

**CITY OF TROTWOOD, OHIO**

**Single Audit Reports**

**December 31, 2007**





Mary Taylor, CPA  
Auditor of State

Honorable Mayor and  
Members of City Council  
City of Trotwood  
3035 Olive Road  
Dayton, Ohio 45426

We have reviewed the *Independent Auditor's Report* of the City of Trotwood, Montgomery County, prepared by Plattenburg & Associates, Inc., for the audit period January 1, 2007 through December 31, 2007. 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 Trotwood is responsible for compliance with these laws and regulations.

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

August 21, 2008

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CITY OF TROTWOOD, OHIO

SCHEDULE OF FEDERAL EXPENDITURES AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2007

Federal Grantor/Pass - Through Grantor, Program Title	Pass Through Entity Number	CFDA	Receipts	Disbursements
<u>United States Department of Justice- Office of Justice Program</u>				
Direct Funding				
Equitable Sharing Funds	0571200	16.XXX	\$71,308	\$96,788
Local Law Enforcement Block Grant	03-LB-BX-0838	16.592	0	4,856
Subtotal - Department of Justice			\$71,308	\$101,644
<u>US Army Corps of Engineers</u>				
Direct Funding				
Surface Water Protection Project	N/A	66.474	128,222	139,490
Subtotal - US Army Corps of Engineers			\$128,222	\$139,490
<u>United States Department of Homeland Security</u>				
Direct Funding				
Assistance to Firefighters Grant	129.7	97.044	114,259	113,642
Passed Through Ohio Emergency Management Agency:				
FEMA Grant	FEMA-3197-EM-113-77504	97.036	69,803	0
Subtotal - Department of Homeland Security			\$184,062	\$113,642
<u>United States Department of Transportation</u>				
Passed Through Ohio Department of Public Safety:				
MOT Salem Avenue Phase V	PID75700/20168	20.205	454,876	262,670
Shiloh at Salem Row		20.205	0	196,500
Subtotal - Department of Transportation			\$454,876	\$459,170
<u>United States Department of HUD</u>				
Passed Through Montgomery County				
Community Development Block Grant: West Third Street, Phase II	CDBGWTS2	14.218	77,976	67,768
Subtotal - Department of HUD			\$77,976	\$67,768
TOTALS			\$916,444	\$881,714

NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES

NOTE A -- SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of federal awards expenditures is a summary of the activity of the City's federal award programs. The schedule has been prepared on the cash basis of accounting.



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND  
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
*GOVERNMENT AUDITING STANDARDS***

The Honorable Mayor and Members of the  
City Council of the City of Trotwood

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Trotwood (the City), as of and for the year ended December 31, 2007, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 27, 2008. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City's financial statements that is more than inconsequential will not be prevented or detected by the City's internal control. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be a significant deficiency in internal control over financial reporting. This item is identified in the accompanying schedule of findings and questioned costs as finding 2007-3.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, we consider the significant deficiency described as finding 2007-3 above to be a material weakness.

#### Compliance and Other Matters

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 grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2007-1 and 2007-2.

We noted certain matters that we reported to management of the City in a separate letter dated June 27, 2008.

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

This report is intended solely for the information and use of management, the Auditor of State, City Council and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Plattenburg & Associates, Inc.*

Plattenburg & Associates, Inc.  
June 27, 2008



**REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

The Honorable Mayor and Members of the  
City Council of the City of Trotwood

Compliance

We have audited the compliance of the City of Trotwood (the City), with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2007. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2007.

## Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A *control deficiency* in a City's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the City's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the City's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

## Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended December 31, 2007, and have issued our report thereon dated June 27, 2008. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of management, the Auditor of State, City Council, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Plattenburg & Associates, Inc.*

Plattenburg & Associates, Inc.

June 27, 2008

**CITY OF TROTWOOD, OHIO**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended December 31, 2007**

**Section I – Summary of Auditor’s Results**

<i>(d)(1)(i)</i>	<i>Type of Financial Statement Opinion</i>	Unqualified
<i>(d)(1)(ii)</i>	<i>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</i>	Yes
<i>(d)(1)(ii)</i>	<i>Were there any other significant control deficiencies reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iii)</i>	<i>Was there any material reported non-compliance at the financial statement level (GAGAS)?</i>	Yes
<i>(d)(1)(iv)</i>	<i>Were there any material internal control weakness conditions reported for major federal programs?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any other significant control deficiencies reported for major federal programs?</i>	No
<i>(d)(1)(v)</i>	<i>Type of Major Programs' Compliance Opinion</i>	Unqualified
<i>(d)(1)(vi)</i>	<i>Are there any reportable findings under Section .510?</i>	No
<i>(d)(1)(vii)</i>	<i>Major Programs (list):</i>	CFDA #20.205 Department of Transportation
<i>(d)(1)(viii)</i>	<i>Dollar Threshold: Type A/B Programs</i>	Type A: > \$300,000 Type B: all others
<i>(d)(1)(ix)</i>	<i>Low Risk Auditee?</i>	Yes

## **Section II – Findings Related to the Financial Statements Required to be Reported in Accordance with GAGAS**

### **Finding 2007-1 – Budgetary Compliance**

Ohio Revised Code Sec. 5705.41B states that no subdivision or taxing unit is to expend money unless it has been appropriated. At year end, the City had disbursements exceeding appropriations in the following funds: Fire Levy Fund, Rescue Levy Fund, Fire Facility Improvement Fund and the Water Fund.

The City should comply with the Ohio Revised Code and the Auditor of State Bulletin 97-010 by monitoring monthly activity so they do not exceed lawful appropriations and amending the budget throughout the fiscal year. This may be achieved by monitoring the budget more closely on a continual basis.

#### *Management Comments/Response*

The City will attempt to prepare modifications to the budget throughout the year.

### **Finding 2007-2 – Cash Management Compliance**

Ohio Revised Code 5705.10 states that money paid into any fund shall be used only for purposes for which such fund is established. At year end the City had several funds with negative Non-GAAP budgetary basis ending cash fund balances: Fire Levy Fund, Permissive Use Tax Fund, Grants Fund, Local Law Enforcement Fund, Park Acquisition & Development Fund Industrial Park Fund, West Third Street Improvement Fund, Water Fund, Sewer Fund and Refuse Fund.

The City should comply with the Ohio Revised Code by more closely monitoring fund balances throughout the year.

#### *Management Comments/Response*

The City will attempt to monitor fund balances and spending more closely throughout the year.

### **Finding 2007-3 – Restatement of Previously Issued Financial Statement Amounts**

The restatement of previously issued financial statement amounts was necessary to correct an understatement of business-type activities revenue. Part of the understatement involves approximately \$475,000 and relates to the accounting for assessments of utility accounts receivable amounts to the property tax bill. The remaining understatement of approximately \$435,000 was related to difficulties in maintaining the detail accounts receivable records due to the complex structure of the City's utility transactions.

*Management Comments/Response*

The City is reviewing the procedures for maintaining accounts receivable detail and accounting for related transactions.

**Section III – Federal Award Findings and Questioned Costs**

None

**Section IV – Summary of Prior Audit Findings and Questioned Costs**

**06-01 - Budgetary**

Ohio Revised Code Sec. 5705.41B states that no subdivision or taxing unit is to expend money unless it has been appropriated. The City had expenditures exceeding appropriations.

*Status:* Not corrected – see Finding 2007-1

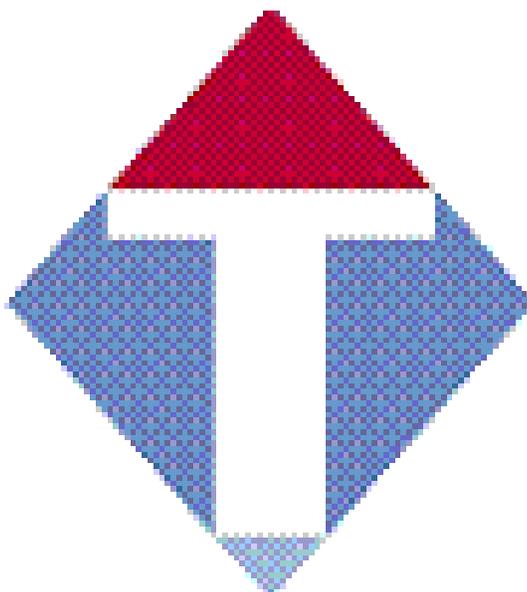
**06-02 – Cash Management**

Ohio Revised Code Section 5705.10 provides that money paid into any fund shall be used only for purposes for which such fund is established. The City had funds with negative budgetary cash fund balances at year end.

*Status:* Not corrected – see Finding 2007-2.



# **CITY OF TROTWOOD, OHIO**



**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2007**



**CITY OF TROTWOOD, OHIO**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED DECEMBER 31, 2007**

**PREPARED BY:**  
**DEPARTMENT OF FINANCE**  
**JON W. STOOPS**  
**FINANCE DIRECTOR**

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# INTRODUCTORY SECTION

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Trotwood, Ohio 45426-2600  
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[www.trotwood.org](http://www.trotwood.org)

June 27, 2008

To the Mayor, Members of  
City Council and Citizens of  
City of Trotwood, Ohio

We are pleased to present the comprehensive annual financial report of the City of Trotwood, Ohio, for the fiscal year ended December 31, 2007. Responsibility for both the accuracy of the data and the completeness and fairness of presentation, including all disclosures, rests with City management. To the best of our knowledge and belief, the information presented is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

This Comprehensive Annual Financial Report incorporates GASB Statement No. 34 – Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments. Statement No. 34 was developed to make annual financial reports of state and local governments easier to understand and more useful to those who make decisions using governmental financial information. This report represents and reflects upon the City's financial operations and condition to the City's residents, its elected officials, management personnel, financial institutions, City bondholders, rating agencies and all other parties interested in the financial affairs of the City.

## **THE REPORTING ENTITY AND ITS SERVICES**

The City of Trotwood is located in Montgomery County on the western limits of the City of Dayton, Ohio. It is approximately seventy miles west of the state capitol, Columbus, and sixty miles north of Cincinnati. Interstate 70 and 75 intersect each other approximately five miles northeast of Trotwood.

The City is a political subdivision of the State of Ohio, incorporated as a village in 1901 and as a city in 1971. It is a home rule municipal corporation under Article XVIII of the Ohio Constitution utilizing the council-manager form of government. Governing direction is provided by the home rule charter first adopted in 1964 and subsequently amended.

## **Trotwood City Council**

Darreyl D. Davis,  
*Mayor*

Joyce S. Cameron,  
*Vice-Mayor*

Barbara J. Staggs,  
*At Large*

Bettye L. Gales,  
*At Large*

Rap Hankins,  
*Ward 2*

Ron Vaughn,  
*Ward 3*

Mary A. McDonald,  
*Ward 4*

Lois M. Singleton,  
*Clerk of Council*

Michael J. Lucking,  
*City Manager*

On January 1, 1996, the City merged with Madison Township more than tripling its population and land area. The resulting community is the fourth most populous city in Montgomery County with 27,420 residents (based on the 2000 Census) and its land area (over 28 square miles) is surpassed only by the City of Dayton.

Overall policy direction is the responsibility of the City Council which is composed of the Mayor and six Councilpersons, four elected from geographic districts and two elected at-large. The Mayor is directly elected at-large. The Mayor and all members of council are elected to staggered four-year terms, with elections every two years.

City Council is responsible, among other things, for passing ordinances, adopting the budget and hiring the City Manager, Law Director and Clerk of Council. The City Manager is responsible for carrying out the policies and ordinances of the City Council, overseeing the day-to-day operations of the City and appointing the directors of City departments.

The City provides many services for the benefit of its citizens including police protection, fire protection, emergency medical service, street maintenance and repair, parks maintenance, recreation programs, water and sewer utilities within a portion of the city, refuse collection, drainage and stormwater management, code enforcement, planning and zoning and other administrative services.

The financial reporting entity includes all the funds and account groups of the primary government (i.e., the City of Trotwood as legally defined). No other entities operating in the City and/or for the benefit of its citizens meet the criteria for inclusion in the reporting entity and are, thus, not included in this report.

## **ECONOMIC CONDITION AND OUTLOOK**

The City of Trotwood is a major suburb within a diversified metropolitan economy characterized by slightly above-average unemployment, modest job growth and a diversity of major employers. Nearby Wright Patterson Air Force Base employs approximately 22,000 making it the largest single-site employer in the State of Ohio. Good Samaritan Hospital and the Dayton Veterans Administration Center are major employers within Dayton close to Trotwood. Although none of these facilities are physically located in Trotwood, the City benefits by having these employment opportunities for the numerous Trotwood residents who work for these enterprises.

The City's Salem Avenue shopping district served as the commercial hub of northwest Montgomery County for many years. The former Salem Mall had previously been the anchor of the district, but due to rapidly declining occupancy, was acquired by the City in 2004 for redevelopment purposes and has been demolished. The adjacent Consumer Square shopping center is a major draw in the district, as are several "big box" retailers such as K-Mart, Lowe's, Target and Home Depot. Nearby, Hara Arena draws large crowds to its facilities for various shows, conferences and sporting activities.

The "Trotwood Connector," a limited access highway on a north-south axis through the center of the City was completed in 2000 and provides access for potential development of several large adjacent tracts.

The City in 2001 completed the installation of streets and utilities to make a 38-acre site west of the Connector with railroad access available as a light industrial park. An additional 30 acres adjacent to the Industrial Park were acquired in 2002 for future expansion. The O'Danny Boy ice cream distribution facility, the first occupant of the City's industrial park, was in full operation in 2006 with a 25 truck fleet based at this location. A major additional tenant was secured in late 2007 and additional land was acquired for further expansion (see MAJOR INITIATIVES for more details).

## **RELEVANT FINANCIAL POLICIES**

In June of 2006, the State legislature passed House Bill 66. House Bill 66 phases out the tax on tangible personal property of general business, telephone and telecommunications companies, and railroads. The tax on general business and railroad property began being phased out in 2007 and will be eliminated by 2009. The tax on telephone and telecommunication property will begin being phased out in 2009 and will be eliminated by 2011. The tax is being phased out by reducing the assessment rate on the property each year. In the first five years, the City will be reimbursed fully for the lost revenue; in the following seven years, the reimbursements will be phased out.

## **MAJOR INITIATIVES**

During 2007 the City of Trotwood made progress across a spectrum of strategic goals. An ad hoc local and State partnership moved rapidly and creatively to attract a major new employer to locate in the City's industrial park. Site clearance and planning for street realignment in the City's challenged commercial core continued while disappointments in attracting new occupants set the stage for a comprehensive reassessment of revitalization efforts. The construction of a new fire station was completed. A combined bond financing for both the new fire facility and industrial park development was issued. Full implementation of the strategic initiative to finance unmet storm drainage needs by a utility fee approach was accomplished.

In December, the City of Trotwood hosted a groundbreaking event at Trotwood Commerce Park for a first-tier GM parts supplier's new \$32.5 million distribution facility to house its operations and 250-300 new employees. The James Group of Ohio logistics facility will provide packaging and shipping of GM parts nationally and worldwide, and will take over operations formerly conducted by a Canadian firm. Construction of the 380,000 square feet facility on a 49-acre site was expected to be completed on a fast track schedule to make the facility fully operational by August 2008.

The December groundbreaking culminated a fast paced five months of activity by the City, as well as its partners at Montgomery County, the City of Dayton and the State of Ohio to proceed from a basic inquiry about available industrial land with rail spur access in July to a final deal to furnish a site for a price of \$400,000, with a commitment by the City to supply upgraded infrastructure supported by multiple funding sources.

The facility's desired footprint required acquisition of additional land to the east of the industrial park for a cost of \$640,000. Also needed was an agreement with the City of Dayton, which owned the inactive rail right of way within the Trotwood industrial park in addition to the active operation within Dayton's territory further east, to refurbish and partially relocate the line for an estimated cost of \$650,000. In addition, a total of approximately \$3.2 million would be required for roadway upgrades, water line extension and storm water improvements.

To accommodate these costs, the City secured grant commitments of \$500,000 in County economic development funds, a \$200,000 grant from the Ohio Rail Development Commission, a total of \$400,000 in grants from the Ohio Department of Development, and a \$1,500,000 grant from the Ohio Public Works Commission. It also verified that the remaining gap of approximately \$1,860,000 could be furnished by debt issuance with subsequent repayment from tax increment financing charges on the improved site.

Efforts to complete the demolition of the former Salem Mall continued in 2007. The final Mall tenant was relocated in early January. Utilizing resources from a Clean Ohio Action Fund grant and a Montgomery County economic development grant, the final portions of the central structure were demolished in February, and the concrete pad and demolition debris cleared from the site in August.

At the same time, a final design for the realignment and partial termination of Shiloh Springs Road at Salem Avenue to enhance circulation within the anticipated revitalized commercial core was completed and submitted to the Ohio Department of Transportation. Also, an additional parcel for right of way to accommodate the roadway design was acquired utilizing federal grant funds. Unfortunately, ODOT personnel raised questions about certain aspects of the design and suggested the possible need for a different approach.

Concurrently, working within the framework of an extended pre-development agreement with General Growth Properties Inc., the search continued for a prospective third anchor store in order to achieve critical mass for a viable retail center and allow progression into a final development phase. Regrettably, every prospect pursued eventually withdrew from consideration, and General Growth at year end announced it wished to sever its relationship with the City. This disappointment concerning the inability to achieve a definite development program for the former Mall site was deepened by the rejection received from Walmart Corporation. In mid year Walmart advised it was voiding its agreement with the City and would not be constructing a new store on the adjacent site on Shiloh Springs Road which the City had assembled and undertook site preparation to meet Walmart's specific requirements. Consequently, the City concluded 2007 with an awareness that the task of revitalizing the City's traditional commercial core would be an ongoing agenda item moving into 2008.

In August, a ribbon cutting was held to celebrate the completion and occupancy of a new \$3,300,000 fire station on a four acre site near the northwest corner of Little Richmond Road and the Trotwood Connector. This five bay facility with adjoining living quarters provides 24/7 fire and EMS response to the southern portion of the community.

The City in October finalized a bond sale to KeyBanc Capital Markets in the amount of \$5,015,000 at an average net interest cost of 4.22 percent. The bond issue was approved August 20 by Council to pay off short-term notes for the new fire station and the development lots in the Industrial Park. The 25 year debt issue is backed by bond insurance from Financial Security Assurance Inc. and consequently has been assigned a rating of Aaa by Moody's Investor Services Inc. This rating is specific to the current insured issue, not to the City generally.

The bond issue is front loaded to pay off the Industrial Park portion more rapidly than the fire station portion in anticipation that lot sale proceeds will be available to defray this component. The \$700,000 part for the Industrial Park land will be amortized in declining annual installments ranging from \$91,000 in 2008 to \$52,000 in 2019. The \$4,315,000 fire station component will be retired in nearly equal annual amounts of approximately \$283,000 over the entire life of the issue from 2008 to 2032.

In December 2006, City Council authorized commencing storm drainage service charges on all developed parcels within the City rationed according to each property's contribution to stormwater runoff based on the impervious area of each property effective January 1, 2007. This utility fee approach was established to provide funding to allow adequate attention to compliance with the Phase 2 NPDES requirements as well as unmet storm drainage problems that challenged the community. The March 2007 bills reflected such charges for the first quarter of 2007 on this basis, and comparable charges were included in the subsequent quarterly billings throughout 2007.

Readers are referred to Management's Discussion and Analysis in the financial section of this report for a review of the City's financial performance during 2007.

## **INTERNAL ACCOUNTING AND BUDGETARY CONTROLS**

City management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. It is management's belief that the City's internal control structure adequately safeguards assets and provides reasonable assurance of proper recording of financial transactions.

The City of Trotwood adopts an Annual Appropriation Ordinance in accordance with Ohio law on a cash basis to provide spending authority and set the legal level of budgetary control. In addition, the government maintains extensive budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by City Council. The level of budgetary for the General Fund is at the budget center or department level (e.g., Police Patrol, Street Maintenance, Fleet Maintenance). The legal level of budgetary control for other funds is at the fund level.

The City also maintains an encumbrance accounting system as one method of maintaining budgetary control. Purchase orders which result in overruns of appropriations are not processed until additional appropriations are made available either by ordinance of City Council or administrative transfer from another appropriation. Open encumbrances are reported as reservations of fund balance at year-end.

## **DEBT ADMINISTRATION**

At year-end, the City had seven debt obligations outstanding. These obligations included \$8,170,000 for two general obligation bond issues and \$8,860,000 for five one-year bond anticipation notes for a total of \$17,030,000. Of the total amount, \$12,015,000 was subject to direct debt limitations, and \$5,015,000 was exempt from direct debt limitations.

In addition the 10-year loan agreement that the City entered into with the Ohio Public Works Commission in 2001 to finance a sewer lift station renovation project has a \$22,007 principal balance as of December 31, 2007.

The liability of compensated absences experienced a net decrease of \$240,260 at December 31, 2007.

## **CASH MANAGEMENT**

Temporarily idle cash during the year was invested in overnight repurchase agreements and the State Treasurer's investment pool (STAR Ohio). Total interest earned by the City in 2007 amounted to \$268,585.

The aim of the City's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, the majority of deposits and investments were either insured by federal depository insurance or collateralized.

## RISK MANAGEMENT

By statute and court decisions, Ohio retains only limited tort immunity for local government. In addition to potential tort liabilities, the City is liable for employees' Workers' Compensation claims, plus the risk of casualty loss to real and personal property owned by the City, and must provide faithful performance bonds for certain City officials.

## OTHER INFORMATION

**Independent Audit.** The State of Ohio requires an annual audit by either the Auditor of State or by an independent accounting firm. The general purpose financial statements of the City of Trotwood, Ohio for the fiscal year ended December 31, 2007 have been audited by Plattenburg and Associates Inc. Their unqualified opinion has been included in this report.

**Awards.** The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Trotwood for its comprehensive annual financial report for the fiscal year ended December 31, 2006. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

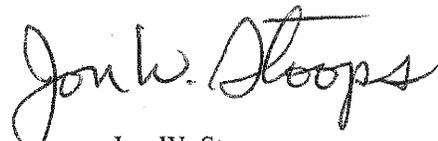
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

**Acknowledgements.** The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department. We would like to express our appreciation to all members of the Department, and other City departments as well, who assisted and contributed to the preparation of this report.

Finally, special acknowledgement is given to the Mayor and City Council for their continuing support and commitment to responsible fiscal reporting.

