UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 or 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 1991

Commission file number: 0-11917

THE DAVEY TREE EXPERT COMPANY
(Exact name of Registrant as specified in its charter)

Ohio
(State of Incorporation)

34-0176110
(IRS Employer Identification No.)

1500 North Mantua Street
Kent, Ohio
(Address of principal executive offices)

44240
(Zip Code)

Registrant's telephone number, including area code: (216) 673-9511

Securities registered pursuant to Section 12(b) of the Act:

None

(Title of class)

Securities registered pursuant to Section 12(g) of the Act:

Common Shares, $1 par value

(Title of class)

The Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days. Yes X No ___

The disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. (X)

The aggregate "market value" (See Item 5 hereof) of voting stock held by non-affiliates of the Registrant at March 15, 1992 (excluding the total number of Common Shares reported in Item 12 hereof), was $66,050,044.

Common Shares outstanding at March 15, 1992: 2,655,812.

Documents incorporated by reference: Portions of the Registrant's definitive Proxy Statement for its 1992 Annual Meeting of Shareholders (Part III).

Index to Exhibits is located on sequential page 26.

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FORM 10-K

THE DAVEY TREE EXPERT COMPANY

Year Ended December 31, 1991

PART I

Item 1. Business.

General. The Davey Tree Expert Company, which was incorporated in 1909, and its subsidiaries (the "Registrant") are in the business of providing horticultural services to a variety of residential, corporate, institutional and governmental customers. Horticultural services include the treatment, preservation, maintenance, cultivation, planting and removal of trees, shrubs and other plant life and also include the practices of landscaping, tree surgery, tree feeding, tree spraying, interior plant installation and maintenance, and line clearing for public utilities. Horticultural services also involve the application of scientifically formulated fertilizers, herbicides and insecticides with hydraulic spray equipment on residential and commercial lawns.

Competition and Customers. The Registrant is one of the largest national organizations in the private horticultural services industry. The Registrant competes with other national and local firms with respect to its services, although the Registrant believes that no other firm, whether national or local, offers the range of services that it offers.

Competition in private horticultural services is generally localized but very active and widespread. The principal methods of competition are advertising, customer service, image, performance and reputation. The Registrant's program to meet its competition stresses the necessity for its employees to have and to project to customers a thorough knowledge of horticulture and utilization of modern, well-maintained equipment and also stresses the Registrant's ability to render technical and diagnostic support for its private horticultural services. Pricing is not always a critical factor in a customer's decision. Pricing is, however, the principal method of competition in providing horticultural services to utility customers, although in most instances consideration is given to reputation and past production performance.

The Registrant provides a wide range of horticultural services to private companies, public utilities, local, state and Federal agencies, and a variety of industrial, commercial and residential customers. During the fiscal year ended December 31, 1991, the Registrant had sales of approximately $31,000,000 (17% of total sales) to Pacific Gas & Electric Company.

Regulation and Environment. The Registrant's facilities and operations, in common with those of the industry generally, are subject to governmental regulations designed to protect the environment. This is particularly important with respect to the Registrant's services regarding insect and disease control, because these services involve to a considerable degree the blending and application of spray materials, which require formal licensing in most areas. The constant changes in environmental conditions, environmental awareness, technology and social attitudes make it necessary for the Registrant to maintain a high degree of awareness of the impact such changes have on the market for its services. The Registrant believes that it is in compliance with existing Federal, state and local laws regulating the use of materials in its spraying operations as well as the other aspects of its business that are subject to any such regulation.

Marketing. The Registrant solicits business from residential and commercial customers principally through direct mail programs and to a lesser extent through the placement of advertisements in national magazines and trade journals and in local newspapers and "yellow pages" telephone directories. Business from utility customers is obtained principally through negotiated contracts and competitive bidding. All sales and services are carried out through personnel who are direct employees. The Registrant does not use agents and does not franchise its name or business.

Seasonality. The Registrant's business is highly seasonal, primarily due to extreme fluctuations in horticultural services provided to residential and commercial customers. Because of this seasonality, the Registrant has historically incurred losses in the first quarter, while sales and earnings are generally highest in the second and third quarters of the calendar year. Consequently, this has created heavy demands of up to $8,000,000 in additional working capital at various times throughout the year. The Registrant borrows against bank commitments in the form of lines of credit and a revolving credit agreement to provide the necessary funds.

Other Factors. Rapid changes in equipment technology require a constant updating of equipment and processes to ensure competitive services to the Registrant's clients. Also, the Registrant must continue to assure its compliance with the Occupational Health and Safety Act. In keeping with these requirements, capital expenditures in 1991 and 1990 were approximately $13,841,000 and $14,828,000, respectively. These expenditures included $611,000 and $190,000 related to business acquisitions in 1991 and 1990, respectively.

The Registrant owns several trademarks including "Davey", "Davey and design", "Arbor Green", "Davey Tree and design", "Davey Tree Expert Co. and design" and "Davey and design (Canada)". Through substantial advertising and use, the Registrant is of the opinion that these trademarks have become of value in the identification and acceptance of its products and services.

Employees. The Registrant employs between 4,500 and 5,000 persons, depending upon the season, and considers its employee relations to be good.

Foreign and Domestic Operations. The Registrant and its Canadian subsidiaries sell the Registrant's services to customers in the United States and Canada, respectively.

The Registrant does not consider its foreign operations to be material and considers the risks attendant to its business with foreign customers, other than currency exchange risks, to be not materially different from those attendant to business with its domestic customers.

Item 2. Properties.

The following table lists certain information with respect to major properties owned by the Registrant and used in connection with its operations.

Location	Acreage	Building Sq. Ft.
Cincinnati, Ohio	2.5	7,200
Livermore, California	12.0	29,737
Winter Park, Florida	1.0	5,850
Chamblee, Georgia	1.9	6,200
East Dundee, Illinois	4.0	7,500
Indianapolis, Indiana	1.5	5,000
Troy, Michigan	2.0	7,200
Cheektowaga, New York	6.9	2,800
Bayport, New York	2.0	7,000
Charlotte, North Carolina	3.1	4,900
Canal Winchester, Ohio	2.8	25,933
Kent, Ohio (multiple parcels)	124.6	111,608
Toledo, Ohio	.5	4,300
Wooster, Ohio	322.8	13,194
Columbus, Ohio	8.0	12,685
Dayton, Ohio	.3	3,584
West Babylon, New York	.9	14,100
Houston, Texas	1.6	8,200
Chantilly, Virginia	2.0	5,700
Downsview, Ontario, Canada	.5	3,675
Baltimore, Maryland	3.4	22,500
Lancaster, New York	3.0	6,624
Bettendorf, Iowa	.5	478
Richmond, Virginia	.7	2,586
Mecklenburg County, North Carolina	15.6	-0-
Soco Gap, North Carolina	17.0	-0-
Stow, Ohio	7.4	14,100
West Carlton Twp., Ontario, Canada	3.0	4,000
Nanaimo, British Columbia, Canada	1.0	4,742
Edmonton, Alberta, Canada	.7	2,900
Houston, Texas	1.0	7,000
Plymouth, Minnesota	2.7	11,750
Gaithersburg, Maryland	2.1	7,200
Lachine, Quebec, Canada	.5	2,300
Atlanta, Georgia	.5	7,000

The Registrant also rents approximately 50 other premises for office, warehouse and storage use. The Registrant believes that all of these properties have been adequately maintained and are suitable and adequate for its business as presently conducted.

Item 3. Legal Proceedings.

There are no legal proceedings, other than ordinary routine litigation incidental to the business, to which the Registrant or any of its subsidiaries is a party or of which any of their property is the subject. This routine litigation is not material to the Registrant.

Item 4. Submission of Matters to a Vote of Security Holders.

No matter was submitted during the fourth quarter of 1991 to a vote of security holders, through the solicitation of proxies or otherwise.

Executive Officers of the Registrant (included pursuant to Instruction 3 to paragraph (b) of Item 401 of Regulation S-K). The executive officers of the Registrant and their present positions and ages are as follow:

Name	Position	Age
R. Douglas Cowan	President and Chief Executive Officer	51
David E. Adante	Vice President, Chief Financial Officer and Secretary	40
Howard D. Bowles	Vice President and General Manager, Davey Tree Surgery Company	48
C. Kenneth Celmer	Vice President-Eastern Operations, Residential and Commercial Services	44
Bradley L. Comport, CPA	Corporate Controller	40
Dr. Roger C. Funk	Vice President-Human and Technical Resources	47
Gordon L. Ober	Vice President-New Ventures	42
Richard A. Ramsey	Vice President-Western Operations, Residential and Commercial Services	42
James J. Reed	Vice President-Treasurer	63
Donald J. Shope	Vice President and General Manager, Residential and Commercial Services	58
Karl J. Warnke	Vice President and General Manager, Utility Services	40

Mr. Cowan was elected President and Chief Executive Officer in May 1988 and prior to that time served as President and Chief Operating Officer since before 1987.

Mr. Adante was elected Vice President, Chief Financial Officer and Secretary in September 1985.

Mr. Bowles was elected Vice President and General Manager of Davey Tree Surgery Company in January 1992. He served as Vice President and Co-General Manager from July 1989 to January 1992. Prior to that time he served as Vice President-Utility Operations of Davey Tree Surgery Company since before 1987.

