

**CITY OF TROTWOOD
MONTGOMERY COUNTY**



SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2023

PLATTENBURG
Certified Public Accountants

OHIO AUDITOR OF STATE
KEITH FABER



65 East State Street
Columbus, Ohio 43215
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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, 2023 through December 31, 2023. 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

August 23, 2024

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**CITY OF TROTWOOD
MONTGOMERY COUNTY
FOR THE YEAR ENDED DECEMBER 31, 2023**

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CITY OF TROTWOOD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023

Federal Grantor/Pass - Through Grantor, Program Title	Pass Through Entity Number	AL #	Federal Expenditures
<hr/>			
United States Department of Justice			
Passed Through Ohio Department of Justice:			
Equitable Sharing Program	N/A	16.922	<u>68,053</u>
Total U.S. Department of Justice			<u>68,053</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	N/A	14.218	<u>102,848</u>
Total CDBG - Entitlement Grants Cluster			<u>102,848</u>
Total U.S. Department of Housing and Urban Development			<u>102,848</u>
<hr/>			
United States Department of Homeland Security			
Direct:			
Staffing for Adequate Fire and Emergency Response (SAFER)	N/A	97.083	770,191
Assistance to Firefighters Grant	N/A	97.044	<u>118,703</u>
Total U.S. Department of Homeland Security			<u>888,894</u>
<hr/>			
United States Department of the Treasury			
Passed Through Ohio Emergency Management Agency:			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	N/A	21.027	<u>238,267</u>
Total U.S. Department of the Treasury			<u>238,267</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$1,298,062</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 REQUIRED BY *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, 2023, 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 28, 2024.

Report on 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 the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001 that we consider to be a material weakness.

Report on 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 an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2023-001.

City's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

Plattenburg & Associates, Inc.

Dayton, Ohio

June 28, 2024

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE AND ON THE 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

Opinion on Each Major Federal Program

We have audited the City of Trotwood, Ohio's (the City) compliance with the types of compliance requirements identified as subject to audit 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, 2023. 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.

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, 2023.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated June 28, 2024, which contained unmodified opinions on those financial statements. Our audit was performed 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.

Plattensburg & Associates, Inc.

Plattensburg & Associates, Inc.
Dayton, Ohio
June 28, 2024

**CITY OF TROTWOOD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2023**

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? Yes
- Significant Deficiency(s) identified? None reported

Noncompliance material to financial statements noted? Yes

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:

Staffing for Adequate Fire and Emergency Response ALN 97.083

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

2023-001- Noncompliance/Internal Control-Recording in Incorrect Fund

Ohio Rev. Code § 5705.10(D) provides in part that all revenue derived from a source other than the general property tax and which the law prescribes shall be used for a particular purpose, shall be paid into a special fund for such purpose.

In the prior year, the City recorded Long Term Related Capital Debt Proceeds of \$735,000 in the Debt Service Fund. In the current year the City spent \$553,900 of capital outlay out of the Debt Service Fund. This activity should have been recorded in the capital fund. A prior period adjustment of \$735,000 and current year journal entry of \$553,900 were made to between the funds to correct this activity.

Management is responsible for preparing complete and accurate financial statements in accordance with the applicable financial reporting framework. Control and monitoring activities typically associated with the year-end financial reporting process include reviewing and approving manual journal entries, consolidating entries, and any entries that are recorded directly to the financial statements. For the City, this could also include reviewing the year-end system reports to ensure activity is properly reported.

A lack of proper policies and procedures for control and monitoring activities associated with the year-end financial reporting process could lead to financial statement and note disclosure adjustments, which if uncorrected, could lead to a misrepresentation of the City's financial activity.

Recommendation:

We recommend the City design and implement additional procedures to follow the Ohio Revised Code and internal control procedures to improve financial reporting.

Management's Response:

The City agrees with the correction.

Section III – Federal Award Findings and Questioned Costs

None.

CITY OF TROTWOOD
For the Year Ended December 31, 2023

SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS

The City had no prior audit findings or questioned costs.

CITY OF TROTWOOD



CORRECTIVE ACTION PLAN 2 CFR § 200.511(c) December 31, 2023

Finding Number:	2023-001
Planned Corrective Action:	The Finance Department will follow the Ohio Revised Code when recording debt proceeds and work with the GAAP preparer recording them in the City General Ledger and ACFR to assure they are recorded in the correct fund.
Anticipated Completion Date:	December 31, 2024
Responsible Contact Person:	Chris Peebles, Finance Director

CITY OF TROTWOOD OHIO



ANNUAL COMPREHENSIVE FINANCIAL REPORT
For The Year Ended December 31, 2023

CITY OF TROTWOOD, OHIO

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2023

**Prepared by:
Department of Finance
Chris A. Peeples
Finance Director**

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Introductory Section



June 28, 2024

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

We are pleased to present the Annual Comprehensive Financial Report for the City of Trotwood, Ohio, for the year ending December 31, 2023. 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 Annual Comprehensive 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.

Generally Accepted Accounting Principles require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the independent auditor's report.

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 capital, 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 mass. The resulting community is the sixth most populous city in Montgomery County with 23,070 residents (based on the 2020 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 citizens, meet the criteria for inclusion in the reporting entity and are thus not included in this report.

The City maintains its legal level of budgetary control, which 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.

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 30,000 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 over 1,700 employees. The company generates an annual payroll in excess of \$50 million and has committed to stay in the area for at least 18 years.

The Trotwood Community Improvement Corporation (TCIC), 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. This plan is continually revised to reflect new economic challenges and opportunities as a result of the current economic conditions.

Although these businesses are not 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 was 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 do several "big box" retailers such as Gordon Food Service, Lowe's and Home Depot. In 2023, Gordon Food Service opened a new store in Trotwood, enhancing the retail landscape and providing new job opportunities. The City continues to promote redevelopment at the Salem Site with the proposed mixed-use redevelopment of the last remaining structure of the former Mall site, the former Sears Building. Furthermore, in partnership with the TCIC, the city is positioning the site for a mixed-use redevelopment to include commercial outparcels along Shiloh Springs Rd and a combination of commercial uses on the remainder of the 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. Around 15,000 vehicles travel on the Connector, also known as SR-49, each day.

The City and TCIC also market the availability of TCIC owned land in the light industrial park which consists of a 6.5-acre greenfield site, a 15-acre greenfield site, and two additional development sites with direct railroad access, one being a 10 acre and the other being a 33-acre site. This offers continued development opportunity for industrial businesses to locate in the City, creating new job opportunities.

Furthermore, the city and the Trotwood CIC have established a partnership with developer and property owner, GATED Properties Global, which has resulted in the sale and development of additional acreage across Olive Road from the greenfield sites.

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 varying degrees of damage; from minor to total destruction. The City of Trotwood and its residents have shown resiliency, patience and fortitude. As of the end of 2021, major gains have been made with most damage repaired and a sense of normalcy returned back to the community.

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

In early 2020, the United States of America was hit hard by a new virus named COVID-19.

In response to this crisis, President Trump 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 and 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.

On March 10, 2021, the U.S. House of Representatives passed the Senate-amended H.R. 1319, the American Rescue Plan (ARP). The ARP provided \$1.9 trillion in additional relief to respond to the novel coronavirus (COVID-19). President Biden called for Congress to enact the ARP to provide relief for individuals and business struggling due to COVID-19. ARP includes provisions on aid to state and local governments, hard-hit industries and communities, tax changes affecting individuals and business, and other provisions.

The U.S. Department of the Treasury released the “Final Rule” document, effective April 1, 2022, for the use of the Coronavirus State and Local Fiscal Recovery Funds (SLFRF), a part of the ARP act.

The SLFRF program ensures governments have the resources needed to respond to the pandemic, including providing health and vaccines, supporting families and businesses struggling with the pandemic’s economic impacts, maintaining vital public services and building a strong and equitable recovery.

As permitted under the U.S. Treasury “Final Rule”, the City of Trotwood has selected to use the SLFRF funding to pay for governmental services. Government services generally include any service traditionally provided by the government, including construction of roads and other infrastructure, provision of public safety and other services, and health and educational services. Funds spent under government services are subject to streamlined reporting and compliance reporting. This use is authorized as an eligible expense under the “Revenue Replacement” option with the City electing the “Standard Allowance” as permitted.

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. The City continues to see only a minor impact on the tax collections due to House Bill 5.

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 is 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.

As a result of HB 62, the City of Trotwood received a 10% increase in gas tax revenues in 2021, after a 27% increase in calendar year 2020. The gas tax receipts remain constant.

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 continued to grow this reserve. As of December 31, 2023, the

general fund unencumbered cash balance was \$3,684,116, representing a reserve in excess of three months based on the 2024 general fund appropriations of \$11,947,688. 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 several 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. Future IQ started the implication process in 2023, conducting several community workshops and are finalizing the Phase I implementation plan.

MAJOR INITIATIVES

Vacant Building and Box-Store Repositioning

In 2014, the City of Trotwood initiated a focused effort to reutilize vacant big box retail facilities. The impact of the Great Recession of 2008 and the closing of the Salem Mall left many traditional retailers along the Salem Avenue corridor struggling. Nationally, companies like K-Mart, Sears, Best Buy, and Target closed numerous stores, including those in Trotwood. The rise of non-traditional and online retail has accelerated the trend away from brick-and-mortar stores, a shift expected to continue.

Recognizing this shift, Trotwood commissioned Market Metrics, LLC of Dayton to analyze the current retail environment and develop forward-looking strategies. The study's conclusions were stark but anticipated: big box retail would continue to decline across northwest Montgomery County. The region was deemed "over-retailed" and lacked the population growth necessary to spur additional retail development. Existing malls, shopping centers, and online shopping were sufficient to meet consumer needs.

In response, Trotwood adopted a new strategy to repurpose vacant big box retail stores for alternative uses. The city's analysis found that converting these retail spaces into light manufacturing centers and small distribution hubs was both economically viable and less impactful on surrounding areas. This led to collaborative efforts with big box building owners to re-market their properties for new purposes.

This strategy has seen notable success. The former K-Mart building was purchased by Epix Tube, a carbon steel tube manufacturer. The old Elder Beerman Warehouse was converted into a light manufacturing operation by Specialty Manufacturing, employing 73 people with an average salary of \$47,800. In 2018, U-Haul acquired the former Wal-Mart, transforming it into a rental fleet and storage facility. Storage of America converted the former Target location into climate-controlled self-storage units. Mansea Metal now occupies the former Wolohan Lumber site, providing metal roofing and siding solutions and employing 10 full-time workers with plans for future job growth.

In 2023, Gordon Food Service repurposed a former Best Buy to open a new retail grocery store, enhancing retail options for residents while maintaining Gordon's standard wholesale model.

In a significant development, Display Dynamics, an exhibit production company, will relocate to Trotwood, utilizing an under-used former “builders square” building. This move will involve a total investment of \$1.2-\$2.3 million and create new jobs. Display Dynamics specializes in exhibit and display design for museums and zoos and will work with two additional companies at the new location, contributing to the Fab Hub initiative and fostering opportunities for like businesses.

Smaller facilities have also been successfully repurposed. The Davita Dialysis Center opened in the former Bob Evans building, and First Priority Urgent Care moved into the former River Valley Credit Union. Premier Energy purchased the vacant O’Danny Boy ice cream facility, later selling it in 2023 to a trucking company planning to expand its operations. Korrekt Plumbing Heating & Air Conditioning relocated their corporate headquarters to Trotwood, constructing a 15,000 square foot building for their new venture in artificial marble production and kitchen and bath services.

Robinson Janitorial acquired the former Trotwood Library Branch for their headquarters and training center, securing contracts with local institutions such as the Dayton Metro Library system and Kettering Health Network. Stratacache, a global leader in digital signage and media distribution technologies, purchased a vacant 300,000 square foot manufacturing facility in the Trotwood Industrial Park. This acquisition established the world's largest and most advanced facility for digital signage manufacturing, with employment expected to potentially grow to 300 employees over the next few years.

Moving forward, the City has identified the repositioning of vacant shopping centers and other sites on Salem Avenue and Main Street as a priority. Recently, the former Consumer Square, home to Cub Foods and other big box stores, was sold for \$1.2 million. Plans for its renovation are underway, with optimism for its redevelopment, further illustrating Trotwood's commitment to revitalizing its commercial properties and fostering economic growth (Dayton Daily News).

These efforts underscore Trotwood's commitment to revitalizing vacant spaces, adapting to changing economic conditions, and fostering new economic opportunities for the community.

Main Street Development Initiative

The City of Trotwood and Trotwood Community Improvement Corporation (TCIC) have worked to develop land owned by the TCIC along the Main Street corridor, near the Trotwood Government Center. With a majority of the available developable land owned by the TCIC, this gives the City the opportunity to develop a “city center” or downtown area for businesses, residences, and institutions to locate. Several recent projects including a new public library, new county courthouse, a new west campus for Goodwill Easter Seals Miami Valley and a new senior apartment complex will result in nearly \$30,000,000 of new investment along this corridor. These efforts to develop Main Street will continue with the availability of an 18-acre site owned by the TCIC and a 7-acre site owned by the Trotwood-Madison School District.

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, which officially opened on March 14, 2020, includes updated technology and amenities to serve the Trotwood area. The library offers a variety of programming, including educational workshops, computer classes, children's story times, and community events, providing valuable resources and services to residents.

Goodwill Easter Seals Miami Valley West Campus has made a significant investment in Trotwood with the construction of a new \$8 million facility located on 6 acres. The 22,000-square-foot building, which began construction in the spring of 2022, formally opened in early 2023. Situated on Main Street next to the new library, the facility offers various services and programs, including job training, employment services, and support for individuals with disabilities and other barriers to employment, aiming to enhance the quality of life for community members and foster economic growth.

Montgomery County has invested nearly \$6.5 million in constructing a new 18,000-square-foot satellite court location for the Montgomery County Municipal Court District One Western Division. The new courthouse, situated along the Main Street Corridor beside the new library and Goodwill facility, began construction in early 2022 and was completed by fall 2022. Formally opened in early 2023, the courthouse provides additional services, including mediation, probation, and community outreach programs, enhancing access to justice and legal resources for Trotwood residents.

The Trotwood Senior Lofts development represents a significant investment in the city's housing infrastructure, with a total investment of \$10 million. This project aims to provide affordable, high-quality housing for seniors, featuring 50 units designed to accommodate residents aged 55 and older. The development includes modern amenities such as a fitness center, community room, and outdoor recreational spaces, promoting a vibrant and active lifestyle for its residents. This initiative not only addresses the housing needs of the senior population but also contributes to the overall revitalization of Trotwood.

Industrial Development Initiative

The City and Trotwood Community Improvement Corporation have worked with an industrial developer, GATED Properties Global, to aggregate and acquire a 45-acre site to the southwest of the Wolf Creek Pike and Olive Road intersection. The developer has constructed a 200,000 square foot, Class-A, industrial and logistics facility, costing \$18,000,000.

In 2023, the entire facility is to be developed into the best-in-class North American operations for Technicote, a pressure-sensitive label manufacturer. Technicote, part of Beontag—an international leader in self-adhesive materials and RFID technology—selected Trotwood for its strategic relocation, making an anticipated \$60,000,000+ investment in tenant improvements to the building and equipment installation. This move is anticipated to create over 230 jobs and generate a \$13,000,000 payroll, significantly boosting the local economy. This development underscores Trotwood's efforts to attract major businesses and stimulate economic growth.

The developer is planning a second phase building equal to or larger than this building on the same site and is working with the city and TCIC to develop other available greenfield sites within the industrial park. At the time of this report, GATED was preparing to submit a Final PUD for Phase 2 of this 45-acre site development. Phase 2 will result in a 230,000 square foot Class-A Industrial Facility and will house a company (name is presently confidential) that is anticipated to create 230+ jobs with over a \$12,000,000 payroll.

EquipmentShare, a construction equipment rental company, has chosen Trotwood for its Dayton region expansion. The company purchased an 11.6-acre site in Trotwood's industrial park to develop a new facility. This investment will create 25 new jobs and enhance the city's industrial capacity. The new location will offer equipment rental, digital solutions for construction operations, and support services, reinforcing Trotwood's position as a growing hub for industrial and commercial activity. EquipmentShare's presence is expected to attract similar businesses, further contributing to Trotwood's economic growth.

In partnership with the City of Trotwood, the Trotwood CIC is preparing to submit an All-Ohio Future Fund application for the 10-acre and 33-acre rail sites. This funding will support an anticipated \$1-2 million access road and infrastructure extension project, making these sites "shovel-ready" and potentially JobsOhio certified. The All-Ohio Future Fund aims to enhance site readiness across Ohio, providing resources to develop infrastructure and attract businesses, thereby fostering economic growth and job creation in the region. This project represents a key priority for advancing the industrial park's development.

The City and TCIC are also working with the owner of an 85-acre site on 3rd Street, near the intersection with SR 49 "The Connector" to position the property for industrial development. The site formerly hosted a drive-in movie theatre and offers major industrial users the necessary acreage and immediate access to a major highway network.

The TCIC acquired a 12-acre industrial site through judicial tax foreclosure that has a 120,000 square foot industrial building and a smaller 16,000 square foot building. This site and large building have direct rail access with a rail spur and will need to be redeveloped due to disinvestment from the previous owner, but this offers a future industrial development opportunity within the City of Trotwood.

Trotwood has experienced significant growth in recent years, driven by strategic investments, partnerships and developments in the industrial park. The City's industrial park has become a hub of activity, attracting major businesses like Technicote and EquipmentShare, which are expected to create hundreds of jobs and generate substantial economic impact. This industrial growth, facilitated by public-private partnerships with entities like GATED Properties Global, Dayton Development Coalition, and JobsOhio, will drive additional demand and opportunity for housing and commercial development, attracting new amenities and services. With ongoing projects like the All-Ohio Future Fund application for infrastructure improvements, Trotwood is well-positioned to continue enhancing job growth and economic vitality in the community.

New Housing Development Initiative

As a result of the 2019 Memorial Day tornado, replacing housing lost to the storm has been a large focus for the City, along with creating new, high quality home ownership opportunity within the community. In 2020, three major developments were initiated and were underway. The largest to date is the completion of the Wolf Creek Run neighborhood in 2021 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.

Additionally, Century Complete Homebuilders has initiated 20 new home starts in the Moss Creek neighborhood. These homes offer a variety of single-family floor plans with modern features and finishes. The sale prices for these homes range from approximately \$249,990 to \$280,990, providing new housing options within a community located near Graywolf Golf Club and Sycamore Woods State Park.

The Trotwood CIC also entered into contract with MVAH, an affordable housing developer, to build a 50-unit affordable senior complex on a vacant commercial lot owned by the Trotwood CIC at 702 E. Main Street. This project has obtained financing through OHFA's funding process, which was awarded in 2021. This will create new, affordable housing options on Main Street for seniors seeking to age in the Trotwood community. This project will result in a \$12,000,000 project. Construction began in early 2022 and completed in 2023 with the building reaching full occupancy within several months.

The City and TCIC are working to market infill opportunities and small to medium-sized single family residential projects. Utilizing TCIC owned lots in the Sycamore Woods neighborhood, the city has seen 2 new homes built or in the process thereof.

The TCIC is also in discussions with large scale builders on sites for new neighborhoods and are working through challenges related to infrastructure extension and zoning related details. The TCIC is also working with property owners to position their sites for residential development, including, working with Pizzuti Development out of Columbus who owns a 50-acre site on Westbrook Road, adjacent to the Wolf Creek Run neighborhood that D.R. Horton built in.

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 designed 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 these efforts.

The TCIC has continued to acquire and rehabilitate distressed houses in targeted "tipping point" neighborhoods. The TCIC has thus far acquired over 125 properties and currently has 9 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 ratio is 60% Home Ownership, 35% Rentals and 5% Demolition. The annual taxes returned

to the property tax roll exceeds \$150,000. There has been over \$3.5 million in private investments leveraged into these properties/neighborhoods to reinvest in the housing stock and create new housing opportunities for residents.

The TCIC is also spearheading a single-family rehabilitation, known as the Azalea project, which consists of 9 former vacant single-family homes that the TCIC acquired through tax foreclosure for redevelopment. The TCIC recently completed two homes and has sold one for \$118,000 to a homeowner with the other receiving several offers to purchase. The TCIC is working with Civista Bank who has provided a specialty loan to the TCIC to fund the redevelopment of the remaining 7 homes as part of Civista’s CRA programming.

As outlined in a recent Dayton Daily News article (May 30, 2024) the Dayton region has seen a dramatic increase in home sale values over the past decade, with Trotwood experiencing one of the most significant surges. The median home sale value in Trotwood grew by 483%, from \$24,000 in 2013 to \$140,000 in 2023. This rise is notable compared to other communities in the area, highlighting Trotwood's substantial growth in property values. Part of this growth is directly related to the efforts of the TCIC to redevelop vacant, abandoned housing units in the community as well as the efforts to demolish assets too distressed for redevelopment and the national housing market dynamics, driven by past historically low mortgage rates, limited inventory, and increased demand.