Respectfully submitted,

  
Michael J. Lucking  
City Manager

  
Jon W. Stoops  
Finance Director

**CITY OF TROTWOOD, OHIO**  
**List of Elected and Appointed Officials**  
**December 31, 2007**

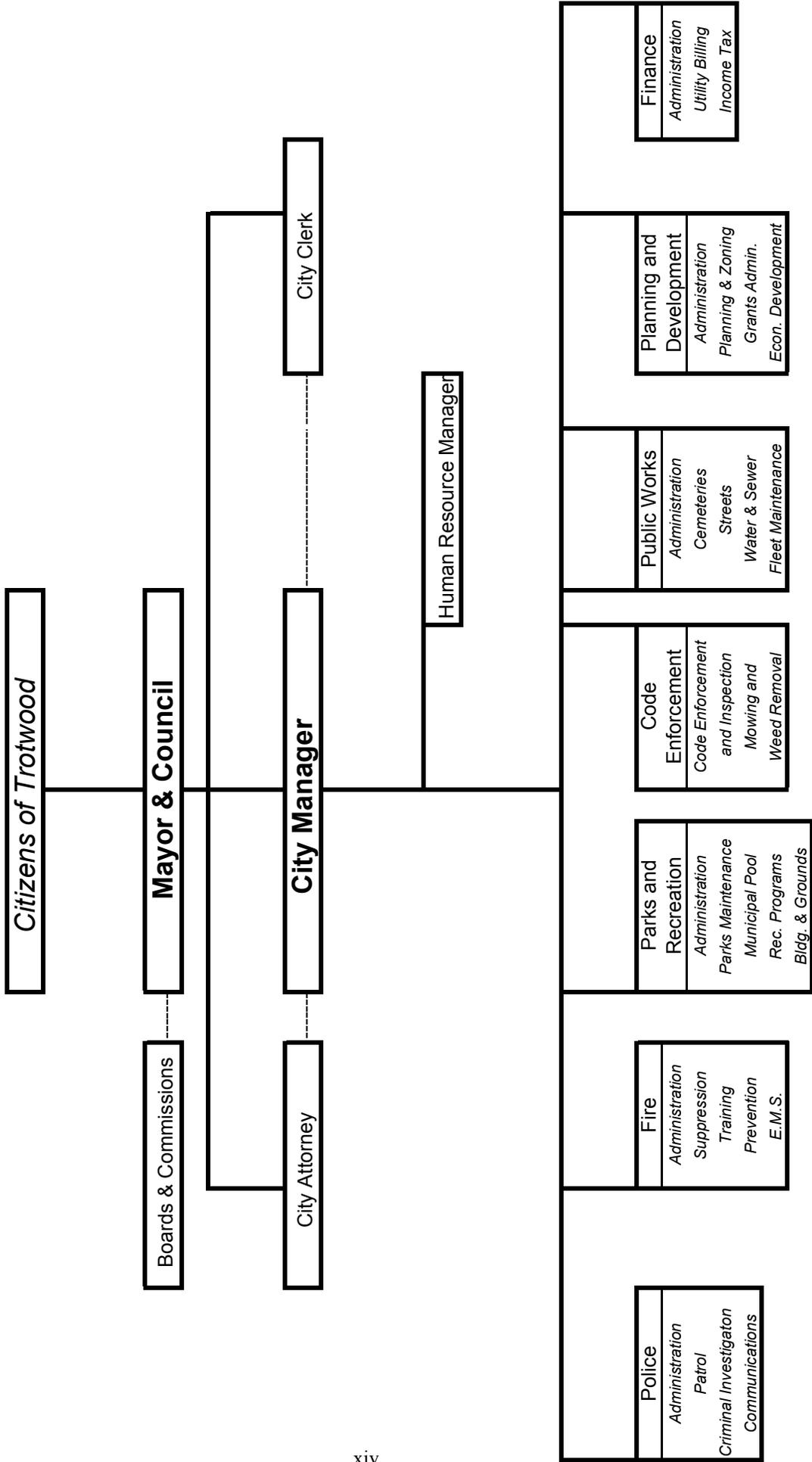
**ELECTED OFFICIALS**

Donald K. McLaurin	Mayor
Joyce Sutton-Cameron (Vice-Mayor)	Councilmember, District 1
Darreyl D. Davis	Councilmember At Large
Barbara J. Staggs	Councilmember At Large
Rap Hankins	Councilmember, District 2
Charles R. Vaughn	Councilmember, District 3
Mary McDonald	Councilmember, District 4

**APPOINTED OFFICIALS**

Michael J. Lucking	City Manager
Lois M. Singleton	Clerk of Council
Jon W. Stoops	Finance Director
Barbara Brooks	Human Resource Manager
Stephen M. McHugh	Law Director
Terry Lodge	Parks & Recreation Director
Rhonda Finley	Planning & Development Director
Michael E. Etter	Public Safety Director
Thomas Odenigbo	Public Works Director

**CITY OF TROTWOOD, OHIO**  
**Organization Chart**  
**December 31, 2007**



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Trotwood  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2006

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Oliver S. Cox*

President

*Jeffrey R. Emer*

Executive Director

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## FINANCIAL SECTION

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## INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members of the  
City Council of the City of Trotwood

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Trotwood (the City) as of and for the year ended December 31, 2007, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2007, and the respective changes in financial position, and cash flows, where applicable, thereof 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 27, 2008, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information listed in the table of contents is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Plattensburg & Associates, Inc.*

Plattensburg & Associates, Inc.  
June 27, 2008

## **CITY OF TROTWOOD**

Management's Discussion and Analysis  
For The Year Ended December 31, 2007  
(Unaudited)

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

The City of Trotwood's discussion and analysis of the annual financial reports provides a review of the financial performance for the fiscal year ending December 31, 2007. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the City's performance.

### **FINANCIAL HIGHLIGHTS**

- The City's total net assets decreased \$263,027. Net assets of governmental activities decreased \$135,856, net assets of business-type activities decreased by \$127,171.
- The General Fund reported a decrease in fund balance of \$303,587.
- Business-type operations reflected an operating loss of \$120,058.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of a series of financial statements. These statements are presented so that the reader can understand the City's financial situation as a whole and to give a detailed view of the City's fiscal condition.

The Statement of Net Assets and Statement of Activities provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Major fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as the amount of funds available for future spending. The fund financial statements also look at the City's most significant funds with all other nonmajor funds presented in total in one column.

#### **Government-wide Financial Statements**

The analysis of the City as a whole begins with the Government-wide Financial Statements. These reports provide information that will help the reader to determine if the City of Trotwood is financially better off or worse off as a result of the year's activities. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by private sector companies. All current year revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's net assets and changes to those assets. This change informs the reader whether the City's financial position, as a whole, has improved or diminished. In evaluating the overall financial health, the reader of these financial statements needs to take into account non-financial factors that also impact the City's financial well being. Some of these factors include the City's tax base and the condition of capital assets.

In the Government-wide Financial Statements, the City is divided into two kinds of activities.

- **Governmental Activities** - Most of the City's services are reported here including police, fire, rescue, street maintenance, parks and recreation, and general administration. Income taxes, property taxes, intergovernmental revenue, charges for services, and interest finance most of these activities.
- **Business-Type Activities** - These services include Water, Sewer, Refuse Collection and Stormwater. Service fees for these operations are charged based upon the amount of usage or a usage fee. The intent is that the fees charged recoup operational costs.

### **Fund Financial Statements**

Information about the City's major funds is presented in the Fund Financial Statements (see table of contents). Fund financial statements provide detailed information about the City's major funds - not the City as a whole. Some funds are required by State law and bond covenants. Other funds may be established by the City, with approval of Council, to help control, manage and report money received for a particular purpose or to show that the City is meeting legal responsibilities for use of grants. The City's major funds are General; Fire Levy; Salem Mall Tax Increment; Fire Facilities Improvement; Water; Sewer; Refuse; and Stormwater.

***Governmental Funds*** - Most of the City's services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or less financial resources that can be spent in the near future on services provided to our residents. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

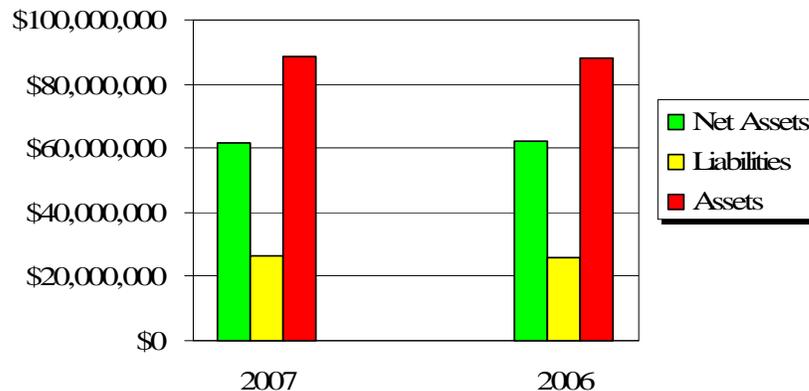
***Proprietary Funds*** - When the City charges citizens for the services it provides, with the intent of recapturing operating costs, these services are generally reported in proprietary funds. Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match.

## The City as a Whole

As stated previously, the Statement of Net Assets looks at the City as a whole. Table 1 provides a summary of the City's net assets for 2007 compared to 2006.

**Table 1**  
Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2007	2006	2007	2006 Restated	2007	2006 Restated
<b>Assets</b>						
Current Assets	\$12,144,412	\$15,484,347	\$2,538,800	\$1,856,551	\$14,683,212	\$17,340,898
Capital Assets, Net	56,271,125	52,663,652	17,488,341	17,996,584	73,759,466	70,660,236
<b>Total Assets</b>	<b>68,415,537</b>	<b>68,147,999</b>	<b>20,027,141</b>	<b>19,853,135</b>	<b>88,442,678</b>	<b>88,001,134</b>
<b>Liabilities</b>						
Long-Term Liabilities	9,475,133	4,916,357	61,036	71,271	9,536,169	4,987,628
Other Liabilities	15,779,189	19,934,571	1,309,904	998,492	17,089,093	20,933,063
<b>Total Liabilities</b>	<b>25,254,322</b>	<b>24,850,928</b>	<b>1,370,940</b>	<b>1,069,763</b>	<b>26,625,262</b>	<b>25,920,691</b>
<b>Net Assets</b>						
Invested in Capital						
Assets Net of Debt	38,871,297	36,682,729	17,316,334	17,794,473	56,187,631	54,477,202
Restricted	1,272,167	1,013,408	0	0	1,272,167	1,013,408
Unrestricted	3,017,751	5,600,934	1,339,867	988,899	4,357,618	6,589,833
<b>Total Net Assets</b>	<b>\$43,161,215</b>	<b>\$43,297,071</b>	<b>\$18,656,201</b>	<b>\$18,783,372</b>	<b>\$61,817,416</b>	<b>\$62,080,443</b>



Total net assets of the City as a whole decreased \$263,027. Net assets of the City's governmental activities decreased \$135,856, while the net assets of the City's business-type activities decreased \$127,171 from 2006. The City had an unrestricted net assets balance of \$3,017,751 that may be used to meet the government's ongoing obligations to citizens and creditors.

Capital assets increased in 2007 as compared to 2006 due to the completion of the fire station project. Long-term liabilities increased in 2007 as compared to 2006 due to the issuance of approximately \$5 million in various purpose bond anticipation notes.

Table 2 shows the changes in net assets for the year ended December 31, 2007 and revenue and expense comparisons to 2006.

**Table 2**  
Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2007	2006	2007	2006 Restated	2007	2006 Restated
Program Revenues:						
Charges for Services	\$1,855,362	\$1,739,487	\$4,481,478	\$3,947,550	\$6,336,840	\$5,687,037
Operating Grants, Contributions	2,143,830	2,148,982	0	0	2,143,830	2,148,982
Capital Grants and Contributions	550,503	1,050,263	0	0	550,503	1,050,263
Total Program Revenues	4,549,695	4,938,732	4,481,478	3,947,550	9,031,173	8,886,282
General Revenue:						
Income Taxes	5,088,924	5,500,282	0	0	5,088,924	5,500,282
Property Taxes	4,841,944	4,398,989	0	0	4,841,944	4,398,989
Grants and Entitlements	1,615,694	1,245,265	0	0	1,615,694	1,245,265
Payment in Lieu of Taxes	213,029	0	0	0	213,029	0
Investment Earnings	261,499	300,610	7,086	3,063	268,585	303,673
Refunds and Reimbursements	0	0	0	0	0	0
Other	286,073	463,100	62	30	286,135	463,130
Total General Revenues	12,307,163	11,908,246	7,148	3,093	12,314,311	11,911,339
Total Revenues	16,856,858	16,846,978	4,488,626	3,950,643	21,345,484	20,797,621
Program Expenses:						
General Government	2,861,598	2,691,268	0	0	2,861,598	2,691,268
Public Safety	9,158,585	9,745,013	0	0	9,158,585	9,745,013
Leisure Time Activities	514,178	538,424	0	0	514,178	538,424
Community Development	1,288,856	2,043,598	0	0	1,288,856	2,043,598
Transportation and Street Repair	2,335,807	2,801,135	0	0	2,335,807	2,801,135
Interest and Fiscal Charges	833,690	551,113	0	0	833,690	551,113
Water	0	0	1,659,355	1,222,874	1,659,355	1,222,874
Sewer	0	0	1,063,804	933,622	1,063,804	933,622
Refuse	0	0	1,280,068	1,155,773	1,280,068	1,155,773
Stormwater	0	0	612,570	508,984	612,570	508,984
Total Program Expenses	16,992,714	18,370,551	4,615,797	3,821,253	21,608,511	22,191,804
Change in Net Assets	(135,856)	(1,523,573)	(127,171)	129,390	(263,027)	(1,394,183)
Beginning Net Assets	43,297,071	44,820,644	18,783,372	18,653,982	62,080,443	63,474,626
Ending Net Assets	\$43,161,215	\$43,297,071	\$18,656,201	\$18,783,372	\$61,817,416	\$62,080,443

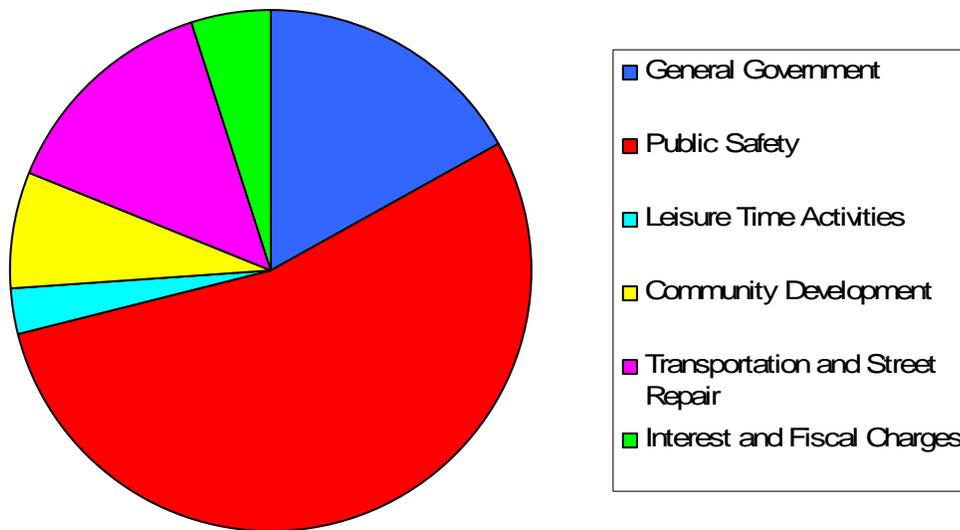
### *Governmental Activities*

The City of Trotwood's income taxes and property taxes are the largest source of revenue. These revenues represent 81% of the City's governmental activities total general revenue.

General revenues increased mainly due to an increase in property tax revenue in 2007 as compared to 2006. Program expenses decreased mostly due to community development and transportation expense decreasing in 2007 as compared to 2006. The overall decrease in expenses is due to the City's efforts to be conservative in its overall spending.

Governmental activities program expenses for 2007 were as follows:

Program Expenses	Percent of Total
General Government	17%
Public Safety	54%
Leisure Time Activities	3%
Community Development	7%
Transportation and Street Repair	14%
Interest and Fiscal Charges	5%
Total	100%



General Government includes legislative and administration expenses, including City Council, the City Manager’s office, the Law Director, Finance, Human Resources, Building Maintenance, Fleet Maintenance, Public Works Administration and various non-department charges.

***Business-Type Activities***

Business-type activities include Water, Sewer, Refuse Collection and Stormwater. These programs had operating revenues of \$4,481,540 and expenses of \$4,601,598 for fiscal year 2007. Business activities receive no support from tax revenues. The business activities net assets at the end of the year was \$18,656,201, which decreased \$127,171 from 2006.

The City of Trotwood's water and sewer maintenance division services approximately 2,800 accounts within the territory which was part of the City prior to the 1996 merger with Madison Township. The City operates approximately 37.5 miles of water lines and 31 miles of sanitary sewer lines within the territory, to distribute water supplied by the City of Dayton and collect sewerage returned to Dayton for treatment at their facilities. The water fund had operating income of \$101,685 in 2007. The sewer fund had an operating loss of \$159,327 in 2007. The refuse fund had an operating loss of \$114,428 in 2007. The stormwater fund had operating income of \$52,012 in 2007.

## **The City's Funds**

The City has four major governmental funds: the General Fund, Fire Levy Fund, Salem Mall Tax Increment Fund, and Fire Facility Improvements Fund. Assets of the general fund comprised \$6,437,834 (51%), the fire levy fund comprised \$2,061,190 (16%), the Salem Mall tax increment fund comprised \$397,780 (3%) and the Fire Facility Improvements fund comprised \$63,669 (1%) of the total \$12,680,831 governmental funds assets.

**General Fund:** Fund balance at December 31, 2007 was \$2,051,072 a decrease in fund balance of \$303,587 from 2006. The general fund balance decreased mainly due to an increase in general government expenditures from 2006.

**Fire Levy Fund:** Fund balance at December 31, 2007 was (\$195,391) a decrease in fund balance of \$102,523 from 2006. The Fire Levy fund balance has recently been decreasing due to the inability of the levy to keep pace with the rising cost of providing fire safety services.

**Salem Mall Tax Increment Fund:** Fund balance at December 31, 2007 was (\$7,817,654) a decrease in fund balance of \$673,794 from 2006. The decrease in fund balance is due to the continuation of the Salem Mall project.

**Fire Facility Improvements Fund:** Fund balance at December 31, 2007 was \$19,982 an increase in fund balance of \$1,689,120. The increase in fund balance is due to the issuance of long-term debt.

## **General Fund Budgeting Highlights**

The City's General Fund budget is formally adopted at the program or budget center level. Financial reports, which compare actual performance with the budget, are prepared monthly and presented to the Council so the Council is able to review the financial status and measure the effectiveness of the budgetary controls.

As the City completed the year, its General Fund balance reported an actual fund balance of \$2,013,558, on a Non-GAAP Budgetary Basis.

Variations of the final budget amounts from the original amounts were minimal for 2007.

## Capital Assets and Debt Administration

### Capital Assets

**Table 3**  
Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	2007	2006	2007	2006	2007	2006
Land	\$26,954,231	\$26,117,722	\$12,026	\$12,026	\$26,966,257	\$26,129,748
Construction in Progress	1,286,619	1,300,584	35,301	0	1,321,920	1,300,584
Buildings and Improvements	8,227,637	4,276,032	0	0	8,227,637	4,276,032
Equipment	8,099,699	7,895,358	302,920	302,920	8,402,619	8,198,278
Infrastructure	39,319,363	39,292,966	36,466,631	36,478,031	75,785,994	75,770,997
Accumulated Depreciation	<u>(27,616,424)</u>	<u>(26,219,010)</u>	<u>(19,328,537)</u>	<u>(18,796,393)</u>	<u>(46,944,961)</u>	<u>(45,015,403)</u>
Total Net Capital Assets	<u>\$56,271,125</u>	<u>\$52,663,652</u>	<u>\$17,488,341</u>	<u>\$17,996,584</u>	<u>\$73,759,466</u>	<u>\$70,660,236</u>

See Note 6 to the basic financial statements for further details on the City's capital assets.

### Debt

**Table 4**  
Outstanding Debt at Year End

		2007	2006
<b>Governmental Activities</b>			
<u>General Obligation Bonds</u>			
2003 Various Purpose Bonds	5.11%	\$3,155,000	\$3,325,000
2007 Various Purpose Bonds	4.21%	<u>5,015,000</u>	<u>0</u>
Total General Obligation Bonds		<u>8,170,000</u>	<u>3,325,000</u>
<b>Business Type Activities</b>			
<u>Loans</u>			
2001 OPWC Loan	3.00%	<u>22,007</u>	<u>27,111</u>
Total Loans		<u>22,007</u>	<u>27,111</u>
Total Debt		<u>\$8,192,007</u>	<u>\$3,352,111</u>

The Various Purpose Improvement general obligation bonds will be paid with available revenue in the General Fund, Street Construction, Repair and Maintenance Fund and the Debt Service Fund.

The City had General Obligation Notes Payable of \$8,860,000 and \$12,260,000 for the year ended 2007 and 2006, respectively.

See Note 9 to the basic financial statements for further details on the City's long-term debt.

## **CONTACTING THE CITY'S FINANCE DEPARTMENT**

This financial report is designed to provide our citizens, taxpayers, customers and investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Finance Director, City of Trotwood, 3035 Olive Road, Trotwood, Ohio 45426-2600.

City of Trotwood  
Statement of Net Assets  
December 31, 2007

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in Pooled Cash and Investments	\$3,162,154	\$254,397	\$3,416,551
Restricted Cash and Investments	75,336	0	75,336
Receivables:			
Taxes	5,914,830	0	5,914,830
Accounts	61,827	1,750,546	1,812,373
Intergovernmental	2,275,592	0	2,275,592
Special Assessments	449,455	739,075	1,188,530
Internal Balances	205,218	(205,218)	0
Nondepreciable Capital Assets	28,240,850	47,327	28,288,177
Depreciable Capital Assets, Net	28,030,275	17,441,014	45,471,289
<b>Total Assets</b>	<b>68,415,537</b>	<b>20,027,141</b>	<b>88,442,678</b>
Liabilities:			
Accounts Payable	712,594	1,129,495	1,842,089
Accrued Wages and Benefits	956,433	30,409	986,842
Retainage Payable	75,336	0	75,336
Accrued Interest Payable	162,940	0	162,940
Unearned Revenue	5,161,886	0	5,161,886
General Obligation Notes Payable	8,710,000	150,000	8,860,000
Long-Term Liabilities:			
Due Within One Year	1,080,488	28,444	1,108,932
Due In More Than One Year	8,394,645	32,592	8,427,237
<b>Total Liabilities</b>	<b>25,254,322</b>	<b>1,370,940</b>	<b>26,625,262</b>
Net Assets:			
Invested in Capital Assets, Net of Related Debt	38,871,297	17,316,334	56,187,631
Restricted for:			
Special Revenue	1,228,592	0	1,228,592
Debt Service	43,575	0	43,575
Unrestricted	3,017,751	1,339,867	4,357,618
<b>Total Net Assets</b>	<b>\$43,161,215</b>	<b>\$18,656,201</b>	<b>\$61,817,416</b>

See accompanying notes to the basic financial statements.

