

# Troy OHIO, USA

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## **COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013**

**CITY OF TROY, OHIO**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013**

**PREPARED BY:**  
**JOHN A. STICKEL, CITY AUDITOR**

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# INTRODUCTORY SECTION







June 19, 2014

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, 2013 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 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**

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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 25,058 people. While new residents move in at a slow, even pace, Troy continues to have a substantial number of long-time residents. People who move to Troy tend to continue to live here, even after they have raised their families. Troy has a reputation for community pride, friendliness and hospitality, along with respect for its past and great hopes for its future. The community offers a diverse mix of people, places and activities to enjoy. Destinations in the City are accessible without congestion or inconvenience.

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

## **Economic Conditions and Outlook**

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

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

The economic engine for Troy is its diverse manufacturing sector. The community continues to develop significant capabilities in metal-working industries, aerospace, auto parts, machinery,

construction materials, and foods. This has enabled Troy to suffer less from the national recession and to recover faster than many similar-sized cities. Many Troy businesses were able to strengthen their market position as competitors downsized. All of Troy's top five employers are manufacturers which have exceeded their pre-recession employment levels. New technologies and acquired production capabilities have enabled them to grow their sales even as productivity increases with modern, efficient automated processes.

During 2013, F & P America became Troy's largest employer, with nearly 1,000 workers in addition to over 1,000 robot welders. The company is an OEM automobile suspension parts supplier, primarily to Honda. Across town at its sister company F-Tech R & D North America, over 60 engineers develop new technologies to continually decrease the weight of the parts while increasing their strength. Production is at record levels as automobile sales have recovered from the recession. Both operations are currently expanding their buildings to accommodate more equipment.

Troy's next largest employer is Clopay Building Products, which bills itself as the manufacturer of "America's Favorite Garage Doors." Clopay may have been surpassed as Troy's largest employer by F&P, but its workforce has continued to grow as homebuilding recovers from the recession. The company has completely filled its million square feet facility by vertical integration; they now produce some previously out-sourced parts. Its parent company Griffon Corporation also has acquired other door and hardware companies, adding breadth to their product line. The diversified product line ranges from inexpensive, basic garage doors to customized high-end doors selling for \$50,000 or more. Clopay's products appeal to both the new home construction and the remodeling markets, so it does not rely solely on the new home construction sector that was devastated by the recession. The Troy plant employs over 900 people, not including Clopay Transportation, the related logistics company also based at the Troy plant.

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

Exemplifying Troy's economic diversity is Troy's fourth largest employer, ConAgra Foods. Over 20 years ago, the facility was a typical meat packing plant. It later was converted to frozen pizza production, along with preparation of pepperoni. A few years ago, the latter expertise enabled ConAgra to add a similar product – Slim Jim meat snacks. That required new investment of almost 100 million dollars and more than doubled the workforce. The Slim Jim product line continues to grow as additional flavors, sizes, and packaging options are added. New school lunch nutrition

guidelines prompted further development and new equipment for the frozen pizza line in 2013, which positions the Troy plant for growth beyond the current employment of over 700 people.

Troy's fifth largest employer at over 600 workers also is one of Troy's oldest at nearly 100 years. Hobart Brothers produces welders and a full range of welding supplies and consumables. The company formed the basis for Troy's dominance in metal-working technologies. It even spun-off the industry-leading Hobart Institute of Welding Technology, which trains people from around the world in basic welding, advanced industrial welding processes, and even specialized techniques for underwater and outer-space applications. Now a part of conglomerate Illinois Tool Works, in 2013 Hobart Brothers modernized production lines, relocated to newer facilities, reduced inefficiencies, and increased productivity.

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

Troy businesses expanded in 2013 and have the capacity to continue that growth in 2014.

### **Departmental Focus**

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During 2013, a major focus effort of several City departments was directed to the Gentlemen of the Road (GOTR) "Stopover Tour", which was held over the 2013 Labor Day Weekend. Troy welcomed 12 international bands, several local and regional acts, and over 40,000 visitors from 48 states, the District of Columbia, and six countries (England, Ireland, Mexico, Canada, Australia, and even Iceland) to this three-day festival. Over 10,000 of those visitors camped in tents along the Great Miami River. What resulted was a wildly successful, fun, and safe event that put Troy, Miami County, and the State of Ohio on the international map. This event required almost a year of planning; formal agreements with Troy Main Street, Inc., Jam Productions (event promoter/producer), and the Miami Conservancy District, a number of informal cooperative efforts; and the unique change in policy (and public perception) for the sale of alcohol on public right-of-way and at the Troy Memorial Stadium.

Towards the end of 2012, Troy was notified by representatives of Mumford & Sons (a Grammy award winning British band) that an application submitted in 2011 by Troy Main Street, Inc. had been selected from among 400 communities across the United States for Troy to host one of only three festivals during the American tour, provided Troy could meet several conditions. Those conditions included allowing camping along the banks of the Great Miami River and allowing the sale and consumption of alcoholic beverages on certain public rights-of-way. Officials and event organizers understood these were special circumstances calling for a short-term exception to the long held prohibition related to alcohol sales on public property. The City worked closely with representatives from the State Liquor Control Board in recognizing and understanding Ohio's unique liquor provision, how to effectively address any issues, and assisting holders of already established liquor permits in a closed venue of the rules and regulations each had to follow.

