

**CITY OF TROTWOOD
MONTGOMERY COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2000



**JIM PETRO
AUDITOR OF STATE**

STATE OF OHIO

**CITY OF TROTWOOD
MONTGOMERY COUNTY**

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**CITY OF TROTWOOD
MONTGOMERY COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED December 31, 2000**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity or Project Number	Federal CFDA Number	Disbursements
<u>U.S. DEPARTMENT OF THE TREASURY</u>			
<i>Direct Funding</i>			
Equitable Sharing Funds	0571200	16.XXX	\$56,797
Total U.S. Department of the Treasury			56,797
<u>U.S. DEPARTMENT OF JUSTICE</u>			
<i>Direct Funding</i>			
Local Law Enforcement Block Grants	98LBVX2017 99LBVX8205	16.592	36,300 17,933
Total Local Law Enforcement Block Grants			54,233
Public Safety Partnership & Community Policing Grants	96UMWX0624	16.710	168,267
Total U.S. Department of Justice			222,500
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
<i>Passed Through Ohio Department of Transportation</i>			
Highway Planning and Construction	PID 13965 PID 14915	20.205	132,734 22,077
Total U.S. Department of Transportation			154,811
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
<i>Passed Through Montgomery County</i>			
HOME Investment Partnerships Program	M99DC390208	14.239	140,000
Total U.S. Department of Housing and Urban Development			140,000
Total			\$574,108

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

**CITY OF TROTWOOD
MONTGOMERY COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FISCAL YEAR ENDED DECEMBER 31, 2000**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - MATCHING REQUIREMENTS

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



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

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

To the Members of City Council:

We have audited the financial statements of the City of Trotwood (the City) as of and for the year ended December 31, 2000, and have issued our report thereon dated August 9, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings and questioned costs as items 2000 -20357-001 through 2000-20357-005.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the City in a separate letter dated August 9, 2001.

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

Jim Petro
Auditor of State

August 9, 2001



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

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

To the Members of City Council:

Compliance

We have audited the compliance of the City of Trotwood (the City) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal programs for the year ended December 31, 2000. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

As described in items 2000-20357-007 and 2000-20357-008 in the accompanying schedule of findings and questioned costs, the City did not comply with requirements regarding activities allowed or unallowed that are applicable to the Public Safety Partnership and Community Policing Grant. Compliance with such requirements is necessary, in our opinion, for the City to comply with requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2000.

Internal Control Over Compliance

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

We noted a matter involving the internal control over compliance and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the City's ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts and grants. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 2000-20357-006.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described above is a material weakness.

Schedule of Federal Awards Expenditures

We have audited the general-purpose financial statements of the City as of and for the year ended December 31, 2000, and have issued our report thereon dated August 9, 2001. Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The accompanying schedule of federal awards expenditures is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

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

Jim Petro
Auditor of State

August 9, 2001

**CITY OF TROTWOOD
MONTGOMERY COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2000**

1. SUMMARY OF AUDITOR'S RESULTS
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(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	Yes
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	Yes
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Qualified
(d)(1)(vi)	Are there any reportable findings under § .510?	Yes
(d)(1)(vii)	Major Programs (list):	Community Oriented Policing Services CFDA # 16.710 Highway Planning and Construction CFDA # 20.205
(d)(1)(viii)	Dollar Threshold: Type AIB Programs	Type A: >\$300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	No

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

FINDING NUMBER 2000-20357-001

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

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

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

Twenty three percent of the expenditures tested were certified after incurring obligations, and three percent were neither certified nor encumbered. Many of these expenditures were recurring in nature, such as Dayton Power and Light Company, Verizon, and United Health Care. Not certifying the availability of funds and recording the related encumbrances in the budgetary accounts could result in the City's expenditures exceeding amounts appropriated at the legal level of control.

The City should obtain the required certification of the availability of funds, for all City funds, prior to a liability being incurred by the City.

FINDING NUMBER 2000-20357-002

Ohio Rev. Code Section 5705.36 provides, in part, that "upon a determination by the fiscal officer of a subdivision that the revenue to be collected by the subdivision will be less than the amount included in an official certificate and that the amount of the deficiency will reduce available resources below the level of current appropriations, the fiscal officer shall certify the amount of the deficiency to the commission, and the commission shall certify an amended certificate reflecting the deficiency." The intent of this statutory requirement is to require the fiscal officer to obtain an amended certificate when it appears that budgetary resources will fall short of earlier estimates, reducing the possibility of deficit spending.

The following funds had actual revenues in excess of the amounts reflected in the certificate of estimated resources. The certificate of estimated resources was not amended to reflect the excess revenue in these funds that were appropriated and/or expended.

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

Fund	Month	Total Estimated Resources	Unencumbered Cash & Actual receipts	Variance Favorable/ (Unfavorable)
<u>Special Revenue</u>				
Street	Dec. 00	\$1,493,606	\$1,823,443	\$329,837
Grants	Dec. 00	\$594,032	\$746,982	\$152,950
<u>Capital Projects</u>				
Townview Revitalization	Dec.00	\$0	\$546,361	\$546,361

By not amending the Certificate of Estimated Resources on a timely basis to reflect actual or expected revenues, and realigning appropriations accordingly by amending the appropriation resolution when those additional revenue sources are intended to be expended, could result in material budget deficits at the fund level.

The City should monitor actual revenue and estimated revenue throughout the fiscal year. When available resources become significantly below or above estimated levels, the Finance Director should obtain an amended official certificate of estimated resources and make corresponding appropriation/expenditure or transfer modifications. Implementing these procedures should reduce the risk that expenditures will exceed available resources.

FINDING NUMBER 2000-20357-003

Ohio Rev. Code Section 5705.10 states that monies paid into a fund must be used only for the purposes for which such fund has been established. A negative fund balance indicates that money from one fund was used to cover the expenses of another fund. The following funds had negative unencumbered cash balances.

Fund	Month	Unencumbered Cash Balance
<u>Special Revenue</u>		
Street	June 00	(\$402,906)
<u>Capital Projects</u>		
Townview Revitalization	Dec. 00	(\$72,437)
Trotwood Industrial Park	June 00	(\$36,317)

The City should monitor fund balances throughout the fiscal year. When fund balance amounts become negative, the Finance Director should take appropriate corrective action, such as making transfer modifications. Implementing these procedures should help assure that monies are utilized for proper purposes.

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

FINDING NUMBER 2000-20357-004

Ohio Rev. Code Section 5705.39 states the total appropriations made during the fiscal year from any fund shall not exceed the amount set forth as available for expenditure from such fund in the official certificate of estimated resources, or any amendment thereof, certified prior to the making of the appropriations or supplemental appropriation.

The following funds had appropriations in excess of the certificate of estimated resources:

Fund	Month	Total Estimate Resources	Total Current Appropriations	Variance Favorable/(Unfavorable)
<u>Special Revenue:</u>				
Grants	Dec. 00	\$594,032	\$705,610	(\$111,578)
<u>Capital Projects:</u>				
Trotwood Industrial Park	Dec.00	\$0	\$2,430,000	(\$2,430,000)
	June 00	\$0	\$2,430,000	(\$2,430,000)

The negative variances resulted from the Certificate of Estimated Resources not being amended to reflect the surplus revenues appropriated.

Not realigning appropriations according to the certificate of estimated resources could result in material budget deficits at the fund level. To assist in compliance with the Ohio Revised Code and to improve budgetary controls over estimated resources, appropriations, and expenditures, it is recommended that the appropriation measure be limited by the certificate of estimated resources.

FINDING NUMBER 2000-20357-005

Ohio Revised Code 5705.41(B) states that no subdivision or taxing unit is to expend money unless it has been appropriated.

The following funds had expenditures in excess of appropriations at the legal level of budgetary control:

Fund	Month	Total Appropriations	Budgetary Expenditures	Variance Favorable/(Unfavorable)
<u>General</u> (street lighting)	Dec. 00	\$223,000	\$249,481	(\$26,481)
<u>Special Revenue:</u>				
Street	Dec. 00	\$1,480,262	\$1,637,811	(\$157,549)
Rescue Levy	Dec. 00	\$ 695,831	\$737,923	(\$42,092)
<u>Capital Projects:</u>				
Townview Fund	June 00	\$192,111	\$443,871	(\$251,760)
	Dec. 00	\$192,111	\$856,266	(\$664,155)

Not limiting expenditures and encumbrances to appropriations could result in material deficit fund balances.

To assist in compliance with the Ohio Revised Code and to improve budgetary controls over expenditures and encumbrances, it is recommended that the budgetary control accounts over expenditures be monitored monthly.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

Finding Number	2000-20357-006
CFDA Title and Number	Public Safety Partnership & Community Policing Grant, CFDA 16.710
Federal Award Number/Year	96UMWX0624-00
Federal Agency	U.S. Department of Justice
Pass-Through Agency	Direct

REPORTABLE CONDITION

During examination of the City’s Public Safety Partnership & Community Policing grant for fiscal year 2000, we noted the following conditions:

1. Per the grant agreement, the funding under this project is for the payment of salaries and approved fringe benefits for three years for sworn entry level “career law enforcement officers,” lateral transfers, or rehired officers. The fringe benefits not approved under the grant agreement are uniforms and overtime. Both overtime and uniform allowances were claimed in fiscal year 2000.
2. Per the agreement, funding under this project is to be made up of 75% of the total salary and benefits of each new officer over three years, and up to a maximum of \$75,000 per officer, with the remainder to be paid by state or local funds. During fiscal year 2000, the city claimed monies in excess of \$75,000 for salaries and benefits paid to officers.

The failure to comply with the allowable cost requirements resulted from the grant coordinator not being aware of restrictions placed on benefits that are eligible for reimbursement under the terms of the grant agreement. By not complying with the grant agreement, the city risks suspension or termination of grant funds.

The City should implement the following procedures to strengthen federal compliance controls:

1. The Finance Director should provide instruction to the grant coordinator regarding allowable and unallowable expenditures.
2. The Finance Director should review and certify all financial reports submitted to the U.S. Department of Justice, Office of Justice Program.
3. The grant coordinator should maintain accounting records that enable the city to keep a running balance, beginning with the \$75,000 maximum adjusted at least quarterly to reflect salary and benefit charges paid to each officer.

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
 (Continued)**

Finding Number	2000-20357-007
CFDA Title and Number	Public Safety Partnership & Community Policing Grant, CFDA 16.710
Federal Award Number/Year	96UMWX0624-00
Federal Agency	U.S. Department of Justice
Pass-Through Agency	Direct

QUESTIONED COST

COPS FAST, AHEAD, AND UHP, state the funding under the program is for the payment of salaries and approved fringe benefits for three years for sworn entry level "career law enforcement officers," lateral transfers, or rehired officers. Overtime, training, weapons, communication equipment, and vehicles cannot be paid for out of this funding.

The city claimed \$11,968 for overtime and uniform allowances for fiscal year 2000.

The total Public Safety Partnership & Community Policing Grant's expenditures for fiscal year 2000 were \$168,267 of which \$11,968 for overtime and uniform allowances is questioned.

Finding Number	2000-20357-008
CFDA Title and Number	Public Safety Partnership & Community Policing Grant, CFDA 16.710
Federal Award Number/Year	96UMWX0624-00
Federal Agency	U.S. Department of Justice
Pass-Through Agency	Direct

QUESTIONED COST

COPS FAST, AHEAD, AND UHP, states that the COPS grant provide up to 75% of entry level salaries and fringe benefits for a new or rehired law enforcement officer over three years. The maximum that can be paid per officer for that three-year period is \$75,000. Local government grantees are responsible for at least 25% of total cost of salaries and fringe benefits. The match must be a cash match.

The city claimed \$51,907 for salaries and benefits paid to officers in excess of the \$75,000 maximum.

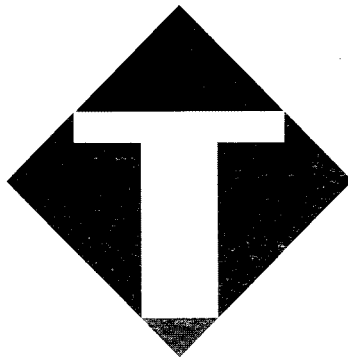
The total Public Safety Partnership & Community Policing Grant's expenditures for fiscal year 2000 were \$168,267 of which \$51,907 is questioned.

**CITY OF TROTWOOD
MONTGOMERY COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .315 (b)
DECEMBER 31,2000**

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected?</u>	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
1999-20357-001	ORC 5705.41(B)- Expenditures exceeding appropriations	No	Not corrected. Repeated as finding number 2000-20357-005.
1999-20357-002	ORC 5705.39- appropriations exceeding estimate resources	No	Not corrected. Repeated as finding number 2000-20357-004.
1999-20357-003	ORC 5705.36- obtaining an amended certificate of estimated resources	No	Not corrected. Repeated as finding number 2000-20357-002.
1999-20357-004	ORC 5705.10- carrying a negative fund balance.	No	Not corrected. Repeated as finding number 2000-20357-003.
1999-20357-005	Finding for lack of supporting documentation	Yes	Corrected. All supporting documentation was available during audit. Finding was not repeated this year.

CITY OF TROTWOOD, OHIO



**COMPREHENSIVE ANNUAL FINANCIAL REPORT
For The Fiscal Year Ended December 31, 2000**

CITY OF TROTWOOD, OHIO

Comprehensive Annual Financial Report
For the Fiscal Year Ended December 31, 2000

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CITY OF TROTWOOD, OHIO

Comprehensive Annual Financial Report
For the Fiscal Year Ended December 31, 2000

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INTRODUCTORY

SECTION



July 27, 2001

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

We are pleased to present the comprehensive annual financial report of the City of Trotwood, Ohio, for the fiscal year ended December 31, 2000. Responsibility for both the accuracy of the data and the completeness and fairness of presentation, including all disclosures, rests with City management. To the best of our knowledge and belief, the information presented is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

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

THE REPORTING ENTITY AND ITS SERVICES

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

The City is a political subdivision of the State of Ohio, incorporated as a village in 1901 and as a city in 1971. It is a home rule municipal corporation under Article XVIII of the Ohio Constitution utilizing the council-manager form of government. Governing direction is provided by the City charter first adopted in 1964 and subsequently amended. On January 1, 1996, the City merged with Madison Township more than tripling its population and land area. The resulting community is the fourth most populous city in Montgomery County with 27,420 residents and is surpassed in land mass (over 28 square miles) only by the City of Dayton.

Overall policy direction is the responsibility of the City Council which is composed of the Mayor and six Councilpersons, four elected from geographic districts and two elected at-large. The Mayor is directly elected at-large. The Mayor and all members of council are elected to staggered four-year terms, with elections every two years. City Council is responsible, among other things, for passing ordinances, adopting the budget and hiring the City Manager, Law Director and Clerk of Council. The City Manager is responsible

for carrying out the policies and ordinances of the City Council, overseeing the day-to-day operations of the City and appointing the directors of City departments.

