

**CITY OF TROTWOOD
MONTGOMERY COUNTY**



SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2020

OHIO AUDITOR OF STATE
KEITH FABER



88 East Broad Street
Columbus, Ohio 43215
IPAReport@ohioauditor.gov
(800) 282-0370

City Council
City of Trotwood
3035 Olive Road
Trotwood, Ohio 45426

We have reviewed the *Independent Auditor's Report* of the City of Trotwood, Montgomery County, prepared by Plattenburg & Associates, Inc., for the audit period January 1, 2020 through December 31, 2020. 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.

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

July 28, 2021

This page intentionally left blank.

**CITY OF TROTWOOD
MONTGOMERY COUNTY
FOR THE YEAR ENDED DECEMBER 31, 2020**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor’s Report.....	Under separate cover
Prepared by Management:	
Comprehensive Annual Financial Report	Under separate cover
Schedule of Expenditures of Federal Awards	1
Notes to the Schedule of Expenditures of Federal Awards	1
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 <i>Government Auditing Standards</i>	2
Independent Auditor’s Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance and Report on Schedule of Expenditures Of Federal Awards Required by Uniform Guidance	4
Schedule of Findings and Questioned Costs	6
Schedule of Prior Audit Findings and Questioned Costs	7

**CITY OF TROTWOOD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Federal Grantor/Pass - Through Grantor, Program Title	Pass Through Entity Number	CFDA #	Expenditures
<hr/>			
United States Department of Justice			
Passed Through Ohio Department of Justice:			
Bulletproof Vest Partnership Program	N/A	16.607	\$881
Equitable Sharing Program	N/A - Direct	16.922	<u>22,511</u>
Total U.S. Department of Justice			<u>23,392</u>
<hr/>			
United States Department of Housing and Urban Development			
Passed Through Montgomery County, Ohio:			
CDBG - Entitlement Grants Cluster			
Community Development Block Grants/Entitlement Grants	B-18-UC-39-0004	14.218	51,801
Community Development Block Grants/Entitlement Grants	B-17-UC-39-0004	14.218	<u>16,343</u>
Total CDBG - Entitlement Grants Cluster			68,144
Total U.S. Department of Housing and Urban Development			<u>68,144</u>
<hr/>			
United States Department of Homeland Security			
Passed Through the Ohio Department of Public Safety:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	FEMA-4447-DR	97.036	<u>586,125</u>
Total U.S. Department of Homeland Security			<u>586,125</u>
<hr/>			
United States Department of the Treasury			
Passed Through Ohio Office of Budget and Management:			
Coronavirus Relief Fund	HB481-CRF-Local	21.019	<u>1,395,495</u>
Total U.S. Department of the Treasury			<u>1,395,495</u>
<hr/>			
United States Department of Health and Human Services			
Provider Relief Fund	N/A - Direct	93.498	<u>27,391</u>
Total U.S. Department of Health and Human Services			<u>27,391</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$2,100,547</u></u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE A -- SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards is a summary of the activity of the City's federal award programs. The schedule has been prepared using the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). The City did not elect to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**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, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 25, 2021.

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) as a basis for designing 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 financial statements. 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
June 25, 2021

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE AND REPORT ON SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

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

Report on Compliance for Each Major Federal Program

We have audited the City of Trotwood's (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2020. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements

that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated June 25, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.
Dayton, Ohio
June 25, 2021

**CITY OF TROTWOOD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2020**

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant Deficiency(s) identified? None reported

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? No
- Significant Deficiency(s) identified? None reported

Type of auditor’s report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No

Identification of major federal programs:

Coronavirus Relief Fund – CFDA #21.019

Dollar threshold used to distinguish between Type A and Type B Programs \$750,000

Auditee qualified as low-risk auditee? No

Section II – Findings Related to the Financial Statements Required to be reported in Accordance with GAGAS
None

Section III – Federal Award Findings and Questioned Costs
None

CITY OF TROTWOOD
SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
December 31, 2020

The City of Trotwood had no prior audit findings or questioned costs.

CITY OF TROTWOOD OHIO



**COMPREHENSIVE ANNUAL FINANCIAL REPORT
For The Fiscal Year Ended December 31, 2020**

CITY OF TROTWOOD, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2020

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

THIS PAGE INTENTIONALLY LEFT BLANK



	Page
INTRODUCTORY SECTION	
Letter of Transmittal	vii
List of Elected and Appointed Officials	xiv
Organizational Chart	xv
Certificate of Achievement for Excellence in Financial Reporting	xvi
 FINANCIAL SECTION	
Independent Auditor's Report	1
Management's Discussion and Analysis	3
 <i>Basic Financial Statements:</i>	
Government-wide Financial Statements:	
Statement of Net Position	11
Statement of Activities	12
Fund Financial Statements:	
Balance Sheet - Governmental Funds	14
Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities	15
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	16
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities	18
Statement of Net Position - Proprietary Funds	20
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds	22
Statement of Cash Flows - Proprietary Funds	24
Notes to the Basic Financial Statements	26
 <i>Required Supplementary Information:</i>	
Schedule of the City's Proportionate Share of the Net Pension Liability - OPERS	69
Schedule of the City's Proportionate Share of the Net Pension Liability - OP&F	70
Schedule of City Contributions for Net Pension Liability - OPERS	71
Schedule of City Contributions for Net Pension Liability - OP&F	72
Schedule of the City's Proportionate Share of the Net OPEB Liability - OPERS	73
Schedule of the City's Proportionate Share of the Net OPEB Liability - OP&F	74
Schedule of City Contributions for Net OPEB Liability - OPERS	75
Schedule of City Contributions for Net OPEB Liability - OP&F	76
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - General Fund	77
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Street Construction Maintenance and Repair Fund	79
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Fire Levy Fund	80
Notes to the Required Supplementary Information	81

	Page
<i>Combining Statements and Individual Fund Schedules:</i>	
Nonmajor Governmental Funds	87
Combining Balance Sheet	88
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	89
Nonmajor Special Revenue Funds	
Fund Descriptions	90
Combining Balance Sheet	92
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	94
Schedule of Revenues, Expenditures and Changes in Fund Balance	
Budget and Actual (Non-GAAP Budgetary Basis):	
State Highway Fund	96
Motor Vehicle License Tax Fund	97
Permissive Use Tax Fund	98
Drug Law Enforcement Fund	99
Curbs/Gutters/Sidewalks Assessment Fund	100
Grants Fund	101
Local Law Enforcement Block Fund	102
Enforcement and Education Fund	103
Law Enforcement Trust Fund	104
Redlight Enforcement Fund	105
Government Equity Program Fund	106
Rescue Levy Fund	107
Police Levy Fund	108
FEMA Fund	109
Coronavirus Relief Fund	110
Nonmajor Debt Service Funds	
Fund Description	111
Schedule of Revenues, Expenditures and Changes in Fund Balance	
Budget and Actual (Non-GAAP Budgetary Basis):	
Debt Retirement Fund	112
Nonmajor Capital Projects Funds	
Fund Descriptions	113
Combining Balance Sheet	114
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	116
Schedule of Revenues, Expenditures and Changes in Fund Balance	
Budget and Actual (Non-GAAP Budgetary Basis):	
Park Acquisition and Development Fund	118
Industrial Park Fund	119
Salem Mall Tax Increment Fund	120
Fire Capital Levy Fund	121
General Capital Improvement Fund	122

	<u>Schedule</u>	<u>Page</u>
STATISTICAL SECTION		
Statistical Section Description Page		123
Net Position by Component	1	125
Changes in Net Position	2	126
Fund Balances, Governmental Funds	3	129
Changes in Fund Balances, Governmental Funds	4	130
Assessed Value and Estimated Actual Value of Taxable Property	5	132
Special Assessment Billings and Collections	6	133
Direct and Overlapping Property Tax Rates	7	134
Principal Property Tax Payers	8	135
Property Tax Levies and Collections	9	136
Income Tax Collections	10	137
Principal Income Taxpayers	11	138
Ratios of Outstanding Debt by Type	12	139
Ratios of General Bonded Debt Outstanding	13	140
Direct and Overlapping Governmental Activities Debt	14	141
Legal Debt Margin Information	15	142
Pledged-Revenue Coverage	16	143
Demographic and Economic Statistics - Montgomery County	17	144
Major Employers	18	145
Full-Time Equivalent City Government Employees by Function/Program	19	146
Operating Indicators by Function/Program	20	148
Capital Asset Statistics by Function/Program	21	150

THIS PAGE INTENTIONALLY LEFT BLANK



INTRODUCTORY SECTION





June 25, 2021

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, 2020. 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 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 2,300 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 Gordon Food Services, Lowe's and Home Depot. The City continues to promote redevelopment at the Salem Site.

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.

In early 2020, the United States of America was hit hard by a new virus named COVID-19. By March of 2020, Governor Mike DeWine had closed all K-12 Schools, day care centers, entertainment venues, limited and/or prohibited mass gatherings, limited restaurants and bars to carry out or delivery only, closed polling locations, ceased business operations for many service professions and disallowed visitors to hospitals, nursing homes, jails and detention centers. With many businesses forced to close during this time, unemployment rates increased from 5% in January of 2020 to 16.8% by April of 2020. Montgomery County has had 52,143 confirmed cases of COVID-19 and 1,025 deaths in comparison with the world wide numbers of 169 million confirmed cases and 3.51 million deaths. In response to this crisis, the president signed the Cares Act on March 27, 2020. This Act provided direct payments to most Americans, additional weekly unemployment amounts and extended benefits, the delay in paying of payroll taxes, the waiving of early withdrawal penalties, provided small business relief along with many other benefits, including aid to local governments. The monies received directly by the city were used for first responder payroll, personal protective equipment, improvements in telework capabilities and sanitization to prevent the spread of the virus.

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.

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 specified 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 2020 were a mere fraction of prior years as these are collection of outstanding delinquent fines. City of Trotwood received a 21.45% increase in gas taxes due to the new bill for the calendar year 2020.

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. The City reached its goal two years prior to the target date of 2020 and has maintained this reserve. As of December 31, 2020, the general fund unencumbered cash balance was \$2,879,195 representing a reserve in excess of three months based on the 2021 general fund appropriations of \$8,707,256. 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 contracted with FUTURE IQ, Inc., a consulting and research company, to help develop the City's new strategic plan. 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. The strategic plan incorporates the proposed data analysis and vision framework to provide recommended strategies and rationale for policy development, long term capital investments and resource allocations.

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 by a carbon steel tube manufacturer, Epix Tube, 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. Additionally, in 2020 Arcani Coil Care acquired and located their production and logistics operations into the former Frank's Nursery building on Denlinger Road. Arcani Coil Care pay employees a minimum of \$15.00 per hour and is currently on a growth trajectory.

Korreck Plumbing Heating & Air Conditioning moved into their new corporate headquarters within the City of Trotwood. The company currently employs 68 people. In 2016, Korreck was recognized as the 23rd fastest growing company, 8th largest mechanical company and the 21st largest female owned business in the Dayton Area. Korreck 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 built a \$5.1 million, 13,000 square foot state of the art library 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 courthouse is being constructed in the Main Street Corridor, beside the new library and Goodwill facility.

New Housing Development

As a result of the 2019 Memorial Day tornado, replacing housing lost to the storm has been a large focus for the City. Additionally, creating new, high quality home ownership opportunity within the community has been a major focus of the City. In 2020, three major developments were initiated and were underway. The largest to date being the completion of the Wolf Creek Run neighborhood by the largest home builder in America, D.R. Horton. D.R. Horton bought 38 undeveloped lots in the neighborhood and build new homes on each lot. These homes sold for prices ranging from \$185,000-\$225,000. D.R. Horton is working with the City and the Trotwood CIC on extending this development to build new homes on undeveloped land adjacent to the neighborhood.

Another notable housing development was initiated by G.F. Bailey/I-3 Homes. They are building single-family residential homes designed with steel structural framing, offering more affordable build prices and homes that can withstand storm strength winds. The model home started in fall of 2020 and they intend to acquire all developable lots in the Sycamore Woods neighborhood to build out these homes, which will sell for roughly \$225,000.

The Trotwood CIC also entered into contract with MVAH, an affordable housing developer, to build a 70-unit affordable senior complex on a vacant commercial lot owned by the Trotwood CIC at 702 E Main Street. This project was seeking financing through OHFA's funding process, which will be awarded in 2021. This would create new, affordable options for seniors seeking to age in the Trotwood community and provide new housing on Main Street to create a walkable community for these seniors. This project will result in a \$10,800,000 project.

Housing Redevelopment 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 120 properties and currently has 11 properties in inventory. The TCIC has sold 108 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 \$141,583. There has been over \$3.5 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,

A handwritten signature in blue ink, appearing to read "Q. E. Pope, Sr.", with a large, stylized initial "Q" and "P" that overlap.

Quincy E. Pope, Sr.
City Manager

A handwritten signature in blue ink, appearing to read "Chris A. Peeples", with a long, sweeping horizontal line at the end.

Chris A. Peeples
Finance Director

CITY OF TROTWOOD, OHIO
List of Elected and Appointed Officials
December 31, 2020

ELECTED OFFICIALS

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

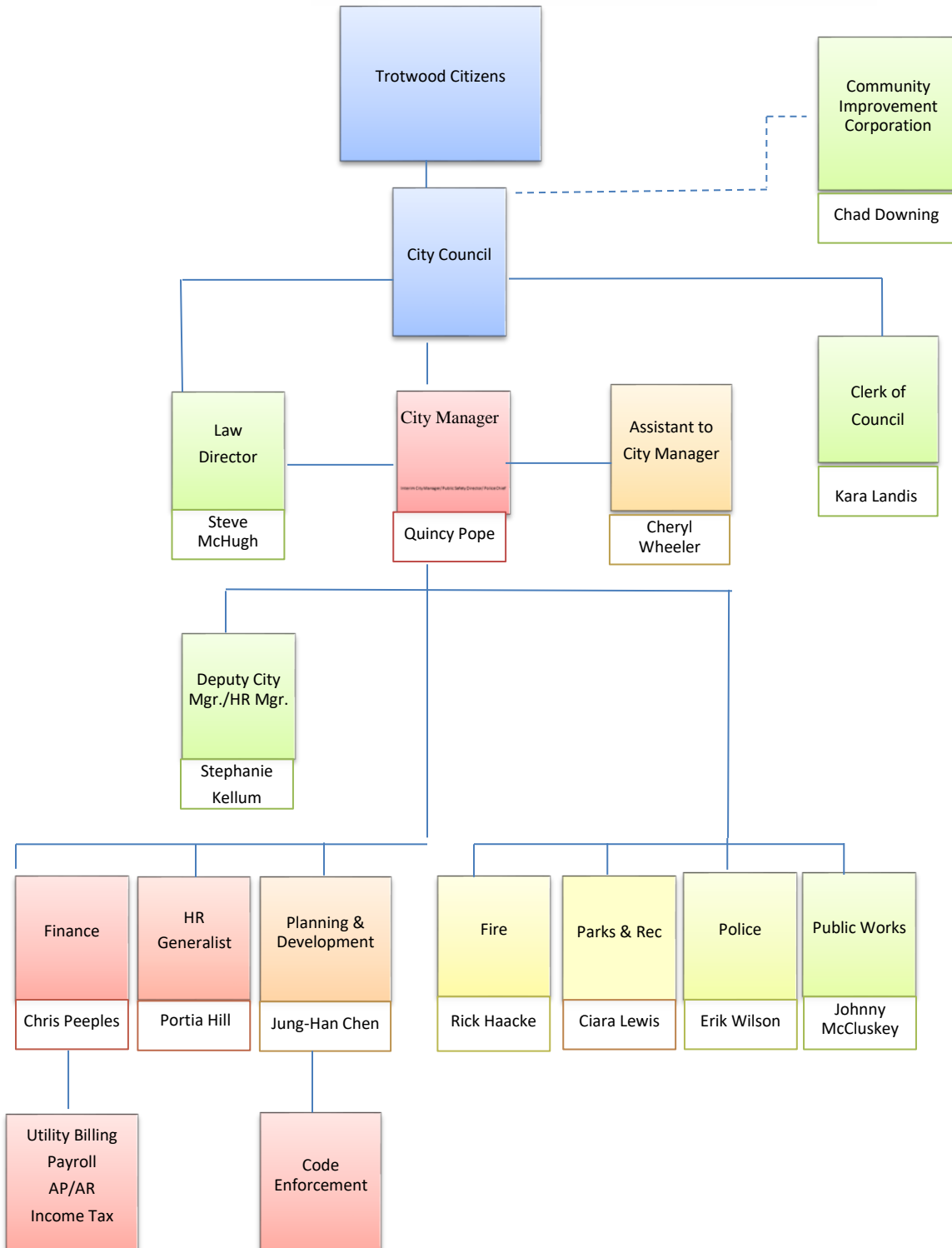
APPOINTED OFFICIALS

Quincy E. Pope, Sr.	City Manager
Stephanie L. Kellum	Deputy City Manager/HR Manager
Kara B. Landis	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





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, 2019

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION



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, 2020, 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, 2020, 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.

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 June 25, 2021, 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.

Plattenburg & Associates, Inc.

Dayton, Ohio
June 25, 2021

City of Trotwood, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2020
(Unaudited)

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, 2020. 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 decreased \$1,028,498. Net position of governmental activities decreased \$1,447,578, and net position of business-type activities increased by \$419,080.
- The General Fund reported a decrease in fund balance of \$87,517.
- Business-type operations reflected an operating income of \$324,999.

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, 2020
(Unaudited)

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.

