



**Auditor of State  
Betty Montgomery**



**CITY OF TROTWOOD  
MONTGOMERY COUNTY**

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**CITY OF TROTWOOD  
MONTGOMERY COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2002**

<b>Federal Grantor/ Pass Through Grantor Program Title</b>	<b>Pass Through Entity or Project Number</b>	<b>Federal CFDA Number</b>	<b>Disbursements</b>
<b>UNITED STATES DEPARTMENT OF JUSTICE</b>			
<i>Direct Funding</i>			
Equitable Sharing Funds	0571200	16.XXX	\$100,968
Local Law Enforcement Block Grant	00-JB-13-A056	16.592	42,427
	01-LB-BX-1434		<u>57,613</u>
Total Local Law Enforcement Block Grant			<u>100,040</u>
Total United States Department of Justice			<u>201,008</u>
<b>UNITED STATES DEPARTMENT OF TRANSPORTATION</b>			
<i>Passed Through Ohio Department of Transportation</i>			
Highway Planning and Construction	PID 13965	20.205	168,653
<b>UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			
<i>Passed Through Montgomery County</i>			
Community Development Block Grant			
- NEP / Townview	M99-DC-39-0208	14.218	44,745
- NEP / Townview Phase II	B-01-UC-39-0004		4,290
- CDBG - West Third Street	B-01-UC-39-0004		<u>7,000</u>
Total United States Department of Housing and Urban Development - Community Development Block Grant			<u>56,035</u>
<b>Total Federal Awards Expenditures</b>			<b><u>\$ 425,696</u></b>

*The accompanying notes to this schedule are an integral part of this schedule.*

**CITY OF TROTWOOD  
MONTGOMERY COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FISCAL YEAR ENDED DECEMBER 31, 2002**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Federal Awards Expenditures (the Schedule) summarizes activity of the City's federal award programs. The Schedule has been prepared on the cash basis of accounting.

**NOTE B - MATCHING REQUIREMENTS**

Certain Federal programs require that the City contribute non-Federal funds (matching funds) to support the Federally-funded programs. The City has complied with the matching requirements. The expenditure of non-federal matching funds is not included on the schedule.



**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON  
INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS**

City of Trotwood  
Montgomery County  
35 North Olive Street  
Trotwood, Ohio 45426-2600

To the Members of City Council:

We have audited the financial statements of the City of Trotwood (the City) as of and for the year ended December 31, 2002, and have issued our report thereon dated June 18, 2003. 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.

**Compliance**

As part of obtaining reasonable assurance about whether City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2002-001 and 2002-002. We also noted a certain immaterial instance of noncompliance that we have reported to management of City in a separate letter dated June 18, 2003.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of City in a separate letter dated June 18, 2003.

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

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

June 18, 2003



## Auditor of State Betty Montgomery

### INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

City of Trotwood  
Montgomery County  
35 North Olive Street  
Trotwood, Ohio 45426-2600

To the Members of City Council:

#### Compliance

We have audited the compliance of the City of Trotwood (the City) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2002. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City of Trotwood complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2002.

#### Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

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**Internal Control Over Compliance  
(Continued)**

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

**Schedule of Federal Awards Expenditures**

We have audited the general-purpose financial statements of the City as of and for the year ended December 31, 2002, and have issued our report thereon dated June 18, 2003. Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The accompanying schedule of federal awards expenditures is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

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



**Betty Montgomery**  
Auditor of State

June 18, 2003

**CITY OF TROTWOOD  
MONTGOMERY COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
DECEMBER 31, 2002**

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

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

**FINDING NUMBER 2002-001**

**Ohio Rev. Code Section 5705.41(D)**, states that no orders or contracts involving the expenditure of money are to be made unless there is attached thereto a certificate of the fiscal officer that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances.

This section of code provides the following exception to this requirement:

If no certificate is issued at the time the contract or order is presented, the fiscal officer may execute a then and now certificate that states, that there was, at the time of the making such contract or order, and at the time of the execution of such a certificate, a sufficient sum appropriated for the purpose of such contract and in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. If the amount involved is greater than one thousand dollars, the taxing authority must authorize the drawing of a warrant with a resolution or ordinance within thirty days from the execution of the then and now.

During the period tested, thirty four percent of expenditures were certified after incurring obligations. Many of these expenditures were recurring in nature, such as Utility and Health Care billing. Not certifying the availability of funds and recording the related encumbrances in the budgetary accounts could result in the City's expenditures exceeding amounts appropriated at the legal level of control. The City should obtain the required certification of the availability of funds, for all City funds, prior to a liability being incurred.

The above section of Ohio Rev. Code also states that fiscal officers may prepare so-called "blanket" certificates not exceeding \$5,000 against any specific line item account over a period not exceeding three months or beyond the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at a particular time for any particular line item appropriation.

In addition to these blanket certificates, a subdivision may also issue a so-called "super blanket" for expenditures and contracts for any amount, from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items and any other specific recurring and reasonably predictable operating expenses. This certification is not to extend beyond the fiscal year. Twenty five percent of the City's blanket certificates tested exceeded three months.

To ensure compliance with the above referenced section of code, the City should implement procedures to monitor blanket certificate amounts, line item appropriations, and length of time.

**FINDING NUMBER 2002-002**

**Ohio Rev. Code Section 5705.36** allows all subdivisions to request increased amended certificates of estimated resources and reduced amended certificates upon determination by the fiscal officer that revenue to be collected will be greater or less than the amount in the official certificate of estimated resources.

An increased amended certificate must be obtained from the budget commission if the legislative authority intends to appropriate and expend the excess revenue. A reduced amended certificate must be obtained if the amount of the deficiency will reduce available resources below the current level of appropriation. Revenue collected was less than the amount recorded on the amended certificate of estimated resources in the following funds:

**FINDING NUMBER 2002-002**  
**(Continued)**

As of December 31, 2002:

<b>Fund</b>	<b>Estimated Receipts</b>	<b>Actual Receipts</b>	<b>Variance</b>
General Fund	\$8,854,568	\$ 8,606,802	\$ (247,766)
Permissive Use Tax Fund	291,000	444	(290,556)
Grants Fund	1,021,388	253,077	(768,311)
Industrial Park Fund	1,815,000	1,803,319	( 11,681)
Water Fund	1,301,000	1,172,483	(128,517)
Refuse Collection Fund	1,003,000	953,643	( 48,357)

The City should develop and implement policies and procedures to ensure that estimated resources are amended to accurately reflect amounts that are going to be received.

**3. FINDINGS FOR FEDERAL AWARDS**

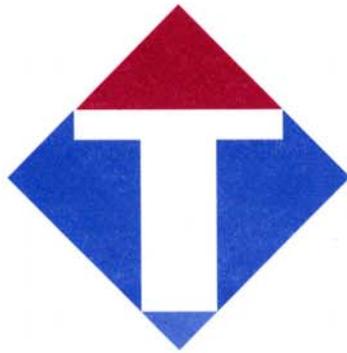
None.

**CITY OF TROTWOOD  
MONTGOMERY COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
OMB CIRCULAR A -133 § .315 (b)  
DECEMBER 31, 2002**

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected?</u>	<u>Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:</u>
2001-20357-001	ORC 5705.41(D)- Expenditures were certified after incurring obligations. Blanket PO's exceeded three months / beyond the current fiscal year limitations	No	Repeated as finding 2002-001.

# **CITY OF TROTWOOD, OHIO**



**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
For The Fiscal Year Ended December 31, 2002**



# CITY OF TROTWOOD, OHIO

## COMPREHENSIVE ANNUAL FINANCIAL REPORT For The Fiscal Year Ended December 31, 2002

Prepared by:

Department of Finance

Jon W. Stoops  
Finance Director



CITY OF TROTWOOD, OHIO

Comprehensive Annual Financial Report  
For the Fiscal Year Ended December 31, 2002

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CITY OF TROTWOOD, OHIO  
 Comprehensive Annual Financial Report  
 For the Fiscal Year Ended December 31, 2002

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**INTRODUCTORY**

**SECTION**





June 18, 2003

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

We are pleased to present the comprehensive annual financial report of the City of Trotwood, Ohio, for the fiscal year ended December 31, 2002. Responsibility for both the accuracy of the data and the completeness and fairness of presentation, including all disclosures, rests with City management. To the best of our knowledge and belief, the information presented is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The comprehensive annual financial report is presented in three sections: introductory, financial and statistical. The introductory section includes the transmittal letter, the City's organizational chart and a list of principal officials. The financial section includes the general purpose financial statements and schedules, as well as the independent auditor's report on the general purpose financial statements. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

### **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 City charter first adopted in 1964 and subsequently amended. On January 1, 1996, the City merged with Madison Township more than tripling its population and land area. The resulting community is the fourth most populous city in Montgomery County with 27,420 residents and its land area is surpassed (over 28 square miles) only by the City of Dayton.

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

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

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

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

## **ECONOMIC CONDITION AND OUTLOOK**

The City of Trotwood is a major suburb within a diversified regional economy characterized by relatively low unemployment, an expanding housing market, continued job growth and stable major employers. Nearby Wright Patterson Air Force Base employs approximately 22,000 making it the largest single-site employer in the State of Ohio. Delphi Automotive Systems employs more than 10,000 in its several area facilities. Companies such as Airborne Express, Standard Register, General Motors Truck Group, NCR Corporation and LEXIS-NEXIS are included among the list of other top regional employers. Good Samaritan Hospital and the Dayton Veterans Administration Center are major employers within Dayton close to Trotwood. Although none of these facilities are physically located in Trotwood, the City benefits by having these employment opportunities for the numerous Trotwood residents who work for these enterprises. Trotwood is home to the corporate headquarters of Moto Franchise Corporation, a national photo finishing chain.

The City's Salem Avenue shopping district has served as the commercial hub of northwest Montgomery County for many years. Salem Mall has long been the anchor of the district, but recently has experienced declining occupancy. The adjacent Consumer Square shopping center is a major draw in the district, as are several "big box" retailers such as Wal-Mart, K-Mart, Lowe's and Target. In 2001, Home Depot opened a new home improvement outlet on the site formerly occupied by the Lazarus department store portion of the mall. Nearby, Hara Arena draws large crowds to its facilities for various shows, conferences and sporting activities.

The "Trotwood Connector," a limited access highway on a north-south axis through the center of the City that was completed in 2000 provides access for potential development of several large tracts. In a related economic development move, the City in 2001 completed the installation of streets and utilities to make a 38-acre site west of the Connector available as a light industrial park. An additional 30 acres adjacent to the Industrial Park were acquired in 2002 for future expansion.

## **MAJOR INITIATIVES**

The City of Trotwood in 2002 gave attention to a strategic planning process by City Council to guide the community's future, took the significant step of switching to in-house income tax

collections, undertook the construction of a new public works facility and gained the voters' approval of the renewal of two expiring street levies.

Achieving a budget for the 2002 fiscal year involved a process of extensive duration and numerous adjustments until final agreement was reached by City Council in February, 2002 to supplant temporary appropriations adopted in December, 2001.

The final budget culminated a process that began over a year earlier. In February of 2001, the City Council held a retreat to develop a strategy to overcome the City's fiscal challenges in the near term. During this day and a half process utilizing a trained facilitator, the City Council examined every City program category that relies on tax revenue and made decisions regarding both funding and service levels. This modified zero based budgeting process resulted in a recommendation to submit to the voters a 5.75 mill general fund operating levy which was approved on May 7, 2001. The passage of that levy made available for FY 2002 an additional \$1,683,000 in property tax revenue.

The February 2001 preliminary edition of the budget was developed in a very summary manner and was aiming to achieve a balanced budget, particularly in the General Fund. As more detailed departmental budget requests were developed in the fall, additional costs were discovered that made the task of a balanced budget more challenging.

A revised proposed budget for FY 2002 was presented to Council on February 15. It was modified in several areas from the recommended budget the City Manger presented in November 2001. These modifications were the result of detailed deliberations at several budget workshops conducted from November through early February. The approved budget reflected Council's thoughtful attention to minimizing deficit spending while fulfilling the City's numerous needs and requirements for public services.

One new initiative contained in the 2002 budget was the creation of an in-house income tax collection unit within the Finance Department. Over the years that the City had contracted with Dayton's Revenue Division to collect incomes taxes, concerns had grown that the amount due Trotwood was not being fully collected. After discussion with several medium-size area cities that did their own income tax collecting, the decision was made to transition away from the Dayton contract during 2002. In May, an Income Tax Administrator was hired to begin the transition process, giving attention to acquisition of a computer system and to arranging the printing of forms. An Income Tax Analyst was added in July to complete the basic staffing arrangement. The City of Dayton was given a formal 90 day notice in late August of the City's desire to terminate the existing contractual arrangement as of November 30. During the fall the staff worked closely with Dayton's staff and software consultants to achieve the transfer of their data to the City's system. Commencing December 1, Trotwood officially assumed responsibility for the administration and collection of the 2.25 percent municipal income tax owed on income earned within the City and on resident's income not taxed elsewhere.

In June 2002, City Council awarded a \$1,225,000 design/build contract for construction of a new public works facility. The 20,000 square foot combined office and garage structure was conceived to consolidate at one location the public works administrative offices, the salt barn/maintenance yard and the fleet repair garage housed at three separate sites, and to provide adequate space for vehicle storage and decent restroom, shower and eating spaces. A concept plan and alternative site evaluation conducted in 2001 had resulted in the decision to acquire a centrally located parcel approximately one mile south of the Government Center on Olive Road. The costs of constructing the structure and extending water and sewer to the site were financed by Council approval of one-year \$1,355,000 bond anticipation note, with the intention of conversion to a 25 year bond issue after project completion. Construction began in August and was

substantially completed by year-end. The new facility was occupied in late April 2003, with a grand opening ceremony on May 12.

The Trotwood City Council in August 2002 developed a Strategic Plan for the City. The process included developing a ten year *Vision*, articulating a description of Trotwood's desired future through a list of key principles. These principles are intended to guide forward-looking City policies and decisions. Also the Council developed a set of five-year goals and objectives to serve as shorter-term achievable outcomes in pursuit of the longer vision.

This Strategic Plan preparation took place after the early stages of developing a recommended 2003 budget were already underway. The action agenda for the first year activities under the Strategic Plan is primarily focused on detailed analysis and studies to refine the goals and objectives. While these will place demands on staff time, they require relatively little in monetary resources from the budget in 2003. The budgeting process in subsequent years will likely be more significantly affected by the aims of the Strategic Plan.

The core theme of the 2012 Vision is "Together, We Are Creating A Bright Future." This theme is amplified by 14 principles to guide future City actions:

1. Financially Stable, Sustainable City Government
2. Quality Retail Choices from Value Shopping to Upscale Shopping
3. Range of Housing Choices Emphasizing Homeownership
4. Develop as a Major Medical Center
5. Excellence in Schools and Education Programs – Known for "Quality"
6. Quality Recreational Opportunities with Convenience, for all Generations
7. People Feeling Safe and Secure
8. Salem Corridor/Area Redeveloped as a Regional Center
9. Controlling Our Future Development and Destiny – Quality Utilities throughout Our Community.
10. Technologically Connected Community
11. Increased Private Investment in the City of Trotwood
12. Destination Point for Entertainment and Recreation
13. Range of Lifestyles: Urban, Suburban and Rural
14. Respected as a Regional Leader – Advocacy for Trotwood, Shaping the Region's Future

The five goals identified for accomplishment by 2007 include:

- Financially Strong, Sustainable City -- Revenues to Support Services
- Strong Local Economy -- New Business, More Jobs
- Choices for Recreation and Leisure -- Opportunities for All Generations
- A Destination Point -- Services, Retail, Recreation and Entertainment
- A Growing Economy -- New and Revitalized Homes, New and Revitalized Neighborhoods

Both of the City's existing street levies, one for 1 mill and one for .74 mill, were expiring in 2002. Together these levies furnished approximately \$375,000 annually for street maintenance and repaving activities. These levies were initially approved by the voters in the late 1980's for a three year duration and had been renewed several times, most recently in 1999. While historically these levies were fairly easily renewed without active campaigning, recent experience with the challenge of gaining voter approval of extra-voted property taxes caused some concerns. The City sought some key citizens to form a political action committee to raise funds for a targeted campaign in favor of the renewal of both levies. Consequently a significant majority of the

electorate at the November 2002 general election approved the continuation of these levies for three more years, this which provides the ongoing availability of this important revenue source.

Several other notable initiatives were undertaken in 2002. Four additional full-time firefighter/paramedic positions were added in the Fire Department. This action recognized the declining dependability of utilizing part-time paid-on-call personnel to support the department's operations. Also, Station 72 in southern Trotwood, historically a paid-on-call facility, was temporally closed while a design was prepared for the renovation and expansion of this station to function as a 24 hour facility. The Fire Department acquired an additional medic unit to replace an aging one.

A new economic development incentive account established in the budget was utilized to leverage funding for revitalization of a shopping center site. The City pledged \$100,000 from the account to match a Montgomery County Economic Development/Government Equity grant for \$200,000 to assist a \$1,658,000 renovation project on Salem Avenue.

The City agreed to accept a donation from the J. C. Penney Company of their vacant anchor store and adjoining parking lot area at the Salem Mall. Coupled with a tax increment financing agreement with the new Home Depot to devote 75 percent of the increased property taxes on their building to Salem Mall redevelopment, the City improved its position during 2002 to play a key role in stimulating private renewal of this important commercial location.

## **FINANCIAL INFORMATION**

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

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

In addition, the government maintains extensive budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by City Council. The level of budgetary for the General Fund is at the budget center or department level (e.g., Police Patrol, Street Maintenance, Fleet Maintenance). The legal level of budgetary control for other funds is at the fund level.

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

General Government Fund Balances. General governmental activities and services are accounted for in governmental funds: the general, special revenue, debt service and capital project funds. The following schedule presents a summary of fund balances for all governmental funds for the

years ended December 31, 2002 and 2001. Fund balances give the City flexibility in the event of unforeseen revenue downturns or expenditure increases.

**Governmental Fund Balances**  
For the fiscal years ended December 31, 2002 and 2001

Fund Type	2002 Amount	2001 Amount	Amount of Increase (Decrease)	Percent of Increase (Decrease)
General	\$ 1,430,780	2,190,283	(759,503)	-34.7%
Special revenue	1,667,144	1,543,602	123,542	8.0%
Debt service	8,589	2,440	6,149	252.0%
Capital Projects	(2,386,186)	(1,355,961)	(1,030,225)	-76.0%
Totals	<u>720,327</u>	<u>2,380,364</u>	<u>(1,660,037)</u>	

The \$1,660,037 decline in fund balances for all governmental funds reflects two distinct events. First, the General Fund saw significant unanticipated revenue shortfalls in 2002 for both income tax collections and estate tax distributions. These two major revenue contributors to the General Fund generated \$720,000 less than the prior year. Second, the balance sheet figures for Capital Projects funds include a liability for the one-year bond anticipation notes issued in the amount of \$1,355,000 to finance the construction expense of the new public works facility. This further decreased the already negative fund balance for Capital Projects funds that also included a \$1,800,000 short-term debt obligation for the Industrial Park project. The 2003 budget contemplates the conversion of a significant portion of this debt to long-term bonds, which will serve to remove this liability from the governmental fund balances.

**Governmental Revenues.** The following table presents revenue amounts generated by the City's governmental operations for the years ended December 31, 2002 and 2001.

