

# **CITY OF TROTWOOD OHIO**



**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
For The Fiscal Year Ended December 31, 2019**



OHIO AUDITOR OF STATE  
KEITH FABER

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Members of Council  
City of Trotwood  
3035 Olive Road  
Trotwood, OH 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, 2019 through December 31, 2019. 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.



Keith Faber  
Auditor of State  
Columbus, Ohio

September 8, 2020

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**CITY OF TROTWOOD, OHIO**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

**PREPARED BY:  
DEPARTMENT OF FINANCE  
Chris A. Peebles  
FINANCE DIRECTOR**

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## ***INTRODUCTORY SECTION***

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July 29, 2020

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

We are pleased to present the Comprehensive Annual Financial Report for the City of Trotwood, Ohio, for the year end December 31, 2019. 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 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 on 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.

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 27,431 residents (based on the 2010 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

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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, park maintenance, recreation programs, water and sewer utilities within a portion of the city, refuse collection, drainage and storm water management, code enforcement, planning and zoning and other administrative services.

The financial reporting entity includes all the funds 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 citizen's 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 above-average unemployment, modest job growth and a diversity of major employers. Nearby Wright Patterson Air Force Base employs approximately 27,500 making it the largest single-site employer in the State of Ohio. Premier Health, Kettering Hospital Network, Caresource and the Dayton Veterans Administration Center are major employers proximate to Trotwood.

Located just 4.5 miles from the City of Trotwood, Fuyao Glass America Incorporated purchased the former GM plant and currently employs 2300 employees, many being Trotwood residents. The company plans to increase that number by 700 in the next three years. Furthermore, the company generates an average annual payroll of \$ 32.5 million and has committed to stay in the area for at least 18 years.

In addition to the above, Caterpillar built a new logistics services distribution center 2 miles north of Trotwood in the City of Clayton, Ohio. The plant employs approximately 600 employees and maintains an annual average payroll of \$12 million to \$14 million.

Although none of these facilities are physically located in Trotwood, the City benefits by having these employment opportunities available 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, it was acquired by the City in 2004 for redevelopment purposes and has been demolished. The adjacent shopping centers serve as retail attractions in the district, as are several "big box" retailers such as Office Depot, GFS, Lowe's and Home Depot. The City continues to promote redevelopment at the Salem Site.

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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 also markets its light industrial park consisting of 38-acre site west of the Connector with railroad access available. In addition, 45 plus acres adjacent to the Industrial Park are available for future expansion.

The Trotwood Community Improvement Corporation, the City’s official agent for economic development, is presently working with the City in creating and updating a plan for industrial, commercial, distribution and research development including the reclamation, rehabilitation and reutilization of vacant, abandoned, tax-foreclosed or other real properties.

On May 27, 2019, the City of Trotwood and surrounding areas were hit by 19 tornadoes including an EF-4 twister. The tornadoes caused considerable damage to the Northwest portion of the city. Many equipment and man hours were logged in the cleanup of debris from this massive storm. Several apartment complexes were completely destroyed and many residential housing units suffered from varying degrees of damage; from minor damage to total destruction. The City of Trotwood and its residents have shown resiliency, patience and fortitude. With each day, homes are being rebuilt and the residents have restored a sense of normalcy back to the community.

The City itself did not suffer any major damage to any buildings or infrastructure. With the Federal and State dollars provided as reimbursement to the City, the financial condition of the City was not affected the tornado outbreak.

## **RELEVANT FINANCIAL POLICIES**

In December 2014, the State Legislature passed and Governor Kasich, signed into law, House Bill 5 and Senate Bill 342. House Bill 5 reforms Municipal Income Tax Collections. The implementation of House Bill 5 will have negative impacts on tax collections in the coming years, primarily after calendar year 2019 due to the corporate net operating loss carry forward provisions.

Senate Bill 342 phased out the use of Traffic Enforcement Cameras in 2015 resulting in a decrease of revenue from \$107,233 in 2015 to \$996 in 2016. In July 2017, the Ohio Supreme Court ruled restrictions on traffic cameras unconstitutional, giving cities the green light to resume use of cameras. The City had started using its red light/speed cameras as a deterrent to traffic violations at its high violation intersections. Revenues help fund law enforcement efforts within the City. As 2018 was the first full year of revenues since the use of traffic cameras was resumed, the City collected \$487,216 in traffic violations. On February 27, 2019, HB 62 named the Transportation Budget for its gas tax increase and a provision to distribute 50% to local governments. Included in this House bill was a provision to eliminate administrative hearings for traffic camera violations and specifies that the local authority must go through the County court. Any fines collected would reduce the amount of local government funding that the municipality would receive from the State and County. In lieu of HB 62 and its new provisions, the City of Trotwood chose to turn off the traffic cameras. Revenues for 2019 were down 50% from the previous year and expect to be minimal in the future. A positive of this House Bill is that the additional gas taxes will be split 50/50 with the Ohio Department of Transportation and local governments.

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## **LONG TERM FINANCIAL PLANNING**

In the fall of 2015, during the financial planning budget workshop of City Council, the decision was made to hold the line on general fund expenditures. Over the next five years, the plan was to grow the carryover unencumbered cash fund balance to a target of a three month operating reserve. On December 31, 2018, the general fund unencumbered cash balance was \$2,174,062 or a three month reserve based on the 2019 general fund appropriations of \$8,234,583. The City has reached its goal two years prior to the target date of 2020 and is committed to maintaining this reserve into the future. Also, the City is exploring several different scenarios to enhance general fund receipts to assist the City in providing services to its citizens.

The City has contracted with FUTURE IQ, Inc., a consulting and research company to help develop the City's new strategic plan. The strategic plan itself will identify no more than 7 high-leverage strategic goals, and incorporate the proposed data analysis and vision framework to provide recommended strategies and rationale for policy development, long term capital investments and resource allocation. The plan is to be completed by late 2019 and implementation to start for 2020. In December 2019, FUTURE IQ completed the City of Trotwood Organizational Strategic Action Plan after six months of meeting with the Mayor, City Council, and City Staff, residents, business owners, students and other interested parties. The Plan identified six key strategic pillars that support a vision for a vibrant, growing, highly connected city. The Plan calls for these strategies to guide the community towards a preferred future over the next 10 years.

## **MAJOR INITIATIVES**

### Job Growth Initiative

In 2014, the City began to focus on the reutilization of vacant big box retail facilities. Since the closing of the Salem Mall and the great recession of 2008, many of the traditional retailers along the Salem Avenue corridor have struggled both locally and nationally. Companies including K-Mart, Sears, Best Buy and Target have closed stores across the country and unfortunately in Trotwood. Due to the rise of non-traditional retailers and online retail, the trend away from brick and mortar stores, toward online distribution is expected to continue.

The City of Trotwood commissioned a study conducted by Market Metrics, LLC of Dayton to analyze the current retail environment and offer forward looking strategies and analysis. The conclusions, while not unexpected were startling. The study concluded that big box retail will continue to decline not only in Trotwood but in the entire northwest Montgomery County region. The area is "over-retailed" based on metrics used by the retail industry and lacks the dynamic population growth needed to spur additional retail. Most all retail needs of consumers in this area can be met by existing malls and shopping centers as well as online shopping.

This study bolstered the City's new strategy to re-occupy existing vacant big box retail stores with alternative uses. The City's analysis indicated that the reuse of retail boxes as light manufacturing centers and as small distribution centers is both economically feasible and from a land use perspective, often less impactful on surrounding uses. The City began working with big box building owners to re-market their buildings for these additional uses. Thus far, the effort has met with some success. The former K-Mart building has been purchased and renovated by a carbon steel tube manufacturer, Epix Tube employing approximately 50 workers at an average salary of \$37,000, while the old Elder Beerman



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Tube employing approximately 50 workers at an average salary of \$37,000, while the old Elder Beerman Warehouse has been converted to a light manufacturing operation by Specialty Manufacturing employing 73 persons in the City, with an average salary of \$ 47,800. Additionally Storage of America, a provider of climate controlled self- storage units, has acquired the Former Target big box location. They have converted the existing building into leasable, consumer storage units and employs 3 people. In 2017, other small facilities were repurposed. The Davita Dialysis Center opened in the vacated Bob Evans facility and the First Priority Urgent Care moved into the former River Valley Credit Union. In 2018, the former Wal-Mart was sold to U-Haul who maintains the largest rental fleet in the do-it-yourself moving industry in the United States. This location will rent trucks, trailers and towing devices. Customers can purchase moving and storage boxes along with an extended line of packing supplies. They will also provide self-storage at the Salem Avenue site. Premier Energy, a provider of oil and gas services in Ohio, Kentucky and Indiana, purchased the vacant O'Danny Boy ice cream facility and is bringing 51 full-time jobs to the City of Trotwood. The former Wolohan Lumber site will be the new home of Mansea Metal who provide high-quality metal roofing and siding solutions to residential, commercial, agriculture and equestrian customers. Mansea Metal will employ 10 full-time positions to start with anticipated job growth in the near future.

Korrek Plumbing Heating & Air Conditioning moved into their new corporate headquarters within the City of Trotwood. The company currently employs 68 people. In 2016, Korrek was recognized as the 23<sup>rd</sup> fastest growing company, 8<sup>th</sup> largest mechanical company and the 21<sup>st</sup> largest female owned business in the Dayton Area. Korrek Plumbing Heating & Air Conditioning is currently constructing a 15,000 square foot building to house their new venture of creating “artificial marble” and providing their kitchen and bath services with its internal supply.

Stratacache, a global industry leading provider of scalable, high-performance digital signage, media distribution and enterprise video acceleration technologies, purchased the vacant 300,000 square foot state of the art manufacturing facility located in the Trotwood Industrial Park. This acquisition creates the world’s largest and most advanced manufacturing and configuration facility for digital signage and digital interactive solutions. Employment continues to grow and is estimated at over 100 employees at year end. Further growth is anticipated, possibly reaching up to 300 employees over the next five years.

The Dayton Metro Library announced that a new 13,000 square foot state of the art library would be built in Trotwood several blocks from their old location. The new library has all of the updated technology and amenities needed to service the Trotwood area. The new library officially opened March 14, 2020.

The Greater Dayton Goodwill / Easter Seals is planning a \$2 million investment on a new facility located on 6 acres. The proposed building is 12,000 square foot. This building is to be located on Main Street next to the new library.

Montgomery County is building a satellite court location consisting of up to 17,000 square foot. This building will be the new home of Montgomery County Municipal Court District One Western Division currently located in New Lebanon. The new court house is being constructed in the Main Street Corridor, beside the new library and Goodwill facility.

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Housing Initiative

As a result of the housing crisis of 2008 and the subsequent recession, the City of Trotwood was particularly hard hit with both mortgage foreclosures and tax delinquencies. In 2013, the city, through the Trotwood Community Improvement Corporation (TCIC) began a housing program redesigned to renovate and re-occupy troubled residential real estate. The TCIC has been working with the National Community Stabilization Trust, the County Treasurer and County Corp (local public financing agency) on this project. The TCIC has continued to acquire and rehabilitate distressed houses in targeted “tipping point” neighborhoods. The TCIC has thus far acquired over 111 properties and currently has 17 properties in inventory. The TCIC has sold 88 properties to socially responsible developers who renovate, and return the properties to the Montgomery County real property tax roll, either through the sale to an owner/occupier or held as a rental unit. The Home Ownership vs Rentals is 60% Home Ownership, 35% Rentals and 5% Demolition. The annual taxes returned to the property tax roll is \$118,445. There has been over \$3 million in investments into these properties/neighborhoods.


**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,



Quincy E. Pope, Sr.  
City Manager



Chris A. Peeples  
Finance Director

CITY OF TROTWOOD, OHIO  
List of Elected and Appointed Officials  
December 31, 2019

ELECTED OFFICIALS

Mary A. McDonald	Mayor
Bettye L. Gales	Vice Mayor, Ward 1
Rhonda C. Finley	Councilmember, At Large
Robert L. Kelley, Jr.	Councilmember, At Large
Yvette F. Page	Councilmember, Ward 2
Charles R. Vaughn	Councilmember, Ward 3
Tyna R. Brown	Councilmember, Ward 4

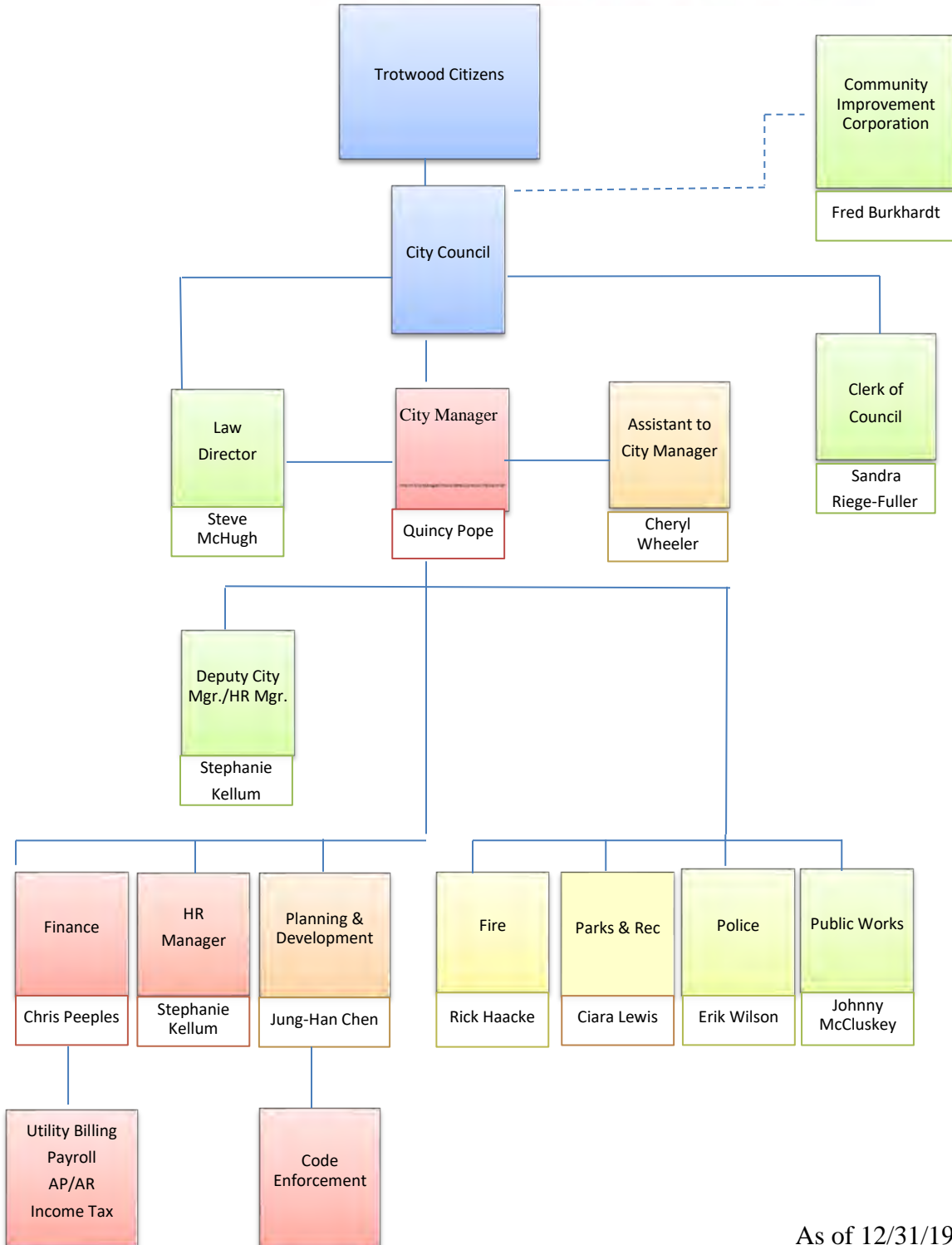
APPOINTED OFFICIALS

Quincy E. Pope, Sr.	City Manager
Stephanie L. Kellum	Deputy City Manager/HR Manager
Sandra L. Riege-Fuller	Clerk of Council
Chris A. Peoples	Director of Finance
Erik L. Wilson	Police Chief
Richard A. Haacke	Fire Chief
Jung-Han Chen	Director of Planning & Development
Johnny McCluskey	Public Works Supervisor
Stephen M. McHugh	Law Director



# TROTWOOD

GROWING TOGETHER



As of 12/31/19



Government Finance Officers Association

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, 2018**

*Christopher P. Morrill*

Executive Director/CEO

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## ***FINANCIAL SECTION***

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## INDEPENDENT AUDITOR'S REPORT

City of Trotwood  
Montgomery County  
3035 Olive Road  
Trotwood, Ohio 45426

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Trotwood, Ohio (the City) as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in Note 17 to the financial statements, during 2020, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the City. We did not modify our opinion regarding this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules, and schedules of pension information and other postemployment information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Supplementary and Other Information***

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

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

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 29, 2020, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Platterburg & Associates, Inc.*

Dayton, Ohio  
July 29, 2020

**City of Trotwood, Ohio**  
**Management's Discussion and Analysis**  
**For The Year Ended December 31, 2019**  
**(Unaudited)**

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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, 2019. 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 position increased \$10,469,147. Net position of governmental activities increased \$9,032,578, and net position of business-type activities increased by \$1,436,569.
- The General Fund reported an increase in fund balance of \$892,306.
- Business-type operations reflected an operating income of \$568,255.

**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 Position 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 is financially better off or worse off as a result of the year's activities. These statements include all assets and deferred outflows, and liabilities and deferred inflows 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 position 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.

**City of Trotwood, Ohio**  
**Management's Discussion and Analysis**  
**For The Year Ended December 31, 2019**  
**(Unaudited)**

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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. Revenues received from Income taxes, property taxes, intergovernmental revenue, charges for services, and investment earnings are used to finance most of these services provided by the City.
- **Business-Type Activities** - These services include Water, Sewer, Refuse Collection, Stormwater and Community and Cultural Arts Center. 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; Street Construction Maintenance and Repair; Fire Levy; 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 Position 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.

**Fiduciary Funds** - The City is the fiscal agent for one agency fund. All of the City's fiduciary activities are reported in separate Statements of Fiduciary Net Position. These activities are excluded from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

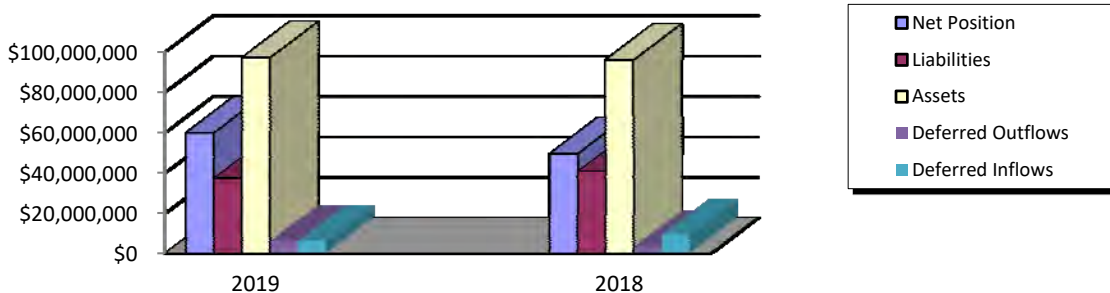
**City of Trotwood, Ohio  
Management's Discussion and Analysis  
For The Year Ended December 31, 2019  
(Unaudited)**

**The City as a Whole**

As stated previously, the Statement of Net Position looks at the City as a whole. Table 1 provides a summary of the City's net position for 2019 compared to 2018.

**Table 1  
Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
<b>Assets:</b>						
Current and Other Assets	\$18,838,031	\$17,965,752	\$9,715,943	\$8,852,839	\$28,553,974	\$26,818,591
Capital Assets	49,372,977	50,553,173	18,938,423	18,367,467	68,311,400	68,920,640
<b>Total Assets</b>	<b>68,211,008</b>	<b>68,518,925</b>	<b>28,654,366</b>	<b>27,220,306</b>	<b>96,865,374</b>	<b>95,739,231</b>
<b>Deferred Outflows of Resources:</b>						
Deferred Charge on Refunding	169,790	182,851	0	0	169,790	182,851
Pension	4,382,632	1,816,166	284,777	152,711	4,667,409	1,968,877
OPEB	1,041,920	1,001,113	38,540	37,653	1,080,460	1,038,766
<b>Total Deferred Outflows of Resources</b>	<b>5,594,342</b>	<b>3,000,130</b>	<b>323,317</b>	<b>190,364</b>	<b>5,917,659</b>	<b>3,190,494</b>
<b>Liabilities:</b>						
Long-Term Liabilities	32,632,237	35,638,412	3,088,239	2,867,315	35,720,476	38,505,727
Other Liabilities	528,231	1,307,908	900,011	836,164	1,428,242	2,144,072
<b>Total Liabilities</b>	<b>33,160,468</b>	<b>36,946,320</b>	<b>3,988,250</b>	<b>3,703,479</b>	<b>37,148,718</b>	<b>40,649,799</b>
<b>Deferred Inflows of Resources:</b>						
Property Taxes	2,766,041	4,706,289	0	0	2,766,041	4,706,289
Revenue in Lieu of Taxes	540,285	524,080	0	0	540,285	524,080
OPEB	1,091,576	957,439	2,275	28,298	1,093,851	985,737
Pension	1,493,386	2,663,911	13,897	142,201	1,507,283	2,806,112
<b>Total Deferred Inflows of Resources</b>	<b>5,891,288</b>	<b>8,851,719</b>	<b>16,172</b>	<b>170,499</b>	<b>5,907,460</b>	<b>9,022,218</b>
<b>Net Position:</b>						
Net Investment In Capital Assets	36,751,234	37,190,573	17,275,718	16,502,131	54,026,952	53,692,704
Restricted	9,260,366	6,544,788	0	0	9,260,366	6,544,788
Unrestricted	(11,258,006)	(18,014,345)	7,697,543	7,034,561	(3,560,463)	(10,979,784)
<b>Total Net Position</b>	<b>\$34,753,594</b>	<b>\$25,721,016</b>	<b>\$24,973,261</b>	<b>\$23,536,692</b>	<b>\$59,726,855</b>	<b>\$49,257,708</b>



Total net position of the City as a whole increased \$10,469,147. Net position of governmental activities increased \$9,032,578 while net position of business-type activities increased by \$1,436,569. The City had an unrestricted net position balance of (\$3,560,463).

**City of Trotwood, Ohio**  
**Management's Discussion and Analysis**  
**For The Year Ended December 31, 2019**  
**(Unaudited)**

Capital assets decreased due to current year depreciation expense exceeding current year additions. Long Term Liabilities decreased due to a decrease in net OPEB liability and outstanding debt.

Table 2 shows the changes in net position for the year ended December 31, 2019 and revenue and expense comparisons to 2018.

