

CITY OF TRENTON, OHIO
Audit Reports Required by
Government Auditing Standards
December 31, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Members of City Council
City of Trenton

We have reviewed the Independent Auditor's Report of the City of Trenton, Butler County, prepared by Clark, Schaefer, Hackett & Co. for the audit period January 1, 2001 through December 31, 2001. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink, appearing to read "Jim Petro".

JIM PETRO
Auditor of State

October 2, 2002

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CITY OF TRENTON, OHIO

Trenton, Ohio

Financial Statements

For the Year Ended December 31, 2001

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Clark, Schaefer, Hackett & Co.
CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS CONSULTANTS

Independent Auditors' Report on Compliance and on Internal Control over
Financial Reporting Based on an Audit of Financial Statements Performed
in Accordance with *Government Audit Standards*

City Council
City of Trenton
11 East State Street
Trenton, Ohio 45067

We have audited the financial statements of the City of Trenton, Ohio (the City) as of and for the year ended December 31, 2001 and have issued our report thereon dated June 14, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted other matters involving compliance that we have reported to the management of the City in a separate letter dated June 14, 2002.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion

of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving internal control over financial reporting that we have reported to management of the City in a separate letter dated June 14, 2002.

This report is intended for the information and use of the audit committee, management, and council and is not intended to be and should not be used by anyone other than these specified parties.

Clark, Schaefer, Hackett & Co.

Middletown, Ohio
June 14, 2002

CITY OF TRENTON, OHIO

Schedule of Prior Findings and Questioned Costs

December 31, 2001

Findings:

None

Questioned Costs:

None

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The City of Trenton 2001 Comprehensive Annual Financial Report





The City of Trenton Ohio

Butler County

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED
DECEMBER 31, 2001**

Prepared by:
Trenton Finance Department

Thomas H. Williams
Treasurer / Director of Finance

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CITY OF TRENTON, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2001

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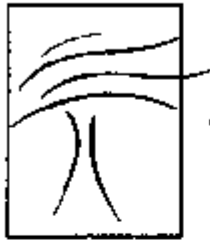
INTRODUCTION



COMPREHENSIVE ANNUAL FINANCIAL REPORT

**For the Year Ended
December 31, 2001**

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CITY OF
Trenton
OHIO

11 East State Street, Trenton OH 45067

July 5, 2002

The Citizens of Trenton Ohio

Honorable Mayor and Members of City Council

THE COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE CITY OF TRENTON

We are pleased to present the City of Trenton's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2001. This report contains basic financial statements, supplemental statements, and other financial and statistical information, providing complete and full disclosure of all material financial aspects of the City for the 2001 fiscal year.

While there is no legal requirement for the preparation of this report, it represents a commitment by the City of Trenton (the City) to conform to nationally recognized standards of excellence in financial reporting. Responsibility for both the accuracy of the presented data, and the completeness and fairness of the presentation, including all disclosures, rest with the City, and specifically, the Treasurer's office.

To the best of our knowledge and belief, the enclosed data, as presented, is accurate in all material respects. It is presented in a manner designed to fairly set forth the financial position and the results of operation of the City. All disclosures have been presented that would enable the reader to gain an understanding of the City's fiscal 2001 financial activity.

This Comprehensive Annual Financial Report is designed to assist and guide the reader in understanding its contents. The report is comprised on the following three major sections:

The Introductory Section includes a table of contents, this letter of transmittal that presents the City's organization and operational structure, significant 2001 department accomplishments, a list of principal elected officials and administrative personnel, and an organizational chart.

The Financial Section contains the City's general-purpose financial statement, which include explanatory notes thereto, the combining and individual fund and account group financial statements and schedules, and the Report of the Independent Auditors.

The Statistical Section presents selective financial, economic, and historical data in a multi-year format, which can be used to identify financial trends and data relative to the fiscal capacity of the City.

State law requires the City to annually publish a complete set of financial statements for the results of its fiscal operations. These financial statements are required to be audited in accordance with the provisions outlined in the Ohio Revised Code and the guidelines of the Auditor of State.

Our independent auditors, Clark, Schaefer, Hackett, and Company, Certified Public Accountants, performed this audit in accordance with generally accepted auditing standards and the *Government Auditing Standards* issued by the Comptroller General of the United States.

The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the year ended December 31, 2001 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation.

The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the year ended December 31, 2001, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

CITY HISTORY

Michael Pearce, a native of Essex County, New Jersey, founded the community that was to become Trenton Ohio in 1799. The land deed, signed by President Thomas Jefferson and the Secretary of State James Madison, established a parcel of 1,500 acres stretching from the Miami River on the east, to the present State Street on the north, and on towards the present Wayne Madison Road as the western boundary.

The community continued as a village until the 1960 census, at which time the population had qualified the community as a city. Today, the City has expanded and now covers an area of 3.67 square miles. Still predominately residential in nature, the current estimated City's population is in excess of 10,000. The population increase is expected to continue and is projected to be at 13,000 before 2007.

Trenton is located within Butler County, one of the fastest growing counties, both within Ohio and the nation. Trenton is located equal distance north of Cincinnati and south of Dayton near interstate 75. Neighboring communities are the City of Middletown to the northeast and the City of Hamilton to the southwest.

FORM OF GOVERNMENT AND REPORTING ENTITY

The City is a home-rule municipal corporation created under the laws of the State of Ohio. The City operates under its own charter. The current charter was adopted in 1971, and provides for a Council-Manager form of government.

For financial reporting purposes, the city includes all funds, account groups, organizations, functions, and activities making up the City of Trenton (the Primary government) in accordance with the Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity".

The Primary Government includes the financial activities of the Departments of the City Manager, Finance, Income Tax, Law, Legislative, Planning and Economic Development, Personnel Board, General Services, the Fire Department, and the Police Department.

The City's accounts are organized as funds and account groups. Each fund is a separate accounting entity with its own self-balancing set of accounts, assets, liabilities, and fund equity. Following are the account groups and the titles of the underlying funds.

Governmental Funds:

The *General Fund* is the general operating fund of the City. It is used to account for all financial resources traditionally associated with government that are not required to be accounted for in another fund.

The *Special Revenue Funds* are used to account for revenues derived from specific taxes, grants, or other restricted revenue sources. Local legislation or state and federal statutes specify the uses and limitation of each special revenue fund. The city maintains ten special revenue funds.

The *Debt Service Funds* are used to account for the resources needed for the payment of long-term principal, interest, and related cost. The City has two debt service funds.

The *Capital Project Funds* are used to account for the financial resources used for the acquisition or construction of major capital facilities other than those that are financed by proprietary funds. The City has three capital project funds.

Proprietary Funds:

The *Enterprise Funds* are used to account for operations that are financed and operated in a manner similar to private business enterprises. The intent of these funds is to provide goods or services to the general public on a continuing basis financed primarily through user charges. The city operates three enterprise funds.

The *Internal Service Fund* is used to account for services provided by one division or agency to other division or agency of government, generally on a cost-reimbursement basis. The City has one internal service fund, covering employee related benefits due in the future at the separation of employees from employment with the City.

Fiduciary Funds:

The *Fiduciary Funds* are used to account for assets held by the City. The City has one fiduciary funds covering unclaimed monies.

General Government Functions:

The following schedules present a summary of general governmental fund revenues by source, and expenses by function, for the fiscal year ending December 31, 2001.

Revenue By Source				
	Amount	Percentage Of Total	Increase (Decrease) From 2000	Percent of Increase (Decrease)
Local Taxes:				
Income Taxes	\$1,107,250	39.31%	85,829	8.40%
Property Taxes	486,424	17.27%	29,265	6.40%
Intergovernmental	735,286	26.11%	97,954	15.37%
Fines, Cost Forfeitures	192,650	6.84%	(1,245)	(0.64%)
Interest Earned	162,818	5.78%	(15,245)	(8.56%)
Miscellaneous	<u>132,465</u>	<u>4.71%</u>	<u>(14,298)</u>	<u>(9.74%)</u>
Total	\$2,816,893	100.00%	\$182,360	6.92%

Expenditures by Function				
	Amount	Percentage Of Total	Increase (Decrease) From 2000	Percent of Increase (Decrease)
Current				
Public Safety	\$1,510,534	51.65%	\$419,779	38.49%
General Government	653,524	22.36%	(24,104)	(3.56%)
Recreation	62,719	2.15%	(62,629)	(49.96%)
Transportation	224,845	7.69%	29,810	15.28%
Debt Service	129,026	4.41%	1,311	1.03%
Capital Outlay	<u>343,392</u>	<u>11.75%</u>	<u>(504,738)</u>	<u>(59.52%)</u>
Total	\$2,923,640	100.00%	(\$140,551)	(4.59%)

Debt Administration:

As of December 31, 2001, the City had two debt issues payable from general governmental funds and one debt issue payable from enterprise funds. Under current State statutes, the City's general obligation debt issuance is subject to legal limitation based on the total assessed valuation of real and personal property. Total general obligation debt, exclusive of certain exempt debt, shall never exceed 10.5% of the total assessed valuation. The unvoted general obligation debt of the City cannot exceed 5.5% of the total assessed valuation. As of December 31, 2001, the City had a legal debt margin for total debt of \$12,091,056 and a legal debt margin for unvoted debt of \$6,333,410.

One of debt issues will be repaid from special assessment monies received from special assessment tax levy. In the event the assessed property owner fails to make payments, the City will be required to pay the related debt. The carry forward balance in the special assessment bond retirement fund is \$32,084. This represents 28% of the remaining unpaid balance of \$114,413.

The other general governmental debt issue is the bond issued in 1999 at a variable interest rate from 4.40% to 4.97% for the municipal building construction. This bond will be repaid from tax monies received in the general debt service fund. The remaining unpaid balance for this bond is \$1,027,000.

The debt payable from enterprise funds covers an OWDA loan issued 25 years ago for the construction of a sewer system. There will be one final payment of \$102,212 on this bond and that payment will be due in July 2002. There is no additional outstanding debt payable from enterprise funds.

Cash Management Policies and Practices:

The primary objective of the City's investment policy is to invest the City's funds in a manner which will guarantee the maximum security of those funds. A further objective is liquidity. Investments are made, keeping in mind the anticipated cash flow requirements needed to meet the obligations of the City.

The Treasurer is authorized to invest the interim funds of the City only in those investment vehicles as described in the Ohio Revised Code. Typical investments include certificates of deposit, federal agency securities, and the Ohio Subdivision's Fund (STAR Ohio).

Lower interest rates have reduced the investment income provided to the City in 2001. The market value of investments as of December 31, 2001 was \$2,467,223. Investment income, net of expenses, was \$157,143.78. This was down from a net investment income in 2000 of \$178,036.71. Public depositories are required by the Ohio Revised Code to give security for all public funds held on deposit. These institutions may either specifically collateralize individual accounts for amounts in excess of the deposits insured by the Federal Deposit Insurance Corporation, or they may pledge a pool of securities valued at no less than 110% of the total value of public monies on deposit at that institution. As of December 31, 2001, all city funds were secured in accordance with these provisions.

THE MANAGEMENT

Trenton has a Council-City Manager form of government. Its citizens elect the seven-member council to serve at large. Four members are elected in an odd-numbered year with the remaining three elected in the following odd-numbered year. Council members serve four-year terms. The Mayor and Vice Mayor are chosen by Council from among its members to serve a two-year term.

Council appoints the City Manager, the Law Director, and the Treasurer / Director of Finance. The Treasurer is responsible for appointing the staff of the Finance Department. The City Manager is responsible for appointing all other Department Heads and the remaining City Staff.

The City Manager is responsible for the implementation of the Council's policies relating to the day-to-day administration and service delivery to the citizens of Trenton. The City provides numerous services for its citizens, including, among others, police, fire and other emergency services protection; the construction and maintenance of highways and streets; parks; water, sewer, storm water management, and refuse services.

The annual budget is the foundation for the City's financial planning and control. The budget process begins with the development of the Tax Budget document due to the Butler County Budget Commission in July. The process ends with the adoption of the final budget that becomes the initial appropriation measure at the beginning of the new fiscal year the following January.

Between these two documents, during the period of September through December, Department heads update their five-year capital improvement needs with the oversight of their respective committee of Council. They then submit their approved capital request to be included within the yearly operating budget. Council, meeting as a committee of the whole approves this final budget document.

ECONOMIC CONDITION AND OUTLOOK

Trenton imposes a 1.5% income tax on earned income on all residents and on those non-resident employees working within Trenton. Trenton offers a credit to residents for taxes paid elsewhere up to the full 1.5% due to the City.

Income Tax revenue accounted for 39.3% of 2001 total General Fund Revenue. As such, it is the most important component of the City's general fund financial base.

Trenton today would be identified as a typical "bedroom community". Few Trenton citizens are employed within the city limits of Trenton. Most residents work at a variety of businesses located in the surrounding city and township areas of the region.

No single employer is the employer for a large number of Trenton residents. Of the top five withholding accounts, three are local governmental units and two are businesses. The total withholding from these five units accounts for less than 22% of total 2001 receipts. If the next five withholding accounts are added, the total receipts are still less than 25% of total 2001 income tax revenue.

City Income Tax revenues are affected by the general business climate in the Greater Cincinnati MSD region. The region has seen a slight change in employment data due to the effects of

September 11th and the resulting economic slowdown. Although no one large regional employer has made a dramatic change in employment numbers, slight changes can make for a cumulative change. In looking forward, we believe income tax revenues will continue to grow consistent with the growth of the City.

The net tax revenue in 2001 increased 8.4% over 2000 net tax revenues. This increase was higher than the ten-year average rate of increase of 7.6% per year. Historical tax revenues are shown in the statistical section of this report. We project net tax revenue will increase in 2002, but the increase will be less than the ten-year average rate of yearly increase.

The second source of funds is derived from permits, fees, fines, investment income, and miscellaneous charges. This group of revenue sources accounted for 17.2% of 2001 total General Fund Revenue.

A change in construction level or a drop in investment income due to lower interest rates could impact this revenue source. We project construction levels in 2002 and 2003 will not show an appreciable change from the results of 2001. We further project a future increase in fine receipts from Mayor's Court due to the newly enlarged police staff and the resulting increase in policing activities. This change should offset any actual lower construction permit revenue or lower investment returns.

The third major source of funds for the General Fund is intergovernmental funds. These funds include such items as Local Government Revenue Assistance, Rollback and Homestead funds, and Inheritance taxes. This group of revenue sources accounted for 26.1% of total 2001 General Fund Revenue.

The State of Ohio is experiencing a financial shortfall in tax revenues as a result of the economic slowdown. Further, the State is facing financial pressure to revise its funding for primary and secondary education as a result of an Ohio Supreme Court decision. Depending upon the impact to the State regarding school funding and other general tax revenue sources, the City could see reduced intergovernmental funds, if the State needs to retain funds to balance its budget.

Finally, the Federal Government adopted a provision to phase-out inheritance taxes by the year 2010. There has been discussion to consider the elimination of that tax at the State level. 2001 inheritance revenues were \$47,707, or 1.7% of total General Fund revenues. Even at this modest level, future elimination of this tax source will impact General Fund operations.

We therefore project a reduction in future funds from this segment of general fund revenue sources. If economic conditions at the State level do not change, out years of 2003 and beyond may show a dramatic drop in intergovernmental fund revenue received the City.

The fourth major source of funds for the general fund is real estate taxes. All of the real estate tax revenue for the general fund is derived from the City's portion of taxes collected within the 10-mil limitation. 2001 real estate tax receipts increased 6.4% over 2000 receipts. This group of revenue sources accounted for 17.3% of total general fund revenue.

We project revenue from real estate taxes will increase. This is due in part to the three year mandated cycle of real estate reevaluation. The next evaluation is scheduled to be completed in 2002 and be effective with collections in 2003. We expect the current real estate to be appraised at a greater value than the current evaluation. The new homes and commercial buildings built each

year will also add to the projected increase in real estate tax revenue to the general fund in our years.

The City's only other real estate tax is a voted 1.5 mil levy to support Fire Department activities. This levy is a five-year levy passed in 1999 and has an additional three years to run.

DEPARTMENTAL INITIATIVES

Division of Police:

2001 was a year of significant change for the Trenton Division of Police. Under the direction of Chief Hale, appointed as Chief in November 2000, the department began the process of expansion, and improvements.

The goal of these changes is to provide more effective law enforcement service to the growing community. Secondary, is the goal to streamline and improve the efficiency of the department.

Staffing levels were increased in fiscal 2001. Four additional certified police officers began their service with the City. A new full time administrative assistant and an administrative aide were appointed to handle the increasing paperwork load. Two ministers were appointed as chaplains. Their spiritual presence has become an integral part of the department.