**Governmental Fund Revenues**  
For the fiscal years ended December 31, 2002 and 2001

Sources	2002 Amount	Percent of Total	2001 Amount	Amount of Increase (Decrease)	Percent of Increase (Decrease)
Taxes	\$ 8,896,998	65.0%	7,217,614	1,679,384	23.3%
Intergovernmental	3,000,994	21.9%	3,388,698	(387,704)	-11.4%
Charges for services	1,198,249	8.7%	930,892	267,357	28.7%
Fines, licenses and permits	326,212	2.4%	336,245	(10,033)	-3.0%
Special assessments	67,633	0.5%	56,291	11,342	20.1%
Investment Earnings	89,372	0.7%	266,207	(176,835)	-66.4%
Other	109,328	0.8%	405,669	(296,341)	-73.0%
Totals	<u>\$ 13,688,786</u>	<u>100.0%</u>	<u>12,601,616</u>	<u>1,087,170</u>	

The \$1,679,384 increase in taxes is mainly due to the first year of collections for a new 5.75 mill current expenses levy approved by the voters in 2001. The \$387,704 decrease in intergovernmental revenues is the result of a \$490,000 decrease in estate tax distribution.

**Governmental Expenditures.** Amounts expended in 2002 and 2001 for governmental operations are summarized in the following table:

**Governmental Fund Expenditures  
For the fiscal years ended December 31, 2002 and 2001**

Functions	2002 Amount	Percent of Total	2001 Amount	Amount of Increase (Decrease)	Percent of Increase (Decrease)
Current:					
Public Safety	\$ 7,777,073	49.7%	7,442,020	335,053	4.5%
Leisure time activities	472,069	3.0%	523,486	(51,417)	-9.8%
Community Development	903,893	5.8%	879,813	24,080	2.7%
Transportation and Street Repair	1,079,879	6.9%	1,087,664	(7,785)	-0.7%
General government	2,264,896	14.5%	2,023,525	241,371	11.9%
Capital outlay	2,740,330	17.5%	1,563,347	1,176,983	75.3%
Debt service	400,676	2.6%	312,136	88,540	28.4%
Totals	<u>\$ 15,638,816</u>	<u>100.0%</u>	<u>13,831,991</u>	<u>1,806,825</u>	

The \$1,176,983 capital outlay increase in expenditures for 2002 in comparison with 2001 is explained by the construction of a new \$1,345,000 Public Works Facility. The \$335,053 increase in public safety expenditures reflects the addition of four full-time firefighter/paramedic positions and the restoration of personnel to the fire training and fire prevention programs in the Fire Department, adding approximately \$375,000 in operating expenses.

**Enterprise Operations.** The City operates three enterprise funds which provide water, sewer and refuse collection services. Water and sewer services are provided to a portion of the City, while refuse collection is provided City-wide. The City does not operate a water or sewer treatment plant but, instead, purchases excess capacity from the City of Dayton. Refuse collection services are provided by a private hauler via a contract with the City. Selected financial information for each enterprise operation is provided below:

**Enterprise Fund Financial Information**  
**For the fiscal year ended December 31, 2002**

	Water Fund	Sewer Fund	Refuse Collection Fund	Totals
Operating revenues	\$ 913,914	888,311	949,182	2,751,407
Operating expenses	950,429	830,345	1,005,904	2,786,678
Operating income (loss)	(36,515)	57,966	(56,722)	(35,271)
Net income (loss)	(46,140)	13,192	(55,612)	(88,560)
Assets	1,220,501	707,087	436,620	2,364,208
Equity	552,824	270,668	21,848	845,340
Net working capital	(209,405)	35,511	21,848	(152,046)

The rate increases adopted in 2001 for each of the enterprise funds did provide a positive net income for the Sewer Fund and did reduce but not eliminate the net losses in the Water Fund and the Refuse Collection Fund. The negative net working capital amount in the Water Fund is attributable to a one-year bond anticipation note liability incurred for financing a major water line replacement project in 2001 and refinanced through a reduced debt obligation of \$275,000 issued in 2002.

**Fiduciary Operations.** The City maintains an agency fund to account for assets received and held by the City acting in the capacity of an agent or custodian. Assets represent deposits made by contractors, developers and citizens to insure compliance with City ordinances, rules and regulations. These deposits will be returned to the appropriate party upon evidence of satisfactory performance.

**Debt Administration.** At year-end, the City had six debt obligations outstanding. These issues included \$610,000 for a general obligation bond, \$655,000 of special assessment bonds with a governmental commitment and \$3,630,000 for four one-year bond anticipation notes for a total of \$4,895,000 subject to bonded debt limitations.

In addition the city entered into a 10 year loan agreement in 2001 with the Ohio Public Works Commission to finance a sewer lift station renovation project that has a \$46,077 principal balance as of December 31, 2002.

The liability of compensated absences experienced a net decrease of \$87,601 at December 31, 2002.

**Cash Management.** Temporarily idle cash during the year was invested in certificates of deposit, overnight repurchase agreements and the State Treasurer's investment pool (STAR Ohio). Total interest earned by the City in 2002 amounted to \$93,945.

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

**Risk Management.** The City purchases commercial casualty and liability insurance to protect against major property losses and the threat of lawsuits alleging negligence by city employees. Coverage levels as of year end were blanket property coverage of \$8,639,137 (\$10,000

deductible), crime coverage of \$100,000 per loss (\$1,000 deductible), general liability coverage of \$1,000,000 per occurrence (\$10,000 deductible), law enforcement liability coverage of \$1,000,000 per occurrence/annual aggregate (\$50,000 deductible) and automobile liability coverage of \$1,000,000 per vehicle. In addition, the city has umbrella liability coverage of \$1,000,000 per occurrence/annual aggregate (\$10,000 deductible).

## **OTHER INFORMATION**

**Independent Audit.** As required by state statutes, the general purpose financial statements of the City of Trotwood, Ohio for the fiscal year ended December 31, 2002, have been audited by the Ohio Auditor of the State's office. Their unqualified opinion has been included in this report.

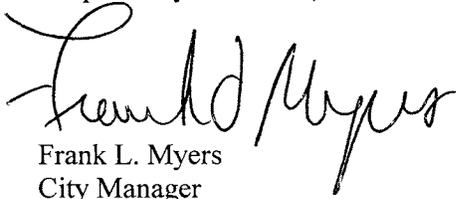
**Awards.** The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to The City of Trotwood for its comprehensive annual financial report for the fiscal year ended December 31, 2001. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

In addition, the City received the GFOA Award for Distinguished Budget Presentation for its annual operating budget for the fiscal year beginning January 1, 2002. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories including policy documentation, financial planning and organization.

**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,

  
Frank L. Myers  
City Manager

  
Jon W. Stoops  
Finance Director

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Trotwood,  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2001

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



A handwritten signature in black ink, reading "William Patrick Vasta".

President

A handwritten signature in black ink, reading "Jeffrey R. Emen".

Executive Director

**CITY OF TROTWOOD, OHIO**  
List of Elected and Appointed Officials  
December 31, 2002

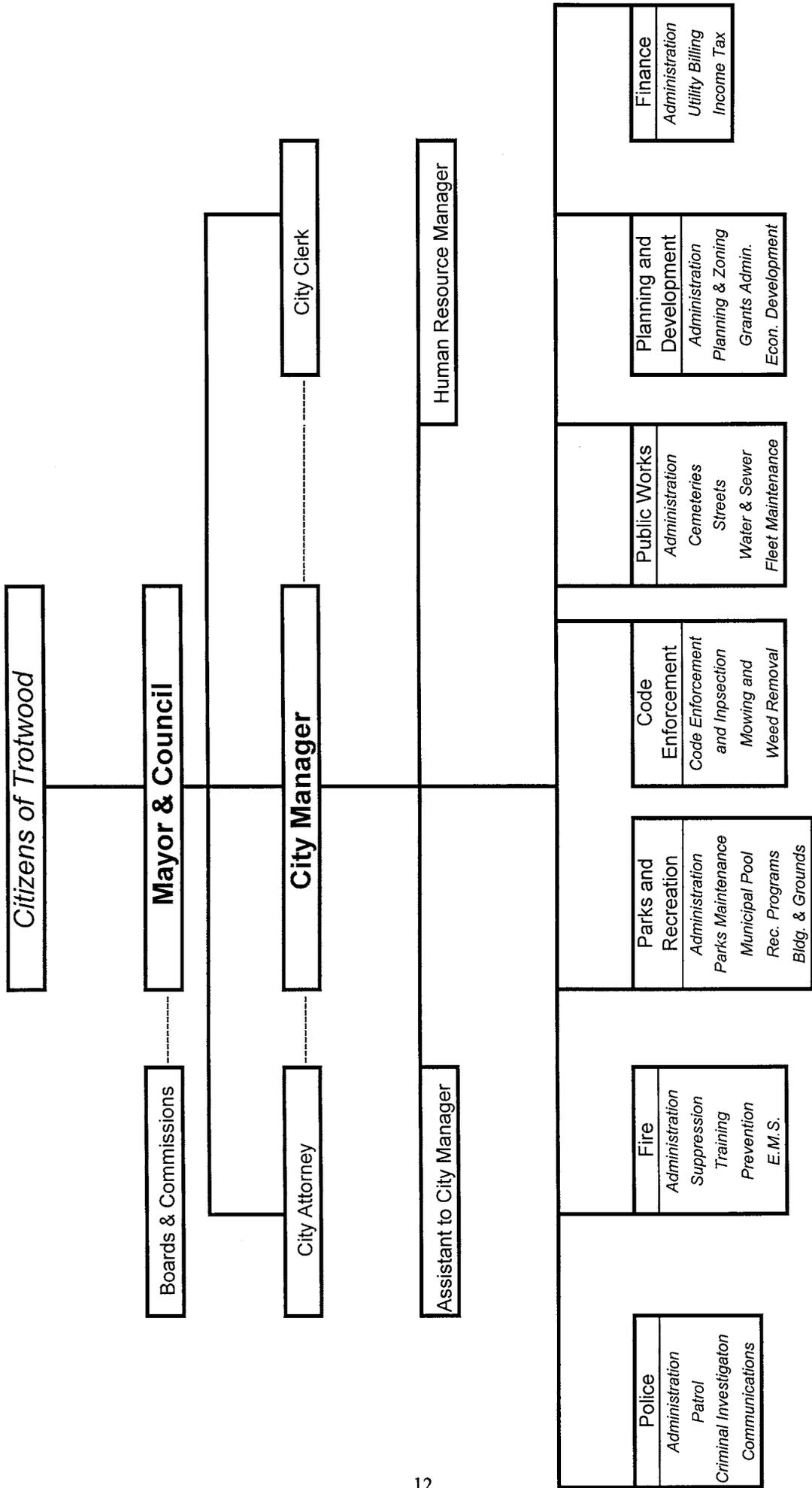
**ELECTED OFFICIALS**

Donald K. McLaurin	Mayor
Darreyl D. Davis	Councilmember At Large
Barbara J. Staggs (Vice-Mayor)	Councilmember At Large
Joyce L. Sutton	Councilmember, District 1
Rap Hankins	Councilmember, District 2
Charles R. Vaughn	Councilmember, District 3
Oscar L. Holliday	Councilmember, District 4

**APPOINTED OFFICIALS**

Frank L. Myers	City Manager
Lois M. Singleton	Clerk of Council
Jon W. Stoops	Finance Director
Paul F. Hutsonpillar	Fire Chief
Michelle Y. Matthews	Human Resource Manager
Philip B. Herron	Law Director
Terry M. Lodge	Parks & Recreation Director
Michael J. Lucking	Planning & Development Director
Michael E. Etter	Police Chief
Thomas N. Odenigbo	Public Works Director

CITY OF TROTWOOD, OHIO  
 Organization Chart  
 December 31, 2002





FINANCIAL

SECTION





**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

City of Trotwood  
Montgomery County  
35 North Olive Road  
Trotwood, Ohio 45426-2600

To the Members of City Council:

We have audited the accompanying general-purpose financial statements of the City of Trotwood, Montgomery County, (the City) as of and for the year ended December 31, 2002, as listed in the table of contents. These general-purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

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

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Trotwood, Montgomery County, as of December 31, 2002, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2003, 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for additional analysis and are not a required part of the general-purpose financial statements. We subjected this information to the auditing procedures applied in the audit of the general-purpose financial statements. In our opinion, it is fairly stated in all material respects, in relation to the general-purpose financial statements taken as a whole.

One First National Plaza / 130 W. Second St. / Suite 2040 / Dayton, OH 45402  
Telephone: (937) 285-6677 (800) 443-9274 Fax: (937) 285-6688  
[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

We did not audit the data included in the introductory and statistical sections of this report and therefore express no opinion thereon.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

June 18, 2003



TROTWOOD

City of Trotwood, Ohio  
 Combined Balance Sheet  
 All Fund Types And Account Groups  
 December 31, 2002

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<b>ASSETS AND OTHER DEBITS:</b>				
Assets:				
Pooled cash and investments	\$1,334,013	\$2,154,159	\$8,589	\$1,018,533
Receivables (net of allowance for uncollectibles):				
Taxes	2,685,452	2,413,050	177,150	0
Accounts	0	400,639	0	0
Special assessments	543,432	92,312	0	0
Interfund	57,761	0	0	0
Intergovernmental	104,437	423,377	0	0
Inventory	0	64,036	0	0
Prepaid items	90,974	74,433	0	0
Fixed assets (net, where applicable of accumulated depreciation)	0	0	0	0
Other debits:				
Amount available in debt service fund	0	0	0	0
Amount to be provided for retirement of general long-term obligations	0	0	0	0
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b><u>\$4,816,069</u></b>	<b><u>\$5,622,006</u></b>	<b><u>\$185,739</u></b>	<b><u>\$1,018,533</u></b>
<b>LIABILITIES, EQUITY AND OTHER CREDITS:</b>				
Liabilities:				
Accounts payable	\$48,199	\$501,117	\$0	\$25,449
Accrued wages and benefits	521,757	222,135	0	0
Interest payable	0	0	0	24,270
Compensated absences	0	0	0	0
Interfund payable	0	57,761	0	0
Due to others	0	0	0	0
Deferred revenue	2,815,333	3,173,849	177,150	0
Notes payable	0	0	0	3,355,000
Loan payable	0	0	0	0
General obligation bonds payable	0	0	0	0
Special assessment debt with government commitment	0	0	0	0
Capital lease obligations	0	0	0	0
Total Liabilities	<u>3,385,289</u>	<u>3,954,862</u>	<u>177,150</u>	<u>3,404,719</u>
Equity and Other Credits:				
Investment in general fixed assets	0	0	0	0
Contributed capital	0	0	0	0
Retained earnings - unreserved	0	0	0	0
Fund Balances:				
Reserved for encumbrances	58,956	539,854	0	755,768
Reserved for inventory	0	64,036	0	0
Reserved for prepaids	90,974	74,433	0	0
Unreserved, undesignated	1,280,850	988,821	8,589	(3,141,954)
Total Equity and Other Credits	<u>1,430,780</u>	<u>1,667,144</u>	<u>8,589</u>	<u>(2,386,186)</u>
<b>TOTAL LIABILITIES, EQUITY AND OTHER CREDITS</b>	<b><u>\$4,816,069</u></b>	<b><u>\$5,622,006</u></b>	<b><u>\$185,739</u></b>	<b><u>\$1,018,533</u></b>

See accompanying notes.

Proprietary Fund Types		Fiduciary Fund Type	Account Groups		Totals
Enterprise	Internal Service	Agency	General Fixed Assets	General Long-Term Obligations	(Memorandum Only)
\$253,804	\$89,608	\$70,291	\$0	\$0	\$4,928,997
0	0	0	0	0	5,275,652
610,511	0	0	0	0	1,011,150
427,707	0	0	0	0	1,063,451
0	0	0	0	0	57,761
0	0	0	0	0	527,814
0	0	0	0	0	64,036
0	0	0	0	0	165,407
1,072,186	0	0	7,158,992	0	8,231,178
0	0	0	0	8,589	8,589
0	0	0	0	2,621,638	2,621,638
<u>\$2,364,208</u>	<u>\$89,608</u>	<u>\$70,291</u>	<u>\$7,158,992</u>	<u>\$2,630,227</u>	<u>\$23,955,673</u>
\$639,768	\$0	\$36	\$0	\$0	\$1,214,569
21,649	0	0	0	0	765,541
4,125	0	0	0	0	28,395
29,742	0	0	0	840,127	869,869
0	0	0	0	0	57,761
0	0	70,255	0	0	70,255
427,707	0	0	0	0	6,594,039
275,000	0	0	0	0	3,630,000
46,077	0	0	0	0	46,077
0	0	0	0	610,000	610,000
0	0	0	0	655,000	655,000
74,800	0	0	0	525,100	599,900
<u>1,518,868</u>	<u>0</u>	<u>70,291</u>	<u>0</u>	<u>2,630,227</u>	<u>15,141,406</u>
0	0	0	7,158,992	0	7,158,992
34,325	59,240	0	0	0	93,565
811,015	30,368	0	0	0	841,383
0	0	0	0	0	1,354,578
0	0	0	0	0	64,036
0	0	0	0	0	165,407
0	0	0	0	0	(863,694)
<u>845,340</u>	<u>89,608</u>	<u>0</u>	<u>7,158,992</u>	<u>0</u>	<u>8,814,267</u>
<u>\$2,364,208</u>	<u>\$89,608</u>	<u>\$70,291</u>	<u>\$7,158,992</u>	<u>\$2,630,227</u>	<u>\$23,955,673</u>

City of Trotwood, Ohio  
 Combined Statement of Revenues, Expenditures  
 And Changes in Fund Balances  
 All Governmental Fund Types  
 For the Year Ended December 31, 2002

	Governmental Fund Types				Totals
	General	Special Revenue	Debt Service	Capital Projects	(Memorandum Only)
<b>REVENUES:</b>					
Taxes	\$6,784,675	\$1,987,459	\$124,864	\$0	\$8,896,998
Fines, licenses and permits	260,136	64,976	0	1,100	326,212
Intergovernmental	1,475,357	1,507,962	17,675	0	3,000,994
Special assessments	60,667	5,166	1,800	0	67,633
Charges for services	204,232	994,017	0	0	1,198,249
Investment earnings	41,071	33,118	1,056	14,127	89,372
Other	53,657	35,068	20,603	0	109,328
<b>Total Revenues</b>	<b>8,879,795</b>	<b>4,627,766</b>	<b>165,998</b>	<b>15,227</b>	<b>13,688,786</b>
<b>EXPENDITURES:</b>					
<b>Current:</b>					
General government	2,264,896	0	0	0	2,264,896
Public safety	4,791,680	2,985,393	0	0	7,777,073
Leisure time activities	471,924	145	0	0	472,069
Community development	736,253	167,640	0	0	903,893
Transportation and street repair	226,611	853,268	0	0	1,079,879
Capital outlay	235,249	1,524,211	0	980,870	2,740,330
<b>Debt service:</b>					
Principal	7,100	141,953	70,000	0	219,053
Interest	2,725	24,467	89,849	64,582	181,623
<b>Total Expenditures</b>	<b>8,736,438</b>	<b>5,697,077</b>	<b>159,849</b>	<b>1,045,452</b>	<b>15,638,816</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>143,357</b>	<b>(1,069,311)</b>	<b>6,149</b>	<b>(1,030,225)</b>	<b>(1,950,030)</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Operating transfers - in	0	912,500	0	0	912,500
Operating transfer - out	(912,500)	0	0	0	(912,500)
Proceeds from sale of assets	9,640	11,571	0	0	21,211
Proceeds from capital leases	0	268,782	0	0	268,782
<b>Total Other Financing Sources (Uses)</b>	<b>(902,860)</b>	<b>1,192,853</b>	<b>0</b>	<b>0</b>	<b>289,993</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>(759,503)</b>	<b>123,542</b>	<b>6,149</b>	<b>(1,030,225)</b>	<b>(1,660,037)</b>
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<b>2,190,283</b>	<b>1,543,602</b>	<b>2,440</b>	<b>(1,355,961)</b>	<b>2,380,364</b>
<b>FUND BALANCES, END OF YEAR</b>	<b>\$1,430,780</b>	<b>\$1,667,144</b>	<b>\$8,589</b>	<b>(\$2,386,186)</b>	<b>\$720,327</b>

See accompanying notes.



