



**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014**

CITY OF TROY, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

PREPARED BY:
JOHN A. STICKEL, CITY AUDITOR

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INTRODUCTORY SECTION





June 3, 2015

The Honorable Mayor,
Members of City Council
and Citizens of Troy, Ohio

The Comprehensive Annual Financial Report of the City of Troy, Ohio for the fiscal year ended December 31, 2014 is submitted herewith. The Auditor's Office prepared the report. The responsibility for both the accuracy of the presented data and the completeness and the fairness of the presentation, including all disclosures, rests with the City of Troy, specifically with the Auditor's Office. We believe that the enclosed data is accurate in all material respects; and is presented in a manner designed to fairly set forth the financial payroll - bank statement and reconciliation as 12/31/2014 position and results of operations of the various funds of the City. We further believe that all disclosures necessary to enable the reader to gain an understanding of the City's financial activity have been included.

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

Generally Accepted Accounting Principles require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the independent auditor's report.

City Overview

Troy, Ohio is a progressive city with a reputation for its “can do” attitude, hospitality, and pride in its accomplishments. Located along I-75 ten miles north of the I-75 and I-70 interchange, Troy is ideally situated.

The City of Troy is home to approximately 25,700 people, based on the estimate of the City’s Development Department. While new residents move in at a slow, even pace, Troy continues to have a substantial number of long-time residents. People who move to Troy tend to continue to live here, even after they have raised their families. Troy has a reputation for community pride, friendliness and hospitality, along with respect for its past and great hopes for its future. The community offers a diverse mix of people, places and activities to enjoy. Destinations in the City are accessible without congestion or inconvenience.

The City was founded in 1814 and is a statutory municipal corporation under the laws of the State of Ohio. The City operates under a Council-Mayor form of government and provides the following services: public safety, public services, health, recreation, and development.

Economic Conditions and Outlook

Troy, Ohio USA is a remarkably accessible small city with big-city advantages. Troy’s central location and excellent transportation access continue to be as important to the local economic climate as they were in 1807, when Troy was selected as the county seat for newly-formed Miami County. Then, the Great Miami River and post roads allowed the easiest travel of those times to all of Miami County and major transportation routes to the rest of the rapidly growing nation. Later, the Miami and Erie Canal provided a strong economic boost, which was soon followed by major railroad lines and then the Dixie Highway. These transportation advantages helped Troy establish a strong manufacturing base that added to its economic strength as an agricultural service center.

Today, Troy still reaps great economic benefits from its strategic location in the strong western Ohio transportation network. The Troy community is served by four interchanges on Interstate Route 75, one of the nation’s most heavily traveled north/south highways. Just 10 minutes to the south is the intersection of I-75 and I-70, which adds excellent east/west access to the rest of the nation. Easy access and fast travel to dispersed plants throughout the entire eastern half of the country allow Troy businesses to meet the just-in-time needs of modern industry. Major arterial highways connect from I-75 to all parts of the city. These include three state highways and the old Dixie Highway. In addition to easy automobile and truck movement, rail service continues to provide economical transportation of bulk products through Troy on one of the nation’s heaviest-traveled Class A lines. International air travel is only fifteen minutes away from Troy, at Dayton International Airport. The airport also is an air cargo center that provides both small and heavy freight service throughout the world. Over two-thirds of the nation’s population and businesses are within the nation’s largest ninety-minute air travel market, enabling Troy businesses to provide same-day connections with even distant customers and suppliers.

The economic engine for Troy is its diversified manufacturing sector. The community continues to develop significant capabilities in metal-working industries, aerospace, auto parts, machinery, construction materials, and foods. This has enabled Troy to suffer less from the national recession and to recover faster than many similar-sized cities. Many Troy businesses were able to strengthen their market position as competitors downsized. All of Troy's top six employers are manufacturers which have exceeded their pre-recession employment levels. New technologies and acquired production capabilities have enabled them to grow their sales even as productivity increases with modern, efficient automated processes.

In 2014, Clopay Building Products, which bills itself as the manufacturer of "America's Favorite Garage Doors," regained its place as Troy's largest employer. Clopay now has 980 people, not including Clopay Transportation, the related logistics company also based at the Troy plant. The company has completely filled its million square feet facility by vertical integration – they now produce some previously out-sourced parts. Its parent company Griffon Corporation also has acquired other door and hardware companies, adding breadth to their product line. The diversified product line ranges from inexpensive, basic garage doors to customized high-end doors selling for \$50,000 or more. Clopay's products appeal to both the new home construction and the remodeling markets, so it does not rely solely on the new home construction sector that was devastated by the recession. Its production continues to grow as homebuilding recovers from the recession.

During 2014, F & P America began expansion of its manufacturing plant to accommodate two additional large presses. As the new production lines arrive and are put into operation, employment will increase from the current 960 skilled workers, perhaps allowing F&P to reclaim its spot as Troy's largest employer. The company is an award-winning OEM automobile suspension parts supplier, primarily to Honda. Across town at its sister company F-Tech R & D North America, over 60 engineers develop new technologies to continually decrease the weight of the parts while increasing their strength. This research facility also expanded significantly in 2014, adding a second test bed that "shakes" an entire automobile. Production at both of these operations is at record levels as automobile sales continue to recover from the recession.

Now ranked third in Troy employment at over 800 engineers and skilled machinists is UTC Aerospace's Landing Systems Division. United Technologies Corporation recently acquired Goodrich Aerospace, which produces aircraft wheels and brakes in Troy. The main building once had been the final assembly plant for World War II Waco troop gliders, but has been in the forefront of developing light-weight wheels and brakes for everything from small civilian aircraft, military jets, commercial airliners, to NASA's Space Shuttles. Even when aircraft manufacturing slowed, they had work, since every aircraft landing uses a part of the limited life of the brake rotors they produce. UTC has been able to combine the former Goodrich wheels and brakes with its landing gear products to provide entire landing gear systems to aircraft manufacturers such as Airbus and Boeing. The layout of the Troy plant was streamlined in 2013, making way for new equipment and higher productivity. Landing Systems's headquarters was located to Troy in 2014.

Exemplifying Troy's economic diversity is Troy's fourth largest employer, ConAgra Foods. Over 20 years ago, the facility was a typical meat packing plant. It later was converted to frozen pizza

production, along with preparation of pepperoni. A few years ago, the latter expertise enabled ConAgra to add a similar product – Slim Jim meat snacks. That required new investment of almost 100 million dollars and more than doubled the workforce. The Slim Jim product line continues to grow as additional flavors, sizes, and packaging options are added. New school lunch nutrition guidelines prompted further development and new equipment for the frozen pizza line in 2013, which positioned the Troy plant for growth beyond the current employment of over 730 people.

Troy's fifth largest employer at over 710 workers is a dealership repair parts distribution center for American Honda Motor Co., Inc. This multi-operation facility is Troy's largest by floor area, at over 1,800,000 square feet. It includes several separate and distinct operations, including parts procurement, parts distribution (to dealerships), Performance Development Parts (for racing and aftermarket customization), the Midwest Consolidation Center (feeding parts to nine dispersed distribution centers), and a Honda Motorcycle Rider Education Center. As automobile sales continue to recover from the recession, productivity and employment at this important Honda facility also are increasing.

One of Troy's oldest companies, at nearly 100 years, is Hobart Brothers Manufacturing. With over 600 workers, it also is Troy's sixth-largest employer. The company produces welders and a full range of welding supplies and consumables. It formed the basis for Troy's dominance in metal-working technologies. It even spun-off the industry-leading Hobart Institute of Welding Technology, which trains people from around the world in basic welding, advanced industrial welding processes, and even specialized techniques for underwater and outer-space applications. Now a part of conglomerate Illinois Tool Works, Hobart Brothers modernized production lines, relocated to newer facilities, reduced inefficiencies, and increased productivity.

Smaller Troy employers include further diversification in mold-making, paper coating, robotic pharmaceutical packaging, automobile parts distribution, retail clothing logistics, small tool and die shops, and manufacturing of industrial motor drives, rubber gaskets, metal stampings, plastic and metal automobile and aeronautical parts, industrial tooling, and even whipped desert toppings.

Troy businesses continued to expand in 2014 and have the capacity to continue that growth in 2015.

Departmental Focus

2014 was Troy's Bicentennial Celebration. Co-Chairs Douglas Tremblay and Stanley Kegley were appointed by Mayor Beamish early in 2013 to coordinate the 200th Birthday celebration and activities. A committee of approximately 20 volunteers worked diligently to determine ways to help celebrate the milestone. Bicentennial Banners were hung from light poles and Bicentennial Flags flew from flag poles for a year. The kickoff of the birthday celebration was on a cold and snowy January 4, 2014, at the ITW/Hobart Corporation headquarters building on Ridge Avenue. Approximately 60 organizations/clubs/businesses/individuals set up memorabilia displays on two floors of the headquarters building. More than 1,400 people took the time to view the exhibits

and walk down the memory lane of some of Troy's history. As this kickoff was a "birthday party", cupcakes were served to all attendees.

Most weekends, the local newspaper, *The Troy Daily News*, featured a story looking back on a past defining incident or occasion. The local public access television organization, filmed and broadcast "Bicentennial Minutes" with a local resident taking 60 seconds to reflect on a subject from Troy's past that he/she was connected with in some way.

The Troy Foundation decided to present the City with a legacy gift in recognition of the Bicentennial. That gift is a decorative lighthouse structure that will be installed at a point along the Great Miami River within Treasure Island Park. For a number of years, there had been a decorative lighthouse structure at a similar location at Treasure Island Park, but it had deteriorated and was removed in the 1980s. The legacy gift of The Troy Foundation will reinstitute the lighthouse to be enjoyed by new generations of Trojans.

Local organizations celebrating milestone birthdays in 2014 got into the Bicentennial Spirit. For example, 2014 was the 100th birthday of the Hayner Mansion. This beautiful structure on West Main is now the home of the Troy Hayner Cultural Center. The weekend of August 9-10 became known as Hayner Days, with old fashioned shows and exhibits for all ages taking place over the weekend. On the evening of Saturday, August 10, following a concert, an amazing light show was set to music to "light the house". Hundreds of persons attended that show.

The Troy Schools participated in the Bicentennial in a number of ways, including scheduling tours of all school buildings. The schools particularly celebrated the 100th birthday of the Van Cleve School building. This structure was built to serve as the high school for about 60 years, and is now the 6th grade school.

There was a Bicentennial Golf Tournament, featuring golf legend Hale Irwin.

Commemorative items were developed and sold, including a commemorative Troy Ohio USA coin.

Bicentennial events concluded on September 20 with a number of events. There was a two-hour parade to delight young and old alike. Following the afternoon parade, there was a circus at Hobart Arena, followed by three packed showings of a birthday laser light show at the Hobart Arena.

It was a wonderful year celebrating Troy's 200TH Birthday.

Future Projects

Economic development remains Troy's number one priority for, without a robust, thriving, diverse and sustainable residential, commercial and industrial economy, the City cannot protect the health, welfare and safety of our stakeholders, nor can we continue the high level, unique quality of life we enjoy. Though our State of Ohio leaders continue the unconscionable confiscation of our income tax revenues, Troy officials recognize, through our close alliance with our business

community, that attracting and retaining young workers and families to Troy will be absolutely essential to sustaining and growing our business economy.

To that end, City Council approved three interrelated projects to develop and redevelop the Great Miami River corridor (Riverfront Development Project). Renovating Hobart Arena and the Treasure Island Marina, while developing Treasure Island Park, will be a major focus for 2015.

Besides our renewed emphasis on economic development and the Riverfront Development Project, some of the highlights of the 2015 budget include:

- Labor Costs (salaries and benefits), which include cost of living increases negotiated with the City's six bargaining units and its non-union employees;
- The 2015 budget includes one additional Police Officer position. The planned increase in Fire staffing with part-time fire fighters to increase minimum manning and improve Troy's ISO rating will be decided by City Council after the November 3, 2015 General Election.
- We will continue to look at operating efficiencies, reorganizations, and work consolidations that would lead to greater efficiency and cost effectiveness;
- The replacement of 24-year old Fire Pumper #3 at an estimated cost of \$450,000, as well as the replacement of fire rescue and EMS-related equipment and tools at an estimated cost of \$49,000;
- Replacement of other vehicles/equipment (4-wheel loader, utility pickup truck, cruisers, etc.);
- A consultant study into the financial feasibility and self-sustainability of constructing a second indoor ice rink at or adjacent to Hobart Arena, at an estimated cost of \$50,000;
- Continued support for the City's economic development partners, including Troy Main Street, Troy Area Chamber of Commerce, and the Troy Development Council;
- Transition of televising City Council and other public meetings to an in-house system, while terminating the City's contribution to public access;
- Significant cost increases for winter road salt supply, based on this season's shortfall and inflationary cost increases;
- Expansion of downtown streetscapes on East Main Street;
- Continuing the sidewalk improvement project and roadway paving;
- Finishing various water and sewer utility projects started in 2014 to improve and expand the system, including a new water tower on the west side of Troy, while also evaluating the feasibility of creating a more regional utility for Troy and area customers;

The current labor contracts expire at the end of 2015, and the collective bargaining process will start at the end of the third quarter of the year. During 2015, the City will be considering self – insuring the group health insurance benefit.

Highlights and Accomplishments

- Continued the updating of the Police fleet by replacing cruisers with SUVs, resulting in lower operating costs.
- Replaced fire command staff vehicles, resulting in lower operation and maintenance costs.

- Loaned a total of \$650,000 to three local businesses as part of the Revolving Loan Fund programs to stimulate further growth, expansion, etc.
- Released mortgage liens on properties associated with two loans from the Revolving Loan Fund, with the loans paid ahead of the term.
- Reviewed information related to police and fire staffing; authorized additional police staffing; authorized part-time fire staffing was approved but will be decided by City Council after the November 3, 2015 General Election.
- Reviewed and increased parking fees, established fees related to Troy's first parking kiosk (in the South Cherry Street parking lot) to replace traditional parking meters.
- Authorized water and sewer line improvement projects and a bond issue for each utility fund to provide the revenues for the improvements. Payment of the debt service was calculated as part of previously approved utility rate structure.
- As recommended in the Water Master Plan, authorized the design of a new water tower.
- Evaluated the outsourced fleet maintenance program and found that the savings justified continuing to have the vehicle/equipment fleet maintained by an outside vendor and authorized a new three-year contract.
- Authorized a six-month trial period bioaugmentation program at the Wastewater Treatment Plant to determine if the anticipated savings in sludge management costs and system utilities would be realized.
- Continued to oppose State legislation that will have a negative impact on the collection of income tax revenues.
- Authorized funding for the Riverfront Development Project, and began various elements of that project.
- Through partnerships with Troy Main Street, Troy-Hayner Cultural Center, and the Troy Foundation, a number of concerts and events were provided for Troy residents and visitors.
- Scheduled events to celebrate Troy's Bicentennial, including a kickoff event, a parade, and a laser light show.
- Authorized the purchase of a light house structure that will be placed adjacent to the Great Miami River within Treasure Island Park. This decorative structure is funded in full by The Troy Foundation as a legacy gift to the citizens of Troy in recognition of the Bicentennial.
- Authorized the long-anticipated intersection alignment at North Market Street/Piqua-Troy Road/Troy-Urbana Road. This project was partially funded by OPWC funds.
- Continued to authorize annual improvements of roadway paving and sidewalk repair/replacement.
- To finish improvements to North Adams Street, provided for safer entrances to the Hobart Arena and Troy Community Park, added street lighting, authorized a new sign for the Hobart Arena, and paved the roadway from the bridge to Staunton Road.
- authorized cooperative projects with the Ohio Department of Transportation for future roadway paving and improvements.
- Authorized a contract for fireworks for July 4, 2015 and 2016.
- Purchased "big belly" trash receptacles for use in the downtown. The units have a greater capacity than traditional containers as refuse in the regular trash container is compacted. The units include a companion container for recycling.

Internal Accounting and Budgetary Controls

We believe that the City's internal control structure adequately safeguarded assets and provided reasonable assurance of proper recording of financial transactions. It is further our intention to review these controls in depth on an ongoing basis for continued refinements and improvements.

Budgetary control is maintained at the fund level by the use of encumbrances for purchase order amounts to vendors. Open encumbrances are reported as an assignment of the fund balance for the governmental fund types at December 31, 2014.

Other Items

Employee Assistance Plan (EAP) - Through EmployeeCare of Miami Valley Hospital in Dayton, the City provides employees and their families free 24-hour counseling services. In addition to counseling sessions, there is a 24-hour hotline. This counseling process is based upon and centered on complete confidentiality for the person using the program. The EAP also provides on-site counseling for situations such as the loss of a co-worker or the debriefing of safety employees following a critical event. If requested, the EAP is also available to provide other on-site seminars that may be helpful to employees.

Wellness Program - The City of Troy has provided a Wellness Program for twenty-five years. Since 2002, the City has contracted with the local Upper Valley Medical Center, Troy, Ohio for the service. The City is provided an on-site nurse for sixteen hours per month. Employees can establish base-line medical data with the nurse so that physical/medical problems/improvements can be measured. A Wellness Committee of employees has been formed to suggest possible programs and services. To date, some of the benefits provided by the Wellness Program include: cholesterol screening, blood pressure checks, statistics, hearing exams, TB screening, health fair, flu shots (when vaccine is available), stress management, diabetes screening, etc. and the opportunity to take advantage of various screenings at a reduced cost for the employee/spouse. As a result of screenings and discussions with the nurse, some employees have been referred for further medical evaluation. In addition, the wellness program encourages regular exercise and other recommendations for healthy life styles. The program elements were extended to include regular "flyers" distributed to employees that provide a variety of information in a single and simple one page format. Employees are encouraged to share the flyers with their families. The program emphasizes employees utilizing the expertise of the on-site nurse. During 2014 the program continued free flu shots for employees, nurse visits that provided a blood sugar analysis, and distribution of flyers regarding health concerns. Also, through the health insurance provider, employees receive information particular to their own health care and to that of their family members. The health care provider also sends out on-line flyers and reminders to employees.

City police and fire facilities have been equipped with fitness rooms and equipment.

Relevant Financial Policies

In June of 2006, the State legislature passed House Bill 66. House Bill 66 phases out the tax on tangible personal property of general business, telephone and telecommunications companies, and railroads. The tax on general business and railroad property began being phased out in 2007 and were eliminated by the end of 2009. The tax on telephone and telecommunication property began being phased out in 2009 and legislated to be eliminated in 2018. The tax is being phased out by reducing the assessment rate on the property each year. Initially, during the first five years, the City was to be reimbursed fully for the lost revenue; in the following seven years, the reimbursements were to be phased out. However, during the 2011 bi-annum state budgeting process, the state accelerated or eliminated these taxes. In addition, the state also accelerated and eliminated the utilities deregulation tax.

The City, as other surrounding municipalities, has been impacted by the reductions in State funding. The State reduced Local Government funding by 50% from 2011 levels. In addition, the State initiated accelerated reduction in personal property taxes, and utility deregulation funds. Furthermore, the State's estate tax, which sends 80% of the taxes collected to municipalities, was eliminated at the end of the 2012 fiscal year.

Independent Audit

The State of Ohio requires an annual audit by either the Auditor of State or by an independent public accounting firm. The State Auditor's Office has completed an audit of the financial statements. Their opinion on the City's financial statements is included in the financial section of this Comprehensive Annual Financial Report.

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Troy, Ohio, for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2013. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, with contents conforming to program standards. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. The City of Troy, Ohio, received a Certificate of Achievement for the 24rd time for the year ended December 31, 2013. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

Acknowledgements

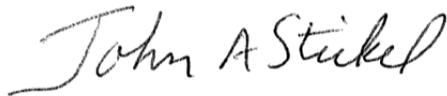
The preparation of the Comprehensive Annual Financial Report on a timely basis was made possible by the dedicated service of the entire staff of the City Auditor and other City departments. We express our sincere appreciation for the contributions made in the preparation of this report.

In closing, without the leadership and support of the Mayor and City Council of the City of Troy, preparation of this report would not have been possible.

Respectfully submitted,
City of Troy, Ohio



Patrick E. J. Titterington
Director of Public Service and Safety



John A. Stickel
City Auditor

CITY OF TROY, OHIO

Listing of Principal City Officials

December 31, 2014

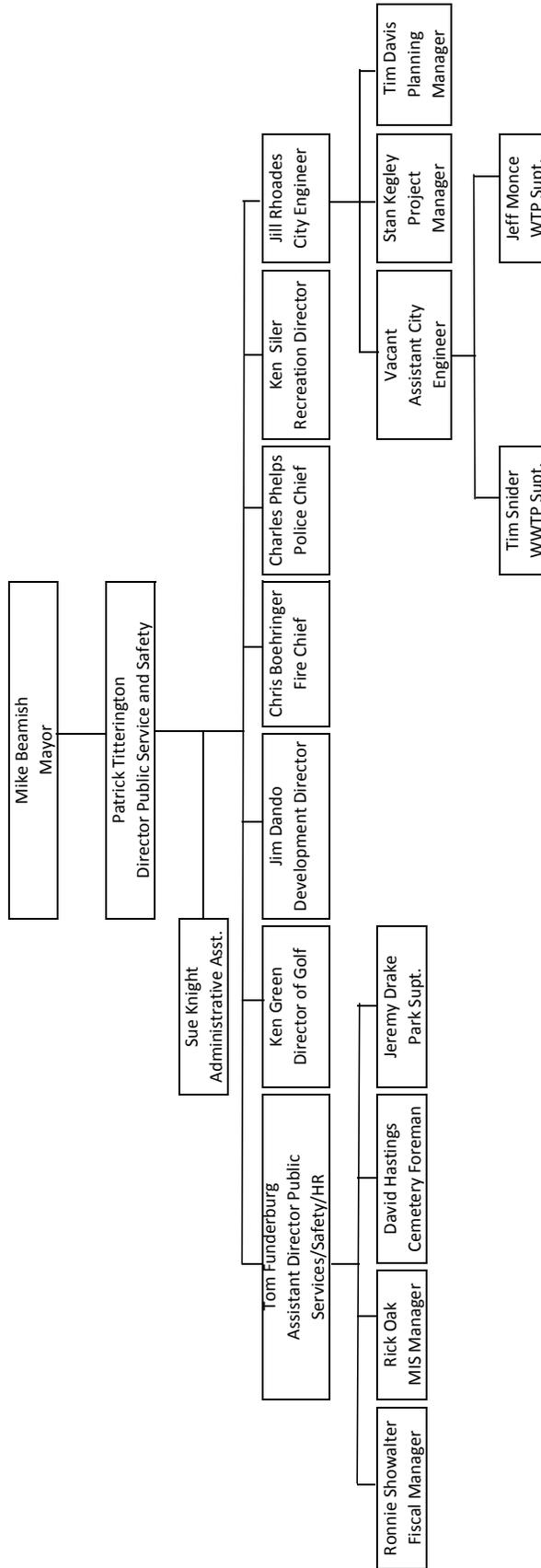
Elected Officials

Mayor	Michael L. Beamish
President of Council	Martha A. Baker
Councilmember-at-Large	Alan R. Clark
Councilmember-at-Large	Robin I. Oda
Councilmember-at-Large	Lynne B. Snee
Councilmember, First Ward	Thomas M. Kendall
Councilmember, Second Ward	Douglas W. Tremblay
Councilmember, Third Ward	John W. Schweser
Councilmember, Fourth Ward	Bobby W. Phillips
Councilmember, Fifth Ward	William C. Twiss
Councilmember, Sixth Ward	Brock A. Heath
Treasurer	Melvin R. Shane
Director of Law	James R. Livingston
Auditor	John A. Stickel

Appointed Officials

Director of Public Service and Safety	Patrick E. J. Titterington
Clerk of Council	Sue G. Knight

City of Troy Organizational Chart 2014





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Troy
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2013

Executive Director/CEO

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FINANCIAL SECTION



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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

City of Troy
Miami County
100 South Market Street
Troy, Ohio 45373

To the Honorable Mayor and City Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Troy, Miami County, Ohio (the City), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Troy, Miami County, Ohio, as of December 31, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 16, net position was restated in the Governmental Activities, Business-Type Activities and the Stormwater Utility Fund to reflect the correction of street miles and to reclassify stormwater utility capital assets from the Governmental Activities to the Business-Type Activities and Stormwater Utility Fund.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 3, 2015, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

Dave Yost
Auditor of State
Columbus, Ohio

June 3, 2015

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City of Troy, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2014
(Unaudited)

The City of Troy's discussion and analysis of the annual financial reports provides a review of the financial performance for the fiscal year ending December 31, 2014. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the City's performance.