ACKNOWLEDGEMENTS

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

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

Respectfully Submitted,



Quincy E. Pope, Sr.
City Manager



Chris A. Peebles
Finance Director

CITY OF TROTWOOD, OHIO
List of Elected and Appointed Officials
December 31, 2023

ELECTED OFFICIALS

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

*Replaced by Yvette F. Page on January 1, 2023

**Ward 2 vacant until February 1, 2024 then appointed Martha Clark

***Replaced by Denise Moore on January 1, 2023

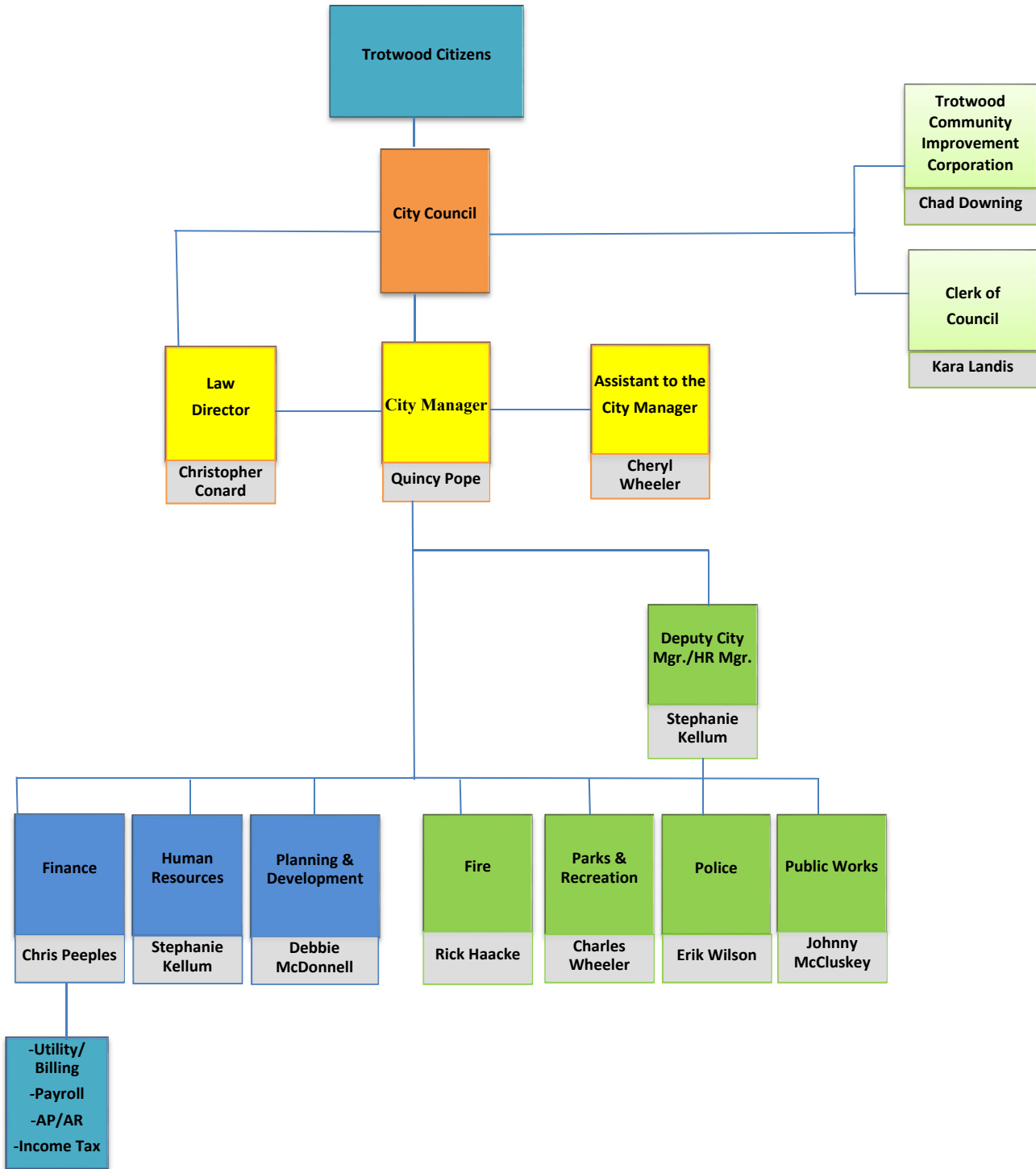
APPOINTED OFFICIALS

Quincy E. Pope, Sr.	City Manager
Stephanie L. Kellum	Deputy City Manager/HR Manager
Kara B. Landis	Clerk of Council
Chris A. Peeples	Director of Finance
Erik L. Wilson	Police Chief
Richard A. Haacke	Fire Chief
Johnny McCluskey	Operations Manager
Christopher R. Conard	Law Director



TROTWOOD GROWING TOGETHER

Organizational Chart





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Trotwood
Ohio**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2022

Christopher P. Morill

Executive Director/CEO

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Financial Section

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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, 2023, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information 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 is the responsibility of management and, 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 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 combining and individual nonmajor fund financial statements and schedules, are presented for purposes of additional analysis and are 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 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 the schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2024, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's 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.

Plattensburg & Associates, Inc.

Plattensburg & Associates, Inc.
Dayton, Ohio
June 28, 2024

City of Trotwood, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2023
(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, 2023. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the City's performance.

Financial Highlights

- The City's total net position increased \$64,526. Net position of governmental activities decreased \$369,551, and net position of business-type activities increased by \$434,077.
- The General Fund reported an increase in fund balance of \$131,235.
- Business-type operations reflected an operating income of \$508,200.

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, 2023
(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 the General, Street Construction Maintenance and Repair, Fire Levy, Rescue Levy, American Rescue Plan Act, Water, Sewer, Refuse, and Stormwater Funds.

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.

The City as a Whole

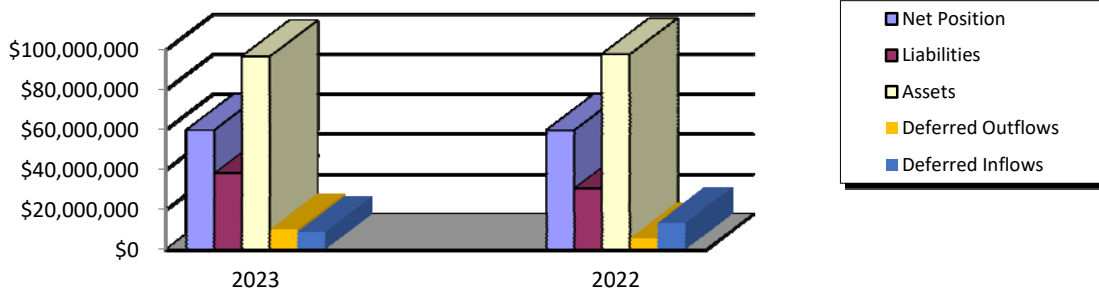
As stated previously, the Statement of Net Position looks at the City as a whole. Table 1 provides a summary of the City's net position for 2023 compared to 2022.

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City of Trotwood, Ohio
Management’s Discussion and Analysis
For The Year Ended December 31, 2023
(Unaudited)

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Assets:						
Current and Other Assets	\$24,805,420	\$24,990,424	\$10,777,385	\$11,434,814	\$35,582,805	\$36,425,238
Net OPEB Asset	0	373,780	0	108,541	0	482,321
Capital Assets	42,594,897	42,728,680	18,374,461	18,033,065	60,969,358	60,761,745
Total Assets	67,400,317	68,092,884	29,151,846	29,576,420	96,552,163	97,669,304
Deferred Outflows of Resources:						
Deferred Charge on Refunding	166,746	180,641	0	0	166,746	180,641
Pension	8,066,084	4,339,406	464,138	147,545	8,530,222	4,486,951
OPEB	1,267,112	1,064,212	67,735	7,677	1,334,847	1,071,889
Total Deferred Outflows of Resources	9,499,942	5,584,259	531,873	155,222	10,031,815	5,739,481
Liabilities:						
Other Liabilities	2,932,711	2,860,670	413,611	1,025,038	3,346,322	3,885,708
Long-Term Liabilities	32,699,755	25,248,540	2,072,105	1,418,633	34,771,860	26,667,173
Total Liabilities	35,632,466	28,109,210	2,485,716	2,443,671	38,118,182	30,552,881
Deferred Inflows of Resources:						
Property Taxes	4,487,738	4,307,861	0	0	4,487,738	4,307,861
Leases	1,063,815	1,087,856	19,765	26,542	1,083,580	1,114,398
Revenue in Lieu of Taxes	564,780	618,855	0	0	564,780	618,855
Pension	1,073,563	5,290,552	11,141	420,741	1,084,704	5,711,293
OPEB	1,564,677	1,380,038	9,262	116,930	1,573,939	1,496,968
Total Deferred Inflows of Resources	8,754,573	12,685,162	40,168	564,213	8,794,741	13,249,375
Net Position:						
Net Investment In Capital Assets	32,858,537	31,772,869	17,529,232	17,025,527	50,387,769	48,798,396
Restricted	7,604,578	8,419,093	0	108,541	7,604,578	8,527,634
Unrestricted	(7,949,895)	(7,309,191)	9,628,603	9,589,690	1,678,708	2,280,499
Total Net Position	\$32,513,220	\$32,882,771	\$27,157,835	\$26,723,758	\$59,671,055	\$59,606,529



Total net position of the City as a whole increased \$64,526. Net position of governmental activities decreased \$369,551 while net position of business-type activities increased by \$434,077. The City had an unrestricted net position balance of \$1,678,708.

Capital assets increased during 2023 due to current year additions exceeding disposals of capital assets, and current year depreciation expense. Long Term Liabilities increased due to an increase in net pension and OPEB liabilities.

City of Trotwood, Ohio
Management’s Discussion and Analysis
For The Year Ended December 31, 2023
(Unaudited)

Table 2 shows the changes in net position for the year ended December 31, 2023 and revenue and expense comparisons to 2022.

Table 2
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Program Revenues:						
Charges for Services	\$2,004,059	\$2,015,119	\$5,581,025	\$5,573,512	\$7,585,084	\$7,588,631
Operating Grants and Contributions	3,303,215	3,584,610	0	0	3,303,215	3,584,610
Capital Grants and Contributions	375,000	0	27,848	84,250	402,848	84,250
Total Program Revenues	5,682,274	5,599,729	5,608,873	5,657,762	11,291,147	11,257,491
General Revenues:						
Income Taxes	7,883,197	6,420,688	0	0	7,883,197	6,420,688
Property Taxes	4,655,178	5,158,551	0	0	4,655,178	5,158,551
Grants and Entitlements	791,865	1,392,680	0	0	791,865	1,392,680
Revenues in Lieu of Taxes	632,305	542,319	0	0	632,305	542,319
Investment Earnings	1,110,409	358,475	604	699	1,111,013	359,174
Other Revenues	493,813	565,231	21,163	38,538	514,976	603,769
Total General Revenues	15,566,767	14,437,944	21,767	39,237	15,588,534	14,477,181
Total Revenues	21,249,041	20,037,673	5,630,640	5,696,999	26,879,681	25,734,672
Program Expenses:						
General Government	3,824,452	3,652,907	0	0	3,824,452	3,652,907
Public Safety	12,461,118	9,548,713	0	0	12,461,118	9,548,713
Community Development	819,688	726,540	0	0	819,688	726,540
Leisure Time	263,506	356,672	0	0	263,506	356,672
Transportation and Street Repair	4,049,431	3,041,710	0	0	4,049,431	3,041,710
Interest and Other Charges	286,685	321,070	0	0	286,685	321,070
Water	0	0	1,403,493	1,641,800	1,403,493	1,641,800
Sewer	0	0	1,200,451	1,323,330	1,200,451	1,323,330
Refuse	0	0	1,358,701	1,482,506	1,358,701	1,482,506
Stormwater	0	0	1,079,772	1,046,831	1,079,772	1,046,831
Other Enterprise Funds	0	0	67,858	47,251	67,858	47,251
Total Program Expenses	21,704,880	17,647,612	5,110,275	5,541,718	26,815,155	23,189,330
Increase (Decrease) in Net Position before Transfers	(455,839)	2,390,061	520,365	155,281	64,526	2,545,342
Transfers - Internal Activities	86,288	(86,832)	(86,288)	86,832	0	0
Change in Net Position	(369,551)	2,303,229	434,077	242,113	64,526	2,545,342
Net Position - Beginning of Year	32,882,771	30,579,542	26,723,758	26,481,645	59,606,529	57,061,187
Net Position - End of Year	\$32,513,220	\$32,882,771	\$27,157,835	\$26,723,758	\$59,671,055	\$59,606,529

Governmental Activities

The City of Trotwood’s income taxes and property taxes are the largest source of revenue. These revenues represent 80.5% of the City’s governmental activities total general revenue.

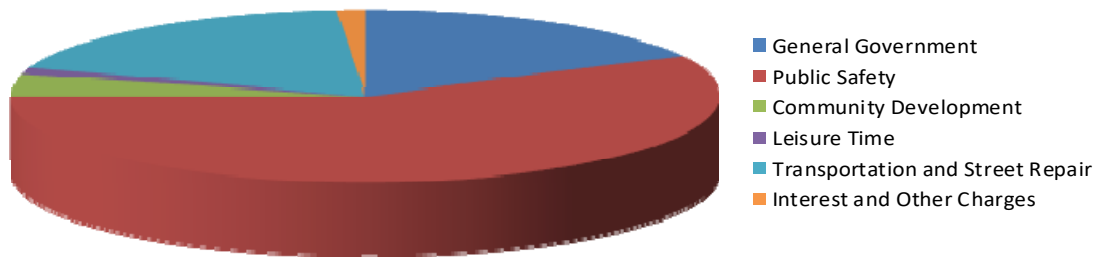
Property taxes revenue decreased due to the timing of collections based on advances available amounts received from the County Auditor. Public safety expenses increased due to changes in net pension liability and other post-employment benefits liability.

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City of Trotwood, Ohio
Management’s Discussion and Analysis
For The Year Ended December 31, 2023
(Unaudited)

Governmental Activities
 Program Expenses for 2023

	Percentage
General Government	17.62%
Public Safety	57.41%
Community Development	3.78%
Leisure Time	1.21%
Transportation and Street Repair	18.66%
Interest and Other Charges	1.32%
Total	100.00%



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 \$5,602,188 and operating expenses of \$5,093,988 for fiscal year 2023. The operating expenses decreased in 2023 from 2022 because of a decrease in contractual services due to a decrease in the amount of maintenance and repairs performed throughout the City. Business activities receive no support from tax revenues. The business activities net position at the end of the year was \$27,157,835 which increased \$434,077 from 2022.

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 \$362,594 in 2023. The sewer fund had operating income of \$92,261 in 2023. The refuse fund had an operating income of \$360,781 in 2023. The stormwater fund had an operating loss of \$264,709 in 2023. The community and cultural arts center fund had an operating loss of \$42,727 in 2023.

The City’s Funds

The City has five major governmental funds: the General Fund, Street Construction Maintenance and Repair Fund, Fire Levy Fund, Rescue Levy Fund, and the American Rescue Plan Act Fund. Assets of these funds comprised \$18,214,284 (72%) of the total \$25,303,565 governmental funds’ assets.

City of Trotwood, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2023
(Unaudited)

General Fund: Fund balance at December 31, 2023 was \$4,430,301, an increase in fund balance of \$131,235 from 2022. The General fund balance increased mainly due to an increase in income tax collections received by the City. This increase is attributed to the effects of the COVID-19 pandemic coming to an end in 2023 and with higher corporate income tax payments when compared to prior years.

Street Construction Maintenance and Repair Fund: Fund balance at December 31, 2023 was \$678,878 a decrease in fund balance of \$610,600 from 2022. The Street Construction Maintenance and Repair fund balance decreased mainly due to an increase in transportation and street repair expense, which is related to maintenance and repairs made to streets and roadways throughout the City.

Fire Levy Fund: Fund balance at December 31, 2023 was \$266,389 a decrease in fund balance of \$463,173 from 2022. The Fire Levy fund balance decreased mainly due to the City's providing public safety to the citizens of the City (public safety expense), which exceeded the revenues it received (property taxes) to perform this duty for the citizens.

Rescue Levy Fund: Fund balance at December 31, 2023 was \$544,952 a decrease in fund balance of \$549,528 from 2022. The Rescue Levy fund balance decreased mainly due to the City's providing public safety to the citizens of the City (public safety expense), which exceeded the revenues it received (property taxes) to perform this duty for the citizens..

American Rescue Plan Act: Fund balance at December 31, 2023 was \$0 and unearned revenues was \$1,999,990.

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 \$3,684,116, on a Non-GAAP Budgetary Basis.

Variations between final budget and original budget revenues were \$0. Variations between final budget and actual expenditures were mainly due to the City underestimating 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 \$60,969,358 invested in land, construction in progress, buildings and improvements, equipment, and infrastructure. Table 3 shows 2023 balances compared to 2022:

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City of Trotwood, Ohio
Management’s Discussion and Analysis
For The Year Ended December 31, 2023
(Unaudited)

Table 3
Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$22,296,604	\$22,296,604	\$50,514	\$50,514	\$22,347,118	\$22,347,118
Construction in Progress	26,499	72,099	752,602	691,516	779,101	763,615
Buildings and Improvements	9,159,214	9,159,214	804,595	804,595	9,963,809	9,963,809
Equipment	11,491,621	10,601,130	681,985	617,932	12,173,606	11,219,062
Infrastructure	48,090,097	48,168,787	44,303,856	43,638,803	92,393,953	91,807,590
Subscription Based Asset	176,862	0	0	0	176,862	0
Accumulated Depreciation	(48,646,000)	(47,569,154)	(28,219,091)	(27,770,295)	(76,865,091)	(75,339,449)
Total Net Capital Assets	<u>\$42,594,897</u>	<u>\$42,728,680</u>	<u>\$18,374,461</u>	<u>\$18,033,065</u>	<u>\$60,969,358</u>	<u>\$60,761,745</u>

Capital assets increased during 2023 due to the City’s current year additions exceeding disposals of capital assets, and current year depreciation expense. See Note 6 to the basic financial statements for further details on the City’s capital assets.

Debt

At year end, the City had \$10,748,335 in long-term debt and \$1,513,266 due within one year.

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City of Trotwood, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2023
(Unaudited)

Table 4
Outstanding Debt at Year End

	2023	2022
Governmental Activities:		
Bonds		
2003 Various Purpose, 5.11%	\$253,566	\$372,566
2016 Various Purpose Refunding, 2.92%	2,145,000	2,350,000
2016 Various Purpose Improvements, 2.92%	1,080,200	1,185,800
2012 OAQDA Energy Conservation, 4.28%	532,547	661,402
2017 Various Purpose Capital Improvement, 2.43%	90,000	120,000
2021 Refunding Bonds, 1.86%	4,823,000	5,170,000
2022 Vehicle Acquisition Bonds, 2.25%	498,000	735,000
Total Bonds	<u>9,422,313</u>	<u>10,594,768</u>
Notes Payable	<u>365,591</u>	<u>541,684</u>
Subscription-Based Information Technology Arrangement Liability	<u>115,202</u>	<u>0</u>
Total Governmental Activities Long-Term Debt	<u><u>9,903,106</u></u>	<u><u>11,136,452</u></u>
Business Type Activities:		
Bonds		
2003 Various Purpose Water, 5.11%	15,717	43,717
2003 Various Purpose Sewer, 5.11%	15,717	43,717
2016 Various Purpose Improvements, 2.92%	149,800	164,200
2017 Various Purpose Capital Improvements, 2.43%	150,000	195,000
Total Bonds	<u>331,234</u>	<u>446,634</u>
OPWC Loans from Direct Borrowings		
2007 Salem Bend Sewer Sanitary Relief Project, 0%	75,821	100,821
2012 Phase 4b Olde Town Watermain Improvements, 0%	226,445	237,767
2012 Phase 1b Olde Town Watermain Improvements, 0%	211,729	222,316
Total OPWC Loans from Direct Borrowings	<u>513,995</u>	<u>560,904</u>
Total Business-Type Activities Long-Term Debt	<u>845,229</u>	<u>1,007,538</u>
Total Debt	<u><u>\$10,748,335</u></u>	<u><u>\$12,143,990</u></u>

See Notes 8 to the basic financial statements for further details on the City's long-term debt.

Contacting the City's Finance Department

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

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City of Trotwood, Ohio
Statement of Net Position
December 31, 2023

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in Pooled Cash and Investments	\$12,005,199	\$8,233,875	\$20,239,074
Restricted Cash	28,323	0	28,323
Receivables (Net):			
Taxes	8,843,451	0	8,843,451
Accounts	91,279	1,456,022	1,547,301
Intergovernmental	2,011,402	0	2,011,402
Leases	1,083,676	20,221	1,103,897
Special Assessments	628,214	1,057,848	1,686,062
Prepaid Items	113,876	9,419	123,295
Nondepreciable Capital Assets	22,323,103	803,116	23,126,219
Depreciable Capital Assets, Net	20,271,794	17,571,345	37,843,139
Total Assets	67,400,317	29,151,846	96,552,163
Deferred Outflows of Resources:			
Deferred Charge on Refunding	166,746	0	166,746
Pension	8,066,084	464,138	8,530,222
OPEB	1,267,112	67,735	1,334,847
Total Deferred Outflows of Resources	9,499,942	531,873	10,031,815
Liabilities:			
Accounts Payable	221,182	380,583	601,765
Accrued Wages and Benefits	430,786	31,712	462,498
Contracts Payable	83,195	0	83,195
Retainage Payable	28,323	0	28,323
Accrued Interest Payable	31,069	1,316	32,385
Deposits Held and Due to Others	138,166	0	138,166
Unearned Revenue	1,999,990	0	1,999,990
Long-Term Liabilities:			
Due Within One Year	1,669,589	199,999	1,869,588
Due In More Than One Year			
Net Pension Liability	20,619,434	1,124,943	21,744,377
Net OPEB Liability	1,345,752	22,861	1,368,613
Other Amounts	9,064,980	724,302	9,789,282
Total Liabilities	35,632,466	2,485,716	38,118,182
Deferred Inflows of Resources:			
Property Taxes	4,487,738	0	4,487,738
Leases	1,063,815	19,765	1,083,580
Revenue in Lieu of Taxes	564,780	0	564,780
Pension	1,073,563	11,141	1,084,704
OPEB	1,564,677	9,262	1,573,939
Total Deferred Inflows of Resources	8,754,573	40,168	8,794,741
Net Position:			
Net Investment in Capital Assets	32,858,537	17,529,232	50,387,769
Restricted for:			
Debt Service	194,856	0	194,856
Capital Projects	1,489,710	0	1,489,710
Street Construction Maintenance and Repairs	1,860,710	0	1,860,710
State Highway	121,184	0	121,184
Permissive Use Tax	74,258	0	74,258
Grants	1,471,224	0	1,471,224
Law Enforcement Trust	75,575	0	75,575
Fire Levy	1,296,350	0	1,296,350
Rescue Levy	631,001	0	631,001
Other Purposes	389,710	0	389,710
Unrestricted	(7,949,895)	9,628,603	1,678,708
Total Net Position	\$32,513,220	\$27,157,835	\$59,671,055

See accompanying notes to the basic financial statements.

