

**CITY OF TROTWOOD, OHIO**

**Single Audit Reports**

**December 31, 2008**





Mary Taylor, CPA  
Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the City of Trotwood, Montgomery County, prepared by Plattenburg & Associates, Inc., for the audit period January 1, 2008 through December 31, 2008. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

October 30, 2009

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**CITY OF TROTWOOD, OHIO**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

<u>Federal Grantor/Pass - Through Grantor, Program Title</u>	<u>Pass Through Entity Number</u>	<u>CFDA</u>	<u>Receipts</u>	<u>Disbursements</u>
<u>United States Department of HUD</u>				
Passed Through Montgomery County				
Community Development Block Grant: West Third Street and Salem Avenue	N/A	14.218	\$272,460	\$276,759
Subtotal - Department of HUD			<u>272,460</u>	<u>276,759</u>
<u>United States Department of Justice- Office of Justice Program</u>				
Direct Funding				
Equitable Sharing Funds	N/A	16.XXX	61,195	109,438
Local Law Enforcement Block Grant	N/A	16.592	0	41,135
Bullet Proof Vest Grant	N/A	16.607	0	1,770
Subtotal - Department of Justice			<u>61,195</u>	<u>152,343</u>
<u>US Army Corps of Engineers</u>				
Direct Funding				
Surface Water Protection Project	N/A	66.474	0	0
Subtotal - US Army Corps of Engineers			<u>0</u>	<u>0</u>
<u>United States Department of Transportation</u>				
Passed Through Ohio Department of Public Safety:				
MOT Traffic Signals Salem	N/A	20.205	207,559	254,798
MOT Shiloh Springs/Salem Ave	N/A	20.205	284,844	132,358
Subtotal - Department of Transportation			<u>492,403</u>	<u>387,156</u>
<u>United States Department of Homeland Security</u>				
Passed Through Ohio Emergency Management Agency:				
FEMA Grant	N/A	97.036	0	165,228
Direct Funding				
Assistance to Firefighters Grant	N/A	97.044	233,423	242,831
Subtotal - Department of Homeland Security			<u>233,423</u>	<u>408,059</u>
<b>TOTALS</b>			<u><u>\$1,059,481</u></u>	<u><u>\$1,224,317</u></u>

NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES

NOTE A -- SIGNIFICANT ACCOUNTING POLICIES

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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Trotwood (the City), as of and for the year ended December 31, 2008, which collectively comprise the City's basic financial statements and have issued our report thereon dated August 28, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City's financial statements that is more than inconsequential will not be prevented or detected by the City's internal control.

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

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

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of finds as items 2008-1, 2008-2 and 2008-3.

We noted certain matters that we reported to management of the City in a separate letter dated August 28, 2009.

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

*Plattenburg & Associates, Inc.*

Plattenburg & Associates, Inc.  
August 28, 2009

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

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

Compliance

We have audited the compliance of the City of Trotwood (the City), with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2008. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2008. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements that is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 2008-1

Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance,



but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

A *control deficiency* in a City's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the City's internal control. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2008-4 to be a significant deficiency.

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

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

#### Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended December 31, 2008, and have issued our report thereon dated August 28, 2009. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

*Plattenburg & Associates, Inc.*

Plattenburg & Associates, Inc.  
August 28, 2009

**CITY OF TROTWOOD, OHIO  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended December 31, 2008**

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

<i>(d)(1)(i)</i>	<i>Type of Financial Statement Opinion</i>	Unqualified
<i>(d)(1)(ii)</i>	<i>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(ii)</i>	<i>Were there any other significant control deficiencies reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iii)</i>	<i>Was there any material reported non-compliance at the financial statement level (GAGAS)?</i>	Yes
<i>(d)(1)(iv)</i>	<i>Were there any material internal control weakness conditions reported for major federal programs?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any other significant control deficiencies reported for major federal programs?</i>	Yes
<i>(d)(1)(v)</i>	<i>Type of Major Programs' Compliance Opinion</i>	Unqualified
<i>(d)(1)(vi)</i>	<i>Are there any reportable findings under Section .510?</i>	Yes
<i>(d)(1)(vii)</i>	<i>Major Programs (list):</i>	CFDA #20.205 Department of Transportation CFDA #14.218 Community Development Block Grant
<i>(d)(1)(viii)</i>	<i>Dollar Threshold: Type A/B Programs</i>	Type A: > \$300,000 Type B: all others
<i>(d)(1)(ix)</i>	<i>Low Risk Auditee?</i>	No

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

### **Finding 2008-1 – Budgetary Compliance**

Ohio Revised Code Sec. 5705.41B states that no subdivision or taxing unit is to expend money unless it has been appropriated. At year end, the City had disbursements exceeding appropriations in the following funds: General Fund, Permissive Use Tax Fund, Local Law Enforcement Block Fund, and Rescue Levy Fund.

#### *Recommendation*

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

#### *Management Comments/Response*

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

### **Finding 2008-2 – Cash Management Compliance**

Ohio Revised Code 5705.10 prohibits negative budgetary basis actual ending fund balances. At year end the City had several funds with negative Non-GAAP budgetary basis ending cash fund balances: Fire Levy Fund, Grants Fund, Local Law Enforcement Block Fund, Rescue Levy Fund, Park Acquisition & Development Fund, Industrial Park Fund, West Third Street Improvement Fund, Sewer Fund and Refuse Fund.

#### *Recommendation*

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

#### *Management Comments/Response*

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

### **Finding 2008-3 – Appropriations in Excess of Estimated Resources**

Ohio Revised Code Section 5705.39 requires appropriations to be limited by estimated resources. Upon review of appropriations and estimated resources, it was noted that appropriations exceeded estimated resources at year end for the Industrial Park Fund.

#### *Recommendation*

We recommend that the City comply with the Ohio Revised Code by limiting appropriations by estimated resources.

*Management Comments/Response*

The City will limit appropriations by estimated resources.

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

**Finding 2008-4 – Community Development Block Grant CFDA# 14.218**

*Finding Type*

Significant Deficiency/Noncompliance – Allowability

*Criteria*

For a cost to be allowable, the City must document the cost (1) is for a purpose the specific award permits and (2) fall within allowable federal cost guidelines.

*Condition*

The City was unable to locate the vendor invoice to substantiate a program disbursement.

*Questioned Costs*

\$425

*Context*

One error was found out of thirty one disbursements tested.

*Cause and Effect*

A vendor invoice was misplaced resulting in the failure to document compliance with program requirements.

*Recommendation*

We recommend a re-emphasis of the importance of proper documentation with all individuals responsible for program transactions.

*Views of Responsible Officials and Planned Corrective Actions*

The City agrees with the auditor's recommendation and will communicate with all individuals responsible for program transactions emphasizing the importance of proper documentation to.

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

### **2007-01 - Budgetary**

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

*Status:* Not corrected – see Finding 2008-1

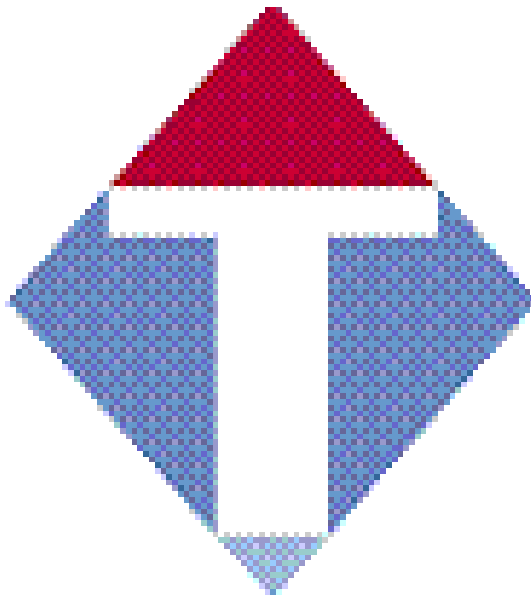
### **2007-02 – Cash Management**

Ohio Revised Code 5705.10 prohibits negative budgetary basis actual ending fund balances. The City had funds with negative budgetary cash fund balances at year end.

*Status:* Not corrected – see Finding 2008-2.



# **CITY OF TROTWOOD, OHIO**



**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2008**





**CITY OF TROTWOOD, OHIO**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED DECEMBER 31, 2008**

**PREPARED BY:**  
**DEPARTMENT OF FINANCE**

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# INTRODUCTORY SECTION

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# City of Trotwood

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[www.trotwood.org](http://www.trotwood.org)

**Trotwood City Council**  
Darreyl D. Davis,  
*Mayor*  
Joyce S. Sutton-Cameron,  
*District 1*  
Barbara J. Staggs,  
*At Large*  
Bettye L. Gales,  
*At Large*  
Rap Hankins,  
*District 2*  
Ron Vaughn,  
*District 3*  
Mary A. McDonald,  
*District 4*  
Lois M. Singleton,  
*Clerk of Council*  
Michael J. Lucking,  
*City Manager*

August 28, 2009

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

We are pleased to present the comprehensive annual financial report of the City of Trotwood, Ohio, for the year ended December 31, 2008. Responsibility for both the accuracy of the data and the completeness and fairness of presentation, including all disclosures, rests with City management. To the best of our knowledge and belief, the information presented is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

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

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 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 District'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 capitol, Columbus, and sixty miles north of Cincinnati. Interstate 70 and 75 intersect each other approximately five miles northeast of Trotwood.

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



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

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

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

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

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

## **ECONOMIC CONDITION AND OUTLOOK**

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

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

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

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

## **RELEVANT FINANCIAL POLICIES**

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

## **MAJOR INITIATIVES**

2008 will be remembered as a significant period in the City of Trotwood's industrial development history. In August of 2008, the James Group of Ohio began operations in a newly constructed 380,000 square foot logistics distribution facility. This \$32.5 million dollar state of the art facility serves as a worldwide distribution point of origination for General Motors parts, engines and subassemblies

It is anticipated that as a part of the General Motors restructuring that occurred during 2009, the James Group of Ohio facility will become significant participant in the General Motors supply chain distribution network. Current employment at the Trotwood, Ohio based James Group of Ohio facility currently stands at 190 employees and is expected to continue steady growth in future years.

In December 2008, the City of Trotwood entered into a professional services agreement with the Stonehenge Group of Ghanna, Ohio to assist in the development of a market based development plan for the former Salem Mall property. Specifically, the Stonehenge Group has been engaged to assist the City of Trotwood in developing a market driven plan for the redevelopment of a 60 acre site that will provide retail opportunities, recreational experiences and public sector services for the Northwest Corridor of Montgomery County, Ohio. This comprehensive planning process is expected to continue throughout 2009.

Of equal importance is the collaborative agreement between the City of Trotwood and the Edison Materials Technology Center of Ohio (EMTEC) that was initiated in late 2008. EMTEC is a non-profit, member based organization serving Ohio that develops business and technology strategies, sponsors, coordinates and manages collaborative technology projects and programs leading to commercialization or new business. As a result of the collaboration between the City of Trotwood and EMTEC, it is believed that a partnership will evolve that will position the City of Trotwood as a center for technological innovation and location in the 21<sup>st</sup> century.

## **INTERNAL ACCOUNTING AND BUDGETARY CONTROLS**

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

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

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

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

## **DEBT ADMINISTRATION**

At year-end, the City had seven debt obligations outstanding. These obligations included \$7,850,000 for two general obligation bond issues and \$10,185,000 for five one-year bond anticipation notes for a total of \$18,035,000. Of the total amount, \$12,015,000 was subject to direct debt limitations, and \$6,020,000 was exempt from direct debt limitations.

In addition the 10-year loan agreement that the City entered into with the Ohio Public Works Commission in 2001 to finance a sewer lift station renovation project has a \$16,748 principal balance as of December 31, 2008.

The liability of compensated absences experienced a net increase of \$149,928 at December 31, 2008.

## **CASH MANAGEMENT**

Temporarily idle cash during the year was invested in overnight repurchase agreements and the State Treasurer's investment pool (STAR Ohio). Total interest earned on the Statement of Activities by the City in 2008 amounted to \$85,100.

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

## **RISK MANAGEMENT**

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

## **OTHER INFORMATION**

***Independent Audit.*** The State of Ohio requires an annual audit by either the Auditor of State or by an independent accounting firm. The general purpose financial statements of the City of Trotwood, Ohio for the fiscal year ended December 31, 2008 have been audited by Plattenburg and Associates, Inc. Their unqualified opinion has been included in this report.

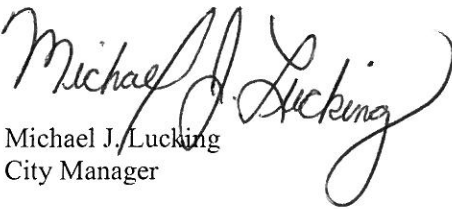
*Awards.* The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Trotwood for its comprehensive annual financial report for the fiscal year ended December 31, 2007. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.


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

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

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

Respectfully submitted,

  
Michael J. Lucking  
City Manager

  
Patricia A. Shively  
Acting Finance Director

**CITY OF TROTWOOD, OHIO**  
**List of Elected and Appointed Officials**  
**December 31, 2008**

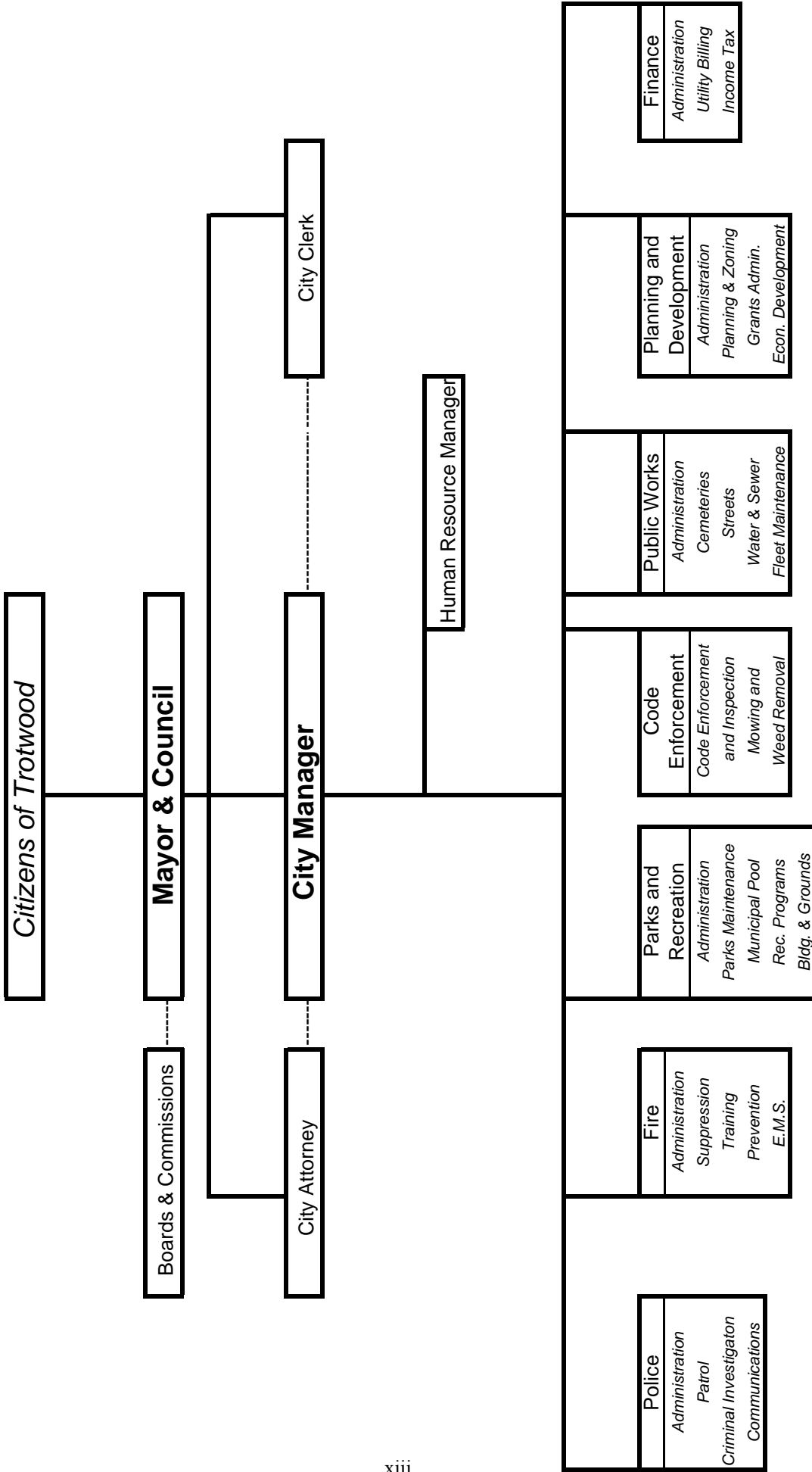
**ELECTED OFFICIALS**

Darreyl D. Davis	Mayor
Joyce Sutton-Cameron	Councilmember, District 1
Barbara J. Staggs	Councilmember At Large
Bettye Gales	Councilmember At Large
Rap Hankins	Councilmember, District 2
Charles R. Vaughn	Councilmember, District 3
Mary McDonald	Councilmember, District 4

**APPOINTED OFFICIALS**

Michael J. Lucking	City Manager
Lois M. Singleton	Clerk of Council
Jon W. Stoops	Finance Director
Eugene Lutz	Fire Chief
Barbara Brooks	Human Resource Manager
Stephen M. McHugh	Law Director
Rhonda Finley	Planning & Development Director
Quincy Pope	Police Chief
Thomas Odenigbo	Public Works Director

CITY OF TROTWOOD, OHIO  
 Organization Chart  
 December 31, 2008



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Trotwood  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2007

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



President

Executive Director

## FINANCIAL SECTION

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**INDEPENDENT AUDITOR'S REPORT**

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Trotwood (the City) as of and for the year ended December 31, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2008, and the respective changes in financial position, and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 28, 2009, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

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

*Plattenburg & Associates, Inc.*

Plattenburg & Associates, Inc.  
August 28, 2009

**City of Trotwood, Ohio**  
**Management's Discussion and Analysis**  
**For The Year Ended December 31, 2008**  
**(Unaudited)**

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The City of Trotwood's discussion and analysis of the annual financial reports provides a review of the financial performance for the fiscal year ending December 31, 2008. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the City's performance.