Advertisement, testing, and assessment for potential future officers were completed. This produced a list of potential officers that could be used to fill positions when the positions are approved. One additional full time and four part time officers were selected from this approved list in the second quarter of 2002.

The management structure of the department was also changed. For the first time, three existing officers were appointed as Sergeants. The Sergeants were assigned additional shift management responsibilities. An additional officer was appointed to be a detective and assigned to handle full time criminal investigational duties.

The department successfully received funding, through a Federal Grant, for the establishment of a School Resource Officer (SRO). The SRO works within two of the Edgewood City School District grade school buildings. In addition to the SRO duties, the officer teaches the D.A.R.E. curriculum to fifth grade students.

The department instituted a change in philosophy with a more community-based direction. The department utilized the services of Miami University to survey residents to determine both community perceptions and their concerns about the operation of the department. The statistical results of the survey provided ongoing goals and directions for changes within the department.

Training was an additional primary goal for 2001. Officers received extensive training in community oriented policing, as well as specialized training in evidence retention and control, criminal investigations, firearms and many other related topics. The Emergency Service Dispatch Center employees received extensive training specific to their responsibilities and tasks.

The Dispatch Center was remodeled to improve dispatcher efficiency and comfort. The City purchased a new "CAD" (computer aided dispatch) software system. This CAD software enables both faster and more accurate dispatching of all emergency units.

The department joined with the adjoining community of Monroe to establish a Combined Tactical Unit. Utilizing equipment from the military surplus program, and participating in training with the Butler County Sheriff's Department, Middletown Division of Police, and the Dayton Police Department, the two departments formed a nine man tactical team. The new team is able to now respond to more critical incidents such as narcotic raids, officer rescue calls, and hostage/barricaded suspects.

Fire Department:

2001 was a significant year for the City's Fire Department. The major accomplishment was the change of the City's ISO classification rating.

The Insurance Services Office Inc, (ISO) provides testing and certification of municipal fire protection services on a scale 1 to 10. An ISO Class 1 rating represents the best public protection, and the ISO Class 10 rating indicates less than minimum recognized protection.

The classifying of a community's ability to suppress fires by ISO further helps communities evaluate their fire protection services. The program provides an objective, countrywide standard and acts as an aid for the planning and budgeting for facilities, equipment, and personnel training.

The classification system is used also to establish appropriate fire insurance premiums for residential and commercial properties. A lower class rating provides greater savings in commercial insurance premiums.

ISO analyzed the fire suppression delivery system provided to the City and changed the classification to a Class 4 from the previous classification of Class 6. Within Ohio, ISO has rated 2,757 fire agencies. Of that number, only 98 have received a rating better than the Trenton Fire Department.

The Fire Department Training Office provided 2,598 man-hours of training during 2001. 144 hours of training were available to each of the department's firefighters. The average firefighter attended 104 hours of training. This equates to 71% average participation.

The Fire Marshall's Office was busy with the additional inspections of the two new school buildings built during 2001. These new buildings now have elevators and a state of the art fire enunciator system, both requiring additional inspections by the Fire Marshall.

The Marshall's goal for 2002 is to perform a minimum of twice-yearly inspections of all commercial, industrial, and educational buildings. Twelve firefighters will conclude the fire safety inspector course by March 2002. At the completion of this course, they will be eligible to sit for the State of Ohio certification exam. These added inspectors will enable the inspection goal to be met.

During 2001, the department responded to 182 fire incidents. On average, 11 firefighters responded to each incident.

Finance Department:

The finance department continued to handle an ever-increasing daily workload with no additional new personnel. Much of the increase in workload was due to population increases. The increased efficiency was possible because of the added computer and accounting skills of department personnel.

The City instituted new procedures whereby customers could use Visa and MasterCard for payments of utility bills and income taxes. Future enhancements will allow automatic check debit payments.

Additional new reports keyed to the budget process were developed. These formed an addition to the fiscal planning tools that are used extensively by the administration and members of council.

The finance department is also responsible for the City's computer infrastructure. During 2001, the City's web page was revised and improved. The new web page is providing a new method for citizens to communicate directly with the City and an enhanced method for the City to provide timely information to the citizens.

Computer security concerns were evaluated and addressed. New hardware and software virus protection systems were put into place. Off site storage of daily data backup was improved. A computer disaster recovery plan was developed and activated. A supply of all City forms, checks, envelops, and letterheads was inventoried, packaged, and stored offsite.

In 2001 the City began to deploy a wireless wide local area network system (WLAN). During 2001, the water department, service department, and the main fire station were linked wirelessly to the City's local area network at the governmental services building via the WLAN. All police personnel can now access the network wireless via the WLAN throughout the police department area.

Future enhancements to the system will provide coverage throughout the City. All City buildings and departments will be connected via the WLAN. The network connection will also be available to mobile computer and hand held units via the WLAN.

Computer workstations can also be connected to the City's network via the WLAN without the addition of new wiring systems. This will provide cost savings in the older City buildings that do not presently have certified computer-wiring systems.

The WLAN system is projected to provide additional efficiency and mobility throughout all City departments. An example of this future system would allow police officers to use portable computers within their patrol cars for reports, and to quickly quarry, through the City's computer network, to State and Federal law enforcement agencies. Utility meter readers walking within a neighborhood could access, using a handheld unit, customer readings recorded on the City's computer database to verify the accuracy of meters.

Planning, Building, and Economic Development Department:

The planning, building, and economic development department completed significant accomplishments during 2001. A new subdivision regulation code was completed. The code was adopted in early 2002.

This code had been under development for more than three years. The department will complete in 2002 and present for approval the companion zoning code. Both of these codes will provide a more uniform and consistent approach to development.

During 2001 major new parcels of land were annexed into the City. Much of the new area will be zoned commercial/industrial. The department also helped secure several new retail commercial projects and construction began during 2001.

During 2001, the department reviewed, issued, and inspected for code compliance, 250 new construction permits. These permits represented an addition of nearly 16 million dollars of new real estate tax valuation.

There were 163 new residential living units included in the permits issued during 2001. This is an increase over the 144 new residential living units permitted in 2000, and up from the 160 new residential living units permitted in 1999.

The planning department is the City's representative to the Butler County task force working on the development of the State Route 63 extension. As currently planned, the extension will be built through the south end of town. There will major interchanges on Woodsdale and Wayne Madison Roads. When this road is completed, it could create significant opportunities for additional industrial development within the City.

Public Works Division

Water Department:

The water department is responsible for maintaining and ensuring that residents have safe, clean drinking water in accordance with all Ohio EPA regulations. This includes the testing and maintenance of water wells, the storage tower, water mains, valves, regulators, and customer connections.

After the tragic events of September eleventh, the department did an in-depth analysis of the security of all water production facilities. Based on the results of the study, security was improved throughout water infrastructure locations. The City's contingency plan for emergency operations of the water system was also updated in accordance with Ohio EPA regulations.

New security fences were installed at all well pump buildings. Electronic monitoring systems were installed with continuous live interconnection to the police dispatch center. Improvements were made to the doors and locks all water related buildings. Additional dusk to dawn lighting was installed. All windows were replaced with concrete blocks. Brush was cleared at the water tower to increase visibility by police patrols from the road. The access to the City's water tower was further improved with the rebuild of the entry hatch and the addition of new locks and 43 stainless steel bolt devices.

The production capacity of the wells in the City's Home Avenue well field was improved. New pumps, well casings, and well screen housings were installed. New electrical controls and chlorine scales were installed. This improvement increased the potential daily water production of the Home Avenue well field from 1,612,800 gallons per day to 2,448,000 gallons per day.

Cycles of routine water sampling and testing were increased. One series of test, chlorine levels within the distribution system, was doubled. All sampling for coliform, inorganics, radiological

elements, nitrates, and other elements throughout the year revealed results consistently below the Ohio EPA contaminates level.

A leak survey test was conducted on the water distribution system. Nine leaks were found and repaired by the Public Works Department. Independent contractors completed three major valve replacement projects. Both of these projects improved the overall integrity of the distribution system.

The water meter replacement program continued during 2001. Under this program, all water meters that have been in service for more than ten years will be replaced. The goal of the meter replacement program is to improve the accuracy of the readings. With age or high throughput, water meters will no longer read usage accurately. The department expects to complete the citywide project during 2003.

In addition, an electronic remote radio reading head is being added to the new meters. The remote radio reading component improves the efficiency and timeliness of the reading and utility billing process. The remote radio reading component also provides the department with information that can aid customers to spot abnormal water usage, usually caused by leaks. The electronic remote radio reading heads are also being installed on meters that are less than ten years of age. 760 meters were upgraded in 2001.

Street Department:

The street department is responsible for the maintenance of safe streets and the public right-of-ways. Typical projects include the resurfacing, repairing, repainting of streets; cleaning of streets and the leaf collection program; snow removal; town signage; and the maintenance of storm water drainage systems.

The department responded to 6 winter storms requiring ice and snow control. The department also collected 141 truckloads of mulched leaves, and the street sweeper collected an additional 42 loads of leaves during the fall. In addition, 1,408 total miles of streets were swept under the normal weekly cleaning cycle. The department cleaned or rebuilt 23 storm water run-off dry well units. The lids of the dry wells were repainted and stenciled with "*Protect your drinking water – Dump No Waste – Drains to Groundwater?*". This painting and identification program is part of the City's groundwater protection plan.

During 2001, the intersection of Wayne Madison and State Street, and the intersection of Wayne Madison and Trenton Roads received new traffic signalization. The State Street intersection also received new wider pavement with dedicated left turn lanes. Both projects required extensive City funds for both right-of-way purchase and project cost. Butler County and the township furnished additional project funding.

The department rebuilt with extensive improvements, the drainage ditch along North Wayne Madison Road. The project was an extension to the intersection improvements at Wayne Madison and State Street.

Several miles of pavement markings were upgraded or newly installed. School, railroad, crosswalks, and parking zones were also repainted. 48 street signs were repaired or newly installed.

Parks and Recreation Department:

The parks and recreation department is responsible for the maintenance and upkeep of all of the parks and City owned green space within the City. The four major parks are the Community Park, Founders Park, Home Avenue Park, and the Pierson Road Soccer Fields. There are other minor park areas within the City that require maintenance, but do not have major scheduled recreational activities.

The community park is the largest City park. During 2001, major improvements were completed at the community park. A basketball court, sand volleyball court, and a 1.5-mile walking path were constructed. A board fence 2,500 feet long was installed along the north side of the park. Final grading was completed at the amphitheater. The entire south end of the park was seeded. Extended electrical service was run to the park shelter with additional weatherproof outlets installed at locations that will be convenient during community festivals.

All of the play equipment at the Home Avenue Park was improved. Equipment was repaired and painted. New benches were installed. Fields were re-graded, leveled, and reseeded.

The Pierson Road Soccer Field parking lot was rebuilt. This included leveling and the hauling of fill material. Parking stop blocks were installed throughout the parking lot.

All City green space, right of ways, and parks required mowing and cleanup maintenance on an ongoing basis throughout the year. The park restrooms were serviced daily.

Acknowledgments

The preparation of this report is the culmination of months of hard work by many individuals. The staff of the City's Finance Department has worked diligently to gather to data for this report while continuing to complete their day-to day responsibilities. Special thanks is also due to the staff of the independent accounting firm of Clark, Schaefer, Hackett, and Co., Certified Public Accountants, who worked side by side with the City staff toward the preparation and independent examination of these financial statements.

Finally a special word of thanks is necessary to recognize the efforts of members of City Council and the City Administration past and present whose diligent efforts are reflected in the sound financial position of the City of Trenton.

Respectfully submitted,



Thomas H. Williams, Treasurer / Director of Finance

CITY OF TRENTON

CITY OFFICIALS - AS OF DECEMBER 31, 2001

City Council – Elected Officials

Roy E. Wilham	Mayor
Robert W. Neanover	Vice Mayor
David S. Castator	Member of Council
Carl D. Ennis	Member of Council
Rhonda L. Freeze	Member of Council
Rodney P. Proffitt	Member of Council
Kenneth F. Reed	Member of Council

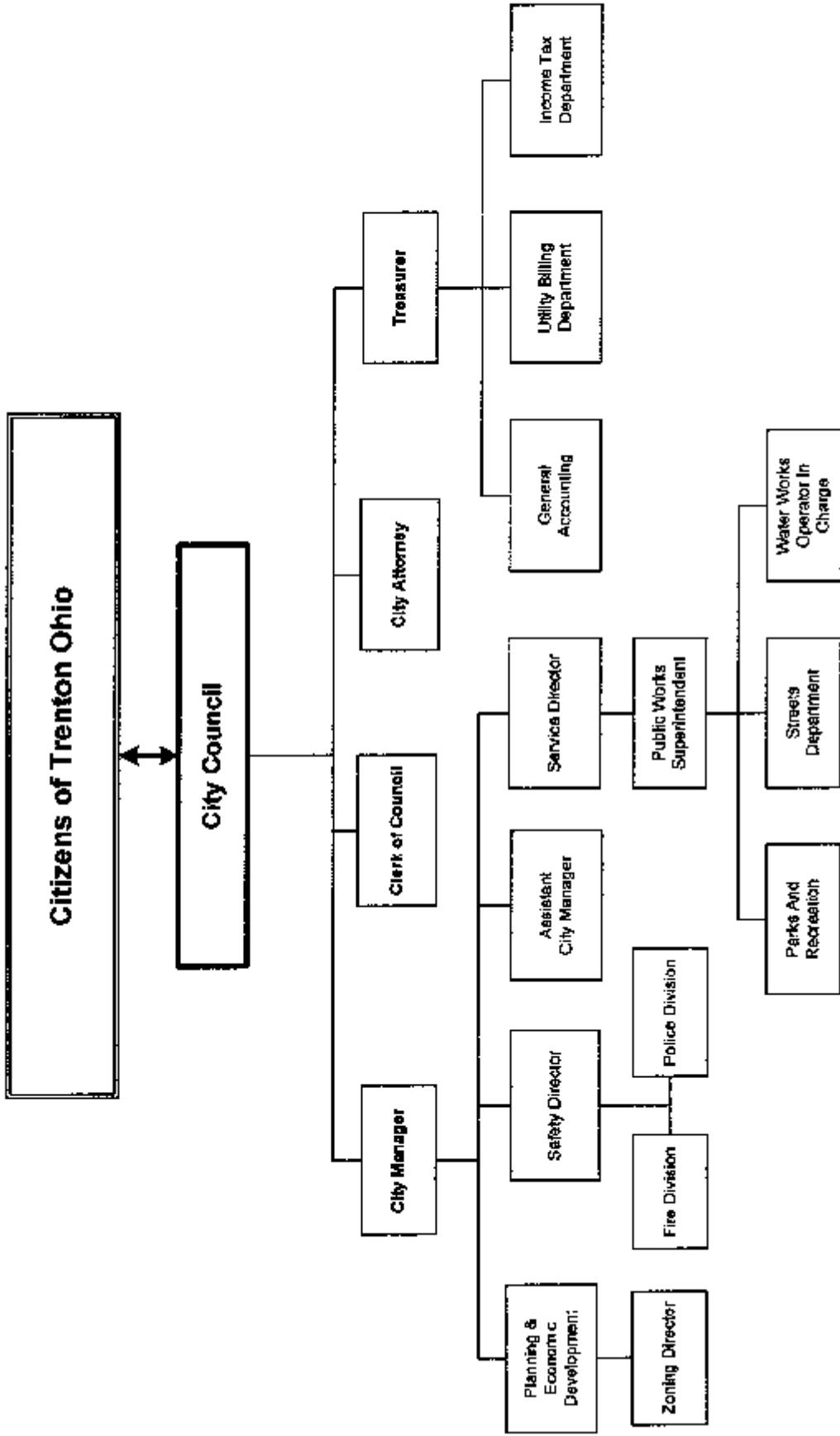
City Administration

Dennis R. Sparks	City Manager / Safety Director
Ronald C. Phelps	Assistant City Manager / Zoning Director
Patrick A. Binns	City Attorney
Robert C. Leichman	Service Director
Rodney D. Hale	Chief of Police
James F. Mulligan	Fire Chief
Todd D. Kehr	Public Works Superintendent / Operator in Charge
Julie A. Muterspaw	Clerk of Council
Cynthia L. Taggart	Clerk of Courts

Finance Department

Thomas H. Williams	Treasurer – Director of Finance
Mona L. Clark	Income Tax Commissioner
Pamela A. Tircy	Utilities Billing Supervisor
Melissa S. Butler	Payroll / Accounts Payable Supervisor
Carla J. Burton	Accounting Specialist / Cashier

City of Trenton Organizational Chart



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FINANCIAL

CITY OF

Trenton

OHIO

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**For the Year Ended
December 31, 2001**

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Clark, Schaefer, Hackett & Co.
CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS CONSULTANTS

Independent Auditors' Report

City Council
City of Trenton
11 East State Street
Trenton, Ohio 45067

We have audited the accompanying general purpose financial statements of the City of Trenton, Ohio (the City) as of and for the year ended December 31, 2001, as listed in the table of contents. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 audit provides a reasonable basis for our opinion.

