWH Sold	<u>222,283</u>	

Source: City Records

City of Dover
Tuscarawas County, Ohio
Computation of Direct and Overlapping Debt Attributable to Governmental Activities
December 31, 2016

	Debt Attributable to Governmental Activities	Overlapping Percentage Applicable to Dover (1)	Amount of Direct and Overlapping Debt
<u>Direct:</u>			
City of Dover			
General Obligation Bonds	\$2,161,923	100.00 %	\$2,161,923
State Infrastructure Bank Loan	352,387	100.00	352,387
OPWC Loans	91,325	100.00	91,325
Capital Lease	9,239	100.00	9,239
Total Direct Debt	2,614,874		2,614,874
<u>Overlapping Debt:</u>			
Payable from Property Taxes			
Tuscarawas County General Obligation Bonds	1,000,900	16.17	161,846
Tuscarawas County Bond Anticipation Notes	562,000	16.17	90,875
Payable from Other Sources			
Dover City School District Capital Leases	57,762	70.04	40,457
Total Overlapping Debt	1,620,662		293,178
Total	\$4,235,536		\$2,908,052

Source: Tuscarawas County, Ohio; County Auditor

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

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

Governmental Activities								
Year	General Obligation Bonds	Bond Anticipation Notes	Loans	Capital Lease	Total	Actual Taxable Value of Property	Percentage of Actual Taxable Value of Property	Per Capita (1)
2016	\$2,161,923	\$0	\$443,712	\$9,239	\$2,614,874	\$684,167,229	0.38 %	\$203
2015	2,273,717	0	523,024	0	2,796,741	679,827,000	0.41	218
2014	2,385,512	0	645,416	0	3,030,928	674,320,771	0.45	235
2013	2,497,307	0	759,657	0	3,256,964	666,952,486	0.49	252
2012	2,604,102	0	857,898	0	3,462,000	668,288,486	0.52	268
2011	2,705,897	0	959,474	0	3,665,371	714,079,200	0.51	286
2010	0	2,640,000	530,860	0	3,170,860	729,445,967	0.43	247
2009	0	2,100,000	0	0	2,100,000	898,534,287	0.23	154
2008	0	2,470,000	0	0	2,470,000	841,281,475	0.29	183
2007	0	2,770,000	0	0	2,770,000	843,684,435	0.33	203
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)	
2016	\$7,344,257	\$8,973,411	\$4,900,000	\$0	\$23,832,542	7.49 %	\$1,848	
2015	8,099,875	9,576,086	6,020,000	0	26,492,702	8.45	2,061	
2014	6,175,492	10,159,641	7,110,000	0	26,476,061	9.51	2,052	
2013	6,486,109	10,641,507	8,619,848	0	29,004,428	10.42	2,248	
2012	6,796,726	11,206,348	9,666,534	0	31,131,608	11.18	2,413	
2011	7,087,343	11,753,270	10,658,220	0	33,164,204	11.99	2,586	
2010	0	12,282,841	11,723,698	6,900,000	34,077,399	12.32	2,657	
2009	0	12,795,611	12,655,641	7,200,000	34,751,252	13.49	2,553	
2008	0	12,511,688	13,562,586	7,800,000	36,344,274	14.19	2,687	
2007	260,000	8,248,331	14,434,531	8,100,000	33,812,862	13.11	2,482	

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

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

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

Primary Government		
Total General Obligation Bonds	Percentage of Actual Taxable Value of Property	Per Capita (1)
\$9,506,180	1.39 %	\$737
10,373,592	1.53	807
8,561,004	1.27	663
8,983,416	1.35	696
9,400,828	1.41	729
9,793,240	1.37	764
0	0.00	0
0	0.00	0
0	0.00	0
260,000	0.03	19