Financial Highlights

- The City's total net position increased \$4,114,346.
- Net position of governmental activities increased \$3,781,386, net position of business-type activities increased by \$332,960.
- The General Fund reported a net change in fund balance of \$783,209.
- Business-type operations reflected operating loss of \$(53,302).

Overview of the Financial Statements

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

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

Government-wide Financial Statements

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

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

City of Troy, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2014
(Unaudited)

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

- **Governmental Activities** - Most of the City's services are reported here including police, fire, street maintenance, parks and recreation, and general administration. Income taxes, property taxes, intergovernmental revenue, charges for services, and interest finance most of these activities.
- **Business-Type Activities** - These services include sanitary sewer, water, Hobart Arena, swimming pool, parking meter, Miami Shores, and Stormwater Utility. Service fees for these operations are charged based upon the amount of usage or a usage fee. The intent is that the fees charged recoup operational costs.

Fund Financial Statements

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

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

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

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

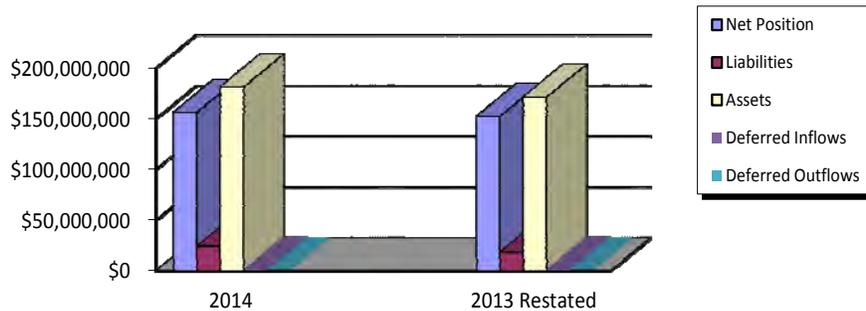
The City as a Whole

As stated previously, the Statement of Net Position looks at the City as a whole. Table 1 provides a summary of the City's net position for 2014 compared to 2013.

City of Troy, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2014
(Unaudited)

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2014	2013 Restated	2014	2013 Restated	2014	2013 Restated
Assets:						
Current and Other Assets	\$67,321,717	\$63,894,423	\$20,919,854	\$15,462,463	\$88,241,571	\$79,356,886
Capital Assets	39,236,504	38,512,998	53,503,662	53,070,362	92,740,166	91,583,360
Total Assets	106,558,221	102,407,421	74,423,516	68,532,825	180,981,737	170,940,246
Deferred Outflows of Resources	509,500	565,881	151,025	170,130	660,525	736,011
Liabilities:						
Long-Term Liabilities	8,826,568	9,124,544	13,009,888	7,971,940	21,836,456	17,096,484
Other Liabilities	1,402,439	827,790	868,040	367,362	2,270,479	1,195,152
Total Liabilities	10,229,007	9,952,334	13,877,928	8,339,302	24,106,935	18,291,636
Deferred Inflows of Resources	1,485,251	1,448,891	0	0	1,485,251	1,448,891
Net Position:						
Net Investment In Capital Assets	34,945,389	33,776,572	45,817,933	45,843,078	80,763,322	79,619,650
Restricted	11,411,958	9,427,534	0	0	11,411,958	9,427,534
Unrestricted	48,996,116	48,367,971	14,878,680	14,520,575	63,874,796	62,888,546
Total Net Position	\$95,353,463	\$91,572,077	\$60,696,613	\$60,363,653	\$156,050,076	\$151,935,730



Over time, net position can serve as a useful indicator of a government's financial position. Total net position of the City as a whole increased \$4,114,346.

Current and Other Assets increased mainly due to an increase in equity in pooled cash and investments, due to the City's continuous efforts to keep, at a minimum, revenues consistent from year-to-year, while controlling spending. Long-Term Liabilities increased mainly due to the City issuing \$6,760,000 in Water and Sewer System Various Purpose Improvement Bonds.

City of Troy, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2014
(Unaudited)

Table 2 shows the changes in net position for the year ended December 31, 2014 as compared to the year ended December 31, 2013.

Table 2
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2014	2013 Restated	2014	2013 Restated	2014	2013 Restated
Program Revenues:						
Charges for Services	\$4,120,844	\$4,052,084	\$11,481,662	\$11,355,269	\$15,602,506	\$15,407,353
Operating Grants and Contributions	871,085	1,539,798	0	13,997	871,085	1,553,795
Capital Grants and Contributions	1,741,471	409,844	0	287,130	1,741,471	696,974
Total Program Revenues	6,733,400	6,001,726	11,481,662	11,656,396	18,215,062	17,658,122
General Revenues:						
Income Taxes	16,316,396	15,973,203	0	0	16,316,396	15,973,203
Property Taxes	1,651,629	1,711,933	0	0	1,651,629	1,711,933
Grants and Entitlements	292,024	1,490,142	0	0	292,024	1,490,142
Investment Earnings	1,153,754	(91,481)	166,647	7,877	1,320,401	(83,604)
Other Revenues	803,235	922,945	947,476	958,006	1,750,711	1,880,951
Total General Revenues	20,217,038	20,006,742	1,114,123	965,883	21,331,161	20,972,625
Total Revenues	26,950,438	26,008,468	12,595,785	12,622,279	39,546,223	38,630,747
Program Expenses:						
General Government	4,690,026	4,886,884	0	0	4,690,026	4,886,884
Public Safety	10,835,093	11,085,786	0	0	10,835,093	11,085,786
Community Development	920,312	1,132,281	0	0	920,312	1,132,281
Leisure Time Activities	1,657,996	1,586,678	0	0	1,657,996	1,586,678
Transportation and Street Repair	2,166,857	1,662,887	0	0	2,166,857	1,662,887
Basic Utility Service	1,462,403	1,338,126	0	0	1,462,403	1,338,126
Public Health and Welfare	377,222	312,993	0	0	377,222	312,993
Interest and Other Charges	301,410	318,508	0	0	301,410	318,508
Water	0	0	4,647,346	4,321,114	4,647,346	4,321,114
Sanitary Sewer	0	0	4,688,542	4,266,132	4,688,542	4,266,132
Hobart Arena	0	0	1,336,596	1,435,067	1,336,596	1,435,067
Swimming Pool	0	0	356,570	340,789	356,570	340,789
Parking Meter	0	0	7,485	25,920	7,485	25,920
Miami Shores	0	0	851,236	801,615	851,236	801,615
Stormwater Utility	0	0	1,132,783	750,127	1,132,783	750,127
Total Program Expenses	22,411,319	22,324,143	13,020,558	11,940,764	35,431,877	34,264,907
Increase (Decrease) in Net Position before Transfers	4,539,119	3,684,325	(424,773)	681,515	4,114,346	4,365,840
Transfers - Internal Activities	(757,733)	(600,391)	757,733	600,391	0	0
Change in Net Position	3,781,386	3,083,934	332,960	1,281,906	4,114,346	4,365,840
Net Position - Beginning of Year	91,572,077	88,488,143	60,363,653	59,081,747	151,935,730	147,569,890
Net Position - End of Year	\$95,353,463	\$91,572,077	\$60,696,613	\$60,363,653	\$156,050,076	\$151,935,730

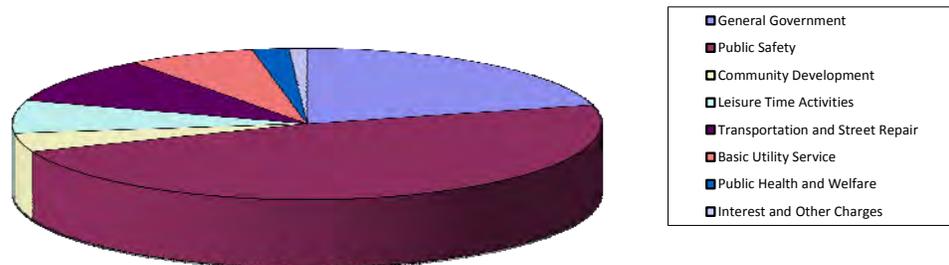
City of Troy, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2014
(Unaudited)

Governmental Activities

The City has made continued efforts to attract large-scale employers for the year 2014, thereby injecting the local economy with jobs and increasing the City's commercial tax base. The 1.75% income tax is the largest source of revenue for the City. Revenues generated by the earnings tax represent approximately 81% of the City's governmental activities general revenues.

Governmental Activities
Program Expenses for 2014

	<u>Percentage</u>
General Government	21%
Public Safety	48%
Community Development	4%
Leisure Time Activities	7%
Transportation and Street Repair	10%
Basic Utility Service	7%
Public Health and Welfare	2%
Interest and Other Charges	1%
Total	<u>100%</u>



General Government includes legislative and executive expenses. Leaf and brush pickup, storm sewer projects, aggressive street resurfacing program, amenities in the parks, and police and fire services all culminate into a full service city.

Grants and Entitlements decreased in 2014 as compared to 2013 mainly due to a decrease in grant monies being received in 2014. Income Tax revenue increased in 2014 as compared to 2013 mainly due to an increase in income tax collections. Transportation and Street Repair expenses increased mainly due to an increase in maintenance and repairs.

Business-Type Activities

Business-type activities include water, sewer, stormwater utilities, Hobart Arena, swimming pool, parking meter and Miami Shores. These programs had operating revenues of \$12,429,138 and operating expenses of \$12,482,440 for fiscal year 2014. Business-type activities receive no support from tax revenues. The Business-type activities net position at the end of the year was \$60,696,613, which

City of Troy, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2014
(Unaudited)

increased \$332,960 from 2013. The City had three business-type (enterprise) funds that were major funds: the Water fund, the Sanitary Sewer fund and Stormwater Utilities fund.

The City of Troy's Water Department serves 9,918 customers; this represents a population base of nearly 25,058 people. The average daily consumption for the city is 3.68 million gallons and 155.83 miles of water mains in its distribution system. The water fund had operating income of \$728,027 for 2014.

The City of Troy's Sewer Department includes 126.85 miles of sanitary sewer main, which provide the collection and treatment of public wastewater. The Sewer fund had an operating loss of \$(173,782) for 2014.

Charges for Services increased mainly due to an increase in utility collections. Contracted services expenses increased mainly due to increases in various utilities expenses.

The City's Funds

The City has two major governmental funds: the General Fund and the TIF Retirement Fund. Assets of these funds comprised \$56,349,390 (82%) of the total \$68,821,717 governmental funds' assets.

General Fund: Fund balance at December 31, 2014 was \$53,051,643 which was an increase in fund balance of \$783,209 from 2013. The increase is mainly due to an increase in investment earnings.

TIF Retirement Fund: Fund balance at December 31, 2014 was \$(1,159,095) which was an increase in fund balance of \$151,483 from 2013. The increase in fund balance is mainly due to a decrease in capital outlay expenditures.

General Fund Budgeting Highlights

The City's General Fund budget is formally adopted at the fund level. The City amended its budget throughout the year.

For the General Fund, the final budgeted revenue was \$6,634,197 and the original budgeted revenue was \$6,566,751. The difference was \$67,446. Of this difference, most was due to an underestimate of tax and intergovernmental revenue.

Variations from the final budget amounts to the actual amounts are primarily due to the following reasons: The City overestimated the general government and public safety expenditures for 2014. As the City completed the year, its General Fund balance reported an actual fund balance of \$11,307,956, on a Non-GAAP Budgetary Basis.

City of Troy, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2014
(Unaudited)

Capital Assets and Debt Administration

Capital Assets

At year end, the City had \$92,740,166 invested in land, construction in progress, buildings and improvements, equipment and infrastructure. Table 3 shows 2014 balances compared to 2013:

Table 3
Capital Assets, Net of Depreciation

	Governmental Activities		Business-Type Activities		Total	
	2014	2013 Restated	2014	2013 Restated	2014	2013 Restated
Land	\$12,240,731	\$12,240,731	\$489,045	\$489,045	\$12,729,776	\$12,729,776
Construction in Progress	735,042	24,471	1,753,289	1,056,091	2,488,331	1,080,562
Buildings and Improvements	7,249,850	7,515,845	19,801,466	20,779,068	27,051,316	28,294,913
Equipment	2,195,399	2,012,039	8,817,681	8,295,270	11,013,080	10,307,309
Infrastructure	16,815,482	16,719,912	22,642,181	22,450,888	39,457,663	39,170,800
Total Net Capital Assets	<u>\$39,236,504</u>	<u>\$38,512,998</u>	<u>\$53,503,662</u>	<u>\$53,070,362</u>	<u>\$92,740,166</u>	<u>\$91,583,360</u>

The increase in net capital assets is mainly due to current year additions being greater than current year depreciation expense.

See Note 6 to the basic financial statements for further details on the City's capital assets.

Debt

The City had \$18,838,428 in general obligation bonds and loan.

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City of Troy, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2014
(Unaudited)

Table 4
Outstanding Debt at Year End

		2014	2013
Governmental Activities			
<u>General Obligation Bonds</u>			
Elm Street Improvements	2.00-4.75%	0	30,000
Aquatic Center	2.00-4.75%	0	185,000
Cemetery Maintenance Building	2.00-4.75%	0	20,000
Fire Station	2.00-4.75%	0	120,000
Refunding Stadium Bonds	1.00-2.625%	1,615,000	1,795,000
Premium on Refunding Bonds		9,848	11,079
Discount on Refunding Bonds		(14,581)	(16,404)
Refunding Bonds - Elm Street Improvements	1.00-2.375%	379,068	385,000
Refunding Bonds - Aquatic Center	1.00-2.375%	2,513,315	2,552,647
Refunding Bonds - Cemetery Maintenance Building	1.00-2.375%	289,875	294,411
Refunding Bonds - Fire Station	1.00-2.375%	1,602,278	1,627,353
Premium on Refunding Bonds		54,669	60,610
Discount on Refunding Bonds		(38,590)	(42,783)
Total General Obligation Bonds		<u>6,410,882</u>	<u>7,021,913</u>
Business Type Activities			
<u>General Obligation Bonds</u>			
Refunding Limited Tax	1.00-3.00%	1,140,000	1,355,000
Premium on Refunding		14,223	17,384
Discount on Refunding		(12,490)	(15,264)
Wastewater Improvement IIC&VA	0.00%	150,000	175,000
Sewer System Bonds - \$2,830,000		2,705,000	0
Premium on Sewer System Bonds		34,329	0
Water System Bonds - \$3,930,000		3,760,000	0
Premium on Water System Bonds		47,795	0
Southeast Area Sewer Generators	2.00-4.75%	0	60,000
	2.00-4.75%	0	55,000
Refunding Wastewater System Improvement	4.00-5.00%	335,000	660,000
Refunding Waterplant Expansion I	5.00%	735,000	1,075,000
Refunding Waterplant Expansion II	4.00-5.00%	1,525,000	1,990,000
Refunding Bonds - Southeast Area Sewer	1.00-2.375%	834,586	847,647
Refunding Bonds - Generators	1.00-2.375%	770,878	782,942
Premium on Refunding Bonds		18,346	20,339
Discount on Refunding Bonds		(12,946)	(14,353)
Total General Obligation Bonds		<u>12,044,721</u>	<u>7,008,695</u>
OWDA Loan	3.25%	<u>382,825</u>	<u>388,719</u>
Total Debt		<u>\$18,838,428</u>	<u>\$14,419,327</u>

City of Troy, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2014
(Unaudited)

The Various Purpose Improvement general obligation bonds will be paid with property tax revenues via transfers from the General Fund.

See Note 8 to the basic financial statements for further details on the City's long-term obligations.

Economic Factors

The City of Troy is currently in a strong financial position, but it must be stated that the City is not immune to economic conditions that have negatively affected many public and private entities. The City of Troy's systems of budgeting and internal controls are well regarded, and the City is well prepared to meet the challenges of the future. In addition, management has been committed to providing its residents with full disclosure of the financial position of the City.

Contacting the City's Financial Department

This financial report is designed to provide our citizens, taxpayers, customers and investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the City Auditor, City of Troy, 100 South Market Street, Troy, Ohio 45373.

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City of Troy, Ohio
Statement of Net Position
December 31, 2014

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in Pooled Cash and Investments	\$59,097,349	\$19,656,375	\$78,753,724
Restricted Cash	40,296	27,124	67,420
Receivables (Net):			
Taxes	2,639,363	0	2,639,363
Accounts	847,911	668,947	1,516,858
Interest	92,594	8,371	100,965
Intergovernmental	1,831,175	0	1,831,175
Notes	2,424,536	0	2,424,536
Special Assessments	348,493	0	348,493
Inventory	0	559,037	559,037
Nondepreciable Capital Assets	12,975,773	2,242,334	15,218,107
Depreciable Capital Assets, Net	26,260,731	51,261,328	77,522,059
Total Assets	106,558,221	74,423,516	180,981,737
Deferred Outflows of Resources:			
Deferred Charge on Refunding	509,500	151,025	660,525
Total Deferred Outflows of Resources	509,500	151,025	660,525
Liabilities:			
Accounts Payable	492,616	578,218	1,070,834
Accrued Wages and Benefits	827,917	228,036	1,055,953
Retainage Payable	40,296	27,124	67,420
Accrued Interest Payable	41,610	34,662	76,272
Long-Term Liabilities:			
Due Within One Year	1,305,569	1,965,889	3,271,458
Due In More Than One Year	7,520,999	11,043,999	18,564,998
Total Liabilities	10,229,007	13,877,928	24,106,935
Deferred Inflows of Resources:			
Property Taxes	1,255,251	0	1,255,251
Revenue In Lieu of Taxes	230,000	0	230,000
Total Deferred Inflows of Resources	1,485,251	0	1,485,251
Net Position:			
Net Investment in Capital Assets	34,945,389	45,817,933	80,763,322
Restricted for:			
Capital Projects	4,332,453	0	4,332,453
Street Improvements	1,647,737	0	1,647,737
Public Safety	63,375	0	63,375
Community Development	3,527,986	0	3,527,986
Park Improvements	278,773	0	278,773
Cemetery Services	1,201,192	0	1,201,192
Other Purposes	360,442	0	360,442
Unrestricted	48,996,116	14,878,680	63,874,796
Total Net Position	\$95,353,463	\$60,696,613	\$156,050,076

See accompanying notes to the basic financial statements.

City of Troy, Ohio
Statement of Activities
For the Fiscal Year Ended December 31, 2014

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$4,690,026	\$230,229	\$3,657	\$0
Public Safety	10,835,093	1,548,977	0	0
Community Development	920,312	68,546	7,192	413,609
Leisure Time Activities	1,657,996	140,193	0	0
Transportation and Street Repair	2,166,857	8,245	860,236	1,327,862
Basic Utility Service	1,462,403	2,036,694	0	0
Public Health and Welfare	377,222	87,960	0	0
Interest and Other Charges	301,410	0	0	0
Total Governmental Activities	22,411,319	4,120,844	871,085	1,741,471
Business-Type Activities:				
Water	4,647,346	5,032,906	0	0
Sanitary Sewer	4,688,542	4,231,193	0	0
Hobart Arena	1,336,596	142,263	0	0
Swimming Pool	356,570	201,438	0	0
Parking Meter	7,485	9,657	0	0
Miami Shores	851,236	592,073	0	0
Stormwater Utility	1,132,783	1,272,132	0	0
Total Business-Type Activities	13,020,558	11,481,662	0	0
Totals	\$35,431,877	\$15,602,506	\$871,085	\$1,741,471

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

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning of Year, Restated

Net Position - End of Year

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
(\$4,456,140)	\$0	(\$4,456,140)
(9,286,116)	0	(9,286,116)
(430,965)	0	(430,965)
(1,517,803)	0	(1,517,803)
29,486	0	29,486
574,291	0	574,291
(289,262)	0	(289,262)
(301,410)	0	(301,410)
<u>(15,677,919)</u>	<u>0</u>	<u>(15,677,919)</u>
0	385,560	385,560
0	(457,349)	(457,349)
0	(1,194,333)	(1,194,333)
0	(155,132)	(155,132)
0	2,172	2,172
0	(259,163)	(259,163)
0	139,349	139,349
<u>0</u>	<u>(1,538,896)</u>	<u>(1,538,896)</u>
<u>(15,677,919)</u>	<u>(1,538,896)</u>	<u>(17,216,815)</u>
16,316,396	0	16,316,396
1,618,964	0	1,618,964
32,665	0	32,665
292,024	0	292,024
248,790	0	248,790
57,170	0	57,170
1,153,754	166,647	1,320,401
497,275	947,476	1,444,751
(757,733)	757,733	0
<u>19,459,305</u>	<u>1,871,856</u>	<u>21,331,161</u>
3,781,386	332,960	4,114,346
<u>91,572,077</u>	<u>60,363,653</u>	<u>151,935,730</u>
<u>\$95,353,463</u>	<u>\$60,696,613</u>	<u>\$156,050,076</u>

City of Troy, Ohio
Balance Sheet
Governmental Funds
December 31, 2014

	General	TIF Retirement	Other Governmental Funds	Total Governmental Funds
Assets:				
Equity in Pooled Cash and Investments	\$50,362,591	\$340,905	\$8,393,853	\$59,097,349
Restricted Cash	0	0	40,296	40,296
Receivables (Net):				
Taxes	2,598,431	0	40,932	2,639,363
Accounts	819,359	0	28,552	847,911
Interest	91,284	0	1,310	92,594
Intergovernmental	399,958	230,000	1,201,217	1,831,175
Notes	0	0	2,424,536	2,424,536
Special Assessments	6,862	0	341,631	348,493
Interfund	1,500,000	0	0	1,500,000
Total Assets	55,778,485	570,905	12,472,327	68,821,717
Liabilities:				
Accounts Payable	172,164	0	320,452	492,616
Accrued Wages and Benefits	771,631	0	56,286	827,917
Compensated Absences	20,658	0	0	20,658
Retainage Payable	0	0	40,296	40,296
Interfund Payable	0	1,500,000	0	1,500,000
Total Liabilities	964,453	1,500,000	417,034	2,881,487
Deferred Inflows of Resources:				
Property Taxes	1,262,281	0	37,498	1,299,779
Income Taxes	0	0	0	0
Grants and Other Taxes	343,638	0	1,082,926	1,426,564
Special Assessments	6,862	0	341,631	348,493
Accounts	149,608	0	0	149,608
Revenue In Lieu of Taxes	0	230,000	0	230,000
Total Deferred Inflows of Resources	1,762,389	230,000	1,462,055	3,454,444
Fund Balances:				
Restricted	794,501	0	10,132,288	10,926,789
Committed	33,508,812	0	0	33,508,812
Assigned	1,939,443	0	460,950	2,400,393
Unassigned	16,808,887	(1,159,095)	0	15,649,792
Total Fund Balances	53,051,643	(1,159,095)	10,593,238	62,485,786
Total Liabilities, Deferred Inflows and Fund Balances	\$55,778,485	\$570,905	\$12,472,327	\$68,821,717

See accompanying notes to the basic financial statements.

