

CITY OF TROY, OHIO



Yellow Book Report

December 31, 2017

PLATTENBURG
Certified Public Accountants



Dave Yost • Auditor of State

City Council
City of Troy
100 S. Market Street
Troy, Ohio 45373

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

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

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

Dave Yost
Auditor of State

August 23, 2018

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

Honorable Mayor and City Council
City of Troy

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Troy (the City), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 22, 2018.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.

Dayton, Ohio

June 22, 2018



City of Troy, Ohio
 Comprehensive Annual Financial Report
 For the fiscal year ended
 December 31, 2017

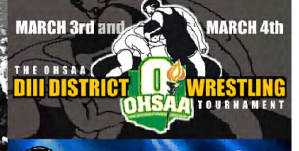
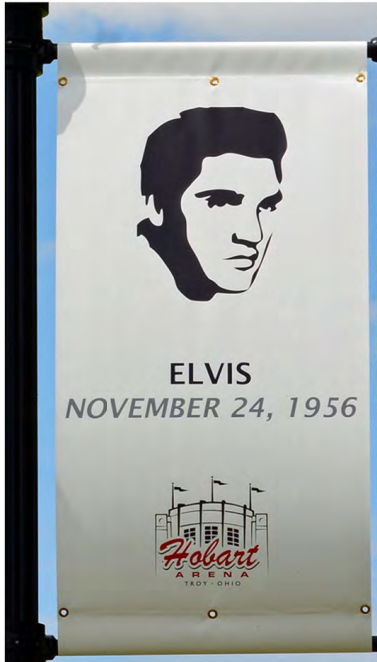


Photo by Lisa Shlider



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CITY OF TROY, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

PREPARED BY:
JOHN E. Frigge, CITY AUDITOR

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INTRODUCTORY SECTION

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Troy, Ohio 45373
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June 22, 2018

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, 2017 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 December 31, 2017 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.

Projects and Priorities for the City

The strength of our community depends first and foremost on a robust, thriving, diverse, and sustainable residential, commercial, and industrial economy. For that reason, economic development remains the City's number one priority. Without it, 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. 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, the year included a very aggressive slate of projects, all focused on continuing our emphasis on economic development. Continuing City Council's 2014 approval of our riverfront projects, we will begin \$9.7 million in renovations to the historic Hobart Arena and complete the redevelopment of the Marina and Treasure Island Park. In addition, our priorities include:

Economic Development:

- Participating in a comprehensive study of the riverfront corridor from Treasure Island through downtown, to identify and highlight best uses and reuses of properties and buildings
- Continuing to redevelop select properties within the riverfront corridor as opportunities present themselves
- Creating a Land Bank to assemble delinquent properties for redevelopment purposes
- Addressing downtown parking by studying traffic flows, parking patterns, and designing and constructing a new lot on Mulberry Street, utilizing the properties the City purchased at the end of 2015
- Establish a wayfinding program to draw visitors to and through downtown, our amenities and our riverfront recreational opportunities
- Redeveloping the ITW/Hobart property and right-of-way, working with the owners and the Troy Development Council
- Scheduling Treasure Island Park events with activities appealing to riverfront recreational opportunities for Troy's families, visitors, and workers, while securing a viable, sustainable restaurant tenant in the Marina building who will partner with the City in scheduling unique activities
- Continuing our long-standing partnerships with Troy Main Street, Troy Chamber of Commerce, and Troy Development Council
- Updating the Comprehensive Plan to include Complete Streets, a focus on alternative modes of transportation, and significantly increasing both on- and off-road bikeways

Recreation/Parks:

- Designing and addressing revenue sources for the development of additional soccer and baseball fields at Duke Park to enhance recreational and park programming, working in partnership with the Miami County Park District, the Miracle League of Miami Valley, and other community stakeholders
- Assessing City recreational buildings and the needs of the functions they address, including the Park Maintenance Facility, Lincoln Community Center, the Senior Citizens Center, the Miami Shores Golf Course, and others
- Facilitating the growing number of outdoor concerts and other events to assist partners such as Troy Main Street, Troy Hayner Cultural Center, The Troy Foundation, the Mayors' Concert Committee, and the Festival of Nations Committee in providing events and activities for citizens of all ages

Utilities/Operations:

- Continuing to implement the ten-year Water Master Plan, including the installation of new waterlines to loop stagnant and under-pressurized lines and services

- Beginning construction of a 0.75 million gallon water tower to be located on West Stanfield Road that will stabilize water pressures and support growth within the Extra High Service Area
- Installing a traffic signal on West Market Street (SR55) at the entrance of the Clopay garage door manufacturing facility
- Continuing to evaluate the feasibility of creating more cost effective regional utilities for Troy and Miami County customers
- Continuing Phase 9 of the City-wide sidewalk improvement project in the downtown and SE areas
- Reconstructing a portion of multiple local and connector streets through our annual roadway paving project
- Completing Phase III of the McKaig Road Improvement Project, designing Phase II of the N. Market Street Improvement Project, and potentially resurfacing a portion of McKaig Road west of Dorset Road
- Updating the 5-year City-wide Capital Improvement Plan for all funds
- Reviewing internal operating processing efficiencies, departmental staff reorganizations, work consolidations, and the elimination of operational redundancy for greater efficiency and cost effectiveness

Highlights and Accomplishments

During 2017, a number of companies and business made an investment in retention, growth, expansion and reuse.

- New construction included Kettering Health Network Troy Hospital, Buffalo Pacific Community Portal, and the 210 South Market Street building, all of which were begun in 2017. StoryPoint Senior Living Center, schUMANn Machine and Design, Stanley Steemer, Chick-fil-a, Starbucks, AT&T, Mattress Firm, and Rapid Fire Pizza were finished and became operational in 2017.
- Additions and renovations to existing buildings included the WACO Aviation Learning Center, Ziebart of Troy, Hobart Arena, Primary Eyecare Associates, UTC Aerospace System, Hobart Institute of Welding Technology, Clopay, F&P America Manufacturing, SEGNA, and Conagra Foods.
- Troy continues to be attractive to small businesses in Downtown and all around town, including Purebread Coffee, Golden Bowl Buffet, Donna's Diner, Marcy's Kitchen, along with several business offices, retail shops, and beauty salons.

Residential Construction Continued

- Edgewater is almost completed.
- Halifax is developing at a great pace.
- Stonebridge Meadows is preparing to begin its last phase of road construction.
- Nottingham is continuing to build homes.

Manufacturing Continues to be the Mainstay of the Troy Economy

- Of the estimated 24,000 jobs in Troy businesses, almost 6,480 (27%) are in the manufacturing sector. The next largest group is in Retail Trade with 3,120 employees (13%)
- Troy's top six employers are:
 - Clopay Building Products 1,244 Employees
 - F&P America MFG. 920 Employees
 - UTC Aerospace 814 Employees
 - Con Agra Foods 735 Employees
 - American Honda Motor Co. 655 Employees
 - ITW Hobard Brothers Co. 568 Employees

Water Quality

- We continue to provide citizens with high quality water.

- We live on top of one of the world’s most prolific aquifers.
- Troy’s strict monitoring exceeds the requirements of OEPA in both the quality of water and the daily testing requirement.

Recreation

- We continued to achieve Tree City USA status.
- The Hobart Arena continues to offer expanded programming with a variety of events and activities, both recreational and cultural.
- Branding and wayfinding initiatives are nearing completion for the downtown/riverfront area.
- We maintained Bronze status as a Bicycle Friendly Community and working towards Silver status.

Cultural

- We continued the successful student-exchange program with our Sister City, Takahashi City, Japan.
- Free concerts were held on Prouty Plaza, made possible with generous donations by many people and organizations.
- We celebrated our community and diversity with the 24th Annual Festival of Nations.

A City of Volunteers

- Operation Cloverleaf
- Troy Strawberry Festival
- Sculptures on the Square
- Neighborhood National Night Out events
- Festival of Nations
- Grand Illumination/Tree Lighting Celebration
- Downtown events: Rock the Bike Music Festival, Streets Alive, Paint the Town Pink, Tour de Donut, and Farmers Market
- Mayor’s Concert Committee
- The King Team
- July 4th Parade Committee

Recognized Observances

- All Veterans Programs including Memorial Day and Veterans Day
- MLK Walk/Service
- Mayor’s Prayer Gathering
- National Day of Prayer
- Peace Officers’ Memorial Service

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. Because the cost of a control should not exceed the benefits to be derived, the objective is to provide reasonable, rather than absolute assurance, that the financial statements are free of any material misstatements. 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, 2017.

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.

In the summer of 2016, the City ended the program that had existed with the Upper Valley Medical Center since 2002, and presented a new Wellness Program that is provided as part of the City's Group Health Insurance Program through the Ohio Benefits Cooperative. This voluntary wellness incentive program is available only to those employees enrolled in the City's group health insurance program, and is known as PUSH. It is designed to help employees identify and reach wellness goals. By enrolling in the program, employees can earn monthly cash payouts that accrue up to \$25 per month, with the amount earned based on how well the employee meets five key wellness areas. Employees complete a Health Risk Assessment questionnaire (HRA) that helps employees and the PUSH staff recognize age-appropriate screenings. PUSH staff then administer a 20-minute assessment to measure the five key wellness areas: weight, blood pressure, cholesterol (total & HDL), nicotine use, and cardiovascular fitness (which involves a 3-minute step test). With the PUSH staff, employees can establish measurable goals to help improve any of the wellness areas. Employees are welcome to consult with the PUSH staff on a monthly basis and have an opportunity to improve their individual scores/cash payouts, if they have not reached the maximum amount. Annually, each participating employee will be required to have the 20-minute assessment. The PUSH program also provides monthly emails, mailings, and reminders to participating employees, with each month having a particular wellness/health focus. The City of Troy has a high percentage of eligible employees participating in the PUSH Wellness Program. Based on the acceptance and success of the PUSH program, it has been determined that spouses of eligible employees may also participate, based on the same criteria and qualifications.

Separate from the PUSH program, partnering with Kettering Health Network, employees had an opportunity to receive a flu shot at no cost.

The City continues to offer an additional incentive program for those employees on the City's HSA group health insurance plan. By documenting information and/or participating in wellness efforts, those employees are able to earn additional funding into their HSA account.

Relevant Financial Policies

In 2015, the State of Ohio legislative branch passed House Bill 5, a municipal tax uniformity bill. This bill contains language modifying the income basis on which a municipal government can levy an income tax on and how the municipal government can collect that income tax. Municipal representatives worked closely with the bill's sponsors and proponents to reach a consensus on the bill, which seeks more uniformity amongst Ohio's cities and villages levying an income tax. Necessary legislative changes were made to the City's Codified Ordinance Section 181 to comply with the new State law. Most provisions of this bill will become effective in January 2017 for the 2016 tax year. At this time, the City is beginning to compile information on the financial impact these legislative changes have on income tax receipts.

In 2017, the State of Ohio's operating budget bill contains additional proposed changes to municipal income tax statute and revenue collection streams. At this time, there are fundamental differences in the proposed operating budget from the governor, the House of Representatives and the Senate, so the outcome is unknown at this time. The concerns revolve around the State Department of Taxation becoming a central filing and collection point for business profit returns, assessing the municipality a fee to process the returns and limiting access to tax information necessary for a municipal jurisdiction to review and audit returns as well as to enforce the local tax laws.

Independent Audit

The State of Ohio requires an annual audit by either the Auditor of State or by an independent public accounting firm. Plattenburg and Associates, Inc. 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, 2016. 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.

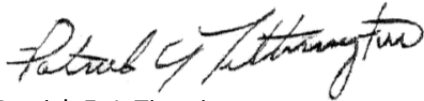
A Certificate of Achievement is valid for a period of one year. The City of Troy, Ohio, received a Certificate of Achievement for the 28th time for the year ended December 31, 2016. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

Acknowledgements

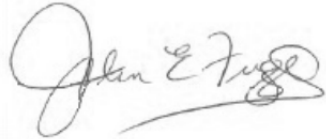
The preparation of the Comprehensive Annual Financial Report on a timely basis was made possible by the dedicated service of the entire staff of the City Auditor and other City departments. We express our sincere appreciation for the contributions made in the preparation of this report.

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 E. Frigge
City Auditor

City of Troy, Ohio

Listing of Principal City Officials

December 31, 2017

Elected Officials

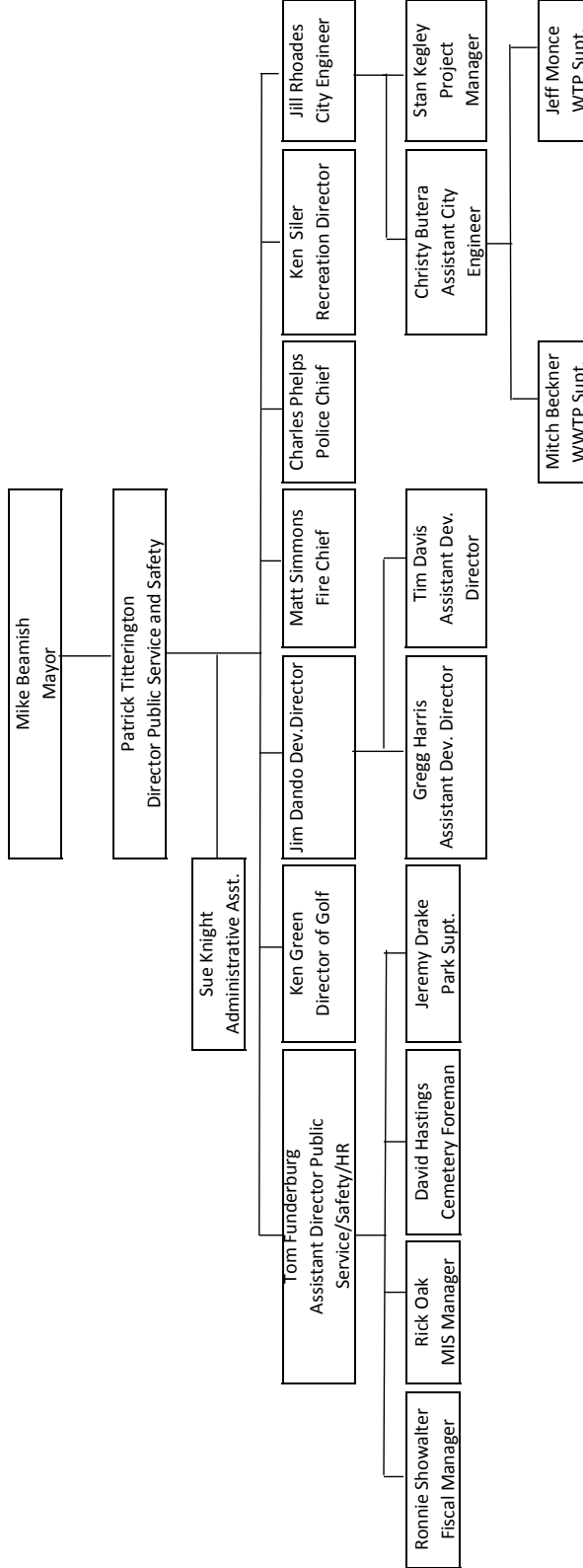
Mayor	Michael L. Beamish
President of Council	Martha A. Baker
Councilmember-at-Large	William Lutz
Councilmember-at-Large	Robin I. Oda
Councilmember-at-Large	Todd W. Severt
Councilmember, First Ward	Thomas M. Kendall
Councilmember, Second Ward	Douglas W. Tremblay
Councilmember, Third Ward	John W. Schweser
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	Grant D. Kerber
Auditor	John E. Frigge

Appointed Officials

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

City of Troy Organizational Chart

2017





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, 2016

Christopher P. Morill

Executive Director/CEO

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Troy

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 (the City) as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2018, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.

Dayton, Ohio

June 22, 2018

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

Financial Highlights

- The City's total net position increased \$9,094,236.
- Net position of governmental activities decreased \$2,585,389, net position of business-type activities increased by \$11,679,625.
- The General Fund reported an increase in fund balance of \$4,361,860.
- Business-type operations reflected operating income of \$269,983.

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 deferred outflows of resources, and liabilities and deferred inflows of resources 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, 2017
(Unaudited)

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

- **Governmental Activities** - Most of the City's services are reported here including police, fire, 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 are 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, Hobart Arena, 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.

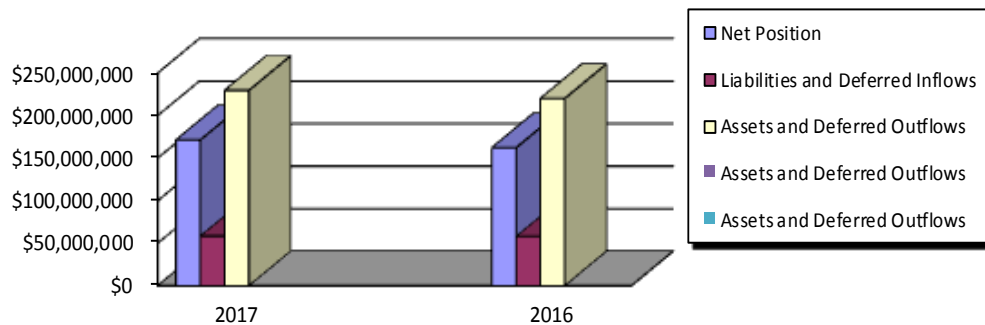
City of Troy, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2017
(Unaudited)

The City as a Whole

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

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Assets:						
Current and Other Assets	\$76,906,541	\$72,682,632	\$16,624,730	\$14,873,174	\$93,531,271	\$87,555,806
Capital Assets	57,794,986	64,203,765	70,254,004	60,101,429	128,048,990	124,305,194
Total Assets	134,701,527	136,886,397	86,878,734	74,974,603	221,580,261	211,861,000
Total Deferred Outflows of Resources	5,816,166	6,570,059	2,156,180	1,642,989	7,972,346	8,213,048
Liabilities:						
Long-Term Liabilities	40,783,715	40,638,939	14,005,944	13,235,358	54,789,659	53,874,297
Other Liabilities	986,753	1,555,114	416,666	383,874	1,403,419	1,938,988
Total Liabilities	41,770,468	42,194,053	14,422,610	13,619,232	56,193,078	55,813,285
Total Deferred Inflows of Resources	2,035,515	1,965,304	54,849	120,530	2,090,364	2,085,834
Net Position:						
Net Investment In Capital Assets	45,906,299	51,673,974	62,137,834	51,838,278	108,044,133	103,512,252
Restricted	11,239,643	10,601,444	0	0	11,239,643	10,601,444
Unrestricted	39,565,768	37,021,681	12,419,621	11,039,552	51,985,389	48,061,233
Total Net Position	\$96,711,710	\$99,297,099	\$74,557,455	\$62,877,830	\$171,269,165	\$162,174,929



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 \$9,094,236.

Current and Other Assets increased mainly due to an increase in equity in pooled cash and investments received. Long-Term Liabilities increased due to the increase in net pension liability.

Table 2 shows the changes in net position for the year ended December 31, 2017 as compared to the year ended December 31, 2016.