This Space Intentionally Left Blank

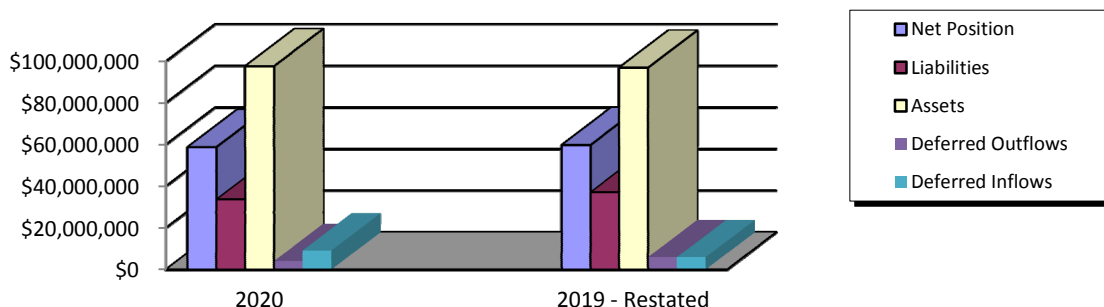
City of Trotwood, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2020
(Unaudited)

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 2020 compared to 2019.

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2020	2019 - Restated	2020	2019	2020	2019 - Restated
Assets:						
Current and Other Assets	\$20,445,363	\$18,885,822	\$10,689,023	\$9,715,943	\$31,134,386	\$28,601,765
Capital Assets	47,929,800	49,372,977	18,577,563	18,938,423	66,507,363	68,311,400
Total Assets	68,375,163	68,258,799	29,266,586	28,654,366	97,641,749	96,913,165
Deferred Outflows of Resources:						
Deferred Charge on Refunding	156,729	169,790	0	0	156,729	169,790
OPEB	1,344,784	1,041,920	84,720	38,540	1,429,504	1,080,460
Pension	2,291,907	4,382,632	136,002	284,777	2,427,909	4,667,409
Total Deferred Outflows of Resources	3,793,420	5,594,342	220,722	323,317	4,014,142	5,917,659
Liabilities:						
Long-Term Liabilities	29,275,568	32,632,237	2,754,631	3,088,239	32,030,199	35,720,476
Other Liabilities	604,952	528,231	1,116,189	900,011	1,721,141	1,428,242
Total Liabilities	29,880,520	33,160,468	3,870,820	3,988,250	33,751,340	37,148,718
Deferred Inflows of Resources:						
Property Taxes	4,372,288	2,766,041	0	0	4,372,288	2,766,041
Revenue in Lieu of Taxes	562,251	540,285	0	0	562,251	540,285
OPEB	1,361,560	1,091,576	69,789	2,275	1,431,349	1,093,851
Pension	2,638,157	1,493,386	154,358	13,897	2,792,515	1,507,283
Total Deferred Inflows of Resources	8,934,256	5,891,288	224,147	16,172	9,158,403	5,907,460
Net Position:						
Net Investment In Capital Assets	36,184,498	36,751,234	17,113,154	17,275,718	53,297,652	54,026,952
Restricted	8,491,040	9,260,366	0	0	8,491,040	9,260,366
Unrestricted	(11,321,731)	(11,210,215)	8,279,187	7,697,543	(3,042,544)	(3,512,672)
Total Net Position	\$33,353,807	\$34,801,385	\$25,392,341	\$24,973,261	\$58,746,148	\$59,774,646



Total net position of the City as a whole decreased \$1,028,498. Net position of governmental activities decreased \$1,447,578 while net position of business-type activities increased by \$419,080. The City had an unrestricted net position balance of (\$3,042,544).

**City of Trotwood, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2020
(Unaudited)**

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

Table 2 shows the changes in net position for the year ended December 31, 2020 and revenue and expense comparisons to 2019.

**Table 2
Changes in Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Program Revenues:						
Charges for Services	\$1,855,045	\$2,167,513	\$5,462,284	\$5,435,990	\$7,317,329	\$7,603,503
Operating Grants and Contributions	3,202,842	3,309,586	0	0	3,202,842	3,309,586
Capital Grants and Contributions	4,281	10,650	42,330	0	46,611	10,650
Total Program Revenues	5,062,168	5,487,749	5,504,614	5,435,990	10,566,782	10,923,739
General Revenues:						
Income Taxes	5,272,961	5,415,319	0	0	5,272,961	5,415,319
Property Taxes	3,339,083	6,924,647	0	0	3,339,083	6,924,647
Grants and Entitlements	710,647	640,969	0	0	710,647	640,969
Investment Earnings	106,034	334,833	0	0	106,034	334,833
Other Revenues	1,013,888	1,097,779	173,392	61,515	1,187,280	1,159,294
Total General Revenues	10,442,613	14,413,547	173,392	61,515	10,616,005	14,475,062
Total Revenues	15,504,781	19,901,296	5,678,006	5,497,505	21,182,787	25,398,801
Program Expenses:						
General Government	3,073,262	2,207,401	0	0	3,073,262	2,207,401
Public Safety	9,060,821	4,103,554	0	0	9,060,821	4,103,554
Community Development	522,539	467,342	0	0	522,539	467,342
Leisure Time	170,441	160,314	0	0	170,441	160,314
Transportation and Street Repair	3,534,729	2,491,418	0	0	3,534,729	2,491,418
Interest and Other Charges	501,548	535,094	0	0	501,548	535,094
Water	0	0	1,634,754	1,453,876	1,634,754	1,453,876
Sewer	0	0	1,185,717	1,051,512	1,185,717	1,051,512
Refuse	0	0	1,378,307	1,289,924	1,378,307	1,289,924
Stormwater	0	0	1,102,941	1,107,279	1,102,941	1,107,279
Other Enterprise Funds	0	0	46,226	61,940	46,226	61,940
Total Program Expenses	16,863,340	9,965,123	5,347,945	4,964,531	22,211,285	14,929,654
Increase (Decrease) in Net Position before Transfers	(1,358,559)	9,936,173	330,061	532,974	(1,028,498)	10,469,147
Transfers - Internal Activities	(89,019)	(903,595)	89,019	903,595	0	0
Change in Net Position	(1,447,578)	9,032,578	419,080	1,436,569	(1,028,498)	10,469,147
Net Position - Beginning of Year, Restated	34,801,385	25,768,807	24,973,261	23,536,692	59,774,646	49,305,499
Net Position - End of Year	<u>\$33,353,807</u>	<u>\$34,801,385</u>	<u>\$25,392,341</u>	<u>\$24,973,261</u>	<u>\$58,746,148</u>	<u>\$59,774,646</u>

Governmental Activities

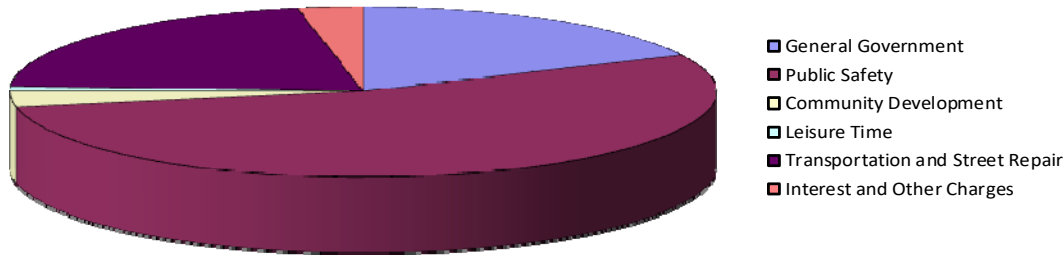
The City of Trotwood's income taxes and property taxes are the largest source of revenue. These revenues represent 82.5% of the City's governmental activities total general revenue.

Property taxes revenue decreased due to the timing of collections based on advances available amounts received from the County Auditor. General government, public safety and transportation expenses increased due to changes in net pension liability and other post-employment benefits liability.

City of Trotwood, Ohio
Management’s Discussion and Analysis
For The Year Ended December 31, 2020
(Unaudited)

Governmental Activities
 Program Expenses for 2020

	Percentage
General Government	18%
Public Safety	54%
Community Development	3%
Leisure Time	1%
Transportation and Street Repair	21%
Interest and Other Charges	3%
Total	100%



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

Business-Type Activities

Business-type activities include Water, Sewer, Refuse Collection, Stormwater and the Community and Cultural Arts Center. These programs had operating revenues of \$5,635,676 and operating expenses of \$5,310,677 for fiscal year 2020. The operating expenses increased in 2020 from 2019 because of an increase in contractual services. Business activities receive no support from tax revenues. The business activities net position at the end of the year was \$25,392,341, which increased \$419,080 from 2019.

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 38 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 \$249,190 in 2020. The sewer fund had operating income of \$200,926 in 2020. The refuse fund had an operating income of \$172,908 in 2020. The stormwater fund had an operating loss of \$265,989 in 2020. The community and cultural arts center fund had an operating loss of \$32,036 in 2020.

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 \$14,129,482 (69%) of the total \$20,443,508 governmental funds’ assets.

General Fund: Fund balance at December 31, 2020 was \$3,314,352, a decrease in fund balance of \$87,517 from 2019. The General fund balance remained relatively consistent from 2020 to 2019.

City of Trotwood, Ohio
Management’s Discussion and Analysis
For The Year Ended December 31, 2020
(Unaudited)

Street Construction Maintenance and Repair Fund: Fund balance at December 31, 2020 was \$1,498,950, a decrease in fund balance of \$173,498 from 2019. The street construction maintenance and repair fund balance decreased mainly due to decreases in property taxes received for 2020 as compared to 2019.

Fire Levy Fund: Fund balance at December 31, 2020 was \$1,461,540 a decrease in fund balance of \$323,958 from 2019. The Fire Levy fund balance decreased mainly due to decreases 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 \$2,879,198, 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 \$66,507,363 invested in land, construction in progress, buildings and improvements, equipment and infrastructure. Table 3 shows 2020 balances compared to 2019:

Table 3
Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$26,741,499	\$26,741,499	\$50,514	\$50,514	\$26,792,013	\$26,792,013
Construction in Progress	149,848	0	0	1,147,983	149,848	1,147,983
Buildings and Improvements	8,869,096	8,862,932	804,595	804,595	9,673,691	9,667,527
Equipment	8,964,921	9,576,873	617,932	588,643	9,582,853	10,165,516
Infrastructure	47,841,359	47,841,359	43,614,053	42,245,083	91,455,412	90,086,442
Accumulated Depreciation	(44,636,923)	(43,649,686)	(26,509,531)	(25,898,395)	(71,146,454)	(69,548,081)
Total Net Capital Assets	<u>\$47,929,800</u>	<u>\$49,372,977</u>	<u>\$18,577,563</u>	<u>\$18,938,423</u>	<u>\$66,507,363</u>	<u>\$68,311,400</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, 2020
(Unaudited)

Debt

At year end, the City had \$13,366,440 in long-term debt and \$1,116,938 due within one year.

Table 4
Outstanding Debt at Year End

	2020	2019
Governmental Activities:		
Bonds		
2003 Various Purpose, 5.11%	\$590,166	\$688,766
2016 Various Purpose Refunding, 2.92%	2,745,000	2,935,000
2016 Various Purpose Improvements, 2.92%	1,383,800	1,480,600
2010 Various Purpose, 3.00-4.25%	5,738,551	5,991,001
Premium on 2010 Various Purpose	262,049	279,815
2012 OAQDA Tax Exempt Energy, 2.02%	30,553	153,397
2012 OAQDA Energy Conservation, 4.28%	883,361	883,361
2017 Various Purpose Capital Improvement, 2.43%	180,000	205,000
Total Bonds	<u>11,813,480</u>	<u>12,616,940</u>
Capital Leases	<u>88,551</u>	<u>174,593</u>
Total Governmental Activities Long-Term Debt	<u><u>11,902,031</u></u>	<u><u>12,791,533</u></u>
Business Type Activities:		
Bonds		
2003 Various Purpose Water, 5.11%	94,917	118,117
2003 Various Purpose Sewer, 5.11%	94,917	118,117
2010 Various Purpose Water, 3.00-4.25%	76,449	78,999
2016 Various Purpose Improvements, 2.92%	191,200	204,400
2017 Various Purpose Capital Improvements, 2.43%	285,000	330,000
Total Bonds	<u>742,483</u>	<u>849,633</u>
OPWC Loans from Direct Borrowings		
2007 Salem Bend Sewer Sanitary Relief Project, 0%	145,821	164,821
2012 Phase 4b Olde Town Watermain Improvements, 0%	266,072	271,733
2012 Phase 1b Olde Town Watermain Improvements, 0%	248,781	254,074
Total OPWC Loans from Direct Borrowings	<u>660,674</u>	<u>690,628</u>
Capital Leases	<u>61,252</u>	<u>122,444</u>
Total Business-Type Activities Long-Term Debt	<u><u>1,464,409</u></u>	<u><u>1,662,705</u></u>
Total Debt	<u><u>\$13,366,440</u></u>	<u><u>\$14,454,238</u></u>

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.

THIS PAGE INTENTIONALLY LEFT BLANK



City of Trotwood, Ohio
Statement of Net Position
December 31, 2020

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in Pooled Cash and Investments	\$10,143,882	\$8,314,445	\$18,458,327
Restricted Cash	9,552	0	9,552
Receivables (Net):			
Taxes	8,517,690	0	8,517,690
Accounts	105,550	1,312,393	1,417,943
Intergovernmental	1,148,904	0	1,148,904
Special Assessments	423,016	1,053,865	1,476,881
Prepaid Items	96,769	8,320	105,089
Nondepreciable Capital Assets	26,891,347	50,514	26,941,861
Depreciable Capital Assets, Net	21,038,453	18,527,049	39,565,502
Total Assets	68,375,163	29,266,586	97,641,749
Deferred Outflows of Resources:			
Deferred Charge on Refunding	156,729	0	156,729
Pension	2,291,907	136,002	2,427,909
OPEB	1,344,784	84,720	1,429,504
Total Deferred Outflows of Resources	3,793,420	220,722	4,014,142
Liabilities:			
Accounts Payable	156,579	1,088,231	1,244,810
Accrued Wages and Benefits	392,940	24,611	417,551
Retainage Payable	9,552	0	9,552
Accrued Interest Payable	45,881	3,347	49,228
Long-Term Liabilities:			
Due Within One Year	1,212,010	237,114	1,449,124
Due In More Than One Year			
Net Pension Liability	13,348,625	725,052	14,073,677
Net OPEB Liability	3,263,281	486,080	3,749,361
Other Amounts	11,451,652	1,306,385	12,758,037
Total Liabilities	29,880,520	3,870,820	33,751,340
Deferred Inflows of Resources:			
Property Taxes	4,372,288	0	4,372,288
Revenue in Lieu of Taxes	562,251	0	562,251
Pension	2,638,157	154,358	2,792,515
OPEB	1,361,560	69,789	1,431,349
Total Deferred Inflows of Resources	8,934,256	224,147	9,158,403
Net Position:			
Net Investment in Capital Assets	36,184,498	17,113,154	53,297,652
Restricted for:			
Debt Service	56,568	0	56,568
Capital Projects	1,439,702	0	1,439,702
Street Construction Maintenance and Repairs	2,025,722	0	2,025,722
State Highway	97,392	0	97,392
Permissive Use Tax	81,680	0	81,680
Grants	387,806	0	387,806
Law Enforcement Trust	9,785	0	9,785
Fire Levy	2,631,750	0	2,631,750
Rescue Levy	1,410,745	0	1,410,745
Other Purposes	349,890	0	349,890
Unrestricted	(11,321,731)	8,279,187	(3,042,544)
Total Net Position	\$33,353,807	\$25,392,341	\$58,746,148

See accompanying notes to the basic financial statements.