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

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

ECONOMIC CONDITION AND OUTLOOK

The City of Trotwood participates as a major suburb within a diversified regional economy characterized by low unemployment, an expanding housing market, continued job growth and stable major employers. Nearby Wright Patterson Air Force Base employs more than 21,000 making it the largest single-site employer in the State of Ohio. General Motors employs more than 22,000 in its several area facilities. Companies such as NCR, Chrysler Corporation, Reynolds and Reynolds, Mead Corporation and Standard Register are included among the list of other top regional employers. Although none of these facilities are physically located in Trotwood, the City benefits by receiving income taxes from Trotwood residents who work for these companies. Trotwood is home to the corporate headquarters of MotoPhoto, Inc., a national one-hour photo finishing chain.

The City's Salem Avenue shopping district has served as the commercial hub of northwest Montgomery County for many years. Salem Mall has long been the anchor of the district, but recently has experienced declining occupancy. The adjacent Consumer Square shopping center is a major draw in the district, as are several "big box" retailers such as Wal-Mart, K-Mart, Lowe's and Target. In 2000, Home Depot acquired the Lazarus department store site, demolished the vacant store and began construction of a new home improvement outlet. In addition to retail activity, Hara Arena draws large crowds to its facilities for various shows, conferences and sporting activities.

The "Trotwood Connector," a new limited access highway on a north-south axis through the center of the City provides access for potential development of several large tracts. In a related economic development move, the City purchased a 38-acre site west of the Connector to develop a light industrial park.

MAJOR INITIATIVES

For the City of Trotwood, the 2000 fiscal year was marked by new activities to stimulate a broadened tax base and by a searching review of financial policies to cope with the reality of currently limited financial resources.

In the arena of economic development, the City awarded a construction contract midyear to install internal streets and utilities for the 38 acre site acquired in late 1999 to become the first City-sponsored industrial park. The project financing included state and county grants and the issuance of debt intended to be repaid by tax-increment revenues from the expected park occupants. Industrial park site improvement were completed in the second quarter of 2001 and active marketing of the parcels commenced.

The City also was actively studying revitalization scenarios for the declining Salem Mall, which it identified as a key priority for preserving a vigorous retail commercial tax base. The Planning and Development Department added an Economic Development Specialist position. This staffing addition provides substantially expanded support for an extensive business retention and expansion program, concentrating on both retailers and the various small industrial firms within the city.

The budget for 2000 was based on a recognition that the City's revenue growth had slowed, making it difficult to support the increased personnel and equipment added to the core budget over the prior two years. The expansion in cost levels had been possible due to earlier growth of fund balances resulting from surpluses in the beginning years of the merger. While the decision was made to utilize fund balances to support the 2000 operating expenses, it was explicitly stated in the budget document that this approach could not be allowed to continue over time since it would result in deterioration of the city's overall financial condition.

Also in 2000 the City was obliged to confront its dependence on securing continuing voter approval of the various property tax levies previously adopted to support municipal services. Because the voters had approved at the November 1999 election the continuation of two street levies for a combined 1.74 mills and a 2.00 mill EMS levy, there was logical optimism that the 3.5 mill current expenses levy schedule for renewal action in 2000 would be likewise supported. The original 2001 budget was compiled with the expectation that the question of the November 2000 ballot would pass. Consequently, when the levy renewal failed by 19 votes, representing a loss of approximately \$900,000 in General Fund revenues for 2001, City management devoted November and December to dramatically cutting the 2001 budget proposal to accomplish a spending pattern for the upcoming year that conformed to this significant loss of revenues.

The City also gave early attention to the basis formulation of its 2002 budget identifying the minimal requirements for adequate service levels and those restorations and enhancements which the citizens would hopefully endorse. This gave rise to a proposal for a 5.75 mill current expense levy that did gain voter approval at the May 2001 special election.

FINANCIAL INFORMATION

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

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

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

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

administrative transfer from another appropriation. Open encumbrances are reported as reservations of fund balance at year-end.

General Government Fund Balances. General governmental activities and services are accounted for in governmental funds: the general, special revenue, debt service and capital project funds. The following schedule presents a summary of fund balances for all governmental funds for the years ended December 31, 2000 and 1999. Fund balances give the City flexibility in the event of unforeseen revenue downturns or expenditure increases and reflect the City's strategy of maintaining a strong balance sheet.

**Governmental Fund Balances
For the fiscal years ended December 31, 2000 and 1999**

Fund Type	2000 Amount	1999 Amount	Amount of Increase (Decrease)	Percent of Increase (Decrease)
General	\$ 3,372,050	3,346,448	25,602	0.8%
Special revenue	1,352,292	775,830	576,462	74.3%
Debt service	597	9,112	(8,515)	-93.4%
Capital Projects	(1,431,866)	186,482	(1,618,348)	-867.8%
Totals	<u>3,293,073</u>	<u>4,317,872</u>	<u>(1,024,799)</u>	

The \$1,024,799 decline in fund balances for all governmental funds is primarily related to the industrial park development project which utilized the proceeds of a \$2,300,000 one-year note issued in 2000 for covering land acquisition and infrastructure installation costs. Since these proceeds are not recognized on the GAAP basis operating statement, the capital projects fund balance is shown as reduced due to the deficiency of sources compared to uses.

Governmental Revenues. The following table presents revenue amounts generated by the City's governmental operations for the years ended December 31, 2000 and 1999.

**Governmental Fund Revenues
For the fiscal years ended December 31, 2000 and 1999**

Sources	2000 Amount	Percent of Total	1999 Amount	Amount of Increase (Decrease)	Percent of Increase (Decrease)
Taxes	\$ 8,599,117	55.3%	8,222,606	376,511	4.6%
Intergovernmental	5,651,530	36.3%	2,784,498	2,867,032	103.0%
Charges for services	258,561	1.7%	194,391	64,170	33.0%
Fines, licenses and permits	97,621	0.6%	117,007	(19,386)	-16.6%
Special assessments	35,125	0.2%	164,776	(129,651)	-78.7%
Investment Earnings	277,116	1.8%	350,442	(73,326)	-20.9%
Other	632,213	4.1%	233,558	398,655	170.7%
Totals	<u>\$ 15,551,283</u>	<u>100.0%</u>	<u>12,067,278</u>	<u>3,484,005</u>	

The \$2,867,032 increase in intergovernmental revenue in 2000 is attributable to the receipt of several major project-specific grants. This includes about \$1,493,000 in federal highway and state Issue 2 funds to reimburse right-of-way acquisition costs for the Turner Road Phase 2 project, about \$573,000 in Issue 2 reimbursements for the Townview Revitalization project, \$300,000 for in state economic development funding for the industrial park development, and a variety of smaller grants for other projects. In addition, estate tax distributions were approximately \$180,000 greater than the prior year. The \$398,655 increase in other revenues reflects a reimbursement from the Industrial Park Fund for the acquisition cost of the site.

Governmental Expenditures. Amounts expended in 2000 for governmental operations are summarized in the following table:

**Governmental Fund Expenditures
For the fiscal years ended December 31, 2000 and 1999**

Functions	2000 Amount	Percent of Total	1999 Amount	Amount of Increase (Decrease)	Percent of Increase (Decrease)
Current:					
Public Safety	\$ 7,438,226	44.3%	7,252,708	185,518	2.6%
Leisure time activities	760,948	4.5%	609,445	151,503	24.9%
Community Development	976,552	5.8%	596,412	380,140	63.7%
Transportation and Street Repair	1,267,681	7.6%	1,246,778	20,903	1.7%
General government	2,123,683	12.7%	2,377,437	(253,754)	-10.7%
Capital outlay	4,042,240	24.1%	1,887,440	2,154,800	114.2%
Debt service	167,320	1.0%	157,206	10,114	6.4%
Totals	<u>\$ 16,776,650</u>	<u>100.0%</u>	<u>14,127,426</u>	<u>2,649,224</u>	

The \$2,154,800 capital outlay increase is explained by \$1,634,941 in expenditures for the industrial park development project and \$894,050 paid for street reconstruction and drainage work for the Townview Revitalization project. The \$380,140 increase in community development expenditures is due to the creation of the economic development specialist position, the engagement of consultants to undertake specific studies and the conduct of two projects utilizing contractual service for private property improvements -- the Salem Village home improvement program and the Dahio General Aviation Airport improvements -- which in combination increased costs by about \$356,000 over the prior year.

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

Enterprise Fund Financial Information
For the fiscal year ended December 31, 2000

	Water Fund	Sewer Fund	Refuse Collection Fund	Totals
Operating revenues	\$ 827,049	802,724	706,657	2,336,430
Operating expenses	1,001,778	926,264	831,817	2,759,859
Operating income (loss)	(174,729)	(123,540)	(125,160)	(423,429)
Net income (loss)	(170,664)	(120,402)	(110,607)	(401,673)
Assets	1,062,426	772,493	500,374	2,335,293
Equity	698,899	340,304	200,697	1,239,900
Net working capital	40,679	109,093	200,697	350,469

All three enterprise funds experienced operating losses for the year. This highlights the fact that needed fee increases to cover operating expenses were not authorized in 2000.

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

Debt Administration. At year-end, the City had four debt obligations outstanding. These issues included \$680,000 of general obligation bonds, \$725,000 of special assessment bonds with a governmental commitment and a \$2,300,000 bond anticipation note for a total of \$3,705,000. The one year BAN was issued in 2000 to finance a portion of the cost of developing the City's light industrial park project.

The liability of compensated absences experienced a net increase of \$12,315 at December 31, 2000.

Cash Management. Temporarily idle cash during the year was invested in certificates of deposit, overnight repurchase agreements and the State Treasurer's investment pool (STAR Ohio). Investment maturities averaged approximately 64 days with an average return of 6.26% throughout 2000. The average return on the City's portfolio out-performed the benchmark established by the City's investment policy. Total interest earned by the City in 2000 amounted to \$308,632.

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

Risk Management. The City purchases commercial casualty and liability insurance to protect against property losses and the threat of lawsuits alleging negligence by city employees. Coverage levels as of year end were blanket property coverage of \$7,623,179 (\$500 deductible), crime coverage of \$100,000 per loss, general liability coverage of \$1,000,000 per occurrence/\$3,000,000 aggregate, public officials liability coverage of \$1,000,000 per occurrence/annual aggregate (\$2,500 deductible) and automobile liability coverage of \$1,000,000 per vehicle. In

addition, the city has umbrella liability coverage of \$4,000,000 per occurrence/annual aggregate (\$10,000 deductible).

OTHER INFORMATION

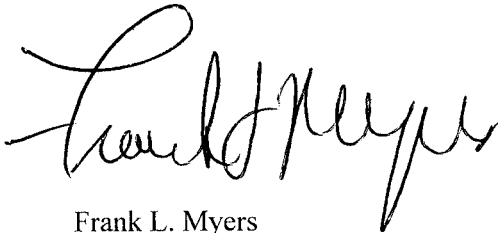
Independent Audit. As required by state statutes, the general purpose financial statements of the City of Trotwood, Ohio for the fiscal year ended December 31, 2000, have been audited by members of the Ohio Auditor of the State's office. Their unqualified opinion has been included in this report.

Awards. The City received the Government Finance Officers Association (GFOA) Award for Distinguished Budget Presentation for its annual operating budget for the fiscal year beginning January 1, 2000. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories including policy documentation, financial planning and organization.

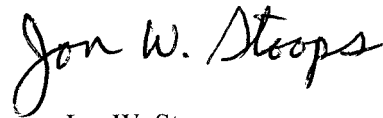
Management believes that this current comprehensive annual report conforms to the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting program requirements and is submitting it to the GFOA to determine its eligibility for the award.

Acknowledgements. The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department. We would like to express our appreciation to all members of the Department, and other City departments as well, who assisted and contributed to the preparation of this report. Finally, special acknowledgement is given to the Mayor and City Council for their continuing support and commitment to responsible fiscal reporting.

Respectfully submitted,



Frank L. Myers
City Manager



Jon W. Stoops
Finance Director

CITY OF TROTWOOD, OHIO
List of Elected and Appointed Officials
December 31, 2000

ELECTED OFFICIALS

Donald K. McLaurin	Mayor
Darreyl Davis	Councilmember At Large
Barbara J. Staggs (Vice-Mayor)	Councilmember At Large
Joyce Sutton	Councilmember, District 1
James D. Spencer	Councilmember, District 2
Bruce D. Kettelle	Councilmember, District 3
Oscar L. Holliday	Councilmember, District 4

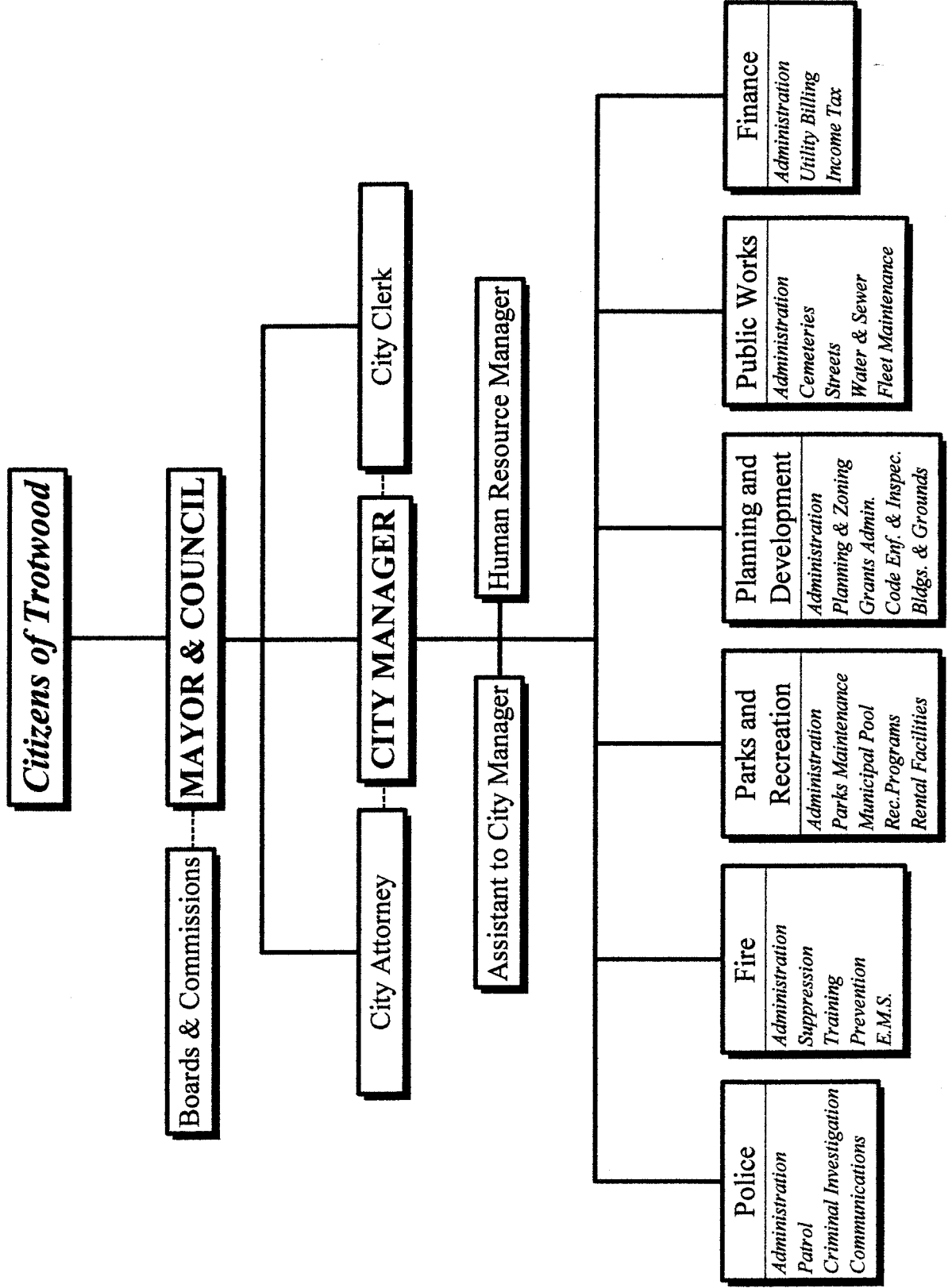
APPOINTED OFFICIALS

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

CITY OF TROTWOOD, OHIO

Organization Chart

December 31, 2000





TROTWOOD

Yours to Discover

FINANCIAL

SECTION



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

One First National Plaza
130 West Second Street
Suite 2040
Dayton, Ohio 45402
Telephone 937-285-6677
800-443-9274
Facsimile 937-285-6688
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

