



Dave Yost • Auditor of State

CITY OF TROTWOOD
MONTGOMERY COUNTY

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Dave Yost • Auditor of State

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

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

To the City Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Trotwood, Montgomery County, (the City) as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated July 25, 2016, wherein we noted the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a material weakness. We consider finding 2015-001 to be a material weakness.

Compliance and Other Matters

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2015-001.

Entity's Response to Findings

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

Purpose of this Report

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



Dave Yost
Auditor of State
Columbus, Ohio

July 25, 2016

**CITY OF TROTWOOD
MONTGOMERY COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2015**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
--

FINDING NUMBER 2015-001

NONCOMPLIANCE AND MATERIAL WEAKNESS

The City prepared its annual financial statements in accordance with generally accepted accounting principles (GAAP). The City's Financial Report for 2015 contained the following errors:

The following differences are immaterial and were not adjusted on the financial statements:

- The City reported Special Assessment Receivables at the net collection amount (net of related fees). The City should have reported these assessments at the gross amount to be received. This resulted in receivables and related revenues being understated in the Water Fund by \$3,220, in the Storm Water Fund by \$6,795, in the Refuse Fund by \$19,546, and Business Type Activities by \$29,561.
- In the Other Governmental Funds, Intergovernmental Receivable was understated by \$37,187. Additionally, corresponding Intergovernmental revenue was understated by \$12,140 and corresponding deferred inflows was understated by \$25,047. This same error also related to Governmental Activities.
- The City utilizes a service organization, Redflex, to collect fines related to traffic camera violations. The City receives direct deposits, net of related fees from Redflex into the general operating account. The City posts these amounts at net rather than gross to the general ledger. Therefore, the Other Governmental Funds Fines Licenses and Permits receipts and related expenditures were both understated by \$76,172.
- Debt Service Principal Due Within One Year for Governmental Activities was understated by \$6,666 and over-stated for Business-Type Activities by \$6,666. Also, Debt Service Interest for the Water Fund was overstated by \$21,910.

The following differences were determined to be material and were adjusted on the financial statements:

- The City has several fire operating levies. In 2009 voters also approved a fire capital levy. The City co-mingled these levy monies and posted them all to the Fire Levy Fund. **Ohio Rev. Code Section 5705.10(C)** states all revenue derived from a special levy shall be credited to a special fund for the purpose for which the levy was made. In 2015 the City established a separate Fire Capital Levy Fund in the accounting system to record the activity related to the fire capital levy. However, no activity was posted to the system. Therefore, a prior period adjustment was made and determined that the beginning balances for the Fire Levy Fund and Other Governmental Funds were understated by \$13,697 and overstated by \$13,697, respectively. During the current period, the Fire Levy Fund Property Tax Receipts were overstated by \$465,039, Intergovernmental Receipts were overstated by \$62,138, expenditures were overstated by \$491,281, Property Tax Receivable was overstated by \$581,378 and related Deferred Inflow was overstated by \$581,378. During the current period, Other Governmental Funds Property Tax Receipts were understated by \$465,039, Intergovernmental Receipts were understated by \$62,138, expenditures were understated by \$491,281, Property Tax Receivable was understated by \$581,378 and related Deferred Inflow was understated by \$581,378. The City also posted fund balance adjustments to the accounting system. Additionally this adjustment resulted in the City reporting a budgetary comparison schedule that reflected expenditures exceeding appropriations, which is contrary to **Ohio Rev. Code Section 5705.41(B)**.

**FINDING NUMBER 2015-001
(Continued)**

- **Ohio Revised Code Section 4504.172** provides, in part, any municipal corporation may levy an annual license tax upon the operation of motor vehicles on the public roads or highways. The tax shall be at the rate of five dollars per motor vehicle on all motor vehicles the district of registration of which is in the municipal corporation levying the tax. The City reported city levied motor vehicle license tax receipts in the amount of \$106,354 as Intergovernmental revenue rather than Property and Other Taxes in the Motor Vehicle License Tax Fund. As such, in the Other Governmental Funds, intergovernmental revenue was overstated by \$106,354 and property tax receipts were understated by \$106,354.
- Final budgeted expenditures in the Salem Mall TIF Fund's Budgetary (Non-GAAP Basis) Statement were understated by \$1,910,089.
- In the Salem Mall TIF Fund, Taxes Receivable was understated by \$359,019 and Intergovernmental Receivable was overstated by \$359,019.
- In the Other Governmental Funds, Taxes Receivable was understated by \$402,268 and Intergovernmental Receivable was overstated by \$402,268.
- In Governmental Activities, Taxes Receivable was understated by \$761,287 and Intergovernmental Receivable was overstated by \$761,287.
- In Business Type Activities and the Storm Water Fund, Capital Assets, Net and Opening Net Position were overstated by \$457,517 related to errors in accumulated depreciation of infrastructure in prior periods.
- Auditor of State Bulletin 97-003 provides, in part, to advance cash from one fund to another, there must be statutory authority to use the money in the fund advancing the cash (the "creditor" fund) for the same purpose for which the fund receiving the cash (the "debtor" fund) was established; the reimbursement from the debtor fund to the creditor fund must not violate any restrictions on the use of money to be used to make the reimbursement; and advances must be approved by a formal resolution of the taxing authority of the subdivision. The City made an advance of \$65,000 from the General Fund to the Salem Mall Tax Increment Fund. The City Council approved the advance as part of an amendment to the appropriations that was approved by City Council on December 7, 2015 (Ordinance 24-15). The amended appropriations showed this on a line item for "transfers/advances", with no distinction between the two types. Any advance must be clearly labeled as such, and must be distinguished from a transfer. Transfers are intended to reallocate money permanently from one fund to another and may be made only as authorized in Ohio Rev. Code §5705.14 to 5705.16. Advances, on the other hand, *temporarily* reallocate cash from one fund to another and involve an expectation of repayment. The City did not clearly approve the transaction as either an advance or a transfer. Also, per inquiry with City management the transaction was intended to be a transfer. Improperly classifying a transfer as an advance can lead to errors in the financial statements. The City posted adjustments to the accompanying financial statements. At the time of approving the advances or transfers City Council should distinguish which method they are approving.

To improve the accuracy and completeness of the City's basic financial statements and to provide for comparative financial statements from year to year, the City should implement procedures to review the basic financial statements for accuracy and completeness. Failure to do so could result in materially misstated financial statements.

Officials' Response:

In the future the City of Trotwood will diligently review the basic financial statements for accuracy and completeness to prevent materially misstated financial statements.

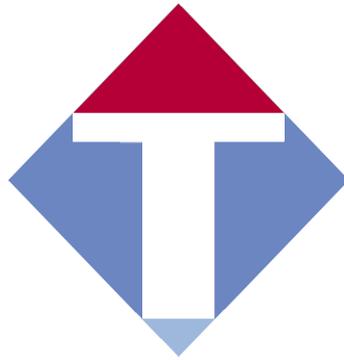
**CITY OF TROTWOOD
MONTGOMERY COUNTY**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2015**

Finding Number	Finding Summary	Status	Additional Information
2014-001	Ohio Revised Code Section 5705.41(B) - Expenditures exceeding appropriations	Corrective Action Taken and Finding is Fully Corrected	
2014-002	Ohio Revised Code Section 3929.86(A)/(C)/(D) Receipting insurance proceeds.	Corrective Action Taken and Finding is Fully Corrected	
2014-003	Material Weakness, reporting financial activity	Not Corrected	Repeated as Finding 2015-001

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CITY OF TROTWOOD, OHIO



**COMPREHENSIVE ANNUAL FINANCIAL REPORT
For The Fiscal Year Ended December 31, 2015**

CITY OF TROTWOOD, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2015

**PREPARED BY:
DEPARTMENT OF FINANCE
Chris A. Peebles
FINANCE DIRECTOR**

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City of Trotwood, Ohio
 Comprehensive Annual Financial Report
 For the Year Ended December 31, 2015

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INTRODUCTORY SECTION

3035 Olive Road ♦ Trotwood, Ohio 45426-2600
Phone: (937) 837-7771 ♦ Fax: (937) 854-0574
www.trotwood.org

Quincy E. Pope, Sr., M.P.A., CLEE, CPM, City Manager
Stephanie L. Kellum, Human Resource Director/Deputy City Manager
Brenda K. Blausler, Assistant to the City Manager

Trotwood City Council
Mary A. McDonald, Mayor
Bettye L. Gales, Vice-Mayor, Ward 1
Rap Hankins, Ward 2
Charles Ron Vaughn, Ward 3
Scotty Sly, Ward 4
Rhonda C. Finley, At-Large
Robert L. Kelley, Jr., At-Large
Sandy Riege Fuller, CMC, Clerk of Council

July 25, 2016

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

We are pleased to present the comprehensive annual financial report of the City of Trotwood, Ohio, for the year ended December 31, 2015. Responsibility for both the accuracy of the data and the completeness and fairness of presentation, including all disclosures, rests with City management. To the best of our knowledge and belief, the information presented is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

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

THE REPORTING ENTITY AND ITS SERVICES

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

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

On January 1, 1996, the City merged with Madison Township more than tripling its population and land area. The resulting community is the fourth most populous city in Montgomery County with 27,431 residents (based on the 2010 Census) and its land area (over 28 square miles) is surpassed only by the City of Dayton.

Department Directors & Managers

Erik L. Wilson, Police Chief ♦ John M. Porter, Deputy Police Chief ♦ Steve Milliken, Fire Chief
Chris A. Peoples, Finance Director ♦ Jeannie Peyton, Planning & Zoning Administrator ♦ Ruth Birdsong, Code Enforcement Supervisor
Eric G. Baxter, Public Works Operations Manager ♦ Shawn Tucker, Parks & Recreation Program Manager

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

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

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

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

ECONOMIC CONDITION AND OUTLOOK

The City of Trotwood is a major suburb within a diversified metropolitan economy characterized by above-average unemployment, modest job growth and a diversity of major employers. Nearby Wright Patterson Air Force Base employs approximately 22,000 making it the largest single-site employer in the State of Ohio. Good Samaritan Hospital, Samaritan Health Center and the Dayton Veterans Administration Center are major employers proximate to Trotwood.

Located just 4.5 miles from the City of Trotwood, Fuyao Glass America Incorporated purchased the former GM plant and is hiring 1,550 workers and plan to invest a total of \$ 360 million in the site. Fuyao is recruiting for job openings and many Trotwood residents will be employed at the plant. Furthermore, the company plans to generate an average annual payroll of \$ 32.5 million and have committed to stay in the area for at least 18 years.

In addition to the above, Caterpillar built a new logistics services distribution center 2 miles north of Trotwood in the City of Clayton, Ohio. The plant employees 500 to 600 employees and maintains an annual average payroll of \$12 million to \$14 million.

Although none of these facilities are physically located in Trotwood, the City benefits by having these employment opportunities available for the numerous Trotwood residents who work for these enterprises.

The City's Salem Avenue shopping district served as the commercial hub of northwest Montgomery County for many years. The former Salem Mall had previously been the anchor of the district, but due to rapidly declining occupancy, it was acquired by the City in 2004 for redevelopment purposes and has been demolished. The adjacent shopping centers serve as retail attractions in the district, as are several "big box" retailers such as Burlington, Big Lots, Joann Fabrics, Payless Shoes, GFS, Lowe's, and Home Depot. Nearby, Hara Arena draws large crowds to its facilities for various shows, conferences and sporting activities.

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

The City in 2001 completed the installation of streets and utilities to make a 38-acre site west of the Connector with railroad access available as a light industrial park. In addition, a 30 plus acres adjacent to the Industrial Park are available for future expansion. There are currently four prospective businesses looking to relocate in the vacant 380,000 square foot, state of the art manufacturing facility located within the City's Industrial park.

RELEVANT FINANCIAL POLICIES

In December 2014, the State Legislature passed and Governor Kasich, signed into law, House Bill 5 and Senate Bill 342. House Bill 5 will reform Municipal Income Tax Collections. The implementation of House Bill 5 will have negative impacts on tax collections in the coming years. Senate Bill 342 phased out the use of Traffic Enforcement Cameras in 2015 resulting in a decrease of revenue from \$204,874 in 2014 to \$107,233 in 2015. The City expects to see a decrease in 2016 Traffic Camera Enforcement revenues as well.

MAJOR INITIATIVES

Job Growth Initiative

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

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

This study bolstered the city's new strategy to re-occupy existing vacant big box retail stores with alternative uses. The city's analysis indicated that the reuse of retail boxes as light manufacturing centers and as small distribution centers is both economically feasible and from a land use perspective, often less impactful on surrounding uses. The City began working with big box building owners to re-market their buildings for these additional uses. Thus far, the effort has met with some success. The former K-Mart building has been purchased by a manufacturing company and is being remodeled and is scheduled to open in 2016.

Also, in 2015, the City of Trotwood saw a repurposing of the old Elder Beerman Warehouse furniture distribution store into a light manufacturing operation that will bring 52 new jobs to the city, with an average salary of \$ 47, 800 and an estimated payroll of over \$ 2,485,000 per year.

Furthermore, in late 2015, Korrekt Plumbing Heating & Air Conditioning began planning for a new corporate headquarters within the City of Trotwood. The company anticipates bringing over a dozen new jobs to the city. In 2015/2016 Korrekt was recognized as the 23rd fastest growing company, 8th largest mechanical company and the 21st largest woman owned business in the Dayton Area.

Housing Initiative

As a result of the housing crisis of 2008 and the subsequent recession, the City of Trotwood was particularly hard hit with both mortgage foreclosures and tax delinquencies. In 2013, the city, through the Trotwood Community Improvement Corporation (TCIC) began a housing program redesigned to renovate and re-occupy troubled residential real estate. The TCIC has been working with the National Community Stabilization Trust, the County Treasurer and County Corp (local public financing agency) on this project. The TCIC has continued to acquire and rehabilitate distressed houses in targeted “tipping point” neighborhoods. The TCIC has thus far acquired 30 properties and has overseen the renovation on several houses.

INTERNAL ACCOUNTING AND BUDGETARY CONTROLS

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

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

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

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

OTHER INFORMATION

Independent Audit. The State of Ohio requires an annual audit by either the Auditor of State or by an independent accounting firm. The basic financial statements of the City of Trotwood, Ohio for the fiscal year ended December 31, 2015 have been audited by the Ohio Auditor of State. Their unmodified opinion has been included in this report.

Awards. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Trotwood for its comprehensive annual financial report for the fiscal year ended December 31, 2014. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

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

Respectfully Submitted,

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

Quincy E. Pope, Sr.
City Manager

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

Chris A. Peeples
Finance Director

CITY OF TROTWOOD, OHIO
List of Elected and Appointed Officials
December 31, 2015

ELECTED OFFICIALS

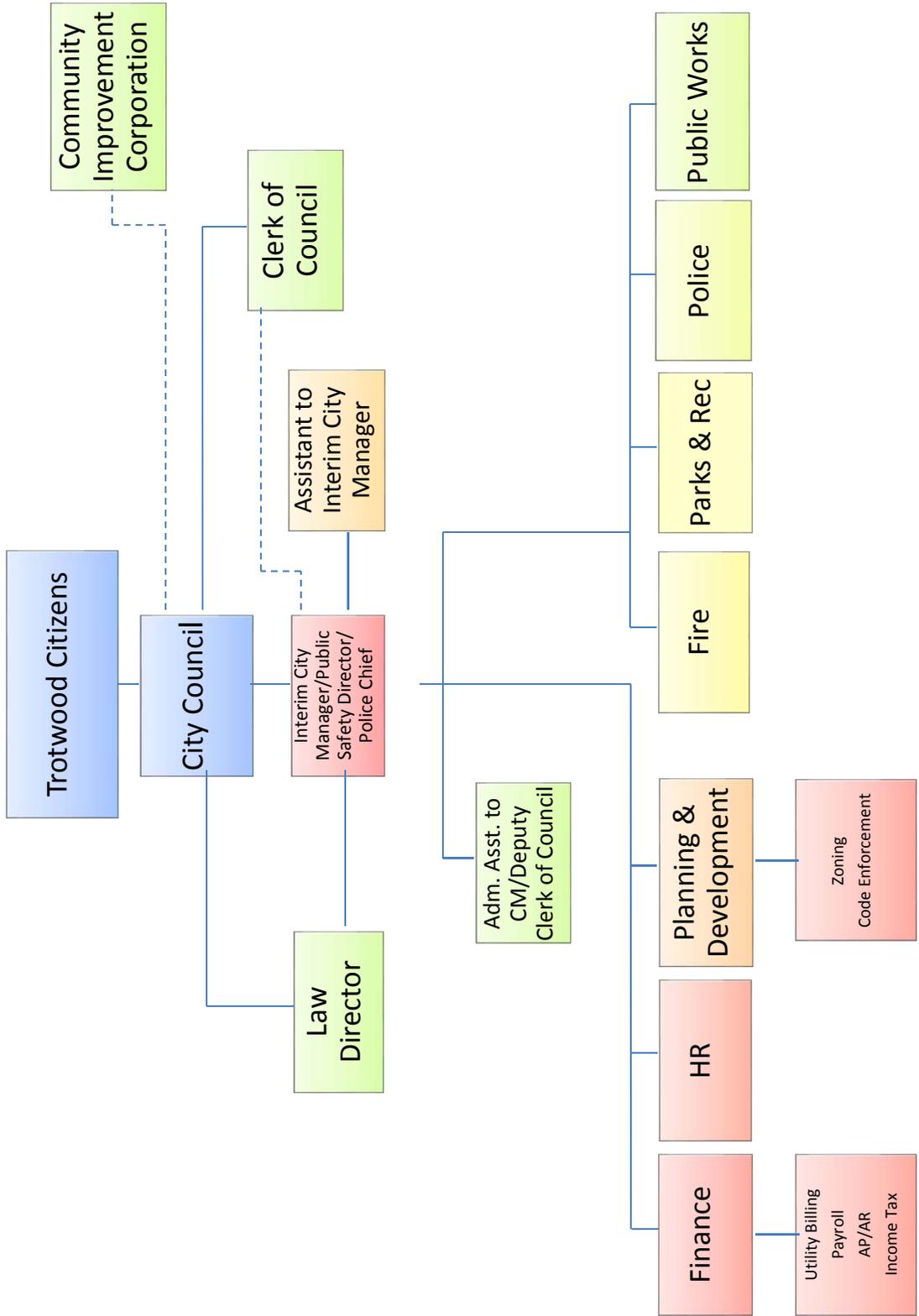
Joyce Sutton Cameron	Mayor
Barbara J. Staggs	Vice Mayor, At Large
Bruce D. Kettelle	Councilmember, At Large
Bettye L. Gales	Councilmember, Ward 1
Rap (John C.) Hankins	Councilmember, Ward 2
Charles R. Vaughn	Councilmember, Ward 3
Mary A. McDonald	Councilmember, Ward 4

APPOINTED OFFICIALS

Quincy E. Pope	Interim City Manager/Public Safety Director
Sandra L. Riege	Clerk of Council
Chris A. Peeples	Finance Director
Stephen H. Milliken	Fire Chief
Stephanie L. Kellum	Human Resource Manager
Stephen M. McHugh	Law Director



Organizational Chart





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

City of Trotwood
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2014

Executive Director/CEO

FINANCIAL SECTION

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

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

To the City Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Trotwood, Montgomery County, Ohio (the City), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Trotwood, Montgomery County, Ohio, as of December 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 18 to the financial statements, during the year ended December 31, 2015, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and also GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 25, 2016, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

Dave Yost
Auditor of State
Columbus, Ohio

July 25, 2016

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City of Trotwood, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2015
(Unaudited)

The City of Trotwood's discussion and analysis of the annual financial reports provides a review of the financial performance for the fiscal year ending December 31, 2015. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the City's performance.

