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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM 11-K**

☒ **ANNUAL REPORT PURSUANT TO SECTION 15 (d) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

**For the fiscal year ended December 31, 2002**

**OR**

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF  
THE SECURITIES EXCHANGE ACT OF 1934**

**For the transition period from \_\_\_\_\_ to \_\_\_\_\_**

**Commission file number 0-11917**

A. Full title of the plan and the address of the plan; if different from that of the issuer below:

**The Davey 401KSOP and ESOP**

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

**The Davey Tree Expert Company  
1500 North Mantua Street  
P.O. Box 5193  
Kent, Ohio 44240**

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**The Davey 401KSOP and ESOP ("Plan")  
Form 11-K  
December 31, 2002**

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**The Davey 401KSOP and ESOP**  
**December 31, 2002**

**SIGNATURES**

*The Plan.* Pursuant to the requirements of the Securities Exchange Act of 1934, the Plan Administrator has duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

THE DAVEY 401KSOP AND ESOP

By: The Davey Tree Expert Company  
as Plan Administrator

Date: June 27, 2003

By: /s/ David E. Adante  
David E. Adante  
Executive Vice President, Chief Financial Officer  
and Secretary

## **The Davey 401KSOP and ESOP ("Plan")**

Audited financial statements and supplemental schedules for the Plan prepared in accordance with the financial reporting requirements of the Employee Retirement Income Security Act of 1974, as amended, are filed herewith in lieu of an audited statement of financial condition and statement of income and changes in plan equity.

### **INDEX TO FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES**

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All other schedules are omitted as not applicable or not required.

## **REPORT OF INDEPENDENT AUDITORS**

To the 401KSOP and ESOP Committee  
The Davey 401KSOP and ESOP  
Kent, Ohio

We have audited the accompanying statements of net assets available for benefits of The Davey 401KSOP and ESOP as of December 31, 2002 and 2001, and the related statement of changes in net assets available for benefits for the year ended December 31, 2002. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. 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, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2002 and 2001, and the changes in its net assets available for benefits for the year ended December 31, 2002, in conformity with accounting principles generally accepted in the United States.

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedules of assets (held at end of year) as of December 31, 2002 and reportable transactions for the year then ended, are presented for purposes of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. These supplemental schedules are the responsibility of the Plan's management. The supplemental schedules have been subjected to the auditing procedures applied in our audits of the financial statements and, in our opinion, are fairly stated in all material respects in relation to the financial statements taken as a whole.

/s/ Ernst & Young LLP

Akron, Ohio  
June 23, 2003

**The Davey 401KSOP and ESOP**  
**Statement of Net Assets Available for Benefits**

**December 31, 2002**

	<b>Nonparticipant Directed-- The Davey Tree Expert Company Stock Fund</b>	<b>Participant Directed Investment Funds</b>	<b>2002 Total</b>
<b>Assets</b>			
Investments, at fair value:			
Common shares	\$ 33,646,067	\$ 1,176,333	\$ 34,822,400
Mutual funds	-	4,946,749	4,946,749
Common collective trust funds	<u>779,486</u>	<u>1,978,610</u>	<u>2,758,096</u>
Total investments	34,425,553	8,101,692	42,527,245
Receivables:			
The Davey Tree Expert Company contributions	581,460	-	581,460
Participants' contributions	-	65,197	65,197
Dividends and interest	<u>112</u>	<u>-</u>	<u>112</u>
Total receivables	<u>581,572</u>	<u>65,197</u>	<u>646,769</u>
Net assets available for benefits	<u>\$ 35,007,125</u>	<u>\$ 8,166,889</u>	<u>\$ 43,174,014</u>

*See notes to financial statements.*

**The Davey 401KSOP and ESOP**  
**Statement of Net Assets Available for Benefits**

**December 31, 2001**

	<b>Nonparticipant Directed-- The Davey Tree Expert Company Stock Fund</b>	<b>Participant Directed Investment Funds</b>	<b>2001 Total</b>
<b>Assets</b>			
Investments, at fair value:			
Common shares	\$ 32,332,882	\$ 915,470	\$ 33,248,352
Mutual funds	-	4,660,352	4,660,352
Common collective trust funds	<u>174,913</u>	<u>1,978,528</u>	<u>2,153,441</u>
Total investments	32,507,795	7,554,350	40,062,145
 Receivables:			
The Davey Tree Expert Company contributions	495,927	-	495,927
Participants' contributions	-	71,364	71,364
Dividends and interest	<u>322</u>	<u>-</u>	<u>322</u>
Total receivables	<u>496,249</u>	<u>71,364</u>	<u>567,613</u>
Net assets available for benefits	<u><u>\$ 33,004,044</u></u>	<u><u>\$ 7,625,714</u></u>	<u><u>\$ 40,629,758</u></u>