**Financial Highlights**

- The City's total net assets increased \$236,631. Net assets of governmental activities decreased \$613,474, net assets of business-type activities increased by \$850,105.
- The General Fund reported a decrease in fund balance of (\$1,118,819).
- Business-type operations reflected an operating income (loss) of \$209,366 .

**Overview of the Financial Statements**

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

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

**Government-wide Financial Statements**

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

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

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

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

### **Fund Financial Statements**

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

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

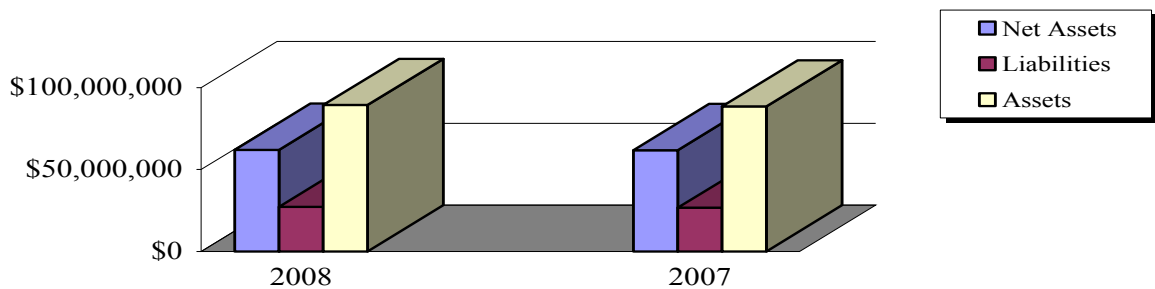
***Proprietary Funds*** - When the City charges citizens for the services it provides, with the intent of recapturing operating costs, these services are generally reported in proprietary funds. Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements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

## The City as a Whole

As stated previously, the Statement of Net Assets looks at the City as a whole. Table 1 provides a summary of the City's net assets for 2008 compared to 2007.

**Table 1**  
**Net Assets**

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
<b>Assets:</b>						
Current and Other Assets	11,385,893	12,144,412	2,952,115	2,538,800	\$14,338,008	\$14,683,212
Capital Assets	56,871,852	56,271,125	18,146,044	17,488,341	75,017,896	73,759,466
<b>Total Assets</b>	<b>68,257,745</b>	<b>68,415,537</b>	<b>21,098,159</b>	<b>20,027,141</b>	<b>89,355,904</b>	<b>88,442,678</b>
<b>Liabilities:</b>						
Long-Term Liabilities	9,116,071	9,475,133	71,907	61,036	9,187,978	9,536,169
Other Liabilities	16,593,933	15,779,189	1,519,946	1,309,904	18,113,879	17,089,093
<b>Total Liabilities</b>	<b>25,710,004</b>	<b>25,254,322</b>	<b>1,591,853</b>	<b>1,370,940</b>	<b>27,301,857</b>	<b>26,625,262</b>
<b>Net Assets:</b>						
Invested in Capital Assets, Net of Related Debt	38,614,884	38,871,297	18,004,296	17,316,334	56,619,180	56,187,631
Restricted	1,544,593	1,272,167	0	0	1,544,593	1,272,167
Unrestricted	2,388,264	3,017,751	1,502,010	1,339,867	3,890,274	4,357,618
<b>Total Net Assets</b>	<b>\$42,547,741</b>	<b>\$43,161,215</b>	<b>\$19,506,306</b>	<b>\$18,656,201</b>	<b>\$62,054,047</b>	<b>\$61,817,416</b>



Total net assets of the City as a whole increased \$236,631. Net assets of the City's governmental activities decreased \$613,474, while the net assets of the City's business-type activities increased \$850,105 from 2007. The City had an unrestricted net assets balance of \$3,890,274 that may be used to meet the government's ongoing obligations to citizens and creditors.

Current and Other Assets decreased mainly due to a decrease in Equity in Pooled Cash and Investments which was due to a decrease in the City's overall bank balance. Other Liabilities increased mainly due to an increase in Unearned Revenue which corresponds to an increase in Taxes Receivable.

Table 2 shows the changes in net assets for the year ended December 31, 2008 and revenue and expense comparisons to 2007.

**Table 2**  
**Changes in Net Assets**

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
<b>Program Revenues:</b>						
Charges for Services	\$1,964,273	\$1,855,362	\$4,819,099	\$4,481,478	\$6,783,372	\$6,336,840
Operating Grants and Contributions	3,323,285	2,143,830	0	0	3,323,285	2,143,830
Capital Grants and Contributions	2,279,206	550,503	0	0	2,279,206	550,503
<b>Total Program Revenues</b>	<b>7,566,764</b>	<b>4,549,695</b>	<b>4,819,099</b>	<b>4,481,478</b>	<b>12,385,863</b>	<b>9,031,173</b>
<b>General Revenues:</b>						
Income Taxes	5,058,111	5,088,924	0	0	5,058,111	5,088,924
Property Taxes	4,851,708	4,841,944	0	0	4,851,708	4,841,944
Grants and Entitlements	1,421,021	1,615,694	0	0	1,421,021	1,615,694
Investment Earnings	78,738	261,499	6,362	0	85,100	261,499
Other Revenues	656,330	499,102	32	7,148	656,362	506,250
<b>Total General Revenues</b>	<b>12,065,908</b>	<b>12,307,163</b>	<b>6,394</b>	<b>7,148</b>	<b>12,072,302</b>	<b>12,314,311</b>
<b>Total Revenues</b>	<b>19,632,672</b>	<b>16,856,858</b>	<b>4,825,493</b>	<b>4,488,626</b>	<b>24,458,165</b>	<b>21,345,484</b>
<b>Program Expenses:</b>						
General Government	3,503,943	2,861,598	0	0	3,503,943	2,861,598
Public Safety	10,146,961	9,158,585	0	0	10,146,961	9,158,585
Leisure Time Activities	452,003	514,178	0	0	452,003	514,178
Community Development	1,604,067	1,288,856	0	0	1,604,067	1,288,856
Transportation and Street Repair	3,077,816	2,335,807	0	0	3,077,816	2,335,807
Interest and Fiscal Charges	780,516	833,690	0	0	780,516	833,690
Water	0	0	1,417,933	1,659,355	1,417,933	1,659,355
Sewer	0	0	1,012,659	1,063,804	1,012,659	1,063,804
Refuse	0	0	1,448,058	1,280,068	1,448,058	1,280,068
Stormwater	0	0	777,578	612,570	777,578	612,570
<b>Total Program Expenses</b>	<b>19,565,306</b>	<b>16,992,714</b>	<b>4,656,228</b>	<b>4,615,797</b>	<b>24,221,534</b>	<b>21,608,511</b>
Increase (Decrease) in Net Assets before Transfers	67,366	(135,856)	169,265	(127,171)	236,631	(263,027)
Transfers - Internal Activities	(680,840)	0	680,840	0	0	0
<b>Change in Net Assets</b>	<b>(613,474)</b>	<b>(135,856)</b>	<b>850,105</b>	<b>(127,171)</b>	<b>236,631</b>	<b>(263,027)</b>
Net Assets Beginning of Year	43,161,215	43,297,071	18,656,201	18,783,372	61,817,416	62,080,443
<b>Net Assets End of Year</b>	<b>\$42,547,741</b>	<b>\$43,161,215</b>	<b>\$19,506,306</b>	<b>\$18,656,201</b>	<b>\$62,054,047</b>	<b>\$61,817,416</b>

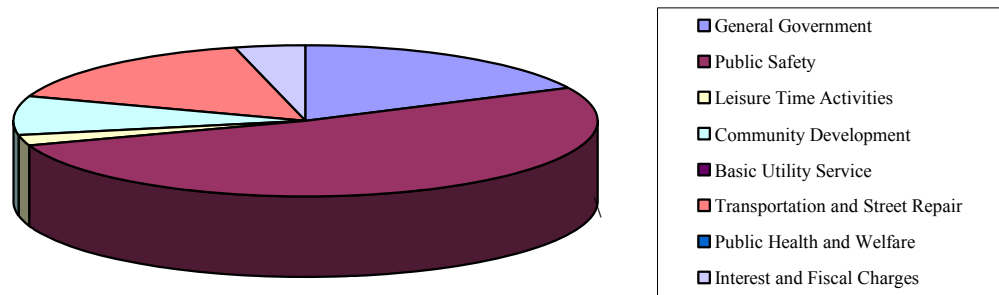
### ***Governmental Activities***

The City of Trotwood's income taxes and property taxes are the largest source of revenue. These revenues represent 87% of the City's governmental activities total general revenue.

Operating and Capital Grants revenue increased mainly due to an increase in grant monies to finance various street improvement projects throughout the City. Total expenses increased mainly due to increases in various repairs and maintenance expenses as well as increases in personnel costs and general inflationary costs.

Governmental Activities  
 Program Expenses for 2008

	Percentage
General Government	17.91%
Public Safety	51.86%
Leisure Time Activities	2.31%
Community Development	8.20%
Basic Utility Service	0.00%
Transportation and Street Repair	15.73%
Public Health and Welfare	0.00%
Interest and Fiscal Charges	3.99%
<b>Total</b>	<b>100.00%</b>



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

***Business-Type Activities***

Business-type activities include Water, Sewer, Refuse Collection and Stormwater. These programs had operating revenues of \$4,819,131 and expenses of \$4,609,765 for fiscal year 2008. Business activities receive no support from tax revenues. The business activities net assets at the end of the year was \$19,506,306, which increased \$850,105 from 2007.

The City of Trotwood’s water and sewer maintenance division services approximately 2,800 accounts within the territory which was part of the City prior to the 1996 merger with Madison Township. The City operates approximately 37.5 miles of water lines and 31 miles of sanitary sewer lines within the territory, to distribute water supplied by the City of Dayton and collect sewerage returned to Dayton for treatment at their facilities. The water fund had operating income of \$199,199 in 2008. The sewer fund had an operating loss of \$5,722 in 2008. The refuse fund had an operating income of \$26,741 in 2008. The stormwater fund had an operating loss of \$10,852 in 2008.

## **The City's Funds**

The City has four major governmental funds: the General Fund, Fire Levy Fund, Salem Mall Tax Increment Fund, and Industrial Park Fund. Assets of the general fund comprised \$5,710,596 (50%), the fire levy fund comprised \$2,209,464 (19%), the Salem Mall tax increment fund comprised \$453,821 (4%) and the Industrial Park fund comprised \$160,203 (1%) of the total \$11,533,820 governmental funds assets.

**General Fund:** Fund balance at December 31, 2008 was \$932,253 a decrease in fund balance of \$1,118,819 from 2007. The general fund balance decreased mainly due to a decrease in taxes revenue from 2007.

**Fire Levy Fund:** Fund balance at December 31, 2008 was (\$169,307) an increase in fund balance of \$26,084 from 2007. The Fire Levy fund balance increased mainly due to an increase in intergovernmental revenue.

**Salem Mall Tax Increment Fund:** Fund balance at December 31, 2008 was (\$8,124,727) a decrease in fund balance of \$307,073 from 2007. The decrease in fund balance is due to the continuation of the Salem Mall project.

**Industrial Park Fund:** Fund balance at December 31, 2008 was (\$1,792,526) a decrease in fund balance of \$882,422. The decrease in fund balance is due to the continuation of the Olive Road and Industrial Park Street improvements.

### ***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 \$1,217,861, on a Non-GAAP Budgetary Basis.

Variations of the final budget amounts from the original amounts were minimal for 2008.



## Capital Assets and Debt Administration

### Capital Assets

At year end, the City had \$75,017,896 invested in land, construction in progress, buildings and improvements, equipment and infrastructure. Table 3 shows 2008 balances compared to 2007:

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

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Land	\$26,360,322	\$26,954,231	\$12,026	\$12,026	\$26,372,348	\$26,966,257
Construction in Progress	2,204,856	1,286,619	0	35,301	2,204,856	1,321,920
Buildings and Improvements	8,227,637	8,227,637	0	0	8,227,637	8,227,637
Equipment	8,072,238	8,099,699	302,920	302,920	8,375,158	8,402,619
Infrastructure	40,881,362	39,319,363	37,712,913	36,466,631	78,594,275	75,785,994
Accumulated Depreciation	(28,874,563)	(27,616,424)	(19,881,815)	(19,328,537)	(48,756,378)	(46,944,961)
Total Net Capital Assets	<u>\$56,871,852</u>	<u>\$56,271,125</u>	<u>\$18,146,044</u>	<u>\$17,488,341</u>	<u>\$75,017,896</u>	<u>\$73,759,466</u>

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

### Debt

The City had \$7,850,000 in general obligation bonds for Governmental Activities and \$16,748 in Business-Type Activities long-term debt.

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

		2008	2007
Governmental Activities			
General Obligation Bonds			
2003 Various Purpose Bonds	5.11%	\$2,980,000	\$3,155,000
2007 Various Purpose Bonds	4.21%	4,870,000	5,015,000
Total General Obligation Bonds		<u>7,850,000</u>	<u>8,170,000</u>
Business Type Activities:			
Loans			
2001 OPWC Loan	3.00%	<u>16,748</u>	<u>22,007</u>
Total Debt		<u>\$7,866,748</u>	<u>\$8,192,007</u>

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

The City had General Obligation Notes Payable of \$10,185,000 and \$8,860,000 for the year ended 2008 and 2007, respectively.

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

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

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

City of Trotwood, Ohio  
Statement of Net Assets  
December 31, 2008

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in Pooled Cash and Investments	\$2,764,005	\$561,600	\$3,325,605
Restricted Cash and Investments	0	18,547	18,547
Receivables:			
Taxes	6,110,499	0	6,110,499
Accounts	61,827	1,622,958	1,684,785
Intergovernmental	1,639,958	0	1,639,958
Special Assessments	501,106	1,057,508	1,558,614
Internal Balances	308,498	(308,498)	0
Nondepreciable Capital Assets	28,565,178	12,026	28,577,204
Depreciable Capital Assets, Net	28,306,674	18,134,018	46,440,692
<b>Total Assets</b>	<b>68,257,745</b>	<b>21,098,159</b>	<b>89,355,904</b>
Liabilities:			
Accounts Payable	1,198,470	1,134,446	2,332,916
Accrued Wages and Benefits	921,116	54,455	975,571
Retainage Payable	0	18,547	18,547
Accrued Interest Payable	208,801	2,470	211,271
Contracts Payable	67,642	185,028	252,670
Unearned Revenue	4,137,904	0	4,137,904
General Obligation Notes Payable	10,060,000	125,000	10,185,000
Long-Term Liabilities:			
Due Within One Year	795,288	38,877	834,165
Due In More Than One Year	8,320,783	33,030	8,353,813
<b>Total Liabilities</b>	<b>25,710,004</b>	<b>1,591,853</b>	<b>27,301,857</b>
Net Assets:			
Invested in Capital Assets, Net of Related Debt	38,614,884	18,004,296	56,619,180
Restricted for:			
Special Revenue	1,505,411	0	1,505,411
Debt Service	39,182	0	39,182
Unrestricted	2,388,264	1,502,010	3,890,274
<b>Total Net Assets</b>	<b>\$42,547,741</b>	<b>\$19,506,306</b>	<b>\$62,054,047</b>

See accompanying notes to the basic financial statements.

City of Trotwood, Ohio  
Statement of Activities  
For the Fiscal Year Ended December 31, 2008

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
General Government	\$3,503,943	\$459,251	\$0	\$0
Public Safety	10,146,961	1,370,157	833,352	0
Leisure Time Activities	452,003	27,070	0	0
Community Development	1,604,067	71,059	866,555	2,199,965
Transportation and Street Repair	3,077,816	36,736	1,623,378	79,241
Interest and Fiscal Charges	780,516	0	0	0
<b>Total Governmental Activities</b>	<b>19,565,306</b>	<b>1,964,273</b>	<b>3,323,285</b>	<b>2,279,206</b>
<b>Business-Type Activities:</b>				
Water	1,417,933	1,593,335	0	0
Sewer	1,012,659	984,239	0	0
Refuse	1,448,058	1,474,799	0	0
Stormwater	777,578	766,726	0	0
<b>Total Business-Type Activities</b>	<b>4,656,228</b>	<b>4,819,099</b>	<b>0</b>	<b>0</b>
<b>Totals</b>	<b>\$24,221,534</b>	<b>\$6,783,372</b>	<b>\$3,323,285</b>	<b>\$2,279,206</b>

General Revenues:  
Income Taxes  
Property Taxes Levied for:  
    General Purposes  
    Special Revenue Purposes  
    Debt Service Purposes  
Grants and Entitlements not Restricted to Specific Programs - Unrestricted  
Payment in Lieu of Taxes  
Investment Earnings  
Other Revenues  
Transfers-Internal Activities  
  
Total General Revenues and Transfers  
  
Change in Net Assets  
  
Net Assets Beginning of Year  
  
Net Assets End of Year

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-Type Activities	Total
(\$3,044,692)	\$0	(\$3,044,692)
(7,943,452)	0	(7,943,452)
(424,933)	0	(424,933)
1,533,512	0	1,533,512
(1,338,461)	0	(1,338,461)
(780,516)	0	(780,516)
(11,998,542)	0	(11,998,542)
0	175,402	175,402
0	(28,420)	(28,420)
0	26,741	26,741
0	(10,852)	(10,852)
0	162,871	162,871
(\$11,998,542)	\$162,871	(\$11,835,671)
5,058,111	0	5,058,111
1,846,296	0	1,846,296
2,842,302	0	2,842,302
163,110	0	163,110
1,421,021	0	1,421,021
320,584	0	320,584
78,738	6,362	85,100
335,746	32	335,778
(680,840)	680,840	0
11,385,068	687,234	12,072,302
(613,474)	850,105	236,631
43,161,215	18,656,201	61,817,416
\$42,547,741	\$19,506,306	\$62,054,047

City of Trotwood, Ohio  
Balance Sheet  
Governmental Funds  
December 31, 2008

	General	Fire Levy	Salem Mall Tax Increment	Industrial Park
Assets:				
Equity in Pooled Cash and Investments	\$809,726	\$10,235	\$453,821	\$160,203
Receivables:				
Taxes	3,070,859	2,060,189	0	0
Intergovernmental	799,037	139,040	0	0
Special Assessments	457,643	0	0	0
Interfund	573,331	0	0	0
<b>Total Assets</b>	<b>5,710,596</b>	<b>2,209,464</b>	<b>453,821</b>	<b>160,203</b>
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	444,019	19,298	85,612	194,294
Accrued Wages and Benefits	588,778	160,244	0	0
Compensated Absences	31,452	0	0	0
Accrued Interest Payable	0	0	115,294	8,435
Contracts Payable	0	0	67,642	0
Interfund Payable	0	0	0	0
Deferred Revenue	3,714,094	2,199,229	0	0
General Obligation Notes Payable	0	0	8,310,000	1,750,000
<b>Total Liabilities</b>	<b>4,778,343</b>	<b>2,378,771</b>	<b>8,578,548</b>	<b>1,952,729</b>
Fund Balances:				
Reserved for Encumbrances	32,781	0	52,707	536,306
Unreserved, Undesignated, Reported in:				
General Fund	899,472	0	0	0
Special Revenue Funds	0	(169,307)	0	0
Debt Service Funds	0	0	0	0
Capital Projects Funds	0	0	(8,177,434)	(2,328,832)
<b>Total Fund Balances</b>	<b>932,253</b>	<b>(169,307)</b>	<b>(8,124,727)</b>	<b>(1,792,526)</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$5,710,596</b>	<b>2,209,464</b>	<b>\$453,821</b>	<b>\$160,203</b>

See accompanying notes to the basic financial statements.

