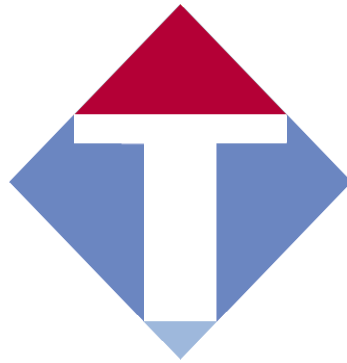


# **CITY OF TROTWOOD, OHIO**



**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
For The Fiscal Year Ended December 31, 2014**



**CITY OF TROTWOOD, OHIO**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED DECEMBER 31, 2014**

**PREPARED BY:  
DEPARTMENT OF FINANCE  
PATRICIA A. SHIVELY  
FINANCE DIRECTOR**

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City of Trotwood, Ohio  
 Comprehensive Annual Financial Report  
 For the Year Ended December 31, 2014

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# INTRODUCTORY SECTION





Government Center  
3035 Olive Road \* Trotwood, Ohio 45426-2600  
Phone: (937) 837-7771 \* Fax: (937) 854-0574  
[www.trotwood.org](http://www.trotwood.org)

Michael J. Lucking, City Manager

Trotwood City Council  
Joyce Sutton Cameron, Mayor  
Barbara J. Staggs, Vice-Mayor, At Large  
Bruce D. Kettelle - At Large  
Bettye L. Gales - Ward 1  
Rap Hankins - Ward 2  
Ron Vaughn - Ward 3  
Mary A. McDonald - Ward 4  
Sandy Riege - Clerk of Council

June 8, 2015

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, 2014. Responsibility for both the accuracy of the data and the completeness and fairness of presentation, including all disclosures, rests with City management. To the best of our knowledge and belief, the information presented is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

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

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

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

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

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 24,246 residents (based on the 2010 Census) and its land area (over 28 square miles) is surpassed only by the City of Dayton.

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

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

The City provides many services for the benefit of its citizens including police protection, fire protection, emergency medical service, street maintenance and repair, 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 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, Samaritan Health Center and the Dayton Veterans Administration Center are major employers proximate 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 shopping centers serve as retail attractions in the district, as are several "big box" retailers such as Burlington, Big Lots, Joann Fabrics, Payless Shoes, GFS, Lowe's, 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.

## **RELEVANT FINANCIAL POLICIES**

In December 2014, the State Legislature passed and Governor Kasich, signed into law, House Bill 5 and Senate Bill 342. House Bill 5 will reform Municipal Income Tax Collections. The implementation of House Bill 5 will have negative impacts on tax collections in the coming years. Senate Bill 342 will phase out Traffic Enforcement Cameras which takes effect in 2015. This will also result in a revenue loss.

## **MAJOR INITIATIVES**

### Job Growth Initiative

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

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

This study bolstered the city's new strategy to re-occupy existing vacant big box retail stores with alternative uses. The city's analysis indicated that the reuse of retail boxes as light manufacturing centers and as distribution small centers is both economically feasible and from a land use perspective, often less impactful on surrounding uses. The City began working with big box building owners to re-market their building with these additional uses. Thus far, the effort has met with some success. The former K-Mart building has been purchased by a manufacturing company and is being remodel and is scheduled to open in Spring 2015. Additionally, the city has been approached about rezoning and re-occupancy of three additional former retail facilities, one as a distribution center and the other two as manufacturing uses.

### Housing Initiative

As a result of the housing crisis of 2008 and the subsequent recession, the City of Trotwood was particularly hard hit with both mortgage foreclosures and tax delinquencies. In 2013, the city, through the Trotwood Community Improvement Corporation (TCIC) began a housing program redesigned to renovate and re-occupy troubled residential real estate. The TCIC has been working with the National Community Stabilization Trust, the County Treasurer and CountyCorp (local public financing agency) on this project. The TCIC has been acquiring and rehabilitating distressed houses in targeted "tipping Point" neighborhoods. The TCIC has thus far acquired 14 properties and has begun renovation on five

houses. The renovation will bring these homes up to all current housing codes and assure a safe environment for home owners.

## **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 control 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 function 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.

## **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, 2014 have been audited by the Ohio Auditor of State. Their unmodified opinion has been included in this report.

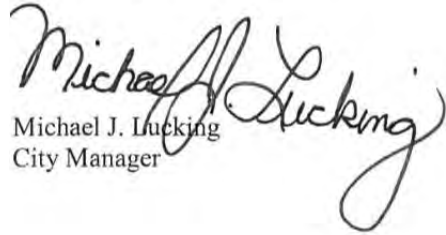
**Awards.** The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Trotwood for its comprehensive annual financial report for the fiscal year ended December 31, 2013. In order to be awarded 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  
Finance Director

**CITY OF TROTWOOD, OHIO**  
**List of Elected and Appointed Officials**  
**December 31, 2014**

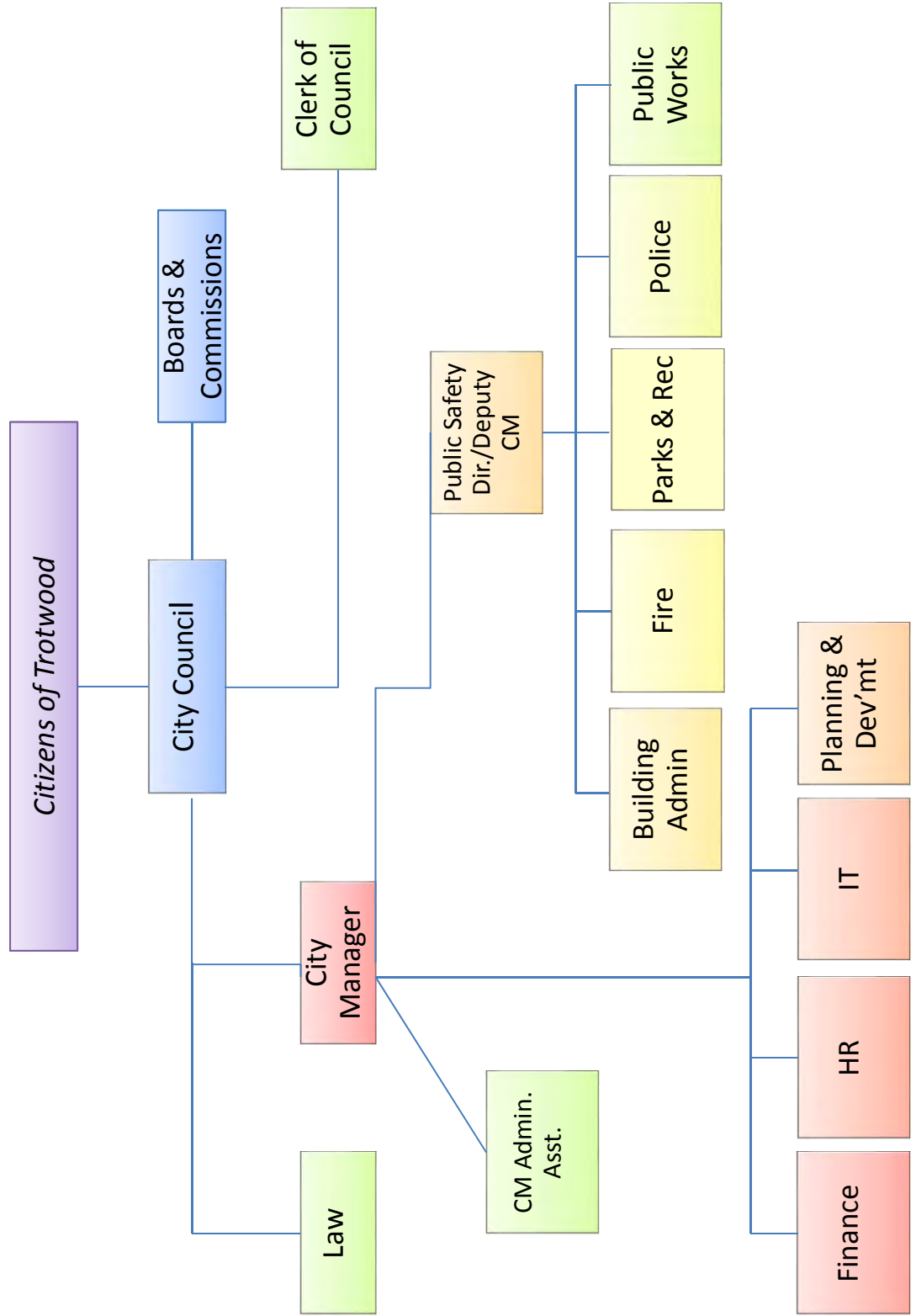
**ELECTED OFFICIALS**

Joyce Sutton-Cameron	Mayor
Barbara J. Staggs	Vice Mayor, Councilmember At Large
Bruce D. Kettelle	Councilmember At Large
Bettye L. Gales	Councilmember, Ward 1
Rap (John C.) Hankins	Councilmember, Ward 2
Charles R. Vaughn	Councilmember, Ward 3
Mary A. McDonald	Councilmember, Ward 4

**APPOINTED OFFICIALS**

Michael J. Lucking	City Manager
Sandra L. Riege	Clerk of Council
Patricia A. Shively	Finance Director
Stephen H. Milliken	Fire Chief
Stephanie L. Kellum	Human Resource Manager
Stephen M. McHugh	Law Director
Quincy E. Pope	Public Safety Director/Deputy City Mgr.

CITY OF TROTWOOD, OHIO  
 Organizational Chart  
 December 31, 2014







Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Trotwood  
Ohio**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2013**

Executive Director/CEO

# FINANCIAL SECTION





# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

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

To the City Council:

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Trotwood, Montgomery County, Ohio (the City), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

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

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the City's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

**Opinion**

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 of Trotwood, Montgomery County, Ohio, as of December 31, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis* and *required budgetary comparison schedules* listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

*Supplementary and Other Information*

Our audit was conducted to opine on the City's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund statements and schedules and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling statements and schedules directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, these statements and schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 8, 2015, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping initial "D".

**Dave Yost**  
Auditor of State  
Columbus, Ohio

June 8, 2015

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**City of Trotwood, Ohio**  
**Management's Discussion and Analysis**  
**For The Year Ended December 31, 2014**  
**(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, 2014. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the City's performance.

**Financial Highlights**

- The City's total net position increased \$867,363. Net position of governmental activities increased \$631,509, net position of business-type activities increased by \$235,854.
- The General Fund reported an increase in fund balance of \$124,876.
- Business-type operations reflected an operating income of \$278,529.

**Overview of the Financial Statements**

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

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

**Government-wide Financial Statements**

The analysis of the City as a whole begins with the Government-wide Financial Statements. These reports provide information that will help the reader to determine if the City is financially better off or worse off as a result of the year's activities. These statements include all assets and 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 position and changes to those assets. This change informs the reader whether the City's financial position, as a whole, has improved or diminished. In evaluating the overall financial health, the reader of these financial statements needs to take into account non-financial factors that also impact the City's financial well-being. Some of these factors include the City's tax base and the condition of capital assets.

**City of Trotwood, Ohio**  
**Management's Discussion and Analysis**  
**For The Year Ended December 31, 2014**  
**(Unaudited)**

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

- **Governmental Activities** - Most of the City's services are reported here including police, fire, rescue, street maintenance, parks and recreation, and general administration. 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; Rescue Levy Fund; Salem Mall Tax Increment; Water; Sewer; Refuse; and Stormwater.

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

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

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

**The City as a Whole**

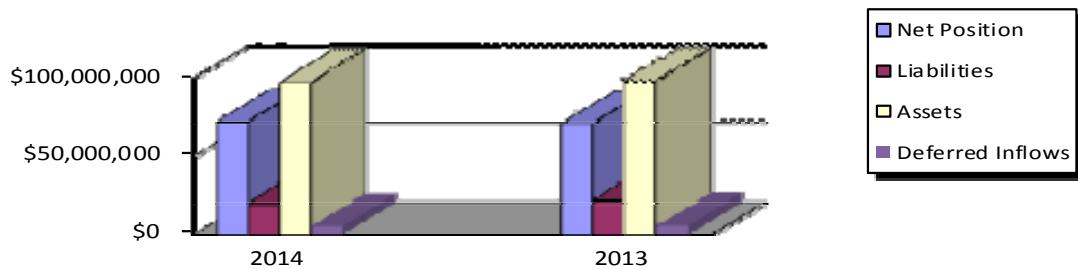
As stated previously, the Statement of Net Position looks at the City as a whole. Table 1 provides a summary of the City's net position for 2014 compared to 2013.



**City of Trotwood, Ohio**  
**Management's Discussion and Analysis**  
**For The Year Ended December 31, 2014**  
**(Unaudited)**

**Table 1**  
**Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2014	2013 Restated	2014	2013 Restated	2014	2013 Restated
<b>Assets:</b>						
Current and Other Assets	\$14,443,661	\$14,518,359	\$6,367,276	\$5,684,577	\$20,810,937	\$20,202,936
Capital Assets	57,629,529	58,896,418	18,770,166	19,310,531	76,399,695	78,206,949
<b>Total Assets</b>	<b>72,073,190</b>	<b>73,414,777</b>	<b>25,137,442</b>	<b>24,995,108</b>	<b>97,210,632</b>	<b>98,409,885</b>
<b>Liabilities:</b>						
Long-Term Liabilities	15,100,314	16,307,430	1,444,037	1,515,658	16,544,351	17,823,088
Other Liabilities	2,622,589	2,930,662	1,113,385	1,135,284	3,735,974	4,065,946
<b>Total Liabilities</b>	<b>17,722,903</b>	<b>19,238,092</b>	<b>2,557,422</b>	<b>2,650,942</b>	<b>20,280,325</b>	<b>21,889,034</b>
Deferred Inflows of Resources	5,430,540	5,888,447	0	0	5,430,540	5,888,447
<b>Net Position:</b>						
Net Investment in Capital Assets	41,502,089	41,628,553	17,100,547	17,567,758	58,602,636	59,196,311
Restricted	4,580,526	3,904,525	0	0	4,580,526	3,904,525
Unrestricted	2,837,132	2,755,160	5,479,473	4,776,408	8,316,605	7,531,568
<b>Total Net Position</b>	<b>\$48,919,747</b>	<b>\$48,288,238</b>	<b>\$22,580,020</b>	<b>\$22,344,166</b>	<b>\$71,499,767</b>	<b>\$70,632,404</b>



Total net position of the City as a whole increased \$867,363. Net position of governmental activities increased \$631,509 while net position of business-type activities increased by \$235,854. The City had an unrestricted net position \$8,316,605 balance of that may be used to meet the government's ongoing obligations to citizens and creditors.

Capital assets decreased mainly due to current year depreciation expense exceeding current year additions. Long Term Liabilities decreased mainly due to the City continuing to make principal payments on its long-term debt.

Table 2 shows the changes in net position for the year ended December 31, 2014 and revenue and expense comparisons to 2013.

**City of Trotwood, Ohio**  
**Management's Discussion and Analysis**  
**For The Year Ended December 31, 2014**  
**(Unaudited)**

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

	Governmental Activities		Business-Type Activities		Total	
	2014	2013 Restated	2014	2013 Restated	2014	2013 Restated
<b>Program Revenues:</b>						
Charges for Services	\$2,507,159	\$2,124,806	\$4,844,662	\$6,093,178	\$7,351,821	\$8,217,984
Operating Grants and Contributions	2,337,780	1,733,156	0	0	2,337,780	1,733,156
Capital Grants and Contributions	11,225	416,073	0	0	11,225	416,073
<b>Total Program Revenues</b>	<b>4,856,164</b>	<b>4,274,035</b>	<b>4,844,662</b>	<b>6,093,178</b>	<b>9,700,826</b>	<b>10,367,213</b>
<b>General Revenues:</b>						
Income Taxes	4,672,734	5,666,888	0	0	4,672,734	5,666,888
Property Taxes	6,261,231	4,443,580	0	0	6,261,231	4,443,580
Grants and Entitlements	666,337	856,478	0	0	666,337	856,478
Investment Earnings	3,636	1,339	0	627	3,636	1,966
Other Revenues	1,280,779	2,650,079	5,906	4,773	1,286,685	2,654,852
<b>Total General Revenues</b>	<b>12,884,717</b>	<b>13,618,364</b>	<b>5,906</b>	<b>5,400</b>	<b>12,890,623</b>	<b>13,623,764</b>
<b>Total Revenues</b>	<b>17,740,881</b>	<b>17,892,399</b>	<b>4,850,568</b>	<b>6,098,578</b>	<b>22,591,449</b>	<b>23,990,977</b>
<b>Program Expenses:</b>						
General Government	3,444,386	3,220,714	0	0	3,444,386	3,220,714
Public Safety	9,526,215	8,499,414	0	0	9,526,215	8,499,414
Community Development	699,877	1,310,140	0	0	699,877	1,310,140
Leisure Time	401,685	377,420	0	0	401,685	377,420
Transportation and Street Repair	2,439,518	2,191,630	0	0	2,439,518	2,191,630
Interest and Other Charges	597,691	650,130	0	0	597,691	650,130
Water	0	0	1,380,311	1,286,474	1,380,311	1,286,474
Sewer	0	0	1,016,239	968,372	1,016,239	968,372
Refuse	0	0	1,417,130	1,450,538	1,417,130	1,450,538
Stormwater	0	0	801,034	735,306	801,034	735,306
<b>Total Program Expenses</b>	<b>17,109,372</b>	<b>16,249,448</b>	<b>4,614,714</b>	<b>4,440,690</b>	<b>21,724,086</b>	<b>20,690,138</b>
Increase (Decrease) in Net Position before Transfers	631,509	1,642,951	235,854	1,657,888	867,363	3,300,839
Transfers - Internal Activities	0	(450,747)	0	450,747	0	0
<b>Change in Net Position</b>	<b>631,509</b>	<b>1,192,204</b>	<b>235,854</b>	<b>2,108,635</b>	<b>867,363</b>	<b>3,300,839</b>
Net Position - Beginning of Year	48,288,238	47,096,034	22,344,166	20,235,531	70,632,404	67,331,565
<b>Net Position - End of Year</b>	<b>\$48,919,747</b>	<b>\$48,288,238</b>	<b>\$22,580,020</b>	<b>\$22,344,166</b>	<b>\$71,499,767</b>	<b>\$70,632,404</b>

**Governmental Activities**

The City of Trotwood's income taxes and property taxes are the largest source of revenue. These revenues represent 85% of the City's governmental activities total general revenue.

Income taxes decreased mainly due to a decrease in income tax receivable due within the available period. Other Revenue decreased mainly due to a decrease in TIF monies receipted into 2014 as compared to 2013. Capital Grants decreased mainly due to the completion of construction projects throughout the City in 2014 that were funded and started in 2012. Total expenses increased mainly due to increases in various repairs and maintenance expenses.

