

CITY OF TROTWOOD, OHIO



Yellow Book Report

December 31, 2017



Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the City of Trotwood, Montgomery County, prepared by Plattenburg & Associates, Inc., for the audit period January 1, 2017 through December 31, 2017. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

August 22, 2018

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Trotwood, Ohio (the City), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 29, 2018.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Plattenburg & Associates, Inc.

Dayton, Ohio
June 29, 2018

CITY OF TROTWOOD OHIO



**COMPREHENSIVE ANNUAL FINANCIAL REPORT
For The Fiscal Year Ended December 31, 2017**

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CITY OF TROTWOOD, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2017

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

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June 29, 2018

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, 2017. 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 on the City's financial operations and condition to the City's residents, its elected officials, management personnel, financial institutions, City bondholders, rating agencies and all other parties interested in the financial affairs of the City.

THE REPORTING ENTITY AND ITS SERVICES

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

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

On January 1, 1996, the City merged with Madison Township more than tripling its population and land 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.

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 27,500 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 currently employs over 2000 employees, many being Trotwood residents. Furthermore, the company generates an average annual payroll of \$ 32.5 million and has 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 employs approximately 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, GFS, Lowe's, and Home Depot. The City continues to promote redevelopment at the Salem Site.

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

The City also markets its light industrial park consisting of 38-acre site west of the Connector with railroad access available. In addition, 45 plus acres adjacent to the Industrial Park are available for future expansion.

The Trotwood Community Improvement Corporation, the City's official agent for economic development, is presently working with the City in creating and updating the plan for industrial, commercial, distribution and research development including the reclamation, rehabilitation and reutilization of vacant, abandoned, tax-foreclosed or other real properties.

RELEVANT FINANCIAL POLICIES

In December 2014, the State Legislature passed and Governor Kasich, signed into law, House Bill 5 and Senate Bill 342. House Bill 5 reforms Municipal Income Tax Collections. The implementation of House Bill 5 will have negative impacts on tax collections in the coming years, starting primarily in calendar year 2018 due to the corporate net operating loss carry forward provisions.

Senate Bill 342 phased out the use of Traffic Enforcement Cameras in 2015 resulting in a decrease of revenue from \$107,233 in 2015 to \$996 in 2016. In July 2017, the Ohio Supreme Court ruled restrictions on traffic cameras unconstitutional, giving cities the green light to resume use of cameras. The City has started using its red light/speed cameras as a deterrent to traffic violations at its high violation intersections. Revenues help fund law enforcement efforts within the City. The 2017 revenue was \$55,751.

LONG TERM FINANCIAL PLANNING

In the fall of 2015, during the financial planning budget workshop of City Council, the decision was made to hold the line on general fund expenditures. Over the next five years, the plan is to grow the carryover unencumbered cash fund balance to a target of a three month operating reserve. On December 31, 2017, the general fund unencumbered cash balance was \$1,378,000, or a two month reserve based on the 2018 general fund appropriations of \$8,029,000. The City is confident that it will reach its goal prior to the end of the five years. Also, the City is exploring several different scenarios to enhance general fund receipts to assist the City in providing services to its citizens.

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 and renovated by a carbon steel tube manufacturer, Epix Tube employing approximately 50 workers at an average salary of \$37,000, while the old Elder Beerman Warehouse has been converted to a light manufacturing operation by Specialty Manufacturing employing 73 persons in the City, with an average salary of \$ 47,800. Additionally Storage of America, a provider of climate controlled self- storage units, has acquired the Former Target big box location. They have converted the existing building into leasable, consumer storage units and employed 3 people as of late 2017. Also in 2017, other small facilities were repurposed. The Davita Dialysis Center opened in the vacated Bob Evans facility and the First Priority Urgent Care moved into the former River Valley Credit Union.

Korrek Plumbing Heating & Air Conditioning moved into their new corporate headquarters within the City of Trotwood. The company currently employs 68 people. In 2016, Korrek was recognized as the 23rd fastest growing company, 8th largest mechanical company and the 21st largest woman owned business in the Dayton Area.

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

At the end of 2017, the City was under consideration to become the Midwest distribution headquarters for a Fortune 1000 Company specializing in building materials and employing up to 100 people.

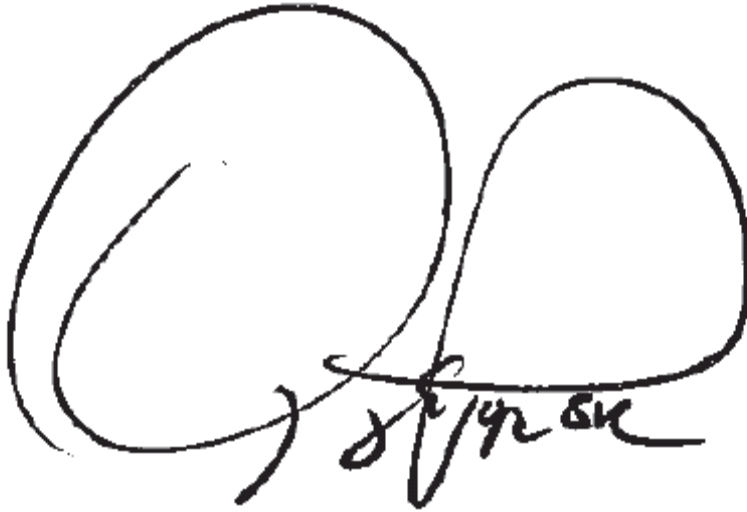
Housing Initiative

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 over 81 properties and currently has 29 properties in inventory. The TCIC has sold 52 properties to socially responsible developers who renovate, and return the properties to the Montgomery County real property tax roll, either through the sale to an owner/occupier or held as a rental unit.

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, consisting of two large, rounded loops followed by a series of smaller, connected strokes that form the letters 'Pope Sr'.

Quincy E. Pope, Sr.
City Manager

A handwritten signature in black ink, starting with a large 'C' and 'h', followed by 'A. Peeples' and a long, sweeping horizontal line at the end.

Chris A. Peeples
Finance Director

CITY OF TROTWOOD, OHIO
List of Elected and Appointed Officials
December 31, 2017

ELECTED OFFICIALS

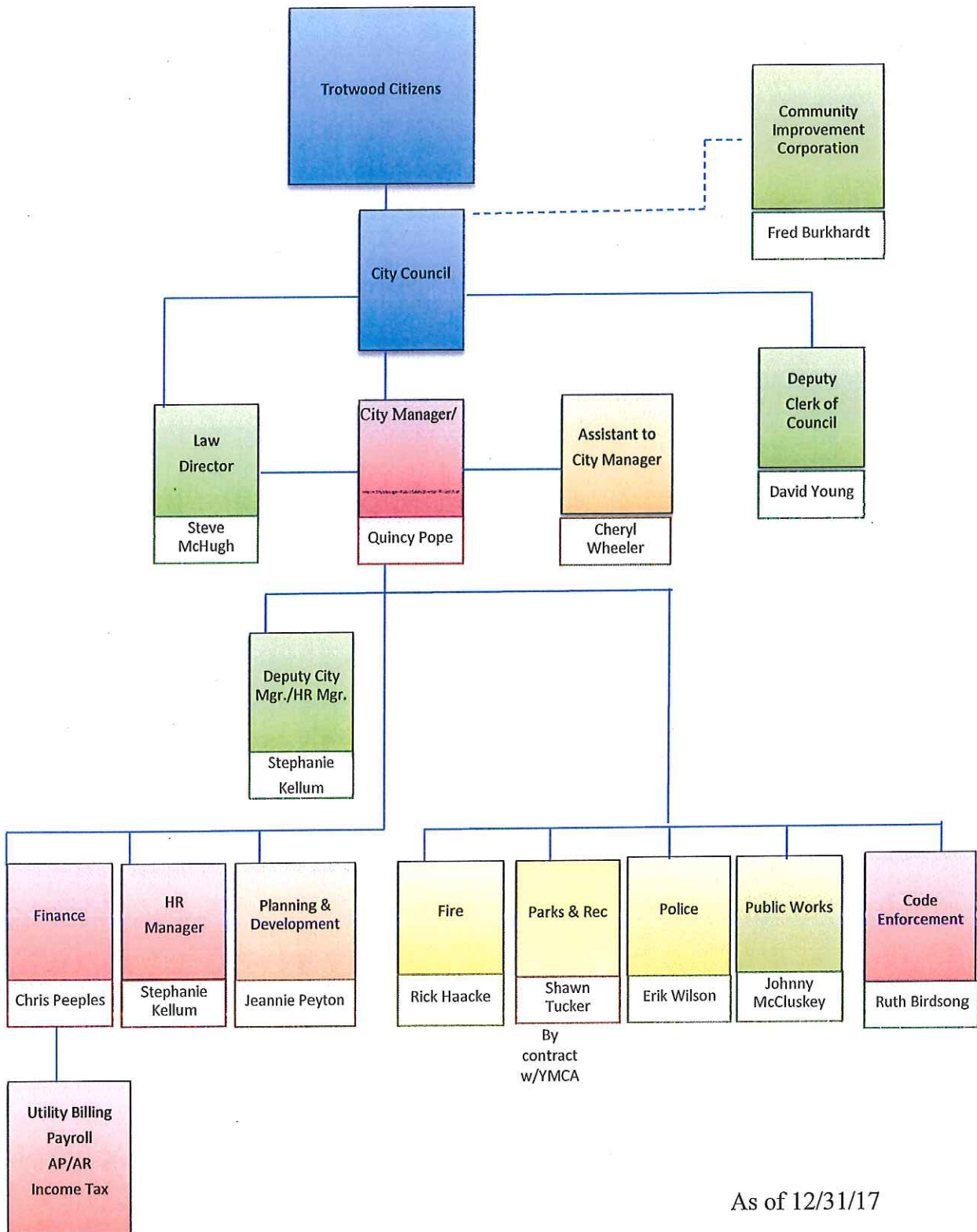
Mary A. McDonald	Mayor
Bettye L. Gales	Vice Mayor, Ward 1
Rhonda C. Finley	Councilmember, At Large
Robert L. Kelley, Jr.	Councilmember, At Large
Rap (John C.) Hankins	Councilmember, Ward 2
Charles R. Vaughn	Councilmember, Ward 3
James D. Williams, II	Councilmember, Ward 4

APPOINTED OFFICIALS

Quincy E. Pope	City Manager
Stephanie L. Kellum	Deputy City Manager /HR Manager
David Young	Deputy Clerk of Council
Chris A. Peebles	Finance Director
Erik L. Wilson	Police Chief
Richard A. Haacke	Fire Chief
Stephen M. McHugh	Law Director



Organizational Chart



As of 12/31/17



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, 2016

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

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

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, Ohio (the City) as of and for the year ended December 31, 2017, 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 the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2018, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Plattenburg & Associates, Inc.

Dayton, Ohio
June 29, 2018

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City of Trotwood, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2017
(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, 2017. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the City's performance.

Financial Highlights

- The City's total net position decreased \$650,272. Net position of governmental activities decreased \$1,215,789, and net position of business-type activities increased by \$565,517.
- The General Fund reported an increase in fund balance of \$438,225.
- Business-type operations reflected an operating income of \$282,582.

Overview of the Financial Statements

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

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

Government-wide Financial Statements

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

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

City of Trotwood, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2017
(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; 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.

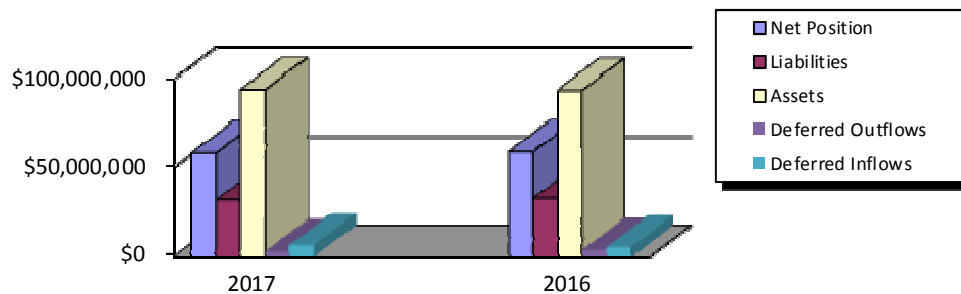
**City of Trotwood, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2017
(Unaudited)**

The City as a Whole

As stated previously, the Statement of Net Position looks at the City as a whole. Table 1 provides a summary of the City's net position for 2017 compared to 2016.

**Table 1
Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Assets:						
Current and Other Assets	\$16,991,280	\$16,285,517	\$8,906,615	\$7,843,026	\$25,897,895	\$24,128,543
Capital Assets	51,221,117	52,666,573	17,180,259	17,143,027	68,401,376	69,809,600
Total Assets	68,212,397	68,952,090	26,086,874	24,986,053	94,299,271	93,938,143
Deferred Outflows of Resources:						
Deferred Charge on Refunding Pension	195,912	208,973	0	0	195,912	208,973
	2,808,726	3,684,687	304,887	199,544	3,113,613	3,884,231
Total Deferred Outflows of Resources	3,004,638	3,893,660	304,887	199,544	3,309,525	4,093,204
Liabilities:						
Long-Term Liabilities	28,424,719	30,249,309	2,653,233	2,084,827	31,077,952	32,334,136
Other Liabilities	693,761	418,589	516,566	451,372	1,210,327	869,961
Total Liabilities	29,118,480	30,667,898	3,169,799	2,536,199	32,288,279	33,204,097
Deferred Inflows of Resources:						
Property Taxes	4,678,661	4,683,468	0	0	4,678,661	4,683,468
Grants and Other Taxes	0	0	10,000	0	10,000	0
Revenue in Lieu of Taxes	645,697	494,805	0	0	645,697	494,805
Pension	1,348,896	358,489	38,323	41,276	1,387,219	399,765
Total Deferred Inflows of Resources	6,673,254	5,536,762	48,323	41,276	6,721,577	5,578,038
Net Position:						
Net Investment In Capital Assets	37,330,226	38,079,036	15,557,100	15,637,455	52,887,326	53,716,491
Restricted	6,851,431	5,935,624	0	0	6,851,431	5,935,624
Unrestricted	(8,756,356)	(7,373,570)	7,616,539	6,970,667	(1,139,817)	(402,903)
Total Net Position	\$35,425,301	\$36,641,090	\$23,173,639	\$22,608,122	\$58,598,940	\$59,249,212



Total net position of the City as a whole decreased \$650,272. Net position of governmental activities decreased \$1,215,789 while net position of business-type activities increased by \$565,517. The City had an unrestricted net position balance of (\$1,139,817).

City of Trotwood, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2017
(Unaudited)

Capital assets decreased mainly due to current year depreciation expense exceeding current year additions. Long Term Liabilities decreased due to a decrease in net pension liability and outstanding debt.

Table 2 shows the changes in net position for the year ended December 31, 2017 and revenue and expense comparisons to 2016.

Table 2
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Program Revenues:						
Charges for Services	\$1,991,618	\$1,925,068	\$5,206,677	\$5,389,621	\$7,198,295	\$7,314,689
Operating Grants and Contributions	1,490,009	1,600,558	0	0	1,490,009	1,600,558
Capital Grants and Contributions	0	181,130	315,000	0	315,000	181,130
Total Program Revenues	3,481,627	3,706,756	5,521,677	5,389,621	9,003,304	9,096,377
General Revenues:						
Income Taxes	3,973,806	5,110,289	0	0	3,973,806	5,110,289
Property Taxes	4,744,562	5,049,513	0	0	4,744,562	5,049,513
Grants and Entitlements	625,779	616,185	0	0	625,779	616,185
Investment Earnings	47,304	8,930	0	0	47,304	8,930
Other Revenues	1,035,085	1,300,330	21,438	18,125	1,056,523	1,318,455
Total General Revenues	10,426,536	12,085,247	21,438	18,125	10,447,974	12,103,372
Total Revenues	13,908,163	15,792,003	5,543,115	5,407,746	19,451,278	21,199,749
Program Expenses:						
General Government	3,037,812	2,687,146	0	0	3,037,812	2,687,146
Public Safety	8,354,240	9,184,331	0	0	8,354,240	9,184,331
Community Development	420,596	501,769	0	0	420,596	501,769
Leisure Time	264,257	246,292	0	0	264,257	246,292
Transportation and Street Repair	2,489,403	1,753,586	0	0	2,489,403	1,753,586
Interest and Other Charges	557,644	672,288	0	0	557,644	672,288
Water	0	0	1,392,235	1,090,098	1,392,235	1,090,098
Sewer	0	0	1,094,038	792,109	1,094,038	792,109
Refuse	0	0	1,328,085	1,308,254	1,328,085	1,308,254
Stormwater	0	0	1,095,882	1,016,447	1,095,882	1,016,447
Other Enterprise Funds	0	0	67,358	0	67,358	0
Total Program Expenses	15,123,952	15,045,412	4,977,598	4,206,908	20,101,550	19,252,320
Change in Net Position	(1,215,789)	746,591	565,517	1,200,838	(656,272)	1,947,429
Net Position - Beginning of Year	36,641,090	35,894,499	22,608,122	21,407,284	59,249,212	57,301,783
Net Position - End of Year	\$35,425,301	\$36,641,090	\$23,173,639	\$22,608,122	\$58,598,940	\$59,249,212

Governmental Activities

The City of Trotwood's income taxes and property taxes are the largest source of revenue. These revenues represent 83.6% of the City's governmental activities total general revenue.