Planning for an event of this magnitude was an immense undertaking. City staff coordinated all police and fire staffing for the event, which included fire station staging, riverboat patrols, bicycle and “Gator” paramedic teams, temporary triage centers and comfort stations, over 1,600 overtime hours of police walking beats, and 13 ambulance companies. Every police department in Miami County and the Miami County Sherriff’s Department provided staffing for this event, which, during the busiest shift, required 57 officers to supplement the 180 private security employees provided by JAM Productions. For the emergency services, for each working shift, up to five ambulances from area fire departments, both paid and volunteer, were staged at the festival. There were two triage first aid and nursing stations within the festival site, with four nurses at each station. During peak festival times, a team of physicians were on site to handle extensive medical situations. Many of these services were provided free of charge from area hospitals and officials from Wright Patterson Air Force Base and the Dayton Air Show event. Three EMS bicycle teams and three “Gator” teams of EMS workers were deployed during all festival hours. Miami Valley Hospital staged its CareFlight medical helicopter on site as well.

The City also coordinated electricians, water supply, street sweepers, GIS mapping, and other support services. Troy City Schools provided much of the shuttle transportation to and from the central parking area south of the festival grounds.

To further define the scope of the event, four miles of fencing was erected to enclose the temporary liquor venue, 3,000 temporary signs were posted, and \$40,000 worth of lumber was used to construct the various temporary vending structures. JAM Productions provided virtually all of the detailed coordination and paid for all of the City’s direct expenses. However, Troy departments, as well as the State of Ohio, Troy Main Street, Troy City Schools, Miami Conservancy District, The Troy Foundation, and the Miami County Convention and Visitors Bureau all worked very closely to supply local coordination that JAM could not provide.

The festival area included seven city blocks in Troy’s historic downtown, including the public square. Attendees could buy two types of tickets: full passports that provided access to all concert events or day bracelets that would allow access to the downtown part of the venue only. Downtown attractions consisted of regional and local live bands, outdoor street entertainers, special retail booths and attractions, and of course any of the downtown stores that remained open.

Beautiful clear skies and bright sunshine greeted the visitors and attendees over Labor Day weekend. The main performance site was the Troy High School football stadium which typically seats 10,000 in the bleachers. During the festival, the playing field was transformed into a standing-room only area that allowed over 30,000 concertgoers to enjoy the bands. Two days and nights of concerts were held at the stadium, including Friday night headliner Edward Sharpe and the Magnetic Zeroes and Saturday night headliner Mumford & Sons. Also appearing were the Old Crow Medicine Show, the Vaccines, Half Moon Run and Bear’s Den, among others.

The State of Ohio projected that this two-and-a-half day event generated an estimated \$15 – 20 million in revenue for Troy and the region’s economic base. The downtown merchants were some

of the primary benefactors of the festival weekend. Several business owners contend that the event brought with it some of their greatest sales on record. Many local non-profit organizations benefitted as part of the 1,700 volunteers that assisted with set up and directed the attendees to the various concert venues. Each worker received a stipend towards their organization for hours worked.

The success of this event was based on three primary factors: the cooperation of many partners; the integrity and professionalism of the festival's production company and their ability to perform as promised; and the quality of the crowds that attended. All of the support agencies, including the Ohio Liquor Control, were very pleased with the easy going, family-oriented, and polite crowds the festival attracted. As Troy Mayor Mike Beamish stated after the event: "We couldn't have asked for a more epic, monumental and successful weekend. The Gentlemen of the Road put Troy and the State of Ohio on the international map and we should all benefit greatly for many years to come from this epically successful event."

## **Future Projects**

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2014 promises to be an exciting year as Troy celebrates its 200th Birthday.

A Happy Birthday Troy celebration was held on January 4 at the Hobart Corporation-ITW World Headquarters Building. The celebration included a number of interesting exhibits of Troy history memorabilia. Bicentennial events will continue through 2014 as Troy's birthday is celebrated along with other community events. A large parade and ending celebration at the Hobart Arena are being planned for September 20.

Troy continues to feel the impact of the state funding cuts and the loss of much revenue sharing. At the same time, the slowed economy and development have impacted other revenues. Over the past few years, we have taken every opportunity to evaluate positions as they have become vacant, have reorganized and streamlined City operations and departments to operate as efficiently and effectively as possible while not impacting core services, and have assessed fee structures and revenue options to assure that the City is being compensated for the cost of providing services. At the time the 2014 budget was presented to City Council, we also made a commitment to thoroughly evaluate and report to Council regarding police and fire staffing levels to determine if unfunded positions could be funded.

The evaluation process is currently underway. Mayor Beamish required that filling unfunded police positions be expedited in view of circumstances late in 2013 that further impacted police staffing.

Economic development has been and continues to be the administration's and City Council's number one priority. We will remain diligent as we continue to closely monitor the financial situation while seeking economic development opportunities through retaining and expanding our existing businesses, recruiting new businesses, using partnerships to focus on workforce development, and pursuing project leads both in the United States and overseas. Troy's economic development efforts have not gone unnoticed in the region. The Dayton Business Journal has

recognized Troy as a “destination stop” based on amenities and the quality of life offered. A national study released the third week of January 2014 ranked Troy as the “4th best city in the state of Ohio for new jobseekers”. Troy’s high ranking was the result of the study finding that Troy has positive answers to the questions: “Is the city growing?”, “Can you afford to live in the city comfortably?”, and “Are most people employed?”

The big picture of economic development, of course, involves employers being able to offer good jobs that keeps the worker engaged and offers growth. However, with a young and easily mobile workforce, economic development has to involve a community and a region that offers the enhancements and amenities that will attract and retain a young and easily mobile workforce. That translates to amenities that include good restaurants, popular commercial areas, arts, entertainment, and recreation. That is why Troy and other communities in the area from Sidney to Cincinnati are investing in developing the riverfront area, and why a community like Huber Heights is investing in a new arts and entertainment center. Recreation, entertainment and the arts provide local outlets for residents, as well as bring in visitors who spend money in a community. Troy is in a unique position to consider the opportunity of capitalizing on what we already have along the river corridor – the Hobart Arena and the hidden treasure of the Treasure Island Park – as well as to counterpoint the competition that will come from the new facility in Huber Heights.