**Table 2**  
**Changes in Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
<b>Program Revenues:</b>						
Charges for Services	\$2,167,513	\$2,305,279	\$5,435,990	\$5,198,801	\$7,603,503	\$7,504,080
Operating Grants and Contributions	3,309,586	1,947,559	0	0	3,309,586	1,947,559
Capital Grants and Contributions	10,650	956,799	0	0	10,650	956,799
<b>Total Program Revenues</b>	<b>5,487,749</b>	<b>5,209,637</b>	<b>5,435,990</b>	<b>5,198,801</b>	<b>10,923,739</b>	<b>10,408,438</b>
<b>General Revenues:</b>						
Income Taxes	5,415,319	5,372,176	0	0	5,415,319	5,372,176
Property Taxes	6,924,647	4,843,807	0	0	6,924,647	4,843,807
Grants and Entitlements	640,969	624,208	0	0	640,969	624,208
Investment Earnings	334,833	262,228	0	0	334,833	262,228
Other Revenues	1,097,779	1,105,341	61,515	22,430	1,159,294	1,127,771
<b>Total General Revenues</b>	<b>14,413,547</b>	<b>12,207,760</b>	<b>61,515</b>	<b>22,430</b>	<b>14,475,062</b>	<b>12,230,190</b>
<b>Total Revenues</b>	<b>19,901,296</b>	<b>17,417,397</b>	<b>5,497,505</b>	<b>5,221,231</b>	<b>25,398,801</b>	<b>22,638,628</b>
<b>Program Expenses:</b>						
General Government	2,207,401	2,941,800	0	0	2,207,401	2,941,800
Public Safety	4,103,554	9,378,058	0	0	4,103,554	9,378,058
Community Development	467,342	562,504	0	0	467,342	562,504
Leisure Time	160,314	243,946	0	0	160,314	243,946
Transportation and Street Repair	2,491,418	3,215,462	0	0	2,491,418	3,215,462
Interest and Other Charges	535,094	552,811	0	0	535,094	552,811
Water	0	0	1,453,876	1,687,151	1,453,876	1,687,151
Sewer	0	0	1,051,512	1,292,548	1,051,512	1,292,548
Refuse	0	0	1,289,924	1,316,121	1,289,924	1,316,121
Stormwater	0	0	1,107,279	1,050,914	1,107,279	1,050,914
Other Enterprise Funds	0	0	61,940	72,817	61,940	72,817
<b>Total Program Expenses</b>	<b>9,965,123</b>	<b>16,894,581</b>	<b>4,964,531</b>	<b>5,419,551</b>	<b>14,929,654</b>	<b>22,314,132</b>
<b>Increase (Decrease) in Net Position before Transfers</b>	<b>9,936,173</b>	<b>522,816</b>	<b>532,974</b>	<b>(198,320)</b>	<b>10,469,147</b>	<b>324,496</b>
<b>Transfers - Internal Activities</b>	<b>(903,595)</b>	<b>(895,110)</b>	<b>903,595</b>	<b>895,110</b>	<b>0</b>	<b>0</b>
<b>Change in Net Position</b>	<b>9,032,578</b>	<b>(372,294)</b>	<b>1,436,569</b>	<b>696,790</b>	<b>10,469,147</b>	<b>324,496</b>
<b>Net Position - Beginning of Year</b>	<b>25,721,016</b>	<b>26,093,310</b>	<b>23,536,692</b>	<b>22,839,902</b>	<b>49,257,708</b>	<b>48,933,212</b>
<b>Net Position - End of Year</b>	<b>\$34,753,594</b>	<b>\$25,721,016</b>	<b>\$24,973,261</b>	<b>\$23,536,692</b>	<b>\$59,726,855</b>	<b>\$49,257,708</b>

**Governmental Activities**

The City of Trotwood's income taxes and property taxes are the largest source of revenue. These revenues represent 85.6% of the City's governmental activities total general revenue.

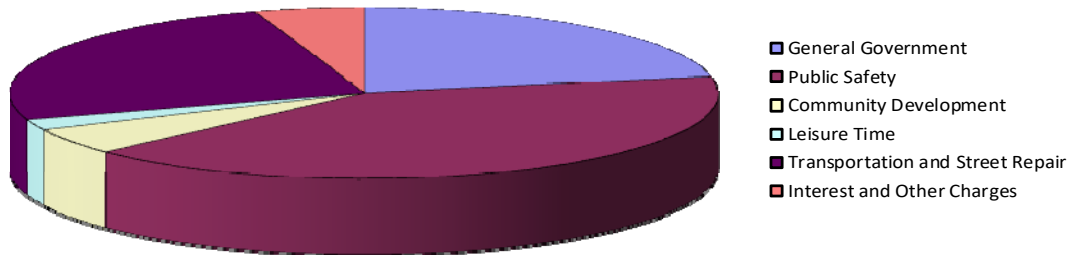
Charges for services revenue decreased slightly from 2018. Operating grants and contributions increased from 2018 due to an increase in EDGE grants. Income and property tax revenues increased from 2018 due to the timing of receivable collections. Other revenues decreased slightly from 2018 due to a decrease in revenue in lieu of taxes received from the Salam Mall TIF. Total expenses decreased mainly due to changes related to OPEB and pension liabilities.

**City of Trotwood, Ohio  
Management’s Discussion and Analysis  
For The Year Ended December 31, 2019  
(Unaudited)**

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Governmental Activities  
Program Expenses for 2019

	Percentage
General Government	22%
Public Safety	41%
Community Development	5%
Leisure Time	2%
Transportation and Street Repair	25%
Interest and Other Charges	5%
<b>Total</b>	<b>100%</b>



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, Stormwater and the Community and Cultural Arts Center. These programs had operating revenues of \$5,497,505 and operating expenses of \$4,929,250 for fiscal year 2019. The operating expenses decreased in 2019 from 2018 because of a decrease in contractual services. Business activities receive no support from tax revenues. The business activities net position at the end of the year was \$24,973,261, which increased \$1,436,569 from 2018.

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 32 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 \$389,310 in 2019. The sewer fund had operating income of \$291,370 in 2019. The refuse fund had an operating income of \$210,381 in 2019. The stormwater fund had an operating loss of \$274,603 in 2019. The community and cultural arts center fund had an operating loss of \$48,203 in 2019.

**The City’s Funds**

The City has three major governmental funds: the General Fund, Street Construction Maintenance and Repair Fund, and Fire Levy Fund. Assets of these funds comprised \$13,298,016 (71%) of the total \$18,827,111 governmental funds’ assets.

**General Fund:** Fund balance at December 31, 2019 was \$3,354,078, an increase in fund balance of \$892,306 from 2018. The General fund balance increased mainly due to increases in income taxes and property taxes received.

**City of Trotwood, Ohio**  
**Management’s Discussion and Analysis**  
**For The Year Ended December 31, 2019**  
**(Unaudited)**

**Street Construction Maintenance and Repair Fund:** Fund balance at December 31, 2019 was \$1,672,448, an increase in fund balance of \$152,046 from 2018. The street construction maintenance and repair fund balance increased mainly due to increases in property taxes received and intergovernmental revenue for 2019 as compared to 2018.

**Fire Levy Fund:** Fund balance at December 31, 2019 was \$1,785,498 an increase in fund balance of \$992,588 from 2018. The Fire Levy fund balance increased mainly due to increases in property taxes received.

**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 \$2,452,453, on a Non-GAAP Budgetary Basis.

There were no variations between final budget and original budget revenues. Variations between the actual and final budget revenues were mainly due to the City underestimating taxes revenue. Variations between final budget and actual expenditures were mainly due to the City overestimating general government and public safety expenditures. Variations between original and final budget expenditures were mainly due to the City’s conservative estimate for expenditures.

**Capital Assets and Debt Administration**

**Capital Assets**

At year end, the City had \$68,311,400 invested in land, construction in progress, buildings and improvements, equipment and infrastructure. Table 3 shows 2019 balances compared to 2018:

**Table 3**  
**Capital Assets**

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$26,741,499	\$26,741,499	\$50,514	\$50,514	\$26,792,013	\$26,792,013
Construction in Progress	0	0	1,147,983	0	1,147,983	0
Buildings and Improvements	8,862,932	8,862,932	804,595	804,595	9,667,527	9,667,527
Equipment	9,576,873	9,547,897	588,643	571,178	10,165,516	10,119,075
Infrastructure	47,841,359	47,841,359	42,245,083	42,245,083	90,086,442	90,086,442
Accumulated Depreciation	(43,649,686)	(42,440,514)	(25,898,395)	(25,303,903)	(69,548,081)	(67,744,417)
Total Net Capital Assets	<u>\$49,372,977</u>	<u>\$50,553,173</u>	<u>\$18,938,423</u>	<u>\$18,367,467</u>	<u>\$68,311,400</u>	<u>\$68,920,640</u>

The decrease in capital assets was mainly due current year depreciation expense exceeding current year additions. See Note 6 to the basic financial statements for further details on the City’s capital assets.



**City of Trotwood, Ohio**  
**Management's Discussion and Analysis**  
**For The Year Ended December 31, 2019**  
**(Unaudited)**

**Debt**

At year end, the City had \$14,454,238 in long-term debt and \$1,081,032 due within one year.

**Table 4**  
**Outstanding Debt at Year End**

	2019	2018
Governmental Activities		
General Obligation Bonds		
2003 Various Purpose Bonds	\$688,766	\$787,366
2007 Various Purpose Bonds	0	50,000
2010 Various Purpose Bonds	5,991,001	6,238,501
Premium on 2010 Bonds	279,815	297,581
2012 OAQDA Tax Exempt Energy Bonds	153,397	273,809
2012 OAQDA Energy Conservation Bonds	883,361	883,361
2016 Various Purpose Refunding	2,935,000	3,120,000
2016 Various Purpose Improvements	1,480,600	1,573,000
2017 Various Purpose Capital Improvement Bonds	205,000	230,000
Total General Obligation Bonds	<u>12,616,940</u>	<u>13,453,618</u>
Capital Leases	<u>174,593</u>	<u>91,833</u>
Total Governmental Activities Long-Term Debt	<u>12,791,533</u>	<u>13,545,451</u>
Business Type Activities:		
General Obligation Bonds		
2003 Various Purpose Bonds - Water Portion	118,117	141,317
2003 Various Purpose Bonds - Sewer Portion	118,117	141,317
2010 Various Purpose Bonds - Water Portion	78,999	81,499
2016 Various Purpose Improvements	204,400	217,000
2017 Various Purpose Capital Improvements Bonds - TCCAC	330,000	370,000
Total General Obligation Bonds	<u>849,633</u>	<u>951,133</u>
Loans		
2007 OPWC Loan - Sanitary Sewer	164,821	182,821
2012 OPWC Loan - Water	271,733	283,055
2012 OPWC Loan - Water	254,074	264,661
Total Loans	<u>690,628</u>	<u>730,537</u>
Capital Leases	<u>122,444</u>	<u>183,666</u>
Total Business-Type Activities Long-Term Debt	<u>1,662,705</u>	<u>1,865,336</u>
Total Debt	<u>\$14,454,238</u>	<u>\$15,410,787</u>

The City issued a capital lease for a Medix Ambulance in 2019. See Notes 8 and 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.

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City of Trotwood, Ohio  
Statement of Net Position  
December 31, 2019

	Governmental Activities	Business-Type Activities	Total
<b>Assets:</b>			
Equity in Pooled Cash and Investments	\$7,801,174	\$7,392,430	\$15,193,604
Restricted Cash	0	65,180	65,180
Receivables (Net):			
Taxes	8,506,113	0	8,506,113
Accounts	105,002	1,261,767	1,366,769
Intergovernmental	1,926,678	0	1,926,678
Special Assessments	402,555	988,269	1,390,824
Prepaid Items	96,509	8,297	104,806
Nondepreciable Capital Assets	26,741,499	1,198,497	27,939,996
Depreciable Capital Assets, Net	22,631,478	17,739,926	40,371,404
<b>Total Assets</b>	<b>68,211,008</b>	<b>28,654,366</b>	<b>96,865,374</b>
<b>Deferred Outflows of Resources:</b>			
Deferred Charge on Refunding	169,790	0	169,790
Pension	4,382,632	284,777	4,667,409
OPEB	1,041,920	38,540	1,080,460
<b>Total Deferred Outflows of Resources</b>	<b>5,594,342</b>	<b>323,317</b>	<b>5,917,659</b>
<b>Liabilities:</b>			
Accounts Payable	201,778	814,030	1,015,808
Accrued Wages and Benefits	272,078	17,942	290,020
Retainage Payable	0	65,180	65,180
Accrued Interest Payable	54,375	2,859	57,234
Long-Term Liabilities:			
Due Within One Year	1,170,368	232,807	1,403,175
Due In More Than One Year			
Net Pension Liability	16,175,221	931,103	17,106,324
Net OPEB Liability	2,980,470	430,264	3,410,734
Other Amounts	12,306,178	1,494,065	13,800,243
<b>Total Liabilities</b>	<b>33,160,468</b>	<b>3,988,250</b>	<b>37,148,718</b>
<b>Deferred Inflows of Resources:</b>			
Property Taxes	2,766,041	0	2,766,041
Revenue in Lieu of Taxes	540,285	0	540,285
Pension	1,493,386	13,897	1,507,283
OPEB	1,091,576	2,275	1,093,851
<b>Total Deferred Inflows of Resources</b>	<b>5,891,288</b>	<b>16,172</b>	<b>5,907,460</b>
<b>Net Position:</b>			
Net Investment in Capital Assets	36,751,234	17,275,718	54,026,952
Restricted for:			
Debt Service	84,904	0	84,904
Capital Projects	1,145,156	0	1,145,156
Street Construction Maintenance and Repairs	2,344,330	0	2,344,330
State Highway	71,508	0	71,508
Permissive Use Tax	81,957	0	81,957
Grants	984,639	0	984,639
Law Enforcement Trust	23,177	0	23,177
Fire Levy	2,662,799	0	2,662,799
Rescue Levy	1,342,723	0	1,342,723
Other Purposes	519,173	0	519,173
Unrestricted	(11,258,006)	7,697,543	(3,560,463)
<b>Total Net Position</b>	<b>\$34,753,594</b>	<b>\$24,973,261</b>	<b>\$59,726,855</b>

See accompanying notes to the basic financial statements.

City of Trotwood, Ohio  
Statement of Activities  
For the Fiscal Year Ended December 31, 2019

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
General Government	\$2,207,401	\$322,103	\$0	\$0
Public Safety	4,103,554	1,604,816	709,303	0
Community Development	467,342	183,486	464,592	0
Leisure Time Activities	160,314	50,648	0	0
Transportation and Street Repair	2,491,418	6,460	2,135,691	10,650
Interest and Other Charges	535,094	0	0	0
<b>Total Governmental Activities</b>	<b>9,965,123</b>	<b>2,167,513</b>	<b>3,309,586</b>	<b>10,650</b>
<b>Business-Type Activities:</b>				
Water	1,453,876	1,778,759	0	0
Sewer	1,051,512	1,330,235	0	0
Refuse	1,289,924	1,500,300	0	0
Stormwater	1,107,279	826,328	0	0
Other Enterprise	61,940	368	0	0
<b>Total Business-Type Activities</b>	<b>4,964,531</b>	<b>5,435,990</b>	<b>0</b>	<b>0</b>
<b>Totals</b>	<b>\$14,929,654</b>	<b>\$7,603,503</b>	<b>\$3,309,586</b>	<b>\$10,650</b>

General Revenues:  
Income Taxes  
Property Taxes Levied for:  
    General Purposes  
    Special Revenue Purposes  
    Debt Service Purposes  
    Capital Projects Purposes  
Grants and Entitlements, Not Restricted  
Revenue in Lieu of Taxes  
Investment Earnings  
Other Revenues  
Transfers-Internal Activities  
  
Total General Revenues and Transfers  
  
Change in Net Position  
  
Net Position - Beginning of Year  
  
Net Position - End of Year

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
(\$1,885,298)	\$0	(\$1,885,298)
(1,789,435)	0	(1,789,435)
180,736	0	180,736
(109,666)	0	(109,666)
(338,617)	0	(338,617)
(535,094)	0	(535,094)
<u>(4,477,374)</u>	<u>0</u>	<u>(4,477,374)</u>
0	324,883	324,883
0	278,723	278,723
0	210,376	210,376
0	(280,951)	(280,951)
0	(61,572)	(61,572)
<u>0</u>	<u>471,459</u>	<u>471,459</u>
<u>(4,477,374)</u>	<u>471,459</u>	<u>(4,005,915)</u>
5,415,319	0	5,415,319
1,942,785	0	1,942,785
4,272,706	0	4,272,706
142,278	0	142,278
566,878	0	566,878
640,969	0	640,969
596,196	0	596,196
334,833	0	334,833
501,583	61,515	563,098
(903,595)	903,595	0
<u>13,509,952</u>	<u>965,110</u>	<u>14,475,062</u>
9,032,578	1,436,569	10,469,147
<u>25,721,016</u>	<u>23,536,692</u>	<u>49,257,708</u>
<u>\$34,753,594</u>	<u>\$24,973,261</u>	<u>\$59,726,855</u>

City of Trotwood, Ohio  
Balance Sheet  
Governmental Funds  
December 31, 2019

	General	Street Construction Maintenance and Repair	Fire Levy	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>					
Equity in Pooled Cash and Investments	\$2,633,935	\$1,451,184	\$1,020,164	\$2,684,971	\$7,790,254
<b>Receivables (Net):</b>					
Taxes	3,164,154	500,109	2,949,541	1,892,309	8,506,113
Accounts	0	0	0	105,002	105,002
Intergovernmental	292,917	665,432	145,784	822,545	1,926,678
Special Assessments	394,247	192	0	8,116	402,555
Prepaid Items	52,877	6,166	21,314	16,152	96,509
<b>Total Assets</b>	<b>6,538,130</b>	<b>2,623,083</b>	<b>4,136,803</b>	<b>5,529,095</b>	<b>18,827,111</b>
<b>Liabilities:</b>					
Accounts Payable	150,650	12,883	7,177	31,068	201,778
Accrued Wages and Benefits	143,223	11,319	66,166	51,370	272,078
Compensated Absences	2,925	0	0	0	2,925
<b>Total Liabilities</b>	<b>296,798</b>	<b>24,202</b>	<b>73,343</b>	<b>82,438</b>	<b>476,781</b>
<b>Deferred Inflows of Resources:</b>					
Property Taxes	1,398,341	363,696	2,132,178	918,480	4,812,695
Income Taxes	832,381	0	0	0	832,381
Grants and Other Taxes	262,285	562,545	145,784	883,685	1,854,299
Special Assessments	394,247	192	0	8,116	402,555
Revenue in Lieu of Taxes	0	0	0	540,285	540,285
<b>Total Deferred Inflows of Resources</b>	<b>2,887,254</b>	<b>926,433</b>	<b>2,277,962</b>	<b>2,350,566</b>	<b>8,442,215</b>
<b>Fund Balances:</b>					
Nonspendable	52,877	6,166	21,314	16,152	96,509
Restricted	0	1,666,282	1,764,184	2,760,912	6,191,378
Committed	0	0	0	319,027	319,027
Assigned	46,894	0	0	0	46,894
Unassigned	3,254,307	0	0	0	3,254,307
<b>Total Fund Balances</b>	<b>3,354,078</b>	<b>1,672,448</b>	<b>1,785,498</b>	<b>3,096,091</b>	<b>9,908,115</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$6,538,130</b>	<b>\$2,623,083</b>	<b>\$4,136,803</b>	<b>\$5,529,095</b>	<b>\$18,827,111</b>

See accompanying notes to the basic financial statements.

City of Trotwood, Ohio  
 Reconciliation of Total Governmental Fund Balance to  
 Net Position of Governmental Activities  
 December 31, 2019

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Total Governmental Fund Balance \$9,908,115

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

Capital assets used in governmental activities are not financial  
 resources and, therefore, are not reported in the funds.

Capital assets used in the operation of Governmental Funds 49,372,977

Other long-term assets are not available to pay for current-  
 period expenditures and, therefore, are deferred in the funds.

Income Taxes	832,381	
Delinquent Property Taxes	2,046,654	
Intergovernmental	1,854,299	
Special Assessments	<u>402,555</u>	
		5,135,889

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 position.

Internal Service Net Position 10,920

In the statement of net position 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.

(54,375)

Some liabilities reported in the statement of net position do not  
 require the use of current financial resources and, therefore,  
 are not reported as liabilities in governmental funds.

Compensated Absences (682,088)

Deferred outflow of resources associated with long-term liabilities  
 are not reported in the funds.

169,790

Deferred outflows and inflows or resources related to pensions and  
 OPEB are applicable to future periods and, therefore, are not  
 reported in the funds.

Deferred outflows of resources related to pensions	4,382,632	
Deferred inflows of resources related to pensions	(1,493,386)	
Deferred outflows of resources related to OPEB	1,041,920	
Deferred inflows of resources related to OPEB	<u>(1,091,576)</u>	
		2,839,590

Long-term liabilities are not due and payable in the current  
 period and, therefore, are not reported in the funds.

Net Pension Liability	(16,175,221)	
Net OPEB Liability	(2,980,470)	
Other Amounts	<u>(12,791,533)</u>	

(31,947,224)

Net Position of Governmental Activities

\$34,753,594

See accompanying notes to the basic financial statements.

City of Trotwood, Ohio  
Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Governmental Funds  
For the Fiscal Year Ended December 31, 2019

	General	Street Construction Maintenance and Repair	Fire Levy	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Property and Other Taxes	\$1,931,340	\$501,725	\$3,020,751	\$1,430,530	\$6,884,346
Income Taxes	5,489,001	0	0	0	5,489,001
Charges for Services	172,081	0	4,695	1,165,461	1,342,237
Investment Earnings	334,833	0	0	0	334,833
Intergovernmental	601,137	1,115,238	292,862	1,187,690	3,196,927
Special Assessments	116,780	0	0	6,460	123,240
Fines, Licenses & Permits	291,576	0	0	397,561	689,137
Revenue in Lieu of Taxes	54,539	0	0	469,568	524,107
Other Revenues	408,500	10,015	48,113	34,956	501,584
<b>Total Revenues</b>	<b>9,399,787</b>	<b>1,626,978</b>	<b>3,366,421</b>	<b>4,692,226</b>	<b>19,085,412</b>
<b>Expenditures:</b>					
<b>Current:</b>					
General Government	2,772,546	0	0	0	2,772,546
Public Safety	4,075,423	0	2,377,696	1,961,218	8,414,337
Community Development	506,784	0	0	81,242	588,026
Leisure Time Activities	180,700	0	0	0	180,700
Transportation and Street Repair	217,927	1,412,373	0	311,145	1,941,445
Capital Outlay	0	0	0	1,079,641	1,079,641
<b>Debt Service:</b>					
Principal	120,412	53,811	0	732,759	906,982
Interest and Other Charges	43,339	8,748	0	485,134	537,221
<b>Total Expenditures</b>	<b>7,917,131</b>	<b>1,474,932</b>	<b>2,377,696</b>	<b>4,651,139</b>	<b>16,420,898</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>1,482,656</b>	<b>152,046</b>	<b>988,725</b>	<b>41,087</b>	<b>2,664,514</b>
<b>Other Financing Sources (Uses):</b>					
Issuance of Capital Leases	0	0	0	170,830	170,830
Proceeds from Sale of Capital Assets	9,650	0	3,863	3,863	17,376
Transfers In	0	0	0	564,000	564,000
Transfers (Out)	(600,000)	0	0	(48,990)	(648,990)
<b>Total Other Financing Sources (Uses)</b>	<b>(590,350)</b>	<b>0</b>	<b>3,863</b>	<b>689,703</b>	<b>103,216</b>
<b>Net Change in Fund Balance</b>	<b>892,306</b>	<b>152,046</b>	<b>992,588</b>	<b>730,790</b>	<b>2,767,730</b>
<b>Fund Balance - Beginning of Year</b>	<b>2,461,772</b>	<b>1,520,402</b>	<b>792,910</b>	<b>2,365,301</b>	<b>7,140,385</b>
<b>Fund Balance - End of Year</b>	<b>\$3,354,078</b>	<b>\$1,672,448</b>	<b>\$1,785,498</b>	<b>\$3,096,091</b>	<b>\$9,908,115</b>

See accompanying notes to the basic financial statements.



City of Trotwood, Ohio  
 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, 2019

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Net Change in Fund Balance - Total Governmental Funds \$2,767,730

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	374,856	
Depreciation Expense	<u>(1,554,263)</u>	(1,179,407)

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. (789)

Governmental funds report City pension and OPEB contributions as expenditures. However in the Statement of Activities, the cost of pension and OPEB benefits earned net of employee contributions are reported as pension and OPEB expense.

Pension contributions	1,058,789	
Pension Expense	(2,060,170)	
OPEB contributions	19,403	
OPEB Expense	<u>6,934,576</u>	5,952,598

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

Income Taxes	(73,681)	
Delinquent Property Taxes	40,300	
Intergovernmental	836,366	
Special Assessments	<u>12,899</u>	815,884

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 906,982

In the statement of activities interest expense is accrued when incurred; whereas, in governmental funds an interest expenditure is reported when due. (2,578)

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	(61,717)	
Amortization of Bond Premium	17,766	
Amortization of Deferred Charge on Refunding	<u>(13,061)</u>	(57,012)

(Continued)

City of Trotwood, Ohio  
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, 2019

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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 position.	<u>(170,830)</u>
Change in Net Position of Governmental Activities	<u><u>\$9,032,578</u></u>

See accompanying notes to the basic financial statements.