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

	2016	2015	2014	2013
Overall Legal Debt Limit (10.5% of Assessed Valuation)	\$25,143,146	\$24,983,642	\$24,781,288	\$24,510,504
Net Debt Applicable to Debt Limit	9,486,325	10,315,000	8,510,000	8,935,000
Overall Legal Debt Margin (10.5% of Assessed Valuation)	<u>\$15,656,821</u>	<u>\$14,668,642</u>	<u>\$16,271,288</u>	<u>\$15,575,504</u>
Legal Debt Margin as a Percentage of Debt Limit	<u>62.27%</u>	<u>58.71%</u>	<u>65.66%</u>	<u>63.55%</u>
Unvoted Legal Debt Limit (5.5% of Assessed Valuation)	\$13,170,219	\$13,086,670	\$12,980,675	\$12,838,835
Net Debt Applicable to Debt Limit	9,486,325	10,315,000	8,510,000	8,935,000
Unvoted Legal Debt Margin (5.5% of Assessed Valuation)	<u>\$3,683,894</u>	<u>\$2,771,670</u>	<u>\$4,470,675</u>	<u>\$3,903,835</u>
Legal Debt Margin as a Percentage of Debt Limit	<u>27.97%</u>	<u>21.18%</u>	<u>34.44%</u>	<u>30.41%</u>

Legal Debt Margin Calculation for the Year Ended December 31, 2016

	Overall Margin Within 10.5%	Unvoted Margin Within 5.5%
Assessed property value	<u>\$239,458,530</u>	<u>\$239,458,530</u>
Debt Limitation (percentage of assessed property value)	<u>\$25,143,146</u>	<u>\$13,170,219</u>
Gross Indebtedness	23,941,620	23,941,620
Less: Revenue Bonds	(4,900,000)	(4,900,000)
SIB Loan	(352,387)	(352,387)
OWDA Loan	(8,973,411)	(8,973,411)
Police and Fire Pension	<u>(229,497)</u>	<u>(229,497)</u>
Net Debt Applicable to Debt Limit	<u>9,486,325</u>	<u>9,486,325</u>
Legal Debt Margin Within Limitations	<u>\$15,656,821</u>	<u>\$3,683,894</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.

2012	2011	2010	2009	2008	2007
\$24,559,602	\$24,559,602	\$26,242,211	\$27,400,427	\$28,608,566	\$28,027,064
10,117,898	10,604,474	3,270,860	2,200,000	2,470,000	2,770,000
\$14,441,704	\$13,955,128	\$22,971,351	\$25,200,427	\$26,138,566	\$25,257,064
58.80%	56.82%	87.54%	91.97%	91.37%	90.12%
\$12,864,553	\$12,864,553	\$13,746,025	\$14,352,605	\$14,985,439	\$14,680,843
10,117,898	10,604,474	3,270,860	2,200,000	2,470,000	2,770,000
\$2,746,655	\$2,260,079	\$10,475,165	\$12,152,605	\$12,515,439	\$11,910,843
21.35%	17.57%	76.21%	84.67%	83.52%	81.13%

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

Year	Gross Revenues (1)	Direct Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service (3)		Coverage
				Principal	Interest	
2016	\$2,317,258	\$1,516,551	\$800,707	\$440,000	\$67,694	1.58
2015	2,261,075	1,318,507	942,568	425,000	75,664	1.88
2014	2,131,554	1,218,259	913,295	170,000	99,734	3.39
2013	2,118,602	1,130,110	988,492	330,000	165,533	1.99
2012	2,256,604	1,226,020	1,030,584	320,000	137,183	2.25
2011	2,018,126	1,154,185	863,941	310,000	187,141	1.74
2010	2,045,222	1,329,484	715,738	300,000	201,361	1.43
2009	1,994,092	1,045,257	948,835	290,000	189,176	1.98
2008	1,949,190	1,423,748	525,442	285,000	181,906	1.13
2007	1,761,325	1,594,531	166,794	280,000	221,016	0.33

