

**CITY OF TROTWOOD
MONTGOMERY COUNTY**



REGULAR AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2021

PLATTENBURG
Certified Public Accountants

OHIO AUDITOR OF STATE
KEITH FABER



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Columbus, Ohio 43215
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City Council
City of Trotwood
3035 Olive Road
Trotwood, Ohio 45426

We have reviewed the *Independent Auditor's Report* of the City of Trotwood, Montgomery County, prepared by Plattenburg & Associates, Inc., for the audit period January 1, 2021 through December 31, 2021. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Keith Faber
Auditor of State
Columbus, Ohio

July 29, 2022

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**CITY OF TROTWOOD
MONTGOMERY COUNTY
FOR THE YEAR ENDED DECEMBER 31, 2021**

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Trotwood, Ohio (the City), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 25, 2022.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.

Dayton, Ohio

June 25, 2022

CITY OF TROTWOOD OHIO



ANNUAL COMPREHENSIVE FINANCIAL REPORT
For The Year Ended December 31, 2021

CITY OF TROTWOOD, OHIO

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2021

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

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Introductory Section



June 25, 2022

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

We are pleased to present the Annual Comprehensive Financial Report for the City of Trotwood, Ohio, for the year ending December 31, 2021. Responsibility for both the accuracy of the data and the completeness and fairness of presentation, including all disclosures, rests with City management. To the best of our knowledge and belief, the information presented is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

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

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 mass. The resulting community is the sixth most populous city in Montgomery County with 23,070 residents (based on the 2020 Census) and its land area (over 28 square miles) is surpassed only by the City of Dayton.

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

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

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

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

The City maintains its legal level of budgetary control, which has been established by Council, at the program or budget center level for the General fund and the function level for all other budgeted funds.

ECONOMIC CONDITION AND OUTLOOK

The City of Trotwood is a major suburb within a diversified metropolitan economy characterized by above-average unemployment, modest job growth and a diversity of major employers. Nearby Wright Patterson Air Force Base employs approximately 30,000 making it the largest single-site employer in the State of Ohio. Premier Health, Kettering Hospital Network, Caresource and the Dayton Veterans Administration Center are major employers proximate to Trotwood.

Located just 4.5 miles from the City of Trotwood, Fuyao Glass America Incorporated purchased the former GM plant and currently employs over 1,700 employees. The company generates an annual payroll in excess of \$50 million and has committed to stay in the area for at least 18 years.

Although these businesses are not physically located in Trotwood, the City benefits by having these employment opportunities available for the numerous Trotwood residents who work for these enterprises.

The City's Salem Avenue shopping district served as the commercial hub of northwest Montgomery County for many years. The former Salem Mall was the anchor of the district, but due to rapidly declining occupancy, it was acquired by the City in 2004 for redevelopment purposes and has been demolished. The adjacent shopping centers serve as retail attractions in the district, as do several "big

box” retailers such as Gordon Food Services, Lowe’s and Home Depot. The City continues to promote redevelopment at the Salem Site.

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

The City also markets its light industrial park which consists of an 11 acre greenfield site, a 6.5 acre greenfield site, a 15 acre greenfield site, and two greenfield sites with direct railroad access, one being a 10 acre and the other being a 33 acre site. This offers continued development opportunity for industrial businesses to locate in the City, creating new job opportunities.

The Trotwood Community Improvement Corporation (TCIC), the City’s official agent for economic development, is presently working with the City in creating and updating a plan for industrial, commercial, distribution and research development, including the reclamation, rehabilitation and reutilization of vacant, abandoned, tax-foreclosed or other real properties. This plan is being revised to reflect new economic challenges and opportunities as a result of the current economic conditions.

On May 27, 2019, the City of Trotwood and surrounding areas were hit by 19 tornadoes, including an EF-4 twister. The tornadoes caused considerable damage to the Northwest portion of the city. Many equipment and man hours were logged in the cleanup of debris from this massive storm. Several apartment complexes were completely destroyed, and many residential housing units suffered varying degrees of damage; from minor to total destruction. The City of Trotwood and its residents have shown resiliency, patience and fortitude. As of the end of 2021, major gains have been made with most damage repaired and a sense of normalcy returned back to the community.

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

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

In response to this crisis, President Trump signed the Cares Act on March 27, 2020. This Act provided direct payments to most Americans, additional weekly unemployment amounts and extended benefits, the delay in paying of payroll taxes, the waiving of early withdrawal penalties and small business relief along with many other benefits, including aid to local governments. The monies received directly by the City were used for first responder payroll, personal protective equipment, improvements in telework capabilities and sanitization to prevent the spread of the virus.

On March 10, 2021, the U.S. House of Representatives passed the Senate-amended H.R. 1319, the American Rescue Plan (ARP). The ARP provided \$1.9 trillion in additional relief to respond to the novel coronavirus (COVID-19). President Biden called for Congress to enact the ARP to provide relief for

individuals and business struggling due to COVID-19. ARP includes provisions on aid to state and local governments, hard-hit industries and communities, tax changes affecting individuals and business, and other provisions.

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

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

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

RELEVANT FINANCIAL POLICIES

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

On February 27, 2019, HB 62 named the Transportation Budget for its gas tax increase and a provision to distribute 50% to local governments. Included in this House bill is a provision to eliminate administrative hearings for traffic camera violations and specified that the local authority must go through the County court. Any fines collected would reduce the amount of local government funding that the municipality would receive from the State and County. In lieu of HB 62 and its new provisions, the City of Trotwood chose to turn off the traffic cameras.

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

LONG TERM FINANCIAL PLANNING

In the fall of 2015, during the financial planning budget workshop of City Council, the decision was made to hold the line on general fund expenditures. Over the next five years, the plan was to grow the

carryover unencumbered cash fund balance to a target of a three month operating reserve. The City reached its goal two years prior to the target date of 2020 and has continued to grow this reserve. As of December 31, 2021, the general fund unencumbered cash balance was \$3,023,522, representing a reserve in excess of four months based on the 2022 general fund appropriations of \$9,036,749. Also, the City is exploring several different scenarios to enhance general fund receipts to assist the City in providing services to its citizens.

The City contracted with FUTURE IQ, Inc., a consulting and research company, to help develop the City's new strategic plan. The Plan identified six key strategic pillars that support a vision for a vibrant, growing, highly connected city. The Plan calls for these strategies to guide the community towards a preferred future over the next several years. The strategic plan incorporates the proposed data analysis and vision framework to provide recommended strategies and rationale for policy development, long term capital investments and resource allocations.

MAJOR INITIATIVES

Job Growth Initiative

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

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

This study bolstered the City's new strategy to re-occupy existing vacant big box retail stores with alternative uses. The City's analysis indicated that the reuse of retail boxes as light manufacturing centers and as small distribution centers is both economically feasible, and from a land use perspective, often less impactful on surrounding uses. The City began working with big box building owners to re-market their buildings for these additional uses. Thus far, the effort has met with some success. The former K-Mart building has been purchased by a carbon steel tube manufacturer, Epix Tube, while the old Elder Beerman Warehouse has been converted to a light manufacturing operation by Specialty Manufacturing employing 73 persons in the City, with an average salary of \$47,800. In 2018, the former Wal-Mart was sold to U-Haul who maintains the largest rental fleet in the do-it-yourself moving industry

in the United States. This location rents trucks, trailers and towing devices. Customers can purchase moving and storage boxes along with an extended line of packing supplies. They will also provide self-storage at the Salem Avenue site. Additionally, Storage of America, a provider of climate controlled self-storage units, has acquired the Former Target big box location. They have converted the existing building into leasable, consumer storage unit. The former Wolohan Lumber site is the new home of Mansea Metal who provide high-quality metal roofing and siding solutions to residential, commercial, agriculture and equestrian customers. Mansea Metal employs 10 full-time positions to start, with anticipated job growth in the future. Additionally, in 2020, Arcani Coil Care acquired and located their production and logistics operations into the former Frank's Nursery building on Denlinger Road. Arcani Coil Care pay employees a minimum of \$15.00 per hour and is on a growth trajectory.

Other small facilities were also repurposed. The Davita Dialysis Center opened in the vacated Bob Evans facility and the First Priority Urgent Care moved into the former River Valley Credit Union. Premier Energy, a provider of oil and gas services in Ohio, Kentucky and Indiana, purchased the vacant O'Danny Boy ice cream facility located in the Trotwood Industrial Park.

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

Robinson Janitorial acquired the former Trotwood Library Branch on E. Main Street, for their headquarters and training center. Robinson Janitorial has contracts with many local institutions, including the Dayton Metro Library system and Kettering Health Network.

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

Main Street Development Initiative

The City of Trotwood and Trotwood Community Improvement Corporation (TCIC) have worked to develop land owned by the TCIC along the Main Street corridor, near the Trotwood Government Center. With a majority of the available developable land owned by the TCIC, this gives the City the opportunity to develop a "city center" or downtown area for businesses, residences, and institutions to locate. Several recent projects including a new public library, new county courthouse, a new west campus for

Goodwill Easter Seals Miami Valley and a new senior apartment complex will result in nearly \$30,000,000 of new investment along this corridor. These efforts to develop Main Street will continue with the availability of an 18-acre site owned by the TCIC and a 7-acre site owned by the Trotwood-Madison School District.

The Dayton Metro Library built a \$5.1 million, 13,000 square foot state of the art library in Trotwood several blocks from their old location. The new library has all of the updated technology and amenities needed to service the Trotwood area. The new library officially opened March 14, 2020.

The Greater Dayton Goodwill / Easter Seals is building an \$8 million new facility located on 6 acres. The proposed building is 22,000 square foot. Construction began in the spring of 2022. This building is located on Main Street next to the new library.

Montgomery County is building a satellite court location consisting of an 18,000 square foot building, resulting in a nearly \$6.5 million investment. This building will be the new home of Montgomery County Municipal Court District One Western Division, currently located in New Lebanon. The new courthouse will be along the Main Street Corridor, beside the new library and Goodwill facility. Construction of the new courthouse began in early 2022 and should be completed by fall 2022.

Industrial Development Initiative

The City and Trotwood Community Improvement Corporation have worked with an industrial developer, GATED Properties Global, to aggregate and acquire a 45-acre site to the southwest of the Wolf Creek Pike and Olive Road intersection. The developer has started construction on a 200,000 square foot, Class-A, industrial and logistics facility that will be an \$18,000,000 investment which will be completed and ready for occupancy Q1 of 2023. The developer is planning a second phase building equal to or larger than this building on the same site and is working with the city to develop other available greenfield sites within the industrial park.

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

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

New Housing Development Initiative

As a result of the 2019 Memorial Day tornado, replacing housing lost to the storm has been a large focus for the City, along with creating new, high quality home ownership opportunity within the community. In 2020, three major developments were initiated and were underway. The largest to date is the completion of the Wolf Creek Run neighborhood in 2021 by the largest home builder in America, D.R. Horton. D.R. Horton bought 38 undeveloped lots in the neighborhood and build new homes on each lot. These homes sold for prices ranging from \$185,000-\$225,000. D.R. Horton is working with the City and the Trotwood CIC to extend this development to build 160 new homes on undeveloped land adjacent to the neighborhood.

Additionally, Century Complete Homebuilders has initiated 20 new home starts in the Moss Creek neighborhood and plans to continue to acquire buildable lots available in the neighborhood to build homes in the \$300,000-\$400,000 price range.

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

Housing Redevelopment Initiative

As a result of the housing crisis of 2008 and the subsequent recession, the City of Trotwood was particularly hard hit with both mortgage foreclosures and tax delinquencies. In 2013, the City, through the Trotwood Community Improvement Corporation (TCIC), began a housing program designed to renovate and re-occupy troubled residential real estate. The TCIC has been working with the National Community Stabilization Trust, the County Treasurer and County Corp (local public financing agency) on this project. The TCIC has continued to acquire and rehabilitate distressed houses in targeted "tipping point" neighborhoods. The TCIC has thus far acquired over 120 properties and currently has 11 properties in inventory. The TCIC has sold 108 properties to socially responsible developers who renovate and return the properties to the Montgomery County real property tax roll, either through the sale to an owner/occupier or held as a rental unit. The Home Ownership vs Rentals ratio is 60% Home Ownership, 35% Rentals and 5% Demolition. The annual taxes returned to the property tax roll is \$141,583. There has been over \$3.5 million in investments into these properties/neighborhoods.

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

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

Respectfully Submitted,

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

Quincy E. Pope, Sr.
City Manager

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

Chris A. Peebles
Finance Director

CITY OF TROTWOOD, OHIO
List of Elected and Appointed Officials
December 31, 2021

ELECTED OFFICIALS

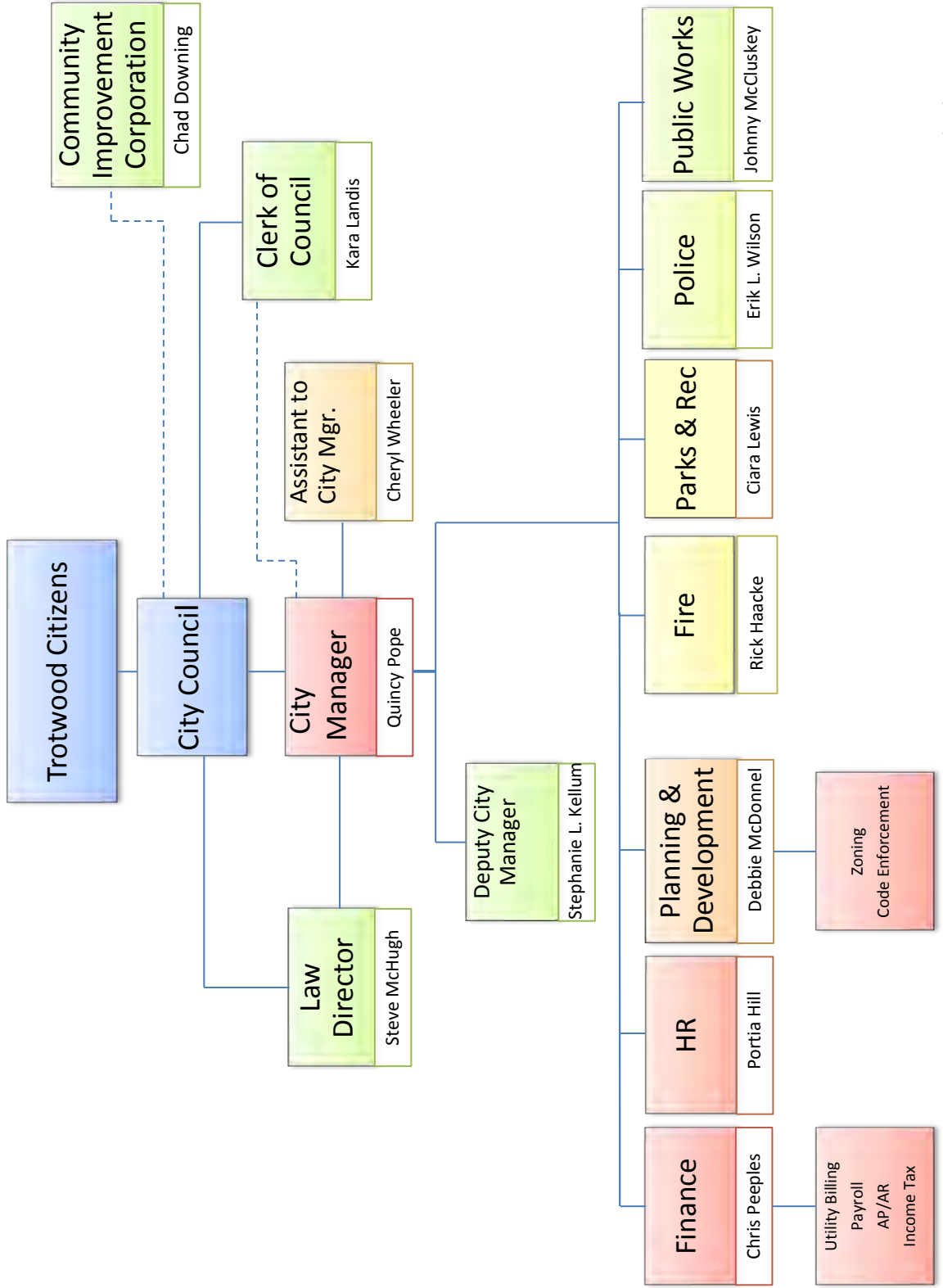
Mary A. McDonald	Mayor
Tyna R. Brown	Vice Mayor, Ward 4
Rhonda C. Finley	Councilmember, At Large
Robert L. Kelley, Jr.	Councilmember, At Large
Bettye L. Gales	Councilmember, Ward 1
Yvette F. Page	Councilmember, Ward 2
Charles R. Vaughn	Councilmember, Ward 3

APPOINTED OFFICIALS

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



Organizational Chart





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Trotwood
Ohio**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

Christopher P. Morill

Executive Director/CEO

Financial Section

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Trotwood, Ohio (the City) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2022, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.
Dayton, Ohio
June 25, 2022

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City of Trotwood, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2021
(Unaudited)

The City of Trotwood's discussion and analysis of the annual financial reports provides a review of the financial performance for the fiscal year ending December 31, 2021. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the City's performance.

Financial Highlights

- The City's total net position decreased \$1,684,961. Net position of governmental activities decreased \$2,774,265, and net position of business-type activities increased by \$1,089,304.
- The General Fund reported an increase in fund balance of \$130,652.
- Business-type operations reflected an operating income of \$857,966.

Overview of the Financial Statements

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

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

Government-wide Financial Statements

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

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

City of Trotwood, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2021
(Unaudited)

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

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

Fund Financial Statements

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

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

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

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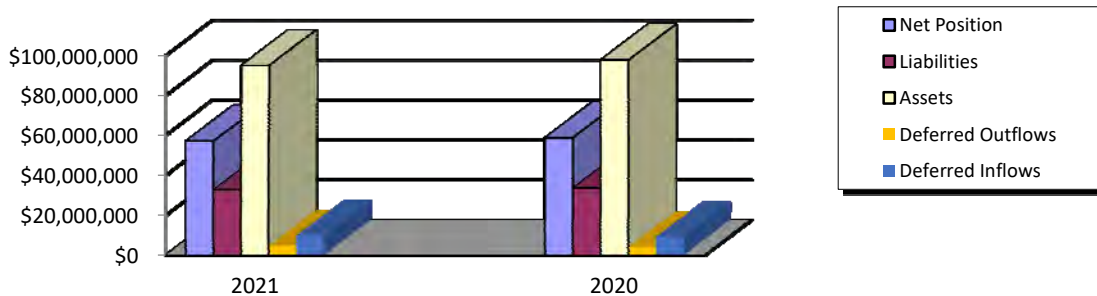
City of Trotwood, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2021
(Unaudited)

The City as a Whole

As stated previously, the Statement of Net Position looks at the City as a whole. Table 1 provides a summary of the City's net position for 2021 compared to 2020.

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Assets:						
Current and Other Assets	\$21,548,651	\$20,445,363	\$11,297,654	\$10,689,023	\$32,846,305	\$31,134,386
Net OPEB Asset	233,286	0	63,579	0	296,865	0
Capital Assets	43,619,286	47,929,800	18,139,077	18,577,563	61,758,363	66,507,363
Total Assets	65,401,223	68,375,163	29,500,310	29,266,586	94,901,533	97,641,749
Deferred Outflows of Resources:						
Deferred Charge on Refunding	194,536	156,729	0	0	194,536	156,729
Pension	2,834,885	2,291,907	112,872	136,002	2,947,757	2,427,909
OPEB	1,378,836	1,344,784	52,923	84,720	1,431,759	1,429,504
Total Deferred Outflows of Resources	4,408,257	3,793,420	165,795	220,722	4,574,052	4,014,142
Liabilities:						
Other Liabilities	2,075,843	604,952	871,357	1,116,189	2,947,200	1,721,141
Long-Term Liabilities	27,872,343	29,275,568	1,879,199	2,754,631	29,751,542	32,030,199
Total Liabilities	29,948,186	29,880,520	2,750,556	3,870,820	32,698,742	33,751,340
Deferred Inflows of Resources:						
Property Taxes	4,427,989	4,372,288	0	0	4,427,989	4,372,288
Revenue in Lieu of Taxes	535,609	562,251	0	0	535,609	562,251
Pension	2,519,664	2,638,157	239,629	154,358	2,759,293	2,792,515
OPEB	1,798,490	1,361,560	194,275	69,789	1,992,765	1,431,349
Total Deferred Inflows of Resources	9,281,752	8,934,256	433,904	224,147	9,715,656	9,158,403
Net Position:						
Net Investment In Capital Assets	32,331,013	36,184,498	16,878,029	17,113,154	49,209,042	53,297,652
Restricted	8,044,399	8,491,040	0	0	8,044,399	8,491,040
Unrestricted	(9,795,870)	(11,321,731)	9,603,616	8,279,187	(192,254)	(3,042,544)
Total Net Position	\$30,579,542	\$33,353,807	\$26,481,645	\$25,392,341	\$57,061,187	\$58,746,148



Total net position of the City as a whole decreased \$1,684,961. Net position of governmental activities decreased \$2,774,265 while net position of business-type activities increased by \$1,089,304. The City had an unrestricted net position balance of (\$192,254).