City of Trotwood  
Statement of Activities  
For the Fiscal Year Ended December 31, 2007

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
General Government	\$2,861,598	\$374,435	\$0	\$0
Public Safety	9,158,585	1,299,752	388,150	0
Leisure Time Activities	514,178	28,049	1,462	0
Community Development	1,288,856	97,669	654,767	127,717
Transportation and Street Repair	2,335,807	0	1,078,059	422,786
Interest and Fiscal Charges	833,690	55,457	21,392	0
<b>Total Governmental Activities</b>	<b>16,992,714</b>	<b>1,855,362</b>	<b>2,143,830</b>	<b>550,503</b>
<b>Business-Type Activities:</b>				
Water	1,659,355	1,753,586	0	0
Sewer	1,063,804	897,670	0	0
Refuse	1,280,068	1,165,640	0	0
Stormwater	612,570	664,582	0	0
<b>Total Business-Type Activities</b>	<b>4,615,797</b>	<b>4,481,478</b>	<b>0</b>	<b>0</b>
<b>Totals</b>	<b>\$21,608,511</b>	<b>\$6,336,840</b>	<b>\$2,143,830</b>	<b>\$550,503</b>

General Revenues:  
Income Taxes  
Property Taxes Levied for:  
    General Purposes  
    Special Revenue Purposes  
    Debt Service Purposes  
Grants and Entitlements not Restricted to Specific Programs  
Payment in Lieu of Taxes  
Investment Earnings  
Other Revenues

Total General Revenues

Change in Net Assets

Net Assets Beginning of Year

Net Assets End of Year

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-Type Activities	Total
(\$2,487,163)	\$0	(\$2,487,163)
(7,470,683)	0	(7,470,683)
(484,667)	0	(484,667)
(408,703)	0	(408,703)
(834,962)	0	(834,962)
(756,841)	0	(756,841)
(12,443,019)	0	(12,443,019)
0	94,231	94,231
0	(166,134)	(166,134)
0	(114,428)	(114,428)
0	52,012	52,012
0	(134,319)	(134,319)
(\$12,443,019)	(\$134,319)	(\$12,577,338)
5,088,924	0	5,088,924
1,860,377	0	1,860,377
2,816,738	0	2,816,738
164,829	0	164,829
1,615,694	0	1,615,694
213,029	0	213,029
261,499	7,086	268,585
286,073	62	286,135
12,307,163	7,148	12,314,311
(135,856)	(127,171)	(263,027)
43,297,071	18,783,372	62,080,443
\$43,161,215	\$18,656,201	\$61,817,416

City of Trotwood  
Balance Sheet  
Governmental Funds  
December 31, 2007

	General	Fire Levy	Salem Mall Tax Increment	Fire Facility Improvements
<b>Assets:</b>				
Equity in Pooled Cash and Investments	\$1,363,597	\$11,940	\$210,280	\$63,669
Restricted Cash and Investments	0	0	0	0
<b>Receivables:</b>				
Taxes	2,915,342	1,939,885	0	0
Accounts	0	0	0	0
Intergovernmental	991,554	109,365	187,500	0
Special Assessments	340,414	0	0	0
Interfund	826,927	0	0	0
<b>Total Assets</b>	<b>6,437,834</b>	<b>2,061,190</b>	<b>397,780</b>	<b>63,669</b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts Payable	223,735	34,833	22,934	44,387
Accrued Wages and Benefits	605,674	172,498	0	0
Compensated Absences	7,715	0	0	0
Retainage Payable	0	0	0	0
Interfund Payable	0	0	0	0
Deferred Revenue	3,549,638	2,049,250	187,500	0
General Obligation Notes Payable	0	0	8,005,000	0
<b>Total Liabilities</b>	<b>4,386,762</b>	<b>2,256,581</b>	<b>8,215,434</b>	<b>44,387</b>
<b>Fund Balances:</b>				
Reserved for Encumbrances	160,153	14,621	120,858	13,350
<b>Unreserved, Undesignated, Reported in:</b>				
General Fund	1,890,919	0	0	0
Special Revenue Funds	0	(210,012)	0	0
Debt Service Funds	0	0	0	0
Capital Projects Funds	0	0	(7,938,512)	5,932
<b>Total Fund Balances</b>	<b>2,051,072</b>	<b>(195,391)</b>	<b>(7,817,654)</b>	<b>19,282</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$6,437,834</b>	<b>\$2,061,190</b>	<b>\$397,780</b>	<b>\$63,669</b>

See accompanying notes to the basic financial statements.

Other Governmental Funds	Total Governmental Funds
\$1,427,378	\$3,076,864
75,336	75,336
1,059,603	5,914,830
61,827	61,827
987,173	2,275,592
109,041	449,455
0	826,927
<u>3,720,358</u>	<u>12,680,831</u>
383,401	709,290
178,261	956,433
0	7,715
75,336	75,336
621,709	621,709
2,074,512	7,860,900
705,000	8,710,000
<u>4,038,219</u>	<u>18,941,383</u>
208,129	517,111
0	1,890,919
523,743	313,731
67,189	67,189
<u>(1,116,922)</u>	<u>(9,049,502)</u>
<u>(317,861)</u>	<u>(6,260,552)</u>
<u>\$3,720,358</u>	<u>\$12,680,831</u>

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City of Trotwood  
 Reconciliation of Total Governmental Fund Balance to  
 Net Assets of Governmental Activities  
 December 31, 2007

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Total Governmental Fund Balance		(\$6,260,552)
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		56,271,125
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Income Taxes	591,357	
Delinquent Property Taxes	594,533	
Intergovernmental	1,063,669	
Other	<u>449,455</u>	
		2,699,014
An internal service fund is used by management to charge back costs to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.		81,986
In the statement of net assets interest payable is accrued when incurred, whereas in the governmental funds interest is reported as a liability only when it will require the use of current financial resources.		(162,940)
Some liabilities reported in the statement of net assets do not require the use of current financial resources and therefore are not reported as liabilities in governmental funds.		
Compensated Absences	<u>(777,590)</u>	
		(777,590)
Long-term liabilities, are not due and payable in the current period and therefore are not reported in the funds.		<u>(8,689,828)</u>
Net Assets of Governmental Activities		<u><u>\$43,161,215</u></u>

See accompanying notes to the basic financial statements.

City of Trotwood  
Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Governmental Funds  
For the Fiscal Year Ended December 31, 2007

	General	Fire Levy	Salem Mall Tax Increment	Fire Facility Improvements
<b>Revenues:</b>				
Taxes	\$7,080,145	\$1,812,558	\$0	\$0
Fines, Licenses & Permits	494,914	0	0	0
Charges for Services	246,775	4,775	0	0
Investment Earnings	103,523	11,425	22,046	71,780
Intergovernmental	1,691,877	270,728	128,222	0
Special Assessments	41,619	0	0	0
Payment in Lieu of Taxes	0	0	213,029	0
Other Revenues	261,656	1,670	987	0
<b>Total Revenues</b>	<b>9,920,509</b>	<b>2,101,156</b>	<b>364,284</b>	<b>71,780</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General Government	2,818,858	0	0	0
Public Safety	5,286,352	2,251,961	0	0
Leisure Time Activities	463,226	0	0	0
Community Development	557,201	0	255,476	0
Transportation and Street Repair	329,963	0	0	0
Capital Outlay	103,170	12,588	501,864	2,428,065
<b>Debt Service:</b>				
Principal Retirement	42,335	62,934	0	0
Interest and Fiscal Charges	73,554	10,266	280,738	261,595
<b>Total Expenditures</b>	<b>9,674,659</b>	<b>2,337,749</b>	<b>1,038,078</b>	<b>2,689,660</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>245,850</b>	<b>(236,593)</b>	<b>(673,794)</b>	<b>(2,617,880)</b>
<b>Other Financing Sources (Uses):</b>				
Proceeds from Sale of Capital Assets	1,563	70	0	0
Issuance of Long-Term Capital-Related Debt	0	0	0	4,307,000
Inception of Capital Lease	0	0	0	0
Transfers In	0	134,000	0	0
Transfers (Out)	(551,000)	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>(549,437)</b>	<b>134,070</b>	<b>0</b>	<b>4,307,000</b>
<b>Net Change in Fund Balance</b>	<b>(303,587)</b>	<b>(102,523)</b>	<b>(673,794)</b>	<b>1,689,120</b>
<b>Fund Balance Beginning of Year</b>	<b>2,354,659</b>	<b>(92,868)</b>	<b>(7,143,860)</b>	<b>(1,669,838)</b>
<b>Change in Reserve for Inventory</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fund Balance End of Year</b>	<b>\$2,051,072</b>	<b>(\$195,391)</b>	<b>(\$7,817,654)</b>	<b>\$19,282</b>

See accompanying notes to the basic financial statements.

Other Governmental Funds	Total Governmental Funds
\$1,143,297	\$10,036,000
80,392	575,306
943,060	1,194,610
52,725	261,499
2,319,451	4,410,278
48,796	90,415
0	213,029
15,574	279,887
4,603,295	17,061,024
0	2,818,858
1,609,600	9,147,913
615	463,841
442,558	1,255,235
1,093,330	1,423,293
1,781,493	4,827,180
235,154	340,423
235,724	861,877
5,398,474	21,138,620
(795,179)	(4,077,596)
0	1,633
708,000	5,015,000
119,328	119,328
417,000	551,000
0	(551,000)
1,244,328	5,135,961
449,149	1,058,365
(691,110)	(7,243,017)
(75,900)	(75,900)
(\$317,861)	(\$6,260,552)

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City of Trotwood  
 Reconciliation of the Statement of Revenues, Expenditures, and Changes  
 in Fund Balance of Governmental Funds to the Statement of Activities  
 For the Fiscal Year Ended December 31, 2007

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Net Change in Fund Balance - Total Governmental Funds \$1,058,365

Amounts reported for governmental activities in the  
 statement of activities are different because:

Governmental funds report capital asset additions as expenditures.  
 However, in the statement of activities, the cost of those assets is  
 allocated over their estimated useful lives as depreciation  
 expense. This is the amount of the difference between capital  
 asset additions and depreciation in the current period.

Capital assets used in governmental activities	5,005,387	
Depreciation Expense	<u>(1,397,497)</u>	
		3,607,890

Governmental funds only report the disposal of assets to the  
 extent proceeds are received from the sale. In the statement  
 of activities, a gain or loss is reported for each disposal. The  
 amount of the proceeds must be removed and the gain or loss  
 on the disposal of capital assets must be recognized. This is the  
 amount of the difference between the proceeds and the gain or loss. (417)

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

Income Taxes	(142,096)	
Delinquent Property Taxes	29,404	
Intergovernmental	(60,095)	
Other	<u>(32,595)</u>	
		(205,382)

Repayment of bond principal is an expenditure in the  
 governmental funds, but the repayment reduces long-term  
 liabilities in the statement of net assets. 340,423

In the statement of activities interest expense is accrued when incurred,  
 whereas in governmental funds an interest expenditure is reported  
 when due. 28,187

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

Compensated Absences	238,523	
Change in Inventory	<u>(75,900)</u>	
		162,623

The internal service fund used by management to charge back costs  
 to individual funds is not reported in the district-wide statement of  
 activities. Governmental fund expenditures and the related internal  
 service fund revenues are eliminated. The net revenue (expense) of  
 the internal service fund is allocated among the governmental activities. 6,783

Proceeds from debt issues are an other financing source in the funds,  
 but a debt issue increases long-term liabilities in the statement  
 of net assets. (5,134,328)

Change in Net Assets of Governmental Activities (\$135,856)

See accompanying notes to the basic financial statements.

City of Trotwood  
Statement of Net Assets  
Proprietary Funds  
December 31, 2007

	Business-Type Activities -Enterprise Funds			
	Water	Sewer	Refuse	Stormwater
Assets:				
Equity in Pooled Cash and Investments	\$9,696	\$0	\$0	\$244,701
Receivables:				
Accounts	792,056	428,761	413,766	115,963
Special Assessments	85,842	113,002	376,400	163,831
Total Current Assets	<u>887,594</u>	<u>541,763</u>	<u>790,166</u>	<u>524,495</u>
Nondepreciable Capital Assets	0	12,026	0	35,301
Depreciable Capital Assets, Net	411,352	409,942	0	16,619,720
Total Noncurrent Assets	<u>411,352</u>	<u>421,968</u>	<u>0</u>	<u>16,655,021</u>
Total Assets	<u>1,298,946</u>	<u>963,731</u>	<u>790,166</u>	<u>17,179,516</u>
Liabilities:				
Current Liabilities:				
Accounts Payable	530,970	334,618	169,091	94,816
Accrued Wages and Benefits	14,472	14,166	1,771	0
Compensated Absences	10,496	10,496	2,034	0
Interfund Payable	0	58,187	147,031	0
General Obligation Notes Payable	150,000	0	0	0
Long-Term Liabilities Due Within One Year	0	5,418	0	0
Total Current Liabilities	<u>705,938</u>	<u>422,885</u>	<u>319,927</u>	<u>94,816</u>
Long-Term Liabilities:				
Compensated Absences	7,819	7,819	365	0
Bonds, Notes & Loans Payable	0	16,589	0	0
Total Noncurrent Liabilities	<u>7,819</u>	<u>24,408</u>	<u>365</u>	<u>0</u>
Total Liabilities	<u>713,757</u>	<u>447,293</u>	<u>320,292</u>	<u>94,816</u>
Net Assets:				
Invested in Capital Assets, Net of Related Debt	261,352	399,961	0	16,655,021
Unrestricted	323,837	116,477	469,874	429,679
Total Net Assets	<u>\$585,189</u>	<u>\$516,438</u>	<u>\$469,874</u>	<u>\$17,084,700</u>

See accompanying notes to the basic financial statements.

Total Business-Type Activities	Governmental Activities- Internal Service Fund
\$254,397	\$85,290
1,750,546	0
739,075	0
<u>2,744,018</u>	<u>85,290</u>
47,327	0
17,441,014	0
<u>17,488,341</u>	<u>0</u>
<u>20,232,359</u>	<u>85,290</u>
1,129,495	3,304
30,409	0
23,026	0
205,218	0
150,000	0
5,418	0
<u>1,543,566</u>	<u>3,304</u>
16,003	0
16,589	0
<u>32,592</u>	<u>0</u>
<u>1,576,158</u>	<u>3,304</u>
17,316,334	0
1,339,867	81,986
<u>\$18,656,201</u>	<u>\$81,986</u>

City of Trotwood  
Statement of Revenues, Expenses  
and Changes in Fund Net Assets  
Proprietary Funds  
For the Fiscal Year Ended December 31, 2007

	Business-Type Activities -Enterprise Funds			
	Water	Sewer	Refuse	Stormwater
Operating Revenues:				
Charges for Services	\$1,753,586	\$897,670	\$1,165,640	\$664,582
Other Revenues	31	31	0	0
Total Operating Revenues	<u>1,753,617</u>	<u>897,701</u>	<u>1,165,640</u>	<u>664,582</u>
Operating Expenses:				
Personal Services	164,620	159,973	46,824	0
Contractual Services	1,329,907	820,059	1,229,894	196,895
Materials and Supplies	31,363	30,400	2,880	5,112
Depreciation	124,477	45,429	0	395,565
Other Expenses	1,565	1,167	470	14,998
Total Operating Expenses	<u>1,651,932</u>	<u>1,057,028</u>	<u>1,280,068</u>	<u>612,570</u>
Operating Income (Loss)	<u>101,685</u>	<u>(159,327)</u>	<u>(114,428)</u>	<u>52,012</u>
Non-Operating Revenues (Expenses):				
Investment Earnings	989	1,028	791	4,278
Interest (Expense)	(7,423)	(6,776)	0	0
Total Non-Operating Revenues (Expenses)	<u>(6,434)</u>	<u>(5,748)</u>	<u>791</u>	<u>4,278</u>
Change in Net Assets	95,251	(165,075)	(113,637)	56,290
Net Assets Beginning of Year, Restated	<u>489,938</u>	<u>681,513</u>	<u>583,511</u>	<u>17,028,410</u>
Net Assets End of Year	<u>\$585,189</u>	<u>\$516,438</u>	<u>\$469,874</u>	<u>\$17,084,700</u>

See accompanying notes to the basic financial statements.

Total Business-Type Activities	Governmental Activities- Internal Service Fund
\$4,481,478	\$9,017
62	0
<u>4,481,540</u>	<u>9,017</u>
371,417	0
3,576,755	3,667
69,755	0
565,471	0
18,200	0
<u>4,601,598</u>	<u>3,667</u>
<u>(120,058)</u>	<u>5,350</u>
7,086	1,433
<u>(14,199)</u>	<u>0</u>
<u>(7,113)</u>	<u>1,433</u>
(127,171)	6,783
<u>18,783,372</u>	<u>75,203</u>
<u>\$18,656,201</u>	<u>\$81,986</u>

City of Trotwood  
Statement of Cash Flows  
Proprietary Funds  
For the Fiscal Year Ended December 31, 2007

	Business-Type Activities -Enterprise Funds			
	Water	Sewer	Refuse	Stormwater
Cash Flows from Operating Activities:				
Cash Received from Customers	\$1,381,263	\$795,053	\$1,089,629	\$482,064
Cash Payments to Employees	(164,006)	(159,176)	(47,588)	0
Cash Payments to Suppliers	(1,245,438)	(725,385)	(1,042,832)	(191,391)
Net Cash Provided (Used) by Operating Activities	(28,181)	(89,508)	(791)	290,673
Cash Flows from Noncapital Financing Activities:				
Payments to Other Funds	0	0	0	(14,949)
Net Cash Provided (Used) by Noncapital Financing Activities	0	0	0	(14,949)
Cash Flows from Capital and Related Financing Activities:				
Payments for Capital Acquisitions	(5,512)	(16,415)	0	(35,301)
Debt Proceeds	150,000	0	0	0
Debt Principal Payments	(175,000)	(5,104)	0	0
Debt Interest Payments	(7,423)	(6,776)	0	0
Net Cash Provided (Used) by Capital and Related Financing Activities	(37,935)	(28,295)	0	(35,301)
Cash Flows from Investing Activities:				
Earnings on Investments	989	1,028	791	4,278
Net Cash Provided (Used) by Cash Flows from Investing Activities	989	1,028	791	4,278
Net Increase (Decrease) in Cash and Cash Equivalents	(65,127)	(116,775)	0	244,701
Cash and Cash Equivalents Beginning of Year	74,823	116,775	0	0
Cash and Cash Equivalents End of Year	9,696	0	0	244,701
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	101,685	(159,327)	(114,428)	52,012
Adjustments:				
Depreciation	124,477	45,429	0	395,565
Changes in Assets & Liabilities:				
(Increase) Decrease in Receivables	(372,354)	(102,648)	(76,011)	(182,518)
(Increase) Decrease in Prepays	719	757	0	0
Increase (Decrease) in Payables	116,678	125,484	190,412	25,614
Increase (Decrease) in Accrued Liabilities	614	797	(764)	0
Net Cash Provided (Used) by Operating Activities	(\$28,181)	(\$89,508)	(\$791)	\$290,673

See accompanying notes to the basic financial statements.

Total Business-Type Activities	Governmental Activities- Internal Service Fund
\$3,748,009	\$9,017
(370,770)	0
<u>(3,205,046)</u>	<u>(2,725)</u>
172,193	6,292
<u>(14,949)</u>	<u>0</u>
<u>(14,949)</u>	<u>0</u>
(57,228)	0
150,000	0
(180,104)	0
<u>(14,199)</u>	<u>0</u>
<u>(101,531)</u>	<u>0</u>
<u>7,086</u>	<u>1,433</u>
<u>7,086</u>	<u>1,433</u>
62,799	7,725
<u>191,598</u>	<u>77,565</u>
<u>254,397</u>	<u>85,290</u>
(120,058)	5,350
565,471	0
(733,531)	0
1,476	0
458,188	942
<u>647</u>	<u>0</u>
<u>\$172,193</u>	<u>\$6,292</u>

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## **CITY OF TROTWOOD**

Notes to the Basic Financial Statements  
For The Year Ended December 31, 2007

### **1. DESCRIPTION OF THE CITY AND REPORTING ENTITY**

The City of Trotwood is a political subdivision incorporated in 1901 under the laws and constitution of the State of Ohio. The City is a suburb of Dayton located in Montgomery County in the southwestern portion of the state. Trotwood is located approximately 70 miles west of Columbus and sixty miles north of Cincinnati. Interstates 70 and 75 intersect approximately five miles northeast of the City.

#### **Reporting Entity**

The City is a home rule municipal corporation under Article XVIII of the Ohio Constitution utilizing the council-manager form of government. Governing direction is provided by the city charter first adopted in 1964 and subsequently amended. Overall policy direction is the responsibility of the City Council, which is composed of the Mayor and six Councilpersons, four elected from geographic districts and two at-large. The City provides many services for the benefit of its citizens including police protection, fire protection, emergency medical service, street maintenance and repair, parks maintenance, recreation programs, water distribution, sewage collection and refuse collection. On January 1, 1996, the City merged with Madison Township more than tripling its population and land area. The resulting community is the fourth most populous city in Montgomery County and is surpassed in land area only by the City of Dayton.

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

The City participates in three jointly governed organizations: The Miami Valley Regional Planning Commission, the Miami Valley Fire/EMS Alliance and the Economic Development/Government Equity Program are discussed in the Jointly Governed Organization footnote.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The City also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental and business-type activities and to its enterprise funds provided they do not conflict with or contradict GASB pronouncements. For enterprise funds, the City has elected not to follow subsequent private-sector guidance. The most significant of the City's accounting policies are described below.

### **Measurement Focus**

#### Government-Wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the City are included on the Statement of Net Assets.

#### Fund Financial Statements

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

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

### **Basis of Presentation**

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

## Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government. Eliminations have been made to minimize double counting of internal activities, but the interfund services provided and used are not eliminated in the process of consolidation. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

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

## Fund Financial Statements

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

## **Fund Accounting**

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

### Governmental Funds

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

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

Fire Levy Special Revenue Fund – This special revenue fund accounts for property taxes levied for the provision of fire protection and prevention services within the City.

Salem Mall Tax Increment Capital Projects Fund – This capital projects fund accounts for resources related to the Salem Mall Tax Increment.

Fire Facility Improvements Capital Projects Fund – This capital projects fund accounts for resources related to the Fire Facility Improvements.

The other governmental funds of the City account for grants and other resources that are generally restricted to use for a particular purpose.

#### Proprietary Funds

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

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

Water Fund – To account for the provision of water services including maintenance of City-owned water lines. The City's water distribution system does not serve the entire City; Montgomery County provides water service to that portion of the City formerly known as Madison Township.

Sewer Fund – To account for the provision of sewer services including maintenance of City-owned sewer lines.

Refuse Fund – To account for the provision of refuse and recycling collection services for all residents in the City.

Stormwater Fund – To account for the provision of stormwater services.

Internal Service Funds - Internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City's internal service fund reports on City vehicle repair services.