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

Table 2
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Program Revenues:						
Charges for Services	\$4,329,338	\$4,253,956	\$13,786,506	\$12,298,680	\$18,115,844	\$16,552,636
Operating Grants and Contributions	1,168,294	1,126,535	0	0	1,168,294	1,126,535
Capital Grants and Contributions	3,093,912	789,430	1,348,578	826,087	4,442,490	1,615,517
Total Program Revenues	8,591,544	6,169,921	15,135,084	13,124,767	23,726,628	19,294,688
General Revenues:						
Income Taxes	19,420,325	19,049,745	0	0	19,420,325	19,049,745
Property Taxes	1,893,538	1,716,466	0	0	1,893,538	1,716,466
Grants and Entitlements	827,617	908,292	0	0	827,617	908,292
Investment Earnings	1,285,077	66,295	104,224	24,833	1,389,301	91,128
Other Revenues	1,181,157	1,165,409	230,009	550,157	1,411,166	1,715,566
Total General Revenues	24,607,714	22,906,207	334,233	574,990	24,941,947	23,481,197
Total Revenues	33,199,258	29,076,128	15,469,317	13,699,757	48,668,575	42,775,885
Program Expenses:						
General Government	4,897,368	5,243,647	0	0	4,897,368	5,243,647
Public Safety	12,382,350	12,221,291	0	0	12,382,350	12,221,291
Community Development	1,373,191	1,186,949	0	0	1,373,191	1,186,949
Leisure Time Activities	2,081,037	2,013,072	0	0	2,081,037	2,013,072
Transportation and Street Repair	2,585,007	2,736,725	0	0	2,585,007	2,736,725
Basic Utility Service	1,157,661	1,161,658	0	0	1,157,661	1,161,658
Public Health and Welfare	477,533	203,392	0	0	477,533	203,392
Interest and Other Charges	576,961	614,136	0	0	576,961	614,136
Water	0	0	4,998,656	4,942,051	4,998,656	4,942,051
Sanitary Sewer	0	0	4,180,771	3,773,386	4,180,771	3,773,386
Hobart Arena	0	0	1,987,928	1,168,240	1,987,928	1,168,240
Swimming Pool	0	0	375,635	370,397	375,635	370,397
Parking Meter	0	0	81,973	14,128	81,973	14,128
Miami Shores	0	0	932,166	825,538	932,166	825,538
Stormwater Utility	0	0	1,486,102	1,413,861	1,486,102	1,413,861
Total Program Expenses	25,531,108	25,380,870	14,043,231	12,507,601	39,574,339	37,888,471
Increase (Decrease) in Net Position						
before Transfers	7,668,150	3,695,258	1,426,086	1,192,156	9,094,236	4,887,414
Transfers - Internal Activities	(10,253,539)	(775,000)	10,253,539	775,000	0	0
Change in Net Position	(2,585,389)	2,920,258	11,679,625	1,967,156	9,094,236	4,887,414
Net Position - Beginning of Year	99,297,099	96,376,841	62,877,830	60,910,674	162,174,929	157,287,515
Net Position - End of Year	\$96,711,710	\$99,297,099	\$74,557,455	\$62,877,830	\$171,269,165	\$162,174,929

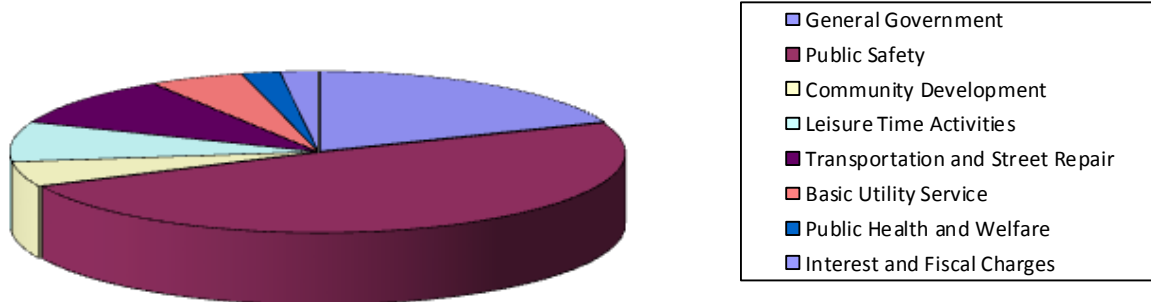
City of Troy, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2017
(Unaudited)

Governmental Activities

The City has made continued efforts to attract large-scale employers for the year 2017, 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 79% of the City's governmental activities general revenues.

Governmental Activities
Program Expenses for 2017

	<u>Percentage</u>
General Government	19%
Public Safety	49%
Community Development	5%
Leisure Time Activities	8%
Transportation and Street Repair	10%
Basic Utility Service	5%
Public Health and Welfare	2%
Interest and Fiscal Charges	2%
Total	<u><u>100%</u></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.

Capital grants and contributions increased in 2017 as compared to 2016 mainly due to the City having more infrastructure (streets) being completed and donated to the City in 2017. Income Tax revenue increased in 2017 as compared to 2016 mainly due to an increase in income tax collections. Public Safety expenses increased mainly due to the City's efforts to keep the City safe to all.

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 \$14,016,515 and operating expenses of \$13,746,532 for fiscal year 2017. Business-type activities receive no support from tax revenues. The Business-type activities net position at the end of the year was \$74,557,455, which increased \$11,679,625 from 2016. The City had four business-type (enterprise) funds that were major funds: the Water fund, the Sanitary Sewer fund, Hobart Arena and Stormwater Utilities fund.

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

The City of Troy's Water Department serves approximately 9,918 customers; this represents a population base of nearly 25,058 people. The average daily consumption for the city is 3.44 million gallons and 160.14 miles of water mains in its distribution system. The water fund had operating income of \$877,428 for 2017.

The City of Troy's Sewer Department includes 130.22 miles of sanitary sewer main, which provide the collection and treatment of public wastewater. The Sewer fund had an operating income of \$458,201 for 2017.

The City of Troy's Stormwater Utility Department provides for the collection and treatment of public stormwater. The stormwater utility fund had an operating income of \$81,840 in 2017. Charges for Services increased from 2017 to 2016, while total expenses decreased due to the decrease in the amount of materials and supplies the City used for various projects through-out the City.

The City of Troy's Hobart Arena accounts for arena facilities provided by the City. The Hobart Arena fund had an operating loss of \$(701,096) in 2017.

The City's Funds

The City has two major governmental funds: the General Fund and the TIF Retirement Fund. Assets of these funds comprised (84%) of the total \$78,612,541 governmental funds' assets.

General Fund: Fund balance at December 31, 2017 was \$59,407,646 which was an increase in fund balance of \$4,361,860 from 2016.

TIF Retirement Fund: Fund balance at December 31, 2017 was \$(862,897) which was an increase in fund balance of \$122,237 from 2016. The increase in fund balance is mainly due to an increase in pooled cash and investments received during 2017.

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 \$7,658,090 and the original budgeted revenue was \$7,314,694. The difference was \$343,396. 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 public safety expenditures for 2017. As the City completed the year, its General Fund balance reported an actual fund balance of \$8,228,599, on a Non-GAAP Budgetary Basis.

Capital Assets and Debt Administration

Capital Assets

At year end, the City had \$128,048,990 invested in land, construction in progress, buildings and improvements, equipment and infrastructure. Table 3 shows 2017 balances compared to 2016:

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

Table 3
Capital Assets, Net of Depreciation

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$14,380,469	\$14,329,994	\$616,026	\$616,026	\$14,996,495	\$14,946,020
Construction in Progress	159,248	10,346,243	2,300,980	3,661,600	2,460,228	14,007,843
Buildings and Improvements	8,551,114	8,087,942	26,553,488	17,853,689	35,104,602	25,941,631
Equipment	4,063,007	2,945,081	8,989,314	7,764,478	13,052,321	10,709,559
Infrastructure	30,641,148	28,494,505	31,794,196	30,205,636	62,435,344	58,700,141
Total Net Capital Assets	<u>\$57,794,986</u>	<u>\$64,203,765</u>	<u>\$70,254,004</u>	<u>\$60,101,429</u>	<u>\$128,048,990</u>	<u>\$124,305,194</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 \$21,392,257 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, 2017
(Unaudited)

Table 4
Outstanding Debt at Year End

		2017	2016
Governmental Activities			
<u>General Obligation Bonds</u>			
2015 Capital Facilities Bonds	0.00%	\$8,540,000	\$8,770,000
Premium on Capital Facilities Bonds	0.00%	233,942	242,940
Refunding Limited Tax	1.00-2.625%	1,050,000	1,245,000
Premium on Refunding Bonds		6,155	7,386
Discount on Refunding Bonds		(9,112)	(10,935)
Refunding Bonds - Elm Street Improvements	1.00-2.375%	272,882	309,068
Refunding Bonds - Aquatic Center	1.00-2.375%	1,809,272	2,049,197
Refunding Bonds - Cemetery Maintenance Building	1.00-2.375%	208,674	236,346
Refunding Bonds - Fire Station	1.00-2.375%	1,153,439	1,306,395
Premium on Refunding Bonds		36,846	42,787
Discount on Refunding Bonds		(26,011)	(30,204)
Total General Obligation Bonds		<u>13,276,087</u>	<u>14,167,980</u>
Business Type Activities			
<u>General Obligation Bonds</u>			
Refunding Limited Tax	1.00-3.00%	475,000	705,000
Premium on Refunding		4,740	7,901
Discount on Refunding		(4,165)	(6,940)
Wastewater Improvement IIC&VA	0.00%	75,000	100,000
Sewer System Bonds - \$2,830,000		2,525,000	2,585,000
Premium on Sewer System Bonds		30,777	31,961
Water System Bonds - \$3,930,000		3,490,000	3,580,000
Premium on Water System Bonds		42,851	44,499
Refunding Bonds - Southeast Area Sewer	1.00-2.375%	600,797	680,468
Refunding Bonds - Generators	1.00-2.375%	554,936	628,525
Premium on Refunding Bonds		12,367	14,360
Discount on Refunding Bonds		(8,725)	(10,132)
Total General Obligation Bonds		<u>7,798,578</u>	<u>8,360,642</u>
OWDA Loan	3.25%	<u>317,592</u>	<u>340,041</u>
Total Debt		<u>\$21,392,257</u>	<u>\$22,868,663</u>

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.

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

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, 2017

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in Pooled Cash and Investments	\$64,981,370	\$15,444,382	\$80,425,752
Restricted Cash	0	50,542	50,542
Cash and Cash Equivalents with Fiscal Agent	130,000	0	130,000
Receivables (Net):			
Taxes	6,264,848	0	6,264,848
Accounts	911,552	602,077	1,513,629
Interest	646,298	19,461	665,759
Intergovernmental	1,373,610	0	1,373,610
Notes	2,289,017	0	2,289,017
Special Assessments	309,846	0	309,846
Inventory	0	404,402	404,402
Prepaid Items	0	103,866	103,866
Nondepreciable Capital Assets	14,539,717	2,917,006	17,456,723
Depreciable Capital Assets, Net	43,255,269	67,336,998	110,592,267
Total Assets	134,701,527	86,878,734	221,580,261
Deferred Outflows of Resources:			
Deferred Charge on Refunding Pension	340,357	93,710	434,067
	5,475,809	2,062,470	7,538,279
Total Deferred Outflows of Resources	5,816,166	2,156,180	7,972,346
Liabilities:			
Accounts Payable	213,138	221,684	434,822
Accrued Wages and Benefits	710,423	122,692	833,115
Retainage Payable	0	50,542	50,542
Accrued Interest Payable	63,192	21,748	84,940
Long-Term Liabilities:			
Due Within One Year	1,516,859	772,168	2,289,027
Due In More Than One Year			
Net Pension Liability	24,862,923	5,279,939	30,142,862
Other Amounts	14,403,933	7,953,837	22,357,770
Total Liabilities	41,770,468	14,422,610	56,193,078
Deferred Inflows of Resources:			
Property and Income Taxes	1,453,131	0	1,453,131
Revenue In Lieu of Taxes	200,000	0	200,000
Pension	382,384	54,849	437,233
Total Deferred Inflows of Resources	2,035,515	54,849	2,090,364
Net Position:			
Net Investment in Capital Assets	45,906,299	62,137,834	108,044,133
Restricted for:			
Capital Projects	3,542,625	0	3,542,625
Street Improvements	2,278,230	0	2,278,230
Public Safety	50,909	0	50,909
Community Development	3,741,876	0	3,741,876
Park Improvements	121,045	0	121,045
Cemetery Services	1,202,500	0	1,202,500
Other Purposes	302,458	0	302,458
Unrestricted	39,565,768	12,419,621	51,985,389
Total Net Position	\$96,711,710	\$74,557,455	\$171,269,165

See accompanying notes to the basic financial statements.

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

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$4,897,368	\$280,148	\$14,907	\$0
Public Safety	12,382,350	1,736,647	16,220	0
Community Development	1,373,191	2,062	0	596,130
Leisure Time Activities	2,081,037	130,852	0	0
Transportation and Street Repair	2,585,007	52,011	1,137,167	2,497,782
Basic Utility Service	1,157,661	1,931,589	0	0
Public Health and Welfare	477,533	196,029	0	0
Interest and Other Charges	576,961	0	0	0
Total Governmental Activities	25,531,108	4,329,338	1,168,294	3,093,912
Business-Type Activities:				
Water	4,998,656	5,727,326	0	79,771
Sanitary Sewer	4,180,771	4,407,668	0	914,148
Hobart Arena	1,987,928	1,234,889	0	0
Swimming Pool	375,635	245,158	0	0
Parking Meter	81,973	23,499	0	0
Miami Shores	932,166	627,655	0	0
Stormwater Utility	1,486,102	1,520,311	0	354,659
Total Business-Type Activities	14,043,231	13,786,506	0	1,348,578
Totals	\$39,574,339	\$18,115,844	\$1,168,294	\$4,442,490

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

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
(\$4,602,313)	\$0	(\$4,602,313)
(10,629,483)	0	(10,629,483)
(774,999)	0	(774,999)
(1,950,185)	0	(1,950,185)
1,101,953	0	1,101,953
773,928	0	773,928
(281,504)	0	(281,504)
(576,961)	0	(576,961)
<u>(16,939,564)</u>	<u>0</u>	<u>(16,939,564)</u>
0	808,441	808,441
0	1,141,045	1,141,045
0	(753,039)	(753,039)
0	(130,477)	(130,477)
0	(58,474)	(58,474)
0	(304,511)	(304,511)
0	388,868	388,868
<u>0</u>	<u>1,091,853</u>	<u>1,091,853</u>
<u>(16,939,564)</u>	<u>1,091,853</u>	<u>(15,847,711)</u>
19,420,325	0	19,420,325
1,764,609	0	1,764,609
128,929	0	128,929
827,617	0	827,617
209,947	0	209,947
95,450	0	95,450
1,285,077	104,224	1,389,301
875,760	230,009	1,105,769
(10,253,539)	10,253,539	0
<u>14,354,175</u>	<u>10,587,772</u>	<u>24,941,947</u>
(2,585,389)	11,679,625	9,094,236
<u>99,297,099</u>	<u>62,877,830</u>	<u>162,174,929</u>
<u>\$96,711,710</u>	<u>\$74,557,455</u>	<u>\$171,269,165</u>

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

	General	TIF Retirement	Other Governmental Funds	Total Governmental Funds
Assets:				
Equity in Pooled Cash and Investments	\$55,384,444	\$507,103	\$9,089,823	\$64,981,370
Cash and Cash Equivalents with Fiscal Agent	130,000	0	0	130,000
Receivables (Net):				
Taxes	6,132,579	0	132,269	6,264,848
Accounts	885,195	0	26,357	911,552
Interest	641,525	0	4,773	646,298
Intergovernmental	369,755	200,000	803,855	1,373,610
Notes	0	0	2,289,017	2,289,017
Special Assessments	25,508	0	284,338	309,846
Interfund	1,706,000	0	0	1,706,000
Total Assets	65,275,006	707,103	12,630,432	78,612,541
Liabilities:				
Accounts Payable	179,327	0	33,811	213,138
Accrued Wages and Benefits	673,649	0	36,774	710,423
Compensated Absences	161,727	0	0	161,727
Interfund Payable	0	1,370,000	336,000	1,706,000
Total Liabilities	1,014,703	1,370,000	406,585	2,791,288
Deferred Inflows of Resources:				
Property and Income Taxes	4,329,995	0	121,296	4,451,291
Grants and Other Taxes	328,312	0	706,612	1,034,924
Special Assessments	25,508	0	284,338	309,846
Accounts	168,842	0	0	168,842
Revenue In Lieu of Taxes	0	200,000	0	200,000
Total Deferred Inflows of Resources	4,852,657	200,000	1,112,246	6,164,903
Fund Balances:				
Restricted	1,285,892	0	10,399,462	11,685,354
Committed	33,452,517	0	0	33,452,517
Assigned	672,148	0	712,139	1,384,287
Unassigned	23,997,089	(862,897)	0	23,134,192
Total Fund Balances	59,407,646	(862,897)	11,111,601	69,656,350
Total Liabilities, Deferred Inflows and Fund Balances	\$65,275,006	\$707,103	\$12,630,432	\$78,612,541

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, 2017

Total Governmental Fund Balance		\$69,656,350
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		57,794,986
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		
Income Taxes	2,965,561	
Delinquent Property Taxes	32,599	
Intergovernmental	1,034,924	
Other Receivables	478,688	
		4,511,772
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.		
		(63,192)
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		(2,482,978)
Deferred outflow of resources associated with long-term liabilities are not reported in the funds.		
		340,357
Deferred outflows and inflows or resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions	5,475,809	
Deferred inflows of resources related to pensions	(382,384)	
		5,093,425
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Net Pension Liability	(24,862,923)	
Other Amounts	(13,276,087)	
		(38,139,010)
Net Position of Governmental Activities		<u>\$96,711,710</u>

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, 2017

	General	TIF Retirement	Other Governmental Funds	Total Governmental Funds
Revenues:				
Property and Other Taxes	\$1,776,531	\$0	\$129,968	\$1,906,499
Income Taxes	19,858,640	0	0	19,858,640
Charges for Services	3,690,129	0	228,193	3,918,322
Investment Earnings	1,234,311	0	50,765	1,285,076
Intergovernmental	826,452	0	2,245,698	3,072,150
Special Assessments	2,969	0	83,547	86,516
Fines, Licenses & Permits	74,678	0	141,153	215,831
Revenue in Lieu of Taxes	0	209,947	0	209,947
Other Revenues	1,089,737	0	93,476	1,183,213
Total Revenues	28,553,447	209,947	2,972,800	31,736,194
Expenditures:				
Current:				
General Government	4,073,690	0	77,598	4,151,288
Public Safety	10,609,874	0	7,800	10,617,674
Community Development	1,172,834	0	81,439	1,254,273
Leisure Time Activities	1,652,471	0	0	1,652,471
Transportation and Street Repair	0	0	1,438,950	1,438,950
Basic Utility Service	1,069,084	0	0	1,069,084
Public Health and Welfare	0	0	462,831	462,831
Capital Outlay	1,406,927	2,810	2,800,420	4,210,157
Debt Service:				
Principal	0	0	881,739	881,739
Interest and Other Charges	0	84,900	448,300	533,200
Total Expenditures	19,984,880	87,710	6,199,077	26,271,667
Excess of Revenues Over (Under) Expenditures	8,568,567	122,237	(3,226,277)	5,464,527
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	284,775	0	0	284,775
Transfers In	0	0	3,741,482	3,741,482
Transfers (Out)	(4,491,482)	0	0	(4,491,482)
Total Other Financing Sources (Uses)	(4,206,707)	0	3,741,482	(465,225)
Net Change in Fund Balance	4,361,860	122,237	515,205	4,999,302
Fund Balance - Beginning of Year	55,045,786	(985,134)	10,596,396	64,657,048
Fund Balance - End of Year	\$59,407,646	(\$862,897)	\$11,111,601	\$69,656,350

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, 2017

Net Change in Fund Balance - Total Governmental Funds \$4,999,302

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, transfers of capital asset
 to Business-Type Activities and depreciation in the current period.