City of Troy, Ohio
 Reconciliation of Total Governmental Fund Balance to
 Net Position of Governmental Activities
 December 31, 2014

Total Governmental Fund Balance \$62,485,786

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

Capital assets used in governmental activities are not financial
 resources and, therefore, are not reported in the funds.

 Capital assets used in the operation of Governmental Funds 39,236,504

Other long-term assets are not available to pay for current-
 period expenditures and, therefore, are deferred in the funds.

Delinquent Property Taxes	\$44,528	
Intergovernmental	1,426,564	
Other Receivables	<u>498,101</u>	
		1,969,193

In the statement of net position interest payable is accrued when
 incurred; whereas, in the governmental funds interest is
 reported as a liability only when it will require the use of
 current financial resources. (41,610)

Some liabilities reported in the statement of net position do not
 require the use of current financial resources and, therefore,
 are not reported as liabilities in governmental funds.

 Compensated Absences (2,395,028)

Deferred outflow of resources associated with long-term liabilities
 are not reported in the funds. 509,500

Long-term liabilities are not due and payable in the current
 period and, therefore, are not reported in the funds. (6,410,882)

Net Position of Governmental Activities \$95,353,463

See accompanying notes to the basic financial statements.

City of Troy, Ohio
Statement of Revenues, Expenditures
and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended December 31, 2014

	General	TIF Retirement	Other Governmental Funds	Total Governmental Funds
Revenues:				
Property and Other Taxes	\$1,653,649	\$0	\$33,172	\$1,686,821
Income Taxes	16,316,396	0	0	16,316,396
Charges for Services	3,586,637	0	191,059	3,777,696
Investment Earnings	1,070,486	0	83,269	1,153,755
Intergovernmental	875,487	0	1,524,379	2,399,866
Special Assessments	3,897	0	88,049	91,946
Fines, Licenses & Permits	269,837	0	145,547	415,384
Revenue in Lieu of Taxes	0	248,790	0	248,790
Other Revenues	478,699	0	59,500	538,199
Total Revenues	24,255,088	248,790	2,124,975	26,628,853
Expenditures:				
Current:				
General Government	4,237,653	0	76,139	4,313,792
Public Safety	10,208,049	0	9,043	10,217,092
Community Development	816,075	0	98,790	914,865
Leisure Time Activities	1,409,945	0	0	1,409,945
Transportation and Street Repair	0	0	1,474,539	1,474,539
Basic Utility Service	1,303,914	0	104,155	1,408,069
Public Health and Welfare	0	0	377,198	377,198
Capital Outlay	405,114	4,907	2,016,068	2,426,089
Debt Service:				
Principal	0	0	609,875	609,875
Interest and Other Charges	0	92,400	155,973	248,373
Total Expenditures	18,380,750	97,307	4,921,780	23,399,837
Excess of Revenues Over (Under) Expenditures	5,874,338	151,483	(2,796,805)	3,229,016
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	37,767	0	0	37,767
Transfers In	4,459	0	4,388,355	4,392,814
Transfers (Out)	(5,133,355)	0	(17,192)	(5,150,547)
Total Other Financing Sources (Uses)	(5,091,129)	0	4,371,163	(719,966)
Net Change in Fund Balance	783,209	151,483	1,574,358	2,509,050
Fund Balance - Beginning of Year	52,268,434	(1,310,578)	9,018,880	59,976,736
Fund Balance - End of Year	\$53,051,643	(\$1,159,095)	\$10,593,238	\$62,485,786

See accompanying notes to the basic financial statements.

City of Troy, Ohio
 Reconciliation of the Statement of Revenues, Expenditures, and Changes
 in Fund Balance of Governmental Funds to the Statement of Activities
 For the Fiscal Year Ended December 31, 2014

Net Change in Fund Balance - Total Governmental Funds \$2,509,050

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

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

Capital assets used in governmental activities	\$2,064,414	
Depreciation Expense	<u>(1,340,337)</u>	724,077

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. The amount of the proceeds must be removed and the gain or loss on the disposal of capital assets must be recognized. This is the amount of the difference between the proceeds and the gain or loss. (571)

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

Delinquent Property Taxes	(\$35,192)	
Intergovernmental	272,723	
Other	<u>46,858</u>	284,389

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 609,875

In the statement of activities interest expense is accrued when incurred; whereas, in governmental funds an interest expenditure is reported when due. 2,188

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

Compensated Absences	(\$292,397)	
Amortization of Bond Premium	1,156	
Amortization of Deferred Charge on Refunding	<u>(56,381)</u>	(347,622)

Change in Net Position of Governmental Activities \$3,781,386

See accompanying notes to the basic financial statements.

City of Troy, Ohio
Statement of Net Position
Proprietary Funds
December 31, 2014

	Business-Type Activities -Enterprise Funds				Total Business-Type Activities
	Water	Sanitary Sewer	Stormwater Utility	Other Enterprise Funds	
Current Assets:					
Equity in Pooled Cash and Investments	\$8,582,855	\$7,881,872	\$1,621,010	\$1,570,638	\$19,656,375
Restricted Cash	27,124	0	0	0	27,124
Receivables (Net):					
Accounts	313,145	264,884	86,172	4,746	668,947
Interest	3,947	3,613	743	68	8,371
Inventory	559,037	0	0	0	559,037
Total Current Assets	9,486,108	8,150,369	1,707,925	1,575,452	20,919,854
Noncurrent Assets:					
Capital Assets:					
Nondepreciable Capital Assets	1,303,026	473,272	122,728	343,308	2,242,334
Depreciable Capital Assets, Net	19,985,780	17,978,973	8,387,043	4,909,532	51,261,328
Total Noncurrent Assets	21,288,806	18,452,245	8,509,771	5,252,840	53,503,662
Total Assets	30,774,914	26,602,614	10,217,696	6,828,292	74,423,516
Deferred Outflows of Resources:					
Deferred Charge on Refunding	0	151,025	0	0	151,025
Total Deferred Outflows of Resources	0	151,025	0	0	151,025
Liabilities:					
Current Liabilities:					
Accounts Payable	238,864	301,975	14,665	22,714	578,218
Accrued Wages and Benefits	130,520	59,058	0	38,458	228,036
Compensated Absences	98,621	95,117	0	35,381	229,119
Retainage Payable	27,124	0	0	0	27,124
Accrued Interest Payable	20,065	14,597	0	0	34,662
Long-Term Liabilities Due Within One Year	935,000	801,770	0	0	1,736,770
Total Current Liabilities	1,450,194	1,272,517	14,665	96,553	2,833,929
Long-Term Liabilities:					
Compensated Absences	92,612	234,962	0	25,649	353,223
Bonds, Notes & Loans Payable	5,132,795	5,557,981	0	0	10,690,776
Total Noncurrent Liabilities	5,225,407	5,792,943	0	25,649	11,043,999
Total Liabilities	6,675,601	7,065,460	14,665	122,202	13,877,928
Net Position:					
Net Investment in Capital Assets	17,407,728	14,647,594	8,509,771	5,252,840	45,817,933
Unrestricted	6,691,585	5,040,585	1,693,260	1,453,250	14,878,680
Total Net Position	\$24,099,313	\$19,688,179	\$10,203,031	\$6,706,090	\$60,696,613

See accompanying notes to the basic financial statements.

City of Troy, Ohio
Statement of Revenues, Expenses
and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended December 31, 2014

	Business-Type Activities -Enterprise Funds				
	Water	Sanitary Sewer	Stormwater Utility	Other Enterprise Funds	Total Business-Type Activities
Operating Revenues:					
Charges for Services	\$5,032,906	\$4,231,193	\$1,272,132	\$945,431	\$11,481,662
Other Revenues	55,469	32,447	7,769	851,791	947,476
Total Operating Revenues	5,088,375	4,263,640	1,279,901	1,797,222	12,429,138
Operating Expenses:					
Personal Services	1,657,683	1,275,787	647,321	898,321	4,479,112
Contactual Services	875,694	925,589	175,775	449,898	2,426,956
Materials and Supplies	641,129	153,680	37,312	285,854	1,117,975
Depreciation	993,340	1,160,677	257,794	331,815	2,743,626
Other Expense	192,502	921,689	14,581	585,999	1,714,771
Total Operating Expenses	4,360,348	4,437,422	1,132,783	2,551,887	12,482,440
Operating Income (Loss)	728,027	(173,782)	147,118	(754,665)	(53,302)
Non-Operating Revenues (Expenses):					
Investment Earnings	79,219	69,732	16,239	1,457	166,647
Interest and Fiscal Charges	(286,998)	(251,120)	0	0	(538,118)
Total Non-Operating Revenues (Expenses)	(207,779)	(181,388)	16,239	1,457	(371,471)
Income (Loss) Before Contributions and Transfers:	520,248	(355,170)	163,357	(753,208)	(424,773)
Transfers In	0	719	0	757,014	757,733
Change in Net Position	520,248	(354,451)	163,357	3,806	332,960
Net Position - Beginning of Year, Restated	23,579,065	20,042,630	10,039,674	6,702,284	60,363,653
Net Position - End of Year	<u>\$24,099,313</u>	<u>\$19,688,179</u>	<u>\$10,203,031</u>	<u>\$6,706,090</u>	<u>\$60,696,613</u>

See accompanying notes to the basic financial statements

City of Troy, Ohio
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended December 31, 2014

	Business-Type Activities -Enterprise Funds				
	Water	Sanitary Sewer	Stormwater Utility	Other Enterprise Funds	Total Business-Type Activities
Cash Flows from Operating Activities:					
Cash Received from Customers	\$5,082,765	\$4,286,954	\$1,303,729	\$1,796,474	\$12,469,922
Cash Payments to Employees	(1,582,115)	(1,284,687)	(647,321)	(878,516)	(4,392,639)
Cash Payments to Suppliers	(1,433,104)	(1,837,571)	(213,710)	(1,316,601)	(4,800,986)
Net Cash Provided (Used) by Operating Activities	2,067,546	1,164,696	442,698	(398,643)	3,276,297
Cash Flows from Noncapital Financing Activities:					
Payments from Other Funds	0	719	0	757,014	757,733
Net Cash Provided (Used) by Noncapital Financing Activities	0	719	0	757,014	757,733
Cash Flows from Capital and Related Financing Activities:					
Payments for Capital Acquisitions	(2,369,150)	(397,040)	(231,190)	(179,546)	(3,176,926)
Debt Proceeds	3,979,443	2,865,513	0	0	6,844,956
Debt Principal Payments	(975,000)	(850,505)	0	0	(1,825,505)
Debt Interest Payments	(280,906)	(213,790)	0	0	(494,696)
Net Cash Provided (Used) by Capital and Related Financing Activities	354,387	1,404,178	(231,190)	(179,546)	1,347,829
Cash Flows from Investing Activities:					
Earnings on Investments	80,386	70,508	16,662	1,492	169,048
Net Cash Provided (Used) by Cash Flows from Investing Activities	80,386	70,508	16,662	1,492	169,048
Net Increase (Decrease) in Cash and Cash Equivalents	2,502,319	2,640,101	228,170	180,317	5,550,907
Cash and Cash Equivalents - Beginning of Year	6,107,660	5,241,771	1,392,840	1,390,321	14,132,592
Cash and Cash Equivalents - End of Year	8,609,979	7,881,872	1,621,010	1,570,638	19,683,499
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Operating Income (Loss)	728,027	(173,782)	147,118	(754,665)	(53,302)
Adjustments:					
Depreciation	993,340	1,160,677	257,794	331,815	2,743,626
Changes in Assets & Liabilities:					
(Increase) Decrease in Receivables	(5,610)	23,314	23,828	(748)	40,784
(Increase) Decrease in Inventory	50,331	0	0	0	50,331
Increase (Decrease) in Retainage Payable	27,124	0	0	0	27,124
Increase (Decrease) in Payables	198,766	163,387	13,958	5,150	381,261
Increase (Decrease) in Accrued Liabilities	75,568	(8,900)	0	19,805	86,473
Net Cash Provided (Used) by Operating Activities	\$2,067,546	\$1,164,696	\$442,698	(\$398,643)	\$3,276,297

See accompanying notes to the basic financial statements

City of Troy, Ohio
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2014

	Private Purpose Trust	Agency
	<u> </u>	<u> </u>
Assets:		
Equity in Pooled Cash and Investments	\$294,385	\$56,413
Receivables (Net):		
Interest	<u>135</u>	<u>12</u>
Total Assets	<u>294,520</u>	<u>56,425</u>
Liabilities:		
Undistributed Monies	<u>0</u>	<u>56,425</u>
Total Liabilities	<u>0</u>	<u>\$56,425</u>
Net Position:		
Restricted for Endowment - Expendable	162,488	
Restricted for Endowment - Nonexpendable	<u>132,032</u>	
Total Net Position	<u>\$294,520</u>	

See accompanying notes to the basic financial statements.

City of Troy, Ohio
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Fiscal Year Ended December 31, 2014

	Private Purpose Trust
Additions:	
Donations	\$22,509
Investment Earnings	<u>2,945</u>
Total Additions	<u>25,454</u>
Deductions:	
Public Health and Welfare	<u>2,922</u>
Total Deductions	<u>2,922</u>
Change in Net Position	22,532
Net Position - Beginning of Year	<u>271,988</u>
Net Position - End of Year	<u><u>\$294,520</u></u>

See accompanying notes to the basic financial statements.

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2014

Note 1 – Description of the City and Reporting Entity

The City of Troy, Ohio was founded in 1814 and is a statutory municipal corporation under the laws of the State of Ohio. The City operates under a Council - Mayor Form of government and provides the following services: public safety, public services, health, recreation, and development.

Reporting Entity

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that financial statements are not misleading. The primary government of the City consists of all funds, departments, boards and agencies that are not legally separate from the City. Council and the Mayor have direct responsibility for these activities.

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

The Miami Valley Risk Management Association, Inc. (MVRMA) is a risk sharing insurance pool established for the purpose of enabling the subscribing political subdivisions to obtain liability insurance and providing a formalized, jointly administered self-insurance fund for its members. The members formed a not-for-profit corporation known as Miami Valley Risk Management Association, Inc. for the purpose of administering the pool. The subscribing members of the self-insurance pool include the Cities of Beavercreek, Bellbrook, Blue Ash, Centerville, Englewood, Kettering, Madeira, Mason, Miamisburg, Montgomery, Piqua, Sidney, Springdale, Tipp City, Troy, Vandalia, West Carrollton, Wilmington, and Wyoming, and the Village of Indian Hill. The City has no explicit and measurable equity interest in MVRMA and no ongoing financial responsibility for MVRMA.

Note 2 – Summary of Significant Accounting Policies

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

Measurement Focus

Government-wide Financial Statements

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

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2014

Fund Financial Statements

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

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

Basis of Presentation

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

Government-wide Financial Statements

The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

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

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2014

Fund Financial Statements

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

Fund Accounting

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

Governmental Funds

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

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

TIF Retirement – To account for the accumulation of resources for and the payment of TIF bond principal and interest from governmental resources when the City is obligated in some manner for the payment.

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

Proprietary Funds

Proprietary fund reporting focuses on changes in net position, financial position and cash flows. Proprietary funds are classified as either enterprise or internal service. The City does not have an internal service fund.

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

Water Fund – This fund accounts for provision of water treatment and distribution to the residents and commercial users of the water system.

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2014

Sanitary Sewer Fund - This fund accounts for the provision of sanitary sewer service to the residents and commercial users located within the City.

Stormwater Utility Fund – This fund accounts for the provision of stormwater utilities services to the residents and commercial users located within the City.

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: agency funds, pension trust funds, investment trust funds and private-purpose trust funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Trust funds are used to account for assets held under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. The City currently has one private purpose trust funds and seven agency funds. The Cemetery private purpose trust fund is used to account for the receipt of monies (investment earnings) to be used for (support of) general care and maintenance of the City's two cemeteries (Riverside and Rosehill). It also accounts for donations received where the donor desires the principal amount donated to remain intact and investment earnings to be used for (support of) the general care and maintenance of the City's two cemeteries (Riverside and Rosehill). The Stouder Playground agency fund is used to account for the receipt of monies to be used for the acquisition and maintenance of playground equipment. The Paul G. Duke agency fund is used to account for the receipt of monies to be used for the acquisition and improvement of parks and recreation facilities. The Unclaimed Funds agency fund is used for the receipt of unclaimed monies. The Tri-Centennial agency fund is used to account for receipt of monies to be used for tri-centennial activities. The Imprest Cash agency fund is used to account for assets and liabilities of the imprest cash fund. The Enterprise Zone agency fund is used to account for assets received and disbursed as agent relative to enterprise zone activities. The Fire Insurance Escrow agency fund is used to account for receipts and disbursements on monies related to fire insurance escrow.

Basis of Accounting

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

Revenues - Exchange and Non-exchange Transactions

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

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2014

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

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources include a deferral on refunding reported in the government-wide statement of net position. A deferral on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, income taxes, grants and other taxes, special assessments, accounts and revenue in lieu of taxes. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2014, but which were levied to finance year 2015 operations. Revenue in lieu of taxes are deferred and recognized as inflows of resources in the period the amounts become available. These amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements.

Expenses/Expenditures

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

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

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2014

Equity in Pooled Cash and Investments

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

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

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

Following the Ohio Revised Code, the City has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2014 amounted to \$1,070,486. Interest revenue assigned to the General Fund from other city funds amounted to \$914,067.

Inventory

On government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used.

On fund financial statements, inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items is recorded as an expenditure in the governmental fund types when purchased. Inventories of the proprietary funds are expensed when used.

Capital Assets

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

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

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2014

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

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Buildings and Improvements	15-40 years	15-40 years
Equipment	3-25 years	5-25 years
Infrastructure	25-50 years	25-50 years

Compensated Absences

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

Sick leave benefits are accrued as a liability using the vesting method. The entire compensated absence liability is reported on the government-wide financial statements.

For governmental funds, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported. Compensated absences are reported in governmental funds only if they have matured. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

Accrued Liabilities and Long-Term Obligations

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

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

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2014

Fund Balance

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

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

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

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

Assigned – spendable resources that are intended to be used for specific purposes as approved through the City's formal purchasing procedure by the City's management.

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

The City considers committed, assigned, and unassigned fund balances, respectively, to be spent when expenditures are incurred for purposes for which any of the unrestricted fund balance classifications could be used.

Net Position

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

The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available. Of the City's \$11,411,958 in restricted net position, none was restricted by enabling legislation.

Operating Revenues and Expenses

The City, in its proprietary funds, distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2014

of the City's enterprise funds are charges to customers for sales and services. Operating expenses for the enterprise fund includes the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, tap-in fees to the extent they exceed the cost of the connection to the system, or from grants or outside contributions of resources restricted to capital acquisition and construction.

Interfund Activity

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

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

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

Restricted Assets

Assets are reported as restricted assets when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, laws of other governments or imposed by enabling legislation. Restricted assets amounts held in retainage for contractors.

Gain/Loss on Refunding

On the government-wide financial statements, the difference between the reacquisition price (funds required to refund the old debt) and the net carrying amount of the old debt (the gain/loss on refunding) is being amortized as a component of interest expense. This deferred amount is amortized over the life of the old debt or the life of the new debt, whichever is shorter, using the effective interest method.

Estimates

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

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2014

Note 3 - Equity in Pooled Cash and Investments

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

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

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

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

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

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

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

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

Deposits

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's policy for deposits is any balance not covered by depository insurance will be collateralized by the financial institutions with pledged securities. As of December 31, 2014, \$19,546,577 of the City's bank balance of \$21,709,826 was exposed to custodial risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the City's name.

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

Investments

As of December 31, 2014, the City had the following investments:

Investment Type	Fair Value	Weighted Average Maturity (Years)
Federal Home Loan Bank	\$19,446,415	4.05
Federal Home Loan Mortgage Corporation	9,493,295	4.49
Ohio Municipal Bonds	1,462,778	0.93
Federal Farm Credit Bank	993,940	3.20
Federal National Mortgage Association	20,927,250	3.22
Money Market Funds	5,720,569	0.00
Total Fair Value	\$58,044,247	
Portfolio Weighted Average Maturity		3.33

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2014

Interest Rate Risk - In accordance with the investment policy, the City manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to five years, unless matched to a specified obligation or debt of the City.

Credit Risk – It is the City’s policy to limit its investments that are obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government to investments which have the highest credit quality rating issued by nationally recognized statistical rating organizations. The City’s investments in Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, Federal Farm Credit Bank and Federal National Mortgage Association were rated AA+ by Standard and Poor’s and Fitch ratings and Aaa by Moody’s Investors Service. Ohio Municipal Bonds were rated AA+ by Standard and Poor’s and Fitch ratings and Aa1 by Moody’s Investors Service. Money Market Funds were rated AA+ by Standard & Poor’s.

Concentration of Credit Risk – The City’s investment policy allows investments in Federal Government Securities or Instrumentalities. The City has invested 33% of the City’s investments in Federal Home Loan Bank, 16% in Federal Home Loan Mortgage Corporation, 2% in Federal Farm Credit Bank, 36% in Federal National Mortgage Association, 3% in Ohio Municipal Bonds and 10% in money market funds.

Custodial Credit Risk is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the City’s securities are either insured and registered in the name of the City, or at least registered in the name of the City.

Note 4 – Receivables

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

No allowances for doubtful accounts have been recorded because uncollectible amounts are expected to be insignificant.

Special assessments expected to be collected in more than one year amounts to approximately \$348,493 of which, \$6,898 is considered delinquent.

Property Taxes

Property taxes include amounts levied against all real estate and public utility property, and tangible personal property used in business and located in the City. Real property taxes (other than public utility) collected during 2014 were levied after October 1, 2013 on assessed values as of January 1, 2013, the lien date. Assessed values were established by the County Auditor at 35% of appraised market value. All property is required to be revalued every six years. Real property taxes are payable annually or semi-annually. If paid annually, payment is due January 31; if paid semiannually, the first payment is due February and the remainder payable in July. Under certain circumstances, state statute permits later payment dates to be established.