TROTWOOD

City of Trotwood, Ohio  
 Combined Statement of Revenues, Expenditures  
 And Changes in Fund Balance  
 Budget And Actual (Non-GAAP Basis)  
 All Governmental Fund Types  
 For the Year Ended December 31, 2002

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>						
Taxes	\$6,665,794	\$6,550,388	(\$115,406)	\$2,148,008	\$1,987,459	(\$160,549)
Intergovernmental	1,394,174	1,426,954	32,780	2,506,696	1,582,920	(923,776)
Special assessments	60,000	60,667	667	15,000	5,166	(9,834)
Charges for services	244,100	204,232	(39,868)	862,000	1,035,075	173,075
Fines and forfeitures	266,000	260,136	(5,864)	52,000	64,976	12,976
Investment earnings	205,000	41,319	(163,681)	55,400	33,255	(22,145)
Other	4,500	53,657	49,157	0	35,068	35,068
<b>Total Revenues</b>	<b>8,839,568</b>	<b>8,597,353</b>	<b>(242,215)</b>	<b>5,639,104</b>	<b>4,743,919</b>	<b>(895,185)</b>
<b>EXPENDITURES:</b>						
<b>Current:</b>						
General government	2,321,977	2,274,437	47,540	0	0	0
Public safety	5,096,477	4,804,424	292,053	3,317,908	3,091,778	226,130
Leisure time activities	597,865	492,309	105,556	0	145	(145)
Community development	809,293	747,169	62,124	683,421	377,627	305,794
Transportation	240,000	230,924	9,076	1,167,293	1,013,046	154,247
Capital outlay	343,456	257,369	86,087	1,676,460	1,537,891	138,569
<b>Debt service:</b>						
Principal	0	0	0	0	0	0
Interest	0	0	0	0	0	0
<b>Total Expenditures</b>	<b>9,409,068</b>	<b>8,806,632</b>	<b>602,436</b>	<b>6,845,082</b>	<b>6,020,487</b>	<b>824,595</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES</b>	<b>(569,500)</b>	<b>(209,279)</b>	<b>360,221</b>	<b>(1,205,978)</b>	<b>(1,276,568)</b>	<b>(70,590)</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Proceeds of bond anticipation notes	0	0	0	0	0	0
Proceeds of sale of fixed assets	15,000	9,640	(5,360)	0	11,571	11,571
Operating transfers - in	0	0	0	984,000	912,500	(71,500)
Operating transfers - (out)	(912,500)	(912,500)	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>(897,500)</b>	<b>(902,860)</b>	<b>(5,360)</b>	<b>984,000</b>	<b>924,071</b>	<b>(59,929)</b>
<b>EXCESS (DEFICIENCY) OF REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>(1,467,000)</b>	<b>(1,112,139)</b>	<b>354,861</b>	<b>(221,978)</b>	<b>(352,497)</b>	<b>(130,519)</b>
<b>FUND BALANCE, BEGINNING OF YEAR (Includes Prior Year Encumbrances Appropriated)</b>	<b>2,442,357</b>	<b>2,442,357</b>	<b>0</b>	<b>1,434,975</b>	<b>1,434,975</b>	<b>0</b>
<b>FUND BALANCE, END OF YEAR</b>	<b>\$975,357</b>	<b>\$1,330,218</b>	<b>\$354,861</b>	<b>\$1,212,997</b>	<b>\$1,082,478</b>	<b>(\$130,519)</b>

See accompanying notes.

Debt Service Fund			Capital Projects Funds			Totals (Memorandum Only)		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$136,040	\$124,864	(\$11,176)	\$0	\$0	\$0	\$8,949,842	\$8,662,711	(\$287,131)
14,360	17,675	3,315	0	0	0	3,915,230	3,027,549	(887,681)
2,000	1,800	(200)	0	0	0	77,000	67,633	(9,367)
0	0	0	0	0	0	1,106,100	1,239,307	133,207
0	0	0	5,000	1,100	(3,900)	323,000	326,212	3,212
2,000	1,056	(944)	15,000	14,203	(797)	277,400	89,833	(187,567)
5,000	20,603	15,603	0	0	0	9,500	109,328	99,828
<u>159,400</u>	<u>165,998</u>	<u>6,598</u>	<u>20,000</u>	<u>15,303</u>	<u>(4,697)</u>	<u>14,658,072</u>	<u>13,522,573</u>	<u>(1,135,499)</u>
0	0	0	0	0	0	2,321,977	2,274,437	47,540
0	0	0	0	0	0	8,414,385	7,896,202	518,183
0	0	0	0	0	0	597,865	492,454	105,411
0	0	0	0	0	0	1,492,714	1,124,796	367,918
0	0	0	0	0	0	1,407,293	1,243,970	163,323
0	0	0	2,050,975	1,851,980	198,995	4,070,891	3,647,240	423,651
70,000	70,000	0	2,000,000	2,000,000	0	2,070,000	2,070,000	0
91,200	89,849	1,351	67,448	68,627	(1,179)	158,648	158,476	172
<u>161,200</u>	<u>159,849</u>	<u>1,351</u>	<u>4,118,423</u>	<u>3,920,607</u>	<u>197,816</u>	<u>20,533,773</u>	<u>18,907,575</u>	<u>1,626,198</u>
(1,800)	6,149	7,949	(4,098,423)	(3,905,304)	193,119	(5,875,701)	(5,385,002)	490,699
0	0	0	3,355,000	3,355,000	0	3,355,000	3,355,000	0
0	0	0	0	0	0	15,000	21,211	6,211
0	0	0	0	0	0	984,000	912,500	(71,500)
0	0	0	0	0	0	(912,500)	(912,500)	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>3,355,000</u>	<u>3,355,000</u>	<u>0</u>	<u>3,441,500</u>	<u>3,376,211</u>	<u>(65,289)</u>
(1,800)	6,149	7,949	(743,423)	(550,304)	193,119	(2,434,201)	(2,008,791)	425,410
2,440	2,440	0	787,620	787,620	0	4,667,392	4,667,392	0
<u>\$640</u>	<u>\$8,589</u>	<u>\$7,949</u>	<u>\$44,197</u>	<u>\$237,316</u>	<u>\$193,119</u>	<u>\$2,233,191</u>	<u>\$2,658,601</u>	<u>\$425,410</u>

City of Trotwood, Ohio  
 Combined Statement of Revenues, Expenses  
 And Changes In Retained Earnings  
 All Proprietary Fund Types  
 For the Year Ended December 31, 2002

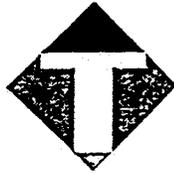
	<u>Enterprise</u>	<u>Internal Service</u>	<u>Totals (Memorandum Only)</u>
<b>OPERATING REVENUES:</b>			
Charges for services	\$2,531,846	\$11,960	\$2,543,806
Special assessment	216,705	0	216,705
Other	2,856	0	2,856
<b>Total Operating Revenue</b>	<u>2,751,407</u>	<u>11,960</u>	<u>2,763,367</u>
<b>OPERATING EXPENSES:</b>			
Salaries and wages	208,235	0	208,235
Benefits	50,364	0	50,364
Contractual services	2,220,462	11,186	2,231,648
Materials and supplies	114,263	0	114,263
Depreciation expense	191,392	0	191,392
Other	1,962	0	1,962
<b>Total Operating Expenses</b>	<u>2,786,678</u>	<u>11,186</u>	<u>2,797,864</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(35,271)</u>	<u>774</u>	<u>(34,497)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>			
Investment earnings	2,986	1,587	4,573
Interest expense	(11,296)	0	(11,296)
Principal payments	(44,979)	0	(44,979)
<b>Total Nonoperating Revenues (Expenses)</b>	<u>(53,289)</u>	<u>1,587</u>	<u>(51,702)</u>
<b>NET INCOME (LOSS)</b>	<u>(88,560)</u>	<u>2,361</u>	<u>(86,199)</u>
<b>RETAINED EARNINGS, BEGINNING OF YEAR</b>	<u>899,575</u>	<u>28,007</u>	<u>927,582</u>
<b>RETAINED EARNINGS, END OF YEAR</b>	<u>\$811,015</u>	<u>\$30,368</u>	<u>\$841,383</u>

See accompanying notes.

City of Trotwood, Ohio  
 Combined Statement Of Cash Flows  
 All Proprietary Fund Types  
 For the Year Ended December 31, 2002

	Enterprise	Internal Service	Totals (Memorandum Only)
<b>OPERATING ACTIVITIES:</b>			
Cash received from customers and users	\$2,708,055	\$11,960	\$2,720,015
Cash paid to suppliers for goods and services	(2,346,553)	(11,186)	(2,357,739)
Cash paid to employees for services	(253,463)	0	(253,463)
Other operating receipts (disbursements)	1,258	0	1,258
Net cash provided by operating activities	<u>109,297</u>	<u>774</u>	<u>110,071</u>
<b>CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Principal payments	(349,825)	0	(349,825)
Interest payments	(16,893)	0	(16,893)
Proceeds of bonds & notes	275,000	0	275,000
Net cash used by capital and related financing activities	<u>(91,718)</u>	<u>0</u>	<u>(91,718)</u>
<b>INVESTING ACTIVITIES:</b>			
Interest on investments	3,008	1,595	4,603
Net cash provided by investing activities	<u>3,008</u>	<u>1,595</u>	<u>4,603</u>
<b>NET INCREASE IN CASH</b>	<b>20,587</b>	<b>2,369</b>	<b>22,956</b>
<b>CASH BEGINNING OF YEAR</b>	<b>233,217</b>	<b>87,239</b>	<b>320,456</b>
<b>CASH END OF YEAR</b>	<b><u>253,804</u></b>	<b><u>89,608</u></b>	<b><u>343,412</u></b>
<b>Reconciliation of operating income to net cash provided by operating activities</b>			
Operating income (loss)	(35,271)	774	(34,497)
Adjustments to reconcile operating (income) loss to net cash provided by operating activities:			
Depreciation	191,392	0	191,392
Change in assets and liabilities:			
(Increase) decrease in receivables	(92,847)	0	(92,847)
Increase (decrease) in deferred revenue	52,715	0	52,715
Increase (decrease) in accounts payable	33,150	0	33,150
Increase (decrease) in wages payable	2,984	0	2,984
Increase (decrease) in compensated absences payable	2,152	0	2,152
Increase (decrease) in capital lease obligations	(44,978)	0	(44,978)
Net cash provided by operating activities	<u>\$109,297</u>	<u>\$774</u>	<u>\$110,071</u>

See accompanying notes.



TROTWOOD

**CITY OF TROTWOOD**  
**Notes to the Combined Financial Statements**  
**December 31, 2002**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the City of Trotwood, Ohio have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and reporting principles. The City also applies Financial Accounting Standard Board (FASB) statements and interpretations issued on or before November 30, 1989, to proprietary funds provided they do not conflict with or contradict GASB pronouncements. The following is a summary of the City's significant accounting policies presented to assist the reader in interpreting the financial statements and other data in this report.

**A. Financial Reporting Entity**

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

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 landmass only by the City of Dayton.

In evaluating how to define the government for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GASB Statement No. 14, which is disclosed in the following discussion.

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements of the City are not misleading. The primary government consists of all funds, departments and agencies that are not legally separate from the City.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if it appoints a voting majority of the potential component unit's governing board and the City 1) is able to impose its will on the organization; and/or 2) is in a relationship of financial benefit or burden with the organization. Component units may also include organizations that are fiscally dependent on the City. Fiscal dependency results from one of three conditions: 1.) the primary government's approval is needed for the potential component unit's budget; 2.) the primary government's approval is needed by the potential component unit to set taxes or charges; or 3.) the primary government's approval is needed for the potential component unit to issue bonded debt.

Based on these criteria, no component units were included in the financial statements.

## **B. Basis of Presentation**

The accounts of the City are organized and operated on the basis of funds and account groups. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. Account groups are a reporting device to account for certain assets and liabilities of the governmental funds not recorded directly in those funds.

The City utilizes the following fund types and account groups:

**Governmental Funds** are used to account for the City's general government programs and activities. Governmental funds include the following fund types:

**General Fund:** This is the City's primary operating fund and accounts for resources devoted to financing the general services that the City provides to its citizens. It accounts for all financial transactions except those required to be accounted for in another fund.

**Special Revenue Funds:** These funds are used to account for revenue sources that are legally restricted to expenditure for specific purposes (not including major capital projects).

**Debt Service Fund:** The purpose of this fund is to account for the accumulation of resources for the payment of principal and interest on the City's long-term general obligation debt other than those payable from enterprise funds.

**Capital Project Funds:** These funds account for the acquisition of fixed assets or the construction of major capital projects not being financed by proprietary funds.

**Proprietary Funds** account for City activities, which are similar in nature to private businesses.

**Enterprise Funds:** Operations that are financed and operated in a manner similar to private businesses are accounted for in enterprise funds. The intent is that all costs of operation (including depreciation) are to be recovered primarily through user charges.

**Internal Service Fund:** The financing of goods or services provided by one fund to other funds of the City and other related agencies on a cost-reimbursement basis are accounted for by this type of fund.

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

**Agency Funds:** These funds are custodial in nature and account for assets held by the City for other entities.

**Account groups** are not funds but do contain self-balancing accounts. They are used to differentiate between fixed assets and long-term obligations of governmental fund type operations and those relating to proprietary operations. Account groups are concerned only with the measurement of financial position, not results of operations.

**General Fixed Assets Account Group:** Property, plant and equipment acquired by governmental and similar fiduciary fund types are accounted for in the account group.

**General Long-term Obligations Account Group:** Unmatured, long-term obligations backed by the “full faith and credit” of the municipality and certain other liabilities that are not specific liabilities of proprietary or trust funds are accounted in this account group.

### C. Basis of Accounting and Measurement Focus

Basis of accounting refers to the timing of recognition of revenues and expenditures or expenses. Basis of accounting determines when transactions are recognized in the accounts and reported in the financial statements regardless of the measurement focus. Measurement focus refers to the determination of which assets and liabilities are included on a fund’s balance sheet and whether the fund presents information on the flow of financial resources (revenues and expenditures) or information on the flow of economic resources (revenues and expenses).

Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under this basis, revenues are recognized in the accounting period in which they become measurable and available. Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to be used to pay the liabilities of the current period. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable. Unmatured principal and interest on general long-term debts are recognized when due and certain compensated absences and claims and judgments, which are recognized when obligations are expected to be liquidated with expendable available financial resources.

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 becomes available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the City, available means expected to be received within thirty days of year-end.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (see Note 3G). Revenue from grants, entitlements and donations is recognized in the fiscal 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 fiscal year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specific purpose and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

With respect to revenue recognition, the City considers the following revenue sources available if they are collected within thirty (30) days after year end: special assessments due in the current year, income taxes withheld by employers, ambulance transport fees and state-levied locally shared taxes (including motor vehicle taxes). Property taxes and special assessments received to service special assessment debt, though measurable, are not available soon enough in the subsequent year to finance current period obligations and are, therefore, deferred until they become available. Expenditure-driven grants are recognized as revenue when qualifying expenditures have been incurred and all other grant requirements have been met.

Other revenues including license and permit fees, certain charges for services, income taxes other than those withheld by employers and miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received.

The measurement focus of governmental funds is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related liability is incurred except for unmatured principal and interest on general long-term debt which are recognized when paid. Allocation of cost, such as depreciation and amortization are not recognized in the governmental funds.

Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Allocations of cost such as depreciation are recorded in proprietary funds. Unbilled utility service receivables are accrued and reported in the financial statements.

Agency funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds utilize the modified accrual basis of accounting.

## **D. Assets, Liabilities and Equity**

### **1. Deposits and Investments**

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Cash balances of the City's funds are pooled and invested in short-term investments in order to provide improved cash management.

The City's adopted investment policy allows the City to invest in U.S. Treasury obligations, repurchase agreements, certificates of deposit and the State Treasurer's investment pool, commonly known as STAR Ohio. In accordance with GASB Statement No. 31, investments are stated at fair value except for non-negotiable certificates of deposit, non-participating repurchase agreements and STAR Ohio, which are reported at cost or amortized cost.

### **2. Receivables and Payables**

During the course of normal operations, the City has numerous transactions between funds, including expenditures and transfers of resources to provide services, construct assets and service debt.

All trade accounts receivable recorded in the City's enterprise funds are shown net of an allowance for uncollectibles.

### **3. Inventories and Prepaid Items**

Inventories are valued at cost using the first-in/first-out (FIFO) method. Governmental fund inventory costs are recorded using the consumption method. The inventory amount reported by the City represents its stockpile of road salt used to clear streets of snow and ice.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Governmental fund inventory and prepaid item amounts are equally offset by reserves to the fund balances to indicate that they do not constitute "available expendable resources" even though they are components of net current assets.

### **4. Fixed Assets and Depreciation**

In 1997, the City contracted with an appraisal firm to provide an inventory of its fixed assets. Their report, dated as of May 1, 1997, estimated original costs and dates of acquisition for all City assets. The original cost of most assets was estimated using the normal costing method. This method involves determining an asset's cost of reproduction new indexed by a reciprocal factor of the price increase from the estimated date acquired to the appraisal date.

Fixed assets used in governmental fund types of the City are recorded in the general fixed assets account group at cost or estimated historical cost if purchased or constructed; expenditures for the asset are recorded in the funds financing the acquisition/construction. Donated fixed assets are recorded at their estimated fair value at the date of donation. Interest incurred during the construction of general fixed assets is not capitalized. Although not required by generally accepted accounting principles as applied to local governments, assets in the general fixed assets account group are depreciated utilizing the straight-line method over their estimated useful lives.

Infrastructure general fixed assets (e.g., roads, bridges, parking lots, sidewalks and other assets that are immovable and of value only to the City) are not capitalized.

Property, plant and equipment in the proprietary funds of the City are recorded at cost. Donated property, plant and equipment are recorded at estimated fair value at the time of donation. Major outlays for capital assets and improvements are capitalized in proprietary funds as projects are constructed. Interest incurred during the construction phase of proprietary fund assets is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period. Depreciation of proprietary fund fixed assets is charged over the estimated useful life of the asset utilizing the straight-line method.

Estimated useful lives used for both general governmental and proprietary fund fixed assets are as follows:

Buildings and structures	20-45 years
Infrastructure	15-45 years
Vehicles and equipment	3-20 years

## **5. Compensated Absences**

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

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

Compensatory time off in lieu of overtime pay is an option granted to certain employees of the City, including safety forces. Compensatory time off may also be granted in lieu of holiday pay. Compensatory time off is granted on the basis of time and one-half for actual hours worked and must be used within 30 days from the time earned. 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.

## **6. Deferred Revenues**

Deferred revenues are revenues that are measurable but not yet available to finance current operations. Most prominent of these revenues reflected in the financial statements are property taxes, special assessments and grants. Property tax advances available at year-end are recognized as revenue.

## **7. Long-term Obligations**

The City reports long-term debt of governmental funds at face value in the general long-term obligations account group. Certain other governmental fund obligations not expected to be financed with current available resources are also reported in the general long-term obligations account group.

For governmental fund types, bond premiums and discounts, as well as issuance costs, are recognized during the current period. Bond proceeds are recorded as an other financing source net of the applicable premium or discount. Issuance costs, even if withheld from actual net proceeds received, are reported as debt service expenditures.

## **8. Fund Equity**

Reservations of fund balance represent amounts that are not appropriable or are legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. The proprietary fund's contributed capital represents equity acquired through capital grants and capital contributions from developers, customers or other funds.

## **9. Interfund Transactions**

Quasi-external transactions are accounted for as revenues and expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transactions are reported as operating transfers.

## **10. Memorandum Only – Total Columns**

Total columns of the general purpose financial statements are captioned as “memorandum only” because they do not represent consolidated financial information and are presented only to facilitate financial analysis. The columns do not present information that reflects financial position, results of operations or cash flows in accordance with generally accepted accounting principles. Interfund eliminations have not been made in the aggregation of this data.