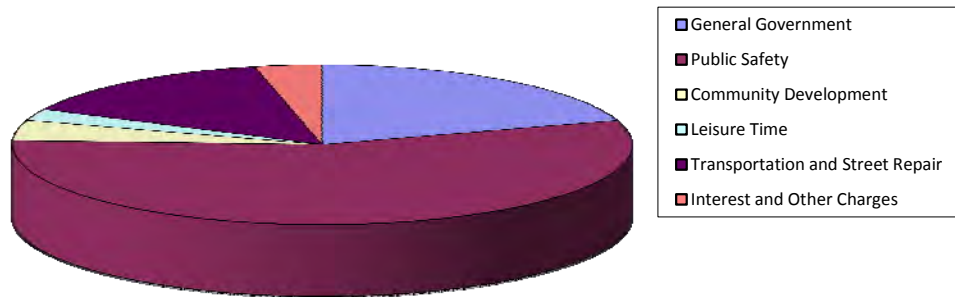
**City of Trotwood, Ohio  
Management’s Discussion and Analysis  
For The Year Ended December 31, 2014  
(Unaudited)**

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Governmental Activities  
Program Expenses for 2014

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	<u>Percentage</u>
General Government	20.13%
Public Safety	55.68%
Community Development	4.09%
Leisure Time	2.35%
Transportation and Street Repair	14.26%
Interest and Other Charges	3.49%
Total	<u>100.00%</u>



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 \$4,850,568 and expenses of \$4,572,039 for fiscal year 2014. Business activities receive no support from tax revenues. The business activities net position at the end of the year was \$22,580,020, which increased \$235,854 from 2013.

The City of Trotwood’s water and sewer maintenance division services approximately 2,800 accounts within the territory which was part of the City prior to the 1996 merger with Madison Township. The City operates approximately 37.5 miles of water lines and 32 miles of sanitary sewer lines within the territory, to distribute water supplied by the City of Dayton and collect sewerage returned to Dayton for treatment at their facilities. The water fund had operating income of \$192,548 in 2014. The sewer fund had operating income of \$149,746 in 2014. The refuse fund had an operating loss of (\$8,987) in 2014. The stormwater fund had an operating loss of (\$54,778) in 2014.

**The City’s Funds**

The City has four major governmental funds: the General Fund, Fire Levy Fund, Rescue Levy Fund, and the Salem Mall Tax Increment Fund. Assets of these funds comprised \$10,652,833 (73%) of the total \$14,620,775 governmental funds’ assets.

**City of Trotwood, Ohio**  
**Management's Discussion and Analysis**  
**For The Year Ended December 31, 2014**  
**(Unaudited)**

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**General Fund:** Fund balance at December 31, 2014 was \$758,852, an increase in fund balance of \$124,876 from 2013. The General fund balance increased mainly due to increases in income and property tax revenue.

**Fire Levy Fund:** Fund balance at December 31, 2014 was (\$142,821), an increase in fund balance of \$164,179 from 2013. The Fire Levy fund balance increased mainly due to an increase in taxes revenue.

**Rescue Levy Fund:** Fund balance at December 31, 2014 was \$417,130, an increase in fund balance of \$133,216. The increase in fund balance was mainly due to an increase in charges for services revenue.

**Salem Mall Tax Increment Fund:** Fund balance at December 31, 2014 was (\$1,910,010), an increase in fund balance of \$87,293 from 2013. The increase in fund balance is due to a decrease in principal and interest payments.

**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 \$516,639, on a Non-GAAP Budgetary Basis.

There were little variations between final budget and original budget revenues. Variations between the actual and final budget revenues were mainly due to the City underestimating taxes revenue. Variations between fund budget and actual expenditures were mainly due to the City overestimating general government expenditures. Variations between original and final budget expenditures were mainly due to the City's conservative estimate for general government and public safety expenditures.

**Capital Assets and Debt Administration**

**Capital Assets**

At year end, the City had \$76,399,695 invested in land, buildings and improvements, equipment and infrastructure. Table 3 shows 2014 balances compared to 2013:

**City of Trotwood, Ohio**  
**Management's Discussion and Analysis**  
**For The Year Ended December 31, 2014**  
**(Unaudited)**

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

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013 Restated	2014	2013 Restated
Land	\$26,763,209	\$26,633,155	\$12,026	\$12,026	\$26,775,235	\$26,645,181
Buildings and Improvements	9,352,232	10,146,728	0	0	9,352,232	10,146,728
Equipment	8,945,872	9,903,948	404,662	302,920	9,350,534	10,206,868
Infrastructure	47,607,950	47,526,685	41,007,843	41,007,843	88,615,793	88,534,528
Accumulated Depreciation	(35,039,734)	(35,314,098)	(22,654,365)	(22,012,258)	(57,694,099)	(57,326,356)
Total Net Capital Assets	<u>\$57,629,529</u>	<u>\$58,896,418</u>	<u>\$18,770,166</u>	<u>\$19,310,531</u>	<u>\$76,399,695</u>	<u>\$78,206,949</u>

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

***Debt***

At year end, the City had \$15,711,059 in long-term debt and \$822,737 due within one year.

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**City of Trotwood, Ohio**  
**Management's Discussion and Analysis**  
**For The Year Ended December 31, 2014**  
**(Unaudited)**

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

		2014	2013
<b>Governmental Activities</b>			
General Obligation Bonds			
2003 Various Purpose Bonds	5.11%	\$1,249,166	\$1,452,500
2007 Various Purpose Bonds	4.21%	3,800,000	3,990,000
2010 Various Purpose Bonds	3.00 - 4.25%	7,149,388	7,361,808
Premium on 2010 Bonds		368,642	386,408
2012 OAQDA Tax Exempt Energy Bonds	2.02%	732,081	841,035
2012 OAQDA Energy Conservation Bonds	4.28%	883,361	883,361
Total General Obligation Bonds		<u>14,182,638</u>	<u>14,915,112</u>
Capital Leases		<u>113,802</u>	<u>482,753</u>
Total Governmental Activities Long-Term Debt		<u>14,296,440</u>	<u>15,397,865</u>
<b>Business Type Activities:</b>			
General Obligation Bonds			
2003 Various Purpose Bonds - Water Portion	5.11%	222,917	241,250
2003 Various Purpose Bonds - Sewer Portion	5.11%	222,917	241,250
2010 Various Purpose Bonds - Water Portion	3.00 - 4.25%	90,612	93,192
Total General Obligation Bonds		<u>536,446</u>	<u>575,692</u>
Loans			
2007 OPWC Loan - Sanitary Sewer	0.00%	242,821	254,821
2012 OPWC Loan - Water	0.00%	328,343	339,665
2012 OPWC Loan - Water	0.00%	307,009	317,595
Total Loans		<u>878,173</u>	<u>912,081</u>
Total Business-Type Activities Long-Term Debt		<u>1,414,619</u>	<u>1,487,773</u>
Total Debt		<u>\$15,711,059</u>	<u>\$16,885,638</u>

The City had General Obligation Notes Payable of \$2,086,000 for the year ended 2014 and \$2,125,000 in 2013, respectively.

See Note 8, 9 and 10 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 Position  
December 31, 2014

	Governmental Activities	Business-Type Activities	Total
<b>Assets:</b>			
Equity in Pooled Cash and Investments	\$3,455,955	\$4,231,761	\$7,687,716
<b>Receivables (Net):</b>			
Taxes	8,781,758	0	8,781,758
Accounts	116,496	1,152,600	1,269,096
Intergovernmental	1,785,461	0	1,785,461
Special Assessments	303,991	982,915	1,286,906
Nondepreciable Capital Assets	26,763,209	12,026	26,775,235
Depreciable Capital Assets, Net	30,866,320	18,758,140	49,624,460
<b>Total Assets</b>	<b>72,073,190</b>	<b>25,137,442</b>	<b>97,210,632</b>
<b>Liabilities:</b>			
Accounts Payable	244,262	824,887	1,069,149
Accrued Wages and Benefits	461,007	26,235	487,242
Accrued Interest Payable	86,320	7,263	93,583
General Obligation Notes Payable	1,831,000	255,000	2,086,000
<b>Long-Term Liabilities:</b>			
Due Within One Year	1,120,984	79,548	1,200,532
Due In More Than One Year	13,979,330	1,364,489	15,343,819
<b>Total Liabilities</b>	<b>17,722,903</b>	<b>2,557,422</b>	<b>20,280,325</b>
<b>Deferred Inflows of Resources:</b>			
Property Taxes	4,708,854	0	4,708,854
Revenue in Lieu of Taxes	721,686	0	721,686
<b>Total Deferred Inflows of Resources</b>	<b>5,430,540</b>	<b>0</b>	<b>5,430,540</b>
<b>Net Position:</b>			
Net Investment in Capital Assets	41,502,089	17,100,547	58,602,636
<b>Restricted for:</b>			
Debt Service	47,258	0	47,258
Capital Projects	77,622	0	77,622
Street Construction Maintenance and Repairs	1,415,785	0	1,415,785
State Highway	251,408	0	251,408
Permissive Use Tax	314,318	0	314,318
Grants	388,241	0	388,241
Law Enforcement Trust	231,841	0	231,841
Fire Levy	1,033,690	0	1,033,690
Rescue Levy	534,558	0	534,558
Other Purposes	285,805	0	285,805
Unrestricted	2,837,132	5,479,473	8,316,605
<b>Total Net Position</b>	<b>\$48,919,747</b>	<b>\$22,580,020</b>	<b>\$71,499,767</b>

See accompanying notes to the basic financial statements.

City of Trotwood, Ohio  
Statement of Activities  
For the Fiscal Year Ended December 31, 2014

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
General Government	\$3,444,386	\$509,235	\$46,216	\$0
Public Safety	9,526,215	1,822,791	495,180	0
Community Development	699,877	145,151	223,262	11,225
Leisure Time Activities	401,685	29,480	0	0
Transportation and Street Repair	2,439,518	502	1,573,122	0
Interest and Other Charges	597,691	0	0	0
<b>Total Governmental Activities</b>	<b>17,109,372</b>	<b>2,507,159</b>	<b>2,337,780</b>	<b>11,225</b>
<b>Business-Type Activities:</b>				
Water	1,380,311	1,544,234	0	0
Sewer	1,016,239	1,146,375	0	0
Refuse	1,417,130	1,407,946	0	0
Stormwater	801,034	746,107	0	0
<b>Total Business-Type Activities</b>	<b>4,614,714</b>	<b>4,844,662</b>	<b>0</b>	<b>0</b>
<b>Totals</b>	<b>\$21,724,086</b>	<b>\$7,351,821</b>	<b>\$2,337,780</b>	<b>\$11,225</b>

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

Total General Revenues

Change in Net Position

Net Position - Beginning of Year, Restated

Net Position - End of Year

See accompanying notes to the basic financial statements.



Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
(\$2,888,935)	\$0	(\$2,888,935)
(7,208,244)	0	(7,208,244)
(320,239)	0	(320,239)
(372,205)	0	(372,205)
(865,894)	0	(865,894)
(597,691)	0	(597,691)
<u>(12,253,208)</u>	<u>0</u>	<u>(12,253,208)</u>
0	163,923	163,923
0	130,136	130,136
0	(9,184)	(9,184)
0	(54,927)	(54,927)
<u>0</u>	<u>229,948</u>	<u>229,948</u>
<u>(12,253,208)</u>	<u>229,948</u>	<u>(12,023,260)</u>
4,672,734	0	4,672,734
1,853,483	0	1,853,483
4,264,111	0	4,264,111
143,637	0	143,637
666,337	0	666,337
730,615	0	730,615
3,636	0	3,636
550,164	5,906	556,070
<u>12,884,717</u>	<u>5,906</u>	<u>12,890,623</u>
631,509	235,854	867,363
<u>48,288,238</u>	<u>22,344,166</u>	<u>70,632,404</u>
<u>\$48,919,747</u>	<u>\$22,580,020</u>	<u>\$71,499,767</u>

City of Trotwood, Ohio  
Balance Sheet  
Governmental Funds  
December 31, 2014

	General	Fire Levy	Rescue Levy	Salem Mall Tax Increment
<b>Assets:</b>				
Equity in Pooled Cash and Investments	\$613,015	\$4,453	\$394,431	\$53,706
<b>Receivables (Net):</b>				
Taxes	3,964,159	3,587,921	576,372	0
Accounts	0	0	116,496	0
Intergovernmental	285,858	205,755	36,920	325,526
Special Assessments	300,321	0	0	0
Interfund	187,900	0	0	0
<b>Total Assets</b>	<b>5,351,253</b>	<b>3,798,129</b>	<b>1,124,219</b>	<b>379,232</b>
<b>Liabilities:</b>				
Accounts Payable	177,133	37,865	15,073	0
Accrued Wages and Benefits	250,105	109,209	78,724	0
Compensated Absences	21,570	0	0	0
Accrued Interest Payable	0	0	0	15,716
Interfund Payable	0	200	0	117,000
General Obligation Notes Payable	0	0	0	1,831,000
<b>Total Liabilities</b>	<b>448,808</b>	<b>147,274</b>	<b>93,797</b>	<b>1,963,716</b>
<b>Deferred Inflows of Resources:</b>				
Property Taxes	1,974,077	3,587,921	576,372	0
Income Taxes	1,608,649	0	0	0
Grants and Other Taxes	260,546	205,755	36,920	0
Special Assessments	300,321	0	0	0
Revenue in Lieu of Taxes	0	0	0	325,526
<b>Total Deferred Inflows of Resources</b>	<b>4,143,593</b>	<b>3,793,676</b>	<b>613,292</b>	<b>325,526</b>
<b>Fund Balances:</b>				
Restricted	0	0	417,130	0
Assigned	164,115	0	0	0
Unassigned	594,737	(142,821)	0	(1,910,010)
<b>Total Fund Balances</b>	<b>758,852</b>	<b>(142,821)</b>	<b>417,130</b>	<b>(1,910,010)</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$5,351,253</b>	<b>\$3,798,129</b>	<b>\$1,124,219</b>	<b>\$379,232</b>

See accompanying notes to the basic financial statements.

Other Governmental Funds	Total Governmental Funds
\$2,379,564	\$3,445,169
653,306	8,781,758
0	116,496
931,402	1,785,461
3,670	303,991
0	187,900
<u>3,967,942</u>	<u>14,620,775</u>
14,191	244,262
22,969	461,007
0	21,570
0	15,716
70,700	187,900
0	1,831,000
<u>107,860</u>	<u>2,761,455</u>
653,306	6,791,676
0	1,608,649
459,271	962,492
3,670	303,991
396,160	721,686
<u>1,512,407</u>	<u>10,388,494</u>
2,412,574	2,829,704
0	164,115
(64,899)	(1,522,993)
<u>2,347,675</u>	<u>1,470,826</u>
<u>\$3,967,942</u>	<u>\$14,620,775</u>

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City of Trotwood, Ohio  
 Reconciliation of Total Governmental Fund Balance to  
 Net Position of Governmental Activities  
 December 31, 2014

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Total Governmental Fund Balance \$1,470,826

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

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

Capital assets used in the operation of Governmental Funds 57,629,529

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

Income Taxes	\$1,608,649	
Delinquent Property Taxes	2,082,822	
Intergovernmental	962,492	
Special Assessments	<u>303,991</u>	
		4,957,954

An internal service fund is used by management to charge  
 back costs to individual funds. The assets and  
 liabilities of the internal service fund are included in  
 governmental activities in the statement of net position.

Internal Service Net Position 10,786

In the statement of net position interest payable is accrued when  
 incurred; whereas, in the governmental funds interest is  
 reported as a liability only when it will require the use of  
 current financial resources.

(70,604)

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

Compensated Absences (782,304)

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

(14,296,440)

Net Position of Governmental Activities \$48,919,747

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, 2014

	General	Fire Levy	Rescue Levy	Salem Mall Tax Increment
<b>Revenues:</b>				
Property and Other Taxes	\$1,801,427	\$3,289,362	\$492,992	\$0
Income Taxes	4,939,670	0	0	0
Charges for Services	319,586	62	1,248,486	0
Investment Earnings	3,636	0	0	0
Intergovernmental	624,121	418,306	76,874	0
Special Assessments	97,570	0	0	0
Fines, Licenses & Permits	277,092	0	0	0
Revenue in Lieu of Taxes	76,956	0	0	298,138
Other Revenues	488,050	7,791	51,605	129
<b>Total Revenues</b>	<b>8,628,108</b>	<b>3,715,521</b>	<b>1,869,957</b>	<b>298,267</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General Government	3,025,278	0	0	0
Public Safety	4,033,952	2,929,347	1,736,741	0
Community Development	598,621	0	0	3,446
Leisure Time Activities	366,683	0	0	0
Transportation and Street Repair	214,543	0	0	0
Capital Outlay	68,921	5,000	0	0
<b>Debt Service:</b>				
Principal	117,523	455,786	0	6,840
Interest and Other Charges	120,477	161,209	0	200,688
<b>Total Expenditures</b>	<b>8,545,998</b>	<b>3,551,342</b>	<b>1,736,741</b>	<b>210,974</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>82,110</b>	<b>164,179</b>	<b>133,216</b>	<b>87,293</b>
<b>Other Financing Sources (Uses):</b>				
Proceeds of Capital Leases	42,766	0	0	0
Proceeds from Sale of Capital Assets	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>42,766</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Change in Fund Balance</b>	<b>124,876</b>	<b>164,179</b>	<b>133,216</b>	<b>87,293</b>
<b>Fund Balance - Beginning of Year</b>	<b>633,976</b>	<b>(307,000)</b>	<b>283,914</b>	<b>(1,997,303)</b>
<b>Fund Balance - End of Year</b>	<b>\$758,852</b>	<b>(\$142,821)</b>	<b>\$417,130</b>	<b>(\$1,910,010)</b>

See accompanying notes to the basic financial statements.