Mr. Celmer was elected Vice President-Eastern Operations, Residential and Commercial Services in January 1992. He served as Vice President-Operations, Residential and Commercial Services from May 1989 to January 1992. Prior to that time he served as Operations Vice President-Residential and Commercial Services since before 1987.

Mr. Comport was elected Corporate Controller in May 1990. Prior to that time and since before 1987, he served as Vice President-Finance and Administration for G & R Felpauch Company, a comparable-size retail supermarket chain.

Dr. Funk was elected Vice President-Human and Technical Resources in January 1984.

Mr. Ober was elected Vice President-New Ventures in March 1986 and prior to that time served as Vice President and Operations Manager-Residential and Commercial Services.

Mr. Ramsey was elected Vice President-Western Operations, Residential and Commercial Services in January 1992. He served as Vice President and Co-General Manager of Davey Tree Surgery Company from July 1989 to January 1992. Prior to that time, he served as Vice President, Residential and Commercial Services of Davey Tree Surgery since before 1987.

Mr. Reed was elected Vice President-Treasurer in May 1990. He served as Vice President-Controller from December 1986, through May 1990, and prior to that time served as Vice President-Operations Administration since before 1987.

Mr. Shope was elected Vice President and General Manager-Residential and Commercial Services in January 1984.

Mr. Warnke was elected Vice President and General Manager-Utility Services in September 1988. He served as Vice President and Assistant to the President from September 1987, to September 1988, and prior to that time served in several management positions in Utility Services since before 1987.

Officers of the Registrant serve for a term of office from the date of their election to the next organizational meeting of the Board of Directors and until their respective successors are elected.

PART II

Item 5. Market for Registrant's Common Shares and Related Security Holder Matters.

Pursuant to resolution adopted by the Board of Directors on March 10, 1989, the Registrant made a Stock Subscription offering to employees and directors in May 1989. Under the program, employees could subscribe to purchase the Registrant's Common Shares by making 10% down payments and financing the balance by 7-year promissory notes to the Registrant payable in monthly or annual principal installments with interest at 8% per annum on outstanding principal balances. A total of 141 employees and directors subscribed for 228,876 Common Shares during the subscription period, which ended August 15, 1989.

At December 31, 1991, 1990, and 1989 the number of Common Shares issued were 4,364,220 for each date. At those respective dates, the number of shares in the treasury was 1,696,955, 1,643,094 and 1,550,838.

The Registrant's Common Shares are not listed or traded on an established public trading market and market prices are, therefore, not available. Semi-annually, for purposes of the Registrant's Employee Stock Ownership Trust ("ESOT"), the fair market value of the Registrant's Common Shares, based upon the Registrant's performance and financial condition, is determined by an independent financial consulting firm.

As of March 15, 1992, there were 1,312 record holders of the Registrant's Common Shares. During the years ended December 31, 1991, December 31, 1990 and December 31, 1989, the Registrant paid dividends of $.10, $.09 and $.08, respectively, per share in each of the four quarters. The Registrant's agreements with its lenders provide that the payment of cash dividends during any year may not exceed the lesser of (a) 30% of the average of annual net earnings (as defined) for the prior three years or (b) 10% of consolidated net worth (as defined) as at the first day of that year. See Note 4 to Consolidated Financial Statements beginning on page F-12 of this Annual Report on Form 10-K.

Item 6. Selected Financial Data.

	Years Ended December 31				
	1991	1990	1989	1988	1987
	(Dollars in Thousands, except per share data)				
Operating Results:					
Revenues	$187,424	$184,042	$166,845	$152,234	$143,489
Net Earnings	$ 5,867	$ 5,242	$ 5,016	$ 4,832	$ 3,819
Net Earnings Per Common Share	$ 2.13	$ 1.84	$ 1.82	$ 1.75	$ 1.34
At Year End:					
Total Assets	$ 73,236	$ 72,544	$ 67,693	$ 58,301	$ 52,758
Total Long-Term Debt	$ 13,355	$ 13,402	$ 12,956	$ 5,813	$ 7,654
Cash Dividends Per Common Share	$ .40	$ .36	$ .32	$ .28	$ .25

Net earnings and net earnings per common share presented for 1991 include both the cumulative effect on prior years of changing to the new standard of accounting for income taxes (See the Consolidated Statement of Earnings on page F-5 of this Annual Report on Form 10-K) and the change to the 150% declining balance method of depreciation (See Note 1 to the Consolidated Financial Statements on page F-10 of this Annual Report on Form 10-K). The cumulative effect increased net earnings by $606,000 and net earnings per common share by $.22. The change in depreciation method increased net earnings by $253,000 and net earnings per share by $.09.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

LIQUIDITY AND CAPITAL RESOURCES

During fiscal 1991, operating activities generated $17,908,000 in cash, an increase of $2,034,000 and $6,555,000 when compared to 1990 and 1989 respectively. The increase from 1990 was primarily attributable to a reduction in accounts receivable partially offset by a reduction in accounts payable and accrued liabilities.

The reduction in accounts receivable was due to the completion of two Utility contracts during the year and an improvement in collections as indicated by a decrease in the Registrant's days outstanding from just over 47 in 1990 to under 45 in 1991. The Registrant anticipates that receivable levels will increase in 1992 as a result of the addition of several major new Utility contracts.

The reduction in accounts payable and accrued liabilities resulted from lower operations incentive bonuses because of lower Residential and Commercial operating profits and reduced accruals for Workers' Compensation insurance under the Registrant's retrospectively ("retro") rated plans. In order to mitigate a potentially significant increase in Workers' Compensation expense resulting from higher fixed charges associated with its fully insured retrospective insurance plan, the Registrant switched to alternative risk funding methods in several states during the fourth quarter. As long as the workers' compensation insurance industry funds in certain states continue to experience these escalating costs, the Registrant expects that its trend of moving to alternative funding methods will continue.

During the year, the Registrant's investing activities used $13,571,000 in cash compared to $14,549,000 and $17,059,000 in 1990 and 1989 respectively. Substantially all of the $978,000 reduction from 1990 resulted from the Registrant's decision to reduce capital expenditures for equipment in light of generally weak economic conditions that persisted throughout 1991. Investing activities are lower by $3,488,000 compared to 1989, due in part to the lower expenditures for equipment this year and primarily to heavier than normal expenditures for real estate and building facilities for Residential and Commercial operations in 1989, the first year for such purchases.

The Registrant used $3,702,000 in cash in financing activities in 1991 compared with $1,949,000 in 1990, whereas in 1989, $5,602,000 in cash was provided. Most of the change in financing from 1990 and 1989 occurred because of the Registrant's decision to curtail capital expenditures and, consequently, reduce debt. As a result, notes payable, bank and long term debt were reduced by $1,276,000 in 1991, compared to increases of $828,000 and $7,099,000 in 1990 and 1989 respectively. The Registrant also used a net $1,415,000 in cash in 1991 to repurchase 153,086 shares of common stock offset by the sale of 99,225 shares of treasury stock and $439,000 received from stock subscriptions compared with a net use from these activities of $1,839,000 and $719,000 in 1990 and 1989 respectively.

The Registrant expects its budget for capital expenditures in 1992 to be approximately $22,000,000, an increase of $8,200,000 from 1991. The increase from 1991 is attributable to new Utility line clearing contracts. The Registrant also plans to continue capital expenditures to provide for the expansion of its Residential/Commercial Services, maintain equipment on its existing Utility Service contracts, and provide for the ongoing purchase of land and branch office facilities.

The Registrant's long-term debt of the ESOT matured on March 20, 1992. The Registrant has refinanced this debt with a five-year term loan.

At December 31, 1991, the Registrant's principal sources of liquidity consisted of $1,180,000 in cash and cash equivalents; short term lines of credit and amounts available to be borrowed from banks via notes payable totaling $11,580,000, of which $8,080,000 had been drawn at December 31, 1991; and a revolving credit agreement with a bank in the amount of $15,000,000 of which $2,500,000 had been drawn at December 31, 1991. As of March 15, 1992, $21,300,000 had been drawn from these agreements. The amounts drawn under these agreements since December 31, 1991, were used to fund capital expenditures required for the new utility contracts as well as ongoing needs.

Because of the current relatively low long-term interest rates and its ongoing capital needs, on February 19, 1992, the Registrant entered into an agreement with a bank to assist in the preparation, marketing, and private placement of approximately $10.0 million in fixed term debt. The debt will be represented by senior notes of the Registrant and will be placed with institutional investors. Coupled with the existing agreements, this increases the Registrant's credit facilities to a total of approximately $36.5 million.

The Registrant also uses a number of other measurements and ratios to gauge its financial condition and monitor trends in key performance areas of operations.

Liquidity Measurements

Management uses these measurements to gauge the Registrant's ability to meet current working capital requirements and the extent by which capital expenditures are funded by internally generated "cash flow."

	1991	1990	1989
Working Capital	$ 9,259	$ 8,833	$ 7,981
Current Ratio	1.5:1	1.5:1	1.5:1
Cash Flow from Earnings before Cumulative Effect and Depreciation and Amortization ("Cash Flow")	$16,692	$17,376	$15,453
Capital Expenditures	$13,841	$14,828	$17,206
Cash Flow to Capital Expenditures Ratio	1.2:1	1.2:1	.9:1
Cash Flow as % of Revenues	8.9%	9.4%	9.3%

At year end 1991, working capital was $426,000 higher than at year end 1990, and $1,278,000 higher than at year end 1989. The increase in 1991 was primarily due to the reduction in notes payable, bank and accounts payable and accrued liabilities.