A website is often the first point of reference for someone wanting to know more about a community and that website is often the basis for a first impression or an only impression. Troy was among the first communities in the region to offer a website. Now, we are in the process of refreshing and making that website as attractive, welcoming, inviting, and user friendly as possible. In the early months of 2014 we will proudly unveil the new City of Troy website.

### **Highlights and Accomplishments**

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- Finalized contracts with safety bargaining units.
- Finalized the agreement with the City of Dayton related to Dayton re-kilning Troy’s lime residual from the water treatment process and purchasing re-kilned lime from Dayton at a lesser cost than purchasing lime on the market and cleaning lime lagoons.
- Added additional SUVs to the Police fleet to replace cruisers, resulting in lower operating costs.
- Loaned a total of \$450,414 to seven local businesses as part of the Revolving Loan Fund programs to stimulate further growth, expansion, etc.
- Authorized updating of both the Water and Sewer Master Plans to help identify needed infrastructure improvements for the next five years; and adjusted utility rates to include funding to pay debt service for bonding for improvements.
- Authorized the construction of a restroom facility at the Treasure Island Park, which is totally funded by grant dollars.
- Authorized the position of Assistant City Engineer to finalize the reorganization of the Operations Division.
- Authorized a study to identify updates needed for the Hobart Arena.
- Continued to oppose State legislation that will have a negative impact on the collection of income tax revenues.

- Authorized the installation of a traffic signal interconnect system on West Main Street to help with traffic flow.
- Finished the North Market Street Improvement Project, with a wider, reconstructed roadway, and new utilities and sidewalks.
- Authorized legislation associated with the very successful Gentlemen of the Road Stopover Tour and music festival held over Labor Day weekend.
- Hosted the Great Ohio Bicycle Adventure (GOBA), with its thousands of bicyclists. This was the third time Troy hosted this event in a ten-year window.
- Through partnerships with Troy Main Street, Troy-Hayner Cultural Center, and the Troy Foundation, a number of concerts and events were provided for Troy residents and visitors.
- Due to Troy's population increasing to above 25,000, by State law the number of Council members increased from seven to nine. With the November 2013 election, two additional ward Council representatives were elected, to take office January 2014.
- To improve visibility on Staunton Road in front of Troy High School, installed an LED streetlight demo project.
- In cooperation with the Ohio Department of Transportation, improved the West Market Street (SR55)/Archer Drive/Dorset Road Intersection Improvement Project to provide improved visibility and some traffic flow improvements.

### **Internal Accounting and Budgetary Controls**

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

Budgetary control is maintained at the fund level by the use of encumbrances for purchase order amounts to vendors. Open encumbrances are reported as an assignment of the fund balance for the governmental fund types at December 31, 2013.

### **Other Items**

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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. The EAP further provides on-site seminars/workshops with topics such as stress management, holiday stress, dealing with angry citizens, and other geared to the needs of the staff.

Wellness Program - The City of Troy has provided a Wellness Program for about twenty-five years. Since 2002, the City has contracted with the local Upper Valley Medical Center, Troy, Ohio for the service. The City is provided an on-site nurse for sixteen hours per month. Employees can establish base-line medical data with the nurse so that physical/medical problems/improvements can be measured. A Wellness Committee of employees has been formed to suggest possible programs and services. To date, some of the benefits provided by the Wellness Program include:



cholesterol screening, blood pressure checks, statistics, hearing exams, TB screening, health fair, flu shots (when vaccine is available), stress management, diabetes screening, etc. and the opportunity to take advantage of various screenings at a reduced cost for the employee/spouse. As a result of screenings and discussions with the nurse, some employees have been referred for further medical evaluation. In addition, the wellness program encourages regular exercise and other recommendations for healthy life styles. The program elements were extended to include regular “flyers” distributed to employees that provide a variety of information in a single and simple one page format. Employees are encouraged to share the flyers with their families. The program emphasizes employees utilizing the expertise of the on-site nurse. During 2013 the program continued free flu shots for employees, nurse visits that provided a blood sugar analysis, and distribution of flyers regarding health concerns. Also, through the health insurance provider, employees were strongly encouraged to complete and utilize an on-line health risk analysis to help alert the employee to potential health and wellness concerns.

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

### **Relevant Financial Policies**

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In June of 2006, the State legislature passed House Bill 66. House Bill 66 phases out the tax on tangible personal property of general business, telephone and telecommunications companies, and railroads. The tax on general business and railroad property began being phased out in 2007 and was eliminated in 2009. The tax on telephone and telecommunication property began to be phased out in 2009 and was eliminated by 2011. The tax is being phased out by reducing the assessment rate on the property each year. In the first five years, the City will be reimbursed fully for the lost revenue; in the following seven years, the reimbursements will be phased out.

### **Independent Audit**

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

### **Certificate of Achievement**

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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, 2012. 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 23rd time for the year ended December 31, 2012. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

### **Acknowledgements**

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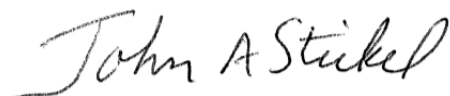
The preparation of the Comprehensive Annual Financial Report on a timely basis was made possible by the dedicated service of the entire staff of the City Auditor and other City departments. We express our sincere appreciation for the contributions made in the preparation of this report.