City of Trotwood, Ohio
Statement of Activities
For the Fiscal Year Ended December 31, 2023

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$3,824,452	\$276,317	\$0	\$0
Public Safety	12,461,118	1,324,204	1,825,115	0
Community Development	819,688	341,851	44,430	0
Leisure Time Activities	263,506	61,687	0	0
Transportation and Street Repair	4,049,431	0	1,433,670	375,000
Interest and Other Charges	286,685	0	0	0
Total Governmental Activities	21,704,880	2,004,059	3,303,215	375,000
Business-Type Activities:				
Water	1,403,493	1,751,702	0	0
Sewer	1,200,451	1,288,695	0	0
Refuse	1,358,701	1,719,482	0	0
Stormwater	1,079,772	814,218	0	27,848
Other Enterprise	67,858	6,928	0	0
Total Business-Type Activities	5,110,275	5,581,025	0	27,848
Totals	\$26,815,155	\$7,585,084	\$3,303,215	\$402,848

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

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning of Year

Net Position - End of Year

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
(\$3,548,135)	\$0	(\$3,548,135)
(9,311,799)	0	(9,311,799)
(433,407)	0	(433,407)
(201,819)	0	(201,819)
(2,240,761)	0	(2,240,761)
(286,685)	0	(286,685)
<u>(16,022,606)</u>	<u>0</u>	<u>(16,022,606)</u>
0	348,209	348,209
0	88,244	88,244
0	360,781	360,781
0	(237,706)	(237,706)
0	(60,930)	(60,930)
<u>0</u>	<u>498,598</u>	<u>498,598</u>
<u>(16,022,606)</u>	<u>498,598</u>	<u>(15,524,008)</u>
7,883,197	0	7,883,197
1,308,848	0	1,308,848
2,849,119	0	2,849,119
119,129	0	119,129
378,082	0	378,082
791,865	0	791,865
632,305	0	632,305
1,110,409	604	1,111,013
493,813	21,163	514,976
86,288	(86,288)	0
<u>15,653,055</u>	<u>(64,521)</u>	<u>15,588,534</u>
(369,551)	434,077	64,526
<u>32,882,771</u>	<u>26,723,758</u>	<u>59,606,529</u>
<u>\$32,513,220</u>	<u>\$27,157,835</u>	<u>\$59,671,055</u>

City of Trotwood, Ohio
Balance Sheet
Governmental Funds
December 31, 2023

	General	Street Construction Maintenance and Repair	Fire Levy	Rescue Levy	American Rescue Plan Act
Assets:					
Equity in Pooled Cash and Investments	\$3,974,352	\$661,760	\$248,735	\$499,899	\$1,999,990
Restricted Cash	0	28,323	0	0	0
Receivables (Net):					
Taxes	3,237,884	285,738	3,159,250	571,475	0
Accounts	0	0	0	91,279	0
Intergovernmental	358,910	622,641	127,444	32,406	0
Leases	1,083,676	0	0	0	0
Special Assessments	625,088	226	0	0	0
Interfund	500,000	0	0	0	0
Prepaid Items	60,899	6,262	21,241	16,806	0
Total Assets	9,840,809	1,604,950	3,556,670	1,211,865	1,999,990
Liabilities:					
Accounts Payable	77,206	57,651	12,769	13,731	0
Accrued Wages and Benefits	227,796	21,083	81,344	66,412	0
Compensated Absences	3,462	17,009	1,740	0	0
Contracts Payable	0	0	0	0	0
Retainage Payable	0	28,323	0	0	0
Interfund Payable	0	0	0	0	0
Deposits Held and Due to Others	138,166	0	0	0	0
Unearned Revenue	0	0	0	0	1,999,990
Total Liabilities	446,630	124,066	95,853	80,143	1,999,990
Deferred Inflows of Resources:					
Property Taxes	2,047,559	277,182	3,066,984	554,364	0
Income Taxes	915,948	0	0	0	0
Grants and Other Taxes	311,468	524,598	127,444	32,406	0
Special Assessments	625,088	226	0	0	0
Leases	1,063,815	0	0	0	0
Revenue in Lieu of Taxes	0	0	0	0	0
Total Deferred Inflows of Resources	4,963,878	802,006	3,194,428	586,770	0
Fund Balances:					
Nonspendable	60,899	6,262	21,241	16,806	0
Restricted	0	672,616	245,148	528,146	0
Committed	0	0	0	0	0
Assigned	68,203	0	0	0	0
Unassigned	4,301,199	0	0	0	0
Total Fund Balances	4,430,301	678,878	266,389	544,952	0
Total Liabilities, Deferred Inflows and Fund Balances	\$9,840,809	\$1,604,950	\$3,556,670	\$1,211,865	\$1,999,990

See accompanying notes to the basic financial statements.

Other Governmental Funds	Total Governmental Funds
\$4,618,608	\$12,003,344
0	28,323
1,589,104	8,843,451
0	91,279
870,001	2,011,402
0	1,083,676
2,900	628,214
0	500,000
8,668	113,876
<u>7,089,281</u>	<u>25,303,565</u>
59,825	221,182
34,151	430,786
0	22,211
83,195	83,195
0	28,323
500,000	500,000
0	138,166
0	1,999,990
<u>677,171</u>	<u>3,423,853</u>
774,610	6,720,699
118,320	1,034,268
832,108	1,828,024
2,900	628,214
0	1,063,815
564,780	564,780
<u>2,292,718</u>	<u>11,839,800</u>
8,668	113,876
3,225,103	4,671,013
885,621	885,621
0	68,203
0	4,301,199
<u>4,119,392</u>	<u>10,039,912</u>
<u>\$7,089,281</u>	<u>\$25,303,565</u>

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City of Trotwood, Ohio
 Reconciliation of Total Governmental Fund Balance to
 Net Position of Governmental Activities
 December 31, 2023

Total Governmental Fund Balance \$10,039,912

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 42,594,897

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

Income Taxes	1,034,268	
Delinquent Property Taxes	2,232,961	
Intergovernmental	1,828,024	
Special Assessments	628,214	
		5,723,467

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 1,855

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.

(31,069)

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 (809,252)

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

166,746

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	8,066,084	
Deferred inflows of resources related to pensions	(1,073,563)	
Deferred outflows of resources related to OPEB	1,267,112	
Deferred inflows of resources related to OPEB	(1,564,677)	
		6,694,956

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

Net Pension Liability	(20,619,434)	
Net OPEB Liability	(1,345,752)	
Other Amounts	(9,903,106)	
		(31,868,292)

Net Position of Governmental Activities \$32,513,220

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, 2023

	General	Street Construction Maintenance and Repair	Fire Levy	Rescue Levy	American Rescue Plan Act
Revenues:					
Property and Other Taxes	\$1,415,703	\$202,471	\$2,185,623	\$404,941	\$0
Income Taxes	6,786,402	0	0	0	0
Charges for Services	134,343	0	5,330	1,200,928	0
Investment Earnings	1,110,409	0	0	0	0
Intergovernmental	723,961	1,286,529	256,157	64,911	0
Special Assessments	120,414	0	0	0	0
Fines, Forfeitures, Permits, and Settlements	288,628	0	10,565	0	0
Revenue in Lieu of Taxes	67,602	0	0	0	0
Other Revenues	445,020	10,176	5,806	6,913	0
Total Revenues	11,092,482	1,499,176	2,463,481	1,677,693	0
Expenditures:					
Current:					
General Government	3,454,741	0	0	0	0
Public Safety	5,107,576	0	2,751,931	2,227,221	0
Community Development	776,967	0	0	0	0
Leisure Time Activities	224,151	0	0	0	0
Transportation and Street Repair	217,039	1,965,386	0	0	0
Capital Outlay	0	28,323	0	0	0
Debt Service:					
Principal	128,855	265,000	176,093	0	0
Interest and Other Charges	28,308	24,781	13,630	0	0
Total Expenditures	9,937,637	2,283,490	2,941,654	2,227,221	0
Excess of Revenues Over (Under) Expenditures	1,154,845	(784,314)	(478,173)	(549,528)	0
Other Financing Sources (Uses):					
Proceeds from Sale of Capital Assets	12,390	1,688	15,000	0	0
Proceeds of Subscription Based Information Technology Arrangements	0	0	0	0	0
Transfers In	0	172,026	0	0	0
Transfers (Out)	(1,036,000)	0	0	0	0
Total Other Financing Sources (Uses)	(1,023,610)	173,714	15,000	0	0
Net Change in Fund Balance	131,235	(610,600)	(463,173)	(549,528)	0
Fund Balance - Beginning of Year	4,299,066	1,289,478	729,562	1,094,480	0
Fund Balance - End of Year	\$4,430,301	\$678,878	\$266,389	\$544,952	\$0

See accompanying notes to the basic financial statements.

Other Governmental Funds	Total Governmental Funds
\$676,762	\$4,885,500
947,713	7,734,115
800	1,341,401
0	1,110,409
1,652,585	3,984,143
0	120,414
82,259	381,452
564,703	632,305
23,553	491,468
<u>3,948,375</u>	<u>20,681,207</u>
0	3,454,741
1,076,820	11,163,548
18,758	795,725
0	224,151
859,287	3,041,712
1,431,757	1,460,080
840,260	1,410,208
217,276	283,995
<u>4,444,158</u>	<u>21,834,160</u>
<u>(495,783)</u>	<u>(1,152,953)</u>
0	29,078
176,862	176,862
1,000,000	1,172,026
(49,738)	(1,085,738)
<u>1,127,124</u>	<u>292,228</u>
631,341	(860,725)
<u>3,488,051</u>	<u>10,900,637</u>
<u>\$4,119,392</u>	<u>\$10,039,912</u>

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, 2023

Net Change in Fund Balance - Total Governmental Funds (860,725)

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	1,479,033	
Depreciation Expense	<u>(1,586,083)</u>	(107,050)

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. (26,733)

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

Pension contributions	1,461,557	
Pension Expense	(2,688,013)	
OPEB contributions	27,411	
OPEB Expense	<u>88,739</u>	(1,110,306)

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

Income Taxes	149,082	
Delinquent Property Taxes	(230,322)	
Intergovernmental	485,937	
Special Assessments	<u>160,792</u>	565,489

Repayment of bond, notes and SBITA principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 1,410,208

In the statement of activities interest expense is accrued when incurred; whereas, in governmental funds an interest expenditure is reported when due. 11,205

(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, 2023

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	(22,201)	
Amortization of Deferred Charge on Refunding	<u>(13,895)</u>	
		(36,096)

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		(38,681)
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Proceeds from debt issues, including leases and SBITA, are an other financing source in the funds, but a debt issue increases long-term liabilities in the statement of net position.

(176,862)

Change in Net Position of Governmental Activities

(\$369,551)

See accompanying notes to the basic financial statements.

City of Trotwood, Ohio
Statement of Net Position
Proprietary Funds
December 31, 2023

	Business-Type Activities Enterprise Funds						Governmental Activities
	Water	Sewer	Refuse	Stormwater	Other	Total	Internal Service Fund
					Enterprise Fund	Business-Type Funds	
Current Assets:							
Equity in Pooled Cash and Investments	\$3,382,264	\$1,207,437	\$906,300	\$2,597,227	\$140,647	\$8,233,875	\$1,855
Receivables (Net):							
Accounts	475,283	412,039	368,447	200,253	0	1,456,022	0
Leases	0	0	0	0	20,221	20,221	0
Special Assessments	50,327	33,464	700,732	273,325	0	1,057,848	0
Prepaid Items	2,632	2,632	0	4,155	0	9,419	0
Total Current Assets	3,910,506	1,655,572	1,975,479	3,074,960	160,868	10,777,385	1,855
Noncurrent Assets:							
Capital Assets:							
Nondepreciable Capital Assets	0	12,026	0	752,602	38,488	803,116	0
Depreciable Capital Assets, Net	2,920,029	1,778,322	0	12,191,648	681,346	17,571,345	0
Total Noncurrent Assets	2,920,029	1,790,348	0	12,944,250	719,834	18,374,461	0
Total Assets	6,830,535	3,445,920	1,975,479	16,019,210	880,702	29,151,846	1,855
Deferred Outflows of Resources:							
Pension	132,632	128,400	0	203,106	0	464,138	0
OPEB	19,356	18,738	0	29,641	0	67,735	0
Total Deferred Outflows of Resources	151,988	147,138	0	232,747	0	531,873	0
Liabilities:							
Current Liabilities:							
Accounts Payable	210,018	161,438	0	9,127	0	380,583	0
Accrued Wages and Benefits	8,862	8,862	0	13,988	0	31,712	0
Compensated Absences	15,820	15,820	0	28,251	0	59,891	0
Accrued Interest Payable	672	492	0	0	152	1,316	0
Long-Term Liabilities Due Within One Year	50,708	39,400	0	0	50,000	140,108	0
Total Current Liabilities	286,080	226,012	0	51,366	50,152	613,610	0
Long-Term Liabilities:							
Compensated Absences	6,019	6,019	0	7,143	0	19,181	0
Bonds, Notes & Loans Payable	552,983	52,138	0	0	100,000	705,121	0
Net Pension Liability	321,464	311,207	0	492,272	0	1,124,943	0
Net OPEB Liability	6,533	6,324	0	10,004	0	22,861	0
Total Noncurrent Liabilities	886,999	375,688	0	509,419	100,000	1,872,106	0
Total Liabilities	1,173,079	601,700	0	560,785	150,152	2,485,716	0
Deferred Inflows of Resources:							
Leases	0	0	0	0	19,765	19,765	0
Pension	3,184	3,082	0	4,875	0	11,141	0
OPEB	2,647	2,562	0	4,053	0	9,262	0
Total Deferred Inflows of Resources	5,831	5,644	0	8,928	19,765	40,168	0
Net Position:							
Net Investment in Capital Assets	2,316,338	1,698,810	0	12,944,250	569,834	17,529,232	0
Unrestricted	3,487,275	1,286,904	1,975,479	2,737,994	140,951	9,628,603	1,855
Total Net Position	\$5,803,613	\$2,985,714	\$1,975,479	\$15,682,244	\$710,785	\$27,157,835	\$1,855

See accompanying notes to the basic financial statements.

City of Trotwood, Ohio
Statement of Revenues, Expenses
and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended December 31, 2023

	Business-Type Activities Enterprise Funds					Governmental Activities	
	Water	Sewer	Refuse	Stormwater	Other Enterprise Fund	Total Business-Type Activities	Internal Service Fund
Operating Revenues:							
Charges for Services	\$1,751,702	\$1,288,695	\$1,719,482	\$814,218	\$6,928	\$5,581,025	\$77,440
Other Revenues	6,231	577	0	845	13,510	21,163	0
Total Operating Revenues	1,757,933	1,289,272	1,719,482	815,063	20,438	5,602,188	77,440
Operating Expenses:							
Personal Services	286,003	273,582	0	429,634	0	989,219	0
Contractual Services	976,460	815,196	1,358,701	362,771	13,308	3,526,436	116,121
Supplies and Materials	51,613	24,882	0	21,136	30,390	128,021	0
Depreciation	79,747	83,351	0	266,231	19,467	448,796	0
Other Expense	1,516	0	0	0	0	1,516	0
Total Operating Expenses	1,395,339	1,197,011	1,358,701	1,079,772	63,165	5,093,988	116,121
Operating Income (Loss)	362,594	92,261	360,781	(264,709)	(42,727)	508,200	(38,681)
Non-Operating Revenues (Expenses):							
Interest	0	0	0	0	604	604	0
Interest (Expense)	(8,154)	(3,440)	0	0	(4,693)	(16,287)	0
Total Non-Operating Revenues (Expenses)	(8,154)	(3,440)	0	0	(4,089)	(15,683)	0
Income (Loss) Before Contributions and Transfers	354,440	88,821	360,781	(264,709)	(46,816)	492,517	(38,681)
Capital Grants and Contributions	0	0	0	27,848	0	27,848	0
Transfers In	0	0	0	0	85,738	85,738	0
Transfers (Out)	(86,013)	(86,013)	0	0	0	(172,026)	0
Change in Net Position	268,427	2,808	360,781	(236,861)	38,922	434,077	(38,681)
Net Position - Beginning of Year	5,535,186	2,982,906	1,614,698	15,919,105	671,863	26,723,758	40,536
Net Position - End of Year	\$5,803,613	\$2,985,714	\$1,975,479	\$15,682,244	\$710,785	\$27,157,835	\$1,855

See accompanying notes to the basic financial statements.

City of Trotwood, Ohio
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended December 31, 2023

	Business-Type Activities Enterprise Funds					Governmental Activities	
	Water	Sewer	Refuse	Stormwater	Other Enterprise Fund	Total Business-Type Activities	Internal Service Fund
Cash Flows from Operating Activities:							
Cash Received from Customers	\$1,744,893	\$1,254,354	\$1,613,297	\$757,412	\$13,661	\$5,383,617	\$77,440
Cash Payments to Employees	(273,687)	(264,887)	0	(415,906)	0	(954,480)	0
Cash Payments to Suppliers	(1,311,447)	(1,055,468)	(1,477,473)	(384,056)	(43,698)	(4,272,142)	(116,121)
Net Cash Provided (Used) by Operating Activities	159,759	(66,001)	135,824	(42,550)	(30,037)	156,995	(38,681)
Cash Flows from Noncapital Financing Activities:							
Payments from Other Funds	0	0	0	0	85,738	85,738	0
Payments to Other Funds	(86,013)	(86,013)	0	0	0	(172,026)	0
Net Cash Provided (Used) by Noncapital Financing Activities	(86,013)	(86,013)	0	0	85,738	(86,288)	0
Cash Flows from Capital and Related Financing Activities:							
Payments for Capital Acquisitions	(20,521)	(622,248)	0	(119,575)	0	(762,344)	0
Debt Principal Payments	(64,309)	(53,000)	0	0	(45,000)	(162,309)	0
Debt Interest Payments	(8,473)	(3,742)	0	0	(4,738)	(16,953)	0
Lease Receivable Payments Received	0	0	0	0	6,596	6,596	0
Lease Receivable Interest Received	0	0	0	0	604	604	0
Net Cash Provided (Used) by Capital and Related Financing Activities	(93,303)	(678,990)	0	(119,575)	(42,538)	(934,406)	0
Net Increase (Decrease) in Cash and Cash Equivalents	(19,557)	(831,004)	135,824	(162,125)	13,163	(863,699)	(38,681)
Cash and Cash Equivalents - Beginning of Year	3,401,821	2,038,441	770,476	2,759,352	127,484	9,097,574	40,536
Cash and Cash Equivalents - End of Year	3,382,264	1,207,437	906,300	2,597,227	140,647	8,233,875	1,855
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities							
Operating Income (Loss)	362,594	92,261	360,781	(264,709)	(42,727)	508,200	(38,681)
Adjustments:							
Depreciation	79,747	83,351	0	266,231	19,467	448,796	0
Leasing Activity	0	0	0	0	(6,777)	(6,777)	0
Changes in Assets & Liabilities:							
(Increase) Decrease in Receivables	(13,040)	(34,918)	(106,185)	(57,651)	0	(211,794)	0
(Increase) Decrease in Prepaid Items	(223)	(319)	0	(530)	0	(1,072)	0
(Increase) Decrease in Deferred Outflows of Resources	(108,057)	(103,791)	0	(164,803)	0	(376,651)	0
(Increase) Decrease in Net OPEB Asset	30,719	30,311	0	47,511	0	108,541	0
Increase (Decrease) in Payables	(281,635)	(215,071)	(118,772)	381	0	(615,097)	0
Increase (Decrease) in Accrued Liabilities	(2,381)	(2,425)	0	(6,226)	0	(11,032)	0
Increase (Decrease) in Deferred Inflows of Resources	(146,342)	(144,503)	0	(226,423)	0	(517,268)	0
Increase (Decrease) in Net Pension Liability	231,844	222,779	0	353,665	0	808,288	0
Increase (Decrease) in Net OPEB Liability	6,533	6,324	0	10,004	0	22,861	0
Net Cash Provided (Used) by Operating Activities	\$159,759	(\$66,001)	\$135,824	(\$42,550)	(\$30,037)	\$156,995	(\$38,681)
Schedule of Noncash Capital Activities:							
During the fiscal year, these amounts were received representing noncash contributions of:							
Capital Assets	\$0	\$0	\$0	\$27,848	\$0	\$27,848	\$0

See accompanying notes to the basic financial statements.

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2023

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 60 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, 2023

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, 2023

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 Fund – This special revenue fund accounts 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.

Rescue Levy Fund – This special revenue fund accounts for property taxes levied for the provision of emergency medical services provided within the City by the Trotwood Rescue Unit.

American Rescue Plan Act Fund – This special revenue fund accounts for grants received through the Coronavirus State and Local Fiscal Recovery Funds (SLFRF), a part of the American Rescue Plan. Grants are restricted for various purposes designated by the Department of the Treasury.

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

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2023

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:

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

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2023

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.

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 assets that applies to a future periods 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 proprietary funds statement of net position and the government-wide statement of net position for deferred charge on refunding, pension, and OPEB. 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 assets that applies to a future periods 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, leases, pension, OPEB, 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, 2023, but which were levied to finance year 2024 operations. Revenue in lieu of taxes are deferred and recognized as inflows of resources in the period the amounts become available. These amounts and leases have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. Special assessments and grants and other taxes have been recorded as deferred inflows on the governmental fund financial statements. Deferred outflows of resources related to pension and OPEB are reported on the proprietary funds statement of net position and the government-wide statement of net position, see Notes 10 and 11.

Expenses/Expenditures

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

Equity in Pooled Cash and Investments

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

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2023

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, 2023. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2023, 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 \$250 million, requiring the excess amount to be transacted the following business day(s), but only to the \$250 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 2023 amounted to \$1,110,409 in the general fund.

Prepaid Items

Payments made for services that will benefit periods beyond December 31, 2023, 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.

Lease Receivable

Lease receivable is measured at the present value of lease payments expected to be received during the lease term. Under the lease agreement, the City may receive variable lease payments that are dependent upon the lessee's revenue. The variable payments are recorded as an inflow of resources in the period the payment is received.

A deferred inflow of resources is recorded for the lease at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

Subscription Based Information Technology Arrangement Asset

A subscription asset is a subscriber's right to use an asset over the life of a subscription-based information technology arrangement (SBITA). The asset is calculated as the initial subscription liability, plus any payments made to the SBITA supplier before commencement of the subscription term, and any capitalizable implementation costs. Amortization of the subscription asset is recognized as an outflow of resources over the subscription term. Preliminary project activity outlays for costs such as selecting a SBITA supplier are expensed as incurred. Initial implementation costs, including ancillary charges to place the subscription asset into service, are capitalized. Operational and any subsequent implementation activities are expensed as incurred unless they meet specific capitalization criteria. At the termination of

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2023

the subscription, the subscription asset and associated liability are removed from the books of the lessee. The difference between the two amounts is accounted for as a gain or loss at that time.

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 and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement.

Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	20-50 years
Equipment	3-20 years
Infrastructure	20-75 years

Compensated Absences

The City reports compensated absences in accordance with the provisions of GASB No. 16, "Accounting for Compensated Absences." Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

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

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2023

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.

Pension/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability (asset), 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.

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.

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2023

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 \$7,604,578 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.