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

To Members of City Council:

We have audited the accompanying general-purpose financial statements of the City of Trotwood, Montgomery County, (the City) as of and for the year ended December 31, 2000, as listed in the table of contents. These general-purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

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

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Trotwood, Montgomery County, as of December 31, 2000, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 9, 2001 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

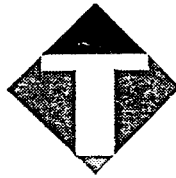
We performed our audit to form an opinion on the general-purpose financial statements of the City, taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for additional analysis and are not a required part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

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

A handwritten signature in black ink, appearing to read "Jim Petro", written in a cursive style.

Jim Petro
Auditor of State

August 9, 2001



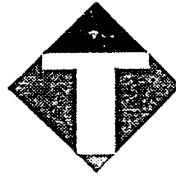
TROTWOOD
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City of Trotwood, Ohio
 Combined Balance Sheet
 All Fund Types And Account Groups
 December 31, 2000

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
ASSETS AND OTHER DEBITS:				
Assets:				
Pooled cash and investments	\$3,318,776	\$1,567,355	\$597	\$994,303
Receivables (net of allowance for uncollectibles):				
Taxes	916,378	2,768,374	188,191	0
Accounts	0	0	0	0
Special assessments	366,853	65,505	0	0
Interest	1,832	782	0	521
Interfund	72,437	0	0	0
Intergovernmental	55,700	218,839	0	625,351
Inventory	0	44,841	0	0
Prepaid items	49,491	40,493	0	0
Fixed assets (net, where applicable of accumulated depreciation)	0	0	0	0
Other debits:				
Amount available in debt service fund	0	0	0	0
Amount to be provided for retirement of general long-term obligations	0	0	0	0
TOTAL ASSETS AND OTHER DEBITS	\$4,781,467	\$4,706,189	\$188,788	\$1,620,175
LIABILITIES, EQUITY AND OTHER CREDITS:				
Liabilities:				
Accounts payable	\$76,379	\$154,367	\$0	\$329,604
Accrued wages and benefits	552,165	200,694	0	0
Compensated absences	0	0	0	0
Interfund payable	0	0	0	72,437
Due to others	0	0	0	0
Deferred revenue	780,873	2,998,836	188,191	350,000
Notes payable	0	0	0	2,300,000
General obligation bonds payable	0	0	0	0
Special assessment debt with government commitment	0	0	0	0
Capital lease obligations	0	0	0	0
Total Liabilities	1,409,417	3,353,897	188,191	3,052,041
Equity and Other Credits:				
Investment in general fixed assets	0	0	0	0
Contributed capital	0	0	0	0
Retained earnings - unreserved	0	0	0	0
Fund Balances:				
Reserved for encumbrances	102,723	207,364	0	215,252
Reserved for inventory	0	44,841	0	0
Reserved for prepaids	49,491	40,493	0	0
Unreserved, undesignated	3,219,836	1,059,594	597	(1,647,118)
Total Equity and Other Credits	3,372,050	1,352,292	597	(1,431,866)
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	\$4,781,467	\$4,706,189	\$188,788	\$1,620,175

See accompanying notes.

Proprietary Fund Types		Fiduciary Fund Type	Account Groups		Totals
Enterprise	Internal Service	Agency	General Fixed Assets	General Long-Term Obligations	(Memorandum Only)
\$432,053	\$89,572	\$99,950	\$0	\$0	\$6,502,606
0	0	0	0	0	3,872,943
599,168	0	0	0	0	599,168
310,177	0	0	0	0	742,535
227	47	0	0	0	3,409
0	0	0	0	0	72,437
0	0	0	0	0	899,890
0	0	0	0	0	44,841
0	0	0	0	0	89,984
993,668	0	0	5,269,131	0	6,262,799
0	0	0	0	597	597
0	0	0	0	2,473,430	2,473,430
<u>\$2,335,293</u>	<u>\$89,619</u>	<u>\$99,950</u>	<u>\$5,269,131</u>	<u>\$2,474,027</u>	<u>\$21,564,639</u>
\$639,082	\$0	\$0	\$0	\$0	\$1,199,432
16,803	0	0	0	0	769,662
25,094	0	0	0	826,292	851,386
0	0	0	0	0	72,437
0	0	99,950	0	0	99,950
310,177	0	0	0	0	4,628,077
0	0	0	0	0	2,300,000
0	0	0	0	680,000	680,000
0	0	0	0	725,000	725,000
104,237	0	0	0	242,735	346,972
<u>1,095,393</u>	<u>0</u>	<u>99,950</u>	<u>0</u>	<u>2,474,027</u>	<u>11,672,916</u>
0	0	0	5,269,131	0	5,269,131
34,325	59,240	0	0	0	93,565
1,205,575	30,379	0	0	0	1,235,954
0	0	0	0	0	525,339
0	0	0	0	0	44,841
0	0	0	0	0	89,984
0	0	0	0	0	2,632,909
<u>1,239,900</u>	<u>89,619</u>	<u>0</u>	<u>5,269,131</u>	<u>0</u>	<u>9,891,723</u>
<u>\$2,335,293</u>	<u>\$89,619</u>	<u>\$99,950</u>	<u>\$5,269,131</u>	<u>\$2,474,027</u>	<u>\$21,564,639</u>



TROTWOOD

Yours to Discover

City of Trotwood, Ohio
 Combined Statement of Revenues, Expenditures
 And Changes in Fund Balances
 All Governmental Fund Types
 For the Year Ended December 31, 2000

	Governmental Fund Types				Totals
	General	Special Revenue	Debt Service	Capital Projects	(Memorandum Only)
REVENUES:					
Taxes	\$6,464,495	\$1,999,935	\$134,687	\$0	\$8,599,117
Fines, licenses and permits	78,306	19,315	0	0	97,621
Intergovernmental	1,768,194	2,994,156	16,274	872,906	5,651,530
Special assessments	25,996	6,991	2,138	0	35,125
Charges for services	258,290	271	0	0	258,561
Investment earnings	226,565	48,617	1,934	0	277,116
Other	523,771	66,933	3,772	37,737	632,213
Total Revenues	9,345,617	5,136,218	158,805	910,643	15,551,283
EXPENDITURES:					
Current:					
General government	2,123,683	0	0	0	2,123,683
Public safety	4,543,803	2,894,463	0	0	7,438,266
Leisure time activities	760,948	0	0	0	760,948
Community development	663,551	313,001	0	0	976,552
Transportation and street repair	249,481	1,018,200	0	0	1,267,681
Capital outlay	461,922	1,051,327	0	2,528,991	4,042,240
Debt service:					
Principal	0	0	65,000	0	65,000
Interest	0	0	102,320	0	102,320
Total Expenditures	8,803,388	5,276,991	167,320	2,528,991	16,776,690
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	542,229	(140,773)	(8,515)	(1,618,348)	(1,225,407)
OTHER FINANCING SOURCES (USES):					
Operating transfers - in	0	700,000	0	0	700,000
Operating transfer - out	(700,000)	0	0	0	(700,000)
Proceeds from sale of assets	168,373	17,235	0	0	185,608
Proceeds from capital leases	15,000	0	0	0	15,000
Total Other Financing Sources (Uses)	(516,627)	717,235	0	0	200,608
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	25,602	576,462	(8,515)	(1,618,348)	(1,024,799)
FUND BALANCES, BEGINNING OF YEAR	3,346,448	775,830	9,112	186,482	4,317,872
FUND BALANCES, END OF YEAR	\$3,372,050	\$1,352,292	\$597	(\$1,431,866)	\$3,293,073

See accompanying notes.

City of Trotwood, Ohio
 Combined Statement of Revenues, Expenditures
 And Changes in Fund Balance
 Budget And Actual (Non-GAAP Basis)
 All Governmental Fund Types
 For the Year Ended December 31, 2000

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:						
Taxes	\$6,759,120	\$6,418,766	(\$340,354)	\$2,240,950	\$2,143,583	(\$97,367)
Licenses and permits	50,000	33,740	(16,260)	0	0	0
Intergovernmental	1,567,020	1,766,453	199,433	2,516,515	2,786,280	269,765
Special assessments	40,000	25,996	(14,004)	18,000	6,991	(11,009)
Charges for services	203,590	202,207	(1,383)	5,000	272	(4,728)
Fines and forfeitures	56,600	44,566	(12,034)	21,700	19,316	(2,384)
Investment earnings	340,500	302,642	(37,858)	112,700	60,050	(52,650)
Other	21,000	535,900	514,900	2,600	166,660	164,060
Total Revenues	9,037,830	9,330,270	292,440	4,917,465	5,183,152	265,687
EXPENDITURES:						
Current:						
General government	2,194,675	2,137,535	57,140	0	0	0
Public safety	4,910,313	4,603,253	307,060	3,114,981	3,002,166	112,815
Leisure time activities	958,193	908,756	49,437	20,850	0	20,850
Community development	731,619	703,518	28,101	301,910	307,384	(5,474)
Transportation	223,000	249,481	(26,481)	1,260,603	1,231,316	29,287
Capital outlay	0	0	0	1,271,018	973,174	297,844
Debt service:						
Principal	0	0	0	0	0	0
Interest	0	0	0	0	0	0
Total Expenditures	9,017,800	8,602,543	415,257	5,969,362	5,514,040	455,322
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	20,030	727,727	707,697	(1,051,897)	(330,888)	721,009
OTHER FINANCING SOURCES (USES):						
Proceeds of bond anticipation notes	0	0	0	0	0	0
Proceeds of sale of fixed assets	170,000	168,372	(1,628)	0	16,985	16,985
Operating transfers - in	0	0	0	700,000	700,000	0
Operating transfers - (out)	(700,000)	(700,000)	0	0	0	0
Total Other Financing Sources (Uses)	(530,000)	(531,628)	(1,628)	700,000	716,985	16,985
EXCESS (DEFICIENCY) OF REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(509,970)	196,099	706,069	(351,897)	386,097	737,994
FUND BALANCE, BEGINNING OF YEAR	3,247,654	3,247,654	0	857,928	857,928	0
FUND BALANCE, END OF YEAR	\$2,737,684	\$3,443,753	\$706,069	\$506,031	\$1,244,025	\$737,994

See accompanying notes.

Debt Service Fund			Capital Projects Funds			Totals (Memorandum Only)		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$146,992	\$134,727	(\$12,265)	\$0	\$0	\$0	\$9,147,062	\$8,697,076	(\$449,986)
0	0	0	0	0	0	50,000	33,740	(16,260)
2,840	16,274	13,434	0	597,555	597,555	4,086,375	5,166,562	1,080,187
7,500	2,138	(5,362)	0	0	0	65,500	35,125	(30,375)
0	0	0	0	0	0	208,590	202,479	(6,111)
0	0	0	0	0	0	78,300	63,882	(14,418)
4,000	2,020	(1,980)	0	37,216	37,216	457,200	401,928	(55,272)
30,000	3,772	(26,228)	0	0	0	53,600	706,332	652,732
191,332	158,931	(32,401)	0	634,771	634,771	14,146,627	15,307,124	1,160,497
0	0	0	0	0	0	2,194,675	2,137,535	57,140
0	0	0	0	0	0	8,025,294	7,605,419	419,875
0	0	0	0	0	0	979,043	908,756	70,287
0	0	0	2,430,000	1,826,301	603,699	3,463,529	2,837,203	626,326
0	0	0	0	0	0	1,483,603	1,480,797	2,806
0	0	0	192,111	856,265	(664,154)	1,463,129	1,829,439	(366,310)
65,000	65,000	0	0	0	0	65,000	65,000	0
98,420	102,320	(3,900)	0	0	0	98,420	102,320	(3,900)
163,420	167,320	(3,900)	2,622,111	2,682,566	(60,455)	17,772,693	16,966,469	806,224
27,912	(8,389)	(36,301)	(2,622,111)	(2,047,795)	574,316	(3,626,066)	(1,659,345)	1,966,721
0	0	0	0	2,300,000	2,300,000	0	2,300,000	2,300,000
0	0	0	0	0	0	170,000	185,357	15,357
70,000	0	(70,000)	0	0	0	770,000	700,000	(70,000)
0	0	0	0	0	0	(700,000)	(700,000)	0
70,000	0	(70,000)	0	2,300,000	2,300,000	240,000	2,485,357	2,245,357
97,912	(8,389)	(106,301)	(2,622,111)	252,205	2,874,316	(3,386,066)	826,012	4,212,078
8,986	8,986	0	191,543	191,543	0	4,306,111	4,306,111	0
\$106,898	\$597	(\$106,301)	(\$2,430,568)	\$443,748	\$2,874,316	\$920,045	\$5,132,123	\$4,212,078

City of Trotwood, Ohio
 Combined Statement of Revenues, Expenses
 And Changes In Retained Earnings
 All Proprietary Fund Types
 For the Year Ended December 31, 2000

	Enterprise	Internal Service	Totals (Memorandum Only)
OPERATING REVENUES:			
Charges for services	\$2,142,281	\$0	\$2,142,281
Other	194,149	0	194,149
Total Operating Revenue	2,336,430	0	2,336,430
OPERATING EXPENSES:			
Salaries and wages	189,855	0	189,855
Benefits	36,542	0	36,542
Contractual services	2,266,010	0	2,266,010
Materials and supplies	67,066	0	67,066
Depreciation expense	171,361	0	171,361
Other	29,025	0	29,025
Total Operating Expenses	2,759,859	0	2,759,859
OPERATING INCOME (LOSS)	(423,429)	0	(423,429)
NONOPERATING REVENUES (EXPENSES):			
Investment earnings	26,108	5,408	31,516
Interest expense	(4,352)	0	(4,352)
Total Nonoperating Revenues (Expenses)	21,756	5,408	27,164
NET INCOME (LOSS)	(401,673)	5,408	(396,265)
RETAINED EARNINGS, BEGINNING OF YEAR	1,607,248	24,971	1,632,219
RETAINED EARNINGS, END OF YEAR	\$1,205,575	\$30,379	\$1,235,954

See accompanying notes.