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2014

Public utility real property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Certain public utility tangible personal property is currently assessed at 100% of its true value. Public utility property taxes are payable on the same dates as real property described previously.

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

Real Property	\$471,863,070
Public Utility	<u>12,778,280</u>
Total Valuation	<u>\$484,641,350</u>

Real property taxes are payable annually or semi-annually. If paid annually, the payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

The City receives property taxes from Miami County. The County Treasurer collects property taxes on behalf of all taxing districts in the counties, including the City of Troy. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2014, and for which there is an enforceable legal claim. In the funds, the entire receivable has been offset by deferred inflows of resources since the current taxes were not levied to finance 2014 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On an accrual basis, collectible delinquent property taxes have been recorded as revenue while the remainder of the receivable is deferred.

Income Taxes

The City levies a 1.75% income tax on substantially all income earned within the City. If an individual pays income taxes to another municipality, the amount paid to that municipality can be used as a credit to offset the amount owed to the City of Troy. The offsetting credit cannot exceed Troy's income tax rate of 1.75%. Additional increases in the income tax rate require voter approval.

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

Note 5 - Risk Management

The City is one of twenty members of a joint insurance pool, Miami Valley Risk Management Association, Inc. (MVRMA), with the cities of Englewood, Bellbrook and Centerville added in 2004. The pool has been operational since December 1, 1988, and was formed according to Section 2744.081 of the Ohio Revised Code. This joint venture covers all property, crime, liability, boiler and machinery, and public official liability up to the limits stated below. It is intended to provide broad-based coverage up to the various limits with increased emphasis on safety and loss prevention.

MVRMA is a corporation governed by a twenty member board of trustees, consisting of a representative

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2014

appointed by each of the member cities. The board of trustees elects the officers of the corporation, with each trustee having a single vote. The board is responsible for its own financial matters and the corporation maintains its own book of accounts. Budget and financing of MVRMA is subject to the approval of the board.

Excess insurance coverage will cover additional claims up to the limits listed below:

Liability:

- Personal Injury Liability
- Property Damage Liability
- Public Officials Errors and Omissions
- Employment Practices Liability
- Employee Benefits Liability

Limits: \$10,000,000 per occurrence. \$10,000,000 annual aggregate per member for Employment Practices Liability; Public Officials Errors and Omissions and Employee benefits Liability combined; and Products/Completed Operations.

MVRMA self-insured \$500,000 per occurrence and obtained reinsurance from Government Entities Mutual Inc. (GEM) for \$2.5 million excess of \$500,000, and from Genesis for \$7 million excess of \$3 million.

Property:

- \$1,000,000,000/occurrence
- MVRMA Self-Insured Retention (SIR): \$250,000/occurrence

Coverage excess of SIR provided by PEPiP USA. List of carriers underwriting the coverage provided upon request.

Flood – included in Property Policy

- \$25 million/occurrence and annual aggregate
- Sublimit: Flood zone A & V - \$5 million/occurrence and annual aggregate
- MVRMA SIR: \$100,000/occurrence excluding Flood Zones A & V
- MVRMA SIR: \$250,000/occurrence Flood Zones A & V

Earthquake – included in Property Policy

- \$25 million/occurrence and annual aggregate
- MVRMA SIR: \$100,000/occurrence

Boiler & Machinery – included in Property Policy

- \$100,000,000/occurrence
- MVRMA SIR: \$10,000-\$350,000/occurrence

Cyber Liability – included in Property Policy

- MVRMA SIR: \$100,000/occurrence
- Coverage excess of SIR provided by Lloyd's of London – Beazley Syndicate

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2014

Third Party Liability:

\$2 million/occurrence and annual aggregate, but sublimited to:
\$1,000,000/occurrence and annual aggregate for Privacy Notification Costs

First Party Computer Liability

\$2 million/occurrence and annual aggregate subject to policy sublimits

Pollution Liability – Claims made and Reported Policy

Retroactive Date: Policy inception

Coverage excess SIR provided by ACE – Illinois Union Insurance Co.

\$1 million/pollution condition and aggregate with a \$200,000 sublimit for Fungi & Legionella

MVRMA SIR: \$75,000/pollution condition;
\$750,000 underground storage tanks specific

Member Deductible/occurrence - \$2,500

The Financial Audit for 2014 has not been completed. Figures from the audited 2013 financial Audit are as follows:

Current Assets	\$3,106,793
Total Assets	\$19,039,885
Current Liabilities	\$7,806,613
Long-Term Liabilities	\$0
Net Position	\$11,233,272

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

Workers' Compensation Group Rating Program

For the current fiscal year, the City participated in the Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The intent of the GRP is to achieve the benefit of reduced premium for the City by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating cities is calculated as one experience and a common premium rate is applied to all the Cities in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than the individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Funding Pool". This "equity pooling" arrangement ensures that each participant share equally in the overall performance of the GRP.

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2014

Note 6 – Capital Assets

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

	Restated Beginning Balance	Additions	Deletions	Ending Balance
	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$12,240,731	\$0	\$0	\$12,240,731
Construction in Progress	24,471	1,107,922	397,351	735,042
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	14,945,695	185,411	0	15,131,106
Equipment	9,754,383	593,928	207,213	10,141,098
Infrastructure	30,270,706	574,504	0	30,845,210
Totals at Historical Cost	<u>67,235,986</u>	<u>2,461,765</u>	<u>604,564</u>	<u>69,093,187</u>
Less Accumulated Depreciation:				
Buildings and Improvements	7,429,850	451,406	0	7,881,256
Equipment	7,742,344	409,997	206,642	7,945,699
Infrastructure	13,550,794	478,934	0	14,029,728
Total Accumulated Depreciation	<u>28,722,988</u>	<u>1,340,337</u>	<u>206,642</u>	<u>29,856,683</u>
Governmental Activities Capital Assets, Net	<u>\$38,512,998</u>	<u>\$1,121,428</u>	<u>\$397,922</u>	<u>\$39,236,504</u>

Depreciation expense was charged to governmental functions as follows:

General Government	\$349,650
Public Safety	370,800
Leisure Time	243,581
Transportation	312,724
Basic Utility Service	41,327
Community Development	22,255
Total Depreciation Expense	<u>\$1,340,337</u>

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City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2014

	Restated Beginning Balance	Additions	Deletions	Ending Balance
Business-Type Activities				
Capital Assets, not being depreciated:				
Land	\$489,045	\$0	\$0	\$489,045
Construction in Progress	1,056,091	1,754,057	1,056,859	1,753,289
Capital Assets, being depreciated:				
Buildings and Improvements	41,586,941	0	0	41,586,941
Equipment	15,304,446	1,479,228	17,764	16,765,910
Infrastructure	46,075,112	1,000,500	0	47,075,612
Totals at Historical Cost	<u>104,511,635</u>	<u>4,233,785</u>	<u>1,074,623</u>	<u>107,670,797</u>
Less Accumulated Depreciation:				
Buildings and Improvements	20,807,873	977,602	0	21,785,475
Equipment	7,009,176	956,817	17,764	7,948,229
Infrastructure	23,624,224	809,207	0	24,433,431
Total Accumulated Depreciation	<u>51,441,273</u>	<u>2,743,626</u>	<u>17,764</u>	<u>54,167,135</u>
Business-Type Activities Capital Assets, Net	<u>\$53,070,362</u>	<u>\$1,490,159</u>	<u>\$1,056,859</u>	<u>\$53,503,662</u>

Note 7 – Compensated Absences

Compensated absences are accrued as they are earned by employees if both of the following conditions are met:

1. The employee's rights to receive compensation are attributable to services already rendered.
2. It is probable that the employer will compensate the employee for the benefits through paid time off or cash payment.

For Governmental Funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and a fund liability of the respective Governmental Fund. Compensated absences are reported in governmental funds only if they have matured. Amounts that are not expected to be liquidated with expendable available financial resources are reported in the Governmental Activities Long-Term Liabilities. Compensated absences of Proprietary Funds are recorded as an expense and liability of the respective proprietary fund.

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City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2014

Note 8 - Long-Term Obligations

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

	Maturity Date	Interest Rate	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental Activities							
<u>General Obligation Bonds</u>							
Elm Street Improvements -\$595,000	12/1/24	2.00-4.75%	30,000	0	(30,000)	0	0
Aquatic Center -\$3,945,000	12/1/24	2.00-4.75%	185,000	0	(185,000)	0	0
Cemetery Maintenance Building -\$455,000	12/1/24	2.00-4.75%	20,000	0	(20,000)	0	0
Fire Station -\$2,515,000	12/1/24	2.00-4.75%	120,000	0	(120,000)	0	0
Refunding Stadium -\$2,515,000*	12/1/22	1.00-2.625%	1,795,000	0	(180,000)	1,615,000	185,000
Premium on Refunding*	12/1/22	n/a	11,079	0	(1,231)	9,848	0
Discount on Refunding*	12/1/22	n/a	(16,404)	0	1,823	(14,581)	0
Refunding Bonds - Elm Street	12/1/24	1.00-2.375%	385,000	0	(5,932)	379,068	34,407
Refunding Bonds - Aquatic Center -	12/1/24	1.00-2.375%	2,552,647	0	(39,332)	2,513,315	228,126
Refunding Bonds - Cemetery Maintenance	12/1/24	1.00-2.375%	294,411	0	(4,536)	289,875	26,311
Refunding Bonds - Fire Station - \$1,685,025	12/1/24	1.00-2.375%	1,627,353	0	(25,075)	1,602,278	145,434
Premium on Refunding	12/1/24	n/a	60,610	0	(5,941)	54,669	0
Discount on Refunding	12/1/24	n/a	(42,783)	0	4,193	(38,590)	0
Total Long-Term Liabilities - Bonds			<u>7,021,913</u>	<u>0</u>	<u>(611,031)</u>	<u>6,410,882</u>	<u>619,278</u>
Compensated Absences		N/A	<u>2,102,631</u>	<u>883,628</u>	<u>(570,573)</u>	<u>2,415,686</u>	<u>686,291</u>
Total Governmental Activities			<u>\$9,124,544</u>	<u>\$883,628</u>	<u>(\$1,181,604)</u>	<u>\$8,826,568</u>	<u>\$1,305,569</u>

*- In 2009, the City sold the Stadium to Troy School District; however the City is still responsible for the debt payments. This debt is not included in the calculation for Net Investment in Capital Assets on the Statement of Net Position.

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City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2014

	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Business-Type Activities							
Refunding Limited Tax General Obligation Bonds - \$1,955,000	12/1/19	1.00-3.00%	\$1,355,000	\$0	(\$215,000)	\$1,140,000	\$215,000
Premium on Refunding	12/1/19	n/a	17,384	0	(3,161)	14,223	0
Discount on Refunding	12/1/19	n/a	(15,264)	0	2,774	(12,490)	0
Wastewater Improvement IIIc & Va -\$500,000	12/31/20	0.00%	175,000	0	(25,000)	150,000	25,000
Sewer System Bonds - \$2,830,000	12/1/43	1.00-4.00%	0	2,830,000	(125,000)	2,705,000	60,000
Premium on Sewer System Bonds	12/1/43	n/a	0	35,513	(1,184)	34,329	0
Water System Bonds - \$3,930,000	12/1/43	1.00-4.00%	0	3,930,000	(170,000)	3,760,000	90,000
Premium on Water System Bonds	12/1/43	n/a	0	49,443	(1,648)	47,795	0
Southeast Area Sewer -\$1,310,000	12/1/14	2.00-4.75%	60,000	0	(60,000)	0	0
Generators -\$1,210,000	12/1/14	2.00-4.75%	55,000	0	(55,000)	0	0
Refunding Wastewater System. Imp. -\$2,550,000	12/1/15	4.00-5.00%	660,000	0	(325,000)	335,000	335,000
Refunding Waterplant Expansion I -\$1,705,000	12/1/16	5.00%	1,075,000	0	(340,000)	735,000	360,000
Refunding Waterplant Expansion II -\$4,330,000	12/1/17	4.00-5.00%	1,990,000	0	(465,000)	1,525,000	485,000
Refunding Bonds - Southeast Area Sewer -\$877,687	12/1/24	1.00-2.375%	847,647	0	(13,061)	834,586	75,753
Refunding Bonds - Generators -\$810,688	12/1/24	1.00-2.375%	782,942	0	(12,064)	770,878	69,970
Premium on Refunding	12/1/24	n/a	20,339	0	(1,993)	18,346	0
Discount on Refunding	12/1/24	n/a	(14,353)	0	1,407	(12,946)	0
Total General Obligation Bonds			<u>7,008,695</u>	<u>6,844,956</u>	<u>(1,808,930)</u>	<u>12,044,721</u>	<u>1,715,723</u>
OWDA Loan -\$1,451,384	7/1/29	3.25%	<u>388,719</u>	<u>14,486</u>	<u>(20,380)</u>	<u>382,825</u>	<u>21,047</u>
Total Long Term Liabilities - Bonds and Loan			<u>7,397,414</u>	<u>6,859,442</u>	<u>(1,829,310)</u>	<u>12,427,546</u>	<u>1,736,770</u>
Compensated Absences			<u>574,526</u>	<u>165,447</u>	<u>(157,631)</u>	<u>582,342</u>	<u>229,119</u>
Total Business-Type Activities			<u>\$7,971,940</u>	<u>\$7,024,889</u>	<u>(\$1,986,941)</u>	<u>\$13,009,888</u>	<u>\$1,965,889</u>

In 2014 the City issued \$2,830,000 in Sewer System Various Purpose Improvement Bonds at an interest rate between 1.00% and 4.00%; and \$3,930,000 in Water System Various Purpose Improvement Bonds at an interest rate between 1.00% and 4.00%.

Compensated Absences will be paid from the fund from which the person is paid. Historically, this is the General Fund, a Special Revenue Fund, or an Enterprise Fund.

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

Year Ending December 31	Governmental Activities		Business-Type Activities			
	General		General		OWDA	
	Obligation Bonds		Obligation Bonds		Loan	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$619,278	\$139,316	\$1,715,723	\$415,926	\$21,047	\$12,272
2016	634,252	122,586	1,425,748	346,006	21,737	11,582
2017	651,740	112,148	1,093,260	293,094	22,449	10,870
2018	667,970	100,256	567,029	261,012	23,185	10,134
2019	676,715	85,897	573,284	248,410	23,945	9,374
2020-2024	3,149,582	207,829	1,680,420	1,101,393	132,017	34,578
2025-2029	0	0	955,000	903,700	138,445	11,489
2030-2034	0	0	1,160,000	699,600	0	0
2035-2039	0	0	1,425,000	447,800	0	0
2040-2043	0	0	1,360,000	138,600	0	0
Total	<u>\$6,399,537</u>	<u>\$768,032</u>	<u>\$11,955,464</u>	<u>\$4,855,541</u>	<u>\$382,825</u>	<u>\$100,299</u>

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2014

Note 9 - Prior Year Defeasance of Debt

In prior years, the City defeased certain general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included on the City's financial statements. As of December 31, 2014, none of bonds outstanding are considered defeased.

Note 10 – Pension Plans

Ohio Public Employees Retirement System

Ohio Public Employees Retirement System (OPERS) administers three separate pension plans, a Traditional Pension Plan (TP), a Member-Directed Plan (MD) and a Combined Plan (CO). The TP Plan is a cost-sharing multiple-employer defined benefit pension plan. The MD Plan is a defined contribution plan in which member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the MD Plan, members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings. The CO Plan is a cost sharing, multiple-employer defined benefit pension plan. Under the CO Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to the TP Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the MD Plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the TP and CO Plans. Members of the MD Plan do not qualify for the ancillary benefits. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing to the OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling 614-222-5601 or 800-222-7377, or by visiting the OPERS website at www.opers.org.

The Ohio Revised Code provides statutory authority for member and employer contributions. Plan members and employer contributions rates were consistent across all three plans. Plan members are required to contribute 10% of their annual covered salary to fund pension obligations. The employer pension contribution rate for the City is 14% of covered payroll. The contribution rates are determined actuarially. The City's required contributions to OPERS for the years ended December 31, 2014, 2013 and 2012 were \$896,475, \$853,548 and \$859,699, respectively. The full amount has been contributed for 2013 and 2012, and 92 percent has actually been contributed for 2014. The City's unpaid contractually required OPERS contributions (including post-employment benefits) at year end (the liability) were recorded in the accrued wages and benefits line item of the government-wide and fund financial statements along with various corresponding expenses/expenditures.

Ohio Police and Fire Pension Fund

The City contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple employer defined benefit pension plan. OP&F provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code.

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2014

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

From January 1, 2014 through July 1, 2014, plan members are required to contribute 10.75% of their annual covered salary. From July 2, 2014 through December 31, 2014, plan members are required to contribute 11.5% of their annual covered salary, while employers (the City) are required to contribute 19.5% for police officers and 24.0% for firefighters. The City's contributions to OP&F for the years ending December 31, 2014, 2013 and 2012 were \$1,321,089, \$1,277,928, \$1,221,510, respectively. The 89% (police) and 89% (fire) has actually been contributed for 2014 and the full amount has been contributed for 2013 and 2012. The City's unpaid contractually required OP&F contributions (including post-employment benefits) at year end (the liability) were recorded in the accrued wages and benefits line item of the government-wide and fund financial statements along with various corresponding expenses/expenditures.

Note 11 – Post Employment Benefits

Ohio Public Employees Retirement System

Plan Description

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

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

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. OPERS' eligibility requirements for post-employment health care coverage changed for those retiring on and after January 1, 2015. Please see the Plan Statement in the OPERS 2013 CAFR for details.

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

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

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2014

Funding Policy

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

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2014, the City contributed at 14% of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14% of covered payroll. Active members do not make contributions to the OPEB Plan.

OPERS' Post-employment Health Care Plan was established under, and is administered in accordance with, Internal Revenue Code section 401(h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.0% during calendar year 2014. Effective January 1, 2015, the portion of employer contributions allocated to health care remains at 2.0% for both plans, as recommended by OPERS' actuary. The OPERS Board of Trustees is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected.

Information from City's Records

The rates stated in Funding Policy, above, are the contractually required contribution rates for OPERS. The City's actual contributions for the current year, which were used to fund postemployment benefits, were \$128,017 for 2014, \$60,943 for 2013, and \$245,616 for 2012. The full amount has been contributed for 2013 and 2012, and 92 percent has actually been contributed for 2014.

OPERS Board of Trustees Adopt Changes to the Health Care Plan

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4 percent of the employer contributions toward the health care fund after the end of the transition period.

Ohio Police and Fire Pension Fund

Plan Description

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

OP&F provides access to post-retirement healthcare coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2014

child of such person. The healthcare coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

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

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

Funding Policy

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and Section 401(h) account as the employer contribution for retiree healthcare benefits. The portion of employer contributions allocated to health care was .5% of covered payroll from January 1, 2014 thru December 31, 2014. For the year ended December 31, 2014, the employer contribution allocated to the health care plan was 6.75% of covered payroll. The amount of employer contributions allocated to the healthcare plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

Information from City's Records

The City's contributions to OP&F for the year ending December 31, 2014 was \$30,830; and was \$211,603 for year ending December 31, 2013; and was approximately \$378,602 for the year ending December 31, 2012, and were allocated to the healthcare plan. The actual contributions for 2012 and 2013 were 100% and 89% (police) and 89% (fire) has actually been contributed for 2014.

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2014

Note 12 – Construction and Other Commitments

The City had the following outstanding commitments at year end:

<u>Projects</u>	<u>Amount</u>
Building Maintenance and Improvements	\$158,196
Sewer Maintenance and Improvements	2,984,735
Water Maintenance and Improvements	3,008,506
Stormwater Maintenance and Improvements	40,000
Street Improvements	1,064,121
Downtown Building Repair Loan	23,898
Rock Salt for Streets	29,394
Refuse Collection	85,878
Vehicles	117,366
Hobart Arena Improvements	680,000
Hobart Arena Events	215,554
Other Construction and Commitments	<u>62,649</u>
Total Outstanding Commitments	<u><u>\$8,470,297</u></u>

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

<u>Fund</u>	<u>Amount</u>
General	\$315,745
TIF Retirement	27,715
Water	2,291,034
Sanitary Sewer	3,044,278
Stormwater Utility	132,758
Nonmajor Funds	<u>3,233,851</u>
Total	<u><u>\$9,045,381</u></u>

Note 13 – Interfund Transfers and Interfund Receivable/Payable

Interfund transfers for the year ended December 31, 2014 consisted of the following:

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2014

	Transfers	
	In	Out
General Fund	\$4,459	\$5,133,355
Other Governmental Funds	4,388,355	17,192
Sewer Fund	719	0
Other Enterprise Funds	757,014	0
Total All Funds	<u>\$5,150,547</u>	<u>\$5,150,547</u>

\$4,459 was transferred from the FEMA fund into the General Fund to close out FEMA fund.

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to segregate money for anticipated capital projects; to provide additional resources for current operations or debt service; and to return money to the fund from which it was originally provided once a project is completed.

Certain interfund receivable/payable of a longer term repayment schedule also exists. The General Fund has provided interfund loans to the TIF Retirement Fund. The TIF Retirement Fund will make repayments on the loan from the portions of their revenue.

	Interfund Receivable	Interfund Payable
General Fund	\$1,500,000	\$0
TIF Retirement Fund	0	1,500,000
	<u>\$1,500,000</u>	<u>\$1,500,000</u>

Note 14 - Donor-Restricted Endowment

The City administers an endowment fund, which is restricted by the donor for the purposes of cemetery maintenance and improvement. Donor-restricted endowments are reported at fair value. The amount of net appreciation on investments of donor-restricted endowments that is available for authorization for expenditure by the City is \$162,488. The City authorizes expenditures from donor-restricted endowment in compliance with the wishes expressed by the donor and the Ohio Revised Code.

Note 15 – Fund Balance

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

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2014

Fund Balance	General	TIF Retirement	Other Governmental Funds	Total
Restricted for:				
Safety Income Tax	\$794,501	\$0	\$0	\$794,501
Street Construction, Maintenance and Repair	0	0	1,126,979	1,126,979
State Highway Improvement	0	0	166,970	166,970
Cemetery	0	0	304,018	304,018
Municipal Real Property	0	0	290,748	290,748
Miami Conservatory District	0	0	69,694	69,694
Community Development Block Grant	0	0	2,615,191	2,615,191
Parking Improvement	0	0	278,773	278,773
Drug Law Enforcement	0	0	28,857	28,857
Law Enforcement	0	0	34,518	34,518
Cemetery Endowment	0	0	957,202	957,202
Small Business Development R-Loan	0	0	912,795	912,795
Capital Improvement	0	0	2,627,795	2,627,795
OPWC Project	0	0	718,748	718,748
Total Restricted	794,501	0	10,132,288	10,926,789
Committed to:				
Capital Improvements	33,508,812	0	0	33,508,812
Total Committed	33,508,812	0	0	33,508,812
Assigned to:				
Bond Retirement	0	0	68,774	68,774
Technology	0	0	392,176	392,176
Encumbrances	276,734	0	0	276,734
Budgetary Variance	1,662,709	0	0	1,662,709
Total Assigned	1,939,443	0	460,950	2,400,393
Unassigned (Deficit)	16,808,887	(1,159,095)	0	15,649,792
Total Fund Balance	\$53,051,643	(\$1,159,095)	\$10,593,238	\$62,485,786

Note 16 – Prior Period Adjustment

A prior period adjustment to restate capital assets as of December 31, 2013 was required mainly due to errors in the City’s engineering system that tracked street miles and stormwater line miles and reclassifying Stormwater Utility Net Capital Assets out of Governmental Activities into the Stormwater Utility Fund. The restatement had the following effect on net position.