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City of Trotwood, Ohio  
Statement of Net Position  
Proprietary Funds  
December 31, 2019

	Business-Type Activities				Other Enterprise Fund
	Enterprise Funds				
	Water	Sewer	Refuse	Stormwater	
<b>Current Assets:</b>					
Equity in Pooled Cash and Investments	\$2,741,916	\$1,733,648	\$415,454	\$2,449,097	\$52,315
Restricted Cash	43,390	21,790	0	0	0
<b>Receivables (Net):</b>					
Accounts	450,844	352,578	292,690	165,655	0
Special Assessments	64,685	42,132	604,118	277,334	0
Prepaid Items	2,368	2,291	0	3,638	0
<b>Total Current Assets</b>	<b>3,303,203</b>	<b>2,152,439</b>	<b>1,312,262</b>	<b>2,895,724</b>	<b>52,315</b>
<b>Noncurrent Assets:</b>					
<b>Capital Assets:</b>					
Nondepreciable Capital Assets	547,304	612,705	0	0	38,488
Depreciable Capital Assets, Net	2,527,935	623,505	0	13,829,272	759,214
<b>Total Noncurrent Assets</b>	<b>3,075,239</b>	<b>1,236,210</b>	<b>0</b>	<b>13,829,272</b>	<b>797,702</b>
<b>Total Assets</b>	<b>6,378,442</b>	<b>3,388,649</b>	<b>1,312,262</b>	<b>16,724,996</b>	<b>850,017</b>
<b>Deferred Outflows of Resources:</b>					
Pension	82,286	78,992	0	123,499	0
OPEB	11,136	10,690	0	16,714	0
<b>Total Deferred Outflows of Resources</b>	<b>93,422</b>	<b>89,682</b>	<b>0</b>	<b>140,213</b>	<b>0</b>
<b>Liabilities:</b>					
<b>Current Liabilities:</b>					
Accounts Payable	415,268	279,988	106,152	11,540	1,082
Accrued Wages and Benefits	4,951	4,766	0	8,225	0
Compensated Absences	6,400	6,559	0	10,567	0
Retainage Payable	43,390	21,790	0	0	0
Accrued Interest Payable	1,388	1,137	0	0	334
Long-Term Liabilities Due Within One Year	91,470	72,811	0	0	45,000
<b>Total Current Liabilities</b>	<b>562,867</b>	<b>387,051</b>	<b>106,152</b>	<b>30,332</b>	<b>46,416</b>
<b>Long-Term Liabilities:</b>					
Compensated Absences	10,269	10,504	0	19,868	0
Bonds, Notes & Loans Payable	897,075	271,349	0	0	285,000
Net Pension Liability	269,041	258,272	0	403,790	0
Net OPEB Liability	124,324	119,348	0	186,592	0
<b>Total Noncurrent Liabilities</b>	<b>1,300,709</b>	<b>659,473</b>	<b>0</b>	<b>610,250</b>	<b>285,000</b>
<b>Total Liabilities</b>	<b>1,863,576</b>	<b>1,046,524</b>	<b>106,152</b>	<b>640,582</b>	<b>331,416</b>
<b>Deferred Inflows of Resources:</b>					
Pension	4,015	3,855	0	6,027	0
OPEB	657	631	0	987	0
<b>Total Deferred Inflows of Resources</b>	<b>4,672</b>	<b>4,486</b>	<b>0</b>	<b>7,014</b>	<b>0</b>
<b>Net Position:</b>					
Net Investment in Capital Assets	2,086,694	892,050	0	13,829,272	467,702
Unrestricted	2,516,922	1,535,271	1,206,110	2,388,341	50,899
<b>Total Net Position</b>	<b>\$4,603,616</b>	<b>\$2,427,321</b>	<b>\$1,206,110</b>	<b>\$16,217,613</b>	<b>\$518,601</b>

See accompanying notes to the basic financial statements.

	Governmental Activities
Total Business-Type Funds	Internal Service Fund
\$7,392,430	\$10,920
65,180	0
1,261,767	0
988,269	0
8,297	0
<u>9,715,943</u>	<u>10,920</u>
1,198,497	0
<u>17,739,926</u>	<u>0</u>
18,938,423	0
<u>28,654,366</u>	<u>10,920</u>
284,777	0
38,540	0
<u>323,317</u>	<u>0</u>
814,030	0
17,942	0
23,526	0
65,180	0
2,859	0
209,281	0
<u>1,132,818</u>	<u>0</u>
40,641	0
1,453,424	0
931,103	0
430,264	0
<u>2,855,432</u>	<u>0</u>
<u>3,988,250</u>	<u>0</u>
13,897	0
2,275	0
<u>16,172</u>	<u>0</u>
17,275,718	0
7,697,543	10,920
<u>\$24,973,261</u>	<u>\$10,920</u>

City of Trotwood, Ohio  
Statement of Revenues, Expenses  
and Changes in Fund Net Position  
Proprietary Funds  
For the Fiscal Year Ended December 31, 2019

	Business-Type Activities Enterprise Funds				Other Enterprise Fund
	Water	Sewer	Refuse	Stormwater	
Operating Revenues:					
Charges for Services	\$1,778,759	\$1,330,235	\$1,500,300	\$826,328	\$368
Other Revenues	46,727	4,015	5	6,348	4,420
Total Operating Revenues	1,825,486	1,334,250	1,500,305	832,676	4,788
Operating Expenses:					
Personal Services	258,887	248,873	0	377,969	0
Contractual Services	1,072,344	718,989	1,289,924	235,209	33,524
Supplies and Materials	31,421	27,802	0	23,423	0
Depreciation	57,131	47,216	0	470,678	19,467
Other Expense	16,393	0	0	0	0
Total Operating Expenses	1,436,176	1,042,880	1,289,924	1,107,279	52,991
Operating Income (Loss)	389,310	291,370	210,381	(274,603)	(48,203)
Non-Operating Revenues (Expenses):					
Interest (Expense)	(17,700)	(8,632)	0	0	(8,949)
Total Non-Operating Revenues (Expenses)	(17,700)	(8,632)	0	0	(8,949)
Income (Loss) Before Contributions and Transfers	371,610	282,738	210,381	(274,603)	(57,152)
Capital Grants and Contributions	426,890	391,715	0	0	0
Transfers In	0	0	0	0	84,990
Change in Net Position	798,500	674,453	210,381	(274,603)	27,838
Net Position - Beginning of Year	3,805,116	1,752,868	995,729	16,492,216	490,763
Net Position - End of Year	\$4,603,616	\$2,427,321	\$1,206,110	\$16,217,613	\$518,601

See accompanying notes to the basic financial statements.

Total Business-Type Activities	Governmental Activities Internal Service Fund
\$5,435,990	\$0
61,515	794
5,497,505	794
885,729	0
3,349,990	794
82,646	0
594,492	0
16,393	0
4,929,250	794
568,255	0
(35,281)	0
(35,281)	0
532,974	0
818,605	0
84,990	0
1,436,569	0
23,536,692	10,920
\$24,973,261	\$10,920

City of Trotwood, Ohio  
Statement of Cash Flows  
Proprietary Funds  
For the Fiscal Year Ended December 31, 2019

	Business-Type Activities				
	Enterprise Funds				Other
	Water	Sewer	Refuse	Stormwater	Enterprise Fund
<b>Cash Flows from Operating Activities:</b>					
Cash Received from Customers	\$1,846,119	\$1,353,471	\$1,444,647	\$786,013	\$4,788
Cash Payments to Employees	(212,329)	(205,273)	0	(325,691)	0
Cash Payments to Suppliers	(1,074,815)	(739,216)	(1,288,217)	(252,350)	(33,695)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>558,975</b>	<b>408,982</b>	<b>156,430</b>	<b>207,972</b>	<b>(28,907)</b>
<b>Cash Flows from Noncapital Financing Activities:</b>					
Payments from Other Funds	0	0	0	0	84,990
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>84,990</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>					
Payments for Capital Acquisitions	(132,461)	(208,964)	0	(5,418)	0
Debt Principal Payments	(90,820)	(71,811)	0	0	(40,000)
Debt Interest Payments	(17,948)	(8,748)	0	0	0
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(241,229)</b>	<b>(289,523)</b>	<b>0</b>	<b>(5,418)</b>	<b>(40,000)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>317,746</b>	<b>119,459</b>	<b>156,430</b>	<b>202,554</b>	<b>16,083</b>
Cash and Cash Equivalents - Beginning of Year	2,467,560	1,635,979	259,024	2,246,543	36,232
Cash and Cash Equivalents - End of Year	2,785,306	1,755,438	415,454	2,449,097	52,315
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>					
Operating Income (Loss)	389,310	291,370	210,381	(274,603)	(48,203)
<b>Adjustments:</b>					
Depreciation	57,131	47,216	0	470,678	19,467
<b>Changes in Assets &amp; Liabilities:</b>					
(Increase) Decrease in Receivables	20,633	19,221	(55,658)	(46,663)	0
(Increase) Decrease in Prepaid Items	438	440	0	757	0
(Increase) Decrease in Deferred Outflows of Resources	(39,433)	(37,212)	0	(56,308)	0
Increase (Decrease) in Retainage Payable	43,390	21,790	0	0	0
Increase (Decrease) in Payables	1,515	(14,655)	1,707	5,525	(171)
Increase (Decrease) in Accrued Liabilities	4,113	5,975	0	2,544	0
Increase (Decrease) in Deferred Inflows of Resources	(43,683)	(42,509)	0	(68,135)	0
Increase (Decrease) in Net Pension Liability	108,972	102,704	0	155,021	0
Increase (Decrease) in Net OPEB Liability	16,589	14,642	0	19,156	0
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$558,975</b>	<b>\$408,982</b>	<b>\$156,430</b>	<b>\$207,972</b>	<b>(\$28,907)</b>
<b>Schedule of Noncash Capital Activities:</b>					
During the fiscal year, these amounts were received representing noncash contributions of:					
Capital Assets	\$426,890	\$391,715	\$0	\$0	\$0

See accompanying notes to the basic financial statements.



Total Business-Type Activities	Governmental Activities Internal Service Fund
\$5,435,038	\$794
(743,293)	0
(3,388,293)	(794)
1,303,452	0
84,990	0
84,990	0
(346,843)	0
(202,631)	0
(26,696)	0
(576,170)	0
812,272	0
6,645,338	10,920
7,457,610	10,920
568,255	0
594,492	0
(62,467)	0
1,635	0
(132,953)	0
65,180	0
(6,079)	0
12,632	0
(154,327)	0
366,697	0
50,387	0
\$1,303,452	\$0
\$818,605	\$0

City of Trotwood, Ohio  
Statement of Fiduciary Net Position  
Fiduciary Fund  
December 31, 2019

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	<u>Agency</u>
Assets:	
Equity in Pooled Cash and Investments	<u>\$47,791</u>
Total Assets	<u>47,791</u>
Liabilities:	
Undistributed Monies	<u>47,791</u>
Total Liabilities	<u>\$47,791</u>

See accompanying notes to the basic financial statements.

**City of Trotwood, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended December 31, 2019**

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**Note 1 – Description of the City and Reporting Entity**

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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.

**Note 2 – Summary of Significant Accounting Policies**

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The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applicable to governmental and proprietary funds. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more 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 Position.

**City of Trotwood, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended December 31, 2019**

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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 position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

**Basis of Presentation**

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

Government-Wide Financial Statements

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

**City of Trotwood, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended December 31, 2019**

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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 three categories of funds: governmental, proprietary, and fiduciary.

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 deferred outflows, and liabilities and deferred inflows 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.

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.

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

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 position, financial position and cash flows. Proprietary funds are classified as either enterprise or internal service.

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

**City of Trotwood, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended December 31, 2019**

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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.

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: agency funds, pension trust funds, investment trust funds and private-purpose trust funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Trust funds are used to account for assets held under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City’s own programs. The City currently has no private purpose trust funds and one agency fund. The Fire Loss (Insurance Escrow) agency fund is used to account for receipts and disbursements on monies related to fire insurance escrow.

**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 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 inflows 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-one days of year-end.

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, revenue in lieu of 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

**City of Trotwood, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended December 31, 2019**

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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, charges for services, interest, grants and fees.

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources are reported on the government-wide statement of net position for deferred charge on refunding, OPEB and pension. The deferred outflows of resources related to pension and OPEB are explained in Notes 10 and 11.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, income taxes, OPEB, pension, grants and other taxes, special assessments and revenue in lieu of taxes. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2019, but which were levied to finance year 2020 operations. Revenue in lieu of taxes are deferred and recognized as inflows of resources in the period the amounts become available. These amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. Grants and other taxes have been recorded as deferred inflows on the governmental fund financial statements. Special assessments have been recorded as deferred inflows on the governmental funds balance sheet. Deferred outflows of resources related to pension and OPEB are reported on the government-wide statement of net position, see Notes 10 and 11.

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 financial statements.

**City of Trotwood, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended December 31, 2019**

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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.

STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The City measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio, which is the price the investment could be sold for on December 31, 2019. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value. For 2019, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

For purposes of the statement of cash flows and for presentation on the statement of net position and 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.

Interest revenues during 2019 amounted to \$334,833.

**Prepaid Items**

Payments made for services that will benefit periods beyond December 31, 2019, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

**Capital Assets**

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 position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and in the respective 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, donated works of art and similar items, and capital assets received in a service concession arrangement should be reported at acquisition value rather than fair value. 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



**City of Trotwood, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended December 31, 2019**

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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. 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	20-50 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, judgments and compensated absences 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. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

**Pensions/Other Postemployment Benefits (OPEB)**

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

**City of Trotwood, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended December 31, 2019**

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**Fund Balance**

In accordance with Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the City classifies its fund balance based on the purpose for which the resources were received and the level of constraint placed on the resources. The following categories are used:

Nonspendable Resources that are not in spendable form (inventory) or have legal or contractual requirements to maintain the balance intact.

Restricted Spendable resources that have external purpose restraints imposed on them by providers, such as creditors, grantors, or other regulators.

Committed Spendable resources that are constrained for specific purposes that are internally imposed by the government at its highest level of decision making authority, City Council. This is done by ordinance by City Council.

Assigned Resources that are intended to be used for specific purposes as approved through the City's formal purchasing procedure by the Finance Director, as established by the council approved purchasing policy.

Unassigned Residual fund balance within the General Fund that is not restricted, committed, or assigned. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from incurred expenditures for specific purposes exceeding amounts which had been restricted, committed or assigned for said purposes.

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

**Net Position**

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its 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 position are available. Of the City's \$9,260,366 in restricted net position, none was 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

**City of Trotwood, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended December 31, 2019**

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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.

**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.

**Note 3 – Equity in Pooled Cash and Investments**

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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.

**City of Trotwood, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended December 31, 2019**

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- (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 (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institution's participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial 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 for deposits is the risk that in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. As of December 31, 2019, \$648,088 of the City's bank balance of \$2,033,719 was exposed to custodial credit risk because it was uninsured and collateralized.

The City has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by:

- Eligible securities pledged to the City and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105% of the deposits being secured; or

**City of Trotwood, Ohio**  
**Notes to the Basic Financial Statements**  
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Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102% of the deposits being secured or a rate set by the Treasurer of State.

**Investments**

As of December 31, 2019, the City had \$14,743,199 invested in STAR Ohio. Investments in STAR Ohio were rated AAAM by Standard and Poor’s and is reported at its share price (Net Asset value per share).

**Note 4 – Receivables**

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

With the exception of certain special assessment receivables, no allowances for doubtful accounts have been recorded because uncollectible amounts are expected to be insignificant. The City’s evaluation of the collectability of special assessments receivables indicated that the recent downturn in the economy requires allowances for doubtful accounts as follows:

	As of December 31, 2019						
	Street Construction		Other				
	General Fund	Maintenance and Repair	Governmental Funds	Water Fund	Sewer Fund	Refuse Fund	Stormwater Fund
Special Assessments Receivable	\$2,864,373	\$549	\$11,190	\$125,479	\$80,119	\$1,114,259	\$510,896
Allowance for Doubtful Accounts	(2,470,126)	(357)	(3,074)	(60,794)	(37,987)	(510,141)	(233,562)
Special Assessments Receivable, Net	\$394,247	\$192	\$8,116	\$64,685	\$42,132	\$604,118	\$277,334

**Property Taxes**

Property taxes include amounts levied against all real and public utility, located in the City. Property tax revenue received during 2019 for real and public utility property taxes represents collections of the 2018 taxes.

The 2019 real property taxes are levied after October 1, 2019, on the assessed value as of January 1, 2019, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2019 real property taxes are collected in and intended to finance 2020 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 2019 public utility property taxes became a lien December 31, 2018, are levied after October 1, 2019, and are collected in 2019 with real property taxes.

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

**City of Trotwood, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended December 31, 2019**

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	<u>Amount</u>
Real Property	\$225,632,360
Public Utility	15,533,260
Total	<u>\$241,165,620</u>

Real property taxes are payable annually or semi-annually. The first payment is due January 20 with the remainder payable by June 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 represents real property taxes, public utility taxes and outstanding delinquencies, which are measurable as of yearend 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 inflows.

**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.

**Note 5 – Risk Management**

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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 over 500 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	16,185,121	5,000
Vehicles	3,232,353	1,000
Miscellaneous Property	1,417,091	5,000
Data Processing	298,365	5,000

**City of Trotwood, Ohio**  
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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.

**Note 6 – Capital Assets**

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

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities</b>				
<b>Capital Assets, not being depreciated:</b>				
Land	\$26,741,499	\$0	\$0	\$26,741,499
<b>Capital Assets, being depreciated:</b>				
Buildings and Improvements	8,862,932	0	0	8,862,932
Equipment	9,547,897	374,856	345,880	9,576,873
Infrastructure	47,841,359	0	0	47,841,359
Totals at Historical Cost	<u>92,993,687</u>	<u>374,856</u>	<u>345,880</u>	<u>93,022,663</u>
Less Accumulated Depreciation:				
Buildings and Improvements	4,645,962	189,508	0	4,835,470
Equipment	7,181,148	470,610	345,091	7,306,667
Infrastructure	30,613,404	894,145	0	31,507,549
Total Accumulated Depreciation	<u>42,440,514</u>	<u>1,554,263</u>	<u>345,091</u>	<u>43,649,686</u>
Governmental Activities Capital Assets, Net	<u>\$50,553,173</u>	<u>(\$1,179,407)</u>	<u>\$789</u>	<u>\$49,372,977</u>

Depreciation expense was charged to governmental functions as follows:

General Government	\$113,449
Public Safety	415,804
Leisure Time	35,421
Community Development	1,188
Transportation	988,401
Total Depreciation Expense	<u>\$1,554,263</u>

**City of Trotwood, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended December 31, 2019**

	Beginning Balance	Additions	Deletion	Ending Balance
<b>Business-Type Activities</b>				
<b>Capital Assets, not being depreciated:</b>				
Land	\$50,514	\$0	\$0	\$50,514
Construction In Progress	0	1,147,983	0	1,147,983
Total Capital Assets, not being depreciated	50,514	1,147,983	0	1,198,497
<b>Capital Assets, being depreciated:</b>				
Buildings and Improvements	804,595	0	0	804,595
Equipment	571,178	17,465	0	588,643
Infrastructure	42,245,083	0	0	42,245,083
Totals at Historical Cost	43,671,370	1,165,448	0	44,836,818
Less Accumulated Depreciation:				
Building and Improvements	25,914	19,467	0	45,381
Equipment	299,959	26,077	0	326,036
Infrastructure	24,978,030	548,948	0	25,526,978
Total Accumulated Depreciation	25,303,903	594,492	0	25,898,395
Business-Type Activities Capital Assets, Net	\$18,367,467	\$570,956	\$0	\$18,938,423

Deprecia. on expense was charged to business-type activities as follows:

Water	\$57,131
Sewer	47,216
Stormwater	470,678
Community Center	19,467
Total Depreciation Expense	\$594,492

**Note 7 – Compensated Absences**

Employees earn vacation leave ranging from 5 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.



**City of Trotwood, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended December 31, 2019**

**Note 8 – Long-Term Debt**

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

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
<b>Governmental Activities</b>					
<b>Bonds</b>					
2003 Various Purpose, 5.11%	\$787,366	\$0	(\$98,600)	\$688,766	\$98,600
2007 Various Purpose, 4.21%	50,000	0	(50,000)	0	0
2016 Various Purpose Refunding, 2.92%	3,120,000	0	(185,000)	2,935,000	190,000
2016 Various Purpose Improvements, 2.92%	1,573,000	0	(92,400)	1,480,600	96,800
2010 Various Purpose, 3.00-4.25%	6,238,501	0	(247,500)	5,991,001	252,450
Premium on 2010 Various Purpose	297,581	0	(17,766)	279,815	0
2012 OAQDA Tax Exempt Energy, 2.02%	273,809	0	(120,412)	153,397	122,844
2012 OAQDA Energy Conservation, 4.28%	883,361	0	0	883,361	0
2017 Various Purpose Capital Improvement, 2.43%	230,000	0	(25,000)	205,000	25,000
<b>Total Bonds</b>	<b>13,453,618</b>	<b>0</b>	<b>(836,678)</b>	<b>12,616,940</b>	<b>785,694</b>
Capital Leases	91,833	170,830	(88,070)	174,593	86,057
<b>Total Long-Term Debt</b>	<b>13,545,451</b>	<b>170,830</b>	<b>(924,748)</b>	<b>12,791,533</b>	<b>871,751</b>
<b>Net Pension Liability:</b>					
OPERS	1,897,679	1,456,888	0	3,354,567	0
OPF	9,510,226	3,310,428	0	12,820,654	0
<b>Total Net Pension Liability</b>	<b>11,407,905</b>	<b>4,767,316</b>	<b>0</b>	<b>16,175,221</b>	<b>0</b>
<b>Net OPEB Liability:</b>					
OPERS	1,277,246	272,907	0	1,550,153	0
OPF	8,779,477	0	(7,349,160)	1,430,317	0
<b>Total Net OPEB Liability</b>	<b>10,056,723</b>	<b>272,907</b>	<b>(7,349,160)</b>	<b>2,980,470</b>	<b>0</b>
Compensated Absences	628,333	354,048	(297,368)	685,013	298,617
<b>Total Governmental Activities Long-Term Liabilities</b>	<b>\$35,638,412</b>	<b>\$5,565,101</b>	<b>(\$8,571,276)</b>	<b>\$32,632,237</b>	<b>\$1,170,368</b>

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**City of Trotwood, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended December 31, 2019**

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
<b>Business-Type Activities</b>					
<u>Bonds</u>					
2003 Various Purpose Water, 5.11%	\$141,317	\$0	(\$23,200)	\$118,117	\$23,200
2003 Various Purpose Sewer, 5.11%	141,317	0	(23,200)	118,117	23,200
2010 Various Purpose Water, 3.00-4.25%	81,499	0	(2,500)	78,999	2,550
2016 Various Purpose Improvements, 2.92%	217,000	0	(12,600)	204,400	13,200
2017 Various Purpose Capital Improvement, 2.43%	370,000	0	(40,000)	330,000	45,000
Total Bonds Payable	951,133	0	(101,500)	849,633	107,150
<u>OPWC Loans</u>					
2007 Salem Bend Sewer Sanitary Relief Project, 0%	182,821	0	(18,000)	164,821	19,000
2012 Phase 4b Olde Town Watermain Improvements, 0%	283,055	0	(11,322)	271,733	11,322
2012 Phase 1b Olde Town Watermain Improvements, 0%	264,661	0	(10,587)	254,074	10,587
Total OPWC Loans	730,537	0	(39,909)	690,628	40,909
Capital Leases	183,666	0	(61,222)	122,444	61,222
Total Long-Term Debt	1,865,336	0	(202,631)	1,662,705	209,281
Net Pension Liability:					
OPERS	564,406	366,697	0	931,103	0
Total Net Pension Liability	564,406	366,697	0	931,103	0
Net OPEB Liability:					
OPERS	379,877	50,387	0	430,264	0
Total Net OPEB Liability	379,877	50,387	0	430,264	0
Compensated Absences	57,696	40,996	(34,525)	64,167	23,526
Total Business-Type Activities Long-Term Liabilities	\$2,867,315	\$458,080	(\$237,156)	\$3,088,239	\$232,807

Principal payments for the 2003 Various Purpose Bonds are paid from the General, the Street Maintenance and Repair, the Debt Retirement, the Industrial Park, the Water and the Sewer Fund. Principal payments for the 2007 Various Purposes Bonds are paid from the General and the Industrial Park Fund. The 2010 Various Purpose Bonds are paid from the Industrial Park, the Salem Mall Tax Increment and the Water Fund. The 2017 Various Purpose Capital Improvement Bonds will be paid from the Debt Retirement and Community and Cultural Arts Center Fund. Compensated absences will be paid from the fund from which the person is paid, which is historically the General, Special Revenue or an Enterprise Fund. Net pension liability and Net other postemployment benefits liability represents the long-term portion of the accrued liability associated with STRS and SERS pension liability. These items will be repaid from the funds from which the employees work to whom the liability is associated with or the General Fund if no such funds are available.