City of Trotwood, Ohio
 Combined Statement Of Cash Flows
 All Proprietary Fund Types
 For the Year Ended December 31, 2000

	Enterprise	Internal Service	Totals (Memorandum Only)
OPERATING ACTIVITIES:			
Cash received from customers and users	\$2,307,021	\$0	\$2,307,021
Cash paid to suppliers for goods and services	(2,312,737)	0	(2,312,737)
Cash paid to employees for services	(219,867)	0	(219,867)
Other operating receipts (disbursements)	165,124	0	165,124
Net cash provided (used) by operating activities	(60,459)	0	(60,459)
CAPITAL AND RELATED FINANCING ACTIVITIES:			
Principal payments - capital leases	(33,849)	0	(33,849)
Interest payments - capital leases	(4,352)	0	(4,352)
Net cash provided (used) by capital and related financing activities	(38,201)	0	(38,201)
INVESTING ACTIVITIES:			
Interest on investments	30,718	6,168	36,886
Net cash provided (used) by investing activities	30,718	6,168	36,886
NET INCREASE (DECREASE) IN CASH	(67,942)	6,168	(61,774)
CASH BEGINNING OF YEAR	499,995	83,404	583,399
CASH END OF YEAR	432,053	89,572	521,625
Reconciliation of operating income to net cash provided by operating activities			
Operating income (loss)	(423,429)	0	(423,429)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	171,361	0	171,361
Change in assets and liabilities:			
(Increase) decrease in receivables	164,740	0	164,740
(Increase) decrease in other assets	782	0	782
Increase (decrease) in accounts payable	19,558	0	19,558
Increase (decrease) in wages payable	9,685	0	9,685
Increase (decrease) in compensated absences payable	2,470	0	2,470
Increase (decrease) in other liabilities	(5,626)	0	(5,626)
Net cash provided (used) by operating activities	(60,459)	\$0	(\$60,459)

See accompanying notes.



TROTWOOD

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CITY OF TROTWOOD, OHIO
Notes to the Combined Financial Statements
December 31, 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Financial Reporting Entity

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

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

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

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

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if it appoints a voting majority of the potential component unit's governing board and the City 1) is able to impose

CITY OF TROTWOOD, OHIO
Notes to the Combined Financial Statements
December 31, 2000

its will on the organization; and/or 2) is in a relationship of financial benefit or burden with the organization. Component units may also include organizations that are fiscally dependent on the City. Fiscal dependency results from one of three conditions: 1.) the primary government's approval is needed for the potential component unit's budget; 2.) the primary government's approval is needed by the potential component unit to set taxes or charges; or 3.) the primary government's approval is needed for the potential component unit to issue bonded debt.

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

B. Basis of Presentation

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

The City utilizes the following fund types and account groups:

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

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

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

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

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

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

CITY OF TROTWOOD, OHIO
Notes to the Combined Financial Statements
December 31, 2000

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

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

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

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

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

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

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

C. Basis of Accounting and Measurement Focus

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

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

CITY OF TROTWOOD, OHIO
Notes to the Combined Financial Statements
December 31, 2000

recognized when obligations are expected to be liquidated with expendable available financial resources.

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

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

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

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

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

D. Assets, Liabilities and Equity

1. Deposits and Investments

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

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

CITY OF TROTWOOD, OHIO
Notes to the Combined Financial Statements
December 31, 2000

deposit, non-participating repurchase agreements and STAR Ohio, which are reported at cost or amortized cost.

2. Receivables and Payables

During the course of normal operations, the City has numerous transactions between funds, including expenditures and transfers of resources to provide services, construct assets and service debt. Operating subsidies are recorded as operating transfers. Outstanding balances between funds are reported as "due to/from other funds," unless such balances represent interfund loans in which case they are reported as "advances to/from other funds."

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

3. Inventories and Prepaid Items

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

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

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

4. Fixed Assets and Depreciation

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

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

CITY OF TROTWOOD, OHIO
Notes to the Combined Financial Statements
December 31, 2000

governments, assets in the general fixed assets account group are depreciated utilizing the straight-line method over their estimated useful lives.

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

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

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

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

5. Compensated Absences

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

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

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

CITY OF TROTWOOD, OHIO
Notes to the Combined Financial Statements
December 31, 2000

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

6. Deferred Revenues

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

7. Long-term Obligations

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

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

8. Fund Equity

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

9. Interfund Transactions

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

10. Memorandum Only – Total Columns

Total columns of the general purpose financial statements are captioned as "memorandum only" because they do not represent consolidated financial information

CITY OF TROTWOOD, OHIO
Notes to the Combined Financial Statements
December 31, 2000

and are presented only to facilitate financial analysis. The columns do not present information that reflects financial position, results of operations or cash flows in accordance with generally accepted accounting principles. Interfund eliminations have not been made in the aggregation of this data.

NOTE 2 – BUDGET, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Process

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

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

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

CITY OF TROTWOOD, OHIO
Notes to the Combined Financial Statements
December 31, 2000

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

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

	Excess (Deficiency) of Revenues And Other Financing Sources Over (Under) <u>Expenditures and Other Financing Uses</u>			
	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Funds
GAAP Basis (as reported)	\$25,602	\$576,462	(\$8,515)	(\$1,618,348)
Adjustments:				
Revenue accruals, net	(30,348)	46,684	126	2,024,128
Expenditure accruals, net	321,484	86,381	0	324,543
Encumbrances	<u>(120,639)</u>	<u>(323,430)</u>	<u>0</u>	<u>(478,118)</u>
BUDGET BASIS	<u>\$196,099</u>	<u>\$386,097</u>	<u>(\$8,389)</u>	<u>\$252,205</u>

B. Encumbrances

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

C. Budget Modifications

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

CITY OF TROTWOOD, OHIO
Notes to the Combined Financial Statements
December 31, 2000

D. Compliance and Accountability

The Capital Projects Townview Revitalization Fund had a deficit fund balance (budget basis) of (\$118,361) as of December 31, 2000.

At December 31, 2000, two of the City's funds had appropriations in excess of the amount certified as available by the County Budget Commission in the following amounts: Special Revenue Grants Fund (\$116,578) and Capital Projects Trotwood Industrial Park Fund (\$2,430,000).

At December 31, 2000, expenditures plus outstanding encumbrances exceeded appropriations at the legal level of control in the following amounts: General Fund street lighting department (\$26,481), Special Revenue Street Fund (\$157,549), Special Revenue Rescue Levy Fund (\$42,091) and Townview Revitalization Fund (\$644,154).

E. Fund Deficits

The following individual funds had deficit fund balances at December 31, 2000:

<u>Fund</u>	<u>Deficit</u>
Special Revenue:	
Rescue Levy	\$13,232
Capital Projects:	
Industrial Park	1,302,265
Townview Revitalization	129,601

NOTE 3 – DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

A. Prior Period Adjustments

The beginning fund balances/retained earnings of the following fund types have been adjusted for corrections to accrued wages and benefits and deferred revenue as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Enterprise</u>
Balance previously stated, December 31, 1999	\$3,381,679	\$2,343,687	\$1,608,367
Prior period adjustments:			
Accrued Wages	(35,231)	(16,272)	(1,119)
Deferred Revenue	0	(1,551,585)	0
As restated, January 1, 2000	<u>\$3,346,448</u>	<u>\$ 775,830</u>	<u>\$1,607,248</u>

B. Deposits and Investments

The deposit and investment of City monies are governed by the Ohio Revised Code and a locally adopted investment policy.

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

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

Interim deposits are deposits of interim monies. Interim monies are those monies, which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificate of deposits maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

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

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

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

Investments in derivatives, reverse repurchase agreements, pooled investment funds of other political subdivisions (other than STAR Ohio) and stripped principal or interest obligations

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are prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation.

At year-end, the City's carrying amount of deposits was \$2,956,054 and the bank balance was \$3,280,157 (including certificates of deposit). Of the bank balance, \$247,191 was covered by federal depository insurance and \$2,700,000 was covered by surety bonds. The remaining balance of \$332,966 was collateralized by securities held by the pledging institution, its trust department or agent but not in the City's name.

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

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

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

	<u>Category</u> <u>3</u>	<u>Carrying</u> <u>Amount</u>	<u>Market</u> <u>Value</u>
Repurchase agreements	<u>\$839,149</u>	<u>\$839,149</u>	<u>\$839,149</u>
Total	<u>\$839,149</u>	<u>\$839,149</u>	<u>\$839,149</u>
Investments not subject to categorization:			
State Treasurer's pool		<u>\$2,707,403</u>	<u>\$2,707,403</u>
Total investments		<u>\$3,546,552</u>	<u>\$3,546,552</u>

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

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C. Fixed Assets

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

	Balance <u>January 1</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>December 31</u>
Land	\$1,503,997	\$ 173,180	(\$144,760)	\$1,532,417
Buildings and structures	2,507,598	0	0	2,507,598
Vehicles and equipment	5,523,518	545,374	(273,726)	5,795,166
Accumulated depreciation	<u>(4,212,826)</u>	<u>(596,120)</u>	<u>242,896</u>	<u>(4,566,050)</u>
 Total general fixed assets	 <u>\$5,322,287</u>	 <u>\$122,434</u>	 <u>(\$175,590)</u>	 <u>\$5,269,131</u>

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

	Balance <u>January 1</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>December 31</u>
Infrastructure	\$7,979,115	\$ 0	\$ 0	\$7,979,115
Vehicles and equipment	244,521	0	(7,339)	237,182
Accumulated depreciation	<u>(7,055,998)</u>	<u>(171,361)</u>	<u>4,730</u>	<u>(7,222,629)</u>
 Total enterprise fund fixed assets	 <u>\$1,167,638</u>	 <u>(\$171,361)</u>	 <u>(\$2,609)</u>	 <u>\$993,668</u>

D. Interfund Transactions

Operating transfers during the fiscal year-end were:

<u>Transfer-in Fund</u>	<u>Transfer-out Fund</u>	<u>Amount</u>
Fire Levy	General	<u>\$700,000</u>
Total		<u>\$700,000</u>

E. Long-term Debt and Obligations

1. General Obligation Bonds

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

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2. Special Assessment Bonds with a Governmental Commitment

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

3. Compensated Absences

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

4. Short-term Debt

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

<u>Description</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Purpose</u>	<u>Amount</u>
Real Estate Improvement Bond Anticipation Note	7/25/01	5.00%	Street and Utility Improvements to the Industrial Park	\$2,300,000

5. Summary of Long-term Debt and Obligations

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

	<u>Balance January 1</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance December 31</u>
General obligation bonds:				
1982 Government Center purchase, 13.00%, maturing 2002	\$30,000	0	(\$10,000)	\$20,000
1992 Government Center renovation, 6.70%, maturing 2016	680,000	0	(20,000)	660,000
Special assessment bonds with governmental commitment:				
1994 Oakview Estates street improvements, 6.35%, maturing 2014	760,000	0	(35,000)	725,000

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Capital Lease Payable	294,680	15,000	(66,945)	242,735
Compensated absences	<u>813,977</u>	<u>74,855</u>	<u>(62,540)</u>	<u>826,292</u>
Total debt and long-term obligations	<u>\$2,578,657</u>	<u>\$89,855</u>	<u>(\$194,485)</u>	<u>\$2,474,027</u>

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

Year(s)	General Obligation Bonds		Special Assessment Bonds with Governmental Commitment	
	Principal	Interest	Principal	Interest
2001	\$35,000	\$46,820	\$35,000	\$46,038
2002	35,000	43,845	35,000	43,815
2003	25,000	40,870	40,000	41,593
2004	30,000	39,195	40,000	39,053
2005	30,000	37,185	40,000	36,513
Thereafter	<u>525,000</u>	<u>233,160</u>	<u>535,000</u>	<u>181,928</u>
Totals	<u>\$680,000</u>	<u>\$441,075</u>	<u>\$725,000</u>	<u>\$388,940</u>

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

Ending December 31,	General Long-Term Obligations	Enterprise
2001	\$75,095	\$38,337
2002	75,095	38,337
2003	66,718	38,337
2004	<u>66,718</u>	<u>0</u>
Total minimum lease payments	283,626	115,011
Less: amount representing interest	<u>(40,891)</u>	<u>(10,774)</u>
Present value of minimum lease payments	<u>\$242,735</u>	<u>\$104,237</u>

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

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

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Notes to the Combined Financial Statements
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F. Contributed Capital

For the fiscal year-end changes in proprietary fund contributed capital amounts were as follows:

	Enterprise			Internal Service
	Water	Sewer	Refuse Collection	Fleet Insurance
Contributed capital, January 1	\$ 0	\$34,325	\$ 0	\$59,240
Contributed capital, December 31	0	34,325	0	59,240

G. Fund Equity

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

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

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

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

H. Local Income Tax

During 2000, the City levied an income tax of 2.25% on substantially all income earned within the City. In addition, residents are required to pay City income tax on income earned outside the City with a credit of up to 2.25% allowed for income taxes paid to other municipalities. The City contracts with the City of Dayton to collect income taxes and otherwise administer its income tax ordinance. For 2000, gross income tax revenue amounted to \$5,240,295.