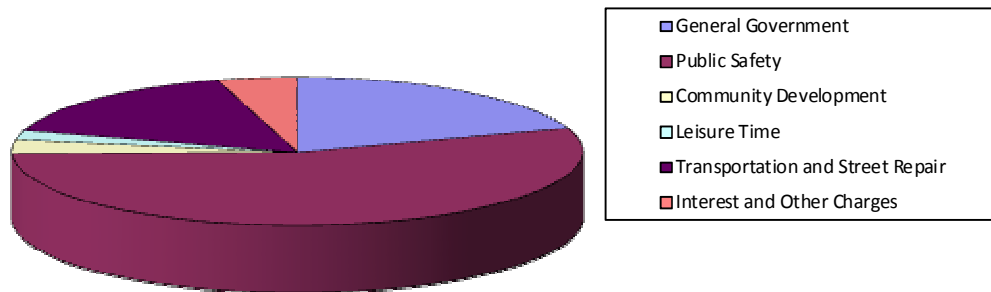
Charges for services revenue increased from 2016 due to an increase in EMS transportation services revenue. Operating grants and contributions decreased from 2016 due to a decrease in EDGE grants. Income and property tax revenues decreased from 2016 due to the timing of receivable collections. Other revenues decreased from 2016 due to a decrease in revenue in lieu of taxes received from the

City of Trotwood, Ohio
Management’s Discussion and Analysis
For The Year Ended December 31, 2017
(Unaudited)

Salam Mall TIF. Total expenses increased mainly due to an increase in Transportation and Street Repair expenses related to an increase in street maintenance and paving projects for 2017 as compared to 2016. General government expenses increased slightly from 2016 due to minor growth in city wide operations. Public safety expenses decreased from 2016 due to a decrease in pension expense in the police and fire pension system.

Governmental Activities
Program Expenses for 2017

	Percentage
General Government	20%
Public Safety	55%
Community Development	3%
Leisure Time	2%
Transportation and Street Repair	16%
Interest and Other Charges	4%
Total	100%



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 \$5,228,115 and operating expenses of \$4,945,533 for fiscal year 2017. The operating expenses increased in 2017 from 2016 because of an increase in pension expense. Business activities receive no support from tax revenues. The business activities net position at the end of the year was \$23,173,639, which increased \$565,517 from 2016.

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 \$388,278 in 2017. The sewer fund

City of Trotwood, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2017
(Unaudited)

had operating income of \$211,381 in 2017. The refuse fund had an operating income of \$103,280 in 2017. The stormwater fund had an operating loss of \$353,414 in 2017.

The City's Funds

The City has four major governmental funds: the General Fund, Street Construction Maintenance and Repair Fund, Fire Levy Fund, and Rescue Levy Fund. Assets of these funds comprised \$13,620,056 (80%) of the total \$16,969,319 governmental funds' assets.

General Fund: Fund balance at December 31, 2017 was \$1,800,188, an increase in fund balance of \$438,225 from 2016. The General fund balance increased mainly due to increases in income taxes received.

Street Construction Maintenance and Repair Fund: Fund balance at December 31, 2017 was \$1,846,861, an increase in fund balance of \$345,977 from 2016. The street construction maintenance and repair fund balance increased mainly due to reductions in Transportation and Street Repair expenditures for 2017 as compared to 2016.

Fire Levy Fund: Fund balance at December 31, 2017 was \$560,216 an increase in fund balance of \$342,971 from 2016. The Fire Levy fund balance increased mainly due to revenues exceeding expenditures which is consistent with prior years.

Rescue Levy Fund: Fund balance at December 31, 2017 was \$839,122, an increase in fund balance of \$174,281. The increase in fund balance was mainly due to reductions in salary and benefits.

General Fund Budgeting Highlights

The City's General Fund budget is formally adopted at the program or budget center level. Financial reports, which compare actual performance with the budget, are prepared monthly and presented to the Council so the Council is able to review the financial status and measure the effectiveness of the budgetary controls. As the City completed the year, its General Fund balance reported an actual fund balance of \$1,378,483, 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 \$68,401,376 invested in land, construction in progress, buildings and improvements, equipment and infrastructure. Table 3 shows 2017 balances compared to 2016:

City of Trotwood, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2017
(Unaudited)

Table 3
Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$26,763,209	\$26,763,209	\$12,026	\$12,026	\$26,775,235	\$26,775,235
Construction in Progress	47,734	0	554,672	0	602,406	0
Buildings and Improvements	9,352,232	9,352,232	0	0	9,352,232	9,352,232
Equipment	9,645,267	9,611,784	418,473	418,473	10,063,740	10,030,257
Infrastructure	47,607,950	47,607,950	41,035,693	41,035,693	88,643,643	88,643,643
Accumulated Depreciation	(42,195,275)	(40,668,602)	(24,840,605)	(24,323,165)	(67,035,880)	(64,991,767)
Total Net Capital Assets	<u>\$51,221,117</u>	<u>\$52,666,573</u>	<u>\$17,180,259</u>	<u>\$17,143,027</u>	<u>\$68,401,376</u>	<u>\$69,809,600</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 \$16,089,977 in long-term debt and \$936,923 due within one year.

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City of Trotwood, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2017
(Unaudited)

Table 4
Outstanding Debt at Year End

		2017	2016
Governmental Activities			
General Obligation Bonds			
2003 Various Purpose Bonds	5.11%	\$879,166	\$965,832
2007 Various Purpose Bonds	4.21%	100,000	305,000
2010 Various Purpose Bonds	3.00 - 4.25%	6,477,301	6,709,951
Premium on 2010 Bonds		315,347	333,113
2012 OAQDA Tax Exempt Energy Bonds	2.02%	391,836	507,526
2012 OAQDA Energy Conservation Bonds	4.28%	883,361	883,361
2016 Various Purpose Refunding	2.90%	3,300,000	3,325,000
2016 Various Purpose Improvements	2.90%	1,661,000	1,749,000
2017 Various Purpose Capital Improvement Bonds		255,000	0
Total General Obligation Bonds		<u>14,263,011</u>	<u>14,778,783</u>
Capital Leases		<u>8,987</u>	<u>17,728</u>
Total Governmental Activities Long-Term Debt		<u>14,271,998</u>	<u>14,796,511</u>
Business Type Activities:			
General Obligation Bonds			
2003 Various Purpose Bonds - Water Portion	5.11%	162,917	184,584
2003 Various Purpose Bonds - Sewer Portion	5.11%	162,917	184,584
2010 Various Purpose Bonds - Water Portion	3.00 - 4.25%	82,699	85,049
2016 Various Purpose Improvements	2.90%	229,000	241,000
2017 Various Purpose Capital Improvements Bonds - TCCAC		410,000	0
Total General Obligation Bonds		<u>1,047,533</u>	<u>695,217</u>
Loans			
2007 OPWC Loan - Sanitary Sewer	0.00%	200,821	218,821
2012 OPWC Loan - Water	0.00%	294,377	305,699
2012 OPWC Loan - Water	0.00%	275,248	285,835
Total Loans		<u>770,446</u>	<u>810,355</u>
Total Business-Type Activities Long-Term Debt		<u>1,817,979</u>	<u>1,505,572</u>
Total Debt		<u>\$16,089,977</u>	<u>\$16,302,083</u>

The City issued a 2017 Various Capital Improvement Bond of \$770,000 for 2017. At year end the bond had a balance of \$665,000. See Note 8 and 9 to the basic financial statements for further details on the City's long-term debt.

Contacting the City's Finance Department

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

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City of Trotwood, Ohio
Statement of Net Position
December 31, 2017

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in Pooled Cash and Investments	\$6,612,529	\$6,683,488	\$13,296,017
Receivables (Net):			
Taxes	8,728,112	0	8,728,112
Accounts	100,454	1,270,571	1,371,025
Intergovernmental	995,369	10,000	1,005,369
Special Assessments	400,975	928,870	1,329,845
Prepaid Items	153,841	13,686	167,527
Nondepreciable Capital Assets	26,810,943	566,698	27,377,641
Depreciable Capital Assets, Net	24,410,174	16,613,561	41,023,735
Total Assets	68,212,397	26,086,874	94,299,271
Deferred Outflows of Resources:			
Deferred Charge on Refunding Pension	195,912	0	195,912
	2,808,726	304,887	3,113,613
Total Deferred Outflows of Resources	3,004,638	304,887	3,309,525
Liabilities:			
Accounts Payable	409,594	500,057	909,651
Accrued Wages and Benefits	221,574	12,871	234,445
Accrued Interest Payable	62,593	3,638	66,231
Long-Term Liabilities:			
Due Within One Year	1,037,459	163,318	1,200,777
Due In More Than One Year			
Net Pension Liability	13,596,156	785,617	14,381,773
Other Amounts	13,791,104	1,704,298	15,495,402
Total Liabilities	29,118,480	3,169,799	32,288,279
Deferred Inflows of Resources:			
Property Taxes	4,678,661	0	4,678,661
Grants and Other Taxes	0	10,000	10,000
Revenue in Lieu of Taxes	645,697	0	645,697
Pension	1,348,896	38,323	1,387,219
Total Deferred Inflows of Resources	6,673,254	48,323	6,721,577
Net Position:			
Net Investment in Capital Assets	37,330,226	15,557,100	52,887,326
Restricted for:			
Debt Service	511	0	511
Capital Projects	806,036	0	806,036
Street Construction Maintenance and Repairs	2,363,696	0	2,363,696
State Highway	142,420	0	142,420
Permissive Use Tax	104,155	0	104,155
Grants	442,748	0	442,748
Law Enforcement Trust	23,145	0	23,145
Fire Levy	1,496,400	0	1,496,400
Rescue Levy	974,883	0	974,883
Other Purposes	497,437	0	497,437
Unrestricted	(8,756,356)	7,616,539	(1,139,817)
Total Net Position	\$35,425,301	\$23,173,639	\$58,598,940

See accompanying notes to the basic financial statements.

City of Trotwood, Ohio
Statement of Activities
For the Fiscal Year Ended December 31, 2017

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$3,037,812	\$561,505	\$97,659	\$0
Public Safety	8,354,240	1,130,222	387,844	0
Community Development	420,596	252,803	133,674	0
Leisure Time Activities	264,257	41,440	0	0
Transportation and Street Repair	2,489,403	5,648	870,832	0
Interest and Other Charges	557,644	0	0	0
Total Governmental Activities	15,123,952	1,991,618	1,490,009	0
Business-Type Activities:				
Water	1,392,235	1,751,408	0	0
Sewer	1,094,038	1,286,679	0	0
Refuse	1,328,085	1,430,724	0	0
Stormwater	1,095,882	737,866	0	0
Other Enterprise	67,358	0	0	315,000
Total Business-Type Activities	4,977,598	5,206,677	0	315,000
Totals	\$20,101,550	\$7,198,295	\$1,490,009	\$315,000

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

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
(\$2,378,648)	\$0	(\$2,378,648)
(6,836,174)	0	(6,836,174)
(34,119)	0	(34,119)
(222,817)	0	(222,817)
(1,612,923)	0	(1,612,923)
(557,644)	0	(557,644)
<u>(11,642,325)</u>	<u>0</u>	<u>(11,642,325)</u>
0	359,173	359,173
0	192,641	192,641
0	102,639	102,639
0	(358,016)	(358,016)
0	247,642	247,642
<u>0</u>	<u>544,079</u>	<u>544,079</u>
<u>(11,642,325)</u>	<u>544,079</u>	<u>(11,098,246)</u>
3,973,806	0	3,973,806
1,308,137	0	1,308,137
2,958,173	0	2,958,173
95,737	0	95,737
382,515	0	382,515
625,779	0	625,779
533,835	0	533,835
47,304	0	47,304
501,250	21,438	522,688
<u>10,426,536</u>	<u>21,438</u>	<u>10,447,974</u>
(1,215,789)	565,517	(650,272)
<u>36,641,090</u>	<u>22,608,122</u>	<u>59,249,212</u>
<u>\$35,425,301</u>	<u>\$23,173,639</u>	<u>\$58,598,940</u>

City of Trotwood, Ohio
Balance Sheet
Governmental Funds
December 31, 2017

	General	Street Construction Maintenance and Repair	Fire Levy	Rescue Levy	Other Governmental Funds
Assets:					
Equity in Pooled Cash and Investments	\$1,593,987	\$1,810,153	\$619,932	\$771,215	\$1,795,281
Receivables (Net):					
Taxes	3,176,254	510,632	3,014,513	576,941	1,449,772
Accounts	0	0	0	100,454	0
Intergovernmental	258,804	453,461	150,201	36,893	96,010
Special Assessments	394,016	0	0	0	6,959
Prepaid Items	87,440	9,169	34,533	21,458	1,241
Total Assets	5,510,501	2,783,415	3,819,179	1,506,961	3,349,263
Liabilities:					
Accounts Payable	262,044	20,067	42,641	16,391	68,451
Accrued Wages and Benefits	117,517	13,078	51,608	37,614	1,757
Total Liabilities	379,561	33,145	94,249	54,005	70,208
Deferred Inflows of Resources:					
Property Taxes	1,977,913	510,632	3,014,513	576,941	722,037
Income Taxes	721,706	0	0	0	0
Grants and Other Taxes	237,117	392,777	150,201	36,893	158,053
Special Assessments	394,016	0	0	0	6,959
Revenue in Lieu of Taxes	0	0	0	0	645,697
Total Deferred Inflows of Resources	3,330,752	903,409	3,164,714	613,834	1,532,746
Fund Balances:					
Nonspendable	87,440	9,169	34,533	21,458	1,241
Restricted	0	1,837,692	525,683	817,664	1,745,068
Assigned	39,055	0	0	0	0
Unassigned	1,673,693	0	0	0	0
Total Fund Balances	1,800,188	1,846,861	560,216	839,122	1,746,309
Total Liabilities, Deferred Inflows and Fund Balances	\$5,510,501	\$2,783,415	\$3,819,179	\$1,506,961	\$3,349,263

See accompanying notes to the basic financial statements.

Total
Governmental
Funds

\$6,590,568

8,728,112

100,454

995,369

400,975

153,841

16,969,319

409,594

221,574

631,168

6,802,036

721,706

975,041

400,975

645,697

9,545,455

153,841

4,926,107

39,055

1,673,693

6,792,696

\$16,969,319

City of Trotwood, Ohio
 Reconciliation of Total Governmental Fund Balance to
 Net Position of Governmental Activities
 December 31, 2017

Total Governmental Fund Balance		\$6,792,696
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		51,221,117
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		
Income Taxes	\$721,706	
Delinquent Property Taxes	2,123,375	
Intergovernmental	975,041	
Special Assessments	400,975	
		<u>4,221,097</u>
An internal service fund is used by management to charge back costs to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		
Internal Service Net Position		21,961
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.		
		(62,593)
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		(556,565)
Deferred outflow of resources associated with long-term liabilities are not reported in the funds.		
		195,912
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	2,808,726	
Deferred inflows of resources related to pensions	(1,348,896)	
		<u>1,459,830</u>
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Net Pension Liability	(13,596,156)	
Other Amounts	(14,271,998)	
		<u>(27,868,154)</u>
Net Position of Governmental Activities		<u>\$35,425,301</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, 2017

	General	Street Construction Maintenance and Repair	Fire Levy	Rescue Levy	Other Governmental Funds
Revenues:					
Property and Other Taxes	\$1,349,016	\$353,448	\$2,132,741	\$393,873	\$658,047
Income Taxes	5,081,794	0	0	0	0
Charges for Services	395,978	0	20	1,108,936	0
Investment Earnings	47,304	0	0	0	0
Intergovernmental	531,013	927,744	303,301	71,586	403,251
Special Assessments	134,120	0	0	0	5,648
Fines, Licenses & Permits	293,410	0	0	0	60,974
Revenue in Lieu of Taxes	56,712	0	0	0	477,124
Other Revenues	362,873	9,814	39,518	29,290	59,754
Total Revenues	8,252,220	1,291,006	2,475,580	1,603,685	1,664,798
Expenditures:					
Current:					
General Government	2,592,314	0	0	0	50,337
Public Safety	3,909,024	0	2,151,375	1,445,120	43,636
Community Development	346,617	0	0	0	48,393
Leisure Time Activities	199,411	0	0	0	0
Transportation and Street Repair	209,788	914,713	0	0	284,108
Capital Outlay	0	0	0	0	389,416
Debt Service:					
Principal	124,431	21,666	0	0	720,650
Interest and Other Charges	48,910	10,915	0	0	506,401
Total Expenditures	7,430,495	947,294	2,151,375	1,445,120	2,042,941
Excess of Revenues Over (Under) Expenditures	821,725	343,712	324,205	158,565	(378,143)
Other Financing Sources (Uses):					
Proceeds from Sale of Capital Assets	6,500	2,265	18,766	15,716	0
Issuance of Long-Term Capital-Related Debt	0	0	0	0	360,000
Transfers In	0	0	0	0	390,000
Transfers (Out)	(390,000)	0	0	0	0
Total Other Financing Sources (Uses)	(383,500)	2,265	18,766	15,716	750,000
Net Change in Fund Balance	438,225	345,977	342,971	174,281	371,857
Fund Balance - Beginning of Year	1,361,963	1,500,884	217,245	664,841	1,374,452
Fund Balance - End of Year	\$1,800,188	\$1,846,861	\$560,216	\$839,122	\$1,746,309

See accompanying notes to the basic financial statements.