In August 2003, the City issued \$3,790,000 in Various Purpose General Obligation Bonds with an interest rate of 5.11%. A portion of the bond proceeds were used to advance refund \$585,000 of outstanding 1992 Government Center renovation general obligation bonds with an interest rate of 6.70% and \$615,000 of outstanding 1994 Oakview Estates street improvement special assessment bonds with an interest rate of 6.35%.

On September 9, 2010, the City refinanced \$8,155,000 in short term bond anticipation notes into \$8,000,000 in long term various purpose bonds with an interest rate between 3.00-4.25%. The bonds were issued with a premium of \$444,147 and bond issuance costs of \$240,650 and will be amortized over 25 years.

**City of Trotwood, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended December 31, 2019**

On April 10, 2012, the City issued \$948,363 in Ohio Air Quality Development Authority Tax Exempt Energy Bonds at an interest rate of 2.02% throughout the life of the bonds. The bonds will mature on December 1, 2021. Principal payments will be made out of the General Fund.

On June 8, 2012, the City issued \$883,361 in Ohio Air Quality Development Authority Energy

Conservation Bonds at an interest rate of 4.28% throughout the life of the bonds. The bonds will mature on December 1, 2027. Principal payments will be made out of the General Fund.

In 2012, the City issued two OPWC loans to finance the Olde Towne Waterman improvements. The City received a total of \$657,260 (during 2012 and 2013) in loan proceeds to fund these projects.

On February 17, 2016, the City issued \$2,065,000 in Various Purpose Improvement Bonds at an interest rate of 2.92% throughout the life of the Bonds. The Bonds will mature on December 1, 2032. Principal payments will be made out of the Water Fund and Salem Mall Tax Increment Fund.

On May 26, 2017, the City issued \$665,000 in Various Purpose Capital Improvement at an interest rate of 2.43% throughout the life of the Bonds. The Bonds will mature on December 1, 2026. Principal payments will be made out of the Debt Retirement and Community and Cultural Arts Center Fund.

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

Year Ending December 31	Governmental Activities		Business-Type Activities			
	General		General		OPWC Loans	
	Obligation Bonds		Obligation Bonds		Principal	Interest
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$785,694	\$491,096	\$107,150	\$32,692	\$40,909	\$0
2021	826,313	464,023	99,013	29,329	41,909	0
2022	857,448	431,009	99,738	25,768	46,908	0
2023	892,330	396,078	101,525	22,055	46,909	0
2024	830,332	359,675	105,213	18,188	46,908	0
2025-2029	4,106,342	1,294,966	240,660	37,827	160,364	0
2030-2034	3,538,800	498,805	86,200	8,628	109,542	0
2035-2039	499,866	20,775	10,134	263	109,543	0
2040-2043	0	0	0	0	87,636	0
Total	<u>\$12,337,125</u>	<u>\$3,956,427</u>	<u>\$849,633</u>	<u>\$174,750</u>	<u>\$690,628</u>	<u>\$0</u>

**Note 9 – Capital Leases**

The City has entered into capital leases for three John Deere loaders in 2018 and the City entered into a lease for a Medix Ambulance in 2019. The City's lease obligations meet the criteria of a capital asset and has 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:

**City of Trotwood, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended December 31, 2019**

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Fiscal Year Ending December 31,	Long-Term Debt
2020	\$159,664
2021	156,076
Total Minimum Lease Payments	315,740
Less: Amount Representing Interest	(18,703)
Present Value of Minimum Lease Payments	<u>\$297,037</u>

Capital assets acquired under the capital leases are as follows, \$446,329 in equipment.

**Note 10 - Defined Benefit Pension Plans**

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The Statewide retirement systems provide both pension and other postemployment benefits (OPEB).

***Net Pension Liability/Net OPEB Liability***

Pensions and OPEB are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period.

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

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

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees may pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability. Resulting adjustments to the net pension/OPEB liability would be effective when the changes are legally enforceable. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients.

**City of Trotwood, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended December 31, 2019**

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

The remainder of this note includes the required pension disclosures. See Note 11 for the required OPEB disclosures.

***Plan Description – Ohio Public Employees Retirement System (OPERS)***

**Plan Description**

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

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

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

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**City of Trotwood, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended December 31, 2019**

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<u>Group A</u>	<u>Group B</u>	<u>Group C</u>
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
<u>State and Local</u>	<u>State and Local</u>	<u>State and Local</u>
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
<u>Public Safety</u>	<u>Public Safety</u>	<u>Public Safety</u>
Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
<u>Law Enforcement</u>	<u>Law Enforcement</u>	<u>Law Enforcement</u>
Age and Service Requirements: Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
<u>Public Safety and Law Enforcement</u>	<u>Public Safety and Law Enforcement</u>	<u>Public Safety and Law Enforcement</u>
Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

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

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

When a traditional plan benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3.00% simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3.00%.

**Funding Policy**

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

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**City of Trotwood, Ohio**  
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	<u>State and Local</u>	<u>Public Safety</u>	<u>Law Enforcement</u>
2019 Statutory Maximum Contribution Rates			
Employer	14.00%	18.10%	18.10%
Employee (a)	10.00%	(b)	(c)
2019 Actual Contribution Rates			
Employer:			
Pension (d)	14.00%	18.10%	18.10%
Post-employment Health Care Benefits (d)	0.00%	0.00%	0.00%
Total Employer	<u>14.00%</u>	<u>18.10%</u>	<u>18.10%</u>
Employee	<u>10.00%</u>	<u>12.00%</u>	<u>13.00%</u>

- (a) Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.
- (b) This rate is determined by OPERS' Board and has no maximum rate established by ORC.
- (c) This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2% greater than the Public Safety rate.
- (d) These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4% for health care with the remainder going to pension.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

For 2019, the City's contractually required contribution was \$319,904, of this amount \$24,253 is reported in accrued wages and benefits.

***Plan Description – Ohio Police & Fire Pension Fund (OP&F)***

**Plan Description**

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

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

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

**City of Trotwood, Ohio**  
**Notes to the Basic Financial Statements**  
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The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.50% for each of the first 20 years of service credit, 2.00% for each of the next five years of service credit and 1.50% for each year of service credit in excess of 25 years. The maximum pension of 72.00% of the allowable average annual salary is paid after 33 years of service credit (see OP&F CAFR referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits):

Under the COLA method, retired members who are at least 55 years old and have been receiving OP&F benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit, surviving beneficiaries, and statutory survivors. Members participating in the DROP program have separate eligibility requirements related to COLA.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will receive a COLA equal to a percentage of the member's base pension benefit where the percentage is the lesser of 3.00% or the percentage increase in the consumer price index, if any, over the 12 month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

**Funding Policy**

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

	<u>Police</u>	<u>Firefighters</u>
2019 Statutory Maximum Contribution Rates		
Employer	19.50%	24.00%
Employee	12.25%	12.25%
2019 Actual Contribution Rates		
Employer:		
Pension	19.00%	23.50%
Post-Employment Health Care Benefits	<u>0.50%</u>	<u>0.50%</u>
Total Employer	<u>19.50%</u>	<u>24.00%</u>
Employee	12.25%	12.25%

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$808,387 for 2019, of this amount \$60,281 is reported as accrued wages and benefits.

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

The net pension liability for OPERS was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2018, and was determined by rolling forward the total pension liability as of January 1, 2018 to December 31, 2018. The City's



**City of Trotwood, Ohio**  
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proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share of the City's defined benefit pension plans:

	OPERS		Total
	Traditional Plan	OP&F	
Proportionate Share of the Net Pension Liability	\$4,285,670	\$12,820,654	\$17,106,324
Proportion of the Net Pension Liability:			
Current Measurement Date	0.01564800%	0.15706500%	
Prior Measurement Date	0.01569400%	0.15495400%	
Change in Proportionate Share	-0.0004600%	0.00211100%	
Pension Expense	\$942,526	\$1,322,417	\$2,264,943

At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS		Total
	Traditional Plan	OP&F	
<u>Deferred Outflows of Resources</u>			
Differences between expected and actual experience	\$198	\$526,750	\$526,948
Changes of assumptions	373,078	339,893	712,971
Net difference between projected and actual earnings on pension plan investments	581,685	1,579,494	2,161,179
Changes in employer proportionate share of net pension liability	35,902	102,118	138,020
Contributions subsequent to the measurement date	319,904	808,387	1,128,291
Total Deferred Outflows of Resources	\$1,310,767	\$3,356,642	\$4,667,409
<u>Deferred Inflows of Resources</u>			
Differences between expected and actual experience	\$56,273	\$11,972	\$68,245
Changes in employer proportionate share of net pension liability	7,691	1,431,347	1,439,038
Total Deferred Inflows of Resources	\$63,964	\$1,443,319	\$1,507,283

\$1,128,291 reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

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Year Ending December 31:	OPERS Traditional Plan	OP&F	Total
2020	\$417,268	\$382,572	\$799,840
2021	185,141	37,185	222,326
2022	53,963	126,170	180,133
2023	270,527	553,995	824,522
2024	0	5,014	5,014
Thereafter	0	0	0
Total	<u>\$926,899</u>	<u>\$1,104,936</u>	<u>\$2,031,835</u>

**Actuarial Assumptions - OPERS**

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2018, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2018, are presented below.

	OPERS Traditional Plan
Wage Inflation	3.25%
Projected Salary Increases	3.25% to 10.75% (includes wage inflation at 3.25%)
COLA or Ad Hoc COLA:	
Pre-January 7, 2013 Retirees	3.00% Simple
Post-January 7, 2013 Retirees	3.00% Simple through 2018, then 2.15% Simple
Investment Rate of Return	7.20%
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively.

**City of Trotwood, Ohio**  
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Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables. The most recent experience study was completed for the five year period ended December 31, 2015.

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

During 2018, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a loss of 2.94% for 2018.

The allocation of investment assets within the Defined Benefit portfolio is approved by the Board as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The following table displays the Board-approved asset allocation policy for 2018 and the long-term expected real rates of return.

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00%	2.79%
Domestic Equities	19.00%	6.21%
Real Estate	10.00%	4.90%
Private Equity	10.00%	10.81%
International Equities	20.00%	7.83%
Other Investments	18.00%	5.50%
Total	100.00%	5.95%

**Discount Rate**

The discount rate used to measure the total pension liability was 7.20% for the Traditional Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments applied to all periods of projected benefit payments to determine the total pension liability.

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**Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following table presents the net pension liability calculated using the discount rate of 7.20%, and the expected net pension liability if it were calculated using a discount rate that is 1.00% lower or 1.00% higher than the current rate:

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
Proportionate share of the net pension liability	\$6,331,181	\$4,285,670	\$2,585,832

**Changes since the prior Measurement Date on to Report Date**

OPERS Board adopted a change in the investment return assumption, reducing it from 7.50% to 7.20%.

**Actuarial Assumptions – OP&F**

OP&F’s total pension liability as of December 31, 2019 (December 31, 2018 measurement date), is based on the results of an actuarial valuation date of January 1, 2018, rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of January 1, 2018:

Valuation Date	January 1, 2018, with actuarial liabilities rolled forward to December 31, 2018
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Investment Rate of Return	8.00%
Salary Increases	3.75% to 10.50%
Payroll Growth	Inflation rate of 2.75% plus productivity increase rate of 0.50%
Cost of Living Adjustments	3.00% Simple; 2.20% Simple for increased based on the lesser of the increase in CPI and 3.00%

**Healthy Mortality**

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120%.

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<u>Age</u>	<u>Police</u>	<u>Fire</u>
67 or less	77%	68%
68-77	105%	87%
78 and up	115%	120%

**Disabled Mortality**

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
59 or less	35%	35%
60-69	60%	45%
70-79	75%	70%
80 and up	100%	90%

The actuarial assumptions used in the valuation are based on the results of a five-year experience review covering the period 2012-2016. The experience study was performed by OP&F's prior actuary and the assumptions were effective January 1, 2017.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in OP&F's Statement of Investment Policy. A forecasted rate of inflation serves as a baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash and Cash Equivalents	0.00%	0.80%
Domestic Equity	16.00%	5.50%
Non-US Equity	16.00%	5.90%
Private Markets	8.00%	8.40%
Core Fixed Income*	23.00%	2.60%
High Yield Fixed Income	7.00%	4.80%
Private Credit	5.00%	7.50%
U.S. Inflation Linked Bonds*	17.00%	2.30%
Master Limited Partnerships	8.00%	6.40%
Real Assets	8.00%	7.00%
Private Real Estate	12.00%	6.10%
Total	<u>120.00%</u>	

*Note: Assumptions are geometric*

*\* levered 2x*

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without

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sacrificing return and creating a more risk-balanced portfolio based on the relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.20 times due to the application of leverage in certain fixed income asset classes.

**Discount Rate**

Total pension liability was calculated using the discount rate of 8.00%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 8.00%. Based on those assumptions, OP&F’s fiduciary net position was projected to be available to make all future benefit payment of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

**Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

Net pension liability is sensitive to changes in the discount rate. To illustrate the potential impact, the following table presents the net pension liability calculated using the discount rate of 8.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower, 7.00%, or one percentage point higher, 9.00%, than the current rate:

	1% Decrease (7.00%)	Discount Rate (8.00%)	1% Increase (9.00%)
Proportionate share of the net pension liability	\$16,851,867	\$12,820,654	\$9,451,994

**Changes in Benefit Terms and Assumptions since prior measurement date and to report date**

There have been no OP&F pension plan amendments adopted or changes in assumptions between the measurement date and the report date that would have impacted the actuarial valuation studies as of the pension plan for the measurement date.

**Note 11 - Defined Benefit Other Postemployment Benefits Plans**

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See Note 10 for a description of the net OPEB liability.

**Plan Description – Ohio Public Employees Retirement System (OPERS)**

**Health Care Plan Description**

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is

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available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' CAFR referenced below for additional information.

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

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

**Funding Policy**

The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. During 2019, health care is not being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2019, state and local employers contributed at a rate of 14.00% of earnable salary and public safety and law enforcement employers contributed at 18.10%. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 1.00% during calendar year 2017. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2018 decreased to 0% for both plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2019 was 4.00%.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The City's contractually required contribution was \$0 for 2019.

***Plan Description – Ohio Police & Fire Pension Fund (OP&F)***

**Health Care 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 a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. Beginning January 1, 2019 OP&F changed its retiree health care model to a stipend-based health care model. OP&F has contracted with a vendor who will assist eligible retirees in choosing health care plans from their marketplace (both Medicare-eligible and pre-Medicare populations). A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be

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reimbursed for health care expenses. As a result of changing from the current health care model to the stipend based health care model, management expects that it will be able to provide stipends to eligible participants for the next 15 years.

OP&F provides access to postretirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit, or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Government Accounting Standards Board (GASB) Statement No. 75.

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 health care coverage to eligible participants and to establish and amend benefits is 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. The report may be obtained by visiting the OP&F website at [www.op-f.org](http://www.op-f.org) or by writing to the Ohio Police and Fire Pension Fund, 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 employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.50% of 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 maintains funds for health care in two separate accounts. There is one account for health care benefits and one account for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefits under IRS Code Section 115 trust. An Internal Revenue Code 401(h) account is maintained for Medicare Part B reimbursements.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2019, the portion of employer contributions allocated to health care was 0.50% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

On January 1, 2019, OP&F changed its retiree health care model and the current self-insured health care plan will no longer be offered. In its place is a stipend-based health care model. A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses.



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The City's contractually required contribution to OP&F was \$19,403 for 2019.

***Net OPEB Liability***

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2018, and was determined by rolling forward the total OPEB liability as of January 1, 2018 to December 31, 2018. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share:

	OPERS Traditional Plan	OP&F	Total
Proportionate Share of the Net OPEB Liability	\$1,980,416	\$1,430,318	\$3,410,734
Proportion of the Net OPEB Liability:			
Current Measurement Date	0.01519000%	0.15706500%	
Prior Measurement Date	0.01526000%	0.15495400%	
Change in Proportionate Share	<u>-0.00007000%</u>	<u>0.00211100%</u>	
OPEB Expense	\$197,181	(\$7,137,223)	(\$6,940,042)

At December 31, 2019, reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS Traditional Plan	OP&F	Total
<u>Deferred Outflows of Resources</u>			
Differences between expected and actual experience	\$671	\$0	\$671
Changes of assumptions	63,851	741,407	805,258
Net difference between projected and actual earnings on pension plan investments	90,790	48,418	139,208
Changes in employer proportionate share of net OPEB liability	22,079	93,841	115,920
Contributions subsequent to the measurement date	0	19,403	19,403
Total Deferred Outflows of Resources	<u>\$177,391</u>	<u>\$903,069</u>	<u>\$1,080,460</u>
<u>Deferred Inflows of Resources</u>			
Differences between expected and actual experience	\$5,373	\$38,321	\$43,694
Changes of assumptions	0	395,981	395,981
Changes in employer proportionate share of net OPEB liability	5,098	649,078	654,176
Total Deferred Inflows of Resources	<u>\$10,471</u>	<u>\$1,083,380</u>	<u>\$1,093,851</u>

\$19,403 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

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Year Ending December 31:	OPERS		
	Traditional Plan	OP&F	Total
2020	\$88,699	(\$32,167)	\$56,532
2021	17,606	(32,167)	(14,561)
2022	14,878	(32,167)	(17,289)
2023	45,737	(17,522)	28,215
2024	0	(40,610)	(40,610)
Thereafter	0	(45,081)	(45,081)
Total	<u>\$166,920</u>	<u>(\$199,714)</u>	<u>(\$32,794)</u>

**Actuarial Assumptions - OPERS**

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

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25%
Projected Salary	3.25% to 10.75% (including wage inflation)
Single Discount Rate:	
Current measurement date	3.96%
Prior Measurement date	3.85%
Investment Rate of Return	6.00%
Municipal Bond Rate	3.71%
Health Care Cost Trend Rate	10.00% initial, 3.25% ultimate in 2029
Actuarial Cost Method	Individual Entry Age, Normal

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality

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improvement scale to all of the above described tables. The most recent experience study was completed for the five year period ended December 31, 2015.

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

During 2018, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and healthcare related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a loss of 5.60% for 2018.

The allocation of investment assets within the OPERS Health Care portfolio is approved by the Board as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. The System’s primary goal is to achieve and maintain a fully funded status for benefits provided through the defined pension plans. Health care is a discretionary benefit. The table on the following page displays the Board-approved asset allocation policy for 2018 and the long-term expected real rates of return.

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34%	2.42%
Domestic Equities	21%	6.21%
Real Estate Investment Trust	6%	5.98%
International Equities	22%	7.83%
Other investments	17%	5.57%
Total	100%	5.16%

**Discount Rate**

A single discount rate of 3.96% was used to measure the OPEB liability on the measurement date of December 31, 2018. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 3.71%. The projection of cash flows used to determine this single discount rate

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assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the OPEB plan's fiduciary net position and future contributions were sufficient to finance the health care costs through the year 2031. As a result, the long term expected rate of return on health care investments was applied to projected costs through the year 2031, and the municipal bond rate was applied to all health care costs after that date.

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

The following table presents the OPEB liability calculated using the single discount rate of 3.96%, and the expected net OPEB liability if it were calculated using a discount rate that is 1.00% lower or 1.00% higher than the current rate.

	1% Decrease (2.96%)	Current Discount Rate (3.96%)	1% Increase (4.96%)
Proportionate share of the net OPEB liability	\$2,533,692	\$1,980,416	\$1,540,418

**Sensitivity of the Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate**

Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.00% lower or 1.00% higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2019 is 10.00%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25% in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
Proportionate share of the net OPEB liability	\$1,903,611	\$1,980,416	\$2,068,878

**Changes since prior Measurement Date and to Report Date**

OPERS Board adopted a change in the investment return assumption, reducing it from 6.50% to 6.00%. In January 2020, the Board adopted changes to health care coverage for Medicare and pre-Medicare retirees. It will include discontinuing the PPO plan for pre-Medicare retirees and replacing it with a monthly allowance to help participants pay for a health care plan of their choosing. The base allowance for Medicare-eligible retirees will be reduced. The specific effect of these changes on the net OPEB liability and OPEB expense are unknown at this time.

**City of Trotwood, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended December 31, 2019**

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**Actuarial Assumptions – OP&F**

OP&F’s total OPEB liability as of December 31, 2018, is based on the results of an actuarial valuation date of January 1, 2018 and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee’s entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below.

Valuation Date	January 1, 2018, with actuarial liabilities rolled forward to December 31, 2018
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.00%
Payroll Growth	Inflation rate of 2.75% plus productivity increase rate of 0.50%
Single discount rate:	
Current measurement date	4.66%
Prior measurement date	3.24%
Stipend Increase Rate	The stipend is not assured to increase over the projection period

**Healthy Mortality**

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120%.

Age	Police	Fire
67 or less	77%	68%
68-77	105%	87%
78 and up	115%	120%

**City of Trotwood, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended December 31, 2019**

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**Disabled Mortality**

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale.

Age	Police	Fire
59 or less	35%	35%
60-69	60%	45%
70-79	75%	70%
80 and up	100%	90%

The most recent experience study was completed for the five year period ended December 31, 2016.

The long-term expected rate of return on OPEB plan investments was determined using a building-block approach and assumes a time horizon, as defined in OP&F's Statement of Investment Policy. A forecasted rate of inflation serves as a baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes.

Best estimates of the long-term expected real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2018 are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00%	0.80%
Domestic Equity	16.00%	5.50%
Non-US Equity	16.00%	5.90%
Private Markets	8.00%	8.40%
Core Fixed Income*	23.00%	2.60%
High Yield Fixed Income	7.00%	4.80%
Private Credit	5.00%	7.50%
U.S. Inflation Linked Bonds*	17.00%	2.30%
Master Limited Partnerships	8.00%	6.40%
Real Assets	8.00%	7.00%
Private Real Estate	12.00%	6.10%
Total	<u>120.00%</u>	

*Note: Assumptions are geometric*

*\* levered 2x*

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return and creating a more risk-balanced portfolio based on the relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.20 times due to the application of leverage in certain fixed income asset classes.

**City of Trotwood, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended December 31, 2019**

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**Discount Rate**

Total OPEB liability was calculated using the discount rate of 4.66%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 8.00%. Based on those assumptions, OP&F’s fiduciary net position was projected to not be able to make all future benefit payment of current plan members. Therefore, a municipal bond rate of 4.13% at December 31, 2018 and 3.16% at December 31, 2017 was blended with the long-term rate of 8.00%, which resulted in a blended discount rate of 4.66%.