City of Trotwood, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2021
(Unaudited)

Capital assets decreased during 2021 due to the City donating properties to Trotwood Community Improvement Corporation, disposals of capital assets, and current year depreciation expense exceeding current year additions. Long Term Liabilities decreased due to a decrease in net pension and OPEB liabilities and outstanding debt.

Table 2 shows the changes in net position for the year ended December 31, 2021 and revenue and expense comparisons to 2020.

Table 2
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Program Revenues:						
Charges for Services	\$2,039,687	\$1,855,045	\$5,536,929	\$5,462,284	\$7,576,616	\$7,317,329
Operating Grants and Contributions	2,512,446	3,202,842	0	0	2,512,446	3,202,842
Capital Grants and Contributions	11,500	4,281	177,623	42,330	189,123	46,611
Total Program Revenues	4,563,633	5,062,168	5,714,552	5,504,614	10,278,185	10,566,782
General Revenues:						
Income Taxes	5,984,261	5,272,961	0	0	5,984,261	5,272,961
Property Taxes	4,887,998	3,339,083	0	0	4,887,998	3,339,083
Grants and Entitlements	784,262	710,647	0	0	784,262	710,647
Revenues in Lieu of Taxes	587,069	592,604	0	0	587,069	592,604
Investment Earnings	12,683	106,034	0	0	12,683	106,034
Other Revenues	471,149	421,284	21,925	173,392	493,074	594,676
Total General Revenues	12,727,422	10,442,613	21,925	173,392	12,749,347	10,616,005
Total Revenues	17,291,055	15,504,781	5,736,477	5,678,006	23,027,532	21,182,787
Program Expenses:						
General Government	3,141,812	3,073,262	0	0	3,141,812	3,073,262
Public Safety	8,389,646	9,060,821	0	0	8,389,646	9,060,821
Community Development	5,181,836	522,539	0	0	5,181,836	522,539
Leisure Time	284,153	170,441	0	0	284,153	170,441
Transportation and Street Repair	2,825,483	3,534,729	0	0	2,825,483	3,534,729
Interest and Other Charges	154,464	501,548	0	0	154,464	501,548
Water	0	0	1,313,647	1,634,754	1,313,647	1,634,754
Sewer	0	0	1,108,565	1,185,717	1,108,565	1,185,717
Refuse	0	0	1,437,761	1,378,307	1,437,761	1,378,307
Stormwater	0	0	826,210	1,102,941	826,210	1,102,941
Other Enterprise Funds	0	0	48,916	46,226	48,916	46,226
Total Program Expenses	19,977,394	16,863,340	4,735,099	5,347,945	24,712,493	22,211,285
Increase (Decrease) in Net Position before Transfers	(2,686,339)	(1,358,559)	1,001,378	330,061	(1,684,961)	(1,028,498)
Transfers - Internal Activities	(87,926)	(89,019)	87,926	89,019	0	0
Change in Net Position	(2,774,265)	(1,447,578)	1,089,304	419,080	(1,684,961)	(1,028,498)
Net Position - Beginning of Year	33,353,807	34,801,385	25,392,341	24,973,261	58,746,148	59,774,646
Net Position - End of Year	\$30,579,542	\$33,353,807	\$26,481,645	\$25,392,341	\$57,061,187	\$58,746,148

Governmental Activities

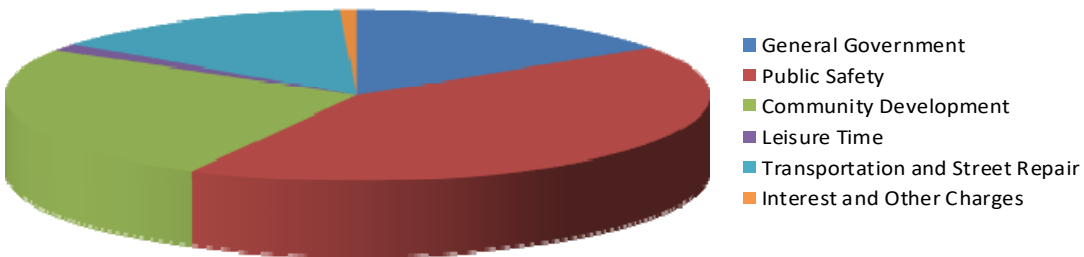
The City of Trotwood's income taxes and property taxes are the largest source of revenue. These revenues represent 85.4% of the City's governmental activities total general revenue.

Property taxes revenue increased due to the timing of collections based on advances available amounts received from the County Auditor. Public safety expenses decreased due to changes in net pension liability and other post-employment benefits liability. Community development expenses increased from 2020 due to the City donating properties to Trotwood Community Improvement Corporation, which in turn caused a capital asset loss associated with the donated properties.

City of Trotwood, Ohio
Management’s Discussion and Analysis
For The Year Ended December 31, 2021
(Unaudited)

Governmental Activities
 Program Expenses for 2021

	Percentage
General Government	15.73%
Public Safety	42.00%
Community Development	25.94%
Leisure Time	1.42%
Transportation and Street Repair	14.14%
Interest and Other Charges	0.77%
Total	100.00%



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

Business-Type Activities

Business-type activities include Water, Sewer, Refuse Collection, Stormwater and the Community and Cultural Arts Center. These programs had operating revenues of \$5,558,854 and operating expenses of \$4,700,888 for fiscal year 2021. The operating expenses decreased in 2021 from 2020 because of a decrease in personal services due to net pension and OPEB liabilities. Business activities receive no support from tax revenues. The business activities net position at the end of the year was \$26,481,645, which increased \$1,089,304 from 2020.

The City of Trotwood’s water and sewer maintenance division services approximately 2,800 accounts within the territory which was part of the City prior to the 1996 merger with Madison Township. The City operates approximately 38 miles of water lines and 32 miles of sanitary sewer lines within the territory, to distribute water supplied by the City of Dayton and collect sewerage returned to Dayton for treatment at their facilities. The water fund had operating income of \$534,231 in 2021. The sewer fund had operating income of \$285,014 in 2021. The refuse fund had an operating income of \$125,739 in 2021. The stormwater fund had an operating loss of \$61,566 in 2021. The community and cultural arts center fund had an operating loss of \$25,452 in 2021.

The City’s Funds

The City has three major governmental funds: the General Fund, Fire Levy Fund, and American Rescue Plan Act Fund. Assets of these funds comprised \$13,196,109 (61%) of the total \$21,533,532 governmental funds’ assets.

City of Trotwood, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2021
(Unaudited)

General Fund: Fund balance at December 31, 2021 was \$3,445,004, an increase in fund balance of \$130,652 from 2020. The General fund balance increased mainly due to an increase in property tax collections.

Fire Levy Fund: Fund balance at December 31, 2021 was \$1,030,979 a decrease in fund balance of \$430,561 from 2020. The Fire Levy fund balance decreased mainly due to decreases in property taxes received.

American Rescue Plan Act: Fund balance at December 31, 2021 was \$0 with unearned revenues of \$1,278,120.

General Fund Budgeting Highlights

The City's General Fund budget is formally adopted at the program or budget center level. Financial reports, which compare actual performance with the budget, are prepared monthly and presented to the Council so the Council is able to review the financial status and measure the effectiveness of the budgetary controls. As the City completed the year, its General Fund balance reported an actual fund balance of \$3,023,522, on a Non-GAAP Budgetary Basis.

Variations between final budget and original budget revenues was \$30,171, which was mainly due to underestimating tax revenues. Variations between the actual and final budget revenues were mainly due to the City underestimating taxes revenue. Variations between final budget and actual expenditures were mainly due to the City overestimating general government and public safety expenditures. Variations between original and final budget expenditures were mainly due to the City's conservative estimate for expenditures.

Capital Assets and Debt Administration

Capital Assets

At year end, the City had \$61,758,363 invested in land, construction in progress, buildings and improvements, equipment, and infrastructure. Table 3 shows 2021 balances compared to 2020:

Table 3
Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$22,317,364	\$26,741,499	\$50,514	\$50,514	\$22,367,878	\$26,792,013
Construction in Progress	0	149,848	194,958	0	194,958	149,848
Buildings and Improvements	9,085,369	8,869,096	804,595	804,595	9,889,964	9,673,691
Equipment	10,126,852	8,964,921	617,932	617,932	10,744,784	9,582,853
Infrastructure	48,029,515	47,841,359	43,614,053	43,614,053	91,643,568	91,455,412
Accumulated Depreciation	(45,939,814)	(44,636,923)	(27,142,975)	(26,509,531)	(73,082,789)	(71,146,454)
Total Net Capital Assets	<u>\$43,619,286</u>	<u>\$47,929,800</u>	<u>\$18,139,077</u>	<u>\$18,577,563</u>	<u>\$61,758,363</u>	<u>\$66,507,363</u>

City of Trotwood, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2021
(Unaudited)

Capital assets decreased during 2021 due to the City donating properties to Trotwood Community Improvement Corporation, disposals of capital assets, and 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 \$12,743,857 in long-term debt and \$1,244,766 due within one year.

Table 4
Outstanding Debt at Year End

	2021	2020
Governmental Activities:		
Bonds		
2003 Various Purpose, 5.11%	\$484,766	\$590,166
2016 Various Purpose Refunding, 2.92%	2,550,000	2,745,000
2016 Various Purpose Improvements, 2.92%	1,287,000	1,383,800
2010 Various Purpose, 3.00-4.25%	0	5,738,551
Premium on 2010 Various Purpose	0	262,049
2012 OAQDA Tax Exempt Energy, 2.02%	0	30,553
2012 OAQDA Energy Conservation, 4.28%	788,588	883,361
2017 Various Purpose Capital Improvement, 2.43%	150,000	180,000
2021 Refunding Bonds, 1.86%	5,509,000	0
Total Bonds	<u>10,769,354</u>	<u>11,813,480</u>
Capital Leases	<u>713,455</u>	<u>88,551</u>
Total Governmental Activities Long-Term Debt	<u>11,482,809</u>	<u>11,902,031</u>
Business Type Activities:		
Bonds		
2003 Various Purpose Water, 5.11%	70,117	94,917
2003 Various Purpose Sewer, 5.11%	70,117	94,917
2010 Various Purpose Water, 3.00-4.25%	95,002	76,449
2016 Various Purpose Improvements, 2.92%	178,000	191,200
2017 Various Purpose Capital Improvements, 2.43%	240,000	285,000
Total Bonds	<u>653,236</u>	<u>742,483</u>
OPWC Loans from Direct Borrowings		
2007 Salem Bend Sewer Sanitary Relief Project, 0%	125,821	145,821
2012 Phase 4b Olde Town Watermain Improvements, 0%	249,089	266,072
2012 Phase 1b Olde Town Watermain Improvements, 0%	232,902	248,781
Total OPWC Loans from Direct Borrowings	<u>607,812</u>	<u>660,674</u>
Capital Leases	<u>0</u>	<u>61,252</u>
Total Business-Type Activities Long-Term Debt	<u>1,261,048</u>	<u>1,464,409</u>
Total Debt	<u>\$12,743,857</u>	<u>\$13,366,440</u>

See Notes 8 and 9 to the basic financial statements for further details on the City's long-term debt.

City of Trotwood, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2021
(Unaudited)

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, 2021

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in Pooled Cash and Investments	\$10,890,860	\$8,922,258	\$19,813,118
Restricted Cash	26,103	0	26,103
Receivables (Net):			
Taxes	8,764,726	0	8,764,726
Accounts	97,076	1,258,135	1,355,211
Intergovernmental	1,231,450	0	1,231,450
Special Assessments	448,323	1,110,643	1,558,966
Net OPEB Asset	233,286	63,579	296,865
Prepaid Items	90,113	6,618	96,731
Nondepreciable Capital Assets	22,317,364	245,472	22,562,836
Depreciable Capital Assets, Net	21,301,922	17,893,605	39,195,527
Total Assets	65,401,223	29,500,310	94,901,533
Deferred Outflows of Resources:			
Deferred Charge on Refunding	194,536	0	194,536
Pension	2,834,885	112,872	2,947,757
OPEB	1,378,836	52,923	1,431,759
Total Deferred Outflows of Resources	4,408,257	165,795	4,574,052
Liabilities:			
Accounts Payable	235,343	844,967	1,080,310
Accrued Wages and Benefits	428,571	23,588	452,159
Retainage Payable	26,103	0	26,103
Accrued Interest Payable	49,831	2,802	52,633
Deposits Held and Due to Others	57,875	0	57,875
Unearned Revenue	1,278,120	0	1,278,120
Long-Term Liabilities:			
Due Within One Year	1,458,408	187,075	1,645,483
Due In More Than One Year			
Net Pension Liability	13,762,958	555,211	14,318,169
Net OPEB Liability	1,822,425	0	1,822,425
Other Amounts	10,828,552	1,136,913	11,965,465
Total Liabilities	29,948,186	2,750,556	32,698,742
Deferred Inflows of Resources:			
Property Taxes	4,427,989	0	4,427,989
Revenue in Lieu of Taxes	535,609	0	535,609
Pension	2,519,664	239,629	2,759,293
OPEB	1,798,490	194,275	1,992,765
Total Deferred Inflows of Resources	9,281,752	433,904	9,715,656
Net Position:			
Net Investment in Capital Assets	32,331,013	16,878,029	49,209,042
Restricted for:			
Debt Service	99,888	0	99,888
Capital Projects	1,345,972	0	1,345,972
Street Construction Maintenance and Repairs	1,896,006	0	1,896,006
State Highway	125,332	0	125,332
Permissive Use Tax	90,276	0	90,276
Grants	596,918	0	596,918
Law Enforcement Trust	14,538	0	14,538
Fire Levy	2,173,068	0	2,173,068
Rescue Levy	1,347,281	0	1,347,281
Other Purposes	355,120	0	355,120
Unrestricted	(9,795,870)	9,603,616	(192,254)
Total Net Position	\$30,579,542	\$26,481,645	\$57,061,187

See accompanying notes to the basic financial statements.

City of Trotwood, Ohio
Statement of Activities
For the Fiscal Year Ended December 31, 2021

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$3,141,812	\$582,306	\$0	\$0
Public Safety	8,389,646	1,201,417	581,320	11,500
Community Development	5,181,836	197,293	223,678	0
Leisure Time Activities	284,153	50,013	0	0
Transportation and Street Repair	2,825,483	8,658	1,707,448	0
Interest and Other Charges	154,464	0	0	0
Total Governmental Activities	19,977,394	2,039,687	2,512,446	11,500
Business-Type Activities:				
Water	1,313,647	1,822,541	0	0
Sewer	1,108,565	1,384,897	0	0
Refuse	1,437,761	1,563,500	0	0
Stormwater	826,210	764,407	0	177,623
Other Enterprise	48,916	1,584	0	0
Total Business-Type Activities	4,735,099	5,536,929	0	177,623
Totals	\$24,712,493	\$7,576,616	\$2,512,446	\$189,123

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

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning of Year

Net Position - End of Year

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
(\$2,559,506)	\$0	(\$2,559,506)
(6,595,409)	0	(6,595,409)
(4,760,865)	0	(4,760,865)
(234,140)	0	(234,140)
(1,109,377)	0	(1,109,377)
(154,464)	0	(154,464)
<u>(15,413,761)</u>	<u>0</u>	<u>(15,413,761)</u>
0	508,894	508,894
0	276,332	276,332
0	125,739	125,739
0	115,820	115,820
0	(47,332)	(47,332)
<u>0</u>	<u>979,453</u>	<u>979,453</u>
<u>(15,413,761)</u>	<u>979,453</u>	<u>(14,434,308)</u>
5,984,261	0	5,984,261
1,378,198	0	1,378,198
3,004,697	0	3,004,697
109,591	0	109,591
395,512	0	395,512
784,262	0	784,262
587,069	0	587,069
12,683	0	12,683
471,149	21,925	493,074
(87,926)	87,926	0
<u>12,639,496</u>	<u>109,851</u>	<u>12,749,347</u>
(2,774,265)	1,089,304	(1,684,961)
<u>33,353,807</u>	<u>25,392,341</u>	<u>58,746,148</u>
<u>\$30,579,542</u>	<u>\$26,481,645</u>	<u>\$57,061,187</u>

City of Trotwood, Ohio
Balance Sheet
Governmental Funds
December 31, 2021

	General	Fire Levy	American Rescue Plan Act	Other Governmental Funds	Total Governmental Funds
Assets:					
Equity in Pooled Cash and Investments	\$3,303,084	\$1,137,689	\$1,278,120	\$5,156,848	\$10,875,741
Restricted Cash	0	0	0	26,103	26,103
Receivables (Net):					
Taxes	3,210,663	3,287,946	0	2,266,117	8,764,726
Accounts	0	0	0	97,076	97,076
Intergovernmental	336,287	130,793	0	764,370	1,231,450
Special Assessments	438,991	0	0	9,332	448,323
Prepaid Items	51,274	21,262	0	17,577	90,113
Total Assets	7,340,299	4,577,690	1,278,120	8,337,423	21,533,532
Liabilities:					
Accounts Payable	159,038	8,333	0	67,972	235,343
Accrued Wages and Benefits	240,628	100,541	0	87,402	428,571
Compensated Absences	4,435	72,578	0	16,945	93,958
Retainage Payable	0	0	0	26,103	26,103
Deposits Held and Due to Others	57,875	0	0	0	57,875
Unearned Revenue	0	0	1,278,120	0	1,278,120
Total Liabilities	461,976	181,452	1,278,120	198,422	2,119,970
Deferred Inflows of Resources:					
Property Taxes	1,845,803	3,234,466	0	1,620,523	6,700,792
Income Taxes	848,964	0	0	0	848,964
Grants and Other Taxes	299,561	130,793	0	730,643	1,160,997
Special Assessments	438,991	0	0	9,332	448,323
Revenue in Lieu of Taxes	0	0	0	535,609	535,609
Total Deferred Inflows of Resources	3,433,319	3,365,259	0	2,896,107	9,694,685
Fund Balances:					
Nonspendable	51,274	21,262	0	17,577	90,113
Restricted	0	1,009,717	0	4,729,365	5,739,082
Committed	0	0	0	495,952	495,952
Assigned	77,956	0	0	0	77,956
Unassigned	3,315,774	0	0	0	3,315,774
Total Fund Balances	3,445,004	1,030,979	0	5,242,894	9,718,877
Total Liabilities, Deferred Inflows and Fund Balances	\$7,340,299	\$4,577,690	\$1,278,120	\$8,337,423	\$21,533,532

See accompanying notes to the basic financial statements.

City of Trotwood, Ohio
 Reconciliation of Total Governmental Fund Balance to
 Net Position of Governmental Activities
 December 31, 2021

Total Governmental Fund Balance		\$9,718,877
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		43,619,286
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		
Income Taxes	848,964	
Delinquent Property Taxes	2,272,803	
Intergovernmental	1,160,997	
Special Assessments	448,323	
		<u>4,731,087</u>
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		15,119
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.		
		(49,831)
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		(710,193)
Deferred outflow of resources associated with long-term liabilities are not reported in the funds.		
		194,536
Deferred outflows and inflows or resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions	2,834,885	
Deferred inflows of resources related to pensions	(2,519,664)	
Deferred outflows of resources related to OPEB	1,378,836	
Deferred inflows of resources related to OPEB	(1,798,490)	
		<u>(104,433)</u>
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Net OPEB Asset	233,286	
Net Pension Liability	(13,762,958)	
Net OPEB Liability	(1,822,425)	
Other Amounts	(11,482,809)	
		<u>(26,834,906)</u>
Net Position of Governmental Activities		<u>\$30,579,542</u>

See accompanying notes to the basic financial statements.

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City of Trotwood, Ohio
Statement of Revenues, Expenditures
and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended December 31, 2021

	General	Fire Levy	American Rescue Plan Act	Other Governmental Funds	Total Governmental Funds
Revenues:					
Property and Other Taxes	\$1,378,198	\$2,142,812	\$0	\$1,366,988	\$4,887,998
Income Taxes	5,877,846	0	0	0	5,877,846
Charges for Services	405,611	3,065	0	1,166,752	1,575,428
Investment Earnings	12,683	0	0	0	12,683
Intergovernmental	686,847	278,677	0	2,246,411	3,211,935
Special Assessments	105,907	0	0	8,658	114,565
Fines, Licenses & Permits	306,911	100	0	17,377	324,388
Revenue in Lieu of Taxes	62,427	0	0	524,641	587,068
Other Revenues	344,796	10,141	0	116,213	471,150
Total Revenues	9,181,226	2,434,795	0	5,447,040	17,063,061
Expenditures:					
Current:					
General Government	3,143,161	0	0	31,359	3,174,520
Public Safety	4,602,704	2,675,633	0	1,919,245	9,197,582
Community Development	613,854	0	0	175,847	789,701
Leisure Time Activities	182,920	0	0	78,998	261,918
Transportation and Street Repair	218,423	0	0	1,707,704	1,926,127
Capital Outlay	0	340,168	0	1,400,217	1,740,385
Debt Service:					
Principal	125,326	168,397	0	863,751	1,157,474
Interest and Other Charges	38,425	21,326	0	272,172	331,923
Bond Issuance Cost	0	0	0	89,982	89,982
Total Expenditures	8,924,813	3,205,524	0	6,539,275	18,669,612
Excess of Revenues Over (Under) Expenditures	256,413	(770,729)	0	(1,092,235)	(1,606,551)
Other Financing Sources (Uses):					
Issuance of Capital Leases	0	340,168	0	541,684	881,852
Proceeds from Sale of Capital Assets	10,239	0	0	0	10,239
Sale of Refunding Bonds	0	0	0	5,857,000	5,857,000
Payments to Refunded Bond Escrow Agent	0	0	0	(5,767,018)	(5,767,018)
Transfers In	0	0	0	100,000	100,000
Transfers (Out)	(136,000)	0	0	(51,926)	(187,926)
Total Other Financing Sources (Uses)	(125,761)	340,168	0	679,740	894,147
Net Change in Fund Balance	130,652	(430,561)	0	(412,495)	(712,404)
Fund Balance - Beginning of Year	3,314,352	1,461,540	0	5,655,389	10,431,281
Fund Balance - End of Year	\$3,445,004	\$1,030,979	\$0	\$5,242,894	\$9,718,877

See accompanying notes to the basic financial statements.