Other Governmental Funds	Total Governmental Funds
\$608,933	\$6,192,714
0	4,939,670
0	1,568,134
0	3,636
1,917,862	3,037,163
502	98,072
563,865	840,957
355,521	730,615
2,586	550,161
<u>3,449,269</u>	<u>17,961,122</u>
57,322	3,082,600
503,968	9,204,008
133,526	735,593
0	366,683
1,667,874	1,882,417
0	73,921
546,276	1,126,425
<u>153,805</u>	<u>636,179</u>
<u>3,062,771</u>	<u>17,107,826</u>
<u>386,498</u>	<u>853,296</u>
0	42,766
<u>525</u>	<u>525</u>
<u>525</u>	<u>43,291</u>
387,023	896,587
<u>1,960,652</u>	<u>574,239</u>
<u>\$2,347,675</u>	<u>\$1,470,826</u>

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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, 2014

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Net Change in Fund Balance - Total Governmental Funds \$896,587

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	\$414,255	
Depreciation Expense	<u>(1,419,931)</u>	(1,005,676)

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. (261,213)

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

Income Taxes	(\$266,936)	
Delinquent Property Taxes	68,517	
Intergovernmental	(33,047)	
Special Assessments	<u>11,225</u>	(220,241)

Repayment of bond and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 1,126,425

In the statement of activities interest expense is accrued when incurred; whereas, in governmental funds an interest expenditure is reported when due. 20,722

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	\$99,905	
Amortization of Bond Premium	<u>17,766</u>	117,671

Proceeds from debt and capital lease issues are an other financing source in the funds, but a debt or capital lease issue increases long-term liabilities in the statement of net position. (42,766)

Change in Net Position of Governmental Activities \$631,509

See accompanying notes to the basic financial statements.

City of Trotwood, Ohio  
Statement of Net Position  
Proprietary Funds  
December 31, 2014

	Business-Type Activities -Enterprise Funds			
	Water	Sewer	Refuse	Stormwater
<b>Current Assets:</b>				
Equity in Pooled Cash and Investments	\$1,496,162	\$851,217	\$62,899	\$1,821,483
<b>Receivables (Net):</b>				
Accounts	436,764	312,957	260,674	142,205
Special Assessments	132,700	77,321	528,586	244,308
<b>Total Current Assets</b>	<b>2,065,626</b>	<b>1,241,495</b>	<b>852,159</b>	<b>2,207,996</b>
<b>Noncurrent Assets:</b>				
<b>Capital Assets:</b>				
Nondepreciable Capital Assets	0	12,026	0	0
Depreciable Capital Assets, Net	1,739,477	601,649	0	16,417,014
<b>Total Noncurrent Assets</b>	<b>1,739,477</b>	<b>613,675</b>	<b>0</b>	<b>16,417,014</b>
<b>Total Assets</b>	<b>3,805,103</b>	<b>1,855,170</b>	<b>852,159</b>	<b>18,625,010</b>
<b>Liabilities:</b>				
<b>Current Liabilities:</b>				
Accounts Payable	411,158	287,402	101,982	24,345
Accrued Wages and Benefits	6,557	6,557	1,052	12,069
Compensated Absences	5,321	5,241	2,590	2,238
Accrued Interest Payable	4,809	2,454	0	0
General Obligation Notes Payable	255,000	0	0	0
Long-Term Liabilities Due Within One Year	38,408	25,750	0	0
<b>Total Current Liabilities</b>	<b>721,253</b>	<b>327,404</b>	<b>105,624</b>	<b>38,652</b>
<b>Long-Term Liabilities:</b>				
Compensated Absences	4,824	4,749	2,390	2,065
Bonds, Notes & Loans Payable	910,473	439,988	0	0
<b>Total Noncurrent Liabilities</b>	<b>915,297</b>	<b>444,737</b>	<b>2,390</b>	<b>2,065</b>
<b>Total Liabilities</b>	<b>1,636,550</b>	<b>772,141</b>	<b>108,014</b>	<b>40,717</b>
<b>Net Position:</b>				
Net Investment in Capital Assets	535,596	147,937	0	16,417,014
Unrestricted	1,632,957	935,092	744,145	2,167,279
<b>Total Net Position</b>	<b>\$2,168,553</b>	<b>\$1,083,029</b>	<b>\$744,145</b>	<b>\$18,584,293</b>

See accompanying notes to the basic financial statements.

Total Business-Type Activities	Governmental Activities- Internal Service Funds
\$4,231,761	\$10,786
1,152,600	0
982,915	0
<u>6,367,276</u>	<u>10,786</u>
12,026	0
<u>18,758,140</u>	<u>0</u>
<u>18,770,166</u>	<u>0</u>
<u>25,137,442</u>	<u>10,786</u>
824,887	0
26,235	0
15,390	0
7,263	0
255,000	0
64,158	0
<u>1,192,933</u>	<u>0</u>
14,028	0
<u>1,350,461</u>	<u>0</u>
<u>1,364,489</u>	<u>0</u>
<u>2,557,422</u>	<u>0</u>
17,100,547	0
<u>5,479,473</u>	<u>10,786</u>
<u><u>22,580,020</u></u>	<u><u>\$10,786</u></u>

City of Trotwood, Ohio  
Statement of Revenues, Expenses  
and Changes in Fund Net Position  
Proprietary Funds  
For the Fiscal Year Ended December 31, 2014

	Business-Type Activities -Enterprise Funds			
	Water	Sewer	Refuse	Stormwater
Operating Revenues:				
Charges for Services	\$1,544,234	\$1,146,375	\$1,407,946	\$746,107
Other Revenues	4,969	591	197	149
Total Operating Revenues	<u>1,549,203</u>	<u>1,146,966</u>	<u>1,408,143</u>	<u>746,256</u>
Operating Expenses:				
Personal Services	170,803	162,002	65,464	91,792
Contractual Services	1,004,644	718,974	1,351,666	201,798
Materials and Supplies	46,758	44,772	0	45,456
Depreciation	114,061	67,818	0	460,228
Other Expense	20,389	3,654	0	1,760
Total Operating Expenses	<u>1,356,655</u>	<u>997,220</u>	<u>1,417,130</u>	<u>801,034</u>
Operating Income (Loss)	<u>192,548</u>	<u>149,746</u>	<u>(8,987)</u>	<u>(54,778)</u>
Non-Operating Revenues (Expenses):				
Interest (Expense)	<u>(23,656)</u>	<u>(19,019)</u>	<u>0</u>	<u>0</u>
Total Non-Operating Revenues (Expenses)	<u>(23,656)</u>	<u>(19,019)</u>	<u>0</u>	<u>0</u>
Change in Net Position	168,892	130,727	(8,987)	(54,778)
Net Position - Beginning of Year, Restated	<u>1,999,661</u>	<u>952,302</u>	<u>753,132</u>	<u>18,639,071</u>
Net Position - End of Year	<u>\$2,168,553</u>	<u>\$1,083,029</u>	<u>\$744,145</u>	<u>\$18,584,293</u>

See accompanying notes to the basic financial statements.

Total Business-Type Activities	Governmental Activities- Internal Service Funds
\$4,844,662	\$0
5,906	0
<u>4,850,568</u>	<u>0</u>
490,061	0
3,277,082	0
136,986	0
642,107	0
25,803	0
<u>4,572,039</u>	<u>0</u>
<u>278,529</u>	<u>0</u>
<u>(42,675)</u>	<u>0</u>
<u>(42,675)</u>	<u>0</u>
235,854	0
<u>22,344,166</u>	<u>10,786</u>
<u>\$22,580,020</u>	<u>\$10,786</u>

City of Trotwood, Ohio  
Statement of Cash Flows  
Proprietary Funds  
For the Fiscal Year Ended December 31, 2014

	Business-Type Activities -Enterprise Funds			
	Water	Sewer	Refuse	Stormwater
Cash Flows from Operating Activities:				
Cash Received from Customers	\$1,689,887	\$1,245,542	\$1,452,781	\$784,908
Cash Payments to Employees	(172,182)	(163,578)	(66,724)	(90,507)
Cash Payments to Suppliers	(1,087,947)	(782,315)	(1,358,671)	(231,486)
Net Cash Provided (Used) by Operating Activities	429,758	299,649	27,386	462,915
Cash Flows from Capital and Related Financing Activities:				
Payments for Capital Acquisitions	(40,120)	(61,622)	0	0
Debt Proceeds	255,000	0	0	0
Debt Principal Payments	(297,821)	(30,333)	0	0
Debt Interest Payments	(22,998)	(16,565)	0	0
Net Cash Provided (Used) by Capital and Related Financing Activities	(105,939)	(108,520)	0	0
Net Increase (Decrease) in Cash and Cash Equivalent	323,819	191,129	27,386	462,915
Cash and Cash Equivalents - Beginning of Year	1,172,343	660,088	35,513	1,358,568
Cash and Cash Equivalents - End of Year	1,496,162	851,217	62,899	1,821,483
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	192,548	149,746	(8,987)	(54,778)
Adjustments:				
Depreciation	114,061	67,818	0	460,228
Changes in Assets & Liabilities:				
(Increase) Decrease in Receivables	140,684	98,576	44,638	38,652
Increase (Decrease) in Payables	(16,156)	(14,915)	(7,005)	17,528
Increase (Decrease) in Accrued Liabilities	(1,379)	(1,576)	(1,260)	1,285
Net Cash Provided (Used) by Operating Activities	\$429,758	\$299,649	\$27,386	\$462,915

See accompanying notes to the basic financial statements.

Total Business-Type Activities	Governmental Activities- Internal Service Funds
\$5,173,118	\$0
(492,991)	0
<u>(3,460,419)</u>	<u>0</u>
1,219,708	0
(101,742)	0
255,000	0
(328,154)	0
<u>(39,563)</u>	<u>0</u>
(214,459)	0
1,005,249	0
<u>3,226,512</u>	<u>10,786</u>
<u>4,231,761</u>	<u>10,786</u>
278,529	0
642,107	0
322,550	0
(20,548)	0
<u>(2,930)</u>	<u>0</u>
<u>\$1,219,708</u>	<u>\$0</u>

City of Trotwood, Ohio  
Statement of Fiduciary Net Position  
Fiduciary Fund  
December 31, 2014

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	<u>Agency</u>
Assets:	
Equity in Pooled Cash and Investments	<u>\$100,614</u>
Total Assets	<u>100,614</u>
Liabilities:	
Deposit Liability	<u>100,614</u>
Total Liabilities	<u>\$100,614</u>

See accompanying notes to the basic financial statements.



**City of Trotwood, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended December 31, 2014**

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

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

**Reporting Entity**

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

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

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

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

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

**City of Trotwood, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended December 31, 2014**

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**Measurement Focus**

Government-Wide Financial Statements

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

Fund Financial Statements

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

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

**Basis of Presentation**

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

Government-Wide Financial Statements

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

The statement of net position presents the financial condition of the governmental and business-type activities of the City at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities and for the business-type activities of the City. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services

**City of Trotwood, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended December 31, 2014**

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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.

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

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

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

**City of Trotwood, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended December 31, 2014**

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Proprietary Funds

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

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

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

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

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

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

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

Fiduciary Funds

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

**Basis of Accounting**

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

**City of Trotwood, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended December 31, 2014**

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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 Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, income taxes, grants and other taxes, special assessments and revenue in lieu of taxes. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2014, but which were levied to finance year 2015 operations. Revenue in lieu of taxes are deferred and recognized as inflows of resources in the period the amounts become available. These amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements.

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

**City of Trotwood, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended December 31, 2014**

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(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 position/balance sheet, investments with an original maturity of three months or less and investments of the cash management pool are considered to be cash equivalents.

Interest revenues during 2014 amounted to \$3,636.

**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 position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and in the respective proprietary funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets 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.

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

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	20-45 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, judgments and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds, capital leases and long-term loans are recognized as a liability on the fund financial statements when due.

### **Fund Balance**

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

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

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

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

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

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

The City applies restricted resources first when an expenditure is incurred for purposes, which both restricted and unassigned fund balances are available. The City considers committed, assigned, and unassigned fund balances, respectively, to be spent when expenditures are incurred for purposes for which any of the unassigned fund balance classifications could be used.

**Net Position**

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

The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available. Of the City's \$4,580,526 in restricted net position, none was restricted by enabling legislation.

**Operating Revenues and Expenses**

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

**Interfund Activity**

Transfers between governmental and business-type activities on the government-wide statements are



**City of Trotwood, Ohio**  
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reported in the same manner as general revenues.

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

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

**Estimates**

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

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

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

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

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

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

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

- (1) Bonds, notes, or other obligations of or guaranteed by the United States, or those for which the faith of the United States is pledged for the payment of principal and interest.
- (2) Bonds, notes, debentures, or other obligations or securities issued by any federal governmental agency.

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- (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, 2014, \$4,871,781 of the City's bank balance of \$7,801,841 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. At year end, the carrying amount of the City's deposits was \$7,764,890.

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

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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, 2014, the City had no investments.

**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.

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

	As of December 31, 2014					
	General Fund	Other Governmental Funds	Water Fund	Sewer Fund	Refuse Fund	Stormwater Fund
Special Assessments Receivable	\$2,258,582	\$9,640	\$277,528	\$149,711	\$1,050,461	\$487,062
Allowance for Doubtful Accounts	(1,958,261)	(5,970)	(144,828)	(72,390)	(521,875)	(242,754)
Special Assessments Receivable, Net	<u>\$300,321</u>	<u>\$3,670</u>	<u>\$132,700</u>	<u>\$77,321</u>	<u>\$528,586</u>	<u>\$244,308</u>

**Property Taxes**

Property taxes include amounts levied against all real and public utility, located in the City. Property tax revenue received during 2014 for real and public utility property taxes represents collections of the 2013 taxes.

The 2014 real property taxes are levied after October 1, 2014, on the assessed value as of January 1, 2014, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2014 real property taxes are collected in and intended to finance 2015 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 2014 public utility property taxes became a lien December 31, 2013, are levied after October 1, 2014, and are collected in 2014 with real property taxes.

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

**City of Trotwood, Ohio**  
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	<u>Amount</u>
Real Property	\$254,675,910
Public Utility	<u>11,473,980</u>
Total	<u>\$266,149,890</u>

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

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

**Income Taxes**

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

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

**Note 5 – Risk Management**

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

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Real and Personal Property	15,602,500	5,000
Vehicles	3,232,353	1,000
Miscellaneous Property	1,675,956	5,000
Data Processing	298,365	5,000

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

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

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

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

**Note 6 – Capital Assets**

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

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities</b>				
<b><i>Capital Assets, not being depreciated:</i></b>				
Land	\$26,633,155	\$130,054	\$0	\$26,763,209
<b><i>Capital Assets, being depreciated:</i></b>				
Buildings and Improvements	10,146,728	0	794,496	9,352,232
Equipment	9,903,948	202,936	1,161,012	8,945,872
Infrastructure	47,526,685	81,265	0	47,607,950
Totals at Historical Cost	<u>94,210,516</u>	<u>414,255</u>	<u>1,955,508</u>	<u>92,669,263</u>
Less Accumulated Depreciation:				
Buildings and Improvements	3,393,623	335,524	200,394	3,528,753
Equipment	7,717,112	383,109	1,323,023	6,777,198
Infrastructure	24,203,363	701,298	170,878	24,733,783
Total Accumulated Depreciation	<u>\$35,314,098</u>	<u>\$1,419,931</u>	<u>\$1,694,295</u>	<u>\$35,039,734</u>
Governmental Activities Capital Assets, Net	<u>\$58,896,418</u>	<u>(\$1,005,676)</u>	<u>\$261,213</u>	<u>\$57,629,529</u>

**City of Trotwood, Ohio**  
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	Restated Beginning Balance	Additions	Deletion	Ending Balance
<b>Business-Type Activities</b>				
<b>Capital Assets, not being depreciated:</b>				
Land	\$12,026	\$0	\$0	\$12,026
Total Capital Assets, not being depreciated	12,026	0	0	12,026
<b>Capital Assets, being depreciated:</b>				
Equipment	302,920	101,742	0	404,662
Infrastructure	41,007,843	0	0	41,007,843
Totals at Historical Cost	<u>41,322,789</u>	<u>101,742</u>	<u>0</u>	<u>41,424,531</u>
Less Accumulated Depreciation:				
Equipment	297,408	85,470	0	382,878
Infrastructure	21,714,850	556,637	0	22,271,487
Total Accumulated Depreciation	<u>\$22,012,258</u>	<u>\$642,107</u>	<u>\$0</u>	<u>\$22,654,365</u>
Business-Type Activities Capital Assets, Net	<u>\$19,310,531</u>	<u>(\$540,365)</u>	<u>\$0</u>	<u>\$18,770,166</u>

Depreciation expense was charged to governmental functions as follows:

General Government	\$243,336
Public Safety	435,441
Leisure Time	39,730
Community Development	125
Transportation	701,299
Total Depreciation Expense	<u>\$1,419,931</u>

Depreciation expense was charged to business-type activities as follows:

Water	\$114,061
Sewer	67,818
Stormwater	460,228
Total Depreciation Expense	<u>\$642,107</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.

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

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

**Note 8 – Notes Payable**

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Bond Anticipation Notes:				
Governmental Activities:				
Town Center Redevelopment, Series 2013, 1.00%	\$1,870,000	\$0	(\$1,870,000)	\$0
Town Center Redevelopment, Series 2014, 1.00%	0	1,831,000	0	1,831,000
Total Governmental Activities Bond Anticipation Notes	<u>\$1,870,000</u>	<u>\$1,831,000</u>	<u>(\$1,870,000)</u>	<u>\$1,831,000</u>
Business-Type Activities:				
Town Center Redevelopment, Series 2013, 1.00%	255,000	0	(255,000)	0
Town Center Redevelopment, Series 2014, 1.00%	0	255,000	0	255,000
Total Business-Type Activities Bond Anticipation Notes	<u>\$255,000</u>	<u>\$255,000</u>	<u>(\$255,000)</u>	<u>\$255,000</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.