**Sensitivity of the Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate**

Net OPEB liability is sensitive to changes in the discount rate. To illustrate the potential impact, the following table presents the net OPEB liability calculated using the discount rate of 4.66%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower, 3.66%, or one percentage point higher, 5.66%, than the current rate:

	1% Decrease (3.66%)	Current Discount Rate (4.66%)	1% Increase (5.66%)
Proportionate share of the net OPEB liability	\$1,742,518	\$1,430,318	\$1,168,253

**Sensitivity of the Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate**

The net OPEB liability for OP&F is no sensitive to changes in the healthcare care cost trend rate because it is based on a medical benefit that is a flat dollar amount.

**Changes since prior measurement date and to report date**

Beginning January 1, 2019 OP&F changed its retiree health care model and the current self-insured health care plan is no longer offered. In its place will be a stipend-based health care model. OP&F has contracted with a vendor who will assist eligible retirees in choosing health care plans from their marketplace (both Medicare-eligible and pre-Medicare populations). A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses. As a result of changing from the current health care model to the stipend based health care model, management expects that it will be able to provide stipends to eligible participants for the next 15 years. Beginning in 2020 the Board approved a change to the Deferred Retirement Option Plan. The minimum interest rate accruing will be 2.5%.

**Note 12 – Jointly Governed Organizations**

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**Miami Valley Regional Planning Commission**

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

**City of Trotwood, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended December 31, 2019**

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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 approximately \$11,236 to this organization in 2019.

**Miami Valley Fire/EMS Alliance**

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 approximately \$5,863 to this organization in 2019.

**Economic Development/Government Equity Program**

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 2011, the City agreed to be a member for an additional 10 years, ending December 31, 2021. 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 any money to this organization in 2019.

**Note 13 – Interfund Transactions**

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Interfund transactions at year end, consisted of the following individual transfers in and transfers out:



**City of Trotwood, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended December 31, 2019**

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Fund	Transfers	
	In	Out
General	\$0	\$600,000
Other Governmental:		
Debt Retirement	84,000	48,990
Salem Mall Tax Increment	280,000	0
General Capital Improvement	200,000	0
Other Enterprise:		
Community and Cultural Arts Center	84,990	0
Total All Funds	<u>\$648,990</u>	<u>\$648,990</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 budgetary authorizations; to segregate and to return money to the fund from which it was originally provided once a project is completed.

The transfer out of the Debt Retirement to the Community and Cultural Arts Center fund for \$48,990 was to make the debt service payment for the John Wolfe Water Park that is included in the 2017 Various Purpose Capital Improvement bonds.

**Note 14 – Contingent Liabilities**

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**Federal and State Grants**

For the period January 1, 2019, to December 31, 2019, the City received federal and State grants for specific purposes that are subject to review and audit by the grantor agencies or their designees. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any, would be immaterial.

**Litigation**

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

**Natural Disaster**

On May 27, 2019, the City sustained an EF-4 tornado that destroyed homes and disrupted business throughout the City. The City, along with the state, has declared a State of Emergency for the affected areas. This City initiated public safety efforts immediately after the event. Clean up efforts began after neighborhoods were secured. Based on the extent of the damage, clean-up is expected to continue into the early parts of 2020. The Federal government under Federal Emergency Management Agency (FEMA) has declared this a federal emergency. FEMA and the State Emergency Management Agency (EMA) has requested federal and state assistance for residents along with reimbursement to the City for public safety efforts and damage clean-up. In 2019, the City received the first reimbursement from the initial stages of the clean-up. FEMA reimbursed the City 75% of the initial clean-up cost and the State EMA reimbursed the City 12.5%. The City has submitted insurance claims and federal and state reimbursement for the remaining eligible expenditures related to the storm and final clean-up.

**City of Trotwood, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended December 31, 2019**

**Note 15 – Fund Balances**

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

Fund Balances	General	Street Construction Maintenance and Repair	Fire Levy	Other Governmental Funds	Total
Nonspendable:					
Prepays	\$52,877	\$6,166	\$21,314	\$16,152	\$96,509
Total Nonspendable	52,877	6,166	21,314	16,152	96,509
Restricted for:					
Street Construction	0	1,666,282	0	0	1,666,282
Fire Levy	0	0	1,764,184	0	1,764,184
Rescue Levy	0	0	0	1,190,096	1,190,096
State Highway	0	0	0	33,318	33,318
Motor Vehicle License Tax	0	0	0	223,340	223,340
Permissive Use Tax	0	0	0	12,475	12,475
Drug Law Enforcement	0	0	0	2,143	2,143
Curbs/Gutters/Sidewalks Assessment	0	0	0	39,116	39,116
Grants	0	0	0	294,581	294,581
Local Law Enforcement Block	0	0	0	75	75
Park Acquisition and Development	0	0	0	2,801	2,801
Salem Mall Tax Increment	0	0	0	29,131	29,131
Enforcement and Education	0	0	0	13,223	13,223
Law Enforcement Trust	0	0	0	23,177	23,177
Redlight Enforcement	0	0	0	227,622	227,622
Government Equity Program	0	0	0	219	219
Police Levy	0	0	0	2,039	2,039
Debt Service	0	0	0	47,608	47,608
Fire Capital Levy	0	0	0	243,731	243,731
Industrial Park	0	0	0	376,217	376,217
Total Restricted	0	1,666,282	1,764,184	2,760,912	6,191,378
Committed to:					
General Capital Improvement	0	0	0	319,027	319,027
Total Committed	0	0	0	319,027	319,027
Assigned to:					
Purchases on Order	46,894	0	0	0	46,894
Total Assigned	46,894	0	0	0	46,894
Unassigned (Deficit)	3,254,307	0	0	0	3,254,307
Total Fund Balance	<u>\$3,354,078</u>	<u>\$1,672,448</u>	<u>\$1,785,498</u>	<u>\$3,096,091</u>	<u>\$9,908,115</u>

**City of Trotwood, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended December 31, 2019**

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Purchases on order (assigned, encumbrances) will be used for functions of the general government, safety of residences, recreational activities, economic development projects, and purchases of capital items for the City.

**Note 16 – Other Commitments**

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The City utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed or assigned classifications of fund balance. At year end, the City’s commitments for encumbrances were as follows:

<u>Fund</u>	<u>Amount</u>
General	\$140,361
Street Construction Maintenance and Repair	83,885
Fire Levy	12,615
Water	167,633
Sewer	175,787
Stormwater	111,485
Nonmajor Funds	<u>263,730</u>
Total	<u>\$955,496</u>

**Note 17 – Implementation of New Accounting Principles**

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For fiscal year 2019, the City has postponed implementation of Governmental Accounting Standards Board (GASB) Statement No. 83, Certain Asset Retirement Obligations, GASB No. 84, Fiduciary Activities, GASB No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements, and GASB No. 90, Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61. The City did not implement these statements due to the GASB postponing the implementation by 12 months because of the covid-19 pandemic.

**Note 18 – Subsequent Events**

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The City has evaluated subsequent events through the date of the “Independent Auditors Report,” the date on which the combined financial statements were available to be issued.

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the City. The City’s investment portfolio has incurred a significant decline in fair value, in 2020, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the City’s future operating costs, revenues, the impact of the investments of the pension and other employee benefit plan in which the City participates and any recovery from emergency funding, either federal or state, cannot be estimated.

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***REQUIRED SUPPLEMENTARY INFORMATION***

City of Trotwood, Ohio  
 Required Supplementary Information  
 Schedule of the City's Proportionate Share  
 of the Net Pension Liability  
 Ohio Public Employees Retirement System - Traditional Plan  
 Last Six Fiscal Years (1)

	2019	2018	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.01564800%	0.01569400%	0.01499200%	0.01568900%	0.01771000%	0.01771000%
City's Proportionate Share of the Net Pension Liability	\$4,285,670	\$2,462,084	\$3,404,428	\$2,717,533	\$2,136,024	\$2,087,778
City's Covered Payroll	\$2,113,579	\$2,073,962	\$1,938,008	\$2,278,058	\$2,171,292	\$2,145,988
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	202.77%	118.71%	175.67%	119.29%	98.38%	97.29%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.70%	84.66%	77.25%	81.08%	86.45%	86.36%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2014 is not available.

Note:

Amounts presented as of the City's measurement date which is the prior fiscal year end.  
 See accompanying notes to the required supplementary information.

City of Trotwood, Ohio  
 Required Supplementary Information  
 Schedule of the City's Proportionate Share  
 of the Net Pension Liability  
 Ohio Police and Fire Pension Fund  
 Last Six Fiscal Years (1)

	2019	2018	2017	2016	2015	2014
City's Proportion of the Net Pension Liability - 0619P	0.08356800%	0.08444500%	0.09133500%	0.10685100%	0.10778140%	0.10778140%
City's Proportion of the Net Pension Liability - 0619F	0.07349700%	0.07050900%	0.08197600%	0.09023300%	0.09284040%	0.09284040%
City's Proportionate Share of the Net Pension Liability	\$12,820,654	\$9,510,227	\$10,977,345	\$12,678,552	\$10,393,046	\$9,770,911
City's Covered Payroll	\$3,915,684	\$3,798,937	\$4,154,226	\$4,608,955	\$4,027,313	\$4,303,890
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	327.42%	250.34%	264.25%	275.09%	258.06%	227.03%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.07%	70.91%	68.36%	66.77%	72.20%	73.00%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2014 is not available.

Note:

Amounts presented as of the City's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information.

City of Trotwood, Ohio  
 Required Supplementary Information  
 Schedule of City Contributions  
 for Net Pension Liability  
 Ohio Public Employees Retirement System - Traditional Plan  
 Last Six Fiscal Years (1)

	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	\$319,904	\$295,901	\$269,615	\$232,561	\$273,367	\$260,555
Contributions in Relation to the Contractually Required Contribution	<u>(319,904)</u>	<u>(295,901)</u>	<u>(269,615)</u>	<u>(232,561)</u>	<u>(273,367)</u>	<u>(260,555)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$2,285,029	\$2,113,579	\$2,073,962	\$1,938,008	\$2,278,058	\$2,171,292
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	13.00%	12.00%	12.00%	12.00%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2014 is not available.

Note:

See accompanying notes to the required supplementary information.



City of Trotwood, Ohio  
 Required Supplementary Information  
 Schedule of City Contributions  
 for Net Pension Liability  
 Ohio Police and Fire Pension Fund  
 Last Six Fiscal Years (1)

	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	\$808,387	\$743,980	\$721,798	\$789,303	\$925,939	\$839,589
Contributions in Relation to the Contractually Required Contribution	<u>(808,387)</u>	<u>(743,980)</u>	<u>(721,798)</u>	<u>(789,303)</u>	<u>(925,939)</u>	<u>(839,589)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$3,825,779	\$3,915,684	\$3,798,937	\$4,154,226	\$4,608,955	\$4,027,313
Contributions as a Percentage of Covered Payroll	21.13%	19.00%	19.00%	19.00%	20.09%	20.85%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2014 is not available.

Note:

See accompanying notes to the required supplementary information.

City of Trotwood, Ohio  
 Required Supplementary Information  
 Schedule of the City's Proportionate Share  
 of the Net Postemployment Benefits Other Than Pension (OPEB) Liability  
 Ohio Public Employees Retirement System - Traditional Plan  
 Last Three Fiscal Years (1)

	2019	2018	2017
City's Proportion of the Net OPEB Liability	0.01519000%	0.01526000%	0.01464090%
City's Proportionate Share of the Net OPEB Liability	\$1,980,416	\$1,657,124	\$1,478,781
City's Covered Payroll	\$2,113,579	\$2,073,962	\$1,938,008
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	93.70%	79.90%	76.30%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	46.33%	54.14%	54.04%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2017 is not available.

Note:

Amounts presented as of the City's measurement date which is the prior fiscal year end. See accompanying notes to the required supplementary information.

City of Trotwood, Ohio  
 Required Supplementary Information  
 Schedule of the City's Proportionate Share  
 of the Net Postemployment Benefits Other Than Pension (OPEB) Liability  
 Ohio Police and Fire Pension Fund  
 Last Three Fiscal Years (1)

	2019	2018	2017
City's Proportion of the Net OPEB Liability - 0619P	0.08356800%	0.08444500%	0.09133500%
City's Proportion of the Net OPEB Liability - 0619F	0.07349700%	0.07050900%	0.08197600%
City's Proportionate Share of the Net OPEB Liability	\$1,430,318	\$8,779,476	\$8,226,683
City's Covered Payroll	\$3,915,684	\$3,798,937	\$4,154,226
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	36.53%	231.10%	198.03%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	46.57%	14.13%	15.96%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2017 is not available.

Note:  
 Amounts presented as of the City's measurement date which is the prior fiscal year end. See accompanying notes to the required supplementary information.

City of Trotwood, Ohio  
 Required Supplementary Information  
 Schedule of City Contributions to  
 Postemployment Benefits Other Than Pension (OPEB)  
 Ohio Public Employees Retirement System - Traditional Plan  
 Last Four Fiscal Years (1)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually Required Contribution to OPEB	\$0	\$0	\$22,932	\$38,760
Contributions to OPEB in Relation to the Contractually Required Contribution	<u>0</u>	<u>0</u>	<u>(22,932)</u>	<u>(38,760)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$2,285,029	\$2,113,579	\$2,073,962	\$1,938,008
Contributions to OPEB as a Percentage of Covered Payroll	0.00%	0.00%	1.11%	2.00%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2016 is not available.

Note:  
 See accompanying notes to the required supplementary information.

City of Trotwood, Ohio  
 Required Supplementary Information  
 Schedule of City Contributions to  
 Postemployment Benefits Other Than Pension (OPEB)  
 Ohio Police and Fire Pension Fund  
 Last Four Fiscal Years (1)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually Required Contribution to OPEB	\$19,403	\$17,823	\$16,804	\$18,884
Contributions to OPEB in Relation to the Contractually Required Contribution	<u>(19,403)</u>	<u>(17,823)</u>	<u>(16,804)</u>	<u>(18,884)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$3,825,779	\$3,915,684	\$3,798,937	\$4,154,226
Contributions to OPEB as a Percentage of Covered Payroll	0.51%	0.46%	0.44%	0.45%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2016 is not available.

Note:

See accompanying notes to the required supplementary information.

City of Trotwood, Ohio  
 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, 2019

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
<b>Revenues:</b>				
Property and Other Local Taxes	\$1,329,219	\$1,329,219	\$1,395,245	\$66,026
Income Taxes	5,164,717	5,164,717	5,421,263	256,546
Charges for Services	163,938	163,938	172,081	8,143
Investment Earnings	318,988	318,988	334,833	15,845
Intergovernmental	566,300	566,300	594,430	28,130
Special Assessments	111,255	111,255	116,781	5,526
Fines, Licenses & Permits	277,778	277,778	291,576	13,798
Other Revenues	246,577	246,577	258,825	12,248
<b>Total Revenues</b>	<b>8,178,772</b>	<b>8,178,772</b>	<b>8,585,034</b>	<b>406,262</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<u>General Government</u>				
Mayor and Council	239,613	248,585	241,963	6,622
City Manager	262,799	272,639	265,377	7,262
Finance	483,444	501,546	488,186	13,360
Utility Billing	178,303	184,979	180,052	4,927
Income Tax	395,775	410,594	399,657	10,937
Law Director	216,179	224,273	218,299	5,974
Public Works Administration	14,792	15,346	14,937	409
Building and Grounds	266,332	276,304	268,944	7,360
Fleet Maintenance	13,839	14,357	13,975	382
Personnel	60,993	63,277	61,591	1,686
Strategic Initiatives	49,471	51,323	49,956	1,367
Non-Departmental	501,873	520,664	506,795	13,869
<b>Total General Government</b>	<b>2,683,413</b>	<b>2,783,887</b>	<b>2,709,732</b>	<b>74,155</b>
<u>Public Safety</u>				
Police Administration	423,130	438,973	427,280	11,693
Police Patrol	2,482,182	2,575,121	2,506,527	68,594
Criminal Investigation	715,387	742,172	722,403	19,769
Police Communications	438,045	454,446	442,341	12,105
<b>Total Public Safety</b>	<b>4,058,744</b>	<b>4,210,712</b>	<b>4,098,551</b>	<b>112,161</b>
<u>Leisure Time Activities</u>				
Parks Maintenance	78,939	81,894	79,713	2,181
Cemeteries	26,437	27,427	26,696	731
Recreation Programs	79,573	82,552	80,353	2,199
<b>Total Leisure Time Activities</b>	<b>184,949</b>	<b>191,873</b>	<b>186,762</b>	<b>5,111</b>
<u>Community Development</u>				
Planning and Development Administration	99,029	102,737	100,000	2,737
Planning and Zoning	161,606	167,657	163,191	4,466
Code Enforcement and Inspection	108,554	112,619	109,619	3,000
Mowing and Weed Removal	79,593	82,574	80,374	2,200
<b>Total Community Development</b>	<b>448,782</b>	<b>465,587</b>	<b>453,184</b>	<b>12,403</b>

Continued

City of Trotwood, Ohio  
 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, 2019

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
<u>Transportation &amp; Street Repair</u>				
Street Lighting	198,940	206,389	200,891	5,498
Total Transportation & Street Repair	198,940	206,389	200,891	5,498
Debt Service:				
Principal Retirement	119,242	123,707	120,412	3,295
Interest and Fiscal Charges	42,918	44,525	43,339	1,186
Total Expenditures	7,736,988	8,026,680	7,812,871	213,809
Excess of Revenues Over (Under) Expenditures	441,784	152,092	772,163	620,071
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	9,193	9,193	9,650	457
Transfers (Out)	(594,172)	(616,420)	(600,000)	16,420
Total Other Financing Sources (Uses)	(584,979)	(607,227)	(590,350)	16,877
Net Change in Fund Balance	(143,195)	(455,135)	181,813	636,948
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	2,270,640	2,270,640	2,270,640	0
Fund Balance End of Year	\$2,127,445	\$1,815,505	\$2,452,453	\$636,948

See accompanying notes to the required supplementary information.

City of Trotwood, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2019

	Street Construction Maintenance and Repair Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Property and Other Local Taxes	\$320,035	\$320,035	\$365,312	\$45,277
Intergovernmental	948,807	948,807	1,083,040	134,233
Other Revenues	8,774	8,774	10,015	1,241
<b>Total Revenues</b>	<b>1,277,616</b>	<b>1,277,616</b>	<b>1,458,367</b>	<b>180,751</b>
Expenditures:				
Current:				
Transportation & Street Repair	2,068,787	2,068,787	1,761,941	306,846
Debt Service:				
Principal Retirement	27,240	27,240	23,200	4,040
Interest and Fiscal Charges	10,271	10,271	8,748	1,523
<b>Total Expenditures</b>	<b>2,106,298</b>	<b>2,106,298</b>	<b>1,793,889</b>	<b>312,409</b>
<b>Net Change in Fund Balance</b>	<b>(828,682)</b>	<b>(828,682)</b>	<b>(335,522)</b>	<b>493,160</b>
<b>Fund Balance Beginning of Year (includes prior year encumbrances appropriated)</b>	<b>1,702,821</b>	<b>1,702,821</b>	<b>1,702,821</b>	<b>0</b>
<b>Fund Balance End of Year</b>	<b>\$874,139</b>	<b>\$874,139</b>	<b>\$1,367,299</b>	<b>\$493,160</b>

See accompanying notes to the required supplementary information.



City of Trotwood, Ohio  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended December 31, 2019

	Fire Levy Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
<b>Revenues:</b>				
Property and Other Local Taxes	\$2,056,396	\$2,056,396	\$2,203,388	\$146,992
Charges for Services	4,382	4,382	4,695	313
Intergovernmental	273,325	273,325	292,862	19,537
Other Revenues	44,903	44,903	48,113	3,210
<b>Total Revenues</b>	<b>2,379,006</b>	<b>2,379,006</b>	<b>2,549,058</b>	<b>170,052</b>
<b>Expenditures:</b>				
<b>Current:</b>				
Public Safety	2,503,136	2,452,836	2,390,059	62,777
<b>Total Expenditures</b>	<b>2,503,136</b>	<b>2,452,836</b>	<b>2,390,059</b>	<b>62,777</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(124,130)</b>	<b>(73,830)</b>	<b>158,999</b>	<b>232,829</b>
<b>Other Financing Sources (Uses):</b>				
Proceeds from Sale of Capital Assets	3,605	3,605	3,863	258
<b>Total Other Financing Sources (Uses)</b>	<b>3,605</b>	<b>3,605</b>	<b>3,863</b>	<b>258</b>
<b>Net Change in Fund Balance</b>	<b>(120,525)</b>	<b>(70,225)</b>	<b>162,862</b>	<b>233,087</b>
<b>Fund Balance Beginning of Year (includes prior year encumbrances appropriated)</b>	<b>835,568</b>	<b>835,568</b>	<b>835,568</b>	<b>0</b>
<b>Fund Balance End of Year</b>	<b>\$715,043</b>	<b>\$765,343</b>	<b>\$998,430</b>	<b>\$233,087</b>

See accompanying notes to the required supplementary information.

**City of Trotwood, Ohio**  
**Notes to the Required Supplementary Information**  
**For The Fiscal Year Ended December 31, 2019**

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**Note 1 – Budgetary Process**

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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 function 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, street construction maintenance and repair, and fire levy funds are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and 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 an assignment 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, street construction maintenance and repair, and fire levy funds.

**City of Trotwood, Ohio**  
**Notes to the Required Supplementary Information**  
**For The Fiscal Year Ended December 31, 2019**

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**Net Change in Fund Balance**

	General	Street Construction, Maintenance and Repair	Fire Levy
GAAP Basis	\$892,306	\$152,046	\$992,588
Revenue Accruals	(814,753)	(168,611)	(817,363)
Expenditure Accruals	202,628	(235,072)	9,371
Encumbrances	(98,368)	(83,885)	(21,734)
Budget Basis	<u>\$181,813</u>	<u>(\$335,522)</u>	<u>\$162,862</u>

**Note 2 – Net Pension Liability**

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**Ohio Police and Fire Pension Fund Changes in Assumptions and Benefit Terms**

*Changes in assumptions:*

2019: There have been no OP&F pension plan amendments adopted or changes in assumptions between the measurement date and the report date that would have impacted the actuarial valuation of the pension plan as of the measurement date.

2018: The following were the most significant changes of assumptions that affected total pension liability since the prior measurement date.

- Reduction in actuarial assumed rate of return from 8.25% to 8.00%
- Decrease salary increases from 3.75% to 3.25%
- Change in payroll growth from 3.75% to 3.25%
- Reduce DROP interest rate from 4.5% to 4.0%
- Reduce CPI-based COLA from 2.6% to 2.2%
- Inflation component reduced from 3.25% to 2.75%

2017-2014: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

*Changes in benefit terms:*

2019-2014: There were no changes in benefit terms for the period.

**Ohio Public Employees Retirement System Changes in Assumptions and Benefit Terms**

*Changes in assumptions:*

2019: OPERS Board adopted a change in the investment return assumption, reducing it from 7.50% to 7.20%.

2018: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

2017: The following were the most significant changes of assumptions that affected total pension liability since the prior measurement date

- Reduction in actuarial assumed rate of return from 8.00% to 7.50%
- Decrease in wage inflation from 3.75% to 3.25%
- Change in future salary increases from a range of 4.25%-10.02% to 3.25%-10.75%

**City of Trotwood, Ohio**  
**Notes to the Required Supplementary Information**  
**For The Fiscal Year Ended December 31, 2019**

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2014-2016: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

*Changes in benefit terms:*

2019-2014: There were no changes in benefit terms for the period.

**Note 3 - Net OPEB Liability**

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**Ohio Police and Fire Pension Fund Changes in Assumptions and Benefit Terms**

*Changes in assumptions:*

2019: Beginning January 1, 2019 OP&F changed its retiree health care model and the current self-insured health care plan is no longer offered. In its place will be a stipend-based health care model. OP&F has contracted with a vendor who will assist eligible retirees in choosing health care plans from their marketplace (both Medicare-eligible and pre-Medicare populations). A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses. As a result of changing from the current health care model to the stipend based health care model, management expects that it will be able to provide stipends to eligible participants for the next 15 years. Beginning in 2020 the Board approved a change to the Deferred Retirement Option Plan. The minimum interest rate accruing will be 2.5%.