City of Trotwood, Ohio
Statement of Activities
For the Fiscal Year Ended December 31, 2020

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$3,073,262	\$512,697	\$129,195	\$0
Public Safety	9,060,821	1,119,116	1,576,351	0
Community Development	522,539	171,563	44,251	4,281
Leisure Time Activities	170,441	45,328	0	0
Transportation and Street Repair	3,534,729	6,341	1,453,045	0
Interest and Other Charges	501,548	0	0	0
Total Governmental Activities	16,863,340	1,855,045	3,202,842	4,281
Business-Type Activities:				
Water	1,634,754	1,814,587	0	25,987
Sewer	1,185,717	1,333,695	0	16,343
Refuse	1,378,307	1,551,215	0	0
Stormwater	1,102,941	761,971	0	0
Other Enterprise	46,226	816	0	0
Total Business-Type Activities	5,347,945	5,462,284	0	42,330
Totals	\$22,211,285	\$7,317,329	\$3,202,842	\$46,611

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, Restated

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
(\$2,431,370)	\$0	(\$2,431,370)
(6,365,354)	0	(6,365,354)
(302,444)	0	(302,444)
(125,113)	0	(125,113)
(2,075,343)	0	(2,075,343)
(501,548)	0	(501,548)
<u>(11,801,172)</u>	<u>0</u>	<u>(11,801,172)</u>
0	205,820	205,820
0	164,321	164,321
0	172,908	172,908
0	(340,970)	(340,970)
0	(45,410)	(45,410)
<u>0</u>	<u>156,669</u>	<u>156,669</u>
<u>(11,801,172)</u>	<u>156,669</u>	<u>(11,644,503)</u>
5,272,961	0	5,272,961
725,841	0	725,841
2,271,702	0	2,271,702
73,424	0	73,424
268,116	0	268,116
710,647	0	710,647
592,604	0	592,604
106,034	0	106,034
421,284	173,392	594,676
(89,019)	89,019	0
<u>10,353,594</u>	<u>262,411</u>	<u>10,616,005</u>
(1,447,578)	419,080	(1,028,498)
<u>34,801,385</u>	<u>24,973,261</u>	<u>59,774,646</u>
<u>\$33,353,807</u>	<u>\$25,392,341</u>	<u>\$58,746,148</u>

City of Trotwood, Ohio
Balance Sheet
Governmental Funds
December 31, 2020

	General	Street Construction Maintenance and Repair	Fire Levy	Other Governmental Funds	Total Governmental Funds
Assets:					
Equity in Pooled Cash and Investments	\$3,144,864	\$1,420,669	\$1,490,972	\$4,085,522	\$10,142,027
Restricted Cash	0	9,552	0	0	9,552
Receivables (Net):					
Taxes	3,000,414	293,428	3,263,684	1,960,164	8,517,690
Accounts	0	0	0	105,550	105,550
Intergovernmental	296,274	572,347	141,953	138,330	1,148,904
Special Assessments	414,549	202	0	8,265	423,016
Prepaid Items	53,020	6,183	21,371	16,195	96,769
Total Assets	6,909,121	2,302,381	4,917,980	6,314,026	20,443,508
Liabilities:					
Accounts Payable	113,048	7,466	12,159	23,490	156,163
Accrued Wages and Benefits	219,034	16,502	92,124	65,280	392,940
Compensated Absences	15,021	811	0	108	15,940
Retainage Payable	0	9,552	0	0	9,552
Total Liabilities	347,103	34,331	104,283	88,878	574,595
Deferred Inflows of Resources:					
Property Taxes	1,827,998	289,132	3,210,204	1,317,757	6,645,091
Income Taxes	742,550	0	0	0	742,550
Grants and Other Taxes	262,569	479,766	141,953	180,436	1,064,724
Special Assessments	414,549	202	0	8,265	423,016
Revenue in Lieu of Taxes	0	0	0	562,251	562,251
Total Deferred Inflows of Resources	3,247,666	769,100	3,352,157	2,068,709	9,437,632
Fund Balances:					
Nonspendable	53,020	6,183	21,371	16,195	96,769
Restricted	0	1,492,767	1,440,169	3,314,842	6,247,778
Committed	0	0	0	825,402	825,402
Assigned	136,321	0	0	0	136,321
Unassigned	3,125,011	0	0	0	3,125,011
Total Fund Balances	3,314,352	1,498,950	1,461,540	4,156,439	10,431,281
Total Liabilities, Deferred Inflows and Fund Balances	\$6,909,121	\$2,302,381	\$4,917,980	\$6,314,026	\$20,443,508

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, 2020

Total Governmental Fund Balance		\$10,431,281
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		47,929,800
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		
Income Taxes	742,550	
Delinquent Property Taxes	2,272,803	
Intergovernmental	1,064,724	
Special Assessments	<u>423,016</u>	
		4,503,093
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		1,439
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.		
		(45,881)
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		(745,691)
Deferred outflow of resources associated with long-term liabilities are not reported in the funds.		
		156,729
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	2,291,907	
Deferred inflows of resources related to pensions	(2,638,157)	
Deferred outflows of resources related to OPEB	1,344,784	
Deferred inflows of resources related to OPEB	<u>(1,361,560)</u>	
		(363,026)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Net Pension Liability	(13,348,625)	
Net OPEB Liability	(3,263,281)	
Other Amounts	<u>(11,902,031)</u>	
		<u>(28,513,937)</u>
Net Position of Governmental Activities		<u>\$33,353,807</u>

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, 2020

	General	Street Construction Maintenance and Repair	Fire Levy	Other Governmental Funds	Total Governmental Funds
Revenues:					
Property and Other Taxes	\$828,835	\$219,037	\$1,359,585	\$705,477	\$3,112,934
Income Taxes	5,362,792	0	0	0	5,362,792
Charges for Services	343,608	0	4,311	1,062,884	1,410,803
Investment Earnings	106,035	0	0	0	106,035
Intergovernmental	629,024	1,255,410	285,433	2,537,478	4,707,345
Special Assessments	73,509	0	0	6,341	79,850
Fines, Licenses & Permits	324,084	0	0	19,847	343,931
Revenue in Lieu of Taxes	62,028	0	0	530,576	592,604
Other Revenues	401,915	1,269	3,758	14,341	421,283
Total Revenues	8,131,830	1,475,716	1,653,087	4,876,944	16,137,577
Expenditures:					
Current:					
General Government	2,743,440	0	0	131,562	2,875,002
Public Safety	2,958,505	0	2,263,550	2,869,146	8,091,201
Community Development	460,057	0	0	44,523	504,580
Leisure Time Activities	128,109	0	0	0	128,109
Transportation and Street Repair	216,886	1,575,863	0	848,850	2,641,599
Capital Outlay	0	9,552	0	241,488	251,040
Debt Service:					
Principal	122,844	53,796	0	695,096	871,736
Interest and Other Charges	40,906	10,003	0	463,838	514,747
Total Expenditures	6,670,747	1,649,214	2,263,550	5,294,503	15,878,014
Excess of Revenues Over (Under) Expenditures	1,461,083	(173,498)	(610,463)	(417,559)	259,563
Other Financing Sources (Uses):					
Proceeds from Sale of Capital Assets	10,400	0	286,505	7,926	304,831
Transfers In	0	0	0	1,523,000	1,523,000
Transfers (Out)	(1,559,000)	0	0	(53,019)	(1,612,019)
Total Other Financing Sources (Uses)	(1,548,600)	0	286,505	1,477,907	215,812
Net Change in Fund Balance	(87,517)	(173,498)	(323,958)	1,060,348	475,375
Fund Balance - Beginning of Year, Restated	3,401,869	1,672,448	1,785,498	3,096,091	9,955,906
Fund Balance - End of Year	\$3,314,352	\$1,498,950	\$1,461,540	\$4,156,439	\$10,431,281

See accompanying notes to the basic financial statements.

THIS PAGE INTENTIONALLY LEFT BLANK



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, 2020

Net Change in Fund Balance - Total Governmental Funds \$475,375

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	357,511	
Depreciation Expense	<u>(1,499,082)</u>	(1,141,571)

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. (301,606)

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	1,119,604	
Pension Expense	(1,528,504)	
OPEB contributions	20,333	
OPEB Expense	<u>(270,264)</u>	(658,831)

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

Income Taxes	(89,831)	
Delinquent Property Taxes	226,149	
Intergovernmental	(789,575)	
Special Assessments	<u>20,461</u>	(632,796)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 871,736

In the statement of activities interest expense is accrued when incurred; whereas, in governmental funds an interest expenditure is reported when due. 8,494

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	(63,603)	
Amortization of Bond Premium	17,766	
Amortization of Deferred Charge on Refunding	<u>(13,061)</u>	(58,898)

(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, 2020

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

Change in Net Position - Internal Service Funds	<u>(9,481)</u>
Change in Net Position of Governmental Activities	<u>(\$1,447,578)</u>

See accompanying notes to the basic financial statements.

City of Trotwood, Ohio
Statement of Net Position
Proprietary Funds
December 31, 2020

	Business-Type Activities				Other Enterprise Fund
	Enterprise Funds				
	Water	Sewer	Refuse	Stormwater	
Current Assets:					
Equity in Pooled Cash and Investments	\$3,067,795	\$1,868,968	\$543,826	\$2,759,030	\$74,826
Receivables (Net):					
Accounts	476,776	372,559	314,990	148,068	0
Special Assessments	88,814	57,162	631,851	276,038	0
Prepaid Items	2,375	2,297	0	3,648	0
Total Current Assets	3,635,760	2,300,986	1,490,667	3,186,784	74,826
Noncurrent Assets:					
Capital Assets:					
Nondepreciable Capital Assets	0	12,026	0	0	38,488
Depreciable Capital Assets, Net	3,128,209	1,292,332	0	13,366,761	739,747
Total Noncurrent Assets	3,128,209	1,304,358	0	13,366,761	778,235
Total Assets	6,763,969	3,605,344	1,490,667	16,553,545	853,061
Deferred Outflows of Resources:					
Pension	38,236	38,211	0	59,555	0
OPEB	23,819	23,803	0	37,098	0
Total Deferred Outflows of Resources	62,055	62,014	0	96,653	0
Liabilities:					
Current Liabilities:					
Accounts Payable	626,021	329,564	111,649	20,835	162
Accrued Wages and Benefits	6,905	6,905	0	10,801	0
Compensated Absences	6,258	6,490	0	10,855	0
Accrued Interest Payable	1,702	1,356	0	0	289
Long-Term Liabilities Due Within One Year	93,085	75,426	0	0	45,000
Total Current Liabilities	733,971	419,741	111,649	42,491	45,451
Long-Term Liabilities:					
Compensated Absences	13,851	14,055	0	27,581	0
Bonds, Notes & Loans Payable	814,960	195,938	0	0	240,000
Net Pension Liability	203,845	203,710	0	317,497	0
Net OPEB Liability	136,659	136,569	0	212,852	0
Total Noncurrent Liabilities	1,169,315	550,272	0	557,930	240,000
Total Liabilities	1,903,286	970,013	111,649	600,421	285,451
Deferred Inflows of Resources:					
Pension	43,397	43,368	0	67,593	0
OPEB	19,621	19,608	0	30,560	0
Total Deferred Inflows of Resources	63,018	62,976	0	98,153	0
Net Position:					
Net Investment in Capital Assets	2,220,164	1,032,994	0	13,081,761	778,235
Unrestricted	2,639,556	1,601,375	1,379,018	2,869,863	(210,625)
Total Net Position	\$4,859,720	\$2,634,369	\$1,379,018	\$15,951,624	\$567,610

See accompanying notes to the basic financial statements.

Total Business-Type Funds	Governmental Activities Internal Service Fund
\$8,314,445	\$1,855
1,312,393	0
1,053,865	0
8,320	0
10,689,023	1,855
50,514	0
18,527,049	0
18,577,563	0
29,266,586	1,855
136,002	0
84,720	0
220,722	0
1,088,231	416
24,611	0
23,603	0
3,347	0
213,511	0
1,353,303	416
55,487	0
1,250,898	0
725,052	0
486,080	0
2,517,517	0
3,870,820	416
154,358	0
69,789	0
224,147	0
17,113,154	0
8,279,187	1,439
\$25,392,341	\$1,439

City of Trotwood, Ohio
Statement of Revenues, Expenses
and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended December 31, 2020

	Business-Type Activities				Other Enterprise Fund
	Enterprise Funds				
	Water	Sewer	Refuse	Stormwater	
Operating Revenues:					
Charges for Services	\$1,814,587	\$1,333,695	\$1,551,215	\$761,971	\$816
Other Revenues	50,284	42,727	0	74,981	5,400
Total Operating Revenues	1,864,871	1,376,422	1,551,215	836,952	6,216
Operating Expenses:					
Personal Services	263,985	275,847	0	432,217	0
Contractual Services	1,238,554	822,153	1,378,282	171,441	18,785
Supplies and Materials	39,454	23,315	0	27,009	0
Depreciation	65,305	54,090	0	472,274	19,467
Other Expense	8,383	91	25	0	0
Total Operating Expenses	1,615,681	1,175,496	1,378,307	1,102,941	38,252
Operating Income (Loss)	249,190	200,926	172,908	(265,989)	(32,036)
Non-Operating Revenues (Expenses):					
Interest (Expense)	(19,073)	(10,221)	0	0	(7,974)
Total Non-Operating Revenues (Expenses)	(19,073)	(10,221)	0	0	(7,974)
Income (Loss) Before Contributions and Transfers	230,117	190,705	172,908	(265,989)	(40,010)
Capital Grants and Contributions	25,987	16,343	0	0	0
Transfers In	0	0	0	0	89,019
Change in Net Position	256,104	207,048	172,908	(265,989)	49,009
Net Position - Beginning of Year	4,603,616	2,427,321	1,206,110	16,217,613	518,601
Net Position - End of Year	\$4,859,720	\$2,634,369	\$1,379,018	\$15,951,624	\$567,610

See accompanying notes to the basic financial statements.

Total Business-Type Activities	Governmental Activities Internal Service Fund
\$5,462,284	\$32,867
173,392	0
5,635,676	32,867
972,049	0
3,629,215	42,348
89,778	0
611,136	0
8,499	0
5,310,677	42,348
324,999	(9,481)
(37,268)	0
(37,268)	0
287,731	(9,481)
42,330	0
89,019	0
419,080	(9,481)
24,973,261	10,920
\$25,392,341	\$1,439

City of Trotwood, Ohio
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended December 31, 2020

	Business-Type Activities				
	Enterprise Funds				Other
	Water	Sewer	Refuse	Stormwater	Enterprise Fund
Cash Flows from Operating Activities:					
Cash Received from Customers	\$1,814,810	\$1,341,411	\$1,501,182	\$855,835	\$6,216
Cash Payments to Employees	(221,739)	(221,409)	0	(346,974)	0
Cash Payments to Suppliers	(1,119,035)	(817,779)	(1,372,810)	(189,165)	(19,705)
Net Cash Provided (Used) by Operating Activities	474,036	302,223	128,372	319,696	(13,489)
Cash Flows from Noncapital Financing Activities:					
Payments from Other Funds	0	0	0	0	89,019
Net Cash Provided (Used) by Noncapital Financing Activities	0	0	0	0	89,019
Cash Flows from Capital and Related Financing Activities:					
Payments for Capital Acquisitions	(92,288)	(105,895)	0	(9,763)	0
Debt Principal Payments	(80,500)	(72,796)	0	0	(45,000)
Debt Interest Payments	(18,759)	(10,002)	0	0	(8,019)
Net Cash Provided (Used) by Capital and Related Financing Activities	(191,547)	(188,693)	0	(9,763)	(53,019)
Net Increase (Decrease) in Cash and Cash Equivalents	282,489	113,530	128,372	309,933	22,511
Cash and Cash Equivalents - Beginning of Year	2,785,306	1,755,438	415,454	2,449,097	52,315
Cash and Cash Equivalents - End of Year	3,067,795	1,868,968	543,826	2,759,030	74,826
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Operating Income (Loss)	249,190	200,926	172,908	(265,989)	(32,036)
Adjustments:					
Depreciation	65,305	54,090	0	472,274	19,467
Changes in Assets & Liabilities:					
(Increase) Decrease in Receivables	(50,061)	(35,011)	(50,033)	18,883	0
(Increase) Decrease in Prepaid Items	(7)	(6)	0	(10)	0
(Increase) Decrease in Deferred Outflows of Resources	31,367	27,668	0	43,560	0
Increase (Decrease) in Retainage Payable	(43,390)	(21,790)	0	0	0
Increase (Decrease) in Payables	210,753	49,576	5,497	9,295	(920)
Increase (Decrease) in Accrued Liabilities	5,394	5,621	0	10,577	0
Increase (Decrease) in Deferred Inflows of Resources	58,346	58,490	0	91,139	0
Increase (Decrease) in Net Pension Liability	(65,196)	(54,562)	0	(86,293)	0
Increase (Decrease) in Net OPEB Liability	12,335	17,221	0	26,260	0
Net Cash Provided (Used) by Operating Activities	\$474,036	\$302,223	\$128,372	\$319,696	(\$13,489)
Schedule of Noncash Capital Activities:					
During the fiscal year, these amounts were received representing noncash contributions of:					
Capital Assets	\$25,987	\$16,343	\$0	\$0	\$0

See accompanying notes to the basic financial statements.

Total Business-Type Activities	Governmental Activities Internal Service Fund
\$5,519,454	\$32,867
(790,122)	0
(3,518,494)	(41,932)
1,210,838	(9,065)
89,019	0
89,019	0
(207,946)	0
(198,296)	0
(36,780)	0
(443,022)	0
856,835	(9,065)
7,457,610	10,920
8,314,445	1,855
324,999	(9,481)
611,136	0
(116,222)	0
(23)	0
102,595	0
(65,180)	0
274,201	416
21,592	0
207,975	0
(206,051)	0
55,816	0
\$1,210,838	(\$9,065)
\$42,330	\$0

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2020

Note 1 – Description of the City and Reporting Entity

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

Reporting Entity

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

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

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

Note 2 – Summary of Significant Accounting Policies

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, 2020

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, 2020

Fund Financial Statements

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

Fund Accounting

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

Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and 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, 2020

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

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

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

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

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

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary 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 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.

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2020

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, 2020, but which were levied to finance year 2021 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.

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, 2020. The NAV per share is calculated on an amortized cost basis that provides an NAV

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2020

per share that approximates fair value. For 2020, 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 \$100 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 2020 amounted to \$106,035 in the general fund.

Prepaid Items

Payments made for services that will benefit periods beyond December 31, 2020, 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 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

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2020

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.

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.

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2020

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 \$8,491,040 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 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

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2020

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

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

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

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

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

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

- (1) Bonds, notes, or other obligations of or guaranteed by the United States, or those for which the faith of the United States is pledged for the payment of principal and interest.
- (2) Bonds, notes, debentures, or other obligations or securities issued by any federal governmental agency.
- (3) No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions.
- (4) Interim deposits in the eligible institutions applying for interim monies to be evidenced by time certificates of deposit maturing not more than one year from date of deposit, or by savings or deposit accounts, including, but limited to, passbook accounts.
- (5) Bonds and other obligations of the State of Ohio.

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2020

- (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, 2020, \$3,201,448 of the City's bank balance of \$4,570,502 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

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, 2020, the City had \$14,491,895 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

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.

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2020

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, 2020						
	General Fund	Street Construction Maintenance and Repair	Other Governmental Funds	Water Fund	Sewer Fund	Refuse Fund	Stormwater Fund
Special Assessments Receivable	\$3,455,410	\$578	\$11,839	\$140,861	\$93,639	\$1,136,687	\$551,998
Allowance for Doubtful Accounts	(3,040,861)	(376)	(3,574)	(52,047)	(36,477)	(504,836)	(275,960)
Special Assessments Receivable, Net	<u>\$414,549</u>	<u>\$202</u>	<u>\$8,265</u>	<u>\$88,814</u>	<u>\$57,162</u>	<u>\$631,851</u>	<u>\$276,038</u>

Property Taxes

Property taxes include amounts levied against all real and public utility, located in the City. Property tax revenue received during 2020 for real and public utility property taxes represents collections of the 2019 taxes.

The 2020 real property taxes are levied after October 1, 2020, on the assessed value as of January 1, 2020, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2020 real property taxes are collected in and intended to finance 2021 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 2020 public utility property taxes became a lien December 31, 2019, are levied after October 1, 2020, and are collected in 2020 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:

	Amount
Real Property	\$218,932,220
Public Utility	16,839,950
Total	<u>\$235,772,170</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.