Other Governmental Funds	Total Governmental Funds
\$1,213,114	\$2,647,099
979,451	6,110,499
701,881	1,639,958
43,463	501,106
0	573,331
<u>2,999,736</u>	<u>11,533,820</u>
449,653	1,192,876
172,094	921,116
0	31,452
0	123,729
0	67,642
264,833	264,833
1,649,425	7,562,748
0	10,060,000
<u>2,536,005</u>	<u>20,224,396</u>
32,108	653,902
0	899,472
595,033	425,726
75,507	75,507
(238,917)	(10,745,183)
<u>463,731</u>	<u>(8,690,576)</u>
<u>\$2,999,736</u>	<u>\$11,533,820</u>

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City of Trotwood, Ohio  
 Reconciliation of Total Governmental Fund Balance to  
 Net Assets of Governmental Activities  
 December 31, 2008

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Total Governmental Fund Balance		(S8,690,576)
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		56,871,852
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Income Taxes	664,365	
Delinquent Property Taxes	984,275	
Intergovernmental	1,275,098	
Other	<u>501,106</u>	
		3,424,844
An internal service fund is used by management to charge back costs to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.		111,312
In the statement of net assets interest payable is accrued when incurred, whereas in the governmental funds interest is reported as a liability only when it will require the use of current financial resources.		(85,072)
Some liabilities reported in the statement of net assets do not require the use of current financial resources and therefore are not reported as liabilities in governmental funds.		
Compensated Absences	<u>(887,651)</u>	
		(887,651)
Long-term liabilities, are not due and payable in the current period and therefore are not reported in the funds.		<u>(8,196,968)</u>
Net Assets of Governmental Activities		<u><u>\$42,547,741</u></u>

See accompanying notes to the basic financial statements.

City of Trotwood, Ohio  
Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Governmental Funds  
For the Fiscal Year Ended December 31, 2008

	General	Fire Levy	Salem Mall Tax Increment	Industrial Park
<b>Revenues:</b>				
Taxes	\$6,677,635	\$1,691,486	\$0	\$0
Fines, Licenses & Permits	549,451	0	0	0
Charges for Services	303,980	5,317	0	0
Investment Earnings	39,870	2,509	7,552	6,226
Intergovernmental	1,347,783	321,853	284,845	1,942,711
Special Assessments	19,664	0	0	0
Payment in Lieu of Taxes	14,375	0	306,209	0
Other Revenues	251,694	9,507	0	0
<b>Total Revenues</b>	<b>9,204,452</b>	<b>2,030,672</b>	<b>598,606</b>	<b>1,948,937</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General Government	2,768,203	0	0	0
Public Safety	5,408,668	2,230,348	0	0
Leisure Time Activities	396,378	0	0	0
Community Development	491,912	0	142,534	433,464
Transportation and Street Repair	334,691	0	0	0
Capital Outlay	166,536	0	342,428	2,149,420
<b>Debt Service:</b>				
Principal Retirement	168,199	65,674	0	0
Interest and Fiscal Charges	253,591	12,405	424,119	43,780
<b>Total Expenditures</b>	<b>9,988,178</b>	<b>2,308,427</b>	<b>909,081</b>	<b>2,626,664</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(783,726)</b>	<b>(277,755)</b>	<b>(310,475)</b>	<b>(677,727)</b>
<b>Other Financing Sources (Uses):</b>				
Proceeds from Sale of Capital Assets	11,657	1,439	3,402	291,181
Transfers In	20,000	302,400	0	0
Transfers (Out)	(366,750)	0	0	(495,876)
<b>Total Other Financing Sources (Uses)</b>	<b>(335,093)</b>	<b>303,839</b>	<b>3,402</b>	<b>(204,695)</b>
<b>Net Change in Fund Balance</b>	<b>(1,118,819)</b>	<b>26,084</b>	<b>(307,073)</b>	<b>(882,422)</b>
<b>Fund Balance Beginning of Year</b>	<b>2,051,072</b>	<b>(195,391)</b>	<b>(7,817,654)</b>	<b>(910,104)</b>
<b>Fund Balance End of Year</b>	<b>\$932,253</b>	<b>(\$169,307)</b>	<b>(\$8,124,727)</b>	<b>(\$1,792,526)</b>

See accompanying notes to the basic financial statements.

Other Governmental Funds	Total Governmental Funds
\$1,073,254	\$9,442,375
67,408	616,859
981,717	1,291,014
22,580	78,737
2,867,935	6,765,127
36,736	56,400
0	320,584
74,545	335,746
5,124,175	18,906,842
0	2,768,203
2,017,255	9,656,271
0	396,378
530,750	1,598,660
1,441,264	1,775,955
850,610	3,508,994
258,987	492,860
124,489	858,384
5,223,355	21,055,705
(99,180)	(2,148,863)
92,000	399,679
64,350	386,750
(204,964)	(1,067,590)
(48,614)	(281,161)
(147,794)	(2,430,024)
611,525	(6,260,552)
\$463,731	(\$8,690,576)

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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, 2008

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Net Change in Fund Balance - Total Governmental Funds (\$2,430,024)

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	2,703,075	
Depreciation Expense	<u>(1,442,828)</u>	
		1,260,247

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. (659,520)

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

Income Taxes	73,008	
Delinquent Property Taxes	389,742	
Intergovernmental	211,429	
Other	<u>51,651</u>	
		725,830

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 492,860

In the statement of activities interest expense is accrued when incurred, whereas in governmental funds an interest expenditure is reported when due. 77,868

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	<u>(110,061)</u>	
		(110,061)

The internal service fund used by management to charge back costs to individual funds is not reported in the district-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities. 29,326

Change in Net Assets of Governmental Activities (\$613,474)

See accompanying notes to the basic financial statements.

City of Trotwood, Ohio  
Statement of Net Assets  
Proprietary Funds  
December 31, 2008

Business-Type Activities -Enterprise Funds

	Water	Sewer	Refuse	Stormwater
Current Assets:				
Equity in Pooled Cash and Investments	\$56,773	\$0	\$0	\$504,827
Restricted Cash and Investments	0	0	0	18,547
Receivables:				
Accounts	675,835	388,905	443,487	114,731
Special Assessments	206,478	147,304	497,195	206,531
<b>Total Current Assets</b>	<b>939,086</b>	<b>536,209</b>	<b>940,682</b>	<b>844,636</b>
Nondepreciable Capital Assets	0	12,026	0	0
Depreciable Capital Assets, Net	445,625	452,265	0	17,236,128
<b>Total Assets</b>	<b>1,384,711</b>	<b>1,000,500</b>	<b>940,682</b>	<b>18,080,764</b>
Liabilities:				
Accounts Payable	459,802	305,137	272,849	96,658
Accrued Wages and Benefits	20,791	20,391	13,273	0
Compensated Absences	16,253	16,253	953	0
Retainage Payable	0	0	0	18,547
Accrued Interest Payable	2,179	291	0	0
Contracts Payable	0	0	0	185,028
Interfund Payable	0	153,969	154,529	0
General Obligation Notes Payable	125,000	0	0	0
Long-Term Liabilities Due Within One Year	0	5,418	0	0
<b>Total Current Liabilities</b>	<b>624,025</b>	<b>501,459</b>	<b>441,604</b>	<b>300,233</b>
Long-Term Liabilities:				
Compensated Absences	9,684	9,684	2,332	0
Bonds, Notes & Loans Payable	0	11,330	0	0
<b>Total Liabilities</b>	<b>633,709</b>	<b>522,473</b>	<b>443,936</b>	<b>300,233</b>
Net Assets:				
Invested in Capital Assets, Net of Related Debt	320,625	447,543	0	17,236,128
Restricted for:				
Unrestricted	430,377	30,484	496,746	544,403
<b>Total Net Assets</b>	<b>\$751,002</b>	<b>\$478,027</b>	<b>\$496,746</b>	<b>\$17,780,531</b>

See accompanying notes to the basic financial statements.

Total Business-Type Activities	Governmental Activities- Internal Service Fund
\$561,600	\$116,906
18,547	0
1,622,958	0
1,057,508	0
3,260,613	116,906
12,026	0
18,134,018	0
21,406,657	116,906
1,134,446	5,594
54,455	0
33,459	0
18,547	0
2,470	0
185,028	0
308,498	0
125,000	0
5,418	0
1,867,321	5,594
21,700	0
11,330	0
1,900,351	5,594
18,004,296	0
1,502,010	111,312
<u>\$19,506,306</u>	<u>\$111,312</u>

City of Trotwood, Ohio  
Statement of Revenues, Expenses  
and Changes in Fund Net Assets  
Proprietary Funds  
For the Fiscal Year Ended December 31, 2008

	Business-Type Activities -Enterprise Funds			
	Water	Sewer	Refuse	Stormwater
Operating Revenues:				
Charges for Services	\$1,593,335	\$984,239	\$1,474,799	\$766,726
Other Revenues	23	9	0	0
Total Operating Revenues	<u>1,593,358</u>	<u>984,248</u>	<u>1,474,799</u>	<u>766,726</u>
Operating Expenses:				
Personal Services	173,072	172,818	36,851	0
Contractual Services	1,098,841	760,437	1,410,647	360,671
Materials and Supplies	0	26,672	0	13,419
Depreciation	120,687	29,177	0	403,414
Other Expenses	1,559	866	560	74
Total Operating Expenses	<u>1,394,159</u>	<u>989,970</u>	<u>1,448,058</u>	<u>777,578</u>
Operating Income (Loss)	<u>199,199</u>	<u>(5,722)</u>	<u>26,741</u>	<u>(10,852)</u>
Non-Operating Revenues (Expenses):				
Investment Earnings	388	0	131	5,843
Interest (Expense)	(23,774)	(22,689)	0	0
Total Non-Operating Revenues (Expenses)	<u>(23,386)</u>	<u>(22,689)</u>	<u>131</u>	<u>5,843</u>
Income (Loss) Before Contributions and Transfers	175,813	(28,411)	26,872	(5,009)
Transfers In	0	0	0	700,840
Transfers (Out)	(10,000)	(10,000)	0	0
Change in Net Assets	165,813	(38,411)	26,872	695,831
Net Assets Beginning of Year	<u>585,189</u>	<u>516,438</u>	<u>469,874</u>	<u>17,084,700</u>
Net Assets End of Year	<u>\$751,002</u>	<u>\$478,027</u>	<u>\$496,746</u>	<u>\$17,780,531</u>

See accompanying notes to the basic financial statements.



Total Business-Type Activities	Governmental Activities- Internal Service Fund
\$4,819,099	\$50,632
32	0
<u>4,819,131</u>	<u>50,632</u>
382,741	0
3,630,596	21,972
40,091	0
553,278	0
3,059	0
<u>4,609,765</u>	<u>21,972</u>
<u>209,366</u>	<u>28,660</u>
6,362	666
(46,463)	0
<u>(40,101)</u>	<u>666</u>
169,265	29,326
700,840	0
(20,000)	0
850,105	29,326
<u>18,656,201</u>	<u>81,986</u>
<u>\$19,506,306</u>	<u>\$111,312</u>

City of Trotwood, Ohio  
Statement of Cash Flows  
Proprietary Funds  
For the Fiscal Year Ended December 31, 2008

	Business-Type Activities -Enterprise Funds			
	Water	Sewer	Refuse	Stormwater
Cash Flows from Operating Activities:				
Cash Received from Customers	\$1,588,943	\$989,802	\$1,324,283	\$725,258
Cash Payments to Employees	(159,131)	(158,971)	(24,463)	0
Cash Payments to Suppliers	(1,171,568)	(721,674)	(1,299,951)	(168,747)
Net Cash Provided (Used) by Operating Activities	<u>258,244</u>	<u>109,157</u>	<u>(131)</u>	<u>556,511</u>
Cash Flows from Noncapital Financing Activities:				
Payments from Other Funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>700,840</u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>0</u>	<u>0</u>	<u>0</u>	<u>700,840</u>
Cash Flows from Capital and Related Financing Activities:				
Payments for Capital Acquisitions	(154,960)	(71,500)	0	(984,521)
Debt Proceeds	125,000	0	0	0
Debt Principal Payments	(150,000)	(5,259)	0	0
Debt Interest Payments	(31,595)	(32,398)	0	0
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(211,555)</u>	<u>(109,157)</u>	<u>0</u>	<u>(984,521)</u>
Cash Flows from Investing Activities:				
Earnings on Investments	<u>388</u>	<u>0</u>	<u>131</u>	<u>5,843</u>
Net Cash Provided (Used) by Cash Flows from Investing Activities	<u>388</u>	<u>0</u>	<u>131</u>	<u>5,843</u>
Net Increase (Decrease) in Cash and Cash Equivalents	47,077	0	0	278,673
Cash and Cash Equivalents Beginning of Year	<u>9,696</u>	<u>0</u>	<u>0</u>	<u>244,701</u>
Cash and Cash Equivalents End of Year	<u><u>56,773</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>523,374</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	199,199	(5,722)	26,741	(10,852)
Adjustments:				
Depreciation	120,687	29,177	0	403,414
Changes in Assets & Liabilities:				
(Increase) Decrease in Receivables	(4,415)	5,554	(150,516)	(41,468)
Increase (Decrease) in Payables	(71,168)	66,301	111,256	205,417
Increase (Decrease) in Accrued Liabilities	13,941	13,847	12,388	0
Net Cash Provided (Used) by Operating Activities	<u><u>\$258,244</u></u>	<u><u>\$109,157</u></u>	<u><u>(\$131)</u></u>	<u><u>\$556,511</u></u>

See accompanying notes to the basic financial statements.

Total Business-Type Activities	Governmental Activities- Internal Service Fund
\$4,628,286	\$50,632
(342,565)	0
<u>(3,361,940)</u>	<u>(19,682)</u>
<u>923,781</u>	<u>30,950</u>
<u>700,840</u>	<u>0</u>
<u>700,840</u>	<u>0</u>
(1,210,981)	0
125,000	0
(155,259)	0
<u>(63,993)</u>	<u>0</u>
<u>(1,305,233)</u>	<u>0</u>
<u>6,362</u>	<u>666</u>
<u>6,362</u>	<u>666</u>
325,750	31,616
<u>254,397</u>	<u>85,290</u>
<u>\$580,147</u>	<u>116,906</u>
\$209,366	28,660
553,278	0
(190,845)	0
311,806	2,290
<u>40,176</u>	<u>0</u>
<u>\$923,781</u>	<u>\$30,950</u>

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**City of Trotwood, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Year Ended December 31, 2008**

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**NOTE 1 – DESCRIPTION OF THE CITY AND REPORTING ENTITY**

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

**Reporting Entity**

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

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

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

## **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

### **Measurement Focus**

#### Government-Wide Financial Statements

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

#### Fund Financial Statements

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

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

### **Basis of Presentation**

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

## Government-Wide Financial Statements

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

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

## Fund Financial Statements

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

## **Fund Accounting**

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

### Governmental Funds

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

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

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

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

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

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

### Proprietary Funds

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

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

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

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

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

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

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



## **Basis of Accounting**

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

### Revenues - Exchange and Non-exchange Transactions

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

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

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

### Deferred Revenue

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

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

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

### Unearned Revenue

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

### Expenses/Expenditures

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

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

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

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

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

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

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

Following Ohio Revised Code, the City has specified the funds to receive an allocation of interest earnings. Interest revenues during 2009 amounted to \$85,765. Interest revenue amounted to \$39,870 in the General fund, \$2,509 in the Fire Levy fund, \$7,552 in the Salem Mall Tax Increment fund, \$6,226 in the Industrial Park fund, \$22,580 in Other Governmental funds, \$388 in the Water fund, \$131 in the Refuse fund, \$5,843 in the Stormwater fund, and \$666 in the Internal Revenue Service fund. .

## Capital Assets

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

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

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

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

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

## Compensated Absences

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

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

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

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

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

## **Fund Balance Reserves**

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

## **Restricted Assets**

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

## **Net Assets**

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

The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. Of the City's \$1,544,593 in restricted net assets, none were restricted by enabling legislation.