2018: The single discount rate changed from 3.79% to 3.24%

*Changes in benefit terms:*

2019: See above regarding change to stipend-based model.

2018: There were no changes in benefit terms for the period.

**Ohio Public Employees Retirement System Changes in Assumptions and Benefit Terms**

*Changes in assumptions:*

2019: OPERS Board adopted a change in the investment return assumption, reducing it from 6.50% to 6.00%. In January 2020, the Board adopted changes to health care coverage for Medicare and pre-Medicare retirees. It will include discontinuing the PPO plan for pre-Medicare retirees and replacing it with a monthly allowance to help participants pay for a health care plan of their choosing. The base allowance for Medicare-eligible retirees will be reduced. The specific effect of these changes on the net OPEB liability and OPEB expense are unknown at this time.

2018: The single discount rate changed from 4.23% to 3.85%.

*Changes in benefit terms:*

2019-2018: There were no changes in benefit terms for the period.

***COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES***

## **NONMAJOR GOVERNMENTAL FUNDS**

### **Special Revenue Funds**

Special Revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The term proceeds of specific revenue sources establish that one or more specific restricted or committed revenues should be the foundation for a special revenue fund.

### **Debt Service Fund**

The debt service fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds should be used to report resources if legally mandated (i.e. debt payable from property taxes). Financial resources that are being accumulated for principal and interest maturing in future years also should be reported in debt service funds.

### **Capital Projects Funds**

The Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

City of Trotwood, Ohio  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2019

	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	\$1,862,139	\$8,358	\$814,474	\$2,684,971
Receivables (Net):				
Taxes	645,934	141,584	1,104,791	1,892,309
Accounts	105,002	0	0	105,002
Intergovernmental	777,515	9,046	35,984	822,545
Special Assessments	8,116	0	0	8,116
Prepaid Items	16,152	0	0	16,152
<b>Total Assets</b>	<b>3,414,858</b>	<b>158,988</b>	<b>1,955,249</b>	<b>5,529,095</b>
<b>Liabilities:</b>				
Accounts Payable	31,068	0	0	31,068
Accrued Wages and Benefits	51,370	0	0	51,370
<b>Total Liabilities</b>	<b>82,438</b>	<b>0</b>	<b>0</b>	<b>82,438</b>
<b>Deferred Inflows of Resources:</b>				
Property Taxes	408,073	102,334	408,073	918,480
Grants and Other Taxes	838,655	9,046	35,984	883,685
Special Assessments	8,116	0	0	8,116
Revenue in Lieu of Taxes	0	0	540,285	540,285
<b>Total Deferred Inflows of Resources</b>	<b>1,254,844</b>	<b>111,380</b>	<b>984,342</b>	<b>2,350,566</b>
<b>Fund Balances:</b>				
Nonspendable	16,152	0	0	16,152
Restricted	2,061,424	47,608	651,880	2,760,912
Committed	0	0	319,027	319,027
<b>Total Fund Balances</b>	<b>2,077,576</b>	<b>47,608</b>	<b>970,907</b>	<b>3,096,091</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$3,414,858</b>	<b>\$158,988</b>	<b>\$1,955,249</b>	<b>\$5,529,095</b>

City of Trotwood, Ohio  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Nonmajor Governmental Funds  
For the Fiscal Year Ended December 31, 2019

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues:</b>				
Property and Other Taxes	\$725,538	\$141,502	\$563,490	\$1,430,530
Charges for Services	1,165,461	0	0	1,165,461
Intergovernmental	1,097,480	18,122	72,088	1,187,690
Special Assessments	6,460	0	0	6,460
Fines, Licenses & Permits	397,561	0	0	397,561
Revenue in Lieu of Taxes	0	0	469,568	469,568
Other Revenues	34,956	0	0	34,956
<b>Total Revenues</b>	<b>3,427,456</b>	<b>159,624</b>	<b>1,105,146</b>	<b>4,692,226</b>
<b>Expenditures:</b>				
<b>Current:</b>				
Public Safety	1,961,218	0	0	1,961,218
Community Development	81,242	0	0	81,242
Transportation and Street Repair	311,145	0	0	311,145
Capital Outlay	740,775	0	338,866	1,079,641
<b>Debt Service:</b>				
Principal	0	145,000	587,759	732,759
Interest and Other Charges	0	7,933	477,201	485,134
<b>Total Expenditures</b>	<b>3,094,380</b>	<b>152,933</b>	<b>1,403,826</b>	<b>4,651,139</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>333,076</b>	<b>6,691</b>	<b>(298,680)</b>	<b>41,087</b>
<b>Other Financing Sources (Uses):</b>				
Issuance of Capital Leases	0	0	170,830	170,830
Proceeds from Sale of Capital Assets	3,863	0	0	3,863
Transfers In	0	84,000	480,000	564,000
Transfers (Out)	0	(48,990)	0	(48,990)
<b>Total Other Financing Sources (Uses)</b>	<b>3,863</b>	<b>35,010</b>	<b>650,830</b>	<b>689,703</b>
<b>Net Change in Fund Balance</b>	<b>336,939</b>	<b>41,701</b>	<b>352,150</b>	<b>730,790</b>
<b>Fund Balance - Beginning of Year</b>	<b>1,740,637</b>	<b>5,907</b>	<b>618,757</b>	<b>2,365,301</b>
<b>Fund Balance - End of Year</b>	<b>\$2,077,576</b>	<b>\$47,608</b>	<b>\$970,907</b>	<b>\$3,096,091</b>



## **NONMAJOR SPECIAL REVENUE FUNDS**

### **Fund Descriptions**

**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.

**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 or 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.

**Redlight Enforcement** - To account for the fines generated from any traffic light violations.

**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.

**FEMA** - To account for monies received through the Federal Emergency Management Agency (FEMA) grant. Pursuant to the Ohio Revised Code Section 5705.12 and the State Auditor's office, the City must create a separate fund to account for the spending of federal money.

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City of Trotwood, Ohio  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2019

	State Highway	Motor Vehicle License Tax	Permissive Use Tax	Drug Law Enforcement	Curbs/Gutters/ Sidewalks Assessment	Grants
<b>Assets:</b>						
Equity in Pooled Cash and Investments	\$26,404	\$211,394	\$12,475	\$2,143	\$39,116	\$303,037
<b>Receivables (Net):</b>						
Taxes	0	81,428	0	0	0	0
Accounts	0	0	0	0	0	0
Intergovernmental	51,473	0	0	0	0	10,650
Special Assessments	0	0	0	0	8,116	0
Prepaid Items	592	0	0	0	0	0
<b>Total Assets</b>	<b>78,469</b>	<b>292,822</b>	<b>12,475</b>	<b>2,143</b>	<b>47,232</b>	<b>313,687</b>
<b>Liabilities:</b>						
Accounts Payable	184	0	0	0	0	8,456
Accrued Wages and Benefits	1,244	0	0	0	0	0
<b>Total Liabilities</b>	<b>1,428</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8,456</b>
<b>Deferred Inflows of Resources</b>						
Property Taxes	0	0	0	0	0	0
Grants and Other Taxes	43,131	69,482	0	0	0	10,650
Special Assessments	0	0	0	0	8,116	0
<b>Total Deferred Inflows of Resources</b>	<b>43,131</b>	<b>69,482</b>	<b>0</b>	<b>0</b>	<b>8,116</b>	<b>10,650</b>
<b>Fund Balances:</b>						
Nonspendable	592	0	0	0	0	0
Restricted	33,318	223,340	12,475	2,143	39,116	294,581
<b>Total Fund Balances</b>	<b>33,910</b>	<b>223,340</b>	<b>12,475</b>	<b>2,143</b>	<b>39,116</b>	<b>294,581</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$78,469</b>	<b>\$292,822</b>	<b>\$12,475</b>	<b>\$2,143</b>	<b>\$47,232</b>	<b>\$313,687</b>

Local Law Enforcement Block	Enforcement and Education	Law Enforcement Trust	Redlight Enforcement	Government Equity Program	Rescue Levy	Police Levy	FEMA	Total Nonmajor Special Revenue Funds
\$75	\$13,223	\$23,177	\$238,114	\$219	\$990,723	\$2,039	\$0	\$1,862,139
0	0	0	0	0	564,506	0	0	645,934
0	0	0	0	0	105,002	0	0	105,002
0	0	0	0	0	35,984	0	679,408	777,515
0	0	0	0	0	0	0	0	8,116
0	0	0	3,280	0	12,280	0	0	16,152
<u>75</u>	<u>13,223</u>	<u>23,177</u>	<u>241,394</u>	<u>219</u>	<u>1,708,495</u>	<u>2,039</u>	<u>679,408</u>	<u>3,414,858</u>
0	0	0	0	0	22,428	0	0	31,068
0	0	0	10,492	0	39,634	0	0	51,370
0	0	0	10,492	0	62,062	0	0	82,438
0	0	0	0	0	408,073	0	0	408,073
0	0	0	0	0	35,984	0	679,408	838,655
0	0	0	0	0	0	0	0	8,116
0	0	0	0	0	444,057	0	679,408	1,254,844
0	0	0	3,280	0	12,280	0	0	16,152
<u>75</u>	<u>13,223</u>	<u>23,177</u>	<u>227,622</u>	<u>219</u>	<u>1,190,096</u>	<u>2,039</u>	<u>0</u>	<u>2,061,424</u>
<u>75</u>	<u>13,223</u>	<u>23,177</u>	<u>230,902</u>	<u>219</u>	<u>1,202,376</u>	<u>2,039</u>	<u>0</u>	<u>2,077,576</u>
<u>\$75</u>	<u>\$13,223</u>	<u>\$23,177</u>	<u>\$241,394</u>	<u>\$219</u>	<u>\$1,708,495</u>	<u>\$2,039</u>	<u>\$679,408</u>	<u>\$3,414,858</u>

City of Trotwood, Ohio  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended December 31, 2019

	State Highway	Motor Vehicle License Tax	Permissive Use Tax	Drug Law Enforcement	Curbs/Gutters/ Sidewalks Assessment	Grants
<b>Revenues:</b>						
Property and Other Taxes	\$0	\$162,048	\$0	\$0	\$0	\$0
Charges for Services	0	0	0	0	0	0
Intergovernmental	85,454	0	0	0	0	939,938
Special Assessments	0	0	0	0	6,460	0
Fines, Licenses & Permits	0	0	0	545	0	0
Other Revenues	1,045	0	2,092	0	0	3,379
<b>Total Revenues</b>	<b>86,499</b>	<b>162,048</b>	<b>2,092</b>	<b>545</b>	<b>6,460</b>	<b>943,317</b>
<b>Expenditures:</b>						
<b>Current:</b>						
Public Safety	0	0	0	0	0	54,308
Community Development	0	0	0	0	0	81,242
Transportation and Street Repair	115,774	120,000	0	0	371	75,000
Capital Outlay	0	0	0	0	0	740,775
<b>Total Expenditures</b>	<b>115,774</b>	<b>120,000</b>	<b>0</b>	<b>0</b>	<b>371</b>	<b>951,325</b>
<b>Excess of Revenues Over (Under) Expenditure:</b>	<b>(29,275)</b>	<b>42,048</b>	<b>2,092</b>	<b>545</b>	<b>6,089</b>	<b>(8,008)</b>
<b>Other Financing Sources (Uses):</b>						
Proceeds from Sale of Capital Assets	0	0	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Change in Fund Balance</b>	<b>(29,275)</b>	<b>42,048</b>	<b>2,092</b>	<b>545</b>	<b>6,089</b>	<b>(8,008)</b>
<b>Fund Balance - Beginning of Year</b>	<b>63,185</b>	<b>181,292</b>	<b>10,383</b>	<b>1,598</b>	<b>33,027</b>	<b>302,589</b>
<b>Fund Balance - End of Year</b>	<b>\$33,910</b>	<b>\$223,340</b>	<b>\$12,475</b>	<b>\$2,143</b>	<b>\$39,116</b>	<b>\$294,581</b>

Local Law Enforcement Block	Enforcement and Education	Law Enforcement Trust	Redlight Enforcement	Government Equity Program	Rescue Levy	Police Levy	FEMA	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$0	\$563,490	\$0	\$0	\$725,538
0	0	0	0	0	1,165,461	0	0	1,165,461
0	0	0	0	0	72,088	0	0	1,097,480
0	0	0	0	0	0	0	0	6,460
0	713	27,554	368,749	0	0	0	0	397,561
0	0	0	2,787	0	25,653	0	0	34,956
0	713	27,554	371,536	0	1,826,692	0	0	3,427,456
0	945	9,530	451,445	0	1,444,990	0	0	1,961,218
0	0	0	0	0	0	0	0	81,242
0	0	0	0	0	0	0	0	311,145
0	0	0	0	0	0	0	0	740,775
0	945	9,530	451,445	0	1,444,990	0	0	3,094,380
0	(232)	18,024	(79,909)	0	381,702	0	0	333,076
0	0	0	0	0	3,863	0	0	3,863
0	0	0	0	0	3,863	0	0	3,863
0	(232)	18,024	(79,909)	0	385,565	0	0	336,939
75	13,455	5,153	310,811	219	816,811	2,039	0	1,740,637
\$75	\$13,223	\$23,177	\$230,902	\$219	\$1,202,376	\$2,039	\$0	\$2,077,576

City of Trotwood, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2019

	State Highway Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$75,053	\$82,844	\$7,791
Other Revenues	947	1,045	98
<b>Total Revenues</b>	<b>76,000</b>	<b>83,889</b>	<b>7,889</b>
Expenditures:			
Current:			
Transportation & Street Repair	153,027	117,716	35,311
<b>Total Expenditures</b>	<b>153,027</b>	<b>117,716</b>	<b>35,311</b>
<b>Net Change in Fund Balance</b>	<b>(77,027)</b>	<b>(33,827)</b>	<b>43,200</b>
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	58,846	58,846	0
<b>Fund Balance End of Year</b>	<b>(\$18,181)</b>	<b>\$25,019</b>	<b>\$43,200</b>



City of Trotwood, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2019

	Motor Vehicle License Tax Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Property and Other Local Taxes	\$166,000	\$162,967	(\$3,033)
Total Revenues	<u>166,000</u>	<u>162,967</u>	<u>(3,033)</u>
Expenditures:			
Current:			
Transportation & Street Repair	341,400	285,000	56,400
Total Expenditures	<u>341,400</u>	<u>285,000</u>	<u>56,400</u>
Net Change in Fund Balance	(175,400)	(122,033)	53,367
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>333,427</u>	<u>333,427</u>	<u>0</u>
Fund Balance End of Year	<u>\$158,027</u>	<u>\$211,394</u>	<u>\$53,367</u>

City of Trotwood, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2019

	Permissive Use Tax Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Other Revenues	\$80,000	\$2,092	(\$77,908)
Total Revenues	80,000	2,092	(77,908)
Expenditures:			
Current:			
Transportation & Street Repair	390,000	300,000	90,000
Total Expenditures	390,000	300,000	90,000
Net Change in Fund Balance	(310,000)	(297,908)	12,092
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	310,385	310,385	0
Fund Balance End of Year	\$385	\$12,477	\$12,092

City of Trotwood, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2019

	Drug Law Enforcement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses & Permits	\$400	\$545	\$145
Total Revenues	400	545	145
Expenditures:			
Current:			
Public Safety	1,800	0	1,800
Total Expenditures	1,800	0	1,800
Net Change in Fund Balance	(1,400)	545	1,945
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,598	1,598	0
Fund Balance End of Year	\$198	\$2,143	\$1,945

City of Trotwood, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2019

	Curbs/Gutters/ Sidewalks Assessment Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Special Assessments	\$5,600	\$6,460	\$860
Total Revenues	5,600	6,460	860
Expenditures:			
Current:			
Transportation & Street Repair	10,000	371	9,629
Total Expenditures	10,000	371	9,629
Net Change in Fund Balance	(4,400)	6,089	10,489
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	33,028	33,028	0
Fund Balance End of Year	\$28,628	\$39,117	\$10,489

City of Trotwood, Ohio  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended December 31, 2019

	Grants Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$1,165,866	\$1,015,554	(\$150,312)
Other Revenues	3,879	3,379	(500)
<b>Total Revenues</b>	<b>1,169,745</b>	<b>1,018,933</b>	<b>(150,812)</b>
Expenditures:			
Current:			
Public Safety	62,627	54,308	8,319
Community Development	113,704	98,600	15,104
Transportation & Street Repair	86,489	75,000	11,489
Capital Outlay	1,074,030	931,358	142,672
<b>Total Expenditures</b>	<b>1,336,850</b>	<b>1,159,266</b>	<b>177,584</b>
Net Change in Fund Balance	(167,105)	(140,333)	26,772
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	318,850	318,850	0
<b>Fund Balance End of Year</b>	<b>\$151,745</b>	<b>\$178,517</b>	<b>\$26,772</b>

City of Trotwood, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2019

	Local Law Enforcement Block Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Charges for Services	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Public Safety	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)	75	75	0
Fund Balance End of Year	\$75	\$75	\$0

City of Trotwood, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2019

	Enforcement and Education Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses & Permits	\$500	\$713	\$213
Total Revenues	500	713	213
Expenditures:			
Current:			
Public Safety	1,587	1,340	247
Total Expenditures	1,587	1,340	247
Net Change in Fund Balance	(1,087)	(627)	460
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	13,537	13,537	0
Fund Balance End of Year	\$12,450	\$12,910	\$460

City of Trotwood, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2019

	Law Enforcement Trust Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses & Permits	\$39,000	\$27,554	(\$11,446)
Total Revenues	39,000	27,554	(11,446)
Expenditures:			
Current:			
Public Safety	9,536	9,530	6
Total Expenditures	9,536	9,530	6
Net Change in Fund Balance	29,464	18,024	(11,440)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	5,150	5,150	0
Fund Balance End of Year	\$34,614	\$23,174	(\$11,440)



City of Trotwood, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2019

	Redlight Enforcement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses & Permits	\$600,462	\$368,749	(\$231,713)
Other Revenues	4,538	2,787	(1,751)
Total Revenues	<u>605,000</u>	<u>371,536</u>	<u>(233,464)</u>
Expenditures:			
Current:			
Public Safety	<u>488,299</u>	<u>454,518</u>	<u>33,781</u>
Total Expenditures	<u>488,299</u>	<u>454,518</u>	<u>33,781</u>
Net Change in Fund Balance	116,701	(82,982)	(199,683)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>317,817</u>	<u>317,817</u>	<u>0</u>
Fund Balance End of Year	<u>\$434,518</u>	<u>\$234,835</u>	<u>(\$199,683)</u>

City of Trotwood, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2019

	Government Equity Program Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Community Development	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)	220	220	0
Fund Balance End of Year	\$220	\$220	\$0

City of Trotwood, Ohio  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended December 31, 2019

	Rescue Levy Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Property and Other Local Taxes	\$356,871	\$407,057	\$50,186
Charges for Services	1,010,035	1,152,074	142,039
Intergovernmental	63,200	72,088	8,888
Other Revenues	22,490	25,653	3,163
Total Revenues	<u>1,452,596</u>	<u>1,656,872</u>	<u>204,276</u>
Expenditures:			
Current:			
Public Safety	<u>1,515,053</u>	<u>1,455,541</u>	<u>59,512</u>
Total Expenditures	<u>1,515,053</u>	<u>1,455,541</u>	<u>59,512</u>
Excess of Revenues Over (Under) Expenditures	<u>(62,457)</u>	<u>201,331</u>	<u>263,788</u>
Other Financing Sources (Uses):			
Proceeds from Sale of Capital Assets	<u>3,387</u>	<u>3,863</u>	<u>476</u>
Total Other Financing Sources (Uses)	<u>3,387</u>	<u>3,863</u>	<u>476</u>
Net Change in Fund Balance	(59,070)	205,194	264,264
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>772,912</u>	<u>772,912</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$713,842</u></u>	<u><u>\$978,106</u></u>	<u><u>\$264,264</u></u>

City of Trotwood, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2019

	Police Levy Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Property and Other Local Taxes	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Public Safety	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)	2,039	2,039	0
Fund Balance End of Year	\$2,039	\$2,039	\$0

City of Trotwood, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2019

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	FEMA Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Community Development	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

## **NONMAJOR DEBT SERVICE FUND**

### **Fund Description**

**Debt Retirement Fund** - 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. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance for the Debt Retirement Fund has been included in the Nonmajor Governmental Funds Combining Balance Sheet and Combining Statement of Revenues, Expenditures and Changes in Fund Balance. The Schedule of Revenues, Expenditures by Budget Center and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis) follow this page.

City of Trotwood, Ohio  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended December 31, 2019

	Debt Retirement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Property and Other Local Taxes	\$98,340	\$102,252	\$3,912
Intergovernmental	17,429	18,122	693
Total Revenues	<u>115,769</u>	<u>120,374</u>	<u>4,605</u>
Expenditures:			
Debt Service:			
Principal Retirement	185,071	185,000	71
Interest and Fiscal Charges	16,929	16,923	6
Total Expenditures	<u>202,000</u>	<u>201,923</u>	<u>77</u>
Excess of Revenues Over (Under) Expenditures	<u>(86,231)</u>	<u>(81,549)</u>	<u>4,682</u>
Other Financing Sources (Uses):			
Transfers In	80,786	84,000	3,214
Total Other Financing Sources (Uses)	<u>80,786</u>	<u>84,000</u>	<u>3,214</u>
Net Change in Fund Balance	(5,445)	2,451	7,896
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>5,907</u>	<u>5,907</u>	<u>0</u>
Fund Balance End of Year	<u>\$462</u>	<u>\$8,358</u>	<u>\$7,896</u>

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## **NONMAJOR CAPITAL PROJECT FUNDS**

### **Fund Descriptions**

**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.

**Fire Facility Improvements** – To account for resources related to the Fire Facility Improvements.

**Salem Mall Tax Increment** – To account for resources related to the Salem Mall.

**Fire Capital Levy** – To account for property taxes levied for the provision to buy capital items for the fire protection and prevention services within the City.