Capital Assets used in governmental activities	5,109,782	
Capital Assets transferred to business-type activities	(9,503,539)	
Depreciation Expense	<u>(2,015,022)</u>	
		(6,408,779)

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

City pension contributions	1,784,531	
Cost of benefits earned net of employee contributions	<u>(3,498,133)</u>	
		(1,713,602)

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

Income Taxes	(438,316)	
Delinquent Property Taxes	(12,961)	
Intergovernmental	144,075	
Other	<u>(43,991)</u>	
		(351,193)

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

881,739

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

2,466

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	50,905	
Amortization of Bond Premium	10,154	
Amortization of Deferred Charge on Refunding	<u>(56,381)</u>	
		<u>4,678</u>

Change in Net Position of Governmental Activities (\$2,585,389)

See accompanying notes to the basic financial statements.

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

	Business-Type Activities -Enterprise Funds					
	Water	Sanitary Sewer	Hobart Arena	Stormwater Utility	Other Enterprise Funds	Total Business-Type Activities
Current Assets:						
Equity in Pooled Cash and Investments	\$6,359,281	\$5,403,035	\$1,229,146	\$1,998,815	\$454,105	\$15,444,382
Restricted Cash	50,542	0	0	0	0	50,542
Receivables (Net):						
Accounts	272,880	242,114	0	83,028	4,055	602,077
Interest	8,814	7,430	0	2,749	468	19,461
Inventory	404,402	0	0	0	0	404,402
Prepaid Items	103,866	0	0	0	0	103,866
Total Current Assets	7,199,785	5,652,579	1,229,146	2,084,592	458,628	16,624,730
Noncurrent Assets:						
Capital Assets:						
Nondepreciable Capital Assets	2,431,849	216,849	20,900	0	247,408	2,917,006
Depreciable Capital Assets, Net	21,506,521	21,016,009	11,271,846	10,541,108	3,001,514	67,336,998
Total Noncurrent Assets	23,938,370	21,232,858	11,292,746	10,541,108	3,248,922	70,254,004
Total Assets	31,138,155	26,885,437	12,521,892	12,625,700	3,707,550	86,878,734
Deferred Outflows of Resources:						
Deferred Charge on Refunding Pension	0	93,710	0	0	0	93,710
	729,751	580,302	221,369	298,018	233,030	2,062,470
Total Deferred Outflows of Resources	729,751	674,012	221,369	298,018	233,030	2,156,180
Liabilities:						
Current Liabilities:						
Accounts Payable	75,144	108,778	16,769	12,832	8,161	221,684
Accrued Wages and Benefits	46,844	43,675	19,939	0	12,234	122,692
Compensated Absences	62,856	75,774	25,009	0	18,115	181,754
Retainage Payable	50,542	0	0	0	0	50,542
Accrued Interest Payable	10,753	10,995	0	0	0	21,748
Long-Term Liabilities Due Within One Year	85,000	505,414	0	0	0	590,414
Total Current Liabilities	331,139	744,636	61,717	12,832	38,510	1,188,834
Long-Term Liabilities:						
Compensated Absences	163,614	236,250	16,365	0	11,852	428,081
Bonds, Notes & Loans Payable	3,447,851	4,077,905	0	0	0	7,525,756
Net Pension Liability	1,868,168	1,485,578	566,706	762,928	596,559	5,279,939
Total Noncurrent Liabilities	5,479,633	5,799,733	583,071	762,928	608,411	13,233,776
Total Liabilities	5,810,772	6,544,369	644,788	775,760	646,921	14,422,610
Deferred Inflows of Resources:						
Pension	19,407	15,432	5,887	7,925	6,198	54,849
Total Deferred Inflows of Resources	19,407	15,432	5,887	7,925	6,198	54,849
Net Position:						
Net Investment in Capital Assets	20,405,519	16,649,539	11,292,746	10,541,108	3,248,922	62,137,834
Unrestricted	5,632,208	4,350,109	799,840	1,598,925	38,539	12,419,621
Total Net Position	\$26,037,727	\$20,999,648	\$12,092,586	\$12,140,033	\$3,287,461	\$74,557,455

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, 2017

	Business-Type Activities -Enterprise Funds					Total Business-Type Activities
	Water	Sanitary Sewer	Hobart Arena	Stormwater Utility	Other Enterprise Funds	
Operating Revenues:						
Charges for Services	\$5,727,326	\$4,407,668	\$1,234,889	\$1,520,311	\$896,312	\$13,786,506
Other Revenues	37,660	45,703	51,943	47,631	47,072	230,009
Total Operating Revenues	5,764,986	4,453,371	1,286,832	1,567,942	943,384	14,016,515
Operating Expenses:						
Personal Services	1,924,607	1,515,174	561,963	757,739	619,691	5,379,174
Contactual Services	636,287	476,478	165,868	59,922	241,607	1,580,162
Materials and Supplies	1,032,274	106,408	171,082	337,972	289,273	1,937,009
Depreciation	1,099,444	1,237,013	314,219	324,604	165,596	3,140,876
Other Expense	194,946	660,097	774,796	5,865	73,607	1,709,311
Total Operating Expenses	4,887,558	3,995,170	1,987,928	1,486,102	1,389,774	13,746,532
Operating Income (Loss)	877,428	458,201	(701,096)	81,840	(446,390)	269,983
Non-Operating Revenues (Expenses):						
Investment Earnings	53,814	51,046	0	(3,057)	2,421	104,224
Interest and Fiscal Charges	(111,098)	(185,601)	0	0	0	(296,699)
Total Non-Operating Revenues (Expenses)	(57,284)	(134,555)	0	(3,057)	2,421	(192,475)
Income (Loss) Before Contributions and Transfers	820,144	323,646	(701,096)	78,783	(443,969)	77,508
Capital Grants and Contributions	79,771	914,148	9,503,539	354,659	0	10,852,117
Transfers In	30,000	0	500,000	0	250,000	780,000
Transfers (Out)	0	(30,000)	0	0	0	(30,000)
Change in Net Position	929,915	1,207,794	9,302,443	433,442	(193,969)	11,679,625
Net Position - Beginning of Year	25,107,812	19,791,854	2,790,143	11,706,591	3,481,430	62,877,830
Net Position - End of Year	\$26,037,727	\$20,999,648	\$12,092,586	\$12,140,033	\$3,287,461	\$74,557,455

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, 2017

	Business-Type Activities - Enterprise Funds					
	Water	Sanitary Sewer	Hobart Arena	Stormwater Utility	Other Enterprise Funds	Total Business-Type Activities
Cash Flows from Operating Activities:						
Cash Received from Customers	\$5,769,169	\$4,429,068	\$1,286,972	\$1,561,972	\$939,487	\$13,986,668
Cash Payments to Employees	(1,651,375)	(1,278,313)	(482,420)	(665,042)	(500,832)	(4,577,982)
Cash Payments to Suppliers	(1,907,072)	(1,265,284)	(1,130,621)	(406,066)	(597,912)	(5,306,955)
Net Cash Provided (Used) by Operating Activities	2,210,722	1,885,471	(326,069)	490,864	(159,257)	4,101,731
Cash Flows from Noncapital Financing Activities:						
Payments from Other Funds	0	0	500,000	0	250,000	750,000
Net Cash Provided (Used) by Noncapital Financing Activities	0	0	500,000	0	250,000	750,000
Cash Flows from Capital and Related Financing Activities:						
Payments for Capital Acquisitions	(1,154,371)	(912,420)	(137,622)	(207,323)	(29,598)	(2,441,334)
Debt Principal Payments	(60,000)	(520,709)	0	0	0	(580,709)
Debt Interest Payments	(112,862)	(169,430)	0	0	0	(282,292)
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,327,233)	(1,602,559)	(137,622)	(207,323)	(29,598)	(3,304,335)
Cash Flows from Investing Activities:						
Earnings (Loss) on Investments	53,430	51,423	0	(3,159)	2,376	104,070
Net Cash Provided (Used) by Cash Flows from Investing Activities	53,430	51,423	0	(3,159)	2,376	104,070
Net Increase (Decrease) in Cash and Cash Equivalents	936,919	334,335	36,309	280,382	63,521	1,651,466
Cash and Cash Equivalents - Beginning of Year	5,472,904	5,068,700	1,192,837	1,718,433	390,584	13,843,458
Cash and Cash Equivalents - End of Year	6,409,823	5,403,035	1,229,146	1,998,815	454,105	15,494,924
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities						
Operating Income (Loss)	877,428	458,201	(701,096)	81,840	(446,390)	269,983
Adjustments:						
Depreciation	1,099,444	1,237,013	314,219	324,604	165,596	3,140,876
Changes in Assets & Liabilities:						
(Increase) Decrease in Receivables	4,183	(24,303)	140	(5,970)	(3,897)	(29,847)
(Increase) Decrease in Inventory	33,777	0	0	0	0	33,777
(Increase) Decrease in Deferred Outflows of Resources	(181,794)	(148,805)	(58,592)	(70,717)	(72,388)	(532,296)
(Increase) Decrease in Prepaids	(103,866)	0	0	0	0	(103,866)
Increase (Decrease) in Retainage Payable	(2,137)	(38,577)	0	(13,648)	0	(54,362)
Increase (Decrease) in Payables	28,661	16,276	(18,875)	11,341	6,575	43,978
Increase (Decrease) in Accrued Liabilities	31,814	37,789	547	0	17,791	87,941
Increase (Decrease) in Deferred Inflows of Resources	(23,755)	(18,557)	(6,935)	(9,979)	(6,455)	(65,681)
Increase (Decrease) in Net Pension Liability	446,967	366,434	144,523	173,393	179,911	1,311,228
Net Cash Provided (Used) by Operating Activities	\$2,210,722	\$1,885,471	(\$326,069)	\$490,864	(\$159,257)	\$4,101,731
Schedule of Noncash Capital Activities:						
During the fiscal year, these amounts were received representing noncash contributions of:						
Capital Assets	\$201,220	\$914,148	\$9,503,539	\$0	\$0	\$10,618,907

See accompanying notes to the basic financial statements.

City of Troy, Ohio
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2017

	Private Purpose Trust	Agency
	<u> </u>	<u> </u>
Assets:		
Equity in Pooled Cash and Investments	\$291,357	\$188,743
Receivables (Net):		
Interest	401	240
Total Assets	<u>291,758</u>	<u>188,983</u>
Liabilities:		
Undistributed Monies	<u>0</u>	<u>188,983</u>
Total Liabilities	<u>0</u>	<u>\$188,983</u>
Net Position:		
Restricted for Endowment - Expendable	157,726	
Restricted for Endowment - Nonexpendable	<u>134,032</u>	
Total Net Position	<u>\$291,758</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, 2017

	Private Purpose Trust
Additions:	
Investment Earnings	\$2,842
Other	2,005
Total Additions	<u>4,847</u>
Deductions:	
Public Health and Welfare	<u>2,635</u>
Total Deductions	<u>2,635</u>
Change in Net Position	2,212
Net Position - Beginning of Year	<u>289,546</u>
Net Position - End of Year	<u><u>\$291,758</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, 2017

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, 2017

Fund Financial Statements

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

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets, 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, 2017

Fund Financial Statements

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

General Fund - The general fund accounts for all financial resources except those required to be accounted for in another fund. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the 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
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For The Year Ended December 31, 2017

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

Hobart Arena – This fund accounts for arena facilities provided by 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, 2017

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 and pension are 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. The deferred outflows of resources related to pension are explained in Note 9.

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 and income taxes, grants and other taxes, special assessments, accounts, revenue in lieu of taxes, and pension. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2017, but which were levied to finance year 2018 operations. Revenue in lieu of taxes are deferred and recognized as inflows of resources in the period the amounts become available. These amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. Grants and other taxes have been recorded as deferred inflows on the governmental fund financial statements. Deferred inflows of resources related to pension are reported on the governmental-wide statement of net position. For more pension related information, see Note 9.

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, 2017

Equity in Pooled Cash and Investments

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

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

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

During 2017, the City invested in certificates of deposit, federal agency securities, a money market fund, and STAR Ohio. Investments are reported at cost, except for the money market fund and STAR Ohio. The City's money market fund investment is recorded at the amount reported by financial institutions on December 31, 2017.

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

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

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 2017 amounted to \$1,234,311, and \$50,765 was credited to other governmental funds.

Inventory

On government-wide financial statements, inventories are presented at cost. Inventories held for resale are reported at lower of cost or market.

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.

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

Prepaid Items

Payments made for services that will benefit periods beyond December 31, 2017, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense in the year in which services are consumed.

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, donated works of art and similar items, and capital assets received in a service concession arrangement should be reported at acquisition value rather than fair value. The City's infrastructure consists of 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.

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>	Governmental Activities <u>Estimated Lives</u>	Business-Type Activities <u>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

City of Troy, Ohio
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For The Year Ended December 31, 2017

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.

Pensions

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

Fund Balance

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

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

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

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

Assigned – 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 (City Council).

City of Troy, Ohio
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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 applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted fund balance is available.

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 \$11,239,643 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 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.

City of Troy, Ohio
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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.

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.

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

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

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

Deposits

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's policy for deposits is any balance not covered by depository insurance will be collateralized by the financial institutions with pledged securities. As of December 31, 2017, \$11,031,256 of the City's bank balance of \$12,523,071 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.

City of Troy, Ohio
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For The Year Ended December 31, 2017

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, 2017, the City had the following investments:

<u>Investment Type</u>	<u>Value</u>	<u>Fair Value Hierarchy</u>	<u>Weighted Average Maturity (Years)</u>
Federal Home Loan Bank	\$14,604,286	Level 2	3.40
Federal Home Loan Mortgage Corporation	28,516,996	Level 2	3.96
Federal National Mortgage Association	12,527,978	Level 2	3.50
Certificates of Deposit	9,732,162	Level 2	1.77
STAR Ohio	1,858,255	N/A	0.14
Money Market Funds	<u>1,239,691</u>	N/A	0.00
Total Fair Value	<u>\$68,479,368</u>		
Portfolio Weighted Average Maturity			3.27

The City categorizes its fair value measurements with the fair value hierarchy established by generally accepted accounting principles. The Hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The above table identifies the City's recurring fair value measurements as of December 31, 2017. Star Ohio is reported at its share price (Net Asset value per share).

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, and Federal National Mortgage Association were rated AA+ by Standard and Poor's and Fitch ratings and Aaa by Moody's Investors Service. Investments in Star Ohio were rated AAAm by Standard and Poor's. Money Market Funds and Certificates of Deposits were not rated.

Concentration of Credit Risk – The City's investment policy allows investments in Federal Government Securities or Instrumentalities. The City has invested 21.3% in Federal Home Loan Bank, 41.6% in Federal Home Loan Mortgage Corporation, 18.3% in Federal National Mortgage Association, 14.2% in Certificates of Deposit, 2.7% in Star Ohio, and 1.8% in money market funds.

City of Troy, Ohio
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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 amount to \$290,257 of which, \$19,859 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 2017 were levied after October 1, 2016 on assessed values as of January 1, 2016, 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.

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	\$517,577,100
Public Utility	<u>15,518,370</u>
Total Valuation	<u><u>\$533,095,470</u></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, 2017, and for

City of Troy, Ohio
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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 2017 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 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: \$12,000,000 per occurrence. \$12,000,000 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 \$4.5 million excess of \$500,000, and from Genesis for \$7 million excess of \$5 million.

City of Troy, Ohio
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Property:

\$1,000,000,000/occurrence

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

Coverage excess of SIR provided by Alliant Property Insurance Program (APIP). 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

Third Party Liability:

\$2 million/occurrence and annual aggregate per member, 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

MVRMA SIR: \$100,000/occurrence

Coverage excess of SIR provided by Lloyd's of London – Beazley Syndicate

Pollution Liability – Claims made and Reported Policy

\$1 million/pollution condition and aggregate

Retroactive Date: Policy inception

MVRMA SIR: \$75,000/pollution condition;

\$750,000 underground storage tanks specific

Coverage excess SIR provided by Illinois Union Insurance Company

Member Deductible/occurrence - \$2,500

The Audit of MVRMA's 2017 financial statements has not been completed yet. Data from the December 31, 2016 financial statements are as follows:

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

Current Assets	\$1,583,593
Total Assets	\$18,767,708
Current Liabilities	\$5,317,138
Non-current Liabilities	\$2,369,558
Net Position	\$11,194,331

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.

The City manages employee health benefits on a self-insured basis. The employee health benefit plan provides basic health coverage through Anthem, the third party administrator (TPA) of the program, which reviews and processes or disallows the claims. Jefferson Health Plan (JHP) releases the claims payments to the providers as a consortium outside Anthem. JHP is a jointly governed organization established as a joint insurance pool. A specific excess loss coverage (stoploss) insurance policy covers claims in excess of \$200,000 per year. The 2017 monthly family and single premiums for the PPO plan were \$1,824.50 and \$654.98. The TPA charges the City an administration fee of \$53.03 per employee per month. The 2017 monthly family and single premiums for the HSA Standard plan were \$1,438.10 and \$517.20. The TPA charges the City an administration fee of \$57.63 per employee per month. The 2017 monthly family and single premiums for the HSA Low plan were \$1,309.71 and \$471.12. The TPA charges the City an administration fee of \$57.63 per employee per month.

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.