Financial Highlights

- The City's total net position increased \$300,769. Net position of governmental activities increased \$372,988, net position of business-type activities decreased by \$72,219.
- The General Fund reported an increase in fund balance of \$196,063.
- Business-type operations reflected an operating loss of \$13,225.

Overview of the Financial Statements

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

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

Government-wide Financial Statements

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

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

City of Trotwood, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2015
(Unaudited)

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

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

Fund Financial Statements

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

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

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

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

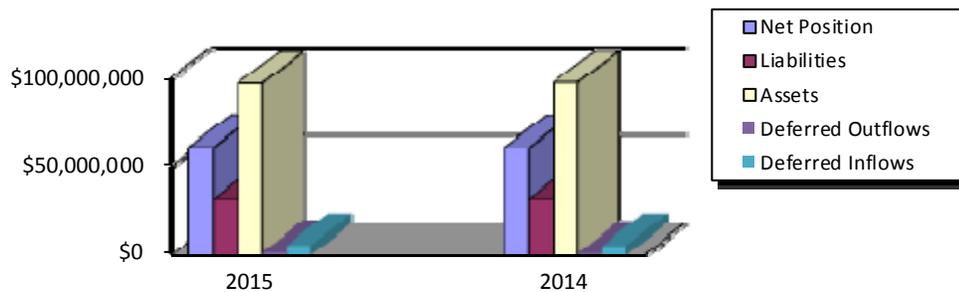
The City as a Whole

As stated previously, the Statement of Net Position looks at the City as a whole. Table 1 provides a summary of the City's net position for 2015 compared to 2014.

City of Trotwood, Ohio
Management’s Discussion and Analysis
For The Year Ended December 31, 2015
(Unaudited)

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2015	2014 Restated	2015	2014 Restated	2015	2014 Restated
Assets:						
Current and Other Assets	\$14,796,286	\$14,443,661	\$7,102,035	\$6,367,276	21,898,321	\$20,810,937
Capital Assets	56,608,678	57,629,529	17,823,791	18,326,460	74,432,469	75,955,989
Total Assets	71,404,964	72,073,190	24,925,826	24,693,736	96,330,790	96,766,926
Deferred Outflows of Resources:						
Pension	1,664,682	1,036,733	96,527	64,268	1,761,209	1,101,001
Total Deferred Outflows of Resources	1,664,682	1,036,733	96,527	64,268	1,761,209	1,101,001
Liabilities:						
Long-Term Liabilities	26,080,124	26,415,060	1,951,335	1,987,980	28,031,459	28,403,040
Other Liabilities	2,494,150	2,622,589	1,492,388	1,113,385	3,986,538	3,735,974
Total Liabilities	28,574,274	29,037,649	3,443,723	3,101,365	32,017,997	32,139,014
Deferred Inflows of Resources:						
Property Taxes	4,689,858	4,708,854	0	0	4,689,858	4,708,854
Revenue in Lieu of Taxes	761,287	721,686	0	0	761,287	721,686
Pension	29,505	0	8,021	0	37,526	0
Total Deferred Inflows of Resources	5,480,650	5,430,540	8,021	0	5,488,671	5,430,540
Net Position:						
Net Investment In Capital Assets	41,294,417	41,502,089	16,227,497	16,643,028	57,521,914	58,145,117
Restricted	4,790,869	4,580,526	0	0	4,790,869	4,580,526
Unrestricted	(7,070,564)	(7,440,881)	5,343,112	4,999,800	(1,727,452)	(2,441,081)
Total Net Position	\$39,014,722	\$38,641,734	\$21,570,609	\$21,642,828	\$60,585,331	\$60,284,562



During 2015, the City adopted GASB Statement 68, “Accounting and Financial Reporting for Pensions— an Amendment of GASB Statement 27,” which significantly revises accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City’s actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan’s *net pension liability*. GASB 68 takes an earnings approach to pension accounting; however, the nature of Ohio’s statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

City of Trotwood, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2015
(Unaudited)

Under the new standards required by GASB 68, the net pension liability equals the City's proportionate share of each plan's collective:

1. Present value of estimated future pension benefits attributable to active and inactive employees' past service
2. Minus plan assets available to pay these benefits

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68, the City's statements prepared on an accrual basis of accounting include an annual pension expense for their proportionate share of each plan's *change* in net pension liability not accounted for as deferred inflows/outflows.

As a result of implementing GASB 68, the City is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting. This implementation also had the effect of restating net position at December 31, 2014, from \$48,919,747 to \$38,641,734 for governmental activities and from \$22,580,020 to \$21,642,828 for business-type activities.

City of Trotwood, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2015
(Unaudited)

Total net position of the City as a whole increased \$300,769. Net position of governmental activities increased \$372,988 while net position of business-type activities decreased by \$72,219. The City had an unrestricted net position balance of \$(1,727,452).

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

Table 2 shows the changes in net position for the year ended December 31, 2015 and revenue and expense comparisons to 2014.

Table 2
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2015	2014 Restated	2015	2014 Restated	2015	2014 Restated
Program Revenues:						
Charges for Services	\$2,007,015	\$2,507,159	\$4,924,485	\$4,844,662	\$6,931,500	\$7,351,821
Operating Grants and Contribution:	1,836,233	2,337,780	0	0	1,836,233	2,337,780
Capital Grants and Contributions	59,572	11,225	0	0	59,572	11,225
Total Program Revenues	3,902,820	4,856,164	4,924,485	4,844,662	8,827,305	9,700,826
General Revenues:						
Income Taxes	5,020,072	4,672,734	0	0	5,020,072	4,672,734
Property Taxes	4,818,175	4,667,615	0	0	4,818,175	4,667,615
Grants and Entitlements	668,157	712,373	0	0	668,157	712,373
Investment Earnings	4,836	3,636	0	0	4,836	3,636
Other Revenues	1,040,198	1,280,779	10,827	5,906	1,051,025	1,286,685
Total General Revenues	11,551,438	11,337,137	10,827	5,906	11,562,265	11,343,043
Total Revenues	15,454,258	16,193,301	4,935,312	4,850,568	20,389,570	21,043,869
Program Expenses:						
General Government	2,556,659	3,444,386	0	0	2,556,659	3,444,386
Public Safety	8,631,605	9,526,215	0	0	8,631,605	9,526,215
Community Development	732,670	699,877	0	0	732,670	699,877
Leisure Time	274,096	401,685	0	0	274,096	401,685
Transportation and Street Repair	2,303,614	2,439,518	0	0	2,303,614	2,439,518
Interest and Other Charges	582,626	597,691	0	0	582,626	597,691
Water	0	0	1,553,195	1,380,311	1,553,195	1,380,311
Sewer	0	0	1,157,858	1,016,239	1,157,858	1,016,239
Refuse	0	0	1,365,870	1,417,130	1,365,870	1,417,130
Stormwater	0	0	930,608	801,034	930,608	801,034
Total Program Expenses	15,081,270	17,109,372	5,007,531	4,614,714	20,088,801	21,724,086
Change in Net Position	372,988	(916,071)	(72,219)	235,854	300,769	(680,217)
Net Position - Beginning of Year	38,641,734	N/A	21,642,828	N/A	60,284,562	N/A
Net Position - End of Year	\$39,014,722	\$38,641,734	\$21,570,609	\$21,642,828	\$60,585,331	\$60,284,562

The information necessary to restate the 2014 beginning balances and the 2014 pension expense amounts for the effects of the initial implementation of GASB 68 is not available. Therefore, 2014 expenses still include pension expense of \$1,101,002 computed under GASB 27. GASB 27 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 68, pension expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of pension expense. Under GASB 68, the 2015 statements report pension expenses of \$1,247,005. Consequently, in order to compare 2015 total expenses to 2014, the following adjustments are needed:

City of Trotwood, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2015
(Unaudited)

	Governmental Activities	Business-Type Activities	Total
Total 2015 program expenses under GASB 68	\$15,081,270	\$5,007,531	\$20,088,801
Pension expense under GASB 68	(1,187,021)	(59,984)	(1,247,005)
2015 contractually required contributions	1,131,618	67,688	1,199,306
Adjusted 2015 program expenses	15,025,867	5,015,235	20,041,102
Total 2014 program expenses under GASB 27	17,109,372	4,614,714	21,724,086
Increase (decrease) in program expenses not related to pension	(\$2,083,505)	\$400,521	(\$1,682,984)

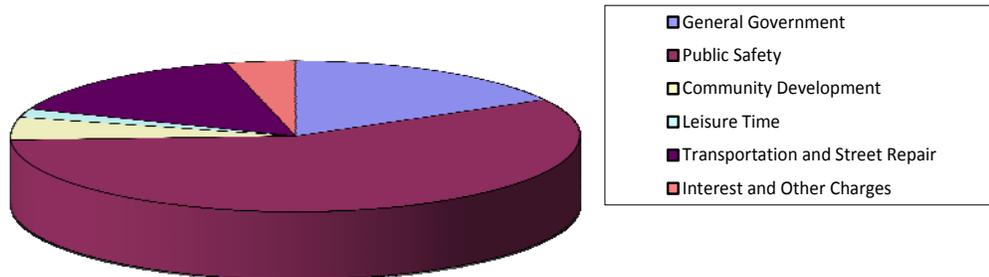
Governmental Activities

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

Charges for services revenue decreased from 2014 due to a decrease in public safety charges. Operating grants and contributions decreased from 2014 due to a decrease in transportation and street repair grants. Income taxes increased mainly due to an increase in income tax receivable due within the available period. Property tax revenues increased from 2014 due to increasing assessments. Other Revenue decreased mainly due to a decrease in TIF monies receipted in 2015 as compared to 2014. Total expenses decreased mainly due to ongoing efforts by the city to cut costs and reduce staff as much as possible.

Governmental Activities
Program Expenses for 2015

	Percentage
General Government	16.95%
Public Safety	57.23%
Community Development	4.86%
Leisure Time	1.82%
Transportation and Street Repair	15.27%
Interest and Other Charges	3.87%
Total	100.00%



City of Trotwood, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2015
(Unaudited)

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

Business-Type Activities

Business-type activities include Water, Sewer, Refuse Collection and Stormwater. These programs had operating revenues of \$4,935,312 and expenses of \$4,948,537 for fiscal year 2015. Business activities receive no support from tax revenues. The business activities net position at the end of the year was \$21,570,609, which decreased \$72,219 from 2014.

The City of Trotwood's water and sewer maintenance division services approximately 2,800 accounts within the territory which was part of the City prior to the 1996 merger with Madison Township. The City operates approximately 37.5 miles of water lines and 32 miles of sanitary sewer lines within the territory, to distribute water supplied by the City of Dayton and collect sewerage returned to Dayton for treatment at their facilities. The water fund had operating income of \$114,841 in 2015. The sewer fund had operating income of \$88,477 in 2015. The refuse fund had an operating income of \$1,530 in 2015. The stormwater fund had an operating loss of \$218,073 in 2015.

The City's Funds

The City has five major governmental funds: the General Fund, Street Construction Maintenance and Repair Fund, Fire Levy Fund, Rescue Levy Fund, and the Salem Mall Tax Increment Fund. Assets of these funds comprised \$12,463,062 (83%) of the total \$14,973,982 governmental funds' assets.

General Fund: Fund balance at December 31, 2015 was \$954,915, an increase in fund balance of \$196,063 from 2014. The General fund balance increased mainly due to increases in income and property tax revenue.

Street Construction Maintenance and Repair Fund: Fund balance at December 31, 2015 was \$1,203,418, an increase in fund balance of \$286,276 from 2014. The street construction maintenance and repair fund balance increased mainly due to a decrease in transportation and street repair expense.

Fire Levy Fund: Fund balance at December 31, 2015 was \$(158,101), a decrease in fund balance of \$28,977 from 2014. The Fire Levy fund remained relatively constant with the prior year.

Rescue Levy Fund: Fund balance at December 31, 2015 was \$517,592, an increase in fund balance of \$100,462. The increase in fund balance was mainly due to a decrease in public safety expenses.

Salem Mall Tax Increment Fund: Fund balance at December 31, 2015 was \$(1,880,772), an increase in fund balance of \$29,238 from 2014. The fund balance remained constant with the prior year.

General Fund Budgeting Highlights

The City's General Fund budget is formally adopted at the program or budget center level. Financial reports, which compare actual performance with the budget, are prepared monthly and presented to

City of Trotwood, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2015
(Unaudited)

the Council so the Council is able to review the financial status and measure the effectiveness of the budgetary controls.

As the City completed the year, its General Fund balance reported an actual fund balance of \$472,911, on a Non-GAAP Budgetary Basis.

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

Capital Assets and Debt Administration

Capital Assets

At year end, the City had \$74,432,469 invested in land, buildings and improvements, equipment and infrastructure. Table 3 shows 2015 balances compared to 2014:

Table 3
Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$26,763,209	\$26,763,209	\$12,026	\$12,026	\$26,775,235	\$26,775,235
Buildings and Improvements	9,352,232	9,352,232	0	0	9,352,232	9,352,232
Equipment	9,407,291	8,945,872	418,473	404,662	9,825,764	9,350,534
Infrastructure	47,607,950	47,607,950	41,035,693	41,007,843	88,643,643	88,615,793
Accumulated Depreciation	(36,522,004)	(35,039,734)	(23,642,401)	(23,111,882)	(60,164,405)	(58,151,616)
Total Net Capital Assets	<u>\$56,608,678</u>	<u>\$57,629,529</u>	<u>\$17,823,791</u>	<u>\$18,312,649</u>	<u>\$74,432,469</u>	<u>\$75,942,178</u>

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

Debt

At year end, the City had \$14,870,555 in long-term debt and \$765,719 due within one year.

City of Trotwood, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2015
(Unaudited)

Table 4
Outstanding Debt at Year End

		2015	2014
Governmental Activities			
General Obligation Bonds			
2003 Various Purpose Bonds	5.11%	\$1,110,832	\$1,249,166
2007 Various Purpose Bonds	4.21%	3,605,000	3,800,000
2010 Various Purpose Bonds	3.00 - 4.25%	6,932,138	7,149,388
Premium on 2010 Bonds		350,876	368,642
2012 OAQDA Tax Exempt Energy Bonds	2.02%	620,926	732,081
2012 OAQDA Energy Conservation Bonds	4.28%	883,361	883,361
Total General Obligation Bonds		<u>13,503,133</u>	<u>14,182,638</u>
Capital Leases		<u>26,128</u>	<u>113,802</u>
Total Governmental Activities Long-Term Debt		<u>13,529,261</u>	<u>14,296,440</u>
Business Type Activities:			
General Obligation Bonds			
2003 Various Purpose Bonds - Water Portion	5.11%	204,584	222,917
2003 Various Purpose Bonds - Sewer Portion	5.11%	204,584	222,917
2010 Various Purpose Bonds - Water Portion	3.00 - 4.25%	87,862	90,612
Total General Obligation Bonds		<u>497,030</u>	<u>536,446</u>
Loans			
2007 OPWC Loan - Sanitary Sewer	0.00%	230,821	242,821
2012 OPWC Loan - Water	0.00%	317,021	328,343
2012 OPWC Loan - Water	0.00%	296,422	307,009
Total Loans		<u>844,264</u>	<u>878,173</u>
Total Business-Type Activities Long-Term Debt		<u>1,341,294</u>	<u>1,414,619</u>
Total Debt		<u>\$14,870,555</u>	<u>\$15,711,059</u>

The City had General Obligation Notes Payable of \$2,040,000 for the year ended 2015 and \$2,086,000 for the year ended 2014.

See Note 8, 9 and 10 to the basic financial statements for further details on the City's long-term debt.

Contacting the City's Finance Department

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

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City of Trotwood, Ohio
Statement of Net Position
December 31, 2015

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in Pooled Cash and Investments	\$3,444,866	\$5,071,751	\$8,516,617
Receivables (Net):			
Taxes	9,655,913	0	9,655,913
Accounts	113,166	1,104,789	1,217,955
Intergovernmental	1,275,028	0	1,275,028
Special Assessments	307,313	925,495	1,232,808
Nondepreciable Capital Assets	26,763,209	12,026	26,775,235
Depreciable Capital Assets, Net	29,845,469	17,811,765	47,657,234
Total Assets	71,404,964	24,925,826	96,330,790
Deferred Outflows of Resources:			
Pension	1,664,682	96,527	1,761,209
Total Deferred Outflows of Resources	1,664,682	96,527	1,761,209
Liabilities:			
Accounts Payable	344,524	1,214,111	1,558,635
Accrued Wages and Benefits	283,377	16,581	299,958
Accrued Interest Payable	81,249	6,696	87,945
General Obligation Notes Payable	1,785,000	255,000	2,040,000
Long-Term Liabilities:			
Due Within One Year	972,431	101,177	1,073,608
Due In More Than One Year			
Net Pension Liability	11,968,593	560,477	12,529,070
Other Amounts	13,139,100	1,289,681	14,428,781
Total Liabilities	28,574,274	3,443,723	32,017,997
Deferred Inflows of Resources:			
Property Taxes	4,689,858	0	4,689,858
Revenue in Lieu of Taxes	761,287	0	761,287
Pension	29,505	8,021	37,526
Total Deferred Inflows of Resources	5,480,650	8,021	5,488,671
Net Position:			
Net Investment in Capital Assets	41,294,417	16,227,497	57,521,914
Restricted for:			
Debt Service	32,955	0	32,955
Capital Projects	169,212	0	169,212
Street Construction Maintenance and Repairs	1,715,281	0	1,715,281
State Highway	245,362	0	245,362
Permissive Use Tax	100,818	0	100,818
Grants	363,208	0	363,208
Law Enforcement Trust	101,047	0	101,047
Fire Levy	1,055,166	0	1,055,166
Rescue Levy	647,356	0	647,356
Other Purposes	360,464	0	360,464
Unrestricted	(7,070,564)	5,343,112	(1,727,452)
Total Net Position	\$39,014,722	\$21,570,609	\$60,585,331

See accompanying notes to the basic financial statements.