Management believes that cash flow also provides a good measure of the Registrant's liquidity, particularly when related to capital expenditures. The reduction in cash flow of $684,000 from 1990 is primarily attributable to lower earnings from operations. Consequently, when compared to 1990, the ratio of cash flow to a reduced level of capital expenditures remained constant at 1.2:1 yet as a percentage of revenues it declined .5% from 1990 to 8.9%.

Leverage Measurements

These ratios measure the extent to which the Registrant has been financed by debt, or, put another way, the proportion of the total assets employed in the business that have been provided by creditors as compared to shareholders. Debt is defined as total liabilities.

	1991	1990	1989
Equity to Debt Ratio	1.16:1	.97:1	.97:1
Debt as % of Assets	46.4%	50.7%	50.9%
Equity as % of Assets	53.6%	49.3%	49.1%

At the end of 1991, the relationship of equity to debt compared to 1990 and 1989 increased primarily due to the decision to reduce capital expenditures, notes payable, bank and long term debt.

Common Share Measurements

These measurements assist shareholders in assessing the Registrant's earnings performance, dividend payout and equity position as related to their shareholdings.

	1991	1990	1989
Earnings per Share (before cumulative effect)	$ 1.91	$ 1.84	$ 1.82
Net Earnings	$ 2.13	$ 1.84	$ 1.82
Dividends per Share	$ .40	$ .36	$ .32
Book Value per Share	$14.78	$13.13	$11.82
ESOT Market Valuation per Share	$24.87	$20.53	$18.79

Earnings per share measurements are shown as if all outstanding stock options had been exercised at December 31 of the years presented. Dividends were again increased in 1991. In 1991, they were increased $.04 per share or 11% over 1990, compared to an increase in 1990 of $.04 per share or 13% over 1989. It is the Registrant's objective to provide a fair return on investment to its shareholders through improved dividends as long as the Registrant can financially justify such a policy. The increases in each of the last five years reflect that objective.

Asset Utilization Measurements

Management uses these measurements to evaluate its efficiency in employing assets to generate revenues and returns.

	1991	1990	1989
Average Assets Employed (in 000's)	$72,890	$70,119	$62,997
Asset Turnover (Revenues to Average Assets)	2.6	2.6	2.7
Return on Average Assets (calculated on earnings before cumulative effect)	7.2%	7.5%	8.0%

Asset turnover remained constant at 2.6 when compared to 1990. Return on average assets decreased .3% to 7.2% due to the relatively flat earnings compared to 1990. Management expects that the return on average assets will remain lower than desired in the near to intermediate term because of the Registrant's continuing commitment to acquire land and facilities for its Residential and Commercial operations, and the addition of the new utility contracts in 1992. Management's long term goal remains that of achieving an asset turnover rate of at least 3.0 and improving the net earnings percentage to provide a return on assets of 15%.

The Registrant believes that the liquidity provided by existing cash balances, existing short and long term borrowing arrangements and the funds to be made available under the new fixed rate term debt agreement will be sufficient to meet the Registrant's capital requirements for 1992. Although it continues to be Management's objective to finance capital expenditures from internally generated cash flow as much as possible, Management is also of the belief that the increase in its credit facilities is consistent with its long-standing posture of not allowing its objective to preclude the Registrant from maximizing growth opportunities.

RESULTS OF OPERATIONS

Revenues of $187,424,000 for 1991 set a new record and increased $3,382,000 or 1.8% over 1990, compared to a 10.3% increase in revenues in 1990 and 9.6% in 1989. Revenues increased in most of the Registrant's major service lines and substantially all of its operating units. Revenues increased at a lower rate in 1991 than in 1990 and 1989 due to generally weak economic conditions which primarily affected Residential and Commercial Services.

In 1992, the Registrant secured several new Utility line clearing contacts which have terms of between three to five years. These new contracts have various start-up dates and it is expected, therefore, that they will generate approximately $17,000,000 in revenues in 1992.

Operating costs in 1991 increased by $4,014,000 or 3.3% over the prior year, a slightly higher rate than the increase in revenues. As a percentage of revenues, these costs increased to 66.9% compared to 66.0% in

1990 and 66.6% in 1989. The increase in 1991 is attributable to increases in group health insurance costs; increases in subcontracting costs incurred on several utility contracts; and higher direct labor costs. It is anticipated that 1992 operating costs will remain at or slightly higher than the percentage levels incurred in 1991, primarily due to start-up costs associated with the new Utility contracts.

Selling, General and Administrative costs increased 3.0% in 1991, and at a higher rate than the revenue increase of 1.8%. As a percentage of revenues, these costs were 21.5% in 1991 compared to 21.2% in 1990 and 21.1% in 1989. The increases of .3% from 1990 and .4% from 1989 were mainly due to higher branch office costs resulting from the expansion of the Registrant's Residential and Commercial operations; increased group insurance costs; increased pension expense; and higher fees for professional services.

Depreciation expense in 1991 decreased 5.8% from 1990, and increased 9.5% from 1989. As a percentage of revenues, depreciation expense was 6.1% in 1991, compared to 6.6% in 1990 and 6.3% in 1989. For assets acquired prior to 1991, the Registrant recorded its depreciation expense on a double declining balance method, which provided a higher depreciation expense in the earlier years of an asset's life. For 1990 and 1989, each year's expense was, therefore, significantly affected by the level of capital expenditures in the current and immediately preceding years. Capital expenditures for 1990 and 1989 were $14,828,000 and $17,206,000 respectively. The decrease in depreciation expense in 1991 compared to 1990 was attributable to two factors. First, the Registrant made a decision at the beginning of the year to reduce capital expenditures by approximately $1,000,000 from 1990 to $13,841,000 based on generally weak economic conditions. Second, for substantially all assets acquired after January 1, 1991, the Registrant changed to the 150% declining balance method of depreciation. This change was made to more closely align depreciation expense with the economic lives of the Registrant's assets. See Note 1 to the Financial Statements. The Registrant expects that depreciation expense will increase to a level of approximately $13,000,000 in 1992 as a result of the increase in its budget for capital expenditures.

Interest expense in 1991 decreased to $2,019,000 from $2,232,000 in 1990 and was $342,000 higher than 1989. The decrease from 1990 was primarily due to lower interest rates. The increase from 1989 was mainly due to higher levels of borrowing incurred to sustain the relatively high level of capital expenditures.

Other income of $404,000 in 1991 was $546,000 higher than expense of $142,000 in 1990, and $763,000 higher than expense of $359,000 in 1989. A significant amount of the increase in 1991 was attributable to gains on the sale of property and equipment.

As a result of the above factors, earnings before income taxes and cumulative effect were $8,666,000 or 4.6% of revenues, compared to $9,009,000 or 4.9% of revenues in 1990, and $8,021,000 or 4.8% of revenues in 1989.

In February 1992, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards (SFAS) No. 109, "Accounting for Income Taxes." The Registrant has elected to adopt it for the year ended December 31, 1991. Accordingly, the cumulative effect on prior years of changing to the new standard has been included in income for 1991, and the current year income tax expense reflects the income taxes currently payable and the change in the deferred tax assets and liabilities for the year ended December 31, 1991. It is Management's opinion that no valuation allowance was necessary in the measurement of deferred tax assets. (See Note 7 to the Consolidated Financial Statements on page F-17 of this Annual Report on Form 10-K.)

The effective income tax rate in 1991 was 39.3% compared to 41.8% and 37.5% in 1990 and 1989 respectively.

Earnings before cumulative effect for 1991 increased slightly to $5,261,000 compared to $5,242,000 and $5,016,000 in 1990 and 1989, respectively, and as a percentage of revenues remained constant at 2.8% when compared to 1990, and were slightly lower than the 3.0% in 1989.

The cumulative effect on prior years of changing to the new standard of accounting, $606,000, resulted primarily from a reduction in the deferred tax liability recognized for accelerated depreciation.

Net earnings for 1991 increased to $5,867,000 compared to $5,242,000 and $5,016,000 in 1990 and 1989, respectively, and as a percentage of revenues were 3.1% compared to 2.8% in 1990 and 3.0% in 1989.

Item 8. Consolidated Financial Statements and Supplementary Data.

The independent auditors' report, the audited consolidated financial statements and the notes to the audited consolidated financial statements required by this Item 8 appear on pages F-1 through F-19 of this Annual Report on Form 10-K.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

During 1991 and 1990 and the period from December 31, 1991 through March 15, 1992 no Form 8-K under the Securities Exchange Act of 1934 has been filed to report a change of accountants or a disagreement on any matter of accounting principles or practices or financial statement disclosure.

PART III

Item 10. Directors and Executive Officers of the Registrant.

The information regarding directors of the Registrant appearing under the heading "Election of Directors" in the Registrant's definitive Proxy Statement for its 1992 Annual Meeting of Shareholders is hereby incorporated by reference.

Item 11. Executive Compensation.

The information regarding compensation of the Registrant's executive officers appearing under the headings "Remuneration of Executive Officers," "Pension Plans" and "Stock Options" in the Registrant's definitive Proxy Statement for its 1992 Annual Meeting of Shareholders is hereby incorporated by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management.