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2020

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

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	18,492,124	5,000
Vehicles	6,658,245	1,000
Miscellaneous Property	2,225,265	5,000
Data Processing	298,365	5,000

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

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

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

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

Note 6 – Capital Assets

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

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2020

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital Assets, not being depreciated:				
Land	\$26,741,499	\$0	\$0	\$26,741,499
Construction in Progress	0	149,848	0	149,848
Capital Assets, being depreciated:				
Buildings and Improvements	8,862,932	6,164	0	8,869,096
Equipment	9,576,873	201,499	813,451	8,964,921
Infrastructure	47,841,359	0	0	47,841,359
Totals at Historical Cost	<u>93,022,663</u>	<u>357,511</u>	<u>813,451</u>	<u>92,566,723</u>
Less Accumulated Depreciation:				
Buildings and Improvements	4,835,470	189,229	0	5,024,699
Equipment	7,306,667	410,962	511,845	7,205,784
Infrastructure	31,507,549	898,891	0	32,406,440
Total Accumulated Depreciation	<u>43,649,686</u>	<u>1,499,082</u>	<u>511,845</u>	<u>44,636,923</u>
Governmental Activities Capital Assets, Net	<u>\$49,372,977</u>	<u>(\$1,141,571)</u>	<u>\$301,606</u>	<u>\$47,929,800</u>

Depreciation expense was charged to governmental functions as follows:

General Government	\$109,421
Public Safety	401,042
Leisure Time	34,163
Community Development	1,146
Transportation	953,310
Total Depreciation Expense	<u>\$1,499,082</u>

This Space Intentionally Left Blank

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2020

	Beginning Balance	Additions	Deletion	Ending Balance
Business-Type Activities				
Capital Assets, not being depreciated:				
Land	\$50,514	\$0	\$0	\$50,514
Construction In Progress	1,147,983	163,649	1,311,632	0
Total Capital Assets, not being depreciated	1,198,497	163,649	1,311,632	50,514
Capital Assets, being depreciated:				
Buildings and Improvements	804,595	0	0	804,595
Equipment	588,643	29,289	0	617,932
Infrastructure	42,245,083	1,368,970	0	43,614,053
Totals at Historical Cost	44,836,818	1,561,908	1,311,632	45,087,094
Less Accumulated Depreciation:				
Building and Improvements	45,381	19,467	0	64,848
Equipment	326,036	29,710	0	355,746
Infrastructure	25,526,978	561,959	0	26,088,937
Total Accumulated Depreciation	25,898,395	611,136	0	26,509,531
Business-Type Activities Capital Assets, Net	\$18,938,423	\$950,772	\$1,311,632	\$18,577,563

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.

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:

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2020

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental Activities					
<u>Bonds</u>					
2003 Various Purpose, 5.11%	\$688,766	\$0	(\$98,600)	\$590,166	\$105,400
2016 Various Purpose Refunding, 2.92%	2,935,000	0	(190,000)	2,745,000	195,000
2016 Various Purpose Improvements, 2.92%	1,480,600	0	(96,800)	1,383,800	96,800
2010 Various Purpose, 3.00-4.25%	5,991,001	0	(252,450)	5,738,551	262,350
Premium on 2010 Various Purpose	279,815	0	(17,766)	262,049	0
2012 OAQDA Tax Exempt Energy, 2.02%	153,397	0	(122,844)	30,553	30,553
2012 OAQDA Energy Conservation, 4.28%	883,361	0	0	883,361	94,773
2017 Various Purpose Capital Improvement, 2.43%	205,000	0	(25,000)	180,000	30,000
Total Bonds	12,616,940	0	(803,460)	11,813,480	814,876
Capital Leases	174,593	0	(86,042)	88,551	88,551
Total Long-Term Debt	12,791,533	0	(889,502)	11,902,031	903,427
Net Pension Liability:					
OPERS	3,354,567	0	(861,173)	2,493,394	0
OPF	12,820,654	0	(1,965,423)	10,855,231	0
Total Net Pension Liability	16,175,221	0	(2,826,596)	13,348,625	0
Net OPEB Liability:					
OPERS	1,550,153	121,434	0	1,671,587	0
OPF	1,430,317	161,377	0	1,591,694	0
Total Net OPEB Liability	2,980,470	282,811	0	3,263,281	0
Compensated Absences	685,013	375,235	(298,617)	761,631	308,583
Total Governmental Activities Long-Term Liabilities	\$32,632,237	\$658,046	(\$4,014,715)	\$29,275,568	\$1,212,010
	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Business-Type Activities					
<u>Bonds</u>					
2003 Various Purpose Water, 5.11%	\$118,117	\$0	(\$23,200)	\$94,917	\$24,800
2003 Various Purpose Sewer, 5.11%	118,117	0	(23,200)	94,917	24,800
2010 Various Purpose Water, 3.00-4.25%	78,999	0	(2,550)	76,449	2,650
2016 Various Purpose Improvements, 2.92%	204,400	0	(13,200)	191,200	13,200
2017 Various Purpose Capital Improvement, 2.43%	330,000	0	(45,000)	285,000	45,000
Total Bonds Payable	849,633	0	(107,150)	742,483	110,450
<u>OPWC Loans from Direct Borrowings</u>					
2007 Salem Bend Sewer Sanitary Relief Project, 0%	164,821	0	(19,000)	145,821	20,000
2012 Phase 4b Olde Town Watermain Improvements, 0%	271,733	0	(5,661)	266,072	11,222
2012 Phase 1b Olde Town Watermain Improvements, 0%	254,074	0	(5,293)	248,781	10,587
Total OPWC Loans from Direct Borrowings	690,628	0	(29,954)	660,674	41,809
Capital Leases	122,444	0	(61,192)	61,252	61,252
Total Long-Term Debt	1,662,705	0	(198,296)	1,464,409	213,511
Net Pension Liability:					
OPERS	931,103	0	(206,051)	725,052	0
Total Net Pension Liability	931,103	0	(206,051)	725,052	0
Net OPEB Liability:					
OPERS	430,264	55,816	0	486,080	0
Total Net OPEB Liability	430,264	55,816	0	486,080	0
Compensated Absences	64,167	38,449	(23,526)	79,090	23,603
Total Business-Type Activities Long-Term Liabilities	\$3,088,239	\$94,265	(\$427,873)	\$2,754,631	\$237,114

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2020

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 and net other postemployment benefits (OPEB) liabilities represent the long-term portion of the accrued liabilities associated with OPERS and OP&F pension and OPEB liabilities. 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.

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.

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.

The City's outstanding OPWC loans from direct borrowings of \$660,674 contain a provision that in an event of default, the amount of such default shall bear interest thereafter at the rate of 8% per annum until the date of payment, and outstanding amounts become immediately due. Also, the Lender may direct the county treasurer to pay the outstanding amount from portion of the local government fund that would otherwise be appropriated to the City.

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

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2020

Year Ending December 31	Governmental Activities		Business-Type Activities			
	General		General		OPWC Loans from	
	Obligation Bonds		Obligation Bonds		Direct Borrowings	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$814,876	\$464,023	\$110,450	\$29,329	\$41,809	\$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	880,708	326,786	91,550	14,062	46,909	0
2026-2030	4,020,209	1,133,094	159,535	26,996	135,363	0
2031-2035	3,255,528	354,666	74,472	5,659	109,543	0
2036-2040	0	0	0	0	109,542	0
2041-2044	0	0	0	0	76,883	0
Total	<u>\$11,551,431</u>	<u>\$3,465,331</u>	<u>\$742,483</u>	<u>\$142,057</u>	<u>\$660,774</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:

Fiscal Year Ending December 31,	Long-Term Debt
2021	<u>\$156,121</u>
Total Minimum Lease Payments	156,121
Less: Amount Representing Interest	<u>(6,318)</u>
Present Value of Minimum Lease Payments	<u>\$149,803</u>

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

Note 10 – Defined Benefit Pension Plans

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

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2020

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.

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, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2020

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 Comprehensive Annual Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

<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. The initial amount of a member's pension benefit is vested upon receipt of the initial benefit payment for calculation of an annual cost-of-living adjustment.

When a traditional plan benefit recipient has received benefits for 12 months, current law provides for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost of living adjustment is 3 percent. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, current law provides that the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2020

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member’s contributions plus or minus the investment gains or losses resulting from the member’s investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members’ contributions, vested employer contributions and investment gains or losses resulting from the members’ investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options.

Beginning in 2022, the Combined Plan will be consolidated under the Traditional Pension Plan (defined benefit plan) and the Combined Plan option will no longer be available for new hires beginning in 2022.

Funding Policy

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

	<u>State and Local</u>	<u>Public Safety</u>	<u>Law Enforcement</u>
2020 Statutory Maximum Contribution Rates			
Employer	14.00%	18.10%	18.10%
Employee (a)	10.00%	(b)	(c)
2020 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.

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2020

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

For 2020, the City's contractually required contribution was \$348,142, of this amount \$42,964 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 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.

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

Under normal service retirement, 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, will receive a COLA equal to either three percent or the percent increase, if any, in the consumer price index over the 12 month period ending on September 30th of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013, is equal to 3 percent of their base pension or disability benefit.

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2020

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

Funding Policy

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

	<u>Police</u>	<u>Firefighters</u>
2020 Statutory Maximum Contribution Rates		
Employer	19.50%	24.00%
Employee	12.25%	12.25%
2020 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 \$849,891 for 2020, of this amount \$102,712 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 (asset) for OPERS was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. OP&F’s total pension liability was measured as of December 31, 2019, and was determined by rolling forward the total pension liability as of January 1, 2019, to December 31, 2019. The City’s proportion of the net pension liability (asset) 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:

	<u>OPERS</u>	<u>OPF</u>	<u>Total</u>
	<u>Traditional Plan</u>		
Proportionate Share of the:			
Net Pension Liability	\$3,218,446	\$10,855,231	\$14,073,677
Proportion of the Net Pension Liability:			
Current Measurement Date	0.01628300%	0.16113970%	
Prior Measurement Date	<u>0.01564800%</u>	<u>0.15706500%</u>	
Change in Proportionate Share	<u>0.00063500%</u>	<u>0.00407470%</u>	
Pension Expense	\$609,198	\$1,080,918	\$1,690,116

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2020

At December 31 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS		Total
	Traditional Plan	OPF	
<u>Deferred Outflows of Resources</u>			
Differences between expected and actual experience	\$0	\$410,906	\$410,906
Changes in assumptions	171,901	266,468	438,369
Changes in employer proportionate share of net pension liability	83,661	296,940	380,601
Contributions subsequent to the measurement date	348,142	849,891	1,198,033
Total Deferred Outflows of Resources	<u>\$603,704</u>	<u>\$1,824,205</u>	<u>\$2,427,909</u>
<u>Deferred Inflows of Resources</u>			
Differences between expected and actual experience	\$40,693	\$559,848	\$600,541
Net difference between projected and actual earnings on pension plan investments	642,007	524,395	1,166,402
Changes in employer proportionate share of net pension liability	2,484	1,023,088	1,025,572
Total Deferred Inflows of Resources	<u>\$685,184</u>	<u>\$2,107,331</u>	<u>\$2,792,515</u>

\$1,198,033 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending	OPERS		
	Traditional Plan	OPF	Total
December 31:			
2021	(\$23,820)	(\$419,319)	(\$443,139)
2022	(177,468)	(328,635)	(506,103)
2023	26,585	105,228	131,813
2024	(254,919)	(461,331)	(716,250)
2025	0	(28,960)	(28,960)
Total	<u>(\$429,622)</u>	<u>(\$1,133,017)</u>	<u>(\$1,562,639)</u>

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the value 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

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2020

31, 2019, 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, 2019, are presented below.

	OPERS Traditional Plan
Wage Inflation	3.25%
Future Salary Increases	3.25% to 10.75% (includes wage inflation)
COLA or Ad Hoc COLA:	
Pre-January 7, 2013 Retirees	3.00%, Simple
Post-January 7, 2013 Retirees	1.40%, Simple through 2020, then 2.15%, Simple
Investment Rate of Return	7.20%
Actuarial Cost Method	Individual Entry Age

In October 2019, the OPERS Board adopted a change in COLA for Post-January 7, 2013 retirees, changing it from 3 percent simple through 2018 then 2.15 simple to 1.4 percent simple through 2020 then 2.15 percent simple.

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 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.

During 2019, 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 the 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 17.2 percent for 2019.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees 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 long-term expected rate of return on defined benefit

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2020

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. Best estimates of arithmetic real rates of return were provided by the Board’s investment consultant. For each major asset class that is included in the Defined Benefit portfolio’s target asset allocation as of December 31, 2019, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	25.00%	1.83%
Domestic Equities	19.00%	5.75%
Real Estate	10.00%	5.20%
Private Equity	12.00%	10.70%
International Equities	21.00%	7.66%
Other Investments	13.00%	4.98%
Total	100.00%	5.61%

Discount Rate

The discount rate used to measure the total pension liability was 7.2 percent for the traditional plan and the combined 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 benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the traditional pension plan, combined plan and member-directed plan was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following table presents the City’s proportionate share of the net pension liability (asset) calculated using the current period discount rate assumption of 7.2 percent, as well as what the City’s proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (6.2 percent) or one-percentage-point higher (8.2 percent) than the current rate:

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
Proportionate share of the net pension liability	\$5,308,258	\$3,218,446	\$1,339,765

Changes in Assumptions or Benefit Terms Since the Last Measurement Date, and Changes from the Measurement Date to the Report Date

There were no recent significant changes of pension benefit terms, health care plans, investment policies, the size or composition of the population covered by the benefit terms and health care plans impacting the actuarial valuation studies for pension and health care for the measurement date of December 31, 2019.

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2020

Actuarial Assumptions – OP&F

OP&F’s total pension liability as of December 31, 2019, is based on the results of an actuarial valuation date of January 1, 2019, and 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 the value 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, 2019, are presented below.

Valuation Date	January 1, 2019, with actuarial liabilities rolled forward to December 31, 2019
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.00%
Salary Increases	3.75% to 10.50%
Payroll Growth	3.25% per annum, compounded annually, consisting of Inflation rate of 2.75% plus productivity increase rate of 0.50%
Cost of Living Adjustments	3.00% Simple; 2.20% Simple for increases 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 percent.

Age	Police	Fire
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.

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2020

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 pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the 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 averaged 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 geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2019, are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00%	1.00%
Domestic Equity	16.00%	5.40%
Non-US Equity	16.00%	5.80%
Private Markets	8.00%	8.00%
Core Fixed Income*	23.00%	2.70%
High Yield Fixed Income	7.00%	4.70%
Private Credit	5.00%	5.50%
U.S. Inflation Linked Bonds*	17.00%	2.50%
Master Limited Partnerships	8.00%	6.60%
Real Assets	8.00%	7.40%
Private Real Estate	12.00%	6.40%
Total	120.00%	

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.

Discount Rate

Total pension liability was calculated using the discount rate of 8.00 percent. 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 percent. Based on those assumptions, OP&F's fiduciary net position was projected to

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2020

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 percent, 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 percent, or one percentage point higher, 9.00 percent, than the current rate:

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
Proportionate share of the net pension liability	\$15,044,973	\$10,855,231	\$7,350,927

Changes in Assumptions or Benefit Terms Since the Last Measurement Date, and Changes from the Measurement Date to the 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 – Postemployment Benefits

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 postemployment 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 separation, 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 with a minimum age of 60, or generally 30 years of qualifying service at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS Comprehensive Annual Financial Report 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.

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2020

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, 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 allowing 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. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2020, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. 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. For 2020, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. 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 2020 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$0 for 2020.

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 health care 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. On January 1, 2019, OP&F implemented a new model for health care. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements.

A retiree is eligible for the OP&F health care stipend unless they have access to any other group coverage including employer and retirement coverage. The eligibility of spouses and dependent children could increase the stipend amount. If the spouse or dependents have access to any other group coverage including employer or retirement coverage, they are not eligible for stipend support from OP&F. Even if an OP&F member or their dependents are not eligible for a stipend, they can use the services of the third-party administrator to select and enroll in a plan. The stipend provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 75.

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2020

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 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 percent and 24.00 percent of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.50 percent of covered payroll for police employer units and 24.00 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2020, the portion of employer contributions allocated to health care was 0.5 percent 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.

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.

The City's contractually required contribution to OP&F was \$20,333 for 2020.

Net OPEB Liability

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2018, rolled forward to the measurement date of December 31, 2019, 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, 2019, and was determined by rolling forward the total OPEB liability as of January 1, 2019, to December 31, 2019. 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:

This Space Intentionally Left Blank

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2020

	OPERS		
	<u>Traditional Plan</u>	<u>OPF</u>	<u>Total</u>
Proportionate Share of the:			
Net OPEB Liability	\$2,157,667	\$1,591,694	\$3,749,361
Proportion of the Net OPEB Liability:			
Current Measurement Date	0.01562100%	0.16113970%	
Prior Measurement Date	<u>0.01519000%</u>	<u>0.15706500%</u>	
Change in Proportionate Share	<u>0.00043100%</u>	<u>0.00407470%</u>	
OPEB Expense	\$277,889	\$69,253	\$347,142

At December 31 2020, reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS		
	<u>Traditional Plan</u>	<u>OPF</u>	<u>Total</u>
<u>Deferred Outflows of Resources</u>			
Differences between expected and actual experience	\$58	\$0	\$58
Changes in assumptions	341,536	930,566	1,272,102
Changes in employer proportionate share of net OPEB liability	34,471	102,540	137,011
Contributions subsequent to the measurement date	<u>0</u>	<u>20,333</u>	<u>20,333</u>
Total Deferred Outflows of Resources	<u>\$376,065</u>	<u>\$1,053,439</u>	<u>\$1,429,504</u>
<u>Deferred Inflows of Resources</u>			
Differences between expected and actual experience	\$197,330	\$171,171	\$368,501
Changes in assumptions	0	339,214	339,214
Net difference between projected and actual earnings on OPEB plan investments	109,868	73,244	183,112
Changes in employer proportionate share of net OPEB liability	<u>2,587</u>	<u>537,935</u>	<u>540,522</u>
Total Deferred Inflows of Resources	<u>\$309,785</u>	<u>\$1,121,564</u>	<u>\$1,431,349</u>

\$20,333 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

This Space Intentionally Left Blank

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2020

Year Ending December 31:	OPERS		
	Traditional Plan	OPF	Total
2021	\$74,002	(\$30,679)	\$43,323
2022	39,140	(30,678)	8,462
2023	87	(15,654)	(15,567)
2024	(46,949)	(116,287)	(163,236)
2025	0	70,814	70,814
Thereafter	0	34,026	34,026
Total	\$66,280	(\$88,458)	(\$22,178)

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 health care costs 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 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, 2018, rolled forward to the measurement date of December 31, 2019. 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	3.16%
Prior Measurement date	3.96%
Investment Rate of Return	6.00%
Municipal Bond Rate:	
Current measurement date	2.75%
Prior Measurement date	3.71%
Health Care Cost Trend Rate:	
Current measurement date	10.50% initial, 3.50% ultimate in 2030
Prior Measurement date	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-

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2020

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 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.