Total
Governmental
Funds

\$4,887,125
5,081,794
1,504,934
47,304
2,236,895
139,768
354,384
533,836
501,249

15,287,289

2,642,651
7,549,155
395,010
199,411
1,408,609
389,416

866,747
566,226

14,017,225

1,270,064

43,247
360,000
390,000
(390,000)

403,247

1,673,311

5,119,385

\$6,792,696

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, 2017

Net Change in Fund Balance - Total Governmental Funds \$1,673,311

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	\$302,799	
Depreciation Expense	<u>(1,526,673)</u>	(1,223,874)

Governmental funds only report the disposal of assets to the
 extent proceeds are received from the sale. In the statement
 of activities, a gain or loss is reported for each disposal. The
 amount of the proceeds must be removed and the gain or loss
 on the disposal of capital assets must be recognized. This is the
 amount of the difference between the proceeds and the gain or loss. (221,582)

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	929,196	
Cost of benefits earned net of employee contributions	<u>(1,521,422)</u>	(592,226)

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

Income Taxes	(1,107,988)	
Delinquent Property Taxes	(142,564)	
Intergovernmental	(121,107)	
Special Assessments	<u>(7,468)</u>	(1,379,127)

Repayment of bond principal is an expenditure in the
 governmental funds, but the repayment reduces long-term
 liabilities in the statement of net position. 866,747

In the statement of activities interest expense is accrued when incurred;
 whereas, in governmental funds an interest expenditure is reported
 when due. 3,877

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	1,978	
Amortization of Bond Premium	17,766	
Amortization of Deferred Charge on Refunding	<u>(13,061)</u>	6,683

Continued

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 10,402

Proceeds from debt issues are an other financing source in the funds, but a debt issue increases long-term liabilities in the statement of net position.

(360,000)

Change in Net Position of Governmental Activities

(\$1,215,789)

See accompanying notes to the basic financial statements.

City of Trotwood, Ohio
Statement of Net Position
Proprietary Funds
December 31, 2017

	Business-Type Activities-Enterprise Funds				
	Water	Sewer	Refuse	Stormwater	Other Enterprise Fund
Current Assets:					
Equity in Pooled Cash and Investments	\$2,380,498	\$1,463,638	\$216,667	\$2,417,866	\$204,819
Receivables (Net):					
Accounts	468,835	356,708	287,391	157,637	0
Intergovernmental	0	0	0	0	10,000
Special Assessments	81,182	44,902	546,355	256,431	0
Prepaid Items	3,612	3,560	0	6,514	0
Total Current Assets	2,934,127	1,868,808	1,050,413	2,838,448	214,819
Noncurrent Assets:					
Capital Assets:					
Nondepreciable Capital Assets	0	12,026	0	44,675	509,997
Depreciable Capital Assets, Net	1,637,952	572,254	0	14,403,355	0
Total Noncurrent Assets	1,637,952	584,280	0	14,448,030	509,997
Total Assets	4,572,079	2,453,088	1,050,413	17,286,478	724,816
Deferred Outflows of Resources:					
Pension	80,816	79,636	0	144,435	0
Total Deferred Outflows of Resources	80,816	79,636	0	144,435	0
Liabilities:					
Current Liabilities:					
Accounts Payable	168,165	137,477	102,568	35,088	56,759
Accrued Wages and Benefits	3,560	3,560	0	5,751	0
Compensated Absences	6,338	6,304	0	11,367	0
Accrued Interest Payable	1,812	1,411	0	0	415
Long-Term Liabilities Due Within One Year	58,809	40,500	0	0	40,000
Total Current Liabilities	238,684	189,252	102,568	52,206	97,174
Long-Term Liabilities:					
Compensated Absences	6,587	6,584	0	12,457	0
Bonds, Notes & Loans Payable	985,432	323,238	0	0	370,000
Net Pension Liability	208,242	205,202	0	372,173	0
Total Noncurrent Liabilities	1,200,261	535,024	0	384,630	370,000
Total Liabilities	1,438,945	724,276	102,568	436,836	467,174
Deferred Inflows of Resources:					
Grants and Other Taxes	0	0	0	0	10,000
Pension	10,158	10,010	0	18,155	0
Total Deferred Inflows of Resources	10,158	10,010	0	18,155	10,000
Net Position:					
Net Investment in Capital Assets	593,711	220,542	0	14,448,030	294,817
Unrestricted	2,610,081	1,577,896	947,845	2,527,892	(47,175)
Total Net Position	\$3,203,792	\$1,798,438	\$947,845	\$16,975,922	\$247,642

See accompanying notes to the basic financial statements.

Total Business-Type Activities	Governmental Activities- Internal Service Funds
\$6,683,488	\$21,961
1,270,571	0
10,000	0
928,870	0
13,686	0
<u>8,906,615</u>	<u>21,961</u>
566,698	0
<u>16,613,561</u>	<u>0</u>
<u>17,180,259</u>	<u>0</u>
<u>26,086,874</u>	<u>21,961</u>
<u>304,887</u>	<u>0</u>
<u>304,887</u>	<u>0</u>
500,057	0
12,871	0
24,009	0
3,638	0
139,309	0
<u>679,884</u>	<u>0</u>
25,628	0
1,678,670	0
785,617	0
<u>2,489,915</u>	<u>0</u>
<u>3,169,799</u>	<u>0</u>
10,000	0
<u>38,323</u>	<u>0</u>
<u>48,323</u>	<u>0</u>
15,557,100	0
<u>7,616,539</u>	<u>21,961</u>
<u>\$23,173,639</u>	<u>\$21,961</u>

City of Trotwood, Ohio
Statement of Revenues, Expenses
and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended December 31, 2017

	Business-Type Activities-Enterprise Funds				
	Water	Sewer	Refuse	Stormwater	Other Enterprise Fund
Operating Revenues:					
Charges for Services	\$1,751,408	\$1,286,679	\$1,430,724	\$737,866	\$0
Other Revenues	8,245	7,950	641	4,602	0
Total Operating Revenues	1,759,653	1,294,629	1,431,365	742,468	0
Operating Expenses:					
Personal Services	232,038	229,429	0	394,847	0
Contractual Services	1,061,935	786,606	1,328,085	205,850	66,943
Supplies and Materials	25,593	23,821	0	42,330	0
Depreciation	43,341	21,244	0	452,855	0
Other Expense	8,468	22,148	0	0	0
Total Operating Expenses	1,371,375	1,083,248	1,328,085	1,095,882	66,943
Operating Income (Loss)	388,278	211,381	103,280	(353,414)	(66,943)
Non-Operating Revenues (Expenses):					
Interest (Expense)	(20,860)	(10,790)	0	0	(415)
Total Non-Operating Revenues (Expenses)	(20,860)	(10,790)	0	0	(415)
Income (Loss) Before Contributions and Transfers	367,418	200,591	103,280	(353,414)	(67,358)
Capital Grants and Contributions	0	0	0	0	315,000
Change in Net Position	367,418	200,591	103,280	(353,414)	247,642
Net Position - Beginning of Year	2,836,374	1,597,847	844,565	17,329,336	0
Net Position - End of Year	\$3,203,792	\$1,798,438	\$947,845	\$16,975,922	\$247,642

See accompanying notes to the basic financial statements.

Total Business-Type Activities	Governmental Activities- Internal Service Funds
\$5,206,677	\$0
21,438	19,001
<u>5,228,115</u>	<u>19,001</u>
856,314	0
3,449,419	8,599
91,744	0
517,440	0
30,616	0
<u>4,945,533</u>	<u>8,599</u>
<u>282,582</u>	<u>10,402</u>
<u>(32,065)</u>	<u>0</u>
<u>(32,065)</u>	<u>0</u>
250,517	10,402
<u>315,000</u>	<u>0</u>
565,517	10,402
<u>22,608,122</u>	<u>11,559</u>
<u>\$23,173,639</u>	<u>\$21,961</u>

City of Trotwood, Ohio
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended December 31, 2017

	Business-Type Activities-Enterprise Funds				
	Water	Sewer	Refuse	Stormwater	Other Enterprise Fund
Cash Flows from Operating Activities:					
Cash Received from Customers	\$1,784,533	\$1,322,757	\$1,411,709	\$738,610	\$0
Cash Payments to Employees	(185,532)	(182,771)	0	(339,385)	0
Cash Payments to Suppliers	(1,114,064)	(814,848)	(1,331,808)	(250,404)	(10,184)
Net Cash Provided (Used) by Operating Activities	484,937	325,138	79,901	148,821	(10,184)
Cash Flows from Capital and Related Financing Activities:					
Payments for Capital Acquisitions	0	0	0	(44,675)	(194,997)
Debt Proceeds	0	0	0	0	410,000
Debt Principal Payments	(57,926)	(39,667)	0	0	0
Debt Interest Payments	(21,036)	(10,915)	0	0	0
Net Cash Provided (Used) by Capital and Related Financing Activities	(78,962)	(50,582)	0	(44,675)	215,003
Net Increase (Decrease) in Cash and Cash Equivalents	405,975	274,556	79,901	104,146	204,819
Cash and Cash Equivalents - Beginning of Year	1,974,523	1,189,082	136,766	2,313,720	0
Cash and Cash Equivalents - End of Year	2,380,498	1,463,638	216,667	2,417,866	204,819
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Operating Income (Loss)	388,278	211,381	103,280	(353,414)	(66,943)
Adjustments:					
Depreciation	43,341	21,244	0	452,855	0
Changes in Assets & Liabilities:					
(Increase) Decrease in Receivables	24,880	28,128	(19,656)	(3,858)	0
(Increase) Decrease in Inventory	0	0	0	(6,514)	0
(Increase) Decrease in Prepaid Items	(3,612)	(3,560)	0	0	0
(Increase) Decrease in Deferred Outflows of Resources	(31,803)	(31,541)	0	(41,999)	0
Increase (Decrease) in Payables	(14,456)	21,287	(3,723)	4,290	56,759
Increase (Decrease) in Accrued Liabilities	(806)	(337)	0	(1,765)	0
Increase (Decrease) in Deferred Inflows of Resources	20	61	0	(3,034)	0
Increase (Decrease) in Net Pension Liability	79,095	78,475	0	102,260	0
Net Cash Provided (Used) by Operating Activities	\$484,937	\$325,138	\$79,901	\$148,821	(\$10,184)
Schedule of Noncash Capital Activities:					
During the fiscal year, these amounts were received representing noncash contributions of:					
Capital Assets	\$0	\$0	\$0	\$0	\$315,000

See accompanying notes to the basic financial statements.

Total Business-Type Activities	Governmental Activities- Internal Service Funds
\$5,257,609	\$19,001
(707,688)	0
<u>(3,521,308)</u>	<u>(8,599)</u>
1,028,613	10,402
(239,672)	0
410,000	0
(97,593)	0
<u>(31,951)</u>	<u>0</u>
40,784	0
1,069,397	10,402
<u>5,614,091</u>	<u>11,559</u>
<u>6,683,488</u>	<u>21,961</u>
282,582	10,402
517,440	0
29,494	0
(6,514)	0
(7,172)	0
(105,343)	0
64,157	0
(2,908)	0
(2,953)	0
<u>259,830</u>	<u>0</u>
<u>\$1,028,613</u>	<u>\$10,402</u>
<u>\$315,000</u>	<u>\$0</u>

City of Trotwood, Ohio
Statement of Fiduciary Net Position
Fiduciary Fund
December 31, 2017

	<u>Agency</u>
Assets:	
Equity in Pooled Cash and Investments	<u>\$32,400</u>
Total Assets	<u>32,400</u>
Liabilities:	
Undistributed Monies	<u>32,400</u>
Total Liabilities	<u>\$32,400</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, 2017

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 included on the Statement of Net Position.

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2017

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, 2017

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 deferred outflows, and liabilities and deferred inflows is reported as fund balance. The following are the City's major governmental funds:

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

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.

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

Proprietary Funds

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

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2017

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.

Revenues - Exchange and Non-exchange Transactions

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

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2017

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

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

Deferred Outflows/Inflows of Resources

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

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, 2017, but which were levied to finance year 2018 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. Grants and other taxes have been recorded as deferred inflows on the governmental fund financial statements. Special assessments have been recorded as deferred inflows on the governmental funds balance sheet. Deferred outflows of resources related to pension are reported on the government-wide statement of net position. (See Note 10.)

Expenses/Expenditures

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

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

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2017

Equity in Pooled Cash and Investments

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

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

STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The City measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio, which is the price the investment could be sold for on December 31, 2017. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2017, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

For purposes of the statement of cash flows and for presentation on the statement of net position/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 2017 amounted to \$47,304.

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.

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2017

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

All reported capital assets are depreciated except for land. 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.

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2017

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.

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

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2017

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 \$6,851,431 in restricted net position, none was restricted by enabling legislation.

Operating Revenues and Expenses

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

Interfund Activity

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

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2017

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

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

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

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

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2017

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, 2017, \$1,608,427 of the City's bank balance of \$1,922,385 was exposed to custodial risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the City's name. At year end, the carrying amount of the City's deposits was \$1,782,275.

Any public depository in which the City places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). Financial institutions participating in the Ohio Pooled Collateral System (OPCS), a centralized collateral system monitored by the Ohio Treasurer of State, must pledge eligible securities equal to at least 102% of the carrying value of all public deposits held by each institution. Financial institutions choosing not to participate in the OPCS must pledge securities equal to at least 105% of the carrying value of all public deposits held by each institution. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any other state or any instrumentality of such county, municipal corporation or other authority. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

Investments

As of December 31, 2017, the City had \$11,546,138 invested in STAR Ohio. Investments in STAR Ohio were rated AAAM by Standard and Poor's.

Note 4 – Receivables

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

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

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City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2017

	As of December 31, 2017					
	General Fund	Other				
		Governmental Funds	Water Fund	Sewer Fund	Refuse Fund	Stormwater Fund
Special Assessments Receivable	\$2,733,081	\$9,394	\$161,183	\$84,741	\$1,054,968	\$555,776
Allowance for Doubtful Accounts	(2,339,064)	(2,434)	(80,001)	(39,839)	(508,613)	(299,345)
Special Assessments Receivable, Net	\$394,017	\$6,960	\$81,182	\$44,902	\$546,355	\$256,431

Property Taxes

Property taxes include amounts levied against all real and public utility, located in the City. Property tax revenue received during 2017 for real and public utility property taxes represents collections of the 2016 taxes.

The 2017 real property taxes are levied after October 1, 2017, on the assessed value as of January 1, 2017, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2017 real property taxes are collected in and intended to finance 2018 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 2017 public utility property taxes became a lien December 31, 2016, are levied after October 1, 2017, and are collected in 2017 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	\$225,170,570
Public Utility	<u>13,755,120</u>
Total	<u><u>\$238,925,690</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.