## **Basis of Accounting**

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

### Revenues - Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become 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. For the City, available means expected to be received within thirty days of year-end.

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

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

### Deferred Revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of the current year-end, but which were levied to finance future operations, have been recorded as deferred revenue. Special assessments not received within the available period and grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

### Unearned Revenue

Unearned revenue represents amounts under the accrual basis of accounting for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met because such amounts have not yet been earned.

### Expenses/Expenditures

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

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

### **Equity in Pooled Cash and Investments**

To improve cash management the City's cash and investments are pooled. Monies for all funds, except cash and investments held in segregated accounts, are maintained in this pool. Individual fund integrity is maintained through City records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Investments" on the balance sheet.

Investments are reported at fair value which is based on quoted market prices, with the exception of nonparticipating repurchase agreements, which are reported at cost. For investments in open-end mutual funds, fair value is determined by the fund's share price.

During the year, the City has invested funds in the State Treasury Asset Reserve of Ohio (STAROhio). STAROhio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for at year-end.

For purposes of the statement of cash flows and for presentation on the statement of net assets/balance sheet, investments with an original maturity of three months or less and investments of the cash management pool are considered to be cash equivalents.

Following Ohio Revised Code, the City has specified the funds to receive an allocation of interest earnings. Interest revenues during 2007 amounted to \$268,585. Interest revenue amounted to \$103,523 in the General fund, \$11,425 in the Fire Levy fund, \$22,046 in the Salem Mall Tax Increment fund, \$71,780 in the Fire Facility Improvements fund, \$52,725 in Other Governmental funds, \$989 in the Water fund, \$1,028 in the Sewer fund, \$791 in the Refuse fund, and \$4,278 in the Stormwater fund.

## Capital Assets

In 2006, the City of Trotwood applied the transition provisions for General Infrastructure Assets (streets, curbs, sidewalks, and culverts). The City reports current year additions and deletions for General Infrastructure Assets. The City has elected not to use the modified approach for reporting General Infrastructure Assets.

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net assets and in the respective proprietary funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City's infrastructure consists of culverts, curbs, sidewalks, storm sewers, streets, and water and sewer lines. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. The City uses a \$5,000 capitalization threshold.

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

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	20-45 years
Equipment	3-20 years
Infrastructure	20-75 years

## Compensated Absences

The City reports compensated absences in accordance with the provisions of GASB 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.

Sick leave benefits are accrued as a liability using the vesting method. The entire compensated absence liability is reported on the government-wide financial statements. For governmental fund financial statements a liability is recorded only for the portion of unpaid compensated absences that have matured. The noncurrent portion of the liability is not reported. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

## **Accrued Liabilities and Long-Term Obligations**

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

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

## **Fund Balance Reserves**

The City reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent expendable resources and therefore are not available for appropriation or expenditure. As a result, encumbrances, inventories, debt service and prepaids are recorded as a reservation of fund balance.

## **Restricted Assets**

Restricted assets consist of resources whose use is restricted by retainage for various contractors.

## **Net Assets**

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

The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. Of the City's \$1,272,167 in restricted net assets, none were restricted by enabling legislation.

## **Operating Revenues and Expenses**

The City, in its proprietary fund, distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise fund are charges to customers for sales and services. Operating expenses for the enterprise fund includes the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

## **Contributions of Capital**

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, tap-in fees to the extent they exceed the cost of the connection to the system, or from grants or outside contributions of resources restricted to capital acquisition and construction.

## **Interfund Activity**

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

As a general rule, the effect of interfund (internal) activity has been eliminated from the government-wide statement of activities. The internal services provided and used are not eliminated through the process of consolidation.

## **Estimates**

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

### **3. EQUITY IN POOLED CASH AND INVESTMENTS**

Cash resources of several individual funds are combined to form a pool of cash and investments. Each fund type's portion of this pool is displayed on the combined balance sheet as "Equity in Pooled Cash and Investments."

State statute requires the classification of monies held by the City into three categories:

Active Monies - Those monies required to be kept in a "cash" or "near cash" status for immediate use by the City. Such monies must by law be maintained either as cash in the City treasury, in depository accounts payable or withdrawable on demand.

Inactive Monies – Those monies not required for use within the current two year period of designated depositories. Ohio law permits inactive monies to be deposited or invested as certificates of deposit maturing not later than the end of the current period of designated depositories, or as savings or deposit accounts, including, but not limited to passbook accounts.

Interim Monies – Those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Ohio law permits interim monies to be invested or deposited in the following securities:

- (1) Bonds, notes, or other obligations of or guaranteed by the United States, or those for which the faith of the United States is pledged for the payment of principal and interest.
- (2) Bonds, notes, debentures, or other obligations or securities issued by any federal governmental agency.
- (3) No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions.
- (4) Interim deposits in the eligible institutions applying for interim monies to be evidenced by time certificates of deposit maturing not more than one year from date of deposit, or by savings or deposit accounts, including, but limited to, passbook accounts.
- (5) Bonds and other obligations of the State of Ohio.
- (6) The Ohio State Treasurer's investment pool (STAR Ohio).
- (7) Commercial paper and banker's acceptances which meet the requirements established by Ohio Revised Code, Sec. 135.142.
- (8) Under limited circumstances, corporate debt interests in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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 treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public moneys deposited with the institution.

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

## Deposits

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's policy for deposits is any balance not covered by depository insurance will be collateralized by the financial institutions with pledged securities. As of December 31, 2007, \$806,676 of the City's bank balance of \$1,003,480 was exposed to custodial risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the City's name.

Ohio Revised Code Chapter 135, Uniform Depository Act, authorizes pledging of pooled securities in lieu of specific securities. Specifically, a designated public depository may pledge a single pool of eligible securities to secure repayment of all public monies deposited in the financial institution, provided that all times the total value of the securities so pledged is at least equal to 105% of the total amount of all public deposits secured by the pool, including the portion of such deposits covered by any federal deposit insurance.

## Investments

As of December 31, 2007, the City had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
STAROhio	\$2,277,971	0.11
Repurchase Agreement	<u>395,946</u>	0.00
	<u>\$2,673,917</u>	
Portfolio Weighted Average Maturity		0.09

Interest rate risk - In accordance with the investment policy, the City manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to five years, unless matched to a specified obligation or debt of the City.

Credit Risk – It is the City's policy to limit its investments that are not obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government to investments which have the highest credit quality rating issued by nationally recognized statistical rating organizations. Investments in STAROhio were rated AAAM by Standard & Poors. Repurchase Agreements which are unrated shall be transacted only through banks located within the State of Ohio with which the Finance Director has signed a master repurchase agreement as required by Ohio Revised Code 135.

Concentration of credit risk – The City's investment policy allows investments in Federal Government Securities or Instrumentalities. The City has invested 85% of the City's investments in STAROhio and 15% of the City's investments in a Repurchase Agreement.

Custodial credit risk is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the City's securities are either insured and registered in the name of the City or at least registered in the name of the City.

#### 4. RECEIVABLES

Receivables at year end, consisted primarily of municipal income taxes, property and other taxes, intergovernmental receivables arising from entitlements, shared revenues, special assessments, interfund receivables and accounts receivable.

No allowances for doubtful accounts have been recorded because uncollectible amounts are expected to be insignificant.

##### Property Taxes

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Property tax revenue received during 2007 for real and public utility property taxes represents collections of the 2006 taxes. Property tax payments received during 2007 for tangible personal property (other than public utility property) is for 2007 taxes.

The 2007 real property taxes are levied after October 1, 2007, on the assessed value as of January 1, 2007, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2007 real property taxes are collected in and intended to finance 2008 operations.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. The 2007 public utility property taxes became a lien December 31, 2006, are levied after October 1, 2007, and are collected in 2008 with real property taxes.

The 2007 tangible personal property taxes are levied after October 1, 2006, on the value as of December 31, 2006. Collections are made in 2007. Tangible personal property assessments are 25 percent of true value.

The tangible personal property tax is being phased out over a four-year period starting with tax year 2006 and ending in 2009. This phase-out applies to most businesses and includes furniture and fixtures, machinery and equipment and inventory. New manufacturing machinery and equipment first reported on the 2006 and subsequent year returns is not subject to the personal property tax.

The assessed values of real and tangible personal property upon which current year property tax receipts were based are as follows:

Real Property	\$329,508,630
Tangible Personal Property	<u>21,887,257</u>
Total Valuation	<u>\$351,395,887</u>

Real property taxes are payable annually or semi-annually. The first payment is due January 20 with the remainder payable by June 20.

Tangible personal property taxes 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.

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City. The County Auditor periodically remits to the City its portion of the taxes collected. Accrued property taxes receivable represent real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of year end for which there is an enforceable legal claim. Although total property tax collections for the next year are measurable, amounts to be received during the available period are not subject to reasonable estimation at year end, nor were they levied to finance current year operations. The receivable is therefore offset by deferred revenue.

### **Income Taxes**

The City levies a 2.25% income tax on substantially all income earned within the City. In addition, residents are required to pay City income tax on income earned outside the City with a credit up to 2.25% allowed for income taxes paid to other municipalities. Additional increases in the income tax rate require voter approval.

Employers within the City withhold income tax on employee compensation and remit at least quarterly. Corporations and other individual taxpayers pay estimated taxes quarterly and file an annual declaration.

## **5. RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. Since October 2003, the City has been a member in the Public Entities Pool of Ohio (PEP), established as a risk sharing self insurance pool for the purpose of enabling the subscribing political subdivisions to obtain liability insurance and providing a formalized, jointly administered self-insurance program for its members. PEP is a corporation governed by a seven member board of directors, consisting of representatives elected by the 230 participating governments.

The City pays an annual premium to the PEP. The agreement provides that the PEP will be self sustaining through member premiums and excess insurance. The types of coverages and deductibles per occurrences as follows:

<u>Type of Coverage</u>	<u>Coverage</u>	<u>Deductible</u>
Legal Liability for Third Party Claims	\$2,000,000	\$10,000
Automobile Liability	2,000,000	5,000
Law Enforcement Operations	2,000,000	25,000
Wrongful Acts (Public Officials)	2,000,000	10,000
Real and Personal Property	13,995,800	5,000
Vehicles	4,338,380	1,000
Miscellaneous Property	1,306,746	5,000
Data Processing	298,365	5,000

The Pool retains general, automobile, police professional and public official’s liability risks up to \$250,000 per claim. Claims exceeding \$250,000 are reinsured in an amount not to exceed \$1,750,000 per claim and \$2,000,000 in aggregate per year.

Automobile physical damage risks are retained by the Pool up to \$25,000 for each accident and location. Reinsurance coverage is provided at different levels depending on the type of vehicle.

All property risks, which include physical damage coverage on specialized-use vehicles (fire trucks and emergency vehicles), are fully reinsured. Property risks up to \$25,000 are reinsured on an individual member basis.

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

## 6. CAPITAL ASSETS

Capital asset activity for the current year end was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities</b>				
<i>Capital Assets, not being depreciated:</i>				
Land	\$26,117,722	\$836,509	\$0	\$26,954,231
Construction in Progress	1,300,584	3,510,735	3,524,700	1,286,619
Total Capital Assets, not being depreciated	<u>27,418,306</u>	<u>4,347,244</u>	<u>3,524,700</u>	<u>28,240,850</u>
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	4,276,032	3,951,605	0	8,227,637
Equipment	7,895,358	204,841	500	8,099,699
Infrastructure	39,292,966	26,397	0	39,319,363
Totals at Historical Cost	<u>78,882,662</u>	<u>8,530,087</u>	<u>3,525,200</u>	<u>83,887,549</u>
Less Accumulated Depreciation:				
Buildings and Improvements	1,885,637	174,709	0	2,060,346
Equipment	5,704,987	457,866	83	6,162,770
Infrastructure	18,628,386	764,922	0	19,393,308
Total Accumulated Depreciation	<u>\$26,219,010</u>	<u>\$1,397,497</u>	<u>\$83</u>	<u>\$27,616,424</u>
Governmental Activities Capital Assets, Net	<u>\$52,663,652</u>	<u>\$7,132,590</u>	<u>\$3,525,117</u>	<u>\$56,271,125</u>
<b>Business-Type Activities</b>				
<i>Capital Assets, not being depreciated:</i>				
Land	\$12,026	\$0	\$0	\$12,026
Construction in Progress	0	35,301	0	35,301
<i>Capital Assets, being depreciated:</i>				
Equipment	302,920	0	0	302,920
Infrastructure	36,478,031	0	11,400	36,466,631
Totals at Historical Cost	<u>36,792,977</u>	<u>35,301</u>	<u>11,400</u>	<u>36,816,878</u>
Less Accumulated Depreciation:				
Equipment	171,864	41,118	0	212,982
Infrastructure	18,624,529	522,353	31,327	19,115,555
Total Accumulated Depreciation	<u>\$18,796,393</u>	<u>\$563,471</u>	<u>\$31,327</u>	<u>\$19,328,537</u>
Business-Type Activities Capital Assets, Net	<u>\$17,996,584</u>	<u>(\$528,170)</u>	<u>(\$19,927)</u>	<u>\$17,488,341</u>

Depreciation expense was charged to governmental functions as follows:

General Government	\$84,283
Public Safety	384,264
Leisure Time	50,957
Community Development	2,367
Transportation	875,626
Total Depreciation Expense	<u>\$1,397,497</u>

## 7. COMPENSATED ABSENCES

Employees earn vacation leave ranging from 10 to 25 days per year based on length of service, except for firefighters who earn vacation leave on a pro-rated basis utilizing a 2,912-hour work year. The maximum accrual, which can be carried forward in a year, is 160 hours or one year's accumulation, whichever is greater. The City is liable for all accrued vacation upon separation or retirement.

Sick leave is accrued at the rate of 1-1/4 days for each month of service completed; firefighters accrue sick leave at the rate of 1-3/4 days per month. Accumulated sick leave in excess of 600 hours may be converted to vacation time on a 3-to-1 basis with a maximum of 10 days in any calendar year or to pay on a 3-to-1 basis with a maximum of 10 days in any calendar year. Upon retirement from active service with the City, employees with 10 to 20 years of service may convert one-third of unused sick leave (maximum 125 days) to pay; employees retiring with over 20 years of active service may convert one-half unused sick leave (maximum 130 days).

Five personal days are granted to each full-time employee of the City. Personal days must be taken within the calendar year and may not be carried forward. Additional personal time may be earned by employees who do not use any sick leave.

## 8. NOTES PAYABLE

A summary of the note transactions for the current year end are as follows:

		Beginning Balance	Additions	Deletions	Ending Balance
Bond Anticipation Notes:					
<b>Governmental Activities:</b>					
Various Purpose, 2006 Series	5.00%	1,275,000	0	(1,275,000)	0
Various Purpose, 2006A Series	3.97%	90,000	0	(90,000)	0
Various Purpose, 2006B Series	4.11%	755,000	0	(755,000)	0
Real Estate Acquisition, 2006A	4.50%	3,875,000	0	(3,875,000)	0
Fire Station Construction, 2006	4.25%	3,560,000	0	(3,560,000)	0
Real Estate Acquisition, 2006B	4.00%	2,530,000	0	(2,530,000)	0
Town Center Redevelopment, 2007 Series	3.77%	0	1,600,000	0	1,600,000
Various Purpose, 2007A Series	3.90%	0	27,000	0	27,000
Real Estate Acquisition, 2007A	3.67%	0	3,875,000	0	3,875,000
Real Estate Acquisition, 2007B	3.70%	0	2,530,000	0	2,530,000
Capital Improvement 2007	3.57%	0	678,000	0	678,000
Total Governmental Activities		<u>\$12,085,000</u>	<u>\$8,710,000</u>	<u>(\$12,085,000)</u>	<u>\$8,710,000</u>
				0	
<b>Business Type Activities</b>					
Various Purpose, 2006A Series	3.97%	\$175,000	\$0	(\$175,000)	\$0
Various Purpose, 2007A Series	3.90%	0	150,000	0	150,000
Total Business-Type Activities		<u>175,000</u>	<u>150,000</u>	<u>(175,000)</u>	<u>150,000</u>
Total Bond Anticipation Notes		<u>\$12,260,000</u>	<u>\$8,860,000</u>	<u>(\$12,260,000)</u>	<u>\$8,860,000</u>

All of the notes are bond anticipation notes, are backed by the full faith and credit of the City, and mature within one year. The note liability is reflected in the fund which received the proceeds.

## 9. LONG-TERM DEBT

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

		Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
<b>Governmental Activities</b>						
<u>Bonds Payable</u>						
2003 Various Purpose Bonds	5.11%	\$3,325,000	\$0	(\$170,000)	\$3,155,000	\$175,000
2007 Various Purpose Bonds	4.21%	0	5,015,000	0	5,015,000	145,000
Capital Leases		570,923	119,328	(170,423)	519,828	172,195
Total Long-Term Debt		3,895,923	5,134,328	(340,423)	8,689,828	492,195
Compensated Absences		1,020,434	328,524	(563,653)	785,305	588,293
Total Governmental Activities		<u>\$4,916,357</u>	<u>\$5,462,852</u>	<u>(\$904,076)</u>	<u>\$9,475,133</u>	<u>\$1,080,488</u>

			Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
<b>Business Type Activities</b>							
<u>Loans</u>							
2001 OPWC Loan	3.00%		\$27,111	\$0	(\$5,104)	\$22,007	\$5,259
Compensated Absences			44,160	14,092	(19,223)	39,029	23,185
Total Business-Type Activities			\$71,271	\$14,092	(\$24,327)	\$61,036	\$28,444

Compensated Absences will be paid from the fund from which the person is paid. Historically, this is the General Fund, Special Revenue Fund or Enterprise Fund.

Principal and interest requirements to retire the City's long-term obligations outstanding at year end are as follows:

Year Ending December 31	General		OPWC Loan	
	Obligation Bonds		Principal	Interest
	Principal	Interest		
2008	\$320,000	\$392,692	\$5,259	\$621
2009	360,000	352,741	5,418	462
2010	365,000	336,231	5,581	298
2011	385,000	319,468	5,749	129
2012	400,000	301,736	0	0
2013-2017	1,935,000	1,229,328	0	0
2018-2022	1,680,000	825,428	0	0
2023-2027	1,475,000	451,794	0	0
2028-2032	1,250,000	163,625	0	0
Total	\$8,170,000	\$4,373,043	\$22,007	\$1,510

## 10. LEASES

### A. Capital Leases

The City has entered into capital leases for a phone system, two dump trucks, a fire engine, tough book computers, various equipment and two medic units.

The City's lease obligations meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13 "Accounting for Leases", and have been recorded on the government-wide statements. The leased assets have been capitalized for the amount of the present value of the minimum lease payments at the inception of the lease. The following is a schedule of the future long-term minimum lease payments required under the capital lease, and the present value of the minimum lease payments is as follows:

Year Ending <u>December 31</u>	
2008	\$192,301
2009	173,662
2010	169,439
2011	<u>25,856</u>
Total minimum lease payments	561,258
Less: Amount representing interest	<u>(41,430)</u>
Present value of minimum lease payments	<u>\$519,828</u>

Capital assets acquired under capital leases in accordance with Statement of Financial Accounting Standards No. 13 are as follows:

Equipment	\$892,482
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## 11. PENSION PLANS

### Ohio Public Employees Retirement System

All full-time employees, other than non-administrative full-time police officers and firefighters, participate in the Ohio Public Employees Retirement System (OPERS), a cost-sharing multiple-employer public employee retirement system administered by the Public Employees Retirement Board. OPERS provides basic retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report which may be obtained by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling 614-222-6701 or 800-222-7377, or by visiting the OPERS website at [www.opers.org](http://www.opers.org).

Members have a choice of three separate pension plans, a Traditional Pension Plan (TP), a Member-Directed Plan (MD) and a Combined Plan (CO). The TP Plan is a cost-sharing multiple-employer defined benefit pension plan. The MD Plan is a defined contribution plan in which member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the MD Plan members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings thereon. The CO Plan is a cost-sharing multiple-employer defined benefit pension plan. Under the CO Plan employer contributions are invested by the retirement system to provide a formula retirement benefit similar in nature to the TP Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the MD Plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the TP and CO Plans. Members of the MD Plan do not qualify for the ancillary benefits.

Plan members are required to contribute 9.5 percent of their annual covered salary to fund pension obligations. The employer pension contribution rate for the City is 13.85 percent of covered payroll. Contributions are authorized by State statute. The contribution rates are determined actuarially. The City's required contributions to OPERS for the years ended December 31, 2007, 2006 and 2005 were \$351,619, \$318,582, and \$324,751, respectively. The full amount has been contributed for 2006 and 2005 and 76% has been contributed for 2007.

### **Ohio Police and Fire Pension Fund**

The City contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple employer defined benefit pension plan administered by the OP&F's Board of Trustees. OP&F provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and by Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information. That report may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215 - 5164, or by visiting the OP&F website at [www.op-f.org](http://www.op-f.org).

Police and firefighters are required to contribute 10 percent of their annual covered salary to fund pension obligations and the City is required to contribute 19.5 percent for police and 24.0 percent for firefighters. Contributions are authorized by State statute. The City's contributions to the OP&F for the years ending December 31, 2007, 2006 and 2005 were \$966,998, \$942,752, and \$940,071, respectively. The full amount has been contributed for 2006 and 2005 and 74% has been contributed for 2007.

## **12. POST EMPLOYMENT BENEFITS**

### **Ohio Public Employees Retirement System**

#### Plan Description

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

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

In order to qualify for post-employment health card coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing OPERS, attention: Finance Director, 277 East Town Street, Columbus, OH 43215-4642, or by calling (614) 222-5601 or (800) 222-7377.

### Funding Policy

The Ohio Revised Code provides the statutory authority requiring public employers to fund post retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care benefits.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2007, the City contributed at 13.85% of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14% of covered payroll. Active members do not make contributions to the OPEB Plan.

OPERS' Post Employment Health Care Plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determined the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. For 2007, the employer contribution allocated to the health care plan from January 1 through June 30, 2007 and July 1 through December 31, 2007 was 5.0% and 6.0% of covered payroll, respectively. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

### Information from City's Records

The City's actual contributions for the current year, which were used to fund postemployment benefits, were \$63,294 for the period of January 1 through June 30, 2007 and were \$70,414 for the period of July 1 through December 31, 2007, \$103,265 for December 31, 2006 and \$103,057 for December 31, 2005.

### OPERS Retirement Board Implements its Health Care Preservation Plan

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, will be effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007, and January 1, 2008 which allowed additional funds to be allocated to the health care plan.

## Other Information

At December 31, 2007, the number of active contributing participants in the Traditional and Combined Plans totaled 374,979. The number of active contributing participants for both plans used in the December 31, 2006 actuarial valuation was 362,130.

The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2006, (the latest information available) were \$12.0 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$30.7 billion and \$18.7 billion, respectively.