During 2019, 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, if any contribution are made into the plans, the contributions are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made. Health care-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 19.7 percent for 2019.

The allocation of investment assets within the Health Care portfolio is approved by the Board of Trustees 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. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. 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. For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2019, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	36%	1.53%
Domestic Equities	21%	5.75%
Real Estate Investment Trusts	6%	5.69%
International Equities	23%	7.66%
Other investments	14%	4.90%
Total	100%	4.55%

Discount Rate

A single discount rate of 3.16 percent was used to measure the OPEB liability on the measurement date of December 31, 2019. A single discount rate of 3.96 percent was used to measure the OPEB liability on the measurement date of December 31, 2018. Projected benefit payments are required to

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2020

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 percent and a municipal bond rate of 2.75 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, 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 City’s proportionate share of the net OPEB liability calculated using the single discount rate of 3.16 percent, as well as what the City’s proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.16 percent) or one-percentage-point higher (4.16 percent) than the current rate:

	1% Decrease <u>(2.16%)</u>	Current Discount Rate <u>(3.16%)</u>	1% Increase <u>(4.16%)</u>
Proportionate share of the net OPEB liability	\$2,823,652	\$2,157,667	\$1,624,428

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 1.0 percent lower or 1.0 percent 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 2020 is 10.50 percent. 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 3.50 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
Proportionate share of the net OPEB liability	\$2,093,995	\$2,157,667	\$2,220,525

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2020

Changes between Measurement Date and Reporting Date

On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and pre-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022, and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for pre-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are not reflected in the current year financial statements but are expected to decrease the associated OPEB liability.

Actuarial Assumptions – OP&F

OP&F’s total OPEB liability as of December 31, 2019, is based on the results of an actuarial valuation date of January 1, 2019, 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 the value 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, 2019, with actuarial liabilities rolled forward to December 31, 2019
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.00%
Projected Salary Increases	3.75% to 10.50%
Payroll Growth	3.25%
Single discount rate:	
Current measurement date	3.56%
Prior measurement date	4.66%
Cost of Living Adjustments	3.00% Simple; 2.20% Simple for increases based on the lesser of the increase in CPI and 3.00%

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2020

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 percent.

Age	Police	Fire
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.

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 the Statement of Investment Policy. A forecasted rate of inflation serves as the 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 averaged 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 geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2019, are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00%	1.00%
Domestic Equity	16.00%	5.40%
Non-US Equity	16.00%	5.80%
Private Markets	8.00%	8.00%
Core Fixed Income*	23.00%	2.70%
High Yield Fixed Income	7.00%	4.70%
Private Credit	5.00%	5.50%
U.S. Inflation Linked Bonds*	17.00%	2.50%
Master Limited Partnerships	8.00%	6.60%
Real Assets	8.00%	7.40%
Private Real Estate	12.00%	6.40%
Total	<u>120.00%</u>	

Note: Assumptions are geometric

** levered 2x*

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2020

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.

Discount Rate

For 2019, the total OPEB liability was calculated using the discount rate of 3.56 percent. For 2018, the total OPEB liability was calculated using the discount rate of 4.66 percent. The projection of cash flows used to determine the discount rate assumed the contribution 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 of 8 percent. Based on those assumptions, OP&F’s fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 2.75 percent at December 31, 2019 and 4.13 percent at December 31, 2018, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 3.56 percent for 2019 and 4.66 percent for 2018. The municipal bond rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate. The OPEB plan’s fiduciary net position was projected to be available to make all projected OPEB payments until 2034. The long-term expected rate of return on health care investments was applied to projected costs through 2033, and the municipal bond rate was applied to all health care costs after that date.

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, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 3.56 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.56 percent), or one percentage point higher (4.56 percent) than the current rate.

	1% Decrease (2.56%)	Current Discount Rate (3.56%)	1% Increase (4.56%)
Proportionate share of the net OPEB liability	\$1,973,599	\$1,591,694	\$1,274,359

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

The total OPEB liability is based on a medical benefit that is a flat dollar amount; therefore, it is unaffected by a health care cost trend rate. An increase or decrease in the trend rate would have no effect on the total OPEB liability.

Changes between Measurement Date and Report Date

There was a decrease in the discount rate from 4.66 percent at prior measurement date to 3.56 percent at the current measurement date. There are no changes to benefit terms.

Note 12 – Jointly Governed Organizations

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

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2020

and reports concerning the physical, environmental, social, economic and governmental characteristics, functions and services of the region. These reports show recommendations for systems of transportation, highways, parks and recreation facilities, water supply, sewage disposal, garbage disposal, civic centers and other public improvements and land uses which affect the development of the region. The degree of control exercised by any participating government is limited to its representation on the Board. Members of the Board are as follows: the officers of the Commission (elected by member representatives), the immediate past Chair of the Commission, the Commission member representing the City of Dayton, the Commission member representing each of the respective counties, the representatives selected by each county caucus, a nongovernmental member and two at-large representatives. Payments to the Commission are made from the General Fund. The City contributed approximately \$11,238 to this organization in 2020.

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 2020.

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 2020.

Note 13 – Interfund Transactions

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, 2020

Fund	Transfers	
	In	Out
General	\$0	\$1,559,000
Other Governmental:		
Debt Retirement	82,000	53,019
Salem Mall Tax Increment	841,000	0
General Capital Improvement	600,000	0
Other Enterprise:		
Community and Cultural Arts Center	89,019	0
Total All Funds	<u>\$1,612,019</u>	<u>\$1,612,019</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 \$53,019 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

Federal and State Grants

For the period January 1, 2020, to December 31, 2020, 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-3 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. Due to the extent of the damage, clean-up continued into the early parts of 2020. The City did receive the first reimbursement from the initial stages of the clean-up during 2019. 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. 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.

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:

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2020

Fund Balances	General	Street Construction Maintenance and Repair	Fire Levy	Other Governmental Funds	Total
Nonspendable:					
Prepays	\$53,020	\$6,183	\$21,371	\$16,195	\$96,769
Total Nonspendable	53,020	6,183	21,371	16,195	96,769
Restricted for:					
Street Construction	0	1,492,767	0	0	1,492,767
Fire Levy	0	0	1,440,169	0	1,440,169
Rescue Levy	0	0	0	1,253,231	1,253,231
State Highway	0	0	0	67,223	67,223
Motor Vehicle License Tax	0	0	0	258,900	258,900
Permissive Use Tax	0	0	0	32,067	32,067
Drug Law Enforcement	0	0	0	1,606	1,606
Curbs/Gutters/Sidewalks Assessment	0	0	0	45,096	45,096
Grants	0	0	0	361,179	361,179
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	628,717	628,717
Enforcement and Education	0	0	0	13,826	13,826
Law Enforcement Trust	0	0	0	9,785	9,785
Redlight Enforcement	0	0	0	18,576	18,576
Government Equity Program	0	0	0	219	219
Police Levy	0	0	0	39	39
Coronavirus Relief	0	0	0	11,196	11,196
Debt Service	0	0	0	3,559	3,559
Fire Capital Levy	0	0	0	120,029	120,029
Industrial Park	0	0	0	486,718	486,718
Total Restricted	0	1,492,767	1,440,169	3,314,842	6,247,778
Committed to:					
General Capital Improvement	0	0	0	825,402	825,402
Total Committed	0	0	0	825,402	825,402
Assigned to:					
Budgetary	24,662			0	24,662
Purchases on Order*	111,659	0	0	0	111,659
Total Assigned	136,321	0	0	0	136,321
Unassigned (Deficit)	3,125,011	0	0	0	3,125,011
Total Fund Balance	<u>\$3,314,352</u>	<u>\$1,498,950</u>	<u>\$1,461,540</u>	<u>\$4,156,439</u>	<u>\$10,431,281</u>

*-Purchases on order will be used for the functions of the general government (\$67,013), safety of residences (\$16,832), recreational activities (\$4,647) and economic development projects/services (\$23,167) for the City.

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2020

Note 16 – Other Commitments

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	\$214,118
Street Construction Maintenance and Repair	147,454
Fire Levy	7,958
Water	148,357
Sewer	118,197
Stormwater	164,349
Nonmajor Funds	<u>156,327</u>
Total	<u>\$956,760</u>

Note 17 – Implementation of New Accounting Principles

For fiscal year 2020, the City has implemented the following 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.

GASB Statement No. 83 sets out to address the accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The implementation of GASB Statement No. 83 did not have an effect on the financial statements.

GASB Statement No. 84 clarifies the criteria for identifying fiduciary activities, with the focus on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Activities meeting certain criteria should be reported in a fiduciary fund in the financial statements.

GASB Statement No. 88 sets out to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. For notes to financial statements related to debt, this Statement also

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2020

requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. If applicable, GASB Statement No. 88 has been implemented in the notes to financial statements.

GASB Statement No. 90 sets out to improve the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government’s holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. The implementation of GASB Statement No. 90 did not have an effect on the financial statements.

A net position restatement is required in order to implement GASB Statement No. 84. The general fund and governmental activities at January 1, 2020 has been restated as follows:

	Governmental Activities	General Fund
	<u> </u>	<u> </u>
Net Position/Fund Balance as previously report	\$34,753,594	\$3,354,078
Adjustments:		
Presentation Changes - GASB 84	<u>47,791</u>	<u>47,791</u>
Restated Net Position/Fund Balance January 1, 2020	<u><u>\$34,801,385</u></u>	<u><u>\$3,401,869</u></u>

Other than restating net position/fund balance for the governmental activities and general fund, the City made no restatement for prior periods as the information needed to generate these restatements was not available.

Note 18 – COVID-19

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.

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 Seven Fiscal Years (1)

	2020	2019	2018	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.01628300%	0.01564800%	0.01569400%	0.01499200%	0.01568900%	0.01771000%	0.01771000%
City's Proportionate Share of the Net Pension Liability	\$3,218,446	\$4,285,670	\$2,462,084	\$3,404,428	\$2,717,533	\$2,136,024	\$2,087,778
City's Covered Payroll	\$2,285,029	\$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	140.85%	202.77%	118.71%	175.67%	119.29%	98.38%	97.29%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.17%	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 Seven Fiscal Years (1)

	2020	2019	2018	2017	2016	2015	2014
City's Proportion of the Net Pension Liability - 0619P	0.08739650%	0.08356800%	0.08444500%	0.09133500%	0.10685100%	0.10778140%	0.10778140%
Liability - 0619F	0.07374320%	0.07349700%	0.07050900%	0.08197600%	0.09023300%	0.09284040%	0.09284040%
City's Proportionate Share of the Net Pension Liability	\$10,855,231	\$12,820,654	\$9,510,227	\$10,977,345	\$12,678,552	\$10,393,046	\$9,770,911
City's Covered Payroll	\$3,825,779	\$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	283.74%	327.42%	250.34%	264.25%	275.09%	258.06%	227.03%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.89%	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 Seven Fiscal Years (1)

	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	\$348,142	\$319,904	\$295,901	\$269,615	\$232,561	\$273,367	\$260,555
Contributions in Relation to the Contractually Required Contribution	(348,142)	(319,904)	(295,901)	(269,615)	(232,561)	(273,367)	(260,555)
Contribution Deficiency (Excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
City Covered Payroll	\$2,486,729	\$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%	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 Seven Fiscal Years (1)

	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	\$849,891	\$808,387	\$743,980	\$721,798	\$789,303	\$925,939	\$839,589
Contributions in Relation to the Contractually Required Contribution	(849,891)	(808,387)	(743,980)	(721,798)	(789,303)	(925,939)	(839,589)
Contribution Deficiency (Excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
City Covered Payroll	\$4,473,111	\$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	19.00%	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 Four Fiscal Years (1)

	2020	2019	2018	2017
City's Proportion of the Net OPEB Liability	0.01562100%	0.01519000%	0.01526000%	0.01464090%
City's Proportionate Share of the Net OPEB Liability	\$2,157,667	\$1,980,416	\$1,657,124	\$1,478,781
City's Covered Payroll	\$2,285,029	\$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	94.43%	93.70%	79.90%	76.30%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	47.80%	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 Four Fiscal Years (1)

	2020	2019	2018	2017
City's Proportion of the Net OPEB Liability - 0619P	0.08739650%	0.08356800%	0.08444500%	0.09133500%
City's Proportion of the Net OPEB Liability - 0619F	0.07374320%	0.07349700%	0.07050900%	0.08197600%
City's Proportionate Share of the Net OPEB Liability	\$1,591,694	\$1,430,318	\$8,779,476	\$8,226,683
City's Covered Payroll	\$3,825,779	\$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	41.60%	36.53%	231.10%	198.03%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	47.10%	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 for
 Net Postemployment Benefits Other Than Pension (OPEB) Liability
 Ohio Public Employees Retirement System - Traditional Plan
 Last Five Fiscal Years (1)

	2020	2019	2018	2017	2016
Contractually Required Contribution to OPEB	\$0	\$0	\$0	\$22,932	\$38,760
Contributions to OPEB in Relation to the Contractually Required Contribution	<u>0</u>	<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>	<u>\$0</u>
City Covered Payroll	\$2,486,729	\$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%	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 for
 Net Postemployment Benefits Other Than Pension (OPEB) Liability
 Ohio Police and Fire Pension Fund
 Last Five Fiscal Years (1)

	2020	2019	2018	2017	2016
Contractually Required Contribution to OPEB	\$20,333	\$19,403	\$17,823	\$16,804	\$18,884
Contributions to OPEB in Relation to the Contractually Required Contribution	<u>(20,333)</u>	<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>	<u>\$0</u>
City Covered Payroll	\$4,473,111	\$3,825,779	\$3,915,684	\$3,798,937	\$4,154,226
Contributions to OPEB as a Percentage of Covered Payroll	0.45%	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, 2020

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Property and Other Local Taxes	\$1,153,925	\$1,153,925	\$1,343,352	\$189,427
Income Taxes	4,597,174	4,597,174	5,351,842	754,668
Charges for Services	295,156	295,156	343,608	48,452
Investment Earnings	91,083	91,083	106,035	14,952
Intergovernmental	537,685	537,685	625,951	88,266
Special Assessments	63,143	63,143	73,509	10,366
Fines, Licenses & Permits	278,385	278,385	324,084	45,699
Other Revenues	1,555,763	1,555,763	1,811,156	255,393
Total Revenues	8,572,314	8,572,314	9,979,537	1,407,223
Expenditures:				
Current:				
<u>General Government</u>				
Mayor and Council	269,314	309,330	301,083	8,247
City Manager	227,952	261,822	254,841	6,981
Finance	467,772	537,276	522,951	14,325
Utility Billing	174,254	200,145	194,809	5,336
Income Tax	418,947	481,196	468,366	12,830
Law Director	207,214	238,003	231,657	6,346
Public Works Administration	9,720	11,165	10,867	298
Building and Grounds	225,554	259,068	252,161	6,907
Fleet Maintenance	11,401	13,095	12,746	349
Personnel	82,531	94,793	92,266	2,527
Strategic Initiatives	10,533	12,098	11,775	323
Non-Departmental	452,223	519,417	505,568	13,849
Total General Government	2,557,415	2,937,408	2,859,090	78,318
<u>Public Safety</u>				
Police Administration	405,659	465,934	453,511	12,423
Police Patrol	2,224,710	2,555,268	2,487,140	68,128
Criminal Investigation	816,585	937,916	912,910	25,006
Police Communications	400,994	460,576	448,296	12,280
Total Public Safety	3,847,948	4,419,694	4,301,857	117,837
<u>Leisure Time Activities</u>				
Parks Maintenance	48,771	56,018	54,524	1,494
Cemeteries	22,147	25,437	24,759	678
Recreation Programs	53,534	61,488	59,849	1,639
Total Leisure Time Activities	124,452	142,943	139,132	3,811
<u>Community Development</u>				
Planning and Zoning	176,201	202,382	196,986	5,396
Code Enforcement and Inspection	126,421	145,205	141,334	3,871
Mowing and Weed Removal	74,352	85,400	83,123	2,277
Total Community Development	376,974	432,987	421,443	11,544

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, 2020

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
<u>Transportation & Street Repair</u>				
Street Lighting	194,358	223,237	217,285	5,952
Total Transportation & Street Repair	194,358	223,237	217,285	5,952
Debt Service:				
Principal Retirement	109,882	126,209	122,844	3,365
Interest and Fiscal Charges	36,590	42,026	40,906	1,120
Total Expenditures	7,247,619	8,324,504	8,102,557	221,947
Excess of Revenues Over (Under) Expenditures	1,324,695	247,810	1,876,980	1,629,170
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	8,933	8,933	10,400	1,467
Transfers (Out)	(1,394,503)	(1,601,704)	(1,559,000)	42,704
Total Other Financing Sources (Uses)	(1,385,570)	(1,592,771)	(1,548,600)	44,171
Net Change in Fund Balance	(60,875)	(1,344,961)	328,380	1,673,341
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	2,550,818	2,550,818	2,550,818	0
Fund Balance End of Year	\$2,489,943	\$1,205,857	\$2,879,198	\$1,673,341