I. Property Tax

Real property taxes are levied against all real, public utility and tangible personal property located in the City. The assessed value upon which the 2000 levy was based amounted to \$303,024,992 summarized as follows:

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Real property – 1999 valuation	
Residential/agricultural	\$187,015,470
Commercial/industrial	70,814,270
Public utilities	16,520
Subtotal real property	<u>257,846,260</u>
Tangible personal property – 2000 valuation	
General	27,049,842
Public utilities	18,128,890
Subtotal tangible personal property	<u>45,178,732</u>
Total valuation	<u>\$303,024,992</u>

Real property taxes received by the City in any calendar year are levied on January 1 of the preceding calendar year on assessed values as of January 1 of that preceding year, the lien date. Assessed values are determined by the county auditor at 35% of appraised market value. The county auditor reappraises all real property every six years with a triennial update. The last reappraisal was completed for the tax year 1996. Real property owners' tax bills are reduced by homestead and rollback deductions, when applicable. The amount of these deductions is reimbursed to the City by the State of Ohio.

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

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

NOTE 4 – OTHER FINANCIAL INFORMATION

A. Risk Management

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

In the early 1980's, the City established a self-insurance fund to finance deductible costs incurred by the City. Over the years, the Fleet Insurance Fund has been funded by transfers

CITY OF TROTWOOD, OHIO
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from the General Fund. No claims were made against the fund in 2000 or in 1999. Although the fund has not been active in recent years, resources continue to accumulate to offset collision repair costs incurred by the City.

B. Segment Information

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

	<u>Water</u>	<u>Sewer</u>	<u>Refuse Collection</u>	<u>Total Enterprise Funds</u>
Operating revenues	\$827,049	\$802,724	\$706,657	\$2,336,430
Operating expenses	923,922	832,759	831,817	2,588,498
Depreciation	77,856	93,505	0	171,361
Operating (loss)	(174,729)	(123,540)	(125,160)	(423,429)
Operating transfers in	0	0	0	0
Operating transfers out	0	0	0	0
Net income (loss)	(170,664)	(120,402)	(110,607)	(401,673)
Fixed asset additions	0	0	0	0
Net working capital	40,679	109,093	200,697	350,469
Total assets	1,062,426	772,493	500,374	2,335,293
Total equity	698,899	340,304	200,697	1,239,900

C. Loss Contingencies and Commitments

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

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

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

The City had no material operating lease commitments at December 31, 2000.

CITY OF TROTWOOD, OHIO
Notes to the Combined Financial Statements
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D. Deferred Compensation Plans

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

E. Employee Retirement Systems and Plans

1. Public Employees Retirement System

Plan Description: The City contributes to PERS, a cost-sharing multiple-employer defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Chapter 145 of the Ohio Revised Code (ORC) assigns the authority to establish and amend benefit provisions to the PERS Retirement Board. PERS issues a publicly available financial report that includes financial statements and required supplementary information. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio, 43215-4642 or by calling (614) 466-2085.

Funding Policy: The ORC provides statutory authority for employee and employer contributions. The employee contribution rate is 8.5%. For local government employer units the rate is 10.84% of covered payroll. Required employer contributions are equal to 100% of the dollar amount billed to each employer and must be extracted from the employer's records. The contribution requirements of plan members and the City are established and may be amended by the PERS Retirement Board. The City's contributions for the years ending December 31, 2000, 1999, and 1998 were \$323,840, \$375,035 and \$350,708 respectively; 79.6 percent has been contributed for fiscal year 2000 and 100 percent for fiscal years 1999 and 1998.

Other Postemployment Benefits

In addition to the pension benefit obligation described above, the PERS of Ohio also provides postemployment health care benefits to age and service retirants with ten (10) or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. A portion of each employer's contribution to PERS is set-aside for the funding of post retirement health care. The Ohio Revised Code provides statutory authority for employer contributions and requires employers to fund postretirement health care through their contributions to PERS. The portion of the current year employer contribution rate (identified above) that was used to fund health care for the year was 4.3 percent of covered payroll, which amounted to \$128,461.

CITY OF TROTWOOD, OHIO
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The significant assumptions and calculations described below were based on the PERS of Ohio's latest unaudited information as of December 31, 1999. There were 401,339 active contributing participants. Estimated net assets available for future benefits payments were \$10,805.5 million. Estimated accrued liability and the unfunded estimated accrued liability, based on the actuarial cost method used, were \$12,473.6 million and \$1,668.1 million, respectively. Benefits are financed through employer contributions and investment earnings there on. The contributions, investment income and periodic adjustment in health care provisions are expected to be sufficient to sustain the program indefinitely.

For 2000, the Retirement board enacted a temporary employer contribution rate rollback. The decision to rollback rates was based on the December 31, 1998 actuarial study, which indicated that actuarial assets exceeded actuarial liabilities. The temporary rate rollback was 20% for local government divisions and 6% for law enforcement divisions. The Board reallocated employer contributions from 4.20% to 4.30% at the beginning of the year to improve health care financing. The proportion of contributions dedicated to funding OPEB increased during the year for those reasons.

2. Police and Firemen's Disability and Pension Fund

The City contributes to the Police and Firemen's Disability and Pension Fund (PFDPF); a cost-sharing multiple-employer defined benefit pension plan. PFDPF provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Contribution requirements and benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. The PFDPF 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 PFDPF, 140 East Town Street, Columbus, Ohio 43215-5164.

Plan members are required to contribute 10.0% of their annual covered salary, while employers are required to contribute 19.5% and 24.0%, respectively for police officers and firefighters. The City's contributions to PFDPF for the years ending December 31, 2000, 1999, and 1998 were \$762,322, \$668,403, and \$591,574, respectively; 70.4 percent has been contributed for fiscal year 2000 and 100 percent for fiscal years 1999 and 1998.

Other Post-retirement Benefits

The PFDPF System of Ohio provides post-retirement health care coverage to any person who receives or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school or under the age of 22 if attending school full-time or on a two-thirds basis. The Ohio Revised Code provides statutory authority for employer contributions and allows the Fund's Board of Trustees to provide

CITY OF TROTWOOD, OHIO
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post-retirement health care coverage to all eligible individuals from the employer's contributions to the PFDPF System of Ohio. Most retirees are required to contribute a portion of the cost of their health care coverage.

The portion of the current year City contribution that was used to fund post-retirement health care benefits was \$194,589 representing 7.25 percent of covered payroll and \$70,561 representing 7.25 percent of covered payroll for police and fire respectively. Funding and accounting are on a pay-as-you-go basis.

As of December 31, 1999, the number of participants eligible to receive health care benefits was 12,467 for police and 9,807 for fire. The PFDPF System of Ohio does not provide separate data on the funded status and funding progress of post-retirement health care benefits. The Fund's total health care expenses for the year ended December 31, 1999 (latest available information) were \$95,004,633, which was net of member contributions of \$5,518,098.

F. Jointly Governed Organizations

The Miami Valley Regional Planning Commission (the Commission) is a jointly governed organization between Preble, Clark, Clinton, Darke, Greene, Miami and Montgomery Counties, the City of Dayton and the City of Huber Heights. The Commission prepares plans, including studies, maps, recommendations and reports concerning the physical, environmental, social, economic and governmental characteristics, functions and services of the region. These reports show recommendations for systems of transportation, highways, parks and recreation facilities, water supply, sewage disposal, garbage disposal, civic centers and other public improvements and land uses which affect the development of the region. The degree of control exercised by any participating government is limited to its representation on the Board. Members of the Board are as follows: the officers of the Commission (elected by member representatives), the immediate past Chair of the Commission, the Commission member representing the City of Dayton, the Commission member representing each of the respective counties, the representatives selected by each county caucus, a nongovernmental member and two at-large representatives. Payments to the Commission are made from the General Fund. The City contributed \$13,505 for the operation of the Commission during 2000.

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

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Alliance are made from the General Fund. The City contributed \$6,964 for the operation of the Alliance during 2000.

The Economic Development/Government Equity Program (ED/GE) was established pursuant to Ohio Revised Code Chapter 307 for the purpose of developing and promoting plans and programs designed to assure that County resources are efficiently used, economic growth is properly balanced and that County economic development is coordinated with that of the State of Ohio and other local governments. Members include villages, townships and cities within Montgomery County and the County itself. Cooperation and coordination between the members is intended to promote economic health and improve the economic opportunities of the people in Montgomery County by assisting in the establishment or expansion within the County of industrial, commercial or research facilities and by creating and preserving job and employment opportunities for the people of the County. The ED/GE Advisory Committee, made up of alternating member entities' representatives, decides which proposed projects will be granted each year. Sales tax revenues, set aside by Montgomery County, are used to fund the projects. Members annually contribute or receive benefits based on an elaborate zero-based formula designed to distribute growth in contributing communities to those in communities experiencing less economic growth. In 2000, the City agreed to be a member for an additional 10 years, ending December 31, 2011. Any member in default of paying its contributions will be liable for the amount of the contribution, any interest accrued and penalties. During this time, the member will not be entitled to any allocations from ED/GE. Payments to ED/GE are made from the General Fund. The City did not contribute to the operation of ED/GE during 2000.

NOTE 5 – SUBSEQUENT EVENT

In April 2001, the City of Trotwood issued a bond anticipation note for \$300,000. The proceeds from the bond anticipation note will be used for the replacement of E. Main Street water line.

NOTE 6 – INTERFUND BALANCES

Individual fund Interfund receivable and payable balances at December 31, 2000 are as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$72,437	\$ 0
Capital Projects Fund:		
Townview Revitalization	0	72,437
Totals	\$72,437	\$72,437

CITY OF TROTWOOD, OHIO

General Fund

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

City of Trotwood, Ohio
Schedule of Expenditures by Budget Center
Budget And Actual (Non-GAAP Basis)
General Fund
For the Year Ended December 31, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
EXPENDITURES:			
Current:			
General government			
Mayor and council	\$158,375	\$137,770	\$20,605
City manager	248,321	245,508	2,813
Finance	299,280	284,153	15,127
Utility billing	84,260	74,965	9,295
Income tax	182,500	186,722	(4,222)
Law director	173,000	172,926	74
Public works administration	220,108	209,423	10,685
Building and grounds	270,862	262,087	8,775
Fleet maintenance	165,112	166,987	(1,875)
Personnel	143,786	134,502	9,284
Non-departmental	249,071	262,492	(13,421)
Total general government	2,194,675	2,137,535	57,140
Public safety			
Police administration	376,916	346,161	30,755
Police patrol	3,221,605	3,046,990	174,615
Criminal investigation	753,459	673,991	79,468
Police communications	514,221	491,998	22,223
Fire suppression	43,623	43,624	(1)
Fire training	489	489	0
Total public safety	4,910,313	4,603,253	307,060
Leisure time activities			
Parks and recreation administration	172,577	174,527	(1,950)
Parks maintenance	334,745	306,909	27,836
Municipal pool	63,720	59,097	4,623
Rental facilities	101,720	103,441	(1,721)
Cemeteries	46,240	38,791	7,449
Recreation programs	239,191	225,991	13,200
Total leisure time activities	958,193	908,756	49,437
Community development			
Planning and development administration	170,970	169,818	1,152
Planning and zoning	137,877	135,401	2,476
Code enforcement and inspection	296,210	305,591	(9,381)
Mowing and weed removal	43,000	42,952	48
Grants administration	83,562	49,756	33,806
Total community development	731,619	703,518	28,101
Transportation			
Street lighting	223,000	249,481	(26,481)
Total transportation	223,000	249,481	(26,481)
Total expenditures	\$9,017,800	\$8,602,543	\$415,257

CITY OF TROTWOOD, OHIO

Special Revenue Funds

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

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

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

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

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

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

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

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

(continued)

CITY OF TROTWOOD, OHIO

Special Revenue Funds (continued)

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

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

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

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

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

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



TROTWOOD

Yours to Discover

City of Trotwood, Ohio
Combining Balance Sheet
Special Revenue Funds
December 31, 2000

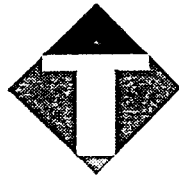
	Street Construction, Maintenance & Repair	State Highway	Motor Vehicle License Tax	Permissive Use Tax
ASSETS:				
Assets:				
Pooled cash and investments	\$463,439	\$72,693	\$196,297	\$32,672
Receivables (net of allowance for uncollectibles):				
Taxes	495,569	0	0	0
Special assessments	0	0	0	0
Interest	243	38	103	17
Intergovernmental	182,023	3,591	0	0
Inventory	44,841	0	0	0
Prepays	26,995	0	0	0
TOTAL ASSETS	\$1,213,110	\$76,322	\$196,400	\$32,689
LIABILITIES AND FUND EQUITY:				
Liabilities:				
Accounts payable	\$104,577	\$0	\$0	\$0
Accrued wages and benefits	34,676	0	0	0
Deferred revenue	633,301	0	0	0
Total Liabilities	772,554	0	0	0
Fund Equity:				
Fund Balances:				
Reserved for encumbrances	78,605	0	90,000	0
Reserved for inventory	44,841	0	0	0
Reserved for prepaids	26,995	0	0	0
Unreserved, undesignated	290,115	76,322	106,400	32,689
Total Fund Equity	440,556	76,322	196,400	32,689
TOTAL LIABILITIES AND FUND EQUITY	\$1,213,110	\$76,322	\$196,400	\$32,689

<u>Drug Law Enforcement</u>	<u>Curbs/ Gutters/ Sidewalks Assessment</u>	<u>Lighting Assessment</u>	<u>Grants</u>	<u>Enforcement and Education</u>	<u>Law Enforcement Trust</u>	<u>Fire Levy</u>
\$12,864	\$107,439	\$13,246	\$75,318	\$7,631	\$52,829	\$427,061
0	0	0	0	0	0	1,561,601
0	0	65,505	0	0	0	0
7	56	7	0	4	28	224
0	0	0	33,225	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	13,498
<u>\$12,871</u>	<u>\$107,495</u>	<u>\$78,758</u>	<u>\$108,543</u>	<u>\$7,635</u>	<u>\$52,857</u>	<u>\$2,002,384</u>
\$0	\$0	\$0	\$21,518	\$0	\$0	\$12,064
0	0	0	3,465	0	0	117,429
0	0	65,505	27,225	0	0	1,561,601
0	0	65,505	52,208	0	0	1,691,094
0	0	0	17,368	0	0	15,687
0	0	0	0	0	0	0
0	0	0	0	0	0	13,498
12,871	107,495	13,253	38,967	7,635	52,857	282,105
12,871	107,495	13,253	56,335	7,635	52,857	311,290
<u>\$12,871</u>	<u>\$107,495</u>	<u>\$78,758</u>	<u>\$108,543</u>	<u>\$7,635</u>	<u>\$52,857</u>	<u>\$2,002,384</u>

Continued

City of Trotwood, Ohio
Combining Balance Sheet
Special Revenue Funds
December 31, 2000