Note 6 – Capital Assets

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

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

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital Assets, not being depreciated:				
Land	\$14,329,994	\$50,475	\$0	\$14,380,469
Construction in Progress	10,346,243	929,664	11,116,659	159,248
Capital Assets, being depreciated:				
Buildings and Improvements	16,932,060	1,056,153	0	17,988,213
Equipment	9,822,649	1,735,729	301,214	11,257,164
Infrastructure	43,906,027	2,950,881	0	46,856,908
Totals at Historical Cost	<u>95,336,973</u>	<u>6,722,902</u>	<u>11,417,873</u>	<u>90,642,002</u>
Less Accumulated Depreciation:				
Buildings and Improvements	8,844,118	592,981	0	9,437,099
Equipment	6,877,568	617,803	301,214	7,194,157
Infrastructure	15,411,522	804,238	0	16,215,760
Total Accumulated Depreciation	<u>31,133,208</u>	<u>2,015,022</u>	<u>301,214</u>	<u>32,847,016</u>
Governmental Activities Capital Assets, Net	<u>\$64,203,765</u>	<u>\$4,707,880</u>	<u>\$11,116,659</u>	<u>\$57,794,986</u>

Depreciation expense was charged to governmental functions as follows:

General Government	\$525,654
Public Safety	557,449
Leisure Time	366,192
Transportation	470,140
Basic Utility Service	62,130
Community Development	33,457
Total Depreciation Expense	<u>\$2,015,022</u>

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

	Beginning Balance	Additions	Deletions	Ending Balance
Business-Type Activities				
Capital Assets, not being depreciated:				
Land	\$616,026	\$0	\$0	\$616,026
Construction in Progress	3,661,600	724,312	2,084,932	2,300,980
Capital Assets, being depreciated:				
Buildings and Improvements	41,594,441	9,786,412	0	51,380,853
Equipment	17,326,791	2,243,167	10,000	19,559,958
Infrastructure	56,540,231	2,624,493	0	59,164,724
Totals at Historical Cost	<u>119,739,089</u>	<u>15,378,384</u>	<u>2,094,932</u>	<u>133,022,541</u>
Less Accumulated Depreciation:				
Buildings and Improvements	23,740,752	1,086,613	0	24,827,365
Equipment	9,562,313	1,018,331	10,000	10,570,644
Infrastructure	26,334,595	1,035,933	0	27,370,528
Total Accumulated Depreciation	<u>59,637,660</u>	<u>3,140,877</u>	<u>10,000</u>	<u>62,768,537</u>
Business-Type Activities Capital Assets, Net	<u>\$60,101,429</u>	<u>\$12,237,507</u>	<u>\$2,084,932</u>	<u>\$70,254,004</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.

Note 8 - Long-Term Obligations

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

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

	Maturity Date	Interest Rate	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental Activities							
<u>General Obligation Bonds</u>							
2015 Capital Facilities Bonds - \$9,000,000	12/1/40	0.00%	8,770,000	0	(230,000)	8,540,000	240,000
Premium on Capital Facilities Bonds	12/1/40	0.00%	242,940	0	(8,998)	233,942	0
Refunding Limited Tax General Obligation							
Capital Facilities Bonds - \$2,005,000*	12/1/22	1.00-2.625%	1,245,000	0	(195,000)	1,050,000	195,000
Premium on Refunding*	12/1/22		7,386	0	(1,231)	6,155	0
Discount on Refunding*	12/1/22		(10,935)	0	1,823	(9,112)	0
Refunding Bonds - Elm Street Improvements -	12/1/24	1.00-2.375%	309,068	0	(36,186)	272,882	37,076
Refunding Bonds - Aquatic Center - \$2,643,111	12/1/24	1.00-2.375%	2,049,197	0	(239,925)	1,809,272	245,825
Refunding Bonds - Cemetery Maintenance							
Building - \$304,845	12/1/24	1.00-2.375%	236,346	0	(27,672)	208,674	28,352
Refunding Bonds - Fire Station - \$1,685,025	12/1/24	1.00-2.375%	1,306,395	0	(152,956)	1,153,439	156,717
Premium on Refunding	12/1/24		42,787	0	(5,941)	36,846	0
Discount on Refunding	12/1/24		(30,204)	0	4,193	(26,011)	0
Total Long-Term Liabilities - Bonds			<u>14,167,980</u>	<u>0</u>	<u>(891,893)</u>	<u>13,276,087</u>	<u>902,970</u>
Net Pension Liability:							
OPERS			4,263,912	1,498,060	0	5,761,972	0
OP&F			19,673,164	0	(572,213)	19,100,951	0
Total Net Pension Liability			<u>23,937,076</u>	<u>1,498,060</u>	<u>(572,213)</u>	<u>24,862,923</u>	<u>0</u>
Compensated Absences			<u>2,533,883</u>	<u>724,711</u>	<u>(613,889)</u>	<u>2,644,705</u>	<u>613,889</u>
Total Governmental Activities			<u>\$40,638,939</u>	<u>\$2,222,771</u>	<u>(\$2,077,995)</u>	<u>\$40,783,715</u>	<u>\$1,516,859</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, 2017

	Maturity Date	Interest Rate	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Business-Type Activities							
Refunding Limited Tax General Obligation Bonds - \$1,955,000	12/1/19	1.00-3.00%	\$705,000	\$0	(\$230,000)	\$475,000	\$235,000
Premium on Refunding	12/1/19		7,901	0	(3,161)	4,740	0
Discount on Refunding	12/1/19		(6,940)	0	2,775	(4,165)	0
Wastewater Improvement Illic & Va - \$500,000	12/31/20	0.00%	100,000	0	(25,000)	75,000	25,000
Sewer System Bonds - \$2,830,000	12/1/43	1.00-4.00%	2,585,000	0	(60,000)	2,525,000	65,000
Premium on Sewer System Bonds	12/1/43		31,961	0	(1,184)	30,777	0
Water System Bonds - \$3,930,000	12/1/43	1.00-4.00%	3,580,000	0	(90,000)	3,490,000	85,000
Premium on Water System Bonds	12/1/43		44,499	0	(1,648)	42,851	0
Refunding Bonds - Southeast Area Sewer - \$877,687	12/1/24	1.00-2.375%	680,468	0	(79,671)	600,797	81,630
Refunding Bonds - Generators - \$810,688	12/1/24	1.00-2.375%	628,525	0	(73,589)	554,936	75,399
Premium on Refunding	12/1/24		14,360	0	(1,993)	12,367	0
Discount on Refunding	12/1/24		(10,132)	0	1,407	(8,725)	0
Total General Obligation Bonds			8,360,642	0	(562,064)	7,798,578	567,029
OWDA Loan -\$1,451,384	7/1/29	3.25%	340,041	0	(22,449)	317,592	23,385
Net Pension Liability - OPERS:							
Hobart			422,183	144,523	0	566,706	0
Water			1,421,201	446,967	0	1,868,168	0
Sanitation/Sewer			1,119,144	366,434	0	1,485,578	0
Stormwater Utility			589,535	173,393	0	762,928	0
Other Enterprise			416,648	179,911	0	596,559	0
Total Net Pension Liability			3,968,711	1,311,228	0	5,279,939	0
Total Long Term Liabilities - Bonds and Loans			12,669,394	1,311,228	(584,513)	13,396,109	590,414
Compensated Absences			565,964	271,029	(227,158)	609,835	181,754
Total Business-Type Activities			\$13,235,358	\$1,582,257	(\$811,671)	\$14,005,944	\$772,168

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. Net pension liability represents the long-term portion of the accrued liability associated with STRS and SERS pension liability. These items will be repaid from the funds from which the employees work to whom the liability is associated with or the General Fund if no such funds are available.

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

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

Year Ending December 31	Governmental Activities		Business-Type Activities			
	General		General		OWDA	
	Obligation Bonds		Obligation Bonds		Loan	
	Principal	Interest	Principal	Interest	Principal	Interest
2018	\$902,970	\$429,506	\$567,029	\$261,012	\$23,385	\$10,134
2019	926,715	405,547	573,284	248,410	23,945	9,374
2020	942,946	385,251	337,054	235,044	24,729	8,590
2021	961,690	364,352	323,310	228,804	25,539	7,780
2022	987,921	338,358	332,087	221,374	26,376	6,943
2023-2027	2,572,025	1,354,718	1,237,969	979,871	145,422	21,173
2028-2032	1,855,000	985,802	1,075,000	787,200	48,196	1,581
2033-2037	2,295,000	939,134	1,310,000	554,800	0	0
2038-2042	1,590,000	116,088	1,605,000	269,600	0	0
2043-2047	0	0	360,000	14,400	0	0
Total	<u>\$13,034,267</u>	<u>\$5,318,756</u>	<u>\$7,720,733</u>	<u>\$3,800,515</u>	<u>\$317,592</u>	<u>\$65,575</u>

Note 9 - Defined Benefit Pension Plans

Net Pension Liability

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

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

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

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

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

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

Ohio Public Employees Retirement System (OPERS)

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

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

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

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

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

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

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

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

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

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

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

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

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City is contractually required contribution was \$809,412 for 2017. Of this amount \$112,498 is reported as an accrued wages and benefits.

Ohio Police & Fire Pension Fund (OPF)

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

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

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before after July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

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

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

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

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

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

	Safety <u>Officers</u>	<u>Firefighters</u>
2017 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
2017 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	<u>0.50</u>	<u>0.50</u>
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee	12.25 %	12.25 %

The City's contractually required contribution to OPF was \$1,362,158 for 2017. Of this amount \$213,926 is reported as an accrued wages and benefits.

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

The net pension liability for OPERS was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OPF's total pension liability was measured as of December 31, 2016, and was determined by rolling forward the total pension liability as of January 1, 2016, to December 31, 2016. The City proportion of the net pension liability was based on the City share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

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

	<u>OPERS</u>	<u>OPF</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$11,041,911	\$19,100,951	\$30,142,862
Proportion of the Net Pension Liability			
Current Measurement Date	0.04862500%	0.30156700%	
Proportion of the Net Pension Liability			
Prior Measurement Date	<u>0.04752900%</u>	<u>0.30581300%</u>	
Change in Proportionate Share	0.0010960%	-0.0042460%	
Pension Expense	\$2,344,310	\$2,254,113	\$4,598,423

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

	<u>OPERS</u>	<u>OPF</u>	<u>Total</u>
Deferred Outflows of Resources:			
Differences between expected and actual experience	\$14,966	\$5,404	\$20,370
Changes in assumptions	1,751,382	0	1,751,382
Net difference between projected and actual earnings on pension plan investments	1,644,395	1,857,483	3,501,878
Changes in employer proportionate share of net pension liability	93,079	0	93,079
Contributions subsequent to the measurement date	<u>809,412</u>	<u>1,362,158</u>	<u>2,171,570</u>
Total Deferred Outflows of Resources	<u>\$4,313,234</u>	<u>\$3,225,045</u>	<u>\$7,538,279</u>
Deferred Inflows of Resources:			
Differences between expected and actual experience	\$65,716	\$43,978	\$109,694
Changes in employer proportionate share of net pension liability	<u>48,989</u>	<u>278,550</u>	<u>327,539</u>
Total Deferred Inflows of Resources	<u>\$114,705</u>	<u>\$322,528</u>	<u>\$437,233</u>

\$2,171,570 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

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

Year Ending December 31:	OPERS	OPF	Total
2018	\$1,382,423	\$646,576	\$2,028,999
2019	1,466,528	646,575	2,113,103
2020	588,368	478,247	1,066,615
2021	(48,201)	(184,901)	(233,102)
2022	0	(42,483)	(42,483)
Thereafter	0	(3,656)	(3,656)
Total	\$3,389,118	\$1,540,358	\$4,929,476

Actuarial Assumptions – OPERS

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

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

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

Key Methods and Assumptions Used in Valuation of Total Pension Liability

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

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

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

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

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

The allocation of investment assets within the Defined Benefit portfolio is approved by the Board as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The following table displays the Board-approved asset allocation policy for 2016 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.75 %
Domestic Equities	20.70	6.34
Real Estate	10.00	4.75
Private Equity	10.00	8.97
International Equities	18.30	7.95
Other Investments	18.00	4.92
Total	100.00 %	5.66 %

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

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

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
City's proportionate share of the net pension liability:			
OPERS	\$16,868,985	\$11,041,911	\$6,186,073

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

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

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

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

Actuarial Assumptions – OPF

OPF’s total pension liability as of December 31, 2016 is based on the results of an actuarial valuation date of January 1, 2016, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OPF’s actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

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

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

The most recent experience study of five years was completed in 2017 covering the period 2012-2016.

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

Best estimates of the long-term expected real rates of return for each major asset class included in OPF's target asset allocation as of December 31, 2016 are summarized below:

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

Note: Assumptions are geometric

* levered 2x

** Numbers are net of expected inflation

OPF's Board of Trustees has incorporated the "risk parity" concept into OPF's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.20 times due to the application of leverage in certain fixed income asset classes.

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

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

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

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
City's proportionate share of the net pension liability :			
OPF	\$25,440,203	\$19,100,951	\$13,728,349

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

Note 10 – Post Employment Benefits

Ohio Public Employees Retirement System

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

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

In order to qualify for health care coverage, age-and-service retirees under the Traditional Pension and Combined plans must have 20 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. Please see the Plan Statement in the OPERS CAFR for details.

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

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

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

Funding Policy

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

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

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

Information from City's Records

The rates stated in Funding Policy, above, are the contractually required contribution rates for OPERS. The City's actual contributions for the current year, which were used to fund postemployment benefits, were \$62,238 for 2017, \$137,770 for 2016 and \$129,335 for 2015. The full amount has been contributed for 2017, 2016 and 2015.

Ohio Police and Fire Pension Fund

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

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

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

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

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

Funding Policy

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and Section 401(h) account as the employer contribution for retiree healthcare benefits. The portion of employer contributions allocated to health care was .5% of covered payroll from January 1, 2017 thru December 31, 2017. The amount of employer contributions allocated to the healthcare plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

Information from City's Records

The City's contributions to OP&F for the year ending December 31, 2017 was \$32,606, December 31, 2016 was \$31,765, and December 31, 2015 was \$31,320. The actual contributions for 2017, 2016 and 2015 were 100%.

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

Note 11 – Construction and Other Commitments

The City had the following outstanding commitments at year end:

<u>Projects</u>	<u>Amount</u>
Hobart Arena Events	\$76,204
Sewer Maintenance and Improvements	104,585
Water Maintenance and Improvements	918,390
Fire Department Maintenance and Improvements	305,078
Street Improvements	2,809,212
Downtown Building Repair Loan	992,486
Rock Salt for Streets	30,972
Refuse Collection	85,778
Vehicles	110,352
Other Construction and Commitments	<u>301,937</u>
Total Outstanding Commitments	<u><u>\$5,734,994</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	\$734,883
Capital Improvements	760,751
Water	1,436,976
Sanitary Sewer	395,366
Stormwater Utility	449,850
Nonmajor Funds	<u>2,604,993</u>
Total	<u><u>\$6,382,819</u></u>

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

Note 12 – Interfund Transfers and Interfund Receivable/Payable

Interfund transactions at year end, consisted of the following individual interfund receivables, interfund payables, transfers in and transfers out:

	Interfund		Transfers	
	Receivable	Payable	In	Out
General Fund	\$1,706,000	\$0	\$0	\$4,491,482
TIF Retirement	0	1,370,000	0	0
Other Governmental Funds	0	336,000	3,741,482	0
Water	0	0	30,000	0
Hobart Arena	0	0	500,000	0
Sanitary Sewer	0	0	0	30,000
Other Enterprise Funds	0	0	250,000	0
Total All Funds	<u>\$1,706,000</u>	<u>\$1,706,000</u>	<u>\$4,521,482</u>	<u>\$4,521,482</u>

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

The transfer out of the Sanitary Sewer fund for \$30,000 was to make a debt service payment for another fund.

Note 13 - 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 \$157,726. The City authorizes expenditures from donor-restricted endowment in compliance with the wishes expressed by the donor and the Ohio Revised Code.

Note 14 – 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, 2017

Fund Balances	General	TIF Retirement	Other Governmental Funds	Total
Restricted for:				
Safety Income Tax	\$1,285,892	\$0	\$0	\$1,285,892
Street Construction, Maintenance and Repair	0	0	1,717,697	1,717,697
State Highway Improvement	0	0	179,794	179,794
Cemetery	0	0	281,587	281,587
Municipal Real Property	0	0	148,172	148,172
Miami Conservatory District	0	0	95,834	95,834
Community Development Block Grant	0	0	2,600,399	2,600,399
Parking Improvement	0	0	121,045	121,045
Drug Law Enforcement	0	0	14,308	14,308
Law Enforcement	0	0	36,601	36,601
Cemetery Endowment	0	0	979,190	979,190
Small Business Development R-Loan	0	0	1,141,477	1,141,477
Equitable Sharing	0	0	55,840	55,840
Capital Improvement	0	0	1,260,810	1,260,810
OPWC Project	0	0	1,766,708	1,766,708
Total Restricted	1,285,892	0	10,399,462	11,685,354
Committed to:				
Capital Improvements	33,452,517	0	0	33,452,517
Total Committed	33,452,517	0	0	33,452,517
Assigned to:				
Bond Retirement	0	0	598,142	598,142
Technology	0	0	113,997	113,997
Future Encumbrances	672,148	0	0	672,148
Total Assigned	672,148	0	712,139	1,384,287
Unassigned (Deficit)	23,997,089	(862,897)	0	23,134,192
Total Fund Balance	\$59,407,646	(\$862,897)	\$11,111,601	\$69,656,350

Encumbrances (assigned) will be used for functions of the general government, safety of residences, recreational activities, economic development projects, and purchases of capital items for the City.

Note 15 –Accountability

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

Fund	Deficit
Major Fund:	
TIF Retirement	\$862,897

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

The fund deficit at December 31, 2017 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 16 – 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.

Note 17 – Tax Abatements

As of December 31, 2017, the City provides tax abatements through the Community Reinvestment Area (CRA) and Ohio Enterprise Zone Area (EZA) Program:

The Ohio Community Reinvestment Area program is an economic development tool administered by the City that provides real property tax exemptions for property owners who renovate existing or construct new buildings. Under Ohio Revised Code section 3765 to 3735.70, city, village or county can petition the Ohio Department of Development to confirm that investment in a particular geographical area. Once the Department has confirmed the investment in the area, the community may offer real estate tax exemptions to taxpayers who are willing to invest in the area. Up to 12 years may be exempt for commercial and industrial remodeling and up to 15 years may be exempt for new construction. State law requires reimbursement agreements with school districts for tax revenue losses for CRA in place after 1994. It is the City's policy to have reimbursement agreements with school districts for any CRA prior to 1994. Payments in lieu of taxes paid by the property owner directly to the school districts as required by the agreement are not reduced from the total amount of taxes abated.

The Ohio Enterprise Zone Areas are designated areas of land in which businesses can receive tax incentives in the form of tax exemptions on eligible new investments. EZAs are not part of the traditional zoning program, which limits the use of land, instead they allow local officials to negotiate with businesses to encourage new business investment in the zone. The EZA serves as an additional economic development tool for communities attempting to retain and expand their economic base. The EZA is a contract between the City and the company. The zone's geographic area is identified by the local communities involved in the creation of the zone. Once a zone is defined, the local legislative authority participating in the creation must petition the director of the Development Services Agency. The director must then certify the area for it to become an active Enterprise Zone. Tax incentives are negotiated at the local level, and an enterprise zone agreement must be in place before the project begins. Businesses interested in pursuing these incentives should contact the local Enterprise Zone Manager.