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, 2020

	Street Construction Maintenance and Repair Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Property and Other Local Taxes	\$328,771	\$328,771	\$351,154	\$22,383
Intergovernmental	1,185,038	1,185,038	1,265,716	80,678
Other Revenues	188,791	188,791	201,644	12,853
Total Revenues	1,702,600	1,702,600	1,818,514	115,914
Expenditures:				
Current:				
Transportation & Street Repair	1,793,529	2,090,853	1,956,168	134,685
Debt Service:				
Principal Retirement	21,271	24,797	23,200	1,597
Interest and Fiscal Charges	6,934	8,084	7,563	521
Total Expenditures	1,821,734	2,123,734	1,986,931	136,803
Net Change in Fund Balance	(119,134)	(421,134)	(168,417)	252,717
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,451,184	1,451,184	1,451,184	0
Fund Balance End of Year	\$1,332,050	\$1,030,050	\$1,282,767	\$252,717

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, 2020

	Fire Levy Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Property and Other Local Taxes	\$1,759,181	\$1,759,181	\$2,123,468	\$364,287
Charges for Services	3,571	3,571	4,311	740
Intergovernmental	236,466	236,466	285,433	48,967
Other Revenues	143,668	143,668	173,418	29,750
Total Revenues	2,142,886	2,142,886	2,586,630	443,744
Expenditures:				
Current:				
Public Safety	2,521,422	2,526,932	2,410,285	116,647
Total Expenditures	2,521,422	2,526,932	2,410,285	116,647
Excess of Revenues Over (Under) Expenditures	(378,536)	(384,046)	176,345	560,391
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	237,354	237,354	286,505	49,151
Total Other Financing Sources (Uses)	237,354	237,354	286,505	49,151
Net Change in Fund Balance	(141,182)	(146,692)	462,850	609,542
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,020,164	1,020,164	1,020,164	0
Fund Balance End of Year	\$878,982	\$873,472	\$1,483,014	\$609,542

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, 2020

Note 1 – Budgetary Process

The City's funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriations ordinance is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of control has been established by Council at the program or budget center level for the General fund and the 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, 2020

Net Change in Fund Balance

	General	Street Construction, Maintenance and Repair	Fire Levy
GAAP Basis	(\$87,517)	(\$173,498)	(\$323,958)
Revenue Accruals	1,847,707	342,798	933,543
Expenditure Accruals	(1,321,621)	(196,233)	(138,777)
Encumbrances	(110,189)	(141,484)	(7,958)
Budget Basis	<u>\$328,380</u>	<u>(\$168,417)</u>	<u>\$462,850</u>

Note 2 – Net Pension Liability

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

Changes in assumptions:

2020: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

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%

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

Changes in benefit terms:

2020-2014: There were no changes in benefit terms for the period.

Ohio Public Employees Retirement System Changes in Assumptions and Benefit Terms

Changes in assumptions:

2020-2019: 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.

City of Trotwood, Ohio
Notes to the Required Supplementary Information
For The Fiscal Year Ended December 31, 2020

- 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:

2020-2014: There were no changes in benefit terms for the period.

Note 3 - Net OPEB Liability

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

Changes in assumptions:

2020: On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and pre-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022, and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for pre-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are not reflected in the current year financial statements but are expected to decrease the associated OPEB liability. The single discount rate changed from 3.96% to 3.16%, municipal bond rate changed from 3.71% to 2.75% and health care cost trend rate changed from 10.00% to 10.50%.

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. The single discount rate changed from 3.85% to 3.96%, municipal bond rate changed from 3.31% to 3.71% and health care cost trend rate changed from 7.50% to 10.00%.

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

Changes in benefit terms:

2020-2018: There were no changes in benefit terms for the period.

Ohio Public Employees Retirement System Changes in Assumptions and Benefit Terms

Changes in assumptions:

City of Trotwood, Ohio
Notes to the Required Supplementary Information
For The Fiscal Year Ended December 31, 2020

2020: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions. The single discount rate changed from 4.66% to 3.56%.

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%. The single discount rate increased from 3.24% to 4.66% and the municipal bond rate from 3.16% to 4.13%.

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

Changes in benefit terms:

2020: There were no changes in benefit terms for the period.

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

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

THIS PAGE INTENTIONALLY LEFT BLANK



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, 2020

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in Pooled Cash and Investments	\$2,029,374	\$1,072	\$2,055,076	\$4,085,522
Receivables (Net):				
Taxes	647,293	163,732	1,149,139	1,960,164
Accounts	105,550	0	0	105,550
Intergovernmental	94,475	8,801	35,054	138,330
Special Assessments	8,265	0	0	8,265
Prepaid Items	16,195	0	0	16,195
Total Assets	2,901,152	173,605	3,239,269	6,314,026
Liabilities:				
Accounts Payable	23,490	0	0	23,490
Accrued Wages and Benefits	65,280	0	0	65,280
Compensated Absences	108	0	0	108
Total Liabilities	88,878	0	0	88,878
Deferred Inflows of Resources:				
Property Taxes	578,215	161,245	578,297	1,317,757
Grants and Other Taxes	136,581	8,801	35,054	180,436
Special Assessments	8,265	0	0	8,265
Revenue in Lieu of Taxes	0	0	562,251	562,251
Total Deferred Inflows of Resources	723,061	170,046	1,175,602	2,068,709
Fund Balances:				
Nonspendable	16,195	0	0	16,195
Restricted	2,073,018	3,559	1,238,265	3,314,842
Committed	0	0	825,402	825,402
Total Fund Balances	2,089,213	3,559	2,063,667	4,156,439
Total Liabilities, Deferred Inflows and Fund Balances	\$2,901,152	\$173,605	\$3,239,269	\$6,314,026

City of Trotwood, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Governmental Funds
For the Fiscal Year Ended December 31, 2020

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Property and Other Taxes	\$399,751	\$61,535	\$244,191	\$705,477
Charges for Services	1,062,884	0	0	1,062,884
Intergovernmental	2,449,414	17,673	70,391	2,537,478
Special Assessments	6,341	0	0	6,341
Fines, Licenses & Permits	19,847	0	0	19,847
Revenue in Lieu of Taxes	0	0	530,576	530,576
Other Revenues	1,885	0	12,456	14,341
Total Revenues	3,940,122	79,208	857,614	4,876,944
Expenditures:				
Current:				
General Government	131,562	0	0	131,562
Public Safety	2,869,146	0	0	2,869,146
Community Development	44,523	0	0	44,523
Transportation and Street Repair	848,850	0	0	848,850
Capital Outlay	42,330	0	199,158	241,488
Debt Service:				
Principal	0	145,000	550,096	695,096
Interest and Other Charges	0	7,238	456,600	463,838
Total Expenditures	3,936,411	152,238	1,205,854	5,294,503
Excess of Revenues Over (Under) Expenditures	3,711	(73,030)	(348,240)	(417,559)
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	7,926	0	0	7,926
Transfers In	0	82,000	1,441,000	1,523,000
Transfers (Out)	0	(53,019)	0	(53,019)
Total Other Financing Sources (Uses)	7,926	28,981	1,441,000	1,477,907
Net Change in Fund Balance	11,637	(44,049)	1,092,760	1,060,348
Fund Balance - Beginning of Year	2,077,576	47,608	970,907	3,096,091
Fund Balance - End of Year	\$2,089,213	\$3,559	\$2,063,667	\$4,156,439

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.

Coronavirus Relief – A fund used to provide emergency relief grants to Cities related to the COVID-19 pandemic.

City of Trotwood, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2020

	State Highway	Motor Vehicle License Tax	Permissive Use Tax	Drug Law Enforcement	Curbs/Gutters/ Sidewalks Assessment	Grants	Local Law Enforcement Block
Assets:							
Equity in Pooled Cash and Investments	\$61,919	\$248,026	\$32,067	\$1,606	\$45,096	\$361,179	\$75
Receivables (Net):							
Taxes	0	60,487	0	0	0	0	0
Accounts	0	0	0	0	0	0	0
Intergovernmental	43,990	0	0	0	0	500	0
Special Assessments	0	0	0	0	8,265	0	0
Prepaid Items	594	0	0	0	0	0	0
Total Assets	106,503	308,513	32,067	1,606	53,361	361,679	75
Liabilities:							
Accounts Payable	280	0	0	0	0	0	0
Accrued Wages and Benefits	1,815	0	0	0	0	0	0
Compensated Absences	108	0	0	0	0	0	0
Total Liabilities	2,203	0	0	0	0	0	0
Deferred Inflows of Resources:							
Property Taxes	0	0	0	0	0	0	0
Grants and Other Taxes	36,483	49,613	0	0	0	500	0
Special Assessments	0	0	0	0	8,265	0	0
Total Deferred Inflows of Resources	36,483	49,613	0	0	8,265	500	0
Fund Balances:							
Nonspendable	594	0	0	0	0	0	0
Restricted	67,223	258,900	32,067	1,606	45,096	361,179	75
Total Fund Balances	67,817	258,900	32,067	1,606	45,096	361,179	75
Total Liabilities, Deferred Inflows and Fund Balances	\$106,503	\$308,513	\$32,067	\$1,606	\$53,361	\$361,679	\$75

Enforcement and Education	Law Enforcement Trust	Redlight Enforcement	Government Equity Program	Rescue Levy	Police Levy	FEMA	Coronavirus Relief	Total Nonmajor Special Revenue Funds
\$13,826	\$9,785	\$18,576	\$219	\$1,222,030	\$39	\$0	\$14,931	\$2,029,374
0	0	0	0	586,806	0	0	0	647,293
0	0	0	0	105,550	0	0	0	105,550
0	0	0	0	35,054	0	0	14,931	94,475
0	0	0	0	0	0	0	0	8,265
0	0	3,288	0	12,313	0	0	0	16,195
<u>13,826</u>	<u>9,785</u>	<u>21,864</u>	<u>219</u>	<u>1,961,753</u>	<u>39</u>	<u>0</u>	<u>29,862</u>	<u>2,901,152</u>
0	0	0	0	19,475	0	0	3,735	23,490
0	0	0	0	63,465	0	0	0	65,280
0	0	0	0	0	0	0	0	108
0	0	0	0	82,940	0	0	3,735	88,878
0	0	0	0	578,215	0	0	0	578,215
0	0	0	0	35,054	0	0	14,931	136,581
0	0	0	0	0	0	0	0	8,265
0	0	0	0	613,269	0	0	14,931	723,061
0	0	3,288	0	12,313	0	0	0	16,195
<u>13,826</u>	<u>9,785</u>	<u>18,576</u>	<u>219</u>	<u>1,253,231</u>	<u>39</u>	<u>0</u>	<u>11,196</u>	<u>2,073,018</u>
<u>13,826</u>	<u>9,785</u>	<u>21,864</u>	<u>219</u>	<u>1,265,544</u>	<u>39</u>	<u>0</u>	<u>11,196</u>	<u>2,089,213</u>
<u>\$13,826</u>	<u>\$9,785</u>	<u>\$21,864</u>	<u>\$219</u>	<u>\$1,961,753</u>	<u>\$39</u>	<u>\$0</u>	<u>\$29,862</u>	<u>\$2,901,152</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, 2020

	State Highway	Motor Vehicle License Tax	Permissive Use Tax	Drug Law Enforcement	Curbs/Gutters/ Sidewalks Assessment	Grants	Local Law Enforcement Block
Revenues:							
Property and Other Taxes	\$0	\$155,560	\$0	\$0	\$0	\$0	\$0
Charges for Services	0	0	0	0	0	0	0
Intergovernmental	96,937	0	100,000	0	0	156,644	0
Special Assessments	0	0	0	0	6,341	0	0
Fines, Licenses & Permits	0	0	0	963	0	0	0
Other Revenues	260	0	0	0	0	0	0
Total Revenues	97,197	155,560	100,000	963	6,341	156,644	0
Expenditures:							
Current:							
General Government	0	0	0	0	0	0	0
Public Safety	0	0	0	1,500	0	3,193	0
Community Development	0	0	0	0	0	44,523	0
Transportation and Street Repair	63,290	120,000	80,408	0	361	0	0
Capital Outlay	0	0	0	0	0	42,330	0
Total Expenditures	63,290	120,000	80,408	1,500	361	90,046	0
Excess of Revenues Over (Under) Expenditures	33,907	35,560	19,592	(537)	5,980	66,598	0
Other Financing Sources (Uses):							
Proceeds from Sale of Capital Assets	0	0	0	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0	0	0	0
Net Change in Fund Balance	33,907	35,560	19,592	(537)	5,980	66,598	0
Fund Balance - Beginning of Year	33,910	223,340	12,475	2,143	39,116	294,581	75
Fund Balance - End of Year	\$67,817	\$258,900	\$32,067	\$1,606	\$45,096	\$361,179	\$75

Enforcement and Education	Law Enforcement Trust	Redlight Enforcement	Government Equity Program	Rescue Levy	Police Levy	FEMA	Coronavirus Relief	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$244,191	\$0	\$0	\$0	\$399,751
0	0	0	0	1,062,884	0	0	0	1,062,884
0	0	0	0	99,282	0	586,125	1,410,426	2,449,414
0	0	0	0	0	0	0	0	6,341
603	9,119	9,162	0	0	0	0	0	19,847
0	0	0	0	1,625	0	0	0	1,885
<u>603</u>	<u>9,119</u>	<u>9,162</u>	<u>0</u>	<u>1,407,982</u>	<u>0</u>	<u>586,125</u>	<u>1,410,426</u>	<u>3,940,122</u>
0	0	0	0	0	0	0	131,562	131,562
0	22,511	218,200	0	1,352,740	2,000	1,334	1,267,668	2,869,146
0	0	0	0	0	0	0	0	44,523
0	0	0	0	0	0	584,791	0	848,850
0	0	0	0	0	0	0	0	42,330
<u>0</u>	<u>22,511</u>	<u>218,200</u>	<u>0</u>	<u>1,352,740</u>	<u>2,000</u>	<u>586,125</u>	<u>1,399,230</u>	<u>3,936,411</u>
<u>603</u>	<u>(13,392)</u>	<u>(209,038)</u>	<u>0</u>	<u>55,242</u>	<u>(2,000)</u>	<u>0</u>	<u>11,196</u>	<u>3,711</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7,926</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7,926</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7,926</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7,926</u>
603	(13,392)	(209,038)	0	63,168	(2,000)	0	11,196	11,637
<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>0</u>	<u>2,077,576</u>
<u>\$13,826</u>	<u>\$9,785</u>	<u>\$21,864</u>	<u>\$219</u>	<u>\$1,265,544</u>	<u>\$39</u>	<u>\$0</u>	<u>\$11,196</u>	<u>\$2,089,213</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, 2020

	State Highway Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$93,804	\$97,772	\$3,968
Other Revenues	14,196	14,797	601
Total Revenues	<u>108,000</u>	<u>112,569</u>	<u>4,569</u>
Expenditures:			
Current:			
Transportation & Street Repair	89,572	80,444	9,128
Total Expenditures	<u>89,572</u>	<u>80,444</u>	<u>9,128</u>
Net Change in Fund Balance	18,428	32,125	13,697
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>26,402</u>	<u>26,402</u>	<u>0</u>
Fund Balance End of Year	<u>\$44,830</u>	<u>\$58,527</u>	<u>\$13,697</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, 2020

	Motor Vehicle License Tax Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Property and Other Local Taxes	\$170,000	\$156,632	(\$13,368)
Total Revenues	170,000	156,632	(13,368)
Expenditures:			
Current:			
Transportation & Street Repair	180,000	120,000	60,000
Total Expenditures	180,000	120,000	60,000
Net Change in Fund Balance	(10,000)	36,632	46,632
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	211,393	211,393	0
Fund Balance End of Year	\$201,393	\$248,025	\$46,632

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, 2020

	Permissive Use Tax Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$90,000	\$100,000	\$10,000
Total Revenues	90,000	100,000	10,000
Expenditures:			
Current:			
Transportation & Street Repair	90,000	90,000	0
Total Expenditures	90,000	90,000	0
Net Change in Fund Balance	0	10,000	10,000
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	12,477	12,477	0
Fund Balance End of Year	\$12,477	\$22,477	\$10,000

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, 2020

	Drug Law Enforcement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses & Permits	\$400	\$963	\$563
Total Revenues	400	963	563
Expenditures:			
Current:			
Public Safety	1,500	1,500	0
Total Expenditures	1,500	1,500	0
Net Change in Fund Balance	(1,100)	(537)	563
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	2,143	2,143	0
Fund Balance End of Year	\$1,043	\$1,606	\$563

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, 2020

	Curbs/Gutters/ Sidewalks Assessment Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Special Assessments	\$5,600	\$6,341	\$741
Total Revenues	5,600	6,341	741
Expenditures:			
Current:			
Transportation & Street Repair	10,000	361	9,639
Total Expenditures	10,000	361	9,639
Net Change in Fund Balance	(4,400)	5,980	10,380
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	39,117	39,117	0
Fund Balance End of Year	\$34,717	\$45,097	\$10,380

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, 2020

	Grants Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$733,347	\$156,644	(\$576,703)
Total Revenues	733,347	156,644	(576,703)
Expenditures:			
Current:			
Public Safety	22,667	3,193	19,474
Community Development	316,063	44,523	271,540
Capital Outlay	654,538	92,203	562,335
Total Expenditures	993,268	139,919	853,349
Net Change in Fund Balance	(259,921)	16,725	276,646
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	303,039	303,039	0
Fund Balance End of Year	\$43,118	\$319,764	\$276,646

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, 2020

	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, 2020

	Enforcement and Education Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses & Permits	\$500	\$603	\$103
Total Revenues	500	603	103
Expenditures:			
Current:			
Public Safety	813	0	813
Total Expenditures	813	0	813
Net Change in Fund Balance	(313)	603	916
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	13,223	13,223	0
Fund Balance End of Year	\$12,910	\$13,826	\$916