As described in Note 2 to the financial statements, the City implemented GASB Statement 33, "Accounting and Financial Reporting for Nonexchange Transactions" and GASB 36, "Recipient Reporting for Certain Nonexchange Revenues" as of January 1, 2001.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Trenton, Ohio as of December 31, 2001, and the results of its operations and the cash flows of its enterprise fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2002 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the City of Trenton, Ohio. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

We did not audit the introductory or statistical information as listed in the accompanying table of contents and, therefore, express no opinion thereon.

Clark, Schaefer, Hackett + Co.

Middletown, Ohio
June 14, 2002

**General Purpose
Financial Statements**

CITY OF TRENTON

Combined Balance Sheet

All Fund Types and Account Groups

December 31, 2001

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Assets:				
Equity in pooled cash and cash equivalents	\$ 1,053,573	277,003	33,759	8,504
Cash and cash equivalents with fiscal agent	-	-	-	-
Receivables:				
Property taxes	105,186	128,920	163,476	-
Income taxes	155,015	-	-	-
Accounts	-	-	-	-
Special assessments	-	-	123,799	-
Accrued interest	29,319	-	-	-
Due from other governments	7,530	128,364	-	-
Fixed assets (net where applicable, of accumulated depreciation)	-	-	-	-
Other debits:				
Amount available in general obligation bond retirement debt service fund	-	-	-	-
Amount available in special assessment bond retirement debt service fund	-	-	-	-
Amount to be provided for retirement of general long-term obligations	-	-	-	-
Total assets and other debits	\$ 1,350,623	534,287	321,034	8,504
Liabilities:				
Accounts payable	\$ 10,666	1,243	-	-
Due to other governments	-	-	-	-
Deferred revenue	198,904	235,891	287,275	-
Compensated absences payable	11,688	1,376	-	-
Capital leases payable	-	-	-	-
Undistributed monies	-	-	-	-
Loan payable	-	-	-	-
General obligation bonds payable	-	-	-	-
Special assessment bonds payable with government commitment	-	-	-	-
Total liabilities	221,258	238,510	287,275	-
Fund equity:				
Investment in general fixed assets	-	-	-	-
Contributed capital	-	-	-	-
Retained earnings, unreserved	-	-	-	-
Fund balances:				
Reserved for encumbrances	-	800	-	-
Unreserved	1,129,365	294,977	33,759	8,504
Total fund equity	1,129,365	295,777	33,759	8,504
Total liabilities and fund equity	\$ 1,350,623	534,287	321,034	8,504

See accompanying notes to financial statements.

Proprietary Fund Type	Fiduciary Fund Types Trust and Agency	Account Groups		Total (Memorandum Only)
		General Fixed Assets	General Long-Term Obligations	
1,278,187	78	-	-	2,651,104
-	20,086	-	-	20,086
-	-	-	-	397,582
-	-	-	-	155,015
156,127	-	-	-	156,127
-	-	-	-	123,799
-	-	-	-	29,319
-	-	-	-	135,894
3,817,477	-	4,516,417	-	8,333,894
-	-	-	1,677	1,677
-	-	-	32,082	32,082
-	-	-	1,274,713	1,274,713
<u>5,251,791</u>	<u>20,164</u>	<u>4,516,417</u>	<u>1,308,472</u>	<u>13,311,292</u>
68,837	-	-	-	80,746
1,404	-	-	-	1,401
-	-	-	-	722,070
63,516	-	-	130,642	207,222
-	-	-	291,829	291,829
16,340	20,086	-	-	36,426
93,780	-	-	-	93,780
-	-	-	796,001	796,001
-	-	-	90,000	90,000
<u>243,877</u>	<u>20,086</u>	<u>-</u>	<u>1,308,472</u>	<u>2,319,478</u>
-	-	4,516,417	-	4,516,417
15,000	-	-	-	15,000
4,992,914	-	-	-	4,992,914
-	-	-	-	800
-	78	-	-	1,466,683
<u>5,007,914</u>	<u>78</u>	<u>4,516,417</u>	<u>-</u>	<u>10,991,814</u>
<u>5,251,791</u>	<u>20,164</u>	<u>4,516,417</u>	<u>1,308,472</u>	<u>15,311,292</u>

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CITY OF TRENTON, OHIO
Combined Statement of Revenues, Expenditure and
Changes in Fund Balances
All Governmental Fund Types and Expendable Trust Fund
For the Year Ended December 31, 2001

	Governmental Fund Types				Fiduciary Fund Types	Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	
Revenues:						
Property taxes	\$ 261,214	152,267	127,185	-	-	540,666
Income taxes	1,071,576	-	-	-	-	1,071,576
Intergovernmental	336,464	311,489	-	-	-	647,973
Fines, licenses and permits	177,829	91,332	-	-	-	269,161
Interest	307,692	-	-	-	-	307,692
Miscellaneous	119,315	18,045	-	-	-	137,360
Total revenues	<u>2,274,110</u>	<u>573,133</u>	<u>127,185</u>	<u>-</u>	<u>-</u>	<u>2,974,428</u>
Expenditures:						
Current:						
Security of persons and property	1,364,032	54,262	-	-	-	1,418,294
Transportation	-	225,698	-	-	-	225,698
Public health services	3,353	-	-	-	-	3,353
Leisure time activities	-	62,965	-	-	-	62,965
Community environment	190,020	-	-	-	-	190,020
General government	478,854	4,838	518	-	-	484,210
Capital outlay	-	225,444	-	114,957	-	340,401
Debt service:						
Principal retirement	-	73,944	81,333	-	-	155,277
Interest and fiscal charges	-	18,592	47,176	-	-	65,768
Total expenditures	<u>2,036,259</u>	<u>663,743</u>	<u>129,027</u>	<u>114,957</u>	<u>-</u>	<u>2,945,986</u>
Excess of revenues over (under) expenditures	<u>237,851</u>	<u>(92,610)</u>	<u>(1,842)</u>	<u>(114,957)</u>	<u>-</u>	<u>28,442</u>
Other financing sources (uses):						
Operating transfers-in	30,000	72,700	-	7,140	-	109,840
Operating transfers-out	(79,840)	-	-	-	-	(79,840)
Total other financing sources (uses)	<u>(49,840)</u>	<u>72,700</u>	<u>-</u>	<u>7,140</u>	<u>-</u>	<u>30,000</u>
Excess of revenues and other financing sources over expenditures and other financing uses	<u>188,011</u>	<u>(19,910)</u>	<u>(1,842)</u>	<u>(107,817)</u>	<u>-</u>	<u>58,442</u>
Fund balances at beginning of year-	<u>941,354</u>	<u>315,687</u>	<u>35,601</u>	<u>116,321</u>	<u>78</u>	<u>1,409,041</u>
Fund balances at end of year	<u>\$ 1,129,365</u>	<u>295,777</u>	<u>33,759</u>	<u>8,504</u>	<u>78</u>	<u>1,467,483</u>

See accompanying notes to financial statements.

CITY OF TRENTON, OHIO
Combined Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual (Budget Basis)
All Governmental Fund Types and Expendable Trust Fund
For the Year Ended December 31, 2001

	General Fund			Special Revenue Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Property taxes	\$ 219,263	222,760	3,497	152,179	135,479	(15,700)
Income taxes	1,183,000	1,107,250	(77,750)	-	-	-
Intergovernmental	326,439	374,941	48,502	458,800	360,345	(108,455)
Fees, licenses and permits	122,600	134,453	11,853	58,300	58,197	(103)
Interest	328,098	162,818	(165,280)	-	-	-
Miscellaneous	111,200	119,312	8,112	13,980	13,153	(827)
Total revenues	<u>2,292,600</u>	<u>2,121,534</u>	<u>(171,066)</u>	<u>693,259</u>	<u>563,174</u>	<u>(125,085)</u>
Expenditures:						
Current:						
Security of persons and property	1,440,986	1,363,335	77,651	152,531	146,799	5,732
Transportation	-	-	-	264,540	224,845	39,695
Public health services	3,400	3,353	47	-	-	-
Leisure time activities	-	-	-	66,790	62,719	4,071
Community environment	228,070	190,040	38,030	-	-	-
General government	533,021	457,068	75,953	40,800	3,063	37,737
Capital outlay	-	-	-	298,543	228,435	70,110
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	<u>2,202,477</u>	<u>2,013,796</u>	<u>188,681</u>	<u>823,206</u>	<u>665,861</u>	<u>157,345</u>
Excess of revenues over (under) expenditures	<u>90,123</u>	<u>107,738</u>	<u>17,615</u>	<u>(129,947)</u>	<u>(97,687)</u>	<u>32,260</u>
Other financing sources (uses):						
Operating transfers-in	140,000	30,000	(110,000)	90,504	72,700	(17,804)
Operating transfers-out	(432,700)	(79,840)	372,860	-	-	-
Total other financing sources (uses)	<u>(312,700)</u>	<u>(49,840)</u>	<u>262,860</u>	<u>90,504</u>	<u>72,700</u>	<u>(17,804)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	<u>(222,577)</u>	<u>57,898</u>	<u>280,475</u>	<u>(39,443)</u>	<u>(24,987)</u>	<u>14,456</u>
Fund balances at beginning of year	893,310	893,310	-	353,751	353,751	-
Prior year encumbrances appropriated	<u>22,549</u>	<u>22,549</u>	<u>-</u>	<u>218</u>	<u>218</u>	<u>-</u>
Fund balances at end of year	<u>\$ 693,282</u>	<u>973,737</u>	<u>280,475</u>	<u>314,526</u>	<u>328,982</u>	<u>14,456</u>

See accompanying notes to financial statements.

Debt Service Funds			Capital Projects Funds			Expendable Trust Fund		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
127,185	127,185	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>127,185</u>	<u>127,185</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	115,231	114,957	274	-	-	-
81,333	81,333	-	-	-	-	-	-	-
<u>48,637</u>	<u>47,693</u>	<u>944</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>129,970</u>	<u>129,026</u>	<u>944</u>	<u>115,231</u>	<u>114,957</u>	<u>274</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(2,785)</u>	<u>(1,841)</u>	<u>944</u>	<u>(115,231)</u>	<u>(114,957)</u>	<u>274</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	7,140	7,140	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	<u>7,140</u>	<u>7,140</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(2,785)	(1,841)	944	(108,091)	(107,817)	274	-	-	-
33,601	33,601	-	73,172	73,172	-	78	78	-
-	-	-	-	-	-	-	-	-
<u>32,816</u>	<u>33,760</u>	<u>944</u>	<u>(34,919)</u>	<u>(34,645)</u>	<u>274</u>	<u>78</u>	<u>78</u>	<u>-</u>

CITY OF TRENTON, OHIO
Combined Statement of Revenues, Expenses and
Changes in Retained Earnings
All Enterprise Funds
For the Year Ended December 31, 2001

Operating Revenues:	
Charges for services	\$ 2,364,190
Other operating revenues	<u>3,575</u>
Total operating revenues	<u>2,367,765</u>
Operating Expenses:	
Personal services	562,439
Contractual services	1,000,203
Depreciation	143,336
Other expenses	<u>392,656</u>
Total operating expenses	<u>2,098,634</u>
Operating income	<u>269,131</u>
Non-operating revenues (expenses):	
Interest	746
Interest and fiscal charges	<u>(21,397)</u>
Total non-operating expenses	<u>(20,651)</u>
Net income before operating transfers	248,480
Operating transfers - out	<u>(30,000)</u>
Net income	218,480
Retained earnings at beginning of year	<u>4,774,434</u>
Retained earnings at end of year	\$ <u>4,992,914</u>

See accompanying notes to financial statements.

CITY OF TRENTON, OHIO
 Combined Statement of Revenues, Expenses and Changes in
 Fund Equity - Budget and Actual (Budget Basis)
 All Enterprise Funds
 For the Year Ended December 31, 2001

	Revised <u>Budget</u>	Actual	Variance Favorable <u>(Unfavorable)</u>
Revenues:			
Charges for services	\$ 2,411,990	2,385,039	26,951
Interest	960	746	214
Other operating revenues	<u>10,300</u>	<u>16,825</u>	<u>(6,525)</u>
Total revenues	<u>2,423,250</u>	<u>2,402,610</u>	<u>20,640</u>
Expenses:			
Personal services	584,283	521,019	63,264
Contractual services	1,030,675	1,017,135	13,540
Other expenses	743,623	428,896	314,727
Capital outlay	104,251	104,251	-
Debt Service:			
Principal retirement	183,026	183,026	-
Interest and fiscal charges	<u>21,397</u>	<u>21,397</u>	<u>-</u>
Total expenses	<u>2,667,255</u>	<u>2,275,724</u>	<u>391,531</u>
Excess of revenues over (under) expenses			
before operating transfers	(244,005)	126,886	(370,891)
Operating transfers - in	43,700	-	43,700
Operating transfers - out	<u>(83,622)</u>	<u>(30,000)</u>	<u>(53,622)</u>
Excess of revenues over (under) expenses and			
operating transfers	(283,927)	96,886	(380,813)
Fund equity at beginning of year	<u>1,484,341</u>	<u>1,484,341</u>	<u>-</u>
Fund equity at end of year	\$ <u>1,200,414</u>	<u>1,581,227</u>	<u>(380,813)</u>

See accompanying notes to financial statements.

CITY OF TRENTON, OHIO
 Combined Statement of Cash Flows
 All Enterprise Funds
 For the Year Ended December 31, 2001

Increase (decrease) in cash and cash equivalents:	
Cash flows from operating activities:	
Cash received from customers	\$ 2,385,039
Cash payments for employee services and benefits	(521,019)
Cash payments to suppliers for goods and services	<u>(1,429,208)</u>
Net cash provided by operating activities	<u>434,812</u>
Cash flows from non-capital financing activities:	
Operating transfers	<u>(30,000)</u>
Net cash used by non-capital financing activities	<u>(30,000)</u>
Cash flows from capital and related financing activities:	
Acquisition of capital assets	(104,251)
Principal paid on OWDA loans payable	(183,026)
Interest paid on OWDA loans payable	<u>(21,397)</u>
Net cash used for capital and related financing activities	<u>(308,674)</u>
Cash flows from investing activities:	
Interest	<u>746</u>
Net cash provided by investing activities	<u>746</u>
Net increase in cash and cash equivalents	96,884
Cash and cash equivalents at beginning of year	<u>1,181,303</u>
Cash and cash equivalents at end of year	\$ <u>1,278,187</u>
Reconciliation of operating income to net cash provided operating activities:	
Operating income	\$ 269,131
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	143,336
Changes in assets and liabilities:	
Decrease in accounts receivable	15,287
Decrease in deposits	5,705
Decrease in accounts payable	(4,525)
Decrease in due to other governments	(1,802)
Increase in compensated absences	<u>7,680</u>
Net cash provided by operating activities	\$ <u>434,812</u>

See accompanying notes to financial statements.

CITY OF TRENTON, OHIO

Notes to Financial Statements

December 31, 2001

1. Reporting Entity and Basis of Presentation:

The City of Trenton (the "City") is a home rule municipal corporation organized under the laws of the State of Ohio which operates under its own charter. The current charter, which provides for a Council - Manager form of government, was adopted in 1971. The seven-member Council is elected to four-year terms. Biennially, Council selects one of its members to serve as Mayor. The Council appoints a City Manager who executes the laws and administers the government of the City. The City Manager appoints all of the department managers of the City.

Reporting entity

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds and departments that are not legally separate from the City. For the City, these services include the police force, fire fighting and prevention force, maintenance and construction of public improvements, water and wastewater treatment, recreation and parks, and other general government services.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the City in that the City approves their budget, the issuance of their debt or the levying of their taxes for the organization. The City does not have any component units included in its reporting entity.

The Mayor's Court has been included in the City's financial statements as an agency fund. The Mayor is the City official who has fiduciary responsibility for the collection and distribution of the court fees and fines.

The City is associated with one organization which is defined as a jointly governed organization, the Ohio-Kentucky-Indiana Regional Council of Governments (OKI), and one organization that is defined as an insurance purchasing pool, the Ohio Municipal League Workers' Compensation Group Rating Plan (GRP). These organizations are presented in Notes 16 and 17.

Basis of Presentation - Fund Accounting

The City uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain City functions or activities.