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

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

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

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

Year	Gross Revenues (1)	Direct Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service (3)		Coverage
				Principal	Interest	
2016	\$26,443,201	\$23,065,791	\$3,377,410	\$680,000	\$37,548	4.71
2015	23,593,649	20,480,922	3,112,727	665,000	46,575	4.37
2014	23,192,677	20,894,165	2,298,512	600,000	309,300	2.53
2013	23,880,871	22,250,673	1,630,198	700,000	236,897	1.74
2012	22,115,910	21,232,477	883,433	655,000	269,647	0.96
2011	20,637,660	19,126,461	1,511,199	630,000	294,847	1.63
2010	21,275,915	16,922,317	4,353,598	605,000	319,047	4.71
2009	18,953,012	17,290,371	1,662,641	590,000	362,835	1.74
2008	20,537,863	17,528,791	3,009,072	560,000	365,048	3.25
2007	20,774,394	19,761,146	1,013,248	610,000	431,448	0.97

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

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

<u>Year</u>	<u>Population (1)</u>	<u>Total Personal Income (2)</u>	<u>Personal Income Per Capita (1)</u>	<u>Median Household Income (1)</u>	<u>Unemployment Rate (3)</u>
2016	12,899	\$318,050,643	\$24,657	\$44,083	4.9%
2015	12,857	313,479,374	24,382	44,223	5.4
2014	12,904	278,390,896	21,574	43,951	4.8
2013	12,904	278,390,896	21,574	43,951	6.2
2012	12,904	278,390,896	21,574	43,951	7.5
2011	12,826	276,708,124	21,574	43,951	7.5
2010	12,826	276,708,124	21,574	43,951	10.5
2009	13,612	257,647,936	18,928	44,604	9.2
2008	13,528	256,057,984	18,928	44,604	6.4
2007	13,623	257,856,144	18,928	44,604	5.6

(1) Source: U.S. Census Bureau

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

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

City of Dover
Tuscarawas County, Ohio
Principal Employers
2016 and 2007

2016

Employer	Employees
Union Hospital	1,140
Allied Machine and Engineering Corporation	387
Zimmer Patient Care Division	375
Meteor Sealing Systems	328
Hennis Care Center, Incorporated	325
Dover City School District	285
New Dawn Health Care	256
Buehlers Food Market, Incorporated	162
Marlite, Incorporated	151
City of Dover	141
Total	3,550
Total Employment within the City	n/a

2007

Employer	Employees
Union Hospital	920
Allied Machine and Engineering Corporation	460
Zimmer Patient Care Division	301
Dover City School District	282
Buehlers Food Market, Incorporated	255
Meteor Sealing Systems	222
Marlite, Incorporated	200
Hennis Care Center, Incorporated	191
City of Dover	190
New Dawn Health Care	181
Total	3,202
Total Employment within the City	n/a