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**City of Trotwood, Ohio**  
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**For The Fiscal Year Ended December 31, 2014**

**Note 9 – Long-Term Debt**

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

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
<b>Governmental Activities</b>					
<u>Bonds Payable</u>					
2003 Various Purpose Bonds, 5.11%	\$1,452,500	\$0	(\$203,334)	\$1,249,166	\$147,500
2007 Various Purpose Bonds, 4.21%	3,990,000	0	(190,000)	3,800,000	195,000
2010 Various Purpose Bonds, 3.00-4.25%	7,361,808	0	(212,420)	7,149,388	217,250
Premium on 2010 Bonds	386,408	0	(17,766)	368,642	0
2012 OAQDA Tax Exempt Energy Bonds, 2.02%	841,035	0	(108,954)	732,081	111,155
2012 OAQDA Energy Conservation Bonds, 4.28%	883,361	0	0	883,361	0
Total Bonds Payable	<u>14,915,112</u>	<u>0</u>	<u>(732,474)</u>	<u>14,182,638</u>	<u>670,905</u>
Capital Leases	<u>482,753</u>	<u>42,766</u>	<u>(411,717)</u>	<u>113,802</u>	<u>87,674</u>
Total Long-Term Debt	15,397,865	42,766	(1,144,191)	14,296,440	758,579
Compensated Absences	<u>909,565</u>	<u>312,147</u>	<u>(417,838)</u>	<u>803,874</u>	<u>362,405</u>
Total Governmental Activities	<u>\$16,307,430</u>	<u>\$354,913</u>	<u>(\$1,562,029)</u>	<u>\$15,100,314</u>	<u>\$1,120,984</u>
	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
<b>Business Type Activities</b>					
<u>Bonds Payable</u>					
2003 Various Purpose Water Bonds, 5.11%	\$241,250	\$0	(\$18,333)	\$222,917	\$13,750
2003 Various Purpose Sewer Bonds, 5.11%	241,250	0	(18,333)	222,917	13,750
2010 Various Purpose Water Bonds, 3.00-4.25%	93,192	0	(2,580)	90,612	2,750
Total Bonds Payable	<u>575,692</u>	<u>0</u>	<u>(39,246)</u>	<u>536,446</u>	<u>30,250</u>
<u>Loans Payable</u>					
2007 OPWC Loan - Sanitary Sewer - 0.00%	254,821	0	(12,000)	242,821	12,000
2012 OPWC Loan - Water - 0.00%	339,665	0	(11,322)	328,343	11,322
2012 OPWC Loan - Water - 0.00%	317,595	0	(10,586)	307,009	10,586
Total Loans Payable	<u>912,081</u>	<u>0</u>	<u>(33,908)</u>	<u>878,173</u>	<u>33,908</u>
Compensated Absences	<u>27,885</u>	<u>21,164</u>	<u>(19,631)</u>	<u>29,418</u>	<u>15,390</u>
Total Business-Type Activities	<u>\$1,515,658</u>	<u>\$21,164</u>	<u>(\$92,785)</u>	<u>\$1,444,037</u>	<u>\$79,548</u>

Principal payments for the 2003 Various Purpose Bonds are paid from the General Fund, the Street Maintenance and Repair Fund, the Debt Retirement Fund, the Industrial Park Fund, the Water Fund and the Sewer Fund. Principal payments for the 2007 Various Purposes Bonds are paid from the General



**City of Trotwood, Ohio**  
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Fund and the Industrial Park Fund. The 2010 Various Purpose Bonds are paid from the Industrial Park Fund, the Salem Mall Tax Increment Fund and the Water Fund. Compensated Absences will be paid from the fund from which the person is paid. Historically, this is the General Fund, a Special Revenue Fund or an Enterprise Fund.

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

In October 2007, the City issued \$5,015,000 Various Purpose General Obligation Bonds to fund various improvements to the Fire Station and the Industrial Park at an average interest rate of 4.21%

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

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

On June 8, 2012, the City issued \$883,361 in Ohio Air Quality Development Authority Energy Conservation Bonds at an interest rate of 4.28% throughout the life of the bonds. The bonds will mature on December 1, 2027. Principal payments will be made out of the General Fund.

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

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

Year Ending December 31	Governmental Activities		Business-Type Activities			
	General		General		OPWC Loans	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$670,905	\$588,339	\$30,250	\$27,234	\$33,909	\$0
2016	690,087	566,954	32,813	25,781	33,908	0
2017	650,252	539,856	35,438	24,135	39,909	0
2018	662,527	518,535	35,500	22,401	39,908	0
2019	687,787	495,602	38,125	20,651	39,909	0
2020-2024	3,439,879	2,077,715	214,877	73,276	223,542	0
2025-2029	3,359,042	1,276,986	112,960	19,238	160,364	0
2030-2034	3,150,000	496,874	30,000	5,439	109,542	0
2035-2039	503,517	20,775	6,483	263	109,543	0
2040-2043	0	0	0	0	87,639	0
Total	<u>\$13,813,996</u>	<u>\$6,581,636</u>	<u>\$536,446</u>	<u>\$218,418</u>	<u>\$878,173</u>	<u>\$0</u>

**City of Trotwood, Ohio**  
**Notes to the Basic Financial Statements**  
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**Note 10 – Leases**

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Capital Leases

The City has entered into capital leases for radio equipment and three John Deere mowers.

The City's lease obligations meet the criteria of a capital asset and has been recorded on the government-wide statements. The leased assets have been capitalized for the amount of the present value of the minimum lease payments at the inception of the lease. The following is a schedule of the future long-term minimum lease payments required under the capital lease, and the present value of the minimum lease payments is as follows:

Fiscal Year Ending December 31,	Long-Term Debt
2015	\$91,163
2016	9,250
2017	9,250
2018	9,250
Total Minimum Lease Payments	118,913
Less: Amount Representing Interest	(5,111)
Present Value of Minimum Lease Payments	<u>\$113,802</u>

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

Equipment	\$42,766
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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

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**For The Fiscal Year Ended December 31, 2014**

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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 and employer contributions rates were consistent across all three plans. 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, 2014, 2013 and 2012 were \$321,228, \$304,661 and \$312,131, respectively. The full amount has been contributed for 2013 and 2012, and 93 percent has actually been contributed for 2014. The City's unpaid contractually required OPERS contributions (including post-employment benefits) at year end (the liability) were recorded in the accrued wages and benefits line item of the government-wide and fund financial statements along with various corresponding expenses/expenditures.

**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 pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information. 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).

From January 1, 2014 through July 1, 2014, plan members are required to contribute 10.75% of their annual covered salary. From July 2, 2014 through December 31, 2014, plan members are required to contribute 11.5% of their annual covered salary, while employers (the City) are required to contribute 19.5% for police officers and 24.0% for firefighters. The City's contributions to OP&F for the years ending December 31, 2014, 2013 and 2012 were \$918,734, \$828,767, \$806,705, respectively. The 86% (police) and 86% (fire) has actually been contributed for 2014 and the full amount has been contributed for 2013 and 2012. The City's unpaid contractually required OP&F contributions (including post-employment benefits) at year end (the liability) were recorded in the accrued wages and benefits line item of the government-wide and fund financial statements along with various corresponding expenses/expenditures.

**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

**City of Trotwood, Ohio**  
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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 care 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. OPERS' eligibility requirements for post-employment health care coverage changed for those retiring on and after January 1, 2015. Please see the Plan Statement in the OPERS 2013 CAFR for details.

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, or by visiting the OPERS website at [www.opers.org](http://www.opers.org).

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 2014, 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 section 401(h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.0% during calendar year 2014. Effective January 1, 2015, the portion of employer contributions allocated to health care remains at 2.0% for both plans, as recommended by OPERS' actuary. The OPERS Board of Trustees is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected.

Information from City's Records

The rates stated in Funding Policy, above, are the contractually required contribution rates for OPERS. The City's actual contributions for the current year, which were used to fund postemployment benefits, were \$45,871 for 2014, \$21,753 for 2013, and \$89,176 for 2012. The full amount has been contributed for 2013 and 2012, and 93 percent has actually been contributed for 2014.

**City of Trotwood, Ohio**  
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**For The Fiscal Year Ended December 31, 2014**

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OPERS Board of Trustees Adopt Changes to the Health Care Plan

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4 percent of the employer contributions toward the health care fund after the end of the transition period.

**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 is codified in Chapter 742 of the Ohio Revised Code.

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the Plan. 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).

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

**City of Trotwood, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended December 31, 2014**

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retiree healthcare benefits. The portion of employer contributions allocated to health care was .5% of covered payroll from January 1, 2014 thru December 31, 2014. For the year ended December 31, 2014, 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, 2014 was \$21,772; and was \$138,930 for year ending December 31, 2013; and was approximately \$257,041 for the year ending December 31, 2012, and were allocated to the healthcare plan. The actual contributions for 2012 and 2013 were 100% and 86% (police) and 86% (fire) has actually been contributed for 2014.

**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 \$11,238 to this organization in 2014.

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 \$625 to this organization in 2014.

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

**City of Trotwood, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended December 31, 2014**

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assure that County resources are efficiently used, economic growth is properly balanced and that County economic development is coordinated with that of the State of Ohio and other local governments. Members include villages, townships and cities within Montgomery County and the County itself. Cooperation and coordination between the members is intended to promote economic health and improve the economic opportunities of the people in Montgomery County by assisting in the establishment or expansion within the County of industrial, commercial or research facilities and by creating and preserving job and employment opportunities for the people of the County. The ED/GE Advisory Committee, made up of alternating member entities' representatives, decides which proposed projects will be granted each year. Sales tax revenues, set aside by Montgomery County, are used to fund the projects. Members annually contribute or receive benefits based on an elaborate zero-based formula designed to distribute growth in contributing communities to those in communities experiencing less economic growth. In 2011, the City agreed to be a member for an additional 10 years, ending December 31, 2021. Any member in default of paying its contributions will be liable for the amount of the contribution, any interest accrued and penalties. During this time, the member will not be entitled to any allocations from ED/GE. Payments to ED/GE are made from the General Fund. The City did not contribute any money to this organization in 2014.

**Note 14 – Interfund Transactions**

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Interfund receivables and interfund payables are as follows for the current year:

	Interfund	
	Receivable	Payable
General Fund	\$187,900	\$0
Fire Levy	0	200
Salem Mall Tax Increment Fund	0	117,000
Other Governmental Funds	0	70,700
Total All Funds	<u>\$187,900</u>	<u>\$187,900</u>

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

**Note 15 – Compliance and Accountability**

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**Compliance**

The City was not in compliance with legal provisions as follows:

The City was in violation of Ohio Revised Code Section 5705.41(B) (1) by not properly certifying all expenditures.

The City was in violation of Ohio Revised Code Section 3929.86, which states that Fire Loss claims should be segregated into a separate fund when reporting on the financial statements. The City did not post Fire Loss deposits and disbursements into an agency fund.

**City of Trotwood, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended December 31, 2014**

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**Accountability**

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

Fund	Deficit
Special Revenue:	
Fire Levy	\$142,821
Redlight Enforcement	5,375
Capital Projects:	
Salem Mall Tax Increment	1,910,010
Park Acquisition and Development	64,899

**Note 16 – Fund Balances**

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

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**City of Trotwood, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended December 31, 2014**

Fund Balances	General	Fire Levy	Rescue Levy	Salem Mall Tax Increment	Other Governmental Funds	Total
<b>Restricted for:</b>						
Street Construction	\$0	\$0	\$0	\$0	\$917,142	\$917,142
State Highway	0	0	0	0	225,697	225,697
Motor Vehicle License Tax	0	0	0	0	145,506	145,506
Permissive Use Tax	0	0	0	0	314,318	314,318
Drug Law Enforcement	0	0	0	0	18,957	18,957
Grants	0	0	0	0	345,452	345,452
Curbs/Gutters/Sidewalks	0	0	0	0	85,573	85,573
Local Law Enforcement Block Enforcement and Education	0	0	0	0	75	75
Law Enforcement Trust	0	0	0	0	11,701	11,701
Government Equity Program	0	0	0	0	231,944	231,944
Rescue Levy	0	0	417,130	0	219	219
Police Levy	0	0	0	0	0	417,130
Redlight Enforcement	0	0	0	0	2,039	2,039
Debt Service	0	0	0	0	18,065	18,065
Fire Facility Improvements	0	0	0	0	18,264	18,264
Industrial Park	0	0	0	0	5,992	5,992
	0	0	0	0	71,630	71,630
<b>Total Restricted</b>	0	0	417,130	0	2,412,574	2,829,704
<b>Assigned to:</b>						
Next Year's Budget	16,081	0	0	0	0	16,081
Encumbrances	148,034	0	0	0	0	148,034
<b>Total Assigned</b>	164,115	0	0	0	0	164,115
<b>Unassigned (Deficit)</b>	594,737	(142,821)	0	(1,910,010)	(64,899)	(1,522,993)
<b>Total Fund Balance</b>	<u>\$758,852</u>	<u>(\$142,821)</u>	<u>\$417,130</u>	<u>(\$1,910,010)</u>	<u>\$2,347,675</u>	<u>\$1,470,826</u>

**Note 17 –Other Commitments**

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

**City of Trotwood, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended December 31, 2014**

Fund	Amount
General	\$106,439
Fire Levy	36,831
Rescue Levy	31,517
Water	366,646
Sewer	243,196
Refuse	442
Stormwater	57,350
Nonmajor Funds	<u>159,780</u>
Total	<u><u>\$1,002,201</u></u>

**Note 18 – Prior Period Adjustment**

A prior period adjustment to restate capital assets as of December 31, 2013 was required mainly due to an error in the way the Stormwater capital assets were reported on the financial statements as compared to the detailed reports and the incorrect classification of the Fire Loss deposits and disbursements. The Fire Loss Agency fund will be created. The restatement had the following effect on net position.

	Governmental Activities	Business-Type Activities	Stormwater Utility Fund	Agency
Net Position - December 31, 2013	\$48,359,432	\$21,874,690	\$18,169,595	\$0
Reclassification for Fire Loss deposits and disbursements to Agency Fund	(71,194)	0	0	71,194
Restatement of Stormwater Assets	<u>0</u>	<u>469,476</u>	<u>469,476</u>	<u>0</u>
Net Position - January 1, 2014, Restated	<u>\$48,288,238</u>	<u>\$22,344,166</u>	<u>\$18,639,071</u>	<u>\$71,194</u>
	General Fund			
Fund Balance - December 31, 2013	\$705,170			
Reclassification for Agency fund	<u>(71,194)</u>			
Fund Balance - January 1, 2014, Restated	<u><u>\$633,976</u></u>			

# **REQUIRED SUPPLEMENTARY INFORMATION**

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City of Trotwood, Ohio  
Schedule of Revenues, Expenditures by Budget Center and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended December 31, 2014

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
<b>Revenues:</b>				
Property and Other Local Taxes	\$1,659,421	\$1,660,005	\$1,692,890	\$32,885
Income Taxes	4,795,517	4,797,203	4,892,238	95,035
Charges for Services	313,268	313,378	319,586	6,208
Investment Earnings	3,564	3,565	3,636	71
Intergovernmental	639,672	639,897	652,574	12,677
Special Assessments	95,641	95,675	97,570	1,895
Fines, Licenses & Permits	271,614	271,709	277,092	5,383
Other Revenues	380,652	380,785	388,329	7,544
<b>Total Revenues</b>	<b>8,159,349</b>	<b>8,162,217</b>	<b>8,323,915</b>	<b>161,698</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<u>General Government</u>				
Mayor and Council	194,648	203,986	193,507	10,479
City Manager	289,319	303,199	287,623	15,576
Finance	396,544	415,568	394,220	21,348
Utility Billing	195,563	204,945	194,417	10,528
Income Tax	381,027	399,307	378,794	20,513
Law Director	218,560	229,045	217,279	11,766
Public Works Administration	89,568	93,865	89,043	4,822
Building and Grounds	259,967	272,438	258,443	13,995
Fleet Maintenance	163,571	171,418	162,612	8,806
Personnel	165,774	173,726	164,802	8,924
Strategic Initiatives	43,805	45,906	43,548	2,358
Non-Departmental	381,501	399,803	379,265	20,538
<b>Total General Government</b>	<b>2,779,847</b>	<b>2,913,206</b>	<b>2,763,553</b>	<b>149,653</b>
<u>Public Safety</u>				
Police Administration	293,353	307,427	291,634	15,793
Police Patrol	2,557,530	2,680,225	2,542,540	137,685
Criminal Investigation	982,006	1,029,117	976,250	52,867
Police Communications	409,340	428,978	406,941	22,037
<b>Total Public Safety</b>	<b>4,242,229</b>	<b>4,445,747</b>	<b>4,217,365</b>	<b>228,382</b>
<u>Leisure Time Activities</u>				
Parks Maintenance	185,228	194,114	184,142	9,972
Municipal Pool	40,236	42,166	40,000	2,166
Cemeteries	89,681	93,983	89,155	4,828
Recreation Programs	82,767	86,738	82,282	4,456
<b>Total Leisure Time Activities</b>	<b>397,912</b>	<b>417,001</b>	<b>395,579</b>	<b>21,422</b>
<u>Community Development</u>				
Planning and Development Administration	188,560	197,606	187,455	10,151
Planning and Zoning	126,272	132,330	125,532	6,798
Code Enforcement and Inspection	151,750	159,031	150,861	8,170
Mowing and Weed Removal	70,875	74,276	70,460	3,816
<b>Total Community Development</b>	<b>537,457</b>	<b>563,243</b>	<b>534,308</b>	<b>28,935</b>

Continued

City of Trotwood, Ohio  
 Schedule of Revenues, Expenditures by Budget Center and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2014

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
<u>Transportation &amp; Street Repair</u>				
Street Lighting	233,801	245,018	232,431	12,587
Total Transportation & Street Repair	233,801	245,018	232,431	12,587
Capital Outlay	69,327	72,653	68,921	3,732
Debt Service:				
Principal Retirement	118,216	123,887	117,523	6,364
Interest and Fiscal Charges	121,187	127,001	120,477	6,524
Total Expenditures	8,499,976	8,907,756	8,450,157	457,599
Excess of Revenues Over (Under) Expenditures	(340,627)	(745,539)	(126,242)	619,297
Other Financing Sources (Uses):				
Issuance of Capital Leases	41,921	41,935	42,766	831
Total Other Financing Sources (Uses)	41,921	41,935	42,766	831
Net Change in Fund Balance	(298,706)	(703,604)	(83,476)	620,128
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	600,115	600,115	600,115	0
Fund Balance End of Year	<u>\$301,409</u>	<u>(\$103,489)</u>	<u>\$516,639</u>	<u>\$620,128</u>

See accompanying notes to the required supplementary information.

City of Trotwood, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2014

	Fire Levy Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Property and Other Local Taxes	\$2,784,503	\$2,784,503	\$2,701,730	(\$82,773)
Charges for Services	64	64	62	(2)
Intergovernmental	431,122	431,122	418,306	(12,816)
Other Revenues	8,030	8,030	7,791	(239)
<b>Total Revenues</b>	<b>3,223,719</b>	<b>3,223,719</b>	<b>3,127,889</b>	<b>(95,830)</b>
Expenditures:				
Current:				
Public Safety	2,468,801	2,492,194	2,399,081	93,113
Capital Outlay	5,523	5,575	5,367	208
Debt Service:				
Principal Retirement	469,032	473,476	455,786	17,690
Interest and Fiscal Charges	165,894	167,466	161,209	6,257
<b>Total Expenditures</b>	<b>3,109,250</b>	<b>3,138,711</b>	<b>3,021,443</b>	<b>117,268</b>
<b>Net Change in Fund Balance</b>	<b>114,469</b>	<b>85,008</b>	<b>106,446</b>	<b>21,438</b>
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	(138,825)	(138,825)	(138,825)	0
<b>Fund Balance End of Year</b>	<b>(\$24,356)</b>	<b>(\$53,817)</b>	<b>(\$32,379)</b>	<b>\$21,438</b>

See accompanying notes to the required supplementary information.