## **Operating Revenues and Expenses**

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

## **Contributions of Capital**

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

## **Interfund Activity**

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

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

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

## **Estimates**

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

## **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.
- (6) The Ohio State Treasurer's investment pool (STAR Ohio).
- (7) Commercial paper and banker's acceptances which meet the requirements established by Ohio Revised Code, Sec. 135.142.
- (8) Under limited circumstances, corporate debt interests in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

## Deposits

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's policy for deposits is any balance not covered by depository insurance will be collateralized by the financial institutions with pledged securities. As of December 31, 2008, \$477,734 of the City's bank balance of \$738,445 was exposed to custodial risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the City's name.

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

## Investments

As of December 31, 2008, the City had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
STAROhio	\$2,336,315	0.15
Repurchase Agreements	<u>770,000</u>	0.00
Total Fair Value	<u><u>\$3,106,315</u></u>	
Portfolio Weighted Average Maturity		0.11

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

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

Concentration of credit risk – The City's investment policy allows investments in Federal Government Securities or Instrumentalities. The City has invested 75% of the City's investments in STAROhio and 25% of the City's investments in a Repurchase Agreement.

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

#### **NOTE 4 – RECEIVABLES**

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

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

#### **Property Taxes**

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Property tax revenue received during 2008 for real and public utility property taxes represents collections of the 2007 taxes. Property tax payments received during 2008 for tangible personal property (other than public utility property) is for 2008 taxes.

The 2008 real property taxes are levied after October 1, 2008, on the assessed value as of January 1, 2008, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2008 real property taxes are collected in and intended to finance 2009 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 2008 public utility property taxes became a lien December 31, 2007, are levied after October 1, 2008, and are collected in 2009 with real property taxes.

The 2008 tangible personal property taxes are levied after October 1, 2007, on the value as of December 31, 2007. Collections are made in 2008. Tangible personal property assessments are 25 percent of true value.

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



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

	<u>Amount</u>
Real Property	\$329,072,430
Tangible Personal Property	<u>16,603,522</u>
Total	<u><u>\$345,675,952</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.

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30; with the remainder payable by September 20.

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

### **Income Taxes**

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

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

### **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 the 230 participating governments.

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

<u>Type of Coverage</u>	<u>Coverage</u>	<u>Deductible</u>
Legal Liability for Third Party Claims	\$2,000,000	\$10,000
Automobile Liability	2,000,000	5,000
Law Enforcement Operations	2,000,000	25,000
Wrongful Acts (Public Officials)	2,000,000	10,000
Real and Personal Property	13,011,000	5,000
Vehicles	4,338,380	1,000
Miscellaneous Property	1,306,746	5,000
Data Processing	298,365	5,000

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

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

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

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

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## NOTE 6 – CAPITAL ASSETS

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

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities</b>				
<i>Capital Assets, not being depreciated:</i>				
Land	\$26,954,231	\$46,100	\$640,009	\$26,360,322
Construction in Progress	1,286,619	2,609,085	1,690,848	2,204,856
Total Capital Assets, not being depreciated	<u>28,240,850</u>	<u>2,655,185</u>	<u>2,330,857</u>	<u>28,565,178</u>
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	8,227,637	0	0	8,227,637
Equipment	8,099,699	176,739	204,200	8,072,238
Infrastructure	39,319,363	1,561,999	0	40,881,362
Totals at Historical Cost	<u>83,887,549</u>	<u>4,393,923</u>	<u>2,535,057</u>	<u>85,746,415</u>
Less Accumulated Depreciation:				
Buildings and Improvements	2,060,346	208,033	0	2,268,379
Equipment	6,162,770	436,266	184,689	6,414,347
Infrastructure	19,393,308	798,529	0	20,191,837
Total Accumulated Depreciation	<u>\$27,616,424</u>	<u>\$1,442,828</u>	<u>\$184,689</u>	<u>\$28,874,563</u>
Governmental Activities Capital Assets, Net	<u>\$56,271,125</u>	<u>\$2,951,095</u>	<u>\$2,350,368</u>	<u>\$56,871,852</u>
<b>Business-Type Activities</b>				
<i>Capital Assets, not being depreciated:</i>				
Land	\$12,026	\$0	\$0	\$12,026
Construction in Progress	35,301	488,645	523,946	0
<i>Capital Assets, being depreciated:</i>				
Equipment	302,920	0	0	302,920
Infrastructure	36,466,631	1,246,282	0	37,712,913
Totals at Historical Cost	<u>36,816,878</u>	<u>1,734,927</u>	<u>523,946</u>	<u>38,027,859</u>
Less Accumulated Depreciation:				
Equipment	212,982	20,559	0	233,541
Infrastructure	19,115,555	532,719	0	19,648,274
Total Accumulated Depreciation	<u>\$19,328,537</u>	<u>\$553,278</u>	<u>\$0</u>	<u>\$19,881,815</u>
Business-Type Activities Capital Assets, Net	<u>\$17,488,341</u>	<u>\$1,181,649</u>	<u>\$523,946</u>	<u>\$18,146,044</u>

Depreciation expense was charged to governmental functions as follows:

General Government	\$89,019
Public Safety	419,390
Leisure Time	48,090
Community Development	2,366
Transportation	883,963
Total Depreciation Expense	<u>\$1,442,828</u>

**NOTE 7 – COMPENSATED ABSENCES**

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

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

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

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## **NOTE 8 – NOTES PAYABLE**

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

		Beginning Balance	Additions	Deletions	Ending Balance
Bond Anticipation Notes:					
<b>Governmental Activities:</b>					
Town Center Redevelopment, Series 2007	3.77%	\$1,600,000	\$0	(\$1,600,000)	\$0
Various Purpose, 2007A Series	3.90%	27,000	0	(27,000)	0
Real Estate Acquisition, 2007A	3.67%	3,875,000	0	(3,875,000)	0
Real Estate Acquisition, 2007B	3.70%	2,530,000	0	(2,530,000)	0
Capital Improvement 2007	3.57%	678,000	0	(678,000)	0
Town Center Redevelopment, Series 2008	2.51%	0	1,905,000	0	1,905,000
Real Estate Acquisition, 2008A	3.33%	0	3,875,000	0	3,875,000
Real Estate Acquisition, 2008B	4.30%	0	2,530,000	0	2,530,000
Capital Improvement 2008A	3.63%	0	1,750,000	0	1,750,000
Capital Improvement 2008B	2.71%	0	1,240,000	(1,240,000)	0
Total Governmental Activities		<u>\$8,710,000</u>	<u>\$11,300,000</u>	<u>(\$9,950,000)</u>	<u>\$10,060,000</u>
<b>Business-Type Activities:</b>					
Various Purpose, 2007A Series	3.97%	\$150,000	\$0	(\$150,000)	\$0
Various Purpose, 2008A Series (water/curbs) - BAN	2.49%	0	125,000	0	125,000
Total Business-Type Activities		<u>150,000</u>	<u>125,000</u>	<u>(150,000)</u>	<u>125,000</u>
Total Bond Anticipation Notes		<u>\$8,860,000</u>	<u>\$11,425,000</u>	<u>(\$10,100,000)</u>	<u>\$10,185,000</u>

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

## **NOTE 9 – LONG-TERM DEBT**

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

		Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
<b>Governmental Activities</b>						
<u>Bonds Payable</u>						
2003 Various Purpose Bonds	5.11%	\$3,155,000	\$0	(\$175,000)	\$2,980,000	\$190,000
2007 Various Purpose Bonds	4.21%	5,015,000	0	(145,000)	4,870,000	170,000
Capital Leases		519,828	0	(172,860)	346,968	160,366
Total Long-Term Debt		8,689,828	0	(492,860)	8,196,968	520,366
Compensated Absences		785,305	722,091	(588,293)	919,103	274,922
Total Governmental Activities		<u>\$9,475,133</u>	<u>\$722,091</u>	<u>(\$1,081,153)</u>	<u>\$9,116,071</u>	<u>\$795,288</u>

		Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
<b>Business Type Activities</b>						
<u>Loans</u>						
2001 OPWC Loan	3.00%	\$22,007	\$0	(\$5,259)	\$16,748	\$5,418
Compensated Absences		39,029	39,315	(23,185)	55,159	33,459
Total Business-Type Activities		\$61,036	\$39,315	(\$28,444)	\$71,907	\$38,877

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

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

Year Ending December 31	General Obligation Bonds		OPWC Loan	
	Principal	Interest	Principal	Interest
2009	\$360,000	\$352,741	\$5,418	\$462
2010	365,000	336,231	5,581	298
2011	385,000	319,468	5,749	129
2012	400,000	301,736	0	0
2013	415,000	283,294	0	0
2014-2018	1,860,000	1,141,272	0	0
2019-2023	1,700,000	749,958	0	0
2024-2028	1,345,000	385,151	0	0
2029-2032	1,020,000	110,500	0	0
Total	\$7,850,000	\$3,980,351	\$16,748	\$889

## **NOTE 10 – LEASES**

### **A. Capital Leases**

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

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

Fiscal Year Ending December 31,	Long-Term Debt
2009	\$173,662
2010	168,774
2011	25,856
Total Minimum Lease Payments	368,292
Less: Amount Representing Interest	(21,324)
Present Value of Minimum Lease Payments	<u>\$346,968</u>

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

Equipment	\$892,482
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## **NOTE 11 – PENSION PLANS**

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

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

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the TP and CO Plans. Members of the MD Plan do not qualify for the ancillary benefits. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing to the OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling 614-222-5601 or 800-222-7377, or by visiting the OPERS website at [www.opers.org](http://www.opers.org).

The Ohio Revised Code provides statutory authority for member and employer contributions. Plan members are required to contribute 10% of their annual covered salary to fund pension obligations. The employer pension contribution rate for the City is 14% of covered payroll. The contribution rates are determined actuarially. The City's required contributions to OPERS for the years ended December 31, 2008, 2007 and 2006 were \$384,908, \$351,619 and \$318,582, respectively. The full amount has been contributed for 2007 and 2006 and 81% has been contributed for 2008.

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

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

Plan members are required to contribute 10% of their annual covered salary, while employers (the City) are required to contribute 19.5% for police and 24.0% for firefighters. The City's contributions to OP&F for the years ending December 31, 2008, 2007 and 2006 were \$958,951, \$966,998, and \$942,752, respectively, or 74% of the required contributions for 2008, 74% of the required contributions for 2007, and 74% of the required contributions for 2006.

### **NOTE 12 – POST EMPLOYMENT BENEFITS**

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

##### Plan Description

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

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

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

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

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



## Funding Policy

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

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2008, the City contributed at 14% of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14% of covered payroll. Active members do not make contributions to the OPEB Plan.

OPERS' Post Employment Health Care Plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determined the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. For 2008, the employer contribution allocated to the health care plan was 7% of covered payroll. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

## Information from City's Records

The City's actual contributions for the current year, which were used to fund postemployment benefits, were \$192,454 for 2008, \$63,294 for the period of January 1 through June 30, 2007 and were \$70,414 for the period of July 1 through December 31, 2007 and \$103,265 for 2006.

## OPERS Retirement Board Implements its Health Care Preservation Plan

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

## Other Information

At December 31, 2008, the number of active contributing participants in the Traditional and Combined Plans totaled 363,503. The number of active contributing participants for both plans used in the December 31, 2007 actuarial valuation was 364,076.

The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2007, (the latest information available) were \$12.8 billion. Based on the actuarial cost method used, the Actuarial Valuations as of December 31, 2007, (the latest information available) reported the actuarially accrued liability and the unfunded actuarial accrued liability for OPEB at \$29.8 billion and \$17.0 billion, respectively.

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

### Plan Description

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

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

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

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

### Funding Policy

The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.5% and 24.0% of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5% of the covered payroll for police employer units and 24.0% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

OP&F maintains funds for health care in two separate accounts. One for health care benefits under IRS Code Section 115 trust and one for Medicare Part B reimbursements administrated as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and Section 401(h) account as the employer contribution for retiree healthcare benefits. For the year ended December 31, 2008, the employer contribution allocated to the health care plan was 6.75% of covered payroll. The amount of employer contributions allocated to the healthcare plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

#### Information from City's Records

The City's contributions to OP&F for the year ending December 31, 2008 were \$200,482 for police and \$106,813 for fire; for the year ending December 31, 2007 were \$237,929 for police and \$120,394 for fire; and for the year ending December 31, 2006 were \$237,639 for police and \$111,854 for fire, respectively, was allocated to the healthcare plan.

#### Other Information

The number of participants eligible to receive health care benefits as of December 31, 2007, the date of the last actuarial valuation available, are 14,295 for Police and 10,583 for Firefighters. OP&F's total health care expense for the year ending December 31, 2007, the date of the last actuarial valuation available, was \$93,205,319, which was net of member contributions of \$56,031,875.

#### **NOTE 13 – JOINTLY GOVERNED ORGANIZATIONS**

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The Miami Valley Regional Planning Commission (the Commission) is a jointly governed organization between Preble, Clark, Clinton, Darke, Greene, Miami and Montgomery Counties, the City of Dayton and the City of Huber Heights. The Commission prepares plans, including studies, maps, recommendations and reports concerning the physical, environmental, social, economic and governmental characteristics, functions and services of the region. These reports show recommendations for systems of transportation, highways, parks and recreation facilities, water supply, sewage disposal, garbage disposal, civic centers and other public improvements and land uses which affect the development of the region. The degree of control exercised by any participating government is limited to its representation on the Board. Members of the Board are as follows: the officers of the Commission (elected by member representatives), the immediate past Chair of the Commission, the Commission member representing the City of Dayton, the Commission member representing each of the respective counties, the representatives selected by each county caucus, a nongovernmental member and two at-large representatives. Payments to the Commission are made from the General Fund. The City contributed \$12,613 for the operation of the Commission during 2008.

The Miami Valley Fire/EMS Alliance (the Alliance) is a jointly governed organization between municipal corporations and townships in Montgomery, Greene and Warren Counties. The purpose of the Alliance is to foster cooperation among the political subdivisions by promoting programs and recommending matters, which will result in more efficient methods of delivering fire and emergency medical services in the region. The Board of the Alliance is made up of a representative appointed by the City of Dayton, a representative appointed by the members who are provided Fire/EMS services by volunteers, two representatives appointed by the members who are provided Fire/EMS services by a combination of full-time employees and volunteers and a representative appointed by members who are provided Fire/EMS services by full-time employees. Payments to the Alliance are made from the Fire Levy Fund. The City contributed \$6,581 for the operation of the Alliance during 2008.

The Economic Development/Government Equity Program (ED/GE) was established pursuant to Ohio Revised Code Chapter 307 for the purpose of developing and promoting plans and programs designed to assure that County resources are efficiently used, economic growth is properly balanced and that County economic development is coordinated with that of the State of Ohio and other local governments. Members include villages, townships and cities within Montgomery County and the County itself. Cooperation and coordination between the members is intended to promote economic health and improve the economic opportunities of the people in Montgomery County by assisting in the establishment or expansion within the County of industrial, commercial or research facilities and by creating and preserving job and employment opportunities for the people of the County. The ED/GE Advisory Committee, made up of alternating member entities' representatives, decides which proposed projects will be granted each year. Sales tax revenues, set aside by Montgomery County, are used to fund the projects. Members annually contribute or receive benefits based on an elaborate zero-based formula designed to distribute growth in contributing communities to those in communities experiencing less economic growth. In 2000, the City agreed to be a member for an additional 10 years, ending December 31, 2011. Any member in default of paying its contributions will be liable for the amount of the contribution, any interest accrued and penalties. During this time, the member will not be entitled to any allocations from ED/GE. Payments to ED/GE are made from the General Fund. The City did not contribute to the operation of the ED/GE during 2008.

#### **NOTE 14 – INTERFUND TRANSACTIONS**

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

	Interfund		Transfers	
	Receivable	Payable	In	Out
General Fund	\$573,331	\$0	\$20,000	\$366,750
Fire Levy Fund	0	0	302,400	0
Industrial Park Fund	0	0	0	495,876 *
Other Governmental Funds	0	264,833	64,350	204,964 *
Water Fund	0	0	0	10,000
Sewer Fund	0	153,969	0	10,000
Refuse Fund	0	154,529	0	0
Stormwater Fund	0	0	700,840 *	0
<b>Total All Funds</b>	<b>\$573,331</b>	<b>\$573,331</b>	<b>\$1,087,590</b>	<b>\$1,087,590</b>

\*- represents a GAAP purposes only transfer to account for transfer of resources related to capital outlay/ construction in progress.

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

**NOTE 15 – CONSTRUCTION AND OTHER COMMITMENTS**

At year end, uncompleted construction contracts are as follows:

<u>Description</u>	<u>Remaining Commitment</u>
Olive Road at Industrial Park Street Improvements	\$550,556
Shiloh Springs and Salem Intersection Realignment	75,642
	<u>\$626,198</u>

**NOTE 16 – COMPLIANCE AND ACCOUNTABILITY**

**Accountability**

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

<u>Fund</u>	<u>Deficit</u>
Special Revenue:	
Fire Levy	\$169,307
Grants	50,591
Local Law Enforcement Block Grant	45,916
Rescue Levy	149,914
Capital Projects:	
Salem Mall Tax Increment	8,124,727
Industrial Park	1,792,526
Park Acquisition and Development	69,451
Fire Facility Improvements	92,733
West Third Street Improvements	70,000
Signature Sites TIF	6,733

## **Compliance**

Ohio Revised Code Sec. 5705.41B states that no subdivision or taxing unit is to expend money unless it has been appropriated. At year end, the City had disbursements exceeding appropriations in the following funds: General Fund, Permissive Use Tax Fund, Local Law Enforcement Block Fund, and Rescue Levy Fund.

Ohio Revised Code 5705.10 prohibits negative budgetary basis actual ending fund balances. At year end the City had several funds with negative Non-GAAP budgetary basis ending cash fund balances: Fire Levy Fund, Grants Fund, Local Law Enforcement Block Fund, Rescue Levy Fund, Park Acquisition & Development Fund, Industrial Park Fund, West Third Street Improvement Fund, Sewer Fund and Refuse Fund.