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, 2020

	Law Enforcement Trust Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses & Permits	\$39,000	\$9,119	(\$29,881)
Total Revenues	39,000	9,119	(29,881)
Expenditures:			
Current:			
Public Safety	23,000	22,511	489
Total Expenditures	23,000	22,511	489
Net Change in Fund Balance	16,000	(13,392)	(29,392)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	23,174	23,174	0
Fund Balance End of Year	\$39,174	\$9,782	(\$29,392)

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, 2020

	Redlight Enforcement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses & Permits	\$28,279	\$9,162	(\$19,117)
Other Revenues	90,146	29,206	(60,940)
Total Revenues	118,425	38,368	(80,057)
Expenditures:			
Current:			
Public Safety	356,537	257,906	98,631
Total Expenditures	356,537	257,906	98,631
Net Change in Fund Balance	(238,112)	(219,538)	18,574
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	238,115	238,115	0
Fund Balance End of Year	\$3	\$18,577	\$18,574

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, 2020

	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, 2020

	Final Budget	Rescue Levy Fund Actual	Variance from Final Budget
Revenues:			
Property and Other Local Taxes	\$341,081	\$392,033	\$50,952
Charges for Services	924,265	1,062,336	138,071
Intergovernmental	86,378	99,282	12,904
Other Revenues	208,230	239,337	31,107
Total Revenues	1,559,954	1,792,988	233,034
Expenditures:			
Current:			
Public Safety	1,663,988	1,575,969	88,019
Total Expenditures	1,663,988	1,575,969	88,019
Excess of Revenues Over (Under) Expenditures	(104,034)	217,019	321,053
Other Financing Sources (Uses):			
Proceeds from Sale of Capital Assets	6,896	7,926	1,030
Total Other Financing Sources (Uses)	6,896	7,926	1,030
Net Change in Fund Balance	(97,138)	224,945	322,083
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	990,721	990,721	0
Fund Balance End of Year	\$893,583	\$1,215,666	\$322,083

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, 2020

	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	2,000	2,000	0
Total Expenditures	2,000	2,000	0
Net Change in Fund Balance	(2,000)	(2,000)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	2,039	2,039	0
Fund Balance End of Year	\$39	\$39	\$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, 2020

	FEMA Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$586,125	\$586,125	\$0
Total Revenues	586,125	586,125	0
Expenditures:			
Current:			
Public Safety	1,333	1,333	0
Transportation & Street Repair	584,792	584,792	0
Total Expenditures	586,125	586,125	0
Net Change in Fund Balance	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	\$0	\$0	\$0

City of Trotwood, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2020

	Coronavirus Relief Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$1,410,426	\$1,410,426	\$0
Total Revenues	1,410,426	1,410,426	0
Expenditures:			
Current:			
General Government	142,757	142,757	0
Public Safety	1,267,669	1,267,669	0
Total Expenditures	1,410,426	1,410,426	0
Excess of Revenues Over (Under) Expenditures	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, 2020

	Debt Retirement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Property and Other Local Taxes	\$98,561	\$98,298	(\$263)
Intergovernmental	17,720	17,673	(47)
Total Revenues	<u>116,281</u>	<u>115,971</u>	<u>(310)</u>
Expenditures:			
Debt Service:			
Principal Retirement	190,226	190,000	226
Interest and Fiscal Charges	15,275	15,257	18
Total Expenditures	<u>205,501</u>	<u>205,257</u>	<u>244</u>
Excess of Revenues Over (Under) Expenditures	<u>(89,220)</u>	<u>(89,286)</u>	<u>(66)</u>
Other Financing Sources (Uses):			
Transfers In	82,219	82,000	(219)
Total Other Financing Sources (Uses)	<u>82,219</u>	<u>82,000</u>	<u>(219)</u>
Net Change in Fund Balance	(7,001)	(7,286)	(285)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>8,358</u>	<u>8,358</u>	<u>0</u>
Fund Balance End of Year	<u>\$1,357</u>	<u>\$1,072</u>	<u>(\$285)</u>

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.

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 Improvement – To account for resources related to general capital improvements.

City of Trotwood, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2020

	Park Acquisition and Development	Industrial Park	Salem Mall Tax Increment	Fire Capital Levy
Assets:				
Equity in Pooled Cash and Investments	\$2,801	\$486,718	\$628,717	\$111,438
Receivables (Net):				
Taxes	0	364,921	197,330	586,888
Intergovernmental	0	0	0	35,054
Total Assets	2,801	851,639	826,047	733,380
Liabilities:				
Accounts Payable	0	0	0	0
Total Liabilities	0	0	0	0
Deferred Inflows of Resources:				
Property Taxes	0	0	0	578,297
Grants and Other Taxes	0	0	0	35,054
Pension	0	364,921	197,330	0
Total Deferred Inflows of Resources	0	364,921	197,330	613,351
Fund Balances:				
Restricted	2,801	486,718	628,717	120,029
Committed	0	0	0	0
Total Fund Balances	2,801	486,718	628,717	120,029
Total Liabilities, Deferred Inflows and Fund Balances	\$2,801	\$851,639	\$826,047	\$733,380

General Capital Improvement	Total Nonmajor Capital Projects Funds
\$825,402	\$2,055,076
0	1,149,139
<u>0</u>	<u>35,054</u>
<u>825,402</u>	<u>3,239,269</u>
<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>
0	578,297
0	35,054
<u>0</u>	<u>562,251</u>
<u>0</u>	<u>1,175,602</u>
0	1,238,265
<u>825,402</u>	<u>825,402</u>
<u>825,402</u>	<u>2,063,667</u>
<u>\$825,402</u>	<u>\$3,239,269</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, 2020

	Park Acquisition and Development	Industrial Park	Salem Mall Tax Increment	Fire Capital Levy
Revenues:				
Property and Other Taxes	\$0	\$0	\$0	\$244,191
Intergovernmental	0	0	0	70,391
Revenue in Lieu of Taxes	0	333,444	197,132	0
Other Revenues	0	0	0	12,456
Total Revenues	0	333,444	197,132	327,038
Expenditures:				
Current:				
Capital Outlay	0	0	0	105,533
Debt Service:				
Principal	0	131,500	173,150	245,446
Interest and Other Charges	0	91,443	265,396	99,761
Total Expenditures	0	222,943	438,546	450,740
Excess of Revenues Over (Under) Expenditures	0	110,501	(241,414)	(123,702)
Other Financing Sources (Uses):				
Transfers In	0	0	841,000	0
Total Other Financing Sources (Uses)	0	0	841,000	0
Net Change in Fund Balance	0	110,501	599,586	(123,702)
Fund Balance - Beginning of Year	2,801	376,217	29,131	243,731
Fund Balance - End of Year	\$2,801	\$486,718	\$628,717	\$120,029

General Capital Improvement	Total Nonmajor Capital Projects Funds
\$0	\$244,191
0	70,391
0	530,576
0	12,456
0	857,614
93,625	199,158
0	550,096
0	456,600
93,625	1,205,854
(93,625)	(348,240)
600,000	1,441,000
600,000	1,441,000
506,375	1,092,760
319,027	970,907
<u>\$825,402</u>	<u>\$2,063,667</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, 2020

	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, 2020

	Industrial Park Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Revenue in Lieu of Taxes	\$330,000	\$333,444	\$3,444
Total Revenues	330,000	333,444	3,444
Expenditures:			
Debt Service:			
Principal Retirement	194,346	194,261	85
Interest and Fiscal Charges	28,695	28,682	13
Total Expenditures	223,041	222,943	98
Net Change in Fund Balance	106,959	110,501	3,542
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	376,217	376,217	0
Fund Balance End of Year	\$483,176	\$486,718	\$3,542

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, 2020

	Salem Mall Tax Increment Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Revenue in Lieu of Taxes	\$82,982	\$197,132	\$114,150
Total Revenues	<u>82,982</u>	<u>197,132</u>	<u>114,150</u>
Expenditures:			
Debt Service:			
Principal Retirement	173,175	173,150	25
Interest and Fiscal Charges	265,435	265,396	39
Total Expenditures	<u>438,610</u>	<u>438,546</u>	<u>64</u>
Excess of Revenues Over (Under) Expenditures	<u>(355,628)</u>	<u>(241,414)</u>	<u>114,214</u>
Other Financing Sources (Uses):			
Transfers In	354,018	841,000	486,982
Total Other Financing Sources (Uses)	<u>354,018</u>	<u>841,000</u>	<u>486,982</u>
Net Change in Fund Balance	(1,610)	599,586	601,196
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>29,131</u>	<u>29,131</u>	<u>0</u>
Fund Balance End of Year	<u>\$27,521</u>	<u>\$628,717</u>	<u>\$601,196</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, 2020

	Fire Capital Levy Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Property and Other Local Taxes	\$374,672	\$392,033	\$17,361
Intergovernmental	67,274	70,391	3,117
Other Revenues	11,904	12,456	552
Total Revenues	<u>453,850</u>	<u>474,880</u>	<u>21,030</u>
Expenditures:			
Capital Outlay	175,242	166,046	9,196
Debt Service:			
Principal Retirement	200,522	190,000	10,522
Interest and Fiscal Charges	99,938	94,694	5,244
Total Expenditures	<u>475,702</u>	<u>450,740</u>	<u>24,962</u>
Net Change in Fund Balance	(21,852)	24,140	45,992
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>87,296</u>	<u>87,296</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$65,444</u></u>	<u><u>\$111,436</u></u>	<u><u>\$45,992</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, 2020

	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	103,562	100,191	3,371
Debt Service:			
Interest and Fiscal Charges	15,506	15,001	505
Total Expenditures	119,068	115,192	3,876
Excess of Revenues Over (Under) Expenditures	(119,068)	(115,192)	3,876
Other Financing Sources (Uses):			
Transfers In	0	600,000	600,000
Total Other Financing Sources (Uses)	0	600,000	600,000
Net Change in Fund Balance	(119,068)	484,808	603,876
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	319,027	319,027	0
Fund Balance End of Year	\$199,959	\$803,835	\$603,876

STATISTICAL SECTION



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.

THIS PAGE INTENTIONALLY LEFT BLANK



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

	Calendar Year									
	2011	2012	2013 (1)	2014 (1)	2015 (1)	2016	2017 (2)	2018	2019	2020
Governmental Activities										
Net Investment in Capital Assets	\$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	\$36,184,498
Restricted	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	8,491,040
Unrestricted	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)	(11,321,731)
Total governmental activities net position	\$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	\$33,353,807
Business-type activities										
Net Investment in Capital Assets	\$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	\$17,113,154
Unrestricted	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	8,279,187
Total business-type activities net position	\$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	\$25,392,341
Total Primary Government										
Net Investment in Capital Assets	\$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	\$53,297,652
Restricted	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	8,491,040
Unrestricted	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)	(3,042,544)
Total primary government net position	\$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	\$58,746,148

(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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental Activities:										
General Government	\$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	\$3,073,262
Public Safety	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	9,060,821
Community Development	1,029,674	1,352,215	1,310,140	699,877	732,670	501,769	420,596	562,504	467,342	522,539
Leisure Time Activities	383,732	463,194	377,420	401,685	274,096	246,292	264,257	243,946	160,314	170,441
Transportation & Street Repair	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	3,534,729
Interest and Fiscal Charges	679,405	677,856	650,130	597,691	582,626	672,288	557,644	552,811	535,094	501,548
Total Governmental Activities Expenses	16,492,853	17,452,382	16,249,448	17,109,372	15,081,270	15,045,412	15,123,952	16,894,581	9,965,123	16,863,340
Business-Type Activities:										
Water	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	1,634,754
Sewer	982,998	927,308	968,372	1,016,239	1,157,858	792,109	1,094,038	1,292,548	1,051,512	1,185,717
Refuse	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	1,378,307
Stormwater	1,025,845	821,225	735,306	801,034	930,608	1,016,447	1,095,882	1,050,914	1,107,279	1,102,941
Other Enterprise Funds	0	0	0	0	0	0	67,358	72,817	61,940	46,226
Total Business-Type Activities Expenses	4,780,036	4,678,180	4,440,690	4,614,714	5,007,531	4,206,908	4,977,598	5,419,551	4,964,531	5,347,945
Total Primary Government Expenses	\$21,272,889	\$22,130,562	\$20,690,138	\$21,724,086	\$20,088,801	\$19,252,320	\$20,101,550	\$22,314,132	\$14,929,654	\$22,211,285
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	\$586,951	\$518,244	\$510,089	\$509,235	\$464,920	\$490,693	\$561,505	\$570,056	\$322,103	\$512,697
Public Safety	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	1,119,116
Community Development	95,490	136,821	178,106	145,151	122,850	226,772	252,803	117,416	183,486	171,563
Leisure Time Activities	17,598	19,783	34,329	29,480	29,890	34,853	41,440	52,712	50,648	45,328
Transportation and Street Repair	9,183	473	0	502	359	613	5,648	5,649	6,460	6,341
Operating Grants and Contributions	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	3,202,842
Capital Grants and Contributions	1,465,441	1,769,666	416,073	11,225	59,572	181,130	0	956,799	10,650	4,281
Total Governmental Activities Program Revenues	5,353,177	5,717,426	4,274,035	4,856,164	3,902,820	3,706,756	3,481,627	5,209,637	5,487,749	5,062,168
Business-Type Activities:										
Charges for Services:										
Water	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	1,814,587
Sewer	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	1,333,695
Refuse	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	1,551,215
Stormwater	664,331	632,778	1,066,961	746,107	711,307	802,561	737,866	706,534	826,328	761,971
Other Enterprise Funds	0	0	0	0	0	0	0	0	368	816
Capital Grants and Contributions	0	714,225	0	0	0	0	315,000	0	0	42,330
Total Business-Type Activities Program Revenues	4,415,615	4,891,121	6,093,178	4,844,662	4,924,485	5,389,621	5,521,677	5,198,801	5,435,990	5,504,614
Total Primary Government Program Revenues	\$9,768,792	\$10,608,547	\$10,367,213	\$9,700,826	\$8,827,305	\$9,096,377	\$9,003,304	\$10,408,438	\$10,923,739	\$10,566,782

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

	Calendar Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net (Expense)/Revenue										
Governmental Activities	(\$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)	(\$11,801,172)
Business-Type Activities	(364,421)	212,941	1,652,488	229,948	(83,046)	1,182,713	544,079	(220,750)	471,459	156,669
Total Primary Government Net Expenses	(\$11,504,097)	(\$11,522,015)	(\$10,322,925)	(\$12,023,260)	(\$11,261,496)	(\$10,155,943)	(\$11,098,246)	(\$11,905,694)	(\$4,005,915)	(\$11,644,503)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Income Taxes	\$5,040,411	\$4,911,790	\$5,666,888	\$4,672,734	\$5,020,072	\$5,110,289	\$3,973,806	\$5,372,176	\$5,415,319	\$5,272,961
Property Taxes	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	3,339,083
Grants and Entitlements not Restricted	625,816	1,194,125	856,478	666,337	668,157	616,185	625,779	624,208	640,969	710,647
Revenue in Lieu of Taxes	266,173	314,945	1,796,840	730,615	752,528	764,068	533,835	621,783	596,196	592,604
Investment Earnings	1,628	1,985	1,339	3,636	4,836	8,930	47,304	262,228	334,833	106,034
Other Revenues	265,986	432,197	853,239	550,164	287,670	536,262	501,250	483,558	501,583	421,284
Transfers-Internal Activities	22,500	25,000	(450,747)	0	0	0	0	(895,110)	(903,595)	(89,019)
Total Governmental Activities	11,603,905	10,782,319	13,167,617	12,884,717	11,551,438	12,085,247	10,426,536	11,312,650	13,509,952	10,353,594
Business-type activities:										
Investment Earnings	550	1,102	627	0	0	0	0	0	0	0
Other Revenues	36	128	4,773	5,906	10,827	18,125	21,438	22,430	61,515	173,392
Transfers-Internal Activities	(22,500)	(25,000)	450,747	0	0	0	0	895,110	903,595	89,019
Total Business-Type Activities	(21,914)	(23,770)	456,147	5,906	10,827	18,125	21,438	917,540	965,110	262,411
Total Primary Government	\$11,581,991	\$10,758,549	\$13,623,764	\$12,890,623	\$11,562,265	\$12,103,372	\$10,447,974	\$12,230,190	\$14,475,062	\$10,616,005
Change in Net Position										
Governmental Activities	\$464,229	(\$952,637)	\$1,192,204	\$631,509	\$372,988	\$746,591	(\$1,215,789)	(\$372,294)	\$9,032,578	(\$1,447,578)
Business-Type Activities	(386,335)	189,171	2,108,635	235,854	(72,219)	1,200,838	565,517	696,790	1,436,569	419,080
Total Primary Government	\$77,894	(\$763,466)	\$3,300,839	\$867,363	\$300,769	\$1,947,429	(\$650,272)	\$324,496	\$10,469,147	(\$1,028,498)

Source: City Records

THIS PAGE INTENTIONALLY LEFT BLANK



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

	Calendar Year									
	2011	2012	2013	2014	2015 (1)	2016	2017	2018	2019	2020
General Fund										
Nondisposable										
Assigned	327,879	\$678,551	\$269,342	\$164,115	\$124,804	\$50,066	\$87,440	\$61,180	\$52,877	\$53,020
Unassigned	1,372,066	183,290	435,828	594,737	642,211	1,311,897	1,673,693	2,326,989	3,254,307	3,125,011
Total General Fund	1,699,945	861,841	705,170	758,852	767,015	1,361,963	1,800,188	2,461,772	3,354,078	3,314,352
All Other Governmental Funds										
Nondisposable	0	0	0	0	0	0	66,401	51,521	43,632	43,749
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	6,247,778
Committed	0	0	0	0	0	0	0	0	319,027	825,402
Unassigned	(2,321,494)	(2,132,793)	(2,372,170)	(2,117,730)	(1,915,872)	0	0	0	0	0
Total all Other Governmental Funds	(\$783,186)	(\$383,619)	(\$59,737)	\$711,974	\$1,017,816	\$3,757,422	\$4,992,508	\$4,678,613	\$6,554,037	\$7,116,929