City of Trotwood, Ohio  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended December 31, 2014

	Rescue Levy Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Property and Other Local Taxes	\$379,756	\$379,756	\$392,475	\$12,719
Charges for Services	1,128,000	1,128,000	1,165,781	37,781
Intergovernmental	74,383	74,383	76,874	2,491
Other Revenues	6,377	6,377	6,591	214
Total Revenues	<u>1,588,516</u>	<u>1,588,516</u>	<u>1,641,721</u>	<u>53,205</u>
Expenditures:				
Current:				
Public Safety	<u>1,727,830</u>	<u>1,814,830</u>	<u>1,709,786</u>	<u>105,044</u>
Total Expenditures	<u>1,727,830</u>	<u>1,814,830</u>	<u>1,709,786</u>	<u>105,044</u>
Net Change in Fund Balance	(139,314)	(226,314)	(68,065)	158,249
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>385,963</u>	<u>385,963</u>	<u>385,963</u>	<u>0</u>
Fund Balance End of Year	<u>\$246,649</u>	<u>\$159,649</u>	<u>\$317,898</u>	<u>\$158,249</u>

See accompanying notes to the required supplementary information.

**City of Trotwood, Ohio**  
**Notes to the Required Supplementary Information**  
**For The Year Ended December 31, 2014**

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**Note 1 – Budgetary Process**

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The City's funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriations ordinance is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of control has been established by Council at the program or budget center level for the General fund and the 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, rescue levy 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 an assignment of fund balance (GAAP).
4. Unreported cash represents amounts received but not included as revenue on the budget basis operating statements. These amounts are included as revenue on the GAAP basis operating statement.

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



**City of Trotwood, Ohio**  
**Notes to the Required Supplementary Information**  
**For The Year Ended December 31, 2014**

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Net Change in Fund Balance

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	<u>General</u>	<u>Fire Levy</u>	<u>Rescue Levy</u>
GAAP Basis	\$124,876	\$164,179	\$133,216
Revenue Accruals	(304,193)	(587,632)	(228,236)
Expenditure Accruals	202,280	566,730	58,472
Encumbrances	<u>(106,439)</u>	<u>(36,831)</u>	<u>(31,517)</u>
Budget Basis	<u>(\$83,476)</u>	<u>\$106,446</u>	<u>(\$68,065)</u>

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# COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES



## **MAJOR GOVERNMENTAL FUNDS**

**Salem Mall Tax Increment** - To account for resources related to the Salem Mall Tax Increment. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance are included in the Basic Financial Statements. The Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis) follows this page.

City of Trotwood, Ohio  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended December 31, 2014

	Salem Mall Tax Increment Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Revenue in Lieu of Taxes	\$321,416	\$295,703	(\$25,713)
Other Revenues	140	129	(11)
Total Revenues	<u>321,556</u>	<u>295,832</u>	<u>(25,724)</u>
Expenditures:			
Current:			
Community Development	1,013	1,011	2
Debt Service:			
Principal Retirement	1,881,312	1,876,840	4,472
Interest and Fiscal Charges	200,669	200,192	477
Total Expenditures	<u>2,082,994</u>	<u>2,078,043</u>	<u>4,951</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,761,438)</u>	<u>(1,782,211)</u>	<u>(20,773)</u>
Other Financing Sources (Uses):			
Issuance of Short Term Debt	1,990,214	1,831,000	(159,214)
Total Other Financing Sources (Uses)	<u>1,990,214</u>	<u>1,831,000</u>	<u>(159,214)</u>
Net Change in Fund Balance	228,776	48,789	(179,987)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>4,918</u>	<u>4,918</u>	<u>0</u>
Fund Balance End of Year	<u>\$233,694</u>	<u>\$53,707</u>	<u>(\$179,987)</u>

## **NONMAJOR GOVERNMENTAL FUNDS**

### **Special Revenue Funds**

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

### **Debt Service Fund**

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

### **Capital Projects Funds**

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

City of Trotwood, Ohio  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2014

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets:</b>				
Equity in Pooled Cash and Investments	\$2,277,877	\$18,264	\$83,423	\$2,379,564
<b>Receivables (Net):</b>				
Taxes	509,212	144,094	0	653,306
Intergovernmental	523,731	11,511	396,160	931,402
Special Assessments	3,670	0	0	3,670
<b>Total Assets</b>	<b>3,314,490</b>	<b>173,869</b>	<b>479,583</b>	<b>3,967,942</b>
<b>Liabilities:</b>				
Accounts Payable	14,191	0	0	14,191
Accrued Wages and Benefits	22,969	0	0	22,969
Interfund Payable	0	0	70,700	70,700
<b>Total Liabilities</b>	<b>37,160</b>	<b>0</b>	<b>70,700</b>	<b>107,860</b>
<b>Deferred Inflows of Resources:</b>				
Property Taxes	509,212	144,094	0	653,306
Grants and Other Taxes	447,760	11,511	0	459,271
Special Assessments	3,670	0	0	3,670
Revenue in Lieu of Taxes	0	0	396,160	396,160
<b>Total Deferred Inflows of Resources</b>	<b>960,642</b>	<b>155,605</b>	<b>396,160</b>	<b>1,512,407</b>
<b>Fund Balances:</b>				
Restricted	2,316,688	18,264	77,622	2,412,574
Unassigned	0	0	(64,899)	(64,899)
<b>Total Fund Balances</b>	<b>2,316,688</b>	<b>18,264</b>	<b>12,723</b>	<b>2,347,675</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$3,314,490</b>	<b>\$173,869</b>	<b>\$479,583</b>	<b>\$3,967,942</b>

City of Trotwood, Ohio  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Nonmajor Governmental Funds  
For the Fiscal Year Ended December 31, 2014

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues:</b>				
Property and Other Taxes	\$466,299	\$142,634	\$0	\$608,933
Intergovernmental	1,895,989	21,873	0	1,917,862
Special Assessments	502	0	0	502
Fines, Licenses & Permits	563,865	0	0	563,865
Revenue in Lieu of Taxes	0	0	355,521	355,521
Other Revenues	2,586	0	0	2,586
<b>Total Revenues</b>	<b>2,929,241</b>	<b>164,507</b>	<b>355,521</b>	<b>3,449,269</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General Government	28,493	28,829	0	57,322
Public Safety	503,968	0	0	503,968
Community Development	132,279	0	1,247	133,526
Transportation and Street Repair	1,667,874	0	0	1,667,874
<b>Debt Service:</b>				
Principal	95,696	290,000	160,580	546,276
Interest and Other Charges	20,989	13,720	119,096	153,805
<b>Total Expenditures</b>	<b>2,449,299</b>	<b>332,549</b>	<b>280,923</b>	<b>3,062,771</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>479,942</b>	<b>(168,042)</b>	<b>74,598</b>	<b>386,498</b>
<b>Other Financing Sources (Uses):</b>				
Proceeds from Sale of Capital Assets	525	0	0	525
<b>Total Other Financing Sources (Uses)</b>	<b>525</b>	<b>0</b>	<b>0</b>	<b>525</b>
<b>Net Change in Fund Balance</b>	<b>480,467</b>	<b>(168,042)</b>	<b>74,598</b>	<b>387,023</b>
<b>Fund Balance - Beginning of Year</b>	<b>1,836,221</b>	<b>186,306</b>	<b>(61,875)</b>	<b>1,960,652</b>
<b>Fund Balance - End of Year</b>	<b>\$2,316,688</b>	<b>\$18,264</b>	<b>\$12,723</b>	<b>\$2,347,675</b>

## **NONMAJOR SPECIAL REVENUE FUNDS**

### **Fund Descriptions**

**Street Construction, Maintenance and Repair Fund** - 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.



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

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

City of Trotwood, Ohio  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2014

	Street Construction Maintenance and Repair	State Highway	Motor Vehicle License Tax	Permissive Use Tax
Assets:				
Equity in Pooled Cash and Investments	\$872,404	\$225,093	\$145,506	\$314,318
Receivables (Net):				
Taxes	509,212	0	0	0
Intergovernmental	447,417	33,525	0	0
Special Assessments	0	0	0	0
<b>Total Assets</b>	<b>1,829,033</b>	<b>258,618</b>	<b>145,506</b>	<b>314,318</b>
Liabilities:				
Accounts Payable	10,162	2,889	0	0
Accrued Wages and Benefits	15,373	2,205	0	0
<b>Total Liabilities</b>	<b>25,535</b>	<b>5,094</b>	<b>0</b>	<b>0</b>
Deferred Inflows of Resources:				
Property Taxes	509,212	0	0	0
Grants and Other Taxes	377,144	27,827	0	0
Special Assessments	0	0	0	0
<b>Total Deferred Inflows of Resources</b>	<b>886,356</b>	<b>27,827</b>	<b>0</b>	<b>0</b>
Fund Balances:				
Restricted	917,142	225,697	145,506	314,318
Unassigned	0	0	0	0
<b>Total Fund Balances</b>	<b>917,142</b>	<b>225,697</b>	<b>145,506</b>	<b>314,318</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$1,829,033</b>	<b>\$258,618</b>	<b>\$145,506</b>	<b>\$314,318</b>

Drug Law Enforcement	Curbs/Gutters/ Sidewalks Assessment	Grants	Local Law Enforcement Block	Enforcement and Education	Law Enforcement Trust	Government Equity Program
\$18,957	\$85,693	\$346,472	\$75	\$11,701	\$231,944	\$219
0	0	0	0	0	0	0
0	0	42,789	0	0	0	0
0	3,670	0	0	0	0	0
<u>18,957</u>	<u>89,363</u>	<u>389,261</u>	<u>75</u>	<u>11,701</u>	<u>231,944</u>	<u>219</u>
0	120	1,020	0	0	0	0
0	0	0	0	0	0	0
0	120	1,020	0	0	0	0
0	0	0	0	0	0	0
0	0	42,789	0	0	0	0
0	3,670	0	0	0	0	0
0	3,670	42,789	0	0	0	0
18,957	85,573	345,452	75	11,701	231,944	219
0	0	0	0	0	0	0
<u>18,957</u>	<u>85,573</u>	<u>345,452</u>	<u>75</u>	<u>11,701</u>	<u>231,944</u>	<u>219</u>
<u>\$18,957</u>	<u>\$89,363</u>	<u>\$389,261</u>	<u>\$75</u>	<u>\$11,701</u>	<u>\$231,944</u>	<u>\$219</u>

Continued

City of Trotwood, Ohio  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2014

	Police Levy	Redlight Enforcement	Total Nonmajor Special Revenue Funds
<b>Assets:</b>			
Equity in Pooled Cash and Investments	\$2,039	\$23,456	\$2,277,877
<b>Receivables (Net):</b>			
Taxes	0	0	509,212
Intergovernmental	0	0	523,731
Special Assessments	0	0	3,670
<b>Total Assets</b>	<b>2,039</b>	<b>23,456</b>	<b>3,314,490</b>
<b>Liabilities:</b>			
Accounts Payable	0	0	14,191
Accrued Wages and Benefits	0	5,391	22,969
<b>Total Liabilities</b>	<b>0</b>	<b>5,391</b>	<b>37,160</b>
<b>Deferred Inflows of Resources:</b>			
Property Taxes	0	0	509,212
Grants and Other Taxes	0	0	447,760
Special Assessments	0	0	3,670
<b>Total Deferred Inflows of Resources</b>	<b>0</b>	<b>0</b>	<b>960,642</b>
<b>Fund Balances:</b>			
Restricted	2,039	18,065	2,316,688
Unassigned	0	0	0
<b>Total Fund Balances</b>	<b>2,039</b>	<b>18,065</b>	<b>2,316,688</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$2,039</b>	<b>\$23,456</b>	<b>\$3,314,490</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, 2014

	Street Construction Maintenance and Repair	State Highway	Motor Vehicle License Tax	Permissive Use Tax
Revenues:				
Property and Other Taxes	\$466,299	\$0	\$0	\$0
Intergovernmental	913,274	68,507	156,663	488,067
Special Assessments	0	0	0	0
Fines, Licenses & Permits	0	0	0	0
Other Revenues	2,003	110	0	0
<b>Total Revenues</b>	<b>1,381,576</b>	<b>68,617</b>	<b>156,663</b>	<b>488,067</b>
Expenditures:				
Current:				
General Government	0	0	0	0
Public Safety	0	0	0	0
Community Development	0	0	0	0
Transportation and Street Repair	1,256,242	63,351	122,094	192,885
Debt Service:				
Principal	18,334	0	0	0
Interest and Other Charges	16,437	0	0	0
<b>Total Expenditures</b>	<b>1,291,013</b>	<b>63,351</b>	<b>122,094</b>	<b>192,885</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>90,563</b>	<b>5,266</b>	<b>34,569</b>	<b>295,182</b>
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	525	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>525</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Change in Fund Balance</b>	<b>91,088</b>	<b>5,266</b>	<b>34,569</b>	<b>295,182</b>
<b>Fund Balance - Beginning of Year</b>	<b>826,054</b>	<b>220,431</b>	<b>110,937</b>	<b>19,136</b>
<b>Fund Balance - End of Year</b>	<b>\$917,142</b>	<b>\$225,697</b>	<b>\$145,506</b>	<b>\$314,318</b>

Drug Law Enforcement	Curbs/Gutters/Sidewalks Assessment	Grants	Local Law Enforcement Block	Enforcement and Education	Law Enforcement Trust	Government Equity Program
\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	0	269,478	0	0	0	0
0	502	0	0	0	0	0
340	0	0	0	424	78,188	0
0	0	0	0	0	0	0
340	502	269,478	0	424	78,188	0
0	0	28,493	0	0	0	0
0	0	0	0	0	114,979	0
0	0	132,279	0	0	0	0
0	33,302	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	33,302	160,772	0	0	114,979	0
340	(32,800)	108,706	0	424	(36,791)	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
340	(32,800)	108,706	0	424	(36,791)	0
18,617	118,373	236,746	75	11,277	268,735	219
\$18,957	\$85,573	\$345,452	\$75	\$11,701	\$231,944	\$219

Continued

City of Trotwood, Ohio  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended December 31, 2014

	Police Levy	Redlight Enforcement	Total Nonmajor Special Revenue Funds
Revenues:			
Property and Other Taxes	\$0	\$0	\$466,299
Intergovernmental	0	0	1,895,989
Special Assessments	0	0	502
Fines, Licenses & Permits	0	484,913	563,865
Other Revenues	0	473	2,586
<b>Total Revenues</b>	<b>0</b>	<b>485,386</b>	<b>2,929,241</b>
Expenditures:			
Current:			
General Government	0	0	28,493
Public Safety	0	388,989	503,968
Community Development	0	0	132,279
Transportation and Street Repair	0	0	1,667,874
Debt Service:			
Principal	0	77,362	95,696
Interest and Other Charges	0	4,552	20,989
<b>Total Expenditures</b>	<b>0</b>	<b>470,903</b>	<b>2,449,299</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>0</b>	<b>14,483</b>	<b>479,942</b>
Other Financing Sources (Uses):			
Proceeds from Sale of Capital Assets	0	0	525
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>525</b>
<b>Net Change in Fund Balance</b>	<b>0</b>	<b>14,483</b>	<b>480,467</b>
<b>Fund Balance - Beginning of Year</b>	<b>2,039</b>	<b>3,582</b>	<b>1,836,221</b>
<b>Fund Balance - End of Year</b>	<b>\$2,039</b>	<b>\$18,065</b>	<b>\$2,316,688</b>



City of Trotwood, Ohio  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended December 31, 2014

	Street Construction Maintenance and Repair Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Property and Other Local Taxes	\$377,632	\$373,451	(\$4,181)
Intergovernmental	923,298	913,075	(10,223)
Other Revenues	2,025	2,003	(22)
Total Revenues	<u>1,302,955</u>	<u>1,288,529</u>	<u>(14,426)</u>
Expenditures:			
Current:			
Transportation & Street Repair	1,319,146	1,242,443	76,703
Debt Service:			
Principal Retirement	19,466	18,334	1,132
Interest and Fiscal Charges	17,452	16,437	1,015
Total Expenditures	<u>1,356,064</u>	<u>1,277,214</u>	<u>78,850</u>
Excess of Revenues Over (Under) Expenditures	<u>(53,109)</u>	<u>11,315</u>	<u>64,424</u>
Other Financing Sources (Uses):			
Proceeds from Sale of Capital Assets	531	525	(6)
Total Other Financing Sources (Uses)	<u>531</u>	<u>525</u>	<u>(6)</u>
Net Change in Fund Balance	(52,578)	11,840	64,418
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>827,682</u>	<u>827,682</u>	<u>0</u>
Fund Balance End of Year	<u>\$775,104</u>	<u>\$839,522</u>	<u>\$64,418</u>

City of Trotwood, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2014

	State Highway Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$65,994	\$68,491	\$2,497
Other Revenues	106	110	4
Total Revenues	<u>66,100</u>	<u>68,601</u>	<u>2,501</u>
Expenditures:			
Current:			
Transportation & Street Repair	120,684	66,792	53,892
Total Expenditures	<u>120,684</u>	<u>66,792</u>	<u>53,892</u>
Net Change in Fund Balance	(54,584)	1,809	56,393
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>217,937</u>	<u>217,937</u>	<u>0</u>
Fund Balance End of Year	<u>\$163,353</u>	<u>\$219,746</u>	<u>\$56,393</u>

City of Trotwood, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2014

	Motor Vehicle License Tax Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$156,080	\$156,663	\$583
Total Revenues	156,080	156,663	583
Expenditures:			
Current:			
Transportation & Street Repair	170,299	136,393	33,906
Total Expenditures	170,299	136,393	33,906
Net Change in Fund Balance	(14,219)	20,270	34,489
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	125,236	125,236	0
Fund Balance End of Year	\$111,017	\$145,506	\$34,489

City of Trotwood, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2014

	Permissive Use Tax Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$150,020	\$488,067	\$338,047
Total Revenues	150,020	488,067	338,047
Expenditures:			
Current:			
Transportation & Street Repair	253,000	192,885	60,115
Total Expenditures	253,000	192,885	60,115
Net Change in Fund Balance	(102,980)	295,182	398,162
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	19,137	19,137	0
Fund Balance End of Year	(\$83,843)	\$314,319	\$398,162

City of Trotwood, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2014

	Drug Law Enforcement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses & Permits	\$620	\$340	(\$280)
Total Revenues	620	340	(280)
Expenditures:			
Current:			
General Government	0	0	0
Public Safety	10,370	0	10,370
Total Expenditures	10,370	0	10,370
Net Change in Fund Balance	(9,750)	340	10,090
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	18,617	18,617	0
Fund Balance End of Year	\$8,867	\$18,957	\$10,090