City of Trotwood, Ohio
 Reconciliation of the Statement of Revenues, Expenditures, and Changes
 in Fund Balance of Governmental Funds to the Statement of Activities
 For the Fiscal Year Ended December 31, 2021

Net Change in Fund Balance - Total Governmental Funds (\$712,404)

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

Governmental funds report capital asset additions as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of the difference between capital asset additions and depreciation in the current period.

Capital assets used in governmental activities	1,671,512	
Depreciation Expense	<u>(1,557,891)</u>	113,621

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. (4,424,135)

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

Pension contributions	1,148,249	
Pension Expense	(901,111)	
OPEB contributions	21,284	
OPEB Expense	<u>1,249,980</u>	1,518,402

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

Income Taxes	106,414	
Intergovernmental	96,273	
Special Assessments	<u>25,307</u>	227,994

In the statement of activities, certain costs and proceeds associated with long-term debt obligations issued during the year are accrued and amortized over the life of the debt obligation. In governmental funds these costs and proceeds are recognized as financing sources and uses.

Deferred Amount on Refunding	208,431	
Refunding Bonds	(5,857,000)	
Bonds Refunded	<u>5,843,871</u>	195,302

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 1,157,474

In the statement of activities interest expense is accrued when incurred; whereas, in governmental funds an interest expenditure is reported when due. (3,950)

(Continued)

City of Trotwood, Ohio
 Reconciliation of the Statement of Revenues, Expenditures, and Changes
 in Fund Balance of Governmental Funds to the Statement of Activities
 For the Fiscal Year Ended December 31, 2021

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	35,498	
Amortization of Deferred Charge on Refunding	<u>(13,895)</u>	
		21,603

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

Change in Net Position - Internal Service Funds		13,680
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Proceeds from debt issues are an other financing source in the funds, but a debt issue increases long-term liabilities in the statement of net position.

(881,852)

Change in Net Position of Governmental Activities

(\$2,774,265)

See accompanying notes to the basic financial statements.

City of Trotwood, Ohio
Statement of Net Position
Proprietary Funds
December 31, 2021

	Business-Type Activities				Other Enterprise Fund
	Enterprise Funds				
	Water	Sewer	Refuse	Stormwater	
Current Assets:					
Equity in Pooled Cash and Investments	\$3,245,102	\$1,966,643	\$669,607	\$2,932,527	\$108,379
Receivables (Net):					
Accounts	458,106	355,640	290,303	154,086	0
Special Assessments	93,773	91,928	660,339	264,603	0
Prepaid Items	1,878	1,851	0	2,889	0
Total Current Assets	3,798,859	2,416,062	1,620,249	3,354,105	108,379
Noncurrent Assets:					
Net OPEB Asset	17,926	17,882	0	27,771	0
Capital Assets:					
Nondepreciable Capital Assets	0	12,026	0	194,958	38,488
Depreciable Capital Assets, Net	3,051,939	1,226,899	0	12,894,487	720,280
Total Noncurrent Assets	3,069,865	1,256,807	0	13,117,216	758,768
Total Assets	6,868,724	3,672,869	1,620,249	16,471,321	867,147
Deferred Outflows of Resources:					
Pension	31,823	31,746	0	49,303	0
OPEB	14,921	14,885	0	23,117	0
Total Deferred Outflows of Resources	46,744	46,631	0	72,420	0
Liabilities:					
Current Liabilities:					
Accounts Payable	411,949	310,279	115,492	3,547	3,700
Accrued Wages and Benefits	6,693	6,598	0	10,297	0
Compensated Absences	6,227	6,397	0	11,042	0
Accrued Interest Payable	1,480	1,079	0	0	243
Long-Term Liabilities Due Within One Year	67,009	51,400	0	0	45,000
Total Current Liabilities	493,358	375,753	115,492	24,886	48,943
Long-Term Liabilities:					
Compensated Absences	10,008	10,141	0	19,125	0
Bonds, Notes & Loans Payable	758,101	144,538	0	0	195,000
Net Pension Liability	156,537	156,156	0	242,518	0
Total Noncurrent Liabilities	924,646	310,835	0	261,643	195,000
Total Liabilities	1,418,004	686,588	115,492	286,529	243,943
Deferred Inflows of Resources:					
Pension	67,561	67,397	0	104,671	0
OPEB	54,774	54,641	0	84,860	0
Total Deferred Inflows of Resources	122,335	122,038	0	189,531	0
Net Position:					
Net Investment in Capital Assets	2,226,829	1,042,987	0	13,089,445	518,768
Unrestricted	3,148,300	1,867,887	1,504,757	2,978,236	104,436
Total Net Position	\$5,375,129	\$2,910,874	\$1,504,757	\$16,067,681	\$623,204

See accompanying notes to the basic financial statements.

Total Business-Type Funds	Governmental Activities Internal Service Fund
\$8,922,258	\$15,119
1,258,135	0
1,110,643	0
6,618	0
11,297,654	15,119
63,579	0
245,472	0
17,893,605	0
18,202,656	0
29,500,310	15,119
112,872	0
52,923	0
165,795	0
844,967	0
23,588	0
23,666	0
2,802	0
163,409	0
1,058,432	0
39,274	0
1,097,639	0
555,211	0
1,692,124	0
2,750,556	0
239,629	0
194,275	0
433,904	0
16,878,029	0
9,603,616	15,119
\$26,481,645	\$15,119

City of Trotwood, Ohio
Statement of Revenues, Expenses
and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended December 31, 2021

	Business-Type Activities Enterprise Funds				Other Enterprise Fund
	Water	Sewer	Refuse	Stormwater	
Operating Revenues:					
Charges for Services	\$1,822,541	\$1,384,897	\$1,563,500	\$764,407	\$1,584
Other Revenues	6,515	173	0	237	15,000
Total Operating Revenues	1,829,056	1,385,070	1,563,500	764,644	16,584
Operating Expenses:					
Personal Services	88,839	87,907	0	134,670	0
Contractual Services	1,072,118	918,754	1,437,661	195,887	22,569
Supplies and Materials	45,999	27,175	0	23,358	0
Depreciation	76,270	65,433	0	472,274	19,467
Other Expense	11,599	787	100	21	0
Total Operating Expenses	1,294,825	1,100,056	1,437,761	826,210	42,036
Operating Income (Loss)	534,231	285,014	125,739	(61,566)	(25,452)
Non-Operating Revenues (Expenses):					
Interest (Expense)	(18,822)	(8,509)	0	0	(6,880)
Total Non-Operating Revenues (Expenses)	(18,822)	(8,509)	0	0	(6,880)
Income (Loss) Before Contributions and Transfers	515,409	276,505	125,739	(61,566)	(32,332)
Capital Grants and Contributions	0	0	0	177,623	0
Transfers In	0	0	0	0	87,926
Change in Net Position	515,409	276,505	125,739	116,057	55,594
Net Position - Beginning of Year	4,859,720	2,634,369	1,379,018	15,951,624	567,610
Net Position - End of Year	\$5,375,129	\$2,910,874	\$1,504,757	\$16,067,681	\$623,204

See accompanying notes to the basic financial statements.

Total Business-Type Activities	Governmental Activities Internal Service Fund
\$5,536,929	\$37,123
21,925	0
5,558,854	37,123
311,416	0
3,646,989	23,443
96,532	0
633,444	0
12,507	0
4,700,888	23,443
857,966	13,680
(34,211)	0
(34,211)	0
823,755	13,680
177,623	0
87,926	0
1,089,304	13,680
25,392,341	1,439
\$26,481,645	\$15,119

City of Trotwood, Ohio
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended December 31, 2021

	Business-Type Activities				
	Enterprise Funds				Other
	Water	Sewer	Refuse	Stormwater	Enterprise Fund
Cash Flows from Operating Activities:					
Cash Received from Customers	\$1,842,767	\$1,367,223	\$1,559,699	\$770,061	\$16,584
Cash Payments to Employees	(220,190)	(219,781)	0	(343,434)	0
Cash Payments to Suppliers	(1,343,291)	(965,555)	(1,433,918)	(235,795)	(19,031)
Net Cash Provided (Used) by Operating Activities	279,286	181,887	125,781	190,832	(2,447)
Cash Flows from Noncapital Financing Activities:					
Payments from Other Funds	0	0	0	0	89,019
Net Cash Provided (Used) by Noncapital Financing Activities	0	0	0	0	89,019
Cash Flows from Capital and Related Financing Activities:					
Payments for Capital Acquisitions	0	0	0	(17,335)	0
Debt Proceeds	23,553	0	0	0	0
Debt Principal Payments	(106,488)	(75,426)	0	0	(45,000)
Debt Interest Payments	(19,044)	(8,786)	0	0	(8,019)
Net Cash Provided (Used) by Capital and Related Financing Activities	(101,979)	(84,212)	0	(17,335)	(53,019)
Net Increase (Decrease) in Cash and Cash Equivalents	177,307	97,675	125,781	173,497	33,553
Cash and Cash Equivalents - Beginning of Year	3,067,795	1,868,968	543,826	2,759,030	74,826
Cash and Cash Equivalents - End of Year	3,245,102	1,966,643	669,607	2,932,527	108,379
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Operating Income (Loss)	534,231	285,014	125,739	(61,566)	(25,452)
Adjustments:					
Depreciation	76,270	65,433	0	472,274	19,467
Changes in Assets & Liabilities:					
(Increase) Decrease in Receivables	13,711	(17,847)	(3,801)	5,417	0
(Increase) Decrease in Prepaid Items	497	446	0	759	0
(Increase) Decrease in Deferred Outflows of Resources	15,311	15,383	0	24,233	0
(Increase) Decrease in Net OPEB Asset	(17,926)	(17,882)	0	(27,771)	0
Increase (Decrease) in Payables	(214,072)	(19,285)	3,843	(17,288)	3,538
Increase (Decrease) in Accrued Liabilities	(4,086)	(4,314)	0	(8,773)	0
Increase (Decrease) in Deferred Inflows of Resources	59,317	59,062	0	91,378	0
Increase (Decrease) in Net Pension Liability	(47,308)	(47,554)	0	(74,979)	0
Increase (Decrease) in Net OPEB Liability	(136,659)	(136,569)	0	(212,852)	0
Net Cash Provided (Used) by Operating Activities	\$279,286	\$181,887	\$125,781	\$190,832	(\$2,447)
Schedule of Noncash Capital Activities:					
During the fiscal year, these amounts were received representing noncash contributions of:					
Capital Assets	\$0	\$0	\$0	\$177,623	\$0

See accompanying notes to the basic financial statements.

Total Business-Type Activities	Governmental Activities Internal Service Fund
\$5,556,334	\$37,123
(783,405)	0
(3,997,590)	(23,859)
775,339	13,264
89,019	0
89,019	0
(17,335)	0
23,553	0
(226,914)	0
(35,849)	0
(256,545)	0
607,813	13,264
8,314,445	1,855
8,922,258	15,119
857,966	13,680
633,444	0
(2,520)	0
1,702	0
54,927	0
(63,579)	0
(243,264)	(416)
(17,173)	0
209,757	0
(169,841)	0
(486,080)	0
\$775,339	\$13,264
\$177,623	\$0

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2021

Note 1 – Description of the City and Reporting Entity

The City of Trotwood is a political subdivision incorporated in 1901 under the laws and constitution of the State of Ohio. The City is a suburb of Dayton located in Montgomery County in the southwestern portion of the state. Trotwood is located approximately 70 miles west of Columbus and 60 miles north of Cincinnati. Interstates 70 and 75 intersect approximately five miles northeast of the City.

Reporting Entity

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

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

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

Note 2 – Summary of Significant Accounting Policies

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

Measurement Focus

Government-Wide Financial Statements

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

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2021

Fund Financial Statements

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

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

Basis of Presentation

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

Government-Wide Financial Statements

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

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

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2021

Fund Financial Statements

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

Fund Accounting

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

Governmental Funds

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

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

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

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

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

Proprietary Funds

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

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

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2021

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

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

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

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

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

Basis of Accounting

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

Revenues - Exchange and Non-exchange Transactions

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

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

Under the modified accrual basis, the following revenue sources are considered to be both

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2021

measurable and available at year-end: income tax, state-levied locally shared taxes (including gasoline tax), fines and forfeitures, charges for services, interest, grants and fees.

Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net 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, pension, OPEB, grants and other taxes, special assessments and revenue in lieu of taxes. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2021, but which were levied to finance year 2022 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. Special assessments and grants and other taxes have been recorded as deferred inflows on the governmental fund financial statements. Deferred outflows of resources related to pension and OPEB are reported on the proprietary funds statement of net position and the government-wide statement of net position, see Notes 10 and 11.

Expenses/Expenditures

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

Equity in Pooled Cash and Investments

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

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

STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The City measures their investment in STAR Ohio at the net asset value

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2021

(NAV) per share provided by STAR Ohio, which is the price the investment could be sold for on December 31, 2021. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2021, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$100 million. STAR Ohio reserves the right to limit the transaction to \$250 million, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

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

Interest revenues during 2021 amounted to \$12,683 in the general fund.

Prepaid Items

Payments made for services that will benefit periods beyond December 31, 2021, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

Capital Assets

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

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement should be reported at acquisition value rather than fair value. The City's infrastructure consists of culverts, curbs, sidewalks, storm sewers, streets, and water and sewer lines. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. The City uses a \$5,000 capitalization threshold.

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

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2021

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

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

Compensated Absences

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

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

Accrued Liabilities and Long-Term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims, judgments and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds, capital leases and long-term loans are recognized as a liability on the fund financial statements when due. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

Pensions/Other Postemployment Benefits (OPEB)

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

Fund Balance

In accordance with Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the City classifies its fund balance based on the

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2021

purpose for which the resources were received and the level of constraint placed on the resources. The following categories are used:

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

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

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

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

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

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

Net Position

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

The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available. Of the City's \$8,044,399 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.

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2021

Interfund Activity

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

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

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

Estimates

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

Note 3 – Equity in Pooled Cash and Investments

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

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

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

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

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

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

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2021

- (3) No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions.
- (4) Interim deposits in the eligible institutions applying for interim monies to be evidenced by time certificates of deposit maturing not more than one year from date of deposit, or by savings or deposit accounts, including, but limited to, passbook accounts.
- (5) Bonds and other obligations of the State of Ohio.
- (6) The Ohio State Treasurer's investment pool (STAR Ohio).
- (7) Commercial paper and banker's acceptances, which meet the requirements established by Ohio Revised Code, Sec. 135.142.
- (8) Under limited circumstances, corporate debt interests in either of the two highest rating classifications by at least two nationally recognized rating agencies.

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institution's participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

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

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. As of December 31, 2021, \$4,153,131 of the City's bank balance of \$4,465,728 was exposed to custodial credit risk because it was uninsured and collateralized.

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

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

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

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2021

Investments

As of December 31, 2021, the City had \$15,561,035 invested in STAR Ohio. Investments in STAR Ohio were rated AAAM by Standard and Poor’s and is reported at its share price (Net Asset value per share).

Note 4 – Receivables

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

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, 2021					
	General Fund	Other Governmental Funds	Water Fund	Sewer Fund	Refuse Fund	Stormwater Fund
Special Assessments Receivable	\$3,408,189	\$10,583	\$114,196	\$155,870	\$1,255,145	\$510,587
Allowance for Doubtful Accounts	(2,969,198)	(1,251)	(20,423)	(63,942)	(594,806)	(245,984)
Special Assessments Receivable, Net	<u>\$438,991</u>	<u>\$9,332</u>	<u>\$93,773</u>	<u>\$91,928</u>	<u>\$660,339</u>	<u>\$264,603</u>

Property Taxes

Property taxes include amounts levied against all real and public utility, located in the City. Property tax revenue received during 2021 for real and public utility property taxes represents collections of the 2020 taxes.

The 2021 real property taxes are levied after October 1, 2021, on the assessed value as of January 1, 2021, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2021 real property taxes are collected in and intended to finance 2022 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 2021 public utility property taxes became a lien December 31, 2020, are levied after October 1, 2021, and are collected in 2021 with real property taxes.

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

	Amount
Real Property	\$246,740,690
Public Utility	<u>18,537,550</u>
Total	<u><u>\$265,278,240</u></u>

Real property taxes are payable annually or semi-annually. The first payment is due January 20 with the remainder payable by June 20. The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City. The County Auditor periodically remits to the City its portion of the taxes collected. Accrued property taxes receivable represents real property taxes, public utility taxes

City of Trotwood, Ohio
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For The Fiscal Year Ended December 31, 2021

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

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. Since October 2003, the City has been a member in the Public Entities Pool of Ohio (PEP), established as a risk sharing self-insurance pool for the purpose of enabling the subscribing political subdivisions to obtain liability insurance and providing a formalized, jointly administered self-insurance program for its members. PEP is a corporation governed by a seven member board of directors, consisting of representatives elected by over 500 participating governments.

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

<u>Type of Coverage</u>	<u>Coverage</u>	<u>Deductible</u>
Legal Liability for Third Party Claims	\$2,000,000	\$10,000
Automobile Liability	2,000,000	5,000
Law Enforcement Operations	2,000,000	25,000
Wrongful Acts (Public Officials)	2,000,000	10,000
Real and Personal Property	18,876,821	5,000
Vehicles	7,022,192	1,000
Miscellaneous Property	2,257,995	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.

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2021

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

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

Note 6 – Capital Assets

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

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital Assets, not being depreciated:				
Land	\$26,741,499	\$0	\$4,424,135	\$22,317,364
Construction in Progress	149,848	38,308	188,156	0
Capital Assets, being depreciated:				
Buildings and Improvements	8,869,096	216,273	0	9,085,369
Equipment	8,964,921	1,416,931	255,000	10,126,852
Infrastructure	47,841,359	188,156	0	48,029,515
Totals at Historical Cost	<u>92,566,723</u>	<u>1,859,668</u>	<u>4,867,291</u>	<u>89,559,100</u>
Less Accumulated Depreciation:				
Buildings and Improvements	5,024,699	196,854	0	5,221,553
Equipment	7,205,784	462,189	255,000	7,412,973
Infrastructure	32,406,440	898,848	0	33,305,288
Total Accumulated Depreciation	<u>44,636,923</u>	<u>1,557,891</u>	<u>255,000</u>	<u>45,939,814</u>
Governmental Activities Capital Assets, Net	<u>\$47,929,800</u>	<u>\$301,777</u>	<u>\$4,612,291</u>	<u>\$43,619,286</u>

Depreciation expense was charged to governmental functions as follows:

General Government	\$113,714
Public Safety	416,775
Leisure Time	35,503
Community Development	1,191
Transportation	990,708
Total Depreciation Expense	<u>\$1,557,891</u>

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City of Trotwood, Ohio
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For The Fiscal Year Ended December 31, 2021

	Beginning Balance	Additions	Deletion	Ending Balance
Business-Type Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$50,514	\$0	\$0	\$50,514
Construction In Progress	0	194,958	0	194,958
Total Capital Assets, not being depreciated	50,514	194,958	0	245,472
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	804,595	0	0	804,595
Equipment	617,932	0	0	617,932
Infrastructure	43,614,053	0	0	43,614,053
Totals at Historical Cost	45,087,094	194,958	0	45,282,052
Less Accumulated Depreciation:				
Building and Improvements	64,848	19,467	0	84,315
Equipment	355,746	36,446	0	392,192
Infrastructure	26,088,937	577,531	0	26,666,468
Total Accumulated Depreciation	26,509,531	633,444	0	27,142,975
Business-Type Activities Capital Assets, Net	\$18,577,563	(\$438,486)	\$0	\$18,139,077

Note 7 – Compensated Absences

Employees earn vacation leave ranging from 5 to 25 days per year based on length of service, except for firefighters who earn vacation leave on a pro-rated basis utilizing a 2,912-hour work year. The maximum accrual, which can be carried forward in a year, is 160 hours or one year's accumulation, whichever is greater. The City is liable for all accrued vacation upon separation or retirement.