*See notes to financial statements.*

# **The Davey 401KSOP and ESOP**

## **Statement of Changes in Net Assets Available for Benefits**

**Year ended December 31, 2002**

	<b>Nonparticipant Directed-- The Davey Tree Expert Company Stock Fund</b>	<b>Participant Directed Investment Funds</b>	<b>2002 Total</b>
<b>Additions</b>			
Contributions:			
Participants	\$ -	\$ 1,977,651	\$ 1,977,651
The Davey Tree Expert Company-- common shares	559,402	-	559,402
Net appreciation (depreciation) in fair value of investments	2,122,907	(1,124,716)	998,191
Dividend and interest income	<u>636,219</u>	<u>102,851</u>	<u>739,070</u>
Total additions	3,318,528	955,786	4,274,314
<b>Deductions</b>			
Distributions to participants:			
Cash	1,247,827	411,149	1,658,976
Common shares	11,483	-	11,483
Administrative expenses	<u>56,137</u>	<u>3,462</u>	<u>59,599</u>
Total deductions	<u>1,315,447</u>	<u>414,611</u>	<u>1,730,058</u>
Net additions	2,003,081	541,175	2,544,256
Net assets available for benefits:			
Beginning of year	<u>33,004,044</u>	<u>7,625,714</u>	<u>40,629,758</u>
End of year	<u>\$ 35,007,125</u>	<u>\$ 8,166,889</u>	<u>\$ 43,174,014</u>

*See notes to financial statements.*



# **The Davey 401KSOP and ESOP**

## **Notes to Financial Statements**

**December 31, 2002**

### **A. Description of the Plan**

The following description of The Davey 401KSOP and ESOP (the Plan) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

#### **General**

The Plan is a defined contribution plan covering all domestic employees of The Davey Tree Expert Company (Company and Plan Sponsor) who have attained age 21, completed one year of continuous service and who are not members of a collective bargaining unit. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

On March 15, 1979, the Company consummated a plan which transferred control of the Company to its employees through an employee stock ownership plan (the ESOP). At December 31, 1996, all of the 2,880,000 common shares sold to the ESOP had been allocated to the participants in the Plan. Accordingly, effective January 1, 1997, an amendment was adopted which renamed and restated the Plan in its entirety to incorporate a deferred savings plan (401(k) plan) feature. The Plan retained the existing ESOP assets and participant accounts.

KeyBank National Association (the Trustee) served as the Plan's Trustee through February 2003, succeeded by Reliance Trust Company, effective March 1, 2003. Also effective March 1, 2003, Wells Fargo Retirement Services became the Custodian pursuant to the provisions of the Plan, succeeding KeyBank National Association.

#### **Contributions**

Participating employees have the option to make elective contributions, subject to the limit allowed by the Internal Revenue Code (\$11,000 for 2002, excluding catch-up contributions), further limited by other maximum contribution limits established by federal law, and subject to a weekly minimum contribution of \$5. The Company makes an annual matching contribution equal to 50% of the first 3% of compensation that a participant contributes. Company contributions are made in either cash or the Company's common shares.

## **The Davey 401KSOP and ESOP**

### **Notes to Financial Statements (continued)**

#### **A. Description of the Plan (continued)**

##### **Participant Accounts**

Each participant's account is credited with the participant's contribution and allocations of (a) the Company's contribution and, (b) plan earnings and charged with an allocation of administrative expenses. Allocations are based on the participant's selected investment mix. A participant is entitled to the benefit that can be provided from the participant's vested account balance.

##### **Vesting**

Participants are immediately vested in their contributions plus actual earnings thereon. Vesting in the Company's matching contribution plus actual earnings thereon is based on years of continuous service. A participant is 100% vested after three years of continuous service, retirement (at 65 years of age or early retirement), permanent disability or death.

##### **Investment Options**

Participants were provided with the following fund options and related investment profiles (provided by the fund managers), including directing up to 25% of their total contributions to The Davey Tree Expert Company Stock Fund.

*Victory Money Market Fund*--Invests in high-grade money market instruments.

*Victory Intermediate Income Fund*--Invests in bonds issued by corporations and obligations of the U.S. Government and its agencies or instrumentalities.

*Aim Balanced Fund*--Invests in a broadly diversified portfolio of stocks and bonds.

*Victory Equity Index Fund*--Invests in a diversified portfolio of common stocks included in the Standard and Poor's 500 Index designed to replicate the performance of the Standard & Poor's 500 Index.

*Janus Twenty Fund Inc*--Invests in a core of 20 to 30 companies that includes a combination of well established, multinational businesses and medium-size and faster-growing companies.

*Invesco Dynamics Fund Inc*--Invests in equity securities of mid-sized core growth companies.

*Victory Diversified Stock Fund*--Invests in equity securities of large, established companies.

*Franklin Small-Mid Cap Growth Fund*--Invests in common stocks of small and medium sized companies.