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

Respectfully submitted,  
City of Troy, Ohio



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



John A. Stickel  
City Auditor

# CITY OF TROY, OHIO

## Listing of Principal City Officials

December 31, 2013

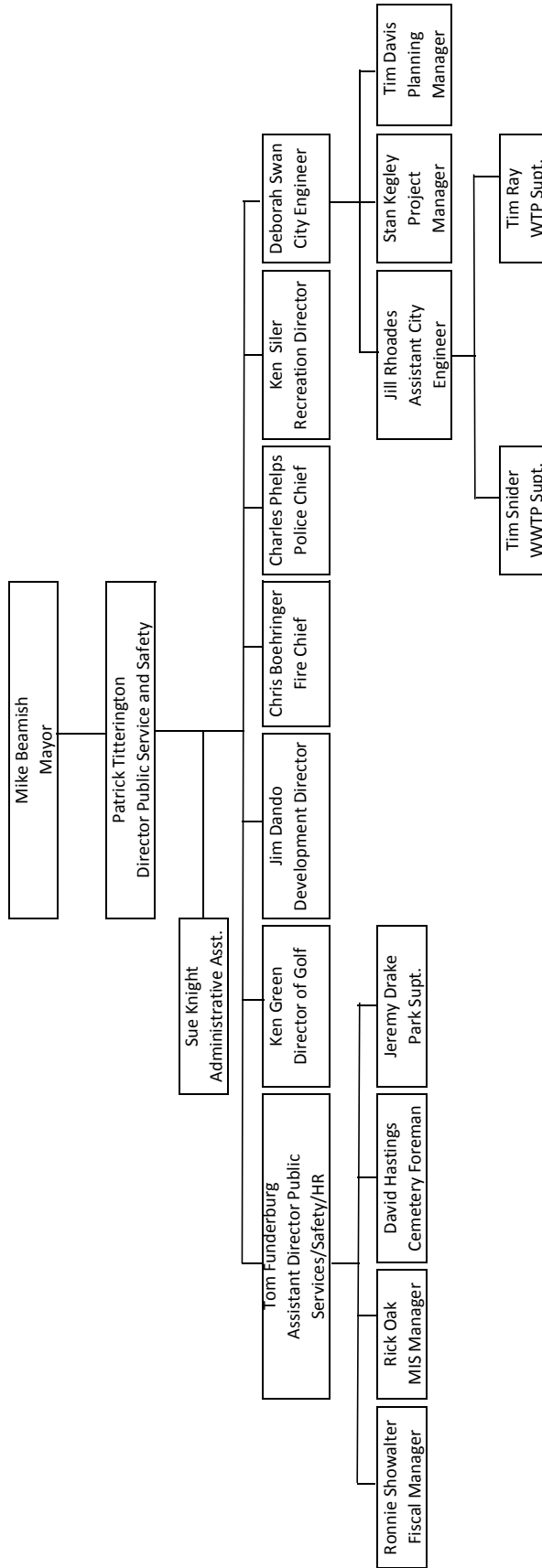
### Elected Officials

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

### Appointed Officials

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

# City of Troy Organizational Chart 2013





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, 2012**

Executive Director/CEO

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# FINANCIAL SECTION



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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

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

To the Honorable Mayor and City Council:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Troy, Miami County, Ohio (the City), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Troy, Miami County, Ohio, as of December 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

As discussed in Notes 16 and 17 to the financial statements, during 2013, the City adopted provisions of Governmental Accounting Standards Board Statement No. 65, *Items Previously Reported as Assets and Liabilities*. We did not modify our opinion regarding this matter.

**Other Matters**

*Required Supplementary Information*

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

*Supplementary and Other Information*

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

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

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

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

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2014, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

**Dave Yost**  
Auditor of State

Columbus, Ohio

June 19, 2014

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**City of Troy, Ohio**  
**Management's Discussion and Analysis**  
**For The Year Ended December 31, 2013**  
**(Unaudited)**

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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, 2013. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the City's performance.

**Financial Highlights**

- The City's total net position increased \$4,365,840.
- Net position of governmental activities increased \$3,083,934, net position of business-type activities increased by \$1,281,906.
- The General Fund reported a net change in fund balance of \$506,875
- Business-type operations reflected operating income of \$704,821 .

**Overview of the Financial Statements**

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

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

**Government-wide Financial Statements**

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

**City of Troy, Ohio**  
**Management's Discussion and Analysis**  
**For The Year Ended December 31, 2013**  
**(Unaudited)**

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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.

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

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

### **Fund Financial Statements**

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

**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.

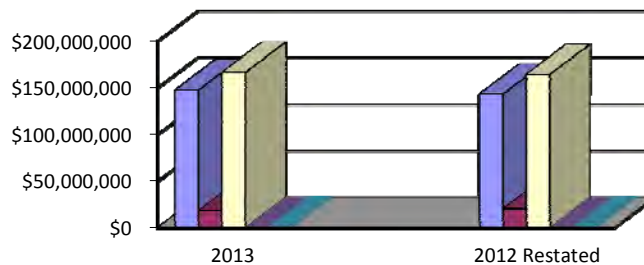
**City of Troy, Ohio**  
**Management's Discussion and Analysis**  
**For The Year Ended December 31, 2013**  
**(Unaudited)**