Contributions of Capital

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

Interfund Activity

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

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

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

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2023

Gain/Loss on Refunding

On the government-wide financial statements, the difference between the reacquisition price (funds required to refund the old debt) and the net carrying amount of the old debt (the gain/loss on refunding) is being amortized as a component of interest expense. This deferred amount is amortized over the life of the old debt or the life of the new debt, whichever is shorter, using the effective interest method.

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, 2023

- (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, 2023, \$882,912 of the City's bank balance of \$1,315,978 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 fair 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 fair 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, 2023, the City had \$19,689,564 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, interfund, shared revenues, leases, special assessments, and accounts receivable.

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2023

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, 2023						
	General Fund	Street Construction Maintenance and Repair	Other Governmental Funds	Water Fund	Sewer Fund	Refuse Fund	Stormwater Fund
Special Assessments Receivable	\$4,967,373	\$645	\$9,125	\$72,158	\$44,055	\$1,190,401	\$489,254
Allowance for Doubtful Accounts	(4,342,285)	(419)	(6,225)	(21,831)	(10,591)	(489,669)	(215,929)
Special Assessments Receivable, Net	<u>\$625,088</u>	<u>\$226</u>	<u>\$2,900</u>	<u>\$50,327</u>	<u>\$33,464</u>	<u>\$700,732</u>	<u>\$273,325</u>

Property Taxes

Property taxes include amounts levied against all real and public utility, located in the City. Property tax revenue received during 2023 for real and public utility property taxes represents collections of the 2022 taxes.

The 2023 real property taxes are levied after October 1, 2023, on the assessed value as of January 1, 2023, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2023 real property taxes are collected in and intended to finance 2024 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 2023 public utility property taxes became a lien December 31, 2022, are levied after October 1, 2023, and are collected in 2023 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	\$246,764,180
Public Utility	<u>19,863,660</u>
Total	<u><u>\$266,627,840</u></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, 2023

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
Employment Practices Liability	2,000,000	10,000
Cyber Liability	2,000,000	10,000
Wrongful Acts (Public Officials)	2,000,000	10,000
Real and Personal Property	20,867,856	5,000
Vehicles	7,131,249	1,000
Miscellaneous Property	2,269,819	5,000
Data Processing	298,365	5,000

The Pool retains general, automobile, police professional and public official’s, employment practices and cyber 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.

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City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2023

Note 6 – Capital Assets

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

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital Assets, not being depreciated:				
Land	\$22,296,604	\$0	\$0	\$22,296,604
Construction in Progress	72,099	20,000	65,600	26,499
Capital Assets, being depreciated:				
Buildings and Improvements	9,159,214	0	0	9,159,214
Equipment	10,601,130	1,308,333	417,842	11,491,621
Infrastructure	48,168,787	39,438	118,128	48,090,097
Totals at Historical Cost	<u>90,297,834</u>	<u>1,367,771</u>	<u>601,570</u>	<u>91,064,035</u>
Less Accumulated Depreciation:				
Buildings and Improvements	5,433,099	194,748	0	5,627,847
Equipment	7,917,929	585,503	391,109	8,112,323
Infrastructure	34,218,126	746,878	118,128	34,846,876
Total Accumulated Depreciation	<u>47,569,154</u>	<u>1,527,129</u>	<u>509,237</u>	<u>48,587,046</u>
Capital Assets, Net	<u>\$42,728,680</u>	<u>(\$159,358)</u>	<u>\$92,333</u>	<u>\$42,476,989</u>
Subscription Based Asset (SBITA)	0	176,862	0	176,862
Less Accumulated Depreciation:				
Subscription Based Asset	0	58,954	0	58,954
Total Subscription Based Asset, Net	<u>0</u>	<u>117,908</u>	<u>0</u>	<u>117,908</u>
Governmental Activities Total Capital Assets, Net	<u>\$42,728,680</u>	<u>(\$41,450)</u>	<u>\$92,333</u>	<u>\$42,594,897</u>

Depreciation expense was charged to governmental functions as follows:

General Government	\$170,421
Public Safety	408,546
Leisure Time	34,802
Community Development	1,168
Transportation	971,146
Total Depreciation Expense	<u>\$1,586,083</u>

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City of Trotwood, Ohio
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	Beginning Balance	Additions	Deletion	Ending Balance
Business-Type Activities				
Capital Assets, not being depreciated:				
Land	\$50,514	\$0	\$0	\$50,514
Construction In Progress	691,516	726,139	665,053	752,602
Total Capital Assets, not being depreciated	742,030	726,139	665,053	803,116
Capital Assets, being depreciated:				
Buildings and Improvements	804,595	0	0	804,595
Equipment	617,932	64,053	0	681,985
Infrastructure	43,638,803	665,053	0	44,303,856
Totals at Historical Cost	45,803,360	1,455,245	665,053	46,593,552
Less Accumulated Depreciation:				
Building and Improvements	103,782	19,467	0	123,249
Equipment	422,380	69,549	0	491,929
Infrastructure	27,244,133	359,780	0	27,603,913
Total Accumulated Depreciation	27,770,295	448,796	0	28,219,091
Business-Type Activities Capital Assets, Net	\$18,033,065	\$1,006,449	\$665,053	\$18,374,461

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, 2023

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental Activities					
<u>Bonds</u>					
2003 Various Purpose, 5.11%	\$372,566	\$0	(\$119,000)	\$253,566	\$61,200
2016 Various Purpose Refunding, 2.92%	2,350,000	0	(205,000)	2,145,000	210,000
2016 Various Purpose Improvements, 2.92%	1,185,800	0	(105,600)	1,080,200	105,600
2012 OAQDA Energy Conservation, 4.28%	661,402	0	(128,855)	532,547	130,545
2017 Various Purpose Capital Improvement, 2.43%	120,000	0	(30,000)	90,000	30,000
2021 Refunding Bonds, 1.86%	5,170,000	0	(347,000)	4,823,000	353,000
2022 Vehicle Acquisition Bonds 2.25%	735,000	0	(237,000)	498,000	246,000
Total Bonds	10,594,768	0	(1,172,455)	9,422,313	1,136,345
Notes Payable	541,684	0	(176,093)	365,591	180,524
Total Long-Term Debt	11,136,452	0	(1,348,548)	9,787,904	1,316,869
Net Pension Liability	11,449,312	9,170,122	0	20,619,434	0
Net OPEB Liability	1,817,420	0	(471,668)	1,345,752	0
Subscription-Based Information Technology Arrangement Liability	0	176,862	(61,660)	115,202	56,289
Compensated Absences	845,356	342,750	(356,643)	831,463	296,431
Total Governmental Activities Long-Term Liabilities	\$25,248,540	\$9,689,734	(\$2,238,519)	\$32,699,755	\$1,669,589
	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Business-Type Activities					
<u>Bonds</u>					
2003 Various Purpose Water, 5.11%	\$43,717	\$0	(\$28,000)	\$15,717	\$14,400
2003 Various Purpose Sewer, 5.11%	43,717	0	(28,000)	15,717	14,400
2016 Various Purpose Improvements, 2.92%	164,200	0	(14,400)	149,800	14,400
2017 Various Purpose Capital Improvement, 2.43%	195,000	0	(45,000)	150,000	50,000
Total Bonds Payable	446,634	0	(115,400)	331,234	93,200
<u>OPWC Loans from Direct Borrowings</u>					
2007 Salem Bend Sewer Sanitary Relief Project, 0%	100,821	0	(25,000)	75,821	25,000
2012 Phase 4b Olde Town Watermain Improvements, 0%	237,767	0	(11,322)	226,445	11,322
2012 Phase 1b Olde Town Watermain Improvements, 0%	222,316	0	(10,587)	211,729	10,586
Total OPWC Loans from Direct Borrowings	560,904	0	(46,909)	513,995	46,908
Total Long-Term Debt	1,007,538	0	(162,309)	845,229	140,108
Net Pension Liability	316,655	808,288	0	1,124,943	0
Net OPEB Liability	0	22,861	0	22,861	0
Compensated Absences	94,440	40,998	(56,366)	79,072	59,891
Total Business-Type Activities Long-Term Liabilities	\$1,418,633	\$872,147	(\$218,675)	\$2,072,105	\$199,999

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. 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. The 2021 Refunding Bonds will be paid from the Industrial Park and the Salem Mall Tax Increment Funds. Notes payable will be paid from the Fire Levy 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

City of Trotwood, Ohio
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(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.

On August 23, 2022 the city issued \$735,000 in vehicle acquisition bonds with an interest rate of 2.25% which will be used for paying the costs of acquiring motor vehicles and equipment. The bonds will mature on December 1, 2025 and will be paid from the Street Construction Maintenance and Repair Fund.

On January 11, 2021 the city issued \$5,857,000 in refunding bonds with an interest rate of 1.86% which was used to refund \$5,738,556 of the outstanding 2010 Various Purpose bonds with an interest rate between 3.00% and 4.25%. The net proceeds of \$5,857,000 (after payment of underwriting fees, insurance and other costs) were used to purchase U.S. government securities. Those securities were deposited into an irrevocable trust with an escrow agent to provide all future debt service payments on the bond issues. As a result, \$5,738,551 of the 2010 Various Purpose bonds are considered to be defeased and the related liability for those bonds have been removed from the Statement of Net Position.

The City refunded 2010 Various Purpose bonds to reduce its total debt service payments by \$1,334,786 and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$1,145,999.

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 \$513,995 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

City of Trotwood, Ohio
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For The Fiscal Year Ended December 31, 2023

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:

Year Ending December 31	Governmental Activities				Business-Type Activities		
	General		Notes Payable		General		OPWC Loans from
	Obligation Bonds				Obligation Bonds		Direct Borrowings *
	Principal	Interest	Principal	Interest	Principal	Interest	Principal
2024	\$1,136,345	\$222,415	\$180,524	\$9,199	\$93,200	\$15,236	\$46,908
2025	1,198,258	197,483	185,067	4,657	65,000	11,301	46,909
2026	964,393	169,236	0	0	65,600	4,665	47,729
2027	858,517	140,946	0	0	15,600	2,996	21,909
2028	739,800	118,086	0	0	16,200	2,540	21,908
2029-2033	3,676,000	314,960	0	0	75,634	5,256	109,544
2034-2038	849,000	23,678	0	0	0	0	109,543
2039-2043	0	0	0	0	0	0	109,545
Total	<u>\$9,422,313</u>	<u>\$1,186,803</u>	<u>\$365,591</u>	<u>\$13,856</u>	<u>\$331,234</u>	<u>\$41,995</u>	<u>\$513,995</u>

*-zero interest OPWC Loans

Note 9 – Subscription-Based Information Technology Arrangement (SBITA) Liability

In the current year, the City has entered into contracts that conveys the control of the right to use their nonfinancial assets (the underlying assets) for subscription software as specified in the contract for a period of time. The basis and terms of the current year contract is for 3 years after the commencement date. During the period, there were no outflows of resources recognized for variable payments not previously included in the measurement of the SBITA liability. Also, there were no outflows of resources recognized for other payments, such as residual value guarantees or termination penalties, not previously included in the measurement of the SBITA liability during the period. There were no commitments under SBITA before the commencement of the lease term.

Principal and interest amounts for the next two years are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2024	\$56,289	\$5,371	\$61,660
2025	58,913	2,747	61,660
	<u>\$115,202</u>	<u>\$8,118</u>	<u>\$123,320</u>

Note 10 – Defined Benefit Pension Plans

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

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

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

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees 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 pension disclosures. See Note 11 for the OPEB disclosures.

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 is a cost-sharing, multiple employer public employee retirement system which 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. Effective January 1, 2022, new members may no longer select the Combined Plan, and current members may no longer make a plan change to this plan. Participating employers are

City of Trotwood, Ohio
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divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within 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 <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

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

<u>Group A</u> Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	<u>Group B</u> 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	<u>Group C</u> 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.

City of Trotwood, Ohio
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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 amount of a member's pension benefit vests upon receipt of the initial benefit payment. The options for Public Safety and Law Enforcement permit early retirement under qualifying circumstances as early as age 48 with a reduced benefit.

When a traditional plan benefit recipient has received benefits for 12 months, the member is eligible 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 on or after January 7, 2013, beginning in calendar year 2019, the adjustment is based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

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 and will continue to be administered by OPERS), 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. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

Funding Policy

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

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	<u>State and Local</u>	<u>Public Safety</u>	<u>Law Enforcement</u>
2023 Statutory Maximum Contribution Rates			
Employer	14.0 %	18.1 %	18.1 %
Employee *	10.0 %	**	***
2023 Actual Contribution Rates			
Employer:			
Pension ****	14.0 %	18.1 %	18.1 %
Post-employment Health Care Benefits *****	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total Employer	<u>14.0 %</u>	<u>18.1 %</u>	<u>18.1 %</u>
Employee	<u>10.0 %</u>	<u>12.0 %</u>	<u>13.0 %</u>

* Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.

** This rate is determined by OPERS' Board and has no maximum rate established by ORC.

*** This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.

**** 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 percent for health care with the remainder going to pension; however, effective July 1, 2022, a portion of the health care rate is funded with reserves.

Employer contribution rates are actuarially determined within the constraints of statutory limits for each division and expressed as a percentage of covered payroll.

For 2023, the City's contractually required contribution was \$399,356, of this amount \$20,542 is reported in accrued wages and benefits.

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 www.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.

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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 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit (see OP&F Annual Comprehensive 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, statutory survivors and annuity beneficiaries. Members participating in the DROP program have separate eligibility requirements related to COLA.

The COLA amount for members who have 15 or more years of service credit as of July 1, 2013, and members who are receiving a pension benefit that became effective before July 1, 2013, will be equal to 3.0 percent of the member's base pension benefit.

The COLA amount for members who have less than 15 years of service credit as of July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will be equal to a percentage of the member's base pension benefit where the percentage is the lesser of 3.0 percent or the percentage increase in the consumer price index, if any, over the twelve-month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

Members who retired prior to July 24, 1986, or their surviving beneficiaries under optional plans are entitled to cost-of-living allowance increases. The annual increase is paid on July 1st of each year. The annual COLA increase is \$360 under a Single Life Annuity Plan with proportional reductions for optional payment plans.

Funding Policy

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

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City of Trotwood, Ohio
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	<u>Police</u>	<u>Firefighters</u>
2023 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
2023 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	<u>12.25 %</u>	<u>12.25 %</u>

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$1,156,172 for 2023, of this amount \$47,409 is reported as accrued wages and benefits.

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

The net pension liability for OPERS was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2022, and was determined by rolling forward the total pension liability as of January 1, 2022, to December 31, 2022. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share of the City's defined benefit pension plans:

	<u>OPERS</u>	<u>OPF</u>	<u>Total</u>
	<u>Traditional Plan</u>		
Proportionate Share of the:			
Net Pension Liability	\$4,780,761	\$16,963,616	\$21,744,377
Proportion of the Net Pension Liability:			
Current Measurement Date	0.01618400%	0.17858260%	
Prior Measurement Date	<u>0.01617300%</u>	<u>0.16581000%</u>	
Change in Proportionate Share	<u>0.00001100%</u>	<u>0.01277260%</u>	
Pension Expense	\$633,858	\$2,230,220	\$2,864,078

At December 31 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

City of Trotwood, Ohio
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	OPERS		
	Traditional Plan	OPF	Total
<u>Deferred Outflows of Resources</u>			
Differences between expected and actual experience	\$158,797	\$254,447	\$413,244
Changes in assumptions	50,505	1,530,060	1,580,565
Net difference between projected and actual earnings on pension plan investments	1,362,667	2,469,694	3,832,361
Changes in employer proportionate share of net pension liability	1,161	1,147,363	1,148,524
Contributions subsequent to the measurement date	399,356	1,156,172	1,555,528
Total Deferred Outflows of Resources	<u>\$1,972,486</u>	<u>\$6,557,736</u>	<u>\$8,530,222</u>
<u>Deferred Inflows of Resources</u>			
Differences between expected and actual experience	\$0	\$386,481	\$386,481
Changes in assumptions	0	330,785	330,785
Changes in employer proportionate share of net pension liability	47,348	320,090	367,438
Total Deferred Inflows of Resources	<u>\$47,348</u>	<u>\$1,037,356</u>	<u>\$1,084,704</u>

\$1,555,528 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, 2024. 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 December 31:	OPERS		
	Traditional Plan	OPF	Total
2024	\$138,447	\$608,688	\$747,135
2025	318,707	1,087,269	1,405,976
2026	401,099	1,080,687	1,481,786
2027	667,529	1,500,500	2,168,029
2028	0	87,064	87,064
Total	<u>\$1,525,782</u>	<u>\$4,364,208</u>	<u>\$5,889,990</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 31, 2022, using the following key actuarial assumptions and methods applied to all periods included in the measurement in accordance with the requirements of GASB 67:

City of Trotwood, Ohio
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	<u>OPERS Traditional Plan</u>
Wage Inflation	2.75 percent
Future Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA:	
Pre-January 7, 2013 Retirees	3.0 percent, simple
Post-January 7, 2013 Retirees	3.0 percent, simple through 2023, then 2.05 percent, simple
Investment Rate of Return	6.9 percent
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The most recent experience study was completed for the five year period ended December 31, 2020.

During 2022, 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 12.1 percent for 2022.

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 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 geometric rates of return were provided by the Board's investment consultant. For each major class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2022, these best estimates are summarized below:

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Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	22.00%	2.62%
Domestic Equities	22.00	4.60
Real Estate	13.00	3.27
Private Equity	15.00	7.53
International Equities	21.00	5.51
Risk Parity	2.00	4.37
Other investments	5.00	3.27
Total	100.00%	

Discount Rate

The discount rate used to measure the total pension liability for the current year was 6.9 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 calculated using the current period discount rate assumption of 6.9 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (5.9 percent) or one-percentage-point higher (7.9 percent) than the current rate:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Proportionate share of the net pension liability	\$7,161,420	\$4,780,761	\$2,800,479

Actuarial Assumptions – OP&F

OP&F's total pension liability as of December 31, 2022, is based on the results of an actuarial valuation date of January 1, 2022, 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 are: 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.

City of Trotwood, Ohio
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Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of January 1, 2022, are presented below.

Valuation Date	January 1, 2022, with actuarial liabilities rolled forward to December 31, 2022
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	7.5 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	3.25 percent per annum, compounded annually, consisting of Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent
Cost of Living Adjustments	2.2 percent simple per year

For 2022, mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2 percent for males and 98.7 percent for females. All rates are projected using the MP-2021 Improvement Scale.

For 2022, mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135 percent for males and 97.9 percent for females. All rates are projected using the MP-2021 Improvement Scale.

For 2022, mortality for contingent annuitants is based on the Pub-2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9 percent for males and 131 percent for females. All rates are projected using the MP-2021 Improvement Scale.

For 2022, Mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP- 2021 Improvement Scale.

For 2021, 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

For 2021, 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

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The most recent experience study was completed for the five-year period ended December 31, 2021.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The assumption is intended to be a long-term assumption (30 to 50 years) and is not expected to change absent a significant change in the asset allocation, a change in the underlying inflation assumption, or a fundamental change in the market that alters expected returns in future years.

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, 2022, are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	18.60 %	4.80 %
Non-US Equity	12.40	5.50
Private Markets	10.00	7.90
Core Fixed Income *	25.00	2.50
High Yield Fixed Income	7.00	4.40
Private Credit	5.00	5.90
U.S. Inflation Linked Bonds*	15.00	2.00
Midstream Energy Infrastructure	5.00	5.90
Real Assets	8.00	5.90
Gold	5.00	3.60
Private Real Estate	12.00	5.30
Commodities	2.00	3.60
Total	125.00 %	

Note: Assumptions are geometric.

* levered 2.5x

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 their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.25 times due to the application of leverage in certain fixed income asset classes.

Discount Rate

For 2022, the total pension liability was calculated using the discount rate of 7.50 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return of 7.50 percent. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments 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.

City of Trotwood, Ohio
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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, and to illustrate the potential impact, the following table presents the net pension liability calculated using the discount rate of 7.50 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 (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate share of the net pension liability	\$22,378,282	\$16,963,616	\$12,462,403

Note 11 – Postemployment Benefits

Net OPEB Liability

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

Ohio Public Employees Retirement System (OPERS)

Plan Description

The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust. The 115 Health Care Trust (115 Trust or Health Care Trust) was established in 2014, under Section 115 of the Internal Revenue Code (IRC). The purpose of the 115 Trust is to fund health care for the Traditional Pension, Combined and Member-Directed plans. Medicare-enrolled retirees in the Traditional Pension and Combined plans may have an allowance deposited into a health reimbursement arrangement (HRA) account to be used toward the health care program of their choice selected with the assistance of an OPERS vendor. Non-Medicare retirees have converted to an arrangement similar to the Medicare-enrolled retirees, and are no longer participating in OPERS provided self-insured group plans.

With one exception, OPERS-provided health care coverage is neither guaranteed nor statutorily required. Ohio law currently requires Medicare Part A equivalent coverage or Medicare Part A premium reimbursement for eligible retirees and their eligible dependents.

OPERS offers a health reimbursement arrangement (HRA) allowance to traditional pension plan and combined plan benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents.

OPERS members enrolled in the Traditional Pension Plan or Combined Plan retiring with an effective date of January 1, 2022, or after must meet the following health care eligibility requirements to receive an HRA allowance:

Medicare Retirees - Medicare-eligible with a minimum of 20 years of qualifying service credit

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Non-Medicare Retirees - Non-Medicare retirees qualify based on the following age-and-service criteria:

Group A - 30 years of qualifying service credit at any age;

Group B - 32 years of qualifying service credit at any age or 31 years of qualifying service credit and minimum age 52;

Group C - 32 years of qualifying service credit and minimum age 55; or,

A retiree from groups A, B or C who qualifies for an unreduced pension, but a portion of their service credit is not health care qualifying service, can still qualify for health care at age 60 if they have at least 20 years of qualifying health care service credit.

Retirees who don't meet the requirement for coverage as a non-Medicare participant can become eligible for coverage at age 65 if they have at least 20 years of qualifying service.

Members with a retirement date prior to January 1, 2022, who were eligible to participate in the OPERS health care program will continue to be eligible after January 1, 2022.

Eligible retirees may receive a monthly HRA allowance for reimbursement of health care coverage premiums and other qualified medical expenses. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are provided to eligible retirees, and are deposited into their HRA account.

Retirees will have access to the OPERS Connector, which is a relationship with a vendor selected by OPERS to assist retirees participating in the health care program. The OPERS Connector may assist retirees in selecting and enrolling in the appropriate health care plan.