## **Ohio Police and Fire Pension Fund**

### Plan Description

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

OP&F provides access to post-retirement healthcare coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person. The healthcare coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

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

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

### Funding Policy

The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.50% and 24.00% of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.50% of the covered payroll for police employer units and 24.00% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

OP&F's post employment healthcare plan was established and is administered as an Internal Revenue Code 401(h) account within the defined benefit pension plan; under the authority granted by the Ohio Revised Code to the OP&F board of trustees. The board of trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the 401h account as the employer contribution for retiree healthcare benefits. The amount of employer contributions allocated to the healthcare plan each year is subject to the trustees' primary responsibility to ensure that pension benefits are adequately funded and also is limited by the provisions of Section 401h.

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

#### Information from City's Records

The City's contributions to OP&F for the year ending December 31, 2007 were \$237,929 for police and \$120,394 for fire; for the year ending December 31, 2006 were \$237,639 for police and \$111,854 for fire; and for the year ending December 31, 2005 were \$218,403 for police and \$116,320 for fire, respectively, was allocated to the healthcare plan.

#### Other Information

The number of participants eligible to receive health care benefits as of December 31, 2006, the date of the last actuarial valuation available, are 14,120 for Police and 10,563 for Firefighters. OP&F's total health care expense for the year ending December 31, 2006, the date of the last actuarial valuation available, was \$120,373,722, which was net of member contributions of \$58,532,848.

### **13. JOINTLY GOVERNED ORGANIZATIONS**

The Miami Valley Regional Planning Commission (the Commission) is a jointly governed organization between Preble, Clark, Clinton, Darke, Greene, Miami and Montgomery Counties, the City of Dayton and the City of Huber Heights. The Commission prepares plans, including studies, maps, recommendations and reports concerning the physical, environmental, social, economic and governmental characteristics, functions and services of the region. These reports show recommendations for systems of transportation, highways, parks and recreation facilities, water supply, sewage disposal, garbage disposal, civic centers and other public improvements and land uses which affect the development of the region. The degree of control exercised by any participating government is limited to its representation on the Board. Members of the Board are as follows: the officers of the Commission (elected by member representatives), the immediate past Chair of the Commission, the Commission member representing the City of Dayton, the Commission member representing each of the respective counties, the representatives selected by each county caucus, a nongovernmental member and two at-large representatives. Payments to the Commission are made from the General Fund. The City contributed \$12,613 for the operation of the Commission during 2007.

The Miami Valley Fire/EMS Alliance (the Alliance) is a jointly governed organization between municipal corporations and townships in Montgomery, Greene and Warren Counties. The purpose of the Alliance is to foster cooperation among the political subdivisions by promoting programs and recommending matters, which will result in more efficient methods of delivering fire and emergency medical services in the region. The Board of the Alliance is made up of a representative appointed by the City of Dayton, a representative appointed by the members who are provided Fire/EMS services by volunteers, two representatives appointed by the members who are provided Fire/EMS services by a combination of full-time employees and volunteers and a representative appointed by members who are provided Fire/EMS services by full-time employees. Payments to the Alliance are made from the Fire Levy Fund. The City contributed \$6,581 for the operation of the Alliance during 2007.

The Economic Development/Government Equity Program (ED/GE) was established pursuant to Ohio Revised Code Chapter 307 for the purpose of developing and promoting plans and programs designed to assure that County resources are efficiently used, economic growth is properly balanced and that County economic development is coordinated with that of the State of Ohio and other local governments. Members include villages, townships and cities within Montgomery County and the County itself. Cooperation and coordination between the members is intended to promote economic health and improve the economic opportunities of the people in Montgomery County by assisting in the establishment or expansion within the County of industrial, commercial or research facilities and by creating and preserving job and employment opportunities for the people of the County. The ED/GE Advisory Committee, made up of alternating member entities' representatives, decides which proposed projects will be granted each year. Sales tax revenues, set aside by Montgomery County, are used to fund the projects. Members annually contribute or receive benefits based on an elaborate zero-based formula designed to distribute growth in contributing communities to those in communities experiencing less economic growth. In 2000, the City agreed to be a member for an additional 10 years, ending December 31, 2011. Any member in default of paying its contributions will be liable for the amount of the contribution, any interest accrued and penalties. During this time, the member will not be entitled to any allocations from ED/GE. Payments to ED/GE are made from the General Fund. The City did not contribute to the operation of the ED/GE during 2007.

#### 14. INTERFUND TRANSACTIONS

Interfund receivables, interfund payables, transfers in and transfers out are as follows for the current year:

	Interfund		Transfers	
	<u>Receivable</u>	<u>Payable</u>	<u>In</u>	<u>Out</u>
General Fund	\$826,927	\$0	\$0	\$551,000
Fire Levy Fund	0	0	134,000	0
Other Governmental Funds	0	621,709	417,000	0
Sewer Fund	0	58,187	0	0
Refuse Fund	<u>0</u>	<u>147,031</u>	<u>0</u>	<u>0</u>
Total All Funds	<u>\$826,927</u>	<u>\$826,927</u>	<u>\$551,000</u>	<u>\$551,000</u>

Interfund balance/transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budget authorizations; to segregate and to return money to the fund from which it was originally provided once a project is completed.

## 15. CONSTRUCTION AND OTHER COMMITMENTS

At year end, uncompleted construction contracts are as follows:

<u>Description</u>	<u>Remaining Commitment</u>
Little Richmond Road Culvert Replacement	\$365,500
Salem Avenue Traffic Signal Synchronization	<u>317,566</u>
Total	\$683,066

## 16. PRIOR PERIOD ADJUSTMENT

A prior period adjustment was required to restate net assets at December 31, 2006 due to the understatement of prior year enterprise revenue. The restatement related to the correction of accounts receivable detail and adjustment of amounts previously reported as deferred revenue. The effect on net assets at December 31, 2006 was as follows:

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Refuse Fund</u>	<u>Stormwater Fund</u>	<u>Business-Type Activities</u>
Ending Net Assets December 31, 2006	\$352,440	\$469,428	\$55,895	\$16,995,933	17,873,696
Restatement - accounts receivable detail	60,489	143,253	199,009	32,477	435,228
Restatement - deferred revenue	<u>77,009</u>	<u>68,862</u>	<u>328,607</u>	<u>0</u>	<u>474,478</u>
Beginning Net Assets January 1, 2007	<u><u>\$489,938</u></u>	<u><u>\$681,543</u></u>	<u><u>\$583,511</u></u>	<u><u>\$17,028,410</u></u>	<u><u>\$18,783,402</u></u>

## 17. CHANGE IN ACCOUNTING PRINCIPLE

For the year ended December 31, 2007, the City has implemented GASB Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions."

Statement No. 45 addresses how state and local governments should account for and report their costs and obligations related to postemployment healthcare and other non-pension benefits. This also establishes disclosure requirements for information about the plans in which an employer participates, the funding policy followed, the actuarial valuation process and assumptions, and for certain employers, the extent to which the plan has been funded over time. Collectively, these benefits are commonly referred to as "other postemployment benefits (OPEB)."

There was no effect on fund balance/net assets as a result of the implementation of these new standards.

## 18. SUBSEQUENT EVENTS

In March 2008, one bond anticipation note for a total of \$1,905,000 was issued to pay off an existing note. In April 2008, a bond anticipation note for \$125,000 was issued to payoff an existing note.

In May 2008, the City entered into an agreement with R.B. Jergens for the Olive Road Storm Sewer Phase I construction award in the amount not to exceed \$463,676.

## 19. COMPLIANCE AND ACCOUNTABILITY

### Accountability

The following individual funds had deficit fund balances/net assets at year end:

<u>Fund</u>	<u>Deficit</u>
Special Revenue:	
Fire Levy	\$195,391
Permissive Use Tax	189,250
Grants	126,243
Local Law Enforcement Block Grant	4,781
Rescue Levy	22,632
Capital Projects:	
Salem Mall Tax Increment	7,817,654
Industrial Park	910,104
West Third Street Improvements	73,622
Salem Corridor Street Improvements	41,701

### Compliance

Ohio Revised Code Sec. 5705.41B states that no subdivision or taxing unit is to expend money unless it has been appropriated. At year end, the City had disbursements exceeding appropriations in the following funds:

Fire Levy Fund	\$32,566
Rescue Levy Fund	58,916
Fire Facility Improvement Fund	29,343
Water Fund	7,153

Ohio Revised Code Sec. 5705.10 provides that money paid into any fund shall be used only for purposes for which such fund is established. The following funds had negative budgetary basis cash fund balances at year end:

Fire Levy Fund	\$12,859
Permissive Use Tax Fund	189,250
Grants Fund	171,617
Local Law Enforcement Fund	4,781
Park Acquisition and Development Fund	53,745
Industrial Park Fund	269,854
West Third street Improvement Fund	73,622
Water Fund	82,182
Sewer Fund	120,156
Rescue Fund	213,030

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## **REQUIRED SUPPLEMENTARY INFORMATION**

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City of Trotwood  
Schedule of Revenues, Expenditures by Budget Center and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended December 31, 2007

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
<b>Revenues:</b>				
Taxes	\$7,160,482	\$7,094,375	\$7,168,427	\$74,052
Fines, Licenses & Permits	494,365	432,100	494,914	62,814
Intergovernmental	1,585,377	1,505,295	1,587,136	81,841
Special Assessments	41,573	50,000	41,619	(8,381)
Charges for Services	194,032	280,200	194,247	(85,953)
Investment Earnings	103,408	60,000	103,523	43,523
Other Revenues	61,313	13,463	61,381	47,918
<b>Total Revenues</b>	<b>9,640,550</b>	<b>9,435,433</b>	<b>9,651,247</b>	<b>215,814</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<u>General Government</u>				
Mayor and Council	214,124	207,593	214,770	(7,177)
City Manager	253,626	246,139	254,392	(8,253)
Finance	288,663	287,208	289,534	(2,326)
Utility Billing	116,918	114,858	117,271	(2,413)
Income Tax	388,585	383,586	389,758	(6,172)
Law Director	180,989	180,204	181,535	(1,331)
Public Works Administration	305,371	300,686	306,293	(5,607)
Building and Grounds	377,639	386,516	378,779	7,737
Fleet Maintenance	139,235	142,139	139,655	2,484
Personnel	155,843	152,921	156,313	(3,392)
Strategic Initiatives	28,614	36,000	28,700	7,300
Non-Departmental	266,984	264,339	267,790	(3,451)
<b>Total General Government</b>	<b>2,716,591</b>	<b>2,702,189</b>	<b>2,724,790</b>	<b>(22,601)</b>
<u>Public Safety</u>				
Police Administration	389,837	385,546	391,014	(5,468)
Police Patrol	3,466,421	3,513,876	3,476,885	36,991
Criminal Investigation	1,059,752	994,390	1,062,951	(68,561)
Police Communications	384,093	426,809	385,252	41,557
<b>Total Public Safety</b>	<b>5,300,103</b>	<b>5,320,621</b>	<b>5,316,102</b>	<b>4,519</b>
<u>Leisure Time Activities</u>				
Parks and Recreation Administration	138,247	137,461	138,664	(1,203)
Parks Maintenance	214,444	220,093	215,091	5,002
Municipal Pool	43,372	43,000	43,503	(503)
Cemeteries	60,204	63,646	60,386	3,260
Recreation Programs	22,309	27,990	22,376	5,614
<b>Total Leisure Time Activities</b>	<b>478,576</b>	<b>492,190</b>	<b>480,020</b>	<b>12,170</b>
<u>Community Development</u>				
Planning and Development Administration	171,564	175,286	172,082	3,204
Planning and Zoning	128,790	121,258	129,179	(7,921)
Code Enforcement and Inspection	238,812	262,577	239,533	23,044
Mowing and Weed Removal	13,258	20,000	13,298	6,702
Grants Administration	1,196	18,950	1,200	17,750
<b>Total Community Development</b>	<b>553,620</b>	<b>598,071</b>	<b>555,292</b>	<b>42,779</b>

Continued

City of Trotwood  
Schedule of Revenues, Expenditures by Budget Center and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended December 31, 2007

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
<u>Transportation &amp; Street Repair</u>				
Street Lighting	237,293	241,188	238,009	3,179
Total Transportation & Street Repair	237,293	241,188	238,009	3,179
Capital Outlay	25,426	25,000	25,503	(503)
Debt Service:				
Principal Retirement	42,208	42,335	42,335	0
Interest and Fiscal Charges	77,154	76,850	77,387	(537)
Total Expenditures	9,430,971	9,498,444	9,459,438	39,006
Excess of Revenues Over (Under) Expenditures	209,579	(63,011)	191,809	254,820
Other financing sources (uses):				
Proceeds from Sale of Capital Assets	1,561	0	1,563	1,563
Advances In	14,933	0	14,950	14,950
Transfers (Out)	(549,342)	(551,000)	(551,000)	0
Total Other Financing Sources (Uses)	(532,848)	(551,000)	(534,487)	16,513
Net Change in Fund Balance	(323,269)	(614,011)	(342,678)	271,333
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	2,356,236	2,356,236	2,356,236	0
Fund Balance End of Year	<u>\$2,032,967</u>	<u>\$1,742,225</u>	<u>\$2,013,558</u>	<u>\$271,333</u>

See accompanying notes to the required supplementary information.

City of Trotwood  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended December 31, 2007

	Fire Levy Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$1,914,836	\$1,803,180	\$1,812,558	\$9,378
Intergovernmental	286,004	264,600	270,728	6,128
Charges for Services	5,044	5,000	4,775	(225)
Investment Earnings	12,070	11,500	11,425	(75)
Other Revenues	1,764	3,000	1,670	(1,330)
<b>Total Revenues</b>	<b>2,219,718</b>	<b>2,087,280</b>	<b>2,101,156</b>	<b>13,876</b>
Expenditures:				
Current:				
Public Safety	2,145,145	2,211,258	2,243,934	(32,676)
Capital Outlay	12,036	12,700	12,590	110
Debt Service:				
Principal Retirement	60,163	62,934	62,934	0
Interest and Fiscal Charges	9,814	10,266	10,266	0
<b>Total Expenditures</b>	<b>2,227,158</b>	<b>2,297,158</b>	<b>2,329,724</b>	<b>(32,566)</b>
Excess of Revenues Over (Under) Expenditures	(7,440)	(209,878)	(228,568)	(18,690)
Other financing sources (uses):				
Transfers In	141,561	134,000	134,000	0
<b>Total Other Financing Sources (Uses)</b>	<b>141,561</b>	<b>134,000</b>	<b>134,000</b>	<b>0</b>
<b>Net Change in Fund Balance</b>	<b>134,121</b>	<b>(75,878)</b>	<b>(94,568)</b>	<b>(18,690)</b>
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	81,709	81,709	81,709	0
<b>Fund Balance End of Year</b>	<b>\$215,830</b>	<b>\$5,831</b>	<b>(\$12,859)</b>	<b>(\$18,690)</b>

See accompanying notes to the required supplementary information.

## 1. BUDGETARY PROCESS

The City's funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriations ordinance is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of control has been established by Council at the program or budget center level for the General fund and the fund level for all other budgeted funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the City. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during the year.

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

While the City is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual presented for the general fund and fire levy fund 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 GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP).
4. Unreported cash represents amounts received but not included as revenue on the budget basis operating statements. These amounts are included as revenue on the GAAP basis operating statement.

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

Net Change in Fund Balance

	<u>General</u>	<u>Fire Levy</u>
GAAP Basis	(\$303,587)	(\$102,523)
Net Adjustment for Revenue Accruals	(269,262)	0
Net Adjustment for Expenditure Accruals	574,219	32,754
Proceeds from Sales of Capital Assets	0	(70)
Advances	14,950	0
Encumbrances	<u>(358,998)</u>	<u>(24,729)</u>
Budget Basis	<u>(\$342,678)</u>	<u>(\$94,568)</u>

**COMBINING STATEMENTS AND  
INDIVIDUAL FUND SCHEDULES**

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## ***NONMAJOR GOVERNMENTAL FUNDS***

***Special Revenue Funds:*** Special Revenue funds are used to account for the proceeds of specific revenue sources (other than amounts relating to expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

***Street Construction, Maintenance and Repair*** - To account for the portion of the state gasoline taxes and motor vehicle registration fees designated for upkeep and maintenance of streets within the City, as well as property taxes likewise designated.

***State Highway*** - To account for the remaining 7.5% of the City's share of state gasoline taxes and motor vehicle license fees. State law requires that such monies be spent on state highways construction and improvements.

***Motor Vehicle License Tax*** - To account for the \$5 license tax levied by the City. This money is used for street construction, maintenance and repair.

***Permissive Use Tax*** - To account for the funding allocated by the County to the City for specific projects qualified by the County. State law requires that such funding be spent on street construction, maintenance and repair of the specified projects.

***Drug Law Enforcement*** - To account for monies designated to be used for drug law enforcement.

***Curbs/Gutters/Sidewalks Assessment*** - To account for monies designated to be used for curb, gutter and sidewalk assessments.

***Lighting Assessment*** - To account for monies designated to be used for lighting assessments.

***Grants*** - To account for revenues received from federal, state and local grants such as Community Development Block Grants, State Issue II grants and grants from Montgomery County.

***Local Law Enforcement Block*** - To account for grant payments from the Federal Local Law Enforcement Block Grant program required to be used for specified law enforcement purposes.

***Enforcement and Education*** - To account for monies received from fines for operating a motor vehicle under the influence of alcohol or other mind altering substances. State law requires that these proceeds be used to enforce such laws of to educate the public about such laws.

***Law Enforcement Trust*** - To account for the fines generated in the prosecution of those in possession of contraband and the proceeds gained from the sale of confiscated contraband. This money may be spent for any law enforcement activity.

Government Equity Program - To account for Montgomery County shared revenues from its Government Equity formula allocation program which is to be used for economic development activities.

Rescue Levy - To account for property taxes levied for the provision of emergency medical services provided within the City by the Trotwood Rescue Unit.

Police Levy - To account for property taxes previously levied for the partial provision of police protection services within the City.

**Debt Service Fund:** The Debt Service Fund is used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources and special assessments levies when the government is obligated in some manner for payment.

Debt Retirement - To accumulate monies for the payment of long-term and short-term debt.

**Capital Projects Funds:** The Capital Projects Funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities.

Park Acquisition and Development - To account for residential subdivision fees paid in lieu of parkland dedication to be used for the acquisition and development of city parks, and for other resources designated for the same purposes.

Industrial Park - To account for site acquisition and infrastructure installation for an industrial park development project on Olive Road.

West Third Street Improvement - To account for improvements to West Third Street.

Salem Corridor Street Improvement - To account for improvements associated with the Salem Avenue corridor.

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City of Trotwood  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2007

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets:</b>				
Equity in Pooled Cash and Investments	\$1,355,659	\$67,189	\$4,530	\$1,427,378
Restricted Cash and Investments	33,635	0	41,701	75,336
<b>Receivables:</b>				
Taxes	892,407	167,196	0	1,059,603
Accounts	61,827	0	0	61,827
Intergovernmental	849,644	9,187	128,342	987,173
Special Assessments	109,041	0	0	109,041
<b>Total Assets</b>	<b>3,302,213</b>	<b>243,572</b>	<b>174,573</b>	<b>3,720,358</b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts Payable	369,151	0	14,250	383,401
Accrued Wages and Benefits	178,261	0	0	178,261
Retainage Payable	33,635	0	41,701	75,336
Interfund Payable	288,532	0	333,177	621,709
Deferred Revenue	1,769,787	176,383	128,342	2,074,512
General Obligation Notes Payable	27,000	0	678,000	705,000
<b>Total Liabilities</b>	<b>2,666,366</b>	<b>176,383</b>	<b>1,195,470</b>	<b>4,038,219</b>
<b>Fund Balances:</b>				
Reserved for Encumbrances	112,104	0	96,025	208,129
<b>Unreserved, Undesignated, Reported in:</b>				
Special Revenue Funds	523,743	0	0	523,743
Debt Service Funds	0	67,189	0	67,189
Capital Projects Funds	0	0	(1,116,922)	(1,116,922)
<b>Total Fund Balances</b>	<b>635,847</b>	<b>67,189</b>	<b>(1,020,897)</b>	<b>(317,861)</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$3,302,213</b>	<b>\$243,572</b>	<b>\$174,573</b>	<b>\$3,720,358</b>

City of Trotwood  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2007

	Street Construction Maintenance and Repair	State Highway	Motor Vehicle License Tax	Permissive Use Tax
Assets:				
Equity in Pooled Cash and Investments	\$639,535	\$100,876	\$215,633	\$0
Restricted Cash and Investments	0	0	0	33,635
Receivables:				
Taxes	366,993	0	0	0
Accounts	0	0	0	0
Intergovernmental	452,978	37,125	0	220,000
Special Assessments	242	0	0	0
Total Assets	<u>1,459,748</u>	<u>138,001</u>	<u>215,633</u>	<u>253,635</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	144,632	300	138,525	0
Accrued Wages and Benefits	40,842	1,860	0	0
Retainage Payable	0	0	0	33,635
Interfund Payable	0	0	0	189,250
Deferred Revenue	745,006	31,027	0	220,000
General Obligation Notes Payable	0	0	0	0
Total Liabilities	<u>930,480</u>	<u>33,187</u>	<u>138,525</u>	<u>442,885</u>
Fund Balances:				
Reserved for Encumbrances	27,297	1,865	965	33,635
Unreserved, Undesignated, Reported in: Special Revenue Funds	<u>501,971</u>	<u>102,949</u>	<u>76,143</u>	<u>(222,885)</u>
Total Fund Balances	<u>529,268</u>	<u>104,814</u>	<u>77,108</u>	<u>(189,250)</u>
Total Liabilities and Fund Balances	<u>\$1,459,748</u>	<u>\$138,001</u>	<u>\$215,633</u>	<u>\$253,635</u>

Drug Law Enforcement	Curbs/Gutters/ Sidewalks Assessment	Lighting Assessment	Grants	Local Law Enforcement Block	Enforcement and Education	Law Enforcement Trust
\$39,662	\$73,585	\$0	\$0	\$0	\$6,999	\$175,436
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	106,195	4,856	0	0
0	81,209	27,590	0	0	0	0
<u>39,662</u>	<u>154,794</u>	<u>27,590</u>	<u>106,195</u>	<u>4,856</u>	<u>6,999</u>	<u>175,436</u>
0	0	0	31,742	0	0	20,309
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	94,501	4,781	0	0
0	81,209	27,590	106,195	4,856	0	0
0	27,000	0	0	0	0	0
<u>0</u>	<u>108,209</u>	<u>27,590</u>	<u>232,438</u>	<u>9,637</u>	<u>0</u>	<u>20,309</u>
441	0	0	45,373	0	0	66
<u>39,221</u>	<u>46,585</u>	<u>0</u>	<u>(171,616)</u>	<u>(4,781)</u>	<u>6,999</u>	<u>155,061</u>
<u>39,662</u>	<u>46,585</u>	<u>0</u>	<u>(126,243)</u>	<u>(4,781)</u>	<u>6,999</u>	<u>155,127</u>
<u>\$39,662</u>	<u>\$154,794</u>	<u>\$27,590</u>	<u>\$106,195</u>	<u>\$4,856</u>	<u>\$6,999</u>	<u>\$175,436</u>