## **2. BUDGET, COMPLIANCE AND ACCOUNTABILITY**

### **A. Budgetary Process**

The City follows procedures established by state law in establishing the budgetary data reflected in the financial statements. These are:

- City Council must adopt a budget of estimated receipts by July 15<sup>th</sup> of each year for the subsequent fiscal year. These estimates are submitted to the County Budget Commission by July 20<sup>th</sup> for its approval.
- The County Budget Commission certifies its actions by September 1<sup>st</sup> and issues a “Certificate of Estimated Resources” establishing the maximum amount the City may expend from its various funds during the upcoming fiscal year.
- An appropriation ordinance is adopted by City Council at its final meeting in December for the subsequent fiscal year. Appropriations may not exceed estimated resources certified by the County Budget Commission.
- In January, the Certificate of estimated resources is amended to include any unencumbered balances from the preceding year.
- Unencumbered appropriations lapse at year-end. In governmental funds, outstanding encumbrances at year-end are reported as reservations of fund balances for subsequent year expenditures and this amount is not reappropriated in the subsequent year.
- Modifications to the original appropriations are approved by City Council throughout the year.

The legal level of budgetary control for the General Fund is at the budget center or department level (e.g., Police Patrol, Parks Maintenance, Fleet Maintenance, etc.). The legal level of budgetary control for all other budgeted funds is at the Fund level. Transfers between budget centers require the approval of City Council. Budgets are adopted for the General, Special Revenue, Debt Service, Enterprise, Capital Projects, and Internal Service Funds. These budgets are adopted on a non-GAAP budgetary basis. No budgets are adopted for the City's Agency funds. The major differences between the City's budget basis and GAAP basis are as follows:

- (1) Revenues are recorded when received in cash for budget purposes as opposed to when susceptible to accrual for GAAP purposes;
- (2) Expenditures are recorded when paid in cash for budget purposes but when a liability has been incurred for GAAP purposes; and
- (3) Encumbrances are recorded as expenditures for budget purposes as opposed to reservations of fund balance for GAAP purposes.

The adjustments necessary to convert results of operations at the end of the year on the GAAP basis to the budget basis are as follows:

	Excess (Deficiency) of Revenues And Other Financing Sources Over (Under) <u>Expenditures and Other Financing Uses</u>			
	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Fund</u>	<u>Capital Projects Funds</u>
GAAP Basis (as reported)	(\$759,503)	\$123,542	\$ 6,149	(\$1,030,225)
Adjustments:				
Revenue accruals, net	(282,442)	(152,629)	0	3,355,076
Expenditure accruals, net	615	690,833	0	(2,093,938)
Encumbrances	<u>(70,809)</u>	<u>(1,014,243)</u>	<u>0</u>	<u>(781,217)</u>
BUDGET BASIS	<u>(\$1,112,139)</u>	<u>(\$352,497)</u>	<u>\$6,149</u>	<u>(\$550,304)</u>

## B. Encumbrances

Encumbrance accounting is employed in all budgeted funds. Encumbrances (e.g., purchase orders, contracts) are reported as expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation. On the GAAP basis, encumbrances outstanding in governmental funds at year-end are reported as reservations of fund balance since they do not represent expenditures or liabilities of the governmental funds.

The City was not in compliance with Ohio Revised Code Section 5705.41(D) since expenditures were made without proper certification that funds were available.

### C. Budget Modifications

The City's adopted budget may be modified by City Council throughout the year. Generally, this is done near the end of the fiscal year. Budget amounts presented in the accompanying combined financial statements represent final amended amounts.

### D. Compliance and Accountability

At December 31, 2002, three of the City's funds had a deficit fund balance (budget basis) in the following amounts: Special Revenue Permissive Use Tax Fund (\$232,918), Special Revenue Curbs/Gutters/Sidewalk Assessment Fund (\$86,951), and Special Revenue Grants Fund (\$250,457).

At December 31, 2002, expenditures plus outstanding encumbrances exceeded appropriations at the legal level of control in the following amounts: Special Revenue Motor Vehicle License Tax Fund (\$10), Special Revenue Curbs/Gutters/Sidewalks Assessment Fund (\$98,520), Special Revenue Lighting Assessment Fund (\$192), and Capital Projects Industrial Park Fund (\$2,199).

At December 31, 2002, revenue collected was less than the amount recorded on the official certificate of estimated resources in the following funds: Special Revenue Permissive Use Tax Fund (\$290,556), Special Revenue Grants Fund (\$709,103), Special Revenue Fire Levy Fund (\$39,044), Capital Projects Industrial Park Fund (\$11,681), Enterprise Water Fund (\$128,517), and Enterprise Refuse Collection Fund (\$48,357).

### E. Fund Deficits

The following individual funds had deficit fund balances at December 31, 2002:

<u>Fund</u>	<u>Deficit</u>
Special Revenue:	
Permissive Use Tax	\$99,798
Curbs/Gutters/Sidewalk Assessment	26,619
Grants	20,459
Capital Projects:	
Public Works Facility Construction	588,422
Industrial Park	1,811,321

## 3. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

### A. Deposits and Investments

The deposit and investment of City monies are governed by the Ohio Revised Code and a locally adopted investment policy. State statutes classify monies held by the City into three categories. The first active deposits, are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the City treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts or in money market deposit accounts.

Inactive deposits are public deposits that City Council has identified as not required for use within the current two-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are 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. Interim deposits must be evidenced by time certificate of deposits maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Protection of City deposits is provided by the Federal Deposit Insurance Corporation, by surety company bonds deposited with the Finance Director by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution. Depositories may pool eligible collateral securities so long as their value exceeds 110% of total public deposits. Although all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements would potentially subject the City to a successful claim by the Federal Deposit Insurance Corporation.

The City's investment policy, adopted by City Council, makes the Finance Director directly responsible for investment of the City's inactive resources. Investments of public monies are competitively bid. No one depository may hold more than forty percent of funds available for investment and at least fifteen percent of the portfolio must be invested in highly liquid vehicles. The following securities may be utilized by the Finance Director for investment purposes:

1. U.S. Treasury bills, notes and bonds;
2. U.S. government agency/instrumentality issues;
3. Certificates of deposit;
4. Repurchase agreements (with institutions having a signed master repurchase agreement with the City);
5. State of Ohio obligations;
6. No-load money market mutual funds; and
7. State of Ohio Treasurer's investment pool (STAR Ohio).

Investments in derivatives, reverse repurchase agreements, pooled investment funds of other political subdivisions (other than STAR Ohio) and stripped principal or interest obligations are prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation.

At year-end, the City's carrying amount of deposits was \$287,931 and the bank balance was \$581,163. Of the bank balance, \$210,471 was covered by federal depository insurance and the remaining balance was covered by surety bonds.

During the year the City invested in the State Treasury Asset Reserve of Ohio (STAR Ohio). STAR 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 does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's quoted share price at year-end.

The following information classifies investments by categories of risk as defined in GASB Statement No. 3 "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements."

- (1) Insured or registered, or securities held by the government or its agent in the government's name.
- (2) Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the government's name.
- (3) Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the government's name.

At year-end, the City's investment balances were as follows:

	<u>Category</u> <u>3</u>	<u>Carrying</u> <u>Amount</u>	<u>Fair</u> <u>Value</u>
Repurchase agreements	<u>\$2,687,191</u>	<u>\$2,687,191</u>	<u>\$2,687,191</u>
Total	<u>\$2,687,191</u>	<u>\$2,687,191</u>	<u>\$2,687,191</u>
Investments not subject to categorization:			
State Treasurer's pool (1)		<u>\$1,953,875</u>	<u>\$1,953,875</u>
Total investments		<u>\$4,641,066</u>	<u>\$4,641,066</u>

(1) Investment is not categorized because it is not evidenced by securities that exist in physical or book entry form.

Interest income derived from invested deposits is distributed to various funds based on the ratio of each fund's month-end cash balance for the month in which the investment matures. Two funds, Grants and Trust and Agency, are not credited with interest income.

## B. Fixed Assets

Activity in the general fixed assets account group for the government for the fiscal year-end was as follows:

	Balance <u>January 1</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>December 31</u>
Land/Land Improvements	\$1,597,159	\$1,097,782	\$ 0	\$2,694,941
Buildings and structures	2,507,598	325,220	0	2,832,818
Vehicles and equipment	6,411,626	525,040	(142,148)	6,794,518
Construction in progress	0	570,706	0	570,706
Accumulated depreciation	<u>(5,061,745)</u>	<u>(675,654)</u>	<u>3,408</u>	<u>(5,733,991)</u>
<b>Total general fixed assets</b>	<b><u>\$5,454,638</u></b>	<b><u>\$1,843,094</u></b>	<b><u>(\$138,740)</u></b>	<b><u>\$7,158,992</u></b>

The following is a summary of changes in enterprise fund fixed assets:

	Balance <u>January 1</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>December 31</u>
Infrastructure	\$8,350,121	\$ 0	\$ 0	\$8,350,121
Vehicles and equipment	292,436	0	0	292,436
Accumulated depreciation	<u>(7,378,979)</u>	<u>(191,392)</u>	<u>0</u>	<u>(7,570,371)</u>
<b>Total enterprise fund fixed assets</b>	<b><u>\$1,263,578</u></b>	<b><u>(\$191,392)</u></b>	<b><u>\$ 0</u></b>	<b><u>\$1,072,186</u></b>

## C. Interfund Transactions

1. Operating transfers during the fiscal year-end were:

<u>Transfer-in Fund</u>	<u>Transfer-out Fund</u>	<u>Amount</u>
Street Construction, Maintenance And Repair	General	\$284,000
Fire Levy	General	<u>628,500</u>
<b>Total</b>		<b><u>\$912,500</u></b>

2. Individual fund Interfund receivable and payable balances at December 31, 2002 are as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$57,761	\$0
Special Revenue Funds		
Permissive Use Tax	0	12,460
Grants	<u>0</u>	<u>45,301</u>
<b>Total</b>	<b><u>\$57,761</u></b>	<b><u>\$57,761</u></b>

## **D. Long-term Debt and Obligations**

### **1. General Obligation Bonds**

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations of the City for which its full faith, credit and resources are pledged and are payable from taxes levied on all taxable property in the City. These bonds generally are issued as 20-year serial bonds with various principal amounts maturing each year. General obligation bonds currently outstanding were issued to purchase and subsequently renovate the City's Government Center.

### **2. Special Assessment Bonds with a Governmental Commitment**

Special assessment bonds are payable from special assessments levied against properties which benefited from the capital improvement financed by the bond issuance. Such bonds may include a provision by which the issuer is obligated to supplement any shortfall in special assessments received during the life of the bonds. Such bonds are said to carry a governmental commitment. Special assessment bonds with a governmental commitment currently outstanding were issued to finance street and other infrastructure improvements in the Oakview Estates development. It is currently anticipated that special assessment proceeds alone will not be sufficient to retire these bonds. Thus, for purposes of calculating the City's debt capacity, these bonds are treated as general obligation bonds.

### **3. Compensated Absences**

The City uses the vesting method to account for compensated absences. The liability associated with accumulated leave benefits earned by general governmental employees is recorded in the General Long-term Obligations Account Group since annual payments of these obligations are indeterminable. Accrued leave amounts incurred by employees of proprietary funds are recorded as liabilities in the appropriate fund.

### **4. Short-term Debt**

The following is a summary of short-term debt of the City for the fiscal year-end:

<u>Description</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Purpose</u>	<u>Amount</u>
Water System Improvement	5/02/03	2.25%	Replacement of E. Main Street water line	\$275,000
Industrial Park Improvements	7/25/03	1.77%	Improvements to the Industrial Park	1,800,000
Park Improvements	5/02/03	2.25%	Specific Priority Park Improvements	200,000
Public Works Facility Construction	8/22/03	1.77%	Construction of New Public Works Facility	1,355,000

## 5. Summary of Long-term Debt and Obligations

Activity associated with the General Long-Term Obligations Account Group of the City for the fiscal year-end are summarized below:

	<u>Balance January 1</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance December 31</u>
General obligation bonds:				
1982 Government Center purchase, 13.00%, maturing 2002	\$10,000	0	(\$10,000)	\$0
1992 Government Center renovation, 6.70%, maturing 2016	<u>635,000</u>	<u>0</u>	<u>(25,000)</u>	<u>610,000</u>
Total General obligation bonds	<u>645,000</u>	<u>0</u>	<u>(35,000)</u>	<u>610,000</u>
Special assessment bonds with governmental commitment:				
1994 Oakview Estates street improvements, 6.35%, maturing 2014	690,000	0	(35,000)	655,000
Capital Lease Payable:				
2002 Dump Truck & Medic Unit, 2.82%, ending 2006	0	251,288	(53,864)	197,424
2002 Dodge Intrepid, 12.3%, ending 2004	0	17,494	(5,134)	12,360
2001 Fire Radio System, 7.11%, ending 2007	177,557	0	(24,752)	152,805
2001 Back Hoe, 5.75%, ending 2006	47,265	0	(8,325)	38,940
1999 Street Sweeper, 5.06%, ending 2004	105,597	0	(33,476)	72,121
2000 Medic, 4.77%, ending 2004	64,684	0	(20,565)	44,119
1999 Riso Graph, 14.69%, ending 2004	<u>10,268</u>	<u>0</u>	<u>(2,937)</u>	<u>7,331</u>
Total Capital Lease Payable	<u>405,371</u>	<u>268,782</u>	<u>(149,053)</u>	<u>525,100</u>
Compensated absences	<u>927,728</u>	<u>0</u>	<u>(87,601)</u>	<u>840,127</u>
Total debt and long-term obligations	<u>\$2,668,099</u>	<u>\$268,782</u>	<u>(\$306,654)</u>	<u>\$2,630,227</u>

Activity associated with the Enterprise Fund Long-Term Debt of the City for the fiscal year-end are summarized below:

	<u>Balance January 1</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance December 31</u>
2001 OPWC Loan, 3%, maturing 2012	\$50,475	\$0	(\$4,398)	\$46,077
Capital Lease Payable:				
1999 Sewer Vacuum, 4.68%, ending 2003	69,288	0	(36,085)	33,203
2001 Back Hoe, 5.75%, ending 2006	<u>50,490</u>	<u>0</u>	<u>(8,893)</u>	<u>41,597</u>
Total Capital Lease Payable	<u>119,778</u>	<u>0</u>	<u>(44,978)</u>	<u>74,800</u>
Total	<u>\$170,253</u>	<u>\$0</u>	<u>(\$49,376)</u>	<u>\$120,877</u>

Annual debt service amounts required to pay principal and interest on bonds outstanding at fiscal year-end follow:

<u>Year(s)</u>	<u>General Obligation Bonds</u>		<u>Special Assessment Bonds with Governmental Commitment</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2003	\$25,000	\$40,870	\$40,000	\$41,593
2004	30,000	39,195	40,000	39,053
2005	30,000	37,185	45,000	36,513
2006	35,000	35,175	45,000	33,655
2007	35,000	32,830	50,000	30,798
Thereafter	<u>455,000</u>	<u>162,978</u>	<u>435,000</u>	<u>117,475</u>
Totals	<u>\$610,000</u>	<u>\$348,233</u>	<u>\$655,000</u>	<u>\$299,087</u>

The following is a schedule of the future minimum lease payments required under the capital lease and the present value of the minimum lease payments as of year-end:

<u>Ending December 31,</u>	<u>General Long-Term Obligations</u>	<u>Enterprise</u>
2003	\$176,110	\$46,187
2004	175,123	11,905
2005	102,388	11,905
2006	102,388	11,905
2007	37,380	0
Thereafter	<u>0</u>	<u>0</u>
Total minimum lease payments	593,389	81,902
Less: amount representing interest	<u>(68,289)</u>	<u>(7,102)</u>
Present value of minimum lease payments	<u>\$525,100</u>	<u>\$74,800</u>

The City has entered into capitalized leases for vehicles and equipment. The leases meet the criteria of capital leases as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases," which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee.

Fixed assets acquired by lease have been capitalized in the water and sewer enterprise funds and general fixed asset group in an amount equal to the present value of the future minimum lease payments at the time of acquisition. A corresponding liability was recorded in the water and sewer enterprise funds and general long-term obligations account group.

Note Payable – Ohio Public  
Works Commission

	<u>Principal</u>	<u>Interest</u>
2003	\$2,249	\$691
2004	4,599	1,281
2005	4,738	1,142
2006	4,882	998
2007	5,029	851
Thereafter	<u>24,580</u>	<u>1,880</u>
Total	<u>\$46,077</u>	<u>\$6,843</u>

The Ohio Public Works Commission note is repaid from the resources of the sewer fund.

**E. Fund Equity**

Reservations of fund balances in governmental funds are employed to satisfy legal covenants that require a portion of the fund balance to be segregated or to identify that portion of the fund balance that is not appropriable for future expenditures. Specific reservations of fund balance accounts are detailed below.

Reserved for encumbrances – This reserve represents encumbrances outstanding at the end of the year based upon purchase orders and contracts executed by the City but not completed as of the close of the fiscal year.

Reserved for inventories – This reserve represents the portion of fund balance that is not available for expenditure because the City expects to use these resources within the next budgetary period.

Reserved for prepaid items – This reserve represents the portion of fund balance that is not available for expenditure because the City expects to use these resources within the next budgetary period.

**F. Local Income Tax**

During 2000, the City levied an income tax of 2.25% 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 of up to 2.25% allowed for income taxes paid to other municipalities. For a portion of the year, the City contracted with the City of Dayton to collect income taxes and otherwise administer its income tax ordinance. However, as of October 2002 the City started collecting in house. For 2002, gross income tax revenue amounted to \$4,854,734.

## G. Property Tax

Real property taxes are levied against all real, public utility and tangible personal property located in the City. The assessed value upon which the 2002 levy was based amounted to \$291,231,820 summarized as follows:

Real property – 2001 valuation	
Residential/agricultural	\$189,314,250
Commercial/industrial	64,580,060
Public utilities	<u>16,520</u>
Subtotal real property	<u>253,910,830</u>
Tangible personal property – 2002 valuation	
General	24,810,230
Public utilities	<u>12,510,760</u>
Subtotal tangible personal property	<u>37,320,990</u>
Total valuation	<u>\$291,231,820</u>

Real property taxes received by the City in any calendar year are levied on January 1 of the preceding calendar year on assessed values as of January 1 of that preceding year, the lien date. Assessed values are determined by the county auditor at 35% of appraised market value. The county auditor reappraises all real property every six years with a triennial update. The last reappraisal was completed for the tax year 2002. Real property owners' tax bills are reduced by homestead and rollback deductions, when applicable. The amount of these deductions is reimbursed to the City by the State of Ohio.

Property taxes are levied against public utility tangible personal property and land improvements at 88% of its true value, i.e., net book value. Tangible personal property utilized by businesses other than public utilities is assessed at 25% of average value for inventories and 25% of true value for substantially all other personal property.

The county treasurer collects property taxes on behalf of all taxing districts in the county including the City of Trotwood. Taxes are payable in two equal installments due in February and July and if not paid by the due date, become delinquent and, therefore, subject to interest and penalty charges. The county auditor periodically remits to the City its portion of property taxes collected. Property taxes are recognized as revenues when they are measurable and available.

## 4. OTHER FINANCIAL INFORMATION

### A. Risk Management

The City maintains comprehensive insurance coverage with private carriers for real property, building contents and vehicles. The City's vehicle policy includes liability coverage for bodily injury and property damage. At no time in the past three years have claim settlements exceeded insurance coverage.

In the early 1980's, the City established a self-insurance fund to finance deductible costs incurred by the City. Over the years, the Fleet Insurance Fund has been funded by transfers from the General Fund. In 2002, \$11,186 was paid from the fund for repairs to fleet vehicles damaged in accidents that were not covered by insurance.