	Rescue Levy	Police Levy	Totals
ASSETS:			
Assets:			
Pooled cash and investments	\$48,075	\$57,791	\$1,567,355
Receivables (net of allowance for uncollectibles):			
Taxes	711,204	0	2,768,374
Special assessments	0	0	65,505
Interest	25	30	782
Intergovernmental	0	0	218,839
Inventory	0	0	44,841
Prepays	0	0	40,493
TOTAL ASSETS	\$759,304	\$57,821	\$4,706,189
LIABILITIES AND FUND EQUITY:			
Liabilities:			
Accounts payable	\$16,208	\$0	\$154,367
Accrued wages and benefits	45,124	0	200,694
Deferred revenue	711,204	0	2,998,836
Total Liabilities	772,536	0	3,353,897
Fund Equity:			
Fund Balances:			
Reserved for encumbrances	5,704	0	207,364
Reserved for inventory	0	0	44,841
Reserved for prepaids	0	0	40,493
Unreserved, undesignated	(18,936)	57,821	1,059,594
Total Fund Equity	(13,232)	57,821	1,352,292
TOTAL LIABILITIES AND FUND EQUITY	\$759,304	\$57,821	\$4,706,189



TROTWOOD
Yours to Discover

City of Trotwood, Ohio
Combining Statement of Revenues, Expenditures
And Changes in Fund Balances
Special Revenue Funds
For the Year Ended December 31, 2000

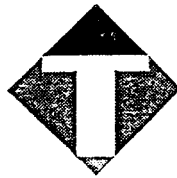
	Street Construction, Maintenance & Repair	State Highway	Motor Vehicle License Tax	Permissive Use Tax
REVENUES:				
Taxes	\$357,084	\$0	\$0	\$0
Fines, licenses and permits	0	0	0	0
Intergovernmental	2,072,000	60,058	141,039	0
Special assessments	0	0	0	0
Charges for services	0	0	0	0
Investment earnings	3,097	5,245	9,127	1,972
Other	59,822	0	0	0
Total Revenues	2,492,003	65,303	150,166	1,972
EXPENDITURES:				
Current:				
Public safety	0	0	0	0
Community development	0	0	0	0
Transportation and street repair	1,017,763	0	0	0
Capital outlay	497,090	112,842	11,454	0
Total Expenditures	1,514,853	112,842	11,454	0
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	977,150	(47,539)	138,712	1,972
OTHER FINANCING SOURCES (USES):				
Operating transfers - in	0	0	0	0
Proceeds from sale of assets	11,870	0	0	0
Total Other Financing Sources (Uses)	11,870	0	0	0
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	989,020	(47,539)	138,712	1,972
FUND BALANCES, BEGINNING OF YEAR	(548,464)	123,861	57,688	30,717
FUND BALANCES, END OF YEAR	\$440,556	\$76,322	\$196,400	\$32,689

Drug Law Enforcement	Curbs/ Gutters/ Sidewalks Assessment	Lighting Assessment	Grants	Enforcement and Education	Law Enforcement Trust	Fire Levy
\$0	\$0	\$0	\$0	\$0	\$0	\$1,132,119
1,735	0	0	0	875	16,705	0
0	0	0	536,145	0	0	123,983
0	3,852	3,139	0	0	0	0
0	271	0	0	0	0	0
774	6,416	46	0	442	2,556	7,474
0	0	0	79	0	0	4,579
<u>2,509</u>	<u>10,539</u>	<u>3,185</u>	<u>536,224</u>	<u>1,317</u>	<u>19,261</u>	<u>1,268,155</u>
1,000	0	0	227,334	0	19,336	1,913,213
0	0	0	313,001	0	0	0
0	220	217	0	0	0	0
0	0	0	154,201	0	35,906	73,955
<u>1,000</u>	<u>220</u>	<u>217</u>	<u>694,536</u>	<u>0</u>	<u>55,242</u>	<u>1,987,168</u>
<u>1,509</u>	<u>10,319</u>	<u>2,968</u>	<u>(158,312)</u>	<u>1,317</u>	<u>(35,981)</u>	<u>(719,013)</u>
0	0	0	0	0	0	700,000
0	0	0	0	0	0	5,365
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>705,365</u>
1,509	10,319	2,968	(158,312)	1,317	(35,981)	(13,648)
11,362	97,176	10,285	214,647	6,318	88,838	324,938
<u>\$12,871</u>	<u>\$107,495</u>	<u>\$13,253</u>	<u>\$56,335</u>	<u>\$7,635</u>	<u>\$52,857</u>	<u>\$311,290</u>

Continued

City of Trotwood, Ohio
Combining Statement of Revenues, Expenditures
And Changes in Fund Balances
Special Revenue Funds
For the Year Ended December 31, 2000

	Rescue Levy	Police Levy	Totals
REVENUES:			
Taxes	\$510,732	\$0	\$1,999,935
Fines, licenses and permits	0	0	19,315
Intergovernmental	60,931	0	2,994,156
Special assessments	0	0	6,991
Charges for services	0	0	271
Investment earnings	7,427	4,041	48,617
Other	2,453	0	66,933
Total Revenues	581,543	4,041	5,136,218
EXPENDITURES:			
Current:			
Public safety	733,580	0	2,894,463
Community development	0	0	313,001
Transportation and street repair	0	0	1,018,200
Capital outlay	24,136	141,743	1,051,327
Total Expenditures	757,716	141,743	5,276,991
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(176,173)	(137,702)	(140,773)
OTHER FINANCING SOURCES (USES):			
Operating transfers - in	0	0	700,000
Proceeds from sale of assets	0	0	17,235
Total Other Financing Sources (Uses)	0	0	717,235
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(176,173)	(137,702)	576,462
FUND BALANCES, BEGINNING OF YEAR	162,941	195,523	775,830
FUND BALANCES, END OF YEAR	(\$13,232)	\$57,821	\$1,352,292



TROTWOOD

Yours to Discover

City of Trotwood, Ohio
Combining Schedule of Revenues, Expenditures
And Changes in Fund Balance
Budget And Actual (Non-GAAP Basis)
Special Revenue Funds
For the Year Ended December 31, 2000

	Street			State Highway		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:						
Taxes	\$370,670	\$357,482	(\$13,188)	\$0	\$0	\$0
Intergovernmental	1,707,475	2,065,004	357,529	41,600	59,491	17,891
Special assessments	7,000	0	(7,000)	0	0	0
Charges for services	0	0	0	0	0	0
Fines and forfeitures	0	0	0	0	0	0
Investment earnings	44,000	2,854	(41,146)	4,500	6,365	1,865
Other	100	22,121	22,021	0	0	0
Total Revenues	2,129,245	2,447,461	318,216	46,100	65,856	19,756
EXPENDITURES:						
Current:						
Public safety	0	0	0	0	0	0
Leisure time activities	0	0	0	0	0	0
Community development	0	0	0	0	0	0
Transportation	1,023,103	1,129,425	(106,322)	36,500		36,500
Capital outlay	457,159	508,386	(51,227)	121,650	112,841	8,809
Total Expenditures	1,480,262	1,637,811	(157,549)	158,150	112,841	45,309
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	648,983	809,650	160,667	(112,050)	(46,985)	65,065
OTHER FINANCING SOURCES (USES):						
Proceeds of sale of fixed assets	0	11,620	11,620	0	0	0
Operating transfers - in	0	0	0	0	0	0
Total Other Financing Sources (Uses)	0	11,620	11,620	0	0	0
EXCESS (DEFICIENCY) OF REVENUES AND OTHER OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	648,983	821,270	172,287	(112,050)	(46,985)	65,065
FUND BALANCE, BEGINNING OF YEAR	(537,988)	(537,988)	0	119,679	119,679	0
FUND BALANCE, END OF YEAR	110,995	283,282	172,287	7,629	72,694	65,065

Motor Vehicle License Tax			Permissive Use Tax			Drug Law Enforcement		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$150,000	\$141,039	(\$8,961)	\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	140,000	0	(140,000)	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	1,000	1,735	735
5,000	9,577	4,577	5,000	2,250	(2,750)	1,000	876	(124)
0	0	0	0	0	0	0	0	0
155,000	150,616	(4,384)	145,000	2,250	(142,750)	2,000	2,611	611
0	0	0	0	0	0	8,000	1,000	7,000
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
200,000	101,454	98,546	0	0	0	0	0	0
0	0	0	190,000	0	190,000	0	0	0
200,000	101,454	98,546	190,000	0	190,000	8,000	1,000	7,000
(45,000)	49,162	94,162	(45,000)	2,250	47,250	(6,000)	1,611	7,611
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
(45,000)	49,162	94,162	(45,000)	2,250	47,250	(6,000)	1,611	7,611
57,135	57,135	0	30,422	30,422	0	11,253	11,253	0
12,135	106,297	94,162	(14,578)	32,672	47,250	5,253	12,864	7,611

Continued

City of Trotwood, Ohio
Combining Schedule of Revenues, Expenditures
And Changes in Fund Balance
Budget And Actual (Non-GAAP Basis)
Special Revenue Funds
For the Year Ended December 31, 2000

	Curbs/Gutters/ Sidewalks Assessment			Lighting Assessment		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:						
Taxes	\$0	\$0	\$0	\$0	\$0	\$0
Intergovernmental	0	0	0	0	0	0
Special assessments	11,000	3,852	(7,148)	0	3,139	3,139
Charges for services	5,000	272	(4,728)	0	0	0
Fines and forfeitures	0	0	0	0	0	0
Investment earnings	4,700	7,291	2,591	0	137	137
Other	0	0	0	0	0	0
Total Revenues	20,700	11,415	(9,285)	0	3,276	3,276
EXPENDITURES:						
Current:						
Public safety	0	0	0	0	0	0
Leisure time activities	0	0	0	0	0	0
Community development	0	0	0	0	0	0
Transportation	1,000	220	780	0	217	(217)
Capital outlay	80,000	0	80,000	0	0	0
Total Expenditures	81,000	220	80,780	0	217	(217)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(60,300)	11,195	71,495	0	3,059	3,059
OTHER FINANCING SOURCES (USES):						
Proceeds of sale of fixed assets	0	0	0	0	0	0
Operating transfers - in	0	0	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0	0	0
EXCESS (DEFICIENCY) OF REVENUES AND OTHER OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(60,300)	11,195	71,495	0	3,059	3,059
FUND BALANCE, BEGINNING OF YEAR	96,245	96,245	0	10,186	10,186	0
FUND BALANCE, END OF YEAR	35,945	107,440	71,495	10,186	13,245	3,059

Grants			Enforcement & Education			Law Enforcement Trust		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
458,100	476,871	18,771	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	700	876	176	20,000	16,705	(3,295)
0	0	0	300	498	198	700	3,426	2,726
0	136,179	136,179	0	0	0	0	0	0
458,100	613,050	154,950	1,000	1,374	374	20,700	20,131	(569)
187,739	227,334	(39,595)	2,500	0	2,500	64,774	24,164	40,610
20,850	0	20,850	0	0	0	0	0	0
301,910	307,384	(5,474)	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
199,000	155,344	43,656	0	0	0	35,959	35,906	53
709,499	690,062	19,437	2,500	0	2,500	100,733	60,070	40,663
(251,399)	(77,012)	174,387	(1,500)	1,374	2,874	(80,033)	(39,939)	40,094
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
(251,399)	(77,012)	174,387	(1,500)	1,374	2,874	(80,033)	(39,939)	40,094
134,821	134,821	0	6,257	6,257	0	92,768	92,768	0
(116,578)	57,809	174,387	4,757	7,631	2,874	12,735	52,829	40,094

Continued

City of Trotwood, Ohio
Combining Schedule of Revenues, Expenditures
And Changes in Fund Balance
Budget And Actual (Non-GAAP Basis)
Special Revenue Funds
For the Year Ended December 31, 2000

	Fire Levy			Rescue Levy		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:						
Taxes	\$1,186,060	\$1,133,545	(\$52,515)	\$534,220	\$511,517	(\$22,703)
Intergovernmental	112,660	123,983	11,323	56,680	60,931	4,251
Special assessments	0	0	0	0	0	0
Charges for services	0	0	0	0	0	0
Fines and forfeitures	0	0	0	0	0	0
Investment earnings	25,000	11,703	(13,297)	12,500	9,188	(3,312)
Other	1,500	4,580	3,080	1,000	3,780	2,780
Total Revenues	1,325,220	1,273,811	(51,409)	604,400	585,416	(18,984)
EXPENDITURES:						
Current:						
Public safety	2,135,137	1,986,399	148,738	670,831	713,786	(42,955)
Leisure time activities	0	0	0	0	0	0
Community development	0	0	0	0	0	0
Transportation	0	0	0	0	0	0
Capital outlay	45,540	44,300	1,240	25,000	24,136	864
Total Expenditures	2,180,677	2,030,699	149,978	695,831	737,922	(42,091)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(855,457)	(756,888)	98,569	(91,431)	(152,506)	(61,075)
OTHER FINANCING SOURCES (USES):						
Proceeds of sale of fixed assets	0	5,365	5,365	0	0	0
Operating transfers - in	700,000	700,000	0	0	0	0
Total Other Financing Sources (Uses)	700,000	705,365	5,365	0	0	0
EXCESS (DEFICIENCY) OF REVENUES AND OTHER OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(155,457)	(51,523)	103,934	(91,431)	(152,506)	(61,075)
FUND BALANCE, BEGINNING OF YEAR	460,280	460,280	0	183,221	183,221	0
FUND BALANCE, END OF YEAR	304,823	408,757	103,934	91,790	30,715	(61,075)

Police Levy			Totals		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$0	\$0	\$2,240,950	\$2,143,583	(\$97,367)
0	0	0	2,516,515	2,786,280	269,765
0	0	0	18,000	6,991	(11,009)
0	0	0	5,000	272	(4,728)
0	0	0	21,700	19,316	(2,384)
10,000	5,885	(4,115)	112,700	60,050	(52,650)
0	0	0	2,600	166,660	164,060
10,000	5,885	(4,115)	4,917,465	5,183,152	265,687
46,000	49,483	(3,483)	3,114,981	3,002,166	112,815
0	0	0	20,850	0	20,850
0	0	0	301,910	307,384	(5,474)
0	0	0	1,260,603	1,231,316	29,287
116,710	92,261	24,449	1,271,018	973,174	297,844
162,710	141,744	20,966	5,969,362	5,514,040	455,322
(152,710)	(135,859)	16,851	(1,051,897)	(330,888)	721,009
0	0	0	0	16,985	16,985
0	0	0	700,000	700,000	0
0	0	0	700,000	716,985	16,985
(152,710)	(135,859)	16,851	(351,897)	386,097	737,994
193,649	193,649	0	857,928	857,928	0
40,939	57,790	16,851	506,031	1,244,025	737,994



TROTWOOD

Yours to Discover

CITY OF TROTWOOD, OHIO

Debt Service Fund

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

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



TROTWOOD

Yours to Discover

CITY OF TROTWOOD, OHIO

Capital Projects Funds

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

Industrial Park Fund - This fund is used to account for site acquisition and infrastructure installation for an industrial park development project on Olive Road.