<u>Tax Abatement Programs</u>	<u>City's Share of Taxes Abated</u>
Community Reinvestment Area	\$836
Enterprise Zone Area	55,785

The abatements will be terminated if the property is deemed delinquent, behind on payments, or the terms and conditions of the CRA or EZA are not adhered to and no recapture provisions noted.

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

Note 18 – Implementation of New Accounting Principles

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

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

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

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

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REQUIRED SUPPLEMENTARY INFORMATION

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

	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.0486250%	0.0475290%	0.0486720%	0.0486720%
City's Proportionate Share of the Net Pension Liability	\$11,041,911	\$8,232,622	\$5,870,387	\$5,737,795
City's Covered-Employee Payroll	\$6,285,742	\$5,980,800	\$5,986,958	\$6,565,754
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	175.67%	137.65%	98.05%	87.39%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.25%	81.08%	86.45%	86.36%

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

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

See accompanying notes to the required supplementary information.

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

	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.3015670%	0.3058130%	0.3083322%	0.3083322%
City's Proportionate Share of the Net Pension Liability	\$19,100,951	\$19,673,165	\$15,972,893	\$15,016,746
City's Covered-Employee Payroll	\$6,985,753	\$6,654,988	\$6,337,672	\$7,482,014
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	273.43%	295.62%	252.03%	200.70%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.36%	66.77%	72.20%	73.00%

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

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

See accompanying notes to the required supplementary information.

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$809,412	\$754,289	\$717,696	\$718,435
Contributions in Relation to the Contractually Required Contribution	<u>(809,412)</u>	<u>(754,289)</u>	<u>(717,696)</u>	<u>(718,435)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's Covered-Employee Payroll	\$6,226,246	\$6,285,742	\$5,980,800	\$5,986,958
Contributions as a Percentage of Covered-Employee Payroll	13.00%	12.00%	12.00%	12.00%

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

See accompanying notes to the required supplementary information.

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$1,362,158	\$1,327,293	\$1,336,987	\$1,290,350
Contributions in Relation to the Contractually Required Contribution	<u>(1,362,158)</u>	<u>(1,327,293)</u>	<u>(1,336,987)</u>	<u>(1,290,350)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's Covered-Employee Payroll	\$7,169,253	\$6,985,753	\$6,654,988	\$6,337,672
Contributions as a Percentage of Covered-Employee Payroll	19.00%	19.00%	20.09%	20.36%

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

See accompanying notes to the required supplementary information.

City of 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, 2017

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Property and Other Taxes	\$1,358,130	\$1,445,735	\$1,445,743	\$8
Charges for Services	3,336,105	3,442,665	3,551,317	108,652
Investment Earnings	193,741	197,210	206,239	9,029
Intergovernmental	1,081,657	1,148,830	1,151,435	2,605
Special Assessments	2,789	2,960	2,969	9
Fines, Licenses & Permits	70,418	73,185	74,961	1,776
Other Revenues	1,271,854	1,347,505	1,353,901	6,396
Total Revenues	7,314,694	7,658,090	7,786,565	128,475
Expenditures:				
Current:				
General Government	3,916,135	3,736,465	3,592,077	144,388
Public Safety	11,522,579	11,346,539	10,569,093	777,446
Community Environment	1,286,197	1,286,982	1,179,765	107,217
Recreation	1,547,396	1,482,890	1,419,350	63,540
Basic Utility	1,260,222	1,178,947	1,155,939	23,008
Capital Outlay	1,750,148	1,631,073	1,605,324	25,749
Total Expenditures	21,282,677	20,662,896	19,521,548	1,141,348
Excess of Revenues Over (Under) Expenditures	(13,967,983)	(13,004,806)	(11,734,983)	1,269,823
Other Financing Sources (Uses):				
Transfers In	15,427,491	16,422,710	16,422,718	8
Transfers (Out)	(4,900,222)	(5,520,000)	(4,494,732)	1,025,268
Total Other Financing Sources (Uses)	10,527,269	10,902,710	11,927,986	1,025,276
Net Change in Fund Balance	(3,440,714)	(2,102,096)	193,003	2,295,099
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	8,035,596	8,035,596	8,035,596	0
Fund Balance End of Year	\$4,594,882	\$5,933,500	\$8,228,599	\$2,295,099

See accompanying notes to the required supplementary information.

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

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, 2017

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

	General
GAAP Basis	\$4,361,860
Revenue Accruals	(4,344,164)
Expenditure Accruals	1,198,215
Proceeds from Sale of Capital Assets	(284,775)
Transfers Out	(3,250)
Encumbrances	(734,883)
Budget Basis	<u>\$193,003</u>

Note 2 – Pension Plans

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

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

Ohio Public Employees Retirement System Changes in Benefit Terms and Assumptions

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

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

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

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES

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, 2017

	TIF Retirement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Revenue in Lieu of Taxes	\$209,945	\$209,947	\$2
Total Revenues	209,945	209,947	2
Expenditures:			
Current:			
Capital Outlay	17,000	2,810	14,190
Debt Service:			
Principal Retirement	45,000	45,000	0
Interest and Fiscal Charges	84,900	84,900	0
Total Expenditures	146,900	132,710	14,190
Net Change in Fund Balance	63,045	77,237	14,192
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	429,868	429,868	0
Fund Balance End of Year	\$492,913	\$507,105	\$14,192

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

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

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in Pooled Cash and Investments	\$5,045,109	\$597,321	\$3,447,393	\$9,089,823
Receivables (Net):				
Taxes	132,269	0	0	132,269
Accounts	60	0	26,297	26,357
Interest	3,952	821	0	4,773
Intergovernmental	516,373	0	287,482	803,855
Notes	2,289,017	0	0	2,289,017
Special Assessments	33,627	0	250,711	284,338
Total Assets	8,020,407	598,142	4,011,883	12,630,432
Liabilities:				
Accounts Payable	14,550	0	19,261	33,811
Accrued Wages and Benefits	36,774	0	0	36,774
Interfund Payable	0	0	336,000	336,000
Total Liabilities	51,324	0	355,261	406,585
Deferred Inflows of Resources:				
Property and Income Taxes	121,296	0	0	121,296
Grants and Other Taxes	442,216	0	264,396	706,612
Special Assessments	33,627	0	250,711	284,338
Total Deferred Inflows of Resources	597,139	0	515,107	1,112,246
Fund Balances:				
Restricted	7,371,944	0	3,027,518	10,399,462
Assigned	0	598,142	113,997	712,139
Total Fund Balances	7,371,944	598,142	3,141,515	11,111,601
Total Liabilities, Deferred Inflows and Fund Balances	\$8,020,407	\$598,142	\$4,011,883	\$12,630,432

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

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Property and Other Taxes	\$129,968	\$0	\$0	\$129,968
Charges for Services	228,193	0	0	228,193
Investment Earnings	51,586	(821)	0	50,765
Intergovernmental	1,159,186	0	1,086,512	2,245,698
Special Assessments	0	0	83,547	83,547
Fines, Licenses & Permits	39,167	0	101,986	141,153
Other Revenues	55,760	0	37,716	93,476
Total Revenues	1,663,860	(821)	1,309,761	2,972,800
Expenditures:				
Current:				
General Government	77,598	0	0	77,598
Public Safety	7,800	0	0	7,800
Community Development	24,494	0	56,945	81,439
Transportation and Street Repair	1,438,950	0	0	1,438,950
Public Health and Welfare	462,831	0	0	462,831
Capital Outlay	398,083	0	2,402,337	2,800,420
Debt Service:				
Principal	0	881,739	0	881,739
Interest and Other Charges	0	448,300	0	448,300
Total Expenditures	2,409,756	1,330,039	2,459,282	6,199,077
Excess of Revenues Over (Under) Expenditures	(745,896)	(1,330,860)	(1,149,521)	(3,226,277)
Other Financing Sources (Uses):				
Transfers In	841,482	1,400,000	1,500,000	3,741,482
Total Other Financing Sources (Uses)	841,482	1,400,000	1,500,000	3,741,482
Net Change in Fund Balance	95,586	69,140	350,479	515,205
Fund Balance - Beginning of Year	7,276,358	529,002	2,791,036	10,596,396
Fund Balance - End of Year	\$7,371,944	\$598,142	\$3,141,515	\$11,111,601

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.

Equitable Sharing - To account for monies received through the equitable sharing program.

City of Troy, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2017

	Street Construction, Maintenance and Repair	State Highway Improvement	Cemetery	Municipal Real Property
Assets:				
Equity in Pooled Cash and Investments	\$1,687,813	\$173,993	\$291,945	\$150,185
Receivables (Net):				
Taxes	0	0	0	0
Accounts	35	0	0	0
Interest	0	239	0	207
Intergovernmental	477,644	38,729	0	0
Notes	0	0	0	0
Special Assessments	33,627	0	0	0
Total Assets	2,199,119	212,961	291,945	150,392
Liabilities:				
Accounts Payable	7,861	0	4,469	2,220
Accrued Wages and Benefits	30,885	0	5,889	0
Total Liabilities	38,746	0	10,358	2,220
Deferred Inflows of Resources:				
Property and Income Taxes	0	0	0	0
Grants and Other Taxes	409,049	33,167	0	0
Special Assessments	33,627	0	0	0
Total Deferred Inflows of Resources	442,676	33,167	0	0
Fund Balances:				
Restricted	1,717,697	179,794	281,587	148,172
Total Fund Balances	1,717,697	179,794	281,587	148,172
Total Liabilities, Deferred Inflows and Fund Balances	\$2,199,119	\$212,961	\$291,945	\$150,392

Miami Conservancy District	Community Development Block Grant	Parking Improvement	Drug Law Enforcement	Law Enforcement	Cemetery Endowment	Small Business Development R-Loan
\$84,861	\$1,002,699	\$120,879	\$14,308	\$36,576	\$977,845	\$448,165
132,269	0	0	0	0	0	0
0	0	0	0	25	0	0
0	1,379	166	0	0	1,345	616
0	0	0	0	0	0	0
0	1,596,321	0	0	0	0	692,696
0	0	0	0	0	0	0
<u>217,130</u>	<u>2,600,399</u>	<u>121,045</u>	<u>14,308</u>	<u>36,601</u>	<u>979,190</u>	<u>1,141,477</u>
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
121,296	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>121,296</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>95,834</u>	<u>2,600,399</u>	<u>121,045</u>	<u>14,308</u>	<u>36,601</u>	<u>979,190</u>	<u>1,141,477</u>
<u>95,834</u>	<u>2,600,399</u>	<u>121,045</u>	<u>14,308</u>	<u>36,601</u>	<u>979,190</u>	<u>1,141,477</u>
<u>\$217,130</u>	<u>\$2,600,399</u>	<u>\$121,045</u>	<u>\$14,308</u>	<u>\$36,601</u>	<u>\$979,190</u>	<u>\$1,141,477</u>

Continued

City of Troy, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2017

	Equitable Sharing	Total Nonmajor Special Revenue Funds
Assets:		
Equity in Pooled Cash and Investments	\$55,840	\$5,045,109
Receivables (Net):		
Taxes	0	132,269
Accounts	0	60
Interest	0	3,952
Intergovernmental	0	516,373
Notes	0	2,289,017
Special Assessments	0	33,627
Total Assets	<u>55,840</u>	<u>8,020,407</u>
Liabilities:		
Accounts Payable	0	14,550
Accrued Wages and Benefits	0	36,774
Total Liabilities	<u>0</u>	<u>51,324</u>
Deferred Inflows of Resources:		
Property and Income Taxes	0	121,296
Grants and Other Taxes	0	442,216
Special Assessments	0	33,627
Total Deferred Inflows of Resources	<u>0</u>	<u>597,139</u>
Fund Balances:		
Restricted	<u>55,840</u>	<u>7,371,944</u>
Total Fund Balances	<u>55,840</u>	<u>7,371,944</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$55,840</u>	<u>\$8,020,407</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, 2017

	Street Construction, Maintenance and Repair	State Highway Improvement	Cemetery	Municipal Real Property
Revenues:				
Property and Other Taxes	\$0	\$0	\$0	\$0
Charges for Services	16,598	0	160,340	0
Investment Earnings	0	0	0	148
Intergovernmental	1,043,454	84,605	0	0
Fines, Licenses & Permits	0	0	0	0
Other Revenues	18,336	816	5,707	33
Total Revenues	1,078,388	85,421	166,047	181
Expenditures:				
Current:				
General Government	0	0	0	0
Public Safety	0	0	0	0
Community Development	0	0	0	0
Transportation and Street Repair	1,332,247	67,509	0	0
Public Health and Welfare	0	0	402,229	0
Capital Outlay	198,981	0	12,323	42,665
Total Expenditures	1,531,228	67,509	414,552	42,665
Excess of Revenues Over (Under) Expenditures	(452,840)	17,912	(248,505)	(42,484)
Other Financing Sources (Uses):				
Transfers In	600,000	0	200,000	0
Total Other Financing Sources (Uses)	600,000	0	200,000	0
Net Change in Fund Balance	147,160	17,912	(48,505)	(42,484)
Fund Balance - Beginning of Year	1,570,537	161,882	330,092	190,656
Fund Balance - End of Year	\$1,717,697	\$179,794	\$281,587	\$148,172

Miami Conservancy District	Community Development Block Grant	Parking Improvement	Drug Law Enforcement	Law Enforcement	Law Enforcement	Cemetery Endowment	Small Business Development R-Loan
\$129,968	\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0	51,255	0
0	39,411	2,573	0	0	0	9,454	0
14,907	0	0	0	16,220	0	0	0
0	0	35,413	1,422	270	0	0	2,062
0	0	0	3,600	0	0	16	20,225
<u>144,875</u>	<u>39,411</u>	<u>37,986</u>	<u>5,022</u>	<u>16,490</u>	<u>60,725</u>	<u>22,287</u>	
77,598	0	0	0	0	0	0	0
0	0	0	3,900	3,900	0	0	0
0	24,494	0	0	0	0	0	0
0	0	39,194	0	0	0	0	0
0	0	0	0	0	0	60,602	0
0	0	85,000	5,744	0	0	0	0
<u>77,598</u>	<u>24,494</u>	<u>124,194</u>	<u>9,644</u>	<u>3,900</u>	<u>60,602</u>	<u>0</u>	
<u>67,277</u>	<u>14,917</u>	<u>(86,208)</u>	<u>(4,622)</u>	<u>12,590</u>	<u>123</u>	<u>22,287</u>	
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>41,482</u>	
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>41,482</u>	
67,277	14,917	(86,208)	(4,622)	12,590	123	63,769	
28,557	2,585,482	207,253	18,930	24,011	979,067	1,077,708	
<u>\$95,834</u>	<u>\$2,600,399</u>	<u>\$121,045</u>	<u>\$14,308</u>	<u>\$36,601</u>	<u>\$979,190</u>	<u>\$1,141,477</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, 2017

	Equitable Sharing	Total Nonmajor Special Revenue Funds
Revenues:		
Property and Other Taxes	\$0	\$129,968
Charges for Services	0	228,193
Investment Earnings	0	51,586
Intergovernmental	0	1,159,186
Fines, Licenses & Permits	0	39,167
Other Revenues	7,027	55,760
Total Revenues	7,027	1,663,860
Expenditures:		
Current:		
General Government	0	77,598
Public Safety	0	7,800
Community Development	0	24,494
Transportation and Street Repair	0	1,438,950
Public Health and Welfare	0	462,831
Capital Outlay	53,370	398,083
Total Expenditures	53,370	2,409,756
Excess of Revenues Over (Under) Expenditures	(46,343)	(745,896)
Other Financing Sources (Uses):		
Transfers In	0	841,482
Total Other Financing Sources (Uses)	0	841,482
Net Change in Fund Balance	(46,343)	95,586
Fund Balance - Beginning of Year	102,183	7,276,358
Fund Balance - End of Year	\$55,840	\$7,371,944

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, 2017

	Street Construction, Maintenance and Repair Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Charges for Services	\$16,595	\$16,600	\$5
Intergovernmental	989,855	1,048,817	58,962
Other Revenues	18,510	18,518	8
Total Revenues	1,024,960	1,083,935	58,975
Expenditures:			
Current:			
Transportation	1,606,996	1,398,895	208,101
Capital Outlay	217,000	211,222	5,778
Total Expenditures	1,823,996	1,610,117	213,879
Excess of Revenues Over (Under) Expenditures	(799,036)	(526,182)	272,854
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	(199,036)	73,818	272,854
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,552,388	1,552,388	0
Fund Balance End of Year	\$1,353,352	\$1,626,206	\$272,854

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, 2017

	State Highway Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$80,250	\$85,039	\$4,789
Other Revenues	1,060	1,061	1
Total Revenues	<u>81,310</u>	<u>86,100</u>	<u>4,790</u>
Expenditures:			
Current:			
Transportation	109,995	79,898	30,097
Total Expenditures	<u>109,995</u>	<u>79,898</u>	<u>30,097</u>
Net Change in Fund Balance	(28,685)	6,202	34,887
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>156,858</u>	<u>156,858</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$128,173</u></u>	<u><u>\$163,060</u></u>	<u><u>\$34,887</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, 2017

	Cemetery Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Charges for Services	\$149,930	\$160,340	\$10,410
Other Revenues	5,700	5,707	7
Total Revenues	<u>155,630</u>	<u>166,047</u>	<u>10,417</u>
Expenditures:			
Current:			
Public Health and Welfare	472,021	412,790	59,231
Capital Outlay	11,916	12,323	(407)
Total Expenditures	<u>483,937</u>	<u>425,113</u>	<u>58,824</u>
Excess of Revenues Over (Under) Expenditures	<u>(328,307)</u>	<u>(259,066)</u>	<u>69,241</u>
Other Financing Sources (Uses):			
Transfers In	200,000	200,000	0
Total Other Financing Sources (Uses)	<u>200,000</u>	<u>200,000</u>	<u>0</u>
Net Change in Fund Balance	(128,307)	(59,066)	69,241
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>337,086</u>	<u>337,086</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$208,779</u></u>	<u><u>\$278,020</u></u>	<u><u>\$69,241</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, 2017

	Municipal Real Property Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Other Revenues	\$1,718	\$1,790	\$72
Total Revenues	1,718	1,790	72
Expenditures:			
Current:			
Capital Outlay	91,627	79,450	12,177
Total Expenditures	91,627	79,450	12,177
Net Change in Fund Balance	(89,909)	(77,660)	12,249
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	190,098	190,098	0
Fund Balance End of Year	\$100,189	\$112,438	\$12,249

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, 2017

	Miami Conservancy District Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Property and Other Taxes	\$128,546	\$128,548	\$2
Intergovernmental	14,905	14,907	2
Total Revenues	<u>143,451</u>	<u>143,455</u>	<u>4</u>
Expenditures:			
Current:			
General Government	80,600	77,598	3,002
Total Expenditures	<u>80,600</u>	<u>77,598</u>	<u>3,002</u>
Net Change in Fund Balance	62,851	65,857	3,006
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>19,009</u>	<u>19,009</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$81,860</u></u>	<u><u>\$84,866</u></u>	<u><u>\$3,006</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, 2017