**B. Segment Information**

The City maintains three enterprise funds, which provide water, sewer and refuse collection services. Water and sewer services are provided to a portion of the City while refuse collection services are provided to all residents of the City of Trotwood. Selected segment information for the fiscal year-end is as follows:

	<u>Water</u>	<u>Sewer</u>	<u>Refuse Collection</u>	<u>Total Enterprise Funds</u>
Operating revenues	\$913,914	\$888,311	\$949,182	\$2,751,407
Operating expenses (less depreciation)	836,554	752,828	1,005,904	2,595,286
Depreciation	113,875	77,517	0	191,392
Operating income (loss)	(36,515)	57,966	(56,722)	(35,271)
Net income (loss)	(46,140)	13,192	(55,612)	(88,560)
Fixed asset additions (net)	0	0	0	0
Net working capital	(209,405)	35,511	21,848	(152,046)
Total assets	1,220,501	707,087	436,620	2,364,208
Total equity	552,824	270,668	21,848	845,340

**C. Loss Contingencies and Commitments**

There are several lawsuits pending in which the City is involved. City management estimates that the potential claims against the City not covered by insurance would not materially affect the financial statements of the City.

Due to the default of a subdivision developer, the City issued special assessment bonds in 1994 to complete infrastructure improvements begun but not completed by the developer. Although a favorable court judgement granted the City assessments and a portion of individual lot sales proceeds, it does not appear likely that these amounts will be sufficient to retire these bonds. Thus, the City will be liable for any difference. However, management does not believe that such payments will adversely affect the City's financial position.

Under the terms of federal and state grants, periodic audits are required and certain expenditures may be questioned as not appropriate under the terms of the grants. Such audits could lead to reimbursement of the grantor agencies. City management believes reimbursements, if any, will be immaterial.

The City had no material operating lease commitments at December 31, 2002.

## **D. Deferred Compensation Plans**

The City offers its employees two deferred compensation plans created in accordance with Section 457 of the Internal Revenue Code. The plans, available to all full-time City employees, permit them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

## **E. Employee Retirement Systems and Plans**

### **1. Public Employees Retirement System**

**Plan Description:** The City contributes to PERS, a cost-sharing multiple-employer defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Chapter 145 of the Ohio Revised Code (ORC) assigns the authority to establish and amend benefit provisions to the PERS Retirement Board. PERS issues a publicly available financial report that includes financial statements and required supplementary information. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio, 43215-4642 or by calling (614) 222-6705.

**Funding Policy:** The ORC provides statutory authority for employee and employer contributions. The 2002 employer contribution rate for both law enforcement and public safety division was 16.70% of covered payroll. The employee contribution rate is 8.5%. For local government employer units the rate is 13.55% of covered payroll. Required employer contributions are equal to 100% of the dollar amount billed to each employer and must be extracted from the employer's records. The contribution requirements of plan members and the City are established and may be amended by the PERS Retirement Board. The City's contributions for the years ending December 31, 2002, 2001, and 2000 were \$355,685, \$348,076, and \$323,840 respectively; 72.4% has been contributed for fiscal year 2002 and 100 % for fiscal years 2001 and 2000.

#### *Other Postemployment Benefits*

In addition to the pension benefit obligation described above, the PERS of Ohio also provides postemployment health care benefits to age and service retirants with ten (10) or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. A portion of each employer's contribution to PERS is set-aside for the funding of post retirement health care. The Ohio Revised Code provides statutory authority for employer contributions and requires employers to fund postretirement health care through their contributions to PERS. The portion of the current year employer contribution rate (identified above) that was used to fund health care for the year was 5.0 % of covered payroll, which amounted to \$130,476.

The significant assumptions and calculations described below were based on the PERS of Ohio's latest unaudited information as of December 31, 2001. There were 402,041 active contributing participants. Estimated net assets available for future benefits payments were \$11.6 billion. Estimated accrued liability and the unfunded estimated accrued liability, based on the actuarial cost method used, were \$16.4 billion and \$4.8 billion, respectively. Benefits are financed through employer contributions and investment earnings there on. The contributions, investment income and periodic adjustment in health care provisions are accepted to be sufficient to sustain the program indefinitely.

## **2. Police and Firemen's Disability and Pension Fund**

The City contributes to the Ohio Police and Fire Pension Fund (OP&F); a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. The OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Plan members are required to contribute 10.0% of their annual covered salary, while employers are required to contribute 19.5% and 24.0%, respectively for police officers and firefighters. The City's contributions to OP&F for the years ending December 31, 2002, 2001, and 2000 were \$816,059, \$799,644, and \$762,322, respectively; 70.3% has been contributed for fiscal year 2002 and 100 % for fiscal years 2001 and 2000.

### *Other Post-retirement Benefits*

OP&F provides post-retirement health care coverage to any person who receives or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school or under the age of 22 if attending school full-time or on a two-thirds basis. The Ohio Revised Code provides statutory authority for employer contributions and allows OP&F's Board of Trustees to provide post-retirement health care coverage to all eligible individuals. Most retirees are required to contribute a portion of the cost of their health care coverage.

The portion of the current year City contribution that was used to fund post-retirement health care benefits was \$304,226 representing 7.75% of covered payroll for police and fire. Funding and accounting are on a pay-as-you-go basis.

As of December 31, 2001, the number of participants eligible to receive health care benefits was 13,174 for police and 10,239 for fire. OP&F does not provide separate data on the funded status and funding progress of post-retirement health care benefits. The Fund's total health care expenses for the year ended December 31, 2001 (latest available information) were \$122,298,771, which was net of member contributions of \$6,874,699.

## **F. Jointly Governed Organizations**

The Miami Valley Regional Planning Commission (the Commission) is a jointly governed organization between Preble, Clark, Clinton, Darke, Greene, Miami and Montgomery Counties, the City of Dayton and the City of Huber Heights. The Commission prepares plans, including studies, maps, recommendations and reports concerning the physical, environmental, social, economic and governmental characteristics, functions and services of the region. These reports show recommendations for systems of transportation, highways, parks and recreation facilities, water supply, sewage disposal, garbage disposal, civic centers and other public improvements and land uses which affect the development of the region. The degree of control exercised by any participating government is limited to its representation on the Board. Members of the Board are as follows: the officers of the Commission (elected by member representatives), the immediate past Chair of the Commission, the Commission member representing the City of Dayton, the Commission member representing each of the respective counties, the representatives selected by each county caucus, a nongovernmental member and two at-large representatives. Payments to the Commission are made from the General Fund. The City contributed \$12,613 for the operation of the Commission during 2002.

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 General Fund. The City contributed \$6,581 for the operation of the Alliance during 2002.

The Economic Development/Government Equity Program (ED/GE) was established pursuant to Ohio Revised Code Chapter 307 for the purpose of developing and promoting plans and programs designed to assure that County resources are efficiently used, economic growth is properly balanced and that County economic development is coordinated with that of the State of Ohio and other local governments. Members include villages, townships and cities within Montgomery County and the County itself. Cooperation and coordination between the members is intended to promote economic health and improve the economic opportunities of the people in Montgomery County by assisting in the establishment or expansion within the County of industrial, commercial or research facilities and by creating and preserving job and employment opportunities for the people of the County. The ED/GE Advisory Committee, made up of alternating member entities' representatives, decides which proposed projects will be granted each year. Sales tax revenues, set aside by Montgomery County, are used to fund the projects. Members annually contribute or receive benefits based on an elaborate zero-based formula designed to distribute growth in contributing

communities to those in communities experiencing less economic growth. In 2000, the City agreed to be a member for an additional 10 years, ending December 31, 2011. Any member in default of paying its contributions will be liable for the amount of the contribution, any interest accrued and penalties. During this time, the member will not be entitled to any allocations from ED/GE. Payments to ED/GE are made from the General Fund. The City did not contribute to the operation of ED/GE during 2002.

**5. DELINQUENT SPECIAL ASSESSMENT RECEIVABLE**

Of the amounts presented for special assessment receivable, a significant portion are comprised of delinquent special assessments. The respective delinquent special assessment receivables are:

<u>Fund</u>	
General	\$543,432
Special Revenue:	
Curbs/Gutters/Sidewalk Assessment	54,934
Lighting Assessment	<u>37,378</u>
Total Special Revenue	<u>\$92,312</u>
Enterprise:	
Water Fund	47,209
Sewer Fund	47,209
Refuse Fund	<u>333,289</u>
Total Enterprise	<u>\$427,707</u>

**6. SUBSEQUENT EVENTS**

In March 2003, the City of Trotwood issued a bond anticipation note in the amount of \$850,000, for the purpose of financing the costs of constructing a Fire Station addition and renovation.

In May 2003, the City of Trotwood issued three bond anticipation notes: one in the amount of \$150,000 to pay for costs of repairing curbs and gutters in the City, one in the amount of \$250,000 for the purpose of renewing Bond Anticipation Notes issued in 2002 for financing the cost of Water System repairs and improvements, and the other in the amount of \$190,000 for the purpose of renewing Bond Anticipation Notes issued in 2002 for financing the cost of the improvements of City Parks.

**7. CONTRIBUTED CAPITAL**

During the year, contributed capital was as follows:

	<u>Sewer Fund</u>	<u>Internal Service Fund</u>
Contributed Capital, Beginning of Year	\$34,325	\$59,240
Capital Contributed Additions	<u>0</u>	<u>0</u>
Contributed Capital, End of Year	<u>\$34,325</u>	<u>\$59,240</u>

**8. PRIOR PERIOD ADJUSTMENTS**

An adjustment was made to the beginning fund balance of the Special Revenue Grants fund, Local Law Enforcement Block Grant fund, and Government Equity Program fund to adjust beginning cash balances due to Ordinance 4-02 establishing the Local Law Enforcement Block Grant fund and the Government Equity Program fund.

<u>Description</u>	<u>Grants Fund</u>	<u>Local Law Enforcement Block Grant Fund</u>	<u>Government Equity Program Fund</u>
Fund Balance at December 31, 2001 (As Reported)	\$130,878	\$0	\$0
Adjustment to Cash	<u>(154,498)</u>	<u>42,427</u>	<u>112,071</u>
Fund Balance at January 1, 2002 (As Restated)	<u>(\$23,620)</u>	<u>\$42,427</u>	<u>\$112,071</u>

# CITY OF TROTWOOD, OHIO

## General Fund

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The General Fund is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.

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City of Trotwood, Ohio  
 Schedule of Expenditures by Budget Center  
 Budget And Actual (Non-GAAP Basis)  
 General Fund  
 For the Year Ended December 31, 2002

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>EXPENDITURES:</b>			
<b>Current:</b>			
<b>General government</b>			
Mayor and council	\$184,187	\$165,664	\$18,523
City manager	248,890	234,584	14,306
Finance	332,056	338,919	(6,863)
Utility billing	88,427	81,898	6,529
Income tax	268,000	277,915	(9,915)
Law director	182,347	157,424	24,923
Public works administration	220,796	190,435	30,361
Building and grounds	243,420	257,137	(13,717)
Fleet maintenance	192,238	174,455	17,783
Personnel	149,242	144,308	4,934
Non-departmental	212,374	251,698	(39,324)
<b>Total general government</b>	<u>2,321,977</u>	<u>2,274,437</u>	<u>47,540</u>
<b>Public safety</b>			
Police administration	393,327	355,440	37,887
Police patrol	3,390,851	3,235,160	155,691
Criminal investigation	939,595	857,728	81,867
Police communications	345,049	341,914	3,135
Fire suppression	27,655	14,182	13,473
<b>Total public safety</b>	<u>5,096,477</u>	<u>4,804,424</u>	<u>292,053</u>
<b>Leisure time activities</b>			
Parks and recreation administration	157,719	135,032	22,687
Parks maintenance	211,396	157,342	54,054
Municipal pool	65,670	65,912	(242)
Cemeteries	45,920	42,445	3,475
Recreation programs	117,160	91,578	25,582
<b>Total leisure time activities</b>	<u>597,865</u>	<u>492,309</u>	<u>105,556</u>
<b>Community development</b>			
Planning and development administration	298,752	265,145	33,607
Planning public relations	29,190	29,734	(544)
Planning and zoning	132,438	129,358	3,080
Code enforcement and inspection	264,747	244,155	20,592
Mowing and weed removal	35,000	35,557	(557)
Grants administration	49,166	43,220	5,946
<b>Total community development</b>	<u>809,293</u>	<u>747,169</u>	<u>62,124</u>
<b>Transportation</b>			
Street lighting	240,000	230,924	9,076
<b>Total transportation</b>	<u>240,000</u>	<u>230,924</u>	<u>9,076</u>
<b>Capital Outlay</b>	<u>343,456</u>	<u>257,369</u>	<u>86,087</u>
<b>Total expenditures</b>	<u>\$9,409,068</u>	<u>\$8,806,632</u>	<u>\$602,436</u>

# CITY OF TROTWOOD, OHIO

## Special Revenue Funds

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Special Revenue Funds are established to account for the proceeds of specific revenue sources (other than expendable trusts or for major capital projects) that are restricted by law or administrative action to expenditures for particular purposes.

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*Street Construction, Maintenance and Repair Fund* - Required by the Ohio Revised Code to account for that portion of state gasoline taxes and motor vehicle registration fees designated for upkeep and maintenance of streets within the City.

*State Highway Fund* - Required by the Ohio Revised code to account for that portion of state gasoline taxes and motor vehicle registration fees designated for upkeep and maintenance of state highways within the City.

*Motor Vehicle License Tax Fund* - Required by the Ohio Revised Code to account for the proceeds of locally-levied motor vehicle license taxes designated for the upkeep and maintenance of streets within the City.

*Permissive Use Tax Fund* - Required by the Ohio Revised Code to account for that portion of motor vehicle registration fees allocated to assist in maintaining city streets designated as contributing to the effective and efficient flow of traffic through and within the county.

*Drug Law Enforcement Fund* - To account for the proceeds of mandatory drug fines as the result of felony drug convictions. State law requires that these monies be used for drug-related law enforcement activities.

*Curbs/Gutters/Sidewalks Assessment Fund* - To account for special assessments levied against certain properties to defray the cost of curb, gutter and sidewalk repairs deemed to benefit those properties.

*Lighting Assessment Fund* - To account for special assessments levied against certain properties to defray the cost of street lighting services deemed to benefit those properties.

(continued)

## CITY OF TROTWOOD, OHIO

### Special Revenue Funds (continued)

*Grants Fund* - To account for revenues received from federal, state and local grants such as Community Development Block Grants (CDBG), State Issue II grants and ED/GE grants from Montgomery County.

*Local Law Enforcement Block Grant Fund* – 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 Fund* - To account for revenue 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.

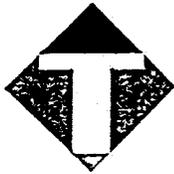
*Law Enforcement Trust Fund* - To account for revenues received from federal law enforcement agencies due to the City's participation in an arrest and property seizure. State law requires that such proceeds be used for criminal apprehension purposes.

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

*Fire Levy Fund* - To account for property taxes levied for the provision of fire protection and prevention services within the City.

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

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



TROTWOOD

City of Trotwood, Ohio  
Combining Balance Sheet  
Special Revenue Funds  
December 31, 2002

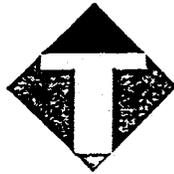
	Street Construction, Maintenance & Repair	State Highway	Motor Vehicle License Tax	Permissive Use Tax
<b>ASSETS:</b>				
<b>Assets:</b>				
Pooled cash and investments	\$588,818	\$137,076	\$272,085	\$0
Receivables (net of allowance for uncollectibles):				
Taxes	433,403	0	0	0
Accounts	0	0	0	0
Special assessments	0	0	0	0
Intergovernmental	379,058	3,591	0	0
Inventory	64,036	0	0	0
Prepays	49,622	0	0	0
<b>TOTAL ASSETS</b>	<b><u>\$1,514,937</u></b>	<b><u>\$140,667</u></b>	<b><u>\$272,085</u></b>	<b><u>\$0</u></b>
 <b>LIABILITIES AND FUND EQUITY:</b>				
<b>Liabilities:</b>				
Accounts payable	\$87,745	\$12,708	\$175,000	\$87,338
Accrued wages and benefits	39,082	916	0	0
Interfund payable	0	0	0	12,460
Deferred revenue	768,178	0	0	0
<b>Total Liabilities</b>	<b><u>895,005</u></b>	<b><u>13,624</u></b>	<b><u>175,000</u></b>	<b><u>99,798</u></b>
 <b>Fund Equity:</b>				
<b>Fund Balances:</b>				
Reserved for encumbrances	91,610	292	2,049	133,140
Reserved for inventory	64,036	0	0	0
Reserved for prepaids	49,622	0	0	0
Unreserved, undesignated	414,664	126,751	95,036	(232,938)
<b>Total Fund Equity</b>	<b><u>619,932</u></b>	<b><u>127,043</u></b>	<b><u>97,085</u></b>	<b><u>(99,798)</u></b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b><u>\$1,514,937</u></b>	<b><u>\$140,667</u></b>	<b><u>\$272,085</u></b>	<b><u>\$0</u></b>

<u>Drug Law Enforcement</u>	<u>Curbs/ Gutters/ Sidewalks Assessment</u>	<u>Lighting Assessment</u>	<u>Grants</u>	<u>Local Law Enforcement Block</u>	<u>Enforcement and Education</u>	<u>Law Enforcement Trust</u>	<u>Government Equity Program</u>
\$26,887	\$61,450	\$11,546	\$0	\$85,494	\$3,638	\$45,861	\$110,184
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	54,934	37,378	0	0	0	0	0
0	0	0	40,728	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
<u>\$26,887</u>	<u>\$116,384</u>	<u>\$48,924</u>	<u>\$40,728</u>	<u>\$85,494</u>	<u>\$3,638</u>	<u>\$45,861</u>	<u>\$110,184</u>
\$0	\$88,069	\$0	\$772	\$0	\$0	\$0	\$61
0	0	0	0	0	0	0	4,795
0	0	0	45,301	0	0	0	0
0	54,934	37,378	15,114	0	0	0	0
<u>0</u>	<u>143,003</u>	<u>37,378</u>	<u>61,187</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,856</u>
0	60,332	0	205,105	19,815	0	1,785	4,285
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
26,887	(86,951)	11,546	(225,564)	65,679	3,638	44,076	101,043
<u>26,887</u>	<u>(26,619)</u>	<u>11,546</u>	<u>(20,459)</u>	<u>85,494</u>	<u>3,638</u>	<u>45,861</u>	<u>105,328</u>
<u>\$26,887</u>	<u>\$116,384</u>	<u>\$48,924</u>	<u>\$40,728</u>	<u>\$85,494</u>	<u>\$3,638</u>	<u>\$45,861</u>	<u>\$110,184</u>

Continued

City of Trotwood, Ohio  
Combining Balance Sheet  
Special Revenue Funds  
December 31, 2002

	Fire Levy	Rescue Levy	Police Levy	Totals
<b>ASSETS:</b>				
Assets:				
Pooled cash and investments	\$159,905	\$649,418	\$1,797	\$2,154,159
Receivables (net of allowance for uncollectibles):				
Taxes	1,361,510	618,137	0	2,413,050
Accounts	0	400,639	0	400,639
Special assessments	0	0	0	92,312
Intergovernmental	0	0	0	423,377
Inventory	0	0	0	64,036
Prepays	24,811	0	0	74,433
<b>TOTAL ASSETS</b>	<b><u>\$1,546,226</u></b>	<b><u>\$1,668,194</u></b>	<b><u>\$1,797</u></b>	<b><u>\$5,622,006</u></b>
<b>LIABILITIES AND FUND EQUITY:</b>				
Liabilities:				
Accounts payable	\$34,238	\$15,186	\$0	\$501,117
Accrued wages and benefits	101,357	75,985	0	222,135
Interfund payable	0	0	0	57,761
Deferred revenue	1,361,510	936,735	0	3,173,849
<b>Total Liabilities</b>	<b><u>1,497,105</u></b>	<b><u>1,027,906</u></b>	<b><u>0</u></b>	<b><u>3,954,862</u></b>
Fund Equity:				
Fund Balances:				
Reserved for encumbrances	19,574	137	1,730	539,854
Reserved for inventory	0	0	0	64,036
Reserved for prepaids	24,811	0	0	74,433
Unreserved, undesignated	4,736	640,151	67	988,821
<b>Total Fund Equity</b>	<b><u>49,121</u></b>	<b><u>640,288</u></b>	<b><u>1,797</u></b>	<b><u>1,667,144</u></b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b><u>\$1,546,226</u></b>	<b><u>\$1,668,194</u></b>	<b><u>\$1,797</u></b>	<b><u>\$5,622,006</u></b>