*Neuberger Berman Genesis*--Invests in common stocks of companies with market capitalizations less than \$1.5 billion at the time of purchase.

## **The Davey 401KSOP and ESOP**

### **Notes to Financial Statements (continued)**

#### **A. Description of the Plan (continued)**

*Mutual Discovery Fund*--Invests in common and preferred stocks, debt securities and convertible securities of small sized companies. Approximately 50% of the funds are invested in foreign investments.

*Templeton Growth Fund*--Invests in common stocks and debt obligations of companies and governments in the U.S. and abroad.

*The Davey Tree Expert Company Stock Fund*--Invests in common shares of The Davey Tree Expert Company (with temporary investments made in the Employee Benefits Money Market Fund).

Participants may change their investment options once each quarter.

#### **Payment of Benefits**

Participants who terminate may elect to receive distributions of vested benefits either in cash or common shares of the Company. Shares of the Davey Tree Expert Company Stock Fund issued after January 1, 1997 are to be distributed in a lump sum as either shares or cash. Shares of the Davey Tree Expert Company Stock Fund issued before January 1, 1997 may be distributed in a lump sum of shares; or at the option of the participant, cash may be distributed either in lump-sum or monthly, quarterly, or annual installments over a period not to exceed either the participant's normal life expectancy, or the normal life expectancy of the participant and their beneficiary. Former participants wishing to sell their shares must offer such shares first to the Plan and then to the Company.

#### **Forfeited Accounts**

As of December 31, 2002, forfeited nonvested accounts totaling \$626,813 were available to reduce future Company contributions.

#### **Voting Rights**

Each participant is entitled to exercise voting rights attributable to the common shares of the Company allocated to his or her account and is notified by the Trustee at least thirty days prior to the time such rights are to be exercised. Participants are requested to instruct the Trustee as to how shares should be voted. If a participant does not provide the Trustee with instructions as to how shares should be voted, then such shares are voted, as provided in the Plan, proportionately in accordance with instructions received from other participants in the Plan.

**The Davey 401KSOP and ESOP**  
**Notes to Financial Statements (continued)**

**B. Summary of Significant Accounting Policies**

**Basis of Accounting**

The financial statements have been prepared on the accrual basis of accounting.

**Investment Valuation and Income Recognition**

The Plan's investments are stated at fair value. Shares or units of mutual funds are valued at quoted market prices which represent the net asset value of shares or units held by the Plan at year-end. Common collective trust funds are stated at fair value as measured by Key Asset Management, Inc., an affiliate of the Trustee, based on the fair market value of the underlying investments. The fair value of the Company's common shares is determined by an independent stock valuation firm.

Purchases and sales of securities are accounted for on the trade date. Dividend income is accounted for on the ex-dividend date.

**Administrative Expenses**

The costs of administering the Plan are paid by the Company, except for trustee and recordkeeping fees, Company stock valuation services and audit fees, which are paid by the Plan.

**Use of Estimates**

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

**C. Investments**

The fair values of the investments representing 5% or more of the Plan's net assets were as follows:

	<b>December 31,</b>	
	<b>2002</b>	<b>2001</b>
The Davey Tree Expert Company common shares, 2,720,500 shares in 2002 and 2,770,696 shares in 2001	\$ 34,822,400	\$ 33,248,352

## **The Davey 401KSOP and ESOP**

### **Notes to Financial Statements (continued)**

#### **C. Investments (continued)**

During the year ended December 31, 2002, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated (depreciated) in value as follows:

	<b>Year Ended December 31, 2002</b>
	<b>Appreciation (Depreciation)</b>
The Davey Tree Expert Company common shares	\$ 2,169,206
Mutual funds	(833,715)
Common collective trust funds	(337,300)
Net appreciation in fair value	<u>\$ 998,191</u>

#### **D. Party-in-Interest Transactions**

Certain plan investments include shares of funds managed by Key Trust Company of Ohio, N.A. Key Trust Company of Ohio, N.A. is an affiliate of the Plan Trustee and, therefore, these transactions qualify as party-in-interest transactions, as defined by ERISA. Fees paid to the Trustee by the Plan totaled \$33,743 for the year ended December 31, 2002.

#### **E. Termination of the Plan**

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants become 100% vested in their accounts.

#### **F. Tax Status of the Plan**

The Internal Revenue Service (IRS) has determined and informed the Company, in a letter dated April 16, 2002, that the Plan is qualified and the trust established under the Plan is tax-exempt under the appropriate sections of the Internal Revenue Code (IRC). Once qualified, the Plan is required to operate in conformity with the IRC to maintain its qualification. The Plan Sponsor believes that the Plan is operated in compliance with the applicable requirements of the IRC and, therefore, believes that the Plan is qualified and the related trust is tax-exempt.