The information regarding the security ownership of certain beneficial owners and management appearing under the heading "Ownership of Common Shares" in the Registrant's definitive Proxy Statement for its 1992 Annual Meeting of Shareholders is hereby incorporated by reference.

Item 13. Certain Relationships and Related Transactions.

The information regarding certain relationships and related transactions appearing under the headings "Election of Directors" and "Indebtedness of Management" in the Registrant's definitive Proxy Statement for its 1992 Annual Meeting of Shareholders is hereby incorporated by reference.

PART IV

Item 14. Exhibits, Financial Statement Schedules, and Reports on Form 8-K.

(a)(1) and (a)(2) Financial Statements and Schedules. See the Index to Financial Statements and Financial Statement Schedules on page F-1 of this Annual Report on Form 10-K.

(a)(3) Exhibits. See the Index to Exhibits on sequentially numbered page 26 of this Annual Report on Form 10-K.

(b) Reports on Form 8-K. No reports on Form 8-K were filed during the last quarter of the period covered by this Annual Report on Form 10-K.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Annual Report on Form 10-K to be signed on its behalf by the undersigned thereunto duly authorized.

THE DAVEY TREE EXPERT COMPANY

By: R. D. Cowan, President and
Chief Executive Officer

March 6, 1992

Pursuant to the requirements of the Securities Exchange Act of 1934, this Annual Report on Form 10-K has been signed below by the following persons on behalf of the Registrant and in the capacities indicated on March 6, 1992.

J. W. JOY, Director and
Chairman of the Board

WILLIAM D. GINN, Director

R. DOUGLAS COWAN, Director;
President and
Chief Executive Officer
(Principal Executive and
Operating Officer)

EUGENE W. HAUPT, Director

R. CARY BLAIR, Director

THOMAS W. BLAZEY, Director

J MAURICE STRUCHEN, Director

JAMES H. MILLER, Director

RICHARD S. GRAY, Director

RICHARD E. DUNN, Director

DAVID E. ADANTE
Vice President, Chief Financial
Officer and Secretary
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JAMES H. POHL, Director

BRADLEY L. COMPORT
Corporate Controller
(Principal Accounting Officer)

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THE DAVEY TREE EXPERT COMPANY

R. D. Cowan

By: R. D. Cowan, President and Chief Executive Officer

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R. D. Cowan

R. DOUGLAS COWAN, Director; President and Chief Executive Officer (Principal Executive and Operating Officer)

EUGENE W. HAUPT, Director

R. CARY BLAIR, Director

Thomas W. Blazey

THOMAS W. BLAZEY, Director

J MAURICE STRUCHEN, Director

JAMES H. MILLER, Director

RICHARD S. GRAY, Director

David E. Adante

DAVID E. ADANTE
Vice President, Chief Financial Officer and Secretary
(Principal Financial Officer)

RICHARD E. DUNN, Director

Bradley L. Comport

JAMES H. POHL, Director

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INDEX TO EXHIBITS

[Item 14(a)(3)]

Exhibit No.	Description	Location or Sequential Page
(3)(a)	1991 Amended Articles of Incorporation	28-33
(3)(b)	1991 Amended Regulations of The Davey Tree Expert Company	Incorporated by reference to page 14 to the Registrant's definitive Proxy Statement for its 1991 Annual Meeting of Shareholders and sequential page 11 to the Registrant's Form 10-Q for the quarter ended June 29, 1991.
(4)	Instruments defining the rights of security holders, including indentures	The Company is a party to certain instruments, copies of which will be furnished to the Securities and Exchange Commission upon request, defining the rights of holders of long-term debt identified in Note 4 of Notes to Consolidated Financial Statements on page F-12 of this Annual Report on Form 10-K.
(9)	Voting Trust Agreement	Not applicable.
(10)(a)	1985 Incentive Stock Option Plan	Incorporated by reference to Exhibit 10(b) to the Registrant's Annual Report on Form 10-K for the year ended December 31, 1985.
(10)(b)	1987 Incentive Stock Option Plan	Incorporated by reference to Exhibit 10(c) to the Registrant's Annual Report on Form 10-K for the year ended December 31, 1987.
(11)	Statement re computation of per share earnings	Not applicable.

Exhibit No.	Description	Location or Sequential Page
(12)	Statement re computation of ratios	Not applicable.
(13)	Annual report to security holders, Form 10-Q or quarterly report to security holders	Not applicable.
(16)	Letter re change in certifying accountant	Not applicable.
(18)	Letter re change in accounting principles	34
(19)	Previously unfiled documents	Not applicable.
(22)	Subsidiaries of the Registrant	35
(23)	Published report regarding matters submitted to vote of security holders	Incorporated by reference to Part II, Item 4 to the Registrant's Form 10-Q for the quarter ended June 29, 1991
(24)	Consent of independent auditors to incorporation of their report in Registrant's Statements on Form S-8 (File Nos. 2-73052, 2-77353, 33-5755 and 33-21072) and Form S-2 (File No. 33-30970)	36
(25)	Power of Attorney	Not applicable.
(29)	Information from reports furnished to state insurance regulatory authorities	Not applicable.

1991 AMENDED ARTICLES OF INCORPORATION
OF
THE DAVEY TREE EXPERT COMPANY

FIRST. The name of the Company is THE DAVEY TREE EXPERT COMPANY.

SECOND. The place in the State of Ohio where the principal office of the Company is located is the City of Kent, in Portage County.

THIRD. The purposes for which the Company is formed are:

(a) To engage in all phases of the tree and lawn care business, including without limitation, the care, treatment, preservation, propagation, cultivation, planting, removal and sale of trees, plants, shrubs and vines, the practice of landscape architecture, the trimming of trees and other forms of line clearing, including right-of-way clearance for power and telephone companies or others, the publication of books, pamphlets, periodicals and other literature for free distribution or sale, the manufacturing, jobbing, buying and selling at wholesale or retail of any and all tools, materials, supplies, implements or equipment, the practice of forestry, the logging, sawing, milling, processing and marketing of forest products, the development of recreation areas and facilities and the acquisition, operation and sales of farms, manufacturing establishments and other enterprises;

(b) To manufacture, to purchase, lease or otherwise acquire, to hold and use, to sell, lease or otherwise dispose of and to deal in or with personal property of any description and any interest therein;

(c) To purchase, lease or otherwise acquire, to invest in, hold, use and encumber, to sell, lease, exchange, transfer or otherwise dispose of and to construct, develop, improve, equip, maintain and operate structures and real property of any description and any interest therein;

(d) To borrow money, to issue, sell and pledge its notes, bonds and other evidence of indebtedness, to secure any of its obligations by mortgage, pledge or deed of trust of all or any of its property and to guarantee and secure obligations of any person, firm or corporation, all to the extent necessary, useful or conducive to carrying out any of the other purposes of the Company;

(e) To invest its funds in any shares or other securities of another corporation, business or undertaking of a government, governmental authority or governmental subdivision; and

(f) To do whatever is deemed necessary, useful or conducive to carrying out any of the purposes of the Company and to engage in any lawful activity for which corporations may be formed under the Ohio General Corporation Law.

FOURTH. The authorized number of shares of the Company is 16,000,000, consisting of 4,000,000 Preferred Shares, without par value (the "Preferred Shares"), and 12,000,000 Common Shares with par value of $1 each (the Common Shares").

DIVISION A. Express Terms of Preferred Shares.

The Preferred Shares shall be issuable only to holders of Common Shares of the Company as a class, unless the holders of Common Shares as a class waive such right of issuance, and the Directors, without any further action by the shareholders, may, at any time and from time to time, adopt an amendment or amendments to the Articles of Incorporation of the Company in respect of any Preferred Shares which constitute unissued or treasury shares at the time of such adoption, for the purpose of dividing any or all of such Preferred Shares into such series as the Directors shall determine, each of which series shall bear such distinguishing designation as the Directors shall determine and within the limitations prescribed by the provisions of the Ohio General Corporation Law, fix the express terms of any such series of Preferred Shares, which may include statements specifying:

(a) Dividend rights, which may be cumulative or non-cumulative, at a specified rate, amount or proportion, with or without further participation rights, and in preference to, junior to, or on a parity in whole or in part with dividend rights of shares of any other class or series;

(b) Liquidation rights, preferences, and price;

(c) Redemption rights and price or prices, if any;

(d) Sinking fund requirements, if any, which may require the Company to provide a sinking fund out of earnings or otherwise for the purchase or redemption of such shares or for dividends thereon;

(e) Conversion rights, if any, and the conversion rate or rates or price or prices and the adjustments thereof, if any, and all other terms and conditions upon which conversions may be made; and

(f) Restrictions on the issuance of shares of any class or series of the Company.

DIVISION B. Express Terms of Common Shares.

The Common Shares shall be subject to the express terms of the Preferred Shares and any series thereof. Each Common Share shall be equal to every other common share. The holders of Common Shares shall be entitled to one vote for each share held by them upon all matters presented to the shareholders.

FIFTH. The Company, by action of its directors and without action by its shareholders, may purchase its own shares in accordance with the provisions of the Ohio General Corporation Law. Such purchases may be made either in the open market or at public or private sale, in such manner and amounts, from such holder or holders of outstanding shares of the Company and at such prices as the directors may from time to time determine.