**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 2013 compared to 2012.

**Table 1**  
**Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated
<b>Assets:</b>						
Current and Other Assets	\$63,894,423	\$62,961,331	\$15,462,463	\$15,406,958	\$79,356,886	\$78,368,289
Capital Assets	42,363,965	40,939,839	44,533,987	44,729,558	86,897,952	85,669,397
<b>Total Assets</b>	<b>106,258,388</b>	<b>103,901,170</b>	<b>59,996,450</b>	<b>60,136,516</b>	<b>166,254,838</b>	<b>164,037,686</b>
Deferred Outflows of Resources	565,881	622,262	170,130	189,235	736,011	811,497
<b>Liabilities:</b>						
Long-Term Liabilities	9,124,544	9,492,739	7,971,940	9,363,668	17,096,484	18,856,407
Other Liabilities	827,790	1,197,229	367,362	416,711	1,195,152	1,613,940
<b>Total Liabilities</b>	<b>9,952,334</b>	<b>10,689,968</b>	<b>8,339,302</b>	<b>9,780,379</b>	<b>18,291,636</b>	<b>20,470,347</b>
Deferred Inflows of Resources	1,448,891	1,494,354	0	0	1,448,891	1,494,354
<b>Net Position:</b>						
Net Investment In Capital Assets	37,627,539	32,060,415	37,306,703	36,053,061	74,934,242	68,113,476
Restricted	9,427,534	8,487,756	0	0	9,427,534	8,487,756
Unrestricted	48,367,971	51,790,939	14,520,575	14,492,311	62,888,546	66,283,250
<b>Total Net Position</b>	<b>\$95,423,044</b>	<b>\$92,339,110</b>	<b>\$51,827,278</b>	<b>\$50,545,372</b>	<b>\$147,250,322</b>	<b>\$142,884,482</b>



Over time, net position can serve as a useful indicator of a government's financial position. Total net position of the City as a whole increased \$4,365,840.

Net position of the City's governmental activities increased \$3,083,934. Current and Other Assets increased mainly due to an increase in equity in pooled cash and investments, due to the City's continuous efforts to keep, at a minimum, revenues consistent from year-to-year, while controlling spending. Long-Term Liabilities decreased mainly due to the City continuing to make regularly scheduled payments on its long-term obligations.

**City of Troy, Ohio**  
**Management's Discussion and Analysis**  
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**(Unaudited)**

The net position of the City's business-type activities increased \$1,281,906 from 2012. The City had a decrease in Capital Assets mainly due to current year depreciation expense exceeding current year additions. The City also saw a decrease in the amount of long-term liabilities for 2013 due to the City continuing to make regularly scheduled payments on its long-term obligations.

Table 2 shows the changes in net position for the year ended December 31, 2013 as compared to the year ended December 31, 2012.

**Table 2**  
**Changes in Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated
<b>Program Revenues:</b>						
Charges for Services	\$4,052,084	\$4,109,538	\$11,355,269	\$10,983,483	\$15,407,353	\$15,093,021
Operating Grants and Contributions	1,539,798	1,077,177	13,997	0	1,553,795	1,077,177
Capital Grants and Contributions	409,844	405,309	287,130	277,928	696,974	683,237
<b>Total Program Revenues</b>	<b>6,001,726</b>	<b>5,592,024</b>	<b>11,656,396</b>	<b>11,261,411</b>	<b>17,658,122</b>	<b>16,853,435</b>
<b>General Revenues:</b>						
Income Taxes	15,973,203	15,913,230	0	0	15,973,203	15,913,230
Property Taxes	1,711,933	1,891,035	0	0	1,711,933	1,891,035
Grants and Entitlements	1,490,142	1,161,462	0	0	1,490,142	1,161,462
Investment Earnings	(91,481)	607,412	7,877	114,967	(83,604)	722,379
Other Revenues	922,945	606,284	958,006	890,422	1,880,951	1,496,706
<b>Total General Revenues</b>	<b>20,006,742</b>	<b>20,179,423</b>	<b>965,883</b>	<b>1,005,389</b>	<b>20,972,625</b>	<b>21,184,812</b>
<b>Total Revenues</b>	<b>26,008,468</b>	<b>25,771,447</b>	<b>12,622,279</b>	<b>12,266,800</b>	<b>38,630,747</b>	<b>38,038,247</b>
<b>Program Expenses:</b>						
General Government	4,886,884	4,347,195	0	0	4,886,884	4,347,195
Public Safety	11,085,786	9,758,352	0	0	11,085,786	9,758,352
Community Development	1,132,281	1,071,345	0	0	1,132,281	1,071,345
Leisure Time Activities	1,586,678	1,759,009	0	0	1,586,678	1,759,009
Transportation and Street Repair	1,662,887	2,278,552	0	0	1,662,887	2,278,552
Basic Utility Service	1,338,126	1,264,386	0	0	1,338,126	1,264,386
Public Health and Welfare	312,993	353,417	0	0	312,993	353,417
Interest and Other Charges	318,508	255,073	0	0	318,508	255,073
Water	0	0	4,321,114	4,447,884	4,321,114	4,447,884
Sanitary Sewer	0	0	4,266,132	4,142,511	4,266,132	4,142,511
Hobart Arena	0	0	1,435,067	1,486,347	1,435,067	1,486,347
Swimming Pool	0	0	340,789	360,881	340,789	360,881
Parking Meter	0	0	25,920	47,419	25,920	47,419
Miami Shores	0	0	801,615	863,678	801,615	863,678
Stormwater Utility	0	0	750,127	801,990	750,127	801,990
<b>Total Program Expenses</b>	<b>22,324,143</b>	<b>21,087,329</b>	<b>11,940,764</b>	<b>12,150,710</b>	<b>34,264,907</b>	<b>33,238,039</b>
Increase (Decrease) in Net Assets before Transfers	3,684,325	4,684,118	681,515	116,090	4,365,840	4,800,208
Transfers - Internal Activities	(600,391)	(730,000)	600,391	730,000	0	0
<b>Change in Net Position</b>	<b>3,083,934</b>	<b>3,954,118</b>	<b>1,281,906</b>	<b>846,090</b>	<b>4,365,840</b>	<b>4,800,208</b>
Net Position - Beginning of Year	92,339,110	88,384,992	50,545,372	49,699,282	142,884,482	138,084,274
<b>Net Position - End of Year</b>	<b>\$95,423,044</b>	<b>\$92,339,110</b>	<b>\$51,827,278</b>	<b>\$50,545,372</b>	<b>\$147,250,322</b>	<b>\$142,884,482</b>