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

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

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2021

Note 8 – Long-Term Debt

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

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental Activities					
<u>Bonds</u>					
2003 Various Purpose, 5.11%	\$590,166	\$0	(\$105,400)	\$484,766	\$112,200
2016 Various Purpose Refunding, 2.92%	2,745,000	0	(195,000)	2,550,000	200,000
2016 Various Purpose Improvements, 2.92%	1,383,800	0	(96,800)	1,287,000	101,200
2010 Various Purpose, 3.00-4.25%	5,738,551	0	(5,738,551)	0	0
Premium on 2010 Various Purpose	262,049	0	(262,049)	0	0
2012 OAQDA Tax Exempt Energy, 2.02%	30,553	0	(30,553)	0	0
2012 OAQDA Energy Conservation, 4.28%	883,361	0	(94,773)	788,588	127,186
2017 Various Purpose Capital Improvement, 2.43%	180,000	0	(30,000)	150,000	30,000
2021 Refunding Bonds, 1.86%	0	5,857,000	(348,000)	5,509,000	339,000
Total Bonds	11,813,480	5,857,000	(6,901,126)	10,769,354	909,586
Capital Leases	88,551	881,852	(256,948)	713,455	171,771
Total Long-Term Debt	11,902,031	6,738,852	(7,158,074)	11,482,809	1,081,357
Net Pension Liability:					
OPERS	2,493,394	0	(456,198)	2,037,196	0
OPF	10,855,231	870,531	0	11,725,762	0
Total Net Pension Liability	13,348,625	870,531	(456,198)	13,762,958	0
Net OPEB Liability:					
OPERS	1,671,587	0	(1,671,587)	0	0
OPF	1,591,694	230,731	0	1,822,425	0
Total Net OPEB Liability	3,263,281	230,731	(1,671,587)	1,822,425	0
Compensated Absences	761,631	351,103	(308,583)	804,151	377,051
Total Governmental Activities Long-Term Liabilities	\$29,275,568	\$8,191,217	(\$9,594,442)	\$27,872,343	\$1,458,408

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City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2021

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Business-Type Activities					
<u>Bonds</u>					
2003 Various Purpose Water, 5.11%	\$94,917	\$0	(\$24,800)	\$70,117	\$26,400
2003 Various Purpose Sewer, 5.11%	94,917	0	(24,800)	70,117	26,400
2010 Various Purpose Water, 3.00-4.25%	76,449	23,553	(5,000)	95,002	5,000
2016 Various Purpose Improvements, 2.92%	191,200	0	(13,200)	178,000	13,800
2017 Various Purpose Capital Improvement, 2.43%	285,000	0	(45,000)	240,000	45,000
Total Bonds Payable	742,483	23,553	(112,800)	653,236	116,600
<u>OPWC Loans from Direct Borrowings</u>					
2007 Salem Bend Sewer Sanitary Relief Project, 0%	145,821	0	(20,000)	125,821	25,000
2012 Phase 4b Olde Town Watermain Improvements, 0%	266,072	0	(16,983)	249,089	11,222
2012 Phase 1b Olde Town Watermain Improvements, 0%	248,781	0	(15,879)	232,902	10,587
Total OPWC Loans from Direct Borrowings	660,674	0	(52,862)	607,812	46,809
Capital Leases	61,252	0	(61,252)	0	0
Total Long-Term Debt	1,464,409	23,553	(226,914)	1,261,048	163,409
Net Pension Liability:					
OPERS	725,052	0	(169,841)	555,211	0
Total Net Pension Liability	725,052	0	(169,841)	555,211	0
Net OPEB Liability:					
OPERS	486,080	0	(486,080)	0	0
Total Net OPEB Liability	486,080	0	(486,080)	0	0
Compensated Absences	79,090	7,453	(23,603)	62,940	23,666
Total Business-Type Activities Long-Term Liabilities	<u>\$2,754,631</u>	<u>\$31,006</u>	<u>(\$906,438)</u>	<u>\$1,879,199</u>	<u>\$187,075</u>

Principal payments for the 2003 Various Purpose Bonds are paid from the General, the Street Maintenance and Repair, the Debt Retirement, the Industrial Park, the Water and the Sewer Fund. Principal payments for the 2007 Various Purposes Bonds are paid from the General and the Industrial Park Fund. 2010 Various Purpose Bonds are paid from the Industrial Park, the Salem Mall Tax Increment and the Water Fund. The 2017 Various Purpose Capital Improvement Bonds will be paid from the Debt Retirement and Community and Cultural Arts Center Fund. The 2021 Refunding Bonds will be paid from the Industrial Park and the Salem Mall Tax Increment Funds. Compensated absences will be paid from the fund from which the person is paid, which is historically the General, Special Revenue or an Enterprise Fund. Net pension and net other postemployment benefits (OPEB) liabilities represent the long-term portion of the accrued liabilities associated with OPERS and OP&F pension and OPEB liabilities. These items will be repaid from the funds from which the employees work to whom the liability is associated with or the General Fund if no such funds are available.

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

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2021

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

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

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

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

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

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

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

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

The City's outstanding OPWC loans from direct borrowings of \$607,812 contain a provision that in an event of default, the amount of such default shall bear interest thereafter at the rate of 8% per annum until the date of payment, and outstanding amounts become immediately due. Also, the Lender may direct the county treasurer to pay the outstanding amount from portion of the local government fund that would otherwise be appropriated to the City.

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

City of Trotwood, Ohio
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Year Ending December 31	Governmental Activities		Business-Type Activities			
	General		General		OPWC Loans from	
	Obligation Bonds		Obligation Bonds		Direct Borrowings	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$909,586	\$272,407	\$116,600	\$26,951	\$46,809	\$0
2023	956,955	244,748	98,900	23,160	46,909	0
2024	891,145	211,210	102,400	19,224	46,908	0
2025	928,558	191,814	87,700	15,039	46,909	0
2026	962,159	166,681	72,834	10,708	47,729	0
2027-2031	3,980,751	506,155	114,000	23,937	109,544	0
2032-2036	2,140,200	91,515	60,802	4,756	109,544	0
2037-2041	0	0	0	0	109,544	0
2042-2044	0	0	0	0	43,916	0
Total	<u>\$10,769,354</u>	<u>\$1,684,530</u>	<u>\$653,236</u>	<u>\$123,775</u>	<u>\$607,812</u>	<u>\$0</u>

Note 9 – Capital Leases

The City has entered into capital leases for a new Ladder Truck in 2021. 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:

Year Ending December 31,	Long-Term Debt
2022	\$189,723
2023	189,723
2024	189,723
2025	189,723
Total Minimum Lease Payments	758,892
Less: Amount Representing Interest	(45,437)
Present Value of Minimum Lease Payments	<u>\$713,455</u>

Capital assets acquired under the capital leases are as follows, \$948,616 in equipment.

Note 10 – Defined Benefit Pension Plans

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

Net Pension Liability/Net OPEB Liability (Asset)

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

The net pension liability and the net OPEB liability represent the City's proportionate share of each pension/OPEB plan's collective actuarial present value of projected benefit payments attributable to

City of Trotwood, Ohio
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For The Fiscal Year Ended December 31, 2021

past periods of service, net of each pension/OPEB plan's fiduciary net position. The net pension/OPEB liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

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

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

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

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description

City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan. While employees may elect the member-directed plan or the combined plan, substantially all employees are in the traditional plan; therefore, the following disclosure focuses on the traditional plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting www.opers.org/financial/reports.shtml, by

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

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

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

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The initial amount of a member's pension benefit is vested upon receipt of the initial benefit payment for calculation of an annual cost-of-living adjustment.

When a traditional plan benefit recipient has received benefits for 12 months, current law provides for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost of living adjustment is 3 percent. For those retiring on or after January 7,

City of Trotwood, Ohio
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2013, beginning in calendar year 2019, the adjustment is based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

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

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

Funding Policy

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

	State and Local	Public Safety	Law Enforcement
2021 Statutory Maximum Contribution Rates			
Employer	14.0 %	18.1 %	18.1 %
Employee *	10.0 %	**	***
2021 Actual Contribution Rates			
Employer:			
Pension ****	14.0 %	18.1 %	18.1 %
Post-employment Health Care Benefits ****	0.0	0.0	0.0
Total Employer	<u>14.0 %</u>	<u>18.1 %</u>	<u>18.1 %</u>
Employee	<u>10.0 %</u>	<u>12.0 %</u>	<u>13.0 %</u>

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

City of Trotwood, Ohio
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Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

For 2021, the City's contractually required contribution was \$328,609, of this amount \$42,339 is reported in accrued wages and benefits.

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

Plan Description

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

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

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

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit (see OP&F Annual Comprehensive Financial Report referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits).

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

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

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

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

Funding Policy

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

	<u>Police</u>	<u>Firefighters</u>
2021 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
2021 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	<u>0.50</u>	<u>0.50</u>
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee	<u>12.25 %</u>	<u>12.25 %</u>

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$890,018 for 2021, of this amount \$107,361 is reported as accrued wages and benefits.

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

The net pension liability for OPERS was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2020, and was determined by rolling forward the total pension liability as of January 1, 2020, to December 31, 2020. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share of the City's defined benefit pension plans:

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	OPERS		Total
	Traditional Plan	OPF	
Proportionate Share of the:			
Net Pension Liability	\$2,592,407	\$11,725,762	\$14,318,169
Proportion of the Net Pension Liability:			
Current Measurement Date	0.01750700%	0.17200540%	
Prior Measurement Date	0.01628300%	0.16113970%	
Change in Proportionate Share	0.00122400%	0.01086570%	
Pension Expense	\$212,952	\$697,097	\$910,049

At December 31 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS		Total
	Traditional Plan	OPF	
<u>Deferred Outflows of Resources</u>			
Differences between expected and actual experience	\$0	\$490,177	\$490,177
Changes in assumptions	0	196,647	196,647
Changes in employer proportionate share of net pension liability	198,414	843,892	1,042,306
Contributions subsequent to the measurement date	328,609	890,018	1,218,627
Total Deferred Outflows of Resources	\$527,023	\$2,420,734	\$2,947,757
<u>Deferred Inflows of Resources</u>			
Differences between expected and actual experience	\$108,442	\$456,800	\$565,242
Net difference between projected and actual earnings on pension plan investments	1,010,444	568,777	1,579,221
Changes in employer proportionate share of net pension liability	0	614,830	614,830
Total Deferred Inflows of Resources	\$1,118,886	\$1,640,407	\$2,759,293

\$1,218,627 reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	OPERS		Total
	Traditional Plan	OPF	
2022	(\$284,884)	(\$196,409)	(\$481,293)
2023	(85,888)	253,557	167,669
2024	(411,891)	(359,875)	(771,766)
2025	(137,809)	101,281	(36,528)
2026	0	91,755	91,755
Total	(\$920,472)	(\$109,691)	(\$1,030,163)

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Actuarial Assumptions – OPERS

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

Projections of benefits for financial-reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2020, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2020, are presented below.

	OPERS Traditional Plan
Wage Inflation	3.25%
Future Salary Increases, including inflation	3.25% to 10.75% including wage inflation
COLA or Ad Hoc COLA:	
Pre-January 7, 2013 Retirees	3.00%, simple
Post-January 7, 2013 Retirees	0.50%, simple through 2021, then 2.15%, simple
Investment Rate of Return	7.20%
Actuarial Cost Method	Individual Entry Age

In October 2020, the OPERS Board adopted a change in COLA for Post-January 7, 2013 retirees, changing it from 1.4 percent simple through 2020 then 2.15 simple to .5 percent simple through 2021 then 2.15 percent simple.

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

The most recent experience study was completed for the five year period ended December 31, 2015.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with

City of Trotwood, Ohio
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a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of arithmetic real rates of return were provided by the Board’s investment consultant. For each major asset class that is included in the Defined Benefit portfolio’s target asset allocation as of December 31, 2020, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	25.00 %	1.32 %
Domestic Equities	21.00	5.64
Real Estate	10.00	5.39
Private Equity	12.00	10.42
International Equities	23.00	7.36
Other investments	9.00	4.75
Total	100.00 %	5.43 %

Discount Rate

The discount rate used to measure the total pension liability was 7.2 percent for the traditional plan and the combined plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the traditional pension plan, combined plan and member-directed plan was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
Proportionate share of the net pension liability	\$4,945,027	\$2,592,407	\$636,204

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Changes from the Measurement Date to the Report Date

During 2021, the OPERS Board lowered the investment rate of return from 7.2 percent to 6.9 percent along with certain other changes to assumptions for the actuarial valuation as of December 31, 2021. The effects of these changes are unknown.

Actuarial Assumptions – OP&F

OP&F’s total pension liability as of December 31, 2020, is based on the results of an actuarial valuation date of January 1, 2020, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered are: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of January 1, 2020, are presented below.

Valuation Date	January 1, 2020, with actuarial liabilities rolled forward to December 31, 2020
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.00%
Projected Salary Increases	3.75% to 10.50%
Payroll Growth	3.25% per annum, compounded annually, consisting of Inflation rate of 2.75% plus productivity increase rate of 0.50%
Cost of Living Adjustments	2.20% simple for increases based on the lesser of the increase in CPI and 3 percent

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

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

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

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2020, are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash and Cash Equivalents	0.00 %	0.00 %
Domestic Equity	21.00	4.10
Non-US Equity	14.00	4.80
Private Markets	8.00	6.40
Core Fixed Income*	23.00	0.90
High Yield Fixed Income	7.00	3.00
Private Credit	5.00	4.50
U.S. Inflation Linked Bonds*	17.00	0.70
Midstream Energy Infrastructure	5.00	5.60
Real Assets	8.00	5.80
Gold	5.00	1.90
Private Real Estate	12.00	5.30
Total	<u>125.00 %</u>	

Note: Assumptions are geometric.

*levered 2.5x

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.25 times due to the application of leverage in certain fixed income asset classes.

Discount Rate

The total pension liability was calculated using the discount rate of 8.00 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the

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members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return of 8.00 percent. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

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

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

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
Proportionate share of the net pension liability	\$16,323,763	\$11,725,762	\$7,877,700

Note 11 – Postemployment Benefits

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description

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

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement (HRA) to qualifying benefit recipients of both the traditional pension and the combined plans. Currently, Medicare-eligible retirees are able to select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retirees, spouses and dependents with selecting a medical and pharmacy plan. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA. For non-Medicare retirees and eligible dependents, OPERS sponsors medical and prescription coverage through a professionally managed self-insured plan. An allowance to offset a portion of the monthly premium is offered to retirees and eligible dependents. The allowance is based on the retiree’s years of service and age when they first enrolled in OPERS coverage.

Medicare-eligible retirees who choose to become re-employed or survivors who become employed in an OPERS-covered position are prohibited from participating in an HRA. For this group of retirees, OPERS sponsors secondary coverage through a professionally managed self-insured program. Retirees who

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enroll in this plan are provided with a monthly allowance to offset a portion of the monthly premium. Medicare-eligible spouses and dependents can also enroll in this plan as long as the retiree is enrolled.

OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS.

The health care trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or separation, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

Effective January 1, 2022, OPERS will discontinue the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses. These changes are reflected in the December 31, 2020, measurement date health care valuation.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit with a minimum age of 60, or generally 30 years of qualifying service at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. Current retirees eligible (or who become eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements will change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Annual Comprehensive Financial Report referenced below for additional information.

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

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

Funding Policy

The Ohio Revised Code provides the statutory authority allowing public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan and the combined plan

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2021, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

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Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2021, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2021 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$0 for 2021.

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

Plan Description

The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment health care plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. On January 1, 2019, OP&F implemented a new model for health care. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements.

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

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

OP&F maintains funds for health care in two separate accounts: one account for health care benefits and one account for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefits under IRS Code Section 115 trust. IRS Code Section 401(h) account is maintained for Medicare Part B reimbursements.

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

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. The report may be obtained by visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

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Funding Policy

The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.5 percent and 24 percent of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2021, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded.

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

The City's contractually required contribution to OP&F was \$21,284 for 2021.

Net OPEB Liability (Asset)

The net OPEB liability (asset) and total OPEB liability (asset) for OPERS were determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2020, and was determined by rolling forward the total OPEB liability as of January 1, 2020, to December 31, 2020. The City's proportion of the net OPEB liability (asset) was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share:

	OPERS Traditional Plan	OPF	Total
Proportionate Share of the:			
Net OPEB (Asset)	(\$296,865)		(\$296,865)
Net OPEB Liability		\$1,822,425	\$1,822,425
Proportion of the Net OPEB Liability:			
Current Measurement Date	0.01666300%	0.17200540%	
Prior Measurement Date	0.01562100%	0.16113970%	
Change in Proportionate Share	<u>0.00104200%</u>	<u>0.01086570%</u>	
OPEB Expense	(\$2,059,668)	\$84,891	(\$1,974,777)

At December 31 2021, reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

City of Trotwood, Ohio
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	OPERS		
	Traditional Plan	OPF	Total
<u>Deferred Outflows of Resources</u>			
Differences between expected and actual experience	\$0	\$0	\$0
Changes in assumptions	145,941	1,006,790	1,152,731
Changes in employer proportionate share of net OPEB liability (asset)	101,171	156,573	257,744
Contributions subsequent to the measurement date	0	21,284	21,284
Total Deferred Outflows of Resources	<u>\$247,112</u>	<u>\$1,184,647</u>	<u>\$1,431,759</u>
<u>Deferred Inflows of Resources</u>			
Differences between expected and actual experience	\$267,918	\$300,602	\$568,520
Changes in assumptions	481,009	290,529	771,538
Net difference between projected and actual earnings on OPEB plan investments	158,114	67,725	225,839
Changes in employer proportionate share of net OPEB liability (asset)	77	426,791	426,868
Total Deferred Inflows of Resources	<u>\$907,118</u>	<u>\$1,085,647</u>	<u>\$1,992,765</u>

\$21,284 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the year ending December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending	OPERS		
	Traditional Plan	OPF	Total
December 31:			
2022	(\$330,387)	(\$10,645)	(\$341,032)
2023	(242,278)	5,392	(236,886)
2024	(68,710)	(19,892)	(88,602)
2025	(18,631)	7,286	(11,345)
2026	0	45,304	45,304
Thereafter	0	50,271	50,271
Total	<u>(\$660,006)</u>	<u>\$77,716</u>	<u>(\$582,290)</u>

Actuarial Assumptions - OPERS

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

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB asset was determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance

City of Trotwood, Ohio
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with the requirements of GASB 74:

Wage Inflation	3.25%
Projected Salary Increases, including inflation	3.25% to 10.75% including wage inflation
Single Discount Rate:	
Current measurement date	6.00%
Prior Measurement date	3.16%
Investment Rate of Return	6.00%
Municipal Bond Rate:	
Current measurement date	2.00%
Prior Measurement date	2.75%
Health Care Cost Trend Rate:	
Current measurement date	8.50%, initial 3.50%, ultimate in 2035
Prior Measurement date	10.50%, initial 3.50%, ultimate in 2030
Actuarial Cost Method	Individual Entry Age

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

The most recent experience study was completed for the five year period ended December 31, 2015.

The allocation of investment assets within the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of arithmetic rates of return were provided by OPERS investment consultant. For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2020, these best estimates are summarized in the following table:

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Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00 %	1.07 %
Domestic Equities	25.00	5.64
Real Estate Investment Trust	7.00	6.48
International Equities	25.00	7.36
Other investments	9.00	4.02
Total	100.00 %	4.43 %

Discount Rate

A single discount rate of 6.0 percent was used to measure the OPEB liability on the measurement date of December 31, 2020. A single discount rate of 3.16 percent was used to measure the OPEB liability on the measurement date of December 31, 2019. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 2.00 percent (Fidelity Index’s “20-Year Municipal GO AA Index”). The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2120. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2120, the duration of the projection period through which projected health care payments are fully funded.

Sensitivity of the City’s Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate

The following table presents the City’s proportionate share of the net OPEB asset calculated using the single discount rate of 6.00 percent, as well as what the City’s proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (5.00 percent) or one-percentage-point higher (7.00 percent) than the current rate:

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
Proportionate share of the net OPEB liability (asset)	(\$73,817)	(\$296,865)	(\$480,228)

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

Changes in the health care cost trend rate may also have a significant impact on the net OPEB asset. The following table presents the net OPEB asset calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2021

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2021 is 8.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	<u>1% Decrease</u>	<u>Current Health Care Cost Trend Rate Assumption</u>	<u>1% Increase</u>
Proportionate share of the net OPEB liability (asset)	(\$304,100)	(\$296,865)	(\$288,770)

Changes between Measurement Date and Reporting Date

During 2021, the OPERS Board made various changes to assumptions for the actuarial valuation as of December 31, 2021. The effects of these changes are unknown.

Actuarial Assumptions – OP&F

OP&F’s total OPEB liability as of December 31, 2020, is based on the results of an actuarial valuation date of January 1, 2020, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

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

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2021

Valuation Date	January 1, 2020, with actuarial liabilities rolled forward to December 31, 2020
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.00%
Projected Salary Increases	3.75% to 10.50%
Payroll Growth	3.25%
Blended discount rate:	
Current measurement date	2.96%
Prior measurement date	3.56%
Cost of Living Adjustments	2.20% simple

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

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

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

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

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

The long-term expected rate of return on OPEB plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2020, are summarized below:

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2021

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00 %	0.00 %
Domestic Equity	21.00	4.10
Non-US Equity	14.00	4.80
Private Markets	8.00	6.40
Core Fixed Income *	23.00	0.90
High Yield Fixed Income	7.00	3.00
Private Credit	5.00	4.50
U.S. Inflation Linked Bonds*	17.00	0.70
Midstream Energy Infrastructure	5.00	5.60
Real Assets	8.00	5.80
Gold	5.00	1.90
Private Real Estate	12.00	5.30
Total	125.00 %	

Note: Assumptions are geometric.