SIXTH. When a shareholder, or a shareholder's estate upon the death of a shareholder, proposes to sell, give or otherwise transfer Common Shares, whether voluntarily or involuntarily, other than (i) transfers to a current Employee (as defined), (ii) transfers by a current or former Employee to members of his or her Immediate Family (as defined), and (iii) transfers by a deceased current or former Employee to members of his or her Immediate Family, the Company and the ESOT (as defined) shall have the right, at their option, to purchase all (but not less than all) of the Common Shares held by the shareholder on the terms and conditions set forth in this article SIXTH.

(a) For purposes of this Article SIXTH, the following definitions apply:

(i) "Employee" means an hourly or salaried employee of the Company or of any subsidiary of the Company. For this purpose, a "subsidiary" is another corporation of which the Company owns, directly or indirectly through another subsidiary, more than 50% of the voting power.

(ii) "ESOT" means the trust for the Company's Employee Stock Ownership Plan, or any replacement or substitute for that Plan, as amended from time to time.

(iii) Member of an Employee's "Immediate Family" means the Employee's spouse, children (including any adopted children and step children), and any trust established for the benefit of one or more of them.

(b) The purchase price per share shall be the most recent available valuation of the Common Shares conducted for the ESOT, provided that these valuations continue to be made at least once a year. If these valuations are no longer made or are made less frequently than once a year, the purchase price per Common Share shall be the fair market value per Common Share determined using another method established from time to time by the Company's Board of Directors.

(c) In the event of the death of a shareholder and the proposed transfer of the shareholder's Common Shares to anyone other than an Employee or a member of an Employee's Immediate

Family, the right of the Company and the ESOT to purchase the Common Shares may be exercised by written notice to the representatives of the shareholder's estate. The notice of exercise may be delivered at any time on or before the 30th day after the Company receives written notice of (i) the shareholder's death and (ii) the identity and address of the representatives of the shareholder's estate. Upon delivery of the notice of exercise on or before the 30th day and tender of the purchase price for the Common Shares by the Company, all rights of the representatives in respect of the Common Shares shall cease, and the representatives shall deliver to the Company any certificate or certificates representing the Common Shares. If the Company and the ESOT fail to deliver the notice of exercise on or before the 30th day, the representatives of the shareholder's estate and heirs can take and hold the Common Shares, subject to the restrictions set forth in this Article SIXTH.

(d) In the event of a proposed sale, gift, or other transfer of Common Shares to anyone other than an Employee of the Company or a member of an Employee's Immediate Family, the right of the Company and the ESOT to purchase the Common Shares may be exercised at any time within 30 days after the certificate or certificates representing the Common Shares have been surrendered to the Company or its transfer agent for transfer. Upon delivery of the notice of exercise within the 30-day period and tender of the purchase price for the Common Shares by the Company, all rights of the former shareholder in respect of the Common Shares shall cease, and the Company may retain the certificate or certificates representing the Common Shares. If the Company and the ESOT fail to deliver the notice of exercise within the 30-day period, the shareholder may proceed with the proposed transfer, and the recipient can take and hold the Common Shares, subject to the restrictions set forth in this Article SIXTH.

(e) Whenever both the Company and the ESOT desire to purchase Common Shares under this Article SIXTH, the Company shall have the first right to purchase the Common Shares, and the ESOT shall have the right to purchase any Common Shares not purchased by the Company.

(f) All Common Shares shall bear a legend referring to the restrictions on transfer set forth in this Article SIXTH.

SEVENTH. These 1991 Amended Articles of Incorporation supersede the existing 1987 Amended Articles of Incorporation of the Company and all amendments thereto.

Deloitte & Touche

Suite 1600
One Cascade Plaza
Akron, Ohio 44308-1187

Telephone: (216) 253-2022
Facsimile: (216) 253-5682

To the Board of Directors
The Davey Tree Expert Company
Kent, Ohio

We have audited the consolidated financial statements as of December 31, 1991, 1990 and 1989, and for the years then ended, included in your Annual Report on Form 10-K to the Securities and Exchange Commission and have issued our report thereon dated February 21, 1992. Note 1 to such consolidated financial statements contains a description of your adoption during the year ended December 31, 1991 of a change from the double declining balance method of depreciation to the 150% declining balance method for all newly acquired equipment. In our judgment, such change is to an alternative accounting principle that is preferable under the circumstances.

Yours truly,

Deloitte & Touche

February 21, 1992

EXHIBIT 22

SUBSIDIARIES OF THE REGISTRANT

The Registrant has three wholly-owned subsidiaries, Davey Tree Surgery Company (incorporated in California), Plantasia, Inc. (incorporated in Ohio), and Davey Tree Expert Co. of Canada, Limited (incorporated in Canada), each of which does business under its corporate name.

Exhibit 24

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in Registration Statements on Form S-8 (Nos. 2-73052, as amended, 2-77353, 33-5755 and 33-21072) relating to The Davey Tree Expert Company 1980 Employees Stock Option Plan, The Davey Tree Expert Company 1982 Employee Stock Purchase Plan, The Davey Tree Expert Company 1985 Incentive Stock Option Plan, and The Davey Tree Expert Company 1987 Incentive Stock Option Plan and on Form S-2 (No. 33-30970) The Davey Tree Expert Company 1989 Stock Subscription Plan and in the related Prospectuses, of our report dated February 21, 1992, appearing in this Annual Report on Form 10-K of The Davey Tree Expert Company for the year ended December 31, 1991.

Deloitte & Touche

Akron, Ohio
March 25, 1992

INDEX TO FINANCIAL STATEMENTS AND FINANCIAL STATEMENT SCHEDULES
[Items 14(a)(1) and (2)]

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
The Davey Tree Expert Company
Kent, Ohio

We have audited the accompanying consolidated balance sheets of The Davey Tree Expert Company and subsidiary companies as of December 31, 1991, 1990 and 1989, and the related consolidated statements of earnings, shareholders' equity and cash flows for the years then ended. Our audits also included the financial statement schedules listed in the index at Item 14(a)(2). These financial statements and financial statement schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements and financial statement schedules based on our audits.

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

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of The Davey Tree Expert Company and subsidiary companies at December 31, 1991, 1990 and 1989 and the results of their operations and their cash flows for the years then ended in conformity with generally accepted accounting principles. Also, in our opinion, such financial statement schedules, when considered in relation to the basic consolidated financial statements taken as a whole, present fairly in all material respects the information set forth therein.

As discussed in Notes 1 and 7 to the consolidated financial statements, the Company changed its method of accounting for depreciation and income taxes in 1991.

Deloitte & Touche

Akron, Ohio
February 21, 1992

THE DAVEY TREE EXPERT COMPANY AND SUBSIDIARY COMPANIES

CONSOLIDATED BALANCE SHEETS

	1991	December 31 1990 (Dollars in Thousands)	1989
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	$ 1,180	$ 545	$ 1,169
Accounts receivable	20,913	22,432	20,923
Operating supplies	1,722	1,559	1,367
Prepaid expenses	2,014	2,012	1,770
Deferred income taxes	774	1,217	169
Total current assets	26,603	27,765	25,398
INTANGIBLES AND OTHER ASSETS	3,101	2,830	2,670
PROPERTY AND EQUIPMENT:			
Land and land improvements	3,937	3,431	2,997
Building and leasehold improvements	13,847	12,347	11,905
Equipment	105,818	98,506	89,353
	123,602	114,284	104,255
Less accumulated depreciation	80,070	72,335	64,630
Net property and equipment	43,532	41,949	39,625
TOTAL	$ 73,236	$ 72,544	$ 67,693

See notes to consolidated financial statements.

	1991	December 31 1990 (Dollars in Thousands)	1989
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES:			
Accounts payable	$ 7,869	$ 7,719	$ 7,768
Accrued liabilities	7,314	7,875	6,908
Income taxes payable	916	865	650
Notes payable, bank	80	1,171	838
Current maturities of long-term debt	1,165	1,302	1,253
Total current liabilities	17,344	18,932	17,417
LONG-TERM DEBT	13,355	13,402	12,956
DEFERRED INCOME TAXES	2,710	3,951	3,559
OTHER LIABILITIES	567	524	502
Total liabilities	33,976	36,809	34,434
SHAREHOLDERS' EQUITY:			
Preferred shares			
Common shares	4,364	4,364	4,364
Additional paid-in capital	6,241	6,010	5,120
Retained earnings	51,803	46,923	42,669
	62,408	57,297	52,153
Less:			
Treasury shares, at cost	20,607	18,491	15,271
Subscriptions receivable from employees	2,059	2,529	3,020
Future contributions to ESOT	482	542	603
Total shareholders' equity	39,260	35,735	33,259
TOTAL	$ 73,236	$ 72,544	$ 67,693