City of Trotwood, Ohio
Statement of Activities
For the Fiscal Year Ended December 31, 2015

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$2,556,659	\$464,920	\$2,921	\$0
Public Safety	8,631,605	1,388,996	546,402	0
Community Development	732,670	122,850	245,461	56,250
Leisure Time Activities	274,096	29,890	0	0
Transportation and Street Repair	2,303,614	359	1,041,449	3,322
Interest and Other Charges	582,626	0	0	0
Total Governmental Activities	15,081,270	2,007,015	1,836,233	59,572
Business-Type Activities:				
Water	1,553,195	1,616,886	0	0
Sewer	1,157,858	1,229,674	0	0
Refuse	1,365,870	1,366,618	0	0
Stormwater	930,608	711,307	0	0
Total Business-Type Activities	5,007,531	4,924,485	0	0
Totals	\$20,088,801	\$6,931,500	\$1,836,233	\$59,572

General Revenues:

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

Total General Revenues

Change in Net Position

Net Position - Beginning of Year, Restated

Net Position - End of Year

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
(\$2,088,818)	\$0	(\$2,088,818)
(6,696,207)	0	(6,696,207)
(308,109)	0	(308,109)
(244,206)	0	(244,206)
(1,258,484)	0	(1,258,484)
(582,626)	0	(582,626)
<u>(11,178,450)</u>	<u>0</u>	<u>(11,178,450)</u>
0	63,691	63,691
0	71,816	71,816
0	748	748
<u>0</u>	<u>(219,301)</u>	<u>(219,301)</u>
<u>0</u>	<u>(83,046)</u>	<u>(83,046)</u>
<u>(11,178,450)</u>	<u>(83,046)</u>	<u>(11,261,496)</u>
5,020,072	0	5,020,072
1,360,360	0	1,360,360
2,884,643	0	2,884,643
108,133	0	108,133
465,039	0	465,039
668,157	0	668,157
752,528	0	752,528
4,836	0	4,836
<u>287,670</u>	<u>10,827</u>	<u>298,497</u>
<u>11,551,438</u>	<u>10,827</u>	<u>11,562,265</u>
372,988	(72,219)	300,769
<u>38,641,734</u>	<u>21,642,828</u>	<u>60,284,562</u>
<u>\$39,014,722</u>	<u>\$21,570,609</u>	<u>\$60,585,331</u>

City of Trotwood, Ohio
Balance Sheet
Governmental Funds
December 31, 2015

	General	Street Construction Maintenance and Repair	Fire Levy	Rescue Levy	Salem Mall Tax Increment
Assets:					
Equity in Pooled Cash and Investments	\$660,639	\$1,162,049	\$37,504	\$474,094	\$35,954
Receivables (Net):					
Taxes	4,034,212	514,787	3,037,555	581,355	359,019
Accounts	0	0	0	113,166	0
Intergovernmental	284,438	446,484	192,332	37,797	0
Special Assessments	303,777	0	0	0	0
Interfund	187,900	0	0	0	0
Total Assets	5,470,966	2,123,320	3,267,391	1,206,412	394,973
Liabilities:					
Accounts Payable	162,704	20,233	122,527	22,630	0
Accrued Wages and Benefits	159,239	4,798	67,808	47,038	0
Compensated Absences	0	0	5,070	0	0
Accrued Interest Payable	0	0	0	0	14,726
Interfund Payable	0	0	200	0	117,000
General Obligation Notes Payable	0	0	0	0	1,785,000
Total Liabilities	321,943	25,031	195,605	69,668	1,916,726
Deferred Inflows of Resources:					
Property Taxes	1,991,141	514,787	3,037,555	581,355	0
Income Taxes	1,640,614	0	0	0	0
Grants and Other Taxes	258,576	380,084	192,332	37,797	0
Special Assessments	303,777	0	0	0	0
Revenue in Lieu of Taxes	0	0	0	0	359,019
Total Deferred Inflows of Resources	4,194,108	894,871	3,229,887	619,152	359,019
Fund Balances:					
Restricted	0	1,203,418	0	517,592	0
Assigned	124,804	0	0	0	0
Unassigned	830,111	0	(158,101)	0	(1,880,772)
Total Fund Balances	954,915	1,203,418	(158,101)	517,592	(1,880,772)
Total Liabilities, Deferred Inflows and Fund Balances	\$5,470,966	\$2,123,320	\$3,267,391	\$1,206,412	\$394,973

See accompanying notes to the basic financial statements.

Other Governmental Funds	Total Governmental Funds
\$1,064,422	\$3,434,662
1,128,985	9,655,913
0	113,166
313,977	1,275,028
3,536	307,313
0	187,900
<u>2,510,920</u>	<u>14,973,982</u>
16,430	344,524
4,494	283,377
0	5,070
0	14,726
70,700	187,900
0	1,785,000
<u>91,624</u>	<u>2,620,597</u>
726,717	6,851,555
0	1,640,614
138,996	1,007,785
3,536	307,313
402,268	761,287
<u>1,271,517</u>	<u>10,568,554</u>
1,212,678	2,933,688
0	124,804
<u>(64,899)</u>	<u>(1,273,661)</u>
<u>1,147,779</u>	<u>1,784,831</u>
<u>\$2,510,920</u>	<u>\$14,973,982</u>

City of Trotwood, Ohio
 Reconciliation of Total Governmental Fund Balance to
 Net Position of Governmental Activities
 December 31, 2015

Total Governmental Fund Balance		\$1,784,831
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets used in the operation of Governmental Funds		56,608,678
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		
Income Taxes	\$1,640,614	
Delinquent Property Taxes	2,161,697	
Intergovernmental	1,007,785	
Special Assessments	<u>307,313</u>	
		5,117,409
An internal service fund is used by management to charge back costs to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		
Internal Service Net Position		10,204
In the statement of net position interest payable is accrued when incurred; whereas, in the governmental funds interest is reported as a liability only when it will require the use of current financial resources.		
		(66,523)
Some liabilities reported in the statement of net position do not require the use of current financial resources and, therefore, are not reported as liabilities in governmental funds.		
Compensated Absences		(577,200)
Deferred outflows and inflows or resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions	1,664,682	
Deferred inflows of resources related to pensions	<u>(29,505)</u>	
		1,635,177
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Net Pension Liability	(11,968,593)	
Other Amounts	<u>(13,529,261)</u>	
		<u>(25,497,854)</u>
Net Position of Governmental Activities		<u>\$39,014,722</u>

See accompanying notes to the basic financial statements.

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City of Trotwood, Ohio
Statement of Revenues, Expenditures
and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended December 31, 2015

	General	Street Construction Maintenance and Repair	Fire Levy	Rescue Levy	Salem Mall Tax Increment
Revenues:					
Property and Other Taxes	\$1,337,644	\$352,801	\$1,980,682	\$390,305	\$0
Income Taxes	4,988,107	0	0	0	0
Charges for Services	305,125	0	15	1,258,408	0
Investment Earnings	4,836	0	0	0	0
Intergovernmental	602,653	912,716	387,736	78,698	0
Special Assessments	46,882	0	0	0	0
Fines, Licenses & Permits	278,701	0	0	0	0
Revenue in Lieu of Taxes	81,415	0	0	0	317,870
Other Revenues	237,388	16,438	16,247	10,420	2,810
Total Revenues	7,882,751	1,281,955	2,384,680	1,737,831	320,680
Expenditures:					
Current:					
General Government	2,471,459	0	0	0	0
Public Safety	4,058,573	0	2,292,662	1,637,369	0
Community Development	456,551	0	0	0	0
Leisure Time Activities	248,634	0	0	0	0
Transportation and Street Repair	213,471	961,760	0	0	0
Capital Outlay	0	0	120,995	0	0
Debt Service:					
Principal	119,224	18,334	0	0	94,125
Interest and Other Charges	53,776	15,585	0	0	262,317
Total Expenditures	7,621,688	995,679	2,413,657	1,637,369	356,442
Excess of Revenues Over (Under) Expenditures	261,063	286,276	(28,977)	100,462	(35,762)
Other Financing Sources (Uses):					
Transfers In	0	0	0	0	65,000
Transfers (Out)	(65,000)	0	0	0	0
Total Other Financing Sources (Uses)	(65,000)	0	0	0	65,000
Net Change in Fund Balance	196,063	286,276	(28,977)	100,462	29,238
Fund Balance - Beginning of Year	758,852	917,142	(129,124)	417,130	(1,910,010)
Fund Balance - End of Year	\$954,915	\$1,203,418	(\$158,101)	\$517,592	(\$1,880,772)

See accompanying notes to the basic financial statements.

Other Governmental Funds	Total Governmental Funds
\$677,868	\$4,739,300
0	4,988,107
0	1,563,548
0	4,836
533,543	2,515,346
359	47,241
117,525	396,226
353,243	752,528
4,368	287,671
<u>1,686,906</u>	<u>15,294,803</u>
2,252	2,473,711
273,271	8,261,875
275,000	731,551
0	248,634
412,235	1,587,466
202,680	323,675
517,730	749,413
<u>272,795</u>	<u>604,473</u>
<u>1,955,963</u>	<u>14,980,798</u>
<u>(269,057)</u>	<u>314,005</u>
0	65,000
<u>0</u>	<u>(65,000)</u>
<u>0</u>	<u>0</u>
(269,057)	314,005
<u>1,416,836</u>	<u>1,470,826</u>
<u>\$1,147,779</u>	<u>\$1,784,831</u>

City of Trotwood, Ohio
 Reconciliation of the Statement of Revenues, Expenditures, and Changes
 in Fund Balance of Governmental Funds to the Statement of Activities
 For the Fiscal Year Ended December 31, 2015

Net Change in Fund Balance - Total Governmental Funds \$314,005

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

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

Capital assets used in governmental activities	\$461,419	
Depreciation Expense	<u>(1,482,270)</u>	(1,020,851)

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

City pension contributions	1,131,619	
Cost of benefits earned net of employee contributions	<u>(1,187,022)</u>	(55,403)

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

Income Taxes	31,965	
Delinquent Property Taxes	78,875	
Intergovernmental	45,293	
Special Assessments	<u>3,322</u>	159,455

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

749,413

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

4,081

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated Absences	205,104	
Amortization of Bond Premium	<u>17,766</u>	222,870

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

Change in Net Position - Internal Service Funds		<u>(582)</u>
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Change in Net Position of Governmental Activities		<u><u>\$372,988</u></u>
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See accompanying notes to the basic financial statements.

City of Trotwood, Ohio
Statement of Net Position
Proprietary Funds
December 31, 2015

	Business-Type Activities-Enterprise Funds				Total Business-Type Activities	Governmental Activities- Internal Service Funds
	Water	Sewer	Refuse	Stormwater		
Current Assets:						
Equity in Pooled Cash and Investments	\$1,830,667	\$1,089,842	\$77,841	\$2,073,401	\$5,071,751	\$10,204
Receivables (Net):						
Accounts	401,618	319,841	249,515	133,815	1,104,789	0
Special Assessments	94,254	58,508	530,339	242,394	925,495	0
Total Current Assets	2,326,539	1,468,191	857,695	2,449,610	7,102,035	10,204
Noncurrent Assets:						
Capital Assets:						
Nondepreciable Capital Assets	0	12,026	0	0	12,026	0
Depreciable Capital Assets, Net	1,735,754	583,797	0	15,492,214	17,811,765	0
Total Noncurrent Assets	1,735,754	595,823	0	15,492,214	17,823,791	0
Total Assets	4,062,293	2,064,014	857,695	17,941,824	24,925,826	10,204
Deferred Outflows of Resources:						
Pension	27,040	26,229	4,463	38,795	96,527	0
Total Deferred Outflows of Resources	27,040	26,229	4,463	38,795	96,527	0
Liabilities:						
Current Liabilities:						
Accounts Payable	641,579	454,503	107,096	10,933	1,214,111	0
Accrued Wages and Benefits	4,747	4,798	3,355	3,681	16,581	0
Compensated Absences	7,048	7,048	1,138	12,620	27,854	0
Accrued Interest Payable	4,482	2,214	0	0	6,696	0
General Obligation Notes Payable	255,000	0	0	0	255,000	0
Long-Term Liabilities Due Within One Year	42,990	30,333	0	0	73,323	0
Total Current Liabilities	955,846	498,896	111,589	27,234	1,593,565	0
Long-Term Liabilities:						
Compensated Absences	5,454	5,454	894	9,908	21,710	0
Bonds, Notes & Loans Payable	862,899	405,072	0	0	1,267,971	0
Net Pension Liability	163,198	158,725	24,613	213,941	560,477	0
Total Noncurrent Liabilities	1,031,551	569,251	25,507	223,849	1,850,158	0
Total Liabilities	1,987,397	1,068,147	137,096	251,083	3,443,723	0
Deferred Inflows of Resources:						
Pension	1,954	1,876	432	3,759	8,021	0
Total Deferred Inflows of Resources	1,954	1,876	432	3,759	8,021	0
Net Position:						
Net Investment in Capital Assets	574,865	160,418	0	15,492,214	16,227,497	0
Unrestricted	1,525,117	859,802	724,630	2,233,563	5,343,112	10,204
Total Net Position	\$2,099,982	\$1,020,220	\$724,630	\$17,725,777	\$21,570,609	\$10,204

See accompanying notes to the basic financial statements.

City of Trotwood, Ohio
Statement of Revenues, Expenses
and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended December 31, 2015

	Business-Type Activities-Enterprise Funds				Total Business-Type Activities	Governmental Activities- Internal Service Funds
	Water	Sewer	Refuse	Stormwater		
Operating Revenues:						
Charges for Services	\$1,616,886	\$1,229,674	\$1,366,618	\$711,307	\$4,924,485	\$0
Other Revenues	7,502	1,315	782	1,228	10,827	0
Total Operating Revenues	1,624,388	1,230,989	1,367,400	712,535	4,935,312	0
Operating Expenses:						
Personal Services	174,620	169,847	29,772	290,836	665,075	0
Contractual Services	1,258,243	918,585	1,335,158	128,027	3,640,013	582
Supplies and Materials	36,206	29,060	0	44,424	109,690	0
Depreciation	38,479	24,757	0	467,283	530,519	0
Other Expense	1,999	263	940	38	3,240	0
Total Operating Expenses	1,509,547	1,142,512	1,365,870	930,608	4,948,537	582
Operating Income (Loss)	114,841	88,477	1,530	(218,073)	(13,225)	(582)
Non-Operating Revenues (Expenses):						
Interest (Expense)	(43,648)	(15,346)	0	0	(58,994)	0
Total Non-Operating Revenues (Expenses)	(43,648)	(15,346)	0	0	(58,994)	0
Change in Net Position	71,193	73,131	1,530	(218,073)	(72,219)	(582)
Net Position - Beginning of Year, Restated	2,028,789	947,089	723,100	17,943,850	21,642,828	10,786
Net Position - End of Year	\$2,099,982	\$1,020,220	\$724,630	\$17,725,777	\$21,570,609	\$10,204

See accompanying notes to the basic financial statements.

City of Trotwood, Ohio
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended December 31, 2015

	Business-Type Activities-Enterprise Funds				Total Business-Type Activities	Governmental Activities- Internal Service Funds
	Water	Sewer	Refuse	Stormwater		
Cash Flows from Operating Activities:						
Cash Received from Customers	\$1,697,980	\$1,242,918	\$1,376,806	\$722,839	\$5,040,543	\$0
Cash Payments to Employees	(175,725)	(170,662)	(30,880)	(285,020)	(662,287)	0
Cash Payments to Suppliers	(1,066,027)	(780,807)	(1,330,984)	(185,901)	(3,363,719)	(582)
Net Cash Provided (Used) by Operating Activities	456,228	291,449	14,942	251,918	1,014,537	(582)
Cash Flows from Capital and Related Financing Activities:						
Payments for Capital Acquisitions	(34,756)	(6,905)	0	0	(41,661)	0
Debt Proceeds	255,000	0	0	0	255,000	0
Debt Principal Payments	(297,992)	(30,333)	0	0	(328,325)	0
Debt Interest Payments	(43,975)	(15,586)	0	0	(59,561)	0
Net Cash Provided (Used) by Capital and Related Financing Activities	(121,723)	(52,824)	0	0	(174,547)	0
Net Increase (Decrease) in Cash and Cash Equivalents	334,505	238,625	14,942	251,918	839,990	(582)
Cash and Cash Equivalents - Beginning of Year	1,496,162	851,217	62,899	1,821,483	4,231,761	10,786
Cash and Cash Equivalents - End of Year	1,830,667	1,089,842	77,841	2,073,401	5,071,751	10,204
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities						
Operating Income (Loss)	114,841	88,477	1,530	(218,073)	(13,225)	(582)
Adjustments:						
Depreciation	38,479	24,757	0	467,283	530,519	0
Changes in Assets & Liabilities:						
(Increase) Decrease in Receivables	73,592	11,929	9,406	10,304	105,231	0
(Increase) Decrease in Deferred Outflows of Resources	(9,229)	(8,966)	(1,451)	(12,612)	(32,258)	0
Increase (Decrease) in Payables	230,421	167,101	5,114	(13,412)	389,224	0
Increase (Decrease) in Accrued Liabilities	547	753	(645)	9,837	10,492	0
Increase (Decrease) in Deferred Inflows of Resources	1,954	1,876	432	4,832	9,094	0
Increase (Decrease) in Net Pension Liability	5,623	5,522	556	3,759	15,460	0
Net Cash Provided (Used) by Operating Activities	\$456,228	\$291,449	\$14,942	\$251,918	\$1,014,537	(\$582)

See accompanying notes to the basic financial statements.

City of Trotwood, Ohio
Statement of Fiduciary Net Position
Fiduciary Fund
December 31, 2015

	<u>Agency</u>
Assets:	
Equity in Pooled Cash and Investments	<u>\$50,115</u>
Total Assets	<u>50,115</u>
Liabilities:	
Undistributed Monies	<u>50,115</u>
Total Liabilities	<u>\$50,115</u>

See accompanying notes to the basic financial statements.

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2015

Note 1 – Description of the City and Reporting Entity

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

Reporting Entity

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

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

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

Note 2 – Summary of Significant Accounting Policies

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

Measurement Focus

Government-Wide Financial Statements

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

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2015

included on the Statement of Net Position.

Fund Financial Statements

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

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

Basis of Presentation

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

Government-Wide Financial Statements

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

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

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2015

Fund Financial Statements

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

Fund Accounting

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

Governmental Funds

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

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

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

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

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

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

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

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2015

Proprietary Funds

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

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

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

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

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

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

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

Fiduciary Funds

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

Basis of Accounting

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

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2015

Revenues - Exchange and Non-exchange Transactions

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

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

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

Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, income taxes, pension, grants and other taxes, special assessments and revenue in lieu of taxes. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2015, but which were levied to finance year 2016 operations. Revenue in lieu of taxes are deferred and recognized as inflows of resources in the period the amounts become available. These amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. Deferred inflows of resources related to pension are reported on the government-wide statement of net position. (See Note 11.)