* Levered 2.5x

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on the relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

Discount Rate

For 2020, the total OPEB liability was calculated using the discount rate of 2.96 percent. For 2019, the total OPEB liability was calculated using the discount rate of 3.56 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 8 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 2.12 percent at December 31, 2020 and 2.75 percent at December 31, 2019, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 2.96 percent for 2020 and 3.56 percent for 2019. The municipal bond rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2037. The long-term expected rate of return on health care investments was applied to projected costs through 2037, and the municipal bond rate was applied to all health care costs after that date.

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

Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 2.96 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.96 percent), or one percentage point higher (3.96 percent) than the current rate.

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2021

	1% Decrease (1.96%)	Current Discount Rate (2.96%)	1% Increase (3.96%)
Proportionate share of the net OPEB liability (asset)	\$2,272,460	\$1,822,425	\$1,451,199

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

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

Note 12 – Jointly Governed Organizations

Miami Valley Regional Planning Commission

The Miami Valley Regional Planning Commission (the Commission) is a jointly governed organization between Preble, Clark, Clinton, Darke, Greene, Miami and Montgomery Counties, the City of Dayton and the City of Huber Heights. The Commission prepares plans, including studies, maps, recommendations and reports concerning the physical, environmental, social, economic and governmental characteristics, functions and services of the region. These reports show recommendations for systems of transportation, highways, parks and recreation facilities, water supply, sewage disposal, garbage disposal, civic centers and other public improvements and land uses which affect the development of the region. The degree of control exercised by any participating government is limited to its representation on the Board. Members of the Board are as follows: the officers of the Commission (elected by member representatives), the immediate past Chair of the Commission, the Commission member representing the City of Dayton, the Commission member representing each of the respective counties, the representatives selected by each county caucus, a nongovernmental member and two at-large representatives. Payments to the Commission are made from the General Fund. The City contributed approximately \$11,238 to this organization in 2021.

Miami Valley Fire/EMS Alliance

The Miami Valley Fire/EMS Alliance (the Alliance) is a jointly governed organization between municipal corporations and townships in Montgomery, Greene and Warren Counties. The purpose of the Alliance is to foster cooperation among the political subdivisions by promoting programs and recommending matters, which will result in more efficient methods of delivering fire and emergency medical services in the region. The Board of the Alliance is made up of a representative appointed by the City of Dayton, a representative appointed by the members who are provided Fire/EMS services by volunteers, two representatives appointed by the members who are provided Fire/EMS services by a combination of full-time employees and volunteers and a representative appointed by members who are provided Fire/EMS services by full-time employees. Payments to the Alliance are made from the Fire Levy Fund. The City contributed approximately \$5,863 to this organization in 2021.

Economic Development/Government Equity Program

The Economic Development/Government Equity Program (ED/GE) was established pursuant to Ohio Revised Code Chapter 307 for the purpose of developing and promoting plans and programs designed to assure that County resources are efficiently used, economic growth is properly balanced and that County economic development is coordinated with that of the State of Ohio and other local governments. Members include villages, townships and cities within Montgomery County and the County itself. Cooperation and coordination between the members is intended to promote economic

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2021

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 2021.

Note 13 – Interfund Transactions

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

Fund	Transfers	
	In	Out
General	\$0	\$136,000
Other Governmental:		
Debt Retirement	0	51,926
Salem Mall Tax Increment	0	0
General Capital Improvement	100,000	0
Other Enterprise:		
Community and Cultural Arts Center	87,926	0
Total All Funds	<u>\$187,926</u>	<u>\$187,926</u>

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

The transfer out of the Debt Retirement to the Community and Cultural Arts Center fund for \$51,926 was to make the debt service payment for the John Wolfe Water Park that is included in the 2017 Various Purpose Capital Improvement bonds.

Note 14 – Contingent Liabilities

Federal and State Grants

For the period January 1, 2021, to December 31, 2021, the City received federal and State grants for specific purposes that are subject to review and audit by the grantor agencies or their designees. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any, would be immaterial.

Litigation

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

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2021

Natural Disaster

On May 27, 2019, the City sustained an EF-3 tornado that destroyed homes and disrupted business throughout the City. The City, along with the state, has declared a State of Emergency for the affected areas. This City initiated public safety efforts immediately after the event. Clean up efforts began after neighborhoods were secured. Due to the extent of the damage, clean-up continued into the early parts of 2020. The City did receive the first reimbursement from the initial stages of the clean-up during 2019. The Federal government under Federal Emergency Management Agency (FEMA) has declared this a federal emergency. FEMA and the State Emergency Management Agency (EMA) has requested federal and state assistance for residents along with reimbursement to the City for public safety efforts and damage clean-up. FEMA reimbursed the City 75% of the initial clean-up cost and the State EMA reimbursed the City 12.5%. The City has submitted insurance claims and federal and state reimbursement for the remaining eligible expenditures related to the storm and final clean-up.

Note 15 – Fund Balances

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

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City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2021

Fund Balances	General	Fire Levy	American Rescue Plan Act	Other Governmental Funds	Total
Nonspendable:					
Prepays	\$51,274	\$21,262	\$0	\$17,577	\$90,113
Total Nonspendable	51,274	21,262	0	17,577	90,113
Restricted for:					
Fire Levy	0	1,009,717	0	0	1,009,717
Street Construction	0	0	0	1,293,495	1,293,495
Rescue Levy	0	0	0	1,206,238	1,206,238
State Highway	0	0	0	94,002	94,002
Motor Vehicle License Tax	0	0	0	246,448	246,448
Permissive Use Tax	0	0	0	17,067	17,067
Drug Law Enforcement	0	0	0	2,218	2,218
Curbs/Gutters/Sidewalks Assessment	0	0	0	53,032	53,032
Grants	0	0	0	490,167	490,167
Local Law Enforcement Block	0	0	0	75	75
Park Acquisition and Development	0	0	0	2,801	2,801
Salem Mall Tax Increment	0	0	0	345,403	345,403
Enforcement and Education	0	0	0	14,726	14,726
Law Enforcement Trust	0	0	0	14,538	14,538
Redlight Enforcement	0	0	0	22,800	22,800
Government Equity Program	0	0	0	219	219
Police Levy	0	0	0	39	39
FEMA	0	0	0	95,251	95,251
Debt Service	0	0	0	44,066	44,066
Fire Capital Levy	0	0	0	175,271	175,271
Federal Fines/Forfeits	0	0	0	6,433	6,433
Industrial Park	0	0	0	605,076	605,076
Total Restricted	0	1,009,717	0	4,729,365	5,739,082
Committed to:					
General Capital Improvement	0	0	0	495,952	495,952
Total Committed	0	0	0	495,952	495,952
Assigned to:					
Purchases on Order*	77,956	0	0	0	77,956
Total Assigned	77,956	0	0	0	77,956
Unassigned (Deficit)	3,315,774	0	0	0	3,315,774
Total Fund Balance	<u>\$3,445,004</u>	<u>\$1,030,979</u>	<u>\$0</u>	<u>\$5,242,894</u>	<u>\$9,718,877</u>

*-Purchases on order will be used for the functions of the general government (\$51,920), and safety of residences (\$26,036), for the City.

Note 16 – Other Commitments

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

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2021

Fund	Amount
General	\$174,011
Fire Levy	12,602
Water	97,428
Sewer	67,569
Refuse	57,054
Stormwater	111,902
Nonmajor Funds	369,824
Total	\$890,390

Note 17 – Implementation of New Accounting Principles

For fiscal year 2021, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period and GASB Statement No. 98, The Annual Comprehensive Financial Report.

GASB Statement No. 89 establishes accounting requirements for interest cost incurred before the end of a construction period. Interest costs incurred before the end of a construction period are recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. In Financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

GASB Statement No. 98 establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments.

Note 18 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio’s state of emergency ended in June of 2021 while the national state of emergency continues. During 2021, the City received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the City. The impact on the City’s future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

REQUIRED SUPPLEMENTARY INFORMATION

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

	2021	2020	2019	2018	2017
City's Proportion of the Net Pension Liability	0.01750700%	0.01628300%	0.01564800%	0.01569400%	0.01499200%
City's Proportionate Share of the Net Pension Liability	\$2,592,407	\$3,218,446	\$4,285,670	\$2,462,084	\$3,404,428
City's Covered Payroll	\$2,486,729	\$2,285,029	\$2,113,579	\$2,073,962	\$1,938,008
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	104.25%	140.85%	202.77%	118.71%	175.67%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.88%	82.17%	74.70%	84.66%	77.25%

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

Note:

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

2016	2015	2014
0.01568900%	0.01771000%	0.01771000%
\$2,717,533	\$2,136,024	\$2,087,778
\$2,278,058	\$2,171,292	\$2,145,988
119.29%	98.38%	97.29%
81.08%	86.45%	86.36%

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

	2021	2020	2019	2018	2017
City's Proportion of the Net Pension Liability - 0619P	0.08178300%	0.08739650%	0.08356800%	0.08444500%	0.09133500%
Liability - 0619F	0.09022240%	0.07374320%	0.07349700%	0.07050900%	0.08197600%
City's Proportionate Share of the Net Pension Liability	\$11,725,762	\$10,855,231	\$12,820,654	\$9,510,227	\$10,977,345
City's Covered Payroll	\$4,473,111	\$3,825,779	\$3,915,684	\$3,798,937	\$4,154,226
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	262.14%	283.74%	327.42%	250.34%	264.25%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.65%	69.89%	63.07%	70.91%	68.36%

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

Note:

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

See accompanying notes to the required supplementary information.

2016	2015	2014
0.10685100%	0.10778140%	0.10778140%
0.09023300%	0.09284040%	0.09284040%
\$12,678,552	\$10,393,046	\$9,770,911
\$4,608,955	\$4,027,313	\$4,303,890
275.09%	258.06%	227.03%
66.77%	72.20%	73.00%

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

	2021	2020	2019	2018	2017
Contractually Required Contribution	\$328,609	\$348,142	\$319,904	\$295,901	\$269,615
Contributions in Relation to the Contractually Required Contribution	<u>(328,609)</u>	<u>(348,142)</u>	<u>(319,904)</u>	<u>(295,901)</u>	<u>(269,615)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$2,347,207	\$2,486,729	\$2,285,029	\$2,113,579	\$2,073,962
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%	13.00%

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

Note:

See accompanying notes to the required supplementary information.

<u>2016</u>	<u>2015</u>	<u>2014</u>
\$232,561	\$273,367	\$260,555
<u>(232,561)</u>	<u>(273,367)</u>	<u>(260,555)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$1,938,008	\$2,278,058	\$2,171,292
12.00%	12.00%	12.00%

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually Required Contribution	\$890,018	\$849,891	\$808,387	\$743,980	\$721,798
Contributions in Relation to the Contractually Required Contribution	<u>(890,018)</u>	<u>(849,891)</u>	<u>(808,387)</u>	<u>(743,980)</u>	<u>(721,798)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$4,196,219	\$4,473,111	\$3,825,779	\$3,915,684	\$3,798,937
Contributions as a Percentage of Covered Payroll	21.21%	19.00%	21.13%	19.00%	19.00%

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

Note:

See accompanying notes to the required supplementary information.

<u>2016</u>	<u>2015</u>	<u>2014</u>
\$789,303	\$925,939	\$839,589
<u>(789,303)</u>	<u>(925,939)</u>	<u>(839,589)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$4,154,226	\$4,608,955	\$4,027,313
19.00%	20.09%	20.85%

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

	2021	2020	2019	2018	2017
City's Proportion of the Net OPEB Liability (Asset)	0.01666300%	0.01562100%	0.01519000%	0.01526000%	0.01464090%
City's Proportionate Share of the Net OPEB Liability (Asset)	(\$296,865)	\$2,157,667	\$1,980,416	\$1,657,124	\$1,478,781
City's Covered Payroll	\$2,486,729	\$2,285,029	\$2,113,579	\$2,073,962	\$1,938,008
City's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	-11.94%	94.43%	93.70%	79.90%	76.30%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	115.57%	47.80%	46.33%	54.14%	54.04%

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

Note:

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

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

	2021	2020	2019	2018	2017
City's Proportion of the Net OPEB Liability - 0619P	0.09022240%	0.08739650%	0.08356800%	0.08444500%	0.09133500%
City's Proportion of the Net OPEB Liability - 0619F	0.08178300%	0.07374320%	0.07349700%	0.07050900%	0.08197600%
City's Proportionate Share of the Net OPEB Liability	\$1,822,425	\$1,591,694	\$1,430,318	\$8,779,476	\$8,226,683
City's Covered Payroll	\$4,473,111	\$3,825,779	\$3,915,684	\$3,798,937	\$4,154,226
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	40.74%	41.60%	36.53%	231.10%	198.03%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	45.42%	47.10%	46.57%	14.13%	15.96%

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

Note:

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

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

	2021	2020	2019	2018	2017
Contractually Required Contribution to OPEB	\$0	\$0	\$0	\$0	\$22,932
Contributions to OPEB in Relation to the Contractually Required Contribution	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(22,932)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$2,347,207	\$2,486,729	\$2,285,029	\$2,113,579	\$2,073,962
Contributions to OPEB as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%	1.11%

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

Note:

See accompanying notes to the required supplementary information.

2016

\$38,760

(38,760)

\$0

\$1,938,008

2.00%

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

	2021	2020	2019	2018	2017
Contractually Required Contribution to OPEB	\$21,284	\$20,333	\$19,403	\$17,823	\$16,804
Contributions to OPEB in Relation to the Contractually Required Contribution	<u>(21,284)</u>	<u>(20,333)</u>	<u>(19,403)</u>	<u>(17,823)</u>	<u>(16,804)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$4,196,219	\$4,473,111	\$3,825,779	\$3,915,684	\$3,798,937
Contributions to OPEB as a Percentage of Covered Payroll	0.51%	0.45%	0.51%	0.46%	0.44%

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

Note:

See accompanying notes to the required supplementary information.

<u>2016</u>
\$18,884
<u>(18,884)</u>
<u>\$0</u>
\$4,154,226
0.45%

City of Trotwood, Ohio
 Schedule of Revenues, Expenditures by Budget Center and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2021

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Property and Other Local Taxes	\$1,353,327	\$1,358,035	\$1,378,198	\$20,163
Income Taxes	5,687,298	5,707,084	5,791,816	84,732
Charges for Services	398,291	399,677	405,611	5,934
Investment Earnings	12,454	12,497	12,683	186
Intergovernmental	671,486	673,822	683,826	10,004
Special Assessments	103,996	104,358	105,907	1,549
Fines, Licenses & Permits	301,373	302,421	306,911	4,490
Other Revenues	144,315	144,817	146,967	2,150
Total Revenues	8,672,540	8,702,711	8,831,919	129,208
Expenditures:				
Current:				
<u>General Government</u>				
Mayor and Council	225,404	227,960	225,163	2,797
City Manager	262,536	265,513	262,255	3,258
Finance	521,945	527,864	521,387	6,477
Utility Billing	197,925	200,169	197,713	2,456
Income Tax	405,512	410,111	405,079	5,032
Law Director	260,766	263,723	260,487	3,236
Public Works Administration	22,542	22,798	22,518	280
Building and Grounds	297,571	300,946	297,253	3,693
Fleet Maintenance	13,953	14,111	13,938	173
Personnel	127,514	128,960	127,378	1,582
Strategic Initiatives	24,299	24,575	24,273	302
Non-Departmental	548,353	554,572	547,767	6,805
Total General Government	2,908,320	2,941,302	2,905,211	36,091
<u>Public Safety</u>				
Police Administration	469,297	474,619	468,795	5,824
Police Patrol	2,764,659	2,796,014	2,761,704	34,310
Criminal Investigation	1,024,390	1,036,008	1,023,295	12,713
Police Communications	380,800	385,119	380,393	4,726
Total Public Safety	4,639,146	4,691,760	4,634,187	57,573
<u>Leisure Time Activities</u>				
Parks Maintenance	71,185	71,992	71,109	883
Cemeteries	28,652	28,977	28,621	356
Recreation Programs	78,694	79,587	78,610	977
Total Leisure Time Activities	178,531	180,556	178,340	2,216
<u>Community Development</u>				
Planning and Development Administration	100,107	101,242	100,000	1,242
Planning and Zoning	228,242	230,830	227,998	2,832
Code Enforcement and Inspection	156,398	158,172	156,231	1,941
Mowing and Weed Removal	89,282	90,295	89,187	1,108
Total Community Development	574,029	580,539	573,416	7,123

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, 2021

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
<u>Transportation & Street Repair</u>				
Street Lighting	217,347	219,812	217,115	2,697
Total Transportation & Street Repair	217,347	219,812	217,115	2,697
Debt Service:				
Principal Retirement	125,460	126,883	125,326	1,557
Interest and Fiscal Charges	38,466	38,902	38,425	477
Total Expenditures	8,681,299	8,779,754	8,672,020	107,734
Excess of Revenues Over (Under) Expenditures	(8,759)	(77,043)	159,899	236,942
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	10,054	10,089	10,239	150
Transfers (Out)	(136,146)	(137,690)	(136,000)	1,690
Total Other Financing Sources (Uses)	(126,092)	(127,601)	(125,761)	1,840
Net Change in Fund Balance	(134,851)	(204,644)	34,138	238,782
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	2,989,384	2,989,384	2,989,384	0
Fund Balance End of Year	<u>\$2,854,533</u>	<u>\$2,784,740</u>	<u>\$3,023,522</u>	<u>\$238,782</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, 2021

	Fire Levy Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Property and Other Local Taxes	\$2,068,857	\$2,068,857	\$2,142,812	\$73,955
Charges for Services	2,959	2,959	3,065	106
Intergovernmental	269,059	269,059	278,677	9,618
Fines, Licenses & Permits	97	97	100	3
Other Revenues	9,791	9,791	10,141	350
Total Revenues	<u>2,350,763</u>	<u>2,350,763</u>	<u>2,434,795</u>	<u>84,032</u>
Expenditures:				
Current:				
Public Safety	<u>2,849,436</u>	<u>2,849,436</u>	<u>2,800,681</u>	<u>48,755</u>
Total Expenditures	<u>2,849,436</u>	<u>2,849,436</u>	<u>2,800,681</u>	<u>48,755</u>
Net Change in Fund Balance	(498,673)	(498,673)	(365,886)	132,787
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>1,490,971</u>	<u>1,490,971</u>	<u>1,490,971</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$992,298</u></u>	<u><u>\$992,298</u></u>	<u><u>\$1,125,085</u></u>	<u><u>\$132,787</u></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, 2021

	American Rescue Plan Act Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	0	\$0	\$1,278,120	\$1,278,120
Total Revenues	0	0	1,278,120	1,278,120
Expenditures:				
Current:				
General Government	0	0	0	0
Total Expenditures	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0
Net Change in Fund Balance	0	0	1,278,120	1,278,120
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0	0
Fund Balance End of Year	\$0	\$0	\$1,278,120	\$1,278,120

See accompanying notes to the required supplementary information.

City of Trotwood, Ohio
Notes to the Required Supplementary Information
For The Fiscal Year Ended December 31, 2021

Note 1 – Budgetary Process

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

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

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

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

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

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the General, Fire Levy, and American Rescue Plan Act funds.

City of Trotwood, Ohio
Notes to the Required Supplementary Information
For The Fiscal Year Ended December 31, 2021

Net Change in Fund Balance

	General	Fire Levy	American Rescue Plan Act
GAAP Basis	\$130,652	(\$430,561)	\$0
Revenue Accruals	(349,307)	0	1,278,120
Expenditure Accruals	367,926	417,445	0
Issuance of capital lease	0	(340,168)	0
Encumbrances	(115,133)	(12,602)	0
Budget Basis	<u>\$34,138</u>	<u>(\$365,886)</u>	<u>\$1,278,120</u>

Note 2 – Net Pension Liability

Ohio Public Employees Retirement System Changes in Benefit Terms and Assumptions

Changes in assumptions:

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

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

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

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

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

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

Changes in benefit terms:

2021-2014: There were no changes in benefit terms for this period.

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

Changes in assumptions:

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

City of Trotwood, Ohio
Notes to the Required Supplementary Information
For The Fiscal Year Ended December 31, 2021

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

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

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

Changes in benefit terms:

2021-2014: There were no changes in benefit terms for the period.

Note 3 - Net OPEB Liability (Asset)

Ohio Public Employees Retirement System Changes in Benefit Terms and Assumptions

Changes in assumptions:

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

- The single discount rate increased from 3.16 percent to 6.00 percent.
- The municipal bond rate decreased from 2.75 percent to 2.00 percent.
- The initial health care cost trend rate decreased from 10.5 percent to 8.5 percent.

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

- The single discount rate decreased from 3.96 percent to 3.16 percent.
- The municipal bond rate decreased from 3.71 percent to 2.75 percent.
- The initial health care cost trend rate increased from 10.0 percent to 10.5 percent.

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

- The single discount rate increased from 3.85 percent to 3.96 percent.
- The investment rate of return decreased from 6.5 percent to 6 percent.
- The municipal bond rate increased from 3.31 percent to 3.71 percent.
- The initial health care cost trend rate increased from 7.5 percent to 10 percent.