**City of Troy, Ohio**  
**Management's Discussion and Analysis**  
**For The Year Ended December 31, 2013**  
(Unaudited)

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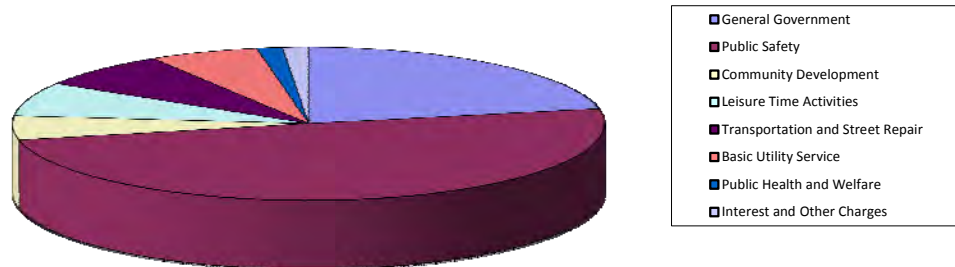
**Governmental Activities**

The City has made continued efforts to attract large-scale employers for the year 2013, 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 80% of the City's governmental activities general revenues.

Governmental Activities  
Program Expenses for 2013

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	Percentage
General Government	21.9%
Public Safety	49.7%
Community Development	5.1%
Leisure Time Activities	7.1%
Transportation and Street Repair	7.4%
Basic Utility Service	6.0%
Public Health and Welfare	1.4%
Interest and Other Charges	1.4%
<b>Total</b>	<b>100.0%</b>



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

Grants and Entitlements increased in 2013 as compared to 2012 mainly due to an increase in grant monies being received in 2013. Income Tax revenue increased in 2013 as compared to 2012 mainly due to an increase in income tax collections. Transportation and Street Repair expenses decreased mainly due to a decrease in maintenance and repairs.

**Business-Type Activities**

Business-type activities, include water, sewer, Hobart Arena, swimming pool, parking meter, Miami Shores, and stormwater utilities. These programs had operating revenues of \$12,313,275 and operating expenses of \$11,608,454 for fiscal year 2013. Business-type activities receive no support from tax revenues. The Business-type activities net position at the end of the year was \$51,827,278, which

**City of Troy, Ohio**  
**Management's Discussion and Analysis**  
**For The Year Ended December 31, 2013**  
**(Unaudited)**

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increased \$1,281,906 from 2012. The City had two business-type (enterprise) funds that were major funds: the Water fund and the Sanitary Sewer fund.

The City of Troy's Water Department serves 9,918 customers, this represents a population base of nearly 25,058 people. The average daily consumption for the city is 4.00 million gallons and 139.96 miles of water mains in its distribution system. The water fund had operating income of \$893,706 for 2013.

The City of Troy's Sewer Department includes 128.24 miles of sanitary sewer main, which provide the collection and treatment of public wastewater. The Sewer fund had operating income of \$27,037 for 2013.

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

**The City's Funds**

The City has two major governmental funds: the General Fund and the TIF Retirement Fund. Assets of these funds comprised \$55,223,694 (84%) of the total \$65,434,423 governmental funds' assets.

**General Fund:** Fund balance at December 31, 2013 was \$52,268,434 which was an increase in fund balance of \$506,875 from 2012. The increase is mainly due to an increase in charges for services.

**TIF Retirement Fund:** Fund balance at December 31, 2013 was (\$1,310,578) which was an increase in fund balance of \$117,517 from 2012. The increase in fund balance is mainly due to a decrease in capital outlay expenditures.

**General Fund Budgeting Highlights**

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

For the General Fund, the final budgeted revenue was \$7,022,653 and the original budgeted revenue was \$6,842,413. The difference was \$180,240. Of this difference, most was due to an underestimate of tax and intergovernmental revenue.

Variations from the final budget amounts to the actual amounts are primarily due to the following reasons: The City overestimated the general government and public safety expenditures for 2013. As the City completed the year, its General Fund balance reported an actual fund balance of \$10,109,810, on a Non-GAAP Budgetary Basis.

**City of Troy, Ohio**  
**Management's Discussion and Analysis**  
**For The Year Ended December 31, 2013**  
(Unaudited)

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**Capital Assets and Debt Administration**

**Capital Assets**

At year end, the City had \$86,897,952 invested in land, construction in progress, buildings and improvements, equipment and infrastructure. Table 3 shows 2013 balances compared to 2012:

**Table 3**  
**Capital Assets, Net of Depreciation**

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$12,240,731	\$12,266,242	\$489,045	\$489,045	\$12,729,776	\$12,755,287
Construction in Progress	24,471	72,939	1,056,091	9,000	1,080,562	81,939
Buildings and Improvements	7,515,845	8,046,890	20,779,068	21,792,354	28,294,913	29,839,244
Equipment	2,594,603	2,153,597	7,712,706	7,853,191	10,307,309	10,006,788
Infrastructure	19,988,315	18,400,171	14,497,077	14,585,968	34,485,392	32,986,139
Total Net Capital Assets	<u>\$42,363,965</u>	<u>\$40,939,839</u>	<u>\$44,533,987</u>	<u>\$44,729,558</u>	<u>\$86,897,952</u>	<u>\$85,669,397</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.