Townview Revitalization Fund – This fund is used to account for the reconstruction and upgrading of streets, curbs and gutters, sidewalks and storm drains in the targeted Townview neighborhood.

City of Trotwood, Ohio
Combining Balance Sheet
Capital Projects Funds
December 31, 2000

	<u>Industrial Park</u>	<u>Townview Revitalization</u>	<u>Totals</u>
ASSETS:			
Assets:			
Pooled cash and investments	\$994,303	\$0	\$994,303
Receivables (net of allowance for uncollectibles):			
Intergovernmental	598,806	26,545	625,351
Interest	521	0	521
	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u><u>\$1,593,630</u></u>	<u><u>\$26,545</u></u>	<u><u>\$1,620,175</u></u>
LIABILITIES AND FUND EQUITY:			
Liabilities:			
Accounts payable	\$245,895	\$83,709	\$329,604
Interfund payable	0	72,437	72,437
Deferred revenue	350,000	0	350,000
Notes payable	2,300,000	0	2,300,000
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u><u>2,895,895</u></u>	<u><u>156,146</u></u>	<u><u>3,052,041</u></u>
Fund Equity:			
Fund Balances:			
Reserved for encumbrances	186,299	28,953	215,252
Unreserved, undesignated	(1,488,564)	(158,554)	(1,647,118)
	<u> </u>	<u> </u>	<u> </u>
Total Fund Equity	<u><u>(1,302,265)</u></u>	<u><u>(129,601)</u></u>	<u><u>(1,431,866)</u></u>
	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES AND FUND EQUITY	<u><u>\$1,593,630</u></u>	<u><u>\$26,545</u></u>	<u><u>\$1,620,175</u></u>

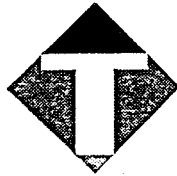
City of Trotwood, Ohio
Combining Statement of Revenues, Expenditures
And Changes in Fund Balances
Capital Projects Funds
For the Year Ended December 31, 2000

	<u>Industrial Park</u>	<u>Townview Revitalization</u>	<u>Totals</u>
REVENUES:			
Intergovernmental	\$300,000	\$572,906	\$872,906
Other	37,737	0	37,737
Total Revenues	<u>337,737</u>	<u>572,906</u>	<u>910,643</u>
EXPENDITURES:			
Current:			
Capital outlay	1,634,941	894,050	2,528,991
Total Expenditures	<u>1,634,941</u>	<u>894,050</u>	<u>2,528,991</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,297,204)</u>	<u>(321,144)</u>	<u>(1,618,348)</u>
FUND BALANCES, BEGINNING OF YEAR	<u>(5,061)</u>	<u>191,543</u>	<u>186,482</u>
FUND BALANCES, END OF YEAR	<u><u>(\$1,302,265)</u></u>	<u><u>(\$129,601)</u></u>	<u><u>(\$1,431,866)</u></u>

City of Trotwood, Ohio
Combining Schedule of Revenues, Expenditures
And Changes in Fund Balance
Budget And Actual (Non-GAAP Basis)
Capital Projects Funds
For the Year Ended December 31, 2000

	Industrial Park			Townview Revitalization		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:						
Intergovernmental	\$0	\$51,194	\$51,194	\$0	\$546,361	\$546,361
Investment earnings	0	37,216	37,216	0	0	0
Total Revenues	0	88,410	88,410	0	546,361	546,361
EXPENDITURES:						
Current:						
Community Development	2,430,000	1,826,301	603,699	0	0	0
Capital outlay	0	0	0	192,111	856,265	(664,154)
Total Expenditures	2,430,000	1,826,301	603,699	192,111	856,265	(664,154)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,430,000)	(1,737,891)	692,109	(192,111)	(309,904)	(117,793)
OTHER FINANCING SOURCES (USES):						
Proceeds of bond anticipation notes	0	2,300,000	2,300,000	0	0	0
Total Other Financing Sources (Uses)	0	2,300,000	2,300,000	0	0	0
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(2,430,000)	562,109	2,992,109	(192,111)	(309,904)	(117,793)
FUND BALANCE, BEGINNING OF YEAR	0	0	0	191,543	191,543	0
FUND BALANCE, END OF YEAR	(\$2,430,000)	\$562,109	\$2,992,109	(\$568)	(\$118,361)	(\$117,793)

Totals		
Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$597,555	\$597,555
0	37,216	37,216
0	634,771	634,771
2,430,000	1,826,301	603,699
192,111	856,265	(664,154)
2,622,111	2,682,566	(60,455)
(2,622,111)	(2,047,795)	574,316
0	2,300,000	2,300,000
0	2,300,000	2,300,000
(2,622,111)	252,205	2,874,316
191,543	191,543	0
(\$2,430,568)	\$443,748	\$2,874,316



TROTWOOD

Yours to Discover

CITY OF TROTWOOD, OHIO

Enterprise Funds

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

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

Sewer Fund – To account for the provision of sewerage services including maintenance of City-owned sewer lines. The sewerage collection system does not serve the entire City; Montgomery County provides sewerage services to that portion of the City formerly known as Madison Township.

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

City of Trotwood, Ohio
Combining Balance Sheet
Enterprise Funds
December 31, 2000

	<u>Water</u>	<u>Sewer</u>	<u>Refuse</u>	<u>Totals</u>
ASSETS:				
Assets:				
Pooled cash and investments	\$96,330	\$140,780	\$194,943	\$432,053
Receivables (net of allowance for uncollectibles):				
Accounts	265,262	253,628	80,278	599,168
Special assessments	42,563	42,563	225,051	310,177
Interest	51	74	102	227
Fixed assets (net, where applicable of accumulated depreciation)	<u>658,220</u>	<u>335,448</u>	<u>0</u>	<u>993,668</u>
TOTAL ASSETS	<u>\$1,062,426</u>	<u>\$772,493</u>	<u>\$500,374</u>	<u>\$2,335,293</u>
LIABILITIES AND FUND EQUITY:				
Liabilities:				
Accounts payable	\$299,833	\$264,623	\$74,626	\$639,082
Accrued wages and benefits	8,584	8,219	0	16,803
Compensated absences	12,547	12,547	0	25,094
Deferred revenue	42,563	42,563	225,051	310,177
Capital lease obligations	<u>0</u>	<u>104,237</u>	<u>0</u>	<u>104,237</u>
Total Liabilities	<u>363,527</u>	<u>432,189</u>	<u>299,677</u>	<u>1,095,393</u>
Fund Equity:				
Contributed capital	0	34,325	0	34,325
Retained earnings - unreserved	<u>698,899</u>	<u>305,979</u>	<u>200,697</u>	<u>1,205,575</u>
Total Fund Equity	<u>698,899</u>	<u>340,304</u>	<u>200,697</u>	<u>1,239,900</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$1,062,426</u>	<u>\$772,493</u>	<u>\$500,374</u>	<u>\$2,335,293</u>

City of Trotwood, Ohio
Combining Statement of Revenues, Expenses
And Changes In Retained Earnings
Enterprise Funds
For the Year Ended December 31, 2000

	Water	Sewer	Refuse	Totals
OPERATING REVENUES:				
Charges for services	\$809,097	\$784,357	\$548,827	\$2,142,281
Other	17,952	18,367	157,830	194,149
Total Operating Revenue	827,049	802,724	706,657	2,336,430
OPERATING EXPENSES:				
Salaries and wages	98,683	91,172	0	189,855
Benefits	18,697	17,845	0	36,542
Contractual services	768,005	666,188	831,817	2,266,010
Materials and supplies	24,727	42,339	0	67,066
Depreciation expense	77,856	93,505	0	171,361
Other	13,810	15,215	0	29,025
Total Operating Expenses	1,001,778	926,264	831,817	2,759,859
OPERATING INCOME (LOSS)	(174,729)	(123,540)	(125,160)	(423,429)
NONOPERATING REVENUES (EXPENSES):				
Investment earnings	4,065	7,490	14,553	26,108
Interest expense	0	(4,352)	0	(4,352)
Total Nonoperating Revenues (Expenses)	4,065	3,138	14,553	21,756
NET INCOME (LOSS)	(170,664)	(120,402)	(110,607)	(401,673)
RETAINED EARNINGS, BEGINNING OF YEAR	869,563	426,381	311,304	1,607,248
RETAINED EARNINGS, END OF YEAR	\$698,899	\$305,979	\$200,697	\$1,205,575

City of Trotwood, Ohio
Combining Statement Of Cash Flows
Enterprise Funds
For the Year Ended December 31, 2000

	Water	Sewer	Refuse	Totals
OPERATING ACTIVITIES:				
Cash received from customers and users	\$846,851	\$818,028	\$642,142	\$2,307,021
Cash paid to suppliers for goods and services	(778,314)	(712,662)	(821,761)	(2,312,737)
Cash paid to employees for services	(114,245)	(105,622)	0	(219,867)
Other operating receipts (disbursements)	4,142	3,152	157,830	165,124
Net cash provided (used) by operating activities	<u>(41,566)</u>	<u>2,896</u>	<u>(21,789)</u>	<u>(60,459)</u>
CAPITAL AND RELATED FINANCING ACTIVITIES:				
Principal payments - capital leases	0	(33,849)	0	(33,849)
Interest payments - capital leases	0	(4,352)	0	(4,352)
Net cash provided (used) by capital and related financing activities	<u>0</u>	<u>(38,201)</u>	<u>0</u>	<u>(38,201)</u>
INVESTING ACTIVITIES:				
Interest on investments	5,297	9,032	16,389	30,718
Net cash provided (used) by investing activities	<u>5,297</u>	<u>9,032</u>	<u>16,389</u>	<u>30,718</u>
NET INCREASE (DECREASE) IN CASH	(36,269)	(26,273)	(5,400)	(67,942)
CASH BEGINNING OF YEAR	132,599	167,053	200,343	499,995
CASH END OF YEAR	<u>96,330</u>	<u>140,780</u>	<u>194,943</u>	<u>432,053</u>
Reconciliation of operating income to net cash provided by operating activities				
Operating income (loss)	(174,729)	(123,540)	(125,160)	(423,429)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	77,856	93,505	0	171,361
Change in assets and liabilities:				
(Increase) decrease in receivables	37,754	33,671	93,315	164,740
(Increase) decrease in other assets	782	0	0	782
Increase (decrease) in accounts payable	13,637	(4,135)	10,056	19,558
Increase (decrease) in wages payable	4,769	4,916	0	9,685
Increase (decrease) in compensated absences payable	1,235	1,235	0	2,470
Increase (decrease) in due to other governments	(2,870)	(2,756)	0	(5,626)
Net cash provided (used) by operating activities	<u>(\$41,566)</u>	<u>\$2,896</u>	<u>(\$21,789)</u>	<u>(\$60,459)</u>

CITY OF TROTWOOD, OHIO

Internal Service Fund

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

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

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



TROTWOOD

Yours to Discover

CITY OF TROTWOOD, OHIO

Agency Fund

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

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

City of Trotwood, Ohio
Statement Of Changes In Assets And Liabilities
Agency Funds
For the Year Ended December 31, 2000

<u>Agency Fund</u>	<u>Balance 12/31/99</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 12/31/00</u>
ASSETS:				
Pooled Cash and Investments	<u>\$96,078</u>	<u>\$49,339</u>	<u>(\$45,467)</u>	<u>\$99,950</u>
Total Assets	<u><u>\$96,078</u></u>	<u><u>\$49,339</u></u>	<u><u>(\$45,467)</u></u>	<u><u>\$99,950</u></u>
LIABILITIES:				
Due to others	<u>\$96,078</u>	<u>\$49,339</u>	<u>(\$45,467)</u>	<u>\$99,950</u>
Total Liabilities	<u><u>\$96,078</u></u>	<u><u>\$49,339</u></u>	<u><u>(\$45,467)</u></u>	<u><u>\$99,950</u></u>

STATISTICAL

SECTION

Table 1

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

Fiscal Year	Leisure Time Activities		Community Development	Transportation and Street Repair		General Government	Capital Outlay	Debt Service	Totals
	Public Safety								
1991	1,284,657	158,418	161,170	510,586	430,858	814,275	832,795	4,192,759	
1992	1,509,925	209,128	203,776	187,243	449,809	343,409	986,314	3,889,604	
1993	1,465,007	203,025	157,622	271,059	472,642	197,526	1,128,112	3,894,993	
1994	1,516,669	167,187	213,947	307,025	503,065	333,066	1,834,920	4,875,879	
1995	1,567,858	284,546	245,164	297,097	512,266	356,380	217,760	3,481,071	
1996	4,998,213	462,219	419,046	603,037	1,243,802	1,157,534	190,211	9,074,062	
1997	5,628,372	517,888	619,783	876,823	1,672,448	1,203,875	165,524	10,684,713	
1998	6,174,414	501,355	543,837	947,620	1,932,626	648,885	166,737	10,915,474	
1999	7,252,708	609,445	596,412	1,246,778	2,377,437	1,887,440	157,206	14,127,426	
2000	7,438,266	760,948	976,552	1,267,681	2,123,683	4,042,240	167,320	16,776,690	

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

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

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

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

Fiscal Year	Taxes	Inter-governmental	Charges for Services	Fines			Investment Earnings	Other	Totals
				Licenses and Permits	Special Assessments				
1991	2,011,387	407,877	235,140	62,399	834	44,930	41,727	2,804,294	
1992	1,909,459	426,224	295,644	85,155	7,522	21,207	133,394	2,878,605	
1993	2,260,140	473,008	331,930	105,665	90	14,388	134,906	3,320,127	
1994	2,453,147	556,664	132,188	78,333	48,963	13,990	53,312	3,336,597	
1995	2,625,395	568,982	101,735	65,910	50,980	26,647	81,315	3,520,964	
1996	7,319,915	1,836,003	97,458	150,210	155,340	213,526	363,042	10,135,494	
1997	8,126,145	2,746,420	169,047	118,564	150,276	344,174	134,063	11,788,689	
1998	8,497,665	2,303,450	168,883	86,129	163,528	421,628	334,449	11,975,732	
1999	8,222,606	2,784,498	194,391	117,007	164,776	350,442	233,558	12,067,278	
2000	8,599,117	5,651,530	258,561	97,621	35,125	277,116	632,213	15,551,283	