When members become Medicare-eligible, recipients enrolled in OPERS health care programs must enroll in Medicare Part A (hospitalization) and Medicare Part B (medical).

OPERS reimburses retirees who are not eligible for premium-free Medicare Part A (hospitalization) for their Part A premiums as well as any applicable surcharges (late-enrollment fees). Retirees within this group must enroll in Medicare Part A and select medical coverage, and may select prescription coverage, through the OPERS Connector. OPERS also will reimburse 50 percent of the Medicare Part A premium and any applicable surcharges for eligible spouses. Proof of enrollment in Medicare Part A and confirmation that the retiree is not receiving reimbursement or payment from another source must be submitted. The premium reimbursement is added to the monthly pension benefit.

The health care 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.

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

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.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.

City of Trotwood, Ohio
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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 2023, 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 2023, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and beginning July 1, 2022, there was a two percent allocation to health care for the 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 2022 was 4.0 percent; however, effective July 1, 2022, a portion of the health care rate was funded with reserves.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$0 for 2023.

Ohio Police & Fire Pension Fund (OP&F)

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.

OP&F contracted with a vendor who assists eligible retirees in choosing health care plans that are available where they live (both Medicare-eligible and pre-65 populations). A stipend funded by OP&F is available to these members through a Health Reimbursement Arrangement and can be used to reimburse retirees for qualified health care expenses.

Regardless of a benefit recipient's participation in the health care program, OP&F is required by law to pay eligible recipients of a service pension, disability benefit and spousal survivor benefit for their Medicare Part B insurance premium, up to the statutory maximum provided the benefit recipient is not eligible to receive reimbursement from any other source. Once OP&F receives the necessary documentation, a monthly reimbursement is included as part of the recipient's next benefit payment. 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
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OP&F maintains funds for health care in two separate accounts: one account for health care benefits and one account for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefits under IRS Code Section 115 trust. IRS Code Section 401(h) account is maintained for Medicare Part B reimbursements.

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 19.5 percent and 24 percent of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24 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 2023, 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 \$27,411 for 2023.

Net OPEB Liability

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022, 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, 2022, and was determined by rolling forward the total OPEB liability as of January 1, 2022, to December 31, 2022. 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:

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City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2023

	OPERS		Total
	Traditional Plan	OPF	
Proportionate Share of the:			
Net OPEB Liability	\$97,157	\$1,271,457	\$1,368,613
Proportion of the Net OPEB Liability:			
Current Measurement Date	0.01540900%	0.17858260%	
Prior Measurement Date	0.01539900%	0.16581000%	
Change in Proportionate Share	0.00001000%	0.01277260%	
OPEB Expense	(\$154,509)	\$29,447	(\$125,062)

At December 31 2023, reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS		Total
	Traditional Plan	OPF	
<u>Deferred Outflows of Resources</u>			
Differences between expected and actual experience	\$0	\$75,873	\$75,873
Changes in assumptions	94,895	633,624	728,519
Net difference between projected and actual earnings on pension plan investments	192,957	109,053	302,010
Changes in employer proportionate share of net OPEB liability	6	201,028	201,034
Contributions subsequent to the measurement date	0	27,411	27,411
Total Deferred Outflows of Resources	<u>\$287,858</u>	<u>\$1,046,989</u>	<u>\$1,334,847</u>
<u>Deferred Inflows of Resources</u>			
Differences between expected and actual experience	\$24,235	\$250,706	\$274,941
Changes in assumptions	7,808	1,039,947	1,047,755
Changes in employer proportionate share of net OPEB liability	7,318	243,925	251,243
Total Deferred Inflows of Resources	<u>\$39,361</u>	<u>\$1,534,578</u>	<u>\$1,573,939</u>

\$27,411 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending	OPERS		Total
	Traditional Plan	OPF	
December 31:			
2024	\$24,545	(\$93,522)	(\$68,977)
2025	70,569	(65,985)	4,584
2026	60,170	(29,527)	30,643
2027	93,213	(7,455)	85,758
2028	0	(88,658)	(88,658)
Thereafter	0	(229,853)	(229,853)
Total	<u>\$248,497</u>	<u>(\$515,000)</u>	<u>(\$266,503)</u>

City of Trotwood, Ohio
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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, 2021, rolled forward to the measurement date of December 31, 2022. The actuarial valuation used the following key actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	2.75 percent
Projected Salary Increases,	2.75 to 10.75 percent
	including wage inflation
Single Discount Rate	5.22 percent
Prior Year Single Discount Rate	6.00 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate	4.05 percent
Prior Year Municipal Bond Rate	1.84 percent
Health Care Cost Trend Rate	5.5 percent, initial
	3.50 percent, ultimate in 2036
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The most recent experience study was completed for the five year period ended December 31, 2020.

During 2022, 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 15.6 percent for 2022.

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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 rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2022, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	34.00%	2.56%
Domestic Equities	26.00	4.60
Real Estate Investment Trust	7.00	4.70
International Equities	25.00	5.51
Risk Parity	2.00	4.37
Other investments	6.00	1.84
Total	100.00%	

Discount Rate

A single discount rate of 5.22 percent was used to measure the OPEB liability on the measurement date of December 31, 2022; however, the single discount rate used at the beginning of the year was 6 percent. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 4.05 percent (Fidelity Index's "20-Year Municipal GO AA Index"). 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 2054. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2054, 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

The following table presents the City's proportionate share of the net OPEB liability calculated using the single discount rate of 5.22 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 (4.22 percent) or one-percentage-point higher (6.22 percent) than the current rate:

City of Trotwood, Ohio
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	1% Decrease (4.22%)	Current Discount Rate (5.22%)	1% Increase (6.22%)
Proportionate share of the net OPEB Liability	\$330,677	\$97,157	(\$95,536)

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 liability or asset 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 2023 is 5.50 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 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	\$91,067	\$97,157	\$104,011

Actuarial Assumptions – OP&F

OP&F’s total OPEB liability as of December 31, 2022, is based on the results of an actuarial valuation date of January 1, 2022, 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

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2023

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, 2022, with actuarial liabilities rolled forward to December 31, 2022
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	7.5 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	3.25 percent
Blended discount rate:	
Current measurement date	4.27 percent
Prior measurement date	2.84 percent
Cost of Living Adjustments	2.2 percent simple per year
Projected Depletion Year of OPEB Assets	2036

For 2022, mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2 percent for males and 98.7 percent for females. All rates are projected using the MP-2021 Improvement Scale.

For 2022, mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135 percent for males and 97.9 percent for females. All rates are projected using the MP-2021 Improvement Scale.

For 2022, mortality for contingent annuitants is based on the Pub- 2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9 percent for males and 131 percent for females. All rates are projected using the MP-2021 Improvement Scale.

For 2022, mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP- 2021 Improvement Scale.

For 2021, 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

For 2021, 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, 2023

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, 2021.

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, 2022, are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	18.60 %	4.80 %
Non-US Equity	12.40	5.50
Private Markets	10.00	7.90
Core Fixed Income *	25.00	2.50
High Yield Fixed Income	7.00	4.40
Private Credit	5.00	5.90
U.S. Inflation Linked Bonds*	15.00	2.00
Midstream Energy Infrastructure	5.00	5.90
Real Assets	8.00	5.90
Gold	5.00	3.60
Private Real Estate	12.00	5.30
Commodities	2.00	3.60
Total	<u>125.00 %</u>	

Note: Assumptions are geometric.

* levered 2.5x

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 1.2 times due to the application of leverage in certain fixed income asset classes.

Discount Rate

For 2022, the total OPEB liability was calculated using the discount rate of 4.27 percent. For 2021, the total OPEB liability was calculated using the discount rate of 2.84 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 7.5

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2023

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, for 2022, the long-term assumed rate of return on investments of 7.50 percent was applied to periods before December 31, 2035, and the Municipal Bond Index Rate of 3.65 percent was applied to periods on and after December 31, 2035, resulting in a discount rate of 4.27 percent. For 2021, a municipal bond rate of 2.05 percent at December 31, 2021, was blended with the long-term rate of 7.5 which resulted in a blended discount rate of 2.84. The municipal bond rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate.

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 4.27 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 (3.27 percent), or one percentage point higher (5.27 percent) than the current rate.

	1% Decrease (3.27%)	Current Discount Rate (4.27%)	1% Increase (5.27%)
Proportionate share of the net OPEB liability	\$1,565,679	\$1,271,457	\$1,023,057

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.

Note 12 – Lease – Lessor Disclosure

The City collectively (the “lessor”) entered into an agreement for cell tower space/land and an agreement to lease office space. The lease receivable is measured at the present value of the future minimum lease payments expected to be received during the lease term at various discounted rates.

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City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2023

Details of each lease are presented below:

The lease for American Tower (cell tower space/land) was as follows:

<u>Lease Year</u>	<u>Principal*</u>	<u>Interest</u>	<u>Total</u>
2024	\$13,438	\$27,350	\$40,788
2025	13,783	27,005	40,788
2026	14,137	26,651	40,788
2027	14,500	26,288	40,788
2028	14,872	25,916	40,788
2029-2033	80,289	123,651	203,940
2034-2038	91,141	112,799	203,940
2039-2043	103,460	100,480	203,940
2044-2048	117,444	86,496	203,940
2049-2053	133,318	70,622	203,940
2054-2058	151,338	52,602	203,940
2059-2063	171,793	32,147	203,940
2064-2068	164,163	9,187	173,350
	<u>\$1,083,676</u>	<u>\$721,194</u>	<u>\$1,804,870</u>

The lease for Central State (office space) was as follows:

<u>Lease Year</u>	<u>Principal*</u>	<u>Interest</u>	<u>Total</u>
2024	\$6,765	\$435	\$7,200
2025	6,939	261	7,200
2026	6,517	83	6,600
	<u>\$20,221</u>	<u>\$779</u>	<u>\$21,000</u>

*-Lease Receivable

The City recognized \$47,998 in lease revenues and \$28,291 interest revenues from lease activity for 2023.

Note 13 – 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 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 2023.

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

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2023

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 \$5,537 to this organization in 2023.

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. 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 2023.

Note 14 – Interfund Transfers and Interfund Receivable/Payable

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

Fund	Interfund		Transfers	
	Receivable	Payable	In	Out
General	\$500,000	\$0	\$0	\$1,036,000
Street Construction Maintenance and Repair	0	0	172,026	0
Other Governmental:				
Street Income Tax	0	500,000	0	0
Debt Retirement	0	0	0	49,738
Salem Mall Tax Increment	0	0	300,000	0
General Capital Improvement	0	0	700,000	0
Water	0	0	0	86,013
Sewer	0	0	0	86,013
Other Enterprise:				
Community and Cultural Arts Center	0	0	85,738	0
Total All Funds	\$500,000	\$500,000	\$1,257,764	\$1,257,764

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

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2023

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 \$49,738 was to make the debt service payment for the John Wolfe Water Park that is included in the 2017 Various Purpose Capital Improvement bonds. The transfer out of the Water and Sewer funds to the Street Construction Maintenance and Repair fund for \$172,026 were to make the debt service payment for the 2022 Vehicle Acquisition Bonds.

Note 15 – Contingent Liabilities

Federal and State Grants

For the period January 1, 2023, to December 31, 2023, 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.

Note 16 – 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:

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City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2023

Fund Balances	General	Street Construction Maintenance and Repair	Fire Levy	Rescue Levy	American Rescue Plan Act	Other Governmental Funds	Total
Nonspendable:							
Prepays	\$60,899	\$6,262	\$21,241	\$16,806	\$0	\$8,668	\$113,876
Total Nonspendable	60,899	6,262	21,241	16,806	0	8,668	113,876
Restricted for:							
Fire Levy	0	0	245,148	0	0	0	245,148
Street Construction Maintenance and Repair	0	672,616	0	0	0	0	672,616
Rescue Levy	0	0	0	528,146	0	0	528,146
State Highway	0	0	0	0	0	82,632	82,632
Motor Vehicle License Tax	0	0	0	0	0	198,311	198,311
Permissive Use Tax	0	0	0	0	0	74,258	74,258
Drug Law Enforcement	0	0	0	0	0	2,740	2,740
Curbs/Gutters/Sidewalks Assessment	0	0	0	0	0	52,780	52,780
Grants	0	0	0	0	0	783,187	783,187
Local Law Enforcement Block	0	0	0	0	0	75,575	75,575
Park Acquisition and Development	0	0	0	0	0	6,916	6,916
Salem Mall Tax Increment	0	0	0	0	0	91,616	91,616
Enforcement and Education	0	0	0	0	0	15,005	15,005
Law Enforcement Trust	0	0	0	0	0	75	75
Redlight Enforcement	0	0	0	0	0	13,019	13,019
Government Equity Program	0	0	0	0	0	219	219
Police Levy	0	0	0	0	0	39	39
OneOhio Opioid Settlement	0	0	0	0	0	35,483	35,483
Street Income Tax	0	0	0	0	0	484,928	484,928
Debt Service	0	0	0	0	0	125,430	125,430
General Capital Improvement	0	0	0	0	0	181,100	181,100
Fire Capital Levy	0	0	0	0	0	166,720	166,720
Industrial Park	0	0	0	0	0	835,070	835,070
Total Restricted	0	672,616	245,148	528,146	0	3,225,103	4,671,013
Committed to:							
General Capital Improvement	0	0	0	0	0	885,621	885,621
Total Committed	0	0	0	0	0	885,621	885,621
Assigned to:							
Purchases on Order*	68,203	0	0	0	0	0	68,203
Total Assigned	68,203	0	0	0	0	0	68,203
Unassigned (Deficit)	4,301,199	0	0	0	0	0	4,301,199
Total Fund Balance	\$4,430,301	\$678,878	\$266,389	\$544,952	\$0	\$4,119,392	\$10,039,912

*-Purchases on order will be used for the functions of the general government (\$57,704), leisure time (\$1,456), community development (\$7,776) and safety of residences (\$1,267), for the City.

Note 17 – 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:

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2023

Fund	Amount
General	\$172,969
Street Construction Maintenance and Repair	92,590
Fire Levy	16,324
American Rescue Plan Act	1,499,990
Water	93,041
Sewer	63,531
Refuse	59,446
Stormwater	106,794
Nonmajor Funds	558,527
Total	\$2,663,212

Note 18 – Implementation of New Accounting Principles

For fiscal year 2023, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, GASB Statement No. 96, Subscription-Based Information Technology Arrangements.

GASB Statement No. 94 sets out to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. The implementation of GASB Statement No. 94 did not have an effect on the financial statements of the City.

GASB Statement No. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. The implementation of GASB Statement No. 96 did not have an effect on the financial statements of the City.

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REQUIRED SUPPLEMENTARY INFORMATION

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

	2023	2022	2021	2020	2019
City's Proportion of the Net Pension Liability	0.01618400%	0.01617300%	0.01750700%	0.01628300%	0.01564800%
City's Proportionate Share of the Net Pension Liability	\$4,780,761	\$1,407,116	\$2,592,407	\$3,218,446	\$4,285,670
City's Covered Payroll	\$2,508,607	\$2,347,207	\$2,486,729	\$2,285,029	\$2,113,579
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	190.57%	59.95%	104.25%	140.85%	202.77%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.74%	92.62%	86.88%	82.17%	74.70%

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.

2018	2017	2016	2015	2014
0.01569400%	0.01499200%	0.01568900%	0.01771000%	0.01771000%
\$2,462,084	\$3,404,428	\$2,717,533	\$2,136,024	\$2,087,778
\$2,073,962	\$1,938,008	\$2,278,058	\$2,171,292	\$2,145,988
118.71%	175.67%	119.29%	98.38%	97.29%
84.66%	77.25%	81.08%	86.45%	86.36%

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 Ten Fiscal Years

	2023	2022	2021	2020	2019
City's Proportion of the Net Pension Liability - 0619P	0.08869720%	0.08735010%	0.09022240%	0.08739650%	0.08356800%
Liability - 0619F	0.08988540%	0.07845990%	0.08178300%	0.07374320%	0.07349700%
City's Proportionate Share of the Net Pension Liability	\$16,963,616	\$10,358,851	\$11,725,762	\$10,855,231	\$12,820,654
City's Covered Payroll	\$4,797,198	\$4,196,219	\$4,473,111	\$3,825,779	\$3,915,684
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	353.62%	246.86%	262.14%	283.74%	327.42%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.90%	75.03%	70.65%	69.89%	63.07%

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.

2018	2017	2016	2015	2014
0.08444500%	0.09133500%	0.10685100%	0.10778140%	0.10778140%
0.07050900%	0.08197600%	0.09023300%	0.09284040%	0.09284040%
\$9,510,227	\$10,977,345	\$12,678,552	\$10,393,046	\$9,770,911
\$3,798,937	\$4,154,226	\$4,608,955	\$4,027,313	\$4,303,890
250.34%	264.25%	275.09%	258.06%	227.03%
70.91%	68.36%	66.77%	72.20%	73.00%

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually Required Contribution	\$399,356	\$351,205	\$328,609	\$348,142	\$319,904
Contributions in Relation to the Contractually Required Contribution	<u>(399,356)</u>	<u>(351,205)</u>	<u>(328,609)</u>	<u>(348,142)</u>	<u>(319,904)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$2,852,543	\$2,508,607	\$2,347,207	\$2,486,729	\$2,285,029
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%	14.00%

Note:
 See accompanying notes to the required supplementary information.

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$295,901	\$269,615	\$232,561	\$273,367	\$260,555
<u>(295,901)</u>	<u>(269,615)</u>	<u>(232,561)</u>	<u>(273,367)</u>	<u>(260,555)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$2,113,579	\$2,073,962	\$1,938,008	\$2,278,058	\$2,171,292
14.00%	13.00%	12.00%	12.00%	12.00%

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually Required Contribution	\$1,156,172	\$1,008,031	\$890,018	\$849,891	\$808,387
Contributions in Relation to the Contractually Required Contribution	<u>(1,156,172)</u>	<u>(1,008,031)</u>	<u>(890,018)</u>	<u>(849,891)</u>	<u>(808,387)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$5,482,165	\$4,797,198	\$4,196,219	\$4,473,111	\$3,825,779
Contributions as a Percentage of Covered Payroll	21.09%	21.01%	21.21%	19.00%	21.13%

Note:
 See accompanying notes to the required supplementary information.

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$743,980	\$721,798	\$789,303	\$925,939	\$839,589
<u>(743,980)</u>	<u>(721,798)</u>	<u>(789,303)</u>	<u>(925,939)</u>	<u>(839,589)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$3,915,684	\$3,798,937	\$4,154,226	\$4,608,955	\$4,027,313
19.00%	19.00%	19.00%	20.09%	20.85%

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

	2023	2022	2021	2020	2019
City's Proportion of the Net OPEB Liability (Asset)	0.01540900%	0.01539900%	0.01666300%	0.01562100%	0.01519000%
City's Proportionate Share of the Net OPEB Liability (Asset)	\$97,157	(\$482,321)	(\$296,865)	\$2,157,667	\$1,980,416
City's Covered Payroll	\$2,508,607	\$2,347,207	\$2,486,729	\$2,285,029	\$2,113,579
City's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	3.87%	-20.55%	-11.94%	94.43%	93.70%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	94.79%	128.23%	115.57%	47.80%	46.33%

(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.

2018	2017
0.01526000%	0.01464090%
\$1,657,124	\$1,478,781
\$2,073,962	\$1,938,008
79.90%	76.30%
54.14%	54.04%

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 Seven Fiscal Years (1)

	2023	2022	2021	2020	2019
City's Proportion of the Net OPEB Liability - 0619P	0.08869720%	0.08735010%	0.09022240%	0.08739650%	0.08356800%
City's Proportion of the Net OPEB Liability - 0619F	0.08988540%	0.07845990%	0.08178300%	0.07374320%	0.07349700%
City's Proportionate Share of the Net OPEB Liability	\$1,271,457	\$1,817,420	\$1,822,425	\$1,591,694	\$1,430,318
City's Covered Payroll	\$4,797,198	\$4,196,219	\$4,473,111	\$3,825,779	\$3,915,684
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	26.50%	43.31%	40.74%	41.60%	36.53%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	52.60%	46.90%	45.42%	47.10%	46.57%

(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.

2018	2017
0.08444500%	0.09133500%
0.07050900%	0.08197600%
\$8,779,476	\$8,226,683
\$3,798,937	\$4,154,226
231.10%	198.03%
14.13%	15.96%

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 Eight Fiscal Years (1)

	2023	2022	2021	2020	2019
Contractually Required Contribution to OPEB	\$0	\$0	\$0	\$0	\$0
Contributions to OPEB in Relation to the Contractually Required Contribution	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$2,852,543	\$2,508,607	\$2,347,207	\$2,486,729	\$2,285,029
Contributions to OPEB as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%

(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.

<u>2018</u>	<u>2017</u>	<u>2016</u>
\$0	\$22,932	\$38,760
<u>0</u>	<u>(22,932)</u>	<u>(38,760)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$2,113,579	\$2,073,962	\$1,938,008
0.00%	1.11%	2.00%

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 Eight Fiscal Years (1)

	2023	2022	2021	2020	2019
Contractually Required Contribution to OPEB	\$27,411	\$23,986	\$21,284	\$20,333	\$19,403
Contributions to OPEB in Relation to the Contractually Required Contribution	<u>(27,411)</u>	<u>(23,986)</u>	<u>(21,284)</u>	<u>(20,333)</u>	<u>(19,403)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$5,482,165	\$4,797,198	\$4,196,219	\$4,473,111	\$3,825,779
Contributions to OPEB as a Percentage of Covered Payroll	0.50%	0.50%	0.51%	0.45%	0.51%

(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.