Ohio Revised Code Section 5705.39 requires appropriations to be limited by estimated resources. Upon review of appropriations and estimated resources, it was noted that appropriations exceeded estimated resources at year end for the Industrial Park Fund.

## **REQUIRED SUPPLEMENTARY INFORMATION**

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City of Trotwood  
Schedule of Revenues, Expenditures by Budget Center and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended December 31, 2008

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
<b>Revenues:</b>				
Taxes	\$6,862,100	\$6,862,100	\$6,708,642	(\$153,458)
Fines, Licenses & Permits	385,100	385,100	549,451	164,351
Intergovernmental	1,411,493	1,411,493	1,401,003	(10,490)
Special Assessments	55,500	55,500	19,664	(35,836)
Charges for Services	322,520	322,520	303,980	(18,540)
Investment Earnings	80,000	80,000	39,870	(40,130)
Other Revenues	0	0	55,021	55,021
<b>Total Revenues</b>	<b>9,116,713</b>	<b>9,116,713</b>	<b>9,077,631</b>	<b>(39,082)</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<u>General Government</u>				
Mayor and Council	207,342	216,060	220,868	(4,808)
City Manager	249,032	252,240	265,278	(13,038)
Finance	354,267	353,027	377,377	(24,350)
Utility Billing	105,200	121,650	112,063	9,587
Income Tax	375,775	411,159	400,289	10,870
Law Director	143,184	169,060	152,525	16,535
Public Works Administration	275,165	295,906	293,115	2,791
Building and Grounds	298,443	286,863	317,912	(31,049)
Fleet Maintenance	138,437	146,671	147,468	(797)
Personnel	103,137	115,448	109,865	5,583
Strategic Initiatives	25,519	37,755	27,184	10,571
Non-Departmental	157,600	170,146	167,881	2,265
<b>Total General Government</b>	<b>2,433,101</b>	<b>2,575,985</b>	<b>2,591,825</b>	<b>(15,840)</b>
<u>Public Safety</u>				
Police Administration	360,719	349,784	384,250	(34,466)
Police Patrol	3,232,656	3,342,469	3,443,537	(101,068)
Criminal Investigation	1,065,153	1,095,117	1,134,638	(39,521)
Police Communications	420,803	444,831	448,254	(3,423)
<b>Total Public Safety</b>	<b>5,079,331</b>	<b>5,232,201</b>	<b>5,410,679</b>	<b>(178,478)</b>
<u>Leisure Time Activities</u>				
Parks and Recreation Administration	118,222	141,189	125,934	15,255
Parks Maintenance	155,646	165,885	165,799	86
Municipal Pool	13,418	13,000	14,293	(1,293)
Cemeteries	58,361	73,130	62,168	10,962
Recreation Programs	21,488	27,144	22,890	4,254
<b>Total Leisure Time Activities</b>	<b>367,135</b>	<b>420,348</b>	<b>391,084</b>	<b>29,264</b>
<u>Community Development</u>				
Planning and Development Administration	174,376	158,729	185,751	(27,022)
Planning and Zoning	67,195	114,222	71,578	42,644
Code Enforcement and Inspection	181,210	184,024	193,031	(9,007)
Mowing and Weed Removal	34,369	36,620	36,611	9
Grants Administration	241	2,524	257	2,267
<b>Total Community Development</b>	<b>457,391</b>	<b>496,119</b>	<b>487,228</b>	<b>8,891</b>

Continued



City of Trotwood  
 Schedule of Revenues, Expenditures by Budget Center and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2008

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
<u>Transportation &amp; Street Repair</u>				
Street Lighting	239,441	255,884	255,061	823
Total Transportation & Street Repair	239,441	255,884	255,061	823
Capital Outlay	141,032	135,759	150,232	(14,473)
Debt Service:				
Principal Retirement	157,899	168,199	168,199	0
Interest and Fiscal Charges	238,061	253,368	253,591	(223)
Total Expenditures	9,113,391	9,537,863	9,707,899	(170,036)
Excess of Revenues Over (Under) Expenditures	3,322	(421,150)	(630,268)	(209,118)
Other financing sources (uses):				
Proceeds from Sale of Capital Assets	0	0	11,657	11,657
Advances (Out)	(66,042)	0	(70,350)	(70,350)
Transfers (Out)	(344,290)	(366,750)	(366,750)	0
Total Other Financing Sources (Uses)	(410,332)	(366,750)	(425,443)	(58,693)
Net Change in Fund Balance	(407,010)	(787,900)	(1,055,711)	(267,811)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	2,273,572	2,273,572	2,273,572	0
Fund Balance End of Year	<u>\$1,866,562</u>	<u>\$1,485,672</u>	<u>\$1,217,861</u>	<u>(\$267,811)</u>

See accompanying notes to the required supplementary information.

City of Trotwood  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended December 31, 2008

	Fire Levy Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$1,706,560	\$1,706,560	\$1,691,486	(\$15,074)
Intergovernmental	329,834	329,834	321,853	(7,981)
Charges for Services	4,820	4,820	5,317	497
Investment Earnings	5,000	5,000	2,509	(2,491)
Other Revenues	55,400	55,400	9,507	(45,893)
<b>Total Revenues</b>	<b>2,101,614</b>	<b>2,101,614</b>	<b>2,030,672</b>	<b>(70,942)</b>
Expenditures:				
Current:				
Public Safety	2,289,040	2,289,040	2,274,454	14,586
Debt Service:				
Principal Retirement	65,674	65,674	65,674	0
Interest and Fiscal Charges	12,405	12,405	12,405	0
<b>Total Expenditures</b>	<b>2,367,119</b>	<b>2,367,119</b>	<b>2,352,533</b>	<b>14,586</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(265,505)</b>	<b>(265,505)</b>	<b>(321,861)</b>	<b>(56,356)</b>
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	0	0	1,439	1,439
Transfers In	302,400	302,400	302,400	0
<b>Total Other Financing Sources (Uses)</b>	<b>302,400</b>	<b>302,400</b>	<b>303,839</b>	<b>1,439</b>
<b>Net Change in Fund Balance</b>	<b>36,895</b>	<b>36,895</b>	<b>(18,022)</b>	<b>(54,917)</b>
<b>Fund Balance Beginning of Year (includes prior year encumbrances appropriated)</b>	<b>11,939</b>	<b>11,939</b>	<b>11,939</b>	<b>0</b>
<b>Fund Balance End of Year</b>	<b>\$48,834</b>	<b>\$48,834</b>	<b>(\$6,083)</b>	<b>(\$54,917)</b>

See accompanying notes to the required supplementary information.

**City of Trotwood, Ohio**  
**Notes to the Required Supplementary Information**  
**For The Year Ended December 31, 2008**

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**1. BUDGETARY PROCESS**

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

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

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

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

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

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

**Net Change in Fund Balance**

	<u>General</u>	<u>Fire Levy</u>
GAAP Basis	(\$1,118,819)	\$26,084
Net Adjustment for Revenue Accruals	(126,821)	0
Net Adjustment for Expenditure Accruals	507,557	(27,789)
Transfers In	(20,000)	0
Advances (Out)	(70,350)	0
Encumbrances	<u>(227,278)</u>	<u>(16,317)</u>
Budget Basis	<u><u>(\$1,055,711)</u></u>	<u><u>(\$18,022)</u></u>

**COMBINING STATEMENTS AND  
INDIVIDUAL FUND SCHEDULES**

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## ***NONMAJOR GOVERNMENTAL FUNDS***

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Signature Sites TIF – To account for improvements to various signatures sites throughout the city

City of Trotwood, Ohio  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2008

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in Pooled Cash and Investments	\$1,131,635	\$75,507	\$5,972	\$1,213,114
Receivables:				
Taxes	801,558	177,893	0	979,451
Accounts	61,827	0	0	61,827
Intergovernmental	690,069	11,812	0	701,881
Special Assessments	43,463	0	0	43,463
Total Assets	<u>2,728,552</u>	<u>265,212</u>	<u>5,972</u>	<u>2,999,736</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	344,215	0	105,438	449,653
Accrued Wages and Benefits	172,094	0	0	172,094
Interfund Payable	125,382	0	139,451	264,833
Deferred Revenue	1,459,720	189,705	0	1,649,425
Total Liabilities	<u>2,101,411</u>	<u>189,705</u>	<u>244,889</u>	<u>2,536,005</u>
Fund Balances:				
Reserved for Encumbrances	32,108	0	0	32,108
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	595,033	0	0	595,033
Debt Service Funds	0	75,507	0	75,507
Capital Projects Funds	0	0	(238,917)	(238,917)
Total Fund Balances	<u>627,141</u>	<u>75,507</u>	<u>(238,917)</u>	<u>463,731</u>
Total Liabilities and Fund Balances	<u>\$2,728,552</u>	<u>\$265,212</u>	<u>\$5,972</u>	<u>\$2,999,736</u>



City of Trotwood, Ohio  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Nonmajor Governmental Funds  
For the Fiscal Year Ended December 31, 2008

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$927,625	\$145,629	\$0	\$1,073,254
Fines, Licenses & Permits	66,458	0	950	67,408
Charges for Services	\$981,717	\$0	\$0	\$981,717
Investment Earnings	19,404	2,756	420	22,580
Intergovernmental	2,840,830	27,105	0	2,867,935
Special Assessments	36,736	0	0	36,736
Other Revenues	2,972	2,835	68,738	74,545
<b>Total Revenues</b>	<b>4,875,742</b>	<b>178,325</b>	<b>70,108</b>	<b>5,124,175</b>
Expenditures:				
Current:				
Public Safety	1,962,937	0	54,318	2,017,255
Community Development	530,750	0	0	530,750
Transportation and Street Repair	1,441,264	0	0	1,441,264
Capital Outlay	687,414	0	163,196	850,610
Debt Service:				
Principal Retirement	93,987	165,000	0	258,987
Interest and Fiscal Charges	27,482	97,007	0	124,489
<b>Total Expenditures</b>	<b>4,743,834</b>	<b>262,007</b>	<b>217,514</b>	<b>5,223,355</b>
Excess of Revenues Over (Under) Expenditures	131,908	(83,682)	(147,406)	(99,180)
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	0	92,000	0	92,000
Transfers In	64,350	0	0	64,350
Transfers (Out)	(204,964)	0	0	(204,964)
<b>Total Other Financing Sources (Uses)</b>	<b>(140,614)</b>	<b>92,000</b>	<b>0</b>	<b>(48,614)</b>
Net Change in Fund Balance	(8,706)	8,318	(147,406)	(147,794)
Fund Balance Beginning of Year	635,847	67,189	(91,511)	611,525
<b>Fund Balance End of Year</b>	<b>\$627,141</b>	<b>\$75,507</b>	<b>(\$238,917)</b>	<b>\$463,731</b>

City of Trotwood, Ohio  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2008

	Street Construction Maintenance and Repair	State Highway	Motor Vehicle License Tax	Permissive Use Tax	Drug Law Enforcement
Assets:					
Equity in Pooled Cash and Investments	\$475,645	\$144,185	\$238,040	\$19,062	\$28,837
Receivables:					
Taxes	249,019	0	0	0	0
Accounts	0	0	0	0	0
Intergovernmental	619,364	34,707	0	0	0
Special Assessments	262	0	0	0	0
<b>Total Assets</b>	<b>1,344,290</b>	<b>178,892</b>	<b>238,040</b>	<b>19,062</b>	<b>28,837</b>
Liabilities and Fund Balances:					
Liabilities:					
Accounts Payable	158,886	300	94,674	0	0
Accrued Wages and Benefits	45,467	13,719	0	0	0
Interfund Payable	0	0	0	0	0
Deferred Revenue	798,928	29,054	0	0	0
<b>Total Liabilities</b>	<b>1,003,281</b>	<b>43,073</b>	<b>94,674</b>	<b>0</b>	<b>0</b>
Fund Balances:					
Reserved for Encumbrances	0	7,645	23,474	0	0
Unreserved, Undesignated, Reported in: Special Revenue Funds	341,009	128,174	119,892	19,062	28,837
<b>Total Fund Balances</b>	<b>341,009</b>	<b>135,819</b>	<b>143,366</b>	<b>19,062</b>	<b>28,837</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$1,344,290</b>	<b>\$178,892</b>	<b>\$238,040</b>	<b>\$19,062</b>	<b>\$28,837</b>

Curbs/Gutters/ Sidewalks Assessment	Grants	Local Law Enforcement Block	Enforcement and Education	Law Enforcement Trust	Government Equity Program	Rescue Levy
\$83,490	\$0	\$0	\$7,392	\$129,719	\$3,234	\$0
0	0	0	0	0	0	552,539
0	0	0	0	0	0	61,827
0	0	0	0	0	0	35,998
43,201	0	0	0	0	0	0
<u>126,691</u>	<u>0</u>	<u>0</u>	<u>7,392</u>	<u>129,719</u>	<u>3,234</u>	<u>650,364</u>
0	31,743	0	0	20,351	46	38,215
0	0	0	0	0	0	112,908
0	18,848	45,916	0	0	0	60,618
43,201	0	0	0	0	0	588,537
<u>43,201</u>	<u>50,591</u>	<u>45,916</u>	<u>0</u>	<u>20,351</u>	<u>46</u>	<u>800,278</u>
0	0	0	0	0	0	989
<u>83,490</u>	<u>(50,591)</u>	<u>(45,916)</u>	<u>7,392</u>	<u>109,368</u>	<u>3,188</u>	<u>(150,903)</u>
<u>83,490</u>	<u>(50,591)</u>	<u>(45,916)</u>	<u>7,392</u>	<u>109,368</u>	<u>3,188</u>	<u>(149,914)</u>
<u>\$126,691</u>	<u>\$0</u>	<u>\$0</u>	<u>\$7,392</u>	<u>\$129,719</u>	<u>\$3,234</u>	<u>\$650,364</u>

Continued

City of Trotwood, Ohio  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2008

	Police Levy	Total Nonmajor Special Revenue Funds
Assets:		
Equity in Pooled Cash and Investments	\$2,031	\$1,131,635
Receivables:		
Taxes	0	801,558
Accounts	0	61,827
Intergovernmental	0	690,069
Special Assessments	0	43,463
<b>Total Assets</b>	<b>2,031</b>	<b>2,728,552</b>
Liabilities and Fund Balances:		
Liabilities:		
Accounts Payable	0	344,215
Accrued Wages and Benefits	0	172,094
Interfund Payable	0	125,382
Deferred Revenue	0	1,459,720
<b>Total Liabilities</b>	<b>0</b>	<b>2,101,411</b>
Fund Balances:		
Reserved for Encumbrances	0	32,108
Unreserved, Undesignated, Reported in: Special Revenue Funds	2,031	595,033
<b>Total Fund Balances</b>	<b>2,031</b>	<b>627,141</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$2,031</b>	<b>\$2,728,552</b>

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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, 2008

	Street Construction Maintenance and Repair	State Highway	Motor Vehicle License Tax	Permissive Use Tax	Drug Law Enforcement
Revenues:					
Taxes	\$313,638	\$0	\$158,501	\$0	\$0
Fines, Licenses & Permits	0	0	0	0	4,981
Charges for Services	0	0	0	0	0
Investment Earnings	9,324	1,899	2,431	20	585
Intergovernmental	953,336	72,670	0	431,914	0
Special Assessments	0	0	0	0	0
Other Revenues	2,459	0	0	0	0
Total Revenues	1,278,757	74,569	160,932	431,934	5,566
Expenditures:					
Current:					
Public Safety	0	0	0	0	16,391
Community Development	0	0	0	0	0
Transportation and Street Repair	1,321,446	43,564	76,254	0	0
Capital Outlay	85,753	0	18,420	223,622	0
Debt Service:					
Principal Retirement	41,089	0	0	0	0
Interest and Fiscal Charges	18,728	0	0	0	0
Total Expenditures	1,467,016	43,564	94,674	223,622	16,391
Excess of Revenues Over (Under) Expenditures	(188,259)	31,005	66,258	208,312	(10,825)
Other Financing Sources (Uses):					
Transfers In	0	0	0	0	0
Transfers (Out)	0	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0	0
Net Change in Fund Balance	(188,259)	31,005	66,258	208,312	(10,825)
Fund Balance Beginning of Year	529,268	104,814	77,108	(189,250)	39,662
Fund Balance End of Year	\$341,009	\$135,819	\$143,366	\$19,062	\$28,837

Curbs/Gutters/ Sidewalks Assessment	Grants	Local Law Enforcement Block	Enforcement and Education	Law Enforcement Trust	Government Equity Program	Rescue Levy
\$0	\$0	\$0	\$0	\$0	\$0	\$455,486
0	0	0	282	61,195	0	0
0	0	0	0	0	0	981,717
1,215	0	0	111	2,527	291	970
0	1,241,834	0	0	0	55,250	85,826
36,736	0	0	0	0	0	0
0	0	0	0	0	0	513
<u>37,951</u>	<u>1,241,834</u>	<u>0</u>	<u>393</u>	<u>63,722</u>	<u>55,541</u>	<u>1,524,512</u>
0	244,907	41,135	0	4,966	0	1,655,538
0	461,207	0	0	0	69,543	0
0	0	0	0	0	0	0
0	255,104	0	0	104,515	0	0
0	0	0	0	0	0	52,898
1,046	0	0	0	0	0	7,708
<u>1,046</u>	<u>961,218</u>	<u>41,135</u>	<u>0</u>	<u>109,481</u>	<u>69,543</u>	<u>1,716,144</u>
<u>36,905</u>	<u>280,616</u>	<u>(41,135)</u>	<u>393</u>	<u>(45,759)</u>	<u>(14,002)</u>	<u>(191,632)</u>
0	0	0	0	0	0	64,350
0	(204,964)	0	0	0	0	0
<u>0</u>	<u>(204,964)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>64,350</u>
36,905	75,652	(41,135)	393	(45,759)	(14,002)	(127,282)
46,585	(126,243)	(4,781)	6,999	155,127	17,190	(22,632)
<u>\$83,490</u>	<u>(\$50,591)</u>	<u>(\$45,916)</u>	<u>\$7,392</u>	<u>\$109,368</u>	<u>\$3,188</u>	<u>(\$149,914)</u>