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2017

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

Note 5 – Risk Management

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

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

<u>Type of Coverage</u>	<u>Coverage</u>	<u>Deductible</u>
Legal Liability for Third Party Claims	\$2,000,000	\$10,000
Automobile Liability	2,000,000	5,000
Law Enforcement Operations	2,000,000	25,000
Wrongful Acts (Public Officials)	2,000,000	10,000
Real and Personal Property	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:

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2017

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital Assets, not being depreciated:				
Land	\$26,763,209	\$0	\$0	\$26,763,209
Construction in Progress	0	47,734	0	47,734
Capital Assets, being depreciated:				
Buildings and Improvements	9,352,232	0	0	9,352,232
Equipment	9,611,784	255,065	221,582	9,645,267
Infrastructure	47,607,950	0	0	47,607,950
Totals at Historical Cost	93,335,175	302,799	221,582	93,416,392
Less Accumulated Depreciation:				
Buildings and Improvements	4,700,112	198,864	0	4,898,976
Equipment	7,127,284	439,981	0	7,567,265
Infrastructure	28,841,206	887,828	0	29,729,034
Total Accumulated Depreciation	40,668,602	1,526,673	0	42,195,275
Governmental Activities Capital Assets, Net	\$52,666,573	(\$1,223,874)	\$221,582	\$51,221,117
	Beginning Balance	Additions	Deletion	Ending Balance
Business-Type Activities				
Capital Assets, not being depreciated:				
Land	\$12,026	\$0	\$0	\$12,026
Construction In Progress	0	554,672	0	554,672
Total Capital Assets, not being depreciated	12,026	554,672	0	566,698
Capital Assets, being depreciated:				
Equipment	418,473	0	0	418,473
Infrastructure	41,035,693	0	0	41,035,693
Totals at Historical Cost	41,466,192	554,672	0	42,020,864
Less Accumulated Depreciation:				
Equipment	388,015	5,169	0	393,184
Infrastructure	23,935,150	512,271	0	24,447,421
Total Accumulated Depreciation	24,323,165	517,440	0	24,840,605
Business-Type Activities Capital Assets, Net	\$17,143,027	\$37,232	\$0	\$17,180,259

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2017

Depreciation expense was charged to governmental functions as follows:

General Government	\$111,435
Public Safety	408,423
Leisure Time	34,792
Community Development	1,167
Transportation	970,856
Total Depreciation Expense	<u>\$1,526,673</u>

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

Water	\$43,341
Sewer	21,244
Stormwater	452,855
Total Depreciation Expense	<u>\$517,440</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 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 – 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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City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2017

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental Activities					
<u>Bonds Payable</u>					
2003 Various Purpose Bonds, 5.11%	\$965,832	\$0	(\$86,666)	\$879,166	\$90,000
2007 Various Purpose Bonds, 4.21%	305,000	0	(205,000)	100,000	50,000
2016 Various Purpose Refunding	3,325,000	0	(25,000)	3,300,000	180,000
2016 Various Purpose Improvements	1,749,000	0	(88,000)	1,661,000	88,000
2010 Various Purpose Bonds, 3.00-4.25%	6,709,951	0	(232,650)	6,477,301	237,600
Premium on 2010 Bonds	333,113	0	(17,766)	315,347	0
2012 OAQDA Tax Exempt Energy Bonds, 2.02%	507,526	0	(115,690)	391,836	118,027
2012 OAQDA Energy Conservation Bonds, 4.28%	883,361	0	0	883,361	0
2017 Various Purpose Capital Improvement Bonds, 2.43%	0	360,000	(105,000)	255,000	25,000
Total Bonds Payable	14,778,783	360,000	(875,772)	14,263,011	788,627
Capital Leases	17,728	0	(8,741)	8,987	8,987
Total Long-Term Debt	14,796,511	360,000	(884,513)	14,271,998	797,614
Net Pension Liability:					
OPERS	2,191,746	427,065	0	2,618,811	0
OP&F	12,678,552	0	(1,701,207)	10,977,345	0
Total Net Pension Liability	14,870,298	427,065	(1,701,207)	13,596,156	0
Compensated Absences	582,500	205,146	(231,081)	556,565	239,845
Total Governmental Activities	\$30,249,309	\$992,211	(\$2,816,801)	\$28,424,719	\$1,037,459
	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Business Type Activities					
<u>Bonds Payable</u>					
2003 Various Purpose Water Bonds, 5.11%	\$184,584	\$0	(\$21,667)	\$162,917	\$22,500
2003 Various Purpose Sewer Bonds, 5.11%	184,584	0	(21,667)	162,917	22,500
2010 Various Purpose Water Bonds, 3.00-4.25%	85,049	0	(2,350)	82,699	2,400
2016 Various Purpose Improvements	241,000	0	(12,000)	229,000	12,000
2017 Various Purpose Capital Improvement Bonds - TCCAC	0	410,000	0	410,000	40,000
Total Bonds Payable	695,217	410,000	(57,684)	1,047,533	99,400
Net Pension Liability:					
OPERS	525,787	259,830	0	785,617	0
Total Net Pension Liability	525,787	259,830	0	785,617	0
<u>Loans Payable</u>					
2007 OPWC Loan - Sanitary Sewer - 0.00%	218,821	0	(18,000)	200,821	18,000
2012 OPWC Loan - Water - 0.00%	305,699	0	(11,322)	294,377	11,322
2012 OPWC Loan - Water - 0.00%	285,835	0	(10,587)	275,248	10,587
Total Loans Payable	810,355	0	(39,909)	770,446	39,909
Compensated Absences	53,468	16,236	(20,067)	49,637	24,009
Total Business-Type Activities	\$2,084,827	\$686,066	(\$117,660)	\$2,653,233	\$163,318

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

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2017

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%.

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.

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

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

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City of Trotwood, Ohio
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Year Ending December 31	Governmental Activities		Business-Type Activities			
	General		General		OPWC Loans	
	Obligation Bonds		Obligation Bonds		OPWC Loans	
	Principal	Interest	Principal	Interest	Principal	Interest
2018	\$788,627	\$539,993	\$99,400	\$38,986	\$39,909	\$0
2019	829,687	514,830	90,725	35,915	39,909	0
2020	796,456	488,664	96,388	32,692	40,908	0
2021	826,313	464,023	99,013	29,329	41,909	0
2022	857,448	431,009	99,738	25,768	46,908	0
2023-2027	4,329,316	1,632,131	427,086	69,434	210,364	0
2028-2032	4,038,675	815,150	116,325	15,969	109,542	0
2033-2037	1,481,142	123,019	18,858	1,557	109,542	0
2038-2042	0	0	0	0	109,542	0
2043	0	0	0	0	21,913	0
Total	<u>\$13,947,664</u>	<u>\$5,008,819</u>	<u>\$1,047,533</u>	<u>\$249,650</u>	<u>\$770,446</u>	<u>\$0</u>

Note 9 – Capital Leases

The City has entered into capital leases for 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
2018	\$9,250
Total Minimum Lease Payments	9,250
Less: Amount Representing Interest	(263)
Present Value of Minimum Lease Payments	<u>\$8,987</u>

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

Note 10 - 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.

City of Trotwood, Ohio
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For The Fiscal Year Ended December 31, 2017

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, 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 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.

Ohio Public Employees Retirement System (OPERS)

Plan Description – The City's employees 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, including requirements for reduced and unreduced benefits):

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2017

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:

City of Trotwood, Ohio
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	<u>State and Local</u>	<u>Public Safety</u>	<u>Law Enforcement</u>
2017 Statutory Maximum Contribution Rates			
Employer	14.0 %	18.1 %	18.1 %
Employee	10.0 %	*	**
2017 Actual Contribution Rates			
Employer:			
Pension	13.0 %	17.1 %	17.1 %
Post-employment Health Care Benefits	1.0	1.0	1.0
Total Employer	<u>14.0 %</u>	<u>18.1 %</u>	<u>18.1 %</u>
Employee	<u>10.0 %</u>	<u>12.0 %</u>	<u>13.0 %</u>

* 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 is contractually required contribution was \$269,615 for 2017. Of this amount \$22,865 is reported as accrued wages and benefits.

Ohio Police & Fire Pension Fund (OPF)

Plan Description - City full-time safety officers 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.opf.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 retirement age is 48 for normal service retirement with at least 25 years of service credit.

City of Trotwood, Ohio
Notes to the Basic Financial Statements
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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>Safety Officers</u>
2017 Statutory Maximum Contribution Rates	
Employer	19.50 %
Employee	12.25 %
2017 Actual Contribution Rates	
Employer:	
Pension	19.00 %
Post-employment Health Care Benefits	<u>0.50</u>
Total Employer	<u>19.50 %</u>
Employee	12.25 %

The City's contractually required contribution to OPF was \$721,798 for 2017. Of this amount \$51,656 is reported as accrued wages and benefits.

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

The net pension liability for OPERS was measured as of December 31, 2016, 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, 2016, and was determined by rolling forward the total pension liability as of January 1, 2016, to December 31, 2016. The City

City of Trotwood, Ohio
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proportion of the net pension liability was based on the City 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>OPF</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$3,404,428	\$10,977,345	\$14,381,773
Proportion of the Net Pension Liability			
Current Measurement Date	0.01499200%	0.17331100%	
Proportion of the Net Pension Liability			
Prior Measurement Date	<u>0.01568900%</u>	<u>0.19708400%</u>	
Change in Proportionate Share	-0.0006970%	-0.0237730%	
Pension Expense	\$619,386	\$1,115,788	\$1,735,174

At December 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS</u>	<u>OPF</u>	<u>Total</u>
Deferred Outflows of Resources:			
Differences between expected and actual experience	\$4,614	\$3,106	\$7,720
Changes in assumptions	539,984	0	539,984
Net difference between projected and actual earnings			
on pension plan investments	506,998	1,067,498	1,574,496
Contributions subsequent to the measurement date	<u>269,615</u>	<u>721,798</u>	<u>991,413</u>
Total Deferred Outflows of Resources	<u>\$1,321,211</u>	<u>\$1,792,402</u>	<u>\$3,113,613</u>
Deferred Inflows of Resources:			
Differences between expected and actual experience	\$20,261	\$25,274	\$45,535
Changes in employer proportionate share of net			
pension liability	<u>145,813</u>	<u>1,195,871</u>	<u>1,341,684</u>
Total Deferred Inflows of Resources	<u>\$166,074</u>	<u>\$1,221,145</u>	<u>\$1,387,219</u>

\$991,413 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, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

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Notes to the Basic Financial Statements
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Year Ending			
December 31:	OPERS	OPF	Total
2018	\$322,819	\$165,429	\$488,248
2019	399,767	165,429	565,196
2020	177,797	68,690	246,487
2021	(14,861)	(312,422)	(327,283)
2022	0	(216,667)	(216,667)
Thereafter	0	(21,000)	(21,000)
Total	<u>\$885,522</u>	<u>(\$150,541)</u>	<u>\$734,981</u>

Actuarial Assumptions – OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2016, using the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 67. In 2016, the Board’s actuarial consultants conducted an experience study for the period 2011 through 2015, comparing assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed rate of return from 8.0% down to 7.5%, for the defined benefit investments. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below:

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Key Methods and Assumptions Used in Valuation of Total Pension Liability

Actuarial Information	Traditional Pension Plan
Valuation Date	December 31, 2016
Experience Study	5 year period ending December 31, 2015
Actuarial Cost Method	Individual Entry Age
Actuarial Assumptions:	
Investment Rate of Return	7.50%
Wage Inflation	3.25%
Projected Salary Increases	3.25% - 10.75% (includes wage inflation at 3.25%)
Cost-of-Living Adjustments:	
Pre 1/7/2013 Retirees	3.00% Simple,
Post 1/7/2013 Retirees	3.00% Simple,
Through 2018, then	2.15% Simple.

Mortality rates are based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

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

During 2016, OPERS managed investments in four investment portfolios: the Defined Benefit portfolio, the 401(h) Health Care Trust portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The 401(h) Health Care Trust portfolio was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. The Defined Benefit portfolio historically included the assets of the Member-Directed retiree medical accounts funded through the VEBA Trust. However, the VEBA Trust was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. 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 annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio is 8.3% for 2016.

City of Trotwood, Ohio
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The allocation of investment assets within the Defined Benefit portfolio is approved by the Board 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 through the defined benefit pension plans. The following table displays the Board-approved asset allocation policy for 2016 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 %	2.75 %
Domestic Equities	20.70	6.34
Real Estate	10.00	4.75
Private Equity	10.00	8.97
International Equities	18.30	7.95
Other Investments	18.00	4.92
Total	100.00 %	5.66 %

Discount Rate - The discount rate used to measure the total pension liability was 7.5%, post-experience study results, for the Traditional Pension Plan, Combined Plan and Member-Directed Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following table presents the net pension liability or asset calculated using the discount rate of 7.5%, and the expected net pension liability or asset if it were calculated using a discount rate that is 1.0% lower or 1.0% higher than the current rate:

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
City's proportionate share of the net pension liability:			
OPERS	\$5,201,025	\$3,404,428	\$1,907,282

Changes in Benefit Terms and Assumptions - There were no recent significant changes of benefit terms, investment policies, the size or composition of the population covered by the benefit terms impacting the actuarial valuation study for the year ended December 31, 2016.

City of Trotwood, Ohio
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For The Fiscal Year Ended December 31, 2017

In 2016, a five-year experience study was completed on the period January 1, 2011 through December 31, 2015. The Board adopted changes to both the demographic and economic assumptions as a result of the study. The most notable change in demographic assumptions is an increased life expectancy of the members and the most notable change in economic assumptions is the reduction in the actuarially assumed rate of return from 8.00% down to 7.50% for the defined benefit investments. The new assumptions are included in the 2016 actuarial valuation.

In 2016, OPERS, in conjunction with the Board’s investment consultants, also completed an asset liability study. Periodically, the System engages in a more comprehensive study that examines the nature of the pension liabilities the plan will ultimately pay and the characteristics of the asset allocation projections and the associated level of risk. As a result of this study, OPERS modified the asset allocation slightly, but not substantively.

Actuarial Assumptions – OPF

OPF’s total pension liability as of December 31, 2016 is based on the results of an actuarial valuation date of January 1, 2016, 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.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation are presented below:

Key Methods and Assumptions Used in Valuation of Total Pension Liability	
Actuarial Information	OPF Pension Plan
Valuation Date	January 1, 2016, with actuarial liabilities rolled forward to December 31, 2016
Experience Study	5 year period ending December 31, 2011
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Actuarial Assumptions:	
Investment Rate of Return	8.25%
Wage Inflation	3.25%, plus productivity increase rate of 0.50%
Projected Salary Increases	4.25% - 11.00%
Cost-of-Living Adjustments	3.00% Simple; 2.60% simple for increases based on the lesser of the increase in CPI and 3.00%

City of Trotwood, Ohio
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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 (safety officers) and three years for firefighters. For service retirements, set back zero years for police (safety officers) 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 of five years was completed in 2017 covering the period 2012-2016.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the OPF's 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 real rates of return for each major asset class included in OPF's target asset allocation as of December 31, 2016 are summarized below:

Asset Class	Target Allocation	10 Year Expected Real Rate of Return**	30 Year Expected Real Rate of Return**
Cash and Cash Equivalent	0.00 %	0.00 %	0.00 %
Domestic Equity	16.00	4.46	5.21
Non-US Equity	16.00	4.66	5.40
Core Fixed Income*	20.00	1.67	2.37
Global Inflation Protected Securities*	20.00	0.49	2.33
High Yield	15.00	3.33	4.48
Real Estate	12.00	4.71	5.65
Private Markets	8.00	7.31	7.99
Timber	5.00	6.87	6.87
Master Limited Partnerships	8.00	6.92	7.36
Total	120.00 %		

Note: Assumptions are geometric

* levered 2x

** Numbers are net of expected inflation

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 1.20 times due to the application of leverage in certain fixed income asset classes.

Discount Rate - The discount rate used to measure the total pension liability was 8.25%. 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

City of Trotwood, Ohio
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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 preceding table presents the net pension liability calculated using the discount rate of 8.25% 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% or one percentage point higher, 9.25% 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 :			
OPF	\$14,620,522	\$10,977,345	\$7,889,702

Changes Between Measurement Date and Report Date – In October 2017, the OP&F Board adopted certain assumption changes which will impact their annual actuarial valuation prepared as of January 1, 2017. The most significant change is a reduction in the discount rate from 8.25 percent to 8 percent. Although the exact amount of these changes is not known, it has the potential to impact the City’s net pension liability.

Note 11 – 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 health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the Traditional Pension and the Combined plans. This trust is also used to fund health care for Member-Directed Plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, Member-Directed Plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for health care coverage, age-and-service retirees under the Traditional Pension and Combined plans must have 20 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. Please see the Plan Statement in the OPERS CAFR for details.