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City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2014

	Governmental Activities	Business-Type Activities	Stormwater Utility Fund
Net Position - December 31, 2013	\$95,423,044	\$51,827,278	\$1,503,299
Correction of Street Miles and Stormwater Miles Net Capital Assets	4,685,408	0	0
Reclassifying Stormwater Utility Net Capital Assets	(8,536,375)	8,536,375	8,536,375
Net Position - January 1, 2014, Restated	<u>\$91,572,077</u>	<u>\$60,363,653</u>	<u>\$10,039,674</u>

Note 17 –Accountability

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

Fund	Deficit
Major Fund:	
TIF Retirement	\$1,159,095

The fund deficit at December 31, 2014 arises from the recognition of certain liabilities under the modified accrual basis of accounting. Under the budgetary basis of accounting the deficit does not exist. The General Fund provides transfers when cash is required, not when accruals occur.

Note 18 – Contingent Liabilities

Litigation

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

REQUIRED SUPPLEMENTARY INFORMATION

City of Troy, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2014

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Property and Other Taxes	\$1,595,273	\$1,645,540	\$1,661,874	\$16,334
Charges for Services	3,362,507	3,350,000	3,502,887	152,887
Investment Earnings	101,705	76,690	105,951	29,261
Intergovernmental	847,587	878,692	882,973	4,281
Special Assessments	3,741	3,800	3,897	97
Fines, Licenses & Permits	218,705	226,575	227,836	1,261
Other Revenues	437,233	452,900	455,487	2,587
Total Revenues	6,566,751	6,634,197	6,840,905	206,708
Expenditures:				
Current:				
General Government	3,233,622	3,754,071	3,447,162	306,909
Public Safety	9,470,232	10,673,095	10,095,622	577,473
Community Environment	764,448	837,254	814,930	22,324
Recreation	1,198,330	1,346,721	1,277,465	69,256
Basic Utility	1,285,312	1,392,851	1,370,191	22,660
Capital Outlay	380,019	459,018	405,114	53,904
Total Expenditures	16,331,963	18,463,010	17,410,484	1,052,526
Excess of Revenues Over (Under) Expenditures	(9,765,212)	(11,828,813)	(10,569,579)	1,259,234
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	36,253	3,700	37,767	34,067
Transfers In	15,707,895	16,363,560	16,363,679	119
Transfers (Out)	(4,815,547)	(5,152,000)	(5,133,554)	18,446
Total Other Financing Sources (Uses)	10,928,601	11,215,260	11,267,892	52,632
Net Change in Fund Balance	1,163,389	(613,553)	698,313	1,311,866
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	10,609,643	10,609,643	10,609,643	0
Fund Balance End of Year	\$11,773,032	\$9,996,090	\$11,307,956	\$1,311,866

See accompanying notes to the required supplementary information.

City of Troy, Ohio
Notes to the Required Supplementary Information
For The Year Ended December 31, 2014

Budgetary Process

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

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

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

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

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

City of Troy, Ohio
Notes to the Required Supplementary Information
For The Year Ended December 31, 2014

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund.

Net Change in Fund Balance

	<u>General</u>
GAAP Basis	\$783,209
Revenue Accruals	(17,919,907)
Expenditure Accruals	1,278,914
Transfers In	16,359,220
Transfers Out	(199)
Encumbrances	(315,745)
Funds Budgeted Elsewhere	<u>512,821</u>
Budget Basis	<u><u>\$698,313</u></u>

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES



MAJOR GOVERNMENTAL FUNDS

TIF Retirement - To account for the accumulation of resources for and the payment of TIF bond principal and interest from governmental resources when the City is obligated in some manner for the payment. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance are included in the Basic Financial Statements. The Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis) follows this page.

City of Troy, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2014

	TIF Retirement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Revenue in Lieu of Taxes	\$248,700	\$248,790	\$90
Total Revenues	248,700	248,790	90
Expenditures:			
Current:			
Capital Outlay	36,000	32,622	3,378
Debt Service:			
Principal Retirement	40,000	40,000	0
Interest and Fiscal Charges	92,400	92,400	0
Total Expenditures	168,400	165,022	3,378
Net Change in Fund Balance	80,300	83,768	3,468
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	229,423	229,423	0
Fund Balance End of Year	\$309,723	\$313,191	\$3,468

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

Debt Service Funds

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

Capital Projects Funds

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

City of Troy, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2014

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in Pooled Cash and Investments	\$4,359,226	\$68,742	\$3,965,885	\$8,393,853
Restricted Cash	0	0	40,296	40,296
Receivables (Net):				
Taxes	40,932	0	0	40,932
Accounts	1,133	0	27,419	28,552
Interest	1,278	32	0	1,310
Intergovernmental	513,704	0	687,513	1,201,217
Notes	2,424,536	0	0	2,424,536
Special Assessments	17,724	0	323,907	341,631
Total Assets	7,358,533	68,774	5,045,020	12,472,327
Liabilities:				
Accounts Payable	40,357	0	280,095	320,452
Accrued Wages and Benefits	56,286	0	0	56,286
Retainage Payable	0	0	40,296	40,296
Total Liabilities	96,643	0	320,391	417,034
Deferred Inflows of Resources:				
Property Taxes	37,498	0	0	37,498
Grants and Other Taxes	420,923	0	662,003	1,082,926
Special Assessments	17,724	0	323,907	341,631
Total Deferred Inflows of Resources	476,145	0	985,910	1,462,055
Fund Balances:				
Restricted	6,785,745	0	3,346,543	10,132,288
Assigned	0	68,774	392,176	460,950
Total Fund Balances	6,785,745	68,774	3,738,719	10,593,238
Total Liabilities, Deferred Inflows and Fund Balances	\$7,358,533	\$68,774	\$5,045,020	\$12,472,327

City of Troy, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Governmental Funds
For the Fiscal Year Ended December 31, 2014

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Property and Other Taxes	\$33,172	\$0	\$0	\$33,172
Charges for Services	191,059	0	0	191,059
Investment Earnings	82,880	389	0	83,269
Intergovernmental	1,126,079	0	398,300	1,524,379
Special Assessments	0	1,643	86,406	88,049
Fines, Licenses & Permits	7,701	0	137,846	145,547
Other Revenues	49,500	0	10,000	59,500
Total Revenues	1,490,391	2,032	632,552	2,124,975
Expenditures:				
Current:				
General Government	76,057	82	0	76,139
Public Safety	9,043	0	0	9,043
Community Development	58,493	0	40,297	98,790
Transportation and Street Repair	1,474,539	0	0	1,474,539
Basic Utility Service	0	0	104,155	104,155
Public Health and Welfare	377,198	0	0	377,198
Capital Outlay	28,224	0	1,987,844	2,016,068
Debt Service:				
Principal	0	609,875	0	609,875
Interest and Other Charges	0	155,973	0	155,973
Total Expenditures	2,023,554	765,930	2,132,296	4,921,780
Excess of Revenues Over (Under) Expenditures	(533,163)	(763,898)	(1,499,744)	(2,796,805)
Other Financing Sources (Uses):				
Transfers In	866,855	730,000	2,791,500	4,388,355
Transfers (Out)	(17,192)	0	0	(17,192)
Total Other Financing Sources (Uses)	849,663	730,000	2,791,500	4,371,163
Net Change in Fund Balance	316,500	(33,898)	1,291,756	1,574,358
Fund Balance - Beginning of Year	6,469,245	102,672	2,446,963	9,018,880
Fund Balance - End of Year	\$6,785,745	\$68,774	\$3,738,719	\$10,593,238

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NONMAJOR SPECIAL REVENUE FUNDS

Fund Descriptions

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

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

Cemetery - To account for monies received from plot sales and burials and expended for Cemetery maintenance.

Municipal Real Property - To account for receipts which are to be used to acquire, renovate, or repair municipal property.

Miami Conservancy District - To account for property tax receipts designated for conservancy district expenditures.

Community Development Block Grant - To account for community development block grant funds.

Parking Improvement - To account for monies used to maintain and upgrade parking facilities.

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

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

Cemetery Endowment - To account for the receipt of monies for general care and maintenance of the cemetery.

Small Business Development R-Loan - To account for small business development R-loan funds.

FEMA - To account for monies received through the Federal Emergency Management Agency.

City of Troy, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2014

	Street Construction, Maintenance and Repair	State Highway Improvement	Cemetery	Municipal Real Property
Assets:				
Equity in Pooled Cash and Investments	\$1,122,741	\$159,938	\$317,994	\$290,615
Receivables (Net):				
Taxes	0	0	0	0
Accounts	1,083	0	0	0
Interest	0	73	0	133
Intergovernmental	475,177	38,527	0	0
Notes	0	0	0	0
Special Assessments	17,724	0	0	0
Total Assets	1,616,725	198,538	317,994	290,748
Liabilities:				
Accounts Payable	34,470	0	5,887	0
Accrued Wages and Benefits	48,197	0	8,089	0
Total Liabilities	82,667	0	13,976	0
Deferred Inflows of Resources:				
Property Taxes	0	0	0	0
Grants and Other Taxes	389,355	31,568	0	0
Special Assessments	17,724	0	0	0
Total Deferred Inflows of Resources	407,079	31,568	0	0
Fund Balances:				
Restricted	1,126,979	166,970	304,018	290,748
Total Fund Balances	1,126,979	166,970	304,018	290,748
Total Liabilities, Deferred Inflows and Fund Balances	\$1,616,725	\$198,538	\$317,994	\$290,748

Miami Conservancy District	Community Development Block Grant	Parking Improvement	Drug Law Enforcement	Law Enforcement	Cemetery Endowment	Small Business Development R-Loan
\$66,260	\$751,257	\$278,645	\$28,857	\$34,468	\$956,763	\$351,688
40,932	0	0	0	0	0	0
0	0	0	0	50	0	0
0	344	128	0	0	439	161
0	0	0	0	0	0	0
0	1,863,590	0	0	0	0	560,946
0	0	0	0	0	0	0
<u>107,192</u>	<u>2,615,191</u>	<u>278,773</u>	<u>28,857</u>	<u>34,518</u>	<u>957,202</u>	<u>912,795</u>
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
37,498	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>37,498</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>69,694</u>	<u>2,615,191</u>	<u>278,773</u>	<u>28,857</u>	<u>34,518</u>	<u>957,202</u>	<u>912,795</u>
<u>69,694</u>	<u>2,615,191</u>	<u>278,773</u>	<u>28,857</u>	<u>34,518</u>	<u>957,202</u>	<u>912,795</u>
<u>\$107,192</u>	<u>\$2,615,191</u>	<u>\$278,773</u>	<u>\$28,857</u>	<u>\$34,518</u>	<u>\$957,202</u>	<u>\$912,795</u>

Continued

City of Troy, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2014

	FEMA	Total Nonmajor Special Revenue Funds
Assets:		
Equity in Pooled Cash and Investments	\$0	\$4,359,226
Receivables (Net):		
Taxes	0	40,932
Accounts	0	1,133
Interest	0	1,278
Intergovernmental	0	513,704
Notes	0	2,424,536
Special Assessments	0	17,724
Total Assets	<u>0</u>	<u>7,358,533</u>
Liabilities:		
Accounts Payable	0	40,357
Accrued Wages and Benefits	0	56,286
Total Liabilities	<u>0</u>	<u>96,643</u>
Deferred Inflows of Resources:		
Property Taxes	0	37,498
Grants and Other Taxes	0	420,923
Special Assessments	0	17,724
Total Deferred Inflows of Resources	<u>0</u>	<u>476,145</u>
Fund Balances:		
Restricted	0	6,785,745
Total Fund Balances	<u>0</u>	<u>6,785,745</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$0</u>	<u>\$7,358,533</u>

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City of Troy, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended December 31, 2014

	Street Construction, Maintenance and Repair	State Highway Improvement	Cemetery	Municipal Real Property
Revenues:				
Property and Other Taxes	\$0	\$0	\$0	\$0
Charges for Services	4,661	0	154,312	0
Investment Earnings	0	731	0	3,153
Intergovernmental	1,031,587	83,643	0	0
Fines, Licenses & Permits	1,069	0	0	0
Other Revenues	11,880	866	7,371	34
Total Revenues	1,049,197	85,240	161,683	3,187
Expenditures:				
Current:				
General Government	0	0	0	0
Public Safety	0	0	0	0
Community Development	0	0	0	3,520
Transportation and Street Repair	1,368,801	87,300	0	0
Public Health and Welfare	0	0	343,133	0
Capital Outlay	0	0	0	28,224
Total Expenditures	1,368,801	87,300	343,133	31,744
Excess of Revenues Over (Under) Expenditures	(319,604)	(2,060)	(181,450)	(28,557)
Other Financing Sources (Uses):				
Transfers In	600,000	0	200,000	5,459
Transfers (Out)	0	0	0	0
Total Other Financing Sources (Uses)	600,000	0	200,000	5,459
Net Change in Fund Balance	280,396	(2,060)	18,550	(23,098)
Fund Balance - Beginning of Year	846,583	169,030	285,468	313,846
Fund Balance - End of Year	\$1,126,979	\$166,970	\$304,018	\$290,748

Miami Conservancy District	Community Development Block Grant	Parking Improvement	Drug Law Enforcement	Law Enforcement	Cemetery Endowment	Small Business Development R-Loan
\$33,172	\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	24,936	7,150
0	47,727	2,994	0	0	10,006	18,269
3,657	0	0	0	0	0	0
0	0	2,515	250	3,867	0	0
0	8,160	33	12,526	8,389	106	135
<u>36,829</u>	<u>55,887</u>	<u>5,542</u>	<u>12,776</u>	<u>12,256</u>	<u>35,048</u>	<u>25,554</u>
76,057	0	0	0	0	0	0
0	0	0	161	8,882	0	0
0	54,973	0	0	0	0	0
0	0	18,438	0	0	0	0
0	0	0	0	0	34,065	0
0	0	0	0	0	0	0
<u>76,057</u>	<u>54,973</u>	<u>18,438</u>	<u>161</u>	<u>8,882</u>	<u>34,065</u>	<u>0</u>
<u>(39,228)</u>	<u>914</u>	<u>(12,896)</u>	<u>12,615</u>	<u>3,374</u>	<u>983</u>	<u>25,554</u>
0	0	0	0	0	0	61,396
0	(10,000)	0	0	0	0	0
<u>0</u>	<u>(10,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>61,396</u>
<u>(39,228)</u>	<u>(9,086)</u>	<u>(12,896)</u>	<u>12,615</u>	<u>3,374</u>	<u>983</u>	<u>86,950</u>
<u>108,922</u>	<u>2,624,277</u>	<u>291,669</u>	<u>16,242</u>	<u>31,144</u>	<u>956,219</u>	<u>825,845</u>
<u>\$69,694</u>	<u>\$2,615,191</u>	<u>\$278,773</u>	<u>\$28,857</u>	<u>\$34,518</u>	<u>\$957,202</u>	<u>\$912,795</u>

Continued

City of Troy, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended December 31, 2014

	FEMA	Total Nonmajor Special Revenue Funds
Revenues:		
Property and Other Taxes	\$0	\$33,172
Charges for Services	0	191,059
Investment Earnings	0	82,880
Intergovernmental	7,192	1,126,079
Fines, Licenses & Permits	0	7,701
Other Revenues	0	49,500
Total Revenues	7,192	1,490,391
Expenditures:		
Current:		
General Government	0	76,057
Public Safety	0	9,043
Community Development	0	58,493
Transportation and Street Repair	0	1,474,539
Public Health and Welfare	0	377,198
Capital Outlay	0	28,224
Total Expenditures	0	2,023,554
Excess of Revenues Over (Under) Expenditures	7,192	(533,163)
Other Financing Sources (Uses):		
Transfers In	0	866,855
Transfers (Out)	(7,192)	(17,192)
Total Other Financing Sources (Uses)	(7,192)	849,663
Net Change in Fund Balance	0	316,500
Fund Balance - Beginning of Year	0	6,469,245
Fund Balance - End of Year	\$0	\$6,785,745

City of Troy, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2014

	Street Construction. Maintenance and Repair Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Charges for Services	\$4,600	\$4,661	\$61
Intergovernmental	1,030,175	1,030,397	222
Fines, Licenses & Permits	1,000	1,069	69
Other Revenues	10,675	10,834	159
Total Revenues	1,046,450	1,046,961	511
Expenditures:			
Current:			
Basic Utility	1,487,327	1,430,338	56,989
Total Expenditures	1,487,327	1,430,338	56,989
Excess of Revenues Over (Under) Expenditures	(440,877)	(383,377)	57,500
Other Financing Sources (Uses):			
Transfers In	600,000	600,000	0
Total Other Financing Sources (Uses)	600,000	600,000	0
Net Change in Fund Balance	159,123	216,623	57,500
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	834,276	834,276	0
Fund Balance End of Year	\$993,399	\$1,050,899	\$57,500

City of Troy, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2014

	State Highway Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$83,270	\$83,546	\$276
Other Revenues	850	866	16
Total Revenues	<u>84,120</u>	<u>84,412</u>	<u>292</u>
Expenditures:			
Current:			
Transportation	<u>101,751</u>	<u>99,072</u>	<u>2,679</u>
Total Expenditures	<u>101,751</u>	<u>99,072</u>	<u>2,679</u>
Net Change in Fund Balance	(17,631)	(14,660)	2,971
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>162,538</u>	<u>162,538</u>	<u>0</u>
Fund Balance End of Year	<u>\$144,907</u>	<u>\$147,878</u>	<u>\$2,971</u>

City of Troy, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2014

	Cemetery Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Charges for Services	\$144,000	\$154,312	\$10,312
Other Revenues	7,330	7,371	41
Total Revenues	<u>151,330</u>	<u>161,683</u>	<u>10,353</u>
Expenditures:			
Current:			
Public Health and Welfare	<u>374,898</u>	<u>346,437</u>	<u>28,461</u>
Total Expenditures	<u>374,898</u>	<u>346,437</u>	<u>28,461</u>
Excess of Revenues Over (Under) Expenditures	<u>(223,568)</u>	<u>(184,754)</u>	<u>38,814</u>
Other Financing Sources (Uses):			
Transfers In	<u>200,000</u>	<u>200,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>200,000</u>	<u>200,000</u>	<u>0</u>
Net Change in Fund Balance	(23,568)	15,246	38,814
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>296,228</u>	<u>296,228</u>	<u>0</u>
Fund Balance End of Year	<u>\$272,660</u>	<u>\$311,474</u>	<u>\$38,814</u>

City of Troy, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2014

	Municipal Real Property Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$1,404	\$1,789	\$385
Other Revenues	30	34	4
Total Revenues	<u>1,434</u>	<u>1,823</u>	<u>389</u>
Expenditures:			
Current:			
Capital Outlay	<u>64,454</u>	<u>33,563</u>	<u>30,891</u>
Total Expenditures	<u>64,454</u>	<u>33,563</u>	<u>30,891</u>
Excess of Revenues Over (Under) Expenditures	<u>(63,020)</u>	<u>(31,740)</u>	<u>31,280</u>
Other Financing Sources (Uses):			
Transfers In	<u>5,400</u>	<u>5,459</u>	<u>59</u>
Total Other Financing Sources (Uses)	<u>5,400</u>	<u>5,459</u>	<u>59</u>
Net Change in Fund Balance	(57,620)	(26,281)	31,339
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>311,034</u>	<u>311,034</u>	<u>0</u>
Fund Balance End of Year	<u>\$253,414</u>	<u>\$284,753</u>	<u>\$31,339</u>

City of Troy, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2014

	Miami Conservancy District Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Property and Other Taxes	\$31,441	\$32,516	\$1,075
Intergovernmental	3,500	3,657	157
Total Revenues	<u>34,941</u>	<u>36,173</u>	<u>1,232</u>
Expenditures:			
Current:			
General Government	<u>81,000</u>	<u>76,057</u>	<u>4,943</u>
Total Expenditures	<u>81,000</u>	<u>76,057</u>	<u>4,943</u>
Net Change in Fund Balance	(46,059)	(39,884)	6,175
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>106,149</u>	<u>106,149</u>	<u>0</u>
Fund Balance End of Year	<u>\$60,090</u>	<u>\$66,265</u>	<u>\$6,175</u>

City of Troy, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2014

	Community Development Block Grant Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$43,600	\$44,343	\$743
Other Revenues	244,790	246,930	2,140
Total Revenues	288,390	291,273	2,883
Expenditures:			
Current:			
Community Environment	934,175	272,648	661,527
Total Expenditures	934,175	272,648	661,527
Excess of Revenues Over (Under) Expenditures	(645,785)	18,625	664,410
Other Financing Sources (Uses):			
Transfers (Out)	0	(10,000)	(10,000)
Total Other Financing Sources (Uses)	0	(10,000)	(10,000)
Net Change in Fund Balance	(645,785)	8,625	654,410
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	741,272	741,272	0
Fund Balance End of Year	\$95,487	\$749,897	\$654,410

City of Troy, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2014

	Parking Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$1,330	\$1,698	\$368
Fines, Licenses & Permits	2,400	2,515	115
Other Revenues	30	33	3
Total Revenues	<u>3,760</u>	<u>4,246</u>	<u>486</u>
Expenditures:			
Current:			
Transportation	90,820	56,971	33,849
Total Expenditures	<u>90,820</u>	<u>56,971</u>	<u>33,849</u>
Net Change in Fund Balance	(87,060)	(52,725)	34,335
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>292,335</u>	<u>292,335</u>	<u>0</u>
Fund Balance End of Year	<u>\$205,275</u>	<u>\$239,610</u>	<u>\$34,335</u>

City of Troy, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2014

	Drug Law Enforcement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses & Permits	\$250	\$250	\$0
Other Revenues	12,500	12,526	26
Total Revenues	12,750	12,776	26
Expenditures:			
Current:			
Public Safety	5,000	161	4,839
Total Expenditures	5,000	161	4,839
Net Change in Fund Balance	7,750	12,615	4,865
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	16,242	16,242	0
Fund Balance End of Year	\$23,992	\$28,857	\$4,865

City of Troy, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2014

	Law Enforcement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses & Permits	\$3,700	\$3,877	\$177
Other Revenues	8,200	8,389	189
Total Revenues	11,900	12,266	366
Expenditures:			
Current:			
Public Safety	14,066	8,882	5,184
Total Expenditures	14,066	8,882	5,184
Net Change in Fund Balance	(2,166)	3,384	5,550
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	31,083	31,083	0
Fund Balance End of Year	\$28,917	\$34,467	\$5,550

City of Troy, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2014

	Cemetery Endowment Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Charges for Services	\$24,100	\$24,936	\$836
Investment Earnings	4,380	5,663	1,283
Other Revenues	100	106	6
Total Revenues	<u>28,580</u>	<u>30,705</u>	<u>2,125</u>
Expenditures:			
Current:			
Public Health and Welfare	39,000	34,065	4,935
Total Expenditures	<u>39,000</u>	<u>34,065</u>	<u>4,935</u>
Net Change in Fund Balance	(10,420)	(3,360)	7,060
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>958,392</u>	<u>958,392</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$947,972</u></u>	<u><u>\$955,032</u></u>	<u><u>\$7,060</u></u>

City of Troy, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2014

	Small Business Development R-Loan Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Charges for Services	\$7,000	\$7,150	\$150
Investment Earnings	15,700	15,969	269
Other Revenues	50,730	50,832	102
Total Revenues	73,430	73,951	521
Expenditures:			
Current:			
Community Environment	621,400	470,000	151,400
Total Expenditures	621,400	470,000	151,400
Excess of Revenues Over (Under) Expenditures	(547,970)	(396,049)	151,921
Other Financing Sources (Uses):			
Transfers In	61,300	61,396	96
Total Other Financing Sources (Uses)	61,300	61,396	96
Net Change in Fund Balance	(486,670)	(334,653)	152,017
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	661,806	661,806	0
Fund Balance End of Year	\$175,136	\$327,153	\$152,017

City of Troy, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2014

	FEMA Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$7,192	\$7,192	\$0
Total Revenues	7,192	7,192	0
Expenditures:			
Current:			
General Government	0	0	0
Total Expenditures	0	0	0
Excess of Revenues Over (Under) Expenditures	7,192	7,192	0
Other Financing Sources (Uses):			
Transfers (Out)	(7,192)	(7,192)	0
Total Other Financing Sources (Uses)	(7,192)	(7,192)	0
Net Change in Fund Balance	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	\$0	\$0	\$0

NONMAJOR DEBT SERVICE FUNDS

Fund Descriptions

Bond Retirement – To account for the accumulation of resources for and the payment of general obligation bond principal and interest and certain other long-term obligations from governmental resources when the City is obligated in some manner for the payment.