THE DAVEY TREE EXPERT COMPANY AND SUBSIDIARY COMPANIES

CONSOLIDATED STATEMENTS OF EARNINGS

	Years Ended December 31					
	1991		1990		1989	
	(Dollars in Thousands, Except Per Share Amounts)					
REVENUES	$ 187,424	100.0%	$ 184,042	100.0%	$ 166,845	100.0%
COSTS AND EXPENSES:						
Operating costs	125,447	66.9	121,433	66.0	111,080	66.6
Selling, general and administrative	40,265	21.5	39,092	21.2	35,271	21.1
Depreciation and amortization	11,431	6.1	12,134	6.6	10,437	6.3
	177,143	94.5	172,659	93.8	156,788	94.0
EARNINGS FROM OPERATIONS	10,281	5.5	11,383	6.2	10,057	6.0
INTEREST EXPENSE	2,019	1.1	2,232	1.2	1,677	1.0
OTHER (INCOME) EXPENSE - NET	(404)	(.2)	142	.1	359	.2
EARNINGS BEFORE INCOME TAXES AND CUMULATIVE EFFECT	8,666	4.6	9,009	4.9	8,021	4.8
INCOME TAXES	3,405	1.8	3,767	2.1	3,005	1.8
EARNINGS BEFORE CUMULATIVE EFFECT	5,261	2.8	5,242	2.8	5,016	3.0
CUMULATIVE EFFECT ON PRIOR YEARS (TO DECEMBER 31, 1990) OF CHANGING TO THE NEW STANDARD OF ACCOUNTING FOR INCOME TAXES	606	.3				
NET EARNINGS	$ 5,867	3.1%	$ 5,242	2.8%	$ 5,016	3.0%

THE DAVEY TREE EXPERT COMPANY AND SUBSIDIARY COMPANIES

CONSOLIDATED STATEMENTS OF EARNINGS - CONTINUED

	Years Ended December 31		
	1991	1990	1989
	(Dollars in Thousands, Except Per Share Amounts)		
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING INCLUDING COMMON STOCK EQUIVALENTS	2,751,769	2,849,470	2,754,370
NET EARNINGS PER COMMON SHARE BEFORE CUMULATIVE EFFECT	$ 1.91	$ 1.84	$ 1.82
NET EARNINGS PER COMMON SHARE FROM CUMULATIVE EFFECT ON PRIOR YEARS (TO DECEMBER 31, 1990) OF CHANGING TO THE NEW STANDARD OF ACCOUNTING FOR INCOME TAXES	.22		
NET EARNINGS PER COMMON SHARE	$ 2.13	$ 1.84	$ 1.82

See notes to consolidated financial statements.

THE DAVEY TREE EXPERT COMPANY AND SUBSIDIARY COMPANIES

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
YEARS ENDED DECEMBER 31, 1991, 1990 AND 1989
(Dollars in Thousands, Except Per Share Amounts)

	Common Shares ($1.00 Par Value)	Additional Paid-In Capital
BALANCE, JANUARY 1, 1989	$ 4,364	$ 1,192
Subscriptions receivable		2,883
Shares purchased		
Shares sold to employees		762
Options exercised		283
Contributions to ESOT		
Net earnings		
Dividends, $.32 per share		
Net adjustment for foreign currency translation		
BALANCE, DECEMBER 31, 1989	4,364	5,120
Receipts (forfeitures) from subscriptions receivable		(21)
Shares purchased		
Shares sold to employees		688
Options exercised		223
Contributions to ESOT		
Net earnings		
Dividends, $.36 per share		
Net adjustment for foreign currency translation		
BALANCE, DECEMBER 31, 1990	4,364	6,010
Receipts (forfeitures) from subscriptions receivable		(8)
Shares purchased		
Shares sold to employees		321
Options exercised		(82)
Contributions to ESOT		
Net earnings		
Dividends, $.40 per share		
Net adjustment for foreign currency translation		
Cumulative effect of changing to the new standard of accounting for income taxes		
BALANCE, DECEMBER 31, 1991	$ 4,364	$ 6,241

See notes to consolidated financial statements.

Retained Earnings	Treasury Shares	Subscriptions Receivable From Employees	Future Contributions To ESOT	Total
$ 38,475	$ (13,640)		$ (688)	$ 29,703
	522	$ (3,020)		385
	(2,410)			(2,410)
	152			914
	105			388
			85	85
5,016				5,016
(863)				(863)
41				41
42,669	(15,271)	(3,020)	(603)	33,259
	(7)	491		463
	(3,492)			(3,492)
	184			872
	95			318
			61	61
5,242				5,242
(999)				(999)
11				11
46,923	(18,491)	(2,529)	(542)	35,735
	(23)	470		439
	(3,212)			(3,212)
	556			877
	563			481
			60	60
5,867				5,867
(1,071)				(1,071)
(28)				(28)
112				112
$ 51,803	$ (20,607)	$ (2,059)	$ (482)	$ 39,260

THE DAVEY TREE EXPERT COMPANY AND SUBSIDIARY COMPANIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

	1991	1990	1989
	Years Ended December 31 (Dollars in Thousands)		
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net earnings	$ 5,867	$ 5,242	$ 5,016
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Depreciation and amortization	11,431	12,134	10,437
Deferred income taxes	(798)	(656)	(208)
	16,500	16,720	15,245
Change in operating assets and liabilities:			
Accounts receivable	1,519	(1,509)	(2,263)
Other assets	205	(492)	(446)
Accounts payable and accrued liabilities	(411)	918	(1,146)
Other liabilities	95	237	(37)
Net cash provided by operating activities	17,908	15,874	11,353
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sales of property and equipment	270	279	147
Capital expenditures;			
Land and buildings	(2,030)	(798)	(2,695)
Equipment	(11,811)	(14,030)	(14,511)
Net cash used in investing activities	(13,571)	(14,549)	(17,059)
CASH FLOWS FROM FINANCING ACTIVITIES:			
ESOT payment of debt guaranteed by Company	60	61	85
Net borrowings (payments) under notes payable, bank	(1,091)	333	738
Principal payments of long term debt	(1,285)	(8,358)	(1,519)
Proceeds from issuance of long-term debt	1,100	8,853	7,880
Sales of treasury shares	1,358	1,190	4,711
Receipts from (financing of) stock subscriptions	439	463	(3,020)
Dividends paid	(1,071)	(999)	(863)
Repurchase of common stock	(3,212)	(3,492)	(2,410)
Net cash provided by (used in) financing activities	(3,702)	(1,949)	5,602
NET CHANGE IN CASH AND CASH EQUIVALENTS	635	(624)	(104)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	545	1,169	1,273
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 1,180	$ 545	$ 1,169

See notes to consolidated financial statements.

THE DAVEY TREE EXPERT COMPANY AND SUBSIDIARY COMPANIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
THREE YEARS ENDED DECEMBER 31, 1991

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation - The consolidated financial statements include the accounts of The Davey Tree Expert Company and its wholly-owned subsidiary companies.

Cash equivalents are highly liquid investments with maturities of three months or less when purchased. Due to the short maturities, the carrying amount of the investments approximates fair value.

Accounts Receivable - No allowance was considered necessary for any of the years presented.

Intangible assets represent employment contracts, client lists and similar assets resulting from business acquisitions and are being amortized on a straight-line basis over their estimated useful lives.

Property and Equipment - The Company records property and equipment at cost. Generally, land improvements, leasehold improvements and buildings are depreciated by the straight-line method while the double declining balance method has been used for equipment. In 1991, the Company changed to the 150% declining-balance method for all newly acquired equipment. This change was made to more closely align depreciation expense with the economic lives of its assets and increased net income by $253,000 or $.09 per share. The estimated useful lives used in computing depreciation are: land improvements, 5-20 years; buildings and leasehold improvements, 5-40 years; equipment, 3-10 years.

Insurance - The Company is insured at different levels of coverage beyond various self-insured retention levels for workers' compensation, auto and general liability. For some of the policies the Company pays premiums which are subject to retrospective premium adjustments by the insurance company for up to three years. These premiums are affected by several factors, including the safety record and experience of both the Company and industry, and economic conditions. The Company recorded income (expense), net of income taxes, from such adjustments of $1,614,000 in 1991, $1,186,000 in 1990 and $(244,000) in 1989.

Reclassifications have been made to the prior-year financial statements to conform to the current year presentation.

2. COMMON AND PREFERRED SHARES

The Company has authorized a class of 4,000,000 preferred shares, no par value, of which none were issued.

The number of common shares issued was 4,364,220 at December 31, 1991, 1990 and 1989. At those respective dates, the number of shares in the treasury were 1,696,955, 1,643,094 and 1,550,838.

The Company's stock is not listed or traded on an active stock market and market prices are, therefore, not available. Semiannually, the fair value based upon the Company's performance and financial condition is determined by an independent financial consulting firm.

2. COMMON AND PREFERRED SHARES (Continued)

Stock Option Plans - The Company has two qualified stock option plans available for officers and management employees. The status of the qualified stock option plans are as follows at December 31, 1991:

	Option Plan			
	1985			1987
Grant date	May 22 1985	September 10, 1986	May 20 1987	December 31, 1989
Options granted	55,600	75,000	109,600	137,900
Exercised through 1989	(24,112)	(22,000)	(17,600)	
Exercised in 1990	(31,488)	(2,000)	(3,400)	(100)
Exercised in 1991		(51,000)	(1,000)	(100)
Options outstanding, December 31, 1991	-0-	-0-	87,600	137,700
Option purchase price based on fair value at grant date	$ 8.05	$ 9.15	$ 12.92	$ 18.79
Year of expiration	1990	1991	1994	1999

Stock Purchase Plan - The Company has an employee stock purchase plan for which 760,000 shares have been reserved. The Plan provides the opportunity for all full-time employees with two years of service to purchase shares through payroll deductions. The purchase price for the shares offered under the Plan is 85% of the fair value of the shares. The Plan will terminate when no more shares are available to be offered or December 31, 2001, whichever occurs first.