Source: City Records

(1) - Restated

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

	Calendar Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Taxes	\$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	\$8,475,726
Charges for Services	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	1,410,803
Investment Earnings	1,628	1,985	1,341	3,636	4,836	8,930	47,304	262,228	334,833	106,035
Intergovernmental	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	4,707,345
Special Assessments	47,361	75,378	117,304	98,072	47,241	93,048	139,768	64,766	123,240	79,850
Fines, Licenses & Permits	727,987	992,612	655,933	840,957	396,226	340,934	354,384	819,928	689,137	343,931
Revenue in Lieu of Taxes	285,046	314,945	1,796,840	730,615	752,528	764,068	533,836	621,783	524,107	592,604
Other Revenues	261,485	432,196	853,237	550,161	287,671	536,261	501,249	483,559	501,584	421,283
Total Revenues	\$16,269,881	\$16,184,018	\$17,056,419	\$17,961,122	\$15,294,803	\$15,309,188	\$15,287,289	\$17,318,489	\$19,085,412	\$16,137,577
Expenditures										
Current:										
General Government	\$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	\$2,875,002
Public Safety	8,156,930	8,144,645	7,952,880	9,204,008	8,261,875	7,899,774	7,549,155	8,523,819	8,414,337	8,091,201
Community Development	1,027,674	1,351,751	1,296,813	735,593	731,551	477,102	395,010	542,544	588,026	504,580
Leisure Time Activities	340,410	416,767	338,705	366,683	248,634	201,743	199,411	203,140	180,700	128,109
Transportation and Street Repair	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	2,641,599
Capital Outlay	1,341,925	2,465,112	1,295,827	73,921	323,675	23,009	389,416	968,289	1,079,641	251,040
Debt Service										
Principal	843,569	902,503	1,101,506	1,126,425	749,413	799,987	866,747	800,614	906,982	871,736
Interest	697,263	690,605	678,188	636,179	604,473	629,716	566,226	568,312	537,221	514,747
Bond Issuance Costs	0	0	0	0	0	47,327	0	0	0	0
Total Expenditures	\$17,144,021	\$18,654,336	\$16,904,300	\$17,107,826	\$14,980,798	\$13,846,759	\$14,017,225	\$17,002,147	\$16,420,898	\$15,878,014

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

	Calendar Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Excess of revenues over (under) expenditures	(\$874,140)	(\$2,470,318)	\$152,119	\$853,296	\$314,005	\$1,462,429	\$1,270,064	\$316,342	\$2,664,514	\$259,563
Other Financing Sources (Uses)										
Proceeds From Sale of Capital Assets	\$0	\$0	\$15,092	\$525	\$0	\$9,159	\$43,247	\$91,833	\$17,376	\$304,831
Issuance of Long-Term Capital-Related Debt	0	1,831,724	0	0	0	1,815,000	360,000	0	0	0
Sale of Refunding Bonds	0	0	0	0	0	3,370,000	0	0	0	0
Payments to Refunded Bond Escrow Agent	0	0	0	0	0	(3,322,034)	0	0	0	0
Inception of Capital Lease	0	232,257	0	42,766	0	0	0	15,514	170,830	0
Transfers In	258,410	744,800	187,000	0	65,000	230,000	390,000	422,000	564,000	1,523,000
Transfers (Out)	(235,910)	(777,000)	(187,000)	0	(65,000)	(230,000)	(390,000)	(498,000)	(648,990)	(1,612,019)
Total Other Financing Sources (Uses)	22,500	2,031,781	15,092	43,291	0	1,872,125	403,247	31,347	103,216	215,812
Net Change in Fund Balances	(\$851,640)	(\$438,537)	\$167,211	\$896,587	\$314,005	\$3,334,554	\$1,673,311	\$347,689	\$2,767,730	\$475,375
Debt service as a percentage of noncapital expenditures (1)	9.6%	9.7%	11.0%	10.6%	9.3%	11.0%	10.4%	8.5%	9.0%	8.9%

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
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
2020	218,932,220	16,839,950	235,772,170	668,768,682	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	
2011	\$928,696	\$821,525	\$821,525	\$0	88.46%	\$821,525	88.46%	\$1,362,665	146.73%							
2012	2,092,939	411,889	411,889	0	19.68%	411,889	19.68%	1,801,083	86.06%							
2013	3,447,738	741,474	741,474	521,171	21.51%	1,262,646	36.62%	2,620,297	76.00%							
2014	3,698,172	407,314	407,314	172,841	11.01%	580,155	15.69%	3,195,736	86.41%							
2015	876,892	302,047	302,047	165,930	34.45%	467,977	53.37%	3,568,558	406.96%							
2016	1,093,871	380,678	380,678	159,353	34.80%	540,031	49.37%	4,170,891	381.30%							
2017	965,223	379,936	379,936	189,119	39.36%	569,055	58.96%	4,193,023	434.41%							
2018	471,650	310,082	310,082	144,776	65.74%	454,858	96.44%	3,869,345	820.38%							
2019	1,106,789	472,625	472,625	185,237	42.70%	657,862	59.44%	4,355,899	393.56%							
2020	1,346,254	466,522	466,522	164,601	34.65%	631,123	46.88%	5,096,839	378.59%							

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					Total Direct Rate	Montgomery County
	General Fund	Inside Bond	Fire Fund	Street Fund	Ambulance and EMS	Trotwood-Madison City School District	Miami Valley Career Technology Center	Dayton-Montgomery County Library	Montgomery County			
2011	6.85	0.50	8.30	2.00	2.00	60.06	2.58	1.75	20.94			
2012	6.85	0.50	8.30	2.00	2.00	60.06	2.58	1.75	20.94			
2013	6.85	0.50	8.30	2.00	2.00	60.06	2.58	3.31	20.94			
2014	6.85	0.50	12.45	2.00	2.00	61.06	2.58	3.31	20.94			
2015	6.85	0.50	12.45	2.00	2.00	61.56	2.58	3.31	21.94			
2016	6.85	0.50	12.45	2.00	2.00	62.06	2.58	3.31	22.94			
2017	6.85	0.50	12.45	2.00	2.00	62.06	2.58	3.31	22.94			
2018	6.85	0.50	12.45	2.00	2.00	62.06	4.01	3.31	22.94			
2019	6.85	0.50	12.45	2.00	2.00	62.06	4.01	3.15	23.14			
2020	6.85	0.50	12.45	2.00	2.00	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	2020	
	Assessed Value	Percentage of Total Assessed Value
Dayton Power & Light Company	\$12,002,200	5.09%
Vectren Energy Delivery of Ohio	5,715,880	2.42%
Dayton Healthcare	4,441,340	1.88%
Maria Joseph Properties LLC	1,972,990	0.84%
Shiloh Springs, LP	1,461,960	0.62%
Belle Meadow Associates LLC	1,318,810	0.56%
Octagon Holdings LLC	1,203,840	0.51%
CK HP Salem Woods Holdings LLC	1,200,270	0.51%
Cardinal One	995,660	0.42%
Shiloh Villas Apartments LLC	914,210	0.39%
All Others	204,495,010	86.76%
Total Assessed Valuation	\$235,722,170	100.00%

Taxpayer	2011	
	Assessed Value	Percentage of Total Assessed Value
Dayton Power & Light Company	\$7,939,040	2.46%
Dayton Healthcare	5,001,620	1.55%
Salem Square Improvements, LLC	4,337,890	1.34%
Corvus Trotwood LLC	4,136,500	1.28%
Woodland Hills Associates. LLC	2,842,400	0.88%
Westbrooke Village	2,264,550	0.70%
Dayton Hudson Corp.	2,074,710	0.64%
Shiloh Springs, LP	2,003,530	0.62%
Lowe's Home Center Inc.	1,957,620	0.60%
Belle Meadows Associates LLC	1,904,200	0.59%
All Others	288,744,920	0.00%
Total Assessed Valuation	\$323,206,980	10.66%

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
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%
2020	5,543,493	5,014,500	90.46%	419,727	5,434,227	98.03%

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
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
2020	2.25%	4,031,493	1,273,103	5,304,596	134,542	5,170,054

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

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

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

City of Trotwood, 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						
2011	\$15,026,940	\$949,802	\$0	\$2,983	\$0	\$0	\$15,979,725	0.08%	\$424		
2012	15,642,581	874,556	603,317	308,636	0	0	17,429,090	0.08%	438		
2013	14,915,112	482,753	575,692	912,081	0	0	16,885,638	0.08%	421		
2014	14,182,638	113,802	536,446	878,173	0	0	15,711,059	0.07%	385		
2015	13,503,133	26,128	497,030	844,264	0	0	14,870,555	0.07%	352		
2016	14,778,783	17,728	695,217	810,355	0	0	16,302,083	0.07%	379		
2017	14,263,011	8,987	1,047,533	770,446	0	0	16,089,977	0.07%	371		
2018	13,453,618	91,833	951,133	730,537	183,666	0	15,410,787	0.06%	329		
2019	12,616,940	174,593	849,633	690,628	122,444	0	14,454,238	0.06%	298		
2020	11,813,480	88,551	742,483	660,674	61,252	0	13,366,440	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
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
2020	12,555,963	56,568	12,499,395	1.87%	456

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, 2020
 Schedule 14

Governmental Unit	Net Debt Outstanding	Estimated Percentage Applicable (1)	Amount Applicable to City of Trotwood
Dayton City School District	\$112,165,000	2.62%	\$2,938,723
Northmont City School District	49,056,104	0.36%	176,602
Trotwood-Madison City School District	20,670,000	92.47%	19,113,549
Brookville Local School District	9,415,000	0.57%	53,666
New Lebanon Local School District	860,000	2.16%	18,576
Miami Valley Career Center Joint Vocational School District	125,612,994	2.73%	3,429,235
Dayton Metro Library District Miscellaneous	141,664,986	3.12%	4,419,948
Subtotal Overlapping Debt	459,444,084		30,150,299
City of Trotwood - Direct Debt	11,902,031	100.00%	11,902,031
Total Direct and Overlapping Debt	\$471,346,115		\$42,052,330

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 2020

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Assessed Value									\$235,772,170	\$235,772,170
Statutory Legal Debt Limitation (1)									10.5%	5.5%
Total Debt Limitation									24,756,078	12,967,469
Debt Applicable to Limit:										
Gross Indebtedness									11,902,031	11,902,031
Less: Restricted for Debt Service (2)									56,568	56,568
Total Net Debt Applicable to Limit									11,845,463	11,845,463
Legal Debt Margin									\$12,910,615	\$1,122,006

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Total Debt Limit (1)										
Debt Limit (10.5%)	\$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	\$24,756,078
Total Net Debt Applicable to Limit	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	11,845,463
Legal Debt Margin	\$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	\$12,910,615

Total Net Debt Applicable to the Limit as a Percentage of Debt Limit

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
	36.7%	49.5%	48.5%	46.8%	46.8%	53.8%	56.9%	53.6%	50.2%	47.8%

Calendar Year

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Total Unvoted Debt Limit (1)										
Debt Limit (5.5%)	\$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	\$12,967,469
Total Net Debt Applicable to Limit	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	11,845,463
Legal Debt Margin	\$5,328,599	\$826,201	\$1,088,420	\$1,554,866	\$719,096	(\$365,407)	(\$1,122,578)	(\$309,072)	\$557,480	\$1,122,006

Total Net Debt Applicable to the Limit as a Percentage of Debt Limit

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
	70.0%	94.5%	92.6%	89.4%	94.6%	102.8%	108.5%	102.3%	95.8%	91.3%

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

Note:

The City has not had Pledged-Revenue Coverage during the last ten calendar years. Details regarding the city's outstanding debt can be found in the notes to the financial statements.

Source: City Records

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)
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	25,759,197	48,448	3.70%
2020	27,431	N/A	N/A	4.70%

Sources:

- (1) - Population estimates provided by U.S. Census Bureau.
 - (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

2020	
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

2012	
Major Employers (3)	Type (4)
AES Corp./Dayton Power & Light Co.	Utility
Behr Dayton Thermal Products, LLC	Mfg
Dayton City Schools	Govt
DMAX Ltd.	Mfg
GE Capital	Fin
Kettering Health Network	Serv
PNC Financial Services Group	Fin
Premier Health Partners, Inc.	Serv
Reed Elsevier LexisNexis	Serv
Reynolds & Reynolds Co., Inc.	Mfg
University of Dayton	Serv
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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government										
City Administration	3.0	3.5	3.5	3.5	2.5	2.0	2.0	3.0	2.5	3.5
City Council	1.0	1.0	1.0	1.0	1.0	1.5	1.0	0.0	1.5	1.0
Public Works Administration	3.0	3.0	3.0	2.0	1.0	1.0	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	8.8	8.8	8.8	9.5	10.0	9.5	9.0	9.0	9.0	10.0
Fleet Maintenance	0.0	3.0	3.0	3.0	3.0	2.0	2.0	3.0	3.0	3.0
Public Safety										
Police										
Officers	35.0	34.0	34.0	34.0	29.2	29.0	31.0	31.0	31.5	32.5
Non-Sworn	4.0	4.0	4.0	4.0	4.0	3.0	4.0	4.0	4.0	4.5
Fire	41.0	52.0	40.3	41.0	40.7	40.8	40.5	43.5	42.5	39.0
Leisure Time Activities										
Cemeteries	0.8	0.8	0.8	0.8	1.0	2.0	2.0	2.0	1.5	0.75
Parks and recreation	2.0	1.0	1.0	0.5	0.5	1.5	2.5	1.5	1.0	0.75
Community Development										
Planning and Zoning	2.5	2.0	2.0	1.5	0.8	1.5	1.5	1.5	2.0	2.0
Building Inspection/Code Enforcement	3.0	3.6	3.0	1.5	1.8	1.0	1.0	1.5	0.0	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	1.2	1.2	1.2	2.2	1.5	1.5	1.5	1.5	2.5
Sanitary Sewers	1.7	1.2	1.2	1.2	2.2	1.5	1.5	1.5	1.5	2.5
Refuse Collection	0.8	0.8	0.8	0.8	1.0	0.0	0.0	0.0	0.0	0.0
Transportation and Street Repair	6.5	6.5	6.5	6.5	6.7	5.5	7.0	8.0	8.0	7.5
Total	114.8	126.4	114.1	112.0	107.6	103.3	107.5	112.0	110.5	110.5

Source: Various City Departments

THIS PAGE INTENTIONALLY LEFT BLANK



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

Function/Program	Calendar Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government										
Building permits issued	37	43	37	0	0	0	0	0	0	0
Zoning permits issued	121	146	95	62	41	110	181	103	134	152
Checks issued	2,666	2,631	2,393	1,784	1,786	2,255	2,269	2,008	2,230	1,935
Ordinances adopted	13	29	95	17	22	22	32	24	30	52
Resolutions adopted	87	73	14	89	80	91	133	51	100	105
Police										
Calls for service	32,599	30,288	30,987	31,726	30,939	30,944	31,261	35,431	33,165	32,163
Cases assigned	1,371	1,316	1,205	1,062	1,044	1,114	902	1,205	947	941
Suspects charged	362	247	194	198	127	169	158	160	181	306
Percent cases closed by arrest	26%	19%	16%	19%	12%	15%	17.5%	13.8%	19.1%	32.5%
Traffic accidents	358	378	366	447	476	527	537	496	456	437
Traffic stops	3,353	2,409	2,980	3,418	2,833	2,746	4,206	2,622	2,796	2,576
Fire										
Calls for service	1,324	1,200	1,342	1,294	1,274	140	154	155	151	170
Average response time (minutes)	6.5	6.5	6.4	6.6	6.5	6.7	6.7	6.64	6.93	8.70
Average calls per day	3.6	3.3	3.7	3.5	3.5	0.4	0.42	0.42	0.41	0.47
Average call duration (minutes)	0.0	53.9	114.2	100.8	99.5	64.5	72.74	118.36	128.47	107.18
EMS										
Calls for service	4,245	4,440	4,572	5,026	5,120	5,090	5,531	5,040	5,242	4,592
Average response time (minutes)	5.9	5.2	5.9	6.0	6.3	6.8	6.32	6.78	6.75	6.55
Average calls per day	11.6	12.2	12.5	13.8	14.0	14.0	15.15	13.80	14.36	12.58
Average call duration (minutes)	0	67	72	96	92	62	70.69	47.08	52.36	45.34
Fire/EMS - all other										
Calls for service	0	0	0	0	0	1,343	1,178	1,284	1,388	1,475
Average response time (minutes)	0	0	0	0	0	6	5.92	6.48	6.36	6.75
Average calls per day	0	0	0	0	0	4	3.23	3.51	3.8	4.04
Average call duration (minutes)	0	0	0	0	0	29	26.81	16.56	15.86	17.25

Source: Various City Departments

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

Function/Program	Calendar Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public Works										
Street resurfacing (square yards)	0	93,848	25,500	25,000	27,000	29,500	57,400	76,384	32,736	52,580
Potholes repaired	9,000	9,000	9,000	9,800	11,191	11,685	15,000	21,000	21,000	23,500
Street cleaning (lane miles)	500	500	250	350	205	150	1,100	1,200	1,200	1,500
Street striping (miles)	20	20	12	35	30	30	30	25	25	30
Parks and recreation										
Shelter rentals	36	48	49	53	63	63	62	78	78	0
Pavilion rentals	0	2	2	0	4	3	10	4	4	1
Water										
Water main breaks	11	18	20	32	11	18	16	29	29	29
Wastewater										
Sewer main cleaning (miles)	12	11	12	15	8	20	10	7	7	7

Source: Various City Departments

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

Function/Program	Calendar Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
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	1,287	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	1,225	1,235	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

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 8/10/2021

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