Continued

City of Trotwood  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2007

	Government Equity Program	Rescue Levy	Police Levy	Total Nonmajor Special Revenue Funds
Assets:				
Equity in Pooled Cash and Investments	\$17,236	\$84,697	\$2,000	\$1,355,659
Restricted Cash and Investments	0	0	0	33,635
Receivables:				
Taxes	0	525,414	0	892,407
Accounts	0	61,827	0	61,827
Intergovernmental	0	28,490	0	849,644
Special Assessments	0	0	0	109,041
<b>Total Assets</b>	<b>17,236</b>	<b>700,428</b>	<b>2,000</b>	<b>3,302,213</b>
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	46	33,597	0	369,151
Accrued Wages and Benefits	0	135,559	0	178,261
Retainage Payable	0	0	0	33,635
Interfund Payable	0	0	0	288,532
Deferred Revenue	0	553,904	0	1,769,787
General Obligation Notes Payable	0	0	0	27,000
<b>Total Liabilities</b>	<b>46</b>	<b>723,060</b>	<b>0</b>	<b>2,666,366</b>
Fund Balances:				
Reserved for Encumbrances	0	2,462	0	112,104
Unreserved, Undesignated, Reported in: Special Revenue Funds	17,190	(25,094)	2,000	523,743
<b>Total Fund Balances</b>	<b>17,190</b>	<b>(22,632)</b>	<b>2,000</b>	<b>635,847</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$17,236</b>	<b>\$700,428</b>	<b>\$2,000</b>	<b>\$3,302,213</b>

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City of Trotwood  
Combining Balance Sheet  
Nonmajor Capital Projects Funds  
December 31, 2007

	Park Acquisition and Development	Industrial Park	West Third Street Improvement	Salem Corridor Street Improvement
Assets:				
Equity in Pooled Cash and Investments	\$4,530	\$0	\$0	\$0
Restricted Cash and Investments	0	0	0	41,701
Receivables:				
Intergovernmental	58,342	0	70,000	0
<b>Total Assets</b>	<b>62,872</b>	<b>0</b>	<b>70,000</b>	<b>41,701</b>
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	0	14,250	0	0
Retainage Payable	0	0	0	41,701
Interfund Payable	0	217,854	73,622	41,701
Deferred Revenue	58,342	0	70,000	0
General Obligation Notes Payable	0	678,000	0	0
<b>Total Liabilities</b>	<b>58,342</b>	<b>910,104</b>	<b>143,622</b>	<b>83,402</b>
Fund Balances:				
Reserved for Encumbrances	58,275	37,750	0	0
Unreserved, Undesignated, Reported in: Capital Projects Funds	(53,745)	(947,854)	(73,622)	(41,701)
<b>Total Fund Balances</b>	<b>4,530</b>	<b>(910,104)</b>	<b>(73,622)</b>	<b>(41,701)</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$62,872</b>	<b>\$0</b>	<b>\$70,000</b>	<b>\$41,701</b>

<u>Total Nonmajor Capital Projects Funds</u>
\$4,530 41,701
<u>128,342</u>
<u>174,573</u>
 14,250 41,701 333,177 128,342 678,000
<u>1,195,470</u>
 96,025
<u>(1,116,922)</u>
<u>(1,020,897)</u>
<u>\$174,573</u>

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City of Trotwood  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Nonmajor Governmental Funds  
For the Fiscal Year Ended December 31, 2007

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$986,810	\$156,487	\$0	\$1,143,297
Fines, Licenses & Permits	78,742	0	1,650	80,392
Charges for Services	943,060	0	0	943,060
Investment Earnings	44,226	5,755	2,744	52,725
Intergovernmental	1,840,003	24,572	454,876	2,319,451
Special Assessments	48,796	0	0	48,796
Other Revenues	15,574	0	0	15,574
<b>Total Revenues</b>	<b>3,957,211</b>	<b>186,814</b>	<b>459,270</b>	<b>4,603,295</b>
Expenditures:				
Current:				
Public Safety	1,609,600	0	0	1,609,600
Leisure Time Activities	615	0	0	615
Community Development	284,685	0	157,873	442,558
Transportation and Street Repair	1,093,330	0	0	1,093,330
Capital Outlay	767,049	0	1,014,444	1,781,493
Debt Service:				
Principal Retirement	95,154	140,000	0	235,154
Interest and Fiscal Charges	29,347	193,377	13,000	235,724
<b>Total Expenditures</b>	<b>3,879,780</b>	<b>333,377</b>	<b>1,185,317</b>	<b>5,398,474</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>77,431</b>	<b>(146,563)</b>	<b>(726,047)</b>	<b>(795,179)</b>
Other Financing Sources (Uses):				
Issuance of Long-Term Capital-Related Debt	0	0	708,000	708,000
Inception of Capital Lease	119,328	0	0	119,328
Transfers In	367,000	0	50,000	417,000
<b>Total Other Financing Sources (Uses)</b>	<b>486,328</b>	<b>0</b>	<b>758,000</b>	<b>1,244,328</b>
<b>Net Change in Fund Balance</b>	<b>563,759</b>	<b>(146,563)</b>	<b>31,953</b>	<b>449,149</b>
<b>Fund Balance Beginning of Year</b>	<b>147,988</b>	<b>213,752</b>	<b>(1,052,850)</b>	<b>(691,110)</b>
<b>Change in Reserve for Inventory</b>	<b>(75,900)</b>	<b>0</b>	<b>0</b>	<b>(75,900)</b>
<b>Fund Balance End of Year</b>	<b>\$635,847</b>	<b>\$67,189</b>	<b>(\$1,020,897)</b>	<b>(\$317,861)</b>

City of Trotwood  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended December 31, 2007

	Street Construction Maintenance and Repair	State Highway	Motor Vehicle License Tax	Permissive Use Tax
Revenues:				
Taxes	\$336,937	\$0	\$161,347	\$0
Fines, Licenses & Permits	0	0	0	0
Charges for Services	0	0	0	0
Investment Earnings	18,303	2,946	5,145	0
Intergovernmental	941,537	72,405	0	110,000
Special Assessments	0	0	0	0
Other Revenues	4,776	0	0	0
Total Revenues	<u>1,301,553</u>	<u>75,351</u>	<u>166,492</u>	<u>110,000</u>
Expenditures:				
Current:				
Public Safety	0	0	0	0
Leisure Time Activities	0	0	0	0
Community Development	0	0	0	0
Transportation and Street Repair	1,049,621	36,071	0	0
Capital Outlay	202,340	0	138,525	116,918
Debt Service:				
Principal Retirement	39,556	0	0	0
Interest and Fiscal Charges	20,554	0	0	0
Total Expenditures	<u>1,312,071</u>	<u>36,071</u>	<u>138,525</u>	<u>116,918</u>
Excess of Revenues Over (Under) Expenditures	<u>(10,518)</u>	<u>39,280</u>	<u>27,967</u>	<u>(6,918)</u>
Other Financing Sources (Uses):				
Inception of Capital Lease	0	0	0	0
Transfers In	200,000	0	0	0
Total Other Financing Sources (Uses)	<u>200,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	189,482	39,280	27,967	(6,918)
Fund Balance Beginning of Year	415,686	65,534	49,141	(182,332)
Change in Reserve for Inventory	<u>(75,900)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$529,268</u>	<u>\$104,814</u>	<u>\$77,108</u>	<u>(\$189,250)</u>

Drug Law Enforcement	Curbs/Gutters/ Sidewalks Assessment	Lighting Assessment	Grants	Local Law Enforcement Block	Enforcement and Education	Law Enforcement Trust
\$0	\$0	\$0	\$0	\$0	\$0	\$0
6,859	0	0	0	0	575	71,308
0	0	0	0	0	0	0
1,434	3,186	0	0	1	234	6,224
0	0	0	605,110	0	0	0
0	48,796	0	0	0	0	0
0	0	0	0	0	0	0
8,293	51,982	0	605,110	1	809	77,532
0	0	0	9,099	4,856	0	36,842
0	0	0	615	0	0	0
0	0	0	258,859	0	0	0
7,638	0	0	0	0	0	0
0	0	0	128,964	0	0	60,974
0	0	0	0	0	0	0
0	4,521	0	0	0	0	0
7,638	4,521	0	397,537	4,856	0	97,816
655	47,461	0	207,573	(4,855)	809	(20,284)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
655	47,461	0	207,573	(4,855)	809	(20,284)
39,007	(876)	0	(333,816)	74	6,190	175,411
0	0	0	0	0	0	0
\$39,662	\$46,585	\$0	(\$126,243)	(\$4,781)	\$6,999	\$155,127

Continued

City of Trotwood  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended December 31, 2007

	Government Equity Program	Rescue Levy	Police Levy	Total Nonmajor Special Revenue Funds
Revenues:				
Taxes	\$0	\$488,526	\$0	\$986,810
Fines, Licenses & Permits	0	0	0	78,742
Charges for Services	0	943,060	0	943,060
Investment Earnings	908	5,776	69	44,226
Intergovernmental	37,420	73,531	0	1,840,003
Special Assessments	0	0	0	48,796
Other Revenues	0	10,798	0	15,574
<b>Total Revenues</b>	<b>38,328</b>	<b>1,521,691</b>	<b>69</b>	<b>3,957,211</b>
Expenditures:				
Current:				
Public Safety	0	1,558,803	0	1,609,600
Leisure Time Activities	0	0	0	615
Community Development	25,826	0	0	284,685
Transportation and Street Repair	0	0	0	1,093,330
Capital Outlay	0	119,328	0	767,049
Debt Service:				
Principal Retirement	0	55,598	0	95,154
Interest and Fiscal Charges	0	4,272	0	29,347
<b>Total Expenditures</b>	<b>25,826</b>	<b>1,738,001</b>	<b>0</b>	<b>3,879,780</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>12,502</b>	<b>(216,310)</b>	<b>69</b>	<b>77,431</b>
Other Financing Sources (Uses):				
Inception of Capital Lease	0	119,328	0	119,328
Transfers In	0	167,000	0	367,000
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>286,328</b>	<b>0</b>	<b>486,328</b>
<b>Net Change in Fund Balance</b>	<b>12,502</b>	<b>70,018</b>	<b>69</b>	<b>563,759</b>
<b>Fund Balance Beginning of Year</b>	<b>4,688</b>	<b>(92,650)</b>	<b>1,931</b>	<b>147,988</b>
<b>Change in Reserve for Inventory</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(75,900)</b>
<b>Fund Balance End of Year</b>	<b>\$17,190</b>	<b>(\$22,632)</b>	<b>\$2,000</b>	<b>\$635,847</b>

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City of Trotwood  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Nonmajor Capital Projects Funds  
For the Fiscal Year Ended December 31, 2007

	Park Acquisition and Development	Industrial Park	West Third Street Improvement	Salem Corridor Street Improvement
Revenues:				
Fines, Licenses & Permits	\$1,650	\$0	\$0	\$0
Investment Earnings	126	2,618	0	0
Intergovernmental	0	0	0	454,876
Total Revenues	1,776	2,618	0	454,876
Expenditures:				
Current:				
Community Development	0	157,873	0	0
Capital Outlay	67	755,259	0	259,118
Debt Service:				
Interest and Fiscal Charges	0	13,000	0	0
Total Expenditures	67	926,132	0	259,118
Excess of Revenues Over (Under) Expenditures	1,709	(923,514)	0	195,758
Other Financing Sources (Uses):				
Issuance of Long-Term Capital-Related Debt	0	708,000	0	0
Transfers In	50,000	0	0	0
Total Other Financing Sources (Uses)	50,000	708,000	0	0
Net Change in Fund Balance	51,709	(215,514)	0	195,758
Fund Balance Beginning of Year	(47,179)	(694,590)	(73,622)	(237,459)
Fund Balance End of Year	\$4,530	(\$910,104)	(\$73,622)	(\$41,701)

<u> <u> Total  Nonmajor  Capital Projects  Funds </u> </u>
\$1,650
2,744
<u>454,876</u>
<u>459,270</u>
157,873
1,014,444
<u>13,000</u>
<u>1,185,317</u>
<u>(726,047)</u>
708,000
<u>50,000</u>
<u>758,000</u>
31,953
<u>(1,052,850)</u>
<u><u>(\$1,020,897)</u></u>

City of Trotwood  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended December 31, 2007

	Street Construction Maintenance and Repair Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$342,028	\$336,937	(\$5,091)
Intergovernmental	780,206	932,828	152,622
Investment Earnings	8,000	18,303	10,303
Other Revenues	0	4,776	4,776
Total Revenues	<u>1,130,234</u>	<u>1,292,844</u>	<u>162,610</u>
Expenditures:			
Current:			
Transportation & Street Repair	1,031,158	978,461	52,697
Capital Outlay	272,603	237,594	35,009
Debt Service:			
Principal Retirement	39,556	39,556	0
Interest and Fiscal Charges	20,578	20,554	24
Total Expenditures	<u>1,363,895</u>	<u>1,276,165</u>	<u>87,730</u>
Excess of Revenues Over (Under) Expenditures	<u>(233,661)</u>	<u>16,679</u>	<u>250,340</u>
Other financing sources (uses):			
Transfers In	<u>200,000</u>	<u>200,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>200,000</u>	<u>200,000</u>	<u>0</u>
Net Change in Fund Balance	(33,661)	216,679	250,340
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>340,709</u>	<u>340,709</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$307,048</u></u>	<u><u>\$557,388</u></u>	<u><u>\$250,340</u></u>

City of Trotwood  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended December 31, 2007

	State Highway Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$59,000	\$71,698	\$12,698
Investment Earnings	1,500	2,946	1,446
Total Revenues	<u>60,500</u>	<u>74,644</u>	<u>14,144</u>
Expenditures:			
Current:			
Transportation & Street Repair	<u>77,445</u>	<u>53,941</u>	<u>23,504</u>
Total Expenditures	<u>77,445</u>	<u>53,941</u>	<u>23,504</u>
Net Change in Fund Balance	(16,945)	20,703	37,648
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>78,008</u>	<u>78,008</u>	<u>0</u>
Fund Balance End of Year	<u>\$61,063</u>	<u>\$98,711</u>	<u>\$37,648</u>

City of Trotwood  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended December 31, 2007

	Motor Vehicle License Tax Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$155,000	\$161,347	\$6,347
Investment Earnings	1,500	5,145	3,645
Total Revenues	<u>156,500</u>	<u>166,492</u>	<u>9,992</u>
Expenditures:			
Current:			
Capital Outlay	<u>155,000</u>	<u>139,490</u>	<u>15,510</u>
Total Expenditures	<u>155,000</u>	<u>139,490</u>	<u>15,510</u>
Net Change in Fund Balance	1,500	27,002	25,502
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>49,141</u>	<u>49,141</u>	<u>0</u>
Fund Balance End of Year	<u>\$50,641</u>	<u>\$76,143</u>	<u>\$25,502</u>

City of Trotwood  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2007

	Permissive Use Tax Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$330,000	\$110,000	(\$220,000)
Investment Earnings	100	0	(100)
Total Revenues	<u>330,100</u>	<u>110,000</u>	<u>(220,100)</u>
Expenditures:			
Current:			
Capital Outlay	<u>116,918</u>	<u>116,918</u>	<u>0</u>
Total Expenditures	<u>116,918</u>	<u>116,918</u>	<u>0</u>
Net Change in Fund Balance	213,182	(6,918)	(220,100)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>(182,332)</u>	<u>(182,332)</u>	<u>0</u>
Fund Balance End of Year	<u>\$30,850</u>	<u>(\$189,250)</u>	<u>(\$220,100)</u>

City of Trotwood  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended December 31, 2007

	Drug Law Enforcement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses & Permits	\$2,000	\$6,859	\$4,859
Investment Earnings	300	1,434	1,134
Total Revenues	<u>2,300</u>	<u>8,293</u>	<u>5,993</u>
Expenditures:			
Current:			
Transportation & Street Repair	<u>8,250</u>	<u>8,079</u>	<u>171</u>
Total Expenditures	<u>8,250</u>	<u>8,079</u>	<u>171</u>
Net Change in Fund Balance	(5,950)	214	6,164
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>39,007</u>	<u>39,007</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$33,057</u></u>	<u><u>\$39,221</u></u>	<u><u>\$6,164</u></u>

City of Trotwood  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended December 31, 2007

	Curbs/Gutters/ Sidewalks Assessment Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Special Assessments	\$36,000	\$48,796	\$12,796
Charges for Services	1,000	0	(1,000)
Investment Earnings	1,000	3,186	2,186
Total Revenues	<u>38,000</u>	<u>51,982</u>	<u>13,982</u>
Expenditures:			
Current:			
Debt Service:			
Principal Retirement	100,000	100,000	0
Interest and Fiscal Charges	5,460	5,055	405
Total Expenditures	<u>105,460</u>	<u>105,055</u>	<u>405</u>
Excess of Revenues Over (Under) Expenditures	<u>(67,460)</u>	<u>(53,073)</u>	<u>14,387</u>
Other financing sources (uses):			
Issuance of Debt	41,000	27,000	(14,000)
Total Other Financing Sources (Uses)	<u>41,000</u>	<u>27,000</u>	<u>(14,000)</u>
Net Change in Fund Balance	(26,460)	(26,073)	387
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>99,658</u>	<u>99,658</u>	<u>0</u>
Fund Balance End of Year	<u>\$73,198</u>	<u>\$73,585</u>	<u>\$387</u>

City of Trotwood  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2007

	Lighting Assessment Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Transportation & Street Repair	0	0	0
Total Expenditures	0	0	0
Net Change in Fund Balance	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	\$0	\$0	\$0

City of Trotwood  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2007

	Grants Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$1,760,100	\$702,668	(\$1,057,432)
Total Revenues	<u>1,760,100</u>	<u>702,668</u>	<u>(1,057,432)</u>
Expenditures:			
Current:			
Public Safety	0	8,776	(8,776)
Leisure Time Activities	0	309	(309)
Community Development	601,591	480,579	121,012
Capital Outlay	<u>902,960</u>	<u>129,593</u>	<u>773,367</u>
Total Expenditures	<u>1,504,551</u>	<u>619,257</u>	<u>885,294</u>
Net Change in Fund Balance	255,549	83,411	(172,138)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>(255,028)</u>	<u>(255,028)</u>	<u>0</u>
Fund Balance End of Year	<u>\$521</u>	<u>(\$171,617)</u>	<u>(\$172,138)</u>

City of Trotwood  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended December 31, 2007

	Local Law Enforcement Block Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$45,690	\$0	(\$45,690)
Investment Earnings	300	1	(299)
Total Revenues	<u>45,990</u>	<u>1</u>	<u>(45,989)</u>
Expenditures:			
Current:			
Public Safety	0	4,856	(4,856)
Capital Outlay	10,000	0	10,000
Total Expenditures	<u>10,000</u>	<u>4,856</u>	<u>5,144</u>
Net Change in Fund Balance	35,990	(4,855)	(40,845)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>74</u>	<u>74</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$36,064</u></u>	<u><u>(\$4,781)</u></u>	<u><u>(\$40,845)</u></u>

City of Trotwood  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended December 31, 2007

	Enforcement and Education Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses & Permits	\$400	\$575	\$175
Investment Earnings	50	234	184
Total Revenues	450	809	359
Expenditures:			
Current:			
Public Safety	550	0	550
Total Expenditures	550	0	550
Net Change in Fund Balance	(100)	809	909
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	6,190	6,190	0
Fund Balance End of Year	\$6,090	\$6,999	\$909

City of Trotwood  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended December 31, 2007

	Law Enforcement Trust Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses & Permits	\$50,000	\$71,308	\$21,308
Investment Earnings	500	6,224	5,724
Total Revenues	<u>50,500</u>	<u>77,532</u>	<u>27,032</u>
Expenditures:			
Current:			
Public Safety	20,055	36,921	(16,866)
Capital Outlay	112,100	80,242	31,858
Total Expenditures	<u>132,155</u>	<u>117,163</u>	<u>14,992</u>
Net Change in Fund Balance	(81,655)	(39,631)	42,024
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>194,692</u>	<u>194,692</u>	<u>0</u>
Fund Balance End of Year	<u>\$113,037</u>	<u>\$155,061</u>	<u>\$42,024</u>

City of Trotwood  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2007

	Government Equity Program Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$37,420	\$37,420	\$0
Investment Earnings	100	908	808
Total Revenues	<u>37,520</u>	<u>38,328</u>	<u>808</u>
Expenditures:			
Current:			
Community Development	<u>33,251</u>	<u>25,832</u>	<u>7,419</u>
Total Expenditures	<u>33,251</u>	<u>25,832</u>	<u>7,419</u>
Net Change in Fund Balance	4,269	12,496	8,227
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>4,696</u>	<u>4,696</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$8,965</u></u>	<u><u>\$17,192</u></u>	<u><u>\$8,227</u></u>

City of Trotwood  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended December 31, 2007

	Final Budget	Rescue Levy Fund Actual	Variance from Final Budget
<b>Revenues:</b>			
Taxes	\$489,514	\$488,526	(\$988)
Intergovernmental	66,300	73,531	7,231
Charges for Services	883,000	926,920	43,920
Investment Earnings	600	5,776	5,176
Other Revenues	0	10,798	10,798
<b>Total Revenues</b>	<b>1,439,414</b>	<b>1,505,551</b>	<b>66,137</b>
<b>Expenditures:</b>			
<b>Current:</b>			
Public Safety	1,479,817	1,538,733	(58,916)
<b>Debt Service:</b>			
Principal Retirement	55,598	55,598	0
Interest and Fiscal Charges	4,272	4,272	0
<b>Total Expenditures</b>	<b>1,539,687</b>	<b>1,598,603</b>	<b>(58,916)</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(100,273)</b>	<b>(93,052)</b>	<b>7,221</b>
<b>Other financing sources (uses):</b>			
Transfers In	167,000	167,000	0
<b>Total Other Financing Sources (Uses)</b>	<b>167,000</b>	<b>167,000</b>	<b>0</b>
<b>Net Change in Fund Balance</b>	<b>66,727</b>	<b>73,948</b>	<b>7,221</b>
<b>Fund Balance Beginning of Year (includes prior year encumbrances appropriated)</b>	<b>159</b>	<b>159</b>	<b>0</b>
<b>Fund Balance End of Year</b>	<b>\$66,886</b>	<b>\$74,107</b>	<b>\$7,221</b>

City of Trotwood  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2007

	Police Levy Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$0	\$69	\$69
Total Revenues	0	69	69
Expenditures:			
Current:			
General Government	0	0	0
Total Expenditures	0	0	0
Net Change in Fund Balance	0	69	69
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,931	1,931	0
Fund Balance End of Year	\$1,931	\$2,000	\$69