City of Trotwood, Ohio
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For The Fiscal Year Ended December 31, 2017

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

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml#CAFR>, by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2017, State and Local employers contributed at a rate of 14.0% of earnable salary and Public Safety and Law Enforcement employers contributed at 18.1%. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 1.0% during calendar year 2017. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2018 decreased to 0.0% for both plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2017 was 4.0%.

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 \$20,731 for 2017, \$38,760 for 2016, and \$41,266 for 2015. The full amount has been contributed for 2017, 2016 and 2015.

Ohio Police and Fire Pension Fund

Information from City's Records

Plan Description - The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored health care program, a cost-sharing, multiple-employer defined post-employment health care plan administered by OP&F. OP&F provides health care 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.

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2017

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 retiree healthcare benefits. The portion of employer contributions allocated to health care was .5% of covered payroll from January 1, 2017 thru December 31, 2017. 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.

The City's contributions to OP&F for the year ending December 31, 2017 was \$17,531, December 31, 2016 was \$18,884, and December 31, 2015 was \$20,247. The actual contributions for 2017, 2016 and 2015 were 100%.

Note 12 – 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

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2017

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 2017.

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 2017.

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 2017.

Note 13 – 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:

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2017

Fund Balances	General	Street Construction Maintenance and Repair	Fire Levy	Rescue Levy	Other Governmental Funds	Total
Nonspendable:						
Prepays	87,440	9,169	34,533	21,458	1,241	153,841
Total Nonspendable	87,440	9,169	34,533	21,458	1,241	153,841
Restricted for:						
Street Construction	\$0	\$1,837,692	\$0	\$0	\$0	\$1,837,692
Fire Levy	0	0	525,683	0	0	525,683
Rescue Levy	0	0	0	817,664	0	817,664
State Highway	0	0	0	0	116,209	116,209
Motor Vehicle License Tax	0	0	0	0	372,812	372,812
Permissive Use Tax	0	0	0	0	34,477	34,477
Drug Law Enforcement	0	0	0	0	3,137	3,137
Curbs/Gutters/Sidewalks Assessment	0	0	0	0	27,690	27,690
Grants	0	0	0	0	429,791	429,791
Local Law Enforcement Block	0	0	0	0	75	75
Park Acquisition and Development	0	0	0	0	2,801	2,801
Salem Mall Tax Increment	0	0	0	0	50,813	50,813
Enforcement and Education	0	0	0	0	13,013	13,013
Law Enforcement Trust	0	0	0	0	23,145	23,145
Redlight Enforcement	0	0	0	0	71,493	71,493
Government Equity Program	0	0	0	0	219	219
Police Levy	0	0	0	0	2,039	2,039
Debt Service	0	0	0	0	8,507	8,507
Fire Facility Improvements	0	0	0	0	5,162	5,162
Fire Capital Levy	0	0	0	0	34,930	34,930
General Capital Improvement	0	0	0	0	307,721	307,721
Industrial Park	0	0	0	0	241,034	241,034
Total Restricted	0	1,837,692	525,683	817,664	1,745,068	4,926,107
Assigned to:						
Purchases on Order	39,055	0	0	0	0	39,055
Total Assigned	39,055	0	0	0	0	39,055
Unassigned (Deficit)	1,673,693	0	0	0	0	1,673,693
Total Fund Balance	\$1,800,188	\$1,846,861	\$560,216	\$839,122	\$1,746,309	\$6,792,696

Note 14 – 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:

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City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2017

Fund	Amount
General	\$146,352
Street Construction Maintenance and Repair	557,499
Fire Levy	10,423
Rescue Levy	44,257
Water	25,630
Sewer	31,700
Stormwater	98,603
Nonmajor Funds	673,098
Total	\$1,587,562

Note 15 – Implementation of New Accounting Principles

For the year ended December 31, 2017, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 80, “Blending Requirements for Certain Component Units – An Amendment of GASB Statement No. 14”, GASB Statement No. 81 “Irrevocable Split Interest Agreements”, and GASB Statement No. 82, “Pension Issues – An Amendment of GASB Statements No. 67, No. 68 and No. 73”.

GASB Statement No. 80 amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of the Statement No. 39, “Determining Whether Certain Organizations Are Component Units”. The implementation of GASB Statement No. 80 did not have an effect on the financial statements of the City.

GASB Statement No. 81 improves accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The implementation of GASB Statement No. 81 did not have an effect on the financial statements of the City.

GASB Statement No. 82 addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by the employers to satisfy employee (plan member) contribution requirements. The implementation of GASB Statement No. 82 did not have an effect on the financial statements of the City.

Note 16 – Tax Abatements

As of December 31, 2017, the City provides tax abatements through the Community Reinvestment Area (CRA):

The Ohio Community Reinvestment Area program (established by Ordinance 66-98) with is an economic development tool administered by the City that provides real property tax exemptions for property owners who renovate existing or construct new buildings. Under Ohio Revised Code section 3765 to

City of Trotwood, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended December 31, 2017

3735.70, city, village or county can petition the Ohio Department of Development to confirm that investment in a particular geographical area. Once the Department has confirmed the investment in the area, the community may offer real estate tax exemptions to taxpayers who are willing to invest in the area. Up to 12 years may be exempt for commercial and industrial remodeling and up to 15 years may be exempt for new construction. State law requires reimbursement agreements with school districts for tax revenue losses for CRA in place after 1994. It is the City's policy to have reimbursement agreements with school districts for any CRA prior to 1994. Payments in lieu of taxes paid by the property owner directly to the school districts as required by the agreement are not reduced from the total amount of taxes abated.

Tax Abatement Programs	City's Share of Taxes Abated
Community Reinvestment Area:	
Salem Avenue	\$3,479

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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 Four Fiscal Years (1)

	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.01499200%	0.01568900%	0.01771000%	0.01771000%
City's Proportionate Share of the Net Pension Liability	\$3,404,428	\$2,717,533	\$2,136,024	\$2,087,778
City's Covered-Employee Payroll	\$1,938,008	\$2,278,058	\$2,171,288	\$2,145,988
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	175.67%	119.29%	98.38%	97.29%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.25%	81.08%	86.45%	86.36%

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

Note - The schedule is reported as of the measurement date of the Net Pension Liability.

See accompanying notes to the required supplementary information.

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

	2017	2016	2015	2014
City's Proportion of the Net Pension Liability - 0619P	0.0913350%	0.1068510%	0.1077814%	0.1077814%
Liability - 0619F	0.0819760%	0.0902330%	0.0928404%	0.0928404%
City's Proportionate Share of the Net Pension Liability - Total	\$10,977,345	\$12,678,552	\$10,393,046	\$9,770,911
City's Covered-Employee Payroll	\$4,154,226	\$4,608,955	\$4,027,313	\$4,303,890
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	264.25%	275.09%	258.06%	227.03%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.36%	66.77%	72.20%	73.00%

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

Note - The schedule is reported as of the measurement date of the Net Pension Liability.

See accompanying notes to the required supplementary information.

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$269,615	\$232,561	\$273,367	\$260,555
Contributions in Relation to the Contractually Required Contribution	<u>(269,615)</u>	<u>(232,561)</u>	<u>(273,367)</u>	<u>(260,555)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's Covered-Employee Payroll	\$2,073,962	\$1,938,008	\$2,278,058	\$2,171,288
Contributions as a Percentage of Covered-Employee Payroll	13.00%	12.00%	12.00%	12.00%

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

See accompanying notes to the required supplementary information.

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution - Total	\$721,798	\$789,303	\$925,939	\$839,589
Contributions in Relation to the Contractually Required Contribution	<u>(721,798)</u>	<u>(789,303)</u>	<u>(925,939)</u>	<u>(839,589)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's Covered-Employee Payroll	\$3,798,937	\$4,154,226	\$4,608,955	\$4,027,313
Contributions as a Percentage of Covered-Employee Payroll	19.00%	19.00%	20.09%	20.36%

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

See accompanying notes to the required supplementary information.

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, 2017

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Property and Other Local Taxes	\$1,360,329	\$1,360,499	\$1,349,016	(\$11,483)
Income Taxes	5,006,080	5,006,704	4,964,447	(42,257)
Charges for Services	399,299	399,349	395,978	(3,371)
Investment Earnings	47,701	47,707	47,304	(403)
Intergovernmental	538,551	538,618	534,072	(4,546)
Special Assessments	135,245	135,262	134,120	(1,142)
Fines, Licenses & Permits	295,871	295,908	293,410	(2,498)
Other Revenues	224,971	224,999	223,100	(1,899)
Total Revenues	8,008,047	8,009,046	7,941,447	(67,599)
Expenditures:				
Current:				
<u>General Government</u>				
Mayor and Council	271,449	271,178	260,852	10,326
City Manager	292,412	292,120	280,996	11,124
Finance	418,120	417,703	401,797	15,906
Utility Billing	226,211	225,985	217,380	8,605
Income Tax	398,151	397,753	382,607	15,146
Law Director	197,249	197,053	189,549	7,504
Public Works Administration	21,720	21,698	20,872	826
Building and Grounds	279,878	279,599	268,952	10,647
Fleet Maintenance	25,060	25,035	24,082	953
Personnel	85,697	85,611	82,351	3,260
Strategic Initiatives	33,567	33,534	32,257	1,277
Non-Departmental	375,738	375,363	361,069	14,294
Total General Government	2,625,252	2,622,632	2,522,764	99,868
<u>Public Safety</u>				
Police Administration	407,043	406,636	391,152	15,484
Police Patrol	2,578,472	2,575,899	2,477,810	98,089
Criminal Investigation	683,370	682,688	656,692	25,996
Police Communications	409,666	409,257	393,673	15,584
Total Public Safety	4,078,551	4,074,480	3,919,327	155,153
<u>Leisure Time Activities</u>				
Parks Maintenance	90,441	90,350	86,910	3,440
Cemeteries	33,321	33,288	32,020	1,268
Recreation Programs	89,021	88,932	85,546	3,386
Total Leisure Time Activities	212,783	212,570	204,476	8,094
<u>Community Development</u>				
Planning and Zoning	144,514	144,369	138,872	5,497
Code Enforcement and Inspection	86,494	86,407	83,117	3,290
Mowing and Weed Removal	74,124	74,050	71,230	2,820
Total Community Development	305,132	304,826	293,219	11,607

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, 2017

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
<u>Transportation & Street Repair</u>				
Utility Billing	218,311	218,093	209,788	8,305
Total Transportation & Street Repair	218,311	218,093	209,788	8,305
Debt Service:				
Principal Retirement	120,390	120,270	115,690	4,580
Interest and Fiscal Charges	50,012	49,963	48,060	1,903
Total Expenditures	7,610,431	7,602,834	7,313,324	289,510
Excess of Revenues Over (Under) Expenditures	397,616	406,212	628,123	221,911
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	6,555	6,555	6,500	(55)
Transfers (Out)	(405,844)	(405,439)	(390,000)	15,439
Total Other Financing Sources (Uses)	(399,289)	(398,884)	(383,500)	15,384
Net Change in Fund Balance	(1,673)	7,328	244,623	237,295
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,133,860	1,133,860	1,133,860	0
Fund Balance End of Year	<u>\$1,132,187</u>	<u>\$1,141,188</u>	<u>\$1,378,483</u>	<u>\$237,295</u>

See accompanying notes to the required supplementary information.

City of Trotwood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2017

	Fire Levy Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Property and Other Local Taxes	\$2,458,854	\$2,458,854	\$2,132,741	(\$326,113)
Charges for Services	23	23	20	(3)
Intergovernmental	349,678	349,678	303,301	(46,377)
Other Revenues	45,561	45,561	39,518	(6,043)
Total Revenues	2,854,116	2,854,116	2,475,580	(378,536)
Expenditures:				
Current:				
Public Safety	2,362,744	2,322,744	2,163,383	159,361
Total Expenditures	2,362,744	2,322,744	2,163,383	159,361
Excess of Revenues Over (Under) Expenditures	491,372	531,372	312,197	(219,175)
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	21,635	21,635	18,766	(2,869)
Total Other Financing Sources (Uses)	21,635	21,635	18,766	(2,869)
Net Change in Fund Balance	513,007	553,007	330,963	(222,044)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	278,547	278,547	278,547	0
Fund Balance End of Year	\$791,554	\$831,554	\$609,510	(\$222,044)

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, 2017

	Rescue Levy Fund			Variance from Final Budget
	Original Budget	Final Budget	Actual	
Revenues:				
Property and Other Local Taxes	\$417,710	\$417,710	\$393,873	(\$23,837)
Charges for Services	1,162,684	1,162,684	1,096,333	(66,351)
Intergovernmental	78,835	78,835	74,336	(4,499)
Other Revenues	31,063	31,063	29,290	(1,773)
Total Revenues	1,690,292	1,690,292	1,593,832	(96,460)
Expenditures:				
Current:				
Public Safety	1,718,666	1,715,666	1,504,309	211,357
Total Expenditures	1,718,666	1,715,666	1,504,309	211,357
Excess of Revenues Over (Under) Expenditures	(28,374)	(25,374)	89,523	114,897
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	16,667	16,667	15,716	(951)
Total Other Financing Sources (Uses)	16,667	16,667	15,716	(951)
Net Change in Fund Balance	(11,707)	(8,707)	105,239	113,946
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	621,719	621,719	621,719	0
Fund Balance End of Year	\$610,012	\$613,012	\$726,958	\$113,946

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, 2017

	Street Construction Maintenance and Repair Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Property and Other Local Taxes	\$343,975	\$343,975	\$353,448	\$9,473
Intergovernmental	905,252	905,252	930,182	24,930
Other Revenues	9,551	9,551	9,814	263
Total Revenues	1,258,778	1,258,778	1,293,444	34,666
Expenditures:				
Current:				
Transportation & Street Repair	1,730,053	1,730,053	1,473,530	256,523
Debt Service:				
Principal Retirement	25,439	25,439	21,667	3,772
Interest and Fiscal Charges	12,814	12,814	10,914	1,900
Total Expenditures	1,768,306	1,768,306	1,506,111	262,195
Excess of Revenues Over (Under) Expenditures	(509,528)	(509,528)	(212,667)	296,861
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	2,204	2,204	2,265	61
Total Other Financing Sources (Uses)	2,204	2,204	2,265	61
Net Change in Fund Balance	(507,324)	(507,324)	(210,402)	296,922
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,463,056	1,463,056	1,463,056	0
Fund Balance End of Year	\$955,732	\$955,732	\$1,252,654	\$296,922

See accompanying notes to the required supplementary information.

City of Trotwood, Ohio
Notes to the Required Supplementary Information
For The Year Ended December 31, 2017

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, 2017

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

	General	Fire Levy	Rescue Levy	Street Construction Maintenance and Repair
GAAP Basis	\$438,225	\$342,971	\$174,281	\$345,977
Revenue Accruals	(310,773)	0	(9,853)	2,438
Expenditure Accruals	263,523	(1,585)	(14,932)	(1,318)
Encumbrances	(146,352)	(10,423)	(44,257)	(557,499)
Budget Basis	<u>\$244,623</u>	<u>\$330,963</u>	<u>\$105,239</u>	<u>(\$210,402)</u>

Note 2 – Pension Plans

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

There have been no plan amendments adopted or changes in assumptions since the latest actuarial valuation, as of January 1, 2016, with actuarial liability rolled forward to December 31, 2016. The assumed investment rate of return and the discount rate is 8.25 percent.

Ohio Public Employees Retirement System Changes in Benefit Terms and Assumptions

There were no recent significant changes of benefit terms, investment policies, the size or composition of the population covered by the benefit terms impacting the actuarial valuation study for the year ended December 31, 2016.

In 2016, a five-year experience study was completed on the period January 1, 2011 through December 31, 2015. The Board adopted changes to both the demographic and economic assumptions as a result of the study. The most notable change in demographic assumptions is an increased life expectancy of the members and the most notable change in economic assumptions is the reduction in the actuarially assumed rate of return from 8.00% down to 7.50% for the defined benefit investments. The new assumptions are included in the 2016 actuarial valuation.

In 2016, OPERS, in conjunction with the Board’s investment consultants, also completed an asset liability study. Periodically, the System engages in a more comprehensive study that examines the nature of the pension liabilities we will ultimately pay and the characteristics of the asset allocation projections and the associated level of risk. As a result of this study, OPERS modified the asset allocation slightly, but not substantively.