<u>2018</u>	<u>2017</u>	<u>2016</u>
\$17,823	\$16,804	\$18,884
<u>(17,823)</u>	<u>(16,804)</u>	<u>(18,884)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$3,915,684	\$3,798,937	\$4,154,226
0.46%	0.44%	0.45%

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, 2023

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Property and Other Local Taxes	\$1,388,991	\$1,388,991	\$1,427,120	\$38,129
Income Taxes	6,937,160	6,937,160	7,127,591	190,431
Charges for Services	107,355	107,355	110,302	2,947
Investment Earnings	1,053,794	1,053,794	1,082,722	28,928
Intergovernmental	696,123	696,123	715,232	19,109
Special Assessments	117,197	117,197	120,414	3,217
Fines, Licenses & Permits	280,917	280,917	288,628	7,711
Other Revenues	283,320	283,320	291,097	7,777
Total Revenues	10,864,857	10,864,857	11,163,106	298,249
Expenditures:				
Current:				
<u>General Government</u>				
Mayor and Council	256,134	289,275	257,600	31,675
City Manager	281,469	317,888	283,080	34,808
Finance	562,712	635,521	565,932	69,589
Utility Billing	244,325	275,938	245,723	30,215
Income Tax	439,678	496,567	442,194	54,373
Law Director	406,607	459,218	408,934	50,284
Public Works Administration	23,115	26,106	23,247	2,859
Building and Grounds	293,027	330,942	294,704	36,238
Fleet Maintenance	12,688	14,330	12,761	1,569
Personnel	194,431	219,589	195,544	24,045
Strategic Initiatives	55,489	62,669	55,807	6,862
Non-Departmental	510,635	576,705	513,557	63,148
Total General Government	3,280,310	3,704,748	3,299,083	405,665
<u>Public Safety</u>				
Police Administration	603,046	681,073	606,497	74,576
Police Patrol	3,241,933	3,661,402	3,260,484	400,918
Criminal Investigation	799,175	902,579	803,748	98,831
Police Communications	462,762	522,638	465,410	57,228
Total Public Safety	5,106,916	5,767,692	5,136,139	631,553
<u>Leisure Time Activities</u>				
Parks Maintenance	112,788	127,381	113,433	13,948
Cemeteries	126,879	143,296	127,605	15,691
Total Leisure Time Activities	239,667	270,677	241,038	29,639
<u>Community Development</u>				
Planning and Development Administration	381,257	430,588	383,439	47,149
Code Enforcement and Inspection	210,458	237,689	211,662	26,027
Mowing and Weed Removal	111,586	126,024	112,225	13,799
Total Community Development	703,301	794,301	707,326	86,975

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, 2023

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
<u>Transportation & Street Repair</u>				
Street Lighting	215,804	243,727	217,039	26,688
Total Transportation & Street Repair	215,804	243,727	217,039	26,688
Debt Service:				
Principal Retirement	128,122	144,699	128,855	15,844
Interest and Fiscal Charges	28,147	31,789	28,308	3,481
Total Expenditures	9,702,267	10,957,633	9,757,788	1,199,845
Excess of Revenues Over (Under) Expenditures	1,162,590	(92,776)	1,405,318	1,498,094
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	12,059	12,059	12,390	331
Transfers (Out)	(1,030,106)	(1,163,389)	(1,036,000)	127,389
Total Other Financing Sources (Uses)	(1,018,047)	(1,151,330)	(1,023,610)	127,720
Net Change in Fund Balance	144,543	(1,244,106)	381,708	1,625,814
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	3,302,408	3,302,408	3,302,408	0
Fund Balance End of Year	\$3,446,951	\$2,058,302	\$3,684,116	\$1,625,814

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, 2023

	Street Construction Maintenance and Repair Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Property and Other Local Taxes	\$214,666	\$214,666	\$204,553	(\$10,113)
Intergovernmental	1,351,101	1,351,101	1,287,453	(63,648)
Other Revenues	10,679	10,679	10,176	(503)
Total Revenues	1,576,446	1,576,446	1,502,182	(74,264)
Expenditures:				
Current:				
Transportation & Street Repair	1,812,185	2,367,462	2,015,048	352,414
Debt Service:				
Principal Retirement	96,228	125,713	107,000	18,713
Interest and Fiscal Charges	9,672	12,636	10,755	1,881
Total Expenditures	1,918,085	2,505,811	2,132,803	373,008
Excess of Revenues Over (Under) Expenditures	(341,639)	(929,365)	(630,621)	298,744
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	1,771	1,771	1,688	(83)
Total Other Financing Sources (Uses)	1,771	1,771	1,688	(83)
Net Change in Fund Balance	(339,868)	(927,594)	(628,933)	298,661
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,226,427	1,226,427	1,226,427	0
Fund Balance End of Year	\$886,559	\$298,833	\$597,494	\$298,661

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, 2023

	Fire Levy Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Property and Other Local Taxes	\$2,516,497	\$2,516,497	\$2,209,475	(\$307,022)
Charges for Services	6,071	6,071	5,330	(741)
Intergovernmental	291,752	291,752	256,157	(35,595)
Fines, Licenses & Permits	12,033	12,033	10,565	(1,468)
Other Revenues	6,613	6,613	5,806	(807)
Total Revenues	2,832,966	2,832,966	2,487,333	(345,633)
Expenditures:				
Current:				
Public Safety	3,127,529	3,180,629	2,989,319	191,310
Total Expenditures	3,127,529	3,180,629	2,989,319	191,310
Excess of Revenues Over (Under) Expenditures	(294,563)	(347,663)	(501,986)	(154,323)
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	17,084	17,084	15,000	(2,084)
Total Other Financing Sources (Uses)	17,084	17,084	15,000	(2,084)
Net Change in Fund Balance	(277,479)	(330,579)	(486,986)	(156,407)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	719,394	719,394	719,394	0
Fund Balance End of Year	\$441,915	\$388,815	\$232,408	(\$156,407)

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, 2023

	Rescue Levy Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Property and Other Local Taxes	\$404,375	\$404,375	\$409,107	\$4,732
Charges for Services	1,191,002	1,191,002	1,204,939	13,937
Intergovernmental	64,160	64,160	64,911	751
Other Revenues	6,833	6,833	6,913	80
Total Revenues	1,666,370	1,666,370	1,685,870	19,500
Expenditures:				
Current:				
Public Safety	2,581,054	2,622,794	2,230,310	392,484
Total Expenditures	2,581,054	2,622,794	2,230,310	392,484
Net Change in Fund Balance	(914,684)	(956,424)	(544,440)	411,984
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,044,338	1,044,338	1,044,338	0
Fund Balance End of Year	\$129,654	\$87,914	\$499,898	\$411,984

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, 2023

	American Rescue Plan Act Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	0	\$0	\$0	\$0
Total Revenues	0	0	0	0
Expenditures:				
Current:				
General Government	1,999,990	1,999,990	1,499,990	500,000
Total Expenditures	1,999,990	1,999,990	1,499,990	500,000
Net Change in Fund Balance	(1,999,990)	(1,999,990)	(1,499,990)	500,000
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,999,990	1,999,990	1,999,990	0
Fund Balance End of Year	\$0	\$0	\$500,000	\$500,000

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, 2023

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, Fire Levy, Rescue Levy and American Rescue Plan Act 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, Fire Levy, Rescue Levy and American Rescue Plan Act funds.

City of Trotwood, Ohio
Notes to the Required Supplementary Information
For The Fiscal Year Ended December 31, 2023

Net Change in Fund Balance

	General	Street Construction Maintenance and Repair	Fire Levy	Rescue Levy	American Rescue Plan Act
GAAP Basis	\$131,235	(\$610,600)	(\$463,173)	(\$549,528)	\$0
Revenue Accruals	70,624	3,006	23,852	8,177	0
Expenditure Accruals	229,055	272,616	(25,636)	10,642	0
Transfers (In)	0	(172,026)	0	0	0
Encumbrances	(49,206)	(121,929)	(22,029)	(13,731)	(1,499,990)
Budget Basis	\$381,708	(\$628,933)	(\$486,986)	(\$544,440)	(\$1,499,990)

Note 2 – Net Pension Liability

Ohio Public Employees Retirement System Changes in Benefit Terms and Assumptions

Changes in assumptions:

2023: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for this period.

2022: 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 7.20% to 6.90%
- Decrease in wage inflation from 3.25% to 2.75%
- Change in future salary increases from a range of 3.25%-10.75% to 2.75%-10.75%

2021-2020: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for this period.

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%

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

Changes in benefit terms:

2023-2014: There were no changes in benefit terms for this period.

City of Trotwood, Ohio
Notes to the Required Supplementary Information
For The Fiscal Year Ended December 31, 2023

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

Changes in assumptions:

2023: Mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2 percent for males and 98.7 percent for females. All rates are projected using the MP-2021 Improvement Scale. Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135 percent for males and 97.9 percent for females. All rates are projected using the MP-2021 Improvement Scale. Mortality for contingent annuitants is based on the Pub-2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9 percent for males and 131 percent for females. All rates are projected using the MP-2021 Improvement Scale. Mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP- 2021 Improvement Scale.

2022: The following were the most significant changes of assumptions that affected total pension liability since the prior measurement date.

- Reduction in actuarial assumed investment rate of return from 8.00% to 7.50%

2021-2019: There have been no OP&F pension plan amendments adopted or changes in assumptions used in the calculation of actuarial determined contributions.

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

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

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

Changes in benefit terms:

2023-2014: There were no changes in benefit terms for the period.

Note 3 - Net OPEB Liability (Asset)

Ohio Public Employees Retirement System Changes in Benefit Terms and Assumptions

Changes in assumptions:

2023: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate decreased from 6.00% to 5.22%.
- The municipal bond rate increased from 1.84% to 4.05%.

City of Trotwood, Ohio
Notes to the Required Supplementary Information
For The Fiscal Year Ended December 31, 2023

2022: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The municipal bond rate decreased from 2.00% to 1.84%.
- The initial health care cost trend rate decreased from 8.50% to 5.50%.
- Decrease in wage inflation from 3.25% to 2.75%.
- Change in future salary increases from a range of 3.25%-10.75% to 2.75%-10.75%.

2021: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate increased from 3.16% to 6.00%.
- The municipal bond rate decreased from 2.75% to 2.00%.
- The initial health care cost trend rate decreased from 10.50% to 8.50%.

2020: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate decreased from 3.96% to 3.16%.
- The municipal bond rate decreased from 3.71% to 2.75%.
- The initial health care cost trend rate increased from 10.00% to 10.50%.

2019: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate increased from 3.85% to 3.96%.
- The investment rate of return decreased from 6.50% to 6.00%.
- The municipal bond rate increased from 3.31% to 3.71%.
- The initial health care cost trend rate increased from 7.50% to 10.00%.

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

Changes in Benefit Terms:

2023: There were no changes in benefit terms for the period.

2022: Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

2021: There were no changes in benefit terms for the period.

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.

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

City of Trotwood, Ohio
Notes to the Required Supplementary Information
For The Fiscal Year Ended December 31, 2023

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

Changes in assumptions:

2023: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 2.84% to 4.27%
- The depletion year of OPEB assets is projected in year 2036
- Mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2 percent for males and 98.7 percent for females. All rates are projected using the MP-2021 Improvement Scale. Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135 percent for males and 97.9 percent for females. All rates are projected using the MP-2021 Improvement Scale. Mortality for contingent annuitants is based on the Pub-2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9 percent for males and 131 percent for females. All rates are projected using the MP-2021 Improvement Scale. Mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP- 2021 Improvement Scale.

2022: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- Reduction in actuarial assumed rate of return from 8.00% to 7.50%
- The single discount rate changed from 2.96% to 2.84%

2021: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions. The single discount rate changed from 3.56% to 2.96%.

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:

2023-2020: 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.

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, 2023

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in Pooled Cash and Investments	\$2,266,295	\$119,186	\$2,233,127	\$4,618,608
Receivables (Net):				
Taxes	226,359	212,499	1,150,246	1,589,104
Intergovernmental	828,294	9,301	32,406	870,001
Special Assessments	2,900	0	0	2,900
Prepaid Items	8,668	0	0	8,668
Total Assets	3,332,516	340,986	3,415,779	7,089,281
Liabilities:				
Accounts Payable	59,825	0	0	59,825
Accrued Wages and Benefits	34,151	0	0	34,151
Contracts Payable	0	0	83,195	83,195
Interfund Payable	500,000	0	0	500,000
Total Liabilities	593,976	0	83,195	677,171
Deferred Inflows of Resources:				
Property Taxes	0	206,255	568,355	774,610
Income Taxes	118,320	0	0	118,320
Grants and Other Taxes	790,401	9,301	32,406	832,108
Special Assessments	2,900	0	0	2,900
Revenue in Lieu of Taxes	0	0	564,780	564,780
Total Deferred Inflows of Resources	911,621	215,556	1,165,541	2,292,718
Fund Balances:				
Nonspendable	8,668	0	0	8,668
Restricted	1,818,251	125,430	1,281,422	3,225,103
Committed	0	0	885,621	885,621
Total Fund Balances	1,826,919	125,430	2,167,043	4,119,392
Total Liabilities, Deferred Inflows and Fund Balances	\$3,332,516	\$340,986	\$3,415,779	\$7,089,281

City of Trotwood, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Governmental Funds
For the Fiscal Year Ended December 31, 2023

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Property and Other Taxes	\$157,504	\$114,317	\$404,941	\$676,762
Income Taxes	947,713	0	0	947,713
Charges for Services	0	0	800	800
Intergovernmental	1,569,000	18,631	64,954	1,652,585
Fines, Forfeitures, Permits, and Settlements	82,259	0	0	82,259
Revenue in Lieu of Taxes	0	0	564,703	564,703
Other Revenues	23,553	0	0	23,553
Total Revenues	2,780,029	132,948	1,035,398	3,948,375
Expenditures:				
Current:				
Public Safety	919,966	0	156,854	1,076,820
Community Development	18,758	0	0	18,758
Transportation and Street Repair	859,287	0	0	859,287
Capital Outlay	18,430	0	1,413,327	1,431,757
Debt Service:				
Principal	0	30,000	810,260	840,260
Interest and Other Charges	0	3,802	213,474	217,276
Total Expenditures	1,816,441	33,802	2,593,915	4,444,158
Excess of Revenues Over (Under) Expenditures	963,588	99,146	(1,558,517)	(495,783)
Other Financing Sources (Uses):				
Proceeds of Subscription Based Information Technology Arrangements	0	0	176,862	176,862
Transfers In	0	0	1,000,000	1,000,000
Transfers (Out)	0	(49,738)	0	(49,738)
Total Other Financing Sources (Uses)	0	(49,738)	1,176,862	1,127,124
Net Change in Fund Balance	963,588	49,408	(381,655)	631,341
Fund Balance - Beginning of Year, Restated	863,331	76,022	2,548,698	3,488,051
Fund Balance - End of Year	\$1,826,919	\$125,430	\$2,167,043	\$4,119,392

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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 of to educate the public about such laws.

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

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.

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

Federal Fines/Forfeits - To account for the federal fines and forfeitures received by the City.

OneOhio Opioid Settlement - A fund used to account for the City's share of the Ohio opioid settlement money.

Street Income Tax Fund - To account for income tax monies designated to be used for street repairs and improvements throughout the City.

City of Trotwood, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2023

	State Highway	Motor Vehicle License Tax	Permissive Use Tax	Drug Law Enforcement
Assets:				
Equity in Pooled Cash and Investments	\$76,944	\$186,726	\$74,258	\$2,740
Receivables (Net):				
Taxes	0	80,724	0	0
Intergovernmental	49,171	0	0	0
Special Assessments	0	0	0	0
Prepaid Items	672	0	0	0
Total Assets	126,787	267,450	74,258	2,740
Liabilities:				
Accounts Payable	0	0	0	0
Accrued Wages and Benefits	2,262	0	0	0
Interfund Payable	0	0	0	0
Total Liabilities	2,262	0	0	0
Deferred Inflows of Resources:				
Income Taxes	0	0	0	0
Grants and Other Taxes	41,221	69,139	0	0
Special Assessments	0	0	0	0
Total Deferred Inflows of Resources	41,221	69,139	0	0
Fund Balances:				
Nonspendable	672	0	0	0
Restricted	82,632	198,311	74,258	2,740
Total Fund Balances	83,304	198,311	74,258	2,740
Total Liabilities, Deferred Inflows and Fund Balances	\$126,787	\$267,450	\$74,258	\$2,740

Curbs/Gutters/ Sidewalks Assessment	Grants	Local Law Enforcement Block	Enforcement and Education	Law Enforcement Trust	Redlight Enforcement	Government Equity Program
\$52,780	\$775,819	\$75	\$15,005	\$75,575	\$13,019	\$219
0	0	0	0	0	0	0
0	779,123	0	0	0	0	0
2,900	0	0	0	0	0	0
0	7,996	0	0	0	0	0
<u>55,680</u>	<u>1,562,938</u>	<u>75</u>	<u>15,005</u>	<u>75,575</u>	<u>13,019</u>	<u>219</u>
0	59,825	0	0	0	0	0
0	31,889	0	0	0	0	0
0	0	0	0	0	0	0
0	91,714	0	0	0	0	0
0	0	0	0	0	0	0
0	680,041	0	0	0	0	0
2,900	0	0	0	0	0	0
2,900	680,041	0	0	0	0	0
0	7,996	0	0	0	0	0
52,780	783,187	75	15,005	75,575	13,019	219
52,780	791,183	75	15,005	75,575	13,019	219
<u>\$55,680</u>	<u>\$1,562,938</u>	<u>\$75</u>	<u>\$15,005</u>	<u>\$75,575</u>	<u>\$13,019</u>	<u>\$219</u>

Continued

City of Trotwood, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2023

	Police Levy	Federal Fines/Forfeits	OneOhio Opioid Settlement	Street Income Tax Fund	Total Nonmajor Special Revenue Funds
Assets:					
Equity in Pooled Cash and Investments	\$39	\$0	\$35,483	\$957,613	\$2,266,295
Receivables (Net):					
Taxes	0	0	0	145,635	226,359
Intergovernmental	0	0	0	0	828,294
Special Assessments	0	0	0	0	2,900
Prepaid Items	0	0	0	0	8,668
Total Assets	39	0	35,483	1,103,248	3,332,516
Liabilities:					
Accounts Payable	0	0	0	0	59,825
Accrued Wages and Benefits	0	0	0	0	34,151
Interfund Payable	0	0	0	500,000	500,000
Total Liabilities	0	0	0	500,000	593,976
Deferred Inflows of Resources:					
Income Taxes	0	0	0	118,320	118,320
Grants and Other Taxes	0	0	0	0	790,401
Special Assessments	0	0	0	0	2,900
Total Deferred Inflows of Resources	0	0	0	118,320	911,621
Fund Balances:					
Nonspendable	0	0	0	0	8,668
Restricted	39	0	35,483	484,928	1,818,251
Total Fund Balances	39	0	35,483	484,928	1,826,919
Total Liabilities, Deferred Inflows and Fund Balances	\$39	\$0	\$35,483	\$1,103,248	\$3,332,516

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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, 2023

	State Highway	Motor Vehicle License Tax	Permissive Use Tax	Drug Law Enforcement
Revenues:				
Property and Other Taxes	\$0	\$157,504	\$0	\$0
Income Taxes	0	0	0	0
Intergovernmental	101,683	0	0	0
Fines, Forfeitures, Permits, and Settlements	0	0	0	577
Other Revenues	147	0	0	0
Total Revenues	101,830	157,504	0	577
Expenditures:				
Current:				
Public Safety	0	0	0	500
Community Development	0	0	0	0
Transportation and Street Repair	132,865	120,000	80,631	0
Capital Outlay	0	0	0	0
Total Expenditures	132,865	120,000	80,631	500
Net Change in Fund Balance	(31,035)	37,504	(80,631)	77
Fund Balance - Beginning of Year	114,339	160,807	154,889	2,663
Fund Balance - End of Year	\$83,304	\$198,311	\$74,258	\$2,740

Curbs/Gutters/ Sidewalks Assessment	Grants	Local Law Enforcement Block	Enforcement and Education	Law Enforcement Trust	Redlight Enforcement	Government Equity Program
\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0	0
0	1,467,317	0	0	0	0	0
0	0	0	766	49,448	0	0
0	0	0	0	23,406	0	0
0	1,467,317	0	766	72,854	0	0
0	846,454	0	987	58,054	10,971	0
0	18,758	0	0	0	0	0
386	62,620	0	0	0	0	0
0	0	0	0	10,000	1,997	0
386	927,832	0	987	68,054	12,968	0
(386)	539,485	0	(221)	4,800	(12,968)	0
53,166	251,698	75	15,226	70,775	25,987	219
<u>\$52,780</u>	<u>\$791,183</u>	<u>\$75</u>	<u>\$15,005</u>	<u>\$75,575</u>	<u>\$13,019</u>	<u>\$219</u>

Continued

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, 2023

	Police Levy	Federal Fines/Forfeits	OneOhio Opioid Settlement	Street Income Tax Fund	Total Nonmajor Special Revenue Funds
Revenues:					
Property and Other Taxes	\$0	\$0	\$0	\$0	\$157,504
Income Taxes	0	0	0	947,713	947,713
Intergovernmental	0	0	0	0	1,569,000
Fines, Forfeitures, Permits, and Settlements	0	0	31,468	0	82,259
Other Revenues	0	0	0	0	23,553
Total Revenues	0	0	31,468	947,713	2,780,029
Expenditures:					
Current:					
Public Safety	0	0	3,000	0	919,966
Community Development	0	0	0	0	18,758
Transportation and Street Repair	0	0	0	462,785	859,287
Capital Outlay	0	6,433	0	0	18,430
Total Expenditures	0	6,433	3,000	462,785	1,816,441
Net Change in Fund Balance	0	(6,433)	28,468	484,928	963,588
Fund Balance - Beginning of Year	39	6,433	7,015	0	863,331
Fund Balance - End of Year	\$39	\$0	\$35,483	\$484,928	\$1,826,919

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, 2023

	State Highway Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$107,844	\$101,757	(\$6,087)
Other Revenues	156	147	(9)
Total Revenues	108,000	101,904	(6,096)
Expenditures:			
Current:			
Transportation & Street Repair	200,328	135,924	64,404
Total Expenditures	200,328	135,924	64,404
Net Change in Fund Balance	(92,328)	(34,020)	58,308
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	110,962	110,962	0
Fund Balance End of Year	\$18,634	\$76,942	\$58,308

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, 2023

	Motor Vehicle License Tax Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Property and Other Local Taxes	\$170,000	\$158,083	(\$11,917)
Total Revenues	170,000	158,083	(11,917)
Expenditures:			
Current:			
Transportation & Street Repair	185,000	120,000	65,000
Total Expenditures	185,000	120,000	65,000
Net Change in Fund Balance	(15,000)	38,083	53,083
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	148,641	148,641	0
Fund Balance End of Year	\$133,641	\$186,724	\$53,083

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, 2023

	Permissive Use Tax Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$80,000	\$0	(\$80,000)
Total Revenues	80,000	0	(80,000)
Expenditures:			
Current:			
Transportation & Street Repair	150,500	150,012	488
Total Expenditures	150,500	150,012	488
Net Change in Fund Balance	(70,500)	(150,012)	(79,512)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	154,890	154,890	0
Fund Balance End of Year	\$84,390	\$4,878	(\$79,512)