Source: City Records
n/a - Information not available

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

Function/Program	2016	2015	2014	2013	2012
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	1.5	1.0	1.5	1.5	1.5
Income Tax Department	2.5	2.5	2.5	3.5	2.5
Service Director	2.0	2.0	2.0	2.0	2.0
Janitor	1.0	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	23.0	23.0	23.0	23.0	22.0
Fire	19.0	19.0	19.0	18.0	18.0
Safety Director	1.0	1.0	1.0	0.5	0.5
Traffic Safety	11.0	10.5	8.0	6.5	7.5
Transportation					
Service/Street M&R	12.0	11.5	13.5	15.0	15.0
Public Health Services					
Cemetery	8.0	7.0	7.0	7.0	7.0
Community Environment					
Building	1.0	1.0	1.0	1.0	1.0
Leisure Time Activities					
Parks and Recreation	36.5	34.5	32.5	32.0	26.0
Basic Utility Services					
Sewer	16.5	16.5	18.5	19.5	19.5
Electric	42.5	43.5	41.0	42.0	39.0
Water	11.0	11.5	12.0	13.0	12.0
Totals	<u>204.0</u>	<u>201.0</u>	<u>199.0</u>	<u>201.0</u>	<u>190.0</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>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
11.0	11.0	11.0	11.0	11.0
3.0	3.0	3.0	3.0	3.0
0.5	0.5	0.5	0.5	0.5
1.0	1.0	1.0	1.0	1.0
1.5	3.0	3.0	1.5	3.0
2.0	2.5	2.5	2.5	2.0
2.0	2.5	2.5	2.5	2.5
0.0	0.0	1.0	1.0	1.0
0.0	0.0	0.0	0.0	0.0
22.0	20.0	22.0	22.0	23.0
17.0	19.0	18.0	19.0	18.0
0.5	0.5	0.5	0.5	0.5
7.0	11.0	9.0	8.0	8.5
14.0	14.0	14.0	15.0	16.0
7.0	7.5	7.5	7.5	7.5
1.0	1.0	1.0	1.0	1.0
23.0	23.0	23.5	27.0	21.5
17.0	18.0	17.0	17.0	16.0
41.0	44.0	47.5	41.0	39.5
12.0	13.5	14.0	13.0	14.5
<u>182.5</u>	<u>195.0</u>	<u>198.5</u>	<u>194.0</u>	<u>190.0</u>

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

Function/Program	2016	2015	2014	2013
General Government				
<i>Council and Clerk</i>				
Number of Ordinances Passed	52	51	65	67
Number of Resolutions Passed	14	30	27	26
<i>Planning Commission</i>				
Number of Planning Commission docket items	14	28	28	25
<i>Finance Department</i>				
Number of checks/vouchers issued	4,189	4,292	4,197	3,782
Amount of checks written	\$48,564,187	\$43,126,613	\$55,183,032	\$52,888,467
Interest earnings for fiscal year (cash basis)	\$62,354	\$19,961	\$9,152	\$14,515
Number of Receipts issued	551	534	555	564
General Fund Receipts (cash basis)	\$8,137,259	\$8,490,271	\$7,902,413	\$8,055,961
General Fund Expenditures (cash basis)	\$8,273,160	\$7,894,249	\$7,967,437	\$7,644,025
<i>Income Tax Department</i>				
Number of Business net profit forms processed	1,357	1,339	1,333	1,374
Number of Individual forms processed	2,973	3,150	2,902	4,817
Amount of Penalties and Interest Collected	\$63,502	\$57,534	\$51,179	\$45,894
<i>Civil Service</i>				
Number of police entry tests administered	0	1	0	1
Number of fire entry tests administered	1	1	1	0
Number of police promotional tests administered	0	2	0	1
Number of hires of Police Officers from certified lists	0	2	0	0
Number of hires of Fire/Medics from certified lists	0	2	1	0
Number of promotions from police certified lists	0	0	0	1
<i>Building and Zoning</i>				
Estimated Value of Construction	\$16,314,458	\$33,278,239	\$19,135,419	\$12,799,960
Number of permits issued (all types)	217	207	223	275
Amount of Revenue generated from permits	\$12,566	\$11,400	\$11,800	\$8,884
Number of contractor licenses	269	290	267	295
Zoning Board of Appeals hearings	13	13	28	28