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

For financial statement presentation purposes, the various funds of the City are grouped into the following generic fund types under the broad fund categories governmental, proprietary and fiduciary.

CITY OF TRENTON, OHIO

Notes to Financial Statements

December 31, 2001

Governmental fund types

Governmental funds are those through which most governmental functions of the City are financed. The acquisition, use and balances of the City's expendable financial resources and the related current liabilities (except those accounted for in enterprise funds) are accounted for through governmental funds. The following are the City's governmental fund types:

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

Special revenue funds - Special revenue funds are used to account for the proceeds of specific revenue sources (other than amounts relating to the expendable trust or major capital projects) that are legally restricted to expenditure for specified purposes.

Debt service funds - Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term and special assessment debt principal, interest and related costs.

Capital projects funds - Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by enterprise funds).

Proprietary fund type

The proprietary funds are used to account for the City's ongoing activities that are similar to those often found in the private sector. The following is the City's proprietary fund type:

Enterprise funds - Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be recovered or financed primarily through user charges or where it has been decided that a periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Fiduciary fund types

Fiduciary funds are used to account for assets the City holds in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. The City's fiduciary funds include an expendable trust fund and agency fund. The expendable trust fund is accounted for in essentially the same manner as governmental funds. The City's agency funds are purely custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

CITY OF TRENTON, OHIO

Notes to Financial Statements

December 31, 2001

Account groups

To make a clear distinction between fixed assets related to specific funds and those of general government, and between long-term obligations related to specific funds and those of a general nature, the following account groups are used:

General fixed assets account group - This account group is established to account for all general fixed assets of the City, other than those accounted for in the enterprise funds.

General long-term obligations account group - This account group is established to account for all long-term obligations of the City except those accounted for in enterprise funds.

2. Summary of Significant Accounting Policies:

The financial statements of the City of Trenton have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to the enterprise funds provided they do not conflict with or contradict GASB pronouncements. The more significant of the City's accounting policies are described below.

Measurement focus and basis of accounting

The accounting and reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types and the expendable trust fund are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is recorded as retained earnings. Proprietary funds' operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. The available period for the City is thirty-one days after year-end.

CITY OF TRENTON, OHIO

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December 31, 2001

Non-exchange transactions, in which the City receives value without directly giving equal value in return, includes income tax, property tax, grants, entitlements and donations. On an accrual basis, revenue from income tax is recognized in the fiscal year in which the tax imposed takes place and revenue from property tax is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which the eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the City must provide local resources, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: taxpayer assessed income tax, interest, state-levied locally shared taxes (including gasoline tax) and fines and forfeitures.

The City reports deferred revenues on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In the subsequent period, when both revenue recognition criteria are met, the liability of deferred revenue is removed from the combined balance sheet and revenue is recognized. Current and delinquent property taxes measurable as of December 31, 2001, whose availability is indeterminable and which are intended to finance fiscal year 2002 operations have been recorded as a receivable and deferred revenue. Levied special assessments are measurable and have also been recorded as a receivable and deferred revenue.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Principal and interest on general and special assessment long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year. The costs of accumulated unpaid vacation and sick leave are reported as fund liabilities in the period in which they will be liquidated with available financial resources rather than in the period employees earn them. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

The accrual basis of accounting is utilized for reporting purposes by the proprietary funds. Revenues are recognized when they are earned and become measurable, and expenses are recognized when incurred, if measurable. Unbilled service charges receivables are recognized as revenue at year end.

Budgetary data

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation ordinance, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations ordinance are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated.

CITY OF TRENTON, OHIO

Notes to Financial Statements

December 31, 2001

Tax budget

A tax budget of estimated revenues and expenditures for all budgeted funds is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year.

Estimated resources

The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Commission certifies its actions to the City by October 1. As part of this certification, the City receives the official certificate of estimated resources which states the projected revenue of each fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation ordinance. On or about January 1, the certificate of estimated resources is amended to include unencumbered fund balances at December 31 of the preceding year. The certificate may be further amended during the year if the fiscal officer determines, and the Budget Commission agrees, that an estimate needs to be either increased or decreased.

Appropriations

A temporary appropriation measure to control expenditures may be passed on or about January 1 of each year for the period from January 1 to March 31. The annual appropriation ordinance must be passed by April 1 of each year for the period January 1 to December 31. The appropriation ordinance fixes spending authority at the fund, department and object level. The appropriation ordinance may be amended during the year as new information becomes available, provided that total fund appropriations do not exceed current estimated resources, as certified. The allocation of appropriations among departments and objects within a fund may be modified with approval of City Council. During the year several supplemental appropriation measures were passed. The budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts, including all amendments and modifications.

Encumbrances

As part of formal budgetary control, purchase orders, contracts and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. The Ohio Revised Code prohibits expenditures plus encumbrances from exceeding appropriations. On the GAAP basis, encumbrances outstanding at year-end are reported as reservations of fund balances for subsequent-year expenditure for governmental funds and reported in the notes to the financial statements for proprietary funds.

Lapsing of appropriations

At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding calendar year and need not be reappropriated.

CITY OF TRENTON, OHIO

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Cash and cash equivalents

Cash balances of the City's funds, except cash held by the fiscal agent, are pooled and invested in investments maturing within five years in order to provide improved cash management. Each fund's interest in the pool is presented as "equity in pooled cash and cash equivalents" on the combined balance sheet. Interest income is distributed to the funds according to Ohio Constitution, state statutes and local ordinances adopted under City Charter. Interest income during 2001 amounted to \$308,438.

During 2001, investments were limited to STAR Ohio, certificates of deposit, and government securities. Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as nonnegotiable certificates of deposit are reported at cost.

For purposes of the statement of cash flows and for presentation on the combined balance sheet, the City's cash management pool and investments with original maturities of three months or less are considered to be cash equivalents. Investments, not part of the cash management pool, with an initial maturity of more than three months are reported as investments.

Fixed assets and depreciation

General fixed assets (fixed assets used in governmental fund type operations) are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. Fixed assets utilized in the enterprise funds are capitalized in the respective fund. All fixed assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are valued at their estimated fair market value on the date received. The City maintains a capitalization threshold of \$500 dollars.

Public domain ("infrastructure") general fixed assets consisting of roads, bridges, curbs, gutters, sidewalks, and drainage systems are not capitalized, as these assets are immovable and of value only to the City.

Improvements are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Interest incurred during the construction of general fixed assets is also not capitalized.

Assets in the general fixed assets account group are not depreciated. Depreciation for enterprise fund fixed assets is computed using the straight-line method over the following useful lives:

Buildings	20-45 Years
Equipment, Furniture, and Vehicles	3-20 Years
Water and Sewer Lines	40-65 Years

Intergovernmental revenues

In governmental funds, intergovernmental revenues, such as entitlements, shared revenues, and grants awarded on a non-reimbursement basis are recorded as revenues when measurable and available. Reimbursable grants are recorded as receivables and revenues when the related expenditures are made.

CITY OF TRENTON, OHIO

Notes to Financial Statements

December 31, 2001

Compensated absences

The City follows the provisions of Governmental Accounting Standards Board Statement No. 16, "Accounting for Compensated Absences." Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. The City records a liability for accumulated unused vacation time when earned for all employees.

Sick leave benefits are accrued using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the City has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at year end, taking into consideration any limits specified in the City's termination policy. The City records a liability for accumulated unused sick leave for employees after ten years of current service with the City.

For governmental funds, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The remainder is reported in the general long-term obligations account group. In enterprise funds, the entire amount of compensated absences is reported as a fund liability.

Long-term obligations

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, compensated absences and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the general long-term obligations account group to the extent that they will not be paid with current expendable available financial resources. Payments made more than 31 days after year end are considered not to have been paid with current available financial resources. Bonds are recognized as a liability of the general long-term obligations account group until due. Long-term debt and other obligations to be paid from enterprise funds are reported as liabilities in the appropriate enterprise funds.

Under the Ohio Revised Code, a debt retirement fund may be created and used for the payment of all debt principal and interest. Generally accepted accounting principles require the allocation of the debt liability among the enterprise funds and the general long-term obligations account group, with principal and interest payments on matured general long-term debt being reported in the debt service fund. To comply with GAAP reporting requirements, the City's debt retirement fund has been split among the appropriate funds and account groups. Debt service fund resources used to pay both principal and interest have also been allocated accordingly.

Interfund transactions

Quasi-external transactions are accounted for as revenues and expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

CITY OF TRENTON, OHIO

Notes to Financial Statements

December 31, 2001

Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

Capitalization of interest

The City's policy is to capitalize net interest on proprietary fund construction projects until substantial completion of the project. The amount of capitalized interest equals the difference between the interest cost associated with the tax-exempt borrowing used to finance the project and the interest earned from temporary investments of the debt proceeds over the same period. Capitalized interest is amortized on the straight-line basis over the estimated useful life of the asset. For 2001, no material interest costs were incurred on construction projects in enterprise funds.

Reservation and designation of fund equity

The City reserves fund balances for amounts that are legally segregated for a specific purpose or which are not available for current appropriation or expenditure because of their non-monetary nature or lack of liquidity. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods. Fund balance has been reserved for encumbrances.

Estimates

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

Contributed capital

Contributed capital represents resources from other funds, federal and state grants, other governments, and private sources provided to the City's proprietary funds which are not subject to repayment.

Total columns on general purpose financial statements

Total columns on the general purpose financial statements are captioned "Totals - (Memorandum Only)" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Change in Accounting Principle

For the calendar year 2001, the City implemented GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions" and GASB Statement No. 36, "Recipient Reporting for Certain Nonexchange Revenues." There was no effect on fund balance as of December 31, 2000 as a result of implementing GASB Statement No. 33 and Statement No. 36.

CITY OF TRENTON, OHIO

Notes to Financial Statements

December 31, 2001

5. Budget to GAAP Reconciliation:

Budgetary basis of accounting

While reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis, as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, appropriations and encumbrances. The Ohio Revised Code prohibits expenditures plus encumbrances from exceeding appropriations.

The Combined Statement of Revenues, Expenditures and Changes in Fund Balances, Budget and Actual (Budget Basis), All Governmental Fund Types and Expendable Trust Fund and Combined Statement of Revenues, Expenses and Changes in Fund Equity - Budget and Actual (Budget Basis), All Proprietary Funds are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Outstanding year-end encumbrances are treated as expenditures/expenses (budget basis) rather than as a reservation of fund balance for governmental funds or note disclosure in the proprietary funds (GAAP basis).
4. For proprietary funds, the acquisition and construction of capital assets are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).
5. Proceeds from and principal payments on short-term note obligations are reported on the operating statement (budget basis) rather than as a balance sheet transaction (GAAP Basis).

The adjustments necessary to convert the results of operations for the year on the GAAP basis to the budget basis are as follows:

Excess of Revenues and Other Financing Sources Over/
(Under) Expenditures and Other Financing Uses
All Governmental Fund Types and Expendable Trust Fund

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>
GAAP Basis	\$ 188,011	(19,910)	(1,842)	(107,817)	-
Adjustments:					
Revenue Accruals	152,576	(11,012)	1	-	-
Expenditure Accruals	(260,140)	6,153	-	-	-
Encumbrances	<u>(22,549)</u>	<u>(218)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Budget Basis	\$ <u>57,898</u>	<u>(24,987)</u>	(1,841)	(107,817)	-

CITY OF TRENTON, OHIO

Notes to Financial Statements

December 31, 2001

Net Income/Excess of Revenues Over Expenses All Proprietary Fund Types

GAAP Basis	\$ 218,480
Adjustments:	
Revenue Accruals	(139,787)
Expense Accruals	183,531
Capital Outlay	(104,251)
Debt Principal Payments	(204,423)
Depreciation	<u>143,336</u>
Budget Basis	\$ <u>96,886</u>

4. Deposits and Investments:

The City's investment policy classifies monies held by the City into three categories as allowed by its charter and the Ohio Revised Code.

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

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

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

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the finance director by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

STAR Ohio is an investment pool managed by the State Treasurer's office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on December 31, 2001.

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

1. Negotiable direct obligations of the U.S. or obligations issued by Federal agencies the principal and interest of which are unconditionally guaranteed by the United States;

CITY OF TRENTON, OHIO

Notes to Financial Statements

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2. Obligations of Federal agencies and instrumentalities, whether or not they are guaranteed by the United States, including, but not limited to, obligations of the Government National Mortgage Association (GNMA), Small Business Administration (SBA), Federal Housing Administration (FHA), General Services Administration (GSA), Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Corporation (FHLMC), Student Loan Marketing Association (SLMA), Federal Home Loan Bank (FHLB), Federal Farm Credit Banks (FFCB), and Export Import Bank;
3. Non-negotiable and negotiable interest bearing time certificates of deposit and saving accounts;
4. Money market fund portfolios consisting of the items listed in 1 to 3; and
5. The State Treasurer's investment pool (STAR Ohio)

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City.

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

Deposits

At year end, the carrying amount of the City's deposits was \$203,967 and the bank balance was \$475,998. Of the bank balance, \$130,800 was covered by federal deposit insurance. The remaining amount, \$345,198, was uninsured and uncollateralized. Although the securities were held by the pledging financial institutions' trust departments in the City's name and all state statutory requirements for the investment of money had been followed, noncompliance with federal requirements could potentially subject the City to a successful claim by the Federal Deposit Insurance Corporation.

Investments

GASB Statement No. 3, "Deposits with Financial Instruments, Investments and Reverse Repurchase Agreements," requires that the City's investments be classified in categories of risk. Category 1 includes investments that are insured or registered or for which the securities are held by the City. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the City's name. STAR Ohio, an investment fund operated by the Ohio State Treasurer, and the U.S. Treasury Money Market Fund, are unclassified since they are not evidenced by securities that exist in physical or book entry form.

	<u>Category 1</u>	<u>Category 2</u>	<u>Unclassified</u>	<u>Fair Value</u>
Federal National Mortgage Association (FNMA) Bonds	\$ -	620,512	-	620,512
Federal Home Loan Mortgage	1,790,567	-	-	1,790,567
STAR Ohio	<u>-</u>	<u>-</u>	<u>56,144</u>	<u>56,144</u>
Total	<u>\$ 1,790,567</u>	<u>620,512</u>	<u>56,144</u>	<u>2,467,223</u>

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The City had \$1,790,567 of investments at year-end with Morgan Stanley Dean Witter and Merrill Lynch. These securities are categorized as Category 1 investments. These securities are covered by SIPC (Securities Investor Protection Corporation) and insurance coverage provided by a third party.

5. Property Taxes:

Property taxes include amounts levied against all real, public utility and tangible personal property located in the City. Taxes collected from real property taxes (other than public utility) in one calendar year are levied in the preceding calendar year on the assessed value as of January 1 of that preceding year, the lien date. Assessed values are established by County Auditor at 35 percent of appraised market value. All property is required to be revalued every six years. The last reevaluation was completed in 1996. Real property taxes are payable annually or semi-annually. The first payment is due January 20, with the remainder payable by July 20.

Taxes collected on tangible personal property (other than public utility) in one calendar year are levied in the prior calendar year on assessed values listed on December 31 of the prior year, and at tax rates determined in the preceding year. Tangible personal property used in business (except for public utilities) is currently assessed for ad valorem taxation purposes at 25 percent of its assessed value. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30 with the remainder payable by September 20.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Certain public utility tangible personal property currently is assessed at 88 percent of its true value; public utility real property is assessed at 35 percent of appraised market value. Public utility property taxes are payable on the same dates as real property taxes described previously.

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Trenton. The County Auditor periodically remits to the City its portion of the taxes collected. The full tax rate for all City operations for the year ended December 31, 2001, was \$4.74 per \$1,000 of assessed valuation. The assessed values of real and tangible personal property upon which 2001 property tax receipts were based are as follows:

Real Property Tax Assessed Valuation	\$ 103,255,790	89.67%
Public Utility Real Property Tax Assessed Valuation	5,060,980	4.40
Tangible Personal Property Assessed Valuation	<u>6,836,148</u>	<u>5.93</u>
Total	<u>\$115,152,918</u>	<u>100%</u>

Property taxes receivable represent real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2001. Although total property tax collections for the next fiscal year are measurable, amounts to be received during the available period are not subject to reasonable estimation at December 31, nor are they intended to finance 2001 operations. The receivable is therefore offset by a credit to deferred revenue.

6. Income Tax:

The City levies a municipal income tax of 1.5 percent on substantially all income earned within the City. In addition, the residents of the City are required to pay income tax on income earned outside of the City; however, the City allows a credit for income taxes paid to another municipality up to 100 percent of the City's current tax rate.

CITY OF TRENTON, OHIO

Notes to Financial Statements

December 31, 2001

Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City either monthly or quarterly. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually.