	Community Development Block Grant Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$40,825	\$40,831	\$6
Other Revenues	151,200	151,204	4
Total Revenues	192,025	192,035	10
Expenditures:			
Current:			
Community Environment	810,218	810,200	18
Total Expenditures	810,218	810,200	18
Net Change in Fund Balance	(618,193)	(618,165)	28
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	886,761	886,761	0
Fund Balance End of Year	\$268,568	\$268,596	\$28

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, 2017

	Parking Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$2,025	\$2,105	\$80
Fines, Licenses & Permits	34,140	35,413	1,273
Total Revenues	36,165	37,518	1,353
Expenditures:			
Current:			
Transportation	71,524	39,194	32,330
Capital Outlay	85,000	85,000	0
Total Expenditures	156,524	124,194	32,330
Net Change in Fund Balance	(120,359)	(86,676)	33,683
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	208,568	208,568	0
Fund Balance End of Year	\$88,209	\$121,892	\$33,683

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, 2017

	Drug Law Enforcement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses & Permits	\$1,420	\$1,422	\$2
Other Revenues	3,600	3,600	0
Total Revenues	<u>5,020</u>	<u>5,022</u>	<u>2</u>
Expenditures:			
Current:			
Public Safety	5,900	3,900	2,000
Capital Outlay	10,844	5,800	5,044
Total Expenditures	<u>16,744</u>	<u>9,700</u>	<u>7,044</u>
Net Change in Fund Balance	(11,724)	(4,678)	7,046
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>18,928</u>	<u>18,928</u>	<u>0</u>
Fund Balance End of Year	<u>\$7,204</u>	<u>\$14,250</u>	<u>\$7,046</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, 2017

	Law Enforcement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$16,220	\$16,220	\$0
Fines, Licenses & Permits	765	769	4
Total Revenues	<u>16,985</u>	<u>16,989</u>	<u>4</u>
Expenditures:			
Current:			
Public Safety	14,900	3,900	11,000
Capital Outlay	6,500	0	6,500
Total Expenditures	<u>21,400</u>	<u>3,900</u>	<u>17,500</u>
Net Change in Fund Balance	(4,415)	13,089	17,504
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>23,487</u>	<u>23,487</u>	<u>0</u>
Fund Balance End of Year	<u>\$19,072</u>	<u>\$36,576</u>	<u>\$17,504</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, 2017

	Cemetery Endowment Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Charges for Services	\$49,575	\$51,255	\$1,680
Investment Earnings	9,665	10,080	415
Other Revenues	15	16	1
Total Revenues	<u>59,255</u>	<u>61,351</u>	<u>2,096</u>
Expenditures:			
Current:			
Public Health and Welfare	72,500	60,602	11,898
Total Expenditures	<u>72,500</u>	<u>60,602</u>	<u>11,898</u>
Net Change in Fund Balance	(13,245)	749	13,994
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>985,270</u>	<u>985,270</u>	<u>0</u>
Fund Balance End of Year	<u>\$972,025</u>	<u>\$986,019</u>	<u>\$13,994</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, 2017

	Small Business Development R-Loan Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Charges for Services	\$2,060	\$2,062	\$2
Other Revenues	102,555	102,561	6
Total Revenues	104,615	104,623	8
Expenditures:			
Current:			
Community Environment	411,200	370,400	40,800
Total Expenditures	411,200	370,400	40,800
Excess of Revenues Over (Under) Expenditures	(306,585)	(265,777)	40,808
Other Financing Sources (Uses):			
Transfers In	41,482	41,482	0
Total Other Financing Sources (Uses)	41,482	41,482	0
Net Change in Fund Balance	(265,103)	(224,295)	40,808
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	426,205	426,205	0
Fund Balance End of Year	\$161,102	\$201,910	\$40,808

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, 2017

	Equitable Sharing Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Other Revenues	\$7,025	\$7,027	\$2
Total Revenues	7,025	7,027	2
Expenditures:			
Current:			
General Government	60,500	53,370	7,130
Total Expenditures	60,500	53,370	0
Net Change in Fund Balance	(53,475)	(46,343)	2
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	102,183	102,183	0
Fund Balance End of Year	\$48,708	\$55,840	\$2

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, 2017

	Bond Retirement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Special Assessments	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Debt Service:			
Principal Retirement	1,363,296	881,739	481,557
Interest and Fiscal Charges	481,765	448,300	33,465
Total Expenditures	1,845,061	1,330,039	515,022
Excess of Revenues Over (Under) Expenditures	(1,845,061)	(1,330,039)	515,022
Other Financing Sources (Uses):			
Transfers In	1,400,000	1,400,000	0
Total Other Financing Sources (Uses)	1,400,000	1,400,000	0
Net Change in Fund Balance	(445,061)	69,961	515,022
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	532,350	532,350	0
Fund Balance End of Year	<u>\$87,289</u>	<u>\$602,311</u>	<u>\$515,022</u>

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, 2017

	Capital Improvement	OPWC Project Fund	Technology Fund	Total Nonmajor Capital Projects Funds
Assets:				
Equity in Pooled Cash and Investments	\$1,579,221	\$1,776,680	\$91,492	\$3,447,393
Receivables (Net):				
Accounts	0	0	26,297	26,297
Intergovernmental	287,482	0	0	287,482
Special Assessments	250,711	0	0	250,711
Total Assets	2,117,414	1,776,680	117,789	4,011,883
Liabilities:				
Accounts Payable	5,497	9,972	3,792	19,261
Interfund Payable	336,000	0	0	336,000
Total Liabilities	341,497	9,972	3,792	355,261
Deferred Inflows of Resources:				
Grants and Other Taxes	264,396	0	0	264,396
Special Assessments	250,711	0	0	250,711
Total Deferred Inflows of Resources	515,107	0	0	515,107
Fund Balances:				
Restricted	1,260,810	1,766,708	0	3,027,518
Assigned	0	0	113,997	113,997
Total Fund Balances	1,260,810	1,766,708	113,997	3,141,515
Total Liabilities, Deferred Inflows and Fund Balances	\$2,117,414	\$1,776,680	\$117,789	\$4,011,883

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, 2017

	Capital Improvement	OPWC Project Fund	Technology Fund	Total Nonmajor Capital Projects Funds
Revenues:				
Intergovernmental	\$579,562	\$506,950	\$0	\$1,086,512
Special Assessments	83,547	0	0	83,547
Fines, Licenses & Permits	0	0	101,986	101,986
Other Revenues	37,716	0	0	37,716
Total Revenues	<u>700,825</u>	<u>506,950</u>	<u>101,986</u>	<u>1,309,761</u>
Expenditures:				
Current:				
Community Development	56,945	0	0	56,945
Capital Outlay	2,136,010	65,067	201,260	2,402,337
Total Expenditures	<u>2,192,955</u>	<u>65,067</u>	<u>201,260</u>	<u>2,459,282</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,492,130)</u>	<u>441,883</u>	<u>(99,274)</u>	<u>(1,149,521)</u>
Other Financing Sources (Uses):				
Transfers In	<u>1,000,000</u>	<u>500,000</u>	<u>0</u>	<u>1,500,000</u>
Total Other Financing Sources (Uses)	<u>1,000,000</u>	<u>500,000</u>	<u>0</u>	<u>1,500,000</u>
Net Change in Fund Balance	(492,130)	941,883	(99,274)	350,479
Fund Balance - Beginning of Year	1,752,940	824,825	213,271	2,791,036
Fund Balance - End of Year	<u>\$1,260,810</u>	<u>\$1,766,708</u>	<u>\$113,997</u>	<u>\$3,141,515</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, 2017

	Capital Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$579,610	\$579,617	\$7
Special Assessments	83,540	83,547	7
Other Revenues	37,715	37,716	1
Total Revenues	700,865	700,880	15
Expenditures:			
Current:			
Community Environment	159,500	156,159	3,341
Capital Outlay	3,553,692	3,415,768	137,924
Total Expenditures	3,713,192	3,571,927	141,265
Excess of Revenues Over (Under) Expenditures	(3,012,327)	(2,871,047)	141,280
Other Financing Sources (Uses):			
Transfers In	1,000,000	1,000,000	0
Total Other Financing Sources (Uses)	1,000,000	1,000,000	0
Net Change in Fund Balance	(2,012,327)	(1,871,047)	141,280
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	2,689,512	2,689,512	0
Fund Balance End of Year	\$677,185	\$818,465	\$141,280

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, 2017

	OPWC Project Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$506,945	\$506,950	\$5
Total Revenues	506,945	506,950	5
Expenditures:			
Current:			
Capital Outlay	1,511,081	1,410,632	100,449
Total Expenditures	1,511,081	1,410,632	100,449
Excess of Revenues Over (Under) Expenditures	(1,004,136)	(903,682)	100,454
Other Financing Sources (Uses):			
Transfers In	500,000	500,000	0
Total Other Financing Sources (Uses)	500,000	500,000	0
Net Change in Fund Balance	(504,136)	(403,682)	100,454
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	868,609	868,609	0
Fund Balance End of Year	\$364,473	\$464,927	\$100,454

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, 2017

	Technology Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Other Revenues	\$102,110	\$102,115	\$5
Total Revenues	<u>102,110</u>	<u>102,115</u>	<u>5</u>
Expenditures:			
Current:			
Capital Outlay	244,507	229,040	15,467
Total Expenditures	<u>244,507</u>	<u>229,040</u>	<u>15,467</u>
Net Change in Fund Balance	(142,397)	(126,925)	15,472
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>200,470</u>	<u>200,470</u>	<u>0</u>
Fund Balance End of Year	<u>\$58,073</u>	<u>\$73,545</u>	<u>\$15,472</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, 2017

	Income Tax Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Income Taxes	\$16,714,870	\$16,725,465	\$10,595
Investment Earnings	128,425	133,366	4,941
Other Revenues	5,345	5,348	3
Total Revenues	16,848,640	16,864,179	15,539
Expenditures:			
Current:			
General Government	1,257,313	762,375	494,938
Capital Outlay	18,898	18,898	0
Total Expenditures	1,276,211	781,273	494,938
Excess of Revenues Over (Under) Expenditures	15,572,429	16,082,906	510,477
Other Financing Sources (Uses):			
Transfers (Out)	(13,550,000)	(13,550,000)	0
Total Other Financing Sources (Uses)	(13,550,000)	(13,550,000)	0
Net Change in Fund Balance	2,022,429	2,532,906	510,477
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	11,231,500	11,231,500	0
Fund Balance End of Year	\$13,253,929	\$13,764,406	\$510,477

(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, 2017

	Investment Fund For Capital Improvement Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$490,010	\$525,279	\$35,269
Other Revenues	685	687	2
Total Revenues	490,695	525,966	35,271
Expenditures:			
Current:			
General Government	0	0	0
Total Expenditures	0	0	0
Excess of Revenues Over (Under) Expenditures	490,695	525,966	35,271
Other Financing Sources (Uses):			
Transfers (Out)	(372,500)	(372,454)	46
Total Other Financing Sources (Uses)	(372,500)	(372,454)	46
Net Change in Fund Balance	118,195	153,512	35,317
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	33,299,004	33,299,004	0
Fund Balance End of Year	\$33,417,199	\$33,452,516	\$35,317

(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, 2017

	Safety - Income Tax Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Income Taxes	\$2,785,810	\$2,787,577	\$1,767
Total Revenues	<u>2,785,810</u>	<u>2,787,577</u>	<u>1,767</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>2,785,810</u>	<u>2,787,577</u>	<u>1,767</u>
Other Financing Sources (Uses):			
Transfers (Out)	(2,500,000)	(2,500,000)	0
Total Other Financing Sources (Uses)	<u>(2,500,000)</u>	<u>(2,500,000)</u>	<u>0</u>
Net Change in Fund Balance	285,810	287,577	1,767
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>998,315</u>	<u>998,315</u>	<u>0</u>
Fund Balance End of Year	<u>\$1,284,125</u>	<u>\$1,285,892</u>	<u>\$1,767</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, 2017

	Recreational Programs Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Charges for Services	\$123,100	\$124,352	\$1,252
Investment Earnings	2,880	3,010	130
Other Revenues	253	258	5
Total Revenues	126,233	127,620	1,387
Expenditures:			
Current:			
Recreation	128,430	121,834	6,596
Total Expenditures	128,430	121,834	6,596
Net Change in Fund Balance	(2,197)	5,786	7,983
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	285,978	285,978	0
Fund Balance End of Year	\$283,781	\$291,764	\$7,983

(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, 2017

	Parks and Recreation Improvement Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$970	\$1,004	\$34
Other Revenues	12,335	16,338	4,003
Total Revenues	13,305	17,342	4,037
Expenditures:			
Current:			
Recreation	73,000	51,726	21,274
Total Expenditures	73,000	51,726	21,274
Net Change in Fund Balance	(59,695)	(34,384)	25,311
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	114,909	114,909	0
Fund Balance End of Year	\$55,214	\$80,525	\$25,311

(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

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, 2017

	Swimming Pool	Parking Meter	Miami Shores	Total Nonmajor Enterprise Funds
Assets:				
Equity in Pooled Cash and Investments	\$113,927	\$82,269	\$257,909	\$454,105
Receivables (Net):				
Accounts	4,055	0	0	4,055
Interest	0	113	355	468
Total Current Assets	117,982	82,382	258,264	458,628
Noncurrent Assets:				
Capital Assets:				
Nondepreciable Capital Assets	10,450	189,961	46,997	247,408
Depreciable Capital Assets, Net	2,853,038	7,500	140,976	3,001,514
Total Assets	2,981,470	279,843	446,237	3,707,550
Deferred Outflows of Resources:				
Pension	64,714	21,605	146,711	233,030
Total Deferred Outflows of Resources	64,714	21,605	146,711	233,030
Liabilities:				
Current Liabilities:				
Accounts Payable	845	0	7,316	8,161
Accrued Wages and Benefits	0	1,953	10,281	12,234
Compensated Absences	0	918	17,197	18,115
Total Current Liabilities	845	2,871	34,794	38,510
Long-Term Liabilities:				
Compensated Absences	0	600	11,252	11,852
Net Pension Liability	165,669	55,309	375,581	596,559
Total Liabilities	166,514	58,780	421,627	646,921
Deferred Inflows of Resources:				
Pension	1,721	575	3,902	6,198
Total Deferred Inflows of Resources	1,721	575	3,902	6,198
Net Position:				
Net Investment in Capital Assets	2,863,488	197,461	187,973	3,248,922
Unrestricted	14,461	44,632	(20,554)	38,539
Total Net Position	\$2,877,949	\$242,093	\$167,419	\$3,287,461

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, 2017

	Swimming Pool	Parking Meter	Miami Shores	Total Nonmajor Enterprise Funds
Operating Revenues:				
Charges for Services	\$245,158	\$23,499	\$627,655	\$896,312
Other Revenues	13,763	10,382	22,927	47,072
Total Operating Revenues	<u>258,921</u>	<u>33,881</u>	<u>650,582</u>	<u>943,384</u>
Operating Expenses:				
Personal Services	143,693	70,838	405,160	619,691
Contactual Services	58,709	0	182,898	241,607
Materials and Supplies	51,214	1,685	236,374	289,273
Depreciation	115,022	5,000	45,574	165,596
Other Expense	6,997	4,450	62,160	73,607
Total Operating Expenses	<u>375,635</u>	<u>81,973</u>	<u>932,166</u>	<u>1,389,774</u>
Operating Income (Loss)	<u>(116,714)</u>	<u>(48,092)</u>	<u>(281,584)</u>	<u>(446,390)</u>
Non-Operating Revenues (Expenses):				
Investment Earnings	0	1,011	1,410	2,421
Total Non-Operating Revenues (Expenses)	<u>0</u>	<u>1,011</u>	<u>1,410</u>	<u>2,421</u>
Income (Loss) Before Contributions and Transfers	(116,714)	(47,081)	(280,174)	(443,969)
Transfers In	0	0	250,000	250,000
Change in Net Position	(116,714)	(47,081)	(30,174)	(193,969)
Net Position - Beginning of Year	<u>2,994,663</u>	<u>289,174</u>	<u>197,593</u>	<u>3,481,430</u>
Net Position - End of Year	<u>\$2,877,949</u>	<u>\$242,093</u>	<u>\$167,419</u>	<u>\$3,287,461</u>

City of Troy, Ohio
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Fiscal Year Ended December 31, 2017

	Swimming Pool	Parking Meter	Miami Shores	Total Nonmajor Enterprise Funds
Cash Flows from Operating Activities:				
Cash Received from Customers	\$254,907	\$33,897	\$650,683	\$939,487
Cash Payments to Employees	(119,236)	(44,818)	(336,778)	(500,832)
Cash Payments to Suppliers	(116,783)	(6,135)	(474,994)	(597,912)
Net Cash Provided (Used) by Operating Activities	18,888	(17,056)	(161,089)	(159,257)
Cash Flows from Noncapital Financing Activities:				
Payments from Other Funds	0	0	250,000	250,000
Net Cash Provided (Used) by Noncapital Financing Activities	0	0	250,000	250,000
Cash Flows from Capital and Related Financing Activities:				
Payments for Capital Acquisitions	(20,706)	0	(8,892)	(29,598)
Net Cash Provided (Used) by Capital and Related Financing Activities	(20,706)	0	(8,892)	(29,598)
Cash Flows from Investing Activities:				
Earnings (Loss) on Investments	0	1,049	1,327	2,376
Net Cash Provided (Used) by Cash Flows from Investing Activities	0	1,049	1,327	2,376
Net Increase (Decrease) in Cash and Cash Equivalents	(1,818)	(16,007)	81,346	63,521
Cash and Cash Equivalents - Beginning of Year	115,745	98,276	176,563	390,584
Cash and Cash Equivalents - End of Year	113,927	82,269	257,909	454,105
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	(116,714)	(48,092)	(281,584)	(446,390)
Adjustments:				
Depreciation	115,022	5,000	45,574	165,596
Changes in Assets & Liabilities:				
(Increase) Decrease in Receivables	(4,014)	16	101	(3,897)
(Increase) Decrease in Deferred Outflows of Resources	(17,944)	(14,591)	(39,853)	(72,388)
Increase (Decrease) in Payables	137	0	6,438	6,575
Increase (Decrease) in Accrued Liabilities	0	3,471	14,320	17,791
Increase (Decrease) in Deferred Inflows of Resources	(1,963)	23	(4,515)	(6,455)
Increase (Decrease) in Net Pension Liability	44,364	37,117	98,430	179,911
Net Cash Provided (Used) by Operating Activities	\$18,888	(\$17,056)	(\$161,089)	(\$159,257)

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, 2017

	Stouder Playground			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$13,948	\$257	\$119	\$14,086
Receivables (Net):				
Interest	21	19	21	19
Total Assets	<u>13,969</u>	<u>276</u>	<u>140</u>	<u>14,105</u>
Liabilities:				
Undistributed Monies	13,969	276	140	14,105
Total Liabilities	<u>\$13,969</u>	<u>\$276</u>	<u>\$140</u>	<u>\$14,105</u>