Expenses/Expenditures

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

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2015

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

Equity in Pooled Cash and Investments

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

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

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

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

Interest revenues during 2015 amounted to \$4,836.

Capital Assets

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

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

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

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2015

capitalization threshold.

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

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

Compensated Absences

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

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

Accrued Liabilities and Long-Term Obligations

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

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

Pensions

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

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2015

Fund Balance

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

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

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

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

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

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

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

Net Position

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

The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available. Of the City's \$4,790,869 in restricted net position, none was restricted by enabling legislation.

Operating Revenues and Expenses

The City, in its proprietary fund, distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and delivering goods

City of Trotwood, Ohio
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For The Fiscal Year Ended December 31, 2015

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

Interfund Activity

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

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

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

Estimates

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

Note 3 – Equity in Pooled Cash and Investments

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

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

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

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

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

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

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

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

Deposits

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's policy for deposits is any balance not covered by depository insurance will be collateralized by the financial institutions with pledged securities. As of December 31, 2015, \$6,179,878 of the City's bank balance of \$8,863,957 was exposed to custodial risk because it was uninsured and

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2015

collateralized with securities held by the pledging financial institution’s trust department or agent, but not in the City’s name. At year end, the carrying amount of the City’s deposits was \$8,566,736.

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

Investments

As of December 31, 2015, the City had no investments.

Note 4 – Receivables

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

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

	As of December 31, 2015					
	General	Other	Water	Sewer	Refuse	Stormwater
	Fund	Governmental	Fund	Fund	Fund	Fund
		Funds				
Special Assessments Receivable	\$2,655,835	\$9,499	\$202,406	\$119,556	\$1,074,110	\$526,036
Allowance for Doubtful Accounts	(2,352,058)	(5,963)	(108,152)	(61,048)	(543,771)	(283,642)
Special Assessments Receivable, Net	\$303,777	\$3,536	\$94,254	\$58,508	\$530,339	\$242,394

Property Taxes

Property taxes include amounts levied against all real and public utility, located in the City. Property tax revenue received during 2015 for real and public utility property taxes represents collections of the 2014 taxes.

The 2015 real property taxes are levied after October 1, 2015, on the assessed value as of January 1, 2015, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2015 real property taxes are collected in and intended to finance 2016 operations.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. The 2015 public utility property taxes

City of Trotwood, Ohio
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became a lien December 31, 2014, are levied after October 1, 2015, and are collected in 2015 with real property taxes.

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

	<u>Amount</u>
Real Property	\$227,869,200
Public Utility	<u>12,386,660</u>
Total	<u><u>\$240,255,860</u></u>

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

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

Income Taxes

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

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

Note 5 – Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. Since October 2003, the City has been a member in the Public Entities Pool of Ohio (PEP), established as a risk sharing self-insurance pool for the purpose of enabling the subscribing political subdivisions to obtain liability insurance and providing a formalized, jointly administered self-insurance program for its members. PEP is a corporation governed by a seven member board of directors, consisting of representatives elected by the 230 participating governments.

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

City of Trotwood, Ohio
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<u>Type of Coverage</u>	<u>Coverage</u>	<u>Deductible</u>
Legal Liability for Third Party Claims	\$2,000,000	\$10,000
Automobile Liability	2,000,000	5,000
Law Enforcement Operations	2,000,000	25,000
Wrongful Acts (Public Officials)	2,000,000	10,000
Real and Personal Property	16,185,121	5,000
Vehicles	3,232,353	1,000
Miscellaneous Property	1,417,091	5,000
Data Processing	298,365	5,000

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

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

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

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

Note 6 – Capital Assets

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$26,763,209	\$0	\$0	\$26,763,209
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	9,352,232	0	0	9,352,232
Equipment	8,945,872	461,419	0	9,407,291
Infrastructure	47,607,950	0	0	47,607,950
Totals at Historical Cost	<u>92,669,263</u>	<u>461,419</u>	<u>0</u>	<u>93,130,682</u>
Less Accumulated Depreciation:				
Buildings and Improvements	3,528,753	335,524	0	3,864,277
Equipment	6,777,198	412,335	0	7,189,533
Infrastructure	24,733,783	734,411	0	25,468,194
Total Accumulated Depreciation	<u>\$35,039,734</u>	<u>\$1,482,270</u>	<u>\$0</u>	<u>\$36,522,004</u>
Governmental Activities Capital Assets, Net	<u>\$57,629,529</u>	<u>(\$1,020,851)</u>	<u>\$0</u>	<u>\$56,608,678</u>

City of Trotwood, Ohio
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	Restated Beginning Balance	Additions	Deletion	Ending Balance
Business-Type Activities				
Capital Assets, not being depreciated:				
Land	\$12,026	\$0	\$0	\$12,026
Total Capital Assets, not being depreciated	12,026	0	0	12,026
Capital Assets, being depreciated:				
Equipment	404,662	13,811	0	418,473
Infrastructure	41,007,843	27,850	0	41,035,693
Totals at Historical Cost	<u>41,424,531</u>	<u>41,661</u>	<u>0</u>	<u>41,466,192</u>
Less Accumulated Depreciation:				
Equipment	382,878	6,002	0	388,880
Infrastructure	22,729,004	524,517	0	23,253,521
Total Accumulated Depreciation	<u>\$23,111,882</u>	<u>\$530,519</u>	<u>\$0</u>	<u>\$23,642,401</u>
Business-Type Activities Capital Assets, Net	<u>\$18,312,649</u>	<u>(\$488,858)</u>	<u>\$0</u>	<u>\$17,823,791</u>

Depreciation expense was charged to governmental functions as follows:

General Government	\$237,825
Public Safety	420,851
Leisure Time	37,282
Community Development	2,800
Transportation	783,512
Total Depreciation Expense	<u>\$1,482,270</u>

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

Water	\$38,479
Sewer	24,757
Stormwater	467,283
Total Depreciation Expense	<u>\$530,519</u>

Note 7 – Compensated Absences

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

Sick leave is accrued at the rate of 1-1/4 days for each month of service completed; firefighters accrue sick leave at the rate of 1-3/4 days per month. Accumulated sick leave in excess of 600 hours may be converted to vacation time on a 3-to-1 basis with a maximum of 10 days in any calendar year or to pay

City of Trotwood, Ohio
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For The Fiscal Year Ended December 31, 2015

on a 3-to-1 basis with a maximum of 10 days in any calendar year. Upon retirement from active service with the City, employees with 10 to 20 years of service may convert one-third of unused sick leave (maximum 125 days) to pay; employees retiring with over 20 years of active service may convert one-half unused sick leave (maximum 130 days).

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

Note 8 – Notes Payable

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

	Beginning Balance	Additions	Deletions	Ending Balance
Bond Anticipation Notes:				
Governmental Activities:				
Town Center Redevelopment, Series 2014, 1.00%	\$1,831,000	\$0	(\$1,831,000)	\$0
Town Center Redevelopment, Series 2015, 1.00%	0	1,785,000	0	1,785,000
Total Governmental Activities Bond Anticipation Notes	<u>\$1,831,000</u>	<u>\$1,785,000</u>	<u>(\$1,831,000)</u>	<u>\$1,785,000</u>
Business-Type Activities:				
Town Center Redevelopment, Series 2014, 1.00%	255,000	0	(255,000)	0
Town Center Redevelopment, Series 2015, 1.00%	0	255,000	0	255,000
Total Business-Type Activities Bond Anticipation Notes	<u>\$255,000</u>	<u>\$255,000</u>	<u>(\$255,000)</u>	<u>\$255,000</u>

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

Note 9 – Long-Term Debt

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

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	Restated Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental Activities					
<u>Bonds Payable</u>					
2003 Various Purpose Bonds, 5.11%	\$1,249,166	\$0	(\$138,334)	\$1,110,832	\$148,334
2007 Various Purpose Bonds, 4.21%	3,800,000	0	(195,000)	3,605,000	200,000
2010 Various Purpose Bonds, 3.00-4.25%	7,149,388	0	(217,250)	6,932,138	222,250
Premium on 2010 Bonds	368,642	0	(17,766)	350,876	0
2012 OAQDA Tax Exempt Energy Bonds, 2.02%	732,081	0	(111,155)	620,926	113,400
2012 OAQDA Energy Conservation Bonds, 4.28%	883,361	0	0	883,361	0
Total Bonds Payable	14,182,638	0	(679,505)	13,503,133	683,984
Capital Leases	113,802	0	(87,674)	26,128	8,400
Total Long-Term Debt	14,296,440	0	(767,179)	13,529,261	692,384
Net Pension Liability:					
OPERS	1,641,539	243,473	(205,539)	1,679,473	0
OP&F	9,673,207	1,447,107	(831,194)	10,289,120	0
Total Net Pension Liability	11,314,746	1,690,580	(1,036,733)	11,968,593	0
Compensated Absences	803,874	140,801	(362,405)	582,270	280,047
Total Governmental Activities	\$26,415,060	\$1,831,381	(\$2,166,317)	\$26,080,124	\$972,431

	Restated Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Business Type Activities					
<u>Bonds Payable</u>					
2003 Various Purpose Water Bonds, 5.11%	\$222,917	\$0	(\$18,333)	\$204,584	\$18,333
2003 Various Purpose Sewer Bonds, 5.11%	222,917	0	(18,333)	204,584	18,333
2010 Various Purpose Water Bonds, 3.00-4.25%	90,612	0	(2,750)	87,862	2,760
Total Bonds Payable	536,446	0	(39,416)	497,030	39,426
Net Pension Liability:					
Water	157,575	23,434	(17,811)	163,198	0
Sewer	153,202	22,786	(17,263)	158,725	0
Refuse	24,057	3,568	(3,012)	24,613	0
Stomwater	209,109	31,015	(26,183)	213,941	0
Total Net Pension Liability	543,943	80,803	(64,269)	560,477	0
<u>Loans Payable</u>					
2007 OPWC Loan - Sanitary Sewer - 0.00%	242,821	0	(12,000)	230,821	12,000
2012 OPWC Loan - Water - 0.00%	328,343	0	(11,322)	317,021	11,322
2012 OPWC Loan - Water - 0.00%	307,009	0	(10,587)	296,422	10,587
Total Loans Payable	878,173	0	(33,909)	844,264	33,909
Compensated Absences	29,418	35,536	(15,390)	49,564	27,842
Total Business-Type Activities	\$1,987,980	\$116,339	(\$152,984)	\$1,951,335	\$101,177

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Principal payments for the 2003 Various Purpose Bonds are paid from the General Fund, the Street Maintenance and Repair Fund, the Debt Retirement Fund, the Industrial Park Fund, the Water Fund and the Sewer Fund. Principal payments for the 2007 Various Purposes Bonds are paid from the General Fund and the Industrial Park Fund. The 2010 Various Purpose Bonds are paid from the Industrial Park Fund, the Salem Mall Tax Increment Fund and the Water Fund. Compensated Absences will be paid from the fund from which the person is paid. Historically, this is the General Fund, a Special Revenue Fund or an Enterprise Fund.

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

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

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

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

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

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

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

Year Ending December 31	Governmental Activities		Business-Type Activities			
	General		General		OPWC Loans	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$683,984	\$566,954	\$39,426	\$25,781	\$33,908	\$0
2017	650,252	539,856	35,438	24,135	39,909	0
2018	662,527	518,535	35,500	22,401	39,908	0
2019	687,287	495,602	38,125	20,651	39,909	0
2020	649,656	471,745	38,188	18,768	40,908	0
2021-2025	3,490,981	1,926,386	228,242	62,251	229,543	0
2026-2030	3,328,820	1,120,440	50,753	13,150	135,363	0
2031-2035	2,998,750	353,779	31,358	4,047	109,543	0
2036-2040	0	0	0	0	109,542	0
2041-2043	0	0	0	0	65,731	0
Total	<u>\$13,152,257</u>	<u>\$5,993,297</u>	<u>\$497,030</u>	<u>\$191,184</u>	<u>\$844,264</u>	<u>\$0</u>

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Note 10 – Capital Leases

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

Fiscal Year Ending December 31,	Long-Term Debt
2016	\$9,250
2017	9,250
2018	9,250
Total Minimum Lease Payments	27,750
Less: Amount Representing Interest	(1,622)
Present Value of Minimum Lease Payments	<u>\$26,128</u>

Capital assets acquired under the capital leases are as follows, \$42,766 in equipment.

Note 11 – Defined Benefit Pension Plans

Net Pension Liability

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

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

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

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan’s board must

City of Trotwood, Ohio
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For The Fiscal Year Ended December 31, 2015

propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. City employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

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

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

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

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

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	<u>State and Local</u>	<u>Public Safety</u>	<u>Law Enforcement</u>
2015 Statutory Maximum Contribution Rates			
Employer	14.0 %	18.1 %	18.1 %
Employee	10.0 %	*	**
2015 Actual Contribution Rates			
Employer:			
Pension	12.0 %	16.1 %	16.1 %
Post-employment Health Care Benefits	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>
Total Employer	<u>14.0 %</u>	<u>18.1 %</u>	<u>18.1 %</u>
Employee	<u>10.0 %</u>	<u>12.0 %</u>	<u>13.0 %</u>

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

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The City's contractually required contribution was \$273,367 for 2015. Of this amount, \$20,836 is reported as an accrued wage and benefits.

Plan Description – Ohio Police & Fire Pension Fund (OPF)

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

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

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

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retirement age is 48 for normal service retirement with at least 25 years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit.

Under normal service retirement, retired members who are at least 55 years old and have been receiving OPF benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit and statutory survivors.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either three percent or the percent increase, if any, in the consumer price index (CPI) over the 12-month period ending on September 30 of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013 is equal to three percent of their base pension or disability benefit.

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

	<u>Police</u>	<u>Firefighters</u>
2015 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee:		
January 1, 2015 through July 1, 2015	11.50 %	11.50 %
July 2, 2015 through December 31, 2015	12.25 %	12.25 %
2015 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	<u>0.50</u>	<u>0.50</u>
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee:		
January 1, 2015 through July 1, 2015	11.50 %	11.50 %
July 2, 2015 through December 31, 2015	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OPF was \$925,939 for 2015. Of this amount \$58,250 is reported as an accrued wage and benefits.

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

The net pension liability for OPERS was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OPF's total pension liability was measured as of December 31, 2014, and was determined by rolling forward the total pension liability as of January 1, 2014, to December 31, 2014. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>OPERS</u>	<u>OP&F-Police</u>	<u>OP&F-Fire</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$2,136,024	\$5,583,526	\$4,809,520	\$12,529,070
Proportion of the Net Pension Liability	0.017710%	0.1077814%	0.0928404%	
Pension Expense	\$233,212	\$544,647	\$469,146	\$1,247,005

At December 31, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS</u>	<u>OP&F-Police</u>	<u>OP&F-Fire</u>	<u>Total</u>
Deferred Outflows of Resources				
Net difference between projected and actual earnings on pension plan investments	\$113,972	\$240,645	\$207,286	\$561,903
City contributions subsequent to the measurement date	<u>273,367</u>	<u>504,468</u>	<u>421,471</u>	<u>1,199,306</u>
Total Deferred Outflows of Resources	<u>\$387,339</u>	<u>\$745,113</u>	<u>\$628,757</u>	<u>\$1,761,209</u>

Deferred Inflows of Resources

Differences between expected and actual experience	<u>\$37,526</u>	<u>\$0</u>	<u>\$0</u>	<u>\$37,526</u>
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\$1,199,306 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Year Ending December 31:			
2016	\$19,111	\$111,982	\$131,093
2017	19,111	111,983	131,094
2018	19,112	111,983	131,095
2019	<u>19,112</u>	<u>111,983</u>	<u>131,095</u>
Total	<u>\$76,446</u>	<u>\$447,931</u>	<u>\$524,377</u>

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Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage Inflation	3.75 percent
Future Salary Increases, including inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA	3 percent, simple
Investment Rate of Return	8 percent
Actuarial Cost Method	Individual Entry Age

Mortality rates were based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

The most recent experience study was completed for the five year period ended December 31, 2010.

The long-term rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan and the VEBA Trust. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 6.95 percent for 2014.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided

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through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2014 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.31 %
Domestic Equities	19.90	5.84
Real Estate	10.00	4.25
Private Equity	10.00	9.25
International Equities	19.10	7.40
Other investments	18.00	4.59
Total	100.00 %	5.28 %

Discount Rate The discount rate used to measure the total pension liability was 8 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the City’s proportionate share of the net pension liability calculated using the current period discount rate assumption of 8 percent, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (7 percent) or one-percentage-point higher (9 percent) than the current rate:

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$3,929,672	\$2,136,024	\$625,340

Actuarial Assumptions – OPF

OPF’s total pension liability as of December 31, 2014 is based on the results of an actuarial valuation date of January 1, 2014, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OPF’s actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

City of Trotwood, Ohio
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For The Fiscal Year Ended December 31, 2015

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2014, are presented below:

Valuation Date	January 1, 2014
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.25 percent
Projected Salary Increases	4.25 percent to 11 percent
Payroll Increases	3.75 percent
Inflation Assumptions	3.25 percent
Cost of Living Adjustments	2.60 percent and 3.00 percent

Rates of death are based on the RP2000 Combined Table, age-adjusted as follows. For active members, set back six years. For disability retirements, set forward five years for police and three years for firefighters. For service retirements, set back zero years for police and two years for firefighters. For beneficiaries, set back zero years. The rates are applied on a fully generational basis, with a base year of 2009, using mortality improvement Scale AA.

The most recent experience study was completed January 1, 2012.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF's target asset allocation as of December 31, 2014 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash and Cash Equivalents	- %	(0.25) %
Domestic Equity	16.00	4.47
Non-US Equity	16.00	4.47
Core Fixed Income *	20.00	1.62
Global Inflation Protected *	20.00	1.33
High Yield	15.00	3.39
Real Estate	12.00	3.93
Private Markets	8.00	6.98
Timber	5.00	4.92
Master Limited Partnerships	8.00	7.03
Total	<u>120.00 %</u>	

* levered 2x

City of Trotwood, Ohio
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For The Fiscal Year Ended December 31, 2015

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

Discount Rate The total pension liability was calculated using the discount rate of 8.25 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.25 percent. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.25 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.25 percent), or one percentage point higher (9.25 percent) than the current rate.

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
City's proportionate share of the net pension liability			
OP&F-Police	\$7,722,861	\$5,583,526	\$3,772,160
OP&F-Fire	6,652,294	4,809,520	3,249,251

Note 12 – Post Employment Benefits

Ohio Public Employees Retirement System

Plan Description

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

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

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2015

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. OPERS' eligibility requirements for post-employment health care coverage changed for those retiring on and after January 1, 2016. Please see the Plan Statement in the OPERS 2014 CAFR for details.

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

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

Funding Policy

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

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2015, the City contributed at 14% of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14% of covered payroll. Active members do not make contributions to the OPEB Plan.