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

Debt Service Fund

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

Capital Projects Funds

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

City of Trotwood, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2017

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in Pooled Cash and Investments	\$1,088,823	\$8,507	\$697,951	\$1,795,281
Receivables (Net):				
Taxes	82,038	145,096	1,222,638	1,449,772
Intergovernmental	49,894	9,223	36,893	96,010
Special Assessments	6,959	0	0	6,959
Prepaid Items	1,241	0	0	1,241
Total Assets	1,228,955	162,826	1,957,482	3,349,263
Liabilities:				
Accounts Payable	12,961	0	55,490	68,451
Accrued Wages and Benefits	1,757	0	0	1,757
Total Liabilities	14,718	0	55,490	70,208
Deferred Inflows of Resources:				
Property Taxes	0	145,096	576,941	722,037
Grants and Other Taxes	111,937	9,223	36,893	158,053
Special Assessments	6,959	0	0	6,959
Revenue in Lieu of Taxes	0	0	645,697	645,697
Total Deferred Inflows of Resources	118,896	154,319	1,259,531	1,532,746
Fund Balances:				
Nonspendable	1,241	0	0	1,241
Restricted	1,094,100	8,507	642,461	1,745,068
Total Fund Balances	1,095,341	8,507	642,461	1,746,309
Total Liabilities, Deferred Inflows and Fund Balances	\$1,228,955	\$162,826	\$1,957,482	\$3,349,263

City of Trotwood, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Governmental Funds
For the Fiscal Year Ended December 31, 2017

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Property and Other Taxes	\$165,705	\$98,469	\$393,873	\$658,047
Intergovernmental	301,431	27,484	74,336	403,251
Special Assessments	5,648	0	0	5,648
Fines, Licenses & Permits	60,974	0	0	60,974
Revenue in Lieu of Taxes	0	0	477,124	477,124
Other Revenues	10,427	0	49,327	59,754
Total Revenues	544,185	125,953	994,660	1,664,798
Expenditures:				
Current:				
General Government	50,337	0	0	50,337
Public Safety	43,636	0	0	43,636
Community Development	48,393	0	0	48,393
Transportation and Street Repair	284,108	0	0	284,108
Capital Outlay	0	0	389,416	389,416
Debt Service:				
Principal	0	120,000	600,650	720,650
Interest and Other Charges	0	1,820	504,581	506,401
Total Expenditures	426,474	121,820	1,494,647	2,042,941
Excess of Revenues Over (Under) Expenditures	117,711	4,133	(499,987)	(378,143)
Other Financing Sources (Uses):				
Issuance of Long-Term Capital-Related Debt	0	0	360,000	360,000
Transfers In	0	0	390,000	390,000
Total Other Financing Sources (Uses)	0	0	750,000	750,000
Net Change in Fund Balance	117,711	4,133	250,013	371,857
Fund Balance - Beginning of Year	977,630	4,374	392,448	1,374,452
Fund Balance - End of Year	\$1,095,341	\$8,507	\$642,461	\$1,746,309

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, 2017

	State Highway	Motor Vehicle License Tax	Permissive Use Tax	Drug Law Enforcement	Curbs/Gutters/ Sidewalks Assessment
Assets:					
Equity in Pooled Cash and Investments	\$114,345	\$360,452	\$34,477	\$3,137	\$27,690
Receivables (Net):					
Taxes	0	82,038	0	0	0
Intergovernmental	34,223	0	0	0	0
Special Assessments	0	0	0	0	6,959
Prepaid Items	1,241	0	0	0	0
Total Assets	149,809	442,490	34,477	3,137	34,649
Liabilities:					
Accounts Payable	2,164	0	0	0	0
Accrued Wages and Benefits	893	0	0	0	0
Total Liabilities	3,057	0	0	0	0
Deferred Inflows of Resources:					
Grants and Other Taxes	29,302	69,678	0	0	0
Special Assessments	0	0	0	0	6,959
Total Deferred Inflows of Resources	29,302	69,678	0	0	6,959
Fund Balances:					
Nonspendable	1,241	0	0	0	0
Restricted	116,209	372,812	34,477	3,137	27,690
Total Fund Balances	117,450	372,812	34,477	3,137	27,690
Total Liabilities, Deferred Inflows and Fund Balances	\$149,809	\$442,490	\$34,477	\$3,137	\$34,649

Grants	Local Law Enforcement Block	Enforcement and Education	Law Enforcement Trust	Redlight Enforcement	Government Equity Program	Police Levy	Total Nonmajor Special Revenue Funds
\$427,077	\$75	\$13,013	\$33,942	\$72,357	\$219	\$2,039	\$1,088,823
0	0	0	0	0	0	0	82,038
15,671	0	0	0	0	0	0	49,894
0	0	0	0	0	0	0	6,959
0	0	0	0	0	0	0	1,241
<u>442,748</u>	<u>75</u>	<u>13,013</u>	<u>33,942</u>	<u>72,357</u>	<u>219</u>	<u>2,039</u>	<u>1,228,955</u>
0	0	0	10,797	0	0	0	12,961
0	0	0	0	864	0	0	1,757
0	0	0	10,797	864	0	0	14,718
12,957	0	0	0	0	0	0	111,937
0	0	0	0	0	0	0	6,959
12,957	0	0	0	0	0	0	118,896
0	0	0	0	0	0	0	1,241
429,791	75	13,013	23,145	71,493	219	2,039	1,094,100
429,791	75	13,013	23,145	71,493	219	2,039	1,095,341
<u>\$442,748</u>	<u>\$75</u>	<u>\$13,013</u>	<u>\$33,942</u>	<u>\$72,357</u>	<u>\$219</u>	<u>\$2,039</u>	<u>\$1,228,955</u>

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, 2017

	State Highway	Motor Vehicle License Tax	Permissive Use Tax	Drug Law Enforcement	Curbs/Gutters/ Sidewalks Assessment
Revenues:					
Property and Other Taxes	\$0	\$165,705	\$0	\$0	\$0
Intergovernmental	70,098	0	0	0	0
Special Assessments	0	0	0	0	5,648
Fines, Licenses & Permits	0	0	0	542	0
Other Revenues	2,485	0	0	0	83
Total Revenues	72,583	165,705	0	542	5,731
Expenditures:					
Current:					
General Government	0	0	0	0	0
Public Safety	0	0	0	4,289	0
Community Development	0	0	0	0	0
Transportation and Street Repair	135,757	59,463	64,627	0	24,261
Total Expenditures	135,757	59,463	64,627	4,289	24,261
Net Change in Fund Balance	(63,174)	106,242	(64,627)	(3,747)	(18,530)
Fund Balance - Beginning of Year	180,624	266,570	99,104	6,884	46,220
Fund Balance - End of Year	<u>\$117,450</u>	<u>\$372,812</u>	<u>\$34,477</u>	<u>\$3,137</u>	<u>\$27,690</u>

Grants	Local Law Enforcement Block	Enforcement and Education	Law Enforcement Trust	Redlight Enforcement	Government Equity Program	Police Levy	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$165,705
231,333	0	0	0	0	0	0	301,431
0	0	0	0	0	0	0	5,648
0	0	536	4,145	55,751	0	0	60,974
0	0	0	5,940	1,919	0	0	10,427
<u>231,333</u>	<u>0</u>	<u>536</u>	<u>10,085</u>	<u>57,670</u>	<u>0</u>	<u>0</u>	<u>544,185</u>
50,337	0	0	0	0	0	0	50,337
0	0	232	39,115	0	0	0	43,636
48,393	0	0	0	0	0	0	48,393
0	0	0	0	0	0	0	284,108
<u>98,730</u>	<u>0</u>	<u>232</u>	<u>39,115</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>426,474</u>
132,603	0	304	(29,030)	57,670	0	0	117,711
297,188	75	12,709	52,175	13,823	219	2,039	977,630
<u>\$429,791</u>	<u>\$75</u>	<u>\$13,013</u>	<u>\$23,145</u>	<u>\$71,493</u>	<u>\$219</u>	<u>\$2,039</u>	<u>\$1,095,341</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, 2017

	State Highway Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$63,746	\$70,294	\$6,548
Other Revenues	2,254	2,485	231
Total Revenues	<u>66,000</u>	<u>72,779</u>	<u>6,779</u>
Expenditures:			
Current:			
Transportation & Street Repair	225,272	162,043	63,229
Total Expenditures	<u>225,272</u>	<u>162,043</u>	<u>63,229</u>
Net Change in Fund Balance	(159,272)	(89,264)	70,008
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>182,805</u>	<u>182,805</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$23,533</u></u>	<u><u>\$93,541</u></u>	<u><u>\$70,008</u></u>

City of Trotwood, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2017

	Motor Vehicle License Tax Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$156,000	\$166,151	\$10,151
Total Revenues	156,000	166,151	10,151
Expenditures:			
Current:			
Transportation & Street Repair	191,000	190,463	537
Total Expenditures	191,000	190,463	537
Net Change in Fund Balance	(35,000)	(24,312)	10,688
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	253,764	253,764	0
Fund Balance End of Year	\$218,764	\$229,452	\$10,688

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, 2017

	Permissive Use Tax Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$160,000	\$0	(\$160,000)
Total Revenues	160,000	0	(160,000)
Expenditures:			
Current:			
Transportation & Street Repair	160,993	99,000	61,993
Total Expenditures	160,993	99,000	61,993
Net Change in Fund Balance	(993)	(99,000)	(98,007)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	99,106	99,106	0
Fund Balance End of Year	\$98,113	\$106	(\$98,007)

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, 2017

	Drug Law Enforcement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses & Permits	\$500	\$542	\$42
Total Revenues	500	542	42
Expenditures:			
Current:			
Public Safety	6,000	4,289	1,711
Total Expenditures	6,000	4,289	1,711
Net Change in Fund Balance	(5,500)	(3,747)	1,753
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	6,884	6,884	0
Fund Balance End of Year	<u>\$1,384</u>	<u>\$3,137</u>	<u>\$1,753</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, 2017

	Curbs/Gutters/ Sidewalks Assessment Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Special Assessments	\$394	\$5,648	\$5,254
Other Revenues	6	83	77
Total Revenues	400	5,731	5,331
Expenditures:			
Current:			
Transportation & Street Repair	40,000	24,261	15,739
Total Expenditures	40,000	24,261	15,739
Net Change in Fund Balance	(39,600)	(18,530)	21,070
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	46,221	46,221	0
Fund Balance End of Year	\$6,621	\$27,691	\$21,070

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, 2017

	Grants Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$775,000	\$228,619	(\$546,381)
Total Revenues	775,000	228,619	(546,381)
Expenditures:			
Current:			
General Government	165,259	96,136	69,123
Public Safety	251,648	146,391	105,257
Community Development	247,367	143,901	103,466
Total Expenditures	664,274	386,428	277,846
Net Change in Fund Balance	110,726	(157,809)	(268,535)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	317,698	317,698	0
Fund Balance End of Year	\$428,424	\$159,889	(\$268,535)

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, 2017

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

City of Trotwood, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2017

	Enforcement and Education Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses & Permits	\$500	\$536	\$36
Total Revenues	500	536	36
Expenditures:			
Current:			
Public Safety	500	232	268
Total Expenditures	500	232	268
Net Change in Fund Balance	0	304	304
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	12,709	12,709	0
Fund Balance End of Year	\$12,709	\$13,013	\$304

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, 2017

	Law Enforcement Trust Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses & Permits	\$14,385	\$4,145	(\$10,240)
Other Revenues	20,615	5,940	(14,675)
Total Revenues	35,000	10,085	(24,915)
Expenditures:			
Current:			
Public Safety	65,713	39,118	26,595
Total Expenditures	65,713	39,118	26,595
Net Change in Fund Balance	(30,713)	(29,033)	1,680
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	52,173	52,173	0
Fund Balance End of Year	\$21,460	\$23,140	\$1,680

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, 2017

	Redlight Enforcement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses & Permits	\$27,099	\$55,751	\$28,652
Other Revenues	901	1,853	952
Total Revenues	<u>28,000</u>	<u>57,604</u>	<u>29,604</u>
Expenditures:			
Current:			
Public Safety	24,400	0	24,400
Total Expenditures	<u>24,400</u>	<u>0</u>	<u>24,400</u>
Net Change in Fund Balance	3,600	57,604	54,004
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>14,755</u>	<u>14,755</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$18,355</u></u>	<u><u>\$72,359</u></u>	<u><u>\$54,004</u></u>

City of Trotwood, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2017

	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, 2017

	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, 2017

	Debt Retirement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Property and Other Local Taxes	\$102,251	\$98,469	(\$3,782)
Intergovernmental	28,539	27,484	(1,055)
Total Revenues	<u>130,790</u>	<u>125,953</u>	<u>(4,837)</u>
Expenditures:			
Debt Service:			
Principal Retirement	120,177	120,000	177
Interest and Fiscal Charges	1,823	1,820	3
Total Expenditures	<u>122,000</u>	<u>121,820</u>	<u>180</u>
Net Change in Fund Balance	8,790	4,133	(4,657)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>4,374</u>	<u>4,374</u>	<u>0</u>
Fund Balance End of Year	<u>\$13,164</u>	<u>\$8,507</u>	<u>(\$4,657)</u>

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NONMAJOR CAPITAL PROJECT FUNDS

Fund Descriptions

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

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

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

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

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

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

City of Trotwood, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2017

	Park Acquisition and Development	Industrial Park	Fire Facility Improvements	Salem Mall Tax Increment	Fire Capital Levy
Assets:					
Equity in Pooled Cash and Investments	\$2,801	\$241,034	\$5,162	\$50,813	\$34,930
Receivables (Net):					
Taxes	0	372,743	0	272,954	576,941
Intergovernmental	0	0	0	0	36,893
Total Assets	2,801	613,777	5,162	323,767	648,764
Liabilities:					
Accounts Payable	0	0	0	0	0
Total Liabilities	0	0	0	0	0
Deferred Inflows of Resources:					
Property Taxes	0	0	0	0	576,941
Grants and Other Taxes	0	0	0	0	36,893
Pension	0	372,743	0	272,954	0
Total Deferred Inflows of Resources	0	372,743	0	272,954	613,834
Fund Balances:					
Restricted	2,801	241,034	5,162	50,813	34,930
Total Fund Balances	2,801	241,034	5,162	50,813	34,930
Total Liabilities, Deferred Inflows and Fund Balances	\$2,801	\$613,777	\$5,162	\$323,767	\$648,764

General Capital Improvement	Total Nonmajor Capital Projects Funds
\$363,211	\$697,951
0	1,222,638
0	36,893
<u>363,211</u>	<u>1,957,482</u>
<u>55,490</u>	<u>55,490</u>
<u>55,490</u>	<u>55,490</u>
0	576,941
0	36,893
0	645,697
<u>0</u>	<u>1,259,531</u>
<u>307,721</u>	<u>642,461</u>
<u>307,721</u>	<u>642,461</u>
<u>\$363,211</u>	<u>\$1,957,482</u>

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, 2017

	Park Acquisition and Development	Industrial Park	Fire Facility Improvements	Salem Mall Tax Increment	Fire Capital Levy
Revenues:					
Property and Other Taxes	\$0	\$0	\$0	\$0	\$393,873
Intergovernmental	0	0	0	0	74,336
Revenue in Lieu of Taxes	0	300,155	0	176,969	0
Other Revenues	0	0	0	26,178	23,149
Total Revenues	0	300,155	0	203,147	491,358
Expenditures:					
Current:					
Capital Outlay	0	0	0	0	242,137
Debt Service:					
Principal	0	176,700	0	148,950	275,000
Interest and Other Charges	0	105,109	0	295,271	104,201
Total Expenditures	0	281,809	0	444,221	621,338
Excess of Revenues Over (Under) Expenditures	0	18,346	0	(241,074)	(129,980)
Other Financing Sources (Uses):					
Issuance of Long-Term Capital-Related Debt	0	0	0	0	105,000
Transfers In	0	0	0	290,000	0
Total Other Financing Sources (Uses)	0	0	0	290,000	105,000
Net Change in Fund Balance	0	18,346	0	48,926	(24,980)
Fund Balance - Beginning of Year	2,801	222,688	5,162	1,887	59,910
Fund Balance - End of Year	\$2,801	\$241,034	\$5,162	\$50,813	\$34,930

General Capital Improvement	Total Nonmajor Capital Projects Funds
\$0	\$393,873
0	74,336
0	477,124
0	49,327
0	994,660
147,279	389,416
0	600,650
0	504,581
147,279	1,494,647
(147,279)	(499,987)
255,000	360,000
100,000	390,000
355,000	750,000
207,721	250,013
100,000	392,448
\$307,721	\$642,461

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, 2017

	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	<u>\$2,801</u>	<u>\$2,801</u>	<u>\$0</u>