Purchases under the plan have been as follows:

	1991	1990	1989
Number of employees participating	693	715	585
Annual shares purchased	43,653	49,166	46,509
Average price paid	$18.33	$16.46	$14.22
Cumulative shares purchased	489,554	445,901	396,735
Shares available for future purchase	270,446	314,099	363,265

2. COMMON AND PREFERRED SHARES (Continued)

Stock Subscription Offering - In 1989 the Company made a stock subscription offering to employees and directors whereby they could subscribe to purchase stock for $15.86 per share. Employees could purchase the Company's common shares by making a 10% cash down payment and financing the remainder of the balance with seven-year promissory notes payable to the Company through monthly payroll deductions or annual installments commencing in September 1989. The notes bear interest at a rate of 8% per annum and are reflected as subscriptions receivable in shareholders' equity. A total of 141 participants subscribed for 228,876 common shares of the Company.

3. ACCRUED LIABILITIES

Accrued liabilities consisted of:

	December 31 1991	1990	1989
	(Dollars in Thousands)		
Wages, salaries, etc.	$ 2,877	$ 3,108	$ 2,967
Workers' compensation	1,744	2,129	1,504
Accrued vacation	1,359	1,348	1,284
Taxes, other than taxes on income	944	870	821
Other	390	420	332
	$ 7,314	$ 7,875	$ 6,908

4. NOTES PAYABLE, BANK AND LONG-TERM DEBT

Notes Payable, Bank

The Company has a bank operating loan which is repayable on demand and bears interest at the bank's prime rate plus .125%. Additionally, the Company has unused short-term lines of credit with three banks totalling $3,520,000, generally at the banks' prime rate. The prime rate was 6.5% at December 31, 1991.

Long-Term Debt

	December 31 1991	1990	1989
	(Dollars in Thousands)		
Revolving credit agreement	$ 2,500	$ 1,400	$ 8,500
Notes payable	8,000	8,000	
Corporate center financing	1,375	1,875	2,375
Long-term debt of ESOT	482	542	602
Subordinated notes - stock redemption	521	841	685
Term loans	766	1,018	1,146
Other	876	1,028	901
	14,520	14,704	14,209
Less current maturities	1,165	1,302	1,253
	$ 13,355	$ 13,402	$ 12,956

4. NOTES PAYABLE, BANK AND LONG-TERM DEBT (Continued)

The total annual installments required to be paid on long-term debt in the years 1992 to 1996 are as follows: 1992, $1,165,000; 1993, $1,023,000; 1994, $793,000; 1995, $128,000; 1996, $29,000. Excluded from these installments are the revolving credit agreement, notes payable and long-term debt of ESOT which are classified as long-term debt since it is expected that these amounts will be outstanding throughout the ensuing year.

Revolving Credit Agreement

The Revolving Credit Agreement ("Revolver") permits the Company to borrow up to $15,000,000. The Agreement provides for interest on any borrowings on the Revolver at prime, plus a commitment fee of 3/16 of 1% on the unborrowed commitment. Borrowings under the Revolver may be converted, at the Company's option, to five-year term loans.

Under the most restrictive covenants of the Agreement, dividend payments could not exceed $1,509,000 in 1991, and the Company is obligated to maintain a minimum shareholders' equity, as defined, of $20,000,000; a minimum ratio of shareholders' equity to total liabilities, as defined, of .75 to 1 at December 31 of each year; and a minimum current ratio of 1 to 1.

Notes Payable

Notes payable totaling $8,000,000 consist of borrowings from banks for periods of up to 90 days at rates based either on the London Interbank Offered Rate (LIBOR), or at a money market option rate, which are generally less than the U.S. prime rate. The Company intends to refinance these obligations either through continued uninterrupted renewal of the notes or borrowing under the Revolving Credit Agreement.

Corporate Center Financing

Corporate Center financing consists of $1,125,000 of Industrial Development Bonds which bear interest at 88% of prime, and are to be repaid in equal quarterly principal payments of $125,000 through February 1, 1994. Also included is a $250,000 Community Development Block Grant, at 3% interest, to be repaid by a principal payment of $250,000 on August 1, 1994. The financing is collateralized by the net book value of the Corporate Center which was $4,610,000 at December 31, 1991.

Long-Term Debt of ESOT

The agreement provides for equal quarterly installments of $15,061 plus interest of 8.4% with the final installment of $481,950 due March 20, 1992. The Company intends to refinance this obligation for an approximate term of five years either through borrowing under the revolving credit agreement or a separate term loan. Therefore, the entire amount is classified as long-term debt.

4. NOTES PAYABLE, BANK AND LONG-TERMS DEBT (Continued)

Subordinated Notes

In 1990 and 1988 the Company redeemed shares of its common stock from shareholders for cash and 5-year subordinated promissory notes bearing interest at a rate equal to the average of the prime rate and the prevailing local bank basic savings rate. There were 32,937 shares redeemed in 1990 for cash of $179,730 and notes of $478,022. In 1988, 40,744 shares were redeemed for cash of $274,320 and notes of $346,619.

Term Loans

Interest on these loans varies from prime plus 3/8 of 1% to prime plus 3/4 of 1%, and the amounts outstanding are being repaid primarily in equal monthly installments through November 10, 1994.

Interest on Debt

The Company made cash payments for interest on all debt of $2,066,000, $2,266,000 and $1,590,000 in 1991, 1990, and 1989, respectively.

5. EMPLOYEE STOCK OWNERSHIP PLAN

On March 15, 1979, the Company consummated a plan which transferred control of the Company to its employees. As a part of this plan, the Company sold 1,440,000 Common Shares to the Company's new Employee Stock Ownership Trust (ESOT) for $2,700,000.

The Employee Stock Ownership Plan, in conjunction with the related trust (ESOT), provides for the grant to certain employees of certain ownership rights in, but not possession of, the Common Shares held by the trustee of the Trust. Annual allocations of shares are made to individual accounts established for the benefit of the participants.

The Employee Stock Ownership Plan includes as participants, all nonbargaining employees of the parent company and its domestic subsidiaries who have attained age 21 and completed one year of service.

The number of shares released from collateral and available for allocation to ESOT participants is determined by dividing the sum of the current year loan principal and interest payments by the sum of the current and future years' loan principal and interest payments. The Company makes annual cash contributions to the ESOP, net of dividends paid on the shares held as collateral, sufficient to pay the principal and interest on the ESOT debt; such contributions are reflected as an expense of the Company.

5. EMPLOYEE STOCK OWNERSHIP PLAN (Continued)

The contributions to the ESOT for 1991, 1990 and 1989 were:

	1991	1990	1989
		(Dollars in Thousands)	
Principal repayment	$ 60	$ 61	$ 85
Interest	44	50	82
Total cash contributions required	104	111	167
Less dividends paid on collateral shares	55	59	65
ESOT expense	$ 49	$ 52	$ 102
Annual release of shares from collateral	24,177	25,401	38,880
Cumulative release of shares from collateral	1,326,479	1,302,302	1,276,901
Number of shares remaining in collateral	113,521	137,698	163,099

6. PENSION PLANS

Description of Plans

Substantially all of the Company's employees are covered by two defined benefit pension plans. One of these plans is for non-bargaining unit employees and is non-contributory with respect to annual compensation up to a defined level with voluntary contributions beyond the specified compensation levels in graduated increments and provides benefits under a formula based on length of service, compensation levels, and employee contributions. The other plan is for bargaining unit employees not covered by union pension plans and allows fixed employee contributions and provides benefits at a fixed monthly amount based upon length of service.

Funding Policy

The Company's funding policy is to make the annual contributions necessary to fund the plans within the range permitted by applicable regulations. The plans' assets are invested by outside asset managers in marketable debt and equity securities.

6. PENSION PLANS (Continued)

Expense Recognition

Pension expense (income) for 1991, 1990 and 1989 was calculated as follows:

	1991	1990	1989
	(Dollars in Thousands)		
Service cost - increase in benefit obligations earned during the period	$ 572	$ 451	$ 486
Interest cost on projected benefit obligation	730	704	654
Return on plan assets - loss (earnings)	(3,679)	161	(2,970)
Deferral (amortization) of unrecognized net assets	2,402	(1,439)	1,921
Net pension expense (income)	$ 25	$ (123)	$ 91

The funded status of pension plans at December 31 were as follows:

	1991	1990	1989
	(Dollars in Thousands)		
Plan assets at fair market value	$ 16,910	$ 13,541	$ 14,681
Projected benefit obligations	(9,449)	(9,191)	(8,498)
Excess of assets over projected benefit obligations	7,461	4,350	6,183
Unrecognized initial asset	(1,443)	(1,515)	(1,587)
Unrecognized gain	(4,247)	(1,328)	(3,388)
Unrecognized prior service cost	(290)	(259)	(230)
Prepaid pension expense recognized as other assets in balance sheet	$ 1,481	1,248	$ 978

The projected benefit obligation was determined using an assumed discount rate of 8% and an assumed long-term compensation rate increase of 5% in 1991 and 6% in 1990 and 1989. The assumed long-term rate of return on plan assets was 8½% in 1991 and 8% in 1990 and 1989.