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

Changes in Benefit Terms:

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

City of Trotwood, Ohio
Notes to the Required Supplementary Information
For The Fiscal Year Ended December 31, 2021

2020: On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and pre-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022, and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for pre-Medicare retirees with monthly allowances, similar to the program for Medicare retirees.

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

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

Changes in assumptions:

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

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

2019: Beginning January 1, 2019 OP&F changed its retiree health care model and the current self-insured health care plan is no longer offered. In its place will be a stipend-based health care model. OP&F has contracted with a vendor who will assist eligible retirees in choosing health care plans from their marketplace (both Medicare-eligible and pre-Medicare populations). A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses. As a result of changing from the current health care model to the stipend based health care model, management expects that it will be able to provide stipends to eligible participants for the next 15 years. Beginning in 2020 the Board approved a change to the Deferred Retirement Option Plan. The minimum interest rate accruing will be 2.5%. The single discount rate increased from 3.24% to 4.66% and the municipal bond rate from 3.16% to 4.13%.

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

Changes in benefit terms:

2021-2020: There were no changes in benefit terms for the period.

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

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

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

Debt Service Fund

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

Capital Projects Funds

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

City of Trotwood, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2021

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in Pooled Cash and Investments	\$3,499,357	\$41,579	\$1,615,912	\$5,156,848
Restricted Cash	26,103	0	0	26,103
Receivables (Net):				
Taxes	973,219	165,757	1,127,141	2,266,117
Accounts	97,076	0	0	97,076
Intergovernmental	721,989	9,491	32,890	764,370
Special Assessments	9,332	0	0	9,332
Prepaid Items	17,577	0	0	17,577
Total Assets	5,344,653	216,827	2,775,943	8,337,423
Liabilities:				
Accounts Payable	67,972	0	0	67,972
Accrued Wages and Benefits	87,402	0	0	87,402
Compensated Absences	16,945	0	0	16,945
Retainage Payable	26,103	0	0	26,103
Total Liabilities	198,422	0	0	198,422
Deferred Inflows of Resources:				
Property Taxes	874,312	163,270	582,941	1,620,523
Grants and Other Taxes	688,262	9,491	32,890	730,643
Special Assessments	9,332	0	0	9,332
Revenue in Lieu of Taxes	0	0	535,609	535,609
Total Deferred Inflows of Resources	1,571,906	172,761	1,151,440	2,896,107
Fund Balances:				
Nonspendable	17,577	0	0	17,577
Restricted	3,556,748	44,066	1,128,551	4,729,365
Committed	0	0	495,952	495,952
Total Fund Balances	3,574,325	44,066	1,624,503	5,242,894
Total Liabilities, Deferred Inflows and Fund Balances	\$5,344,653	\$216,827	\$2,775,943	\$8,337,423

City of Trotwood, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Governmental Funds
For the Fiscal Year Ended December 31, 2021

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Property and Other Taxes	\$861,885	\$109,591	\$395,512	\$1,366,988
Charges for Services	1,166,752	0	0	1,166,752
Intergovernmental	2,157,421	19,801	69,189	2,246,411
Special Assessments	8,658	0	0	8,658
Fines, Licenses & Permits	17,377	0	0	17,377
Revenue in Lieu of Taxes	0	0	524,641	524,641
Other Revenues	52,213	0	64,000	116,213
Total Revenues	4,264,306	129,392	1,053,342	5,447,040
Expenditures:				
Current:				
General Government	11,196	0	20,163	31,359
Public Safety	1,859,183	0	60,062	1,919,245
Community Development	175,847	0	0	175,847
Leisure Time Activities	0	0	78,998	78,998
Transportation and Street Repair	1,707,704	0	0	1,707,704
Capital Outlay	460,002	0	940,215	1,400,217
Debt Service:				
Principal	55,426	30,000	778,325	863,751
Interest and Other Charges	8,786	6,959	256,427	272,172
Bond Issuance Cost	0	0	89,982	89,982
Total Expenditures	4,278,144	36,959	2,224,172	6,539,275
Excess of Revenues Over (Under) Expenditures	(13,838)	92,433	(1,170,830)	(1,092,235)
Other Financing Sources (Uses):				
Issuance of Capital Leases	0	0	541,684	541,684
Sale of Refunding Bonds	0	0	5,857,000	5,857,000
Payments to Refunded Bond Escrow Agent	0	0	(5,767,018)	(5,767,018)
Transfers In	0	0	100,000	100,000
Transfers (Out)	0	(51,926)	0	(51,926)
Total Other Financing Sources (Uses)	0	(51,926)	731,666	679,740
Net Change in Fund Balance	(13,838)	40,507	(439,164)	(412,495)
Fund Balance - Beginning of Year	3,588,163	3,559	2,063,667	5,655,389
Fund Balance - End of Year	\$3,574,325	\$44,066	\$1,624,503	\$5,242,894

NONMAJOR SPECIAL REVENUE FUNDS

Fund Descriptions

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

City of Trotwood, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2021

	Street Construction Maintenance and Repair	State Highway	Motor Vehicle License Tax	Permissive Use Tax	Drug Law Enforcement
Assets:					
Equity in Pooled Cash and Investments	\$1,266,417	\$88,502	\$233,637	\$17,067	\$2,218
Restricted Cash	26,103	0	0	0	0
Receivables (Net):					
Taxes	295,749	0	86,020	0	0
Accounts	0	0	0	0	0
Intergovernmental	633,268	44,331	0	0	0
Special Assessments	202	0	0	0	0
Prepaid Items	5,282	504	0	0	0
Total Assets	2,227,021	133,337	319,657	17,067	2,218
Liabilities:					
Accounts Payable	40,360	725	0	0	0
Accrued Wages and Benefits	18,829	1,795	0	0	0
Compensated Absences	16,945	0	0	0	0
Retainage Payable	26,103	0	0	0	0
Total Liabilities	102,237	2,520	0	0	0
Deferred Inflows of Resources:					
Property Taxes	291,453	0	0	0	0
Grants and Other Taxes	534,352	36,311	73,209	0	0
Special Assessments	202	0	0	0	0
Total Deferred Inflows of Resources	826,007	36,311	73,209	0	0
Fund Balances:					
Nonspendable	5,282	504	0	0	0
Restricted	1,293,495	94,002	246,448	17,067	2,218
Total Fund Balances	1,298,777	94,506	246,448	17,067	2,218
Total Liabilities, Deferred Inflows and Fund Balances	\$2,227,021	\$133,337	\$319,657	\$17,067	\$2,218

Curbs/Gutters/ Sidewalks/ Assessment	Grants	Local Law Enforcement Block	Enforcement and Education	Law Enforcement Trust	Redlight Enforcement	Government Equity Program	Rescue Levy
\$53,032	\$494,890	\$75	\$14,726	\$14,538	\$22,800	\$219	\$1,189,513
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	591,450
0	0	0	0	0	0	0	97,076
0	11,500	0	0	0	0	0	32,890
9,130	0	0	0	0	0	0	0
0	0	0	0	0	0	0	11,791
<u>62,162</u>	<u>506,390</u>	<u>75</u>	<u>14,726</u>	<u>14,538</u>	<u>22,800</u>	<u>219</u>	<u>1,922,720</u>
0	4,723	0	0	0	0	0	22,164
0	0	0	0	0	0	0	66,778
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
<u>0</u>	<u>4,723</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>88,942</u>
0	0	0	0	0	0	0	582,859
0	11,500	0	0	0	0	0	32,890
9,130	0	0	0	0	0	0	0
<u>9,130</u>	<u>11,500</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>615,749</u>
0	0	0	0	0	0	0	11,791
53,032	490,167	75	14,726	14,538	22,800	219	1,206,238
<u>53,032</u>	<u>490,167</u>	<u>75</u>	<u>14,726</u>	<u>14,538</u>	<u>22,800</u>	<u>219</u>	<u>1,218,029</u>
<u>\$62,162</u>	<u>\$506,390</u>	<u>\$75</u>	<u>\$14,726</u>	<u>\$14,538</u>	<u>\$22,800</u>	<u>\$219</u>	<u>\$1,922,720</u>

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City of Trotwood, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2021

	Police Levy	FEMA	Coronavirus Relief	Federal Fines/Forfeits	Total Nonmajor Special Revenue Funds
Assets:					
Equity in Pooled Cash and Investments	\$39	\$95,251	\$0	\$6,433	\$3,499,357
Restricted Cash	0	0	0	0	26,103
Receivables (Net):					
Taxes	0	0	0	0	973,219
Accounts	0	0	0	0	97,076
Intergovernmental	0	0	0	0	721,989
Special Assessments	0	0	0	0	9,332
Prepaid Items	0	0	0	0	17,577
Total Assets	39	95,251	0	6,433	5,344,653
Liabilities:					
Accounts Payable	0	0	0	0	67,972
Accrued Wages and Benefits	0	0	0	0	87,402
Compensated Absences	0	0	0	0	16,945
Retainage Payable	0	0	0	0	26,103
Total Liabilities	0	0	0	0	198,422
Deferred Inflows of Resources:					
Property Taxes	0	0	0	0	874,312
Grants and Other Taxes	0	0	0	0	688,262
Special Assessments	0	0	0	0	9,332
Total Deferred Inflows of Resources	0	0	0	0	1,571,906
Fund Balances:					
Nonspendable	0	0	0	0	17,577
Restricted	39	95,251	0	6,433	3,556,748
Total Fund Balances	39	95,251	0	6,433	3,574,325
Total Liabilities, Deferred Inflows and Fund Balances	\$39	\$95,251	\$0	\$6,433	\$5,344,653

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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, 2021

	Street Construction Maintenance and Repair	State Highway	Motor Vehicle License Tax	Permissive Use Tax	Drug Law Enforcement
Revenues:					
Property and Other Taxes	\$197,756	\$96,339	\$172,278	\$0	\$0
Charges for Services	0	0	0	0	0
Intergovernmental	1,300,483	513	0	150,000	0
Special Assessments	0	0	0	0	0
Fines, Licenses & Permits	0	0	0	0	612
Other Revenues	42,627	842	0	0	0
Total Revenues	1,540,866	97,694	172,278	150,000	612
Expenditures:					
Current:					
General Government	0	0	0	0	0
Public Safety	0	0	0	0	0
Community Development	0	0	0	0	0
Transportation and Street Repair	1,249,555	71,005	152,000	165,000	0
Capital Outlay	427,272	0	32,730	0	0
Debt Service:					
Principal	55,426	0	0	0	0
Interest and Other Charges	8,786	0	0	0	0
Total Expenditures	1,741,039	71,005	184,730	165,000	0
Net Change in Fund Balance	(200,173)	26,689	(12,452)	(15,000)	612
Fund Balance - Beginning of Year	1,498,950	67,817	258,900	32,067	1,606
Fund Balance - End of Year	\$1,298,777	\$94,506	\$246,448	\$17,067	\$2,218

Curbs/Gutters/ Sidewalks Assessment	Grants	Local Law Enforcement Block	Enforcement and Education	Law Enforcement Trust	Redlight Enforcement	Government Equity Program	Rescue Levy
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$395,512
0	0	0	0	0	0	0	1,166,752
0	472,764	0	0	0	0	0	68,988
8,658	0	0	0	0	0	0	0
0	0	0	900	5,354	4,078	0	0
0	0	0	0	0	146	0	8,598
<u>8,658</u>	<u>472,764</u>	<u>0</u>	<u>900</u>	<u>5,354</u>	<u>4,224</u>	<u>0</u>	<u>1,639,850</u>
0	0	0	0	0	0	0	0
0	167,929	0	0	601	3,288	0	1,687,365
0	175,847	0	0	0	0	0	0
722	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
<u>722</u>	<u>343,776</u>	<u>0</u>	<u>0</u>	<u>601</u>	<u>3,288</u>	<u>0</u>	<u>1,687,365</u>
7,936	128,988	0	900	4,753	936	0	(47,515)
45,096	361,179	75	13,826	9,785	21,864	219	1,265,544
<u>\$53,032</u>	<u>\$490,167</u>	<u>\$75</u>	<u>\$14,726</u>	<u>\$14,538</u>	<u>\$22,800</u>	<u>\$219</u>	<u>\$1,218,029</u>

Continued

City of Trotwood, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended December 31, 2021

	Police Levy	FEMA	Coronavirus Relief	Federal Fines/Forfeits	Total Nonmajor Special Revenue Funds
Revenues:					
Property and Other Taxes	\$0	\$0	\$0	\$0	\$861,885
Charges for Services	0	0	0	0	1,166,752
Intergovernmental	0	164,673	0	0	2,157,421
Special Assessments	0	0	0	0	8,658
Fines, Licenses & Permits	0	0	0	6,433	17,377
Other Revenues	0	0	0	0	52,213
Total Revenues	0	164,673	0	6,433	4,264,306
Expenditures:					
Current:					
General Government	0	0	11,196	0	11,196
Public Safety	0	0	0	0	1,859,183
Community Development	0	0	0	0	175,847
Transportation and Street Repair	0	69,422	0	0	1,707,704
Capital Outlay	0	0	0	0	460,002
Debt Service:					
Principal	0	0	0	0	55,426
Interest and Other Charges	0	0	0	0	8,786
Total Expenditures	0	69,422	11,196	0	4,278,144
Net Change in Fund Balance	0	95,251	(11,196)	6,433	(13,838)
Fund Balance - Beginning of Year	39	0	11,196	0	3,588,163
Fund Balance - End of Year	\$39	\$95,251	\$0	\$6,433	\$3,574,325

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, 2021

	Street Construction Maintenance and Repair Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Property and Other Local Taxes	\$198,895	\$197,756	(\$1,139)
Intergovernmental	1,301,603	1,294,148	(7,455)
Other Revenues	42,873	42,627	(246)
Total Revenues	<u>1,543,371</u>	<u>1,534,531</u>	<u>(8,840)</u>
Expenditures:			
Current:			
Transportation & Street Repair	2,107,249	1,788,524	318,725
Debt Service:			
Principal Retirement	29,220	24,800	4,420
Interest and Fiscal Charges	7,513	6,377	1,136
Total Expenditures	<u>2,143,982</u>	<u>1,819,701</u>	<u>324,281</u>
Net Change in Fund Balance	(600,611)	(285,170)	315,441
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>1,430,222</u>	<u>1,430,222</u>	<u>0</u>
Fund Balance End of Year	<u>\$829,611</u>	<u>\$1,145,052</u>	<u>\$315,441</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, 2021

	State Highway Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$107,064	\$96,339	(\$10,725)
Other Revenues	936	842	(94)
Total Revenues	108,000	97,181	(10,819)
Expenditures:			
Current:			
Transportation & Street Repair	98,316	71,390	26,926
Total Expenditures	98,316	71,390	26,926
Net Change in Fund Balance	9,684	25,791	16,107
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	61,917	61,917	0
Fund Balance End of Year	\$71,601	\$87,708	\$16,107

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, 2021

	Motor Vehicle License Tax Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Property and Other Local Taxes	\$170,000	\$170,341	\$341
Total Revenues	170,000	170,341	341
Expenditures:			
Current:			
Transportation & Street Repair	185,000	184,730	270
Total Expenditures	185,000	184,730	270
Net Change in Fund Balance	(15,000)	(14,389)	611
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	248,025	248,025	0
Fund Balance End of Year	\$233,025	\$233,636	\$611

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, 2021

	Permissive Use Tax Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$150,000	\$150,000	\$0
Total Revenues	150,000	150,000	0
Expenditures:			
Current:			
Transportation & Street Repair	174,592	165,000	9,592
Total Expenditures	174,592	165,000	9,592
Net Change in Fund Balance	(24,592)	(15,000)	9,592
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	32,068	32,068	0
Fund Balance End of Year	\$7,476	\$17,068	\$9,592

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, 2021

	Drug Law Enforcement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses & Permits	\$400	\$612	\$212
Total Revenues	400	612	212
Expenditures:			
Current:			
Public Safety	1,300	0	1,300
Total Expenditures	1,300	0	1,300
Net Change in Fund Balance	(900)	612	1,512
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,606	1,606	0
Fund Balance End of Year	\$706	\$2,218	\$1,512

City of Trotwood, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2021

	Curbs/Gutters/ Sidewalks Assessment Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Special Assessments	\$5,600	\$8,658	\$3,058
Total Revenues	5,600	8,658	3,058
Expenditures:			
Current:			
Transportation & Street Repair	40,500	722	39,778
Total Expenditures	40,500	722	39,778
Net Change in Fund Balance	(34,900)	7,936	42,836
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	45,097	45,097	0
Fund Balance End of Year	\$10,197	\$53,033	\$42,836

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, 2021

	Grants Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$2,176,434	\$472,764	(\$1,703,670)
Total Revenues	2,176,434	472,764	(1,703,670)
Expenditures:			
Current:			
Public Safety	806,687	167,929	638,758
Community Development	1,440,328	299,835	1,140,493
Total Expenditures	2,247,015	467,764	1,779,251
Net Change in Fund Balance	(70,581)	5,000	75,581
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	361,180	361,180	0
Fund Balance End of Year	\$290,599	\$366,180	\$75,581

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, 2021

	Local Law Enforcement Block Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Charges for Services	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Public Safety	0	0	0
Total Expenditures	0	0	0
Net Change in Fund Balance	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	75	75	0
Fund Balance End of Year	\$75	\$75	\$0

City of Trotwood, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2021

	Enforcement and Education Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses & Permits	\$500	\$900	\$400
Total Revenues	500	900	400
Expenditures:			
Current:			
Public Safety	500	0	500
Total Expenditures	500	0	500
Net Change in Fund Balance	0	900	900
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	13,826	13,826	0
Fund Balance End of Year	\$13,826	\$14,726	\$900

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, 2021

	Law Enforcement Trust Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses & Permits	\$33,000	\$5,354	(\$27,646)
Total Revenues	33,000	5,354	(27,646)
Expenditures:			
Current:			
Public Safety	1,500	1,500	0
Total Expenditures	1,500	1,500	0
Net Change in Fund Balance	31,500	3,854	(27,646)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	9,782	9,782	0
Fund Balance End of Year	\$41,282	\$13,636	(\$27,646)

City of Trotwood, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2021

	Redlight Enforcement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses & Permits	\$0	\$4,078	\$4,078
Other Revenues	0	146	146
Total Revenues	0	4,224	4,224
Expenditures:			
Current:			
Public Safety	0	0	0
Total Expenditures	0	0	0
Net Change in Fund Balance	0	4,224	4,224
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	18,577	18,577	0
Fund Balance End of Year	\$18,577	\$22,801	\$4,224

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, 2021

	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, 2021

	Rescue Levy Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Property and Other Local Taxes	\$374,257	\$395,512	\$21,255
Charges for Services	1,112,068	1,175,226	63,158
Intergovernmental	65,280	68,988	3,708
Other Revenues	8,136	8,598	462
Total Revenues	<u>1,559,741</u>	<u>1,648,324</u>	<u>88,583</u>
Expenditures:			
Current:			
Public Safety	1,832,164	1,686,535	145,629
Total Expenditures	<u>1,832,164</u>	<u>1,686,535</u>	<u>145,629</u>
Net Change in Fund Balance	(272,423)	(38,211)	234,212
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>1,222,028</u>	<u>1,222,028</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$949,605</u></u>	<u><u>\$1,183,817</u></u>	<u><u>\$234,212</u></u>

City of Trotwood, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2021

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

City of Trotwood, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2021

	FEMA Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$164,673	\$164,673	\$0
Total Revenues	<u>164,673</u>	<u>164,673</u>	<u>0</u>
Expenditures:			
Current:			
Transportation & Street Repair	69,422	69,422	0
Total Expenditures	<u>69,422</u>	<u>69,422</u>	<u>0</u>
Net Change in Fund Balance	95,251	95,251	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$95,251</u>	<u>\$95,251</u>	<u>\$0</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, 2021

	Coronavirus Relief Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
General Government	14,931	14,931	0
Total Expenditures	14,931	14,931	0
Net Change in Fund Balance	(14,931)	(14,931)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	14,931	14,931	0
Fund Balance End of Year	\$0	\$0	\$0

City of Trotwood, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2021

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

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, 2021

	Debt Retirement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Property and Other Local Taxes	\$104,763	\$109,591	\$4,828
Intergovernmental	18,929	19,801	872
Total Revenues	<u>123,692</u>	<u>129,392</u>	<u>5,700</u>
Expenditures:			
Debt Service:			
Principal Retirement	75,013	75,000	13
Interest and Fiscal Charges	13,887	13,885	2
Total Expenditures	<u>88,900</u>	<u>88,885</u>	<u>15</u>
Net Change in Fund Balance	34,792	40,507	5,715
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>1,072</u>	<u>1,072</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$35,864</u></u>	<u><u>\$41,579</u></u>	<u><u>\$5,715</u></u>

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NONMAJOR CAPITAL PROJECT FUNDS