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, 2023

	Drug Law Enforcement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses & Permits	\$400	\$577	\$177
Total Revenues	400	577	177
Expenditures:			
Current:			
Public Safety	1,300	500	800
Total Expenditures	1,300	500	800
Net Change in Fund Balance	(900)	77	977
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	2,663	2,663	0
Fund Balance End of Year	\$1,763	\$2,740	\$977

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, 2023

	Curbs/Gutters/ Sidewalks Assessment Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Special Assessments	\$5,600	\$0	(\$5,600)
Total Revenues	5,600	0	(5,600)
Expenditures:			
Current:			
Transportation & Street Repair	500	386	114
Total Expenditures	500	386	114
Net Change in Fund Balance	5,100	(386)	(5,486)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	53,167	53,167	0
Fund Balance End of Year	\$58,267	\$52,781	(\$5,486)

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, 2023

	Grants Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$3,810,634	\$1,403,766	(\$2,406,868)
Total Revenues	<u>3,810,634</u>	<u>1,403,766</u>	<u>(2,406,868)</u>
Expenditures:			
Current:			
Public Safety	2,374,600	864,497	1,510,103
Community Development	76,493	27,848	48,645
Transportation & Street Repair	75,661	27,545	48,116
Total Expenditures	<u>2,526,754</u>	<u>919,890</u>	<u>1,606,864</u>
Net Change in Fund Balance	1,283,880	483,876	(800,004)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>291,749</u>	<u>291,749</u>	<u>0</u>
Fund Balance End of Year	<u>\$1,575,629</u>	<u>\$775,625</u>	<u>(\$800,004)</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, 2023

	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, 2023

	Enforcement and Education Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses & Permits	\$500	\$766	\$266
Total Revenues	500	766	266
Expenditures:			
Current:			
Public Safety	1,500	987	513
Total Expenditures	1,500	987	513
Net Change in Fund Balance	(1,000)	(221)	779
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	15,226	15,226	0
Fund Balance End of Year	\$14,226	\$15,005	\$779

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, 2023

	Law Enforcement Trust Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses & Permits	\$19,634	\$49,448	\$29,814
Other Revenues	9,294	23,406	14,112
Total Revenues	<u>28,928</u>	<u>72,854</u>	<u>43,926</u>
Expenditures:			
Current:			
Public Safety	85,488	60,154	25,334
Capital Outlay	14,212	10,000	4,212
Total Expenditures	<u>99,700</u>	<u>70,154</u>	<u>29,546</u>
Net Change in Fund Balance	(70,772)	2,700	73,472
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>70,772</u>	<u>70,772</u>	<u>0</u>
Fund Balance End of Year	<u>\$0</u>	<u>\$73,472</u>	<u>\$73,472</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, 2023

	Redlight Enforcement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses & Permits	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Public Safety	10,971	10,971	0
Capital Outlay	1,997	1,997	0
Total Expenditures	12,968	12,968	0
Net Change in Fund Balance	(12,968)	(12,968)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	25,988	25,988	0
Fund Balance End of Year	\$13,020	\$13,020	\$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, 2023

	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, 2023

	Police Levy Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Property and Other Local Taxes	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Public Safety	0	0	0
Total Expenditures	0	0	0
Net Change in Fund Balance	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	39	39	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, 2023

	Federal Fines/Forfeits Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses & Permits	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Capital Outlay	6,433	6,433	0
Total Expenditures	6,433	6,433	0
Net Change in Fund Balance	(6,433)	(6,433)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	6,433	6,433	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, 2023

	OneOhio Opioid Settlement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Other Revenues	\$15,696	\$31,468	\$15,772
Total Revenues	15,696	31,468	15,772
Expenditures:			
Current:			
Public Health and Welfare	12,000	3,000	9,000
Total Expenditures	12,000	3,000	9,000
Net Change in Fund Balance	3,696	28,468	24,772
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	7,015	7,015	0
Fund Balance End of Year	\$10,711	\$35,483	\$24,772

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, 2023

	Street Income Tax Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Income Taxes	\$1,700,000	\$920,398	(\$779,602)
Total Revenues	1,700,000	920,398	(779,602)
Expenditures:			
Current:			
Transportation & Street Repair	1,000,000	861,001	138,999
Total Expenditures	1,000,000	861,001	138,999
Net Change in Fund Balance	700,000	59,397	(640,603)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	500,000	500,000	0
Fund Balance End of Year	\$1,200,000	\$559,397	(\$640,603)

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, 2023

	Debt Retirement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Property and Other Local Taxes	\$133,492	\$114,063	(\$19,429)
Intergovernmental	21,804	18,631	(3,173)
Total Revenues	<u>155,296</u>	<u>132,694</u>	<u>(22,602)</u>
Expenditures:			
Debt Service:			
Principal Retirement	75,148	75,000	148
Interest and Fiscal Charges	8,557	8,540	17
Total Expenditures	<u>83,705</u>	<u>83,540</u>	<u>165</u>
Net Change in Fund Balance	71,591	49,154	(22,437)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>70,033</u>	<u>70,033</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$141,624</u></u>	<u><u>\$119,187</u></u>	<u><u>(\$22,437)</u></u>

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NONMAJOR CAPITAL PROJECT FUNDS

Fund Descriptions

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

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

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, 2023

	Park Acquisition and Development	Industrial Park	Salem Mall Tax Increment	Fire Capital Levy
Assets:				
Equity in Pooled Cash and Investments	\$6,916	\$835,070	\$91,616	\$154,071
Receivables (Net):				
Taxes	0	309,236	255,544	585,466
Intergovernmental	0	0	0	32,406
Total Assets	6,916	1,144,306	347,160	771,943
Liabilities:				
Contracts Payable	0	0	0	4,462
Total Liabilities	0	0	0	4,462
Deferred Inflows of Resources:				
Property Taxes	0	0	0	568,355
Grants and Other Taxes	0	0	0	32,406
Pension	0	309,236	255,544	0
Total Deferred Inflows of Resources	0	309,236	255,544	600,761
Fund Balances:				
Restricted	6,916	835,070	91,616	166,720
Committed	0	0	0	0
Total Fund Balances	6,916	835,070	91,616	166,720
Total Liabilities, Deferred Inflows and Fund Balances	\$6,916	\$1,144,306	\$347,160	\$771,943

General Capital Improvement	Total Nonmajor Capital Projects Funds
\$1,145,454	\$2,233,127
0	1,150,246
<u>0</u>	<u>32,406</u>
<u>1,145,454</u>	<u>3,415,779</u>
<u>78,733</u>	<u>83,195</u>
<u>78,733</u>	<u>83,195</u>
0	568,355
0	32,406
<u>0</u>	<u>564,780</u>
<u>0</u>	<u>1,165,541</u>
181,100	1,281,422
<u>885,621</u>	<u>885,621</u>
<u>1,066,721</u>	<u>2,167,043</u>
<u><u>\$1,145,454</u></u>	<u><u>\$3,415,779</u></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, 2023

	Park Acquisition and Development	Industrial Park	Salem Mall Tax Increment	Fire Capital Levy
Revenues:				
Property and Other Taxes	\$0	\$0	\$0	\$404,941
Charges for Services	800	0	0	0
Intergovernmental	0	0	42	64,912
Revenue in Lieu of Taxes	0	324,040	240,663	0
Total Revenues	800	324,040	240,705	469,853
Expenditures:				
Current:				
Public Safety	0	0	0	0
Capital Outlay	0	0	0	170,000
Debt Service:				
Principal	0	170,810	372,790	205,000
Interest and Other Charges	0	30,669	111,334	71,471
Total Expenditures	0	201,479	484,124	446,471
Excess of Revenues Over (Under) Expenditures	800	122,561	(243,419)	23,382
Other Financing Sources (Uses):				
Proceeds of Subscription Based Information Technology Arrangements	0	0	0	0
Transfers In	0	0	300,000	0
Total Other Financing Sources (Uses)	0	0	300,000	0
Net Change in Fund Balance	800	122,561	56,581	23,382
Fund Balance - Beginning of Year, Restated	6,116	712,509	35,035	143,338
Fund Balance - End of Year	\$6,916	\$835,070	\$91,616	\$166,720

General Capital Improvement	Total Nonmajor Capital Projects Funds
\$0	\$404,941
0	800
0	64,954
0	564,703
0	1,035,398
156,854	156,854
1,243,327	1,413,327
61,660	810,260
0	213,474
1,461,841	2,593,915
(1,461,841)	(1,558,517)
176,862	176,862
700,000	1,000,000
876,862	1,176,862
(584,979)	(381,655)
1,651,700	2,548,698
<u>\$1,066,721</u>	<u>\$2,167,043</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, 2023

	Park Acquisition and Development Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Charges for Services	\$0	\$800	\$800
Total Revenues	0	800	800
Expenditures:			
Current:			
Leisure Time Activities	0	0	0
Total Expenditures	0	0	0
Net Change in Fund Balance	0	800	800
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	6,116	6,116	0
Fund Balance End of Year	\$6,116	\$6,916	\$800

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, 2023

	Industrial Park Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Revenue in Lieu of Taxes	\$326,118	\$324,040	(\$2,078)
Total Revenues	326,118	324,040	(2,078)
Expenditures:			
Debt Service:			
Principal Retirement	181,001	170,810	10,191
Interest and Fiscal Charges	32,499	30,669	1,830
Total Expenditures	213,500	201,479	12,021
Net Change in Fund Balance	112,618	122,561	9,943
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	712,508	712,508	0
Fund Balance End of Year	\$825,126	\$835,069	\$9,943

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, 2023

	Salem Mall Tax Increment Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$39	\$42	\$3
Revenue in Lieu of Taxes	221,889	240,663	18,774
Total Revenues	221,928	240,705	18,777
Expenditures:			
Debt Service:			
Principal Retirement	373,175	372,790	385
Interest and Fiscal Charges	111,449	111,334	115
Total Expenditures	484,624	484,124	500
Excess of Revenues Over (Under) Expenditures	(262,696)	(243,419)	19,277
Other Financing Sources (Uses):			
Transfers In	276,597	300,000	23,403
Total Other Financing Sources (Uses)	276,597	300,000	23,403
Net Change in Fund Balance	13,901	56,581	42,680
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	35,035	35,035	0
Fund Balance End of Year	\$48,936	\$91,616	\$42,680

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, 2023

	Fire Capital Levy Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Property and Other Local Taxes	\$477,820	\$409,107	(\$68,713)
Intergovernmental	75,814	64,912	(10,902)
Total Revenues	553,634	474,019	(79,615)
Expenditures:			
Capital Outlay	183,684	165,539	18,145
Debt Service:			
Principal Retirement	227,471	205,000	22,471
Interest and Fiscal Charges	79,305	71,471	7,834
Total Expenditures	490,460	442,010	48,450
Net Change in Fund Balance	63,174	32,009	(31,165)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	122,058	122,058	0
Fund Balance End of Year	\$185,232	\$154,067	(\$31,165)

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, 2023

	General Capital Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Other Revenues	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Public Safety	244,749	190,529	54,220
Capital Outlay	1,384,337	1,077,663	306,674
Total Expenditures	1,629,086	1,268,192	360,894
Excess of Revenues Over (Under) Expenditures	(1,629,086)	(1,268,192)	360,894
Other Financing Sources (Uses):			
Transfers In	700,000	700,000	0
Total Other Financing Sources (Uses)	700,000	700,000	0
Net Change in Fund Balance	(929,086)	(568,192)	360,894
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,651,701	1,651,701	0
Fund Balance End of Year	<u>\$722,615</u>	<u>\$1,083,509</u>	<u>\$360,894</u>

Statistical Section

STATISTICAL SECTION

This part of the City's annual comprehensive 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 annual comprehensive financial reports for the relevant year.

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

	2014 (1)	2015 (1)	2016	2017 (2)	2018
Governmental Activities					
Net Investment in Capital Assets	\$38,381,366	\$38,174,194	\$38,079,036	\$37,330,226	\$37,190,573
Restricted	4,580,526	4,790,869	5,935,624	6,851,431	6,544,788
Unrestricted	(7,440,881)	(7,070,564)	(7,373,570)	(18,088,347)	(18,014,345)
Total governmental activities net position	\$35,521,011	\$35,894,499	\$36,641,090	\$26,093,310	\$25,721,016
Business-type activities					
Net Investment in Capital Assets	\$16,335,168	\$16,064,172	\$15,637,455	\$15,557,100	\$16,502,131
Restricted	0	0	0	0	0
Unrestricted	4,999,800	5,343,112	6,970,667	7,282,802	7,034,561
Total business-type activities net position	\$21,334,968	\$21,407,284	\$22,608,122	\$22,839,902	\$23,536,692
Total Primary Government					
Net Investment in Capital Assets	\$54,716,534	\$54,238,366	\$53,716,491	\$52,887,326	\$53,692,704
Restricted	4,580,526	4,790,869	5,935,624	6,851,431	6,544,788
Unrestricted	(2,441,081)	(1,727,452)	(402,903)	(10,805,545)	(10,979,784)
Total primary government net position	\$56,855,979	\$57,301,783	\$59,249,212	\$48,933,212	\$49,257,708

(1) - Amounts reflect a prior period adjustment

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

Source: City Records

2019	2020	2021	2022	2023
\$36,751,234	\$36,184,498	\$32,331,013	\$31,772,869	\$32,858,537
9,260,366	8,491,040	8,044,399	8,419,093	7,604,578
(11,258,006)	(11,321,731)	(9,795,870)	(7,309,191)	(7,949,895)
\$34,753,594	\$33,353,807	\$30,579,542	\$32,882,771	\$32,513,220
\$17,275,718	\$17,113,154	\$16,878,029	\$17,025,527	\$17,529,232
0	0	0	108,541	0
7,697,543	8,279,187	9,603,616	9,589,690	9,628,603
\$24,973,261	\$25,392,341	\$26,481,645	\$26,723,758	\$27,157,835
\$54,026,952	\$53,297,652	\$49,209,042	\$48,798,396	\$50,387,769
9,260,366	8,491,040	8,044,399	8,527,634	7,604,578
(3,560,463)	(3,042,544)	(192,254)	2,280,499	1,678,708
\$59,726,855	\$58,746,148	\$57,061,187	\$59,606,529	\$59,671,055

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

	2014	2015	2016	2017
Expenses				
Governmental Activities:				
General Government	\$3,444,386	\$2,556,659	\$2,687,146	\$3,037,812
Public Safety	9,526,215	8,631,605	9,184,331	8,354,240
Community Development	699,877	732,670	501,769	420,596
Leisure Time Activities	401,685	274,096	246,292	264,257
Transportation and Street Repair	2,439,518	2,303,614	1,753,586	2,489,403
Interest and Other Charges	597,691	582,626	672,288	557,644
Total Governmental Activities Expenses	17,109,372	15,081,270	15,045,412	15,123,952
Business-Type Activities:				
Water	1,380,311	1,553,195	1,090,098	1,392,235
Sewer	1,016,239	1,157,858	792,109	1,094,038
Refuse	1,417,130	1,365,870	1,308,254	1,328,085
Stormwater	801,034	930,608	1,016,447	1,095,882
Other Enterprise Funds	0	0	0	67,358
Total Business-Type Activities Expenses	4,614,714	5,007,531	4,206,908	4,977,598
Total Primary Government Expenses	\$21,724,086	\$20,088,801	\$19,252,320	\$20,101,550
Program Revenues				
Governmental Activities:				
Charges for Services:				
General Government	\$509,235	\$464,920	\$490,693	\$561,505
Public Safety	1,822,791	1,388,996	1,172,137	1,130,222
Community Development	145,151	122,850	226,772	252,803
Leisure Time Activities	29,480	29,890	34,853	41,440
Transportation and Street Repair	502	359	613	5,648
Operating Grants and Contributions	2,337,780	1,836,233	1,600,558	1,490,009
Capital Grants and Contributions	11,225	59,572	181,130	0
Total Governmental Activities Program Revenues	4,856,164	3,902,820	3,706,756	3,481,627
Business-Type Activities:				
Charges for Services:				
Water	1,544,234	1,616,886	1,821,748	1,751,408
Sewer	1,146,375	1,229,674	1,337,573	1,286,679
Refuse	1,407,946	1,366,618	1,427,739	1,430,724
Stormwater	746,107	711,307	802,561	737,866
Other Enterprise Funds	0	0	0	0
Capital Grants and Contributions	0	0	0	315,000
Total Business-Type Activities Program Revenues	4,844,662	4,924,485	5,389,621	5,521,677
Total Primary Government Program Revenues	\$9,700,826	\$8,827,305	\$9,096,377	\$9,003,304

2018	2019	2020	2021	2022	2023
\$2,941,800	\$2,207,401	\$3,073,262	\$3,141,812	\$3,652,907	\$3,824,452
9,378,058	4,103,554	9,060,821	8,389,646	9,548,713	12,461,118
562,504	467,342	522,539	5,181,836	726,540	819,688
243,946	160,314	170,441	284,153	356,672	263,506
3,215,462	2,491,418	3,534,729	2,825,483	3,041,710	4,049,431
552,811	535,094	501,548	154,464	321,070	286,685
16,894,581	9,965,123	16,863,340	19,977,394	17,647,612	21,704,880
1,687,151	1,453,876	1,634,754	1,313,647	1,641,800	1,403,493
1,292,548	1,051,512	1,185,717	1,108,565	1,323,330	1,200,451
1,316,121	1,289,924	1,378,307	1,437,761	1,482,506	1,358,701
1,050,914	1,107,279	1,102,941	826,210	1,046,831	1,079,772
72,817	61,940	46,226	48,916	47,251	67,858
5,419,551	4,964,531	5,347,945	4,735,099	5,541,718	5,110,275
\$22,314,132	\$14,929,654	\$22,211,285	\$24,712,493	\$23,189,330	\$26,815,155
\$570,056	\$322,103	\$512,697	\$582,306	\$596,122	\$276,317
1,559,446	1,604,816	1,119,116	1,201,417	1,214,963	1,324,204
117,416	183,486	171,563	197,293	145,814	341,851
52,712	50,648	45,328	50,013	58,063	61,687
5,649	6,460	6,341	8,658	157	0
1,947,559	3,309,586	3,202,842	2,512,446	3,584,610	3,303,215
956,799	10,650	4,281	11,500	0	375,000
5,209,637	5,487,749	5,062,168	4,563,633	5,599,729	5,682,274
1,793,664	1,778,759	1,814,587	1,822,541	1,787,013	1,751,702
1,334,653	1,330,235	1,333,695	1,384,897	1,386,879	1,288,695
1,363,950	1,500,300	1,551,215	1,563,500	1,592,447	1,719,482
706,534	826,328	761,971	764,407	798,794	814,218
0	368	816	1,584	8,379	6,928
0	0	42,330	177,623	84,250	27,848
5,198,801	5,435,990	5,504,614	5,714,552	5,657,762	5,608,873
\$10,408,438	\$10,923,739	\$10,566,782	\$10,278,185	\$11,257,491	\$11,291,147

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

	2014	2015	2016	2017
Net (Expense)/Revenue				
Governmental Activities	(\$12,253,208)	(\$11,178,450)	(\$11,338,656)	(\$11,642,325)
Business-Type Activities	229,948	(83,046)	1,182,713	544,079
Total Primary Government Net Expenses	(\$12,023,260)	(\$11,261,496)	(\$10,155,943)	(\$11,098,246)
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Income Taxes	\$4,672,734	\$5,020,072	\$5,110,289	\$3,973,806
Property Taxes	6,261,231	4,818,175	5,049,513	4,744,562
Grants and Entitlements not Restricted	666,337	668,157	616,185	625,779
Revenue in Lieu of Taxes	730,615	752,528	764,068	533,835
Investment Earnings	3,636	4,836	8,930	47,304
Other Revenues	550,164	287,670	536,262	501,250
Transfers-Internal Activities	0	0	0	0
Total Governmental Activities	12,884,717	11,551,438	12,085,247	10,426,536
Business-type activities:				
Investment Earnings	0	0	0	0
Other Revenues	5,906	10,827	18,125	21,438
Transfers-Internal Activities	0	0	0	0
Total Business-Type Activities	5,906	10,827	18,125	21,438
Total Primary Government	\$12,890,623	\$11,562,265	\$12,103,372	\$10,447,974
Change in Net Position				
Governmental Activities	\$631,509	\$372,988	\$746,591	(\$1,215,789)
Business-Type Activities	235,854	(72,219)	1,200,838	565,517
Total Primary Government	\$867,363	\$300,769	\$1,947,429	(\$650,272)

Source: City Records

2018	2019	2020	2021	2022	2023
(\$11,684,944)	(\$4,477,374)	(\$11,801,172)	(\$15,413,761)	(\$12,047,883)	(\$16,022,606)
(220,750)	471,459	156,669	979,453	116,044	498,598
(\$11,905,694)	(\$4,005,915)	(\$11,644,503)	(\$14,434,308)	(\$11,931,839)	(\$15,524,008)
\$5,372,176	\$5,415,319	\$5,272,961	\$5,984,261	\$6,420,688	\$7,883,197
4,843,807	6,924,647	3,339,083	4,887,998	5,158,551	4,655,178
624,208	640,969	710,647	784,262	1,392,680	791,865
621,783	596,196	592,604	587,069	542,319	632,305
262,228	334,833	106,034	12,683	358,475	1,110,409
483,558	501,583	421,284	471,149	565,231	493,813
(895,110)	(903,595)	(89,019)	(87,926)	(86,832)	86,288
11,312,650	13,509,952	10,353,594	12,639,496	14,351,112	15,653,055
0	0	0	0	699	604
22,430	61,515	173,392	21,925	38,538	21,163
895,110	903,595	89,019	87,926	86,832	(86,288)
917,540	965,110	262,411	109,851	126,069	(64,521)
\$12,230,190	\$14,475,062	\$10,616,005	\$12,749,347	\$14,477,181	\$15,588,534
(\$372,294)	\$9,032,578	(\$1,447,578)	(\$2,774,265)	\$2,303,229	(\$369,551)
696,790	1,436,569	419,080	1,089,304	242,113	434,077
\$324,496	\$10,469,147	(\$1,028,498)	(\$1,684,961)	\$2,545,342	\$64,526

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

	2014	2015 (1)	2016	2017
General Fund				
Nonspendable				\$87,440
Assigned	\$164,115	\$124,804	\$50,066	39,055
Unassigned	594,737	642,211	1,311,897	1,673,693
Total General Fund	758,852	767,015	1,361,963	1,800,188
All Other Governmental Funds				
Nonspendable	0	0	0	66,401
Restricted	2,829,704	2,933,688	3,757,422	4,926,107
Committed	0	0	0	0
Unassigned	(2,117,730)	(1,915,872)	0	0
Total all Other Governmental Funds	\$711,974	\$1,017,816	\$3,757,422	\$4,992,508