2012	2011	2010	2009	2008	2007
63	57	66	70	71	76
16	19	22	22	32	17
15	25	16	36	26	18
3,818	4,037	3,981	4,048	7,904	3,806
\$49,211,053	\$58,220,483	\$54,842,028	\$50,816,846	\$55,934,193	\$61,851,209
\$21,504	\$51,834	\$69,653	\$210,568	\$184,436	\$255,612
540	557	543	584	517	518
\$7,184,714	\$7,500,648	\$6,777,345	\$6,167,226	\$5,893,616	\$6,415,847
\$7,448,613	\$6,652,344	\$6,347,883	\$6,321,992	\$6,194,109	\$5,901,479
1,265	1,294	1,238	1,261	1,278	1,219
4,394	2,557	2,564	2,590	2,662	2,560
\$32,544	\$38,627	\$37,362	\$29,725	\$22,533	\$24,223
1	0	1	0	1	1
0	1	1	1	0	1
0	0	2	0	0	1
0	3	0	0	1	0
1	0	0	0	1	1
0	3	0	0	0	2
\$20,454,790	\$8,490,640	\$2,838,874	\$5,884,436	\$6,896,283	\$9,562,157
280	240	225	228	272	290
\$9,730	\$13,595	\$10,115	\$21,478	\$19,927	\$21,987
319	261	278	285	326	205
27	26	22	29	26	37

(continued)

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

Function/Program	2016	2015	2014	2013
Security of Persons and Property				
<i>Police</i>				
Total Calls for Services	11,256	9,770	8,989	8,616
Number of traffic citations issued	736	532	483	450
Number of parking citations issued	74	57	91	79
Number of felony arrests	50	28	34	37
Number of misdemeanor arrests	477	374	383	512
Number of traffic accidents investigated	527	432	402	477
Number of injury accidents	41	44	48	56
Number of fatal accidents	0	0	0	0
Prisoners	82	90	101	97
Total miles driven	176,323	163,503	154,886	143,688
Total gasoline used	20,077	16,915	16,132	13,991
<i>Fire</i>				
EMS Calls	1,531	1,454	1,385	1,405
Fire Calls	78	99	87	84
Training hours	1,750	1,369	1,583	1,339
Leisure Time Activities				
<i>Recreation</i>				
Recreation League fees	\$19,815	\$19,960	\$19,909	\$22,040
Transportation				
Tons of asphalt	4,500	3,759	5,636	3,396
Tons of limestone	500	500	560	540
Paint Striping (gallons of paint)	600	475	475	475
Street sweeping (days)	106	150	127	109
Man hours of leaf pick-up	1,100	970	1,312	848
Tons of salt	893	2,062	1,942	1,800
Water Department				
Average residential gallons of water billed monthly	4,200	4,000	4,300	4,100
Wastewater Department				
Average residential gallons of sewer billed monthly	4,000	3,900	4,100	3,900

Source: City Records

2012	2011	2010	2009	2008	2007
8,721	9,367	10,443	10,802	10,148	11,007
559	694	851	887	1,043	929
52	111	154	183	379	293
30	68	27	79	81	39
497	504	447	590	476	427
351	393	366	343	396	375
44	32	68	50	62	94
0	1	1	0	1	1
120	95	64	88	59	44
152,166	157,409	161,908	162,104	147,554	139,049
14,079	14,249	14,892	14,438	13,242	13,025
1,274	1,349	1,316	1,238	1,338	1,165
91	86	105	131	117	118
1,657	1,074	1,674	1,338	1,891	1,178
\$22,225	\$18,910	\$15,550	\$21,475	\$19,986	\$11,915
2,744	3,037	6,500	4,593	7,582	3,930
1,000	1,213	1,149	1,357	1,167	1,255
430	430	475	375	410	575
127	138	145	144	117	123
936	1,048	992	1,120	1,200	1,328
748	2,027	2,125	1,575	2,353	1,361
3,750	3,500	3,240	4,599	4,875	4,913
3,750	3,350	3,392	4,599	4,868	4,913