City of Troy, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2014

	Bond Retirement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Special Assessments	\$1,500	\$1,643	\$143
Total Revenues	1,500	1,643	143
Expenditures:			
Current:			
General Government	0	82	(82)
Debt Service:			
Principal Retirement	609,865	609,875	(10)
Interest and Fiscal Charges	156,074	155,973	101
Total Expenditures	765,939	765,930	9
Excess of Revenues Over (Under) Expenditures	(764,439)	(764,287)	152
Other Financing Sources (Uses):			
Transfers In	730,000	730,000	0
Total Other Financing Sources (Uses)	730,000	730,000	0
Net Change in Fund Balance	(34,439)	(34,287)	152
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	102,908	102,908	0
Fund Balance End of Year	\$68,469	\$68,621	\$152

NONMAJOR CAPITAL PROJECTS FUNDS

Fund Descriptions

Capital Improvement – To account for various capital projects financed by governmental funds.

OPWC Project Fund - To account for capital projects financed by issue 2 monies.

Technology Fund - To account for capital projects financed by technology monies.

City of Troy, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2014

	Capital Improvement	OPWC Project Fund	Technology Fund	Total Nonmajor Capital Projects Funds
Assets:				
Equity in Pooled Cash and Investments	\$2,854,361	\$746,767	\$364,757	\$3,965,885
Restricted Cash	9,083	31,213	0	40,296
Receivables (Net):				
Accounts	0	0	27,419	27,419
Intergovernmental	367,901	319,612	0	687,513
Special Assessments	323,907	0	0	323,907
Total Assets	3,555,252	1,097,592	392,176	5,045,020
Liabilities:				
Accounts Payable	252,076	28,019	0	280,095
Retainage Payable	9,083	31,213	0	40,296
Total Liabilities	261,159	59,232	0	320,391
Deferred Inflows of Resources:				
Grants and Other Taxes	342,391	319,612	0	662,003
Special Assessments	323,907	0	0	323,907
Total Deferred Inflows of Resources	666,298	319,612	0	985,910
Fund Balances:				
Restricted	2,627,795	718,748	0	3,346,543
Assigned	0	0	392,176	392,176
Total Fund Balances	2,627,795	718,748	392,176	3,738,719
Total Liabilities, Deferred Inflows and Fund Balances	\$3,555,252	\$1,097,592	\$392,176	\$5,045,020

City of Troy, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Capital Projects Funds
For the Fiscal Year Ended December 31, 2014

	Capital Improvement	OPWC Project Fund	Technology Fund	Total Nonmajor Capital Projects Funds
Revenues:				
Intergovernmental	\$398,300	\$0	\$0	\$398,300
Special Assessments	86,406	0	0	86,406
Fines, Licenses & Permits	0	0	137,846	137,846
Other Revenues	10,000	0	0	10,000
Total Revenues	494,706	0	137,846	632,552
Expenditures:				
Current:				
Community Development	40,297	0	0	40,297
Basic Utility Service	0	0	104,155	104,155
Capital Outlay	1,700,578	287,266	0	1,987,844
Total Expenditures	1,740,875	287,266	104,155	2,132,296
Excess of Revenues Over (Under) Expenditures	(1,246,169)	(287,266)	33,691	(1,499,744)
Other Financing Sources (Uses):				
Transfers In	2,541,500	250,000	0	2,791,500
Total Other Financing Sources (Uses)	2,541,500	250,000	0	2,791,500
Net Change in Fund Balance	1,295,331	(37,266)	33,691	1,291,756
Fund Balance - Beginning of Year	1,332,464	756,014	358,485	2,446,963
Fund Balance - End of Year	\$2,627,795	\$718,748	\$392,176	\$3,738,719

City of Troy, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2014

	Capital Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$383,043	\$383,234	\$191
Special Assessments	86,200	86,406	206
Other Revenues	10,000	10,000	0
Total Revenues	<u>479,243</u>	<u>479,640</u>	<u>397</u>
Expenditures:			
Current:			
Community Environment	104,904	114,993	(10,089)
Capital Outlay	3,922,689	3,899,604	23,085
Total Expenditures	<u>4,027,593</u>	<u>4,014,597</u>	<u>12,996</u>
Excess of Revenues Over (Under) Expenditures	<u>(3,548,350)</u>	<u>(3,534,957)</u>	<u>13,393</u>
Other Financing Sources (Uses):			
Transfers In	2,541,500	2,541,500	0
Total Other Financing Sources (Uses)	<u>2,541,500</u>	<u>2,541,500</u>	<u>0</u>
Net Change in Fund Balance	(1,006,850)	(993,457)	13,393
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,404,690	1,404,690	0
Fund Balance End of Year	<u>\$397,840</u>	<u>\$411,233</u>	<u>\$13,393</u>

City of Troy, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2014

	OPWC Project Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Charges for Services	\$575,000	\$575,000	\$0
Total Revenues	575,000	575,000	0
Expenditures:			
Current:			
Capital Outlay	517,411	488,696	28,715
Total Expenditures	517,411	488,696	28,715
Excess of Revenues Over (Under) Expenditures	57,589	86,304	28,715
Other Financing Sources (Uses):			
Transfers In	250,000	250,000	0
Total Other Financing Sources (Uses)	250,000	250,000	0
Net Change in Fund Balance	307,589	336,304	28,715
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	181,014	181,014	0
Fund Balance End of Year	\$488,603	\$517,318	\$28,715

City of Troy, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2014

	Technology Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Charges for Services	\$110,425	\$110,427	\$2
Total Revenues	<u>110,425</u>	<u>110,427</u>	<u>2</u>
Expenditures:			
Current:			
Basic Utility	138,848	112,659	26,189
Total Expenditures	<u>138,848</u>	<u>112,659</u>	<u>26,189</u>
Net Change in Fund Balance	(28,423)	(2,232)	26,191
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>358,485</u>	<u>358,485</u>	<u>0</u>
Fund Balance End of Year	<u>\$330,062</u>	<u>\$356,253</u>	<u>\$26,191</u>

OTHER GENERAL FUNDS

With the implementation of GASB Statement No. 54, certain funds that the City prepares legally adopted budgets for no longer meet the definition to be reported as Special Revenue funds and have been included with the General Fund in the governmental fund financial statements. The City has only presented the budget schedules for these funds.

Fund Descriptions

Income Tax – To account for monies received to provide funds for the general municipal operations and permanent improvements to the City.

Investment Fund for Capital Improvement – To account for investments to fund capital improvements.

Safety - Income Tax - To account for monies received for that portion of the City income tax that is required by City ordinance to be used for public safety.

Recreational Programs - To account for monies received through charges for services for cultural and recreational events provided for public enjoyment.

Parks and Recreation Improvement - To account for monies which are to be used to maintain and upgrade recreational facilities.

City of Troy, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2014

	Income Tax Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Income Taxes	\$13,736,546	\$13,930,335	\$193,789
Investment Earnings	44,150	50,139	5,989
Other Revenues	4,700	4,953	253
Total Revenues	<u>13,785,396</u>	<u>13,985,427</u>	<u>200,031</u>
Expenditures:			
Current:			
General Government	<u>1,378,930</u>	<u>765,711</u>	<u>613,219</u>
Total Expenditures	<u>1,378,930</u>	<u>765,711</u>	<u>613,219</u>
Excess of Revenues Over (Under) Expenditures	<u>12,406,466</u>	<u>13,219,716</u>	<u>813,250</u>
Other Financing Sources (Uses):			
Transfers (Out)	<u>(13,550,000)</u>	<u>(13,550,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(13,550,000)</u>	<u>(13,550,000)</u>	<u>0</u>
Net Change in Fund Balance	(1,143,534)	(330,284)	813,250
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>6,231,760</u>	<u>6,231,760</u>	<u>0</u>
Fund Balance End of Year	<u>\$5,088,226</u>	<u>\$5,901,476</u>	<u>\$813,250</u>

(1) This fund is combined with the General fund in GAAP Statements.

City of Troy, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2014

	Investment Fund For Capital Improvement Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$378,000	\$422,268	\$44,268
Other Revenues	2,200	3,375	1,175
Total Revenues	380,200	425,643	45,443
Expenditures:			
Current:			
General Government	0	143	(143)
Total Expenditures	0	143	(143)
Excess of Revenues Over (Under) Expenditures	380,200	425,500	45,300
Other Financing Sources (Uses):			
Transfers (Out)	(310,000)	(308,662)	1,338
Total Other Financing Sources (Uses)	(310,000)	(308,662)	1,338
Net Change in Fund Balance	70,200	116,838	46,638
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	32,981,625	32,981,625	0
Fund Balance End of Year	\$33,051,825	\$33,098,463	\$46,638

(1) This fund is combined with the General fund in GAAP Statements.

City of Troy, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2014

	Safety - Income Tax Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Income Taxes	\$2,292,461	\$2,321,417	\$28,956
Total Revenues	<u>2,292,461</u>	<u>2,321,417</u>	<u>28,956</u>
Expenditures:			
Current:			
General Government	0	0	0
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>2,292,461</u>	<u>2,321,417</u>	<u>28,956</u>
Other Financing Sources (Uses):			
Transfers (Out)	<u>(2,500,000)</u>	<u>(2,500,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(2,500,000)</u>	<u>(2,500,000)</u>	<u>0</u>
Net Change in Fund Balance	(207,539)	(178,583)	28,956
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>991,248</u>	<u>991,248</u>	<u>0</u>
Fund Balance End of Year	<u>\$783,709</u>	<u>\$812,665</u>	<u>\$28,956</u>

(1) This fund is combined with the General fund in GAAP Statements.

City of Troy, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2014

	Recreational Programs Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Charges for Services	\$136,850	\$139,692	\$2,842
Investment Earnings	1,238	1,622	384
Other Revenues	225	248	23
Total Revenues	<u>138,313</u>	<u>141,562</u>	<u>3,249</u>
Expenditures:			
Current:			
Community Environment	159,609	139,418	20,191
Total Expenditures	<u>159,609</u>	<u>139,418</u>	<u>20,191</u>
Net Change in Fund Balance	(21,296)	2,144	23,440
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>268,974</u>	<u>268,974</u>	<u>0</u>
Fund Balance End of Year	<u>\$247,678</u>	<u>\$271,118</u>	<u>\$23,440</u>

(1) This fund is combined with the General fund in GAAP Statements.

City of Troy, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2014

	Parks and Recreation Improvement Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$335	\$439	\$104
Other Revenues	5,005	5,106	101
Total Revenues	5,340	5,545	205
Expenditures:			
Current:			
Recreation	5,151	0	5,151
Total Expenditures	5,151	0	5,151
Net Change in Fund Balance	189	5,545	5,356
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	71,026	71,026	0
Fund Balance End of Year	\$71,215	\$76,571	\$5,356

(1) This fund is combined with the General fund in GAAP Statements.

NONMAJOR FUNDS

Enterprise Funds: The Enterprise Funds are established to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the expense (including depreciation) of providing goods or services primarily or solely to the general public be financed or recovered primarily through user charges.

Fund Descriptions

Hobart Arena - To account for arena facilities provided by the City.

Swimming Pool - To account for swimming pool facilities provided by the City.

Parking Meter - To account for off-street parking provided by the City.

Miami Shores - To account for golf course facilities provided by the City.

City of Troy, Ohio
Combining Statement of Net Position
Nonmajor Enterprise Funds
December 31, 2014

	Hobart Arena	Swimming Pool	Parking Meter	Miami Shores
Assets:				
Equity in Pooled Cash and Investments	\$1,290,256	\$131,135	\$59,762	\$89,485
Receivables (Net):				
Accounts	1,256	3,250	0	240
Interest	0	0	27	41
Total Current Assets	1,291,512	134,385	59,789	89,766
Noncurrent Assets:				
Capital Assets:				
Nondepreciable Capital Assets	95,900	10,450	189,961	46,997
Depreciable Capital Assets, Net	1,478,083	3,173,252	22,500	235,697
Total Assets	2,865,495	3,318,087	272,250	372,460
Liabilities:				
Current Liabilities:				
Accounts Payable	18,985	797	0	2,932
Accrued Wages and Benefits	22,676	0	0	15,782
Compensated Absences	24,652	0	0	10,729
Total Current Liabilities	66,313	797	0	29,443
Long-Term Liabilities:				
Compensated Absences	17,871	0	0	7,778
Total Liabilities	84,184	797	0	37,221
Net Position:				
Net Investment in Capital Assets	1,573,983	3,183,702	212,461	282,694
Unrestricted	1,207,328	133,588	59,789	52,545
Total Net Position	\$2,781,311	\$3,317,290	\$272,250	\$335,239

<u> Total Nonmajor Enterprise Funds </u>
\$1,570,638
4,746 <u> 68</u>
<u>1,575,452</u>
343,308 <u>4,909,532</u>
<u>6,828,292</u>
22,714 38,458 <u>35,381</u>
<u>96,553</u>
<u>25,649</u>
<u>122,202</u>
5,252,840 <u>1,453,250</u>
<u><u>\$6,706,090</u></u>

City of Troy, Ohio
Combining Statement of Revenues, Expenses
and Changes in Fund Net Position
Nonmajor Enterprise Funds
For the Fiscal Year Ended December 31, 2014

	Hobart Arena	Swimming Pool	Parking Meter	Miami Shores
Operating Revenues:				
Charges for Services	\$142,263	\$201,438	\$9,657	\$592,073
Other Revenues	794,834	24,084	3,554	29,319
Total Operating Revenues	937,097	225,522	13,211	621,392
Operating Expenses:				
Personal Services	404,964	107,922	585	384,850
Contactual Services	246,906	48,702	0	154,290
Materials and Supplies	24,649	79,578	104	181,523
Depreciation	139,778	112,949	2,500	76,588
Other Expense	520,299	7,419	4,296	53,985
Total Operating Expenses	1,336,596	356,570	7,485	851,236
Operating Income (Loss)	(399,499)	(131,048)	5,726	(229,844)
Non-Operating Revenues (Expenses):				
Investment Earnings	0	0	588	869
Total Non-Operating Revenues (Expenses)	0	0	588	869
Income (Loss) Before Contributions and Transfers	(399,499)	(131,048)	6,314	(228,975)
Transfers In	501,438	360	25,000	230,216
Change in Net Position	101,939	(130,688)	31,314	1,241
Net Position - Beginning of Year	2,679,372	3,447,978	240,936	333,998
Net Position - End of Year	\$2,781,311	\$3,317,290	\$272,250	\$335,239

<u> <u>Total Nonmajor Enterprise Funds</u> </u>
<u>\$945,431</u>
<u>851,791</u>
<u>1,797,222</u>
898,321
449,898
285,854
331,815
585,999
<u>2,551,887</u>
<u>(754,665)</u>
<u>1,457</u>
<u>1,457</u>
(753,208)
<u>757,014</u>
3,806
<u>6,702,284</u>
<u>\$6,706,090</u>

City of Troy, Ohio
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Fiscal Year Ended December 31, 2014

	Hobart Arena	Swimming Pool	Parking Meter	Miami Shores
Cash Flows from Operating Activities:				
Cash Received from Customers	\$935,841	\$226,270	\$13,211	\$621,152
Cash Payments to Employees	(395,025)	(108,134)	(585)	(374,772)
Cash Payments to Suppliers	(787,780)	(135,401)	(4,400)	(389,020)
Net Cash Provided (Used) by Operating Activities	(246,964)	(17,265)	8,226	(142,640)
Cash Flows from Noncapital Financing Activities:				
Payments from Other Funds	501,438	360	25,000	230,216
Net Cash Provided (Used) by Noncapital Financing Activities	501,438	360	25,000	230,216
Cash Flows from Capital and Related Financing Activities:				
Payments for Capital Acquisitions	(83,753)	0	(25,000)	(70,793)
Net Cash Provided (Used) by Capital and Related Financing Activities	(83,753)	0	(25,000)	(70,793)
Cash Flows from Investing Activities:				
Earnings on Investments	0	0	604	888
Net Cash Provided (Used) by Cash Flows from Investing Activities	0	0	604	888
Net Increase (Decrease) in Cash and Cash Equivalents	170,721	(16,905)	8,830	17,671
Cash and Cash Equivalents - Beginning of Year	1,119,535	148,040	50,932	71,814
Cash and Cash Equivalents - End of Year	1,290,256	131,135	59,762	89,485
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	(399,499)	(131,048)	5,726	(229,844)
Adjustments:				
Depreciation	139,778	112,949	2,500	76,588
Changes in Assets & Liabilities:				
(Increase) Decrease in Receivables	(1,256)	748	0	(240)
Increase (Decrease) in Payables	4,074	298	0	778
Increase (Decrease) in Accrued Liabilities	9,939	(212)	0	10,078
Net Cash Provided (Used) by Operating Activities	(\$246,964)	(\$17,265)	\$8,226	(\$142,640)

<hr/>	
Total Nonmajor Enterprise Funds	
	<hr/>
\$1,796,474	
(878,516)	
(1,316,601)	<hr/>
(398,643)	<hr/>
757,014	<hr/>
757,014	<hr/>
(179,546)	<hr/>
(179,546)	<hr/>
1,492	<hr/>
1,492	
180,317	
1,390,321	<hr/>
1,570,638	<hr/> <hr/>
(754,665)	
331,815	
(748)	
5,150	
19,805	<hr/>
(\$398,643)	<hr/>

NONMAJOR FUNDS

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

Fund Descriptions

Agency Fund - Stouder Playground - To account for the receipt of monies to be used for the acquisition and maintenance of playground equipment.

Agency Fund - Paul G. Duke - To account for the receipt of monies to be used for the acquisition and improvement of parks and recreation facilities.

Agency Fund - Unclaimed Funds – To account for the receipt of unclaimed monies.

Agency Fund - Tri-Centennial - To account for receipt of monies to be used for tri-centennial activities.

Agency Fund - Imprest Cash - To account for assets and liabilities of the imprest cash fund.

Agency Fund - Enterprise Zone - agency fund is used to account for assets received and disbursed as agent relative to enterprise zone activities.

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

City of Troy, Ohio
Statement of Changes In Assets and Liabilities
Agency Funds
For the Fiscal Year Ended December 31, 2014

	Stouder Playground			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$15,711	\$187	\$0	\$15,898
Receivables (Net):				
Interest	13	7	13	7
Total Assets	15,724	194	13	15,905
Liabilities:				
Undistributed Monies	15,724	194	13	15,905
Total Liabilities	\$15,724	\$194	\$13	\$15,905

	Paul G. Duke			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$11,794	\$68	\$0	\$11,862
Receivables (Net):				
Interest	10	5	10	5
Total Assets	11,804	73	10	11,867
Liabilities:				
Undistributed Monies	11,804	73	10	11,867
Total Liabilities	\$11,804	\$73	\$10	\$11,867

	Unclaimed Funds			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$4,235	\$637	\$558	\$4,314
Total Assets	4,235	637	558	4,314
Liabilities:				
Undistributed Monies	4,235	637	558	4,314
Total Liabilities	\$4,235	\$637	\$558	\$4,314

Continued

City of Troy, Ohio
Statement of Changes In Assets and Liabilities
Agency Funds
For the Fiscal Year Ended December 31, 2014

	Tri-Centennial			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$1,083	\$7	\$0	\$1,090
Total Assets	<u>1,083</u>	<u>7</u>	<u>0</u>	<u>1,090</u>

Liabilities:				
Undistributed Monies	1,083	7	0	1,090
Total Liabilities	<u>\$1,083</u>	<u>\$7</u>	<u>\$0</u>	<u>\$1,090</u>

	Imprest Cash			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$3,000	\$1,000	\$1,000	\$3,000
Total Assets	<u>3,000</u>	<u>1,000</u>	<u>1,000</u>	<u>3,000</u>

Liabilities:				
Undistributed Monies	3,000	1,000	1,000	3,000
Total Liabilities	<u>\$3,000</u>	<u>\$1,000</u>	<u>\$1,000</u>	<u>\$3,000</u>

	Enterprise Zone			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$1,065	\$6,450	\$7,000	\$515
Total Assets	<u>1,065</u>	<u>6,450</u>	<u>7,000</u>	<u>515</u>

Liabilities:				
Undistributed Monies	565	6,450	6,500	515
Total Liabilities	<u>\$1,065</u>	<u>\$6,450</u>	<u>\$7,000</u>	<u>\$515</u>

Continued

City of Troy, Ohio
Statement of Changes In Assets and Liabilities
Agency Funds
For the Fiscal Year Ended December 31, 2014

	Fire Insurance Escrow			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$26,102	\$22,574	\$28,942	\$19,734
Total Assets	<u>26,102</u>	<u>22,574</u>	<u>28,942</u>	<u>19,734</u>
Liabilities:				
Undistributed Monies	26,102	22,574	28,942	19,734
Total Liabilities	<u>\$26,102</u>	<u>\$22,574</u>	<u>\$28,942</u>	<u>\$19,734</u>

	Total All Agency Funds			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$62,990	\$30,923	\$37,500	\$56,413
Receivables (Net):				
Interest	23	12	23	12
Total Assets	<u>63,013</u>	<u>30,935</u>	<u>37,523</u>	<u>56,425</u>
Liabilities:				
Undistributed Monies	62,513	30,935	37,023	56,425
Total Liabilities	<u>\$63,013</u>	<u>\$30,935</u>	<u>\$37,523</u>	<u>\$56,425</u>

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STATISTICAL SECTION



STATISTICAL SECTION

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

Contents

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

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

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

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

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

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

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

	Calendar Year									
	2005	2006	2007	2008	2009	2010	2011	2012 (1)	2013 (1)	2014 (1)
Governmental Activities										
Net Investment in Capital Assets	\$29,562,186	\$28,145,826	\$30,704,516	\$31,419,257	\$34,675,398	\$34,225,459	\$34,639,518	\$32,060,415	\$37,627,539	\$34,945,389
Restricted	12,517,653	9,735,905	8,547,364	9,103,361	9,958,828	10,582,438	8,539,110	8,487,756	9,427,534	11,411,958
Unrestricted	35,335,482	36,658,401	38,068,043	40,083,298	39,451,677	41,162,496	45,244,719	51,876,747	48,367,971	48,996,116
Total Governmental Activities Net Position	\$77,415,321	\$74,540,132	\$77,319,923	\$80,605,916	\$84,085,903	\$85,970,393	\$88,423,347	\$92,424,918	\$95,423,044	\$95,353,463
Business-Type Activities										
Net Investment in Capital Assets	\$29,577,577	\$35,008,503	\$35,452,837	\$35,991,417	\$35,342,051	\$35,915,079	\$36,142,585	\$36,053,061	\$37,306,703	\$45,817,933
Unrestricted	19,041,135	17,091,607	16,982,495	15,482,264	13,775,201	13,387,117	13,596,466	14,543,866	14,520,575	14,878,680
Total Business-Type Activities Net Position	\$48,618,712	\$52,100,110	\$52,435,332	\$51,473,681	\$49,117,252	\$49,302,196	\$49,739,051	\$50,596,927	\$51,827,278	\$60,696,613
Total Primary Government										
Net Investment in Capital Assets	\$59,139,763	\$63,154,329	\$66,157,353	\$67,410,674	\$70,017,449	\$70,140,538	\$70,782,103	\$68,113,476	\$74,934,242	\$80,763,322
Restricted	12,517,653	9,735,905	8,547,364	9,103,361	9,958,828	10,582,438	8,539,110	8,487,756	9,427,534	11,411,958
Unrestricted	54,376,617	53,750,008	55,050,538	55,565,562	53,226,878	54,549,613	58,841,185	66,420,613	62,888,546	63,874,796
Total Primary Government Net Position	\$126,034,033	\$126,640,242	\$129,755,255	\$132,079,597	\$133,203,155	\$135,272,589	\$138,162,398	\$143,021,845	\$147,250,322	\$156,050,076

(1) - Due to the implementation of GASB63 in 2012, Net Assets will now be referred to as Net Position.