OPERS' Post-employment Health Care Plan was established under, and is administered in accordance with, Internal Revenue Code section 401(h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.0% during calendar year 2015. Effective January 1, 2016, the portion of employer contributions allocated to health care remains at 2.0% for both plans, as recommended by OPERS' actuary. The OPERS Board of Trustees is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected.

Information from City's Records

The rates stated in Funding Policy, above, are the contractually required contribution rates for OPERS. The City's actual contributions for the current year, which were used to fund postemployment benefits, were \$41,266 for 2015, \$45,871 for 2014, and \$21,753 for 2013. The full amount has been contributed for 2013, and 93% has actually been contributed for 2014 and 2015.

City of Trotwood, Ohio
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For The Fiscal Year Ended December 31, 2015

OPERS Board of Trustees Adopt Changes to the Health Care Plan

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2015. With the recent passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4 percent of the employer contributions toward the health care fund after the end of the transition period.

Ohio Police and Fire Pension Fund

Plan Description

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

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

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

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

Funding Policy

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and Section 401(h) account as the employer contribution for

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2015

retiree healthcare benefits. The portion of employer contributions allocated to health care was .5% of covered payroll from January 1, 2015 thru December 31, 2015. For the year ended December 31, 2015, the employer contribution allocated to the health care plan was 6.75% of covered payroll. The amount of employer contributions allocated to the healthcare plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

Information from City's Records

The City's contribution to OP&F for the year ending December 31, 2015 was \$20,247, for the year ending December 31, 2014 was \$21,772; and for year ending December 31, 2013 was \$138,930; and were allocated to the healthcare plan. The actual contributions for 2013 were 100%, 86% (police) and 86% (fire) has actually been contributed for 2014, and 90% (police) has actually been contributed for 2015.

Note 13 – 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 \$11,238 to this organization in 2015.

The Miami Valley Fire/EMS Alliance (the Alliance) is a jointly governed organization between municipal corporations and townships in Montgomery, Greene and Warren Counties. The purpose of the Alliance is to foster cooperation among the political subdivisions by promoting programs and recommending matters, which will result in more efficient methods of delivering fire and emergency medical services in the region. The Board of the Alliance is made up of a representative appointed by the City of Dayton, a representative appointed by the members who are provided Fire/EMS services by volunteers, two representatives appointed by the members who are provided Fire/EMS services by a combination of full-time employees and volunteers and a representative appointed by members who are provided Fire/EMS services by full-time employees. Payments to the Alliance are made from the Fire Levy Fund. The City contributed \$5,863 to this organization in 2015.

City of Trotwood, Ohio
Notes to the Basic Financial Statements
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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 2011, the City agreed to be a member for an additional 10 years, ending December 31, 2021. Any member in default of paying its contributions will be liable for the amount of the contribution, any interest accrued and penalties. During this time, the member will not be entitled to any allocations from ED/GE. Payments to ED/GE are made from the General Fund. The City did not contribute any money to this organization in 2015.

Note 14 – Interfund Transactions

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

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

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

Note 15 – Compliance and Accountability

Compliance

The City was not in compliance with legal provisions as follows: The City was in violation of Ohio Revised Code Section 5705.10 (C) by not creating a special fund for the fire capital levy and the City was also in violation of Ohio Revised Code Section 4504.172 for reporting City levied Motor Vehicle Tax as intergovernmental revenue rather than property tax.

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2015

Accountability

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

Fund	Deficit
Special Revenue:	
Fire Levy	\$158,101
Capital Projects:	
Salem Mall Tax Increment	1,880,772
Park Acquisition and Development	64,899

Note 16 – Fund Balances

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

Fund Balances	General	Street Construction Maintenance and Repair	Fire Levy	Rescue Levy	Salem Mall Tax Increment	Other Governmental Funds	Total
Restricted for:							
Street Construction	\$0	\$1,203,418	\$0	\$0	\$0	\$0	\$1,203,418
State Highway	0	0	0	0	0	221,221	221,221
Motor Vehicle License Tax	0	0	0	0	0	181,240	181,240
Permissive Use Tax	0	0	0	0	0	100,818	100,818
Drug Law Enforcement	0	0	0	0	0	16,973	16,973
Curbs/Gutters/Sidewalks Asses	0	0	0	0	0	85,521	85,521
Grants	0	0	0	0	0	306,958	306,958
Local Law Enforcement Block Enforcement and Education	0	0	0	0	0	75	75
Law Enforcement Trust	0	0	0	0	0	12,133	12,133
Redlight Enforcement	0	0	0	0	0	101,047	101,047
Government Equity Program	0	0	0	0	0	14,322	14,322
Rescue Levy	0	0	0	517,592	0	219	517,592
Police Levy	0	0	0	0	0	2,039	2,039
Debt Service	0	0	0	0	0	900	900
Fire Facility Improvements	0	0	0	0	0	5,162	5,162
Fire Capital Levy	0	0	0	0	0	22,199	22,199
Industrial Park	0	0	0	0	0	141,851	141,851
Total Restricted	0	1,203,418	0	517,592	0	1,212,678	2,933,688
Assigned to:							
Purchases on Order	124,804	0	0	0	0	0	124,804
Total Assigned	124,804	0	0	0	0	0	124,804
Unassigned (Deficit)	830,111	0	(158,101)	0	(1,880,772)	(64,899)	(1,273,661)
Total Fund Balance	\$954,915	\$1,203,418	(\$158,101)	\$517,592	(\$1,880,772)	\$1,147,779	\$1,784,831

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2015

Note 17 –Other Commitments

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

<u>Fund</u>	<u>Amount</u>
General	\$119,871
Street Construction Maintenance and Repair	73,195
Fire Levy	129,025
Rescue Levy	33,570
Water	260,558
Sewer	185,181
Stormwater	94,018
Nonmajor Funds	<u>134,813</u>
Total	<u>\$1,030,231</u>

Note 18 – Change in Accounting Principle and Restatement of Net Position

During 2015, the City corrected previously reported capital assets which resulted in the restatement of net position as reported December 31, 2014.

For 2015, the City implemented the Governmental Accounting Standards Board (GASB) Statement No. 68, “Accounting and Financial Reporting for Pensions” and GASB Statement No. 71, “Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68.” GASB 68 established standards for measuring and recognizing pension liabilities, deferred outflows of resources, deferred inflows of resources and expense/expenditure. The implementation of this pronouncement had the following effect on net position as reported December 31, 2014.

	<u>Governmental Activities</u>	<u>Business -Type Activities</u>
Net position December 31, 2014	\$48,919,747	\$22,580,020
Adjustments:		
Capital Asset Restatement	0	(457,517)
Net Pension Liability	(11,314,746)	(543,943)
Deferred Outflow - Payments Subsequent to Measurement Date	<u>1,036,733</u>	<u>64,268</u>
Restated Net Position December 31, 2014	<u>\$38,641,734</u>	<u>\$21,642,828</u>

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2015

	Water Fund	Sewer Fund	Refuse Fund	Stormwater Fund	Total Enterprise
Net position December 31, 2014	\$2,168,553	\$1,083,029	\$744,145	\$18,584,293	\$22,580,020
Adjustments:					
Capital Asset Restatement	0	0	0	(457,517)	(457,517)
Net Pension Liability	(157,575)	(153,203)	(24,057)	(209,108)	(543,943)
Deferred Outflow - Payments Subsequent to Measurement Date	17,811	17,263	3,012	26,182	64,268
Restated Net Position December 31, 2014	<u>\$2,028,789</u>	<u>\$947,089</u>	<u>\$723,100</u>	<u>\$17,943,850</u>	<u>\$21,642,828</u>

Other than employer contributions subsequent to the measurement date, the City made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available.

Note 19 – Subsequent Events

In February 2016, the city issued and sold bonds in the maximum principal amount of \$3,515,000 for the purpose of paying the costs of refunding bonds previously issued by the city to pay the costs or acquiring real property for and constructing, equipment and furnishing a fire station. The bonds were originally issued in 2007 and this refunding will save the city about \$135,000 in interest over the term of the loan.

In February 2016, the city issued and sold bonds in the maximum principal amount of \$2,100,000 for the purpose of paying the costs of constructing public improvements related to the redevelopment of the New Town Center area and improving the water system lines on Union Street and West Sunrise Avenue. These bonds retired the \$2,040,000 series 2015 various purpose notes that were previously issued.

REQUIRED SUPPLEMENTARY INFORMATION

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

	2014	2013
City's Proportion of the Net Pension Liability	0.01771000%	0.01771000%
City's Proportionate Share of the Net Pension Liability	\$2,136,024	\$2,087,778
City's Covered-Employee Payroll	\$2,171,288	\$2,145,988
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	98.38%	97.29%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.45%	86.36%

(1) - Information prior to 2013 is not available

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

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

	2014	2013
City's Proportion of the Net Pension Liability - 0619P	0.1077814%	0.1077814%
Liability - 0619F	0.0928404%	0.0928404%
City's Proportionate Share of the Net Pension Liability - 0619P	\$5,583,526	\$5,249,292
Pension Liability - 0619F	\$4,809,520	\$4,521,619
Pension Liability - Total	\$10,393,046	\$9,770,911
City's Covered-Employee Payroll	\$4,027,313	\$4,303,890
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	258.06%	227.03%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.20%	73.00%

(1) - Information prior to 2013 is not available

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

City of Trotwood, Ohio
 Required Supplementary Information
 Schedule of City Contributions
 Ohio Public Employees Retirement System - Traditional Plan
 Last Two Fiscal Years (1)

	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$273,367	\$260,555
Contributions in Relation to the Contractually Required Contribution	<u>(273,367)</u>	<u>(260,555)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>
City's Covered-Employee Payroll	\$2,278,058	\$2,171,288
Contributions as a Percentage of Covered-Employee Payroll	12.00%	12.00%

(1) - Information prior to 2014 is not available

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

	<u>2015</u>	<u>2014</u>
Contractually Required Contribution - 0619P	\$504,468	\$388,531
Contractually Required Contribution - 0619F	<u>\$421,471</u>	<u>\$451,058</u>
Contractually Required Contribution - Total	\$925,939	\$839,589
Contributions in Relation to the Contractually Required Contribution	<u>(925,939)</u>	<u>(839,589)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>
City's Covered-Employee Payroll	\$4,343,147	\$4,027,313
Contributions as a Percentage of Covered-Employee Payroll	20.09%	20.36%

(1) - Information prior to 2014 is not available

City of Trotwood, Ohio
 Schedule of Revenues, Expenditures by Budget Center and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2015

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Property and Other Local Taxes	\$1,388,589	\$1,391,490	\$1,337,644	(\$53,846)
Income Taxes	5,156,257	5,167,029	4,967,083	(199,946)
Charges for Services	316,746	317,408	305,125	(12,283)
Investment Earnings	5,020	5,031	4,836	(195)
Intergovernmental	625,034	626,340	602,103	(24,237)
Special Assessments	48,668	48,769	46,882	(1,887)
Fines, Licenses & Permits	289,315	289,920	278,701	(11,219)
Other Revenues	159,927	160,262	154,060	(6,202)
Total Revenues	7,989,556	8,006,249	7,696,434	(309,815)
Expenditures:				
Current:				
<u>General Government</u>				
Mayor and Council	205,173	204,932	198,458	6,474
City Manager	296,153	295,806	286,461	9,345
Finance	449,940	449,412	435,215	14,197
Utility Billing	228,024	227,757	220,562	7,195
Income Tax	386,823	386,370	374,164	12,206
Law Director	198,699	198,466	192,196	6,270
Public Works Administration	22,533	22,507	21,796	711
Building and Grounds	242,609	242,324	234,669	7,655
Fleet Maintenance	48,190	48,134	46,613	1,521
Personnel	131,287	131,133	126,990	4,143
Strategic Initiatives	40,661	40,613	39,330	1,283
Non-Departmental	398,033	397,567	385,007	12,560
Total General Government	2,648,125	2,645,021	2,561,461	83,560
<u>Public Safety</u>				
Police Administration	306,395	306,036	296,368	9,668
Police Patrol	2,716,650	2,713,466	2,627,744	85,722
Criminal Investigation	935,330	934,234	904,720	29,514
Police Communications	395,949	395,485	382,991	12,494
Total Public Safety	4,354,324	4,349,221	4,211,823	137,398
<u>Leisure Time Activities</u>				
Parks Maintenance	89,687	89,582	86,752	2,830
Municipal Pool	41,353	41,305	40,000	1,305
Cemeteries	43,478	43,427	42,055	1,372
Recreation Programs	84,209	84,110	81,453	2,657
Total Leisure Time Activities	258,727	258,424	250,260	8,164
<u>Community Development</u>				
Planning and Development Administration	160,250	160,063	155,006	5,057
Planning and Zoning	76,118	76,029	73,627	2,402
Code Enforcement and Inspection	85,034	84,934	82,251	2,683
Mowing and Weed Removal	73,129	73,044	70,736	2,308
Total Community Development	394,531	394,070	381,620	12,450

Continued

City of Trotwood, Ohio
 Schedule of Revenues, Expenditures by Budget Center and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2015

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
<u>Transportation & Street Repair</u>				
Street Lighting	220,709	220,450	213,486	6,964
Total Transportation & Street Repair	220,709	220,450	213,486	6,964
Debt Service:				
Principal Retirement	114,916	114,781	111,155	3,626
Interest and Fiscal Charges	54,376	54,312	52,596	1,716
Total Expenditures	8,045,708	8,036,279	7,782,401	253,878
Excess of Revenues Over (Under) Expenditures	(56,152)	(30,030)	(85,967)	(55,937)
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	830	832	800	(32)
Transfers (Out)	(67,199)	(67,120)	(65,000)	2,120
Total Other Financing Sources (Uses)	(66,369)	(66,288)	(64,200)	2,088
Net Change in Fund Balance	(122,521)	(96,318)	(150,167)	(53,849)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	623,078	623,078	623,078	0
Fund Balance End of Year	\$500,557	\$526,760	\$472,911	(\$53,849)

See accompanying notes to the required supplementary information.

City of Trotwood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2015

	Street Construction Maintenance and Repair Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Property and Other Local Taxes	\$356,617	\$369,318	\$352,800	(\$16,518)
Intergovernmental	926,505	959,504	916,589	(42,915)
Other Revenues	16,616	17,208	16,438	(770)
Total Revenues	1,299,738	1,346,030	1,285,827	(60,203)
Expenditures:				
Current:				
Transportation & Street Repair	1,221,526	1,100,491	1,035,459	65,032
Debt Service:				
Principal Retirement	21,627	19,484	18,333	1,151
Interest and Fiscal Charges	18,387	16,565	15,586	979
Total Expenditures	1,261,540	1,136,540	1,069,378	67,162
Net Change in Fund Balance	38,198	209,490	216,449	6,959
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	872,404	872,404	872,404	0
Fund Balance End of Year	\$910,602	\$1,081,894	\$1,088,853	\$6,959

See accompanying notes to the required supplementary information.

City of Trotwood, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2015

	Fire Levy Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Property and Other Local Taxes	\$2,678,014	\$2,911,644	\$1,980,682	(\$930,962)
Charges for Services	20	22	15	(7)
Intergovernmental	524,245	569,980	387,736	(182,244)
Other Revenues	21,967	23,883	16,247	(7,636)
Total Revenues	3,224,246	3,505,529	2,384,680	(1,120,849)
Expenditures:				
Current:				
Public Safety	2,952,662	2,947,872	2,370,856	577,016
Capital Outlay	153,802	153,552	123,496	30,056
Total Expenditures	3,106,464	3,101,424	2,494,352	607,072
Net Change in Fund Balance	117,782	404,105	(109,672)	(513,777)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	(17,746)	(17,746)	(17,746)	0
Fund Balance End of Year	\$100,036	\$386,359	(\$127,418)	(\$513,777)

See accompanying notes to the required supplementary information.

City of Trotwood, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2015

	Rescue Levy Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Property and Other Local Taxes	\$358,197	\$367,651	\$390,305	\$22,654
Charges for Services	1,157,942	1,188,503	1,261,738	73,235
Intergovernmental	72,224	74,130	78,698	4,568
Other Revenues	50,874	52,216	55,434	3,218
Total Revenues	1,639,237	1,682,500	1,786,175	103,675
Expenditures:				
Current:				
Public Safety	1,702,657	1,753,707	1,695,068	58,639
Total Expenditures	1,702,657	1,753,707	1,695,068	58,639
Net Change in Fund Balance	(63,420)	(71,207)	91,107	162,314
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	349,416	349,416	349,416	0
Fund Balance End of Year	\$285,996	\$278,209	\$440,523	\$162,314

See accompanying notes to the required supplementary information.

City of Trotwood, Ohio
Notes to the Required Supplementary Information
For The Year Ended December 31, 2015

Note 1 – Budgetary Process

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

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

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

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

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

City of Trotwood, Ohio
Notes to the Required Supplementary Information
For The Year Ended December 31, 2015

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general, fire levy, rescue levy and street construction maintenance and repair funds.