	Paul G. Duke			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$259,792	\$2,049	\$101,342	\$160,499
Receivables (Net):				
Interest	400	221	400	221
Total Assets	<u>260,192</u>	<u>2,270</u>	<u>101,742</u>	<u>160,720</u>
Liabilities:				
Undistributed Monies	260,192	2,270	101,742	160,720
Total Liabilities	<u>\$260,192</u>	<u>\$2,270</u>	<u>\$101,742</u>	<u>\$160,720</u>

	Unclaimed Funds			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$4,455	\$2,576	\$264	\$6,767
Total Assets	<u>4,455</u>	<u>2,576</u>	<u>264</u>	<u>6,767</u>
Liabilities:				
Undistributed Monies	4,455	2,576	264	6,767
Total Liabilities	<u>\$4,455</u>	<u>\$2,576</u>	<u>\$264</u>	<u>\$6,767</u>

Continued

City of Troy, Ohio
Statement of Changes In Assets and Liabilities
Agency Funds
For the Fiscal Year Ended December 31, 2017

	Tri-Centennial			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$1,111	\$12	\$0	\$1,123
Total Assets	<u>1,111</u>	<u>12</u>	<u>0</u>	<u>1,123</u>

Liabilities:				
Undistributed Monies	<u>1,111</u>	<u>12</u>	<u>0</u>	<u>1,123</u>
Total Liabilities	<u>\$1,111</u>	<u>\$12</u>	<u>\$0</u>	<u>\$1,123</u>

	Imprest Cash			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$3,000	\$0	\$0	\$3,000
Total Assets	<u>3,000</u>	<u>0</u>	<u>0</u>	<u>3,000</u>

Liabilities:				
Undistributed Monies	<u>3,000</u>	<u>0</u>	<u>0</u>	<u>3,000</u>
Total Liabilities	<u>\$3,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$3,000</u>

	Enterprise Zone			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$515	\$6,250	\$3,500	\$3,265
Total Assets	<u>515</u>	<u>6,250</u>	<u>3,500</u>	<u>3,265</u>

Liabilities:				
Undistributed Monies	<u>515</u>	<u>6,250</u>	<u>3,500</u>	<u>3,265</u>
Total Liabilities	<u>\$515</u>	<u>\$6,250</u>	<u>\$3,500</u>	<u>\$3,265</u>

Continued

City of Troy, Ohio
Statement of Changes In Assets and Liabilities
Agency Funds
For the Fiscal Year Ended December 31, 2017

	Fire Insurance Escrow			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$29,397	\$3	\$29,397	\$3
Total Assets	<u>29,397</u>	<u>3</u>	<u>29,397</u>	<u>3</u>
Liabilities:				
Undistributed Monies	29,397	3	29,397	3
Total Liabilities	<u>\$29,397</u>	<u>\$3</u>	<u>\$29,397</u>	<u>\$3</u>

	Total All Agency Funds			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$312,218	\$11,147	\$134,622	\$188,743
Receivables (Net):				
Interest	421	240	421	240
Total Assets	<u>312,639</u>	<u>11,387</u>	<u>135,043</u>	<u>188,983</u>
Liabilities:				
Undistributed Monies	312,639	11,387	135,043	188,983
Total Liabilities	<u>\$312,639</u>	<u>\$11,387</u>	<u>\$135,043</u>	<u>\$188,983</u>

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									
	2008	2009	2010	2011	2012 (1)	2013 (1)	2014 (1)	2015 (1)	2016 (1)	2017
Governmental Activities										
Net investment in Capital Assets	\$31,419,257	\$34,675,398	\$34,225,459	\$34,639,518	\$32,060,415	\$37,627,539	\$34,945,389	\$46,481,316	\$51,673,974	\$45,906,299
Restricted	9,103,361	9,958,828	10,582,438	8,539,110	8,487,756	9,427,534	11,411,958	8,665,294	10,601,444	11,239,643
Unrestricted	40,083,298	39,451,677	41,162,496	45,244,719	51,876,747	48,367,971	35,432,930	41,230,231	37,021,681	39,565,768
Total Governmental Activities Net Position	\$80,605,916	\$84,085,903	\$85,970,393	\$88,423,347	\$92,424,918	\$95,423,044	\$81,790,277	\$96,376,841	\$99,297,099	\$96,711,710
Business-Type Activities										
Net investment in Capital Assets	\$35,991,417	\$35,342,051	\$35,915,079	\$36,142,585	\$36,053,061	\$37,306,703	\$45,817,933	\$47,778,554	\$51,838,278	\$62,137,834
Unrestricted	15,482,264	13,775,201	13,387,117	13,596,466	14,543,866	14,520,575	12,447,693	13,132,120	11,039,552	12,419,621
Total Business-Type Activities Net Position	\$51,473,681	\$49,117,252	\$49,302,196	\$49,739,051	\$50,596,927	\$51,827,278	\$58,265,626	\$60,910,674	\$62,877,830	\$74,557,455
Total Primary Government										
Net investment in Capital Assets	\$67,410,674	\$70,017,449	\$70,140,538	\$70,782,103	\$68,113,476	\$74,934,242	\$80,763,322	\$94,259,870	\$103,512,252	\$108,044,133
Restricted	9,103,361	9,958,828	10,582,438	8,539,110	8,487,756	9,427,534	11,411,958	8,665,294	10,601,444	11,239,643
Unrestricted	55,565,562	53,226,878	54,549,613	58,841,185	66,420,613	62,888,546	47,880,623	54,362,351	48,061,233	51,985,389
Total Primary Government Net Position	\$132,079,597	\$133,203,155	\$135,272,589	\$138,162,398	\$143,021,845	\$147,250,322	\$140,055,903	\$157,287,515	\$162,174,929	\$171,269,165

(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									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental Activities:										
General Government	\$5,103,878	\$4,703,316	\$4,582,293	\$4,811,024	\$4,347,195	\$4,886,884	\$4,690,026	\$4,611,175	\$5,243,647	\$4,897,368
Public Safety	9,746,678	9,602,958	10,007,502	9,788,994	9,758,352	11,085,786	10,835,093	10,865,508	12,221,291	12,382,350
Community Development	695,455	778,762	1,017,450	969,092	1,071,345	1,132,281	920,312	1,011,689	1,186,949	1,373,191
Leisure Time Activities	1,821,739	1,800,337	1,765,285	1,963,883	1,759,009	1,586,678	1,657,996	1,537,027	2,013,072	2,081,037
Transportation and Street Repair	2,206,531	2,181,607	2,404,692	3,955,665	2,278,552	1,662,887	2,166,857	3,127,547	2,736,725	2,585,007
Basic Utility Service	1,195,413	1,285,995	1,329,668	1,197,495	1,264,386	1,338,126	1,462,403	1,149,146	1,161,658	1,157,661
Public Health and Welfare	469,365	455,342	378,736	349,444	353,417	312,993	377,222	567,888	203,392	477,533
Interest and Fiscal Charges	512,045	490,667	470,078	453,931	207,620	318,508	301,410	644,142	614,136	576,961
Total Governmental Activities Expenses	21,751,104	21,298,984	21,955,704	23,489,528	21,039,876	22,324,143	22,411,319	23,514,122	25,380,870	25,531,108
Business-Type Activities:										
Water	5,062,771	4,656,843	4,292,357	4,017,767	4,447,884	4,321,114	4,647,346	5,260,863	4,942,051	4,998,656
Sanitary Sewer	4,609,529	4,059,903	4,127,389	4,086,762	4,130,725	4,266,132	4,688,542	4,752,848	3,773,386	4,180,771
Hobart Arena	1,053,354	1,127,694	1,122,147	1,324,887	1,486,347	1,435,067	1,336,596	1,683,676	1,168,240	1,987,928
Swimming Pool	343,970	315,939	346,867	359,687	360,881	340,789	356,570	347,637	370,397	375,635
Parking Meter	46,869	45,003	45,670	46,292	47,419	25,920	7,485	62,077	14,128	81,973
Miami Shores	785,734	752,247	791,761	820,170	863,678	801,615	851,236	905,516	825,538	932,166
Stormwater Utility	209,518	736,277	894,589	925,378	801,990	750,127	1,132,783	1,048,739	1,413,861	1,486,102
Stadium Facilities (1)	169,517	2,914,173	0	0	0	0	0	0	0	0
Total Business-Type Activities Expenses	12,281,262	14,608,079	11,620,780	11,580,943	12,138,924	11,940,764	13,020,558	14,061,356	12,507,601	14,043,231
Total Primary Government Expenses	\$34,032,366	\$35,907,063	\$33,576,484	\$35,070,471	\$33,178,800	\$34,264,907	\$35,431,877	\$37,575,478	\$37,888,471	\$39,574,339
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	\$133,700	\$245,612	\$238,871	\$209,420	\$184,969	\$277,995	\$230,229	\$280,000	214,466	280,148
Public Safety	1,259,802	1,335,644	1,275,937	1,476,420	1,436,008	1,435,582	1,548,977	1,680,073	1,785,765	1,736,647
Community Development	57,239	88,534	90,623	128,721	133,661	53,024	68,546	864	2,871	2,062
Leisure Time Activities	172,565	156,521	163,156	148,126	132,752	120,639	140,193	126,981	134,753	130,852
Transportation and Street Repair	34,793	53,888	39,698	45,147	27,430	28,727	8,245	30,151	16,722	52,011
Basic Utility Service	697,232	1,209,115	1,814,395	1,863,435	1,937,636	1,998,963	2,036,694	1,817,212	1,891,363	1,931,589
Public Health and Welfare	17,273	204,179	186,317	175,105	257,082	137,154	87,960	222,540	208,016	196,029
Operating Grants and Contributions	1,332,705	1,930,659	1,454,945	1,140,154	1,077,177	1,539,798	871,085	1,142,413	1,126,535	1,168,294
Capital Grants and Contributions	1,056,487	1,506,391	613,524	1,951,040	405,309	409,844	1,741,471	10,843,935	789,430	3,093,912
Total Governmental Activities Program Revenues	4,761,796	6,730,543	5,877,466	7,137,568	5,592,024	6,001,726	6,733,400	16,144,169	6,169,921	8,591,544

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Business-Type Activities:										
Charges for Services:										
Water	4,110,581	4,105,433	4,652,239	4,567,748	5,108,969	4,999,136	5,032,906	5,474,879	5,737,577	5,727,326
Sanitary Sewer	3,355,106	3,220,430	3,390,515	3,463,415	3,639,617	4,123,845	4,231,193	4,421,229	4,260,303	4,407,668
Hobart Arena	23,501	114,584	137,692	130,425	124,329	146,322	142,263	197,014	115,693	1,234,889
Swimming Pool	231,798	209,716	242,840	253,765	222,790	202,949	201,438	208,640	233,265	245,158
Parking Meter	21,246	23,265	23,731	23,987	18,074	16,356	9,657	26,097	22,186	23,499
Miami Shores	696,368	696,102	666,908	613,956	669,172	620,147	592,073	628,574	604,725	627,655
Stormwater Utility	843,823	1,037,004	1,174,156	1,213,311	1,200,532	1,246,514	1,272,132	1,343,885	1,324,931	1,520,311
Operating Grants and Contributions	0	0	3,158	0	0	13,997	0	0	0	0
Capital Grants and Contributions	400,594	1,869,683	162,542	173,440	277,928	287,130	0	2,760,737	826,087	1,348,578
Total business-Type Activities Program Revenues	9,683,017	11,276,217	10,453,781	10,440,047	11,261,411	11,656,396	11,481,662	15,061,055	13,124,767	15,135,084
Total Primary Government Program Revenues	\$14,444,813	\$18,006,760	\$16,331,247	\$17,577,615	\$16,853,435	\$17,658,122	\$18,215,062	\$31,205,224	\$19,294,688	\$23,726,628
Net (Expense)/Revenue										
Governmental Activities	(\$16,989,308)	(\$14,568,441)	(\$16,078,238)	(\$16,351,960)	(\$15,447,852)	(\$16,322,417)	(\$15,677,919)	(\$7,369,953)	(\$19,210,949)	(\$16,939,564)
Business-Type Activities	(2,598,245)	(3,331,862)	(1,166,999)	(1,140,896)	(877,513)	(284,368)	(1,538,896)	999,699	617,166	1,091,853
Total Primary Government Net Expenses	(\$19,587,553)	(\$17,900,303)	(\$17,245,237)	(\$17,492,856)	(\$16,325,365)	(\$16,606,785)	(\$17,216,815)	(\$6,370,254)	(\$18,593,783)	(\$15,847,711)

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Calendar Year										
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Income Taxes	\$13,294,831	\$10,947,510	\$10,942,392	\$14,186,343	\$15,913,230	\$15,973,203	\$19,067,978	\$18,014,295	\$19,049,745	\$19,420,325
Property Taxes Levied for:										
General Purposes	1,772,552	1,889,150	1,912,221	1,760,509	1,860,106	1,705,413	1,618,964	1,630,039	1,658,628	1,764,609
Special Revenue Purposes	870,088	1,888,060	1,899,601	47,119	30,929	6,520	32,665	44,947	57,838	128,929
Grants and Entitlements not Restricted	2,235,974	1,739,288	1,918,673	1,886,775	1,161,462	1,490,142	292,024	890,548	908,292	827,617
Payments in Lieu of Taxes	186,224	194,775	205,798	208,268	224,299	235,542	248,790	198,388	210,682	209,947
Unrestricted Contributions	50,847	48,268	71,000	95,051	72,989	71,262	57,170	474,088	42,050	95,450
Investment Earnings	2,115,536	1,035,398	1,192,176	975,686	607,412	(91,481)	1,153,754	526,342	66,295	1,285,077
Other Revenues	291,351	280,779	330,667	290,969	308,996	616,141	497,275	952,870	912,677	875,760
Transfers-Internal Activities	(542,102)	25,200	(509,800)	(645,806)	(730,000)	(600,391)	(757,733)	(775,000)	(775,000)	(10,253,539)
Total Governmental Activities	20,275,301	18,048,428	17,962,728	18,804,914	19,449,423	19,406,351	22,210,887	21,956,517	22,131,207	14,354,175
Business-Type Activities:										
Investment Earnings	596,975	319,289	207,922	149,260	114,967	7,877	166,647	49,306	24,833	104,224
Other Revenues	497,517	681,344	634,221	782,685	890,422	958,006	947,476	821,043	550,157	230,009
Transfers-Internal Activities	542,102	(25,200)	509,800	645,806	730,000	600,391	757,733	775,000	775,000	10,253,539
Total Business-Type Activities	1,636,594	975,433	1,351,943	1,577,751	1,735,389	1,566,274	1,871,856	1,645,349	1,349,990	10,587,772
Total Primary Government	\$21,911,895	\$19,023,861	\$19,314,671	\$20,382,665	\$21,184,812	\$20,972,625	\$24,082,743	\$23,601,866	\$23,481,197	\$24,941,947
Changes in Net Position										
Governmental Activities	\$3,285,993	\$3,479,987	\$1,884,490	\$2,452,954	\$4,001,571	\$3,083,934	\$6,532,968	\$14,586,564	\$2,920,258	(\$2,585,389)
Business-Type Activities	(961,651)	(2,356,429)	184,944	436,855	857,876	1,281,906	332,960	2,645,048	1,967,156	11,679,625
Total Primary Government	\$2,324,342	\$1,123,558	\$2,069,434	\$2,889,809	\$4,859,447	\$4,365,840	\$6,865,928	\$17,231,612	\$4,887,414	\$9,094,236

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

	2008	2009	2010	2011 (1)	2012	2013	2014	2015	2016	2017
General Fund										
Reserved	\$378,809	\$431,345	\$356,805							
Unreserved	40,269,770	42,053,913	43,868,112	\$1,573,675	\$1,177,323	\$991,248	\$794,501	\$832,108	\$998,315	\$1,285,892
Restricted				0	0	32,981,626	33,508,812	33,180,085	33,299,005	33,452,517
Committed				212,633	530,678	456,887	1,939,443	2,437,037	3,339,176	672,148
Assigned				46,268,525	50,053,558	17,838,673	16,808,887	20,395,160	17,409,290	23,997,089
Unassigned				48,054,833	51,761,559	52,268,434	53,051,643	56,844,390	55,045,786	59,407,646
Total General Fund	40,648,579	42,485,258	44,224,917	48,054,833	51,761,559	52,268,434	53,051,643	56,844,390	55,045,786	59,407,646
All Other Governmental Funds										
Reserved	2,144,285	3,034,723	3,827,372							
Unreserved, Reported in:										
Special Revenue Funds	5,272,144	5,243,384	5,341,963							
Debt Service Funds	160,154	232,506	274,612							
Capital Project Funds	649,451	733,014	561,516							
Restricted				7,761,596	7,931,844	8,557,723	10,132,288	14,353,118	9,854,123	10,399,462
Assigned				283,564	404,431	461,157	460,950	783,657	742,273	712,139
Unassigned				0	(1,428,095)	(1,310,578)	(1,159,095)	(1,105,362)	(985,134)	(862,897)
Total all Other Governmental Funds	\$8,226,034	\$9,243,627	\$10,005,463	\$8,045,160	\$6,908,180	\$7,708,302	\$9,434,143	\$14,031,413	\$9,611,262	\$10,248,704

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									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Taxes	\$15,951,626	\$14,703,665	\$14,748,543	\$15,993,488	\$17,807,971	\$17,685,933	\$18,003,217	\$19,424,788	\$20,377,376	\$21,765,139
Charges for Services	2,202,251	2,926,793	3,509,000	3,745,558	3,769,716	3,991,137	3,777,696	4,079,231	3,919,415	3,918,322
Investment Earnings	2,115,536	1,035,398	1,192,176	975,686	607,413	(84,471)	1,153,755	526,342	66,295	1,285,076
Intergovernmental	4,150,674	4,435,499	3,853,125	4,242,916	2,511,480	2,939,465	2,399,866	3,032,459	3,148,693	3,072,150
Special Assessments	227,058	298,786	123,178	80,669	41,495	51,702	91,946	55,570	91,105	86,516
Fines, Licenses and Permits	123,486	117,596	93,858	93,590	89,644	74,149	415,384	362,907	191,613	215,831
Revenue in Lieu of Taxes	186,224	194,775	205,798	208,268	224,299	235,542	248,790	198,388	210,682	209,947
Other Revenues	491,651	493,893	532,065	575,152	521,905	699,986	538,199	1,032,024	1,120,640	1,183,213
Total Revenues	25,448,506	24,206,405	24,257,743	25,915,327	25,573,923	25,593,443	26,628,853	28,711,709	29,125,819	31,736,194
Expenditures										
Current:										
General Government	4,676,746	4,159,322	4,044,847	4,394,047	3,920,295	4,358,675	4,313,792	4,156,432	4,607,792	4,151,288
Public Safety	9,245,869	9,140,317	9,478,312	9,553,157	9,372,255	10,530,314	10,217,092	10,219,901	10,406,317	10,617,674
Community Development	660,303	721,362	984,252	943,809	1,022,148	1,083,725	914,865	947,345	1,088,196	1,254,273
Leisure Time Activities	1,516,300	1,508,342	1,470,324	1,682,768	1,568,078	1,307,669	1,409,945	1,401,449	1,423,497	1,652,471
Transportation and Street Repair	1,994,218	1,834,053	2,077,805	2,893,547	1,545,172	1,513,367	1,474,539	1,483,514	1,451,258	1,438,950
Basic Utility Service	1,146,691	1,225,369	1,099,540	1,062,114	1,109,850	1,158,762	1,408,069	1,100,215	1,085,412	1,069,084
Public Health and Welfare	433,203	432,254	428,737	361,014	360,495	332,317	377,198	368,056	387,002	462,831
Capital Outlay	1,424,698	887,499	743,293	1,662,805	975,032	2,331,832	2,426,089	7,996,747	12,721,449	4,210,157
Debt Service:										
Principal Retirement	554,000	510,000	485,000	495,000	604,826	587,388	609,875	619,278	864,252	881,739
Interest and Fiscal Charges	514,124	492,630	471,922	459,813	254,132	265,211	248,373	312,359	570,062	533,200
Bond Issuance Costs	0	0	0	38,355	54,565	0	0	250,357	0	0
Total Expenditures	\$22,166,152	\$20,911,148	\$21,284,032	\$23,546,429	\$20,786,848	\$23,469,260	\$23,399,837	\$28,855,653	\$34,605,237	\$26,271,667