Continued

City of Trotwood, Ohio  
Combining Statement of Revenues, Expenditure:  
and Changes in Fund Balance  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended December 31, 2008

	Police Levy	Total Nonmajor Special Revenue Funds
Revenues:		
Taxes	\$0	\$927,625
Fines, Licenses & Permits	0	66,458
Charges for Services	0	981,717
Investment Earnings	31	19,404
Intergovernmental	0	2,840,830
Special Assessments	0	36,736
Other Revenues	0	2,972
<b>Total Revenues</b>	<b>31</b>	<b>4,875,742</b>
Expenditures:		
Current:		
Public Safety	0	1,962,937
Community Development	0	530,750
Transportation and Street Repair	0	1,441,264
Capital Outlay	0	687,414
Debt Service:		
Principal Retirement	0	93,987
Interest and Fiscal Charges	0	27,482
<b>Total Expenditures</b>	<b>0</b>	<b>4,743,834</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>31</b>	<b>131,908</b>
Other Financing Sources (Uses):		
Transfers In	0	64,350
Transfers (Out)	0	(204,964)
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>(140,614)</b>
<b>Net Change in Fund Balance</b>	<b>31</b>	<b>(8,706)</b>
<b>Fund Balance Beginning of Year</b>	<b>2,000</b>	<b>635,847</b>
<b>Fund Balance End of Year</b>	<b>\$2,031</b>	<b>\$627,141</b>



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City of Trotwood, Ohio  
Combining Balance Sheet  
Nonmajor Capital Projects Funds  
December 31, 2008

	Park Acquisition and Development	Fire Facility Improvements	West Third Street Improvement	Salem Corridor Street Improvement	Signature Sites TIF
Assets:					
Equity in Pooled Cash and Investments	\$0	\$5,972	\$0	\$0	\$0
Total Assets	<u>0</u>	<u>5,972</u>	<u>0</u>	<u>0</u>	<u>0</u>
Liabilities and Fund Balances:					
Liabilities:					
Accounts Payable	0	98,705	0	0	6,733
Interfund Payable	<u>69,451</u>	<u>0</u>	<u>70,000</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u>69,451</u>	<u>98,705</u>	<u>70,000</u>	<u>0</u>	<u>6,733</u>
Fund Balances:					
Unreserved, Undesignated, Reported in: Capital Projects Funds	<u>(69,451)</u>	<u>(92,733)</u>	<u>(70,000)</u>	<u>0</u>	<u>(6,733)</u>
Total Fund Balances	<u>(69,451)</u>	<u>(92,733)</u>	<u>(70,000)</u>	<u>0</u>	<u>(6,733)</u>
Total Liabilities and Fund Balances	<u>\$0</u>	<u>\$5,972</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Total  
Nonmajor  
Capital Projects  
Funds

\$5,972

5,972

105,438  
139,451

244,889

(238,917)

(238,917)

\$5,972

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, 2008

	Park Acquisition and Development	Fire Facility Improvements	West Third Street Improvement	Salem Corridor Street Improvement	Signature Sites TIF
Revenues:					
Fines, Licenses & Permits	\$950	\$0	\$0	\$0	\$0
Investment Earnings	0	420	0	0	0
Other Revenues	0	23,415	3,622	41,701	0
Total Revenues	950	23,835	3,622	41,701	0
Expenditures:					
Current:					
Public Safety	0	54,318	0	0	0
Capital Outlay	74,931	81,532	0	0	6,733
Total Expenditures	74,931	135,850	0	0	6,733
Net Change in Fund Balance	(73,981)	(112,015)	3,622	41,701	(6,733)
Fund Balance Beginning of Year	4,530	19,282	(73,622)	(41,701)	0
Fund Balance End of Year	(\$69,451)	(\$92,733)	(\$70,000)	\$0	(\$6,733)

<u>Total Nonmajor Capital Projects Funds</u>
\$950
420
<u>68,738</u>
 70,108
  54,318
<u>163,196</u>
 217,514
 (147,406)
<u>(91,511)</u>
<u><u>(\$238,917)</u></u>

City of Trotwood  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended December 31, 2008

	Street Construction Maintenance and Repair Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$323,100	\$313,638	(\$9,462)
Intergovernmental	826,358	958,826	132,468
Investment Earnings	8,000	9,324	1,324
Other Revenues	0	2,459	2,459
Total Revenues	<u>1,157,458</u>	<u>1,284,247</u>	<u>126,789</u>
Expenditures:			
Current:			
Transportation & Street Repair	1,374,592	1,285,209	89,383
Capital Outlay	158,735	148,816	9,919
Debt Service:			
Principal Retirement	41,089	41,089	0
Interest and Fiscal Charges	18,728	18,728	0
Total Expenditures	<u>1,593,144</u>	<u>1,493,842</u>	<u>99,302</u>
Net Change in Fund Balance	(435,686)	(209,595)	226,091
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>639,536</u>	<u>639,536</u>	<u>0</u>
Fund Balance End of Year	<u>\$203,850</u>	<u>\$429,941</u>	<u>\$226,091</u>

City of Trotwood  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2008

	State Highway Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$62,000	\$73,115	\$11,115
Investment Earnings	1,500	1,899	399
Total Revenues	<u>63,500</u>	<u>75,014</u>	<u>11,514</u>
Expenditures:			
Current:			
Transportation & Street Repair	<u>88,405</u>	<u>39,654</u>	<u>48,751</u>
Total Expenditures	<u>88,405</u>	<u>39,654</u>	<u>48,751</u>
Net Change in Fund Balance	(24,905)	35,360	60,265
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>100,879</u>	<u>100,879</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$75,974</u></u>	<u><u>\$136,239</u></u>	<u><u>\$60,265</u></u>

City of Trotwood  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended December 31, 2008

	Motor Vehicle License Tax Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$160,000	\$158,501	(\$1,499)
Investment Earnings	2,000	2,431	431
Total Revenues	<u>162,000</u>	<u>160,932</u>	<u>(1,068)</u>
Expenditures:			
Current:			
Transportation & Street Repair	76,255	214,779	(138,524)
Capital Outlay	<u>225,235</u>	<u>85,745</u>	<u>139,490</u>
Total Expenditures	<u>301,490</u>	<u>300,524</u>	<u>966</u>
Net Change in Fund Balance	(139,490)	(139,592)	(102)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>215,633</u>	<u>215,633</u>	<u>0</u>
Fund Balance End of Year	<u>\$76,143</u>	<u>\$76,041</u>	<u>(\$102)</u>



City of Trotwood  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended December 31, 2008

	Permissive Use Tax Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$440,000	\$431,914	(\$8,086)
Investment Earnings	100	20	(80)
Total Revenues	<u>440,100</u>	<u>431,934</u>	<u>(8,166)</u>
Expenditures:			
Current:			
Capital Outlay	<u>253,635</u>	<u>257,257</u>	<u>(3,622)</u>
Total Expenditures	<u>253,635</u>	<u>257,257</u>	<u>(3,622)</u>
Net Change in Fund Balance	186,465	174,677	(11,788)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>(155,615)</u>	<u>(155,615)</u>	<u>0</u>
Fund Balance End of Year	<u>\$30,850</u>	<u>\$19,062</u>	<u>(\$11,788)</u>

City of Trotwood  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2008

	Drug Law Enforcement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses & Permits	\$2,000	\$4,981	\$2,981
Investment Earnings	300	585	285
Total Revenues	<u>2,300</u>	<u>5,566</u>	<u>3,266</u>
Expenditures:			
Current:			
Public Safety	<u>16,911</u>	<u>16,391</u>	<u>520</u>
Total Expenditures	<u>16,911</u>	<u>16,391</u>	<u>520</u>
Net Change in Fund Balance	(14,611)	(10,825)	3,786
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>39,662</u>	<u>39,662</u>	<u>0</u>
Fund Balance End of Year	<u>\$25,051</u>	<u>\$28,837</u>	<u>\$3,786</u>

City of Trotwood  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended December 31, 2008

	Curbs/Gutters/ Sidewalks Assessment Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Special Assessments	\$30,000	\$36,736	\$6,736
Investment Earnings	1,500	1,215	(285)
Total Revenues	<u>31,500</u>	<u>37,951</u>	<u>6,451</u>
Expenditures:			
Current:			
Debt Service:			
Principal Retirement	27,000	27,000	0
Interest and Fiscal Charges	1,053	1,047	6
Total Expenditures	<u>28,053</u>	<u>28,047</u>	<u>6</u>
Net Change in Fund Balance	3,447	9,904	6,457
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>73,587</u>	<u>73,587</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$77,034</u></u>	<u><u>\$83,491</u></u>	<u><u>\$6,457</u></u>

City of Trotwood  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended December 31, 2008

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	Grants Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$1,664,460	\$1,241,834	(\$422,626)
Total Revenues	<u>1,664,460</u>	<u>1,241,834</u>	<u>(422,626)</u>
Expenditures:			
Current:			
Public Safety	248,750	244,907	3,843
Community Development	600,197	472,012	128,185
Capital Outlay	515,129	472,374	42,755
Total Expenditures	<u>1,364,076</u>	<u>1,189,293</u>	<u>174,783</u>
Net Change in Fund Balance	300,384	52,541	(247,843)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>(94,501)</u>	<u>(94,501)</u>	<u>0</u>
Fund Balance End of Year	<u>\$205,883</u>	<u>(\$41,960)</u>	<u>(\$247,843)</u>

City of Trotwood  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended December 31, 2008

	Local Law Enforcement Block Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$45,900	\$0	(\$45,900)
Investment Earnings	50	0	(50)
Total Revenues	<u>45,950</u>	<u>0</u>	<u>(45,950)</u>
Expenditures:			
Current:			
Public Safety	<u>41,130</u>	<u>41,136</u>	<u>(6)</u>
Total Expenditures	<u>41,130</u>	<u>41,136</u>	<u>(6)</u>
Net Change in Fund Balance	4,820	(41,136)	(45,956)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>(4,781)</u>	<u>(4,781)</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$39</u></u>	<u><u>(\$45,917)</u></u>	<u><u>(\$45,956)</u></u>

City of Trotwood  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2008

	Enforcement and Education Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses & Permits	\$400	\$282	(\$118)
Investment Earnings	50	111	61
Total Revenues	450	393	(57)
Expenditures:			
Current:			
Public Safety	550	0	550
Total Expenditures	550	0	550
Net Change in Fund Balance	(100)	393	493
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	6,999	6,999	0
Fund Balance End of Year	\$6,899	\$7,392	\$493

City of Trotwood  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended December 31, 2008

	Law Enforcement Trust Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses & Permits	\$50,000	\$61,195	\$11,195
Investment Earnings	500	2,527	2,027
Total Revenues	<u>50,500</u>	<u>63,722</u>	<u>13,222</u>
Expenditures:			
Current:			
Public Safety	20,079	22,282	(2,203)
Capital Outlay	118,036	105,437	12,599
Total Expenditures	<u>138,115</u>	<u>127,719</u>	<u>10,396</u>
Net Change in Fund Balance	(87,615)	(63,997)	23,618
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>175,435</u>	<u>175,435</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$87,820</u></u>	<u><u>\$111,438</u></u>	<u><u>\$23,618</u></u>

City of Trotwood  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended December 31, 2008

	Government Equity Program Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$55,250	\$55,250	\$0
Investment Earnings	100	291	191
Total Revenues	55,350	55,541	191
Expenditures:			
Current:			
Community Development	70,544	69,542	1,002
Total Expenditures	70,544	69,542	1,002
Net Change in Fund Balance	(15,194)	(14,001)	1,193
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	17,234	17,234	0
Fund Balance End of Year	\$2,040	\$3,233	\$1,193



City of Trotwood  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended December 31, 2008

	Rescue Levy Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$462,573	\$455,486	(\$7,087)
Intergovernmental	86,600	85,826	(774)
Charges for Services	946,650	981,717	35,067
Investment Earnings	1,600	970	(630)
Other Revenues	0	513	513
<b>Total Revenues</b>	<b>1,497,423</b>	<b>1,524,512</b>	<b>27,089</b>
Expenditures:			
Current:			
Public Safety	1,512,254	1,708,156	(195,902)
Debt Service:			
Principal Retirement	52,898	52,898	0
Interest and Fiscal Charges	7,708	7,708	0
<b>Total Expenditures</b>	<b>1,572,860</b>	<b>1,768,762</b>	<b>(195,902)</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(75,437)</b>	<b>(244,250)</b>	<b>(168,813)</b>
Other Financing Sources (Uses):			
Transfers In	64,350	64,350	0
<b>Total Other Financing Sources (Uses)</b>	<b>64,350</b>	<b>64,350</b>	<b>0</b>
<b>Net Change in Fund Balance</b>	<b>(11,087)</b>	<b>(179,900)</b>	<b>(168,813)</b>
<b>Fund Balance Beginning of Year (includes prior year encumbrances appropriated)</b>	<b>84,697</b>	<b>84,697</b>	<b>0</b>
<b>Fund Balance End of Year</b>	<b>\$73,610</b>	<b>(\$95,203)</b>	<b>(\$168,813)</b>

City of Trotwood  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2008

	Police Levy Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$0	\$31	\$31
Total Revenues	0	31	31
Expenditures:			
Current:			
General Government	0	0	0
Total Expenditures	0	0	0
Net Change in Fund Balance	0	31	31
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	2,000	2,000	0
Fund Balance End of Year	\$2,000	\$2,031	\$31

City of Trotwood  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended December 31, 2008

	Debt Retirement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$147,180	\$145,629	(\$1,551)
Intergovernmental	26,736	27,105	369
Investment Earnings	2,000	2,756	756
Other Revenues	0	2,835	2,835
Total Revenues	<u>175,916</u>	<u>178,325</u>	<u>2,409</u>
Expenditures:			
Debt Service:			
Principal Retirement	165,000	165,000	0
Interest and Fiscal Charges	98,579	97,007	1,572
Total Expenditures	<u>263,579</u>	<u>262,007</u>	<u>1,572</u>
Excess of Revenues Over (Under) Expenditures	<u>(87,663)</u>	<u>(83,682)</u>	<u>3,981</u>
Other Financing Sources (Uses):			
Proceeds from Sale of Capital Assets	92,000	92,000	0
Total Other Financing Sources (Uses)	<u>92,000</u>	<u>92,000</u>	<u>0</u>
Net Change in Fund Balance	4,337	8,318	3,981
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>67,190</u>	<u>67,190</u>	<u>0</u>
Fund Balance End of Year	<u>\$71,527</u>	<u>\$75,508</u>	<u>\$3,981</u>

City of Trotwood  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended December 31, 2008

	Salem Mall Tax Increment Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$200,000	\$284,844	\$84,844
Investment Earnings	5,000	7,552	2,552
Payment in Lieu of Taxes	41,100	306,209	265,109
<b>Total Revenues</b>	<b>246,100</b>	<b>598,605</b>	<b>352,505</b>
Expenditures:			
Current:			
Community Development	277,807	146,217	131,590
Capital Outlay	299,039	284,065	14,974
Debt Service:			
Principal Retirement	8,005,000	8,005,000	0
Interest and Fiscal Charges	304,143	308,825	(4,682)
<b>Total Expenditures</b>	<b>8,885,989</b>	<b>8,744,107</b>	<b>141,882</b>
Excess of Revenues Over (Under) Expenditures	(8,639,889)	(8,145,502)	494,387
Other Financing Sources (Uses):			
Proceeds from Sale of Capital Assets	0	3,402	3,402
Issuance of Debt	8,310,000	8,310,000	0
<b>Total Other Financing Sources (Uses)</b>	<b>8,310,000</b>	<b>8,313,402</b>	<b>3,402</b>
Net Change in Fund Balance	(329,889)	167,900	497,789
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	210,279	210,279	0
<b>Fund Balance End of Year</b>	<b>(\$119,610)</b>	<b>\$378,179</b>	<b>\$497,789</b>

City of Trotwood  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended December 31, 2008

	Industrial Park Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$2,332,000	\$1,942,711	(\$389,289)
Investment Earnings	10	6,226	6,216
Total Revenues	<u>2,332,010</u>	<u>1,948,937</u>	<u>(383,073)</u>
Expenditures:			
Current:			
Capital Outlay	3,439,000	3,449,272	(10,272)
Debt Service:			
Principal Retirement	1,918,000	1,918,000	0
Interest and Fiscal Charges	39,790	35,547	4,243
Total Expenditures	<u>5,396,790</u>	<u>5,402,819</u>	<u>(6,029)</u>
Excess of Revenues Over (Under) Expenditures	<u>(3,064,780)</u>	<u>(3,453,882)</u>	<u>(389,102)</u>
Other Financing Sources (Uses):			
Proceeds from Sale of Capital Assets	291,100	291,181	81
Issuance of Debt	2,990,000	2,990,000	0
Total Other Financing Sources (Uses)	<u>3,281,100</u>	<u>3,281,181</u>	<u>81</u>
Net Change in Fund Balance	216,320	(172,701)	(389,021)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>(217,854)</u>	<u>(217,854)</u>	<u>0</u>
Fund Balance End of Year	<u>(\$1,534)</u>	<u>(\$390,555)</u>	<u>(\$389,021)</u>

City of Trotwood  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended December 31, 2008

	Park Acquisition and Development Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses & Permits	\$1,000	\$950	(\$50)
Intergovernmental	75,000	0	(75,000)
Investment Earnings	100	0	(100)
Total Revenues	<u>76,100</u>	<u>950</u>	<u>(75,150)</u>
Expenditures:			
Capital Outlay	<u>74,935</u>	<u>74,933</u>	<u>2</u>
Total Expenditures	<u>74,935</u>	<u>74,933</u>	<u>2</u>
Net Change in Fund Balance	1,165	(73,983)	(75,148)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>4,533</u>	<u>4,533</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$5,698</u></u>	<u><u>(\$69,450)</u></u>	<u><u>(\$75,148)</u></u>