Net Change in Fund Balance

	<u>General</u>	<u>Fire Levy</u>	<u>Rescue Levy</u>	<u>Street Construction Maintenance and Repair</u>
GAAP Basis	\$196,063	(\$28,977)	\$100,462	\$286,276
Revenue Accruals	(186,317)	0	48,344	3,872
Expenditure Accruals	(54,274)	(43,864)	(24,129)	(504)
Proceeds of Capital Assets	800	0	0	0
Encumbrances	(106,439)	(36,831)	(33,570)	(73,195)
Budget Basis	<u>(\$150,167)</u>	<u>(\$109,672)</u>	<u>\$91,107</u>	<u>\$216,449</u>

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES

MAJOR GOVERNMENTAL FUNDS

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

City of Trotwood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2015

	Salem Mall Tax Increment Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Revenue in Lieu of Taxes	\$313,319	\$317,870	\$4,551
Other Revenues	148	150	2
Total Revenues	313,467	318,020	4,553
Expenditures:			
Debt Service:			
Principal Retirement	1,929,242	1,925,125	4,117
Interest and Fiscal Charges	263,870	263,307	563
Total Expenditures	2,193,112	2,188,432	4,680
Excess of Revenues Over (Under) Expenditures	(1,879,645)	(1,870,412)	9,233
Other Financing Sources (Uses):			
Issuance of Short Term Debt	1,762,064	1,787,660	25,596
Transfers In	64,069	65,000	931
Total Other Financing Sources (Uses)	1,826,133	1,852,660	26,527
Net Change in Fund Balance	(53,512)	(17,752)	35,760
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	53,705	53,705	0
Fund Balance End of Year	\$193	\$35,953	\$35,760

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

Debt Service Fund

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

Capital Projects Funds

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

City of Trotwood, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2015

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in Pooled Cash and Investments	\$888,509	\$900	\$175,013	\$1,064,422
Receivables (Net):				
Taxes	0	145,339	983,646	1,128,985
Intergovernmental	303,877	10,100	0	313,977
Special Assessments	3,536	0	0	3,536
Total Assets	1,195,922	156,339	1,158,659	2,510,920
Liabilities:				
Accounts Payable	16,430	0	0	16,430
Accrued Wages and Benefits	4,494	0	0	4,494
Interfund Payable	0	0	70,700	70,700
Total Liabilities	20,924	0	70,700	91,624
Deferred Inflows of Resources:				
Property Taxes	0	145,339	581,378	726,717
Grants and Other Taxes	128,896	10,100	0	138,996
Special Assessments	3,536	0	0	3,536
Revenue in Lieu of Taxes	0	0	402,268	402,268
Total Deferred Inflows of Resources	132,432	155,439	983,646	1,271,517
Fund Balances:				
Restricted	1,042,566	900	169,212	1,212,678
Unassigned	0	0	(64,899)	(64,899)
Total Fund Balances	1,042,566	900	104,313	1,147,779
Total Liabilities, Deferred Inflows and Fund Balances	\$1,195,922	\$156,339	\$1,158,659	\$2,510,920

City of Trotwood, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Governmental Funds
For the Fiscal Year Ended December 31, 2015

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Property and Other Taxes	\$106,354	\$106,475	\$465,039	\$677,868
Intergovernmental	451,117	20,288	62,138	533,543
Special Assessments	359	0	0	359
Fines, Licenses & Permits	117,525	0	0	117,525
Revenue in Lieu of Taxes	0	0	353,243	353,243
Other Revenues	4,368	0	0	4,368
Total Revenues	679,723	126,763	880,420	1,686,906
Expenditures:				
Current:				
General Government	2,252	0	0	2,252
Public Safety	265,302	0	7,969	273,271
Community Development	275,000	0	0	275,000
Transportation and Street Repair	412,235	0	0	412,235
Capital Outlay	0	0	202,680	202,680
Debt Service:				
Principal	79,605	135,000	303,125	517,730
Interest and Other Charges	2,309	9,127	261,359	272,795
Total Expenditures	1,036,703	144,127	775,133	1,955,963
Excess of Revenues Over (Under) Expenditures	(356,980)	(17,364)	105,287	(269,057)
Net Change in Fund Balance	(356,980)	(17,364)	105,287	(269,057)
Fund Balance - Beginning of Year	1,399,546	18,264	(974)	1,416,836
Fund Balance - End of Year	\$1,042,566	\$900	\$104,313	\$1,147,779

NONMAJOR SPECIAL REVENUE FUNDS

Fund Descriptions

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

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

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

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

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

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

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

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

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

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

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

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

City of Trotwood, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2015

	State Highway	Motor Vehicle License Tax	Permissive Use Tax	Drug Law Enforcement	Curbs/Gutters/ Sidewalks Assessment
Assets:					
Equity in Pooled Cash and Investments	\$221,805	\$180,392	\$105,818	\$16,973	\$85,521
Receivables (Net):					
Intergovernmental	33,623	45,254	0	0	0
Special Assessments	0	0	0	0	3,536
Total Assets	255,428	225,646	105,818	16,973	89,057
Liabilities:					
Accounts Payable	2,408	0	5,000	0	0
Accrued Wages and Benefits	3,559	0	0	0	0
Total Liabilities	5,967	0	5,000	0	0
Deferred Inflows of Resources:					
Grants and Other Taxes	28,240	44,406	0	0	0
Special Assessments	0	0	0	0	3,536
Total Deferred Inflows of Resources	28,240	44,406	0	0	3,536
Fund Balances:					
Restricted	221,221	181,240	100,818	16,973	85,521
Total Fund Balances	221,221	181,240	100,818	16,973	85,521
Total Liabilities, Deferred Inflows and Fund Balances	\$255,428	\$225,646	\$105,818	\$16,973	\$89,057

Grants	Local Law Enforcement Block	Enforcement and Education	Law Enforcement Trust	Redlight Enforcement	Government Equity Program	Police Levy
\$138,208	\$75	\$12,164	\$110,038	\$15,257	\$219	\$2,039
225,000	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>363,208</u>	<u>75</u>	<u>12,164</u>	<u>110,038</u>	<u>15,257</u>	<u>219</u>	<u>2,039</u>
0	0	31	8,991	0	0	0
0	0	0	0	935	0	0
0	0	31	8,991	935	0	0
56,250	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>56,250</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>306,958</u>	<u>75</u>	<u>12,133</u>	<u>101,047</u>	<u>14,322</u>	<u>219</u>	<u>2,039</u>
<u>306,958</u>	<u>75</u>	<u>12,133</u>	<u>101,047</u>	<u>14,322</u>	<u>219</u>	<u>2,039</u>
<u>\$363,208</u>	<u>\$75</u>	<u>\$12,164</u>	<u>\$110,038</u>	<u>\$15,257</u>	<u>\$219</u>	<u>\$2,039</u>

Continued

City of Trotwood, Ohio
 Combining Balance Sheet
 Nonmajor Special Revenue Funds
 December 31, 2015

	Total Nonmajor Special Revenue Funds
Assets:	
Equity in Pooled Cash and Investments	\$888,509
Receivables (Net):	
Intergovernmental	303,877
Special Assessments	<u>3,536</u>
Total Assets	<u>1,195,922</u>
Liabilities:	
Accounts Payable	16,430
Accrued Wages and Benefits	<u>4,494</u>
Total Liabilities	<u>20,924</u>
Deferred Inflows of Resources:	
Grants and Other Taxes	128,896
Special Assessments	<u>3,536</u>
Total Deferred Inflows of Resources	<u>132,432</u>
Fund Balances:	
Restricted	<u>1,042,566</u>
Total Fund Balances	<u>1,042,566</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$1,195,922</u>

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City of Trotwood, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended December 31, 2015

	State Highway	Motor Vehicle License Tax	Permissive Use Tax	Drug Law Enforcement	Curbs/Gutters/ Sidewalks Assessment
Revenues:					
Property and Other Taxes	\$0	\$106,354	\$0	\$0	\$0
Intergovernmental	68,707	54,061	0	0	0
Special Assessments	0	0	0	0	359
Fines, Licenses & Permits	0	0	0	495	0
Other Revenues	270	0	0	0	190
Total Revenues	68,977	160,415	0	495	549
Expenditures:					
Current:					
General Government	0	0	0	0	0
Public Safety	0	0	0	2,479	0
Community Development	0	0	0	0	0
Transportation and Street Repair	73,453	124,681	213,500	0	601
Debt Service:					
Principal	0	0	0	0	0
Interest and Other Charges	0	0	0	0	0
Total Expenditures	73,453	124,681	213,500	2,479	601
Excess of Revenues Over (Under) Expenditures	(4,476)	35,734	(213,500)	(1,984)	(52)
Net Change in Fund Balance	(4,476)	35,734	(213,500)	(1,984)	(52)
Fund Balance - Beginning of Year	225,697	145,506	314,318	18,957	85,573
Fund Balance - End of Year	\$221,221	\$181,240	\$100,818	\$16,973	\$85,521

Grants	Local Law Enforcement Block	Enforcement and Education	Law Enforcement Trust	Redlight Enforcement	Government Equity Program	Police Levy
\$0	\$0	\$0	\$0	\$0	\$0	\$0
328,349	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	493	32,744	83,793	0	0
0	0	0	2,400	1,508	0	0
<u>328,349</u>	<u>0</u>	<u>493</u>	<u>35,144</u>	<u>85,301</u>	<u>0</u>	<u>0</u>
2,252	0	0	0	0	0	0
89,591	0	61	166,041	7,130	0	0
275,000	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	79,605	0	0
0	0	0	0	2,309	0	0
<u>366,843</u>	<u>0</u>	<u>61</u>	<u>166,041</u>	<u>89,044</u>	<u>0</u>	<u>0</u>
<u>(38,494)</u>	<u>0</u>	<u>432</u>	<u>(130,897)</u>	<u>(3,743)</u>	<u>0</u>	<u>0</u>
(38,494)	0	432	(130,897)	(3,743)	0	0
345,452	75	11,701	231,944	18,065	219	2,039
<u>\$306,958</u>	<u>\$75</u>	<u>\$12,133</u>	<u>\$101,047</u>	<u>\$14,322</u>	<u>\$219</u>	<u>\$2,039</u>

Continued

City of Trotwood, Ohio
 Combining Statement of Revenues, Expenditures
 and Changes in Fund Balance
 Nonmajor Special Revenue Funds
 For the Fiscal Year Ended December 31, 2015

	Total Nonmajor Special Revenue Funds
Revenues:	
Property and Other Taxes	\$106,354
Intergovernmental	451,117
Special Assessments	359
Fines, Licenses & Permits	117,525
Other Revenues	<u>4,368</u>
Total Revenues	<u>679,723</u>
Expenditures:	
Current:	
General Government	2,252
Public Safety	265,302
Community Development	275,000
Transportation and Street Repair	412,235
Debt Service:	
Principal	79,605
Interest and Other Charges	<u>2,309</u>
Total Expenditures	<u>1,036,703</u>
Excess of Revenues Over (Under) Expenditures	<u>(356,980)</u>
Net Change in Fund Balance	(356,980)
Fund Balance - Beginning of Year	<u>1,399,546</u>
Fund Balance - End of Year	<u>\$1,042,566</u>

City of Trotwood, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2015

	State Highway Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$65,494	\$69,022	\$3,528
Other Revenues	256	270	14
Total Revenues	65,750	69,292	3,542
Expenditures:			
Current:			
Transportation & Street Repair	92,777	76,541	16,236
Total Expenditures	92,777	76,541	16,236
Net Change in Fund Balance	(27,027)	(7,249)	19,778
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	225,092	225,092	0
Fund Balance End of Year	\$198,065	\$217,843	\$19,778

City of Trotwood, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2015

	Motor Vehicle License Tax Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$156,000	\$159,567	\$3,567
Total Revenues	<u>156,000</u>	<u>159,567</u>	<u>3,567</u>
Expenditures:			
Current:			
Transportation & Street Repair	125,000	124,681	319
Total Expenditures	<u>125,000</u>	<u>124,681</u>	<u>319</u>
Net Change in Fund Balance	31,000	34,886	3,886
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>145,506</u>	<u>145,506</u>	<u>0</u>
Fund Balance End of Year	<u>\$176,506</u>	<u>\$180,392</u>	<u>\$3,886</u>

City of Trotwood, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2015

	Permissive Use Tax Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$80,000	\$0	(\$80,000)
Total Revenues	80,000	0	(80,000)
Expenditures:			
Current:			
Transportation & Street Repair	216,500	216,500	0
Total Expenditures	216,500	216,500	0
Net Change in Fund Balance	(136,500)	(216,500)	(80,000)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	314,319	314,319	0
Fund Balance End of Year	\$177,819	\$97,819	(\$80,000)

City of Trotwood, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2015

	Drug Law Enforcement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses & Permits	\$600	\$495	(\$105)
Total Revenues	600	495	(105)
Expenditures:			
Current:			
Public Safety	10,370	3,000	7,370
Total Expenditures	10,370	3,000	7,370
Net Change in Fund Balance	(9,770)	(2,505)	7,265
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	18,957	18,957	0
Fund Balance End of Year	\$9,187	\$16,452	\$7,265

City of Trotwood, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2015

	Curbs/Gutters/ Sidewalks Assessment Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Special Assessments	\$262	\$359	\$97
Other Revenues	138	190	52
Total Revenues	400	549	149
Expenditures:			
Current:			
Transportation & Street Repair	1,581	721	860
Total Expenditures	1,581	721	860
Net Change in Fund Balance	(1,181)	(172)	1,009
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	85,694	85,694	0
Fund Balance End of Year	\$84,513	\$85,522	\$1,009

City of Trotwood, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2015

	Grants Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$94,000	\$209,599	\$115,599
Total Revenues	94,000	209,599	115,599
Expenditures:			
Current:			
General Government	25,696	25,695	1
Public Safety	89,593	89,591	2
Community Development	275,006	275,000	6
Total Expenditures	390,295	390,286	9
Net Change in Fund Balance	(296,295)	(180,687)	115,608
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	296,473	296,473	0
Fund Balance End of Year	\$178	\$115,786	\$115,608

City of Trotwood, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2015

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

City of Trotwood, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2015

	Enforcement and Education Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses & Permits	\$500	\$493	(\$7)
Total Revenues	500	493	(7)
Expenditures:			
Current:			
Public Safety	500	500	0
Total Expenditures	500	500	0
Net Change in Fund Balance	0	(7)	(7)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	11,701	11,701	0
Fund Balance End of Year	\$11,701	\$11,694	(\$7)

City of Trotwood, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2015

	Law Enforcement Trust Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses & Permits	\$60,561	\$32,744	(\$27,817)
Other Revenues	4,439	2,400	(2,039)
Total Revenues	<u>65,000</u>	<u>35,144</u>	<u>(29,856)</u>
Expenditures:			
Current:			
Public Safety	<u>176,660</u>	<u>172,910</u>	<u>3,750</u>
Total Expenditures	<u>176,660</u>	<u>172,910</u>	<u>3,750</u>
Net Change in Fund Balance	(111,660)	(137,766)	(26,106)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>231,943</u>	<u>231,943</u>	<u>0</u>
Fund Balance End of Year	<u>\$120,283</u>	<u>\$94,177</u>	<u>(\$26,106)</u>

City of Trotwood, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2015

	Redlight Enforcement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses & Permits	\$214,977	\$107,233	(\$107,744)
Other Revenues	3,023	1,508	(1,515)
Total Revenues	<u>218,000</u>	<u>108,741</u>	<u>(109,259)</u>
Expenditures:			
Current:			
Public Safety	<u>100,685</u>	<u>93,575</u>	<u>7,110</u>
Total Expenditures	<u>100,685</u>	<u>93,575</u>	<u>7,110</u>
Net Change in Fund Balance	117,315	15,166	(102,149)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>17</u>	<u>17</u>	<u>0</u>
Fund Balance End of Year	<u>\$117,332</u>	<u>\$15,183</u>	<u>(\$102,149)</u>

City of Trotwood, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2015

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

City of Trotwood, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2015

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

NONMAJOR DEBT SERVICE FUND

Fund Description

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

City of Trotwood, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2015

	Debt Retirement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Property and Other Local Taxes	\$124,599	\$106,475	(\$18,124)
Intergovernmental	23,741	20,288	(3,453)
Total Revenues	<u>148,340</u>	<u>126,763</u>	<u>(21,577)</u>
Expenditures:			
Debt Service:			
Principal Retirement	135,005	135,000	5
Interest and Fiscal Charges	9,127	9,127	0
Total Expenditures	<u>144,132</u>	<u>144,127</u>	<u>5</u>
Net Change in Fund Balance	4,208	(17,364)	(21,572)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>18,264</u>	<u>18,264</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$22,472</u></u>	<u><u>\$900</u></u>	<u><u>(\$21,572)</u></u>

NONMAJOR CAPITAL PROJECT FUNDS

Fund Descriptions

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

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

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

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

City of Trotwood, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2015

	Park Acquisition and Development	Industrial Park	Fire Facility Improvements	Fire Capital Levy	Total Nonmajor Capital Projects Funds
Assets:					
Equity in Pooled Cash and Investments	\$2,801	\$144,851	\$5,162	\$22,199	\$175,013
Receivables (Net):					
Taxes	0	402,268	0	581,378	983,646
Total Assets	2,801	547,119	5,162	603,577	1,158,659
Liabilities:					
Interfund Payable	67,700	3,000	0	0	70,700
Total Liabilities	67,700	3,000	0	0	70,700
Deferred Inflows of Resources:					
Property Taxes	0	0	0	581,378	581,378
Revenue in Lieu of Taxes	0	402,268	0	0	402,268
Total Deferred Inflows of Resources	0	402,268	0	581,378	983,646
Fund Balances:					
Restricted	0	141,851	5,162	22,199	169,212
Unassigned	(64,899)	0	0	0	(64,899)
Total Fund Balances	(64,899)	141,851	5,162	22,199	104,313
Total Liabilities, Deferred Inflows and Fund Balances	\$2,801	\$547,119	\$5,162	\$603,577	\$1,158,659

City of Trotwood, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Capital Projects Funds
For the Fiscal Year Ended December 31, 2015

	Park Acquisition and Development	Industrial Park	Fire Facility Improvements	Fire Capital Levy	Total Nonmajor Capital Projects Funds
Revenues:					
Property and Other Taxes	\$0	\$0	\$0	\$465,039	\$465,039
Intergovernmental	0	0	0	62,138	62,138
Revenue in Lieu of Taxes	0	353,243	0	0	353,243
Total Revenues	0	353,243	0	527,177	880,420
Expenditures:					
Current:					
Public Safety	0	0	0	7,969	7,969
Capital Outlay	0	0	830	201,850	202,680
Debt Service:					
Principal	0	168,125	0	135,000	303,125
Interest and Other Charges	0	114,897	0	146,462	261,359
Total Expenditures	0	283,022	830	491,281	775,133
Net Change in Fund Balance	0	70,221	(830)	35,896	105,287
Fund Balance - Beginning of Year	(64,899)	71,630	5,992	(13,697)	(974)
Fund Balance - End of Year	(\$64,899)	\$141,851	\$5,162	\$22,199	\$104,313

City of Trotwood, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2015

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

City of Trotwood, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2015

	Industrial Park Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Revenue in Lieu of Taxes	\$397,850	\$353,243	(\$44,607)
Total Revenues	397,850	353,243	(44,607)
Expenditures:			
Debt Service:			
Principal Retirement	168,126	168,125	1
Interest and Fiscal Charges	114,897	114,897	0
Total Expenditures	283,023	283,022	1
Net Change in Fund Balance	114,827	70,221	(44,606)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	74,631	74,631	0
Fund Balance End of Year	\$189,458	\$144,852	(\$44,606)

City of Trotwood, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2015

	Fire Facility Improvements Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Capital Outlay	0	830	(830)
Total Expenditures	0	830	(830)
Net Change in Fund Balance	0	(830)	(830)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	5,992	5,992	0
Fund Balance End of Year	\$5,992	\$5,162	(\$830)

City of Trotwood, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2015

	Fire Capital Levy Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Property and Other Local Taxes	\$0	\$465,039	\$465,039
Intergovernmental	0	62,138	62,138
Total Revenues	0	527,177	527,177
Expenditures:			
Current:			
Public Safety	0	7,969	(7,969)
Capital Outlay	0	201,850	(201,850)
Debt Service:			
Principal Retirement	0	135,000	(135,000)
Interest and Fiscal Charges	0	146,462	(146,462)
Total Expenditures	0	491,281	(491,281)
Net Change in Fund Balance	0	35,896	35,896
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	(13,697)	(13,697)	0
Fund Balance End of Year	(\$13,697)	\$22,199	\$35,896

NONMAJOR FUNDS

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

Fund Description

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

City of Trotwood, Ohio
Statement of Changes In Assets and Liabilities
Agency Funds
For the Fiscal Year Ended December 31, 2015