City of Trotwood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2017

	Industrial Park Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Revenue in Lieu of Taxes	\$350,000	\$300,155	(\$49,845)
Total Revenues	350,000	300,155	(49,845)
Expenditures:			
Debt Service:			
Principal Retirement	196,032	176,700	19,332
Interest and Fiscal Charges	116,609	105,109	11,500
Total Expenditures	312,641	281,809	30,832
Net Change in Fund Balance	37,359	18,346	(19,013)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	222,689	222,689	0
Fund Balance End of Year	\$260,048	\$241,035	(\$19,013)

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, 2017

	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	0	0
Total Expenditures	0	0	0
Net Change in Fund Balance	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	5,162	5,162	0
Fund Balance End of Year	\$5,162	\$5,162	\$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, 2017

	Salem Mall Tax Increment Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Revenue in Lieu of Taxes	\$158,793	\$176,968	\$18,175
Other Revenues	23,490	26,178	2,688
Total Revenues	<u>182,283</u>	<u>203,146</u>	<u>20,863</u>
Expenditures:			
Debt Service:			
Principal Retirement	148,983	148,950	33
Interest and Fiscal Charges	295,337	295,271	66
Total Expenditures	<u>444,320</u>	<u>444,221</u>	<u>99</u>
Excess of Revenues Over (Under) Expenditures	<u>(262,037)</u>	<u>(241,075)</u>	<u>20,962</u>
Other Financing Sources (Uses):			
Transfers In	260,217	290,000	29,783
Total Other Financing Sources (Uses)	<u>260,217</u>	<u>290,000</u>	<u>29,783</u>
Net Change in Fund Balance	(1,820)	48,925	50,745
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>1,886</u>	<u>1,886</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$66</u></u>	<u><u>\$50,811</u></u>	<u><u>\$50,745</u></u>

City of Trotwood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2017

	Fire Capital Levy Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Property and Other Local Taxes	\$321,740	\$393,873	\$72,133
Intergovernmental	60,722	74,336	13,614
Other Revenues	18,910	23,149	4,239
Total Revenues	401,372	491,358	89,986
Expenditures:			
Capital Outlay	268,895	242,137	26,758
Debt Service:			
Principal Retirement	305,389	275,000	30,389
Interest and Fiscal Charges	115,716	104,201	11,515
Total Expenditures	690,000	621,338	68,662
Excess of Revenues Over (Under) Expenditures	(288,628)	(129,980)	158,648
Other Financing Sources (Uses):			
Bond Proceeds	85,771	105,000	19,229
Total Other Financing Sources (Uses)	85,771	105,000	19,229
Net Change in Fund Balance	(202,857)	(24,980)	177,877
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	59,910	59,910	0
Fund Balance End of Year	(\$142,947)	\$34,930	\$177,877

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, 2017

	General Capital Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Property and Other Local Taxes	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Capital Outlay	495,000	182,450	312,550
Total Expenditures	495,000	182,450	312,550
Excess of Revenues Over (Under) Expenditures	(495,000)	(182,450)	312,550
Other Financing Sources (Uses):			
Bond Proceeds	0	255,000	255,000
Transfers In	0	100,000	100,000
Total Other Financing Sources (Uses)	0	355,000	355,000
Net Change in Fund Balance	(495,000)	172,550	667,550
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	100,000	100,000	0
Fund Balance End of Year	(\$395,000)	\$272,550	\$667,550

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, 2017

	Fire Loss			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$12,400	\$25,539	\$5,539	\$32,400
Total Assets	<u>12,400</u>	<u>25,539</u>	<u>5,539</u>	<u>32,400</u>
Liabilities:				
Undistributed Monies	12,400	25,539	5,539	32,400
Total Liabilities	<u>\$12,400</u>	<u>\$25,539</u>	<u>\$5,539</u>	<u>\$32,400</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.

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

	Calendar Year									
	2008	2009	2010	2011	2012	2013 (1)	2014 (1)	2015 (1)	2016	2017
Governmental Activities										
Net Investment in Capital Assets	\$38,614,884	\$39,438,652	\$40,915,075	\$41,557,908	\$41,722,668	\$41,628,553	\$38,381,366	\$38,174,194	\$38,079,036	\$37,330,226
Restricted	1,544,593	2,293,955	2,465,871	2,872,633	3,079,582	3,904,525	4,580,526	4,790,869	5,935,624	6,851,431
Unrestricted	2,388,264	2,822,983	3,890,365	3,304,999	2,364,978	2,755,160	(7,440,881)	(7,070,564)	(7,373,570)	(8,756,356)
Total governmental activities net position	\$42,547,741	\$44,555,590	\$47,271,311	\$47,735,540	\$47,167,228	\$48,288,238	\$35,521,011	\$35,894,499	\$36,641,090	\$35,425,301
Business-type activities										
Net Investment in Capital Assets	\$18,004,296	\$17,525,298	\$17,308,100	\$17,486,158	\$16,951,303	\$17,567,758	\$16,335,168	\$16,064,172	\$15,637,455	\$15,557,100
Unrestricted	1,502,010	1,887,258	3,266,183	2,701,790	2,814,752	4,776,408	4,999,800	5,343,112	6,970,667	7,616,539
Total business-type activities net position	\$19,506,306	\$19,412,556	\$20,574,283	\$20,187,948	\$19,766,055	\$22,344,166	\$21,334,968	\$21,407,284	\$22,608,122	\$23,173,639
Total Primary Government										
Net Investment in Capital Assets	\$56,619,180	\$56,963,950	\$58,223,175	\$59,044,066	\$58,673,971	\$59,196,311	\$54,716,534	\$54,238,366	\$53,716,491	\$52,887,326
Restricted	1,544,593	2,293,955	2,465,871	2,872,633	3,079,582	3,904,525	4,580,526	4,790,869	5,935,624	6,851,431
Unrestricted	3,890,274	4,710,241	7,156,548	6,006,789	5,179,730	7,531,568	(2,441,081)	(1,727,452)	(402,903)	(1,139,817)
Total primary government net position	\$62,054,047	\$63,968,146	\$67,845,594	\$67,923,488	\$66,933,283	\$70,632,404	\$56,855,979	\$57,301,783	\$59,249,212	\$58,598,940

(1) -Amounts reflect a prior period adjustment

Source: City Records

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

	Calendar Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental Activities:										
General Government	\$3,503,943	\$3,172,930	\$2,232,408	\$3,062,455	\$3,210,313	\$3,220,714	\$3,444,386	\$2,556,659	\$2,687,146	\$3,037,812
Public Safety	10,146,961	8,603,664	8,338,531	8,583,577	8,713,796	8,499,414	9,526,215	8,631,605	9,184,331	8,354,240
Community Development	1,604,067	600,620	885,151	1,029,674	1,352,215	1,310,140	699,877	732,670	501,769	420,596
Leisure Time Activities	452,003	362,824	364,636	383,732	463,194	377,420	401,685	274,096	246,292	264,257
Transportation & Street Repair	3,077,816	2,630,672	2,473,363	2,754,010	3,035,008	2,191,630	2,439,518	2,303,614	1,753,586	2,489,403
Interest and Fiscal Charges	780,516	629,723	603,972	679,405	677,856	650,130	597,691	582,626	624,961	557,644
Bond Issuance Cost	0	0	0	0	0	0	0	0	47,327	0
Total Governmental Activities Expenses	19,565,306	16,000,433	14,898,061	16,492,853	17,452,382	16,249,448	17,109,372	15,081,270	15,045,412	15,123,952
Business-Type Activities:										
Water	1,417,933	1,576,732	1,032,248	1,338,543	1,509,516	1,286,474	1,380,311	1,553,195	1,090,098	1,392,235
Sewer	1,012,659	986,256	771,290	982,998	927,308	968,372	1,016,239	1,157,858	792,109	1,094,038
Refuse	1,448,058	1,493,178	1,075,134	1,432,650	1,420,131	1,450,538	1,417,130	1,365,870	1,308,254	1,328,085
Stormwater	777,578	603,839	817,277	1,025,845	821,225	735,306	801,034	930,608	1,016,447	1,095,882
Other Enterprise Funds	0	0	0	0	0	0	0	0	0	67,358
Total Business-Type Activities Expenses	4,656,228	4,660,005	3,695,949	4,780,036	4,678,180	4,440,690	4,614,714	5,007,531	4,206,908	4,977,598
Total Primary Government Expenses	\$24,221,534	\$20,660,438	\$18,594,010	\$21,272,889	\$22,130,562	\$20,690,138	\$21,724,086	\$20,088,801	\$19,252,320	\$20,101,550
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	\$459,251	\$688,724	\$320,538	\$586,951	\$518,244	\$510,089	\$509,235	\$464,920	\$490,693	\$561,505
Public Safety	1,370,157	1,421,970	1,313,859	1,456,169	1,841,053	1,402,282	1,822,791	1,388,996	1,172,137	1,130,222
Community Development	71,059	85,627	105,285	95,490	136,821	178,106	145,151	122,850	226,772	252,803
Leisure Time Activities	27,070	25,242	26,048	17,598	19,783	34,329	29,480	29,890	34,853	41,440
Transportation and Street Repair	36,736	19,219	13,620	9,183	473	0	502	359	613	5,648
Operating Grants and Contributions	3,323,285	2,512,349	1,385,532	1,722,345	1,431,386	1,733,156	2,337,780	1,836,233	1,600,558	1,490,009
Capital Grants and Contributions	2,279,206	1,832,990	1,444,975	1,465,441	1,769,666	416,073	11,225	59,572	181,130	0
Total Governmental Activities Program Revenues	7,566,764	6,586,121	4,609,857	5,355,177	5,717,426	4,274,035	4,856,164	3,902,820	3,706,756	3,481,627
Business-Type Activities:										
Charges for Services:										
Water	1,593,335	1,407,494	1,473,421	1,440,360	1,138,393	2,109,507	1,544,234	1,616,886	1,821,748	1,751,408
Sewer	984,239	962,845	1,134,721	1,034,511	842,995	1,439,045	1,146,375	1,229,674	1,337,573	1,286,679
Refuse	1,474,799	1,513,051	1,297,453	1,276,413	1,562,730	1,477,665	1,407,946	1,366,618	1,427,739	1,430,724
Stormwater	766,726	701,665	869,985	664,331	632,778	1,066,961	746,107	711,307	802,561	737,866
Capital Grants and Contributions	0	0	0	0	714,225	0	0	0	0	315,000
Total Business-Type Activities Program Revenues	4,819,099	4,585,055	4,775,580	4,415,615	4,891,121	6,093,178	4,844,662	4,924,485	5,389,621	5,521,677
Total Primary Government Program Revenues	\$12,385,863	\$11,171,176	\$9,385,437	\$9,768,792	\$10,608,547	\$10,367,213	\$9,700,826	\$8,827,305	\$9,096,377	\$9,003,304

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

	Calendar Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Net (Expense)/Revenue										
Governmental Activities	(\$11,998,542)	(\$9,414,312)	(\$10,288,204)	(\$11,139,676)	(\$11,734,956)	(\$11,975,413)	(\$12,253,208)	(\$11,178,450)	(\$11,338,656)	(\$11,642,325)
Business-Type Activities	162,871	(74,950)	1,079,631	(364,421)	212,941	1,652,488	229,948	(83,046)	1,182,713	544,079
Total Primary Government Net Expenses	(\$11,835,671)	(\$9,489,262)	(\$9,208,573)	(\$11,504,097)	(\$11,522,015)	(\$10,322,925)	(\$12,023,260)	(\$11,261,496)	(\$10,155,943)	(\$11,098,246)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Income Taxes	\$5,058,111	\$4,785,979	\$5,298,769	\$5,040,411	\$4,911,790	\$5,666,888	\$4,672,734	\$5,020,072	\$5,110,289	\$3,973,806
Property Taxes	4,851,708	4,459,999	5,235,900	5,381,391	3,902,277	4,443,580	6,261,231	4,818,175	5,049,513	4,744,562
Grants and Entitlements not Restricted	1,421,021	1,328,460	1,883,135	625,816	1,194,125	856,478	666,337	668,157	616,185	625,779
Revenue in Lieu of Taxes	320,584	243,735	285,209	266,173	314,945	1,796,840	730,615	752,528	764,068	533,835
Investment Earnings	78,738	5,950	2,765	1,628	1,985	1,339	3,636	4,836	8,930	47,304
Other Revenues	335,746	578,038	305,224	265,986	432,197	853,239	550,164	287,670	536,262	501,250
Transfers-Internal Activities	(680,840)	20,000	(7,077)	22,500	25,000	(450,747)	0	0	0	0
Total Governmental Activities	11,385,068	11,422,161	13,003,925	11,603,905	10,782,319	13,167,617	12,884,717	11,551,438	12,085,247	10,426,536
Business-type activities:										
Investment Earnings	6,362	1,166	867	550	1,102	627	0	0	0	0
Other Revenues	32	34	3,729	36	128	4,773	5,906	10,827	18,125	21,438
Transfers-Internal Activities	680,840	(20,000)	77,500	(22,500)	(25,000)	450,747	0	0	0	0
Total Business-Type Activities	687,234	(18,800)	82,096	(21,914)	(23,770)	456,147	5,906	10,827	18,125	21,438
Total Primary Government	\$12,072,302	\$11,403,361	\$13,086,021	\$11,581,991	\$10,758,549	\$13,623,764	\$12,890,623	\$11,562,265	\$12,103,372	\$10,447,974
Change in Net Position										
Governmental Activities	(\$613,474)	\$2,007,849	\$2,715,721	\$464,229	(\$952,637)	\$1,192,204	\$631,509	\$372,988	\$746,591	(\$1,215,789)
Business-Type Activities	850,105	(93,750)	1,161,727	(386,335)	189,171	2,108,635	235,854	(72,219)	1,200,838	565,517
Total Primary Government	\$236,631	\$1,914,099	\$3,877,448	\$77,894	(\$763,466)	\$3,300,839	\$867,363	\$300,769	\$1,947,429	(\$650,272)

Source: City Records

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

	Calendar Year									
	2008	2009	2010	2011 (1)	2012	2013	2014	2015 (2)	2016	2017
General Fund										
Reserved	\$32,781	\$170,941	\$323,338							
Unreserved	899,472	768,523	1,860,427							
Nonspendable				0	0	0	0	0	0	87,440
Assigned				\$327,879	\$678,551	\$269,342	\$164,115	\$124,804	\$50,066	\$39,055
Unassigned				1,372,066	183,290	435,828	594,737	642,211	1,311,897	1,673,693
Total General Fund	932,253	939,464	2,183,765	1,699,945	861,841	705,170	758,852	767,015	1,361,963	1,800,188
All Other Governmental Funds										
Reserved	621,121	2,712,223	2,492,175							
Unreserved, Reported in:										
Special Revenue Funds	425,726	(1,373,686)	(1,172,862)							
Debt Service Funds	75,507	68,819	4,656							
Capital Projects Funds	(10,745,183)	(9,758,212)	(1,739,335)							
Nonspendable				0	0	0	0	0	0	66,401
Restricted				1,538,308	1,749,174	2,312,433	2,829,704	2,933,688	3,757,422	4,926,107
Unassigned				(2,321,494)	(2,132,793)	(2,372,170)	(2,117,730)	(1,915,872)	0	0
Total all Other Governmental Funds	(\$9,622,829)	(\$8,350,856)	(\$415,366)	(\$783,186)	(\$383,619)	(\$59,737)	\$711,974	\$1,017,816	\$3,757,422	\$4,992,508

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.