Source: City Records

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

	Calendar Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental Activities:										
General Government	\$5,660,201	\$5,180,111	\$5,345,922	\$5,103,878	\$4,703,316	\$4,582,293	\$4,811,024	\$4,347,195	\$4,886,884	\$4,690,026
Public Safety	8,787,052	8,842,678	9,501,076	9,746,678	9,602,958	10,007,502	9,788,994	9,758,352	11,085,786	10,835,093
Leisure Time Activities	1,884,611	1,820,227	1,821,894	1,821,739	1,800,337	1,765,285	1,963,883	1,759,009	1,586,678	1,657,996
Community Development	836,887	688,806	959,438	695,455	778,762	1,017,450	969,092	1,071,345	1,132,281	920,312
Basic Utility Service	1,852,260	1,493,639	1,229,838	1,195,413	1,285,995	1,329,668	1,197,495	1,264,386	1,338,126	1,462,403
Transportation and Street Repair	2,392,805	3,681,464	2,473,911	2,206,531	2,181,607	2,404,692	3,955,665	2,278,552	1,662,887	2,166,857
Public Health and Welfare	500,215	428,505	533,385	469,365	455,342	378,736	349,444	353,417	312,993	377,222
Interest and Fiscal Charges	600,203	560,291	530,750	512,045	490,667	470,078	453,931	207,620	318,508	301,410
Total Governmental Activities Expenses	22,514,234	22,695,721	22,396,214	21,751,104	21,298,984	21,955,704	23,489,528	21,039,876	22,324,143	22,411,319
Business-Type Activities:										
Water Utility	4,574,926	4,962,223	4,718,693	5,062,771	4,656,843	4,292,357	4,017,767	4,447,884	4,321,114	4,647,346
Sewer Utility	3,776,760	4,614,815	4,082,607	4,609,529	4,059,903	4,127,389	4,086,762	4,130,725	4,266,132	4,688,542
Arena Facilities	683,886	771,549	912,204	1,053,354	1,127,694	1,122,147	1,324,887	1,486,347	1,435,067	1,336,596
Pool	323,370	293,478	343,074	343,970	315,939	346,867	359,687	360,881	340,789	356,570
Parking	44,624	44,946	38,354	46,869	45,003	45,670	46,292	47,419	25,920	7,485
Golf Course	814,751	763,612	866,238	785,734	752,247	791,761	820,170	863,678	801,615	851,236
Stadium Facilities (1)	84,232	168,464	173,264	169,517	2,914,173	0	0	0	0	0
Stormwater Utility	0	0	0	209,518	736,277	894,589	925,378	801,990	750,127	1,132,783
Total Business-Type Activities Expenses	10,302,549	11,619,087	11,134,434	12,281,262	14,608,079	11,620,780	11,580,943	12,138,924	11,940,764	13,020,558
Total Primary Government Expenses	\$32,816,783	\$34,314,808	\$33,530,648	\$34,032,366	\$35,907,063	\$33,576,484	\$35,070,471	\$33,178,800	\$34,264,907	\$35,431,877
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	\$160,545	\$109,659	\$141,270	\$133,700	\$245,612	\$238,871	\$209,420	\$184,969	\$277,995	\$230,229
Public Safety	1,132,278	1,103,563	1,123,179	1,259,802	1,335,644	1,275,937	1,476,420	1,436,008	1,435,582	1,548,977
Leisure Time Activities	178,506	177,180	181,784	172,565	156,521	163,156	148,126	132,752	120,639	140,193
Community Development	0	0	261,874	57,239	88,534	90,623	128,721	133,661	53,024	68,546
Basic Utility Service	302,450	305,678	618,812	697,232	1,209,115	1,814,395	1,863,435	1,937,636	1,998,963	2,036,694
Transportation and Street Repair	9,636	7,922	14,605	34,793	53,888	39,698	45,147	27,430	28,727	8,245
Public Health and Welfare	142,834	220,964	219,022	17,273	204,179	186,317	175,105	257,082	137,154	87,960
Operating Grants and Contributions	1,207,394	2,147,032	1,801,525	1,332,705	1,930,659	1,454,945	1,140,154	1,077,177	1,539,798	871,085
Capital Grants and Contributions	2,650,155	2,311,020	1,401,939	1,056,487	1,506,391	613,524	1,951,040	405,309	409,844	1,741,471
Total Governmental Activities Program Revenues	5,783,798	5,483,018	5,143,010	4,761,796	6,730,543	5,877,466	7,137,568	5,592,024	6,001,726	6,733,400

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

	Calendar Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Business-Type Activities:										
Charges for Services:										
Water Utility	4,795,403	4,129,742	4,244,932	4,110,581	4,105,433	4,652,239	4,567,748	5,108,969	4,999,136	5,032,906
Sewer Utility	3,784,736	3,414,879	3,332,482	3,355,106	3,220,430	3,390,515	3,463,415	3,639,617	4,123,845	4,231,193
Arena Facilities	71,053	80,893	104,661	23,501	114,584	137,692	130,425	124,329	146,322	142,263
Pool	224,303	222,913	223,289	231,798	209,716	242,840	253,765	222,790	202,949	201,438
Parking	19,521	18,085	19,318	21,246	23,265	23,731	23,987	18,074	16,356	9,657
Golf Course	695,849	679,688	690,093	696,368	696,102	666,908	613,956	669,172	620,147	592,073
Stormwater Utility	0	0	0	843,823	1,037,004	1,174,156	1,213,311	1,200,532	1,246,514	1,272,132
Operating Grants and Contributions	79,150	0	0	0	0	3,158	0	0	13,997	0
Capital Grants and Contributions	1,354,320	1,224,803	583,485	400,594	1,869,683	162,542	173,440	277,928	287,130	0
Total business-Type Activities Program Revenues	11,024,335	9,771,003	9,198,260	9,683,017	11,276,217	10,453,781	10,440,047	11,261,411	11,656,396	11,481,662
Total Primary Government Program Revenues	\$16,808,133	\$15,254,021	\$14,341,270	\$14,444,813	\$18,006,760	\$16,331,247	\$17,577,615	\$16,853,435	\$17,658,122	\$18,215,062
Net (Expense)/Revenue	(\$16,730,436)	(\$17,212,703)	(\$17,253,204)	(\$16,989,308)	(\$14,568,441)	(\$16,078,238)	(\$16,351,960)	(\$15,447,852)	(\$16,322,417)	(\$15,677,919)
Governmental Activities	721,786	(1,848,084)	(1,936,174)	(2,598,245)	(3,331,862)	(1,166,999)	(1,140,896)	(877,513)	(284,368)	(1,538,896)
Total Primary Government Net Expenses	(\$16,008,650)	(\$19,060,787)	(\$19,189,378)	(\$19,587,553)	(\$17,900,303)	(\$17,245,237)	(\$17,492,856)	(\$16,325,365)	(\$16,606,785)	(\$17,216,815)

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

	Calendar Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Income Taxes	\$12,681,511	\$12,542,400	\$12,882,229	\$13,294,831	\$10,947,510	\$10,942,392	\$14,186,343	\$15,913,230	\$15,973,203	\$16,316,396
Property Taxes Levied for:										
General Purposes	1,927,756	2,592,328	1,858,851	1,772,552	1,889,150	1,912,221	1,760,509	1,860,106	1,705,413	1,618,964
Special Revenue Purposes	2,096	0	822,177	870,088	1,888,060	1,899,601	47,119	30,929	6,520	32,665
Grants and Entitlements not Restricted	2,193,117	1,131,293	1,673,098	2,235,974	1,739,288	1,918,673	1,886,775	1,161,462	1,490,142	292,024
Payments in Lieu of Taxes	0	0	162,376	186,224	194,775	205,798	208,268	224,299	235,542	248,790
Unrestricted Contributions	44,600	56,900	97,535	50,847	48,268	71,000	95,051	72,989	71,262	57,170
Investment Earnings	1,143,110	2,160,055	2,826,639	2,115,536	1,035,398	1,192,176	975,686	607,412	(91,481)	1,153,754
Other Revenues	110,043	194,604	285,090	291,351	280,779	330,667	290,969	308,996	616,141	497,275
Transfers-Internal Activities	(825,000)	(4,340,066)	(575,000)	(542,102)	25,200	(509,800)	(645,806)	(730,000)	(600,391)	(757,733)
Total Governmental Activities	17,277,233	14,337,514	20,032,995	20,275,301	18,048,428	17,962,728	18,804,914	19,449,423	19,406,351	19,459,305
Business-Type Activities:										
Investment Earnings	416,709	674,201	848,742	596,975	319,289	207,922	149,260	114,967	7,877	166,647
Other Revenues	288,991	315,215	370,048	497,517	681,344	634,221	782,685	890,422	958,006	947,476
Transfers-Internal Activities	825,000	4,340,066	575,000	542,102	(25,200)	509,800	645,806	730,000	600,391	757,733
Total Business-Type Activities	1,530,700	5,329,482	1,793,790	1,636,594	975,433	1,351,943	1,577,751	1,735,389	1,566,274	1,871,856
Total Primary Government	\$18,807,933	\$19,666,996	\$21,826,785	\$21,911,895	\$19,023,861	\$19,314,671	\$20,382,665	\$21,184,812	\$20,972,625	\$21,331,161
Changes in Net Position										
Governmental Activities	\$546,797	(\$2,875,189)	\$2,779,791	\$3,285,993	\$3,479,987	\$1,884,490	\$2,452,954	\$4,001,571	\$3,083,934	\$3,781,386
Business-Type Activities	2,252,486	3,481,398	(142,384)	(961,651)	(2,356,429)	184,944	436,855	857,876	1,281,906	332,960
Total Primary Government	\$2,799,283	\$606,209	\$2,637,407	\$2,324,342	\$1,123,558	\$2,069,434	\$2,889,809	\$4,859,447	\$4,365,840	\$4,114,346

Source: City Records

(1) - The City sold the Stadium to Troy City School District in calendar year 2009

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

	Calendar Year									
	2005	2006	2007	2008	2009	2010	2011 (1)	2012	2013	2014
General Fund										
Reserved	\$352,871	\$189,868	\$223,214	\$378,809	\$431,345	\$356,805	\$0	\$0	\$0	\$0
Unreserved	35,424,413	36,832,346	38,220,243	40,269,770	42,053,913	43,868,112	0	0	0	0
Restricted							1,573,675	1,177,323	991,248	794,501
Committed							0	0	32,981,626	33,508,812
Assigned							212,633	530,678	456,887	1,939,443
Unassigned							46,268,525	50,053,558	17,838,673	16,808,887
Total General Fund	35,777,284	37,022,214	38,443,457	40,648,579	42,485,258	44,224,917	48,054,833	51,761,559	52,268,434	53,051,643
All Other Governmental Funds										
Reserved	2,765,365	3,611,392	2,371,022	2,144,285	3,034,723	3,827,372	0	0	0	0
Unreserved, Reported in:										
Special Revenue Funds	3,983,478	4,192,666	4,202,902	5,272,144	5,243,384	5,341,963	0	0	0	0
Debt Service Funds	342,156	191,004	110,261	160,154	232,506	274,612	0	0	0	0
Capital Project Funds	4,101,074	366,197	760,315	649,451	733,014	561,516	0	0	0	0
Restricted							7,761,596	7,931,844	8,557,723	10,132,288
Assigned							283,564	404,431	461,157	460,950
Unassigned							0	(1,428,095)	(1,310,578)	(1,159,095)
Total all Other Governmental Funds	\$11,192,073	\$8,361,259	\$7,444,500	\$8,226,034	\$9,243,627	\$10,005,463	\$8,045,160	\$6,908,180	\$7,708,302	\$9,434,143

Source: City Records

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

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

	Calendar Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Taxes	\$14,670,531	\$15,141,702	\$15,556,609	\$15,951,626	\$14,703,665	\$14,748,543	\$15,993,488	\$17,807,971	\$17,685,933	\$18,003,217
Fines, Licenses and Permits	112,296	113,676	110,183	123,486	117,596	93,858	93,590	89,644	74,149	415,384
Charges for Services	1,633,216	1,577,227	2,251,504	2,202,251	2,926,793	3,509,000	3,745,558	3,769,716	3,991,137	3,777,696
Investment Earnings	1,143,111	2,160,056	2,826,639	2,115,536	1,035,398	1,192,176	975,686	607,413	(84,471)	1,153,755
Intergovernmental	3,547,439	3,560,341	3,125,811	4,150,674	4,435,499	3,853,125	4,242,916	2,511,480	2,939,465	2,399,866
Special Assessments	195,049	261,521	239,099	227,058	298,786	123,178	80,669	41,495	51,702	91,946
Revenue in Lieu of Taxes	0	0	162,376	186,224	194,775	205,798	208,268	224,299	235,542	248,790
Other Revenues	389,713	418,722	525,371	491,651	493,893	532,065	575,152	521,905	699,986	538,199
Total Revenues	21,691,355	23,233,245	24,797,592	25,448,506	24,206,405	24,257,743	25,915,327	25,573,923	25,593,443	26,628,853
Expenditures										
Current:										
General Government	4,053,075	4,332,665	4,772,246	4,676,746	4,159,322	4,044,847	4,394,047	3,920,295	4,358,675	4,313,792
Public Safety	8,369,858	8,396,677	9,234,356	9,245,869	9,140,317	9,478,312	9,553,157	9,372,255	10,530,314	10,217,092
Leisure Time Activities	1,510,229	1,400,691	1,546,806	1,516,300	1,508,342	1,470,324	1,682,768	1,568,078	1,307,669	1,409,945
Community Development	832,057	645,149	918,513	660,303	721,362	984,252	943,809	1,022,148	1,083,725	914,865
Basic Utility Service	1,559,172	1,264,828	1,224,791	1,146,691	1,225,369	1,099,540	1,062,114	1,109,850	1,158,762	1,408,069
Transportation and Street Repair	2,066,280	1,949,294	2,263,423	1,994,218	1,834,053	2,077,805	2,893,547	1,545,172	1,513,367	1,474,539
Public Health and Welfare	467,916	426,129	494,383	433,203	432,254	428,737	361,014	360,495	332,317	377,198
Capital Outlay	5,288,381	4,876,998	2,196,944	1,424,698	887,499	743,293	1,662,805	975,032	2,331,832	2,426,089
Debt Service:										
Principal Retirement	918,000	634,000	534,000	554,000	510,000	485,000	495,000	604,826	587,388	609,875
Interest and Fiscal Charges	684,360	562,698	532,646	514,124	492,630	471,922	459,813	254,132	265,211	248,373
Bond Issuance Costs	0	0	0	0	0	0	38,355	54,565	0	0
Total Expenditures	\$25,749,328	\$24,489,129	\$23,718,108	\$22,166,152	\$20,911,148	\$21,284,032	\$23,546,429	\$20,786,848	\$23,469,260	\$23,399,837

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

	Calendar Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Excess of revenues over (under) expenditures	(\$4,057,973)	(\$1,255,884)	\$1,079,484	\$3,282,354	\$3,295,257	\$2,973,711	\$2,368,898	\$4,787,075	\$2,124,183	\$3,229,016
Other Financing Sources (Uses)										
Sale of Refunding Bonds	\$0	\$0	\$0	\$0	\$0	\$0	\$2,005,000	\$5,031,625	\$0	\$0
Payments to Refunded Bond Escrow Agent	0	0	0	0	0	0	(1,955,639)	(4,994,725)	0	0
Premium on Sale of Refunded Bonds	0	0	0	0	0	0	13,541	71,287	0	0
(Discount) on Sale of Refunded Bonds	0	0	0	0	0	0	(20,050)	(50,319)	0	0
Proceeds from Sale of Capital Assets	3,889,006	3,465,000	4,511,874	2,465,589	3,804,704	57,784	12,863	64,803	179,210	37,767
Transfers In	(4,714,006)	(3,795,000)	(5,086,874)	(2,965,589)	(4,264,304)	(5,117,000)	3,068,270	2,626,819	3,688,623	4,392,814
Transfers (Out)							(3,623,270)	(3,356,819)	(4,685,019)	(5,150,547)
Total Other Financing Sources (Uses)	(825,000)	(330,000)	(575,000)	(295,698)	(440,985)	(472,216)	(499,285)	(607,329)	(817,186)	(719,966)
Net Change in Fund Balances	(\$4,882,973)	(\$1,585,884)	\$504,484	\$2,986,656	\$2,854,272	\$2,501,495	\$1,869,613	\$4,179,746	\$1,306,997	\$2,509,050
Debt service as a percentage of noncapital expenditures (1)	8.0%	5.8%	5.3%	5.2%	5.3%	4.7%	4.3%	4.3%	4.2%	4.0%

Source: City Records

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

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

Calendar Year	Real Property Assessed Value		Tangible Personal Property (1) Assessed Value		Public Utilities Personal Assessed Value		Total Assessed Value	Total Estimated Actual Value	Total Direct Rate (2)	Total Direct Rate (3)
	Assessed Value	Value	Assessed Value	Value	Assessed Value	Value				
2005	\$406,825,130	\$125,877,320	\$11,115,360	\$543,817,810	\$1,553,765,171	3.10	1.10			
2006	427,342,540	119,988,710	11,197,820	558,529,070	1,595,797,343	3.10	1.10			
2007	432,828,960	82,696,590	11,374,070	526,899,620	1,505,427,486	3.10	1.10			
2008	476,759,560	48,088,660	9,799,060	534,647,280	1,527,563,657	3.10	1.10			
2009	485,838,200	24,111,720	10,003,980	519,953,900	1,485,582,571	3.10	1.10			
2010	496,671,020	790,250	9,929,350	507,390,620	1,449,687,486	3.10	1.10			
2011	489,082,260	382,320	10,409,340	499,873,920	1,428,211,200	3.10	1.10			
2012	491,652,910	0	10,786,650	502,439,560	1,435,541,600	3.10	1.10			
2013	497,566,570	0	13,116,620	510,683,190	1,459,094,829	3.10	1.10			
2014	471,863,070	0	12,778,280	484,641,350	1,384,689,571	3.10	1.10			

Source: County Auditor

(1) - House Bill 66 eliminated all current Tangible Personal Property filings except for the telecommunication companies.

(2) - For Tax District D08

(3) - For Tax District D45

Note: The assessed value of real property (including public utility real property) is 35 percent of estimated true value. Personal property tax is assessed on all tangible personal property used in business in Ohio. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property is assessed at 25 percent for everything except inventories, which are assessed at 23 percent. Property is assessed annually.

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue to be received in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10 percent, 2 1/2 percent and homestead exemptions before being billed.

City of Troy, Ohio
 Direct and Overlapping Property Tax Rates
 Last Ten Calendar Years
 Schedule 6

Calendar Year	Total Direct Rate (1)	Overlapping Rates (1)					
		Miami		Upper Valley		Troy-Miami	
		Conservancy City (3)	Troy City School District	Joint Vocational	Miami County	County Library (4)	County Library (4)
2005	3.10	0.14	56.59	5.45	9.11	N/A	
2006	3.10	0.14	56.59	5.45	9.12	N/A	
2007	3.10	0.14	56.59	5.45	8.81	N/A	
2008	3.10	0.14	52.09	5.35	8.80	N/A	
2009	3.10	0.14	52.09	5.18	8.81	N/A	
2010	3.10	0.14	52.28	5.36	8.81	0.60	
2011	3.10	0.09	52.40	5.32	8.81	0.60	
2012	3.10	0.07	52.61	5.32	8.81	0.60	
2013	3.10	0.00	52.66	5.30	8.75	0.60	
2014	3.10	0.07	52.69	5.32	8.81	0.60	

Calendar Year	Total Direct Rate (2)	Overlapping Rates (2)				
		Miami		Miami Valley		
		Conservancy City (3)	Miami East School District	Career Technology Center	Miami County	
2005	1.10	0.14	45.80	2.58	9.11	N/A
2006	1.10	0.14	46.80	2.58	9.12	N/A
2007	1.10	0.14	46.80	2.58	8.81	N/A
2008	1.10	0.14	46.50	2.58	8.80	N/A
2009	1.10	0.14	49.46	2.58	8.81	N/A
2010	1.10	0.14	49.46	2.58	8.81	0.60
2011	1.10	0.09	46.71	2.58	8.81	0.60
2012	1.10	0.07	46.70	2.58	8.81	0.60
2013	1.10	0.00	46.59	2.58	8.75	0.60
2014	1.10	0.07	46.30	2.58	8.81	0.60

Source: County Auditor

- (1) - For Tax District D08. The components that make up the Total Direct Rate were not available from the County Auditor, only the Total Direct Rate is available.
- (2) - For Tax District D45. The components that make up the Total Direct Rate were not available from the County Auditor, only the Total Direct Rate is available.
- (3) - Levied by the City for the benefit of the Miami Conservancy District
- (4) - 2010 was the first year the Troy-Miami County Library was levied by the City. This was a 5 year levy.