	Fire Loss			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$100,614	\$180,013	\$230,512	\$50,115
Total Assets	<u>100,614</u>	<u>180,013</u>	<u>230,512</u>	<u>50,115</u>
Liabilities:				
Undistributed Monies	100,614	180,013	230,512	50,115
Total Liabilities	<u>\$100,614</u>	<u>\$180,013</u>	<u>\$230,512</u>	<u>\$50,115</u>

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STATISTICAL SECTION

STATISTICAL SECTION

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

Contents

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

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

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

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

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

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

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

	Calendar Year									
	2006	2007	2008	2009	2010	2011	2012	2013 (1)	2014 (1)	2015
Governmental Activities										
Net Investment in Capital Assets	\$36,682,729	\$38,871,297	\$38,614,884	\$39,438,652	\$40,915,075	\$41,557,908	\$41,722,668	\$41,628,553	\$41,502,089	\$41,294,417
Restricted	1,013,408	1,272,167	1,544,593	2,293,955	2,465,871	2,872,633	3,079,582	3,904,525	4,580,526	4,790,869
Unrestricted	5,600,934	3,017,751	2,388,264	2,822,983	3,890,365	3,304,999	2,364,978	2,755,160	(7,440,881)	(7,070,564)
Total governmental activities net position	\$43,297,071	\$43,161,215	\$42,547,741	\$44,555,590	\$47,271,311	\$47,735,540	\$47,167,228	\$48,288,238	\$38,641,734	\$39,014,722
Business-type activities										
Net Investment in Capital Assets	\$17,794,473	\$17,316,334	\$18,004,296	\$17,525,298	\$17,308,100	\$17,486,158	\$16,951,303	\$17,567,758	\$16,643,028	\$16,227,497
Unrestricted	988,899	1,339,867	1,502,010	1,887,258	3,266,183	2,701,790	2,814,752	4,776,408	4,999,800	5,343,112
Total business-type activities net position	\$18,783,372	\$18,656,201	\$19,506,306	\$19,412,556	\$20,574,283	\$20,187,948	\$19,766,055	\$22,344,166	\$21,642,828	\$21,570,609
Total Primary Government										
Net Investment in Capital Assets	\$54,477,202	\$56,187,631	\$56,619,180	\$56,963,950	\$58,223,175	\$59,044,066	\$58,673,971	\$59,196,311	\$58,145,117	\$57,521,914
Restricted	1,013,408	1,272,167	1,544,593	2,293,955	2,465,871	2,872,633	3,079,582	3,904,525	4,580,526	4,790,869
Unrestricted	6,589,833	4,357,618	3,890,274	4,710,241	7,156,548	6,006,789	5,179,730	7,531,568	(2,441,081)	(1,727,452)
Total primary government net position	\$62,080,443	\$61,817,416	\$62,054,047	\$63,968,146	\$67,845,594	\$67,923,488	\$66,933,283	\$70,632,404	\$60,284,562	\$60,585,331

(1) - Amounts reflect a prior period adjustment

Source: City Records

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

	Calendar Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental Activities:										
General Government	\$2,691,268	\$2,861,598	\$3,503,943	\$3,172,930	\$2,232,408	\$3,062,455	\$3,210,313	\$3,220,714	\$3,444,386	\$2,556,659
Public Safety	9,745,013	9,158,585	10,146,961	8,603,664	8,338,531	8,583,577	8,713,796	8,499,414	9,526,215	8,631,605
Community Development	2,043,598	1,288,856	1,604,067	600,620	885,151	1,029,674	1,352,215	1,310,140	699,877	732,670
Leisure Time Activities	538,424	514,178	452,003	362,824	364,636	383,732	463,194	377,420	401,685	274,096
Transportation & Street Repair	2,801,135	2,335,807	3,077,816	2,630,672	2,473,363	2,754,010	3,035,008	2,191,630	2,439,518	2,303,614
Interest and Fiscal Charges	551,113	833,690	780,516	629,723	603,972	679,405	677,856	650,130	597,691	582,626
Total Governmental Activities Expenses	18,370,551	16,992,714	19,565,306	16,000,433	14,898,061	16,492,853	17,452,382	16,249,448	17,109,372	15,081,270
Business-Type Activities:										
Water	1,222,874	1,659,355	1,417,933	1,576,732	1,032,248	1,338,543	1,509,516	1,286,474	1,380,311	1,553,195
Sewer	933,622	1,063,804	1,012,659	986,256	771,290	982,998	927,308	968,372	1,016,239	1,157,858
Refuse	1,155,773	1,280,068	1,448,058	1,493,178	1,075,134	1,432,650	1,420,131	1,450,538	1,417,130	1,365,870
Stormwater	508,984	612,570	777,578	603,839	817,277	1,025,845	821,225	735,306	801,034	930,608
Total Business-Type Activities Expenses	3,821,253	4,615,797	4,656,228	4,660,005	3,695,949	4,780,036	4,678,180	4,440,690	4,614,714	5,007,531
Total Primary Government Expenses	\$22,191,804	\$21,608,511	\$24,221,534	\$20,660,438	\$18,594,010	\$22,272,889	\$22,130,562	\$20,690,138	\$21,724,086	\$20,088,801
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	\$276,140	\$374,435	\$459,251	\$688,724	\$320,538	\$586,951	\$518,244	\$510,089	\$509,235	\$464,920
Public Safety	1,241,261	1,299,752	1,370,157	1,421,970	1,313,859	1,456,169	1,841,053	1,402,282	1,822,791	1,388,996
Community Development	170,698	97,669	71,059	85,627	105,285	95,490	136,821	178,106	145,151	122,850
Leisure Time Activities	5,024	28,049	27,070	25,242	26,048	17,598	19,783	34,329	29,480	29,890
Transportation and Street Repair	19,147	0	36,736	19,219	13,620	9,183	473	0	502	359
Interest and Fiscal Charges	27,217	55,457	0	0	0	0	0	0	0	0
Operating Grants and Contributions	2,148,982	2,143,830	3,323,285	2,512,349	1,385,532	1,722,345	1,431,386	1,733,156	2,337,780	1,836,233
Capital Grants and Contributions	1,050,263	550,503	2,279,206	1,832,990	1,444,975	1,465,441	1,769,666	416,073	11,225	59,572
Total Governmental Activities Program Revenues	4,938,732	4,549,695	7,566,764	6,586,121	4,609,857	5,353,177	5,717,426	4,274,035	4,856,164	3,902,820
Business-Type Activities:										
Charges for Services:										
Water	1,490,307	1,753,586	1,593,335	1,407,494	1,473,421	1,440,360	1,138,393	2,109,507	1,544,234	1,616,886
Sewer	924,526	897,670	984,239	962,845	1,134,721	1,034,511	842,995	1,439,045	1,146,375	1,229,674
Refuse	1,415,993	1,165,640	1,474,799	1,513,051	1,297,453	1,276,413	1,562,730	1,477,665	1,407,946	1,366,618
Stormwater	116,724	664,582	766,726	701,665	869,985	664,331	632,778	1,066,961	746,107	711,307
Capital Grants and Contributions	0	0	0	0	0	0	714,225	0	0	0
Total Business-Type Activities Program Revenues	3,947,550	4,481,478	4,819,099	4,585,055	4,775,580	4,415,615	4,891,121	6,093,178	4,844,662	4,924,485
Total Primary Government Program Revenues	\$8,886,282	\$9,031,173	\$12,385,863	\$11,171,176	\$9,385,437	\$9,768,792	\$10,608,547	\$10,367,213	\$9,700,826	\$8,827,305

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

	Calendar Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Net (Expense)/Revenue										
Governmental Activities	(\$13,431,819)	(\$12,443,019)	(\$11,998,542)	(\$9,414,312)	(\$10,288,204)	(\$11,139,676)	(\$11,734,956)	(\$11,975,413)	(\$12,253,208)	(\$11,178,450)
Business-Type Activities	126,297	(134,319)	162,871	(74,950)	1,079,631	(364,421)	212,941	1,652,488	229,948	(83,046)
Total Primary Government Net Expenses	(\$13,305,522)	(\$12,577,338)	(\$11,835,671)	(\$9,489,262)	(\$9,208,573)	(\$11,504,097)	(\$11,522,015)	(\$10,322,925)	(\$12,023,260)	(\$11,261,496)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Income Taxes	\$5,500,282	\$5,088,924	\$5,058,111	\$4,785,979	\$5,298,769	\$5,040,411	\$4,911,790	\$5,666,888	\$4,672,734	\$5,020,072
Property Taxes	4,398,989	4,841,944	4,851,708	4,459,999	5,235,900	5,381,391	3,902,277	4,443,580	6,261,231	4,818,175
Grants and Entitlements not Restricted	1,245,265	1,615,694	1,421,021	1,328,460	1,883,135	625,816	1,194,125	856,478	666,337	668,157
Revenue in Lieu of Taxes	201,886	213,029	320,584	243,735	285,209	266,173	314,945	1,796,840	730,615	752,528
Investment Earnings	300,610	261,499	78,738	5,950	2,765	1,628	1,985	1,339	3,636	4,836
Other Revenues	261,214	286,073	335,746	578,038	305,224	265,986	432,197	853,239	550,164	287,670
Transfers-Internal Activities	0	0	(680,840)	20,000	(7,077)	22,500	25,000	(450,747)	0	0
Total Governmental Activities	11,908,246	12,307,163	11,385,068	11,422,161	13,003,925	11,603,905	10,782,319	13,167,617	12,884,717	11,551,438
Business-type activities:										
Investment Earnings	3,063	7,086	6,362	1,166	867	550	1,102	627	0	0
Other Revenues	30	62	32	34	3,729	36	128	4,773	5,906	10,827
Transfers-Internal Activities	0	0	680,840	(20,000)	77,500	(22,500)	(25,000)	450,747	0	0
Total Business-Type Activities	3,093	7,148	687,234	(18,800)	82,096	(21,914)	(23,770)	456,147	5,906	10,827
Total Primary Government	\$11,911,339	\$12,314,311	\$12,072,302	\$11,403,361	\$13,086,021	\$11,581,991	\$10,758,549	\$13,623,764	\$12,890,623	\$11,562,265
Change in Net Position										
Governmental Activities	(\$1,523,573)	(\$135,856)	(\$613,474)	\$2,007,849	\$2,715,721	\$464,229	(\$952,637)	\$1,192,204	\$631,509	\$372,988
Business-Type Activities	129,390	(127,171)	850,105	(93,750)	1,161,727	(386,335)	189,171	2,108,635	235,854	(72,219)
Total Primary Government	(\$1,394,183)	(\$263,027)	\$236,631	\$1,914,099	\$3,877,448	\$77,894	(\$763,466)	\$3,300,839	\$867,363	\$300,769

Source: City Records

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

	Calendar Year									
	2006	2007	2008	2009	2010	2011 (1)	2012	2013	2014	2015
General Fund										
Reserved	\$197,716	\$160,153	\$32,781	\$170,941	\$323,338					
Unreserved	2,156,943	1,890,919	899,472	768,523	1,860,427					
Assigned						\$327,879	\$678,551	\$269,342	\$164,115	\$124,804
Unassigned						1,372,066	183,290	435,828	594,737	830,111
Total General Fund	2,354,659	2,051,072	932,253	939,464	2,183,765	1,699,945	861,841	705,170	758,852	954,915
All Other Governmental Funds										
Reserved	3,319,992	356,958	621,121	2,712,223	2,492,175					
Unreserved, Reported in:										
Special Revenue Funds	(482,482)	313,731	425,726	(1,373,686)	(1,172,862)					
Debt Service Funds	144,237	67,189	75,507	68,819	4,656					
Capital Projects Funds	(12,579,423)	(9,049,502)	(10,745,183)	(9,758,212)	(1,739,335)					
Restricted						1,538,308	1,749,174	2,312,433	2,829,704	2,933,688
Unassigned						(2,321,494)	(2,132,793)	(2,372,170)	(2,117,730)	(2,103,772)
Total all Other Governmental Funds	(\$9,597,676)	(\$8,311,624)	(\$9,622,829)	(\$8,350,856)	(\$415,366)	(\$783,186)	(\$383,619)	(\$59,737)	\$711,974	\$829,916

Source: City Records

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

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

	Calendar Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Taxes	\$10,062,944	\$10,036,000	\$9,442,375	\$9,296,348	\$10,236,302	\$9,470,903	\$9,221,597	\$8,661,385	\$11,132,384	\$9,727,407
Charges for Services	1,091,174	1,194,610	1,291,014	1,709,363	1,169,280	1,385,887	1,448,384	1,351,569	1,568,134	1,563,548
Investment Earnings	160,367	261,499	78,737	5,950	2,765	1,628	1,985	1,341	3,636	4,836
Intergovernmental	4,591,098	4,410,278	6,765,127	5,719,250	4,973,269	4,089,584	3,696,921	3,618,810	3,037,163	2,515,346
Special Assessments	153,553	90,415	56,400	49,752	61,125	47,361	75,378	117,304	98,072	47,241
Fines, Licenses & Permits	677,621	575,306	616,859	481,668	548,145	727,987	992,612	655,933	840,957	396,226
Revenue in Lieu of Taxes	0	213,029	320,584	243,735	266,986	285,046	314,945	1,796,840	730,615	752,528
Other Revenues	412,626	279,887	335,746	578,037	305,223	261,485	432,196	853,237	550,161	287,671
Total Revenues	\$17,149,383	\$17,061,024	\$18,906,842	\$18,084,103	\$17,563,095	\$16,269,881	\$16,184,018	\$17,056,419	\$17,961,122	\$15,294,803
Expenditures										
Current:										
General Government	\$2,592,549	\$2,818,858	\$2,768,203	\$2,985,350	\$2,146,466	\$2,939,192	\$3,043,505	\$2,869,875	\$3,082,600	\$2,473,711
Public Safety	8,624,274	9,147,913	9,656,271	8,233,223	8,060,103	8,156,930	8,144,645	7,952,880	9,204,008	8,261,875
Community Development	1,632,056	1,255,235	1,598,660	588,409	883,977	1,027,674	1,351,751	1,296,813	735,593	731,551
Leisure Time Activities	476,915	463,841	396,378	295,161	328,681	340,410	416,767	338,705	366,683	248,634
Transportation and Street Repair	1,089,451	1,423,293	1,775,955	1,062,396	1,721,843	1,797,058	1,639,448	1,370,506	1,882,417	1,587,466
Capital Outlay	4,175,627	4,827,180	3,508,994	2,505,113	3,596,228	1,341,925	2,465,112	1,295,827	73,921	323,675
Debt Service										
Principal	369,207	340,423	492,860	520,366	862,114	843,569	902,503	1,101,506	1,126,425	749,413
Interest	504,498	861,877	858,384	636,247	568,610	697,263	690,605	678,188	636,179	604,473
Total Expenditures	\$19,464,577	\$21,138,620	\$21,055,705	\$16,826,265	\$18,408,672	\$17,144,021	\$18,654,336	\$16,904,300	\$17,107,826	\$14,980,798

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

	Calendar Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Excess of revenues over (under) expenditures	(\$2,315,194)	(\$4,077,596)	(\$2,148,863)	\$1,257,838	(\$845,577)	(\$874,140)	(\$2,470,318)	\$152,119	\$853,296	\$314,005
Other Financing Sources (Uses)										
Proceeds From Sale of Capital Assets	\$7,858	\$1,633	\$399,679	\$1,346	\$74,838	\$0	\$0	\$15,092	\$525	\$0
Issuance of Long-Term Capital-Related Debt	0	5,015,000	0	0	8,000,000	0	1,831,724	0	0	0
Premium on Bonds Sold	0	0	0	0	444,147	0	0	0	0	0
Inception of Capital Lease	108,696	119,328	0	0	1,583,883	0	232,257	0	42,766	0
Transfers In	25,000	551,000	386,750	531,000	22,500	258,410	744,800	187,000	0	65,000
Transfers (Out)	(25,000)	(551,000)	(1,067,590)	(511,000)	(100,000)	(235,910)	(777,000)	(187,000)	0	(65,000)
Total Other Financing Sources (Uses)	116,554	5,135,961	(281,161)	21,346	10,025,368	22,500	2,031,781	15,092	43,291	0
Net Change in Fund Balances	(\$2,198,640)	\$1,058,365	(\$2,430,024)	\$1,279,184	\$9,179,791	(\$851,640)	(\$438,537)	\$167,211	\$896,587	\$314,005

Debt service as a percentage of noncapital expenditures 3.3% 5.1% 7.5% 7.4% 7.7% 9.8% 9.6% 9.7% 10.6% 9.2%

Source: City Records

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

Calendar Year (1)	Real Property	Tangible Personal Property and Utilities Personal	Total	Total	Total
	Assessed Value	Assessed Value	Assessed Value	Estimated Actual Value	Direct Rate
2006	\$320,939,050	\$24,675,433	\$345,614,483	\$1,003,565,161	17.39
2007	329,508,630	21,887,257	351,395,887	1,054,046,213	17.39
2008	329,072,430	16,603,522	345,675,952	1,083,409,574	17.39
2009	327,506,030	10,757,430	338,263,460	975,075,555	16.65
2010	318,888,480	9,317,140	328,205,620	939,390,777	19.65
2011	313,729,310	9,477,670	323,206,980	905,847,127	19.65
2012	262,916,010	9,738,930	272,654,940	776,199,943	19.65
2013	256,295,220	10,405,180	266,700,400	758,994,451	19.65
2014	254,675,910	11,473,980	266,149,890	757,112,724	23.80
2015	227,869,200	12,386,660	240,255,860	682,866,052	23.80

Source: County Auditor

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

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

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

Calendar Year	Current Assessments		Current Assessment Collections		Percent of Current Assessments Collected		Delinquent Assessment Collections (2)		Total Assessment Collections		Ratio of Total Collections to Current		Outstanding Delinquent Assessments (1)		Ratio of Delinquent Assessments to Current Due	
	Due		Assessment Collections		Assessments Collected		Assessment Collections (2)		Total Assessment Collections		Total Collections to Current		Outstanding Delinquent Assessments (1)		Ratio of Delinquent Assessments to Current Due	
2006	\$728,663		\$532,532		73.08%	\$196,131		\$728,663		100.00%		\$421,174		57.80%		
2007	523,130		408,702		78.13%	112,673		521,375		99.66%		429,156		82.04%		
2008	748,345		569,480		76.10%	81,666		651,146		87.01%		590,314		78.88%		
2009	1,150,732		768,811		66.81%	114,711		883,522		76.78%		929,888		80.81%		
2010	920,708		717,180		77.89%	121,217		838,397		91.06%		1,376,386		149.49%		
2011	928,696		821,525		88.46%	0		821,525		88.46%		1,362,665		146.73%		
2012	2,092,939		411,889		19.68%	0		411,889		19.68%		1,801,083		86.06%		
2013	3,447,738		741,474		21.51%	521,171		1,262,646		36.62%		2,620,297		78.00%		
2014	3,698,172		407,314		11.01%	172,841		580,155		15.69%		3,195,736		86.41%		
2015	876,892		302,047		34.45%	165,930		467,977		53.37%		3,568,558		406.96%		