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

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

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

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

Table 3

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

Collection Year	Current Tax Levy	Current Tax Collections	Percent of Current Taxes Collected	Delinquent Tax Collections	Total Tax Collections	Ratio of Total Collections to Levy	Accumulated Outstanding Delinquent Taxes (2)	Ratio of Delinquent Taxes to Levy
1991	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1992	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1993	\$ 420,207	\$ 395,227	94.1%	\$ 41,986	\$ 437,213	104.0%	\$ 60,303	14.4%
1994	305,665	296,326	96.9%	20,476	316,802	103.6%	38,384	12.6%
1995	312,861	305,264	97.6%	12,619	317,883	101.6%	40,338	12.9%
1996	3,454,535	3,348,295	96.9%	122,951	3,471,246	100.5%	311,058	9.0%
1997	3,423,538	3,307,469	96.6%	180,827	3,488,296	101.9%	407,438	11.9%
1998	3,586,795	3,363,483	93.8%	213,223	3,576,706	99.7%	457,354	12.8%
1999	3,595,449	3,326,513	92.5%	164,897	3,491,410	97.1%	516,332	14.4%
2000	3,617,628	3,412,978	94.3%	201,459	3,614,437	99.9%	749,139	20.7%

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

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

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

N/A=Not Available

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

Collection Year (2)	Real Property (3)		Tangible Personal Property (4)		Total	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
1991	N/A	N/A	N/A	N/A	N/A	N/A
1992	N/A	N/A	N/A	N/A	N/A	N/A
1993	\$ 73,858,250	\$ 211,023,571	\$ 21,035,504	\$ 63,292,538	\$ 94,893,754	\$ 274,316,109
1994	74,188,940	211,968,400	19,546,621	57,132,886	93,735,561	269,101,286
1995	74,599,300	213,140,857	21,263,588	62,468,795	95,862,888	275,609,652
1996	208,671,570	596,204,486	43,594,586	118,176,216	252,266,156	714,380,702
1997	237,522,630	678,636,086	45,562,117	125,829,820	283,084,747	804,465,906
1998	238,080,730	680,230,657	47,109,594	133,094,881	285,190,324	813,325,538
1990	240,984,190	688,526,257	47,280,164	133,137,482	288,264,354	821,663,739
2000	257,846,260	736,703,600	45,178,732	128,800,379	303,024,992	865,503,979

- Notes: (1) On January 1, 1996, the City merged with Madison Township.
(2) Assessed value is determined in the year prior to its collection.
(3) All real property is currently assessed at 35% of estimated market value.
(4) All tangible personal property (machinery/equipment and inventory) is currently assessed at 25% of net book value except for public utility tangible personal property which is assessed at 88% of net book value.

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

N/A=Not Available

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

Collection Year (2)	City of	Montgomery	Madison	Trotwood-	Miami Valley	Dayton-	Total
	Trotwood	County	Township	Madison City School District	Career Technology Center	Montgomery County Library	
1991	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1992	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1993	5.22	13.65	8.70	45.86	1.98	-	75.41
1994	3.44	16.64	8.70	45.86	2.58	-	77.22
1995	3.44	16.64	8.70	45.86	2.58	0.72	77.94
1996	15.64	16.64	-	55.76	2.58	0.72	91.34
1997	15.14	16.64	-	53.74	2.58	0.72	88.82
1998	15.14	16.64	-	53.74	2.58	0.26	88.36
1999	15.14	16.64	-	53.74	2.58	0.26	88.36
2000	15.14	16.64	-	52.64	2.58	0.26	87.26

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

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

N/A=Not Available

Table 6

CITY OF TROTWOOD, OHIO
Principal Property Taxpayers
December 31, 2000

Taxpayer	Nature of Business	Total Assessed Valuation	Percent of Total Assessed Valuation
Dayton Power & Light Company	Electric utility	\$ 7,913,680	2.61%
Salem Retail LLC	Shopping mall	4,693,500	1.55%
Bradley Operating Company	Shopping center	4,285,970	1.41%
Verizon (GTE)	Telephone utility	3,770,360	1.24%
Castlebrook Capital Company	Apartment complex	3,413,050	1.13%
Vectren	Natural gas utility	3,110,600	1.03%
Kmart Corporation	Department store	2,520,650	0.83%
Lowe's Companies, Inc.	Home improvement store	2,281,510	0.75%
Fieldstone Limited	Apartment complex	2,234,210	0.74%
Wal-Mart Stores, Inc.	Department store	1,883,530	0.62%
Total		36,107,060	11.92%
All other taxpayers		266,917,932	88.08%
Total assessed valuation		\$ 303,024,992	100.00%

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

Table 7

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

Fiscal Year	Tax Rate (2)	Non-			Refunds	Net Collections
		Withholding Collections	Withholding Collections	Gross Collections		
1991	1.75%	1,185,402	394,152	1,579,554	42,067	1,537,487
1992	1.75%	1,236,277	331,252	1,567,529	54,487	1,513,042
1993	2.25%	1,420,303	432,579	1,852,882	29,121	1,823,761
1994	2.25%	1,751,704	509,288	2,260,992	46,521	2,214,471
1995	2.25%	1,855,048	514,643	2,369,691	42,409	2,327,282
1996	2.25%	3,240,045	512,219	3,752,264	50,802	3,701,462
1997	2.25%	3,771,936	1,054,627	4,826,563	47,021	4,779,542
1998	2.25%	3,896,912	1,169,711	5,066,623	60,975	5,005,648
1999	2.25%	3,856,813	1,105,972	4,962,785	88,653	4,874,132
2000	2.25%	4,291,798	899,892	5,191,690	89,641	5,102,049

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

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

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

Table 8

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

Collection Year	Current Assessments		Percent of			Total Assessment Collections		Ratio of		Ratio of Delinquent Assessments to Current Due
	Due	Assessments	Current Assessments Collected	Delinquent Assessment Collections	Total Assessment Collections	Total Collections to Current	Outstanding Delinquent Assessments (2)			
1991	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
1992	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
1993	\$ 63,662	\$ 53,503	84.0%	\$ 6,960	\$ 60,463	95.0%	\$ 43,703	68.6%		
1994	55,271	49,844	90.2%	10,746	60,590	109.6%	50,686	91.7%		
1995	67,082	43,307	64.6%	5,597	48,904	72.9%	77,510	115.5%		
1996	321,553	249,620	77.6%	34,606	284,226	88.4%	234,209	72.8%		
1997	331,315	256,813	77.5%	41,565	298,378	90.1%	295,708	89.3%		
1998	322,508	247,381	76.7%	49,200	296,581	92.0%	346,498	107.4%		
1999	358,225	277,660	77.5%	53,600	331,260	92.5%	N/A	N/A		
2000	304,019	176,635	58.1%	50,802	227,437	74.8%	543,907	178.9%		

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

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

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

N/A=Not Available

CITY OF TROTWOOD, OHIO
 Computation of Legal Debt Margin
 December 31, 2000

Assessed valuation		\$ 303,024,992
Overall Debt Limitation -		
10.50% of assessed valuation	\$ 31,817,624	
Gross bonded indebtedness	\$ 3,705,000	
Less: Self-supported debt	<u> -</u>	
Net debt within 10.50% limitation	<u>3,705,000</u>	
Legal debt margin within 10.50% limitation	<u>\$ 28,112,624</u>	
Unvoted Debt Limitation -		
5.50% of assessed valuation	\$ 16,666,375	
Gross indebtedness	\$ 3,705,000	
Less: Self-supported debt	<u> -</u>	
Net debt within 5.50% limitation	<u>3,705,000</u>	
Legal debt margin within 5.50% limitation	<u>\$ 12,961,375</u>	

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

Fiscal Year	Population (2)	Assessed Valuation	Gross Bonded Debt	Debt Service Cash Balance	Self-Supported Bonded Debt	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Valuation	
							Bonded Debt	Net Bonded Debt per Capita
1991	8,662	N/A	163,000	46,096	73,000	43,904	N/A	5.07
1992	8,471	N/A	939,000	35,918	59,000	844,082	N/A	99.64
1993	8,862	\$ 94,893,754	860,000	8	-	859,992	0.91%	97.04
1994	8,779	93,735,561	1,735,000	24,770	-	1,710,230	1.82%	194.81
1995	8,779	95,862,888	1,690,000	27,582	-	1,662,418	1.73%	189.36
1996	29,358	252,266,156	1,640,000	2,313	-	1,637,687	0.65%	55.78
1997	29,358	283,084,747	1,585,000	1,530	-	1,583,470	0.56%	53.94
1998	29,358	285,190,324	1,525,000	45,923	-	1,479,077	0.52%	50.38
1999	29,358	288,264,354	1,470,000	8,986	-	1,461,014	0.51%	49.77
2000	27,420	303,024,992	1,405,000	597	-	1,404,403	0.46%	51.22

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

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

N/A = Not Available

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

Fiscal Year	Principal	Interest	Total Debt Service (2)	Total General Governmental Expenditures (3)	Ratio of Debt Service to General Governmental Expenditures
1991	10,000	13,000	23,000	4,192,759	0.5%
1992	10,000	42,967	52,967	3,889,604	1.4%
1993	20,000	64,000	84,000	3,894,993	2.2%
1994	25,000	62,345	87,345	4,875,879	1.8%
1995	45,000	117,190	162,190	3,481,071	4.7%
1996	50,000	113,948	163,948	9,074,062	1.8%
1997	55,000	110,055	165,055	10,684,713	1.5%
1998	60,000	106,160	166,160	10,915,474	1.5%
1999	55,000	101,615	156,615	14,127,426	1.1%
2000	65,000	97,720	162,720	16,776,690	1.0%

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

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

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

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

CITY OF TROTWOOD, OHIO
 Computation of Direct and Overlapping Net General Obligation Debt
 December 31, 2000

Jurisdiction	Assessed Value (1)	Net General Obligation Bonded Debt Outstanding	Percentage Applicable to Trotwood (2)	Amount Applicable to Trotwood
City of Trotwood	\$ 303,024,992	\$ 1,479,077	100.00%	\$ 1,479,077
Trotwood-Madison City School District	261,724,128	2,329,602 (3)	95.52%	2,225,236
Montgomery County	9,042,888,279	43,268,553 (1)	3.35%	<u>1,449,497</u>
				<u>\$ 5,153,809</u>

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

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

(3) Source: Trotwood-Madison City School District; Treasurer's Office.

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

Fiscal Year	Population (2)	Public School Enrollment (3)	Unemployment Rate Montgomery County (4)
1991	8,662	4,271	5.7%
1992	8,471	3,950	6.4%
1993	8,862	4,119	5.4%
1994	8,779	4,138	4.8%
1995	8,779	4,255	4.0%
1996	29,358	4,453	4.4%
1997	29,358	4,282	4.0%
1998	29,358	4,157	4.0%
1999	29,358	4,217	3.9%
2000	27,420	3,811	4.0%

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

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

Fiscal Year	Real Property Value (2)*		Total	Commercial/Industrial Construction (3)		Residential Construction (3)		Bank Deposits (4)*
	Commercial/Industrial	Residential		Number of Permits	Estimated Value	Number of Permits	Estimated Value	
1991	N/A	N/A	N/A	3	359,746	35	540,000	N/A
1992	N/A	N/A	N/A	7	467,997	25	670,760	N/A
1993	\$ 92,444	\$ 118,580	\$ 211,024	12	436,050	46	1,798,242	N/A
1994	83,903	128,065	211,968	10	27,568,000	67	2,279,175	\$ 280,404
1995	84,617	128,524	213,141	9	712,722	50	1,613,706	289,857
1996	181,416	414,788	596,204	9	4,797,475	88	7,683,329	286,673
1997	192,713	485,923	678,636	14	1,582,647	65	2,724,376	283,474
1998	194,351	485,880	680,231	39	3,434,551	47	4,737,199	266,048
1999	201,610	486,917	688,527	24	902,965	35	4,864,228	263,170
2000	202,375	534,329	736,704	129	15,809,088	131	2,747,275	254,565

* Amounts expressed in thousands

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

(2) Estimated actual value.

(3) Source: City of Trotwood; Department of Planning and Development.

(4) Source: Federal Deposit Insurance Corporation.

N/A=Not Available

Table 15

CITY OF TROTWOOD, OHIO
Principal Employers by Municipal Income Tax Withheld
December 31, 2000

Employer	Nature of Business	Amount of Municipal Income Tax Withheld	Percent of Total Municipal Income Tax Revenue
Trotwood-Madison City School District	Public education	\$ 347,337	6.69%
Maria Joseph Center	Retirement community	194,480	3.75%
City of Trotwood	Local government	165,497	3.19%
Montgomery County	Transportation facility	112,889	2.17%
Wal Mart Associates, Inc.	Retail sales	101,507	1.96%
Moto Photo, Inc.	Photographic film processing	91,156	1.76%
Brico Metals	Metal processing	80,777	1.56%
Jewish Federation of Greater Dayton	Cultural/recreation center	80,730	1.55%
Friendship Village	Retirement community	76,543	1.47%
Applied Mechanical Systems, Inc.	HVAC Installation and Service	63,787	1.23%
Total		<u>1,314,703</u>	<u>25.32%</u>
All other municipal income tax revenue		<u>3,876,987</u>	<u>74.68%</u>
Gross municipal income tax revenue		<u>\$ 5,191,690</u>	<u>100.00%</u>

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

CITY OF TROTWOOD, OHIO
Miscellaneous Statistics
December 31, 2000

Date of incorporation	September 16, 1901
Date present charter adopted	November 3, 1964
Form of government	Council/Manager
Number of permanent full-time employees	156
Area in square miles	28
City of Trotwood facilities and services:	
Miles of streets	362
Street lights	1,285
Police Protection:	
Number of stations	1
Number of full-time officers	52
Calls for service	54,146
Physical arrests	3,996
Fire Protection and EMS:	
Number of stations	4
Number of full-time firefighters	19
Calls for service-	
Fire	1,316
EMS	3,498
Average response time (minutes)-	
Fire	7:13
EMS	7:13
Parks and Recreation:	
Community centers	1
Parks	10
Park acreage	152
Swimming Pools	1
Water System:	
Miles of water mains	37.5
Number of fire hydrants	1,096
Number of accounts	2,800
Sewerage System:	
Miles of sanitary sewers	31
Miles of storm sewers	39
Number of accounts	2,800
Facilities and services not included in the reporting entity:	
Public Education:	
Number of elementary schools	6
Number of secondary schools	2
Recreation and Culture:	
Libraries	1
Sports arena/conference centers	1
State and county park acreage	2,545

CITY OF TROTWOOD, OHIO
Contact Information

Administrative Office: Government Center
35 North Olive Road
Trotwood, OH 45426
Phone: (937) 837-7771
Home Page: www.trotwood.org

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

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

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

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

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



TROTWOOD

Yours to Discover



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Facsimile 614-466-4490

CITY OF TROTWOOD
MONTGOMERY COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
OCTOBER 9, 2001**