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

City of Troy, Ohio
Principal Property Tax Payers
Current Year and Eight Years Ago
Schedule 7

Taxpayer	2014	
	Assessed Value	Percentage of Total Assessed Value
Dayton Power and Light Company	\$9,293,210	1.92%
American Honda Motor	6,955,690	1.44%
F&P America Manufacturing, Inc.	4,342,580	0.90%
Vectren Energy Delivery of Ohio Inc.	4,104,610	0.85%
Health Care Reit Inc.	3,472,990	0.72%
Hobart Corporation	3,145,370	0.65%
Dayton Montgomery County Port Authority	2,948,340	0.61%
TPAP IV Town Park Delaware LLC	2,894,300	0.60%
DW28 Monroe LLC & WW28 Monroe LLC	2,718,270	0.56%
Troy Investment Group LLC	2,609,330	0.54%
Total Principal Property Tax Payers	\$42,484,690	8.77%

Taxpayer	2006 (1)	
	Assessed Value	Percentage of Total Assessed Value
American Honda Motor	\$8,750,000	1.57%
Dayton Power and Light Company	6,667,470	1.19%
Towne Park Apartments, LLC	4,356,040	0.78%
Hobart Corporation	4,285,670	0.77%
Ramco Properties	3,113,710	0.56%
Dayton Montgomery County	2,440,950	0.44%
Hobart Brothers Company	2,423,690	0.43%
Lowes Home Centers, Inc.	2,397,850	0.43%
Health Care REIT, Inc.	2,390,990	0.43%
B F Goodrich Co.	2,221,260	0.40%
Total Principal Property Tax Payers	\$39,047,630	7.00%

(1) - Current and eight years ago information only available. Information from nine years prior is not available.

Source: County Auditor

City of Troy, Ohio
Property Tax Levies and Collections
Last Ten Calendar Years
Schedule 8

Calendar Year	Taxes Levied for the Calendar Year (2)	Collected, including Delinquencies, within the Calendar Year of the Levy		Accumulated Delinquency (1)	Total Collections to Date	
		Amount (3)	Percentage of Levy		Amount	Percentage of Levy
2005	\$1,445,812	\$1,390,088	96.15%	\$55,724	\$1,445,812	100.00%
2006	1,492,952	1,440,079	96.46%	52,873	1,492,952	100.00%
2007	1,558,388	1,499,522	96.22%	58,866	1,558,388	100.00%
2008	1,716,982	1,640,749	95.56%	76,233	1,716,982	100.00%
2009	1,757,384	1,690,146	96.17%	67,238	1,757,384	100.00%
2010	1,792,808	1,732,453	96.63%	41,410	1,773,863	98.94%
2011 (4)	1,731,500	1,680,088	97.03%	51,412	1,731,500	100.00%
2012 (5)	1,728,675	1,684,400	97.44%	44,275	1,728,675	100.00%
2013 (5)	1,714,325	1,677,487	97.85%	36,838	1,714,325	100.00%
2014 (5)	1,679,317	1,646,258	98.03%	33,059	1,679,317	100.00%

Source: County Auditor

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

(2) - Taxes levied and collected are presented on a cash basis.

(3) - State reimbursements of rollback and homestead exemptions are included.

(4) - Includes City of Troy TIF Parcels.

(5) - No tangible personal property included.

City of Troy, Ohio
Income Tax by Payer Type and Income Tax Rate
Last Ten Calendar Years
(cash basis of accounting)
Schedule 9

Calendar Year	Withholding Accounts	Business Accounts	Residential Accounts	Total	Income Tax Rate
2005	\$9,992,096	\$2,220,540	\$737,792	\$12,950,428	1.75%
2006	10,063,324	2,417,595	774,027	13,254,946	1.75%
2007	10,516,937	2,183,885	764,159	13,464,981	1.75%
2008	11,075,668	1,963,644	1,071,371	14,110,683	1.75%
2009	10,245,095	1,251,838	1,258,095	12,755,028	1.75%
2010	10,334,799	1,257,584	1,171,897	12,764,280	1.75%
2011	10,941,314	1,943,457	1,301,572	14,186,343	1.75%
2012	11,947,402	2,598,675	1,361,993	15,908,070	1.75%
2013	12,055,419	2,728,488	1,413,919	16,197,826	1.75%
2014	12,427,660	2,510,592	1,311,989	16,250,241	1.75%

Source: City Records

Note: Increases in the income tax rate requires voter approval.

City of Troy, Ohio
Principal Income Taxpayers
Current and Prior Year
(cash basis of accounting)
Schedule 10

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

City of Troy, Ohio
Ratios of Outstanding Debt by Type
Last Ten Calendar Years
Schedule 11

Calendar Year	Governmental Activities			Business-Type Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Special Assessment Bonds	General Obligation Bonds	Notes Payable	OWDA Loan	Total				
2005 (1)	\$10,320,000	\$262,000	\$18,712,000	\$0	\$0	\$29,294,000	0.94%	\$956		
2006 (1)	9,775,000	198,000	17,235,000	0	0	27,208,000	0.84%	848		
2007 (1)	9,330,000	134,000	15,845,000	50,864	0	25,359,864	0.76%	764		
2008 (1)	8,865,000	70,000	14,425,000	36,396	0	23,396,396	0.66%	668		
2009 (1)	8,435,000	20,000	12,920,000	21,264	712,670	22,108,934	0.64%	656		
2010 (1)	7,990,000	10,000	11,345,000	5,438	685,987	20,036,425	0.56%	572		
2011 (1)	7,577,852	0	9,728,362	0	419,940	17,726,154	0.47%	479		
2012	6,988,195	0	8,268,045	0	408,452	15,664,692	0.39%	400		
2013	7,021,913	0	7,008,695	0	388,719	14,419,327	0.35%	357		
2014	6,410,882	0	12,044,721	0	382,825	18,838,428	N/A	N/A		

Source: City Records

(1) - Governmental Activities General Obligations Bonds were restated to exclude the manuscript bonds. See note 17 in the notes to the basic financial statements for further information.

N/A - Information not available

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

City of Troy, Ohio
Ratios of General Bonded Debt Outstanding
Last Ten Calendar Years
Schedule 12

Calendar Year	General Bonded Debt Outstanding Total General Obligation Bonds	Debt Service Fund Balance (1)	General Bonded Debt Outstanding Net General Obligation Bonds	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2005	\$29,032,000	\$0	\$29,032,000	1.87%	\$1,320
2006	27,010,000	0	27,010,000	1.69%	1,228
2007	25,175,000	0	25,175,000	1.67%	1,144
2008	23,290,000	0	23,290,000	1.52%	1,059
2009	21,355,000	0	21,355,000	1.44%	971
2010	19,335,000	0	19,335,000	1.33%	772
2011	17,306,214	0	17,306,214	1.21%	691
2012	15,256,240	0	15,256,240	1.06%	609
2013	14,030,608	0	14,030,608	0.96%	560
2014	18,455,603	0	18,455,603	1.33%	737

(1) - The effect of the restatement of the manuscript bonds would have made the total debt service balance negative since it would be classified as an interfund payable.

Source: City Records

City of Troy, Ohio
 Direct and Overlapping Governmental Activities Debt
 As of December 31, 2014
 Schedule 13

Governmental Unit	Net Debt Outstanding	Estimated Percentage Applicable (1)	Amount Applicable to City of Troy
Miami County	\$19,180,000	22.93%	\$4,397,974
Troy City School District	15,459,990	74.00%	11,440,393
Miami East Local School District	14,912,079	8.10%	1,207,878
Miami Valley Career Center Joint Vocational School District	6,160,000	0.25%	15,400
Upper Valley Career Center Joint Vocational School District	3,395,000	21.10%	716,345
Subtotal Overlapping Debt	59,107,069		17,777,990
City of Troy - Direct Debt	6,410,882	100.00%	6,410,882
Total Direct and Overlapping Debt	\$65,517,951		\$24,188,872

Source: Ohio Municipal Advisory Council

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

City of Troy, Ohio
 Legal Debt Margin Information
 Last Ten Calendar Years
 Schedule 14

Legal Debt Margin Calculation for Calendar Year 2013

Assessed Value	\$484,641,350	\$484,641,350
Statutory Legal Debt Limitation (1)	10.5%	5.5%
Total Debt Limitation	50,887,342	26,655,274
Debt Applicable to Limit:		
Gross Indebtedness	18,838,428	18,838,428
Less: Debt Outside Limitations (2)	12,427,546	12,427,546
Less: Bond Retirement Fund Balance	0	0
Total Net Debt Applicable to Limit	6,410,882	6,410,882
Legal Debt Margin	\$44,476,460	\$20,244,392

	Calendar Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Total Debt Limit (1)										
Debt Limit (10.5%)	\$57,100,870	\$58,645,552	\$55,324,460	\$56,137,964	\$54,595,160	\$53,276,015	\$52,486,762	\$52,756,154	\$53,621,735	\$50,887,342
Total Net Debt Applicable to Limit	11,959,715	11,190,031	10,900,046	10,551,194	10,797,038	10,315,987	9,187,852	6,988,195	7,021,913	6,410,882
Legal Debt Margin	\$45,141,155	\$47,455,521	\$44,424,414	\$45,586,770	\$43,798,122	\$42,960,028	\$43,298,910	\$45,767,959	\$46,599,822	\$44,476,460
Total Net Debt Applicable to the Limit										
as a Percentage of Debt Limit	20.9%	19.1%	19.7%	18.8%	19.8%	19.4%	17.5%	13.2%	13.1%	12.6%

	Calendar Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Total Unvoted Debt Limit (1)										
Debt Limit (5.5%)	\$29,909,980	\$30,719,099	\$28,979,479	\$29,405,600	\$28,597,465	\$27,906,484	\$27,493,066	\$27,634,176	\$28,087,575	\$26,655,274
Total Net Debt Applicable to Limit	11,959,715	11,190,031	10,900,046	10,551,194	10,797,038	10,315,987	9,187,852	6,988,195	7,021,913	6,410,882
Legal Debt Margin	\$17,950,265	\$19,529,068	\$18,079,433	\$18,854,406	\$17,800,427	\$17,590,497	\$18,305,214	\$20,645,981	\$21,065,662	\$20,244,392
Total Net Debt Applicable to the Limit										
as a Percentage of Debt Limit	40.0%	36.4%	37.6%	35.9%	37.8%	37.0%	33.4%	25.3%	25.0%	24.1%

Source: City Records

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

(2) - General obligation bonds and notes in the enterprise funds, special assessment debt with government commitment and bond anticipation notes have been included.

City of Troy, Ohio
Pledged-Revenue Coverage
Last Ten Calendar Years
Schedule 15

Calendar Year	Special Assessment Bonds			
	Special Assessment Collections (1)	Debt Service		Coverage
		Principal	Interest	
2005	161,427	262,000	22,775	0.57
2006	215,779	198,000	17,628	1.00
2007	241,912	134,000	14,748	1.63
2008	242,672	70,000	5,915	3.20
2009	274,568	20,000	1,495	12.77
2010	130,503	10,000	995	11.87
2011	89,812	0	0	0.00
2012	48,150	0	0	0.00
2013	56,277	0	0	0.00
2014	47,724	0	0	0.00

Source: County Auditor

(1) - Total special assessment collections including delinquencies

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

City of Troy, Ohio
 Demographic and Economic Statistics - Miami County
 Last Ten Calendar Years
 Schedule 16

Calendar Year	Population (1)	Personal Income (Thousands of Dollars) (2)	Per Capita Personal Income (3)	Unemployment Rate (4)
2005	21,999	\$3,107,811	\$30,645	5.50%
2006	21,999	3,240,388	32,097	5.70%
2007	21,999	3,347,023	33,189	5.40%
2008	21,999	3,539,795	35,003	7.00%
2009	21,999	3,455,094	33,700	12.20%
2010	25,058	3,592,525	35,052	9.60%
2011	25,058	3,807,886	37,021	7.50%
2012	25,058	4,037,971	39,181	6.10%
2013	25,058	4,178,641	40,397	7.00%
2014	25,058	N/A	N/A	4.30%

- Sources:
- (1) - Population estimates provided by U.S. Census Bureau (2000 Census for years 2002 - 2009 and 2010 Census for years 2010 - 2011)
 - (2) - Personal Income information provided by Bureau of Economic Analysis: Regional Economic Accounts
 - (3) - Per Capita Personal Income information provided by Bureau of Economic Analysis: Regional Economic Accounts
 - (4) - Ohio Department of Job and Family Services for Miami County

N/A - Information not available

City of Troy, Ohio
 Major Employers (1)
 Current Year and Six Years Ago (2)
 Schedule 17

2014			
Major Employers (3)	Type	Number of Employees	Employer's Percentage of Total Employment
A.O. Smith Corp.	Mfg	(4)	(5)
ConAgra Inc	Mfg	(4)	(5)
Crane Co.	Mfg	(4)	(5)
Evenflo Company, Inc.	Mfg	(4)	(5)
F-Tech, Inc./F&P America	Mfg	(4)	(5)
Goodrich Corp.	Mfg	(4)	(5)
Hartzell	Mfg	(4)	(5)
Illinois Tool Works, Inc./Hobart	Mfg	(4)	(5)
Meijer, Inc.	Trade	(4)	(5)
Piqua City Schools	Govt	(4)	(5)
Troy City Schools	Govt	(4)	(5)
Upper Valley Medical Center	Serv	(4)	(5)

2008			
Major Employers (3)	Type	Number of Employees	Employer's Percentage of Total Population
A.O. Smith Corp.	Mfg	(4)	(5)
Crane Co.	Mfg	(4)	(5)
Evenflo Company, Inc.	Mfg	(4)	(5)
Faurecia SA	Mfg	(4)	(5)
F-Tech, Inc./F&P America	Mfg	(4)	(5)
Goodrich Corp.	Mfg	(4)	(5)
Illinois Tool Works, Inc./Hobart	Mfg	(4)	(5)
Jackson Tube Service	Mfg	(4)	(5)
Meijer, Inc.	Ret	(4)	(5)
Troy City Board of Education	Govt	(4)	(5)
Upper Valley Medical Center	Health	(4)	(5)

Source: Ohio Department of Development

- (1) - For all of Miami County
- (2) - Only current year and six years ago information available. Information for nine years ago not available.
- (3) - Includes at minimum the ten largest employers for the county. In alphabetical order only.
- (4) - The number of employees of each listed major employer was not available.
- (5) - The employer's percentage of total employment for each major employer was not available.

City of Troy, Ohio
 Full-Time Equivalent City Government Employees by Function/Program
 Last Ten Calendar Years
 Schedule 18

Function/Program	Full-Time Equivalent Employees as of December 31									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Information Systems	0	0	0	3	2	2	2	2	3	3
General Government	2	1	1	0	0	0	0	0	0	0
Council	1	1	1	1	1	1	1	1	1	1
Mayor	1	1	1	1	1	1	1	1	1	1
Audit	4	4	4	4	4	4	4	4	4	3
Law	2	2	2	2	2	2	2	2	2	2
Service	5	4	4	4	4	4	4	4	4	4
Human Resources	2	2	2	2	2	2	2	2	2	2
Fire	42	40	39	41	41	40	38	35	39	39
Police	48	46	45	46	46	44	40	39	39	41
Parks	9	8	9	9	8	8	7	7	6	7
Recreation	4	4	4	4	4	3	3	3	3	3
Electric	3	3	3	3	3	3	3	3	3	3
Development	6	7	6	5	2	2	2	2	2	2
Street	18	17	17	16	16	15	14	13	12	13
Tax	4	4	4	5	5	4	4	5	5	6
Cemetery	4	4	4	4	4	3	2	2	2	2
Refuse	7	6	6	4	3	4	2	2	2	2
Hobart Arena	5	5	5	5	5	5	5	5	5	5
Water Administration	5	5	5	2	2	2	2	2	0	0
Water Plant	10	10	9	9	9	9	9	8	9	8
Water Distribution	8	8	8	7	5	5	5	5	5	4
Sewer B&C	5	5	4	3	2	2	2	2	3	2
Sewer Plant	12	12	11	11	11	10	10	9	9	8
Sewer Maintenance	4	3	2	4	5	5	5	5	5	5
Parking	1	0	1	1	1	1	1	1	0	1
Miami Shores	5	5	5	5	5	5	5	5	5	5
Engineering	8	7	6	6	8	8	8	7	10	9
Total	225	214	208	207	201	194	183	176	181	181

Source: Various City Departments

City of Troy, Ohio
 Operating Indicators by Function/Program
 Last Ten Calendar Years
 Schedule 19

Function/Program	Calendar Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General government										
Commercial Construction										
Building permits issued	53	30	97	150	133	138	108	173	131	142
Value	\$13,530,000	\$31,502,490	\$42,270,987	\$25,002,977	\$28,976,372	\$8,792,068	\$18,425,170	\$20,858,627	\$16,785,655	\$12,395,774
Residential Construction										
Building permits issued	168	270	136	77	74	49	47	48	49	67
Value	\$28,449,654	\$33,012,180	\$28,394,390	\$16,160,962	\$15,184,126	\$8,315,391	\$10,762,366	\$12,745,948	\$13,341,957	\$16,077,815
Police										
Physical arrests	2,651	2,885	3,073	2,959	2,688	2,724	2,577	2,169	2,195	2,119
Parking violations (3)	3,012	2,877	2,867	2,592	3,074	3,093	2,490	2,152	1,501	521
Traffic violations	3,465	4,210	4,657	3,956	5,240	3,546	2,957	2,515	2,530	2,478
Fire										
Emergency responses	1,143	1,249	1,181	1,371	1,480	1,266	1,439	1,560	1,575	1,636
Fires extinguished	98	134	104	106	88	132	111	108	107	49
Inspections	799	1,030	718	682	418	700	700	851	861	688
Refuse collection										
Refuse collected (tons)	6,530	6,542	6,584	6,484	5,611	5,191	5,265	5,184	6,213	6,177
Recyclables collected (tons)	1,686	1,750	1,840	1,864	1,473	1,640	1,659	1,704	1,706	1,647
Other public works										
Street resurfacing (cubic yards) (1)	5,127	4,500	2,483	2,486	344	4,182	0	2,353	3,446	3,406
Parks and Recreation										
Community Center Admissions (2)	\$16,626	\$95,622	\$88,035	\$87,087	\$89,711	\$75,510	\$99,581	\$88,341	\$73,317	\$72,968
Community Center Attendance	10,674	46,775	43,476	40,493	41,983	35,269	40,325	33,812	31,160	29,009
Water										
New connections (each)	222	154	132	63	129	62	15	36	48	43
Water main breaks (each)	27	23	26	33	29	45	38	10	20	26
Average daily consumption (millions of gallon per day)	5.20	5.00	4.10	4.16	3.97	3.85	3.94	4.22	4.00	3.68
Peak daily consumption (millions of gallon per day)	6.6	7.4	5.4	5.8	5.6	5.7	5.8	8.1	5.6	5.3
Wastewater										
Average daily sewage treatment (millions of gallon per day)	5.73	5.96	5.73	5.79	5.51	4.85	4.43	4.55	5.08	5.60

Source: Various City Departments

(1) - The City did not have the street paving (resurfacing) program in 2010

(2) - Cash basis

(3) - The City did not have a parking control officer from June, 2013 through December, 2013

City of Troy, Ohio
 Capital Asset Statistics by Function/Program
 Last Ten Calendar Years
 Schedule 20

Function/Program	Calendar Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	8	8	8	9	10	11	11	11	11	11
Fire Stations	3	3	3	3	3	3	3	3	3	3
Other Public Works										
Area of City (square miles)	12.164	12.167	12.345	12.345	12.345	12.345	12.345	12.345	12.345	12.345
Streets (miles)	109.60	110.50	111.84	111.96	112.59	112.75	112.75	113.04	113.04	128.00
Streetlights	2,356	2,579	2,601	2,615	2,622	2,624	2,624	2,568	2,568	2,598
Traffic signals	42	42	43	43	43	43	43	43	44	44
Parks and Recreation										
Number of Parks	25	26	26	25	25	25	25	25	25	25
Acreeage	297.90	303.90	303.90	303.40	303.40	303.00	303.00	303.00	303.00	321.00
Playgrounds	18	18	18	17	17	17	17	17	17	17
Baseball/Softball Diamonds	15	15	15	15	15	15	15	15	15	15
Soccer/Football Fields	14	14	14	14	14	15	15	15	15	15
Community Centers										
Kings Chapel Community Center	1	1	1	1	1	1	1	1	1	1
Troy Aquatic Park	1	1	1	1	1	1	1	1	1	1
Senior Citizen Center	0	0	0	0	0	0	0	0	0	0
Municipal Water Department										
Treatment Capacity (millions of gallons per day)	16	16	16	16	16	16	16	16	16	16
Water Mains (miles)	133.67	134.92	136.44	136.92	137.78	138.39	139.65	139.94	139.96	155.83
Fire hydrants	(2)	1,322	1,244	1,254	1,268	1,278	1,284	1,292	1,288	1,373
Sewers										
Treatment Capacity (millions of gallons per day)	7	7	7	7	7	7	7	7	7	7
Storm Sewers (miles)	75.19	76.39	78.67	79.42	80.29	80.52	81.00	81.29	81.18	124.51
Sanitary Sewers (miles)	123.90	125.01	126.22	126.54	127.25	127.88	127.95	128.24	128.24	126.85
Hobart Arena										
Attendance	10,216	15,103	13,664	30,153	24,347	27,251	24,963	28,442	26,181	21,159
Ticket Sold (1)	6,474	8,415	7,901	13,547	16,194	20,110	20,844	24,068	22,032	20,168

Source: Various City Departments

(1) - Tickets sold by Hobart Arena only

(2) - Information was not available from the City



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CITY OF TROY
MIAMI COUNTY

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

City of Troy
Miami County
100 South Market Street
Troy, Ohio 45373

To the Honorable Mayor and City Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Troy, Miami County, (the City) as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 3, 2015 wherein we noted net position was restated in the Governmental Activities, Business-Type Activities and the Stormwater Utility Fund to reflect the correction of street miles and to reclassify stormwater utility capital assets from the Governmental Activities to the Business-Type Activities and Stormwater Utility Fund.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

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

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

Dave Yost
Auditor of State
Columbus, Ohio

June 3, 2015

**CITY OF TROY
MIAMI COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2014**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2013-001	Ohio Rev. Code Section 5731.48(A)(1) – City failed to record all estate taxes in the General Fund.	Yes	
2013-002	Material Weakness – Financial Statement Misstatements	No	Partially corrected and reported in the management letter.

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Dave Yost • Auditor of State

CITY OF TROY

MIAMI 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
JUNE 23, 2015**