Source: City Records

(1) - Restated

2018	2019	2020	2021	2022	2023
\$61,180	\$52,877	\$53,020	\$51,274	\$61,474	\$60,899
73,603	46,894	136,321	77,956	212,799	68,203
2,326,989	3,254,307	3,125,011	3,315,774	4,024,793	4,301,199
2,461,772	3,354,078	3,314,352	3,445,004	4,299,066	4,430,301
51,521	43,632	43,749	38,839	49,430	52,977
4,627,092	6,191,378	6,247,778	5,739,082	5,635,441	4,671,013
0	319,027	825,402	495,952	916,700	885,621
0	0	0	0	0	0
\$4,678,613	\$6,554,037	\$7,116,929	\$6,273,873	\$6,601,571	\$5,609,611

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

	2014	2015	2016	2017	2018
Revenues					
Taxes	\$11,132,384	\$9,727,407	\$9,866,481	\$9,968,919	\$10,148,648
Charges for Services	1,568,134	1,563,548	1,491,086	1,504,934	1,431,904
Investment Earnings	3,636	4,836	8,930	47,304	262,228
Intergovernmental	3,037,163	2,515,346	2,208,380	2,236,895	3,485,673
Special Assessments	98,072	47,241	93,048	139,768	64,766
Fines, Licenses & Permits	840,957	396,226	340,934	354,384	819,928
Revenue in Lieu of Taxes	730,615	752,528	764,068	533,836	621,783
Other Revenues	550,161	287,671	536,261	501,249	483,559
Total Revenues	\$17,961,122	\$15,294,803	\$15,309,188	\$15,287,289	\$17,318,489
Expenditures					
Current:					
General Government	\$3,082,600	\$2,473,711	\$2,324,004	\$2,642,651	\$2,668,565
Public Safety	9,204,008	8,261,875	7,899,774	7,549,155	8,523,819
Community Development	735,593	731,551	477,102	395,010	542,544
Leisure Time Activities	366,683	248,634	201,743	199,411	203,140
Transportation and Street Repair	1,882,417	1,587,466	1,444,097	1,408,609	2,726,864
Capital Outlay	73,921	323,675	23,009	389,416	968,289
Debt Service					
Principal	1,126,425	749,413	799,987	866,747	800,614
Interest	636,179	604,473	629,716	566,226	568,312
Bond Issuance Costs	0	0	47,327	0	0
Total Expenditures	\$17,107,826	\$14,980,798	\$13,846,759	\$14,017,225	\$17,002,147
Excess of revenues over (under) expenditures	\$853,296	\$314,005	\$1,462,429	\$1,270,064	\$316,342
Other Financing Sources (Uses)					
Proceeds From Sale of Capital Assets	\$525	\$0	\$9,159	\$43,247	\$91,833
Proceeds of Subscription Based Information Technology Arrangements	0	0	0	0	0
Issuance of Long-Term Capital-Related Debt	0	0	1,815,000	360,000	0
Sale of Refunding Bonds	0	0	3,370,000	0	0
Payments to Refunded Bond Escrow Agent	0	0	(3,322,034)	0	0
Inception of Capital Lease	42,766	0	0	0	15,514
Transfers In	0	65,000	230,000	390,000	422,000
Transfers (Out)	0	(65,000)	(230,000)	(390,000)	(498,000)
Total Other Financing Sources (Uses)	43,291	0	1,872,125	403,247	31,347
Net Change in Fund Balances	\$896,587	\$314,005	\$3,334,554	\$1,673,311	\$347,689
Debt service as a percentage of noncapital expenditures (1)	10.6%	9.3%	10.7%	10.4%	8.5%

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"

2019	2020	2021	2022	2023
\$12,373,347	\$8,475,726	\$10,765,844	\$11,352,537	\$12,619,615
1,342,237	1,410,803	1,575,428	1,543,252	1,341,401
334,833	106,035	12,683	358,475	1,110,409
3,196,927	4,707,345	3,211,935	4,796,200	3,984,143
123,240	79,850	114,565	69,278	120,414
689,137	343,931	324,388	383,491	381,452
524,107	592,604	587,068	542,319	632,305
501,584	421,283	471,150	565,230	491,468
<u>\$19,085,412</u>	<u>\$16,137,577</u>	<u>\$17,063,061</u>	<u>\$19,610,782</u>	<u>\$20,681,207</u>
\$2,772,546	\$2,875,002	\$3,174,520	\$3,739,489	\$3,454,741
8,414,337	8,091,201	9,197,582	10,327,498	11,163,548
588,026	504,580	789,701	736,977	795,725
180,700	128,109	261,918	329,087	224,151
1,941,445	2,641,599	1,926,127	2,291,664	3,041,712
1,079,641	251,040	1,740,385	269,367	1,460,080
906,982	871,736	1,157,474	1,081,357	1,410,208
537,221	514,747	331,923	314,732	283,995
0	0	89,982	0	0
<u>\$16,420,898</u>	<u>\$15,878,014</u>	<u>\$18,669,612</u>	<u>\$19,090,171</u>	<u>\$21,834,160</u>
\$2,664,514	\$259,563	(\$1,606,551)	\$520,611	(\$1,152,953)
\$17,376	\$304,831	\$10,239	\$12,981	\$29,078
0	0	0	0	176,862
0	0	0	735,000	0
0	0	5,857,000	0	0
0	0	(5,767,018)	0	0
170,830	0	881,852	0	0
564,000	1,523,000	100,000	666,455	1,172,026
(648,990)	(1,612,019)	(187,926)	(753,287)	(1,085,738)
103,216	215,812	894,147	661,149	292,228
<u>\$2,767,730</u>	<u>\$475,375</u>	<u>(\$712,404)</u>	<u>\$1,181,760</u>	<u>(\$860,725)</u>
9.0%	8.9%	8.8%	7.6%	8.3%

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

Calendar Year (1)	Tangible Personal Property and Utilities Personal		Total Assessed Value	Total Estimated Actual Value	Total Direct Rate
	Real Property Assessed Value	Assessed Value			
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
2021	243,043,380	17,361,380	260,404,760	738,996,838	22.80
2022	246,740,690	18,537,550	265,278,240	752,581,199	22.80
2023	246,764,180	19,863,660	266,627,840	756,054,005	22.80

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
2014	\$3,698,172	\$407,314	11.01%	\$172,841	\$580,155	15.69%	\$3,195,736	86.41%
2015	876,892	302,047	34.45%	165,930	467,977	53.37%	3,568,558	406.96%
2016	1,093,871	380,678	34.80%	159,353	540,031	49.37%	4,170,891	381.30%
2017	965,223	379,936	39.36%	189,119	569,055	58.96%	4,193,023	434.41%
2018	471,650	310,082	65.74%	144,776	454,858	96.44%	3,869,345	820.38%
2019	1,106,789	472,625	42.70%	185,237	657,862	59.44%	4,355,899	393.56%
2020	1,346,254	466,522	34.65%	164,601	631,123	46.88%	5,096,839	378.59%
2021	1,041,496	543,185	52.15%	265,079	808,264	77.61%	N/A	N/A
2022	1,843,856	680,302	36.90%	218,047	898,349	48.72%	4,768,498	258.62%
2023	2,029,204	787,773	38.82%	213,590	1,001,363	49.35%	5,473,847	269.75%

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.

N/A - Information not available

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

Direct Rates						
Calendar Year	General Fund	Inside Bond	Fire Fund	Street Fund	Ambulance and EMS	Total Direct Rate
2014	6.85	0.50	12.45	2.00	2.00	23.80
2015	6.85	0.50	12.45	2.00	2.00	23.80
2016	6.85	0.50	12.45	2.00	2.00	23.80
2017	6.85	0.50	12.45	2.00	2.00	23.80
2018	6.85	0.50	12.45	2.00	2.00	23.80
2019	6.85	0.50	12.45	2.00	2.00	23.80
2020	6.85	0.50	12.45	2.00	2.00	23.80
2021	6.85	0.50	12.45	1.00	2.00	22.80
2022	6.85	0.50	12.45	1.00	2.00	22.80
2023	6.85	0.50	12.45	1.00	2.00	22.80

Source: County Auditor

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

Overlapping Rates			
Trotwood- Madison City School District	Miami Valley Career Technology Center	Dayton- Montgomery County Library	Montgomery County
61.06	2.58	3.31	20.94
61.56	2.58	3.31	21.94
62.06	2.58	3.31	22.94
62.06	2.58	3.31	22.94
62.06	4.01	3.31	22.94
62.06	4.01	3.15	23.14
62.06	4.01	3.15	23.14
62.06	3.96	3.15	23.14
62.06	3.93	3.04	23.14
62.06	3.93	3.04	23.14

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

Taxpayer	2023	
	Assessed Value	Percentage of Total Assessed Value
Dayton Power & Light Company	\$15,592,580	5.85%
Vectren Energy Delivery of Ohio	7,391,410	2.77%
Gated Properties VII LLC	2,460,510	0.92%
Maria Joseph Properties LLC	2,071,630	0.78%
Shiloh Springs, LP	2,032,110	0.76%
CK HP Salem Woods Holdings LLC	1,669,340	0.63%
Belle Meadow Associates LLC	1,459,400	0.55%
Cardinal One	1,383,960	0.52%
Octagon Holdings LLC	1,341,470	0.50%
Octagon Holdings LLC	1,210,150	0.45%
All Others	230,015,280	86.27%
Total Assessed Valuation	\$266,627,840	100.00%

Taxpayer	2014	
	Assessed Value	Percentage of Total Assessed Value
Dayton Healthcare	\$3,620,840	1.36%
Shilo Apartments Limited	2,118,730	0.80%
Maria Joseph Properties, LLC	1,950,730	0.73%
Woodland Hills Associates	1,944,010	0.73%
Westbrooke Village	1,760,820	0.66%
Shiloh Springs, LP	1,507,330	0.57%
Lowe's Home Centers, Inc.	1,445,050	0.54%
Belle Meadows Associates LLC	1,359,750	0.51%
CK-HP Salem Woods LLC ET AL 3	1,127,100	0.42%
Salem Consumer Square OH LLC	1,058,600	0.40%
All Others	248,256,930	93.28%
Total Assessed Valuation	\$266,149,890	100.01%

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
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%
2021	5,379,024	4,891,920	90.94%	395,445	5,287,365	98.30%
2022	5,446,031	4,944,147	90.78%	369,329	5,313,476	97.57%
2023	5,482,717	5,023,992	91.63%	458,725	5,482,717	100.00%

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
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
2021	2.25%	4,307,848	1,416,556	5,724,404	53,839	5,670,565
2022	2.25%	4,681,315	1,644,787	6,326,102	94,672	6,231,430
2023	2.75%	6,366,413	1,681,566	8,047,979	72,455	7,975,524

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	Notes Payable	SBITA Liability	General Obligation Bonds	OPWC Loans	Notes Payable			
2014	\$14,182,638	\$113,802	\$0	\$536,446	\$878,173	\$0	\$15,711,059	0.07%	\$385
2015	13,503,133	26,128	0	497,030	844,264	0	14,870,555	0.07%	352
2016	14,778,783	17,728	0	695,217	810,355	0	16,302,083	0.07%	379
2017	14,263,011	8,987	0	1,047,533	770,446	0	16,089,977	0.07%	371
2018	13,453,618	91,833	0	951,133	730,537	183,666	15,410,787	0.06%	329
2019	12,616,940	174,593	0	849,633	690,628	122,444	14,454,238	0.06%	298
2020	11,813,480	88,551	0	742,483	660,674	61,252	13,366,440	0.05%	259
2021	10,769,354	713,455	0	653,236	607,812	0	12,743,857	0.04%	232
2022	10,594,768	541,684	0	446,634	560,904	0	12,143,990	0.04%	220
2023	9,422,313	365,591	115,202	331,234	513,995	0	10,748,335	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
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
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
2021	11,422,590	99,888	11,322,702	1.53%	491
2022	11,041,402	871,984	10,169,418	1.35%	441
2023	9,753,547	194,856	9,558,691	1.26%	414

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 Position

City of Trotwood, Ohio
Direct and Overlapping Governmental Activities Debt
As of December 31, 2023
Schedule 14

Governmental Unit	Net Debt Outstanding	Estimated Percentage Applicable (1)	Amount Applicable to City of Trotwood
Dayton City School District	\$80,210,000	2.79%	\$2,237,859
Northmont City School District	46,317,772	0.38%	176,008
Trotwood-Madison City School District	15,680,000	93.29%	14,627,872
Brookville Local School District	7,150,000	0.55%	39,325
Miami Valley Career Center Joint Vocational School District	116,770,000	2.85%	3,327,945
Dayton Metro Library District Miscellaneous	118,369,986	3.21%	3,799,677
Subtotal Overlapping Debt	384,497,758		24,208,686
City of Trotwood - Direct Debt	9,903,106	100.00%	9,903,106
Total Direct and Overlapping Debt	\$394,400,864		\$34,111,792

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.

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

Legal Debt Margin Calculation for the Current Calendar Year:

Assessed Value	\$266,627,840	\$266,627,840
Statutory Legal Debt Limitation (1)	10.5%	5.5%
Total Debt Limitation	27,995,923	14,664,531
Debt Applicable to Limit:		
Gross Indebtedness	9,903,106	9,903,106
Less: Restricted for Debt Service (2)	194,856	194,856
Total Net Debt Applicable to Limit	9,708,250	9,708,250
Legal Debt Margin	\$18,287,673	\$4,956,281

	2014	2015	2016	2017
Total Debt Limit (1)				
Debt Limit (10.5%)	\$27,945,738	\$25,226,865	\$25,122,644	\$25,087,197
Total Net Debt Applicable to Limit	13,083,378	12,494,976	13,524,887	14,263,491
Legal Debt Margin	\$14,862,360	\$12,731,889	\$11,597,757	\$10,823,706

Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	46.8%	46.8%	53.8%	56.9%
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	2014	2015	2016	2017
Total Unvoted Debt Limit (1)				
Debt Limit (5.5%)	\$14,638,244	\$13,214,072	\$13,159,480	\$13,140,913
Total Net Debt Applicable to Limit	13,083,378	12,494,976	13,524,887	14,263,491
Legal Debt Margin	\$1,554,866	\$719,096	(\$365,407)	(\$1,122,578)

Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	89.4%	94.6%	102.8%	108.5%
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Source: City Records

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

(2) - Amount from Statement of Net Position

2018	2019	2020	2021	2022	2023
\$25,192,885	\$25,322,390	\$24,756,078	\$27,854,215	\$27,854,215	\$27,995,923
13,505,345	12,706,629	11,845,463	11,382,921	10,264,468	9,708,250
\$11,687,540	\$12,615,761	\$12,910,615	\$16,471,294	\$17,589,747	\$18,287,673
53.6%	50.2%	47.8%	40.9%	36.9%	34.7%
Calendar Year					
2018	2019	2020	2021	2022	2023
\$13,196,273	\$13,264,109	\$12,967,469	\$11,482,809	\$11,136,452	\$14,664,531
13,505,345	12,706,629	11,845,463	11,382,921	10,264,468	9,708,250
(\$309,072)	\$557,480	\$1,122,006	\$99,888	\$871,984	\$4,956,281
102.3%	95.8%	91.3%	99.1%	92.2%	66.2%

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)
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	27,440,499	51,618	4.70%
2021	23,070	29,375,778	54,822	5.60%
2022	23,070	29,424,781	55,114	4.10%
2023	23,070	N/A	N/A	3.80%

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

2023	
Major Employers (3)	Type (4)
AES Corp./Dayton Power & Light Co.	Utility
Behr Dayton Thermal Products, LLC	Mfg
Caresource	Govt
Dayton Children's Hospital	Serv
DMAX Ltd.	Mfg
Fuyao Glass America	Fin
Green Tokai CO	Mfg
Kettering Health Network	Serv
Premier Health Partners, Inc.	Serv
Reed Elsevier LexisNexis	Serv
Reynolds & Reynolds Co., Inc.	Mfg
University of Dayton	Serv
U.S. Federal Government	Govt

2015	
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
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
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

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

Function/Program	2014	2015	2016	2017
General Government				
City Administration	3.5	2.5	2.0	2.0
City Council	1.0	1.0	1.5	1.0
Public Works Administration	2.0	1.0	1.0	1.0
Buildings and Grounds	0.0	0.0	0.0	0.0
Finance	9.5	10.0	9.5	9.0
Fleet Maintenance	3.0	3.0	2.0	2.0
Public Safety				
Police				
Officers	34.0	29.2	29.0	31.0
Non-Sworn	4.0	4.0	3.0	4.0
Fire	41.0	40.7	40.8	40.5
Leisure Time Activities				
Cemeteries	0.8	1.0	2.0	2.0
Parks and recreation	0.5	0.5	1.5	2.5
Recreation Programming	0.0	0.0	0.0	0.0
Community Development				
Planning and Zoning	1.5	0.8	1.5	1.5
Building Inspection/Code Enforcement	1.5	1.8	1.0	1.0
Economic Development	0.0	0.0	0.0	0.0
Basic Utility Service				
Water	1.2	2.2	1.5	1.5
Sanitary Sewers	1.2	2.2	1.5	1.5
Refuse Collection	0.8	1.0	0.0	0.0
Transportation and Street Repair	6.5	6.7	5.5	7.0
Total	112.0	107.6	103.3	107.5

Source: Various City Departments

2018	2019	2020	2021	2022	2023
3.0	2.5	3.5	3.5	4.5	4.7
0.0	1.5	1.0	1.2	1.2	1.0
1.0	1.0	1.0	1.0	1.0	1.0
0.0	0.0	0.0	1.0	1.0	1.0
9.0	9.0	10.0	10.0	10.0	11.0
3.0	3.0	3.0	3.0	3.0	3.0
31.0	31.5	32.5	33.5	35.5	31.5
4.0	4.0	4.5	4.5	4.0	4.5
43.5	42.5	39.0	35.0	41.9	43.5
2.0	1.5	0.75	1.00	2.00	2.00
1.5	1.0	0.75	1.00	2.00	2.00
0.0	0.0	0.00	0.00	1.00	1.00
1.5	2.0	2.0	1.0	1.0	2.0
1.5	0.0	0.0	0.0	1.5	2.5
0.0	0.0	0.0	0.5	0.0	0.0
1.5	1.5	2.5	2.5	2.0	2.0
1.5	1.5	2.5	2.5	2.0	2.0
0.0	0.0	0.0	0.0	0.0	0.0
8.0	8.0	7.5	8.0	7.0	7.0
112.0	110.5	110.5	109.2	120.6	121.7

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

Function/Program	2014	2015	2016	2017	2018
General Government					
Building permits issued	0	0	0	0	0
Zoning permits issued	62	41	110	181	103
Checks issued	1,784	1,786	2,255	2,269	2,008
Ordinances adopted	17	22	22	32	24
Resolutions adopted	89	80	91	133	51
Police					
Calls for service	31,726	30,939	30,944	31,261	35,431
Cases assigned	1,062	1,044	1,114	902	1,205
Suspects charged	198	127	169	158	160
Percent cases closed by arrest	19%	12%	15%	17.5%	13.8%
Traffic accidents	447	476	527	537	496
Traffic stops	3,418	2,833	2,746	4,206	2,622
Fire					
Calls for service	1,294	1,274	140	154	155
Average response time (minutes)	6.6	6.5	6.7	6.7	6.64
Average calls per day	3.5	3.5	0.4	0.42	0.42
Average call duration (minutes)	100.8	99.5	64.5	72.74	118.36
EMS					
Calls for service	5,026	5,120	5,090	5,531	5,040
Average response time (minutes)	6.0	6.3	6.8	6.32	6.78
Average calls per day	13.8	14.0	14.0	15.15	13.80
Average call duration (minutes)	96	92	62	70.69	47.08
Fire/EMS - all other					
Calls for service	0	0	1,343	1,178	1,284
Average response time (minutes)	0	0	6	5.92	6.48
Average calls per day	0	0	4	3.23	3.51
Average call duration (minutes)	0	0	29	26.81	16.56
Public Works					
Street resurfacing (square yards)	25,000	27,000	29,500	57,400	76,384
Potholes repaired	9,800	11,191	11,685	15,000	21,000
Street cleaning (lane miles)	350	205	150	1,100	1,200
Street striping (miles)	35	30	30	30	25
Parks and recreation					
Shelter rentals	53	63	63	62	78
Pavilion rentals	0	4	3	10	4
Water					
Water main breaks	32	11	18	16	29
Wastewater					
Sewer main cleaning (miles)	15	8	20	10	7

Source: Various City Departments

2019	2020	2021	2022	2023
0	0	0	0	0
134	152	194	347	337
2,230	1,935	1,861	1,917	2,703
30	52	45	35	40
100	105	65	77	82
33,165	32,163	39,313	45,637	44,440
947	941	1,125	1,528	1,522
181	306	298	400	291
19.1%	32.5%	26.5%	26.2%	20.0%
456	437	515	441	418
2,796	2,576	5,184	7,192	4,420
151	170	120	134	232
6.93	8.70	7.58	7.47	7.48
0.41	0.47	0.33	0.37	0.60
128.47	107.18	106.17	110.25	102.39
5,242	4,592	5,185	5,188	5,278
6.75	6.55	6.24	6.19	6.48
14.36	12.58	14.21	14.21	14.50
52.36	45.34	51.20	51.13	44.05
1,388	1,475	1,490	1,571	1,565
6.36	6.75	6.9	6.36	6.59
3.8	4.04	4.08	4.3	4.3
15.86	17.25	21.03	18.28	18.04
32,736	52,580	128,200	21,330	96,625
21,000	23,500	22,100	24,200	20,100
1,200	1,500	1,800	1,250	1,025
25	30	30	26	22
78	0	79	119	112
4	1	3	8	4
29	29	12	17	17
7	7	10	11	8

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

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

Source: Various City Departments

2018	2019	2020	2021	2022	2023
1	1	1	1	1	1
3	3	3	3	3	3
411	411	411	411	411	411
1,285	1,287	1,287	1,287	1,287	1,287
41	41	41	41	41	41
7	7	7	7	7	7
150	150	150	150	150	150
38	38	38	38	38	38
1,235	1,235	1,235	1,235	1,235	1,235
40	40	40	40	40	40
32	32	32	32	32	32

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OHIO AUDITOR OF STATE KEITH FABER



CITY OF TROTWOOD

MONTGOMERY COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 9/5/2024

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

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