City of Trotwood  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended December 31, 2007

	Debt Retirement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$155,684	\$156,487	\$803
Intergovernmental	24,900	24,572	(328)
Investment Earnings	11,000	5,755	(5,245)
Total Revenues	<u>191,584</u>	<u>186,814</u>	<u>(4,770)</u>
Expenditures:			
Debt Service:			
Principal Retirement	146,769	140,000	6,769
Interest and Fiscal Charges	193,415	193,377	38
Total Expenditures	<u>340,184</u>	<u>333,377</u>	<u>6,807</u>
Net Change in Fund Balance	(148,600)	(146,563)	2,037
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>213,752</u>	<u>213,752</u>	<u>0</u>
Fund Balance End of Year	<u>\$65,152</u>	<u>\$67,189</u>	<u>\$2,037</u>

City of Trotwood  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended December 31, 2007

	Park Acquisition and Development Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses & Permits	\$6,000	\$1,650	(\$4,350)
Intergovernmental	175,000	0	(175,000)
Investment Earnings	300	126	(174)
Total Revenues	<u>181,300</u>	<u>1,776</u>	<u>(179,524)</u>
Expenditures:			
Capital Outlay	<u>175,000</u>	<u>58,342</u>	<u>116,658</u>
Total Expenditures	<u>175,000</u>	<u>58,342</u>	<u>116,658</u>
Net Change in Fund Balance	6,300	(56,566)	(62,866)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>2,821</u>	<u>2,821</u>	<u>0</u>
Fund Balance End of Year	<u>\$9,121</u>	<u>(\$53,745)</u>	<u>(\$62,866)</u>

City of Trotwood  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended December 31, 2007

	Industrial Park Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$10	\$2,618	\$2,608
Total Revenues	10	2,618	2,608
Expenditures:			
Current:			
Community Development	160,000	157,873	2,127
Capital Outlay	813,000	793,009	19,991
Debt Service:			
Principal Retirement	1,390,000	1,390,000	0
Interest and Fiscal Charges	13,748	13,748	0
Total Expenditures	2,376,748	2,354,630	22,118
Excess of Revenues Over (Under) Expenditures	(2,376,738)	(2,352,012)	24,726
Other financing sources (uses):			
Proceeds from Sale of Capital Assets	300,000	0	(300,000)
Issuance of Debt	2,081,000	2,081,748	748
Total Other Financing Sources (Uses)	2,381,000	2,081,748	(299,252)
Net Change in Fund Balance	4,262	(270,264)	(274,526)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	410	410	0
Fund Balance End of Year	\$4,672	(\$269,854)	(\$274,526)

City of Trotwood  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2007

	West Third Street Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$74,000	\$0	(\$74,000)
Total Revenues	74,000	0	(74,000)
Expenditures:			
Current:			
Capital Outlay	0	0	0
Total Expenditures	0	0	0
Net Change in Fund Balance	74,000	0	(74,000)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	(73,622)	(73,622)	0
Fund Balance End of Year	\$378	(\$73,622)	(\$74,000)

City of Trotwood  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2007

	Salem Corridor Street Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$455,000	\$454,876	(\$124)
Total Revenues	455,000	454,876	(124)
Expenditures:			
Current:			
Capital Outlay	262,670	262,670	0
Total Expenditures	262,670	262,670	0
Net Change in Fund Balance	192,330	192,206	(124)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	(192,206)	(192,206)	0
Fund Balance End of Year	\$124	\$0	(\$124)

City of Trotwood  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended December 31, 2007

	Salem Mall Tax Increment Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$409,000	\$128,222	(\$280,778)
Investment Earnings	2,000	22,046	20,046
Payment in Lieu of Taxes	245,500	213,029	(32,471)
Other Revenues	0	987	987
Total Revenues	<u>656,500</u>	<u>364,284</u>	<u>(292,216)</u>
Expenditures:			
Current:			
Community Development	277,828	288,655	(10,827)
Capital Outlay	955,889	650,008	305,881
Debt Service:			
Principal Retirement	7,188,000	7,180,000	8,000
Interest and Fiscal Charges	317,820	280,738	37,082
Total Expenditures	<u>8,739,537</u>	<u>8,399,401</u>	<u>340,136</u>
Excess of Revenues Over (Under) Expenditures	<u>(8,083,037)</u>	<u>(8,035,117)</u>	<u>47,920</u>
Other financing sources (uses):			
Issuance of Debt	<u>8,005,000</u>	<u>8,005,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>8,005,000</u>	<u>8,005,000</u>	<u>0</u>
Net Change in Fund Balance	(78,037)	(30,117)	47,920
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>110,171</u>	<u>110,171</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$32,134</u></u>	<u><u>\$80,054</u></u>	<u><u>\$47,920</u></u>

City of Trotwood  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended December 31, 2007

	Fire Facility Improvements Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$58,000	\$71,780	\$13,780
Total Revenues	58,000	71,780	13,780
Expenditures:			
Current:			
Capital Outlay	2,832,093	2,861,864	(29,771)
Debt Service:			
Principal Retirement	4,548,041	4,560,000	(11,959)
Interest and Fiscal Charges	277,499	265,112	12,387
Total Expenditures	7,657,633	7,686,976	(29,343)
Excess of Revenues Over (Under) Expenditures	(7,599,633)	(7,615,196)	(15,563)
Other financing sources (uses):			
Issuance of Debt	4,811,000	4,810,517	(483)
Total Other Financing Sources (Uses)	4,811,000	4,810,517	(483)
Net Change in Fund Balance	(2,788,633)	(2,804,679)	(16,046)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	2,810,610	2,810,610	0
Fund Balance End of Year	\$21,977	\$5,931	(\$16,046)

# STATISTICAL SECTION

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## ***STATISTICAL SECTION***

This part of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

### **Contents**

Financial Trends - These schedules contain trend information to help the reader understand how the City's financial position has changed over time.

Revenue Capacity - These schedules contain information to help the reader understand and assess the City's most significant local revenue source, the income tax.

Debt Capacity - These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Economic and Demographic Information - These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.

Operating Information - These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Sources - Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in fiscal year 2003; schedules presenting government-wide information include information beginning in that fiscal year.

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City of Trotwood  
Net Assets by Component  
Last Five Calendar Years (1)  
(accrual basis of accounting)  
Schedule 1

	Calendar Year				
	2003	2004	2005	2006	2007
<b>Governmental Activities</b>					
Invested in Capital Assets, Net of Related Debt	\$2,223,206	\$1,676,251	\$4,160,573	\$36,682,729	\$38,871,297
Restricted	2,070,279	1,887,487	1,655,451	1,013,408	1,272,167
Unrestricted	2,911,362	3,632,843	4,256,902	5,600,934	3,017,751
<b>Total governmental activities net assets</b>	<b>\$7,204,847</b>	<b>\$7,196,581</b>	<b>\$10,072,926</b>	<b>\$43,297,071</b>	<b>\$43,161,215</b>
<b>Business-type activities</b>					
Invested in Capital Assets, Net of Related Debt	\$670,979	\$589,122	\$700,308	\$17,794,473	\$17,316,334
Unrestricted	164,558	244,501	109,298	988,899	1,339,867
<b>Total business-type activities net assets</b>	<b>\$835,537</b>	<b>\$833,623</b>	<b>\$809,606</b>	<b>\$18,783,372</b>	<b>\$18,656,201</b>
<b>Total Primary Government</b>					
Invested in Capital Assets, Net of Related Debt	\$2,894,185	\$2,265,373	\$4,860,881	\$54,477,202	\$56,187,631
Restricted	\$2,070,279	\$1,887,487	\$1,655,451	\$1,013,408	\$1,272,167
Unrestricted	\$3,075,920	\$3,877,344	\$4,366,200	\$6,589,833	\$4,357,618
<b>Total primary government net assets</b>	<b>\$8,040,384</b>	<b>\$8,030,204</b>	<b>\$10,882,532</b>	<b>\$62,080,443</b>	<b>\$61,817,416</b>

Source: City Records

(1) - The city began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003

City of Trotwood  
Changes in Net Assets  
Last Five Calendar Years (1)  
(accrual basis of accounting)  
Schedule 2

	Calendar Year				
	2003	2004	2005	2006	2007
Expenses					
Governmental Activities:					
General Government	\$3,269,998	\$2,424,667	\$2,521,463	\$2,691,268	\$2,861,598
Public Safety	9,100,949	8,712,931	9,749,517	9,745,013	9,158,585
Leisure Time Activities	443,832	468,158	601,949	538,424	514,178
Community Development	1,379,794	2,478,991	2,258,759	2,043,598	1,288,856
Transportation & Street Repair	1,565,807	2,603,908	1,693,198	2,801,135	2,335,807
Interest and Fiscal Charges	236,000	264,371	333,652	551,113	833,690
Total governmental activities expenses	15,996,380	16,953,026	17,158,538	18,370,551	16,992,714
Business-type activities:					
Water	1,077,621	1,050,022	1,078,263	1,222,874	1,659,355
Sewer	858,921	883,254	854,856	933,622	1,063,804
Refuse	1,057,825	986,635	1,122,749	1,155,773	1,280,068
Stormwater	0	2,570	18,514	508,984	612,570
Total business-type activities expenses	2,994,367	2,922,481	3,074,382	3,821,253	4,615,797
Total primary government expenses	\$18,990,747	\$19,875,507	\$20,232,920	\$22,191,804	\$21,608,511
Program Revenues					
Governmental Activities:					
Charges for Services:					
General Government	\$332,856	\$248,314	\$357,370	\$276,140	\$374,435
Public Safety	615,507	1,002,634	1,051,086	1,241,261	1,299,752
Leisure Time Activities	13,372	20,444	20,709	5,024	28,049
Community Development	133,884	268,738	398,139	170,698	97,669
Transportation and Street Repair	21,832	19,084	17,104	19,147	0
Interest and Fiscal Charges	0	0	24,312	27,217	55,457
Operating Grants and Contributions	2,159,298	1,980,059	1,738,257	2,148,982	2,143,830
Capital Grants and Contributions	106,428	841,261	2,188,017	1,050,263	550,503
Total governmental activities program revenues	3,383,177	4,380,534	5,794,994	4,938,732	4,549,695
Business-type activities:					
Charges for Services:					
Water	972,345	922,730	922,392	1,490,307	1,753,586
Sewer	891,692	876,218	894,980	924,526	897,670
Refuse	1,125,001	834,199	1,067,735	1,415,993	1,165,640
Stormwater	0	0	0	116,724	664,582
Capital Grants and Contributions	0	0	180,257	0	0
Total business-type activities program revenues	2,989,038	2,633,147	3,065,364	3,947,550	4,481,478
Total primary government program revenues	\$6,372,215	\$7,013,681	\$8,860,358	\$8,886,282	\$9,031,173

Source: City Records

(1) - The City began to report accrual information when it implemented GASB Statement 34 in 2003

City of Trotwood  
Changes in Net Assets  
Last Five Calendar Years (1)  
(accrual basis of accounting)  
Schedule 2 (Continued)

	Calendar Year				
	2003	2004	2005	2006	2007
Net (Expense)/Revenue					
Governmental Activities	(\$12,613,203)	(\$12,572,492)	(\$11,363,544)	(\$13,431,819)	(\$12,443,019)
Business-type activities	(5,329)	(289,334)	(9,018)	126,297	(134,319)
Total primary government net expenses	<u>(\$12,618,532)</u>	<u>(\$12,861,826)</u>	<u>(\$11,372,562)</u>	<u>(\$13,305,522)</u>	<u>(\$12,577,338)</u>
General Revenues and Other Changes in Net Assets					
Governmental Activities:					
Income Taxes	\$5,554,897	\$5,640,632	\$5,899,378	\$5,500,282	\$5,088,924
Property Taxes Levied for:					
General Purposes	1,766,275	1,752,966	1,831,789	1,741,372	1,860,377
Special Revenue Purposes	2,040,773	2,758,703	3,101,473	2,512,531	2,816,738
Debt Service Purposes	7,290	127,239	176,348	145,086	164,829
Grants and Entitlements not Restricted	2,490,076	1,567,345	1,630,941	1,245,265	1,615,694
Payment in Lieu of Taxes	164,298	170,064	188,685	201,886	213,029
Unrestricted Contributions	5,355	0	0	0	0
Investment Earnings	47,089	43,794	103,728	300,610	261,499
Refunds & Reimbursements	41,490	0	344,726	0	0
Other Revenues	270,908	503,482	945,321	261,214	286,073
Transfers-Internal Activities	0	0	17,500	0	0
Total governmental activities	<u>12,388,451</u>	<u>12,564,225</u>	<u>14,239,889</u>	<u>11,908,246</u>	<u>12,307,163</u>
Business-type activities:					
Investment earnings	1,121	1,258	2,471	3,063	7,086
Other Revenues	0	286,162	30	30	62
Transfers-Internal Activities	0	0	(17,500)	0	0
Total business-type activities	<u>1,121</u>	<u>287,420</u>	<u>(14,999)</u>	<u>3,093</u>	<u>7,148</u>
Total primary government	<u>\$12,389,572</u>	<u>\$12,851,645</u>	<u>\$14,224,890</u>	<u>\$11,911,339</u>	<u>\$12,314,311</u>
Change in Net Assets					
Governmental Activities	(\$224,752)	(\$8,267)	\$2,876,345	(\$1,523,573)	(\$135,856)
Business-type activities	(4,208)	(1,914)	(24,017)	129,390	(127,171)
Total primary government	<u>(\$228,960)</u>	<u>(\$10,181)</u>	<u>\$2,852,328</u>	<u>(\$1,394,183)</u>	<u>(\$263,027)</u>

Source: City Records

(1) - The City began to report accrual information when it implemented GASB Statement 34 in 2003

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City of Trotwood  
Fund Balances, Governmental Funds  
Last Ten Calendar Years  
(modified accrual basis of accounting)  
Schedule 3

	Calendar Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>General Fund</b>										
Reserved	\$164,075	\$158,453	\$152,214	\$195,608	\$149,930	\$144,489	\$129,249	\$375,847	\$197,716	\$160,153
Unreserved	5,057,325	3,223,226	3,219,836	1,994,702	1,280,850	1,497,790	1,350,792	1,995,065	2,156,943	1,890,919
<b>Total General Fund</b>	<b>5,221,400</b>	<b>3,381,679</b>	<b>3,372,050</b>	<b>2,190,310</b>	<b>1,430,780</b>	<b>1,642,279</b>	<b>1,480,041</b>	<b>2,370,912</b>	<b>2,354,659</b>	<b>2,051,072</b>
<b>All Other Governmental Funds</b>										
Reserved	489,471	489,007	507,950	823,701	1,434,091	387,496	1,510,001	1,570,182	3,319,992	356,958
Unreserved, Reported in:										
Special Revenue Funds	2,223,107	2,046,791	1,059,594	1,128,323	988,821	935,063	(102,390)	(105,092)	(482,482)	313,731
Debt Service Funds	47,127	9,112	597	2,440	8,589	53,108	78,043	104,474	144,237	67,189
Capital Projects Funds	0	(5,630)	(1,647,118)	(1,764,383)	(3,141,954)	(932,928)	(5,783,497)	(8,959,817)	(12,579,423)	(9,049,502)
<b>Total all Other Governmental Funds</b>	<b>\$2,759,705</b>	<b>\$2,539,280</b>	<b>(\$78,977)</b>	<b>\$190,081</b>	<b>(\$710,453)</b>	<b>\$442,739</b>	<b>(\$4,297,843)</b>	<b>(\$7,390,253)</b>	<b>(\$9,597,676)</b>	<b>(\$8,311,624)</b>

Source: City Records

City of Trotwood  
Changes in Fund Balances, Governmental Funds  
Last Ten Calendar Years  
(modified accrual basis of accounting)  
Schedule 4

	Calendar Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>Revenues</b>										
Taxes	\$8,497,665	\$8,222,606	\$8,599,117	\$7,217,614	\$8,896,998	\$9,281,384	\$10,115,617	\$10,740,107	\$10,062,944	\$10,036,000
Fines, Licenses & Permits	86,129	117,007	97,621	336,245	326,212	407,837	342,430	480,358	677,621	575,306
Charges for Services	168,883	194,391	258,561	930,892	1,198,249	974,728	1,152,644	1,351,932	1,091,174	1,194,610
Investment Earnings	477,853	416,894	277,116	266,207	89,372	47,090	43,794	103,728	160,367	261,499
Intergovernmental	2,303,450	2,784,498	5,651,530	3,388,698	3,000,994	3,783,903	4,073,076	4,719,916	4,591,098	4,410,278
Special Assessments	163,528	164,776	35,125	56,291	67,633	81,916	85,086	69,630	153,553	90,415
Payment in Lieu of Taxes	0	0	0	0	0	0	0	0	0	213,029
Other Revenues	278,224	167,106	632,213	405,669	109,328	455,562	622,598	1,382,456	412,626	279,887
<b>Total Revenues</b>	<b>\$11,975,732</b>	<b>\$12,067,278</b>	<b>\$15,551,283</b>	<b>\$12,601,616</b>	<b>\$13,688,786</b>	<b>\$15,032,420</b>	<b>\$16,435,245</b>	<b>\$18,848,127</b>	<b>\$17,149,383</b>	<b>\$17,061,024</b>

**Expenditures**

**Current:**

General Government	\$1,932,626	\$2,377,437	\$2,123,683	\$2,023,525	\$2,264,896	\$2,405,893	\$2,312,200	\$2,373,557	\$2,592,549	\$2,818,858
Public Safety	6,174,414	7,252,708	7,438,266	7,442,020	7,777,073	8,391,237	8,302,497	9,485,513	8,624,274	9,147,913
Leisure Time Activities	501,355	609,445	760,948	523,486	472,069	386,804	390,252	540,983	476,915	463,841
Community Development	543,837	596,412	976,552	879,813	903,893	1,354,251	1,727,732	2,289,567	1,632,056	1,255,235
Transportation and Street Repair	947,620	1,246,778	1,267,681	1,087,664	1,079,879	1,250,411	2,334,873	1,568,494	1,089,451	1,423,293
Capital Outlay	648,885	1,887,440	4,042,240	1,563,347	2,740,330	2,222,513	5,778,866	4,858,385	4,175,627	4,827,180
Debt Service										
Principal	60,000	55,000	65,000	70,000	219,053	1,418,485	422,402	244,466	369,207	340,423
Interest	106,737	102,206	102,320	239,680	181,623	206,648	210,017	272,846	504,498	861,877
Other	0	0	0	2,456	0	0	0	0	0	0
<b>Total Expenditures</b>	<b>\$10,915,474</b>	<b>\$14,127,426</b>	<b>\$16,776,690</b>	<b>\$13,831,991</b>	<b>\$15,638,816</b>	<b>\$17,636,242</b>	<b>\$21,478,839</b>	<b>\$21,633,811</b>	<b>\$19,464,577</b>	<b>\$21,138,620</b>

Source: City Records

City of Trotwood  
 Changes in Fund Balances, Governmental Funds  
 Last Ten Calendar Years  
 (modified accrual basis of accounting)  
 Schedule 4 (Continued)

	Calendar Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Excess of revenues over (under) expenditures	\$1,060,258	(\$2,060,148)	(\$1,225,407)	(\$1,230,375)	(\$1,950,030)	(\$2,603,822)	(\$5,043,594)	(\$2,785,684)	(\$2,315,194)	(\$4,077,596)
Other Financing Sources (Uses)										
Proceeds Of Notes and Bonds	\$0	\$0	\$4,240	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Issuance of Capital Leases	0	0	15,000	262,201	268,782	155,763	0	471,298	108,696	0
Proceeds From Sale of Capital Assets	0	0	185,608	51,225	21,211	2,953	65,389	61,774	7,858	1,633
Issuance of Long-Term Capital-Related Debt	0	0	0	0	0	3,790,000	0	0	0	5,015,000
Proceeds of Refunding Bonds	0	0	0	0	0	1,231,186	0	0	0	0
Payments to Refunded Bond Escrow Agent	0	0	0	0	0	(1,231,186)	0	0	0	0
Inception Of Capital Lease	0	0	0	0	0	0	37,400	0	0	0
Transfers In	2,303,395	1,663,200	700,000	495,085	912,500	618,600	664,100	62,500	25,000	119,328
Transfers (Out)	(2,279,395)	(1,663,200)	(700,000)	(495,085)	(912,500)	(618,600)	(664,100)	(45,000)	(25,000)	(551,000)
Total Other Financing Sources (Uses)	24,000	0	200,608	317,666	289,993	3,948,716	102,789	550,572	116,554	5,135,961
Net Change in Fund Balances	\$1,084,258	(\$2,060,148)	(\$1,024,799)	(\$912,709)	(\$1,660,037)	\$1,344,894	(\$4,940,805)	(\$2,235,112)	(\$2,198,640)	\$1,058,365
Debt service as a percentage of noncapital expenditures	1.6%	1.3%	1.3%	2.5%	3.1%	9.7%	3.8%	3.3%	5.1%	7.5%

Source: City Records

City of Trotwood  
 Assessed Value and Estimated Actual Value of Taxable Property  
 Last Ten Calendar Years  
 Schedule 5

Calendar Year	Real Property	Tangible Personal Property and Utilities Personal	Total	Total	Total
	Assessed Value	Assessed Value	Assessed Value	Estimated Actual Value	Direct Rate
1998	\$238,080,730	\$47,109,594	\$285,190,324	\$814,829,497	15.14
1999	240,984,190	47,280,164	288,264,354	823,612,440	15.14
2000	257,846,260	45,178,732	303,024,992	865,785,691	15.14
2001	256,864,550	41,837,819	298,702,369	853,435,340	15.14
2002	253,910,830	37,320,990	291,231,820	832,090,914	11.64
2003	290,982,840	34,182,924	325,165,764	929,045,040	17.39
2004	290,157,130	32,003,608	322,160,738	920,459,251	17.39
2005 (1)	290,127,620	30,158,312	320,285,932	915,102,663	17.39
2006 (1)	320,939,050	24,675,433	345,614,483	1,003,565,161	17.39
2007 (1)	329,508,630	21,887,257	351,395,887	1,054,046,213	17.39

Source: County Auditor

(1) - Both Tangible Personal Property and Public Utility Personal Property are expected to further decrease over the next three years due to a change made by the State of Ohio in its tax structure. Currently the State is reimbursing the City for these lost revenues and plans to reimburse 100% of these losses through 2010 at which time the reimbursement is expected to be reduced until 2017.

Note: The assessed value of real property (including public utility real property) is 35 percent of estimated true value. Personal property tax is assessed on all tangible personal property used in business in Ohio. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property is assessed at 12.50 percent for everything. The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue to be received in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10 percent, 2 1/2 percent and homestead exemptions before being billed.