Income tax proceeds are to be used to pay the cost of administering the tax, general fund operations, capital improvements, debt service and other governmental functions when needed, as determined by Council. In 2001, the proceeds were allocated to the general fund. Income tax revenue for 2001 was \$1,071,576.

7. Receivables:

Receivables at December 31, 2001, consisted of property taxes, income taxes, special assessments, intergovernmental receivables arising from grants, entitlements and shared revenues, interest on investments and utility accounts. All receivables are considered fully collectible.

A summary of intergovernmental receivables follows:

General Fund	
Undivided Local Government	\$ <u>7,530</u>
Total General Fund	<u>7,530</u>
Special Revenue Funds	
Street Maintenance and Repair	
State Gasoline Excise Tax	76,397
Motor Vehicle Registration	<u>20,773</u>
Total Street Maintenance and Repair Fund	<u>97,170</u>
State Highway Improvement Fund	
State Gasoline Excise Tax	6,194
Motor Vehicle Registration Fees	<u>1,684</u>
Total State Highway Fund	<u>7,878</u>
Municipal Motor License Fund	
Permissive Tax	<u>23,316</u>
Total Special Revenue Funds	<u>128,364</u>
Total All Funds	\$ <u>135,894</u>

8. Fixed Assets:

Changes in general fixed assets during the year ended December 31, 2001, were as follows:

Asset Category	<u>2000</u>	<u>Additions</u>	<u>Deletions</u>	<u>2001</u>
Land and improvements	\$ 415,711	102,055	-	517,766
Buildings	1,780,801	-	-	1,780,801
Equipment, Furniture and Vehicles	<u>2,012,169</u>	<u>205,681</u>	-	<u>2,217,850</u>
Totals	\$ <u>4,208,681</u>	<u>307,736</u>	-	<u>4,516,417</u>

CITY OF TRENTON, OHIO

Notes to Financial Statements

December 31, 2001

A summary of the enterprise funds' fixed assets at December 31, 2001 follows:

Land and improvements	\$ 43,250
Buildings	176,830
Water and Sewer Lines	4,387,243
Equipment, Furniture, & Vehicles	<u>1,207,121</u>
Total	5,814,444
Less: Accumulated Depreciation	<u>(1,996,967)</u>
Net Fixed Assets	\$ <u>3,817,477</u>

9. Defined Benefit Pension Plans:

Public Employees Retirement System

All City full-time employees, other than police and fire, participate in the Public Employees Retirement System of Ohio (PERS), a cost-sharing multiple-employer public employee retirement system administered by the Public Employees Retirement Board. PERS provides basic retirement and disability benefits, annual cost of living adjustments, and death benefits based on eligible service credit to plan members and beneficiaries. Benefits are established by Chapter 145 of the Ohio Revised Code. PERS issues a stand-alone financial report which may be obtained by writing to the Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 466-2085 or 1-800-222-PERS(7377).

Plan members are required to contribute 8.5 percent of their annual covered salary to fund pension obligations. The 2001 employer contribution rate for local government employers was 13.55% of covered payroll. The City's required contributions to PERS for the years ended December 31, 2001, 2000, and 1999 were \$52,190, \$20,844, and \$86,342, respectively. The full amount has been contributed for 2001.

Police and Firemen's Disability and Pension Fund

The City contributes to the Police and Firemen's Disability and Pension Fund of Ohio (the "Fund"), a cost-sharing multiple employer public employee retirement system administered by the Fund's Board of Trustees. The Fund provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provision is established by the Ohio State Legislature and by Chapter 742 of the Ohio Revised Code.

The Fund issues a publicly available financial report that includes financial information and required supplementary information for the Fund. That report may be obtained by writing to the Police and Firemen's Disability and Pension Fund of Ohio, 140 East Town Street, Columbus, Ohio 43215-5614

Members are required to contribute 10% of their annual covered salary to fund pension obligations and the City is required to contribute 19.5% for police and 24% for firefighters. Contributions are authorized by State statute. The City's contributions to the Fund were \$50,526 for the year ended December 31, 2001, \$41,542 for 2000, and \$56,779 for 1999. The full amount has been contributed for 2001.

CITY OF TRENTON, OHIO

Notes to Financial Statements

December 31, 2001

10. Postemployment Benefits:

Public Employees Retirement System

The Public Employees Retirement System of Ohio (PERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit and to primary survivor recipients of such retirees. Health care coverage for disability recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to PERS is set aside for the funding of postretirement health care based on authority granted by State statute. The employer contribution rate was rolled back for the year 2000. For local government employer units, the rate was 13.55% of covered payroll; 4.30% was the portion that was used to fund health care for the year.

The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through their contributions to PERS.

OPEBs are advanced funded on an actuarially determined basis. The following assumptions and calculations are based on the latest Actuarial Review as of December 31, 2000. An entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of the unfunded actuarial accrued liability. All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach, assets are adjusted annually to reflect 25% of unrealized market appreciation or depreciation on investment assets. The investment assumption rate for 2000 was 7.75%. An annual increase of 4.75% compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.75% base increase, were assumed to range from 0.54% to 5.1%. Health care costs were assumed to increase 4.75% annually.

The number of active contributing participants was 411,076. The amount of the City's contributions that were used to fund postemployment benefits was \$16,562. The actuarial value of net assets available as of December 31, 2000 was \$11,735.9 million. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$14,364.6 million and \$2,628.7 million, respectively.

Police and Firemen's Disability and Pension Fund

The Police and Firemen's Disability and Pension Fund (the "Fund") provides postretirement health care coverage to any person who receives or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such a person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school or under the age of 22 if attending full-time or on a 2/3 basis.

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in GASB Statement No. 12. The Ohio Revised Code provides the authority allowing the Police and Firemen's Disability and Pension Fund's Board of Trustees to provide health care coverage and states that health care cost paid from the Police and Firemen's Disability and

CITY OF TRENTON, OHIO

Notes to Financial Statements

December 31, 2001

Pension Fund shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution is 19.5 percent and the total firefighter employer contribution is 24% of covered payroll, of which 7.25% of covered payroll is applied to postemployment health care program. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment.

The number of participants eligible to receive health care benefits as of December 31, 2000, was 12,853 for police and 10,037 for firefighters. The City's actual contributions for 2001 that were used to fund postemployment benefits were \$10,699 for police and \$7,117 for firefighters. The Fund's total health care expenses for the year ended December 31, 2000, (the latest information available) were \$106,160,054, which was net of members contributions of \$5,657,431.

11. Other Employee Benefits:

Compensated absences

The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. City employees earn vacation leave at varying rates based upon length of service. Accumulated unused vacation time is paid to employees upon termination of employment. Full time employees of the City of Trenton are credited with sick leave of eighty hours per year. Sick leave may be accumulated up to 1200 hours.

Upon retirement, payment is made to employees with ten or more continuous years of service with the City for one-half of the total sick leave accumulation. In addition, full time employees receive thirty-two hours of personal leave each year. Personal leave hours do not accumulate except that a maximum of sixteen hours may be carried forward at the end of each year. In addition, City employees may convert personal leave hours to sick leave hours at a one to two ratio.

Insurance benefits

The City has elected to provide employee medical/surgical and life insurance benefits through Community Mutual Anthem Blue Cross/Blue Shield for all full-time employees. The City pays 100 percent of the monthly premium. The premium varies with each employee depending on the coverage elected. Dental insurance is offered to employees through American Dental Plan of Ohio, Inc., but the employee pays 100 percent of the monthly premium; the City just makes the appropriate withholdings.

12. Risk Management:

Property and liability

The City is a participant in the Ohio Municipal League Joint Self-Insurance Pool (the Pool). The Pool was established in 1987 and is administered under contract by the Ohio Municipal League to provide a program of property and casualty insurance for its member organizations throughout the State of Ohio.

The Pool's general objectives are to formulate, develop, and administer a program of insurance, to obtain lower costs for that coverage, and to develop a comprehensive loss control program on behalf of the member political subdivisions. Political subdivisions joining the Pool may withdraw at the end

CITY OF TRENTON, OHIO

Notes to Financial Statements

December 31, 2001

of any coverage period upon 60 days prior written notice to the Pool. Under agreement, members who terminate participation in the Pool, as well as current members, are subject to a supplemental assessment or a refund at the discretion of the board of trustees, depending on the ultimate loss experience of all the entities it insures for each coverage year. To date, there have been no assessments or refunds, due to the limited period of time that the Pool has been in existence and the nature of the coverage that is afforded to the participants.

Each participant makes an annual "contribution" to the Pool for the coverage they are provided, based on rates established by the Pool, using anticipated and actual results of operation for the various coverages provided. Participants are also charged for a "surplus contribution" that is used to fund the activities of the pool. During 2001, the City of Trenton made contributions of \$23,875 to the pool.

In the ordinary course of business, the Pool cedes a portion of its exposure to other insurers. These arrangements limit the Pool's maximum net loss on individual risks.

The Pool is, and ultimately the participants are, contingently liable should any reinsurer become unable to meet its obligations under the reinsurance agreements.

The City obtained insurance coverage from the pool for losses related to general liability, including police professional and public officials liability, automobile, inland marine, and EDP equipment property.

Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years. There has been no material change in this coverage from the prior year.

Boiler and machinery hold a \$0 deductible. Vehicle liability is limited to \$2,000,000 and deductibles are \$100 to \$250. Property coverage is \$2,631,000, with a \$1,000 deductible. General liability is limited to \$2,000,000, with a \$0 deductible. The City carries a \$1,000 deductible for police and a \$1,000 deductible for professional liability insurance.

Law enforcement liability is protected by the Western World Insurance Company. Liability is limited to \$500,000 per occurrence and \$1,000,000 in aggregate. The law enforcement liability carries a deductible of \$500 for claim deductible and \$1,500 for each law enforcement incident.

Workers' compensation

For fiscal year 2001, the City participated in the Ohio Municipal League of Ohio Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool (Note 17). The intent of the GRP is to achieve the benefit of a reduced premium for the City by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating cities is calculated as one experience and a common premium rate is applied to all cities in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings of the

CITY OF TRENTON, OHIO

Notes to Financial Statements

December 31, 2001

GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund." This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to cities that can meet the GRP's selection criteria. The firm of Gates McDonald provides administrative, cost control and actuarial services to the GRP.

The City may withdraw from the GRP if written notice is provided sixty days prior to the prescribed application deadline of the Ohio Bureau of Workers' Compensation. However, the participant is not relieved of the obligation to pay any amounts owed to the GRP prior to withdrawal, and any participant leaving the GRP allows the representative of the GRP to access less experience for three years following the last year of participation.

13. Capital Leases:

In 2000, the City entered into a lease for fire equipment. Lease payments are accounted for on a GAAP basis as an expenditure in the fire levy special revenue fund.

The lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13 "Accounting for Leases," which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. New capital leases are reflected in the accounts "capital outlay" and "proceeds from capital lease" in the fund which will be making the payment. Equipment acquired by the leases have been capitalized in the general fixed assets account group in the amount of \$492,000, equal to the present value of the future minimum lease payments at the time of acquisition.

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 2001:

For the Year Ending <u>December 31,</u>	<u>GLTDAG</u>
2002	\$ 92,536
2003	92,536
2004	92,536
2005	<u>46,268</u>
Subtotal	323,876
Less: Amount Representing Interest	<u>(32,047)</u>
Present Value of Minimum Lease Payments	\$ <u>291,829</u>

14. Long-Term Obligations:

Changes in long-term obligations during 2001 were as follows:

	Balance at December 31, <u>2000</u>	<u>Increases</u>	<u>Decreases</u>	Balance at December 31, <u>2001</u>
Special Assessment Bond - 7.75%	\$ 105,000	-	15,000	90,000
General Obligation Bond - 4.40% to 4.97%	862,334	-	66,333	796,001
Capital Leases	408,026	-	116,197	291,829
Compensated Absences Payable	<u>123,849</u>	<u>6,793</u>	-	<u>130,642</u>
TOTAL - General Long-Term Obligations	<u>\$ 1,499,209</u>	<u>6,793</u>	<u>197,530</u>	<u>1,308,472</u>

CITY OF TRENTON, OHIO

Notes to Financial Statements

December 31, 2001

The special assessments bond payable will be repaid from special assessment monies received in the special assessment debt service fund. In the event that an assessed property owner fails to make payments, the City will be required to pay the related debt.

The municipal building general obligation bond was issued in 1999 at a variable interest rate from 4.4% to 4.97% over fifteen years. Interest is paid semi-annually. The bond will be repaid from tax monies received in the general debt service fund.

Only increases are shown for compensated absences in the above table because it was impracticable to identify the specific amounts of increases and decreases. The due to other governments represents contractually required pension contributions paid outside the available period. Compensated absences and the due to other governments will be paid from the fund from which the employee is paid. The governmental funds pay all compensated absences, since the enterprise funds only pay salaries based on the number of hours worked by governmental fund employees. The capital lease will be paid from the municipal building improvement capital projects fund.

Changes in the long-term obligations reported in the sewer fund during 2001 were as follows:

	Balance at December 31, <u>2000</u>	<u>Increases</u>	<u>Decreases</u>	Balance at December 31, <u>2001</u>
OWDA Loan Payable:				
7.73% -1980 Sewer OWDA Loan	\$ 276,806	-	183,026	93,780

The OWDA loan payable represents amounts borrowed from Ohio Water Development Authority for the construction of water system improvements to the water reclamation center, part of the sewer enterprise fund. The loan will be paid from sewer enterprise fund revenue.

As of December 31, 2001, the City's overall voted legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$12,091,056 and the unvoted legal debt margin was \$6,333,410.

Principal and interest requirements to retire the City's outstanding obligations at December 31, 2001, were:

	Special Assessment <u>Bond</u>	OWDA <u>Loan</u>	<u>Bond</u>	General Obligation <u>Total</u>
2002	\$ 21,975	102,212	102,362	226,549
2003	20,813	-	99,533	120,346
2004-2008	71,625	-	452,229	523,854
2009-2013	-	-	<u>372,876</u>	<u>372,876</u>
Total	\$ <u>114,413</u>	<u>102,212</u>	<u>1,027,000</u>	<u>1,243,625</u>

CITY OF TRENTON, OHIO

Notes to Financial Statements

December 31, 2001

15. Segment Information:

The City's enterprise funds account for the provision of water, sewer, and refuse collection services. Key financial information as of and for the year ended December 31, 2001, for each enterprise fund is as follows:

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Refuse Fund</u>	<u>Total</u>
Operating Revenues	\$ 788,986	1,041,949	536,830	2,367,765
Operating Expenses				
Before Depreciation	537,352	925,790	492,156	1,955,298
Depreciation Expense	89,392	53,111	833	143,336
Operating Income	162,242	63,048	43,841	269,131
Net Non-Operating				
Revenues (Expenses)	746	(21,397)	-	(20,651)
Transfers	(10,000)	(10,000)	(10,000)	(30,000)
Net Income (Loss)	152,988	31,651	33,841	218,480
Additions to Property,				
Plant and Equipment	86,759	17,492	-	104,251
Net Working Capital	560,153	1,556,318	64,728	2,181,199
Total Assets	3,676,904	1,476,082	98,805	5,251,791
Long-Term Liabilities				
Payable from Revenue	-	93,780	-	93,780
Long-Term				
Compensated Absences	27,116	24,810	11,590	63,516
Total Equity	3,628,491	1,292,232	87,191	5,007,914

16. Jointly Governed Organization:

Ohio-Kentucky-Indiana Regional Council of Governments - The City participates in the Ohio-Kentucky-Indiana Regional Council of Governments (OKI). OKI members include Butler, Clermont and Warren Counties in Ohio, Boone, Campbell and Kenton Counties in Kentucky and Dearborn and Ohio Counties in Indiana. The purpose of OKI is to provide coordinated planning services to the appropriate federal, state and local governments, their political subdivisions, agencies, departments, instrumentalities, and special districts, in connection with the preparation and development of comprehensive and continuing regional transportation and development plan within the OKI Region. OKI also serves as an area wide review agency in conjunction with comprehensive planning within the OKI Region.

OKI contracts periodically for local funds and other support with the governing board of each of the counties who are members of OKI or with such other persons as may be appropriate to provide such funds and support. The support is based on the population of the area represented. A Board of Trustees was created for conducting the activities of the OKI. This Board consists of one elected official of each county-and-municipal corporation, one individual selected by each County planning agency or commission and one person selected by each planning agency or commission of each municipal corporation located in each member county. This Board of Trustees then selects not more than ten residents of the OKI Region. The total membership of the Board of Trustees shall not exceed 100. Any member of OKI may withdraw its membership upon written notice to OKI to be effective two years after receipt of the notice by OKI. If the organization were to dissolve, OKI's net assets shall revert to the said public bodies in proportion to each body's contribution towards the assets.