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

	Calendar Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Excess of revenues over (under) expenditures	\$3,282,354	\$3,295,257	\$2,973,711	\$2,368,898	\$4,787,075	\$2,124,183	\$3,229,016	(\$143,944)	(\$5,479,418)	\$5,464,527
Other Financing Sources (Uses)										
Issuance of Long-Term Capital-Related Debt Premium of Issuance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,000,000	\$0	\$0
Sale of Refunding Bonds	0	0	0	\$2,005,000	\$5,031,625	0	0	251,938	0	0
Payments to Refunded Bond Escrow Agent	0	0	0	(1,955,639)	(4,994,725)	0	0	0	0	0
Premium on Sale of Refunded Bonds	0	0	0	13,541	71,287	0	0	0	0	0
(Discourt) on Sale of Refunded Bonds	0	0	0	(20,050)	(50,319)	0	0	0	0	0
Proceeds from Sale of Capital Assets	204,302	18,615	57,784	12,863	64,803	179,210	37,767	57,023	35,663	284,775
Transfers In	2,465,589	3,804,704	4,587,000	3,068,270	2,626,819	3,688,623	4,392,814	2,421,729	9,586,588	3,741,482
Transfers (Out)	(2,965,589)	(4,264,304)	(5,117,000)	(3,623,270)	(3,356,819)	(4,685,019)	(5,150,547)	(3,196,729)	(10,361,588)	(4,491,482)
Total Other Financing Sources (Uses)	(295,698)	(440,985)	(472,216)	(499,285)	(607,329)	(817,186)	(719,966)	8,533,961	(739,337)	(465,225)
Net Change in Fund Balances	\$2,986,656	\$2,854,272	\$2,501,495	\$1,869,613	\$4,179,746	\$1,306,997	\$2,509,050	\$8,390,017	(\$6,218,755)	\$4,999,302
Debt service as a percentage of noncapital expenditures (1)	5.2%	5.3%	4.7%	4.3%	4.3%	4.2%	4.0%	6.9%	6.6%	10.5%

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)		Public Utilities Personal Assessed Value		Total Assessed Value	Total Estimated Actual Value	Total Direct Rate (2)		Total Direct Rate (3)		Total Direct Rate (4)		Total Direct Rate (5)
		Assessed Value	Value	Assessed Value	Value			Direct Rate	Rate	Direct Rate	Rate	Direct Rate	Rate	
2008	\$476,759,560	\$48,088,660	\$9,799,060	\$534,647,280	\$1,527,563,657	3.10	1.10	0.00	0.00	0.00	0.00	0.00	0.00	
2009	485,838,200	24,111,720	10,003,980	519,953,900	1,485,582,571	3.10	1.10	0.00	0.00	0.00	0.00	0.00	0.00	
2010	496,671,020	790,250	9,929,350	507,390,620	1,449,687,486	3.10	1.10	0.00	0.00	0.00	0.00	0.00	0.00	
2011	489,082,260	382,320	10,409,340	499,873,920	1,428,211,200	3.10	1.10	0.00	0.00	0.00	0.00	0.00	0.00	
2012	491,652,910	0	10,786,650	502,439,560	1,435,541,600	3.10	1.10	0.00	0.00	0.00	0.00	0.00	0.00	
2013	497,566,570	0	13,116,620	510,683,190	1,459,094,829	3.10	1.10	0.00	0.00	0.00	0.00	0.00	0.00	
2014	471,863,070	0	12,778,280	484,641,350	1,384,689,571	3.10	1.10	0.00	0.00	0.00	0.00	0.00	0.00	
2015	479,708,290	0	13,442,150	493,150,440	1,409,001,257	3.10	1.10	0.00	0.00	0.00	0.00	0.00	0.00	
2016	484,535,010	0	14,172,530	498,707,540	1,424,878,686	3.10	1.10	0.55	0.55	1.10	1.55	0.55	1.55	
2017	517,577,100	0	15,518,370	533,095,470	1,523,129,914	3.10	1.10	0.55	0.55	1.10	1.55	0.55	1.55	

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
- (4) - For Tax District R50
- (5) - For Tax District S51

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.

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

Calendar Year	Total Direct Rate (1)	Overlapping Rates					Troy-Miami County Library (4)
		Miami Conservancy City (3)	Troy City School District	Upper Valley		Miami County	
				Joint	Vocational		
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	
2015	3.10	0.09	52.69	5.30	8.81	0.60	
2016	3.10	0.12	52.67	5.30	8.81	0.60	
2017	3.10	0.27	52.62	5.26	8.82	0.60	

Calendar Year	Total Direct Rate (2)	Overlapping Rates				Troy-Miami County Library (4)
		Miami Conservancy City (3)	Miami East School District	Miami Valley		
				Career Technology Center	Miami County	
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	0.07	46.59	2.58	8.75	0.60
2014	1.10	0.07	46.30	2.58	8.81	0.60
2015	1.10	0.09	46.18	2.58	8.81	0.60
2016	1.10	0.12	43.99	2.58	8.81	0.60
2017	1.10	0.27	44.40	2.58	8.82	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) - For Tax District R50. The components that make up the Total Direct Rate were not available from the County Auditor, only the Total Direct Rate is available.
- (4) - For Tax District S51. 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 Nine Years Ago
Schedule 7

Taxpayer	2017	
	Assessed Value	Percentage of Total Assessed Value
Dayton Power and Light Company	\$10,034,430	1.88%
American Honda Motor	6,970,250	1.31%
Vectren Energy Delivery of Ohio Inc.	6,856,080	1.29%
F&P America Manufacturing, Inc.	5,252,040	0.99%
Kroger Company	3,597,730	0.67%
Hobart Corporation	3,145,370	0.59%
Health Care Reit Inc	3,125,050	0.59%
Dayton Montgomery County Port Authority	2,919,140	0.55%
Traf IV Towne Park Delaware	2,894,300	0.54%
MO Troy LLC	2,453,260	0.46%
Total Principal Property Tax Payers	\$47,247,650	8.87%

Taxpayer	2008	
	Assessed Value	Percentage of Total Assessed Value
Dayton Power and Light Company	\$7,396,090	1.38%
American Honda Motor	6,999,860	1.31%
Towne Park Apartments, L.L.C.	5,175,530	0.97%
Hobart Corporation	4,103,930	0.77%
DW28 Mornoe, L.L.C.	3,631,950	0.68%
United Distribution Services, Inc.	2,789,300	0.52%
Meijer Stores Limited	2,707,220	0.51%
Vectren Energy Delivery	2,553,140	0.48%
Ramco Properties	2,511,080	0.47%
Health Care REIT, Inc.	2,471,960	0.46%
Total Principal Property Tax Payers	\$40,340,060	7.55%

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
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	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%
2015 (5)	1,738,440	1,714,882	98.64%	23,558	1,738,440	100.00%
2016 (5)	1,760,169	1,690,096	96.02%	70,073	1,760,169	100.00%
2017 (5)	1,992,375	2,003,514	100.56%	54,192	2,057,706	103.28%

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
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%
2015	12,936,325	3,226,982	1,473,099	17,636,406	1.75%
2016	14,248,752	2,945,020	1,469,880	18,663,652	1.75%
2017	14,142,510	3,996,784	1,374,173	19,513,467	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 1.1

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				
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 (1)	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	0.45%	467		
2015	15,042,386	0	10,325,194	0	361,778	25,729,358	N/A	N/A		
2016	14,167,980	0	8,360,642	0	340,041	22,868,663	N/A	N/A		
2017	13,276,087	0	7,798,578	0	317,592	21,392,257	N/A	N/A		

Source: City Records

(1) - Governmental Activities General Obligations Bonds were restated to exclude the manuscript bonds. See note 8 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
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
2015	25,367,580	0	25,367,580	1.80%	1,012
2016	22,528,622	0	22,528,622	1.58%	899
2017	21,074,665	0	21,074,665	1.38%	841

(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, 2017
 Schedule 13

Governmental Unit	Net Debt Outstanding	Estimated Percentage Applicable (1)	Amount Applicable to City of Troy
Miami County	\$17,975,000	23.40%	\$4,206,150
Troy City School District	13,105,000	73.99%	9,696,390
Miami East Local School District	13,941,474	9.89%	1,378,812
Miami Valley Career Center Joint Vocational School District	5,197,994	0.33%	17,153
Upper Valley Career Center Joint Vocational School District	885,000	20.71%	183,284
Subtotal Overlapping Debt	51,104,468		15,481,789
City of Troy - Direct Debt	13,276,087	100.00%	13,276,087
Total Direct and Overlapping Debt	\$64,380,555		\$28,757,876

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 the Calendar Year	
Assessed Value	\$533,095,470
Statutory Legal Debt Limitation (1)	10.5%
Total Debt Limitation	55,975,024
Debt Applicable to Limit:	
Gross Indebtedness	21,392,257
Less: Debt Outside Limitations (2)	8,116,170
Less: Bond Retirement Fund Balance	0
Total Net Debt Applicable to Limit	13,276,087
Legal Debt Margin	\$42,698,937

	Calendar Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Total Debt Limit (1)										
Debt Limit (10.5%)	\$56,137,964	\$54,595,160	\$53,276,015	\$52,486,762	\$52,756,154	\$53,621,735	\$50,887,342	\$51,780,796	\$52,364,292	\$55,975,024
Total Net Debt Applicable to Limit	10,551,194	10,797,038	10,315,987	9,187,852	6,988,195	7,021,913	6,410,882	15,042,386	14,167,980	13,276,087
Legal Debt Margin	\$45,586,770	\$43,798,122	\$42,960,028	\$43,298,910	\$45,767,959	\$46,599,822	\$44,476,460	\$36,738,410	\$38,196,312	\$42,698,937
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	18.8%	19.8%	19.4%	17.5%	13.2%	13.1%	12.6%	29.1%	27.1%	23.7%

	Calendar Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Total Unvoted Debt Limit (1)										
Debt Limit (5.5%)	\$29,405,600	\$28,597,465	\$27,906,484	\$27,493,066	\$27,634,176	\$28,087,575	\$26,655,274	\$27,123,274	\$27,428,915	\$29,320,251
Total Net Debt Applicable to Limit	10,551,194	10,797,038	10,315,987	9,187,852	6,988,195	7,021,913	6,410,882	15,042,386	14,167,980	13,276,087
Legal Debt Margin	\$18,854,406	\$17,800,427	\$17,590,497	\$18,305,214	\$20,645,981	\$21,065,662	\$20,244,392	\$12,080,888	\$13,260,935	\$16,044,164
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	35.9%	37.8%	37.0%	33.4%	25.3%	25.0%	24.1%	55.5%	51.7%	45.3%

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	
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
2015	74,260	0	0	0.00
2016	73,945	0	0	0.00
2017	102,123	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)
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	4,187,325	40,301	4.30%
2015	25,058	N/A	N/A	4.40%
2016	25,058	N/A	N/A	4.30%
2017	25,058	N/A	N/A	4.70%

- 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 Eight Years Ago (2)
 Schedule 17

2017			
Major Employers (3)	Type	Number of Employees	Employer's Percentage of Total Employment
Upper Valley Medical Center	Health	(4)	(5)
Clopay Building Products	Mfg	(4)	(5)
F & P American Mfg.	Mfg	(4)	(5)
UTC Aerospace Systems	Mfg	(4)	(5)
ConAgra Foods	Mfg	(4)	(5)
ITW Food Equipment Group	Mfg	(4)	(5)
Hobart Brothers	Mfg	(4)	(5)
Industry Products	Mfg	(4)	(5)
American Honda	Logistics	(4)	(5)
Meijer Distribution Center	Logistics	(4)	(5)

2009			
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 eight 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									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Information Systems	3	2	2	2	2	3	3	3	3	3
General Government	0	0	0	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	3	4	4	4
Law	2	2	2	2	2	2	2	2	2	2
Service	4	4	4	4	4	4	4	4	4	4
Human Resources	2	2	2	2	2	2	2	2	2	3
Fire	41	41	40	38	35	39	39	39	39	40
Police	46	46	44	40	39	39	41	40	43	44
Parks	9	8	8	7	7	6	7	7	7	7
Recreation	4	4	3	3	3	3	3	3	4	4
Electric	3	3	3	3	3	3	3	3	3	3
Development	5	2	2	2	2	2	2	2	5	5
Street	16	16	15	14	13	12	13	13	13	11
Tax	5	5	4	4	5	5	6	6	6	5
Cemetery	4	4	3	2	2	2	2	2	2	2
Refuse	4	3	4	2	2	2	2	2	2	2
Hobart Arena	5	5	5	5	5	5	5	6	6	6
Water Administration	2	2	2	2	2	0	0	0	0	0
Water Plant	9	9	9	9	8	9	8	9	9	9
Water Distribution	7	5	5	5	5	5	4	5	4	5
Sewer B&C	3	2	2	2	2	3	2	2	2	2
Sewer Plant	11	11	10	10	9	9	8	8	7	8
Sewer Maintenance	4	5	5	5	5	5	5	5	5	5
Parking	1	1	1	1	1	0	1	1	1	1
Miami Shores	5	5	5	5	5	5	5	4	4	4
Engineering	6	8	8	8	7	10	9	10	7	7
Total	207	201	194	183	176	181	181	184	186	188

Source: Various City Departments

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

Function/Program	Calendar Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General government										
Commercial Construction										
Building permits issued	150	133	138	108	173	131	142	178	180	161
Value	\$25,002,977	\$28,976,372	\$8,792,068	\$18,425,170	\$20,858,627	\$16,785,655	\$12,395,774	\$13,551,130	\$20,775,296	\$53,461,060
Residential Construction (5)										
Building permits issued	77	74	49	47	48	49	67	54	54	79
Value	\$16,160,962	\$15,184,126	\$8,315,391	\$10,762,366	\$12,745,948	\$13,341,957	\$16,077,815	\$14,675,067	\$15,217,543	\$23,977,228
Police department										
Physical arrests	2,959	2,688	2,724	2,577	2,169	2,195	2,119	1,916	1,854	N/A
Parking violations (3)	2,592	3,074	3,093	2,490	2,152	1,501	521	1,865	669	N/A
Traffic violations	0	0	0	0	0	2,530	2,478	2,178	2,664	N/A
Fire department										
Fire responses	1,371	1,480	1,266	1,439	1,560	1,575	1,636	1,574	1,589	1,796
EMS responses	3,625	3,646	3,725	3,966	4,019	4,064	4,387	4,816	4,945	4,704
Fires extinguished	106	88	132	111	108	107	49	52	85	87
Inspections	682	418	700	700	851	861	688	979	993	933
Refuse collection department										
Refuse collected (tons)	6,484	5,611	5,191	5,265	5,184	6,213	6,177	6,335	6,099	6,215
Recyclables collected (tons)	1,864	1,473	1,640	1,659	1,704	1,706	1,647	1,765	1,924	1,936
Other public works departments										
Street resurfacing (cubic yards) (1)	2,486	344	4,182	0	2,353	3,446	3,406	4,925	6,143	4,492
Parks and recreation department										
Community Center Admissions (2)	\$87,087	\$89,711	\$75,510	\$99,581	\$88,341	\$73,317	\$72,968	\$82,146	\$89,148	\$91,653
Community Center Attendance	40,493	41,983	35,269	40,325	33,812	31,160	29,009	28,420	33,276	33,212
Water department										
New connections (each)	63	129	62	15	36	48	43	65	112	67
Water main breaks (each)	33	29	45	38	10	20	26	31	24	16
Average daily consumption (millions of gallon per day)	4.16	3.97	3.85	3.94	4.22	4.00	3.68	3.56	3.54	3.44
Peak daily consumption (millions of gallon per day)	5.8	5.6	5.7	5.8	8.1	5.6	5.3	4.8	5.1	5.1
Wastewater department										
Average daily sewage treatment (millions of gallon per day)	5.79	5.51	4.85	4.43	4.55	5.08	5.60	5.03	4.64	5.46

Source: Various City Departments

N/A - Information Unavailable

(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

(4) - The City did not have the information available until 2015

(5) - Represents residential dwellings only

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

Function/Program	Calendar Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	9	10	11	11	11	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)	12,345	12,345	12,345	12,345	12,345	12,345	12,345	11,800	12,040	12,050
Streets (miles)	111.96	112.59	112.75	112.75	113.04	113.04	128.00	132.07	132.74	132.74
Streetlights	2,615	2,622	2,624	2,624	2,568	2,568	2,598	25,987	2,661	2,590
Traffic signals	43	43	43	43	43	44	44	44	47	46
Parks and Recreation										
Number of Parks	25	25	25	25	25	25	25	25	25	25
Acreage	303.40	303.40	303.00	303.00	303.00	303.00	321.00	321.00	321.00	321.00
Playgrounds	17	17	17	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	15	15	15	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	1	1	1	1
Municipal Water Department										
Treatment Capacity (millions of gallons per day)	16	16	16	16	16	16	16	16	16	16
Water Mains (miles)	136.92	137.78	138.39	139.65	139.94	139.96	155.83	157.16	159.26	160.14
Fire hydrants	1,254	1,268	1,278	1,284	1,292	1,288	1,373	1,356	1,325	1,356
Sewers										
Treatment Capacity (millions of gallons per day)	7	7	7	7	7	7	7	7	7	7
Storm Sewers (miles)	79.42	80.29	80.52	81.00	81.29	81.18	124.51	127.55	128.86	130.14
Sanitary Sewers (miles)	126.54	127.25	127.88	127.95	128.24	128.24	126.85	127.29	128.36	130.22
Hobart Arena										
Attendance	30,153	24,347	27,251	24,963	28,442	26,181	21,159	23,325	15,191	29,935
Ticket Sold (1)	13,547	16,194	20,110	20,844	24,068	22,032	20,168	22,690	14,533	24,239

Source: Various City Departments

(1) - Tickets sold by Hobart Arena only

(2) - Information was not available from the City

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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
SEPTEMBER, 4 2018