City of Trotwood  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended December 31, 2008

	Fire Facility Improvements Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$0	\$420	\$420
Other Revenues	28,000	23,414	(4,586)
Total Revenues	28,000	23,834	(4,166)
Expenditures:			
Current:			
Capital Outlay	91,078	81,532	9,546
Total Expenditures	91,078	81,532	9,546
Net Change in Fund Balance	(63,078)	(57,698)	5,380
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	63,668	63,668	0
Fund Balance End of Year	\$590	\$5,970	\$5,380

City of Trotwood  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2008

	West Third Street Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$73,650	\$0	(\$73,650)
Other Revenues	0	3,622	3,622
Total Revenues	73,650	3,622	(70,028)
Expenditures:			
Current:			
Capital Outlay	0	0	0
Total Expenditures	0	0	0
Net Change in Fund Balance	73,650	3,622	(70,028)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	(73,622)	(73,622)	0
Fund Balance End of Year	\$28	(\$70,000)	(\$70,028)



City of Trotwood  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2008

	Salem Corridor Street Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Capital Outlay	0	0	0
Total Expenditures	0	0	0
Net Change in Fund Balance	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	\$0	\$0	\$0

City of Trotwood  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2008

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	Signature Sites TIF Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
General Government	0	0	0
Total Expenditures	0	0	0
Net Change in Fund Balance	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	\$0	\$0	\$0

# STATISTICAL SECTION

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## ***STATISTICAL SECTION***

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

### **Contents**

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

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

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

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

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

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

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

	Calendar Year					
	2003	2004	2005	2006	2007	2008
<b>Governmental Activities</b>						
Invested in Capital Assets, Net of Related Debt	\$2,223,206	\$1,676,251	\$4,160,573	\$36,682,729	\$38,871,297	\$38,614,884
Restricted	2,070,279	1,887,487	1,655,451	1,013,408	1,272,167	1,544,593
Unrestricted	2,911,362	3,632,843	4,256,902	5,600,934	3,017,751	2,388,264
Total governmental activities net assets	\$7,204,847	\$7,196,581	\$10,072,926	\$43,297,071	\$43,161,215	\$42,547,741
<b>Business-type activities</b>						
Invested in Capital Assets, Net of Related Debt	\$670,979	\$589,122	\$700,308	\$17,794,473	\$17,316,334	\$18,004,296
Unrestricted	164,558	244,501	109,298	988,899	1,339,867	1,502,010
Total business-type activities net assets	\$835,537	\$833,623	\$809,606	\$18,783,372	\$18,656,201	\$19,506,306
<b>Total Primary Government</b>						
Invested in Capital Assets, Net of Related Debt	\$2,894,185	\$2,265,373	\$4,860,881	\$54,477,202	\$56,187,631	\$56,619,180
Restricted	2,070,279	1,887,487	1,655,451	1,013,408	1,272,167	1,544,593
Unrestricted	3,075,920	3,877,344	4,366,200	6,589,833	4,357,618	3,890,274
Total primary government net assets	\$8,040,384	\$8,030,204	\$10,882,532	\$62,080,443	\$61,817,416	\$62,054,047

Source: City Records

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

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

	Calendar Year					
	2003	2004	2005	2006	2007	2008
<b>Expenses</b>						
<b>Governmental Activities:</b>						
General Government	\$3,269,998	\$2,424,667	\$2,521,463	\$2,691,268	\$2,861,598	\$3,503,943
Public Safety	9,100,949	8,712,931	9,749,517	9,745,013	9,158,585	10,146,961
Leisure Time Activities	443,832	468,158	601,949	538,424	514,178	452,003
Community Development	1,379,794	2,478,991	2,258,759	2,043,598	1,288,856	1,604,067
Transportation & Street Repair	1,565,807	2,603,908	1,693,198	2,801,135	2,335,807	3,077,816
Interest and Fiscal Charges	236,000	264,371	333,652	551,113	833,690	780,516
<b>Total Governmental Activities Expenses</b>	<b>15,996,380</b>	<b>16,953,026</b>	<b>17,158,538</b>	<b>18,370,551</b>	<b>16,992,714</b>	<b>19,565,306</b>
<b>Business-Type Activities:</b>						
Water	1,077,621	1,050,022	1,078,263	1,222,874	1,659,355	1,417,933
Sewer	858,921	883,254	854,856	933,622	1,063,804	1,012,659
Refuse	1,057,825	986,635	1,122,749	1,155,773	1,280,068	1,448,058
Stormwater	0	2,570	18,514	508,984	612,570	777,578
<b>Total Business-Type Activities Expenses</b>	<b>2,994,367</b>	<b>2,922,481</b>	<b>3,074,382</b>	<b>3,821,253</b>	<b>4,615,797</b>	<b>4,656,228</b>
<b>Total Primary Government Expenses</b>	<b>\$18,990,747</b>	<b>\$19,875,507</b>	<b>\$20,232,920</b>	<b>\$22,191,804</b>	<b>\$21,608,511</b>	<b>\$24,221,534</b>
<b>Program Revenues</b>						
<b>Governmental Activities:</b>						
Charges for Services:						
General Government	\$332,856	\$248,314	\$357,370	\$276,140	\$374,435	\$459,251
Public Safety	615,507	1,002,634	1,051,086	1,241,261	1,299,752	1,370,157
Leisure Time Activities	13,372	20,444	20,709	5,024	28,049	27,070
Community Development	133,884	268,738	398,139	170,698	97,669	71,059
Transportation and Street Repair	21,832	19,084	17,104	19,147	0	36,736
Interest and Fiscal Charges	0	0	24,312	27,217	55,457	0
Operating Grants and Contributions	2,159,298	1,980,059	1,738,257	2,148,982	2,143,830	3,323,285
Capital Grants and Contributions	106,428	841,261	2,188,017	1,050,263	550,503	2,279,206
<b>Total Governmental Activities Program Revenues</b>	<b>3,383,177</b>	<b>4,380,534</b>	<b>5,794,994</b>	<b>4,938,732</b>	<b>4,549,695</b>	<b>7,566,764</b>
<b>Business-Type Activities:</b>						
Charges for Services:						
Water	972,345	922,730	922,392	1,490,307	1,753,586	1,593,335
Sewer	891,692	876,218	894,980	924,526	897,670	984,239
Refuse	1,125,001	834,199	1,067,735	1,415,993	1,165,640	1,474,799
Stormwater	0	0	0	116,724	664,582	766,726
Capital Grants and Contributions	0	0	180,257	0	0	0
<b>Total Business-Type Activities Program Revenues</b>	<b>2,989,038</b>	<b>2,633,147</b>	<b>3,065,364</b>	<b>3,947,550</b>	<b>4,481,478</b>	<b>4,819,099</b>
<b>Total Primary Government Program Revenues</b>	<b>\$6,372,215</b>	<b>\$7,013,681</b>	<b>\$8,860,358</b>	<b>\$8,886,282</b>	<b>\$9,031,173</b>	<b>\$12,385,863</b>

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

	Calendar Year					
	2003	2004	2005	2006	2007	2008
Net (Expense)/Revenue						
Governmental Activities	(\$12,613,203)	(\$12,572,492)	(\$11,363,544)	(\$13,431,819)	(\$12,443,019)	(\$11,998,542)
Business-Type Activities	(5,329)	(289,334)	(9,018)	126,297	(134,319)	162,871
Total Primary Government Net Expenses	(\$12,618,532)	(\$12,861,826)	(\$11,372,562)	(\$13,305,522)	(\$12,577,338)	(\$11,835,671)
General Revenues and Other Changes in Net Assets						
Governmental Activities:						
Income Taxes	\$5,554,897	\$5,640,632	\$5,899,378	\$5,500,282	\$5,088,924	\$5,058,111
Property Taxes Levied for:						
General Purposes	1,766,275	1,752,966	1,831,789	1,741,372	1,860,377	1,846,296
Special Revenue Purposes	2,040,773	2,758,703	3,101,473	2,512,531	2,816,738	2,842,302
Debt Service Purposes	7,290	127,239	176,348	145,086	164,829	163,110
Grants and Entitlements not Restricted	2,490,076	1,567,345	1,630,941	1,245,265	1,615,694	1,421,021
Payment in Lieu of Taxes	164,298	170,064	188,685	201,886	213,029	320,584
Unrestricted Contributions	5,355	0	0	0	0	0
Investment Earnings	47,089	43,794	103,728	300,610	261,499	78,738
Refunds & Reimbursements	41,490	0	344,726	0	0	0
Other Revenues	270,908	503,482	945,321	261,214	286,073	335,746
Transfers-Internal Activities	0	0	17,500	0	0	(680,840)
Total Governmental Activities	12,388,451	12,564,225	14,239,889	11,908,246	12,307,163	11,385,068
Business-type activities:						
Investment Earnings	1,121	1,258	2,471	3,063	7,086	6,362
Other Revenues	0	286,162	30	30	62	32
Transfers-Internal Activities	0	0	(17,500)	0	0	680,840
Total Business-Type Activities	1,121	287,420	(14,999)	3,093	7,148	687,234
Total Primary Government	\$12,389,572	\$12,851,645	\$14,224,890	\$11,911,339	\$12,314,311	\$12,072,302
Change in Net Assets						
Governmental Activities	(\$224,752)	(\$8,267)	\$2,876,345	(\$1,523,573)	(\$135,856)	(\$613,474)
Business-Type Activities	(4,208)	(1,914)	(24,017)	129,390	(127,171)	850,105
Total Primary Government	(\$228,960)	(\$10,181)	\$2,852,328	(\$1,394,183)	(\$263,027)	\$236,631

Source: City Records

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



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

	Calendar Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Fund										
Reserved	\$158,453	\$152,214	\$195,608	\$149,930	\$144,489	\$129,249	\$375,847	\$197,716	\$160,153	\$32,781
Unreserved	3,223,226	3,219,836	1,994,702	1,280,850	1,497,790	1,350,792	1,995,065	2,156,943	1,890,919	899,472
Total General Fund	3,381,679	3,372,050	2,190,310	1,430,780	1,642,279	1,480,041	2,370,912	2,354,659	2,051,072	932,253
All Other Governmental Funds										
Reserved	489,007	507,950	823,701	1,434,091	387,496	1,510,001	1,570,182	3,319,992	356,958	621,121
Unreserved, Reported in:										
Special Revenue Funds	2,046,791	1,059,594	1,128,323	988,821	935,063	(102,390)	(105,092)	(482,482)	313,731	425,726
Debt Service Funds	9,112	597	2,440	8,589	53,108	78,043	104,474	144,237	67,189	75,507
Capital Projects Funds	(5,630)	(1,647,118)	(1,764,383)	(3,141,954)	(932,928)	(5,783,497)	(8,959,817)	(12,579,423)	(9,049,502)	(10,745,183)
Total all Other Governmental Funds	\$2,539,280	(\$78,977)	\$190,081	(\$710,453)	\$442,739	(\$4,297,843)	(\$7,390,253)	(\$9,597,676)	(\$8,311,624)	(\$9,622,829)

Source: City Records

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

	Calendar Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Revenues</b>										
Taxes	\$8,222,606	\$8,599,117	\$7,217,614	\$8,896,998	\$9,281,384	\$10,115,617	\$10,740,107	\$10,062,944	\$10,036,000	\$9,442,375
Fines, Licenses & Permits	117,007	97,621	336,245	326,212	407,837	342,430	480,358	677,621	575,306	616,859
Charges for Services	194,391	258,561	930,892	1,198,249	974,728	1,152,644	1,351,932	1,091,174	1,194,610	1,291,014
Investment Earnings	416,894	277,116	266,207	89,372	47,090	43,794	103,728	160,367	261,499	78,737
Intergovernmental	2,784,498	5,651,530	3,388,698	3,000,994	3,783,903	4,073,076	4,719,916	4,591,098	4,410,278	6,765,127
Special Assessments	164,776	35,125	56,291	67,633	81,916	85,086	69,630	153,553	90,415	56,400
Payment in Lieu of Taxes	0	0	0	0	0	0	0	0	213,029	320,584
Other Revenues	167,106	632,213	405,669	109,328	455,562	622,598	1,382,456	412,626	279,887	335,746
<b>Total Revenues</b>	<b>\$12,067,278</b>	<b>\$15,551,283</b>	<b>\$12,601,616</b>	<b>\$13,688,786</b>	<b>\$15,032,420</b>	<b>\$16,435,245</b>	<b>\$18,848,127</b>	<b>\$17,149,383</b>	<b>\$17,061,024</b>	<b>\$18,906,842</b>
<b>Expenditures</b>										
Current:										
General Government	\$2,377,437	\$2,123,683	\$2,023,525	\$2,264,896	\$2,405,893	\$2,312,200	\$2,373,557	\$2,592,549	\$2,818,858	\$2,768,203
Public Safety	7,252,708	7,438,266	7,442,020	7,777,073	8,391,237	8,302,497	9,485,513	8,624,274	9,147,913	9,656,271
Leisure Time Activities	609,445	760,948	523,486	472,069	386,804	390,252	540,983	476,915	463,841	396,378
Community Development	596,412	976,552	879,813	903,893	1,354,251	1,727,732	2,289,567	1,632,056	1,255,235	1,598,660
Transportation and Street Repair	1,246,778	1,267,681	1,087,664	1,079,879	1,250,411	2,334,873	1,568,494	1,089,451	1,423,293	1,775,955
Capital Outlay	1,887,440	4,042,240	1,563,347	2,740,330	2,222,513	5,778,866	4,858,385	4,175,627	4,827,180	3,508,994
Debt Service										
Principal	55,000	65,000	70,000	219,053	1,418,485	422,402	244,466	369,207	340,423	492,860
Interest	102,206	102,320	239,680	181,623	206,648	210,017	272,846	504,498	861,877	858,384
Other	0	0	2,456	0	0	0	0	0	0	0
<b>Total Expenditures</b>	<b>\$14,127,426</b>	<b>\$16,776,690</b>	<b>\$13,831,991</b>	<b>\$15,638,816</b>	<b>\$17,636,242</b>	<b>\$21,478,839</b>	<b>\$21,633,811</b>	<b>\$19,464,577</b>	<b>\$21,138,620</b>	<b>\$21,055,705</b>

Source: City Records

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

	Calendar Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Excess of revenues over (under) expenditures	(\$2,060,148)	(\$1,225,407)	(\$1,230,375)	(\$1,950,030)	(\$2,603,822)	(\$5,043,594)	(\$2,785,684)	(\$2,315,194)	(\$4,077,596)	(\$2,148,863)
Other Financing Sources (Uses)										
Issuance of Notes and Bonds	\$0	\$0	\$4,240	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Issuance of Capital Leases	0	15,000	262,201	268,782	155,763	0	471,298	108,696	0	0
Proceeds From Sale of Capital Assets	0	185,608	51,225	21,211	2,953	65,389	61,774	7,858	1,633	399,679
Issuance of Long-Term Capital-Related Debt	0	0	0	0	3,790,000	0	0	0	5,015,000	0
Proceeds of Refunding Bonds	0	0	0	0	1,231,186	0	0	0	0	0
Payments to Refunded Bond Escrow Agent	0	0	0	0	(1,231,186)	0	0	0	0	0
Inception of Capital Lease	0	0	0	0	0	37,400	0	0	119,328	0
Transfers In	1,663,200	700,000	495,085	912,500	618,600	664,100	62,500	25,000	551,000	386,750
Transfers (Out)	(1,663,200)	(700,000)	(495,085)	(912,500)	(618,600)	(664,100)	(45,000)	(25,000)	(551,000)	(1,067,590)
Total Other Financing Sources (Uses)	0	200,608	317,666	289,993	3,948,716	102,789	550,572	116,554	5,135,961	(281,161)
Net Change in Fund Balances	(\$2,060,148)	(\$1,024,799)	(\$912,709)	(\$1,660,037)	\$1,344,894	(\$4,940,805)	(\$2,235,112)	(\$2,198,640)	\$1,058,365	(\$2,430,024)
Debt service as a percentage of noncapital expenditures	1.3%	1.3%	2.5%	3.1%	9.7%	3.8%	3.3%	5.1%	7.5%	7.4%

Source: City Records

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

Calendar Year	Real Property Assessed Value	Tangible Personal Property and Utilities Personal Assessed Value	Total Assessed Value	Total Estimated Actual Value	Total Direct Rate
1999	\$240,984,190	\$47,280,164	\$288,264,354	\$823,612,440	15.14
2000	257,846,260	45,178,732	303,024,992	865,785,691	15.14
2001	256,864,550	41,837,819	298,702,369	853,435,340	15.14
2002	253,910,830	37,320,990	291,231,820	832,090,914	11.64
2003	290,982,840	34,182,924	325,165,764	929,045,040	17.39
2004	290,157,130	32,003,608	322,160,738	920,459,251	17.39
2005 (1)	290,127,620	30,158,312	320,285,932	915,102,663	17.39
2006 (1)	320,939,050	24,675,433	345,614,483	1,003,565,161	17.39
2007 (1)	329,508,630	21,887,257	351,395,887	1,054,046,213	17.39
2008 (1)	329,072,430	16,603,522	345,675,952	1,083,409,574	17.39

Source: County Auditor

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

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

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

Collection Year	Current Assessments Due	Current Assessment Collections	Percent of Current Assesments Collected	Delinquent Assessment Collections	Total Assessment Collections	Ratio of Total Collections to Current	Outstanding Delinquent Assessments (1)	Ratio of Delinquent Assessments to Current Due
1999	\$358,225	\$277,660	77.51%	\$53,600	\$331,260	92.47%	N/A	N/A
2000	304,019	176,635	58.10%	50,802	227,437	74.81%	543,907	178.91%
2001	238,955	N/A	N/A	N/A	237,249	99.29%	633,289	265.02%
2002	350,595	N/A	N/A	N/A	284,262	81.08%	708,533	202.09%
2003	349,418	N/A	N/A	N/A	366,845	104.99%	816,139	233.57%
2004	567,231	N/A	N/A	N/A	402,911	71.03%	745,556	131.44%
2005	488,322	479,111	98.11%	12,628	491,739	100.70%	424,402	86.91%
2006	513,390	532,532	103.73%	196,131	728,663	141.93%	421,174	82.04%
2007	523,130	408,702	78.13%	112,673	521,375	99.66%	429,156	82.04%
2008	748,345	569,480	76.10%	81,666	651,146	87.01%	590,314	78.88%