CITY OF TRENTON, OHIO

Notes to Financial Statements

December 31, 2001

Payments to OKI are made from the general fund. No contributions to OKI were made during 2001. To obtain financial information, write to the Ohio-Kentucky-Indiana Regional Council of Governments at 801-B W. Eighth St. - Suite 400, Cincinnati, Ohio, 45203.

17. Insurance Purchasing Pool:

Ohio Municipal League of Ohio Workers' Compensation Group Rating Plan - The City participates in the Ohio Municipal League of Ohio Workers' Compensation Group Rating Plan (GRP). The GRP's business and affairs are conducted by a twenty-five member Board of trustees consisting of fifteen mayors, two council members, three administrators, three finance officers and three law directors which are voted in by the members for staggered two-year terms. The Executive Director of the Ohio Municipal League serves as coordinator of the GRP. Each year, the participating cities pay an enrollment fee to the GRP to cover the costs of administering the GRP.

18. Contingent Liabilities:

Litigation

The City of Trenton is a party to legal proceedings seeking damages or injunctive relief generally incidental to its operations and pending projects. The City management is of the opinion that ultimate disposition of these claims and legal proceedings will not have a material effect, if any, on the financial condition of the City.

Federal and state grants

For the period January 1, 2001 to December 31, 2001, the City received federal and state grants for specific purposes that are subject to review and audit by grantor agencies or their designee. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any, would be immaterial.

19. Contributed Capital:

The changes in the City's contributed capital for its proprietary funds were as follows:

	<u>Water</u>	<u>Sewer</u>
Beginning balance, contributed capital	\$ 3,000	\$ 12,000
Contributed from general fund	-	-
Ending balance, contributed capital	\$ <u>3,000</u>	\$ <u>12,000</u>

All assets were transferred from governmental funds. As such, no depreciation is allocated to contributed capital.

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**Combining and Individual Fund and
Account Group Statements
And Schedules**

General Fund

The General Fund is used to account for all activities of the City not included in other specified funds. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the charter and/or the general laws of Ohio.

Since there is only one General Fund and the level of budgetary control is not greater than that presented in the General Purpose Financial Statements, no additional financial statements are presented here.

Special Revenue Funds

Special Revenue Funds are established to account for revenues from specific sources which legally, or otherwise, are restricted to expenditures for specific purposes. A description of the City's Special Revenue Funds follows:

Street Maintenance and Repair Fund

A fund required by State law to account for that portion of the gasoline tax and motor vehicle license fees designated for maintenance of streets within the City.

State Highway Improvements Fund

A fund required by State law to account for that portion of the gasoline tax and motor vehicle license fees designated for maintenance of state highways within the City.

Parks and Recreation Improvements Fund

A fund provided to account for monies received and expended for program activities and park improvements.

Municipal Motor Vehicle License Fund

A fund used to account for amounts levied by the County on each motor vehicle registration in the City. Allowable expenditures include planning, construction, improving, maintaining and repairing roads, bridges and streets.

City Employee Fund

A fund used to account for the net proceeds of all vending machines located in the public buildings of the City. The funds so derived are to be used for the benefit of Municipal employees who are or have been employed by the City and for the benefit of the City as determined by the City Employee's Fund Committee.

Fire Levy Fund

A fund used to account for fire equipment purchases and various other operational expenditures related to the operations of the fire department.

Drug Law Enforcement Fund

To account for monies received from fines imposed pursuant to the Ohio Revised Code section 2925.03. The fund subsidizes the Police Department's law enforcement efforts pertaining to drug offenses.

Furtherance of Justice

The Furtherance of Justice Fund accounts for monies received for payment in lieu of fines, or contraband forfeited pursuant to the Ohio Revised Code section 2933.43. Any unused money may be appropriated annually for the same purpose or transferred to the General Fund.

Enforcement and Education Fund

A fund provided to account for the fines imposed for the purpose of educating the public and enforcing the laws governing the operation of a motor vehicle while under the influence of alcohol.

COPS Fast Fund

A fund used to account for the expenditures made relating to the federal COPS Fast grant program. All funds deposited into the COPS Fast Fund are used exclusively to abide by the conditions of the grant award.

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CITY OF TRENTON, OHIO
 COMBINING BALANCE SHEET
 ALL SPECIAL REVENUE FUNDS
 DECEMBER 31, 2001

	STREET MAINTENANCE AND REPAIR	STATE HIGHWAY IMPROVEMENTS	PARKS AND RECREATION IMPROVEMENTS	MUNICIPAL MOTOR VEHICLE LICENSE	CITY EMPLOYEE
Assets:					
Equity in Pooled Cash and Cash Equivalents	\$ 67,188	\$ 25,919	\$ 2,394	\$ 141,232	\$ 977
Receivables:					
Property Taxes		-	-	-	-
Due from Other Governments	97,170	7,878	-	23,316	-
Total Assets	164,368	33,797	2,394	164,548	977
Liabilities:					
Accounts Payable	177	-	246	-	609
Deferred Revenue	80,975	6,565	-	19,430	-
Compensated Absences Payable	1,376	-	-	-	-
Total Liabilities	82,529	6,565	246	19,430	609
Fund Equity:					
Fund Balances:					
Reserved for Encumbrances	-	-	-	800	-
Unreserved (Deficit)	81,839	27,232	2,148	144,318	368
Total Fund Equity (Deficit)	81,839	27,232	2,148	145,118	368
Total Liabilities and Fund Equity	\$ 164,368	\$ 33,797	\$ 2,394	\$ 164,548	\$ 977

<u>FIRE</u> <u>LEVY</u>	<u>DRUG LAW</u> <u>ENFORCEMENT</u>	<u>FURTHERANCE</u> <u>OF</u> <u>JUSTICE</u>	<u>ENFORCEMENT</u> <u>AND EDUCATION</u>	<u>COPS</u> <u>FAST</u>	<u>TOTAL</u>
\$ 32,114	\$ 3,137	\$ 806	\$ 3,153	\$ 75	\$ 277,003
128,320	-	-	-	-	128,923
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>128,364</u>
<u>161,034</u>	<u>3,137</u>	<u>806</u>	<u>3,153</u>	<u>75</u>	<u>534,287</u>
211	-	-	-	-	1,243
128,920	-	-	-	-	235,891
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,376</u>
<u>129,131</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>238,510</u>
-	-	-	-	-	800
<u>31,902</u>	<u>3,137</u>	<u>806</u>	<u>3,153</u>	<u>75</u>	<u>294,977</u>
<u>31,902</u>	<u>3,137</u>	<u>806</u>	<u>3,153</u>	<u>75</u>	<u>295,777</u>
<u>\$ 161,034</u>	<u>\$ 3,137</u>	<u>\$ 806</u>	<u>\$ 3,153</u>	<u>\$ 75</u>	<u>\$ 534,287</u>

CITY OF TRENTON, OHIO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 ALL SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2001

	STREET MAINTENANCE AND REPAIR	STATE HIGHWAY IMPROVEMENTS	PARKS AND RECREATION IMPROVEMENTS	MUNICIPAL MOTOR VEHICLE LICENSE	CITY EMPLOYEE
Revenues:					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	228,922	18,478	-	64,089	-
Fines, Licenses and Permits	-	-	57,737	-	-
Miscellaneous	6,565	-	5,157	-	1,430
Total Revenues	235,488	18,478	62,894	64,089	1,430
Expenditures:					
Current:					
Security of Persons and Property	-	-	-	-	-
Transportation	210,050	15,648	-	-	-
Leisure Time Activities	-	-	62,965	-	-
General Government	-	-	-	4,838	-
Capital Outlay	71,441	-	105,405	2,027	1,171
Debt Service:					
Principal Retirement	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Total Expenditures	281,491	15,548	168,370	6,865	1,171
Excess of Revenues Over(Under) Expenditures	(46,003)	2,930	(105,476)	57,224	259
Other Financing Sources (Uses):					
Operating Transfers-In	-	-	52,003	-	-
Total Other Financing Sources (Uses)	-	-	52,003	-	-
Excess of Revenues and Other Financing Sources Over(Under) Expenditures and Other Financing Uses	(46,003)	2,930	(53,473)	57,224	259
Fund Balance at Beginning of Year	127,842	24,402	55,624	87,894	109
Fund Balance at End of Year	\$ 81,839	\$ 27,232	\$ 2,148	\$ 145,118	\$ 368

FIRE LEVY	DRUG LAW ENFORCEMENT	FURTHERANCE OF JUSTICE	ENFORCEMENT AND EDUCATION	COPS FAST	TOTAL
\$ 152,267	\$ -	\$ -	\$ -	\$ -	\$ 152,267
-	-	-	-	-	311,489
-	-	-	460	33,135	91,332
4,892	-	-	-	-	18,045
<u>157,159</u>	<u>-</u>	<u>-</u>	<u>460</u>	<u>33,135</u>	<u>573,133</u>
-	-	500	-	53,762	54,262
-	-	-	-	-	225,698
-	-	-	-	-	62,965
-	-	-	-	-	4,838
41,347	-	-	4,053	-	225,444
73,944	-	-	-	-	73,944
18,592	-	-	-	-	18,592
<u>133,883</u>	<u>-</u>	<u>500</u>	<u>4,053</u>	<u>53,762</u>	<u>665,745</u>
<u>23,276</u>	<u>-</u>	<u>(500)</u>	<u>(3,593)</u>	<u>(20,627)</u>	<u>(92,610)</u>
-	-	-	-	20,700	72,700
-	-	-	-	20,700	72,700
23,276	-	(500)	(3,593)	72	(19,910)
8,627	3,137	1,306	6,746	-	315,687
<u>\$ 31,903</u>	<u>\$ 3,137</u>	<u>\$ 806</u>	<u>\$ 3,153</u>	<u>\$ 72</u>	<u>\$ 295,777</u>

CITY OF TRENTON, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 STREET MAINTENANCE AND REPAIR FUND
 BUDGET BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2001

	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues:			
Intergovernmental	\$ 345,000	\$ 228,861	\$ (116,139)
Miscellaneous	7,000	6,566	(434)
Total Revenues	<u>352,000</u>	<u>235,427</u>	<u>(116,573)</u>
Expenditures:			
Current:			
Transportation	241,555	209,197	32,358
Capital outlay	82,985	73,003	9,982
Total Expenditures	<u>324,540</u>	<u>282,200</u>	<u>42,340</u>
Excess of Revenues Over (Under) Expenditures	27,460	(46,773)	(74,233)
Fund Balance at Beginning of Year	<u>114,052</u>	<u>114,062</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 141,522</u>	<u>\$ 67,289</u>	<u>\$ (74,233)</u>

CITY OF TRENTON, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 STATE HIGHWAY FUND
 BUDGET BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2001

	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues:			
Intergovernmental	\$ 18,500	\$ 18,473	\$ (27)
Total Revenues	<u>18,500</u>	<u>18,473</u>	<u>(27)</u>
Expenditures:			
Current:			
Transportation	22,985	15,648	7,337
Total Expenditures	<u>22,985</u>	<u>15,648</u>	<u>7,337</u>
Deficiency of Revenues Under Expenditures	(4,485)	2,825	7,310
Fund Balance at Beginning of Year	<u>23,086</u>	<u>23,086</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 18,601</u>	<u>\$ 25,911</u>	<u>\$ 7,310</u>

CITY OF TRENTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
PARKS AND RECREATION IMPROVEMENTS FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2001

	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues:			
Fines, Licenses and Permits	\$ 57,600	\$ 57,737	\$ (63)
Miscellaneous	3,300	3,157	(143)
Total Revenues	<u>63,100</u>	<u>62,894</u>	<u>(206)</u>
Expenditures:			
Current:			
Leisure Time Activities	65,790	62,719	4,371
Capital Outlay	123,910	105,405	18,505
Total Expenditures	<u>190,700</u>	<u>168,124</u>	<u>22,576</u>
Deficiency of Revenues Under Expenditures	(127,600)	(105,230)	22,370
Other Financing Sources:			
Operating Transfers-In	69,804	52,000	(17,804)
Total Other Financing Sources	<u>69,804</u>	<u>52,000</u>	<u>(17,804)</u>
Deficiency of Revenues and Other Financing Sources Under Expenditures	(57,796)	(53,230)	4,566
Fund Balance at Beginning of Year	88,429	88,429	-
Prior Year Encumbrances Appropriated	<u>218</u>	<u>218</u>	-
Fund Balance at End of Year	<u>\$ 30,851</u>	<u>\$ 35,417</u>	<u>\$ 4,566</u>

CITY OF TRENTON, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 MUNICIPAL MOTOR LICENSING FUND
 BUDGET BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2001

	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues:			
Intergovernmental	\$ 63,000	\$ 64,089	\$ 1,089
Total Revenues	<u>63,000</u>	<u>64,089</u>	<u>1,089</u>
Expenditures:			
Current:			
General Government	39,000	2,027	36,973
Capital Outlay	<u>22,500</u>	<u>4,838</u>	<u>17,662</u>
Total Expenditures	<u>61,500</u>	<u>6,865</u>	<u>54,635</u>
Excess of Revenues Over (Under) Expenditures	1,500	57,224	55,724
Fund Balance at Beginning of Year	<u>84,316</u>	<u>84,316</u>	-
Fund Balance at End of Year	<u>\$ 85,816</u>	<u>\$ 141,540</u>	<u>\$ 55,724</u>

CITY OF TRENTON, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 CITY EMPLOYEE FUND
 BUDGET BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2001

	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues:			
Miscellaneous	\$ 1,680	\$ 1,430	\$ (250)
Total Revenues	<u>1,680</u>	<u>1,430</u>	<u>(250)</u>
Expenditures:			
Current:			
General Government	<u>1,800</u>	<u>1,036</u>	<u>764</u>
Total Expenditures	<u>1,800</u>	<u>1,036</u>	<u>764</u>
Excess of Revenues Over (Under) Expenditures	(120)	394	514
Fund Balance at Beginning of Year	<u>583</u>	<u>583</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 463</u>	<u>\$ 977</u>	<u>514</u>

CITY OF TRENTON, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FIRE LEVY FUND
 BUDGET BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2001

	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues:			
Property Taxes	\$ 136,429	\$ 136,479	\$ (50)
Intergovernmental	15,750	15,787	37
Total Revenues	<u>152,179</u>	<u>152,266</u>	<u>(87)</u>
Expenditures:			
Security of Persons and Property	92,536	92,536	-
Capital Outlay	62,750	41,136	21,614
Total Expenditures	<u>154,786</u>	<u>133,672</u>	<u>21,114</u>
Deficiency of Revenues Under Expenditures	(2,607)	18,594	21,201
Fund Balance at Beginning of Year	<u>32,089</u>	<u>32,089</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 29,482</u>	<u>\$ 50,683</u>	<u>\$ 21,201</u>

CITY OF TRENTON, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 DRUG LAW ENFORCEMENT FUND
 BUDGET BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Revenues:			
Total Revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures:			
Security of Persons and Property	<u>3,000</u>	<u>-</u>	<u>3,000</u>
Total Expenditures	<u>3,000</u>	<u>-</u>	<u>3,000</u>
Deficiency of Revenues Under Expenditures	(3,000)	-	3,000
Fund Balance at Beginning of Year	<u>3,136</u>	<u>3,136</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 136</u>	<u>\$ 3,136</u>	<u>\$ 3,000</u>

CITY OF TRENTON, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FURTHERANCE OF JUSTICE FUND
 BUDGET BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2001

	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues:			
Total Revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures:			
Security of Persons and Property	<u>1,000</u>	<u>500</u>	<u>500</u>
Total Expenditures	<u>1,000</u>	<u>500</u>	<u>500</u>
Deficiency of Revenues Under Expenditures	<u>(1,000)</u>	<u>(500)</u>	<u>500</u>
Fund Balance at Beginning of Year	<u>1,306</u>	<u>1,306</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 306</u>	<u>\$ 806</u>	<u>\$ 500</u>

CITY OF TRENTON, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 ENFORCEMENT AND EDUCATION FUND
 BUDGET BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2001

	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues:			
Fines, Licenses, and Permits	\$ 500	\$ 460	\$ (40)
Total Revenues	<u>500</u>	<u>460</u>	<u>(40)</u>
Expenditures:			
Capital Outlay	<u>6,900</u>	<u>4,053</u>	<u>2,847</u>
Total Expenditures	<u>6,900</u>	<u>4,053</u>	<u>2,847</u>
Excess of Revenues Over Expenditures	(6,400)	(3,593)	2,807
Fund Balance at Beginning of Year	<u>6,744</u>	<u>6,744</u>	-
Fund Balance at End of Year	<u>\$ 344</u>	<u>\$ 3,151</u>	<u>\$ 2,807</u>

CITY OF TRENTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COPS FAST PROGRAM FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2001

	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues:			
Intergovernmental	\$ 42,300	\$ 33,135	\$ (9,165)
Total Revenues:	<u>42,300</u>	<u>33,135</u>	<u>(9,165)</u>
Expenditures:			
Security of Persons and Property	<u>55,995</u>	<u>53,763</u>	<u>2,232</u>
Total Expenditures	<u>55,995</u>	<u>53,763</u>	<u>2,232</u>
Excess of Revenues Over Expenditures	(13,695)	(20,628)	(6,933)
Other Financing Sources:			
Operating Transfers-In	<u>20,700</u>	<u>20,700</u>	<u>-</u>
Total Other Financing Sources	<u>20,700</u>	<u>20,700</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over Expenditures	7,005	72	(6,933)
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 7,005</u>	<u>\$ 72</u>	<u>\$ (6,933)</u>

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources and for the payment of general long-term debt principal and interest.