**General Capital Improvements** – To account for resources related to general capital improvements.

City of Trotwood, Ohio  
Combining Balance Sheet  
Nonmajor Capital Projects Funds  
December 31, 2019

	Park Acquisition and Development	Industrial Park	Fire Facility Improvements	Salem Mall Tax Increment	Fire Capital Levy
<b>Assets:</b>					
Equity in Pooled Cash and Investments	\$2,801	\$376,217	\$0	\$29,131	\$87,298
Receivables (Net):					
Taxes	0	372,426	0	167,859	564,506
Intergovernmental	0	0	0	0	35,984
<b>Total Assets</b>	<b>2,801</b>	<b>748,643</b>	<b>0</b>	<b>196,990</b>	<b>687,788</b>
<b>Liabilities:</b>					
Accounts Payable	0	0	0	0	0
<b>Total Liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Deferred Inflows of Resources:</b>					
Property Taxes	0	0	0	0	408,073
Grants and Other Taxes	0	0	0	0	35,984
Pension	0	372,426	0	167,859	0
<b>Total Deferred Inflows of Resources</b>	<b>0</b>	<b>372,426</b>	<b>0</b>	<b>167,859</b>	<b>444,057</b>
<b>Fund Balances:</b>					
Restricted	2,801	376,217	0	29,131	243,731
Committed	0	0	0	0	0
<b>Total Fund Balances</b>	<b>2,801</b>	<b>376,217</b>	<b>0</b>	<b>29,131</b>	<b>243,731</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$2,801</b>	<b>\$748,643</b>	<b>\$0</b>	<b>\$196,990</b>	<b>\$687,788</b>

General Capital Improvement	Total Nonmajor Capital Projects Funds
\$319,027	\$814,474
0	1,104,791
0	35,984
<u>319,027</u>	<u>1,955,249</u>
<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>
0	408,073
0	35,984
<u>0</u>	<u>540,285</u>
<u>0</u>	<u>984,342</u>
0	651,880
<u>319,027</u>	<u>319,027</u>
<u>319,027</u>	<u>970,907</u>
<u>\$319,027</u>	<u>\$1,955,249</u>

City of Trotwood, Ohio  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Nonmajor Capital Projects Funds  
For the Fiscal Year Ended December 31, 2019

	Park Acquisition and Development	Industrial Park	Fire Facility Improvements	Salem Mall Tax Increment	Fire Capital Levy
Revenues:					
Property and Other Taxes	\$0	\$0	\$0	\$0	\$563,490
Intergovernmental	0	0	0	0	72,088
Revenue in Lieu of Taxes	0	333,513	0	136,055	0
Total Revenues	0	333,513	0	136,055	635,578
Expenditures:					
Capital Outlay	0	0	5,162	0	332,294
Debt Service:					
Principal	0	180,400	0	164,900	242,459
Interest and Other Charges	0	98,995	0	273,131	105,075
Total Expenditures	0	279,395	5,162	438,031	679,828
Excess of Revenues Over (Under) Expenditures	0	54,118	(5,162)	(301,976)	(44,250)
Other Financing Sources (Uses):					
Issuance of Capital Leases	0	0	0	0	170,830
Transfers In	0	0	0	280,000	0
Total Other Financing Sources (Uses)	0	0	0	280,000	170,830
Net Change in Fund Balance	0	54,118	(5,162)	(21,976)	126,580
Fund Balance - Beginning of Year	2,801	322,099	5,162	51,107	117,151
Fund Balance - End of Year	\$2,801	\$376,217	\$0	\$29,131	\$243,731

General Capital Improvement	Total Nonmajor Capital Projects Funds
\$0	\$563,490
0	72,088
0	469,568
0	1,105,146
1,410	338,866
0	587,759
0	477,201
1,410	1,403,826
(1,410)	(298,680)
0	170,830
200,000	480,000
200,000	650,830
198,590	352,150
120,437	618,757
\$319,027	\$970,907

City of Trotwood, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2019

	Park Acquisition and Development Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses & Permits	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Leisure Time Activities	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)	2,801	2,801	0
Fund Balance End of Year	\$2,801	\$2,801	\$0

City of Trotwood, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2019

	Industrial Park Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Revenue in Lieu of Taxes	\$330,000	\$333,513	\$3,513
Total Revenues	<u>330,000</u>	<u>333,513</u>	<u>3,513</u>
Expenditures:			
Debt Service:			
Principal Retirement	244,811	244,811	0
Interest and Fiscal Charges	<u>34,584</u>	<u>34,584</u>	<u>0</u>
Total Expenditures	<u>279,395</u>	<u>279,395</u>	<u>0</u>
Net Change in Fund Balance	50,605	54,118	3,513
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>322,099</u>	<u>322,099</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$372,704</u></u>	<u><u>\$376,217</u></u>	<u><u>\$3,513</u></u>

City of Trotwood, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2019

	Fire Facility Improvements Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Capital Outlay	5,162	5,162	0
Total Expenditures	5,162	5,162	0
Net Change in Fund Balance	(5,162)	(5,162)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	5,162	5,162	0
Fund Balance End of Year	\$0	\$0	\$0



City of Trotwood, Ohio  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended December 31, 2019

	Salem Mall Tax Increment Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Revenue in Lieu of Taxes	\$157,947	\$136,055	(\$21,892)
Total Revenues	157,947	136,055	(21,892)
Expenditures:			
Debt Service:			
Principal Retirement	164,926	164,900	26
Interest and Fiscal Charges	273,174	273,131	43
Total Expenditures	438,100	438,031	69
Excess of Revenues Over (Under) Expenditures	(280,153)	(301,976)	(21,823)
Other Financing Sources (Uses):			
Transfers In	325,053	280,000	(45,053)
Total Other Financing Sources (Uses)	325,053	280,000	(45,053)
Net Change in Fund Balance	44,900	(21,976)	(66,876)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	51,106	51,106	0
Fund Balance End of Year	\$96,006	\$29,130	(\$66,876)

City of Trotwood, Ohio  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended December 31, 2019

	Fire Capital Levy Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Property and Other Local Taxes	\$387,380	\$407,057	\$19,677
Intergovernmental	68,603	72,088	3,485
Total Revenues	<u>455,983</u>	<u>479,145</u>	<u>23,162</u>
Expenditures:			
Capital Outlay	223,127	221,082	2,045
Debt Service:			
Principal Retirement	186,711	185,000	1,711
Interest and Fiscal Charges	106,047	105,075	972
Total Expenditures	<u>515,885</u>	<u>511,157</u>	<u>4,728</u>
Net Change in Fund Balance	(59,902)	(32,012)	27,890
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>119,308</u>	<u>119,308</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$59,406</u></u>	<u><u>\$87,296</u></u>	<u><u>\$27,890</u></u>

City of Trotwood, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2019

	General Capital Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Property and Other Local Taxes	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Capital Outlay	222,524	22,478	200,046
Total Expenditures	222,524	22,478	200,046
Excess of Revenues Over (Under) Expenditures	(222,524)	(22,478)	200,046
Other Financing Sources (Uses):			
Transfers In	100,000	200,000	100,000
Total Other Financing Sources (Uses)	100,000	200,000	100,000
Net Change in Fund Balance	(122,524)	177,522	300,046
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	120,437	120,437	0
Fund Balance End of Year	(\$2,087)	\$297,959	\$300,046

## **NONMAJOR FUNDS**

***Fiduciary Fund:*** Fiduciary fund types are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds.

### **Fund Description**

**Agency Fund - Fire Loss** - To account for receipts and disbursements on monies related to fire insurance.

City of Trotwood, Ohio  
Statement of Changes In Assets and Liabilities  
Agency Fund  
For the Fiscal Year Ended December 31, 2019

	Fire Loss			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$44,075	\$32,896	\$29,180	\$47,791
Total Assets	<u>44,075</u>	<u>32,896</u>	<u>29,180</u>	<u>47,791</u>
Liabilities:				
Undistributed Monies	44,075	32,896	29,180	47,791
Total Liabilities	<u>\$44,075</u>	<u>\$32,896</u>	<u>\$29,180</u>	<u>\$47,791</u>

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***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 sources, the property and 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.

City of Trotwood, Ohio  
 Net Position by Component  
 Last Ten Calendar Years  
 (accrual basis of accounting)  
 Schedule 1

	Calendar Year									
	2010	2011	2012	2013 (1)	2014 (1)	2015 (1)	2016	2017 (2)	2018	2019
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$40,915,075	\$41,557,908	\$41,722,668	\$41,628,553	\$38,381,366	\$38,174,194	\$38,079,036	\$37,330,226	\$37,190,573	\$36,751,234
Restricted	2,465,871	2,872,633	3,079,582	3,904,525	4,580,526	4,790,869	5,935,624	6,851,431	6,544,788	9,260,366
Unrestricted	3,890,365	3,304,999	2,364,978	2,755,160	(7,440,881)	(7,070,564)	(7,373,570)	(18,088,347)	(18,014,345)	(11,258,006)
Total governmental activities net position	\$47,271,311	\$47,735,540	\$47,167,228	\$48,288,238	\$35,521,011	\$35,894,499	\$36,641,090	\$26,093,310	\$25,721,016	\$34,753,594
<b>Business-type activities</b>										
Net Investment in Capital Assets	\$17,308,100	\$17,486,158	\$16,951,303	\$17,567,758	\$16,335,168	\$16,064,172	\$15,637,455	\$15,557,100	\$16,502,131	\$17,275,718
Unrestricted	3,266,183	2,701,790	2,814,752	4,776,408	4,999,800	5,343,112	6,970,667	7,282,802	7,034,561	7,697,543
Total business-type activities net position	\$20,574,283	\$20,187,948	\$19,766,055	\$22,344,166	\$21,334,968	\$21,407,284	\$22,608,122	\$22,839,902	\$23,536,692	\$24,973,261
<b>Total Primary Government</b>										
Net Investment in Capital Assets	\$58,223,175	\$59,044,066	\$58,673,971	\$59,196,311	\$54,716,534	\$54,238,366	\$53,716,491	\$52,887,326	\$53,692,704	\$54,026,952
Restricted	2,465,871	2,872,633	3,079,582	3,904,525	4,580,526	4,790,869	5,935,624	6,851,431	6,544,788	9,260,366
Unrestricted	7,156,548	6,006,789	5,179,730	7,531,568	(2,441,081)	(1,727,452)	(402,903)	(10,805,545)	(10,979,784)	(3,560,463)
Total primary government net position	\$67,845,594	\$67,923,488	\$66,933,283	\$70,632,404	\$56,855,979	\$57,301,783	\$59,249,212	\$48,933,212	\$49,257,708	\$59,726,855

(1) - Amounts reflect a prior period adjustment

(2) - Restated for GASB Statement No. 75 Implementation

Source: City Records

City of Trotwood, Ohio  
Changes in Net Position  
Last Ten Calendar Years  
(accrual basis of accounting)  
Schedule 2

	Calendar Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Expenses</b>										
Governmental Activities:										
General Government	\$2,232,408	\$3,062,455	\$3,210,313	\$3,220,714	\$3,444,386	\$2,556,659	\$2,687,146	\$3,037,812	\$2,941,800	\$2,207,401
Public Safety	8,338,531	8,583,577	8,713,796	8,499,414	9,526,215	8,631,605	9,184,331	8,354,240	9,378,058	4,103,554
Community Development	885,151	1,029,674	1,352,215	1,310,140	699,877	732,670	501,769	420,596	562,504	467,342
Leisure Time Activities	364,636	383,732	463,194	377,420	401,685	274,096	246,292	264,257	243,946	160,314
Transportation & Street Repair	2,473,363	2,754,010	3,035,008	2,191,630	2,439,518	2,303,614	1,753,586	2,489,403	3,215,462	2,491,418
Interest and Fiscal Charges	603,972	679,405	677,856	650,130	597,691	582,626	672,288	557,644	552,811	535,094
<b>Total Governmental Activities Expenses</b>	<b>14,898,061</b>	<b>16,492,853</b>	<b>17,452,382</b>	<b>16,249,448</b>	<b>17,109,372</b>	<b>15,081,270</b>	<b>15,045,412</b>	<b>15,123,952</b>	<b>16,894,581</b>	<b>9,965,123</b>
Business-Type Activities:										
Water	1,032,248	1,338,543	1,509,516	1,286,474	1,380,311	1,553,195	1,090,098	1,392,235	1,687,151	1,453,876
Sewer	771,290	982,998	927,308	968,372	1,016,239	1,157,858	792,109	1,094,038	1,292,548	1,051,512
Refuse	1,075,134	1,432,650	1,420,131	1,450,538	1,417,130	1,365,870	1,308,254	1,328,085	1,316,121	1,289,924
Stormwater	817,277	1,025,845	821,225	735,306	801,034	930,608	1,016,447	1,095,882	1,050,914	1,107,279
Other Enterprise Funds	0	0	0	0	0	0	0	67,358	72,817	61,940
<b>Total Business-Type Activities Expenses</b>	<b>3,695,949</b>	<b>4,780,036</b>	<b>4,678,180</b>	<b>4,440,690</b>	<b>4,614,714</b>	<b>5,007,531</b>	<b>4,206,908</b>	<b>4,977,598</b>	<b>5,419,551</b>	<b>4,964,531</b>
<b>Total Primary Government Expenses</b>	<b>\$18,594,010</b>	<b>\$21,272,889</b>	<b>\$22,130,562</b>	<b>\$20,690,138</b>	<b>\$21,724,086</b>	<b>\$20,088,801</b>	<b>\$19,252,320</b>	<b>\$20,101,550</b>	<b>\$22,314,132</b>	<b>\$14,929,654</b>
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services:										
General Government	\$320,538	\$586,951	\$518,244	\$510,089	\$509,235	\$464,920	\$490,693	\$561,505	\$570,056	\$322,103
Public Safety	1,313,859	1,456,169	1,841,053	1,402,282	1,822,791	1,388,996	1,172,137	1,130,222	1,559,446	1,604,816
Community Development	105,285	95,490	136,821	178,106	145,151	122,850	226,772	252,803	117,416	183,486
Leisure Time Activities	26,048	17,598	19,783	34,329	29,480	29,890	34,853	41,440	52,712	50,648
Transportation and Street Repair	13,620	9,183	473	0	502	359	613	5,648	5,649	6,460
Operating Grants and Contributions	1,385,532	1,722,345	1,431,386	1,733,156	2,337,780	1,836,233	1,600,558	1,490,009	1,947,559	3,309,586
Capital Grants and Contributions	1,444,975	1,465,441	1,769,666	416,073	11,225	59,572	181,130	0	956,799	10,650
<b>Total Governmental Activities Program Revenues</b>	<b>4,609,857</b>	<b>5,353,177</b>	<b>5,717,426</b>	<b>4,274,035</b>	<b>4,856,164</b>	<b>3,902,820</b>	<b>3,706,756</b>	<b>3,481,627</b>	<b>5,209,637</b>	<b>5,487,749</b>
Business-Type Activities:										
Charges for Services:										
Water	1,473,421	1,440,360	1,138,393	2,109,507	1,544,234	1,616,886	1,821,748	1,751,408	1,793,664	1,778,759
Sewer	1,134,721	1,034,511	842,995	1,439,045	1,146,375	1,229,674	1,337,573	1,286,679	1,334,653	1,330,235
Refuse	1,297,453	1,276,413	1,562,730	1,477,665	1,407,946	1,366,618	1,427,739	1,430,724	1,363,950	1,500,300
Stormwater	869,985	664,331	632,778	1,066,961	746,107	711,307	802,561	737,866	706,534	826,328
Other Enterprise Funds	0	0	0	0	0	0	0	0	0	368
Capital Grants and Contributions	0	0	714,225	0	0	0	0	315,000	0	0
<b>Total Business-Type Activities Program Revenues</b>	<b>4,775,580</b>	<b>4,415,615</b>	<b>4,891,121</b>	<b>6,093,178</b>	<b>4,844,662</b>	<b>4,924,485</b>	<b>5,389,621</b>	<b>5,521,677</b>	<b>5,198,801</b>	<b>5,435,990</b>
<b>Total Primary Government Program Revenues</b>	<b>\$9,385,437</b>	<b>\$9,768,792</b>	<b>\$10,608,547</b>	<b>\$10,367,213</b>	<b>\$9,700,826</b>	<b>\$8,827,305</b>	<b>\$9,096,377</b>	<b>\$9,003,304</b>	<b>\$10,408,438</b>	<b>\$10,923,739</b>

City of Trotwood, Ohio  
Changes in Net Position  
Last Ten Calendar Years  
(accrual basis of accounting)  
Schedule 2 (Continued)

	Calendar Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Net (Expense)/Revenue</b>										
Governmental Activities	(\$10,288,204)	(\$11,139,676)	(\$11,734,956)	(\$11,975,413)	(\$12,253,208)	(\$11,178,450)	(\$11,338,656)	(\$11,642,325)	(\$11,684,944)	(\$4,477,374)
Business-Type Activities	1,079,631	(364,421)	212,941	1,652,488	229,948	(83,046)	1,182,713	544,079	(220,750)	471,459
<b>Total Primary Government Net Expenses</b>	<b>(\$9,208,573)</b>	<b>(\$11,504,097)</b>	<b>(\$11,522,015)</b>	<b>(\$10,322,925)</b>	<b>(\$12,023,260)</b>	<b>(\$11,261,496)</b>	<b>(\$10,155,943)</b>	<b>(\$11,098,246)</b>	<b>(\$11,905,694)</b>	<b>(\$4,005,915)</b>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Income Taxes	\$5,298,769	\$5,040,411	\$4,911,790	\$5,666,888	\$4,672,734	\$5,020,072	\$5,110,289	\$9,973,806	\$5,372,176	\$5,415,319
Property Taxes	5,235,900	5,381,391	3,902,277	4,443,580	6,261,231	4,818,175	5,049,513	4,744,562	4,843,807	6,924,647
Grants and Entitlements not Restricted	1,883,135	625,816	1,194,125	856,478	666,337	668,157	616,185	625,779	624,208	640,969
Revenue in Lieu of Taxes	285,209	266,173	314,945	1,796,840	730,615	752,528	764,068	533,835	621,783	596,196
Investment Earnings	2,765	1,628	1,985	1,339	3,636	4,836	8,930	47,304	262,228	334,833
Other Revenues	305,224	265,986	432,197	853,239	550,164	287,670	536,262	501,250	483,558	501,583
Transfers-Internal Activities	(7,077)	22,500	25,000	(450,747)	0	0	0	0	(895,110)	(903,595)
<b>Total Governmental Activities</b>	<b>13,003,925</b>	<b>11,603,905</b>	<b>10,782,319</b>	<b>13,167,617</b>	<b>12,884,717</b>	<b>11,551,438</b>	<b>12,085,247</b>	<b>10,426,536</b>	<b>11,312,650</b>	<b>13,509,952</b>
Business-type activities:										
Investment Earnings	867	550	1,102	627	0	0	0	0	0	0
Other Revenues	3,729	36	128	4,773	5,906	10,827	18,125	21,438	22,430	61,515
Transfers-Internal Activities	77,500	(22,500)	(25,000)	450,747	0	0	0	0	895,110	903,595
Total Business-Type Activities	82,096	(21,914)	(23,770)	456,147	5,906	10,827	18,125	21,438	917,540	965,110
<b>Total Primary Government</b>	<b>\$13,086,021</b>	<b>\$11,581,991</b>	<b>\$10,758,549</b>	<b>\$13,623,764</b>	<b>\$12,890,623</b>	<b>\$11,562,265</b>	<b>\$12,103,372</b>	<b>\$10,447,974</b>	<b>\$12,230,190</b>	<b>\$14,475,062</b>
<b>Change in Net Position</b>										
Governmental Activities	\$2,715,721	\$464,229	(\$952,637)	\$1,192,204	\$631,509	\$372,988	\$746,591	(\$1,215,789)	(\$372,294)	\$9,032,578
Business-Type Activities	1,161,727	(386,335)	189,171	2,108,635	235,854	(72,219)	1,200,838	565,517	696,790	1,436,569
<b>Total Primary Government</b>	<b>\$3,877,448</b>	<b>\$77,894</b>	<b>(\$763,466)</b>	<b>\$3,300,839</b>	<b>\$867,363</b>	<b>\$300,769</b>	<b>\$1,947,429</b>	<b>(\$650,272)</b>	<b>\$324,496</b>	<b>\$10,469,147</b>

Source: City Records

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

	Calendar Year									
	2010	2011 (1)	2012	2013	2014	2015 (2)	2016	2017	2018	2019
General Fund										
Reserved	\$323,338									
Unreserved	1,860,427							\$87,440	\$61,180	\$52,877
Nondspendable										
Assigned		327,879	\$678,551	\$269,342	\$164,115	\$124,804	\$50,066	39,055	73,603	46,894
Unassigned		1,372,066	183,290	435,828	594,737	642,211	1,311,897	1,673,693	2,326,989	3,254,307
Total General Fund	2,183,765	1,699,945	861,841	705,170	758,852	767,015	1,361,963	1,800,188	2,461,772	3,354,078
All Other Governmental Funds										
Reserved	2,492,175									
Unreserved, Reported in:										
Special Revenue Funds	(1,172,862)									
Debt Service Funds	4,656									
Capital Projects Funds	(1,739,335)									
Nondspendable		0	0	0	0	0	0	66,401	51,521	43,632
Restricted		1,538,308	1,749,174	2,312,433	2,829,704	2,933,688	3,757,422	4,926,107	4,627,092	6,191,378
Committed		0	0	0	0	0	0	0	0	319,027
Unassigned		(2,321,494)	(2,132,793)	(2,372,170)	(2,117,730)	(1,915,872)	0	0	0	0
Total all Other Governmental Funds	(\$415,366)	(\$783,186)	(\$383,619)	(\$59,737)	\$711,974	\$1,017,816	\$3,757,422	\$4,992,508	\$4,678,613	\$6,554,037

Source: City Records

(1) - Prior year amounts have not been restated for the implementation of GASB Statement 54. The change in the classification of fund balance amounts in 2011 are discussed in the Notes to the Financial Statements.

(2) - Restated

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Revenues</b>										
Taxes	\$10,236,302	\$9,470,903	\$9,221,597	\$8,661,385	\$11,132,384	\$9,727,407	\$9,866,481	\$9,968,919	\$10,148,648	\$12,373,347
Charges for Services	1,169,280	1,385,887	1,448,384	1,351,569	1,568,134	1,563,548	1,491,086	1,504,934	1,431,904	1,342,237
Investment Earnings	2,765	1,628	1,985	1,341	3,636	4,836	8,930	47,304	262,228	334,833
Intergovernmental	4,973,269	4,089,584	3,696,921	3,618,810	3,037,163	2,515,346	2,208,380	2,236,895	3,485,673	3,196,927
Special Assessments	61,125	47,361	75,378	117,304	98,072	47,241	93,048	139,768	64,766	123,240
Fines, Licenses & Permits	548,145	727,987	992,612	655,933	840,957	396,226	340,934	354,384	819,928	689,137
Revenue in Lieu of Taxes	266,986	285,046	314,945	1,796,840	730,615	752,528	764,068	533,836	621,783	524,107
Other Revenues	305,223	261,485	432,196	853,237	550,161	287,671	536,261	501,249	483,559	501,584
<b>Total Revenues</b>	<b>\$17,563,095</b>	<b>\$16,269,881</b>	<b>\$16,184,018</b>	<b>\$17,056,419</b>	<b>\$17,961,122</b>	<b>\$15,294,803</b>	<b>\$15,309,188</b>	<b>\$15,287,289</b>	<b>\$17,318,489</b>	<b>\$19,085,412</b>
<b>Expenditures</b>										
<b>Current:</b>										
General Government	\$2,146,466	\$2,939,192	\$3,043,505	\$2,869,875	\$3,082,600	\$2,473,711	\$2,324,004	\$2,642,651	\$2,668,565	\$2,772,546
Public Safety	8,060,103	8,156,930	8,144,645	7,952,880	9,204,008	8,261,875	7,895,774	7,549,155	8,523,819	8,414,337
Community Development	883,977	1,027,674	1,351,751	1,296,813	735,593	731,551	477,102	395,010	542,544	588,026
Leisure Time Activities	328,681	340,410	416,767	338,705	366,683	248,634	201,743	199,411	203,140	180,700
Transportation and Street Repair	1,721,843	1,797,058	1,639,448	1,370,506	1,882,417	1,587,466	1,444,097	1,408,609	2,726,864	1,941,445
Capital Outlay	3,596,228	1,341,925	2,465,112	1,295,827	73,921	323,675	23,009	389,416	968,289	1,079,641
Debt Service										
Principal	862,114	843,569	902,503	1,101,506	1,126,425	749,413	799,987	866,747	800,614	906,982
Interest	568,610	697,263	690,605	678,188	636,179	604,473	629,716	566,226	568,312	537,221
Bond Issuance Costs	240,650	0	0	0	0	0	47,327	0	0	0
<b>Total Expenditures</b>	<b>\$18,408,672</b>	<b>\$17,144,021</b>	<b>\$18,654,336</b>	<b>\$16,904,300</b>	<b>\$17,107,826</b>	<b>\$14,980,798</b>	<b>\$13,846,759</b>	<b>\$14,017,225</b>	<b>\$17,002,147</b>	<b>\$16,420,898</b>