TROTWOOD

City of Trotwood, Ohio  
Combining Statement of Revenues, Expenditures  
And Changes in Fund Balances  
Special Revenue Funds  
For the Year Ended December 31, 2002

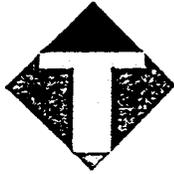
	Street Construction, Maintenance & Repair	State Highway	Motor Vehicle License Tax	Permissive Use Tax
<b>REVENUES:</b>				
Taxes	\$328,160	\$0	\$146,132	\$0
Fines, licenses and permits	0	0	0	0
Intergovernmental	842,503	45,289	0	0
Special assessments	0	0	0	0
Charges for services	0	0	0	0
Investment earnings	5,495	3,580	3,698	441
Other	11,148	0	0	0
<b>Total Revenues</b>	<u>1,187,306</u>	<u>48,869</u>	<u>149,830</u>	<u>441</u>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
Public safety	0	0	0	0
Leisure time activities	0	0	0	0
Community development	0	0	0	0
Transportation and street repair	811,904	31,043	10	0
Capital outlay	570,443	0	189,040	134,244
<b>Debt service:</b>				
Principal	65,190	0	0	0
Interest	6,753	0	0	0
<b>Total Expenditures</b>	<u>1,454,290</u>	<u>31,043</u>	<u>189,050</u>	<u>134,244</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(266,984)</u>	<u>17,826</u>	<u>(39,220)</u>	<u>(133,803)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating transfers - in	284,000	0	0	0
Proceeds from sale of assets	1,791	0	0	0
Proceeds from capital leases	125,644	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<u>411,435</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	144,451	17,826	(39,220)	(133,803)
<b>FUND BALANCES (RESTATED), BEGINNING OF YEAR</b>	<u>475,481</u>	<u>109,217</u>	<u>136,305</u>	<u>34,005</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$619,932</u>	<u>\$127,043</u>	<u>\$97,085</u>	<u>(\$99,798)</u>

<u>Drug Law Enforcement</u>	<u>Curbs/ Gutters/ Sidewalks Assessment</u>	<u>Lighting Assessment</u>	<u>Grants</u>	<u>Local Law Enforcement Block</u>	<u>Enforcement and Education</u>	<u>Law Enforcement Trust</u>	<u>Government Equity Program</u>
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1,533	0	0	0	0	370	63,073	0
0	0	0	169,604	141,746	0	0	72,553
0	2,049	3,117	0	0	0	0	0
0	11,724	0	0	0	0	0	0
476	1,100	29	0	1,361	91	756	0
0	0	0	2,953	0	0	0	0
<u>2,009</u>	<u>14,873</u>	<u>3,146</u>	<u>172,557</u>	<u>143,107</u>	<u>461</u>	<u>63,829</u>	<u>72,553</u>
0	0	0	0	0	2,500	1,400	0
0	0	0	145	0	0	0	0
0	0	0	88,344	0	0	0	79,296
0	119	10,192	0	0	0	0	0
0	88,069	0	80,907	100,040	0	103,614	0
0	0	0	0	0	0	1,980	0
0	0	0	0	0	0	720	0
<u>0</u>	<u>88,188</u>	<u>10,192</u>	<u>169,396</u>	<u>100,040</u>	<u>2,500</u>	<u>107,714</u>	<u>79,296</u>
<u>2,009</u>	<u>(73,315)</u>	<u>(7,046)</u>	<u>3,161</u>	<u>43,067</u>	<u>(2,039)</u>	<u>(43,885)</u>	<u>(6,743)</u>
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	6,748	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,748</u>	<u>0</u>
2,009	(73,315)	(7,046)	3,161	43,067	(2,039)	(37,137)	(6,743)
24,878	46,696	18,592	(23,620)	42,427	5,677	82,998	112,071
<u>\$26,887</u>	<u>(\$26,619)</u>	<u>\$11,546</u>	<u>(\$20,459)</u>	<u>\$85,494</u>	<u>\$3,638</u>	<u>\$45,861</u>	<u>\$105,328</u>

Continued

City of Trotwood, Ohio  
Combining Statement of Revenues, Expenditures  
And Changes in Fund Balances  
Special Revenue Funds  
For the Year Ended December 31, 2002

	Fire Levy	Rescue Levy	Police Levy	Totals
<b>REVENUES:</b>				
Taxes	\$1,046,124	\$467,043	\$0	\$1,987,459
Fines, licenses and permits	0	0	0	64,976
Intergovernmental	164,585	71,682	0	1,507,962
Special assessments	0	0	0	5,166
Charges for services	0	982,293	0	994,017
Investment earnings	1,847	14,188	56	33,118
Other	14,521	6,446	0	35,068
<b>Total Revenues</b>	<u>1,227,077</u>	<u>1,541,652</u>	<u>56</u>	<u>4,627,766</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety	1,638,339	1,343,154	0	2,985,393
Leisure time activities	0	0	0	145
Community development	0	0	0	167,640
Transportation and street repair	0	0	0	853,268
Capital outlay	71,365	175,743	10,746	1,524,211
Debt service:				
Principal	24,752	46,877	3,154	141,953
Interest	12,627	3,221	1,146	24,467
<b>Total Expenditures</b>	<u>1,747,083</u>	<u>1,568,995</u>	<u>15,046</u>	<u>5,697,077</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(520,006)</u>	<u>(27,343)</u>	<u>(14,990)</u>	<u>(1,069,311)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating transfers - in	628,500	0	0	912,500
Proceeds from sale of assets	9,780	0	0	11,571
Proceeds from capital leases	0	125,644	10,746	268,782
<b>Total Other Financing Sources (Uses)</b>	<u>638,280</u>	<u>125,644</u>	<u>10,746</u>	<u>1,192,853</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	118,274	98,301	(4,244)	123,542
<b>FUND BALANCES (RESTATED), BEGINNING OF YEAR</b>	<u>(69,153)</u>	<u>541,987</u>	<u>6,041</u>	<u>1,543,602</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$49,121</u>	<u>\$640,288</u>	<u>\$1,797</u>	<u>\$1,667,144</u>



TROTWOOD

City of Trotwood, Ohio  
Combining Schedule of Revenues, Expenditures  
And Changes in Fund Balance  
Budget And Actual (Non-GAAP Basis)  
Special Revenue Funds  
For the Year Ended December 31, 2002

	Street			State Highway		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>						
Taxes	\$355,538	\$328,160	(\$27,378)	\$0	\$0	\$0
Intergovernmental	820,420	837,359	16,939	44,150	44,871	721
Special assessments	0	0	0	0	0	0
Charges for services	0	0	0	0	0	0
Fines and forfeitures	0	0	0	0	0	0
Investment earnings	20,000	5,536	(14,464)	4,500	3,590	(910)
Other	0	11,148	11,148	0	0	0
<b>Total Revenues</b>	<b>1,195,958</b>	<b>1,182,203</b>	<b>(13,755)</b>	<b>48,650</b>	<b>48,461</b>	<b>(189)</b>
<b>EXPENDITURES:</b>						
Current:						
Public safety	0	0	0	0	0	0
Leisure time activities	0	0	0	0	0	0
Community development	0	0	0	0	0	0
Transportation	1,093,173	966,336	126,837	58,582	30,851	27,731
Capital outlay	576,618	500,936	75,682	0	0	0
<b>Total Expenditures</b>	<b>1,669,791</b>	<b>1,467,272</b>	<b>202,519</b>	<b>58,582</b>	<b>30,851</b>	<b>27,731</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(473,833)</b>	<b>(285,069)</b>	<b>188,764</b>	<b>(9,932)</b>	<b>17,610</b>	<b>27,542</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Proceeds of sale of fixed assets	0	1,791	1,791	0	0	0
Operating transfers - in	284,000	284,000	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>284,000</b>	<b>285,791</b>	<b>1,791</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>(189,833)</b>	<b>722</b>	<b>190,555</b>	<b>(9,932)</b>	<b>17,610</b>	<b>27,542</b>
<b>FUND BALANCE, BEGINNING OF YEAR (Includes Prior Year Encumbrances Appropriated)</b>	<b>418,863</b>	<b>418,863</b>	<b>0</b>	<b>106,466</b>	<b>106,466</b>	<b>0</b>
<b>FUND BALANCE, END OF YEAR</b>	<b>229,030</b>	<b>419,585</b>	<b>190,555</b>	<b>96,534</b>	<b>124,076</b>	<b>27,542</b>

Motor Vehicle License Tax			Permissive Use Tax			Drug Law Enforcement		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$145,000	\$146,132	\$1,132	\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	290,000	0	(290,000)	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	1,500	1,533	33
6,000	3,712	(2,288)	1,000	444	(556)	500	478	(22)
0	0	0	0	0	0	0	0	0
151,000	149,844	(1,156)	291,000	444	(290,556)	2,000	2,011	11
0	0	0	0	0	0	8,000	0	8,000
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
5,538	5,548	(10)	0	0	0	0	0	0
191,089	191,089	0	290,000	267,384	22,616	0	0	0
196,627	196,637	(10)	290,000	267,384	22,616	8,000	0	8,000
(45,627)	(46,793)	(1,166)	1,000	(266,940)	(267,940)	(6,000)	2,011	8,011
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
(45,627)	(46,793)	(1,166)	1,000	(266,940)	(267,940)	(6,000)	2,011	8,011
141,829	141,829	0	34,022	34,022	0	24,876	24,876	0
96,202	95,036	(1,166)	35,022	(232,918)	(267,940)	18,876	26,887	8,011

Continued

City of Trotwood, Ohio  
Combining Schedule of Revenues, Expenditures  
And Changes in Fund Balance  
Budget And Actual (Non-GAAP Basis)  
Special Revenue Funds  
For the Year Ended December 31, 2002

	Curbs/Gutters/ Sidewalks Assessment			Lighting Assessment		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>						
Taxes	\$0	\$0	\$0	\$0	\$0	\$0
Intergovernmental	0	0	0	0	0	0
Special assessments	5,000	2,049	(2,951)	10,000	3,117	(6,883)
Charges for services	0	11,724	11,724	0	0	0
Fines and forfeitures	0	0	0	0	0	0
Investment earnings	3,500	1,105	(2,395)	500	31	(469)
Other	0	0	0	0	0	0
<b>Total Revenues</b>	<b>8,500</b>	<b>14,878</b>	<b>6,378</b>	<b>10,500</b>	<b>3,148</b>	<b>(7,352)</b>
<b>EXPENDITURES:</b>						
Current:						
Public safety	0	0	0	0	0	0
Leisure time activities	0	0	0	0	0	0
Community development	0	0	0	0	0	0
Transportation	0	119	(119)	10,000	10,192	(192)
Capital outlay	50,000	148,401	(98,401)	0	0	0
<b>Total Expenditures</b>	<b>50,000</b>	<b>148,520</b>	<b>(98,520)</b>	<b>10,000</b>	<b>10,192</b>	<b>(192)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(41,500)</b>	<b>(133,642)</b>	<b>(92,142)</b>	<b>500</b>	<b>(7,044)</b>	<b>(7,544)</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Proceeds of sale of fixed assets	0	0	0	0	0	0
Operating transfers - in	0	0	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>(41,500)</b>	<b>(133,642)</b>	<b>(92,142)</b>	<b>500</b>	<b>(7,044)</b>	<b>(7,544)</b>
<b>FUND BALANCE, BEGINNING OF YEAR (Includes Prior Year Encumbrances Appropriated)</b>	<b>46,691</b>	<b>46,691</b>	<b>0</b>	<b>18,590</b>	<b>18,590</b>	<b>0</b>
<b>FUND BALANCE, END OF YEAR</b>	<b>5,191</b>	<b>(86,951)</b>	<b>(92,142)</b>	<b>19,090</b>	<b>11,546</b>	<b>(7,544)</b>

Grants			Local Law Enforcement Block			Enforcement & Education		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
962,180	250,124	(712,056)	141,746	141,746	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	500	370	(130)
0	0	0	0	1,361	1,361	300	92	(208)
0	2,953	2,953	0	0	0	0	0	0
962,180	253,077	(709,103)	141,746	143,107	1,361	800	462	(338)
0	0	0	10,000	0	10,000	2,500	2,500	0
0	145	(145)	0	0	0	0	0	0
575,251	298,902	276,349	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
222,363	81,876	140,487	117,980	119,855	(1,875)	0	0	0
797,614	380,923	416,691	127,980	119,855	8,125	2,500	2,500	0
164,566	(127,846)	(292,412)	13,766	23,252	9,486	(1,700)	(2,038)	(338)
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
164,566	(127,846)	(292,412)	13,766	23,252	9,486	(1,700)	(2,038)	(338)
(122,611)	(122,611)	0	42,427	42,427	0	5,676	5,676	0
41,955	(250,457)	(292,412)	56,193	65,679	9,486	3,976	3,638	(338)

Continued

City of Trotwood, Ohio  
 Combining Schedule of Revenues, Expenditures  
 And Changes in Fund Balance  
 Budget And Actual (Non-GAAP Basis)  
 Special Revenue Funds  
 For the Year Ended December 31, 2002

	Law Enforcement Trust			Government Equity Program		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>						
Taxes	\$0	\$0	\$0	\$0	\$0	\$0
Intergovernmental	0	0	0	72,550	72,553	3
Special assessments	0	0	0	0	0	0
Charges for services	0	0	0	0	0	0
Fines and forfeitures	50,000	63,073	13,073	0	0	0
Investment earnings	2,000	764	(1,236)	0	0	0
Other	0	0	0	0	0	0
<b>Total Revenues</b>	<b>52,000</b>	<b>63,837</b>	<b>11,837</b>	<b>72,550</b>	<b>72,553</b>	<b>3</b>
<b>EXPENDITURES:</b>						
<b>Current:</b>						
Public safety	27,500	2,900	24,600			0
Leisure time activities	0	0	0	0	0	0
Community development	0	0	0	108,170	78,725	29,445
Transportation	0	0	0	0	0	0
Capital outlay	99,700	99,851	(151)			0
<b>Total Expenditures</b>	<b>127,200</b>	<b>102,751</b>	<b>24,449</b>	<b>108,170</b>	<b>78,725</b>	<b>29,445</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(75,200)</b>	<b>(38,914)</b>	<b>36,286</b>	<b>(35,620)</b>	<b>(6,172)</b>	<b>29,448</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Proceeds of sale of fixed assets	0	0	0	0	0	0
Operating transfers - in	0	0	0			0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>(75,200)</b>	<b>(38,914)</b>	<b>36,286</b>	<b>(35,620)</b>	<b>(6,172)</b>	<b>29,448</b>
<b>FUND BALANCE, BEGINNING OF YEAR (Includes Prior Year Encumbrances Appropriated)</b>	<b>82,990</b>	<b>82,990</b>	<b>0</b>	<b>112,071</b>	<b>112,071</b>	<b>0</b>
<b>FUND BALANCE, END OF YEAR</b>	<b>7,790</b>	<b>44,076</b>	<b>36,286</b>	<b>76,451</b>	<b>105,899</b>	<b>29,448</b>

Fire Levy			Rescue Levy			Police Levy		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$1,137,605	\$1,046,124	(\$91,481)	\$509,865	\$467,043	(\$42,822)	\$0	\$0	\$0
114,520	164,585	50,065	61,130	71,682	10,552	0	0	0
0	0	0	0	0	0	0	0	0
2,000	0	(2,000)	860,000	1,023,351	163,351	0	0	0
0	0	0	0	0	0	0	0	0
12,000	1,851	(10,149)	5,000	14,234	9,234	100	57	(43)
0	14,521	14,521	0	6,446	6,446	0	0	0
1,266,125	1,227,081	(39,044)	1,435,995	1,582,756	146,761	100	57	(43)
1,750,374	1,725,234	25,140	1,517,309	1,358,919	158,390	2,225	2,225	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
75,610	74,100	1,510	48,800	50,099	(1,299)	4,300	4,300	0
1,825,984	1,799,334	26,650	1,566,109	1,409,018	157,091	6,525	6,525	0
(559,859)	(572,253)	(12,394)	(130,114)	173,738	303,852	(6,425)	(6,468)	(43)
0	9,780	9,780	0	0	0	0	0	0
700,000	628,500	(71,500)	0	0	0	0	0	0
700,000	638,280	(61,720)	0	0	0	0	0	0
140,141	66,027	(74,114)	(130,114)	173,738	303,852	(6,425)	(6,468)	(43)
41,571	41,571	0	474,979	474,979	0	6,535	6,535	0
181,712	107,598	(74,114)	344,865	648,717	303,852	110	67	(43)

Continued

City of Trotwood, Ohio  
Combining Schedule of Revenues, Expenditures  
And Changes in Fund Balance  
Budget And Actual (Non-GAAP Basis)  
Special Revenue Funds  
For the Year Ended December 31, 2002

	Totals		
	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>			
Taxes	\$2,148,008	\$1,987,459	(\$160,549)
Intergovernmental	2,506,696	1,582,920	(923,776)
Special assessments	15,000	5,166	(9,834)
Charges for services	862,000	1,035,075	173,075
Fines and forfeitures	52,000	64,976	12,976
Investment earnings	55,400	33,255	(22,145)
Other	0	35,068	35,068
<b>Total Revenues</b>	<b>5,639,104</b>	<b>4,743,919</b>	<b>(895,185)</b>
<b>EXPENDITURES:</b>			
<b>Current:</b>			
Public safety	3,317,908	3,091,778	226,130
Leisure time activities	0	145	(145)
Community development	683,421	377,627	305,794
Transportation	1,167,293	1,013,046	154,247
Capital outlay	1,676,460	1,537,891	138,569
<b>Total Expenditures</b>	<b>6,845,082</b>	<b>6,020,487</b>	<b>824,595</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(1,205,978)</b>	<b>(1,276,568)</b>	<b>(70,590)</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Proceeds of sale of fixed assets	0	11,571	11,571
Operating transfers - in	984,000	912,500	(71,500)
<b>Total Other Financing Sources (Uses)</b>	<b>984,000</b>	<b>924,071</b>	<b>(59,929)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>(221,978)</b>	<b>(352,497)</b>	<b>(130,519)</b>
<b>FUND BALANCE, BEGINNING OF YEAR (Includes Prior Year Encumbrances Appropriated)</b>	<b>1,434,975</b>	<b>1,434,975</b>	<b>0</b>
<b>FUND BALANCE, END OF YEAR</b>	<b>1,212,997</b>	<b>1,082,478</b>	<b>(130,519)</b>

# CITY OF TROTWOOD, OHIO

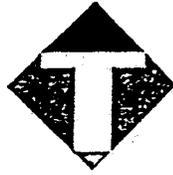
## Debt Service Fund

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

Since there is only one Debt Service Fund and the level of budgetary control is not greater than that presented in the General Purpose Financial Statements, no additional financial statements are presented here.

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TROTWOOD

# CITY OF TROTWOOD, OHIO

## Capital Projects Funds

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Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

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*Parkland Acquisition and Development Fund* – 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.