Fund Descriptions

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

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

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

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

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

City of Trotwood, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2021

	Park Acquisition and Development	Industrial Park	Salem Mall Tax Increment	Fire Capital Levy	General Capital Improvement
Assets:					
Equity in Pooled Cash and Investments	\$2,801	\$605,076	\$345,403	\$166,680	\$495,952
Receivables (Net):					
Taxes	0	345,139	190,470	591,532	0
Intergovernmental	0	0	0	32,890	0
Total Assets	2,801	950,215	535,873	791,102	495,952
Liabilities:					
Accounts Payable	0	0	0	0	0
Total Liabilities	0	0	0	0	0
Deferred Inflows of Resources:					
Property Taxes	0	0	0	582,941	0
Grants and Other Taxes	0	0	0	32,890	0
Pension	0	345,139	190,470	0	0
Total Deferred Inflows of Resources	0	345,139	190,470	615,831	0
Fund Balances:					
Restricted	2,801	605,076	345,403	175,271	0
Committed	0	0	0	0	495,952
Total Fund Balances	2,801	605,076	345,403	175,271	495,952
Total Liabilities, Deferred Inflows and Fund Balances	\$2,801	\$950,215	\$535,873	\$791,102	\$495,952

Total
Nonmajor
Capital Projects
Funds

\$1,615,912

1,127,141

32,890

2,775,943

0

0

582,941

32,890

535,609

1,151,440

1,128,551

495,952

1,624,503

\$2,775,943

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, 2021

	Park Acquisition and Development	Industrial Park	Salem Mall Tax Increment	Fire Capital Levy	General Capital Improvement
Revenues:					
Property and Other Taxes	\$0	\$0	\$0	\$395,512	\$0
Intergovernmental	0	0	201	68,988	0
Revenue in Lieu of Taxes	0	326,118	198,523	0	0
Other Revenues	0	0	0	64,000	0
Total Revenues	0	326,118	198,724	528,500	0
Expenditures:					
Current:					
General Government	0	0	0	0	20,163
Public Safety	0	0	0	0	60,062
Leisure Time Activities	0	0	0	0	78,998
Capital Outlay	0	0	0	669,988	270,227
Debt Service:					
Principal	0	160,640	364,760	252,925	0
Interest and Other Charges	0	47,120	117,278	92,029	0
Bond Issuance Cost	0	20,697	69,285	0	0
Total Expenditures	0	228,457	551,323	1,014,942	429,450
Excess of Revenues Over (Under) Expenditures	0	97,661	(352,599)	(486,442)	(429,450)
Other Financing Sources (Uses):					
Issuance of Capital Leases	0	0	0	541,684	0
Sale of Refunding Bonds	0	1,347,110	4,509,890	0	0
Payments to Refunded Bond Escrow Agent	0	(1,326,413)	(4,440,605)	0	0
Transfers In	0	0	0	0	100,000
Total Other Financing Sources (Uses)	0	20,697	69,285	541,684	100,000
Net Change in Fund Balance	0	118,358	(283,314)	55,242	(329,450)
Fund Balance - Beginning of Year	2,801	486,718	628,717	120,029	825,402
Fund Balance - End of Year	\$2,801	\$605,076	\$345,403	\$175,271	\$495,952

<u>Total Nonmajor Capital Projects Funds</u>
\$395,512
69,189
524,641
<u>64,000</u>
<u>1,053,342</u>
20,163
60,062
78,998
940,215
778,325
256,427
<u>89,982</u>
<u>2,224,172</u>
<u>(1,170,830)</u>
541,684
5,857,000
(5,767,018)
<u>100,000</u>
<u>731,666</u>
(439,164)
<u>2,063,667</u>
<u>\$1,624,503</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, 2021

	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, 2021

	Industrial Park Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Revenue in Lieu of Taxes	\$330,000	\$326,118	(\$3,882)
Total Revenues	330,000	326,118	(3,882)
Expenditures:			
Debt Service:			
Principal Retirement	199,287	182,912	16,375
Interest and Fiscal Charges	27,073	24,848	2,225
Total Expenditures	226,360	207,760	18,600
Net Change in Fund Balance	103,640	118,358	14,718
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	486,718	486,718	0
Fund Balance End of Year	\$590,358	\$605,076	\$14,718

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, 2021

	Salem Mall Tax Increment Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$147	\$201	\$54
Revenue in Lieu of Taxes	145,536	198,523	52,987
Total Revenues	145,683	198,724	53,041
Expenditures:			
Debt Service:			
Principal Retirement	153,545	137,271	16,274
Interest and Fiscal Charges	390,700	349,291	41,409
Total Expenditures	544,245	486,562	57,683
Excess of Revenues Over (Under) Expenditures	(398,562)	(287,838)	110,724
Other Financing Sources (Uses):			
Transfers In	3,317	4,524	1,207
Total Other Financing Sources (Uses)	3,317	4,524	1,207
Net Change in Fund Balance	(395,245)	(283,314)	111,931
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	628,717	628,717	0
Fund Balance End of Year	\$233,472	\$345,403	\$111,931

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, 2021

	Fire Capital Levy Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Property and Other Local Taxes	\$332,830	\$395,512	\$62,682
Intergovernmental	58,054	68,988	10,934
Other Revenues	53,857	64,000	10,143
Total Revenues	<u>444,741</u>	<u>528,500</u>	<u>83,759</u>
Expenditures:			
Capital Outlay	212,073	195,474	16,599
Debt Service:			
Principal Retirement	211,558	195,000	16,558
Interest and Fiscal Charges	97,036	89,441	7,595
Total Expenditures	<u>520,667</u>	<u>479,915</u>	<u>40,752</u>
Net Change in Fund Balance	(75,926)	48,585	124,511
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>111,435</u>	<u>111,435</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$35,509</u></u>	<u><u>\$160,020</u></u>	<u><u>\$124,511</u></u>

City of Trotwood, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2021

	General Capital Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Property and Other Local Taxes	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
General Government	21,280	20,163	1,117
Public Safety	196,785	186,458	10,327
Leisure Time Activities	83,373	78,998	4,375
Capital Outlay	173,327	164,231	9,096
Total Expenditures	474,765	449,850	24,915
Excess of Revenues Over (Under) Expenditures	(474,765)	(449,850)	24,915
Other Financing Sources (Uses):			
Transfers In	100,000	100,000	0
Total Other Financing Sources (Uses)	100,000	100,000	0
Net Change in Fund Balance	(374,765)	(349,850)	24,915
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	825,402	825,402	0
Fund Balance End of Year	\$450,637	\$475,552	\$24,915

Statistical Section

STATISTICAL SECTION

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

Contents

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

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

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

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

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

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

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

	2012	2013 (1)	2014 (1)	2015 (1)	2016	2017 (2)	2018	2019	2020	2021
Governmental Activities										
Net Investment in Capital Assets	\$41,722,668	\$41,628,553	\$38,381,366	\$38,174,194	\$38,079,036	\$37,330,226	\$37,190,573	\$36,751,234	\$36,184,498	\$32,331,013
Restricted	3,079,582	3,904,525	4,580,526	4,790,869	5,935,624	6,851,431	6,544,788	9,260,366	8,491,040	8,044,399
Unrestricted	2,364,978	2,755,160	(7,440,881)	(7,070,564)	(7,373,570)	(18,088,347)	(18,014,345)	(11,258,006)	(11,321,731)	(9,795,870)
Total governmental activities net position	\$47,167,228	\$48,288,238	\$35,521,011	\$35,894,499	\$36,641,090	\$26,093,310	\$25,721,016	\$34,753,594	\$33,353,807	\$30,579,542
Business-type activities										
Net Investment in Capital Assets	\$16,951,303	\$17,567,758	\$16,335,168	\$16,064,172	\$15,637,455	\$15,557,100	\$16,502,131	\$17,275,718	\$17,113,154	\$16,878,029
Unrestricted	2,814,752	4,776,408	4,999,800	5,343,112	6,970,667	7,282,802	7,034,561	7,697,543	8,279,187	9,603,616
Total business-type activities net position	\$19,766,055	\$22,344,166	\$21,334,968	\$21,407,284	\$22,608,122	\$22,839,902	\$23,536,692	\$24,973,261	\$25,392,341	\$26,481,645
Total Primary Government										
Net Investment in Capital Assets	\$58,673,971	\$59,196,311	\$54,716,534	\$54,238,366	\$53,716,491	\$52,887,326	\$53,692,704	\$54,026,952	\$53,297,652	\$49,209,042
Restricted	3,079,582	3,904,525	4,580,526	4,790,869	5,935,624	6,851,431	6,544,788	9,260,366	8,491,040	8,044,399
Unrestricted	5,179,730	7,531,588	(2,441,081)	(1,727,452)	(402,903)	(10,805,545)	(10,979,784)	(3,560,463)	(3,042,544)	(192,254)
Total primary government net position	\$66,933,283	\$70,632,404	\$56,855,979	\$57,301,783	\$59,249,212	\$48,933,212	\$49,257,708	\$59,726,855	\$58,746,148	\$57,061,187

(1) - Amounts reflect a prior period adjustment

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

Source: City Records

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental Activities:										
General Government	\$3,210,313	\$3,220,714	\$3,444,386	\$2,556,659	\$2,687,146	\$3,037,812	\$2,941,800	\$2,207,401	\$3,073,262	\$3,141,812
Public Safety	8,713,796	8,499,414	9,526,215	8,631,605	9,184,331	8,354,240	9,378,058	4,103,554	9,060,821	8,389,646
Community Development	1,352,215	1,310,140	699,877	732,670	501,769	420,596	562,504	467,342	522,539	5,181,836
Leisure Time Activities	463,194	377,420	401,685	274,096	246,292	264,257	243,946	160,314	170,441	284,153
Transportation and Street Repair	3,035,008	2,191,630	2,439,518	2,303,614	1,753,586	2,489,403	3,215,462	2,491,418	3,534,729	2,825,483
Interest and Other Charges	677,856	650,130	597,691	582,626	672,288	557,644	552,811	535,094	501,548	154,464
Total Governmental Activities Expenses	17,452,382	16,249,448	17,109,372	15,081,270	15,045,412	15,123,952	16,894,581	9,965,123	16,863,340	19,977,394
Business-Type Activities:										
Water	1,509,516	1,286,474	1,380,311	1,553,195	1,090,098	1,392,235	1,687,151	1,453,876	1,634,754	1,313,647
Sewer	927,308	968,372	1,016,239	1,157,858	792,109	1,094,038	1,292,548	1,051,512	1,185,717	1,108,565
Refuse	1,420,131	1,450,538	1,417,130	1,365,870	1,308,254	1,328,085	1,316,121	1,289,924	1,378,307	1,437,761
Stormwater	821,225	735,306	801,034	930,608	1,016,447	1,095,882	1,050,914	1,107,279	1,102,941	826,210
Other Enterprise Funds	0	0	0	0	0	67,358	72,817	61,940	46,226	48,916
Total Business-Type Activities Expenses	4,678,180	4,440,690	4,614,714	5,007,531	4,206,908	4,977,598	5,419,551	4,964,531	5,347,945	4,735,099
Total Primary Government Expenses	\$22,130,562	\$20,690,138	\$21,724,086	\$20,088,801	\$19,252,320	\$20,101,550	\$22,314,132	\$14,929,654	\$22,211,285	\$24,712,493
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	\$518,244	\$510,089	\$509,235	\$464,920	\$490,693	\$561,505	\$570,056	\$322,103	\$512,697	\$582,306
Public Safety	1,841,053	1,402,282	1,822,791	1,388,996	1,172,137	1,130,222	1,559,446	1,604,816	1,119,116	1,201,417
Community Development	136,821	178,106	145,151	122,850	226,772	252,803	117,416	183,486	171,563	197,293
Leisure Time Activities	19,783	34,329	29,480	29,890	34,853	41,440	52,712	50,648	45,328	50,013
Transportation and Street Repair	473	0	502	359	613	5,648	5,649	6,460	6,341	8,658
Operating Grants and Contributions	1,431,386	1,733,156	2,337,780	1,836,233	1,600,558	1,490,009	1,947,559	3,309,586	3,202,842	2,512,446
Capital Grants and Contributions	1,769,666	416,073	11,225	59,572	181,130	0	956,799	10,650	4,281	11,500
Total Governmental Activities Program Revenues	5,717,426	4,274,035	4,856,164	3,902,820	3,706,756	3,481,627	5,209,637	5,487,749	5,062,168	4,563,633
Business-Type Activities:										
Charges for Services:										
Water	1,138,393	2,109,507	1,544,234	1,616,886	1,821,748	1,751,408	1,793,664	1,778,759	1,814,587	1,822,541
Sewer	842,995	1,439,045	1,146,375	1,229,674	1,337,573	1,286,679	1,334,653	1,330,235	1,333,695	1,384,897
Refuse	1,562,730	1,477,665	1,407,946	1,366,618	1,427,739	1,430,724	1,363,950	1,500,300	1,551,215	1,563,500
Stormwater	632,778	1,066,961	746,107	711,307	802,561	737,866	706,534	826,328	761,971	764,407
Other Enterprise Funds	0	0	0	0	0	0	0	368	816	1,584
Capital Grants and Contributions	714,225	0	0	0	0	315,000	0	0	42,330	177,623
Total Business-Type Activities Program Revenues	4,891,121	6,093,178	4,844,662	4,924,485	5,389,621	5,521,677	5,198,801	5,435,990	5,504,614	5,714,552
Total Primary Government Program Revenues	\$10,608,547	\$10,367,213	\$9,700,826	\$8,827,305	\$9,096,377	\$9,003,304	\$10,408,438	\$10,923,739	\$10,566,782	\$10,278,185

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Net (Expense)/Revenue										
Governmental Activities	(\$11,734,956)	(\$11,975,413)	(\$12,253,208)	(\$11,178,450)	(\$11,338,656)	(\$11,642,325)	(\$11,684,944)	(\$4,477,374)	(\$11,801,172)	(\$15,413,761)
Business-Type Activities	212,941	1,652,488	229,948	(83,046)	1,182,713	544,079	(220,750)	471,459	156,669	979,453
Total Primary Government Net Expenses	(\$11,522,015)	(\$10,322,925)	(\$12,023,260)	(\$11,261,496)	(\$10,155,943)	(\$11,098,246)	(\$11,905,694)	(\$4,005,915)	(\$11,644,503)	(\$14,434,308)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Income Taxes	\$4,911,790	\$5,666,888	\$4,672,734	\$5,020,072	\$5,110,289	\$3,973,806	\$5,372,176	\$5,415,319	\$5,272,961	\$5,984,261
Property Taxes	3,902,277	4,443,580	6,261,231	4,818,175	5,049,513	4,744,562	4,843,807	6,924,647	3,339,083	4,887,998
Grants and Entitlements not Restricted	1,194,125	856,478	666,337	668,157	616,185	625,779	624,208	640,969	710,647	784,262
Revenue in Lieu of Taxes	314,945	1,796,840	730,615	752,528	764,068	533,835	621,783	596,196	592,604	587,069
Investment Earnings	1,985	1,339	3,636	4,836	8,930	47,304	262,228	334,833	106,034	12,683
Other Revenues	432,197	853,239	550,164	287,670	536,262	501,250	483,558	501,583	421,284	471,149
Transfers-Internal Activities	25,000	(450,747)	0	0	0	0	(895,110)	(903,595)	(89,019)	(87,926)
Total Governmental Activities	10,782,319	13,167,617	12,884,717	11,551,438	12,085,247	10,426,536	11,312,650	13,509,952	10,353,594	12,639,496
Business-type activities:										
Investment Earnings	1,102	627	0	0	0	0	0	0	0	0
Other Revenues	128	4,773	5,906	10,827	18,125	21,438	22,430	61,515	173,392	21,925
Transfers-Internal Activities	(25,000)	450,747	0	0	0	0	895,110	903,595	89,019	87,926
Total Business-Type Activities	(23,770)	456,147	5,906	10,827	18,125	21,438	917,540	965,110	262,411	109,851
Total Primary Government	\$10,758,549	\$13,623,764	\$12,890,623	\$11,562,265	\$12,103,372	\$10,447,974	\$12,230,190	\$14,475,062	\$10,616,005	\$12,749,347
Change in Net Position										
Governmental Activities	(\$952,637)	\$1,192,204	\$631,509	\$372,988	\$746,591	(\$1,215,789)	(\$372,294)	\$9,032,578	(\$1,447,578)	(\$2,774,265)
Business-Type Activities	189,171	2,108,635	235,854	(72,219)	1,200,838	565,517	696,790	1,436,569	419,080	1,089,304
Total Primary Government	(\$763,466)	\$3,300,839	\$867,363	\$300,769	\$1,947,429	(\$650,272)	\$324,496	\$10,469,147	(\$1,028,498)	(\$1,684,961)

Source: City Records

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

	2012	2013	2014	2015 (1)	2016	2017	2018	2019	2020	2021
General Fund										
Nonspendable						\$87,440	\$61,180	\$52,877	\$53,020	\$51,274
Assigned	\$678,551	\$269,342	\$164,115	\$124,804	\$50,066	39,055	73,603	46,894	136,321	77,956
Unassigned	183,290	435,828	594,737	642,211	1,311,897	1,673,693	2,326,989	3,254,307	3,125,011	3,315,774
Total General Fund	861,841	705,170	758,852	767,015	1,361,963	1,800,188	2,461,772	3,354,078	3,314,352	3,445,004
All Other Governmental Funds										
Nonspendable	0	0	0	0	0	66,401	51,521	43,632	43,749	38,839
Restricted	1,749,174	2,312,433	2,829,704	2,933,688	3,757,422	4,926,107	4,627,092	6,191,378	6,247,778	5,739,082
Committed	0	0	0	0	0	0	0	319,027	825,402	495,952
Unassigned	(2,132,793)	(2,372,170)	(2,117,730)	(1,915,872)	0	0	0	0	0	0
Total all Other Governmental Funds	(\$383,619)	(\$59,737)	\$711,974	\$1,017,816	\$3,757,422	\$4,992,508	\$4,678,613	\$6,554,037	\$7,116,929	\$6,273,873

Source: City Records

(1) - Restated

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Taxes	\$9,221,597	\$8,661,385	\$11,132,384	\$9,727,407	\$9,866,481	\$9,968,919	\$10,148,648	\$12,373,347	\$8,475,726	\$10,765,844
Charges for Services	1,448,384	1,351,569	1,568,134	1,563,548	1,491,086	1,504,934	1,431,904	1,342,237	1,410,803	1,575,428
Investment Earnings	1,985	1,341	3,636	4,836	8,930	47,304	262,228	334,833	106,035	12,683
Intergovernmental	3,696,921	3,618,810	3,037,163	2,515,346	2,208,380	2,236,895	3,485,673	3,196,927	4,707,345	3,211,935
Special Assessments	75,378	117,304	98,072	47,241	93,048	139,768	64,766	123,240	79,850	114,565
Fines, Licenses & Permits	992,612	655,933	840,957	396,226	340,934	354,384	819,928	689,137	343,931	324,388
Revenue in Lieu of Taxes	314,945	1,796,840	730,615	752,528	764,068	533,836	621,783	524,107	592,604	587,068
Other Revenues	432,196	853,237	550,161	287,671	536,261	501,249	483,559	501,584	421,283	471,150
Total Revenues	\$16,184,018	\$17,056,419	\$17,961,122	\$15,294,803	\$15,309,188	\$15,287,289	\$17,318,489	\$19,085,412	\$16,137,577	\$17,063,061
Expenditures										
Current:										
General Government	\$3,043,505	\$2,869,875	\$3,082,600	\$2,473,711	\$2,324,004	\$2,642,651	\$2,668,565	\$2,772,546	\$2,875,002	\$3,174,520
Public Safety	8,144,645	7,952,880	9,204,008	8,261,875	7,899,774	7,549,155	8,523,819	8,414,337	8,091,201	9,197,582
Community Development	1,351,751	1,296,813	735,593	731,551	477,102	395,010	542,544	588,026	504,580	789,701
Leisure Time Activities	416,767	338,705	366,683	248,634	201,743	199,411	203,140	180,700	128,109	261,918
Transportation and Street Repair	1,639,448	1,370,506	1,882,417	1,587,466	1,444,097	1,408,609	2,726,864	1,941,445	2,641,599	1,926,127
Capital Outlay	2,465,112	1,295,827	73,921	323,675	23,009	389,416	968,289	1,079,641	251,040	1,740,385
Debt Service										
Principal	902,503	1,101,506	1,126,425	749,413	799,987	866,747	800,614	906,982	871,736	1,157,474
Interest	690,605	678,188	636,179	604,473	629,716	566,226	568,312	537,221	514,747	331,923
Bond Issuance Costs	0	0	0	0	47,327	0	0	0	0	89,982
Total Expenditures	\$18,654,336	\$16,904,300	\$17,107,826	\$14,980,798	\$13,846,759	\$14,017,225	\$17,002,147	\$16,420,898	\$15,878,014	\$18,669,612