Source: County Auditor

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

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

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

Calendar Year	Direct Rates					Overlapping Rates							
	General Fund	Inside Bond	Fire Fund	Street Fund	Ambulance and EMS	Total Direct Rate	Trotwood-		Miami Valley		Dayton-		
							Madison City	School District	Career Technology Center	Technology Center	Montgomery County Library	Montgomery County	
2006	6.85	0.50	6.30	1.74	2.00	17.39	60.06	60.06	2.58	2.58	1.25	1.25	18.24
2007	6.85	0.50	6.30	1.74	2.00	17.39	60.06	60.06	2.58	2.58	1.25	1.25	18.24
2008	6.85	0.50	6.30	1.74	2.00	17.39	60.06	60.06	2.58	2.58	1.25	1.25	20.24
2009	6.85	0.50	6.30	1.00	2.00	16.65	60.06	60.06	2.58	2.58	1.25	1.25	20.94
2010	6.85	0.50	8.30	2.00	2.00	19.65	60.06	60.06	2.58	2.58	1.75	1.75	20.94
2011	6.85	0.50	8.30	2.00	2.00	19.65	60.06	60.06	2.58	2.58	1.75	1.75	20.94
2012	6.85	0.50	8.30	2.00	2.00	19.65	60.06	60.06	2.58	2.58	1.75	1.75	20.94
2013	6.85	0.50	8.30	2.00	2.00	19.65	60.06	60.06	2.58	2.58	3.31	3.31	20.94
2014	6.85	0.50	12.45	2.00	2.00	23.80	61.06	61.06	2.58	2.58	3.31	3.31	20.94
2015	6.85	0.50	12.45	2.00	2.00	23.80	61.56	61.56	2.58	2.58	3.31	3.31	21.94

Source: County Auditor

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

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

Taxpayer	2015	
	Assessed Value	Percentage of Total Assessed Value
Dayton Power & Light Company	\$10,335,430	4.30%
Dayton Healthcare	4,220,350	1.76%
Vectren Energy Delivery of Ohio	2,584,350	1.08%
Shilo Apartments Limited	2,118,730	0.88%
Maria Joseph Properties, LLC	1,950,730	0.81%
Woodland Hills Associates	1,944,010	0.81%
Gated Properties VII LLC	1,760,820	0.73%
Shiloh Springs, LP	1,507,330	0.63%
Belle Meadows Associates LLC	1,359,750	0.57%
CK-HP Salem Woods LLC ET AL 3	1,127,100	0.47%
All Others	211,347,260	87.96%
Total Assessed Valuation	\$240,255,860	100.00%

Taxpayer	2006	
	Assessed Value	Percentage of Total Assessed Value
Dayton Power & Light Company	\$6,834,800	1.98%
Salem Square Improvement	4,689,730	1.36%
Castlebrook Capital Company	2,686,740	0.78%
Verizon (GTE)	2,303,250	0.67%
Tramlaw LLC	2,112,990	0.61%
Belle Meadows	1,912,930	0.55%
Groach Associates	1,889,980	0.55%
Lowes Companies, Inc	1,862,520	0.54%
Sears Roebuck & Co.	1,681,300	0.48%
Fieldstone Limited	1,414,140	0.41%
All Others	318,226,104	92.07%
Total Assessed Valuation	\$345,614,483	100.00%

Source: County Auditor

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

Calendar Year	Taxes Levied for the Calendar Year (1)	Collected within the Calendar Year of the Levy		Delinquent Levied in Subsequent Years	Total Collections to Date	
		Amount (2)	Percentage of Levy		Amount	Percentage of Levy
2006	\$5,102,486	\$4,698,677	92.09%	\$403,809	\$5,102,486	100.00%
2007	5,198,756	4,756,627	91.50%	442,129	5,198,756	100.00%
2008	5,114,181	4,473,466	87.47%	381,246	4,854,712	94.93%
2009	4,825,545	4,118,788	85.35%	397,166	4,515,954	93.58%
2010	5,798,953	5,191,344	89.52%	447,938	5,639,282	97.25%
2011	5,768,525	5,168,579	89.60%	216,908	5,385,487	93.36%
2012	5,213,861	4,682,117	89.80%	434,140	5,116,257	98.13%
2013	5,108,189	4,554,602	89.16%	137,026	4,691,628	91.85%
2014	6,210,526	5,584,912	89.93%	625,614	6,210,526	100.00%
2015	5,664,786	5,109,468	90.20%	378,455	5,487,923	96.88%

Source: County Auditor

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

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

Calendar Year	Tax Rate	Withholding Collections	Non-Withholding Collections	Gross Collections	Refunds	Net Collections
2006	2.25%	\$4,098,072	\$1,114,668	\$5,212,740	\$71,309	\$5,141,431
2007	2.25%	4,261,915	996,216	5,258,131	101,262	5,156,869
2008	2.25%	3,900,691	1,038,996	4,939,687	106,836	4,832,851
2009	2.25%	3,849,645	1,058,833	4,908,478	87,154	4,821,324
2010	2.25%	3,982,157	1,209,641	5,191,798	65,756	5,126,042
2011	2.25%	3,691,940	1,017,084	4,709,024	78,830	4,630,194
2012	2.25%	3,902,259	1,040,093	4,942,352	63,438	4,878,914
2013	2.25%	3,696,030	1,078,265	4,774,295	53,113	4,721,182
2014	2.25%	3,714,817	1,113,293	4,828,110	59,594	4,768,516
2015	2.25%	3,713,792	1,193,983	4,907,775	49,247	4,858,528

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

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

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

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

Calendar Year	Governmental Activities		Business-type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Capital Leases	General Obligation Bonds (1)	OPWC Loans	Government			
2006	\$3,330,000	\$570,923	\$0	\$27,111	\$3,928,034	0.02%	\$114	
2007	8,170,000	519,828	0	22,007	8,711,835	0.05%	247	
2008	7,850,000	346,968	0	16,748	8,213,716	0.04%	229	
2009	7,490,000	186,602	0	14,059	7,690,661	0.04%	219	
2010	15,564,706	1,273,371	0	8,560	16,846,637	0.09%	467	
2011	15,026,940	949,802	0	2,983	15,979,725	0.08%	424	
2012	15,642,581	874,556	603,317	308,636	17,429,090	0.08%	438	
2013	14,915,112	482,753	575,692	912,081	16,885,638	0.08%	421	
2014	14,182,638	113,802	536,446	878,173	15,711,059	0.07%	385	
2015	13,503,133	26,128	497,030	844,264	14,870,555	N/A	N/A	

Source: City Records

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

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

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

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

Calendar Year	General Bonded Debt Outstanding		General Bonded Debt Outstanding		Percentage of Actual Taxable Value of Property	Per Capita
	Total General		Net General			
	Obligation Bonds	Debt Service Fund Balance (1)	Obligation Bonds			
2006	\$3,330,000	\$213,752	\$3,543,752		0.35%	\$103
2007	8,170,000	67,189	8,237,189		0.78%	233
2008	7,850,000	75,507	7,925,507		0.73%	221
2009	7,490,000	68,819	7,558,819		0.78%	215
2010	15,125,000	4,656	15,129,656		1.61%	419
2011	14,605,000	0	14,605,000		1.61%	388
2012	16,245,898	95	15,841,819		2.04%	398
2013	15,490,804	186,306	15,677,110		2.07%	390
2014	14,719,084	18,264	14,737,348		1.95%	361
2015	14,000,163	900	14,001,063		2.05%	N/A

Source: City Records

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

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

City of Trotwood, Ohio
Direct and Overlapping Governmental Activities Debt
As of December 31, 2015
Schedule 14

Governmental Unit	Net Debt Outstanding	Estimated Percentage Applicable (1)	Amount Applicable to City of Trotwood
Dayton City School District	\$167,370,000	2.69%	\$4,502,253
Northmont City School District	53,201,703	0.46%	244,728
Trotwood-Madison City School District	28,974,804	92.01%	26,659,717
Brookville Local School District	17,416,156	0.63%	109,722
New Lebanon Local School District	2,125,000	2.09%	44,413
Miami Valley Career Center Joint Vocational School District	5,867,994	2.99%	175,453
Dayton Metro Library District Miscellaneous	169,280,000	3.38%	5,721,664
Subtotal Overlapping Debt	444,235,657		37,457,950
City of Trotwood - Direct Debt	13,529,261	100.00%	13,529,261
Total Direct and Overlapping Debt	\$457,764,918		\$50,987,211

Source: Ohio Municipal Advisory Council

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

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

Legal Debt Margin Calculation for Calendar Year 2015

Assessed Value	\$240,255,860	10.5%	\$240,255,860	5.5%	\$240,255,860
Statutory Legal Debt Limitation (1)					
Total Debt Limitation	25,226,865		25,226,865		13,214,072
Debt Applicable to Limit:					
Gross Indebtedness	12,495,876		12,495,876		12,495,876
Less: Debt Retirement Fund Balance	900		900		900
Total Net Debt Applicable to Limit	12,494,976		12,494,976		12,494,976
Legal Debt Margin	\$12,731,889		\$12,731,889		\$719,096

	Calendar Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Total Debt Limit (1)										
Debt Limit (10.5%)	\$36,289,521	\$36,896,568	\$36,293,975	\$35,517,663	\$34,461,590	\$33,936,733	\$28,628,769	\$28,003,542	\$27,945,738	\$25,226,865
Total Net Debt Applicable to Limit	15,944,512	12,489,646	13,308,209	12,766,842	13,292,275	12,447,785	14,169,821	13,580,102	13,083,378	12,494,976
Legal Debt Margin	\$20,345,009	\$24,406,922	\$22,987,766	\$22,750,821	\$21,169,315	\$21,488,948	\$14,458,948	\$14,423,440	\$14,862,360	\$12,731,889

Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	43.9%	33.9%	36.7%	35.9%	38.6%	36.7%	49.5%	48.5%	46.8%	49.5%
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	Calendar Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Total Unvoted Debt Limit (1)										
Debt Limit (5.5%)	\$19,008,797	\$19,326,774	\$19,012,177	\$18,604,490	\$18,051,309	\$17,776,384	\$14,996,022	\$14,668,522	\$14,638,244	\$13,214,072
Total Net Debt Applicable to Limit	15,944,512	12,489,646	13,308,209	12,766,842	13,292,275	12,447,785	14,169,821	13,580,102	13,083,378	12,494,976
Legal Debt Margin	\$3,064,285	\$6,837,128	\$5,703,968	\$5,837,648	\$4,759,034	\$5,328,599	\$826,201	\$1,088,420	\$1,554,866	\$719,096

Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	83.9%	64.6%	70.0%	68.6%	73.6%	70.0%	94.5%	92.6%	89.4%	94.6%
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Source: City Records

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

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

Note: The City has not had Pledged-Revenue Coverage during the last ten calendar years.

Source: City Records

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

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

Calendar Year	Population (1)	Personal Income (Thousands of Dollars) (2)	Per Capita Personal Income (3)	Unemployment Rate (4)
2006	27,420	\$18,606,241	\$34,387	6.00%
2007	27,420	18,996,515	35,301	6.20%
2008	27,420	19,161,715	35,823	7.40%
2009	27,420	18,829,675	35,176	11.40%
2010	27,431	19,347,596	36,108	10.10%
2011	27,431	20,258,807	37,684	8.60%
2012	27,431	21,263,616	39,795	7.00%
2013	27,431	21,514,166	40,150	7.50%
2014	27,431	21,778,263	40,851	4.80%
2015	27,431	N/A	N/A	4.70%

Sources:

- (1) - Population estimates provided by U.S. Census Bureau (2000 Census for years 2003 - 2009 and 2010 Census for years 2010 - 2012)
- (2) - Personal Income information provided by Bureau of Economic Analysis: Regional Economic Accounts
- (3) - Per Capita Personal Income information provided by Bureau of Economic Analysis: Regional Economic Accounts
- (4) - Ohio Department of Job and Family Services for Montgomery County
- N/A - Information not available due to a lag in data availability

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

2015	
Major Employers (3)	Type (4)
AES Corp./Dayton Power & Light Co.	Utility
Behr Dayton Thermal Products, LLC	Mfg
Dayton City Schools	Govt
DMAX Ltd.	Mfg
GE Capital	Fin
Green Tokai CO	Mfg
Kettering Health Network	Serv
PNC Financial Services Group	Fin
Premier Health Partners, Inc.	Serv
Reed Elsevier LexisNexis	Serv
Reynolds & Reynolds Co., Inc.	Mfg
University of Dayton	Serv
U.S. Federal Government	Govt

2010	
Major Employers (3)	Type (4)
Behr Dayton Thermal Products, LLC	Mfg
Dayton City Board of Education	Govt
DPL, Inc./Dayton Power & Light Co.	Util
General Motors Corp.	Mfg
Kettering Medical Center	Health
NCR Corp.	Mfg
Premier Health Partners, Inc.	Health
Reed Elsevier LexisNexis	Pub
Reynolds & Reynolds Co., Inc.	Mfg
University of Dayton	Edu
U.S. Federal Government	Govt

Source: Ohio Department of Development

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

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

Function/Program	Full-Time Equivalent Employees as of December 31									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government										
City Administration	4.0	4.0	4.0	3.0	3.0	3.0	3.5	3.5	3.5	2.5
City Council	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Public Works Administration	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	2.0	1.0
Buildings and Grounds	1.0	1.0	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Finance	9.4	9.4	8.7	8.0	8.0	8.8	8.8	8.8	9.5	10.0
Fleet Maintenance	2.1	2.1	2.1	2.1	2.1	0.0	3.0	3.0	3.0	3.0
Public Safety										
Police										
Officers	47.0	45.3	41.3	34.0	33.0	35.0	34.0	34.0	34.0	29.2
Non-Sworn	5.0	5.0	4.5	3.0	4.0	4.0	4.0	4.0	4.0	4.0
Fire	45.6	42.7	47.5	47.2	42.0	41.0	52.0	40.3	41.0	40.7
Leisure Time Activities										
Cemeteries	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	1.0
Parks and recreation	5.4	6.9	3.9	4.2	3.3	2.0	1.0	1.0	0.5	0.5
Community Development										
Planning and Zoning	4.3	4.0	3.3	3.0	3.0	2.5	2.0	2.0	1.5	0.8
Building Inspection/Code Enforcement	1.3	4.3	2.8	3.0	3.0	3.0	3.6	3.0	1.5	1.8
Economic Development	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Basic Utility Service										
Water	2.7	2.7	2.7	2.7	1.7	1.7	1.2	1.2	1.2	2.2
Sanitary Sewers	2.7	2.7	2.7	2.7	1.7	1.7	1.2	1.2	1.2	2.2
Refuse Collection	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	1.0
Transportation and Street Repair	9.6	7.7	6.9	6.9	6.5	6.5	6.5	6.5	6.5	6.7
Total	145.7	143.4	136.4	125.4	116.9	114.8	126.4	114.1	112.0	107.6

Source: Various City Departments

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

Function/Program	Calendar Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government										
Building permits issued	71	40	41	43	37	37	43	37	0	0
Zoning permits issued	116	108	95	126	99	121	146	95	62	41
Checks issued	3,544	3,431	3,411	3,122	2,835	2,666	2,631	2,393	1,784	1,786
Ordinances adopted	39	30	48	29	15	13	29	95	17	22
Resolutions adopted	94	75	94	91	88	87	73	14	89	80
Police										
Calls for service	32,049	34,982	35,227	33,161	31,617	32,599	30,288	30,987	31,726	30,939
Cases assigned	1,078	1,408	1,219	854	1,255	1,371	1,316	1,205	1,062	1,044
Suspects charged	314	421	306	274	260	362	247	194	198	127
Percent cases closed by arrest	29%	30%	25%	32%	21%	26%	19%	16%	19%	12%
Traffic accidents	479	389	406	401	364	358	378	366	447	476
Traffic stops	2,779	4,463	3,903	4,306	3,236	3,353	2,409	2,980	3,418	2,833
Fire										
Calls for service	1,054	1,181	1,405	1,052	1,362	1,324	1,200	1,342	1,294	1,274
Average response time (minutes)	7.3	7.5	7.3	6.9	6.3	6.5	6.5	6.4	6.6	6.5
Average calls per day	2.9	3.2	3.8	2.8	3.7	3.6	3.3	3.7	3.5	3.5
Average call duration (minutes)	97	94.3	98.4	76.2	68.0	0.0	53.9	114.2	100.8	99.5
EMS										
Calls for service	3,743	4,202	4,361	3,864	4,200	4,245	4,440	4,572	5,026	5,120
Average response time (minutes)	6.2	6.1	6.3	6.2	6.6	5.9	5.2	5.9	6.0	6.3
Average calls per day	10.3	11.5	12.5	10.5	11.5	11.6	12.2	12.5	13.8	14.0
Average call duration (minutes)	60	62	60	58	71	0	67	72	96	92

Source: Various City Departments
 N/A - Information not available

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

Function/Program	Calendar Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Public Works										
Street resurfacing (square yards)	47,585	50,022	50,000	0	123,200	0	93,848	25,500	25,000	27,000
Potholes repaired	1,500	3,800	7,200	8,000	9,000	9,000	9,000	9,000	9,800	11,191
Street cleaning (lane miles)	1,640	1,640	500	480	500	500	500	250	350	205
Street striping (miles)	12	20	10	20	10	20	20	12	35	30
Parks and recreation										
Shelter rentals	63	80	102	80	37	36	48	49	53	63
Pavilion rentals	11	21	16	9	2	0	2	2	0	4
Water										
Water main breaks	17	13	15	13	15	11	18	20	32	11
Wastewater										
Sewer main cleaning (miles)	10	10	12	10	12	12	11	12	15	8

Source: Various City Departments

N/A - Information not available

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

Function/Program	Calendar Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Fire Stations	3	3	3	3	3	3	3	3	3	3
Public Works										
Streets (lane-miles)	362	411	411	411	411	411	411	411	411	411
Streetlights	1,285	1,285	1,285	1,285	1,285	1,285	1,285	1,285	1,285	1,285
Traffic signaled intersections	41	41	41	41	41	41	41	41	41	41
Parks and Recreation										
Number of Parks	7	7	7	7	7	7	7	7	7	7
Acreage	150	150	150	150	150	150	150	150	150	150
Utilities										
Water Mains (miles)	38	38	38	38	38	38	38	38	38	38
Fire Hydrants	1,096	1,096	1,096	1,096	1,096	1,096	1,096	1,225	1,235	1,235
Storm Sewers (miles)	39	39	40	40	40	40	40	40	40	40
Sanitary Sewers (miles)	31	31	32	32	32	32	32	32	32	32

Source: Various City Departments
 N/A - Information not available

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Dave Yost • Auditor of State

CITY OF TROTWOOD

MONTGOMERY COUNTY

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
AUGUST 16, 2016**