City of Trotwood, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2014

	Curbs/Gutters/ Sidewalks Assessment Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Special Assessments	\$450	\$502	\$52
Total Revenues	450	502	52
Expenditures:			
Current:			
Transportation & Street Repair	100,000	33,763	66,237
Total Expenditures	100,000	33,763	66,237
Net Change in Fund Balance	(99,550)	(33,261)	66,289
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	118,375	118,375	0
Fund Balance End of Year	\$18,825	\$85,114	\$66,289

City of Trotwood, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2014

	Grants Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$65,000	(\$395,965)	(\$460,965)
Total Revenues	<u>65,000</u>	<u>(395,965)</u>	<u>(460,965)</u>
Expenditures:			
Current:			
General Government	61,012	55,000	6,012
Community Development	157,043	141,569	15,474
Capital Outlay	6,272	5,654	618
Total Expenditures	<u>224,327</u>	<u>202,223</u>	<u>22,104</u>
Net Change in Fund Balance	(159,327)	(598,188)	(438,861)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>868,965</u>	<u>868,965</u>	<u>0</u>
Fund Balance End of Year	<u>\$709,638</u>	<u>\$270,777</u>	<u>(\$438,861)</u>

City of Trotwood, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2014

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



City of Trotwood, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2014

	Enforcement and Education Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses & Permits	\$510	\$424	(\$86)
Total Revenues	510	424	(86)
Expenditures:			
Current:			
Public Safety	550	0	0
Total Expenditures	550	0	0
Net Change in Fund Balance	(40)	424	(86)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	11,277	11,277	0
Fund Balance End of Year	\$11,237	\$11,701	(\$86)

City of Trotwood, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2014

	Law Enforcement Trust Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses & Permits	\$62,070	\$78,188	\$16,118
Total Revenues	62,070	78,188	16,118
Expenditures:			
Current:			
Public Safety	186,860	114,979	71,881
Total Expenditures	186,860	114,979	71,881
Net Change in Fund Balance	(124,790)	(36,791)	87,999
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	268,734	268,734	0
Fund Balance End of Year	\$143,944	\$231,943	\$87,999

City of Trotwood, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2014

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	Government Equity Program Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Community Development	0	0	0
Total Expenditures	0	0	0
Net Change in Fund Balance	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	220	220	0
Fund Balance End of Year	\$220	\$220	\$0

City of Trotwood, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2014

	Police Levy Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Public Safety	0	0	0
Total Expenditures	0	0	0
Net Change in Fund Balance	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	2,039	2,039	0
Fund Balance End of Year	\$2,039	\$2,039	\$0

City of Trotwood, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2014

	Redlight Enforcement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses & Permits	\$239,647	\$204,874	(\$34,773)
Other Revenues	553	473	(80)
Total Revenues	<u>240,200</u>	<u>205,347</u>	<u>(34,853)</u>
Expenditures:			
Current:			
Public Safety	<u>252,080</u>	<u>223,372</u>	<u>28,708</u>
Total Expenditures	<u>252,080</u>	<u>223,372</u>	<u>28,708</u>
Net Change in Fund Balance	(11,880)	(18,025)	(6,145)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>18,028</u>	<u>18,028</u>	<u>0</u>
Fund Balance End of Year	<u>\$6,148</u>	<u>\$3</u>	<u>(\$6,145)</u>

## **NONMAJOR DEBT SERVICE FUND**

### **Fund Description**

**Debt Retirement Fund** - To account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources and special assessments levies when the government is obligated in some manner for payment. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance for the Debt Retirement Fund has been included in the Nonmajor Governmental Funds Combining Balance Sheet and Combining Statement of Revenues, Expenditures and Changes in Fund Balance. The Schedule of Revenues, Expenditures by Budget Center and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis) follow this page.

City of Trotwood, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2014

	Debt Retirement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Property and Other Local Taxes	\$114,701	\$113,805	(\$896)
Intergovernmental	22,700	22,523	(177)
<b>Total Revenues</b>	<b>137,401</b>	<b>136,328</b>	<b>(1,073)</b>
Expenditures:			
Current:			
Debt Service:			
Principal Retirement	289,098	290,000	(902)
Interest and Fiscal Charges	13,677	13,720	(43)
<b>Total Expenditures</b>	<b>302,775</b>	<b>303,720</b>	<b>(945)</b>
<b>Net Change in Fund Balance</b>	<b>(165,374)</b>	<b>(167,392)</b>	<b>(2,018)</b>
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	185,656	185,656	0
<b>Fund Balance End of Year</b>	<b>\$20,282</b>	<b>\$18,264</b>	<b>(\$2,018)</b>

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## **NONMAJOR CAPITAL PROJECT FUNDS**

### **Fund Descriptions**

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

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

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

City of Trotwood, Ohio  
Combining Balance Sheet  
Nonmajor Capital Projects Funds  
December 31, 2014

	Park Acquisition and Development	Industrial Park	Fire Facility Improvements	Total Nonmajor Capital Projects Funds
<b>Assets:</b>				
Equity in Pooled Cash and Investments	\$2,801	\$74,630	\$5,992	\$83,423
<b>Receivables (Net):</b>				
Intergovernmental	0	396,160	0	396,160
<b>Total Assets</b>	<b>2,801</b>	<b>470,790</b>	<b>5,992</b>	<b>479,583</b>
<b>Liabilities:</b>				
Interfund Payable	67,700	3,000	0	70,700
<b>Total Liabilities</b>	<b>67,700</b>	<b>3,000</b>	<b>0</b>	<b>70,700</b>
<b>Deferred Inflows of Resources:</b>				
Revenue in Lieu of Taxes	0	396,160	0	396,160
<b>Total Deferred Inflows of Resources</b>	<b>0</b>	<b>396,160</b>	<b>0</b>	<b>396,160</b>
<b>Fund Balances:</b>				
Restricted	0	71,630	5,992	77,622
Unassigned	(64,899)	0	0	(64,899)
<b>Total Fund Balances</b>	<b>(64,899)</b>	<b>71,630</b>	<b>5,992</b>	<b>12,723</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$2,801</b>	<b>\$470,790</b>	<b>\$5,992</b>	<b>\$479,583</b>

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, 2014

	Park Acquisition and Development	Industrial Park	Fire Facility Improvements	Total Nonmajor Capital Projects Funds
Revenues:				
Revenue in Lieu of Taxes	\$0	\$355,521	\$0	\$355,521
Total Revenues	0	355,521	0	355,521
Expenditures:				
Current:				
Community Development	0	1,247	0	1,247
Debt Service:				
Principal	0	160,580	0	160,580
Interest and Other Charges	0	119,096	0	119,096
Total Expenditures	0	280,923	0	280,923
Net Change in Fund Balance	0	74,598	0	74,598
Fund Balance - Beginning of Year	(64,899)	(2,968)	5,992	(61,875)
Fund Balance - End of Year	(\$64,899)	\$71,630	\$5,992	\$12,723

City of Trotwood, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2014

	Park Acquisition and Development Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses & Permits	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Leisure Time Activities	0	0	0
Total Expenditures	0	0	0
Net Change in Fund Balance	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	2,801	2,801	0
Fund Balance End of Year	\$2,801	\$2,801	\$0

City of Trotwood, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2014

	Industrial Park Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Revenue in Lieu of Taxes	\$378,950	\$355,521	(\$23,429)
Total Revenues	<u>378,950</u>	<u>355,521</u>	<u>(23,429)</u>
Expenditures:			
Current:			
Community Development	1,247	1,247	0
Debt Service:			
Principal Retirement	160,582	160,580	2
Interest and Fiscal Charges	119,097	119,096	1
Total Expenditures	<u>280,926</u>	<u>280,923</u>	<u>3</u>
Net Change in Fund Balance	98,024	74,598	(23,426)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>32</u>	<u>32</u>	<u>0</u>
Fund Balance End of Year	<u>\$98,056</u>	<u>\$74,630</u>	<u>(\$23,426)</u>

City of Trotwood, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2014

	Fire Facility Improvements Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$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)	5,992	5,992	0
Fund Balance End of Year	\$5,992	\$5,992	\$0

## **NONMAJOR FUNDS**

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

### **Fund Description**

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

City of Trotwood, Ohio  
Statement of Changes In Assets and Liabilities  
Agency Fund  
For the Fiscal Year Ended December 31, 2014

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	Fire Loss			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$71,194	\$73,440	\$44,020	\$100,614
Total Assets	<u>71,194</u>	<u>73,440</u>	<u>44,020</u>	<u>100,614</u>
Liabilities:				
Undistributed Monies	71,194	73,440	44,020	100,614
Total Liabilities	<u>\$71,194</u>	<u>\$73,440</u>	<u>\$44,020</u>	<u>\$100,614</u>



# STATISTICAL SECTION



## STATISTICAL SECTION

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

### **Contents**

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

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

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

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

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

**Sources** - Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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

	Calendar Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013 (1)	2014
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$4,160,573	\$36,682,729	\$38,871,297	\$38,614,884	\$39,438,652	\$40,915,075	\$41,557,908	\$41,722,668	\$41,628,553	\$41,502,089
Restricted	1,655,451	1,013,408	1,272,167	1,544,593	2,293,955	2,465,871	2,872,633	3,079,582	3,904,525	4,580,526
Unrestricted	4,256,902	5,600,934	3,017,751	2,388,264	2,822,983	3,890,365	3,304,999	2,364,978	2,755,160	2,837,132
Total governmental activities net position	\$10,072,926	\$43,297,071	\$43,161,215	\$42,547,741	\$44,555,590	\$47,271,311	\$47,735,540	\$47,167,228	\$48,288,238	\$48,919,747
<b>Business-type activities</b>										
Net Investment in Capital Assets	\$700,308	\$17,794,473	\$17,316,334	\$18,004,296	\$17,525,298	\$17,308,100	\$17,486,158	\$16,951,303	\$17,567,758	\$17,100,547
Unrestricted	109,298	988,899	1,339,867	1,502,010	1,887,258	3,266,183	2,701,790	2,814,752	4,776,408	5,479,473
Total business-type activities net position	\$809,606	\$18,783,372	\$18,656,201	\$19,506,306	\$19,412,556	\$20,574,283	\$20,187,948	\$19,766,055	\$22,344,166	\$22,580,020
<b>Total Primary Government</b>										
Net Investment in Capital Assets	\$4,860,881	\$54,477,202	\$56,187,631	\$56,619,180	\$56,963,950	\$58,223,175	\$59,044,066	\$58,673,971	\$59,196,311	\$58,602,636
Restricted	1,655,451	1,013,408	1,272,167	1,544,593	2,293,955	2,465,871	2,872,633	3,079,582	3,904,525	4,580,526
Unrestricted	4,366,200	6,589,833	4,357,618	3,890,274	4,710,241	7,156,548	6,006,789	5,179,730	7,531,568	8,316,605
Total primary government net position	\$10,882,532	\$62,080,443	\$61,817,416	\$62,054,047	\$63,968,146	\$67,845,594	\$67,923,488	\$66,933,283	\$70,632,404	\$71,499,767

(1) - Amounts reflect prior period adjustments. See Note 18

Source: City Records

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

	Calendar Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Expenses</b>										
Governmental Activities:										
General Government	\$2,521,463	\$2,691,268	\$2,861,598	\$3,503,943	\$3,172,930	\$2,232,408	\$3,062,455	\$3,210,313	\$3,220,714	\$3,444,386
Public Safety	9,749,517	9,745,013	9,158,585	10,146,961	8,603,664	8,338,531	8,583,577	8,713,796	8,499,414	9,526,215
Leisure Time Activities	601,949	538,424	514,178	452,003	362,824	364,636	383,732	463,194	377,420	401,685
Community Development	2,258,759	2,043,598	1,288,856	1,604,067	600,620	885,151	1,029,674	1,352,215	1,310,140	699,877
Transportation & Street Repair	1,693,198	2,801,135	2,335,807	3,077,816	2,630,672	2,473,363	2,754,010	3,035,008	2,191,630	2,439,518
Interest and Fiscal Charges	333,652	551,113	833,690	780,516	629,723	603,972	679,405	677,856	650,130	597,691
<b>Total Governmental Activities Expenses</b>	<b>17,158,538</b>	<b>18,370,551</b>	<b>16,992,714</b>	<b>19,565,306</b>	<b>16,000,433</b>	<b>14,898,061</b>	<b>16,492,853</b>	<b>17,452,382</b>	<b>16,249,448</b>	<b>17,109,372</b>
Business-Type Activities:										
Water	1,078,263	1,222,874	1,659,355	1,417,933	1,576,732	1,032,248	1,338,543	1,509,516	1,286,474	1,380,311
Sewer	854,856	933,622	1,063,804	1,012,659	986,256	771,290	982,998	927,308	968,372	1,016,239
Refuse	1,122,749	1,155,773	1,280,068	1,448,058	1,493,178	1,075,134	1,432,650	1,420,131	1,450,538	1,417,130
Stormwater	18,514	508,984	612,570	777,578	603,839	817,277	1,025,845	821,225	735,306	801,034
<b>Total Business-Type Activities Expenses</b>	<b>3,074,382</b>	<b>3,821,253</b>	<b>4,615,797</b>	<b>4,656,228</b>	<b>4,660,005</b>	<b>3,695,949</b>	<b>4,780,036</b>	<b>4,678,180</b>	<b>4,440,690</b>	<b>4,614,714</b>
<b>Total Primary Government Expenses</b>	<b>\$20,232,920</b>	<b>\$22,191,804</b>	<b>\$21,608,511</b>	<b>\$24,221,534</b>	<b>\$20,660,438</b>	<b>\$18,594,010</b>	<b>\$21,272,889</b>	<b>\$22,130,562</b>	<b>\$20,690,138</b>	<b>\$21,724,086</b>
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services:										
General Government	\$357,370	\$276,140	\$374,435	\$459,251	\$688,724	\$320,538	\$586,951	\$518,244	\$510,089	\$509,235
Public Safety	1,051,086	1,241,261	1,299,752	1,370,157	1,421,970	1,313,859	1,456,169	1,841,053	1,402,282	1,822,791
Leisure Time Activities	20,709	5,024	28,049	27,070	25,242	26,048	17,598	19,783	34,329	29,480
Community Development	398,139	170,698	97,669	71,059	85,627	105,285	95,490	136,821	178,106	145,151
Transportation and Street Repair	17,104	19,147	0	36,736	19,219	13,620	9,183	473	0	502
Interest and Fiscal Charges	24,312	27,217	55,457	0	0	0	0	0	0	0
Operating Grants and Contributions	1,738,257	2,148,982	2,143,830	3,323,285	2,512,349	1,385,532	1,722,345	1,431,386	1,733,156	2,337,780
Capital Grants and Contributions	2,188,017	1,050,263	550,503	2,279,206	1,832,990	1,444,975	1,465,441	1,769,666	416,073	1,122,5
<b>Total Governmental Activities Program Revenues</b>	<b>5,794,994</b>	<b>4,938,732</b>	<b>4,549,695</b>	<b>7,566,764</b>	<b>6,586,121</b>	<b>4,609,857</b>	<b>5,353,177</b>	<b>5,717,426</b>	<b>4,274,035</b>	<b>4,856,164</b>
Business-Type Activities:										
Charges for Services:										
Water	922,392	1,490,307	1,753,586	1,593,335	1,407,494	1,473,421	1,440,360	1,138,393	2,109,507	1,544,234
Sewer	894,980	924,526	897,670	984,239	962,845	1,134,721	1,034,511	842,995	1,439,045	1,146,375
Refuse	1,067,735	1,415,993	1,165,640	1,474,799	1,513,051	1,297,453	1,276,413	1,562,730	1,477,665	1,407,946
Stormwater	0	116,724	664,582	766,726	701,665	869,985	664,331	632,778	1,066,961	746,107
Capital Grants and Contributions	180,257	0	0	0	0	0	0	714,225	0	0
<b>Total Business-Type Activities Program Revenues</b>	<b>3,065,364</b>	<b>3,947,550</b>	<b>4,481,478</b>	<b>4,819,099</b>	<b>4,585,055</b>	<b>4,775,580</b>	<b>4,415,615</b>	<b>4,891,121</b>	<b>6,093,178</b>	<b>4,844,662</b>
<b>Total Primary Government Program Revenues</b>	<b>\$8,860,358</b>	<b>\$8,886,282</b>	<b>\$9,031,173</b>	<b>\$12,385,863</b>	<b>\$11,171,176</b>	<b>\$9,385,437</b>	<b>\$9,768,792</b>	<b>\$10,608,547</b>	<b>\$10,367,213</b>	<b>\$9,700,826</b>

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Net (Expense)/Revenue										
Governmental Activities	(\$11,363,544)	(\$13,431,819)	(\$12,443,019)	(\$11,998,542)	(\$9,414,312)	(\$10,288,204)	(\$11,139,676)	(\$11,734,956)	(\$11,975,413)	(\$12,253,208)
Business-Type Activities	(9,018)	126,297	(134,319)	162,871	(74,950)	1,079,631	(364,421)	212,941	1,652,488	229,948
Total Primary Government Net Expenses	(\$11,372,562)	(\$13,305,522)	(\$12,577,338)	(\$11,835,671)	(\$9,489,262)	(\$9,208,573)	(\$11,504,097)	(\$11,522,015)	(\$10,322,925)	(\$12,023,260)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Income Taxes	\$5,899,378	\$5,500,282	\$5,088,924	\$5,058,111	\$4,785,979	\$5,298,769	\$5,040,411	\$4,911,790	\$5,666,888	\$4,672,734
Property Taxes Levied for:										
General Purposes	1,831,789	1,741,372	1,860,377	1,846,296	1,896,060	1,629,886	1,852,469	1,389,958	1,408,461	1,853,483
Special Revenue Purposes	3,101,473	2,512,531	2,816,738	2,842,302	2,422,963	3,383,798	3,451,260	2,405,539	2,920,096	4,264,111
Debt Service Purposes	176,348	145,086	164,829	163,110	140,976	222,216	77,662	106,780	115,023	143,637
Grants and Entitlements not Restricted	1,630,941	1,245,265	1,615,694	1,421,021	1,328,460	1,883,135	625,816	1,194,125	856,478	666,337
Revenue in Lieu of Taxes	188,685	201,886	213,029	320,584	243,735	285,209	266,173	314,945	1,796,840	730,615
Investment Earnings	103,728	300,610	261,499	78,738	5,950	2,765	1,628	1,985	1,339	3,636
Refunds & Reimbursements	344,726	0	0	0	0	0	0	0	0	0
Other Revenues	945,321	261,214	286,073	335,746	578,038	305,224	265,986	432,197	853,239	550,164
Transfers-Internal Activities	17,500	0	0	(680,840)	20,000	(7,077)	22,500	25,000	(450,747)	0
Total Governmental Activities	14,239,889	11,908,246	12,307,163	11,385,068	11,422,161	13,003,925	11,603,905	10,782,319	13,167,617	12,884,717
Business-type activities:										
Investment Earnings	2,471	3,063	7,086	6,362	1,166	867	550	1,102	627	0
Other Revenues	30	30	62	32	34	3,729	36	128	4,773	5,906
Transfers-Internal Activities	(17,500)	0	0	680,840	(20,000)	77,500	(22,500)	(25,000)	450,747	0
Total Business-Type Activities	(14,999)	3,093	7,148	687,234	(18,800)	82,096	(21,914)	(23,770)	456,147	5,906
Total Primary Government	\$14,224,890	\$11,911,339	\$12,314,311	\$12,072,302	\$11,403,361	\$13,086,021	\$11,581,991	\$10,758,549	\$13,623,764	\$12,890,623
Change in Net Position										
Governmental Activities	\$2,876,345	(\$1,523,573)	(\$135,856)	(\$613,474)	\$2,007,849	\$2,715,721	\$464,229	(\$952,637)	\$1,192,204	\$631,509
Business-Type Activities	(24,017)	129,390	(127,171)	850,105	(93,750)	1,161,727	(386,335)	189,171	2,108,635	235,854
Total Primary Government	\$2,852,328	(\$1,394,183)	(\$263,027)	\$236,631	\$1,914,099	\$3,877,448	\$77,894	(\$763,466)	\$3,300,839	\$867,363