General Debt Service

To account for the payment of general obligation bonded debt.

Special Assessment Bond Retirement Fund

A fund used to account for special assessments collected for the payment of special assessment bonded debt with governmental commitment.

CITY OF TRENTON
 COMBINING BALANCE SHEET
 ALL DEBT SERVICE FUNDS
 DECEMBER 31, 2001

	GENERAL DEBT SERVICE	SPECIAL ASSESSMENT BOND RETIREMENT	TOTAL
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$ 1,677	\$ 32,082	\$ 33,759
Property Tax Receivable	163,476	-	163,476
Special Assessment Receivable	-	123,799	123,799
Total Assets	165,153	155,881	321,034
Liabilities:			
Deferred Revenue	163,476	123,799	287,275
Total Liabilities	163,476	123,799	287,275
Fund Equity:			
Fund Balances:			
Unreserved	1,677	32,082	33,759
Total Fund Equity	1,677	32,082	33,759
Total Liabilities and Fund Equity	\$ 165,153	\$ 155,881	\$ 321,034

CITY OF TRENTON
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 ALL DEBT SERVICE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2001

	GENERAL DEBT SERVICE	SPECIAL ASSESSMENT BOND RETIREMENT	TOTAL
Revenues:			
Property Taxes	\$ 104,048	\$ 23,137	\$ 127,185
Total Revenues	104,048	23,137	127,185
Expenditures:			
Current:			
General Government	-	518	518
Debt Service:			
Principal Retirement	66,333	15,000	81,333
Interest and Fiscal Charges	39,038	8,138	47,176
Total Expenditures	105,371	23,656	129,027
Excess of Revenues Over(Under) Expenditures	(1,323)	(519)	(1,842)
Fund Balance at Beginning of Year	3,000	32,601	35,601
Fund Balance at End of Year	<u>\$ 1,677</u>	<u>\$ 32,082</u>	<u>\$ 33,759</u>

CITY OF TRENTON, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 GENERAL DEBT SERVICE FUND
 BUDGET BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2001

	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues:			
Property Taxes	\$ 104,048	\$ 104,048	\$ -
Total Revenues	<u>104,048</u>	<u>104,048</u>	<u>-</u>
Expenditures:			
Debt Service:			
Principal Retirement	66,333	66,333	-
Interest and Fiscal Charges	39,037	39,037	-
Total Debt Service	<u>105,370</u>	<u>105,370</u>	<u>-</u>
Total Expenditures	<u>105,370</u>	<u>105,370</u>	<u>-</u>
Excess of Revenues Over Expenditures	(1,322)	(1,322)	-
Fund Balance at Beginning of Year	<u>3,000</u>	<u>3,000</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 1,678</u>	<u>\$ 1,678</u>	<u>\$ -</u>

CITY OF TRENTON, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 SPECIAL ASSESSMENT BOND FUND
 BUDGET BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2001

	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues:			
Property Taxes	\$ 23,137	\$ 23,137	\$ -
Total Revenues	<u>23,137</u>	<u>23,137</u>	<u>-</u>
Expenditures:			
Current:			
General Government	600	518	82
Debt Service:			
Principal Retirement	15,000	15,000	-
Interest and Fiscal Charges	<u>9,000</u>	<u>8,133</u>	<u>867</u>
Total Expenditures	<u>24,600</u>	<u>23,655</u>	<u>944</u>
Deficiency of Revenues Under Expenditures	(1,463)	(\$19)	944
Fund Balance at Beginning of Year	<u>32,601</u>	<u>32,601</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 31,138</u>	<u>\$ 32,082</u>	<u>\$ 944</u>

Capital Projects Funds

Capital Projects Funds are used to account for the financing and acquisition or construction of major capital facilities, other than those financed by proprietary or trust funds. A description of the City's Capital Project Funds follows:

Capital Improvements

A fund provided to account for financial resources for the acquisition or construction of major capital facilities.

Municipal Building Project Fund

A fund used to account for money used to finance the construction of the governmental services building complex. There have been multiple phases of construction and remodeling of the governmental services building.

Capital Projects – Wayne Madison Road

The fund was established under approval of the State Auditor's Office as a temporary capital project. The fund was used to account for the City's commitment to the multi-governmental jurisdictional reconstruction of the Wayne Madison / State Route 63 intersection. The project was completed in 2001. There will be no further use of this fund.

CITY OF TRENTON, OHIO
 COMBINING BALANCE SHEET
 ALL CAPITAL PROJECTS FUNDS
 DECEMBER 31, 2001

	<u>CAPITAL IMPROVEMENTS</u>	<u>MUNICIPAL BUILDING PROJECT</u>	<u>WAYNE MASON</u>	<u>TOTAL</u>
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 8,922	\$ (418)	\$ -	\$ 8,504
Total Assets and Other Debits	<u>8,922</u>	<u>(418)</u>	<u>-</u>	<u>8,504</u>
Fund Equity:				
Unreserved	<u>8,922</u>	<u>(418)</u>	<u>-</u>	<u>8,504</u>
Total Fund Equity	<u>8,922</u>	<u>(418)</u>	<u>-</u>	<u>8,504</u>

CITY OF TRENTON, OHIO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 ALL CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2001

	CAPITAL IMPROVEMENTS	MUNICIPAL BUILDING PROJECT	WAYNE MASON	TOTAL
Revenues:				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Capital Outlay	-	762	114,195	114,957
Total Expenditures	-	762	114,195	114,957
Excess of Revenues Over(Under) Expenditures	-	(762)	(114,195)	(114,957)
Other Financing Sources (Uses):				
Operating Transfers-In	-	-	7,140	7,140
Total Other Financing Sources (Uses)	-	-	7,140	7,140
Excess of Revenues and Other Financing Sources Over(Under) Expenditures and Other Financing Uses	-	(762)	(107,055)	(107,817)
Fund Balance at Beginning of Year	8,922	344	107,055	116,321
Fund Balance at End of Year	\$ 8,922	\$ (418)	\$ -	\$ 8,504

CITY OF TRENTON, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 MUNICIPAL BUILDING PROJECT
 BUDGET BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2001

	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues:			
Total Revenues	\$ -	\$ -	\$ -
Expenditures:			
Current:			
Capital Outlay	1,036	762	274
Interest and Fiscal Charges	-	-	-
Total Expenditures	1,036	762	274
Deficiency of Revenues Under Expenditures	(1,036)	(762)	274
Fund Balance at Beginning of Year	-	-	-
Prior Year Encumbrances Appropriated	44,062	44,062	-
Fund Balance at End of Year	\$ 43,026	\$ 43,300	\$ 274

CITY OF TRENTON, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 WAYNE MADISON ROAD IMPROVEMENTS
 BUDGET BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Revenues:			
Total Revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures:			
Current:			
Capital Outlay	<u>114,195</u>	<u>114,195</u>	<u>-</u>
Total Expenditures	<u>114,195</u>	<u>114,195</u>	<u>-</u>
Deficiency of Revenues Under Expenditures	(114,195)	(114,195)	-
Other Financing Sources:			
Operating Transfer In	<u>7,140</u>	<u>7,140</u>	<u>-</u>
Total Other Financing Sources	<u>7,140</u>	<u>7,140</u>	<u>-</u>
Deficiency of Revenues and Other Financing Sources Under Expenditures	(107,055)	(107,055)	-
Fund Balance at Beginning of Year	<u>26,766</u>	<u>26,766</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ (80,289)</u>	<u>\$ (80,289)</u>	<u>\$ -</u>

CITY OF TRENTON, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 CAPITAL IMPROVEMENT FUND
 BUDGET BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Revenues:			
Total Revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures:			
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over(Under) Expenditures	-	-	-
Fund Balance at Beginning of Year	<u>2,344</u>	<u>2,344</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 2,344</u>	<u>\$ 2,344</u>	<u>\$ -</u>

Enterprise Funds

Enterprise Funds are established to account for operations that are financed and operated in a manner similar to private sector business where the intent is that the expense (including depreciation) of providing similar goods or services primarily or solely to the general public be financed or recovered primarily through user charges; or where it has been decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. A description of the City's Enterprise Funds follows:

Water

A fund used to account for the provision of water treatment and distribution services.

Sewer

A fund used to account for the provision of sanitary sewer services.

Refuse

A fund used to account for the provision of waste collection services.

CITY OF TRENTON, OHIO
 COMBINING BALANCE SHEET
 ALL ENTERPRISE FUNDS
 DECEMBER 31, 2001

	WATER	SEWER	REFUSE	TOTAL
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 681,462	\$ 547,497	\$ 49,228	\$ 1,278,187
Receivables:				
Account	46,563	69,988	39,576	156,127
Fixed assets (net, where applicable, of accumulated depreciation)	2,948,879	858,597	10,001	3,817,477
Total Assets	\$ 3,676,904	\$ 1,476,082	\$ 98,805	\$ 5,251,791
Liabilities:				
Accounts Payable	\$ 3,553	\$ 65,260	\$ 24	\$ 68,837
Intergovernmental Payable	1,404	-	-	1,404
Deposits	16,340	-	-	16,340
Notes Payable	-	93,780	-	93,780
Compensated Absences Payable	27,116	24,810	11,590	63,516
Total Liabilities	48,413	183,850	11,614	243,877
Fund Equity:				
Contributed Capital	3,000	12,000	-	15,000
Retained Earnings:				
Unreserved	3,625,491	1,280,232	87,191	4,992,914
Total Fund Equity	3,628,491	1,292,232	87,191	5,007,914
Total Liabilities and Fund Equity	\$ 3,676,904	\$ 1,476,082	\$ 98,805	\$ 5,251,791

CITY OF TRENTON, OHIO
 COMBINING STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN RETAINED EARNINGS
 ALL ENTERPRISE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2001

	WATER	SEWER	REFUSE	TOTAL
Operating Revenues:				
Charges for Services	\$ 788,011	\$ 1,019,349	\$ 536,830	\$ 2,364,190
Other operating revenue	975	2,600	-	3,575
Total Operating Revenue	788,986	1,041,949	536,830	2,367,765
Operating Expenses:				
Personal Services	272,032	159,236	131,171	562,439
Contractual Services	13,787	663,403	323,013	1,000,203
Depreciation	89,392	53,111	833	143,336
Other expenses	251,533	103,151	57,972	392,656
Total Operating Expenses	626,744	978,901	492,989	2,098,634
Operating Income	162,242	63,048	43,841	269,131
Non-Operating Income (Expenses):				
Interest	746	-	-	746
Municipal Income Taxes	-	(21,397)	-	(21,397)
	746	(21,397)	-	(20,651)
Net income before operating transfers	162,988	41,651	43,841	248,480
Operating transfers in	100,000	204,424	-	304,424
Operating transfers out	(110,000)	(214,424)	(10,000)	(334,424)
Net Income	152,988	31,651	33,841	218,480
Retained Earnings at Beginning of Year	3,472,503	1,248,581	53,350	4,774,434
Retained Earnings at End of Year	\$ 3,625,491	\$ 1,280,232	\$ 87,191	\$ 4,992,914

CITY OF TRENTON, OHIO
 SCHEDULE OF REVENUES, EXPENSES AND
 CHANGES IN FUND EQUITY - BUDGET AND ACTUAL
 WATER FUND
 BUDGET BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2001

	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues:			
Charges for Services	\$ 863,340	\$ 808,355	\$ (54,985)
Investment Income	960	746	(214)
Other Operating Revenues	3,800	3,314	14
Total Revenues	868,100	812,915	(55,185)
Expenses:			
Personal Services	266,360	236,703	29,657
Contractual Services	28,240	17,332	10,908
Other Expenses	657,506	385,757	271,749
Total Expenses	952,106	639,792	\$ 312,314
Excess Revenues Over Expenses Before Operating Transfers	(84,006)	173,123	257,129
Operating Transfers In	-	-	-
Operating Transfers Out	(20,000)	(10,000)	10,000
Excess of Revenues Over Expenses and Operating Transfers	(104,006)	163,123	267,129
Fund Equity at Beginning of Year	547,124	547,124	-
Fund Equity at End of Year	\$ 443,118	\$ 710,247	\$ 267,129

CITY OF TRENTON, OHIO
 SCHEDULE OF REVENUES, EXPENSES AND
 CHANGES IN FUND EQUITY - BUDGET AND ACTUAL
 SEWER FUND
 BUDGET BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2001

	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues:			
Charges for Services	\$ 1,033,650	\$ 1,038,516	\$ 4,866
Other Operating Revenues	6,500	10,379	3,879
Total Revenues	<u>1,040,150</u>	<u>1,048,895</u>	<u>8,745</u>
Expenses:			
Personal Services	186,750	153,357	33,393
Contractual Services	675,650	672,270	2,380
Other Expenses	140,736	109,430	31,306
Debt Service			
Principal Retirement	183,026	183,026	-
Interest and Fiscal Charges	21,397	21,397	-
Total Expenses	<u>1,207,559</u>	<u>1,140,480</u>	<u>67,079</u>
Deficiency of Revenues Under Expenses Before Operating Transfers	(167,409)	(91,585)	75,824
Operating Transfers In	10,000	-	(10,000)
Operating Transfers Out	(53,622)	(10,000)	43,622
Deficiency of Revenues Under Expenses and Operating Transfers	(211,031)	(101,585)	109,446
Fund Equity at Beginning of Year	<u>923,643</u>	<u>923,643</u>	<u>-</u>
Fund Equity at End of Year	<u>\$ 712,612</u>	<u>\$ 822,058</u>	<u>\$ 109,446</u>

CITY OF TRENTON, OHIO
 SCHEDULE OF REVENUES, EXPENSES AND
 CHANGES IN FUND EQUITY - BUDGET AND ACTUAL
 REFUSE FUND
 BUDGET BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2001

	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues:			
Charges for Services	\$ 515,000	\$ 538,168	\$ 23,168
Other Operating Revenues	-	2,632	2,632
Total Revenues	515,000	540,800	25,800
Expenses:			
Personal Services	131,173	130,959	214
Contractual Services	326,785	326,535	252
Other Expenses	49,632	37,960	11,672
Total Expenses	507,590	495,452	12,138
Excess Revenues Over (Under) Expenses Before Operating Transfers	7,410	45,348	37,938
Operating Transfers In	33,700	-	(33,700)
Operating Transfers Out	(10,000)	(10,000)	-
Excess Revenues Over (Under) Expenses and Operating Transfers	31,110	35,348	4,238
Fund Equity at Beginning of Year	13,574	13,574	-
Fund Equity at End of Year	\$ 44,684	\$ 48,922	\$ 4,238

CITY OF TRENTON, OHIO
 COMBINING STATEMENT OF CASH FLOWS
 ALL PROPRIETARY FUND TYPES
 FOR THE YEAR ENDED DECEMBER 31, 2001

	WATER	SEWER	REFUSE	TOTAL
Increase (Decrease) in Cash and Cash Equivalents				
Cash Flows from Operating Activities:				
Cash Received from Customers	\$ 808,355	\$ 1,038,516	\$ 538,168	\$ 2,385,039
Cash Payments to Employees for Services and Benefits	(236,705)	(153,357)	(130,959)	(521,019)
Cash Payments to Suppliers for Goods and Services	(312,516)	(754,830)	(361,862)	(1,429,208)
Net Cash Provided by Operating Activities	<u>259,136</u>	<u>130,329</u>	<u>45,347</u>	<u>434,812</u>
Cash Flows from Noncapital Financing Activities:				
Operating transfers	(10,000)	(10,000)	(10,000)	(30,000)
Net Cash Used by Noncapital Financing Activities:	<u>(10,000)</u>	<u>(10,000)</u>	<u>(10,000)</u>	<u>(30,000)</u>
Cash Flows from Capital and Related Financing Activities:				
Acquisition of Capital Assets	(86,759)	(17,492)	-	(104,251)
Principal Paid on Notes	-	(183,026)	-	(183,026)
Interest Paid on Notes	-	(21,397)	-	(21,397)
Net Cash Used in Capital and Related Financing Activities	<u>(86,759)</u>	<u>(221,915)</u>	<u>-</u>	<u>(308,674)</u>
Cash Flows from Investing Activities:				
Interest and Dividends on Investments	746	-	-	746
Net Cash Provided by Investing Activities	<u>746</u>	<u>-</u>	<u>-</u>	<u>746</u>
Net Increase (Decrease) in Cash and Cash Equivalents	163,123	(111,586)	35,347	96,884
Cash and Cash Equivalents Beginning of Year	<u>518,339</u>	<u>649,083</u>	<u>13,881</u>	<u>1,181,303</u>
Cash and Cash Equivalents End of Year	<u>\$ 681,462</u>	<u>\$ 547,497</u>	<u>\$ 49,228</u>	<u>\$ 1,278,187</u>
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities:				
Operating Income	\$ 162,242	\$ 63,048	\$ 43,841	\$ 269,131
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation	89,392	53,111	833	143,336
Changes in Assets and Liabilities				
Decrease in Accounts Receivable	4,375	6,545	3,969	15,287
Increase (Decrease) in Accounts Payable	(2,363)	1,346	(3,508)	(4,525)
Increase in Deposits	5,705	-	-	5,705
Decrease in Intergovernmental Payable	(1,802)	-	-	(1,802)
Increase in Compensated Absence Payable	1,589	5,879	212	7,680
Net Cash Provided by Operating Activities	<u>\$ 259,136</u>	<u>\$ 130,329</u>	<u>\$ 45,347</u>	<u>\$ 434,812</u>

Trust and Agency Funds

Trust Fund - Expendable Trust Fund

A fund used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments or other funds.