Source: County Auditor

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

N/A - Information not available

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

Calendar Year	Direct Rates					Overlapping Rates				
	General Fund	Inside Bond	Fire Fund	Street Fund	Ambulance and EMS	Total Direct Rate	Trotwood-Madison City School District	Miami Valley Career Technology Center	Dayton-Montgomery County Library	Montgomery County
1999	4.60	0.50	6.30	1.74	2.00	15.14	53.74	2.58	0.26	16.64
2000	4.60	0.50	6.30	1.74	2.00	15.14	52.64	2.58	0.26	16.64
2001	1.10	0.50	6.30	1.74	2.00	11.64	52.64	2.58	0.26	17.24
2002	6.85	0.50	6.30	1.74	2.00	17.39	52.91	2.58	0.26	17.24
2003	6.85	0.50	6.30	1.74	2.00	17.39	61.05	2.58	0.26	17.24
2004	6.85	0.50	6.30	1.74	2.00	17.39	60.85	2.58	0.26	18.24
2005	6.85	0.50	6.30	1.74	2.00	17.39	60.70	2.58	1.25	18.24
2006	6.85	0.50	6.30	1.74	2.00	17.39	60.06	2.58	1.25	18.24
2007	6.85	0.50	6.30	1.74	2.00	17.39	60.06	2.58	1.25	18.24
2008	6.85	0.50	6.30	1.74	2.00	17.39	60.06	2.58	1.25	20.24

Source: County Auditor

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

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

Taxpayer	2008	
	Assessed Value	Percentage of Total Assessed Value
Dayton Power & Light Company	\$7,537,760	2.18%
Salem Square Improvement	4,689,730	1.36%
Apartments at Castlebrook	2,686,740	0.78%
Tramlaw LLC	2,112,990	0.61%
Belle Meadows	1,912,930	0.55%
Lowe's Home Center, Inc.	1,862,520	0.54%
Vectren Energy Delivery	1,579,020	0.46%
Sears Roebuck & Co.	1,681,300	0.49%
Groach Associates	1,490,730	0.43%
Fieldstone Limited	1,414,140	0.41%
<b>Total Principal Property Tax Payers</b>	<b>\$26,967,860</b>	<b>7.81%</b>

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

Source: County Auditor



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

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Calendar Year	Taxes Levied for the Calendar Year	Collected within the Calendar Year of the Levy		Delinquent Levied in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1999	\$3,595,449	\$3,326,513	92.52%	\$164,897	\$3,491,410	97.11%
2000	3,617,628	3,412,978	94.34%	201,459	3,614,437	99.91%
2001	2,674,945	2,469,131	92.31%	127,627	2,596,758	97.08%
2002	4,283,899	3,946,140	92.12%	240,612	4,186,752	97.73%
2003	4,352,675	4,228,200	97.14%	304,584	4,532,784	104.14%
2004	5,140,731	4,956,250	96.41%	410,790	5,367,040	104.40%
2005	5,081,945	4,876,089	95.95%	451,262	5,327,351	104.83%
2006	5,037,263	4,900,563	97.29%	647,157	5,547,720	110.13%
2007	5,198,756	4,872,389	93.72%	452,972	5,325,361	102.44%
2008	5,001,771	4,793,181	95.83%	381,246	5,174,427	103.45%

Source: County Auditor

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
1999	2.25%	\$3,856,813	\$1,105,972	\$4,962,785	\$88,653	\$4,874,132
2000	2.25%	4,291,798	899,892	5,191,690	89,641	5,102,049
2001	2.25%	4,252,227	934,710	5,186,937	77,363	5,109,574
2002	2.25%	3,805,335	1,049,399	4,854,734	97,184	4,757,550
2003	2.25%	4,480,516	1,021,549	5,502,065	62,092	5,439,973
2004	2.25%	4,249,749	956,303	5,206,052	102,219	5,103,833
2005	2.25%	4,267,281	1,191,652	5,458,933	89,570	5,369,363
2006	2.25%	4,098,072	1,114,668	5,212,740	71,309	5,141,431
2007	2.25%	4,261,915	996,216	5,258,131	101,262	5,156,869
2008	2.25%	3,900,691	1,038,996	4,939,687	106,836	4,832,851

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

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

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

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

Calendar Year	Governmental Activities				Business-type Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Bond Anticipation Notes	Special Assessment Bonds	Capital Leases	Loans	Bond Anticipation Notes	Capital Leases	Government			
1999	\$710,000	\$0	\$760,000	\$294,680	\$0	\$0	\$0	\$1,764,680	0.01%	\$64	
2000	680,000	2,300,000	725,000	242,735	0	0	104,237	4,051,972	0.03%	140	
2001	645,000	2,000,000	690,000	413,526	50,475	300,000	119,778	4,218,779	0.03%	141	
2002	610,000	3,355,000	655,000	522,326	46,077	275,000	74,800	5,538,203	0.03%	182	
2003 (1)	3,790,000	1,885,000	0	524,604	43,828	250,000	35,101	6,528,533	0.04%	212	
2004	3,645,000	5,945,000	0	284,602	36,876	225,000	22,003	10,158,481	0.06%	320	
2005	3,490,000	8,730,000	0	666,434	32,066	200,000	11,303	13,129,803	0.07%	409	
2006	3,330,000	12,085,000	0	570,923	27,111	175,000	0	16,188,034	0.09%	481	
2007	8,170,000	8,710,000	0	519,828	22,007	150,000	0	17,571,835	0.09%	506	
2008	7,850,000	10,060,000	0	346,968	16,748	125,000	0	18,398,716	N/A	N/A	

Source: City Records

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

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

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

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

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Calendar Year	General Bonded Debt Outstanding General Obligation Bonds	Percentage of Actual Taxable Value of Property	Per Capita
1999	\$710,000	0.09%	\$24
2000	680,000	0.08%	25
2001	645,000	0.08%	24
2002	610,000	0.07%	22
2003 (1)	3,790,000	0.41%	138
2004	3,645,000	0.40%	133
2005	3,490,000	0.38%	127
2006	3,330,000	0.33%	121
2007	8,170,000	0.78%	298
2008	7,850,000	0.72%	286

Source: City Records

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

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

City of Trotwood, Ohio  
Direct and Overlapping Governmental Activities Debt  
As of December 31, 2008  
Schedule 14

Governmental Unit	Net Debt Outstanding	Estimated Percentage Applicable (1)	Amount Applicable to City of Trotwood
Trotwood City	\$13,040,000	99.99%	\$13,038,696
Montgomery County	12,356,496	3.28%	405,293
Dayton City School District	218,970,000	2.77%	6,065,469
Trotwood-Madison City School District	31,769,987	94.28%	29,952,744
Brookville Local School District	21,229,978	0.63%	133,749
New Lebanon Local School District	3,550,000	2.22%	78,810
Miami Valley Career Center Joint Vocational School District	6,695,000	4.14%	277,173
Miami Valley Regional Transit Authority Miscellaneous	3,885,000	3.28%	127,428
Total Direct and Overlapping Debt	<u>\$311,496,461</u>		<u>\$50,079,362</u>

Source: Ohio Municipal Advisory Council

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

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

Legal Debt Margin Calculation for Calendar Year 2008

Assessed Value	\$345,675,952	\$345,675,952
Statutory Legal Debt Limitation (1)	10.5%	5.5%
Total Debt Limitation	36,295,975	19,012,177
Debt Applicable to Limit:		
Gross Indebtedness	13,383,716	13,383,716
Less: Debt Retirement Fund Balance	75,507	75,507
Total Net Debt Applicable to Limit	13,308,209	13,308,209
Legal Debt Margin	\$22,987,766	\$5,703,968

	Calendar Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Total Debt Limit (1)										
Debt Limit (10.5%)	\$30,267,757	\$31,817,624	\$31,363,749	\$30,579,341	\$34,142,405	\$33,826,877	\$33,630,023	\$36,289,521	\$36,896,568	\$36,295,975
Total Net Debt Applicable to Limit	1,470,000	3,705,000	3,635,000	4,895,000	5,925,000	9,815,000	12,420,000	15,944,512	12,489,646	13,308,209
Legal Debt Margin	\$28,797,757	\$28,112,624	\$27,728,749	\$25,684,341	\$28,217,405	\$24,011,877	\$21,210,023	\$20,345,009	\$24,406,922	\$22,987,766

Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	4.9%	11.6%	11.6%	16.0%	17.4%	29.0%	36.9%	43.9%	33.9%	36.7%
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	Calendar Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Total Unvoted Debt Limit (1)										
Debt Limit (5.5%)	\$15,854,539	\$16,666,375	\$16,428,630	\$16,017,750	\$17,884,117	\$17,718,841	\$17,615,726	\$19,008,797	\$19,326,774	\$19,012,177
Program Revenues	1,470,000	3,705,000	3,635,000	4,895,000	5,925,000	9,815,000	12,420,000	15,944,512	12,489,646	13,308,209
Total Net Debt Applicable to Limit	\$14,384,539	\$12,961,375	\$12,793,630	\$11,122,750	\$11,959,117	\$7,903,841	\$5,195,726	\$3,064,285	\$6,837,128	\$5,703,968

Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	9.3%	22.2%	22.1%	30.6%	33.1%	55.4%	70.5%	83.9%	64.6%	70.0%
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Source: City Records

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

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

Calendar Year	Special Assessment Bonds			
	Special Assessment Collections (2)	Debt Service		Coverage
		Principal	Interest	
1999	\$5,306	\$760,000	\$437,199	0.0044
2000	2,138	725,000	388,940	0.0019
2001	1,969	690,000	342,902	0.0019
2002	1,800	655,000	299,087	0.0019
2003 (1)	4,152	0	0	0.0000
2004	1,462	0	0	0.0000
2005	1,294	0	0	0.0000
2006	0	0	0	0.0000
2007	0	0	0	0.0000
2008	0	0	0	0.0000

Source: City Records

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

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

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



City of Trotwood, 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)
1999	29,358	\$15,446,351	\$27,487	4.00%
2000	27,420	16,167,661	28,949	3.90%
2001	27,420	16,563,468	29,827	4.30%
2002	27,420	16,810,295	30,404	5.60%
2003	27,420	16,954,405	30,784	6.30%
2004	27,420	17,461,179	31,773	6.20%
2005	27,420	17,531,793	32,133	6.40%
2006	27,420	18,219,910	33,658	6.00%
2007	27,420	18,677,485	34,732	6.20%
2008	27,420	N/A	N/A	7.90%

- Sources:
- (1) - Population estimates provided by U.S. Census Bureau (1990 Census and 2000 Census)
  - (2) - Personal Income information provided by Bureau of Economic Analysis: Regional Economic Accounts
  - (3) - Per Capita Personal Income information provided by Bureau of Economic Analysis: Regional EconomicAccounts
  - (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 (2)  
Schedule 18

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<u>Major Employers (3)</u>	<u>Type (4)</u>
Behr Dayton Thermal Products, LLC	Mfg
Dayton City Board of Education	Govt
DPL, Inc./Dayton Power & Light Co.	Util
General Motors Corp.	Mfg
Kettering Medical Center	Health
NCR Corp.	Mfg
Premier Health Partners, Inc.	Health
Reed Elsevier LexisNexis	Pub
Reynolds & Reynolds Co., Inc.	Mfg
University of Dayton	Edu
U.S. Federal Government	Govt

Source: Ohio Department of Development

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

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

Function/Program	Full-Time Equivalent Employees as of December 31									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Government										
City Administration	5.0	5.0	5.0	5.0	4.7	4.0	4.0	4.0	4.0	4.0
City Council	1.0	1.0	1.0	1.3	1.3	1.0	1.0	1.0	1.0	1.0
Public Works Administration	3.0	3.0	2.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Buildings and Grounds	2.0	2.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.5
Finance	6.0	6.0	6.0	7.8	7.2	8.0	9.3	9.4	9.4	8.7
Fleet Maintenance	3.0	3.0	3.0	3.0	2.1	2.1	2.1	2.1	2.1	2.1
Public Safety										
Police										
Officers	54.0	55.0	53.0	53.0	54.0	51.0	49.0	47.0	45.3	41.3
Non-Sworn	12.0	12.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	4.5
Fire	20.0	23.0	48.8	53.3	52.3	54.9	54.9	45.6	42.7	47.5
Leisure Time Activities										
Cemeteries	0.9	0.9	0.9	0.9	0.9	0.9	0.8	0.8	0.8	0.8
Parks and recreation	6.0	7.0	5.5	6.0	7.5	7.2	5.4	5.4	6.9	3.9
Community Development										
Planning and Zoning	5.0	6.0	6.5	6.5	6.0	6.0	6.0	4.3	4.0	3.3
Building Inspection/Code Enforcement	4.0	6.0	3.5	4.0	4.0	1.3	1.3	1.3	4.3	2.8
Economic Development	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Basic Utility Service										
Water	2.3	2.3	2.5	2.3	2.7	2.7	2.7	2.7	2.7	2.7
Sanitary Sewers	2.3	2.3	2.5	2.3	2.7	2.7	2.7	2.7	2.7	2.7
Refuse Collection	0.0	0.0	0.0	0.0	0.0	0.0	0.5	0.8	0.8	0.8
Transportation and Street Repair	8.6	8.6	9.7	11.3	11.7	10.4	9.0	9.6	7.7	6.9
<b>Total</b>	<b>135.1</b>	<b>143.1</b>	<b>155.9</b>	<b>165.7</b>	<b>166.1</b>	<b>161.2</b>	<b>157.7</b>	<b>145.7</b>	<b>143.4</b>	<b>136.4</b>

Source: Various City Departments

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

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

Function/Program	Calendar Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Government										
Building permits issued	59	260	181	354	399	154	239	71	40	41
Zoning permits issued	N/A	N/A	N/A	N/A	N/A	N/A	106	116	108	95
Checks issued	4,052	3,895	3,500	4,086	3,761	3,983	3,775	3,544	3,431	3,411
Ordinances adopted	56	23	51	28 #	31	30	45	39	30	48
Resolutions adopted	113	79	85	78	109	117	95	94	75	94
Police										
Calls for service	N/A	54,146	33,507	36,338	36,108	36,782	35,143	32,049	34,982	35,227
Cases assigned	N/A	N/A	N/A	N/A	N/A	1,303	1,094	1,078	1,408	1,219
Suspects charged	N/A	N/A	N/A	N/A	N/A	359	406	314	421	306
Percent cases closed by arrest	N/A	N/A	N/A	N/A	N/A	28%	37%	29%	30%	25%
Traffic accidents	N/A	N/A	N/A	N/A	N/A	N/A	544	479	389	406
Traffic stops	N/A	N/A	N/A	N/A	N/A	4,047	3,744	2,779	4,463	3,903
Fire										
Calls for service	N/A	1,316	858	669	860	962	1,050	1,054	1,181	1,405
Average response time (minutes)	N/A	7.2	6.2	4.5	4.5	6.6	6.3	7.3	7.5	7.3
Average calls per day	N/A	3.6	2.4	1.8	2.4	2.6	2.9	2.9	3.2	3.8
Average call duration (minutes)	N/A	N/A	N/A	N/A	N/A	62	60	96.5	94.3	98.4
EMS										
Calls for service	N/A	3,498	3,792	3,651	3,966	3,739	3,789	3,743	4,202	4,361
Average response time (minutes)	N/A	7.2	6.2	4.5	4.5	6.0	6.0	6.2	6.1	6.3
Average calls per day	N/A	9.6	10.4	10.0	10.9	10.2	10.4	10.3	11.5	12.5
Average call duration (minutes)	N/A	N/A	64	64	62	62	60	60	62	60

Source: Various City Departments

N/A - Information not available

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

Function/Program	Calendar Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Public Works										
Street resurfacing (square yards)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	47,585	50,022	50,000
Potholes repaired	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1,500	3,800	7,200
Street cleaning (lane miles)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1,640	1,640	500
Street striping (miles)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	12	20	10
Parks and recreation										
Shelter rentals	N/A	N/A	N/A	N/A	N/A	N/A	64	63	80	102
Pavilion rentals	N/A	N/A	N/A	N/A	N/A	N/A	23	11	21	16
Water										
Water main breaks	N/A	N/A	N/A	N/A	N/A	N/A	N/A	17	13	15
Wastewater										
Sewer main cleaning (miles)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	9.5	10.0	12.0

Source: Various City Departments

N/A - Information not available

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

Function/Program	Calendar Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Police Stations	2	1	1	1	1	1	1	1	1	1
Fire Stations	5	4	4	4	3	3	3	3	3	3
Public Works										
Streets (lane-miles)	N/A	362	362	362	362	362	362	362	362	411
Streetlights	N/A	1,285	1,285	1,285	1,285	1,285	1,285	1,285	1,285	1,285
Traffic signaled intersections	N/A	41	41	41	41	41	41	41	41	41
Parks and Recreation										
Community centers	N/A	1	1	1	1	0	0	0	0	0
Number of Parks	N/A	10	10	10	7	9	7	7	7	7
Acreage	N/A	152	152	152	152	169	150	150	150	150
Swimming pools	1	1	1	1	1	0	0	0	0	0
Utilities										
Water Mains (miles)	N/A	38	38	38	38	38	38	38	38	38
Fire hydrants	N/A	1,096	1,096	1,096	1,096	1,096	1,096	1,096	1,096	1,096
Storm Sewers (miles)	N/A	39	39	39	39	39	39	39	39	40
Sanitary Sewers (miles)	N/A	31	31	31	31	31	31	31	31	32

Source: Various City Departments

N/A - Information not available







**Mary Taylor, CPA**  
Auditor of State

**CITY OF TROTWOOD  
MONTGOMERY COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
NOVEMBER 12, 2009**