The projected benefit obligation is based on an accumulated benefit obligation of $8,055,000, $7,743,000 and $7,447,000 at December 31, 1991, 1990 and 1989, respectively, which includes vested benefits of $7,881,000, $7,667,000 and $6,948,000, respectively.

7. INCOME TAXES

In February 1992, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards (SFAS) No. 109, "Accounting for Income Taxes" which requires an asset and liability approach for financial accounting and reporting for income taxes. The Company has elected to adopt it for the year ended December 31, 1991. In years prior to 1991, deferred income taxes were provided to recognize the effect of timing differences between financial statement and income tax reporting in accordance with Accounting Principles Board Opinion No. 11.

The statement requires that a deferred tax liability be recognized for temporary differences that will result in taxable amounts in future years, and that a deferred tax asset be recognized for temporary differences that will result in deductible amounts in future years and carryforwards.

SFAS No. 109 also requires that the effect of its initial application be reported as the effect of a change in accounting principle. Accordingly, the adjustment of $606,000 to retroactively apply the new statement is included in income of 1991 and results primarily from applying lower enacted tax rates to taxable and deductible temporary differences existing at the beginning of the year. A significant amount of this adjustment is attributable to a reduction in the deferred tax liability recognized for accelerated depreciation.

The approximate tax effect of each type of temporary difference that gave rise to the Company's deferred tax assets (no valuation allowance was considered necessary) and liabilities at December 31, 1991 were as follows:

Deferred Tax Consequences

	Assets	(Liabilities)	Total
		(Dollars in Thousands)	
Non-deductible accruals for:			
Compensated absences	$ 326		$ 326
Casualty insurance premiums	425		425
Other	23		23
Current	774		774
Accelerated depreciation for tax purposes		$ (2,391)	(2,391)
Pensions		(462)	(462)
ESOT dividends	112		112
Other	31		31
Noncurrent	143	(2,853)	(2,710)
Total	$ 917	$ (2,853)	$ (1,936)

7. INCOME TAXES (Continued)

Significant components of income tax expense includes:

	1991	1990	1989
	(Dollars in Thousands)		
Taxes currently payable:			
U.S. Federal	$ 2,443	$ 3,547	$ 2,463
Canadian	515	270	350
State and local	595	606	400
	3,553	4,423	3,213
Deferred tax expense (benefit):			
U.S.	(152)	(603)	(245)
Canada	4	(53)	37
	(148)	(656)	(208)
	$ 3,405	$ 3,767	$ 3,005

The differences between the U.S. Federal statutory tax rate and the effective tax rates are as follows:

	1991	1990	1989
U.S. Federal statutory tax rate	34.0%	34.0%	34.0%
State and local income taxes	4.6	4.4	3.3
Canadian income taxes	2.0	1.8	2.5
Miscellaneous	(1.3)	1.6	(2.3)
Effective tax rate	39.3%	41.8%	37.5%

Earnings before income taxes and cumulative effect by country are as follows:

	1991	1990	1989
	(Dollars in Thousands)		
U.S.	$ 7,651	$ 8,851	$ 7,576
Canadian	1,015	158	445
	$ 8,666	$ 9,009	$ 8,021

The Company made cash payments for income taxes of $4,073,000, $3,314,000 and $3,226,000 in 1991, 1990 and 1989, respectively.

8. CUSTOMERS

The Company provides a broad line of horticultural services to corporate, institutional and residential customers throughout most of the United States and Canada. The Company's major service line, utility line clearance, represented approximately 65% of the outstanding accounts receivable at December 31, 1991 and 1990. The Company had revenues from one utility customer under multiple five-year contracts aggregating approximately $31,000,000 in 1991, $29,000,000 in 1990 and $28,000,000 in 1989. The Company performs ongoing credit evaluations of its customers' financial condition and generally requires no collateral.

9. OPERATING LEASES

The Company primarily leases facilities which are used for district office and warehouse operations. These leases extend for varying periods of time up to four years and, in some cases, contain renewal options. Total rental expenses under such operating leases amounted to approximately $1,126,000, $1,170,000 and $1,162,000 for 1991, 1990 and 1989, respectively. As of December 31, 1991, future minimum rental payments, including taxes and other operating costs, for all operating leases having noncancelable lease terms in excess of one year, totalled $1,085,000 and are expendable as follows: 1992, $614,000; 1993, $326,000; 1994, $115,000 and 1995, $30,000.

10. COMMITMENTS AND CONTINGENCIES

The Company is party to a number of lawsuits, threatened lawsuits and other claims arising out of the normal course of business. Management is of the opinion that liabilities which may result are adequately covered by insurance, or to the extent not covered by insurance, would not be material in relation to the financial statements.

At December 31, 1991, the Company was contingently liable to its major bank in the amount of $5,023,000 for outstanding letters of credit for deferred premiums and guarantees relating to certain insurance contracts and guarantees of debt for two of its subsidiaries.

11. POSTRETIREMENT BENEFITS OTHER THAN PENSIONS

The Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 106, "Employers Accounting for Postretirement Benefits Other Than Pensions" which requires accrual of postretirement benefits (such as health care benefits) during the years an employee provides services. The Company believes the impact of this statement will not be significant upon adoption in 1993.

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THE DAVEY TREE EXPERT COMPANY AND SUBSIDIARY COMPANIES

SCHEDULE V - PROPERTY, PLANT AND EQUIPMENT

(Dollars in Thousands)

Description	Balance at Beginning of Period	Additions At Cost	Retirements	Other Charges Add/(Deduct)	Balance at End of Period
Year-Ended December 31, 1989:					
Land & Land Improvements	$ 2,419	$ 599	$	$ (21)	$ 2,997
Building & Leaseholds	9,740	2,096		69	11,905
Equipment	78,966	13,912	3,600	75	89,353
	$ 91,125	$16,607	$3,600	$ 123	$104,255
Year-Ended December 31, 1990:					
Land & Land Improvements	$ 2,997	$ 434	$ 1	$ 1	$ 3,431
Building & Leaseholds	11,905	527	85	--	12,347
Equipment	89,353	13,677	4,538	14	98,506
	$104,255	$14,638	$4,624	$ 15	$114,284
Year-Ended December 31, 1991:					
Land & Land Improvements	$ 3,431	$ 516	$ 9	$ (1)	$ 3,937
Buildings & Leaseholds	12,347	1,601	99	(2)	13,847
Equipment	98,506	10,738	3,421	(5)	105,818
	$114,284	$ 12,855	$ 3,529	$ (8)	$123,602

THE DAVEY TREE EXPERT COMPANY AND SUBSIDIARY COMPANIES

SCHEDULE VI - ACCUMULATED DEPRECIATION, DEPLETION AND AMORTIZATION OF PROPERTY, PLANT AND EQUIPMENT

(Dollars in Thousands)

Description	Balance at Beginning of Period	Depreciation Expenses	Retirements	Other Charges Add/(Deduct)	Balance at End of Period
Year-Ended December 31, 1989:					
Land & Land Improvements	$ 116	$ 46	$	$	$ 162
Buildings & Leaseholds	2,480	403		5	2,888
Equipment	55,079	9,777	3,342	66	61,580
	$57,675	$10,226	$3,342	$ 71	$64,630
Year-Ended December 31, 1990:					
Land & Land Improvements	$ 162	$ 60	$ --	$ --	$ 222
Buildings & Leaseholds	2,888	480	1	--	3,367
Equipment	61,580	11,476	4,325	15	68,746
	$64,630	$12,016	$4,326	$ 15	$72,335
Year-Ended December 31, 1991:					
Land & Land Improvements	$ 222	$ 77	$ --	$ --	$ 299
Buildings & Leaseholds	3,367	552	50	--	3,869
Equipment	68,746	10,672	3,535	19	75,902
	$72,335	$11,301	$3,585	$ 18	$80,070

THE DAVEY TREE EXPERT COMPANY AND SUBSIDIARY COMPANIES

SCHEDULE IX - SHORT-TERM BORROWINGS

(Dollars in Thousands)

Notes Payable, Bank	Balance at End of Period	Weighted Average Interest Rate	Maximum Amount Outstanding During the Period	Average Amount Outstanding During the Period (1)	Weighted Average Interest Rate During the Period (2)
December 31, 1989	$ 838	13.30%	$1,590	$ 847	12.26%
December 31, 1990	$1,171	12.86%	$1,506	$1,206	13.95%
December 31, 1991	$ 80	6.53%	$1,892	$1,017	8.76%

(1) Average amount outstanding during the period is computed by dividing the total of daily outstanding principal balances by 360.

(2) Weighted average interest rate during the period is computed by multiplying the actual outstanding principal balances by the applicable interest rates and by the actual days outstanding and averaging the resultant totals.

THE DAVEY TREE EXPERT COMPANY AND SUBSIDIARY COMPANIES

SCHEDULE X - SUPPLEMENTARY INCOME STATEMENT DATA

(Dollars in Thousands)

	Charged to Costs & Expenses		
	Year-Ended December 31		
	1991	1990	1989
Maintenance and Repairs	$10,842	$10,462	$ 9,815
Amortization of Intangible Assets	(A)	(A)	(A)
Pre-Operating Costs and Similar Deferrals	(A)	(A)	(A)
Taxes, Other Than Payroll and Income Taxes	(A)	(A)	(A)
Royalties	(A)	(A)	(A)
Advertising	(A)	(A)	(A)

(A) Amounts are not presented as such amounts are less than 1% of net sales