**The Davey 401KSOP and ESOP**  
**EIN: 34-0176110                      Plan Number: 004**

**Schedule H, Line 4i--Schedule of Assets**  
**(Held at End of Year)**

**December 31, 2002**

(a)	(b) Identity of Issue, Borrower, Lessor or Similar Party	(c) Description of Investment	(d) Cost	(e) Current Value
*	The Davey Tree Expert Company (A)	2,720,500 common shares	\$ 5,598,331	\$ 34,822,400
	Mutual Funds:			
*	Key Trust Company of Ohio, N.A.	Victory Intermediate Income Fund--66,712 units		672,458
	Aim Advisors	Aim Balanced Fund-- 3,822 shares		79,528
	Janus Capital	Janus Twenty Fund Inc-- 3,681 shares		106,783
	Invesco Funds Group	Invesco Dynamics Fund Inc-- 7,888 shares		84,084
*	Key Trust Company of Ohio, N.A.	Victory Diversified Stock Fund--2,159 shares		23,837
	Franklin Templeton	Franklin Small-Mid Cap Growth Fund--61,397 shares		1,347,654
	Neuberger Berman Group	Neuberger Berman Genesis Fund--4,253 shares		70,429
	Franklin Templeton	Mutual Discovery Fund-- 77,900 shares		1,251,080
	Franklin Templeton	Templeton Growth Fund-- 82,291 shares		1,310,896
	Common Collective Trust Funds:			
*	Key Trust Company of Ohio, N.A. (A)	Victory Money Market Fund-- 85,014 units	1,144,513	1,193,391
*	Key Trust Company of Ohio, N.A.	Victory Equity Index Fund-- 22,241 units		1,357,437
*	Key Trust Company of Ohio, N.A. (A)	Employee Benefits Money Market Fund--207,268 units	207,268	<u>207,268</u>
				<u>\$ 42,527,245</u>
* (A)	A party-in-interest as defined by ERISA Nonparticipant and participant directed			

**The Davey 401KSOP and ESOP**  
**EIN: 34-0176110                      Plan Number: 004**

**Schedule H, Line 4j--Schedule of Reportable Transactions**  
**(Held at End of Year)**

**For the year ended December 31, 2002**

(a) Identity of Party Involved	(b) Description of Assets	(c) Purchase Price	(d) Selling Price	(g) Cost of Asset	(h) Current Value of Asset on Transaction Date	(i) Net Gain or (Loss)
Category 3. Series of transactions in excess of 5 percent of plan assets						
Key Trust Company of Ohio, N.A.	Employee Benefits	\$1,156,247	-	\$1,156,247	\$1,156,247	\$ -
	Money Market Fund	-	\$1,180,896	1,180,896	1,180,896	-

There were no category 1., 2. or 4. reportable transactions during 2002.

## EXHIBIT INDEX

<b><u>Exhibit No.</u></b>	<b><u>Description</u></b>	
23	Consent of Independent Auditors	Filed Herewith
99.1	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002--Chief Executive Officer	Filed Herewith
99.2	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002--Chief Financial Officer	Filed Herewith



## **Exhibit 23**

### **CONSENT OF INDEPENDENT AUDITORS**

We consent to the incorporation by reference in the Registration Statement (Form S-8 No. 333-24155) pertaining to The Davey 401KSOP and ESOP of our report dated June 23, 2003, with respect to the financial statements and schedules of The Davey 401KSOP and ESOP included in this Annual Report (Form 11-K) for the year ended December 31, 2002.

/s/ Ernst & Young LLP

Akron, Ohio  
June 23, 2003

**Exhibit 99.1**

**Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to  
Section 906 of the Sarbanes-Oxley Act of 2002**

**Certification of Chief Executive Officer**

I, R. Douglas Cowan, Chairman and Chief Executive Officer of The Davey Tree Expert Company (the "Company"), do hereby certify in accordance with 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1.) The Annual Report for The Davey 401KSOP and ESOP on Form 11-K for the year ended December 31, 2002 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and,
- (2.) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Plan.

Date: June 27, 2003

/s/ R. Douglas Cowan  
R. Douglas Cowan  
Chairman and Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to the Plan and will be retained by the Plan and furnished to the Securities and Exchange Commission or its staff upon request.

**Exhibit 99.2**

**Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to  
Section 906 of the Sarbanes-Oxley Act of 2002**

**Certification of Chief Financial Officer**

- (1.) The Annual Report for The Davey 401KSOP and ESOP on Form 11-K for the year ended December 31, 2002 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and,
- (2.) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Plan.

Date: June 27, 2003

/s/ David E. Adante  
David E. Adante  
Executive Vice President, Chief Financial Officer  
and Secretary

A signed original of this written statement required by Section 906 has been provided to the Plan and will be retained by the Plan and furnished to the Securities and Exchange Commission or its staff upon request.