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

Function/Program	2016	2015	2014	2013
General Government				
Square Footage Occupied	1,932	1,932	1,932	1,932
Vehicles	3	3	3	2
Security of Persons and Property				
 Police				
Stations	1	1	1	1
Square Footage of Building	6,468	6,468	6,468	6,468
Vehicles	12	10	9	9
 Fire				
Stations	1	1	1	1
Square Footage of Building	6,900	6,900	6,900	6,900
Fire Hydrants	640	636	636	634
Vehicles	15	15	15	14
Leisure Time Activities				
 Recreation				
Number of Parks	2	2	2	2
Number of Swimming Pools	2	2	2	2
Number of Tennis Courts	8	8	8	8
Number of Baseball Diamonds	10	10	10	10
Transportation				
 Service				
Streets (miles)	72	72	72	72
Street Lights	2,466	2,442	2,555	2,461
Storm Sewers (miles)	34	34	34	34
Utility Services				
Sanitary Sewers (miles)	68	67	67	67
Electric Lines (miles)	367	367	377	377
Water Lines (miles)	85	85	85	85

Source: City Records

2012	2011	2010	2009	2008	2007
1,932 4	1,932 3	1,932 3	1,932 3	1,932 3	1,932 3
1 6,468 9	1 6,468 10	1 6,468 10	1 6,468 13	1 6,468 11	1 6,468 10
1 6,900 634 13	1 6,900 633 12	1 6,900 633 12	1 6,900 633 12	1 6,900 633 12	1 6,900 614 12
2 2 8 10	2 2 8 10	2 2 8 10	2 2 8 10	2 2 8 10	2 2 8 10
72 2,448 34	72 2,438 34	71 2,437 33	71 2,397 33	70 2,387 33	70 2,380 33
67 376 85	67 375 85	67 359 85	67 357 85	67 357 84	66 354 84

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Rea & associates *a brighter way*

City of Dover
Tuscarawas County, Ohio

*Report Issued Pursuant to
Government Auditing Standards
And Uniform Guidance*

For the Year Ended
December 31, 2016

City of Dover
Tuscarawas County, Ohio
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December 31, 2016

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June 28, 2017

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dover, Tuscarawas County, Ohio (the City) as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 28, 2017.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Hea & Associates, Inc.

New Philadelphia, Ohio

June 28, 2017

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

Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Report on Compliance for Each Major Federal Program

We have audited the City of Dover's, Tuscarawas County, Ohio (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2016. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

City of Dover

Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Page 2 of 3

Opinion on Each Major Federal Program

In our opinion, the City of Dover, Tuscarawas County, Ohio complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2016.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

City of Dover

Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Page 3 of 3

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

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 as of and for the year ended December 31, 2016 and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated June 28, 2017, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Rea & Associates, Inc.

New Philadelphia, Ohio

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City of Dover
Tuscarawas County, Ohio
Schedule of Expenditures of Federal Awards
For The Year Ended December 31, 2016

Federal Grantor/Pass Through Grantor/Program Title	Grant Identification Number	CFDA Number	Federal Expenditures	Passed Through to Subrecipients
U.S. DEPARTMENT OF TRANSPORTATION				
<i>Passed Through Ohio Department of Transportation:</i>				
<i>Highway Planning and Construction</i>				
TUS - Dover Signals - Phase 1	96501	20.205	\$ 1,047,958	\$ -
Total U.S. Department of Transportation			1,047,958	-
TOTAL FEDERAL EXPENDITURES			\$ 1,047,958	\$ -

See accompanying notes to this schedule

City of Dover
Tuscarawas County, Ohio

Notes to the Schedule of Expenditures of Federal Awards
2 CFR 200.510(b)(6)
For the Year Ended December 31, 2016

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the City of Dover (the City's) under programs of the federal government for the year ended December 31, 2016. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The City has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE C - MATCHING REQUIREMENTS

Certain Federal programs require the City to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The City has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

City of Dover
Tuscarawas County, Ohio
Schedule of Findings and Questioned Costs
2 CFR Section 200.515
December 31, 2016

1. SUMMARY OF AUDITOR'S RESULTS
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(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list): Highway Planning & Construction	CFDA 20.205
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$ 750,000
(d)(1)(ix)	Low Risk Auditee under 2 CFR §200.520?	No

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
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None

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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
SEPTEMBER 12, 2017