*Public Works Facility Construction Fund* – To account for debt proceeds issued to construct a new Public Works garage and office building.

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

*Townview Revitalization Fund* – To account for the reconstruction and upgrading of streets, curbs and gutters, sidewalks and storm drains in the targeted Townview neighborhood.

City of Trotwood, Ohio  
Combining Balance Sheet  
Capital Projects Funds  
December 31, 2002

	<u>Park Acquisition and Development</u>	<u>Public Works Facility Construction</u>	<u>Industrial Park</u>	<u>Townview Revitalization</u>	<u>Totals</u>
<b>ASSETS:</b>					
Assets:					
Pooled cash and investments	<u>216,555</u>	<u>\$800,022</u>	<u>\$1,954</u>	<u>\$2</u>	<u>\$1,018,533</u>
<b>TOTAL ASSETS</b>	<u><b>\$216,555</b></u>	<u><b>\$800,022</b></u>	<u><b>\$1,954</b></u>	<u><b>\$2</b></u>	<u><b>\$1,018,533</b></u>
<b>LIABILITIES AND FUND EQUITY:</b>					
Liabilities:					
Accounts payable	0	\$25,449	\$0	\$0	\$25,449
Interest payable	3,000	7,995	13,275	0	24,270
Notes payable	<u>200,000</u>	<u>1,355,000</u>	<u>1,800,000</u>	<u>0</u>	<u>3,355,000</u>
Total Liabilities	<u>203,000</u>	<u>1,388,444</u>	<u>1,813,275</u>	<u>0</u>	<u>3,404,719</u>
Fund Balances:					
Reserved for encumbrances	0	755,768	0	0	755,768
Unreserved, undesignated	<u>13,555</u>	<u>(1,344,190)</u>	<u>(1,811,321)</u>	<u>2</u>	<u>(3,141,954)</u>
Total Fund Equity	<u>13,555</u>	<u>(588,422)</u>	<u>(1,811,321)</u>	<u>2</u>	<u>(2,386,186)</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u><b>\$216,555</b></u>	<u><b>\$800,022</b></u>	<u><b>\$1,954</b></u>	<u><b>\$2</b></u>	<u><b>\$1,018,533</b></u>

City of Trotwood, Ohio  
Combining Statement of Revenues, Expenditures  
And Changes in Fund Balances  
Capital Projects Funds  
For the Year Ended December 31, 2002

	Park Acquisition and Development	Public Works Facility Construction	Industrial Park	Townview Revitalization	Totals
<b>REVENUES:</b>					
Fines, licenses and permits	\$1,100	\$0	\$0	\$0	\$1,100
Investment earnings	2,541	8,342	3,244	0	14,127
<b>Total Revenues</b>	<b>3,641</b>	<b>8,342</b>	<b>3,244</b>	<b>0</b>	<b>15,227</b>
<b>EXPENDITURES:</b>					
Current:					
Capital outlay	448	588,769	391,653	0	980,870
Debt service:					
Interest	3,000	7,995	53,587	0	64,582
<b>Total Expenditures</b>	<b>3,448</b>	<b>596,764</b>	<b>445,240</b>	<b>0</b>	<b>1,045,452</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>193</b>	<b>(588,422)</b>	<b>(441,996)</b>	<b>0</b>	<b>(1,030,225)</b>
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<b>13,362</b>	<b>0</b>	<b>(1,369,325)</b>	<b>2</b>	<b>(1,355,961)</b>
<b>FUND BALANCES, END OF YEAR</b>	<b>\$13,555</b>	<b>(\$588,422)</b>	<b>(\$1,811,321)</b>	<b>\$2</b>	<b>(\$2,386,186)</b>

City of Trotwood, Ohio  
 Combining Schedule of Revenues, Expenditures  
 And Changes in Fund Balance  
 Budget And Actual (Non-GAAP Basis)  
 Capital Projects Funds  
 For the Year Ended December 31, 2002

	Parks Acquisition and Development			Public Works Facility Program		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>						
Fines and Forfeitures	\$5,000	\$1,100	(\$3,900)	\$0	\$0	\$0
Investment earnings	0	2,542	2,542	0	8,342	8,342
<b>Total Revenues</b>	<b>5,000</b>	<b>3,642</b>	<b>(1,358)</b>	<b>0</b>	<b>8,342</b>	<b>8,342</b>
<b>EXPENDITURES:</b>						
Current:						
Capital outlay	190,000	448	189,552	1,355,000	1,344,537	10,463
Debt service:						
Principal	0	0	0	0	0	0
Interest	0	0	0	0	0	0
<b>Total Expenditures</b>	<b>190,000</b>	<b>448</b>	<b>189,552</b>	<b>1,355,000</b>	<b>1,344,537</b>	<b>10,463</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(185,000)</b>	<b>3,194</b>	<b>188,194</b>	<b>(1,355,000)</b>	<b>(1,336,195)</b>	<b>18,805</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Proceeds of notes	200,000	200,000	0	1,355,000	1,355,000	0
<b>Total Other Financing Sources (Uses)</b>	<b>200,000</b>	<b>200,000</b>	<b>0</b>	<b>1,355,000</b>	<b>1,355,000</b>	<b>0</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>15,000</b>	<b>203,194</b>	<b>188,194</b>	<b>0</b>	<b>18,805</b>	<b>18,805</b>
<b>FUND BALANCE, BEGINNING OF YEAR (Includes Prior Year Encumbrances Appropriated)</b>	<b>13,361</b>	<b>13,361</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>FUND BALANCE, END OF YEAR</b>	<b>\$28,361</b>	<b>\$216,555</b>	<b>\$188,194</b>	<b>\$0</b>	<b>\$18,805</b>	<b>\$18,805</b>

Industrial Park			Townview Revitalization			Totals		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$0	\$0	\$0	\$0	\$0	\$5,000	\$1,100	(\$3,900)
15,000	3,319	(11,681)	0	0	0	15,000	14,203	(797)
15,000	3,319	(11,681)	0	0	0	20,000	15,303	(4,697)
505,975	506,995	(1,020)	0	0	0	2,050,975	1,851,980	198,995
2,000,000	2,000,000	0	0	0	0	2,000,000	2,000,000	0
67,448	68,627	(1,179)	0	0	0	67,448	68,627	(1,179)
2,573,423	2,575,622	(2,199)	0	0	0	4,118,423	3,920,607	197,816
(2,558,423)	(2,572,303)	(13,880)	0	0	0	(4,098,423)	(3,905,304)	193,119
1,800,000	1,800,000	0	0	0	0	3,355,000	3,355,000	0
1,800,000	1,800,000	0	0	0	0	3,355,000	3,355,000	0
(758,423)	(772,303)	(13,880)	0	0	0	(743,423)	(550,304)	193,119
774,257	774,257	0	2	2	0	787,620	787,620	0
\$15,834	\$1,954	(\$13,880)	\$2	\$2	\$0	\$44,197	\$237,316	\$193,119

# CITY OF TROTWOOD, OHIO

## Enterprise Funds

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Enterprise Funds are established to account for activities that are financed and operated in a manner similar to private business enterprises where the intent of City council is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where City council has decided that periodic determination of net income is appropriate for accountability purposes.

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*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 sewerage services including maintenance of City-owned sewer lines. The sewerage collection system does not serve the entire City; Montgomery County provides sewerage services to that portion of the City formerly known as Madison Township.

*Refuse Collection Fund* – To account for the provision of refuse and recycling collection services for all residences in the City of Trotwood.

City of Trotwood, Ohio  
Combining Balance Sheet  
Enterprise Funds  
December 31, 2002

	<u>Water</u>	<u>Sewer</u>	<u>Refuse</u>	<u>Totals</u>
<b>ASSETS:</b>				
Assets:				
Pooled cash and investments	\$135,085	\$108,827	\$9,892	\$253,804
Receivables (net of allowance for uncollectibles):				
Accounts	255,180	261,892	93,439	610,511
Special assessments	47,209	47,209	333,289	427,707
Fixed assets (net, where applicable of accumulated depreciation)	<u>783,027</u>	<u>289,159</u>	<u>0</u>	<u>1,072,186</u>
<b>TOTAL ASSETS</b>	<u><b>\$1,220,501</b></u>	<u><b>\$707,087</b></u>	<u><b>\$436,620</b></u>	<u><b>\$2,364,208</b></u>
<b>LIABILITIES AND FUND EQUITY:</b>				
Liabilities:				
Accounts payable	\$294,830	\$263,455	\$81,483	\$639,768
Accrued wages and benefits	10,844	10,805	0	21,649
Interest payable	4,125	0	0	4,125
Compensated absences	14,871	14,871	0	29,742
Deferred revenue	47,209	47,209	333,289	427,707
Notes payable	275,000	0	0	275,000
Loan payable	0	46,077	0	46,077
Capital lease obligations	<u>20,798</u>	<u>54,002</u>	<u>0</u>	<u>74,800</u>
<b>Total Liabilities</b>	<u><b>667,677</b></u>	<u><b>436,419</b></u>	<u><b>414,772</b></u>	<u><b>1,518,868</b></u>
Fund Equity:				
Contributed capital	0	34,325	0	34,325
Retained earnings - unreserved	<u>552,824</u>	<u>236,343</u>	<u>21,848</u>	<u>811,015</u>
<b>Total Fund Equity</b>	<u><b>552,824</b></u>	<u><b>270,668</b></u>	<u><b>21,848</b></u>	<u><b>845,340</b></u>
 <b>TOTAL LIABILITIES AND FUND EQUITY</b>	 <u><b>\$1,220,501</b></u>	 <u><b>\$707,087</b></u>	 <u><b>\$436,620</b></u>	 <u><b>\$2,364,208</b></u>

City of Trotwood, Ohio  
Combining Statement of Revenues, Expenses  
And Changes In Retained Earnings  
Enterprise Funds  
For the Year Ended December 31, 2002

	Water	Sewer	Refuse	Totals
<b>OPERATING REVENUES:</b>				
Charges for services	\$881,716	\$856,155	\$793,975	\$2,531,846
Special assessment	30,749	30,749	155,207	216,705
Other	1,449	1,407	0	2,856
<b>Total Operating Revenue</b>	<b>913,914</b>	<b>888,311</b>	<b>949,182</b>	<b>2,751,407</b>
<b>OPERATING EXPENSES:</b>				
Salaries and wages	105,616	102,619	0	208,235
Benefits	25,389	24,975	0	50,364
Contractual services	657,124	565,598	997,740	2,220,462
Materials and supplies	47,728	58,735	7,800	114,263
Depreciation expense	113,875	77,517	0	191,392
Other	697	901	364	1,962
<b>Total Operating Expenses</b>	<b>950,429</b>	<b>830,345</b>	<b>1,005,904</b>	<b>2,786,678</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(36,515)</b>	<b>57,966</b>	<b>(56,722)</b>	<b>(35,271)</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Investment earnings	1,014	862	1,110	2,986
Interest expense	(6,192)	(5,104)	0	(11,296)
Principal payments	(4,447)	(40,532)	0	(44,979)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(9,625)</b>	<b>(44,774)</b>	<b>1,110</b>	<b>(53,289)</b>
<b>NET INCOME (LOSS)</b>	<b>(46,140)</b>	<b>13,192</b>	<b>(55,612)</b>	<b>(88,560)</b>
<b>RETAINED EARNINGS, BEGINNING OF YEAR</b>	<b>598,964</b>	<b>223,151</b>	<b>77,460</b>	<b>899,575</b>
<b>RETAINED EARNINGS, END OF YEAR</b>	<b>\$552,824</b>	<b>\$236,343</b>	<b>\$21,848</b>	<b>\$811,015</b>

City of Trotwood, Ohio  
Combining Statement Of Cash Flows  
Enterprise Funds  
For the Year Ended December 31, 2002

	Water	Sewer	Refuse	Totals
<b>OPERATING ACTIVITIES:</b>				
Cash received from customers and users	\$895,010	\$860,880	\$952,165	\$2,708,055
Cash paid to suppliers for goods and services	(706,398)	(640,342)	(999,813)	(2,346,553)
Cash paid to employees for services	(128,359)	(125,104)	0	(253,463)
Other operating receipts (disbursements)	752	506	0	1,258
Net cash provided (used) by operating activities	<u>61,005</u>	<u>95,940</u>	<u>(47,648)</u>	<u>109,297</u>
<b>CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Principal payments	(304,895)	(44,930)	0	(349,825)
Interest payments	(11,789)	(5,104)	0	(16,893)
Proceeds of bonds & notes	275,000		0	275,000
Net cash used by capital and related financing activities	<u>(41,684)</u>	<u>(50,034)</u>	<u>0</u>	<u>(91,718)</u>
<b>INVESTING ACTIVITIES:</b>				
Interest on investments	1,025	868	1,115	3,008
Net cash provided by investing activities	<u>1,025</u>	<u>868</u>	<u>1,115</u>	<u>3,008</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>20,346</b>	<b>46,774</b>	<b>(46,533)</b>	<b>20,587</b>
<b>CASH BEGINNING OF YEAR</b>	<b>114,739</b>	<b>62,053</b>	<b>56,425</b>	<b>233,217</b>
<b>CASH END OF YEAR</b>	<b><u>135,085</u></b>	<b><u>108,827</u></b>	<b><u>9,892</u></b>	<b><u>253,804</u></b>
<b>Reconciliation of operating income to net cash provided by operating activities</b>				
Operating income (loss )	(36,515)	57,966	(56,722)	(35,271)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	113,875	77,517	0	191,392
Change in assets and liabilities:				
(Increase) decrease in receivables	(4,436)	(13,005)	(75,406)	(92,847)
Increase (decrease) in deferred revenue	(13,019)	(13,019)	78,753	52,715
Increase (decrease) in accounts payable	2,901	24,522	5,727	33,150
Increase (decrease) in wages payable	1,570	1,414	0	2,984
Increase (decrease) in compensated absences payable	1,076	1,076	0	2,152
Increase (decrease) capital lease obligations	(4,447)	(40,531)	0	(44,978)
Net cash provided (used) by operating activities	<u>\$61,005</u>	<u>\$95,940</u>	<u>(\$47,648)</u>	<u>\$109,297</u>

# CITY OF TROTWOOD, OHIO

## Internal Service Fund

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Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City and to other government units, on a cost reimbursement basis.

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*Fleet Insurance Fund* – To account for the accumulation of resources to cover the uninsured cost of collision repairs to City vehicles.

Since there is only one Internal Service Fund and the level of budgetary control is not greater than that presented in the General Purpose Financial Statements, no additional financial statements are presented here.

# CITY OF TROTWOOD, OHIO

## Agency Fund

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Agency Funds are used to account for assets held by the City as an agent for individuals, private organizations, other governments and/or other funds.

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*Agency Fund* – To account for the resources received from customers, contractors, developers, homeowners and City employees to ensure compliance with City ordinances, rules and regulations.

City of Trotwood, Ohio  
Statement Of Changes In Assets And Liabilities  
Agency Funds  
For the Year Ended December 31, 2002

	<u>Balance 12/31/01</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 12/31/02</u>
<hr/> <u>Agency Fund</u> <hr/>				
<b>ASSETS:</b>				
Pooled Cash and Investments	<u>\$106,835</u>	<u>\$64,749</u>	<u>(\$101,293)</u>	<u>\$70,291</u>
 Total Assets	 <u>\$106,835</u>	 <u>\$64,749</u>	 <u>(\$101,293)</u>	 <u>\$70,291</u>
 <b>LIABILITIES:</b>				
Accounts payable	\$0	\$36	\$0	\$36
Due to others	<u>106,835</u>	<u>64,713</u>	<u>(101,293)</u>	<u>70,255</u>
 Total Liabilities	 <u>\$106,835</u>	 <u>\$64,749</u>	 <u>(\$101,293)</u>	 <u>\$70,291</u>



STATISTICAL

SECTION



Table 1

CITY OF TROTWOOD, OHIO  
General Government Expenditures by Function (1)  
Last Ten Fiscal Years (2)

Fiscal Year	Public Safety	Leisure			Transportation			Capital Outlay	Debt Service	Totals
		Time Activities	Community Development	and Street Repair	General Government					
1993	\$ 1,465,007	\$ 203,025	\$ 157,622	\$ 271,059	\$ 472,642	\$ 197,526	\$ 1,128,112	3,894,993		
1994	1,516,669	167,187	213,947	307,025	503,065	333,066	1,834,920	4,875,879		
1995	1,567,858	284,546	245,164	297,097	512,266	356,380	217,760	3,481,071		
1996	4,998,213	462,219	419,046	603,037	1,243,802	1,157,534	190,211	9,074,062		
1997	5,628,372	517,888	619,783	876,823	1,672,448	1,203,875	165,524	10,684,713		
1998	6,174,414	501,355	543,837	947,620	1,932,626	648,885	166,737	10,915,474		
1999	7,252,708	609,445	596,412	1,246,778	2,377,437	1,887,440	157,206	14,127,426		
2000	7,438,266	760,948	976,552	1,267,681	2,123,683	4,042,240	167,320	16,776,690		
2001	7,442,020	523,486	879,813	1,087,664	2,023,525	1,563,347	312,136	13,831,991		
2002	7,777,073	472,069	903,893	1,079,879	2,264,896	2,740,330	400,676	15,638,816		

Notes: (1) Includes general, special revenue, debt service, and capital projects funds.

(2) On January 1, 1996, the City merged with Madison Township.

Basis of presentation: For the year ended December 31, 1997, the City presented for the first time, general purpose financial statements by fund type and account group. Thus, they are not comparable to the cash basis financial statements presented in prior years.

**CITY OF TROTWOOD, OHIO**  
**General Government Revenues by Source (1)**  
**Last Ten Fiscal Years (2)**

Fiscal Year	Taxes	Inter-governmental	Charges for Services	Fines			Investment Earnings (3)	Other	Totals
				Licenses and Permits (4)	Special Assessments				
1993	\$ 2,260,140	\$ 473,008	\$ 331,930	\$ 105,665	\$ 90	\$ 14,388	\$ 134,906	\$ 3,320,127	
1994	2,453,147	556,664	132,188	78,333	48,963	13,990	53,312	3,336,597	
1995	2,625,395	568,982	101,735	65,910	50,980	26,647	81,315	3,520,964	
1996	7,319,915	1,836,003	97,458	150,210	155,340	213,526	363,042	10,135,494	
1997	8,126,145	2,746,420	169,047	118,564	150,276	344,174	134,063	11,788,689	
1998	8,497,665	2,303,450	168,883	86,129	163,528	421,628	334,449	11,975,732	
1999	8,222,606	2,784,498	194,391	117,007	164,776	350,442	233,558	12,067,278	
2000	8,599,117	5,651,530	258,561	97,621	35,125	277,116	632,213	15,551,283	
2001	7,217,614	3,388,698	930,892	336,245	56,291	266,207	405,669	12,601,616	
2002	8,896,998	3,000,994	1,198,249	326,212	67,633	89,372	109,328	13,688,786	

Notes: (1) Includes general, special revenue, debt service, and capital projects funds.

(2) On January 1, 1996, the City merged with Madison Township.

(3) Prior to fiscal year 1997 investment revenue includes rental revenue subsequently included in other revenue.

(4) Commencing fiscal year 2001, cable franchise fees included in fines, licenses and permits rather than taxes.

Basis of presentation: For the year ended December 31, 1997, the City presented for the first time, general purpose financial statements by fund type and account group. Thus, they are not comparable to the cash basis financial statements presented in prior years.