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Excess of revenues over (under) expenditures	(\$2,470,318)	\$152,119	\$853,296	\$314,005	\$1,462,429	\$1,270,064	\$316,342	\$2,664,514	\$259,563	(\$1,606,551)
Other Financing Sources (Uses)										
Proceeds From Sale of Capital Assets	\$0	\$15,092	\$525	\$0	\$9,159	\$43,247	\$91,833	\$17,376	\$304,831	\$10,239
Issuance of Long-Term Capital-Related Debt	1,831,724	0	0	0	1,815,000	360,000	0	0	0	0
Sale of Refunding Bonds	0	0	0	0	3,370,000	0	0	0	0	5,857,000
Payments to Refunded Bond Escrow Agent	0	0	0	0	(3,322,034)	0	0	0	0	(5,767,018)
Inception of Capital Lease	232,257	0	42,766	0	0	0	15,514	170,830	0	881,852
Transfers In	744,800	187,000	0	65,000	230,000	390,000	422,000	564,000	1,523,000	100,000
Transfers (Out)	(777,000)	(187,000)	0	(65,000)	(230,000)	(390,000)	(498,000)	(648,990)	(1,612,019)	(187,926)
Total Other Financing Sources (Uses)	2,031,781	15,092	43,291	0	1,872,125	403,247	31,347	103,216	215,812	894,147
Net Change in Fund Balances	(\$438,537)	\$167,211	\$896,587	\$314,005	\$3,334,554	\$1,673,311	\$347,689	\$2,767,730	\$475,375	(\$712,404)
Debt service as a percentage of noncapital expenditures (1)	9.7%	11.0%	10.6%	9.3%	11.0%	10.4%	8.5%	9.0%	8.9%	9.3%

Source: City Records

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

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

Calendar Year (1)	Real Property	Tangible Personal Property and Utilities Personal	Total	Total	Total
	Assessed Value	Assessed Value	Assessed Value	Estimated Actual Value	Direct Rate
2012	\$262,916,010	\$9,738,930	\$272,654,940	\$776,199,943	19.65
2013	256,295,220	10,405,180	266,700,400	758,994,451	19.65
2014	254,675,910	11,473,980	266,149,890	757,112,724	23.80
2015	227,869,200	12,386,660	240,255,860	682,866,052	23.80
2016	226,483,400	12,779,880	239,263,280	679,916,484	23.80
2017	225,170,570	13,755,120	238,925,690	678,670,135	23.80
2018	225,521,430	14,410,810	239,932,240	681,356,523	23.80
2019	225,632,360	15,533,260	241,165,620	684,556,122	23.80
2020	218,932,220	16,839,950	235,772,170	668,768,682	23.80
2021	246,740,690	18,537,550	265,278,240	752,581,199	22.80

Source: County Auditor

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

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

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

Calendar Year	Current Assessments Due	Current Assessment Collections	Percent of Current Assessments Collected	Delinquent Assessment Collections (2)	Total Assessment Collections	Ratio of Total Collections to Current	Outstanding Delinquent Assessments (1)	Ratio of Delinquent Assessments to Current Due
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%	1,72,841	580,155	15.69%	3,195,736	86.41%
2015	876,892	302,047	34.45%	165,930	467,977	53.37%	3,568,558	406.96%
2016	1,093,871	380,678	34.80%	159,353	540,031	49.37%	4,170,891	381.30%
2017	965,223	379,936	39.36%	189,119	569,055	58.96%	4,193,023	434.41%
2018	471,650	310,082	65.74%	144,776	454,858	96.44%	3,869,345	820.38%
2019	1,106,789	472,625	42.70%	185,237	657,862	59.44%	4,355,899	393.56%
2020	1,346,254	466,522	34.65%	164,601	631,123	46.88%	5,096,839	378.59%
2021	1,041,496	543,185	52.15%	265,079	808,264	77.61%	N/A	N/A

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	Montgomery County
	2012	6.85	0.50	8.30	2.00	2.00	19.65	60.06	2.58	1.75
2013	6.85	0.50	8.30	2.00	2.00	19.65	60.06	2.58	3.31	20.94
2014	6.85	0.50	12.45	2.00	2.00	23.80	61.06	2.58	3.31	20.94
2015	6.85	0.50	12.45	2.00	2.00	23.80	61.56	2.58	3.31	21.94
2016	6.85	0.50	12.45	2.00	2.00	23.80	62.06	2.58	3.31	22.94
2017	6.85	0.50	12.45	2.00	2.00	23.80	62.06	2.58	3.31	22.94
2018	6.85	0.50	12.45	2.00	2.00	23.80	62.06	4.01	3.31	22.94
2019	6.85	0.50	12.45	2.00	2.00	23.80	62.06	4.01	3.15	23.14
2020	6.85	0.50	12.45	2.00	2.00	23.80	62.06	4.01	3.15	23.14
2021	6.85	0.50	12.45	1.00	2.00	22.80	62.06	3.96	3.15	23.14

Source: County Auditor

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

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

Taxpayer	2021 (1)	
	Assessed Value	Percentage of Total Assessed Value
Dayton Power & Light Company	\$12,002,200	4.52%
Vectren Energy Delivery of Ohio	5,715,880	2.15%
Dayton Healthcare	4,441,340	1.67%
Maria Joseph Properties LLC	1,972,990	0.74%
Shiloh Springs, LP	1,461,960	0.55%
Belle Meadow Associates LLC	1,318,810	0.50%
Octagon Holdings LLC	1,203,840	0.45%
CK HP Salem Woods Holdings LLC	1,200,270	0.45%
Cardinal One	995,660	0.38%
Shiloh Villas Apartments LLC	914,210	0.34%
All Others	234,051,080	88.23%
Total Assessed Valuation	\$265,278,240	100.00%

Taxpayer	2012	
	Assessed Value	Percentage of Total Assessed Value
Dayton Power & Light Company	\$8,700,890	3.19%
Dayton Healthcare	4,215,900	1.55%
Salem Square Improvements, LLC	3,095,280	1.14%
Shiloh Apartments Limited	2,301,370	0.84%
Woodland Hills Associates, LLC	2,273,920	0.83%
Shiloh Springs, LP	2,042,280	0.75%
Westbrooke Village	1,815,810	0.67%
Vectren Energy Delivery of Ohio	1,809,370	0.66%
Lowes Home Center Inc.	1,586,440	0.58%
Belle Meadows Associates, LLC	1,523,360	0.56%
All Others	243,290,320	89.23%
Total Assessed Valuation	\$272,654,940	100.00%

Source: County Auditor

(1) - 2021 information not available, 2020 information was used instead.

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
2012	\$5,213,861	\$4,682,117	89.80%	\$434,140	\$5,116,257	98.13%
2013	5,108,189	4,554,602	89.16%	137,026	4,691,628	91.85%
2014	6,210,526	5,584,912	89.93%	625,614	6,210,526	100.00%
2015	5,664,786	5,109,468	90.20%	378,455	5,487,923	96.88%
2016	5,641,936	5,110,838	90.59%	451,675	5,562,513	98.59%
2017	5,634,247	5,134,796	91.14%	374,998	5,509,794	97.79%
2018	5,628,464	5,150,971	91.52%	416,056	5,567,027	98.91%
2019	5,661,702	5,203,049	91.90%	440,267	5,643,316	99.68%
2020	5,543,493	5,014,500	90.46%	419,727	5,434,227	98.03%
2021	5,379,024	4,891,920	90.94%	395,445	5,287,365	98.30%

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
2012	2.25%	\$3,902,259	\$1,040,093	\$4,942,352	\$63,438	\$4,878,914
2013	2.25%	3,696,030	1,078,265	4,774,295	53,113	4,721,182
2014	2.25%	3,714,817	1,113,293	4,828,110	59,594	4,768,516
2015	2.25%	3,713,792	1,193,983	4,907,775	49,247	4,858,528
2016	2.25%	3,757,534	1,212,991	4,970,525	77,175	4,893,350
2017	2.25%	3,744,488	1,158,832	4,903,320	71,084	4,832,236
2018	2.25%	4,076,373	1,254,708	5,331,081	107,086	5,223,995
2019	2.25%	3,963,234	1,391,882	5,355,116	66,861	5,288,255
2020	2.25%	4,031,493	1,273,103	5,304,596	134,542	5,170,054
2021	2.25%	4,307,848	1,416,556	5,724,404	53,839	5,670,565

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

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

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

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

Calendar Year	Governmental Activities		Business-type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Capital Leases	General Obligation Bonds (1)	OPWC Loans	Capital Leases			
2012	\$15,642,581	\$874,556	\$603,317	\$308,636	\$0	\$17,429,090	0.08%	\$438
2013	14,915,112	482,753	575,692	912,081	0	16,885,638	0.08%	421
2014	14,182,638	113,802	536,446	878,173	0	15,711,059	0.07%	385
2015	13,503,133	26,128	497,030	844,264	0	14,870,555	0.07%	352
2016	14,778,783	17,728	695,217	810,355	0	16,302,083	0.07%	379
2017	14,263,011	8,987	1,047,533	770,446	0	16,089,977	0.07%	371
2018	13,453,618	91,833	951,133	730,537	183,666	15,410,787	0.06%	329
2019	12,616,940	174,593	849,633	690,628	122,444	14,454,238	0.06%	298
2020	11,813,480	88,551	742,483	660,674	61,252	13,366,440	0.05%	259
2021	10,769,354	713,455	653,236	607,812	0	12,743,857	N/A	N/A

Source: City Records

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

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

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

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

Calendar Year	General Bonded Debt	Less: Restricted for Debt Service (1)	Net General Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
2012	\$16,245,898	\$0	\$16,245,898	2.09%	\$592
2013	15,490,804	185,561	15,305,243	2.02%	558
2014	14,719,084	47,258	14,671,826	1.94%	535
2015	14,000,163	32,955	13,967,208	2.05%	509
2016	15,474,000	32,106	15,441,894	2.27%	563
2017	15,310,544	511	15,310,033	2.26%	558
2018	14,404,751	40,106	14,364,645	2.11%	524
2019	13,466,573	84,904	13,381,669	1.95%	488
2020	12,555,963	56,568	12,499,395	1.87%	456
2021	11,422,590	99,888	11,322,702	1.50%	491

Source: City Records

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

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

City of Trotwood, Ohio
Direct and Overlapping Governmental Activities Debt
As of December 31, 2021
Schedule 14

Governmental Unit	Net Debt Outstanding	Estimated Percentage Applicable (1)	Amount Applicable to City of Trotwood
Dayton City School District	\$100,695,000	2.68%	\$2,698,626
Northmont City School District	48,051,104	0.36%	172,984
Trotwood-Madison City School District	19,065,000	92.92%	17,715,198
Brookville Local School District	8,700,000	0.54%	46,980
New Lebanon Local School District	580,000	2.12%	12,296
Miami Valley Career Center Joint Vocational School District	122,885,340	2.78%	3,416,212
Dayton Metro Library District Miscellaneous	130,309,986	3.08%	4,013,548
Subtotal Overlapping Debt	430,286,430		28,075,844
City of Trotwood - Direct Debt	11,482,809	100.00%	11,482,809
Total Direct and Overlapping Debt	\$441,769,239		\$39,558,653

Source: Ohio Municipal Advisory Council

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

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

Legal Debt Margin Calculation for the Current Calendar Year	
Assessed Value	\$265,278,240
Statutory Legal Debt Limitation (1)	10.5%
Total Debt Limitation	27,854,215
Debt Applicable to Limit:	
Gross Indebtedness	11,482,809
Less: Restricted for Debt Service (2)	99,888
Total Net Debt Applicable to Limit	11,382,921
Legal Debt Margin	\$16,471,294

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Total Debt Limit (1)										
Debt Limit (10.5%)	\$28,628,769	\$28,003,542	\$27,945,738	\$25,226,865	\$25,122,644	\$25,087,197	\$25,192,885	\$25,322,390	\$24,756,078	\$27,854,215
Total Net Debt Applicable to Limit	14,169,821	13,580,102	13,083,378	12,494,976	13,524,887	14,263,491	13,505,345	12,706,629	11,845,463	11,382,921
Legal Debt Margin	\$14,458,948	\$14,423,440	\$14,862,360	\$12,731,889	\$11,597,757	\$10,823,706	\$11,687,540	\$12,615,761	\$12,910,615	\$16,471,294

Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	49.5%	48.5%	46.8%	46.8%	45.8%	53.8%	53.6%	50.2%	47.8%	40.9%
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	Calendar Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Total Unvoted Debt Limit (1)										
Debt Limit (5.5%)	\$14,996,022	\$14,668,522	\$14,638,244	\$13,214,072	\$13,159,480	\$13,140,913	\$13,196,273	\$13,264,109	\$12,967,469	\$11,482,809
Total Net Debt Applicable to Limit	14,169,821	13,580,102	13,083,378	12,494,976	13,524,887	14,263,491	13,505,345	12,706,629	11,845,463	11,382,921
Legal Debt Margin	\$826,201	\$1,088,420	\$1,554,866	\$719,096	(\$365,407)	(\$1,122,578)	(\$309,072)	\$557,480	\$1,122,006	\$99,888

Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	94.5%	92.6%	89.4%	94.6%	102.8%	108.5%	102.3%	95.8%	91.3%	99.1%
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Source: City Records

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

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

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

Note:

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

Source: City Records

City of Trotwood, Ohio
Demographic and Economic Statistics - Montgomery County
Last Ten Calendar Years
Schedule 17

Calendar Year	Population (1)	Personal Income (Thousands of Dollars) (2)	Per Capita Personal Income (3)	Unemployment Rate (4)
2012	27,431	\$21,263,616	\$39,795	7.00%
2013	27,431	21,514,166	40,150	7.50%
2014	27,431	21,778,263	40,851	4.80%
2015	27,431	22,743,513	42,223	4.70%
2016	27,431	22,870,434	43,051	4.60%
2017	27,431	23,015,355	43,311	4.40%
2018	27,431	24,961,727	46,891	4.70%
2019	27,431	25,759,197	48,448	3.70%
2020	27,431	27,440,499	51,618	4.70%
2021	23,070	N/A	N/A	3.60%

Sources:

- (1) - Population estimates provided by U.S. Census Bureau.
 - (2) - Personal Income information provided by Bureau of Economic Analysis: Regional Economic Accounts.
 - (3) - Per Capita Personal Income information provided by Bureau of Economic Analysis: Regional Economic Accounts.
 - (4) - Ohio Department of Job and Family Services for Montgomery County.
- N/A - Information not available due to a lag in data availability.

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

2021	
Major Employers (3)	Type (4)
AES Corp./Dayton Power & Light Co.	Utility
Behr Dayton Thermal Products, LLC	Mfg
Caresource	Govt
DMAX Ltd.	Mfg
Fuyao Glass America	Fin
Green Tokai CO	Mfg
Kettering Health Network	Serv
PNC Financial Services Group	Fin
Premier Health Partners, Inc.	Serv
Reed Elsevier LexisNexis	Serv
Reynolds & Reynolds Co., Inc.	Mfg
Synchrony Financial	Fin
University of Dayton	Serv
U.S. Federal Government	Govt

2013	
Major Employers (3)	Type (4)
AES Corp./Dayton Power & Light Co.	Utility
Behr Dayton Thermal Products, LLC	Mfg
Dayton City Schools	Govt
DMAX Ltd.	Mfg
GE Capital	Fin
Kettering Health Network	Serv
PNC Financial Services Group	Fin
Premier Health Partners, Inc.	Serv
Reed Elsevier LexisNexis	Serv
Reynolds & Reynolds Co., Inc.	Mfg
University of Dayton	Serv
U.S. Federal Government	Govt
Source: Ohio Department of Development	

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

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

Function/Program	Full-Time Equivalent Employees as of December 31									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government										
City Administration	3.5	3.5	3.5	2.5	2.0	2.0	3.0	2.5	3.5	3.5
City Council	1.0	1.0	1.0	1.0	1.5	1.0	0.0	1.5	1.0	1.2
Public Works Administration	3.0	3.0	2.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Buildings and Grounds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0
Finance	8.8	8.8	9.5	10.0	9.5	9.0	9.0	9.0	10.0	10.0
Fleet Maintenance	3.0	3.0	3.0	3.0	2.0	2.0	3.0	3.0	3.0	3.0
Public Safety										
Police										
Officers	34.0	34.0	34.0	29.2	29.0	31.0	31.0	31.5	32.5	33.5
Non-Sworn	4.0	4.0	4.0	4.0	3.0	4.0	4.0	4.0	4.5	4.5
Fire	52.0	40.3	41.0	40.7	40.8	40.5	43.5	42.5	39.0	35.0
Leisure Time Activities										
Cemeteries	0.8	0.8	0.8	1.0	2.0	2.0	2.0	1.5	0.75	1.00
Parks and recreation	1.0	1.0	0.5	0.5	1.5	2.5	1.5	1.0	0.75	1.00
Community Development										
Planning and Zoning	2.0	2.0	1.5	0.8	1.5	1.5	1.5	2.0	2.0	1.0
Building Inspection/Code Enforcement	3.6	3.0	1.5	1.8	1.0	1.0	1.5	0.0	0.0	0.0
Economic Development	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5
Basic Utility Service										
Water	1.2	1.2	1.2	2.2	1.5	1.5	1.5	1.5	2.5	2.5
Sanitary Sewers	1.2	1.2	1.2	2.2	1.5	1.5	1.5	1.5	2.5	2.5
Refuse Collection	0.8	0.8	0.8	1.0	0.0	0.0	0.0	0.0	0.0	0.0
Transportation and Street Repair	6.5	6.5	6.5	6.7	5.5	7.0	8.0	8.0	7.5	8.0
Total	126.4	114.1	112.0	107.6	103.3	107.5	112.0	110.5	110.5	109.2

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	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government										
Building permits issued	43	37	0	0	0	0	0	0	0	0
Zoning permits issued	146	95	62	41	110	181	103	134	152	194
Checks issued	2,631	2,393	1,784	1,786	2,255	2,269	2,008	2,230	1,935	1,861
Ordinances adopted	29	95	17	22	22	32	24	30	52	45
Resolutions adopted	73	14	89	80	91	133	51	100	105	65
Police										
Calls for service	30,288	30,987	31,726	30,939	30,944	31,261	35,431	33,165	32,163	39,313
Cases assigned	1,316	1,205	1,062	1,044	1,114	902	1,205	947	941	1,125
Suspects charged	247	194	198	127	169	158	160	181	306	298
Percent cases closed by arrest	19%	16%	19%	12%	15%	17.5%	13.8%	19.1%	32.5%	26.5%
Traffic accidents	378	366	447	476	527	537	496	456	437	515
Traffic stops	2,409	2,980	3,418	2,833	2,746	4,206	2,622	2,796	2,576	5,184
Fire										
Calls for service	1,200	1,342	1,294	1,274	140	154	155	151	170	120
Average response time (minutes)	6.5	6.4	6.6	6.5	6.7	6.7	6.64	6.93	8.70	7.58
Average calls per day	3.3	3.7	3.5	3.5	0.4	0.42	0.42	0.41	0.47	0.33
Average call duration (minutes)	53.9	114.2	100.8	99.5	64.5	72.74	118.36	128.47	107.18	106.17
EMS										
Calls for service	4,440	4,572	5,026	5,120	5,090	5,531	5,040	5,242	4,592	5,185
Average response time (minutes)	5.2	5.9	6.0	6.3	6.8	6.32	6.78	6.75	6.55	6.24
Average calls per day	12.2	12.5	13.8	14.0	14.0	15.15	13.80	14.36	12.58	14.21
Average call duration (minutes)	67	72	96	92	62	70.69	47.08	52.36	45.34	51.20
Fire/EMS - all other										
Calls for service	0	0	0	0	1,343	1,178	1,284	1,388	1,475	1,490
Average response time (minutes)	0	0	0	0	6	5.92	6.48	6.36	6.75	6.9
Average calls per day	0	0	0	0	4	3.23	3.51	3.8	4.04	4.08
Average call duration (minutes)	0	0	0	0	29	26.81	16.56	15.86	17.25	21.03

Source: Various City Departments

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

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Public Works										
Street resurfacing (square yards)	93,848	25,500	25,000	27,000	29,500	57,400	76,384	32,736	52,580	128,200
Potholes repaired	9,000	9,000	9,800	11,191	11,685	15,000	21,000	21,000	23,500	22,100
Street cleaning (lane miles)	500	250	350	205	150	1,100	1,200	1,200	1,500	1,800
Street striping (miles)	20	12	35	30	30	30	25	25	30	30
Parks and recreation										
Shelter rentals	48	49	53	63	63	62	78	78	0	79
Pavilion rentals	2	2	0	4	3	10	4	4	1	3
Water										
Water main breaks	18	20	32	11	18	16	29	29	29	12
Wastewater										
Sewer main cleaning (miles)	11	12	15	8	20	10	7	7	7	10

Source: Various City Departments

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

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Fire Stations	3	3	3	3	3	3	3	3	3	0
Public Works										
Streets (lane-miles)	411	411	411	411	411	411	411	411	411	411
Streetlights	1,285	1,285	1,285	1,285	1,285	1,285	1,285	1,287	1,287	1,287
Traffic signaled intersections	41	41	41	41	41	41	41	41	41	41
Parks and Recreation										
Number of Parks	7	7	7	7	7	7	7	7	7	7
Acreage	150	150	150	150	150	150	150	150	150	150
Utilities										
Water Mains (miles)	38	38	38	38	38	38	38	38	38	38
Fire hydrants	1,096	1,225	1,235	1,235	1,235	1,235	1,235	1,235	1,235	1,235
Storm Sewers (miles)	40	40	40	40	40	40	40	40	40	40
Sanitary Sewers (miles)	32	32	32	32	32	32	32	32	32	32

Source: Various City Departments

OHIO AUDITOR OF STATE KEITH FABER



CITY OF TROTWOOD

MONTGOMERY COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 8/11/2022

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Phone: 614-466-4514 or 800-282-0370

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