City of Trotwood  
Special Assessment Billings and Collections  
Last Ten Calendar Years  
Schedule 6

Collection Year	Current Assessments Due	Current Assessment Collections	Percent of Current Assesments Collected	Delinquent Assessment Collections	Total Assessment Collections	Ratio of Total Collections to Current	Outstanding Delinquent Assessments (1)	Ratio of Delinquent Assessments to Current Due
1998	\$322,508	\$247,381	76.71%	\$49,200	\$296,581	91.96%	\$346,498	107.44%
1999	358,225	277,660	77.51%	53,600	331,260	92.47%	N/A	N/A
2000	304,019	176,635	58.10%	50,802	227,437	74.81%	543,907	178.91%
2001	238,955	N/A	N/A	N/A	237,249	99.29%	633,289	265.02%
2002	350,595	N/A	N/A	N/A	284,262	81.08%	708,533	202.09%
2003	349,418	N/A	N/A	N/A	366,845	104.99%	816,139	233.57%
2004	567,231	N/A	N/A	N/A	402,911	71.03%	745,556	131.44%
2005	488,322	479,111	98.11%	12,628	491,739	100.70%	424,402	86.91%
2006	513,390	532,532	103.73%	196,131	728,663	141.93%	421,174	82.04%
2007	523,130	408,702	78.13%	112,673	521,375	99.66%	429,156	82.04%

Source: County Auditor

(1) - Includes penalties and interest assessed on delinquent accounts.

N/A - Information not available

City of Trotwood  
 Direct and Overlapping Property Tax Rates  
 Last Ten Calendar Years  
 Schedule 7

Calendar Year	Direct Rates					Overlapping Rates				
	General Fund	Inside Bond	Fire Fund	Street Fund	Ambulance and EMS	Total Direct Rate	Trotwood-Madison City School District	Miami Valley Career Technology Center	Dayton-Montgomery County Library	Montgomery County
1998	4.60	0.50	6.30	1.74	2.00	15.14	53.74	2.58	0.26	16.64
1999	4.60	0.50	6.30	1.74	2.00	15.14	53.74	2.58	0.26	16.64
2000	4.60	0.50	6.30	1.74	2.00	15.14	52.64	2.58	0.26	16.64
2001	1.10	0.50	6.30	1.74	2.00	11.64	52.64	2.58	0.26	17.24
2002	6.85	0.50	6.30	1.74	2.00	17.39	52.91	2.58	0.26	17.24
2003	6.85	0.50	6.30	1.74	2.00	17.39	61.05	2.58	0.26	17.24
2004	6.85	0.50	6.30	1.74	2.00	17.39	60.85	2.58	0.26	18.24
2005	6.85	0.50	6.30	1.74	2.00	17.39	60.70	2.58	1.25	18.24
2006	6.85	0.50	6.30	1.74	2.00	17.39	60.06	2.58	1.25	18.24
2007	6.85	0.50	6.30	1.74	2.00	17.39	60.06	2.58	1.25	18.24

Source: County Auditor

Note: Rates may only be raised by obtaining the approval of a majority of the voters at a public election.

City of Trotwood  
Principal Property Tax Payers  
Current Year and Nine Years Ago  
Schedule 8

<u>2007</u>		
<u>Taxpayer</u>	<u>Assessed Value</u>	<u>Percentage of Total Assessed Value</u>
Dayton Power & Light Company	\$6,807,590	1.94%
Salem Square Improvement	4,689,730	1.33%
Castlebrook Capital	2,686,740	0.76%
Verizon (GTE)	2,358,620	0.67%
Tramlaw LLC	2,112,990	0.60%
Belle Meadows	1,912,930	0.54%
Groach Associates	1,889,980	0.54%
Lowes Companies, Inc.	1,862,520	0.53%
Sears Roebuck & Co.	1,607,060	0.46%
Fieldstone Limited	1,681,300	0.48%
	<u>\$27,609,460</u>	<u>7.85%</u>

<u>1998</u>		
<u>Taxpayer</u>	<u>Assessed Value</u>	<u>Percentage of Total Assessed Value</u>
Dayton Power & Light Company	\$11,148,300	3.91%
General Telephone Company (GTE)	6,642,090	2.33%
Salem Mall, Inc.	4,693,500	1.65%
R B-3 Associates	4,285,970	1.50%
Lowes Companies, Inc.	4,174,950	1.46%
Castlebrook Capital Company	3,745,000	1.31%
Kmart Corporation	3,536,060	1.24%
Wal-Mart Stores, Inc.	3,169,350	1.11%
Lazarus, Inc.	2,719,810	0.95%
Sears Roebuck & Co.	2,605,680	0.91%
	<u>\$46,720,710</u>	<u>16.37%</u>

Source: County Auditor

City of Trotwood  
Property Tax Levies and Collections  
Last Ten Calendar Years  
Schedule 9

Calendar Year	Taxes Levied for the Calendar Year	Collected within the Calendar Year of the Levy		Delinquent Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1998	\$3,586,795	\$3,363,483	93.77%	\$213,223	\$3,576,706	99.72%
1999	3,595,449	3,326,513	92.52%	164,897	3,491,410	97.11%
2000	3,617,628	3,412,978	94.34%	201,459	3,614,437	99.91%
2001	2,674,945	2,469,131	92.31%	127,627	2,596,758	97.08%
2002	4,283,899	3,946,140	92.12%	240,612	4,186,752	97.73%
2003	4,352,675	4,228,200	97.14%	304,584	4,532,784	104.14%
2004	5,140,731	4,956,250	96.41%	410,790	5,367,040	104.40%
2005	5,081,945	4,876,089	95.95%	451,262	5,327,351	104.83%
2006	5,037,263	4,900,563	97.29%	647,157	5,547,720	110.13%
2007	5,198,756	4,872,389	93.72%	452,972	5,325,361	102.44%

Source: County Auditor

City of Trotwood  
Income Tax Collections  
Last Ten Calendar Years  
(cash basis of accounting)  
Schedule 10

<u>Calendar Year</u>	<u>Tax Rate</u>	<u>Withholding Collections</u>	<u>Non- Withholding Collections</u>	<u>Gross Collections</u>	<u>Refunds</u>	<u>Net Collections</u>
1998	2.25%	\$3,896,912	\$1,169,711	\$5,066,623	\$60,975	\$5,005,648
1999	2.25%	3,856,813	1,105,972	4,962,785	88,653	4,874,132
2000	2.25%	4,291,798	899,892	5,191,690	89,641	5,102,049
2001	2.25%	4,252,227	934,710	5,186,937	77,363	5,109,574
2002	2.25%	3,805,335	1,049,399	4,854,734	97,184	4,757,550
2003	2.25%	4,480,516	1,021,549	5,502,065	62,092	5,439,973
2004	2.25%	4,249,749	956,303	5,206,052	102,219	5,103,833
2005	2.25%	4,267,281	1,191,652	5,458,933	89,570	5,369,363
2006	2.25%	4,098,072	1,114,668	5,212,740	71,309	5,141,431
2007	2.25%	4,261,915	996,216	5,258,131	101,262	5,156,869

Source: City of Dayton, Ohio; Division of Revenue and Taxation; and  
City of Trotwood Income Tax Division.

City of Trotwood  
Principal Income Taxpayers  
Current Year  
(cash basis of accounting)  
Schedule 11

Note: Due to legal restrictions and confidentiality requirements, the City cannot disclose the amount of withholdings by taxpayer.

City of Trotwood  
Ratios of Outstanding Debt by Type  
Last Ten Calendar Years  
Schedule 12

Calendar Year	Governmental Activities				Business-type Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Bond Anticipation Notes	Special Assessment Bonds	Capital Leases	Loans	Bond Anticipation Notes	Capital Leases				
1998	\$735,000	\$0	\$790,000	\$0	\$0	\$0	\$0	\$0	\$1,525,000	0.01%	\$52
1999	710,000	0	760,000	294,680	0	0	0	0	1,764,680	0.01%	60
2000	680,000	2,300,000	725,000	242,735	0	0	104,237	0	4,051,972	0.03%	148
2001	645,000	2,000,000	690,000	413,526	50,475	300,000	119,778	119,778	4,218,779	0.03%	154
2002	610,000	3,355,000	655,000	522,326	46,077	275,000	74,800	74,800	5,538,203	0.03%	202
2003 (1)	3,790,000	1,885,000	0	524,604	43,828	250,000	35,101	35,101	6,528,533	0.04%	238
2004	3,645,000	5,945,000	0	284,602	36,876	225,000	22,003	22,003	10,158,481	0.06%	370
2005	3,490,000	8,730,000	0	666,434	32,066	200,000	11,303	11,303	13,129,803	0.07%	479
2006	3,330,000	12,085,000	0	570,923	27,111	175,000	0	0	16,188,034	N/A	590
2007	8,170,000	8,710,000	0	519,828	22,007	150,000	0	0	17,571,835	N/A	641

Source: City Records

(1) - In 2003 the City issued \$3,790,000 in General Obligation Bonds, which included advance refunding the remaining \$610,000 balance in Special Assessment Bonds into General Obligation Bonds

Notes: Details regarding the city's outstanding debt can be found in the notes to the financial statements

N/A - Information not available due to a lag in data availability

City of Trotwood  
Ratios of General Bonded Debt Outstanding  
Last Ten Calendar Years  
Schedule 13

Calendar Year	General Bonded Debt Outstanding		Per Capita
	General Obligation Bonds	Percentage of Actual Taxable Value of Property	
1998	\$735,000	0.09%	\$25
1999	710,000	0.09%	24
2000	680,000	0.08%	25
2001	645,000	0.08%	24
2002	610,000	0.07%	22
2003 (1)	3,790,000	0.41%	138
2004	3,645,000	0.40%	133
2005	3,490,000	0.38%	127
2006	3,330,000	0.33%	121
2007	8,170,000	0.78%	298

Source: City Records

(1) - In 2003 the City issued \$3,790,000 in General Obligation Bonds, which included advance refunding the remaining \$610,000 balance in Special Assessment Bonds into General Obligation Bonds

Notes: Details regarding the city's outstanding debt can be found in the notes to the financial statements

City of Trotwood  
 Direct and Overlapping Governmental Activities Debt  
 As of December 31, 2006  
 Schedule 14

Governmental Unit	Net Debt Outstanding	Estimated Percentage Applicable (1)	Amount Applicable to City of Trotwood
Trotwood City	\$11,337,000	100.00%	\$11,337,000
Montgomery County	28,037,888	3.28%	919,643
Dayton City School District	224,645,000	2.63%	5,908,164
Trotwood-Madison City School District	32,234,987	93.52%	30,146,160
Brookville L School District	21,734,978	0.64%	139,104
New Lebanon L School District	3,750,000	2.18%	81,750
Miami Valley Regional Transit Authority Miscellaneous	5,610,000	3.28%	184,008
Total Direct and Overlapping Debt	\$327,349,853		\$48,715,828

Source: Ohio Municipal Advisory Council

(1) - Percentages were determined by dividing the assessed valuation of the overlapping government located within the boundaries of the City by the total assessed valuation of the government.

City of Trotwood  
 Legal Debt Margin Information  
 Last Ten Calendar Years  
 Schedule 15

Legal Debt Margin Calculation for Calendar Year 2007

Assessed value	\$351,395,887	\$351,395,887
Statutory legal debt limitation (1)	10.5%	5.5%
Total debt limitation	36,896,568	19,326,774
Debt applicable to limit:		
Gross Indebtedness	12,556,835	12,556,835
Less: Debt Retirement Fund Balance	67,189	67,189
Total net debt applicable to limit	12,489,646	12,489,646
Legal debt margin	\$24,406,922	\$6,837,128

	Calendar Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Total Debt Limit (1)	\$29,944,984	\$30,267,757	\$31,817,624	\$31,363,749	\$30,579,341	\$34,142,405	\$33,826,877	\$33,630,023	\$36,289,521	\$36,896,568
Debt Limit (10.5%)										
Total Net Debt Applicable to Limit	1,525,000	1,470,000	3,705,000	3,635,000	4,895,000	5,925,000	9,815,000	12,420,000	15,944,512	12,489,646
Legal Debt Margin	\$28,419,984	\$28,797,757	\$28,112,624	\$27,728,749	\$25,684,341	\$28,217,405	\$24,011,877	\$21,210,023	\$20,345,009	\$24,406,922

Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	5.1%	4.9%	11.6%	11.6%	16.0%	17.4%	29.0%	36.9%	43.9%	33.9%
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	Calendar Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Total Unvoted Debt Limit (1)	\$15,685,468	\$15,854,539	\$16,666,375	\$16,428,630	\$16,017,750	\$17,884,117	\$17,718,841	\$17,615,726	\$19,008,797	\$19,326,774
Debt Limit (5.5%)										
Program Revenues	1,525,000	1,470,000	3,705,000	3,635,000	4,895,000	5,925,000	9,815,000	12,420,000	15,944,512	12,489,646
Total Net Debt Applicable to Limit	\$14,160,468	\$14,384,539	\$12,961,375	\$12,793,630	\$11,122,750	\$11,959,117	\$7,903,841	\$5,195,726	\$3,064,285	\$6,837,128

Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	9.7%	9.3%	22.2%	22.1%	30.6%	33.1%	55.4%	70.5%	83.9%	64.6%
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Source: City Records

(1) - Direct debt limitation based upon Section 133, the Uniform Bond Act of the Ohio Revised Code. Total debt limit should not exceed 10.5% of net assessed property value.  
 Total unvoted debt limit should not exceed 5.5% of net assessed property value.

City of Trotwood  
Pledged-Revenue Coverage  
Last Ten Calendar Years  
Schedule 16

Calendar Year	Special Assessment Bonds			
	Special Assessment Collections (2)	Debt Service		Coverage
		Principal	Interest	
1998	\$2,475	\$790,000	\$487,367	0.0019
1999	5,306	760,000	437,199	0.0044
2000	2,138	725,000	388,940	0.0019
2001	1,969	690,000	342,902	0.0019
2002	1,800	655,000	299,087	0.0019
2003 (1)	4,152	0	0	0.0000
2004	1,462	0	0	0.0000
2005	1,294	0	0	0.0000
2006	0	0	0	0.0000
2007	0	0	0	0.0000

Source: City Records

(1) - In 2003 the City issued \$3,790,000 in General Obligation Bonds, which included advance refunding the remaining \$610,000 balance in Special Assessment Bonds into General Obligation Bonds

(2) - Only includes special assessment collections in Fund 301

Notes: Details regarding the city's outstanding debt can be found in the notes to the financial statements

City of Trotwood  
Demographic and Economic Statistics - Montgomery County  
Last Ten Calendar Years  
Schedule 17

Calendar Year	Population (1)	Personal Income (Thousands of Dollars) (2)	Per Capita Personal Income (3)	Unemployment Rate (4)
1998	29,358	\$15,047,037	\$26,551	4.00%
1999	29,358	15,446,351	27,487	4.00%
2000	27,420	16,167,661	28,949	3.90%
2001	27,420	16,563,468	29,827	4.30%
2002	27,420	16,810,295	30,404	5.60%
2003	27,420	16,954,405	30,784	6.30%
2004	27,420	17,461,179	31,773	6.20%
2005	27,420	17,531,793	32,133	6.40%
2006	27,420	18,219,910	33,658	6.00%
2007	27,420	N/A	N/A	6.20%

- Sources:
- (1) - Population estimates provided by U.S. Census Bureau (1990 Census and 2000 Census)
  - (2) - Personal Income information provided by Bureau of Economic Analysis: Regional Economic Accounts
  - (3) - Per Capita Personal Income information provided by Bureau of Economic Analysis: Regional Economic Accounts
  - (4) - Ohio Bureau of Employment Services; Labor Market Information Division (average annual rates)

N/A - Information not available due to a lag in data availability

City of Trotwood  
 Principal Employers (1)  
 Current Year (2)  
 Schedule 18

2007

<u>Employer (1)</u>	<u>Number of Employees</u>
Trotwood Madison Schools	420
Maria Joseph Living Center	390
Friendship Village	220
City of Trotwood	168
Montgomery County MRDD	155
Applied Mechanical Systems	153
Sears Roebuck & Co.	120
Shiloh Nursing Center	100
United Theological Seminary	84
Cub Foods	80
	<u>1,890</u>

- (1) Data for the City of Trotwood  
 (2) Only current fiscal year available

City of Trotwood  
 Full-Time Equivalent City Government Employees by Function/Program (1)  
 Last Ten Calendar Years  
 Schedule 19

Function/Program	Full-Time Equivalent Employees as of December 31									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>General Government</b>										
City Administration	4.5	5.0	5.0	5.0	5.0	4.7	4.0	4.0	4.0	4.0
City Council	0.5	1.0	1.0	1.0	1.3	1.3	1.0	1.0	1.0	1.0
Public Works Administration	2.5	3.0	3.0	2.0	3.0	3.0	3.0	3.0	3.0	3.0
Buildings and Grounds	2.0	2.0	2.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Finance	6.0	6.0	6.0	6.0	7.8	7.2	8.0	9.3	9.4	9.4
Fleet Maintenance	3.0	3.0	3.0	3.0	3.0	2.1	2.1	2.1	2.1	2.1
<b>Public Safety</b>										
<b>Police</b>										
Officers	52.0	54.0	55.0	53.0	53.0	54.0	51.0	49.0	47.0	45.3
Non-Sworn	13.0	12.0	12.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Fire	13.0	20.0	23.0	48.8	53.3	52.3	54.9	54.9	45.6	42.7
<b>Leisure Time Activities</b>										
Cemeteries	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.8	0.8	0.8
Parks and recreation	5.0	6.0	7.0	5.5	6.0	7.5	7.2	5.4	5.4	6.9
<b>Community Development</b>										
Planning and Zoning	5.0	5.0	6.0	6.5	6.5	6.0	6.0	6.0	4.3	4.0
Building Inspection/Code Enforcement	4.5	4.0	6.0	3.5	4.0	4.0	1.3	1.3	1.3	4.3
<b>Basic Utility Service</b>										
Water	2.3	2.3	2.3	2.5	2.3	2.7	2.7	2.7	2.7	2.7
Sanitary Sewers	2.3	2.3	2.3	2.5	2.3	2.7	2.7	2.7	2.7	2.7
Refuse Collection	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5	0.8	0.8
Transportation and Street Repair	8.6	8.6	8.6	9.7	11.3	11.7	10.4	9.0	9.6	7.7
<b>Total</b>	<u>125.1</u>	<u>135.1</u>	<u>143.1</u>	<u>155.9</u>	<u>165.7</u>	<u>166.1</u>	<u>161.2</u>	<u>157.7</u>	<u>145.7</u>	<u>143.4</u>

Source: Various City Departments

(1) - Prior to 2001 reflects full-time employees only; 2001 and later shows full-time equivalents for full-time, part-time and seasonal employees combined

City of Trotwood  
 Operating Indicators by Function/Program  
 Last Ten Calendar Years  
 Schedule 20

Function/Program	Calendar Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>General government</b>										
Building permits issued	86	59	260	181	354	399	154	239	71	40
Zoning permits issued	N/A	N/A	N/A	N/A	N/A	N/A	N/A	106	116	108
Checks issued	3,429	4,052	3,895	3,500	4,086	3,761	3,983	3,775	3,544	3,431
Ordinances adopted	26	56	23	51	28	31	30	45	39	30
Resolutions adopted	81	113	79	85	78	109	117	95	94	75
<b>Police</b>										
Calls for service	58,080	N/A	54,146	33,507	36,338	36,108	36,782	35,143	32,049	34,982
Cases assigned	N/A	N/A	N/A	N/A	N/A	N/A	1,303	1,094	1,078	1,408
Suspects charged	N/A	N/A	N/A	N/A	N/A	N/A	359	406	314	421
Percent cases closed by arrest	N/A	N/A	N/A	N/A	N/A	N/A	28%	37%	29%	30%
Traffic accidents	N/A	N/A	N/A	N/A	N/A	N/A	N/A	544	479	389
Traffic stops	N/A	N/A	N/A	N/A	N/A	N/A	4,047	3,744	2,779	4,463
<b>Fire</b>										
Calls for service	1,188	N/A	1,316	858	669	860	962	1,050	1,054	1,181
Average response time (minutes)	8	N/A	7.2	6.2	4.5	4.5	6.6	6.3	7.3	7.5
Average calls per day	3.3	N/A	3.6	2.4	1.8	2.4	2.6	2.9	2.9	3.2
Average call duration (minutes)	N/A	N/A	N/A	N/A	N/A	N/A	62	60	96.5	94.3
<b>EMS</b>										
Calls for service	3,528	N/A	3,498	3,792	3,651	3,966	3,739	3,789	3,743	4,202
Average response time (minutes)	12	N/A	7.2	6.2	4.5	4.5	6.0	6.0	6.2	6.1
Average calls per day	9.6	N/A	9.6	10.4	10.0	10.9	10.2	10.4	10.3	11.5
Average call duration (minutes)	N/A	N/A	N/A	64	64	62	62	60	60	62
<b>Public Works</b>										
Street resurfacing (square yards)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	47,585	50,022
Potholes repaired	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1,500	3,800
Street cleaning (lane miles)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1,640	1,640
Street striping (miles)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	12	20
<b>Parks and recreation</b>										
Shelter rentals	N/A	N/A	N/A	N/A	N/A	N/A	N/A	64	63	80
Pavilion rentals	N/A	N/A	N/A	N/A	N/A	N/A	N/A	23	11	21
<b>Water</b>										
Water main breaks	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	17	13
<b>Wastewater</b>										
Sewer main cleaning (miles)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	9.5	10.0

Source: Various City Departments

N/A - Information not available

City of Trotwood  
 Capital Asset Statistics by Function/Program  
 Last Ten Calendar Years  
 Schedule 21

Function/Program	Calendar Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>Police</b>										
Stations	2	2	1	1	1	1	1	1	1	1
<b>Fire Stations</b>										
Fire Stations	5	5	4	4	4	3	3	3	3	3
<b>Public Works</b>										
Streets (lane-miles)	N/A	N/A	362	362	362	362	362	362	362	362
Streetlights	N/A	N/A	1,285	1,285	1,285	1,285	1,285	1,285	1,285	1,285
Traffic signaled intersections	N/A	N/A	41	41	41	41	41	41	41	41
<b>Parks and Recreation</b>										
Community centers	N/A	N/A	1	1	1	1	0	0	0	0
Number of Parks	N/A	N/A	10	10	10	7	9	7	7	7
Acreage	N/A	N/A	152	152	152	152	169	150	150	150
Swimming pools	1	1	1	1	1	1	0	0	0	0
<b>Utilities</b>										
Water Mains (miles)	37	N/A	38	38	38	38	38	38	38	38
Fire hydrants	1,096	N/A	1,096	1,096	1,096	1,096	1,096	1,096	1,096	1,096
Storm Sewers (miles)	39	N/A	39	39	39	39	39	39	39	39
Sanitary Sewers (miles)	31	N/A	31	31	31	31	31	31	31	31

Source: Various City Departments

N/A - Information not available





**Mary Taylor, CPA**  
Auditor of State

**CITY OF TROTWOOD  
MONTGOMERY COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
SEPTEMBER 2, 2008**