Source: City Records

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

	Calendar Year									
	2005	2006	2007	2008	2009	2010	2011 (1)	2012	2013	2014
<b>General Fund</b>										
Reserved	\$375,847	\$197,716	\$160,153	\$32,781	\$170,941	\$323,338	\$0	\$0	\$0	\$0
Unreserved	1,995,065	2,156,943	1,890,919	899,472	768,523	1,860,427	0	0	0	0
Assigned							327,879	678,551	269,342	164,115
Unassigned							1,372,066	183,290	435,828	594,737
<b>Total General Fund</b>	<b>2,370,912</b>	<b>2,354,659</b>	<b>2,051,072</b>	<b>932,253</b>	<b>939,464</b>	<b>2,183,765</b>	<b>1,699,945</b>	<b>861,841</b>	<b>705,170</b>	<b>758,852</b>
<b>All Other Governmental Funds</b>										
Reserved	1,570,182	3,319,992	356,958	621,121	2,712,223	2,492,175	0	0	0	0
Unreserved, Reported in:										
Special Revenue Funds	(105,092)	(482,482)	313,731	425,726	(1,373,686)	(1,172,862)	0	0	0	0
Debt Service Funds	104,474	144,237	67,189	75,507	68,819	4,656	0	0	0	0
Capital Projects Funds	(8,959,817)	(12,579,423)	(9,049,502)	(10,745,183)	(9,758,212)	(1,739,335)	0	0	0	0
Restricted							1,538,308	1,749,174	2,312,433	2,829,704
Unassigned							(2,321,494)	(2,132,793)	(2,372,170)	(2,117,730)
<b>Total all Other Governmental Funds</b>	<b>(\$7,390,253)</b>	<b>(\$9,597,676)</b>	<b>(\$8,311,624)</b>	<b>(\$9,622,829)</b>	<b>(\$8,350,856)</b>	<b>(\$415,366)</b>	<b>(\$783,186)</b>	<b>(\$383,619)</b>	<b>(\$59,737)</b>	<b>\$711,974</b>

Source: City Records

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

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

	Calendar Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Revenues</b>										
Taxes	\$10,740,107	\$10,062,944	\$10,036,000	\$9,442,375	\$9,296,348	\$10,236,302	\$9,470,903	\$9,221,597	\$8,661,385	\$11,132,384
Fines, Licenses & Permits	480,358	677,621	575,306	616,859	481,668	548,145	727,987	992,612	655,933	840,957
Charges for Services	1,351,932	1,091,174	1,194,610	1,291,014	1,709,363	1,169,280	1,385,887	1,448,384	1,351,569	1,568,134
Investment Earnings	103,728	160,367	261,499	78,737	5,950	2,765	1,628	1,985	1,341	3,636
Intergovernmental	4,719,916	4,591,098	4,410,278	6,765,127	5,719,250	4,973,269	4,089,584	3,696,921	3,618,810	3,037,163
Special Assessments	69,630	153,553	90,415	56,400	49,752	61,125	47,361	75,378	117,304	98,072
Revenue in Lieu of Taxes	0	0	213,029	320,584	243,735	266,986	285,046	314,945	1,796,840	730,615
Other Revenues	1,382,456	412,626	279,887	335,746	578,037	305,223	261,485	432,196	853,237	550,161
<b>Total Revenues</b>	<b>\$18,848,127</b>	<b>\$17,149,383</b>	<b>\$17,061,024</b>	<b>\$18,906,842</b>	<b>\$18,084,103</b>	<b>\$17,563,095</b>	<b>\$16,269,881</b>	<b>\$16,184,018</b>	<b>\$17,056,419</b>	<b>\$17,961,122</b>
<b>Expenditures</b>										
Current:										
General Government	\$2,373,557	\$2,592,549	\$2,818,858	\$2,768,203	\$2,985,350	\$2,146,466	\$2,939,192	\$3,043,505	\$2,869,875	\$3,082,600
Public Safety	9,485,513	8,624,274	9,147,913	9,656,271	8,233,223	8,060,103	8,156,930	8,144,645	7,952,880	9,204,008
Leisure Time Activities	540,983	476,915	463,841	396,378	295,161	328,681	340,410	416,767	338,705	366,683
Community Development	2,289,567	1,632,056	1,255,235	1,598,660	588,409	883,977	1,027,674	1,351,751	1,296,813	735,593
Transportation and Street Repair	1,568,494	1,089,451	1,423,293	1,775,955	1,062,396	1,721,843	1,797,058	1,639,448	1,370,506	1,882,417
Capital Outlay	4,858,385	4,175,627	4,827,180	3,508,994	2,505,113	3,596,228	1,341,925	2,465,112	1,295,827	73,921
Debt Service										
Principal	244,466	369,207	340,423	492,860	520,366	862,114	843,569	902,503	1,101,506	1,126,425
Interest	272,846	504,498	861,877	858,384	636,247	568,610	697,263	690,605	678,188	636,179
Bond Issuance Costs	0	0	0	0	0	240,650	0	0	0	0
<b>Total Expenditures</b>	<b>\$21,633,811</b>	<b>\$19,464,577</b>	<b>\$21,138,620</b>	<b>\$21,055,705</b>	<b>\$16,826,265</b>	<b>\$18,408,672</b>	<b>\$17,144,021</b>	<b>\$18,654,336</b>	<b>\$16,904,300</b>	<b>\$17,107,826</b>

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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Excess of revenues over (under) expenditures	(\$2,785,684)	(\$2,315,194)	(\$4,077,596)	(\$2,148,863)	\$1,257,838	(\$845,577)	(\$874,140)	(\$2,470,318)	\$152,119	\$853,296
Other Financing Sources (Uses)										
Proceeds From Sale of Capital Assets	\$61,774	\$7,858	\$1,633	\$399,679	\$1,346	\$74,838	\$0	\$0	\$15,092	\$525
Issuance of Long-Term Capital-Related Debt	0	0	5,015,000	0	0	8,000,000	0	1,831,724	0	0
Premium on Bonds Sold	0	0	0	0	0	444,147	0	0	0	0
Inception of Capital Lease	471,298	108,696	119,328	0	0	1,583,883	0	232,257	0	42,766
Transfers In	62,500	25,000	551,000	386,750	531,000	22,500	258,410	744,800	187,000	0
Transfers (Out)	(45,000)	(25,000)	(551,000)	(1,067,590)	(511,000)	(100,000)	(235,910)	(777,000)	(187,000)	0
Total Other Financing Sources (Uses)	550,572	116,554	5,135,961	(281,161)	21,346	10,025,368	22,500	2,031,781	15,092	43,291
Net Change in Fund Balances	(\$2,235,112)	(\$2,198,640)	\$1,058,365	(\$2,430,024)	\$1,279,184	\$9,179,791	(\$851,640)	(\$438,537)	\$167,211	\$896,587
Debt service as a percentage of noncapital expenditures	3.8%	3.3%	5.1%	7.5%	7.4%	7.7%	9.8%	9.6%	9.7%	10.6%

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
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
2009 (1)	327,506,030	10,757,430	338,263,460	975,075,555	16.65
2010 (1)	318,888,480	9,317,140	328,205,620	939,390,777	19.65
2011 (1)	313,729,310	9,477,670	323,206,980	905,847,127	19.65
2012 (1)	262,916,010	9,738,930	272,654,940	776,199,943	19.65
2013 (1)	256,295,220	10,405,180	266,700,400	758,994,451	19.65
2014 (1)	254,675,910	11,473,980	266,149,890	757,112,724	23.80

Source: County Auditor

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

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

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

Calendar Year	Current Assessments Due	Current Assessment Collections	Percent of Current Assesments Collected	Delinquent Assessment Collections (2)	Total Assessment Collections	Ratio of Total Collections to Current	Outstanding Delinquent Assessments (1)	Ratio of Delinquent Assessments to Current Due
2005	\$491,739	\$479,111	97.43%	\$12,628	\$491,739	100.00%	\$424,402	86.31%
2006	728,663	532,532	73.08%	196,131	728,663	100.00%	421,174	57.80%
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%
2009	1,150,732	768,811	66.81%	114,711	883,522	76.78%	929,888	80.81%
2010	920,708	717,180	77.89%	121,217	838,397	91.06%	1,376,386	149.49%
2011	928,696	821,525	88.46%	0	821,525	88.46%	1,362,665	146.73%
2012	2,092,939	411,889	19.68%	0	411,889	19.68%	1,801,083	86.06%
2013	3,447,738	741,474	21.51%	521,171	1,262,646	36.62%	2,620,297	76.00%
2014	3,698,172	407,314	11.01%	172,841	580,155	15.69%	3,195,736	86.41%

Source: County Auditor

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

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

N/A - Information not available

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

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	
							Madison City School District	Center	Montgomery County Library	Montgomery County		
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		
2009	6.85	0.50	6.30	1.00	2.00	16.65	60.06	2.58	1.25	20.94		
2010	6.85	0.50	8.30	2.00	2.00	19.65	60.06	2.58	1.75	20.94		
2011	6.85	0.50	8.30	2.00	2.00	19.65	60.06	2.58	1.75	20.94		
2012	6.85	0.50	8.30	2.00	2.00	19.65	60.06	2.58	1.75	20.94		
2013	6.85	0.50	8.30	2.00	2.00	19.65	60.06	2.58	3.31	20.94		
2014	6.85	0.50	12.45	2.00	2.00	23.80	61.06	2.58	3.31	20.94		

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	2014	
	Assessed Value	Percentage of Total Assessed Value
Dayton Healthcare	\$3,620,840	1.36%
Shilo Apartments Limited	2,118,730	0.80%
Maria Joseph Properties, LLC	1,950,730	0.73%
Woodland Hills Associates	1,944,010	0.73%
Westbrooke Village	1,760,820	0.66%
Shiloh Springs, LP	1,507,330	0.57%
Lowe's Home Centers, Inc.	1,445,050	0.54%
Belle Meadows Associates LLC	1,359,750	0.51%
CK-HP Salem Woods LLC ET AL 3	1,127,100	0.42%
Salem Consumer Square OH LLC	1,058,600	0.40%
Total Principal Property Tax Payers	<u>\$17,892,960</u>	<u>6.72%</u>

Taxpayer	2005	
	Assessed Value	Percentage of Total Assessed Value
Dayton Power & Light Company	\$6,786,530	2.12%
Bradley Operating Company	4,689,650	1.46%
Castlebrook Capital Company	2,686,740	0.84%
United Theological Seminary	2,659,760	0.83%
Verizon (GTE)	2,549,940	0.80%
Lowe's Companies, Inc.	2,429,040	0.76%
Tramlaw LLC	2,112,990	0.66%
Belle Meadows	1,912,930	0.60%
Groach Associates	1,889,980	0.59%
Sears Roebuck & Co.	1,691,300	0.53%
Total Principal Property Tax Payers	<u>\$29,408,860</u>	<u>9.19%</u>

Source: County Auditor

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

Calendar Year	Taxes Levied for the Calendar Year (1)	Collected within the Calendar Year of the Levy		Delinquent Levied in Subsequent Years	Total Collections to Date	
		Amount (2)	Percentage of Levy		Amount	Percentage of Levy
2005	5,115,982	4,687,404	91.62%	428,578	5,115,982	100.00%
2006	5,102,486	4,698,677	92.09%	403,809	5,102,486	100.00%
2007	5,198,756	4,756,627	91.50%	442,129	5,198,756	100.00%
2008	5,114,181	4,473,466	87.47%	381,246	4,854,712	94.93%
2009	4,825,545	4,118,788	85.35%	397,166	4,515,954	93.58%
2010	5,798,953	5,191,344	89.52%	447,938	5,639,282	97.25%
2011	5,768,525	5,168,579	89.60%	216,908	5,385,487	93.36%
2012	5,213,861	4,682,117	89.80%	434,140	5,116,257	98.13%
2013	5,108,189	4,554,602	89.16%	137,026	4,691,628	91.85%
2014	6,210,526	5,584,912	89.93%	625,614	6,210,526	100.00%

Source: County Auditor

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

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

Calendar Year	Tax Rate	Withholding Collections	Non-Withholding Collections	Gross Collections	Refunds	Net Collections
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
2009	2.25%	3,849,645	1,058,833	4,908,478	87,154	4,821,324
2010	2.25%	3,982,157	1,209,641	5,191,798	65,756	5,126,042
2011	2.25%	3,691,940	1,017,084	4,709,024	78,830	4,630,194
2012	2.25%	3,902,259	1,040,093	4,942,352	63,438	4,878,914
2013	2.25%	3,696,030	1,078,265	4,774,295	53,113	4,721,182
2014	2.25%	3,714,817	1,113,293	4,828,110	59,594	4,768,516

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



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

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

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

Calendar Year	Governmental Activities			Business-type Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Capital Leases	General Obligation Bonds (1)	Loans	Capital Leases					
2005	\$3,490,000	\$666,434	\$0	\$32,066	\$11,303		\$4,199,803	0.02%	\$129	
2006	3,330,000	570,923	0	27,111	0		3,928,034	0.02%	114	
2007	8,170,000	519,828	0	22,007	0		8,711,835	0.05%	247	
2008	7,850,000	346,968	0	16,748	0		8,213,716	0.04%	229	
2009	7,490,000	186,602	0	14,059	0		7,690,661	0.04%	219	
2010	15,564,706	1,273,371	0	8,560	0		16,846,637	0.09%	467	
2011	15,026,940	949,802	0	2,983	0		15,979,725	0.08%	424	
2012	15,642,581	874,556	603,317	308,636	0		17,429,090	0.08%	438	
2013	14,915,112	482,753	575,692	912,081	0		16,885,638	0.08%	421	
2014	14,182,638	113,802	536,446	878,173	0		15,711,059	N/A	N/A	

Source: City Records

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

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

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

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

Calendar Year	General Bonded Debt Outstanding Total General Obligation Bonds	Debt Service Fund Balance (1)	General Bonded Debt Outstanding Net General Obligation Bonds	Percentage of Actual Taxable Value of Property	Per Capita
2005	\$3,490,000	\$124,039	\$3,614,039	0.39%	\$111
2006	3,330,000	213,752	3,543,752	0.35%	103
2007	8,170,000	67,189	8,237,189	0.78%	233
2008	7,850,000	75,507	7,925,507	0.73%	221
2009	7,490,000	68,819	7,558,819	0.78%	215
2010	15,125,000	4,656	15,129,656	1.61%	419
2011	14,605,000	0	14,605,000	1.61%	388
2012	16,245,898	95	15,841,819	2.04%	398
2013	15,490,804	186,306	15,677,110	2.07%	390
2014	14,719,084	18,264	14,737,348	1.95%	N/A

Source: City Records

(1) - If Debt Service Fund Balance is negative, amount will be \$0

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, 2014  
 Schedule 14

Governmental Unit	Net Debt Outstanding	Estimated Percentage Applicable (1)	Amount Applicable to City of Trotwood
Montgomery County	\$0	2.84%	\$0
Dayton City School District	176,735,000	2.86%	5,054,621
Northmont City School District	53,621,703	0.43%	230,573
Trotwood-Madison City School District	29,407,992	92.73%	27,270,031
Brookville Local School District	17,765,800	0.59%	104,818
New Lebanon Local School District	2,345,000	2.09%	49,011
Miami Valley Career Center Joint Vocational School District	6,160,000	3.35%	206,360
Dayton Metro Library District Miscellaneous	174,480,000	3.55%	6,194,040
Subtotal Overlapping Debt	460,515,495		39,109,454
City of Trotwood - Direct Debt	14,296,440	100.00%	14,296,440
Total Direct and Overlapping Debt	\$474,811,935		\$53,405,894

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.