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Excess of revenues over (under) expenditures	(\$845,577)	(\$874,140)	(\$2,470,318)	\$152,119	\$853,296	\$314,005	\$1,462,429	\$1,270,064	\$316,342	\$2,664,514
Other Financing Sources (Uses)										
Proceeds From Sale of Capital Assets	\$74,838	\$0	\$0	\$15,092	\$525	\$0	\$9,159	\$43,247	\$91,833	\$17,376
Issuance of Long-Term Capital-Related Debt	8,000,000	0	1,831,724	0	0	0	1,815,000	360,000	0	0
Sale of Refunding Bonds	0	0	0	0	0	0	3,370,000	0	0	0
Payments to Refunded Bond Escrow Agent	0	0	0	0	0	0	(3,322,034)	0	0	0
Premium on Bonds Sold	444,147	0	0	0	0	0	0	0	0	0
Inception of Capital Lease	1,583,883	0	232,257	0	42,766	0	0	0	15,514	170,830
Transfers In	22,500	258,410	744,800	187,000	0	65,000	230,000	390,000	422,000	564,000
Transfers (Out)	(100,000)	(235,910)	(777,000)	(187,000)	0	(65,000)	(230,000)	(390,000)	(498,000)	(648,990)
Total Other Financing Sources (Uses)	10,025,368	22,500	2,031,781	15,092	43,291	0	1,872,125	403,247	31,347	103,216
Net Change in Fund Balances	\$9,179,791	(\$851,640)	(\$438,537)	\$167,211	\$896,587	\$314,005	\$3,334,554	\$1,673,311	\$347,689	\$2,767,730
Debt service as a percentage of noncapital expenditures (1)	11.4%	9.6%	9.7%	11.0%	10.6%	9.3%	11.0%	10.4%	8.5%	9.0%

Source: City Records

(1) - Noncapital expenditures is the amount for "capital assets used in governmental activities" in the "reconciliation of the statement of revenues, expenditures, and changes in fund balance of governmental funds to the statement of activities"

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

Calendar Year (1)	Real Property	Tangible Personal Property and Utilities Personal	Total	Total	Total
	Assessed Value	Assessed Value	Assessed Value	Estimated Actual Value	Direct Rate
2010	\$318,888,480	\$9,317,140	\$328,205,620	\$939,390,777	19.65
2011	313,729,310	9,477,670	323,206,980	905,847,127	19.65
2012	262,916,010	9,738,930	272,654,940	776,199,943	19.65
2013	256,295,220	10,405,180	266,700,400	758,994,451	19.65
2014	254,675,910	11,473,980	266,149,890	757,112,724	23.80
2015	227,869,200	12,386,660	240,255,860	682,866,052	23.80
2016	226,483,400	12,779,880	239,263,280	679,916,484	23.80
2017	225,170,570	13,755,120	238,925,690	678,670,135	23.80
2018	225,521,430	14,410,810	239,932,240	681,356,523	23.80
2019	225,632,360	15,533,260	241,165,620	684,556,122	23.80

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. 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. 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, Ohio  
Special Assessment Billings and Collections  
Last Ten Calendar Years  
Schedule 6

Calendar Year	Current Assessments Due		Current Assessment Collections		Percent of Current Assessments Collected		Delinquent Assessment Collections (2)		Total Assessment Collections		Ratio of Total Collections to Current		Outstanding Delinquent Assessments (1)		Ratio of Delinquent Assessments to Current Due	
2010	\$920,708	\$717,180	\$717,180	\$717,180	77.89%	\$121,217	\$838,397	91.06%	\$1,376,386	149.49%						
2011	928,696	821,525	821,525	821,525	88.46%	0	821,525	88.46%	1,362,665	146.73%						
2012	2,092,939	411,889	411,889	411,889	19.68%	0	411,889	19.68%	1,801,083	86.06%						
2013	3,447,738	741,474	741,474	741,474	21.51%	521,171	1,262,646	36.62%	2,620,297	76.00%						
2014	3,698,172	407,314	407,314	407,314	11.01%	172,841	580,155	15.69%	3,195,736	86.41%						
2015	876,892	302,047	302,047	302,047	34.45%	165,930	467,977	53.37%	3,568,558	406.96%						
2016	1,093,871	380,678	380,678	380,678	34.80%	159,353	540,031	49.37%	4,170,891	381.30%						
2017	965,223	379,936	379,936	379,936	39.36%	189,119	569,055	58.96%	4,193,023	434.41%						
2018	471,650	310,082	310,082	310,082	65.74%	144,776	454,858	96.44%	3,869,345	820.38%						
2019	1,106,789	472,625	472,625	472,625	42.70%	185,237	657,862	59.44%	4,355,899	393.56%						

Source: County Auditor

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

(2) - Delinquent Collections by levy year are not available. Only Delinquent Collections by collection year are available and presented.

City of Trotwood, Ohio  
 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
2010	6.85	0.50	8.30	2.00	2.00	19.65	60.06	2.58	1.75	20.94
2011	6.85	0.50	8.30	2.00	2.00	19.65	60.06	2.58	1.75	20.94
2012	6.85	0.50	8.30	2.00	2.00	19.65	60.06	2.58	1.75	20.94
2013	6.85	0.50	8.30	2.00	2.00	19.65	60.06	2.58	3.31	20.94
2014	6.85	0.50	12.45	2.00	2.00	23.80	61.06	2.58	3.31	20.94
2015	6.85	0.50	12.45	2.00	2.00	23.80	61.56	2.58	3.31	21.94
2016	6.85	0.50	12.45	2.00	2.00	23.80	62.06	2.58	3.31	22.94
2017	6.85	0.50	12.45	2.00	2.00	23.80	62.06	2.58	3.31	22.94
2018	6.85	0.50	12.45	2.00	2.00	23.80	62.06	4.01	3.31	22.94
2019	6.85	0.50	12.45	2.00	2.00	23.80	62.06	4.01	3.15	23.14

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, Ohio  
Principal Property Tax Payers  
Current Year and Nine Years Ago  
Schedule 8

Taxpayer	2019	
	Assessed Value	Percentage of Total Assessed Value
Dayton Power & Light Company	\$11,883,400	4.75%
Vectren Energy Delivery of Ohio	4,956,550	1.91%
Dayton Healthcare	4,220,350	1.76%
Maria Joseph Properties LLC	1,950,730	0.82%
Shiloh Springs, LP	1,507,330	0.81%
Gated Properties VII LLC	1,359,750	0.74%
Shiloh Springs, LP	1,330,030	0.63%
Belle Meadow Associates LLC	1,164,010	0.57%
SOA Shiloh Springs LLC	1,146,260	0.56%
Shilo Apartments Limited	1,055,880	0.49%
All Others	210,591,330	86.96%
<b>Total Assessed Valuation</b>	<b>\$241,165,620</b>	<b>100.00%</b>

Taxpayer	2010	
	Assessed Value	Percentage of Total Assessed Value
Dayton Power & Light Company	\$7,970,770	2.43%
Dayton Healthcare	5,001,620	1.52%
Salem Square Improvement	4,337,890	1.32%
Corvus Trotwood LLC	4,136,500	1.26%
Woodland Hills Associates	2,842,400	0.87%
Shiloh Springs LLC	2,003,530	0.61%
Lowe's Improvement Center	1,957,620	0.60%
Fieldstone Limited	1,669,290	0.51%
Target Corporation	1,555,150	0.46%
Shiloh Apartments Limited	1,533,110	0.47%
All Others	295,197,740	89.95%
<b>Total Assessed Valuation</b>	<b>\$328,205,620</b>	<b>100.00%</b>

Source: County Auditor

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

Calendar Year	Taxes Levied for the Calendar Year (1)	Collected within the Calendar Year of the Levy		Delinquent Levied in Subsequent Years	Total Collections to Date	
		Amount (2)	Percentage of Levy		Amount	Percentage of Levy
2010	\$5,798,953	\$5,191,344	89.52%	\$447,938	\$5,639,282	97.25%
2011	5,768,525	5,168,579	89.60%	216,908	5,385,487	93.36%
2012	5,213,861	4,682,117	89.80%	434,140	5,116,257	98.13%
2013	5,108,189	4,554,602	89.16%	137,026	4,691,628	91.85%
2014	6,210,526	5,584,912	89.93%	625,614	6,210,526	100.00%
2015	5,664,786	5,109,468	90.20%	378,455	5,487,923	96.88%
2016	5,641,936	5,110,838	90.59%	451,675	5,562,513	98.59%
2017	5,634,247	5,134,796	91.14%	374,998	5,509,794	97.79%
2018	5,628,464	5,150,971	91.52%	416,056	5,567,027	98.91%
2019	5,661,702	5,203,049	91.90%	440,267	5,643,316	99.68%

Source: County Auditor

- (1) - Taxes levied and collected are presented on a cash basis.
- (2) - State reimbursements of rollback and homestead exemptions are included.

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

Calendar Year	Tax Rate	Withholding Collections	Non-Withholding Collections	Gross Collections	Refunds	Net Collections
2010	2.25%	\$3,982,157	\$1,209,641	\$5,191,798	\$65,756	\$5,126,042
2011	2.25%	3,691,940	1,017,084	4,709,024	78,830	4,630,194
2012	2.25%	3,902,259	1,040,093	4,942,352	63,438	4,878,914
2013	2.25%	3,696,030	1,078,265	4,774,295	53,113	4,721,182
2014	2.25%	3,714,817	1,113,293	4,828,110	59,594	4,768,516
2015	2.25%	3,713,792	1,193,983	4,907,775	49,247	4,858,528
2016	2.25%	3,757,534	1,212,991	4,970,525	77,175	4,893,350
2017	2.25%	3,744,488	1,158,832	4,903,320	71,084	4,832,236
2018	2.25%	4,076,373	1,254,708	5,331,081	107,086	5,223,995
2019	2.25%	3,963,234	1,391,882	5,355,116	66,861	5,288,255

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

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

City of Trotwood, Ohio  
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	Capital Leases	General Obligation Bonds (1)	OPWC Loans	Capital Leases				
2010	\$15,564,706	\$1,273,371	\$0	\$8,560	\$0	\$16,846,637	0.09%	\$467	
2011	15,026,940	949,802	0	2,983	0	15,979,725	0.08%	424	
2012	15,642,581	874,556	603,317	308,636	0	17,429,090	0.08%	438	
2013	14,915,112	482,753	575,692	912,081	0	16,885,638	0.08%	421	
2014	14,182,638	113,802	536,446	878,173	0	15,711,059	0.07%	385	
2015	13,503,133	26,128	497,030	844,264	0	14,870,555	0.07%	352	
2016	14,778,783	17,728	695,217	810,355	0	16,302,083	0.07%	379	
2017	14,263,011	8,987	1,047,533	770,446	0	16,089,977	0.07%	371	
2018	13,453,618	91,833	951,133	730,537	183,666	15,410,787	0.06%	329	
2019	12,616,940	174,593	849,633	690,628	122,444	14,454,238	N/A	N/A	

Source: City Records

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

(1) - A portion of the General Obligation Bonds were reclassified in 2012.

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

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

Calendar Year	General Bonded Debt	Less: Restricted for Debt Service (1)	Net General Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
2010	\$15,564,706	\$57,800	\$15,506,906	1.65%	\$565
2011	15,026,940	0	15,026,940	1.66%	548
2012	16,245,898	0	16,245,898	2.09%	592
2013	15,490,804	185,561	15,305,243	2.02%	558
2014	14,719,084	47,258	14,671,826	1.94%	535
2015	14,000,163	32,955	13,967,208	2.05%	509
2016	15,474,000	32,106	15,441,894	2.27%	563
2017	15,310,544	511	15,310,033	2.26%	558
2018	14,404,751	40,106	14,364,645	2.11%	524
2019	13,466,573	84,904	13,381,669	1.95%	488

Source: City Records

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

(1) - Amount from Statement of Net Assets/Net Position



City of Trotwood, Ohio  
Direct and Overlapping Governmental Activities Debt  
As of December 31, 2019  
Schedule 14

Governmental Unit	Net Debt Outstanding	Estimated Percentage Applicable (1)	Amount Applicable to City of Trotwood
Dayton City School District	\$123,095,000	2.67%	\$3,286,637
Northmont City School District	49,971,104	0.44%	219,873
Trotwood-Madison City School District	22,045,000	92.61%	20,415,875
Brookville Local School District	10,115,000	0.60%	60,690
New Lebanon Local School District	1,130,000	2.15%	24,295
Miami Valley Career Center Joint Vocational School District	128,422,994	2.86%	3,672,898
Dayton Metro Library District Miscellaneous	148,000,000	3.23%	4,780,400
Subtotal Overlapping Debt	482,779,098		32,460,668
City of Trotwood - Direct Debt	12,791,533	100.00%	12,791,533
Total Direct and Overlapping Debt	\$495,570,631		\$45,252,201

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, Ohio  
 Legal Debt Margin Information  
 Last Ten Calendar Years  
 Schedule 15

Legal Debt Margin Calculation for Calendar Year 2019										
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total Debt Limit (1)										
Debt Limit (10.5%)	\$34,461,590	\$33,936,733	\$28,628,769	\$28,003,542	\$27,945,738	\$25,226,865	\$25,122,644	\$25,087,197	\$25,192,885	\$25,322,390
Total Net Debt Applicable to Limit	13,292,275	12,447,785	14,169,821	13,580,102	13,083,378	12,494,976	13,524,887	14,263,491	13,505,345	12,706,629
Legal Debt Margin	\$21,169,315	\$21,488,948	\$14,458,948	\$14,423,440	\$14,862,360	\$12,731,889	\$11,597,757	\$10,823,706	\$11,687,540	\$12,615,761
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	38.6%	36.7%	49.5%	48.5%	46.8%	46.8%	53.8%	56.9%	53.6%	50.2%
Calendar Year										
Total Unvoted Debt Limit (1)										
Debt Limit (5.5%)	\$18,051,309	\$17,776,384	\$14,996,022	\$14,668,522	\$14,638,244	\$13,214,072	\$13,159,480	\$13,140,913	\$13,196,273	\$13,264,109
Total Net Debt Applicable to Limit	13,292,275	12,447,785	14,169,821	13,580,102	13,083,378	12,494,976	13,524,887	14,263,491	13,505,345	12,706,629
Legal Debt Margin	\$4,759,034	\$5,328,599	\$826,201	\$1,088,420	\$1,554,866	\$719,096	(\$365,407)	(\$1,122,578)	(\$309,072)	\$557,480
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	73.6%	70.0%	94.5%	92.6%	89.4%	94.6%	102.8%	108.5%	102.3%	95.8%

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.

(2) - Amount from Statement of Net Assets/Net Position

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

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Note: The City has not had Pledged-Revenue Coverage during the last ten calendar years.

Source: City Records

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

City of Trotwood, Ohio  
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)
2010	27,431	\$19,347,596	\$36,108	10.10%
2011	27,431	20,258,807	37,684	8.60%
2012	27,431	21,263,616	39,795	7.00%
2013	27,431	21,514,166	40,150	7.50%
2014	27,431	21,778,263	40,851	4.80%
2015	27,431	22,743,513	42,223	4.70%
2016	27,431	22,870,434	43,051	4.60%
2017	27,431	23,015,355	43,311	4.40%
2018	27,431	24,961,727	46,891	4.70%
2019	27,431	N/A	N/A	3.70%

Sources:

- (1) - Population estimates provided by U.S. Census Bureau (2000 Census for years 2003 - 2009 and 2010 Census for years 2010 - 2012)
- (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 Department of Job and Family Services for Montgomery County
- N/A - Information not available due to a lag in data availability

City of Trotwood, Ohio  
 Major Employers (1)  
 Current Fiscal Year and Eight Fiscal Years Ago (2)  
 Schedule 18

2019	
Major Employers (3)	Type (4)
AES Corp./Dayton Power & Light Co.	Utility
Behr Dayton Thermal Products, LLC	Mfg
Caresource	Govt
DMAX Ltd.	Mfg
Fuyao Glass America	Fin
Green Tokai CO	Mfg
Kettering Health Network	Serv
PNC Financial Services Group	Fin
Premier Health Partners, Inc.	Serv
Reed Elsevier LexisNexis	Serv
Reynolds & Reynolds Co., Inc.	Mfg
Synchrony Financial	Fin
University of Dayton	Serv
U.S. Federal Government	Govt

2011	
Major Employers (3)	Type (4)
Behr Dayton Thermal Products, LLC	Mfg
Dayton City Schools	Govt
DPL, Inc./Dayton Power & Light Co.	Util
DMAX Ltd.	Mfg
Kettering Medical Center	Health
NCR Corp.	Mfg
Premier Health Partners, Inc.	Health
Reed Elsevier LexisNexis	Pub
Reynolds & Reynolds Co., Inc.	Mfg
University of Dayton	Edu
U.S. Federal Government	Govt
Source: Ohio Department of Development	

- (1) - For all of Montgomery County
- (2) - Only current fiscal year and fiscal period eight years ago information available
- (3) - In alphabetical order only
- (4) - Number of employees and percentage of population employed not available

City of Trotwood, Ohio  
 Full-Time Equivalent City Government Employees by Function/Program  
 Last Ten Calendar Years  
 Schedule 19

Function/Program	Full-Time Equivalent Employees as of December 31									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government										
City Administration	3.0	3.0	3.5	3.5	3.5	3.5	2.5	2.0	2.0	2.5
City Council	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.5	1.0	1.5
Public Works Administration	3.0	3.0	3.0	3.0	2.0	2.0	1.0	1.0	1.0	1.0
Buildings and Grounds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Finance	8.0	8.8	8.8	8.8	9.5	9.5	10.0	9.5	9.0	9.0
Fleet Maintenance	2.1	0.0	3.0	3.0	3.0	3.0	3.0	2.0	2.0	3.0
Public Safety										
Police										
Officers	33.0	35.0	34.0	34.0	34.0	34.0	29.2	29.0	31.0	31.5
Non-Sworn	4.0	4.0	4.0	4.0	4.0	4.0	4.0	3.0	4.0	4.0
Fire	42.0	41.0	52.0	40.3	41.0	41.0	40.7	40.8	40.5	42.5
Leisure Time Activities										
Cemeteries	0.8	0.8	0.8	0.8	0.8	0.8	1.0	2.0	2.0	1.5
Parks and recreation	3.3	2.0	1.0	1.0	0.5	0.5	1.5	2.5	1.5	1.0
Community Development										
Planning and Zoning	3.0	2.5	2.0	2.0	1.5	1.5	0.8	1.5	1.5	2.0
Building Inspection/Code Enforcement	3.0	3.0	3.6	3.0	3.0	1.5	1.8	1.0	1.0	0.0
Economic Development	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Basic Utility Service										
Water	1.7	1.7	1.2	1.2	1.2	1.2	2.2	1.5	1.5	1.5
Sanitary Sewers	1.7	1.7	1.2	1.2	1.2	1.2	2.2	1.5	1.5	1.5
Refuse Collection	0.8	0.8	0.8	0.8	0.8	0.8	1.0	0.0	0.0	0.0
Transportation and Street Repair	6.5	6.5	6.5	6.5	6.5	6.5	6.7	7.0	8.0	8.0
<b>Total</b>	<b>116.9</b>	<b>114.8</b>	<b>126.4</b>	<b>114.1</b>	<b>112.0</b>	<b>107.6</b>	<b>103.3</b>	<b>107.5</b>	<b>112.0</b>	<b>110.5</b>

Source: Various City Departments

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

Function/Program	Calendar Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>General Government</b>										
Building permits issued	37	37	43	37	0	0	0	0	0	0
Zoning permits issued	99	121	146	95	62	41	110	181	103	134
Checks issued	2,835	2,666	2,631	2,393	1,784	1,786	2,255	2,269	2,008	2,230
Ordinances adopted	15	13	29	95	17	22	22	32	24	30
Resolutions adopted	88	87	73	14	89	80	91	133	51	100
<b>Police</b>										
Calls for service	31,617	32,599	30,288	30,987	31,726	30,939	30,944	31,261	35,431	33,165
Cases assigned	1,255	1,371	1,316	1,205	1,062	1,044	1,114	902	1,205	947
Suspects charged	260	362	247	194	198	127	169	158	160	181
Percent cases closed by arrest	21%	26%	19%	16%	19%	12%	15%	17.5%	13.8%	19.1%
Traffic accidents	364	358	378	366	447	476	527	537	496	456
Traffic stops	3,236	3,353	2,409	2,980	3,418	2,833	2,746	4206	2,622	2,796
<b>Fire</b>										
Calls for service	1,362	1,324	1,200	1,342	1,294	1,274	140	154	155	151
Average response time (minutes)	6.3	6.5	6.5	6.4	6.6	6.5	6.7	6.7	6.64	6.93
Average calls per day	3.7	3.6	3.3	3.7	3.5	3.5	0.4	0.42	0.42	0.41
Average call duration (minutes)	68.0	0.0	53.9	114.2	100.8	99.5	64.5	72.74	118.36	128.47
<b>EMS</b>										
Calls for service	4,200	4,245	4,440	4,572	5,026	5,120	5,090	5,531	5,040	5,242
Average response time (minutes)	6.6	5.9	5.2	5.9	6.0	6.3	6.8	6.32	6.78	6.75
Average calls per day	11.5	11.6	12.2	12.5	13.8	14.0	14.0	15.15	13.80	14.36
Average call duration (minutes)	71	0	67	72	96	92	62	70.69	47.08	52.36
<b>Fire/EMS - all other</b>										
Calls for service	0	0	0	0	0	0	1,343	1178	1,284	1,388
Average response time (minutes)	0	0	0	0	0	0	6	5.92	6.48	6.36
Average calls per day	0	0	0	0	0	0	4	3.23	3.51	3.8
Average call duration (minutes)	0	0	0	0	0	0	29	26.81	16.56	15.86

Source: Various City Departments  
 N/A - Information not available

City of Trotwood, Ohio  
 Operating Indicators by Function/Program  
 Last Ten Calendar Years  
 Schedule 20 (Continued)

Function/Program	Calendar Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Public Works</b>										
Street resurfacing (square yards)	123,200	0	93,848	25,500	25,000	27,000	29,500	57,400	76,384	32,736
Potholes repaired	9,000	9,000	9,000	9,000	9,800	11,191	11,685	15,000	21,000	21,000
Street cleaning (lane miles)	500	500	500	250	350	205	150	1,100	1,200	1,200
Street striping (miles)	10	20	20	12	35	30	30	30	25	25
<b>Parks and recreation</b>										
Shelter rentals	37	36	48	49	53	63	63	62	78	78
Pavilion rentals	2	0	2	2	0	4	3	10	4	4
<b>Water</b>										
Water main breaks	15	11	18	20	32	11	18	16	29	29
<b>Wastewater</b>										
Sewer main cleaning (miles)	12	12	11	12	15	8	20	10	7	7

Source: Various City Departments

N/A - Information not available



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

Function/Program	Calendar Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Fire Stations	3	3	3	3	3	3	3	3	3	3
Public Works										
Streets (lane-miles)	411	411	411	411	411	411	411	411	411	411
Streetlights	1,285	1,285	1,285	1,285	1,285	1,285	1,285	1,285	1,285	1,287
Traffic signaled intersections	41	41	41	41	41	41	41	41	41	41
Parks and Recreation										
Number of Parks	7	7	7	7	7	7	7	7	7	7
Acreage	150	150	150	150	150	150	150	150	150	150
Utilities										
Water Mains (miles)	38	38	38	38	38	38	38	38	38	38
Fire hydrants	1,096	1,096	1,096	1,225	1,235	1,235	1,235	1,235	1,235	1,235
Storm Sewers (miles)	40	40	40	40	40	40	40	40	40	40
Sanitary Sewers (miles)	32	32	32	32	32	32	32	32	32	32

Source: Various City Departments  
 N/A - Information not available

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**CITY OF TROTWOOD, OHIO**



**Yellow Book Report**

**December 31, 2019**

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

City of Trotwood  
Montgomery County  
3035 Olive Road  
Trotwood, Ohio 45426

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Trotwood, Ohio (the City), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated July 29, 2020.

### Internal Control over Financial Reporting

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

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

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

### Compliance and Other Matters

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

## Purpose of this Report

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

*Plattenburg & Associates, Inc.*

Dayton, Ohio  
July 29, 2020

# OHIO AUDITOR OF STATE KEITH FABER



**CITY OF TROTWOOD  
MONTGOMERY COUNTY**

## **AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 9/22/2020**

88 East Broad Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)