Agency Fund – Mayor’s Court

A fund used to account for the collection and distribution of court fines and forfeitures.

CITY OF TRENTON, OHIO
 COMBINING BALANCE SHEET
 ALL FIDUCIARY FUNDS
 DECEMBER 31, 2001

	<u>EXPENDABLE TRUST FUND</u>	<u>AGENCY FUND</u>	
	<u>UNCLAIMED MONIES</u>	<u>MAYORS COURT</u>	<u>TOTAL</u>
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$ 78	\$ -	\$ 78
Cash and Cash Equivalents with Fiscal Agents	-	20,086	20,086
Total Assets	<u>78</u>	<u>20,086</u>	<u>20,164</u>
Liabilities:			
Undistributed Monies	-	20,086	20,086
Total Liabilities	<u>-</u>	<u>20,086</u>	<u>20,086</u>
Fund Equity:			
Fund Balances:			
Unreserved	78	-	78
Total Fund Equity	<u>78</u>	<u>-</u>	<u>78</u>
Total Liabilities and Fund Equity	<u>\$ 78</u>	<u>\$ 20,086</u>	<u>\$ 20,164</u>

CITY OF TRENTON, OHIO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 UNCLAIMED MONIES TRUST
 FOR THE YEAR ENDED DECEMBER 31, 2001

Revenues:	
Total Revenues	\$ -
Total Expenditures	-
Excess of Revenues Over(Under) Expenditures	-
Fund Balance at Beginning of Year	78
Fund Balance at End of Year	\$ 78

CITY OF TRENTON, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 UNCLAIMED MONIES TRUST
 BUDGET BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2001

	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues:			
Other	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:			
Current:	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over Expenditures	-	-	-
Fund Balance at Beginning of Year	<u>78</u>	<u>78</u>	
Fund Balance at End of Year	<u>\$ 78</u>	<u>\$ 78</u>	<u>\$ -</u>

CITY OF TRENTON, OHIO
 COMBINING STATEMENTS OF CHANGES
 IN ASSETS AND LIABILITIES
 MAYOR'S COURT
 FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Balance 1/1/2001</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/2001</u>
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 9,421	\$ 10,665	\$ -	\$ 20,086
Total Assets	<u>\$ 9,421</u>	<u>\$ 10,665</u>	<u>\$ -</u>	<u>\$ 20,086</u>
Liabilities:				
Undistributed Monies	\$ 9,421	\$ 10,665	\$ -	\$ 20,086
Total Liabilities	<u>\$ 9,421</u>	<u>\$ 10,665</u>	<u>\$ -</u>	<u>\$ 20,086</u>

General Fixed Asset Account Group

This group of accounts is used to account for all sites, buildings, equipment and vehicles not used in the operations of proprietary funds.

City of Trenton Ohio
Schedule of General Fixed Assets
By Source
December 31, 2001

General fixed assets:

Land and land improvements	\$ 517,766
Building and building improvements	1,780,801
Furniture and equipment	<u>2,217,850</u>
 Total general fixed assets	 <u>\$ 4,516,417</u>

Investment in general fixed assets by source:

General fund	\$ 102,055
Special revenue funds	90,724
Capital projects funds	114,957
Acquisitions prior to January 1, 2001 *	<u>4,208,681</u>
 Total general fixed assets	 <u>\$ 4,516,417</u>

* Source not available for years prior to the production of the first Comprehensive Annual Financial Report.

**City of Trenton Ohio
Schedule of General Fixed Assets
By Function and Activity
December 31, 2001**

Information not available.

City of Trenton Ohio
Schedule of Changes in General Fixed Assets
By Function and Activity
December 31, 2001

Information not available.

STATISTICAL

CITY OF


Trenton

OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**For the Year Ended
December 31, 2001**

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City of Trenton

General Government Revenues by Source

Year	Income Taxes	Real Estate Taxes	Inter-Governmental	Fines Cost Forfeitures	Interest Earned	Misc Revenue	Total
1992	557,678	171,598	330,378	84,175	42,834	22,946	1,209,609
1993	606,916	177,200	340,765	91,879	24,499	27,448	1,268,707
1994	664,893	179,214	366,950	95,782	29,752	34,306	1,370,897
1995	676,525	198,022	387,673	121,861	53,628	19,735	1,457,444
1996	745,971	196,889	445,356	64,800	89,267	15,796	1,558,090
1997	781,319	209,087	521,587	103,834	74,438	20,085	1,710,350
1998	863,642	254,524	571,714	122,356	160,006	62,535	2,034,777
1999	980,222	280,068	577,649	162,263	152,121	36,031	2,188,354
2000	1,021,421	457,059	637,332	183,895	178,063	146,763	2,634,533
2001	1,107,250	486,424	735,286	192,550	162,818	132,465	2,816,893

Miscellaneous Revenue: = Transfer fees, Refunds, Miscellaneous, and Receipts.

Source: City of Trenton Finance Department

General Government Expenditures by Function

Year	Security of Persons & Property	Leisure Time Activities	Transportation	General Government	Capital Outlay	Debt Service	Total
1992	636,014	102	203,695	333,563	276,263	69,930	1,519,566
1993	655,037	457	222,745	293,442	52,120	102,330	1,336,130
1994	678,675	1,870	204,126	278,736	76,334	83,425	1,323,166
1995	695,796	243	246,371	317,493	133,799	103,626	1,497,328
1996	776,625	22,257	200,804	302,888	212,431	152,334	1,667,340
1997	807,665	18,128	235,837	332,159	110,393	151,791	1,655,972
1998	847,331	40,317	252,354	860,471	1,034,413	1,213,862	4,248,748
1999	923,896	65,091	240,161	595,607	331,922	155,393	2,312,073
2000	1,090,755	125,348	195,035	677,628	848,030	127,715	3,064,511
2001	1,510,534	62,719	224,845	853,524	343,392	129,026	2,924,040

Source: City of Trenton Finance Department

Note: Revenue and Expenditures listed does not include activity of the Enterprise Funds

City of Trenton Ohio
Assessed and Estimated True Values of Taxable Property

For the Tax Year as Listed

Tax Year	ASSESSED TAX VALUATION ABSTRACT - FOR TAX YEAR LISTED										Estimated True Value	
	Agricultural	Residential	Industrial	Commercial	Utility Property	Personal Property	Total	Real Property	Personal Property			
1991	876,890	37,056,400	654,260	5,326,570	5,952,540	3,017,626	52,884,286	125,468,914	8,621,789			
1992	466,110	37,456,950	696,260	5,208,220	6,538,990	3,582,116	53,948,646	125,221,543	10,234,617			
1993	794,920	41,283,200	674,810	5,408,800	6,606,720	3,928,950	58,697,400	137,604,943	11,225,571			
1994	787,770	42,641,510	675,550	5,335,410	6,616,690	3,668,194	59,927,124	141,257,829	10,480,554			
1995	228,980	44,729,290	677,230	6,123,820	7,268,700	4,467,619	63,515,639	147,868,771	12,764,626			
1996	617,290	57,642,250	778,570	6,564,740	7,746,270	5,322,218	78,671,338	187,436,714	15,206,337			
1997	528,080	63,562,490	784,900	7,112,860	7,711,990	5,951,154	85,651,474	205,680,943	17,003,297			
1998	619,210	67,672,470	774,710	7,688,960	7,240,340	5,977,816	90,173,506	219,872,429	17,079,474			
1999	861,190	80,002,590	789,260	9,223,230	7,434,600	5,845,496	104,161,336	259,646,486	18,701,417			
2000	811,340	87,945,150	902,340	9,604,090	7,490,580	7,321,955	114,075,455	283,606,343	20,919,871			
2001	603,690	92,158,200	902,340	9,591,560	5,060,980	6,836,148	115,152,918	295,016,543	19,531,851			

Source: Butler County Auditor's Office

Note: Estimated True Value of Real Property and Personal Property does not include Utility Property holdings

City of Trenton Ohio

Property Tax Rates - Direct and all Overlapping Governments

Listed rate per \$1,000 of Assessed Valuation

Tax	City	County	School	Vocational	Total
Year	Tax	Tax	Tax	School	Tax Rate
1992	3.24	7.45	37.61	1.97	50.27
1993	3.24	7.45	35.61	1.94	48.24
1994	4.99	7.45	35.36	1.93	49.73
1995	4.99	7.44	34.61	1.93	48.97
1996	4.99	8.44	34.11	1.93	49.47
1997	4.99	8.45	33.61	1.93	48.98
1998	4.99	8.45	33.61	1.93	48.98
1999	4.74	8.45	37.11	1.93	52.23
2000	4.74	8.45	37.11	1.93	52.23
2001	4.74	8.75	43.76	1.93	59.18

Source: Butler County Treasurer's Office

City of Trenton

Ratio of Net General Bonded Debt To Assessed Value and Net Bonded Debt per Capita

Year	Population	Assessed Total Tax Valuation	Net General Obligation Bonded Debt Outstanding	Bonded Debt Per Capita	Ratio of Debt to Assessed Value
1995	7,445	63,515,639	711,000	95.50	1.12%
1996	7,959	78,671,338	430,000	54.03	0.55%
1997	8,373	85,651,474	167,000	19.95	0.19%
1998	8,713	90,173,506	1,120,000	128.54	1.24%
1999	8,988	104,161,336	980,667	109.11	0.94%
2000	8,746	114,075,455	934,334	106.83	0.82%
2001	9,480	115,152,918	853,001	89.98	0.74%

Source: Population - U.S. Census Bureau
Butler County Auditor's Office
City of Trenton Finance Department

Net General Obligation bonded debt does not include bonds paid from Enterprise Funds

Ratio of Annual Debt Service Expenditures For General Bonded Debt to Total General Fund Expenditures

Year	Debt (1) Principal	Debt (1) Interest	Total Debt Service	General Fund Expenditures	Ratio Debt to G. Fund Exp
1995	65,000	25,221	90,221	1,020,825	8.84%
1996	66,000	24,376	90,376	1,106,649	8.17%
1997	71,000	20,266	91,266	1,174,409	7.77%
1998	1,060,000	56,748	1,115,748	1,703,450	65.50%
1999	76,333	54,562	130,895	1,594,279	8.21%
2000	76,333	47,869	124,202	1,919,559	6.47%
2001	81,333	47,175	128,508	2,208,276	5.82%

Source: City of Trenton Finance Department

(1) Does not include General Obligation Bonds paid from Enterprise Funds

City of Trenton

Enterprise Fund Revenue Bond Coverage

Year	Water			Total Water			Water Debt			Sewer			Total Sewer			Sewer Debt		
	Revenue	Expenditures	New Revenue for Debt Service	Total Water Debt Service	Water Debt Coverage Ratio	Revenue	Expenditures	New Revenue for Debt Service	Total Sewer Debt Service	Revenue	Expenditures	New Revenue for Debt Service	Total Sewer Debt Service	Revenue	Expenditures	New Revenue for Debt Service	Total Sewer Debt Service	Sewer Debt Coverage Ratio
1992	257,188	153,962	103,225	19,703	19.09%	682,827	735,434	(62,906)	204,423.30	682,827	735,434	(62,906)	204,423.30	682,827	735,434	(62,906)	204,423.30	-386.39%
1993	281,395	152,613	128,782	11,695	9.06%	665,729	644,726	51,001	204,423.30	665,729	644,726	51,001	204,423.30	665,729	644,726	51,001	204,423.30	400.82%
1994	288,274	202,426	85,847	11,942	13.91%	734,103	655,442	77,661	204,423.30	734,103	655,442	77,661	204,423.30	734,103	655,442	77,661	204,423.30	263.23%
1995	465,462	231,929	233,533	2,481	1.06%	817,451	675,052	142,389	204,423.30	817,451	675,052	142,389	204,423.30	817,451	675,052	142,389	204,423.30	143.57%
1996	353,515	475,627	(122,112)	27,476	-22.50%	945,581	762,919	182,662	204,423.30	945,581	762,919	182,662	204,423.30	945,581	762,919	182,662	204,423.30	111.91%
1997	360,824	354,170	6,653	36,438	547.68%	1,011,819	866,912	144,907	204,423.30	1,011,819	866,912	144,907	204,423.30	1,011,819	866,912	144,907	204,423.30	141.07%
1998	444,297	372,711	71,586	-	-	1,134,721	1,021,139	112,582	204,423.30	1,134,721	1,021,139	112,582	204,423.30	1,134,721	1,021,139	112,582	204,423.30	179.98%
1999	590,052	398,584	191,467	-	-	1,097,297	1,075,704	21,593	204,423.30	1,097,297	1,075,704	21,593	204,423.30	1,097,297	1,075,704	21,593	204,423.30	946.70%
2000	779,184	623,818	155,366	-	-	1,025,117	1,203,620	(178,503)	204,423.30	1,025,117	1,203,620	(178,503)	204,423.30	1,025,117	1,203,620	(178,503)	204,423.30	-114.52%
2001	892,654	736,717	155,937	-	-	1,048,895	1,150,480	(101,585)	204,423.30	1,048,895	1,150,480	(101,585)	204,423.30	1,048,895	1,150,480	(101,585)	204,423.30	-201.23%

The information is presented using the budgetary basis of accounting and does not include any carry-forward account balance

Source: City of Trenton Finance Department

City of Trenton
Legal Debt Margin
December 31, 2001

Total Assessed Property Value		\$115,152,918
 10-1/2% Limitation Determination		
Overall Debt Limitations 10-1/2% of Assessed Valuation		\$12,091,056
Gross Indebtedness	1,141,413	
Debt Within 10-1/2% Limitation	1,141,413	
Less Debt Service Fund Balance Available	25,333	
Net Debt Within 10-1/2% Limitation		\$1,116,080
Legal Debt Margin Within 10-1/2% Limitation		\$10,974,976
 5-1/2% Limitation Determination		
Unvoted Debt Limitation 5-1/2% of Assessed Valuation		\$6,333,410
Gross Indebtedness Authorized by Council	1,141,413	
Debt Within 5-1/2% Limitation	1,141,413	
Less Debt Service Fund Balance Available	25,333	
Net Debt Within 5-1/2% Limitation:		\$1,116,080
Legal Debt Margin Within 5-1/2% Limitation		\$5,217,330

Source: City of Trenton Finance Department
Assessed Valuation: Butler County Auditor's Office

City of Trenton
New Construction Activity

Year	Number of Permits	New Construction Property Value (1)
1997	200	12,422,512
1998	227	12,114,773
1999	205	13,401,458
2000	206	13,891,072
2001	250	15,672,009

(1) Real property Assessed Valuation

Source: City of Trenton Finance Department

CITY OF
Trenton
OHIO



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

CITY OF TRENTON

BUTLER COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
OCTOBER 17, 2002**