Legal Debt Margin Calculation for Calendar Year 2014

Assessed Value	\$266,149,890	\$266,149,890
Statutory Legal Debt Limitation (1)	10.5%	5.5%
Total Debt Limitation	27,945,738	14,638,244
Debt Applicable to Limit:		
Gross Indebtedness	13,101,642	13,101,642
Less: Debt Retirement Fund Balance	18,264	18,264
Total Net Debt Applicable to Limit	13,083,378	13,083,378
Legal Debt Margin	\$14,862,360	\$1,554,866

	Calendar Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Total Debt Limit (1)										
Debt Limit (10.5%)	\$33,630,023	\$36,289,521	\$36,896,568	\$36,295,975	\$35,517,663	\$34,461,590	\$33,936,733	\$28,628,769	\$28,003,542	\$27,945,738
Total Net Debt Applicable to Limit	12,420,000	15,944,512	12,489,646	13,308,209	12,766,842	13,292,275	12,447,785	14,169,821	13,580,102	13,083,378
Legal Debt Margin	\$21,210,023	\$20,345,009	\$24,406,922	\$22,987,766	\$22,750,821	\$21,169,315	\$21,488,948	\$14,458,948	\$14,423,440	\$14,862,360

Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	36.9%	43.9%	33.9%	36.7%	35.9%	38.6%	36.7%	49.5%	48.5%	46.8%
--	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------

	Calendar Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2013
Total Unvoted Debt Limit (1)										
Debt Limit (5.5%)	\$17,615,726	\$19,008,797	\$19,326,774	\$19,012,177	\$18,604,490	\$18,051,309	\$17,776,384	\$14,996,022	\$14,668,522	\$14,638,244
Total Net Debt Applicable to Limit	12,420,000	15,944,512	12,489,646	13,308,209	12,766,842	13,292,275	12,447,785	14,169,821	13,580,102	13,083,378
Legal Debt Margin	\$5,195,726	\$3,064,285	\$6,837,128	\$5,703,968	\$5,837,648	\$4,759,034	\$5,328,599	\$826,201	\$1,088,420	\$1,554,866

Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	70.5%	83.9%	64.6%	70.0%	68.6%	73.6%	70.0%	94.5%	92.6%	89.4%
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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				Coverage
	Special Assessment Collections (1)	Debt Service			
		Principal	Interest		
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	
2009	0	0	0	0.0000	
2010	0	0	0	0.0000	
2011	0	0	0	0.0000	
2012	0	0	0	0.0000	
2013	0	0	0	0.0000	
2014	0	0	0	0.0000	

Source: City Records

(1) - 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)
2005	27,420	\$17,717,911	\$32,520	6.40%
2006	27,420	18,606,241	34,387	6.00%
2007	27,420	18,996,515	35,301	6.20%
2008	27,420	19,161,715	35,823	7.40%
2009	27,420	18,829,675	35,176	11.40%
2010	27,431	19,347,596	36,108	10.10%
2011	27,431	20,258,807	37,684	8.60%
2012	27,431	21,263,616	39,795	7.00%
2013	27,431	21,514,166	40,150	7.50%
2014	27,431	N/A	N/A	4.60%

- Sources:
- (1) - Population estimates provided by U.S. Census Bureau (2000 Census for years 2003 - 2009 and 2010 Census for years 2010 - 2012)
  - (2) - Personal Income information provided by Bureau of Economic Analysis: Regional Economic Accounts
  - (3) - Per Capita Personal Income information provided by Bureau of Economic Analysis: Regional 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 and Five Fiscal Years Ago (2)  
 Schedule 18

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2014	
Major Employers (3)	Type (4)
AES Corp./Dayton Power & Light Co.	Utility
Behr Dayton Thermal Products, LLC	Mfg
Dayton City Schools	Govt
DMAX Ltd.	Mfg
GE Capital	Fin
Green Tokai CO	Mfg
Kettering Health Network	Serv
PNC Financial Services Group	Fin
Premier Health Partners, Inc.	Serv
Reed Elsevier LexisNexis	Serv
Reynolds & Reynolds Co., Inc.	Mfg
University of Dayton	Serv
U.S. Federal Government	Govt

2009	
Major Employers (3)	Type (4)
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 and fiscal period five years ago information available
- (3) - In alphabetical order only
- (4) - Number of employees and percentage of population employed not available



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

Function/Program	Full-Time Equivalent Employees as of December 31									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government										
City Administration	4.0	4.0	4.0	4.0	3.0	3.0	3.0	3.5	3.5	3.5
City Council	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Public Works Administration	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	2.0
Buildings and Grounds	1.0	1.0	1.0	0.5	0.0	0.0	0.0	0.0	0.0	0.0
Finance	9.3	9.4	9.4	8.7	8.0	8.0	8.8	8.8	8.8	9.5
Fleet Maintenance	2.1	2.1	2.1	2.1	2.1	2.1	0.0	3.0	3.0	3.0
Public Safety										
Police										
Officers	49.0	47.0	45.3	41.3	34.0	33.0	35.0	34.0	34.0	34.0
Non-Sworn	5.0	5.0	5.0	4.5	3.0	4.0	4.0	4.0	4.0	4.0
Fire	54.9	45.6	42.7	47.5	47.2	42.0	41.0	52.0	40.3	41.0
Leisure Time Activities										
Cemeteries	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Parks and recreation	5.4	5.4	6.9	3.9	4.2	3.3	2.0	1.0	1.0	0.5
Community Development										
Planning and Zoning	6.0	4.3	4.0	3.3	3.0	3.0	2.5	2.0	2.0	1.5
Building Inspection/Code Enforcement	1.3	1.3	4.3	2.8	3.0	3.0	3.0	3.6	3.0	1.5
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	2.7	2.7	2.7	2.7	2.7	1.7	1.7	1.2	1.2	1.2
Sanitary Sewers	2.7	2.7	2.7	2.7	2.7	1.7	1.7	1.2	1.2	1.2
Refuse Collection	0.5	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Transportation and Street Repair	9.0	9.6	7.7	6.9	6.9	6.5	6.5	6.5	6.5	6.5
<b>Total</b>	<b>157.7</b>	<b>145.7</b>	<b>143.4</b>	<b>136.4</b>	<b>125.4</b>	<b>116.9</b>	<b>114.8</b>	<b>126.4</b>	<b>114.1</b>	<b>112.0</b>

Source: Various City Departments

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

Function/Program	Calendar Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government										
Building permits issued	239	71	40	41	43	37	37	43	37	0
Zoning permits issued	106	116	108	95	126	99	121	146	95	62
Checks issued	3,775	3,544	3,431	3,411	3,122	2,835	2,666	2,631	2,393	1,784
Ordinances adopted	45	39	30	48	29	15	13	29	95	17
Resolutions adopted	95	94	75	94	91	88	87	73	14	89
Police										
Calls for service	35,143	32,049	34,982	35,227	33,161	31,617	32,599	30,288	30,987	31,726
Cases assigned	1,094	1,078	1,408	1,219	854	1,255	1,371	1,316	1,205	1,062
Suspects charged	406	314	421	306	274	260	362	247	194	198
Percent cases closed by arrest	37%	29%	30%	25%	32%	21%	26%	19%	16%	19%
Traffic accidents	544	479	389	406	401	364	358	378	366	447
Traffic stops	3,744	2,779	4,463	3,903	4,306	3,236	3,353	2,409	2,980	3,418
Fire										
Calls for service	1,050	1,054	1,181	1,405	1,052	1,362	1,324	1,200	1,342	1,294
Average response time (minutes)	6.3	7.3	7.5	7.3	6.9	6.3	6.5	6.5	6.4	6.6
Average calls per day	2.9	2.9	3.2	3.8	2.8	3.7	3.6	3.3	3.7	3.5
Average call duration (minutes)	60	97	94.3	98.4	76.2	68.0	0.0	53.9	114.2	100.8
EMS										
Calls for service	3,789	3,743	4,202	4,361	3,864	4,200	4,245	4,440	4,572	5,026
Average response time (minutes)	6.0	6.2	6.1	6.3	6.2	6.6	5.9	5.2	5.9	6.0
Average calls per day	10.4	10.3	11.5	12.5	10.5	11.5	11.6	12.2	12.5	13.8
Average call duration (minutes)	60	60	62	60	58	71	0	67	72	96

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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Public Works										
Street resurfacing (square yards)	N/A	47,585	50,022	50,000	0	123,200	0	93,848	25,500	25,000
Potholes repaired	N/A	1,500	3,800	7,200	8,000	9,000	9,000	9,000	9,000	9,800
Street cleaning (lane miles)	N/A	1,640	1,640	500	480	500	500	500	250	350
Street striping (miles)	N/A	12	20	10	20	10	20	20	12	35
Parks and recreation										
Shelter rentals	64	63	80	102	80	37	36	48	49	53
Pavilion rentals	23	11	21	16	9	2	0	2	2	0
Water										
Water main breaks	N/A	17	13	15	13	15	11	18	20	32
Wastewater										
Sewer main cleaning (miles)	N/A	10	10.0	12.0	10.0	12.0	12.0	11.0	12.0	15.0

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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Fire Stations	3	3	3	3	3	3	3	3	3	3
Public Works										
Streets (lane-miles)	362	362	362	411	411	411	411	411	411	411
Streetlights	1,285	1,285	1,285	1,285	1,285	1,285	1,285	1,285	1,285	1,285
Traffic signaled intersections	41	41	41	41	41	41	41	41	41	41
Parks and Recreation										
Community centers	0	0	0	0	0	0	0	0	0	0
Number of Parks	7	7	7	7	7	7	7	7	7	7
Acreage	150	150	150	150	150	150	150	150	150	150
Swimming pools	0	0	0	0	0	0	0	0	0	0
Utilities										
Water Mains (miles)	38	38	38	38	38	38	38	38	38	38
Fire hydrants	1,096	1,096	1,096	1,096	1,096	1,096	1,096	1,096	1,225	1,235
Storm Sewers (miles)	39	39	39	40	40	40	40	40	40	40
Sanitary Sewers (miles)	31	31	31	32	32	32	32	32	32	32

Source: Various City Departments

N/A - Information not available

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Dave Yost • Auditor of State





**CITY OF TROTWOOD  
MONTGOMERY COUNTY**

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

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

To the City Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, 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, Montgomery County, (the City) as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 8, 2015.

### ***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the City's internal control. Accordingly, we have not opined on it.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. However, as described in the accompanying schedule of findings we identified certain deficiencies in internal control over financial reporting, that we consider material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the City's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider findings 2014-002 and 2014-003 described in the accompanying schedule of findings to be material weaknesses.

***Compliance and Other Matters***

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2014-001 and 2014-002.

***City's Response to Findings***

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the City's responses and, accordingly, we express no opinion on them.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**Dave Yost**  
Auditor of State  
Columbus, Ohio

June 8, 2015

**CITY OF TROTWOOD  
MONTGOMERY COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2014**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
--

**FINDING NUMBER 2014-001**

**Noncompliance Citation**

**Ohio Rev. Code Section 5705.41(B)** prohibits a subdivision or taxing unit from expending money unless it has been appropriated. Expenditures exceeded appropriations at December 31 as follows:

- Debt Retirement Fund expenditures of \$303,720 exceeded appropriations of \$302,775 by \$945.
- Water Fund expenditures of \$1,987,715 exceeded appropriations of \$1,875,022 by \$112,693.
- Sewer Fund expenditures of \$1,299,609 exceeded appropriations of \$1,175,940 by \$123,669.
- Grant fund expenditures of \$202,222 exceeded appropriations of \$128,000 by \$74,222.

Failure to modify appropriations may result in negative fund balances and the improper use of funds. The City should take steps to provide that appropriations are being properly monitored and recorded in the ledgers. No expenditure should be made unless funds have been sufficiently appropriated.

**Officials' Response:** The City will monitor the expenditures more closely, advise department heads to monitor their budgeted dollars and cut off spending earlier.

**FINDING NUMBER 2014-002**

**Noncompliance Citation and Material Weakness**

**Ohio Rev. Code Section 3929.86(A)** states:

No insurance company doing business in this state shall pay a claim of a named insured for fire damage to a structure located within a municipal corporation or township in this state where the amount recoverable for the fire loss to the structure under all policies exceeds five thousand dollars, unless the company is furnished with a certificate pursuant to division (B) of this section, and unless there is compliance with the procedures set forth in divisions (C) and (D) of this section.

and whereas **Ohio Rev. Code Section 3929.86(C) & (D)** state:

(C) When the loss agreed to between the named insured or insureds and the company or companies equals or exceeds sixty percent of the aggregate limits of liability on all fire policies covering the building or structure, the insurance company or companies, in accordance with division (F) of section 715.26 or division (D) of section 505.86 of the Revised Code, shall transfer from the insurance proceeds to the designated officer of the municipal corporation or township in the aggregate two thousand dollars for each fifteen thousand dollars, and each fraction of that amount, of a claim, or, if, at the time of a proof of loss agreed to between the named insured or insureds and the insurance company or companies, the named insured or insureds have submitted a contractor's signed estimate of the costs of removing, repairing or securing the building or other structure, shall transfer from the insurance proceeds the amount specified in the estimate.

The transfer of proceeds shall be on a pro rata basis by all companies insuring the building or other structure. Policy proceeds remaining after the transfer to the municipal corporation or township shall be disbursed in accordance with the policy terms.

**FINDING NUMBER 2014-002  
(Continued)**

The named insured or insureds may submit a contractor's signed estimate of the costs of removing, repairing, or securing the building or other structure after the transfer, and the designated officer shall return the amount of the fund in excess of the estimate to the named insured or insureds, provided that the municipal corporation or township has not commenced to remove, repair, or secure the building or other structure.

This division only applies to municipal corporations or townships that have adopted a resolution, ordinance, or regulation authorizing the procedure described in divisions (C) and (D) of this section and have filed a certified copy of the resolution, ordinance, or regulation for public record with the superintendent of insurance, and applies only to fire losses that occur after the filing of the certified copy. The resolution, ordinance, or regulation shall designate the officer authorized to carry out the duties of this section.

(D) Upon receipt of proceeds by the municipal corporation or township as authorized by this section the designated officer shall place the proceeds in a separate fund to be used solely as security against the total cost of removing, repairing, or securing incurred by the municipal corporation or township pursuant to section 715.261 or 505.86 of the Revised Code.

When transferring the funds as required in division (C) of this section, an insurance company shall provide the municipal corporation or township with the name and address of the named insured or insureds, whereupon the municipal corporation or township shall contact the named insured or insureds, certify that the proceeds have been received by the municipal corporation or township, and notify them that the following procedures will be followed:

The fund shall be returned to the named insured or insureds when repairs, removal, or securing of the building or other structure have been completed and the required proof has been received by the designated officer, if the municipal corporation or township has not incurred any costs for the repairs, removal, or securing. However, the fund shall be returned to the named insured or insureds no later than sixty days after the designated officer receives the required proof. If the municipal corporation or township has incurred any costs for repairs, removal, or securing of the building or other structure, the costs shall be paid from the fund, and if excess funds remain, the municipal corporation or township shall transfer, no later than sixty days after all such costs have been paid, the remaining funds to the named insured or insureds. Nothing in this section shall be construed to limit the ability of a municipal corporation or township to recover any deficiency under section 715.261 or 505.86 of the Revised Code.

Nothing in this division shall be construed to prohibit the municipal corporation or township and the named insured or insureds from entering into an agreement that permits the transfer of funds to the named insured or insureds if some other reasonable disposition of the damaged property has been negotiated.

The City receipted money received under the provisions of this code into a fund that was commingled with other monies. This resulted in the City overstating other revenues in the General Fund, not reporting an agency fund in its financial statements, and the posting of a prior period adjustment to establish a balance in the agency fund of \$71,194. The City posted adjustments to the accounting system and the accompanying financial statements.

The City should review the purpose of money receipted to determine if there are restrictions or other conditions requiring the receipt to be recorded and presented in a certain fund.

**Officials' Response:** A separate fund has been established for this purpose and all revenue/expense activity for damaged property will be processed through this fund.

### FINDING NUMBER 2014-003

#### Material Weakness

When designing the public office's system of internal control and the specific control activities, management should ensure that accounting records are properly designed, verifying the existence and valuation of assets and liabilities and periodically reconcile them to the accounting records, and performing analytical procedures to determine the reasonableness of financial data. The City lacked management oversight in the posting and reporting of financial activity.

Significant posting errors were noted in the testing of revenues. These errors resulted in misstatements to the City's funds in the following manner:

- The City posted revenues for delinquent utility assessments net of related collections fees. These fees should have been posted at the gross collection amount and then a related expenditure posted to adjust for the collections expenditures. This resulted in revenues and expenditures being understated in the following funds and amounts:
  - Water Fund - \$2,756
  - Sewer Fund - \$1,937
  - Storm Water Fund - \$4,290
  - Refuse Collection Fund - \$12,118
  
- The City posted revenues for property taxes net of related collection fees charged by the County Auditor. These fees should have been posted at the gross collection amount and then a related expenditure posted to adjust for the collections expenditures. This resulted in revenues and expenditures being understated in the following funds and amounts:
  - General Fund - \$108,537
  - Rescue Levy Fund - \$100,517
  - Bond Retirement Fund [Other Governmental Funds] - \$28,829
  - Fire Levy Fund - \$587,632
  - Street Repair Fund [Other Governmental Funds] - \$92,848

The City posted adjustments for these items to the accompanying financial statements.

- The City posted revenues for traffic law enforcement fines net of the related collection revenues charged by the ticket agency. These fees should have been posted at the gross collection amount and then a related expenditure posted to adjust for the collections expenditures. This resulted in the Redlight Enforcement Fund [Other Governmental Funds] understating revenues and expenditures by \$256,599. The City posted adjustments for these items to the accompanying financial statements.
  
- The City reported special assessment receivables at the net collection amount (net of related fees). The City should have reported these assessments at the gross amount to be received. This resulted in receivables and related revenues being understated. The City also accrued special assessments receivable directly from the Ordinance levying assessments passed in September but did not account for assessments that were lifted before year end due to payments made on account. This resulted in receivables and related revenues being overstated. The total net changes per fund are noted below:
  - Water Fund - overstated by \$1,340
  - Sewer Fund - overstated by \$1,397
  - Storm Water Fund - understated by \$8,460
  - Refuse Fund - understated by \$14,208

**FINDING NUMBER 2014-003  
(Continued)**

- The City received two donations during the year. One was designated for demolition of old structures (the Moving Ohio Forward grant) and the other was a donation to the rescue squad. These donations were recorded as other revenues in the General Fund and Fund 801 [Trust & Agency Fund] instead of recorded in the funds consistent with the purpose for which the funds were donated. This resulted in the following misstatements:
  - The General Fund [includes Fund 801 for reporting purposes] was overstated by \$95,014.
  - The Rescue Levy Fund was understated by \$45,014.
  - The Grants Fund [Other Governmental Funds] was understated by \$50,000.

The City posted adjustments for these items to the accounting system and accompanying financial statements.

Additionally, the City overstated Income Taxes Receivable in the General Fund by \$75,794.

The City should implement regular review procedures over the posting and reporting of financial activity to determine that the proper amounts are recorded in the correct funds consistent with the purpose of the revenues.

**Officials' Response:** The City will post all property tax related revenues from the Montgomery County Auditor as gross receipts and all fees/charges as expenses from the appropriate funds.



**CITY OF TROTWOOD  
MONTGOMERY COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2014**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2013-001	Ohio Revised Code 5705.41(D)(1), Certification of available funds	Yes	
2013-002	Ohio Revised Code 5705.10, Deficit fund balances	No	Partially corrected, repeated in management letter
2013-003	Ohio Revised Code 5705.39, Appropriations exceeding estimated resources	No	Partially corrected, repeated in management letter
2013-004	Ohio Administrative Code 117-2-02(C)(1), Accurate posting of appropriations	No	Partially corrected, repeated in management letter
2013-005	Material Weakness, reporting financial activities	No	Repeated as finding 2014-003
2013-006	Material Weakness, posting of debt refunds	Yes	
2013-007	Material Weakness, posting of GAAP debt activity	Yes	

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# Dave Yost • 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  
JULY 7, 2015**