Table 3

CITY OF TROTWOOD, OHIO  
Property Tax Levies and Collections  
Last Ten Fiscal Years (1)

Collection Year	Current Tax Levy	Current Tax Collections	Percent of		Delinquent Tax Collections	Total Tax Collections	Ratio of Total Collections to Levy	Accumulated Outstanding Delinquent Taxes (2)	Ratio of Delinquent Taxes to Levy
			Current Taxes Collected	Delinquent Tax					
1993	\$ 420,207	\$ 395,227	94.1%	\$ 41,986	\$ 437,213	104.0%	\$ 60,303	14.4%	
1994	305,665	296,326	96.9%	20,476	316,802	103.6%	38,384	12.6%	
1995	312,861	305,264	97.6%	12,619	317,883	101.6%	40,338	12.9%	
1996	3,454,535	3,348,295	96.9%	122,951	3,471,246	100.5%	311,058	9.0%	
1997	3,423,538	3,307,469	96.6%	180,827	3,488,296	101.9%	407,438	11.9%	
1998	3,586,795	3,363,483	93.8%	213,223	3,576,706	99.7%	457,354	12.8%	
1999	3,595,449	3,326,513	92.5%	164,897	3,491,410	97.1%	516,332	14.4%	
2000	3,617,628	3,412,978	94.3%	201,459	3,614,437	99.9%	749,139	20.7%	
2001	2,674,945	2,469,131	92.3%	127,627	2,596,758	97.1%	519,906	19.4%	
2002	4,283,899	3,946,140	92.1%	240,612	4,186,752	97.7%	1,064,003	24.8%	

Notes: (1) On January 1, 1996, the City merged with Madison Township.

(2) Includes penalties and interest assessed on delinquent accounts.

Source: Montgomery County, Ohio; Auditor's Office.

CITY OF TROTWOOD, OHIO  
Assessed and Estimated Actual Values of Taxable Property  
Last Ten Fiscal Years (1)

Collection Year (2)	Real Property (3)		Tangible Personal Property (4)		Total	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
1993	\$ 73,858,250	\$ 211,023,571	\$ 21,035,504	\$ 63,292,538	\$ 94,893,754	\$ 274,316,109
1994	74,188,940	211,968,400	19,546,621	57,132,886	93,735,561	269,101,286
1995	74,599,300	213,140,857	21,263,588	62,468,795	95,862,888	275,609,652
1996	208,671,570	596,204,486	43,594,586	118,176,216	252,266,156	714,380,702
1997	237,522,630	678,636,086	45,562,117	125,829,820	283,084,747	804,465,906
1998	238,080,730	680,230,657	47,109,594	133,094,881	285,190,324	813,325,538
1990	240,984,190	688,526,257	47,280,164	133,137,482	288,264,354	821,663,739
2000	257,846,260	736,703,600	45,178,732	128,800,379	303,024,992	865,503,979
2001	256,864,550	733,898,714	41,837,819	120,407,485	298,702,369	854,306,199
2002	253,910,830	725,459,514	37,320,990	131,370,826	291,231,820	856,830,340

Notes: (1) On January 1, 1996, the City merged with Madison Township.

(2) Assessed value is determined in the year prior to its collection.

(3) All real property is currently assessed at 35% of estimated market value.

(4) All tangible personal property (machinery/equipment and inventory) is currently assessed at 25% of net book value except for public utility tangible personal property which is assessed partially at 88% partially at 25% of net book value.

Source: Montgomery County, Ohio; Auditor's Office.

**CITY OF TROTWOOD, OHIO**  
**Property Tax Rates - Direct and Overlapping Governments**  
 (per \$1,000 of assessed valuation)  
 Last Ten Fiscal Years (1)

Collection Year (2)	City of	Montgomery	Madison	Trotwood-	Miami Valley	Dayton-	Total
	Trotwood	County	Township	Madison City School District	Career Technology Center	Montgomery County Library	
1993	5.22	13.65	8.70	45.86	1.98	-	75.41
1994	3.44	16.64	8.70	45.86	2.58	-	77.22
1995	3.44	16.64	8.70	45.86	2.58	0.72	77.94
1996	15.64	16.64	-	55.76	2.58	0.72	91.34
1997	15.14	16.64	-	53.74	2.58	0.72	88.82
1998	15.14	16.64	-	53.74	2.58	0.26	88.36
1999	15.14	16.64	-	53.74	2.58	0.26	88.36
2000	15.14	16.64	-	52.64	2.58	0.26	87.26
2001	11.64	17.24	-	52.64	2.58	0.26	84.36
2002	17.39	17.24	-	52.91	2.58	0.26	90.38

Notes: (1) On January 1, 1996, the City merged with Madison Township.  
 (2) Tax rate is determined and assessed in the year prior to collection.

Source: Montgomery County, Ohio; Auditor's Office.

Table 6

CITY OF TROTWOOD, OHIO  
Principal Property Taxpayers  
December 31, 2002

Taxpayer	Nature of Business	Total Assessed Valuation	Percent of Total Assessed Valuation
Dayton Power & Light Company	Electric utility	\$ 6,933,820	2.38%
Bradley Operating Company	Shopping center	4,689,730	1.61%
Lowes Companies, Inc.	Home improvement store	4,075,930	1.40%
Verizon (GTE)	Telephone utility	3,552,520	1.22%
Wal-Mart Stores, Inc.	Department store	3,486,730	1.20%
Belle Meadows	Apartment complex	3,040,860	1.05%
Kmart Corporation	Department store	2,952,950	1.01%
Castlebrook Capital Company	Apartment complex	2,940,200	1.01%
Sears Roebuck & Co.	Department store	2,535,660	0.87%
Graoch Associates LTD.	Apartment complex	1,889,980	0.65%
Total		36,098,380	12.40%
All other taxpayers		255,133,440	87.60%
Total assessed valuation		\$ 291,231,820	100.00%

Source: Montgomery County, Ohio; Auditor's Office.

Table 7

CITY OF TROTWOOD, OHIO  
Income Tax Collections  
Last Ten Fiscal Years (1)

Fiscal Year	Tax Rate (2)	Withholding Collections	Non-Withholding Collections		Refunds	Net Collections
			Withholding Collections	Gross Collections		
1993	2.25%	\$ 1,420,303	\$ 432,579	\$ 1,852,882	\$ 29,121	\$ 1,823,761
1994	2.25%	1,751,704	509,288	2,260,992	46,521	2,214,471
1995	2.25%	1,855,048	514,643	2,369,691	42,409	2,327,282
1996	2.25%	3,240,045	512,219	3,752,264	50,802	3,701,462
1997	2.25%	3,771,936	1,054,627	4,826,563	47,021	4,779,542
1998	2.25%	3,896,912	1,169,711	5,066,623	60,975	5,005,648
1999	2.25%	3,856,813	1,105,972	4,962,785	88,653	4,874,132
2000	2.25%	4,291,798	899,892	5,191,690	89,641	5,102,049
2001	2.25%	4,252,227	934,710	5,186,937	77,363	5,109,574
2002	2.25%	3,805,335	1,049,399	4,854,734	97,184	4,757,550

Notes: (1) On January 1, 1996, the City merged with Madison Township.

(2) The tax rate increased from 1.75% to 2.25% effective July 1, 1993.

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

Table 8

CITY OF TROTWOOD, OHIO  
Special Assessment Billings and Collections  
Last Ten Fiscal Years (1)

Collection Year	Current Assessments		Percent of Current Assessments Collected		Delinquent Assessment Collections		Total Assessment Collections		Ratio of Total Collections to Current		Outstanding Delinquent Assessments (2)		Ratio of Delinquent Assessments to Current Due	
	Due	Current Assessment Collections	Assessments Collected	Delinquent Assessment Collections	Assessment Collections	Total Collections	Ratio of Total Collections to Current	Outstanding Delinquent Assessments (2)	Ratio of Delinquent Assessments to Current Due					
1993	\$ 63,662	\$ 53,503	84.0%	\$ 6,960	\$ 60,463	95.0%	\$ 43,703	68.6%						
1994	55,271	49,844	90.2%	10,746	60,590	109.6%	50,686	91.7%						
1995	67,082	43,307	64.6%	5,597	48,904	72.9%	77,510	115.5%						
1996	321,553	249,620	77.6%	34,606	284,226	88.4%	234,209	72.8%						
1997	331,315	256,813	77.5%	41,565	298,378	90.1%	295,708	89.3%						
1998	322,508	247,381	76.7%	49,200	296,581	92.0%	346,498	107.4%						
1999	358,225	277,660	77.5%	53,600	331,260	92.5%	N/A	N/A						
2000	304,019	176,635	58.1%	50,802	227,437	74.8%	543,907	178.9%						
2001	238,955	N/A	N/A	N/A	237,249	99.3%	633,289	265.0%						
2002	350,595	N/A	N/A	N/A	284,262	81.1%	708,533	202.1%						

Notes: (1) On January 1, 1996, the City merged with Madison Township.

(2) Includes penalties and interest assessed on delinquent accounts.

Source: Montgomery County, Ohio; Auditor's Office.

N/A=Not Available

CITY OF TROTWOOD, OHIO  
Computation of Legal Debt Margin  
December 31, 2002

Assessed valuation		\$ 291,231,820
<b>Overall Debt Limitation -</b>		
10.50% of assessed valuation	\$ 30,579,341	
Gross bonded indebtedness	\$ 4,895,000	
Less: Self-supported debt	<u>                    -</u>	
Net debt within 10.50% limitation	<u>                    4,895,000</u>	
Legal debt margin within 10.50% limitation	<u><u>                  \$ 25,684,341</u></u>	
<b>Unvoted Debt Limitation -</b>		
5.50% of assessed valuation	\$ 16,017,750	
Gross indebtedness	\$ 4,895,000	
Less: Self-supported debt	<u>                    -</u>	
Net debt within 5.50% limitation	<u>                    4,895,000</u>	
Legal debt margin within 5.50% limitation	<u><u>                  \$ 11,122,750</u></u>	

CITY OF TROTWOOD, OHIO  
Ratio of Net General Obligation Bonded Debt to  
Assessed Value and Net General Obligation Bonded Debt Per Capita  
Last Ten Fiscal Years (1)

Fiscal Year	Population (2)	Assessed Valuation	Gross Bonded Debt	Debt Service Cash Balance	Self- Supported Bonded Debt	Net Bonded Debt	Ratio of Net Bonded Debt	
							to Assessed Valuation	Debt per Capita
1993	8,862	\$ 94,893,754	\$ 860,000	\$ 8	-	\$ 859,992	0.91%	97.04
1994	8,779	93,735,561	1,735,000	24,770	-	1,710,230	1.82%	194.81
1995	8,779	95,862,888	1,690,000	27,582	-	1,662,418	1.73%	189.36
1996	29,358	252,266,156	1,640,000	2,313	-	1,637,687	0.65%	55.78
1997	29,358	283,084,747	1,585,000	1,530	-	1,583,470	0.56%	53.94
1998	29,358	285,190,324	1,525,000	45,923	-	1,479,077	0.52%	50.38
1999	29,358	288,264,354	1,470,000	8,986	-	1,461,014	0.51%	49.77
2000	27,420	303,024,992	1,405,000	597	-	1,404,403	0.46%	51.22
2001	27,420	298,702,369	1,335,000	2,440	-	1,332,560	0.45%	48.60
2002	27,420	291,231,820	1,265,000	8,589	-	1,256,411	0.43%	45.82

Notes: (1) On January 1, 1996, the City merged with Madison Township.

(2) Source: U.S. Census Bureau and Miami Valley Regional Planning Commission.

N/A = Not Available

CITY OF TROTWOOD, OHIO  
 Ratio of Annual Debt Service Expenditures for General Obligation  
 Bonded Debt to Total General Governmental Expenditures  
 Last Ten Fiscal Years (1)

Fiscal Year	Principal	Interest	Total Debt Service (2)	Total General Governmental Expenditures (3)	Ratio of Debt Service to General Governmental Expenditures
1993	\$ 20,000	\$ 64,000	\$ 84,000	\$ 3,894,993	2.2%
1994	25,000	62,345	87,345	4,875,879	1.8%
1995	45,000	117,190	162,190	3,481,071	4.7%
1996	50,000	113,948	163,948	9,074,062	1.8%
1997	55,000	110,055	165,055	10,684,713	1.5%
1998	60,000	106,160	166,160	10,915,474	1.5%
1999	55,000	101,615	156,615	14,127,426	1.1%
2000	65,000	97,720	162,720	16,776,690	1.0%
2001	70,000	96,365	166,365	13,831,991	1.2%
2002	70,000	89,849	159,849	15,638,816	1.0%

Notes: (1) On January 1, 1996, the City merged with Madison Township.

(2) Includes special assessment bonds with a governmental commitment.

(3) Includes general, special revenue, debt service and capital projects funds.

Basis of presentation: For the year ended December 31, 1997, the City presented for the first time, general purpose financial statements by fund type and account group. Thus, they are not comparable to the cash basis financial statements presented in prior years.

CITY OF TROTWOOD, OHIO  
 Computation of Direct and Overlapping Net General Obligation Debt  
 December 31, 2002

Jurisdiction	Assessed Value (1)	Net General Obligation Bonded Debt Outstanding	Percentage Applicable to Trotwood (2)	Amount Applicable to Trotwood
City of Trotwood	\$ 291,231,820	\$ 1,265,000	100.00%	<u>\$ 1,265,000</u>
<u>Overlapping:</u>				
Trotwood-Madison City School District	255,678,593	35,641,000 (3)	94.03%	33,513,232
Montgomery County	9,154,539,323	38,917,639 (1)	3.18%	<u>1,237,581</u>
Sub-total - Overlapping Debt				<u>34,750,813</u>
Total Direct and Overlapping Debt				<u><u>\$ 36,015,813</u></u>

Notes: (1) Source: Montgomery County, Ohio; Auditor's Office.

(2) Percentage of gross indebtedness of the City's overlapping political subdivisions determined by dividing each overlapping subdivision's assessed valuation within the City by the subdivision's total assessed valuation.

(3) Source: Ohio Municipal Advisory Council.

CITY OF TROTWOOD, OHIO  
 Demographic Statistics  
 Last Ten Fiscal Years (1)

Fiscal Year	Population (2)	Public School Enrollment (3)	Unemployment Rate Montgomery County (4)
1993	8,862	4,119	6.4%
1994	8,779	4,138	5.4%
1995	8,779	4,255	4.8%
1996	29,358	4,453	4.0%
1997	29,358	4,282	4.4%
1998	29,358	4,157	4.0%
1999	29,358	4,217	4.0%
2000	27,420	3,811	3.9%
2001	27,420	3,854	4.3%
2002	27,420	3,676	5.6%

Notes: (1) On January 1, 1996, the City merged with Madison Township.  
 (2) Source: U.S. Census Bureau and Miami Valley Regional Planning Commission.  
 (3) Source: Trotwood-Madison City School District; Superintendent's Office.  
 (4) Source: Ohio Bureau of Employment Services; Labor Market Information Division (average annual rates).

CITY OF TROTWOOD, OHIO  
Real Property Value, Construction and Bank Deposits  
Last Ten Fiscal Years (1)

Fiscal Year	Real Property Value (2)*		Total	Commercial/Industrial Construction (3)		Residential Construction (3)		Bank Deposits (4)*
	Commercial/Industrial	Residential		Number of Permits	Estimated Value	Number of Permits	Estimated Value	
1993	\$ 92,444	\$ 118,580	\$ 211,024	12	\$ 436,050	46	\$ 1,798,242	N/A
1994	83,903	128,065	211,968	10	27,568,000	67	2,279,175	\$ 280,404
1995	84,617	128,524	213,141	9	712,722	50	1,613,706	289,857
1996	181,416	414,788	596,204	9	4,797,475	88	7,683,329	286,673
1997	192,713	485,923	678,636	14	1,582,647	65	2,724,376	283,474
1998	194,351	485,880	680,231	39	3,434,551	47	4,737,199	266,048
1999	201,610	486,917	688,527	24	902,965	35	4,864,228	263,170
2000	202,375	534,329	736,704	129	15,809,088	131	2,747,275	254,565
2001	196,217	537,681	733,898	19	1,361,059	162	6,168,382	250,995
2002	184,515	540,898	725,413	222	32,671,760	132	4,279,785	240,975

\* Amounts expressed in thousands

Notes: (1) On January 1, 1996, the City merged with Madison Township.

(2) Estimated actual value.

(3) Source: City of Trotwood; Building and Code Enforcement Division.

(4) Source: Federal Deposit Insurance Corporation.

N/A=Not Available

Table 15

CITY OF TROTWOOD, OHIO  
Principal Employers by Municipal Income Tax Withheld  
December 31, 2002

Employer	Nature of Business	Amount of Municipal Income Tax Withheld	Percent of Total Municipal Income Tax Revenue
Trotwood-Madison City School District	Public education	\$ 343,805	7.08%
Maria Joseph Center	Retirement community	244,780	5.04%
City of Trotwood	Local government	165,177	3.40%
Montgomery County	Transportation facility	115,077	2.37%
Federal Mogul Sintered Products	Manufacturing	111,407	2.29%
Wal Mart Associates, Inc.	Retail sales	97,994	2.02%
Evangelical Retirement Villages of Dayton	Retirement community	95,610	1.97%
Jewish Federation of Greater Dayton	Cultural/recreation center	78,203	1.61%
Moto Photo, Inc.	Photographic film processing	62,000	1.28%
Dayton Foods LTD	Retail sales	58,903	1.22%
Total		<u>1,372,956</u>	<u>28.28%</u>
All other municipal income tax revenue		<u>3,481,778</u>	<u>71.72%</u>
Gross municipal income tax revenue		<u>\$ 4,854,734</u>	<u>100.00%</u>

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

## CITY OF TROTWOOD, OHIO

## Miscellaneous Statistics

December 31, 2002

Date of incorporation	September 16, 1901
Date present charter adopted	November 3, 1964
Form of government	Council/Manager
Number of permanent full-time employees	133
Area in square miles	28
City of Trotwood facilities and services:	
Miles of streets (lane-miles)	362
Miles of storm sewers	39
Street lights	1,285
Police Protection:	
Number of stations	1
Number of full-time officers	50
Calls for service	36,338
Fire Protection and EMS:	
Number of stations	4
Number of full-time firefighters	21
Calls for service-	
Fire	669
EMS	3,651
Average response time (minutes)-	
Fire	4.5
EMS	4.5
Parks and Recreation:	
Community centers	1
Parks	10
Park acreage	152
Swimming Pools	1
Water System:	
Miles of water mains	37.5
Number of fire hydrants	1,096
Number of accounts	2,800
Sewerage System:	
Miles of sanitary sewers	31
Number of accounts	2,800
Facilities and services not included in the reporting entity:	
Public Education:	
Number of elementary schools	6
Number of secondary schools	2
Recreation and Culture:	
Libraries	1
Sports arena/conference centers	1
State and county park acreage	2,545

CITY OF TROTWOOD, OHIO  
Contact Information

Administrative Office: Government Center  
3035 Olive Road  
Trotwood, OH 45426  
Phone: (937) 837-7771  
Home Page: [www.trotwood.org](http://www.trotwood.org)

General Legal Counsel: Philip B. Herron, Esq.  
Altick & Corwin Co., L.P.A.  
1700 One Dayton Centre  
Dayton, OH 45402  
Phone: (937) 223-1201

Auditors: Auditor of State  
Richard Wade, Chief Auditor  
One First National Plaza  
130 West Second Street, Suite 2040  
Dayton, OH 45402  
Phone: (937) 285-6677

Business Development Inquiries: City of Trotwood  
Michael J. Lucking, Director of Planning  
And Development  
Government Center  
3035 Olive Road  
Trotwood, OH 45426  
Phone: (937) 837-7771

Chamber of Commerce: Trotwood Chamber of Commerce  
Bonnie J. Schenk, Executive Director  
P.O. Box 26403  
Trotwood, OH 45426-0403  
Phone: (937) 837-1484

State Information Depository (SID): Ohio Municipal Advisory Council  
9321 Ravenna Road, Unit K  
Twinsburg, OH 44087-2445  
Phone: (216) 447-1525



TROTWOOD



**Auditor of State  
Betty Montgomery**

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Facsimile 614-466-4490

**CITY OF TROTWOOD  
MONTGOMERY COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JULY 29, 2003**