(2) - Restated

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

	Calendar Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Taxes	\$9,442,375	\$9,296,348	\$10,236,302	\$9,470,903	\$9,221,597	\$8,661,385	\$11,132,384	\$9,727,407	\$9,866,481	\$9,968,919
Charges for Services	1,291,014	1,709,363	1,169,280	1,385,887	1,448,384	1,351,569	1,568,134	1,563,548	1,491,086	1,504,934
Investment Earnings	78,737	5,950	2,765	1,628	1,985	1,341	3,636	4,836	8,930	47,304
Intergovernmental	6,765,127	5,719,250	4,973,269	4,089,584	3,696,921	3,618,810	3,037,163	2,515,346	2,208,380	2,236,895
Special Assessments	56,400	49,752	61,125	47,361	75,378	117,304	98,072	47,241	93,048	139,768
Fines, Licenses & Permits	616,859	481,668	548,145	727,987	992,612	655,933	840,957	396,226	340,934	354,384
Revenue in Lieu of Taxes	320,584	243,735	266,986	285,046	314,945	1,796,840	730,615	752,528	764,068	533,836
Other Revenues	335,746	578,037	305,223	261,485	432,196	853,237	550,161	287,671	536,261	501,249
Total Revenues	\$18,906,842	\$18,084,103	\$17,563,095	\$16,269,881	\$16,184,018	\$17,056,419	\$17,961,122	\$15,294,803	\$15,309,188	\$15,287,289
Expenditures										
Current:										
General Government	\$2,768,203	\$2,985,350	\$2,146,466	\$2,939,192	\$3,043,505	\$2,869,875	\$3,082,600	\$2,473,711	\$2,324,004	\$2,642,651
Public Safety	9,656,271	8,233,223	8,060,103	8,156,930	8,144,645	7,952,880	9,204,008	8,261,875	7,899,774	7,549,155
Community Development	1,598,660	588,409	883,977	1,027,674	1,351,751	1,296,813	735,593	731,551	477,102	395,010
Leisure Time Activities	396,378	295,161	328,681	340,410	416,767	338,705	366,683	248,634	201,743	199,411
Transportation and Street Repair	1,775,955	1,062,396	1,721,843	1,797,058	1,639,448	1,370,506	1,882,417	1,587,466	1,444,097	1,408,609
Capital Outlay	3,508,994	2,505,113	3,596,228	1,341,925	2,465,112	1,295,827	73,921	323,675	23,009	389,416
Debt Service										
Principal	492,860	520,366	862,114	843,569	902,503	1,101,506	1,126,425	749,413	799,987	866,747
Interest	858,384	636,247	568,610	697,263	690,605	678,188	636,179	604,473	629,716	566,226
Bond Issuance Costs	0	0	0	0	0	0	0	0	47,327	0
Total Expenditures	\$21,055,705	\$16,826,265	\$18,408,672	\$17,144,021	\$18,654,336	\$16,904,300	\$17,107,826	\$14,980,798	\$13,846,759	\$14,017,225

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Excess of revenues over (under) expenditures	(\$2,148,863)	\$1,257,838	(\$845,577)	(\$874,140)	(\$2,470,318)	\$152,119	\$853,296	\$314,005	\$1,462,429	\$1,270,064
Other Financing Sources (Uses)										
Proceeds From Sale of Capital Assets	\$399,679	\$1,346	\$74,838	\$0	\$0	\$15,092	\$525	\$0	\$9,159	\$43,247
Issuance of Long-Term Capital-Related Debt	0	0	8,000,000	0	1,831,724	0	0	0	1,815,000	360,000
Sale of Refunding Bonds	0	0	0	0	0	0	0	0	3,370,000	0
Payments to Refunded Bond Escrow Agent	0	0	0	0	0	0	0	0	(3,322,034)	0
Premium on Bonds Sold	0	0	444,147	0	0	0	0	0	0	0
Inception of Capital Lease	0	0	1,583,883	0	232,257	0	42,766	0	0	0
Transfers In	386,750	531,000	22,500	258,410	744,800	187,000	0	65,000	230,000	390,000
Transfers (Out)	(1,067,590)	(511,000)	(100,000)	(235,910)	(777,000)	(187,000)	0	(65,000)	(230,000)	(390,000)
Total Other Financing Sources (Uses)	(281,161)	21,346	10,025,368	22,500	2,031,781	15,092	43,291	0	1,872,125	403,247
Net Change in Fund Balances	(\$2,430,024)	\$1,279,184	\$9,179,791	(\$851,640)	(\$438,537)	\$167,211	\$896,587	\$314,005	\$3,334,554	\$1,673,311
Debt service as a percentage of noncapital expenditures	7.5%	7.4%	7.7%	9.8%	9.6%	9.7%	10.6%	9.2%	10.7%	10.4%

Source: City Records

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

Calendar Year (1)	Real Property	Tangible Personal Property and Utilities Personal	Total	Total	Total
	Assessed Value	Assessed Value	Assessed Value	Estimated Actual Value	Direct Rate
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
2016	226,483,400	12,779,880	239,263,280	679,916,484	23.80
2017	225,170,570	13,755,120	238,925,690	678,670,135	23.80

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	
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%		
2016	1,093,871		380,678		34.80%	159,353		540,031		49.37%		4,170,891		381.30%		
2017	965,223		379,936		39.36%	189,119		569,055		58.96%		4,193,023		434.41%		

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- Madison City School District	Miami Valley Career Technology Center	Dayton- Montgomery County Library	Montgomery County	
2008	6.85	0.50	6.30	1.74	2.00	17.39	60.06	2.58	1.25	20.24	
2009	6.85	0.50	6.30	1.00	2.00	16.65	60.06	2.58	1.25	20.94	
2010	6.85	0.50	8.30	2.00	2.00	19.65	60.06	2.58	1.75	20.94	
2011	6.85	0.50	8.30	2.00	2.00	19.65	60.06	2.58	1.75	20.94	
2012	6.85	0.50	8.30	2.00	2.00	19.65	60.06	2.58	1.75	20.94	
2013	6.85	0.50	8.30	2.00	2.00	19.65	60.06	2.58	3.31	20.94	
2014	6.85	0.50	12.45	2.00	2.00	23.80	61.06	2.58	3.31	20.94	
2015	6.85	0.50	12.45	2.00	2.00	23.80	61.56	2.58	3.31	21.94	
2016	6.85	0.50	12.45	2.00	2.00	23.80	62.06	2.58	3.31	22.94	
2017	6.85	0.50	12.45	2.00	2.00	23.80	62.06	2.58	3.31	22.94	

Source: County Auditor

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

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

Taxpayer	2017	
	Assessed Value	Percentage of Total Assessed Value
Dayton Power & Light Company	\$11,097,560	4.64%
Dayton Healthcare	4,220,350	1.76%
Vectren Energy Delivery Of Ohio	3,717,780	1.55%
Maria Joseph Properties LLC	1,950,730	0.82%
Woodland Hills Associates	1,944,010	0.81%
Gated Properties	1,760,820	0.74%
Shiloh Springs LP	1,507,330	0.63%
Belle Meadows Associates LLC	1,359,750	0.57%
Shilo Apartments Limited	1,178,960	0.49%
CK-HP Salem Woods Holdings LLC	1,164,010	0.49%
All Others	209,024,390	87.50%
Total Assessed Valuation	\$238,925,690	100.00%

Taxpayer	2008	
	Assessed Value	Percentage of Total Assessed Value
Dayton Power & Light Company	\$11,148,300	3.23%
General Telephone Company (GTE)	6,642,090	1.92%
Salem Mall, Inc.	4,693,500	1.36%
R B-3 Associates	4,285,970	1.24%
Lowe's Companies, Inc.	4,174,950	1.21%
Castlebrook Capital Company	3,745,000	1.08%
Kmart Corporation	3,536,060	1.02%
Wal-Mart Stores, Inc.	3,169,350	0.92%
Lazarus, Inc.	2,719,810	0.78%
Sears Roebuck & Co.	2,605,680	0.75%
All Others	298,955,242	86.49%
Total Assessed Valuation	\$345,675,952	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
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%
2016	5,641,936	5,110,838	90.59%	451,675	5,562,513	98.59%
2017	5,634,247	5,134,796	91.14%	374,998	5,509,794	97.79%

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
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
2016	2.25%	3,757,534	1,212,991	4,970,525	77,175	4,893,350
2017	2.25%	3,744,488	1,158,832	4,903,320	71,084	4,832,236

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				
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	0.07%	352	
2016	14,778,783	17,728	695,217	810,355	16,302,083	0.07%	379	
2017	14,263,011	8,987	1,047,533	770,446	16,089,977	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			
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%	332
2016	15,474,000	4,374	15,478,374		2.28%	360
2017	15,310,544	8,507	15,319,051		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) - 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, 2017
Schedule 14

Governmental Unit	Net Debt Outstanding	Estimated Percentage Applicable (1)	Amount Applicable to City of Trotwood
Dayton City School District	\$143,660,000	2.70%	\$3,878,820
Northmont City School District	52,332,807	0.45%	235,498
Trotwood-Madison City School District	24,550,000	91.82%	22,541,810
Brookville Local School District	11,151,961	0.63%	70,257
New Lebanon Local School District	1,650,000	2.11%	34,815
Miami Valley Career Center Joint Vocational School District	5,197,994	2.91%	151,262
Dayton Metro Library District Miscellaneous	158,770,000	3.34%	5,302,918
Subtotal Overlapping Debt	397,312,762		32,215,380
City of Trotwood - Direct Debt	14,271,998	100.00%	14,271,998
Total Direct and Overlapping Debt	\$411,584,760		\$46,487,378

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 2017	
Assessed Value	\$238,925,690
Statutory Legal Debt Limitation (1)	10.5%
Total Debt Limitation	25,087,197
Debt Applicable to Limit:	
Gross Indebtedness	14,271,998
Less: Debt Retirement Fund Balance	8,507
Total Net Debt Applicable to Limit	14,263,491
Legal Debt Margin	<u>(\$1,122,578)</u>

	Calendar Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Total Debt Limit (1)	\$36,295,975	\$35,517,663	\$34,461,590	\$33,936,733	\$28,628,769	\$28,003,542	\$27,945,738	\$25,226,865	\$25,122,644	\$25,087,197
Total Net Debt Applicable to Limit	13,308,209	12,766,842	13,292,275	12,447,785	14,169,821	13,580,102	13,083,378	12,494,976	13,524,887	14,263,491
Legal Debt Margin	<u>\$22,987,766</u>	<u>\$22,750,821</u>	<u>\$21,169,315</u>	<u>\$21,488,948</u>	<u>\$14,458,948</u>	<u>\$14,423,440</u>	<u>\$14,862,360</u>	<u>\$12,731,889</u>	<u>\$11,597,757</u>	<u>\$10,823,706</u>

	Calendar Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	36.7%	35.9%	38.6%	36.7%	49.5%	48.5%	46.8%	49.5%	53.8%	56.9%
Total Unvoted Debt Limit (1)	\$19,012,177	\$18,604,490	\$18,051,309	\$17,776,384	\$14,996,022	\$14,668,522	\$14,638,244	\$13,214,072	\$13,159,480	\$13,140,913
Total Net Debt Applicable to Limit	13,308,209	12,766,842	13,292,275	12,447,785	14,169,821	13,580,102	13,083,378	12,494,976	13,524,887	14,263,491
Legal Debt Margin	<u>\$5,703,968</u>	<u>\$5,837,648</u>	<u>\$4,759,034</u>	<u>\$5,328,599</u>	<u>\$826,201</u>	<u>\$1,088,420</u>	<u>\$1,554,866</u>	<u>\$719,096</u>	<u>(\$365,407)</u>	<u>(\$1,122,578)</u>

	Calendar Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	70.0%	68.6%	73.6%	70.0%	94.5%	92.6%	89.4%	94.6%	102.8%	108.5%

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)
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	22,743,513	42,223	4.70%
2016	27,431	22,870,434	43,051	4.60%
2017	27,431	N/A	N/A	4.40%

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 Six Fiscal Years Ago (2)
 Schedule 18

2017	
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

2011	
Major Employers (3)	Type (4)
Behr Dayton Thermal Products, LLC	Mfg
Dayton City Schools	Govt
DPL, Inc./Dayton Power & Light Co.	Util
DMAX Ltd.	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 six 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									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government										
City Administration	4.0	3.0	3.0	3.0	3.5	3.5	3.5	2.5	2.0	2.0
City Council	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.5	1.0
Public Works Administration	3.0	3.0	3.0	3.0	3.0	3.0	2.0	1.0	1.0	1.0
Buildings and Grounds	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Finance	8.7	8.0	8.0	8.8	8.8	8.8	9.5	10.0	9.5	9.0
Fleet Maintenance	2.1	2.1	2.1	0.0	3.0	3.0	3.0	3.0	2.0	2.0
Public Safety										
Police										
Officers	41.3	34.0	33.0	35.0	34.0	34.0	34.0	29.2	29.0	31.0
Non-Sworn	4.5	3.0	4.0	4.0	4.0	4.0	4.0	4.0	3.0	4.0
Fire	47.5	47.2	42.0	41.0	52.0	40.3	41.0	40.7	40.8	40.5
Leisure Time Activities										
Cemeteries	0.8	0.8	0.8	0.8	0.8	0.8	0.8	1.0	2.0	2.0
Parks and recreation	3.9	4.2	3.3	2.0	1.0	1.0	0.5	0.5	1.5	2.5
Community Development										
Planning and Zoning	3.3	3.0	3.0	2.5	2.0	2.0	1.5	0.8	1.5	1.5
Building Inspection/Code Enforcement	2.8	3.0	3.0	3.0	3.6	3.0	1.5	1.8	1.0	1.0
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	1.7	1.7	1.2	1.2	1.2	2.2	1.5	1.5
Sanitary Sewers	2.7	2.7	1.7	1.7	1.2	1.2	1.2	2.2	1.5	1.5
Refuse Collection	0.8	0.8	0.8	0.8	0.8	0.8	0.8	1.0	0.0	0.0
Transportation and Street Repair	6.9	6.9	6.5	6.5	6.5	6.5	6.5	6.7	5.5	7.0
Total	136.4	125.4	116.9	114.8	126.4	114.1	112.0	107.6	103.3	107.5

Source: Various City Departments

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

Function/Program	Calendar Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government										
Building permits issued	41	43	37	37	43	37	0	0	0	0
Zoning permits issued	95	126	99	121	146	95	62	41	110	181
Checks issued	3,411	3,122	2,835	2,666	2,631	2,393	1,784	1,786	2,255	2,269
Ordinances adopted	48	29	15	13	29	95	17	22	22	32
Resolutions adopted	94	91	88	87	73	14	89	80	91	133
Police										
Calls for service	35,227	33,161	31,617	32,599	30,288	30,987	31,726	30,939	30,944	31,261
Cases assigned	1,219	854	1,255	1,371	1,316	1,205	1,062	1,044	1,114	902
Suspects charged	306	274	260	362	247	194	198	127	169	158
Percent cases closed by arrest	25%	32%	21%	26%	19%	16%	19%	12%	15.2%	17.5%
Traffic accidents	406	401	364	358	378	366	447	476	527	537
Traffic stops	3,903	4,306	3,236	3,353	2,409	2,980	3,418	2,833	2,746	4,206
Fire										
Calls for service	1,405	1,052	1,362	1,324	1,200	1,342	1,294	1,274	140	154
Average response time (minutes)	7.3	6.9	6.3	6.5	6.5	6.4	6.6	6.5	6.67	6.7
Average calls per day	3.8	2.8	3.7	3.6	3.3	3.7	3.5	3.5	0.38	0.42
Average call duration (minutes)	98.4	76.2	68.0	0.0	53.9	114.2	100.8	99.5	64.51	72.74
EMS										
Calls for service	4,361	3,864	4,200	4,245	4,440	4,572	5,026	5,120	5,090	5,531
Average response time (minutes)	6.3	6.2	6.6	5.9	5.2	5.9	6.0	6.3	6.79	6.32
Average calls per day	12.5	10.5	11.5	11.6	12.2	12.5	13.8	14.0	13.95	15.15
Average call duration (minutes)	60	58	71	0	67	72	96	92	61.64	70.69
Fire/EMS - all other										
Calls for service	0	0	0	0	0	0	0	0	1343	1178
Average response time (minutes)	0	0	0	0	0	0	0	0	6.09	5.92
Average calls per day	0	0	0	0	0	0	0	0	3.68	3.23
Average call duration (minutes)	0	0	0	0	0	0	0	0	28.53	26.81

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									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Public Works										
Street resurfacing (square yards)	50,000	0	123,200	0	93,848	25,500	25,000	27,000	29,500	57,400
Potholes repaired	7,200	8,000	9,000	9,000	9,000	9,000	9,800	11,191	11,685	15,000
Street cleaning (lane miles)	500	480	500	500	500	250	350	205	150	1,100
Street striping (miles)	10	20	10	20	20	12	35	30	30	30
Parks and recreation										
Shelter rentals	102	80	37	36	48	49	53	63	63	62
Pavilion rentals	16	9	2	0	2	2	0	4	3	10
Water										
Water main breaks	15	13	15	11	18	20	32	11	18	16
Wastewater										
Sewer main cleaning (miles)	12	10	12	12	11	12	15	8	20	10

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									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
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)	411	411	411	411	411	411	411	411	411	411
Streetlights	1,285	1,285	1,285	1,285	1,285	1,285	1,285	1,285	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
Acres	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	1,225	1,235	1,235	1,235	1,235
Storm Sewers (miles)	40	40	40	40	40	40	40	40	40	40
Sanitary Sewers (miles)	32	32	32	32	32	32	32	32	32	32

Source: Various City Departments
 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
SEPTEMBER, 4 2018**