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**City of Troy, Ohio**  
**Management's Discussion and Analysis**  
**For The Year Ended December 31, 2013**  
(Unaudited)

**Debt**

The City had \$14,419,327 in general obligation bonds and loan.

**Table 4**  
**Outstanding Debt at Year End**

		2013	2012 Restated
<b>Governmental Activities</b>			
<u>General Obligation Bonds</u>			
Elm Street Improvements	2.00-4.75%	30,000	55,000
Aquatic Center	2.00-4.75%	185,000	365,000
Cemetery Maintenance Building	2.00-4.75%	20,000	40,000
Fire Station	2.00-4.75%	120,000	235,000
Refunding Stadium Bonds	1.00-2.625%	1,795,000	1,975,000
Premium on Refunding Bonds		11,079	12,310
Discount on Refunding Bonds		(16,404)	(18,227)
Refunding Bonds - Elm Street Improvements	1.00-2.375%	385,000	390,339
Refunding Bonds - Aquatic Center	1.00-2.375%	2,552,647	2,588,046
Refunding Bonds - Cemetery Maintenance Building	1.00-2.375%	294,411	298,494
Refunding Bonds - Fire Station	1.00-2.375%	1,627,353	1,649,920
Premium on Refunding Bonds		60,610	66,551
Discount on Refunding Bonds		(42,783)	(46,976)
Total General Obligation Bonds		<u>7,021,913</u>	<u>7,610,457</u>
<b>Business Type Activities</b>			
<u>General Obligation Bonds</u>			
Refunding Limited Tax	1.00-3.00%	1,355,000	1,565,000
Premium on Refunding		17,384	20,545
Discount on Refunding		(15,264)	(18,038)
Wastewater Improvement IIC&VA	0.00%	175,000	200,000
Southeast Area Sewer	2.00-4.75%	60,000	120,000
Generators	2.00-4.75%	55,000	110,000
Refunding Wastewater System Improvement	4.00-5.00%	660,000	965,000
Refunding Waterplant Expansion I	5.00%	1,075,000	1,400,000
Refunding Waterplant Expansion II	4.00-5.00%	1,990,000	2,435,000
Refunding Bonds - Southeast Area Sewer	1.00-2.375%	847,647	859,402
Refunding Bonds - Generators	1.00-2.375%	782,942	793,799
Premium on Refunding Bonds		20,339	22,332
Discount on Refunding Bonds		(14,353)	(15,760)
Total General Obligation Bonds		<u>7,008,695</u>	<u>8,457,280</u>
OWDA Loan	3.25%	<u>388,719</u>	<u>408,452</u>
Total Debt		<u>\$14,419,327</u>	<u>\$16,476,189</u>

**City of Troy, Ohio**  
**Management's Discussion and Analysis**  
**For The Year Ended December 31, 2013**  
**(Unaudited)**

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

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

**Economic Factors**

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

**Contacting the City's Financial Department**

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

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City of Troy, Ohio  
Statement of Net Position  
December 31, 2013

	Governmental Activities	Business-Type Activities	Total
<b>Assets:</b>			
Equity in Pooled Cash and Investments	\$55,789,393	\$14,106,065	\$69,895,458
Restricted Cash	0	26,527	26,527
<b>Receivables (Net):</b>			
Taxes	2,581,120	0	2,581,120
Accounts	1,015,772	709,731	1,725,503
Interest	119,460	10,772	130,232
Intergovernmental	2,128,105	0	2,128,105
Notes	2,050,226	0	2,050,226
Special Assessments	210,347	0	210,347
Inventory	0	609,368	609,368
Nondepreciable Capital Assets	12,265,202	1,545,136	13,810,338
Depreciable Capital Assets, Net	30,098,763	42,988,851	73,087,614
<b>Total Assets</b>	<b>106,258,388</b>	<b>59,996,450</b>	<b>166,254,838</b>
<b>Deferred Outflows of Resources:</b>			
Deferred Charge on Refunding	565,881	170,130	736,011
<b>Total Deferred Outflows of Resources</b>	<b>565,881</b>	<b>170,130</b>	<b>736,011</b>
<b>Liabilities:</b>			
Accounts Payable	246,236	170,430	416,666
Accrued Wages and Benefits	537,756	149,379	687,135
Retainage Payable	0	26,527	26,527
Accrued Interest Payable	43,798	21,026	64,824
<b>Long-Term Liabilities:</b>			
Due Within One Year	1,180,447	1,688,136	2,868,583
Due In More Than One Year	7,944,097	6,283,804	14,227,901
<b>Total Liabilities</b>	<b>9,952,334</b>	<b>8,339,302</b>	<b>18,291,636</b>
<b>Deferred Inflows of Resources:</b>			
Property Taxes	1,218,891	0	1,218,891
Unavailable Revenue	230,000	0	230,000
<b>Total Deferred Inflows of Resources</b>	<b>1,448,891</b>	<b>0</b>	<b>1,448,891</b>
<b>Net Position:</b>			
Net Investment in Capital Assets	37,627,539	37,306,703	74,934,242
<b>Restricted for:</b>			
Capital Projects	2,650,802	0	2,650,802
Street Improvements	1,380,161	0	1,380,161
Public Safety	47,386	0	47,386
Community Development	3,450,122	0	3,450,122
Park Improvements	291,669	0	291,669
Cemetery Services	1,181,683	0	1,181,683
Other Purposes	425,711	0	425,711
Unrestricted	48,367,971	14,520,575	62,888,546
<b>Total Net Position</b>	<b>\$95,423,044</b>	<b>\$51,827,278</b>	<b>\$147,250,322</b>

See accompanying notes to the basic financial statement:

City of Troy, Ohio  
Statement of Activities  
For the Fiscal Year Ended December 31, 2013

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
General Government	\$4,886,884	\$277,995	\$0	\$0
Public Safety	11,085,786	1,435,582	96,642	0
Community Development	1,132,281	53,024	0	76,173
Leisure Time Activities	1,586,678	120,639	0	0
Transportation and Street Repair	1,662,887	28,727	1,443,156	283,490
Basic Utility Service	1,338,126	1,998,963	0	50,181
Public Health and Welfare	312,993	137,154	0	0
Interest and Other Charges	318,508	0	0	0
<b>Total Governmental Activities</b>	<b>22,324,143</b>	<b>4,052,084</b>	<b>1,539,798</b>	<b>409,844</b>
<b>Business-Type Activities:</b>				
Water	4,321,114	4,999,136	13,997	142,631
Sanitary Sewer	4,266,132	4,123,845	0	144,499
Hobart Arena	1,435,067	146,322	0	0
Swimming Pool	340,789	202,949	0	0
Parking Meter	25,920	16,356	0	0
Miami Shores	801,615	620,147	0	0
Stormwater Utility	750,127	1,246,514	0	0
<b>Total Business-Type Activities</b>	<b>11,940,764</b>	<b>11,355,269</b>	<b>13,997</b>	<b>287,130</b>
<b>Totals</b>	<b>\$34,264,907</b>	<b>\$15,407,353</b>	<b>\$1,553,795</b>	<b>\$696,974</b>

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

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning of Year, Restated

Net Position - End of Year

See accompanying notes to the basic financial statements.



Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
(\$4,608,889)	\$0	(\$4,608,889)
(9,553,562)	0	(9,553,562)
(1,003,084)	0	(1,003,084)
(1,466,039)	0	(1,466,039)
92,486	0	92,486
711,018	0	711,018
(175,839)	0	(175,839)
(318,508)	0	(318,508)
<u>(16,322,417)</u>	<u>0</u>	<u>(16,322,417)</u>
0	834,650	834,650
0	2,212	2,212
0	(1,288,745)	(1,288,745)
0	(137,840)	(137,840)
0	(9,564)	(9,564)
0	(181,468)	(181,468)
0	496,387	496,387
<u>0</u>	<u>(284,368)</u>	<u>(284,368)</u>
<u>(16,322,417)</u>	<u>(284,368)</u>	<u>(16,606,785)</u>
15,973,203	0	15,973,203
1,705,413	0	1,705,413
6,520	0	6,520
1,490,142	0	1,490,142
235,542	0	235,542
71,262	0	71,262
(91,481)	7,877	(83,604)
616,141	958,006	1,574,147
(600,391)	600,391	0
<u>19,406,351</u>	<u>1,566,274</u>	<u>20,972,625</u>
3,083,934	1,281,906	4,365,840
<u>92,339,110</u>	<u>50,545,372</u>	<u>142,884,482</u>
<u>\$95,423,044</u>	<u>\$51,827,278</u>	<u>\$147,250,322</u>

City of Troy, Ohio  
Balance Sheet  
Governmental Funds  
December 31, 2013

	General	TIF Retirement	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>				
Equity in Pooled Cash and Investments	\$49,111,552	\$229,422	\$6,448,419	\$55,789,393
<b>Receivables (Net):</b>				
Taxes	2,549,065	0	32,055	2,581,120
Accounts	1,015,675	0	97	1,015,772
Interest	116,763	0	2,697	119,460
Intergovernmental	431,217	230,000	1,466,888	2,128,105
Notes	0	0	2,050,226	2,050,226
Special Assessments	0	0	210,347	210,347
Interfund	1,540,000	0	0	1,540,000
<b>Total Assets</b>	<b>54,764,272</b>	<b>459,422</b>	<b>10,210,729</b>	<b>65,434,423</b>
<b>Liabilities:</b>				
Accounts Payable	128,020	0	118,216	246,236
Accrued Wages and Benefits	490,177	0	47,579	537,756
Interfund Payable	0	1,540,000	0	1,540,000
<b>Total Liabilities</b>	<b>618,197</b>	<b>1,540,000</b>	<b>165,795</b>	<b>2,323,992</b>
<b>Deferred Inflows of Resources:</b>				
Property Taxes	1,269,334	0	29,277	1,298,611
Grants and Other Taxes	367,411	0	786,430	1,153,841
Special Assessments	0	0	210,347	210,347
Unavailable Revenue	240,896	230,000	0	470,896
<b>Total Deferred Inflows of Resources</b>	<b>1,877,641</b>	<b>230,000</b>	<b>1,026,054</b>	<b>3,133,695</b>
<b>Fund Balances:</b>				
Restricted	991,248	0	8,557,723	9,548,971
Committed	32,981,626	0	0	32,981,626
Assigned	456,887	0	461,157	918,044
Unassigned	17,838,673	(1,310,578)	0	16,528,095
<b>Total Fund Balances</b>	<b>52,268,434</b>	<b>(1,310,578)</b>	<b>9,018,880</b>	<b>59,976,736</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$54,764,272</b>	<b>\$459,422</b>	<b>\$10,210,729</b>	<b>\$65,434,423</b>

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, 2013

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Total Governmental Fund Balance \$59,976,736

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 42,363,965

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

Delinquent Property Taxes	\$79,720	
Intergovernmental	1,153,841	
Other Receivables	<u>451,243</u>	
		1,684,804

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.

(43,798)

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 (2,102,631)

Deferred bond issuance cost associated with long-term liabilities  
 are not reported in the funds.

565,881

Long-term liabilities are not due and payable in the current  
 period and, therefore, are not reported in the funds.

(7,021,913)

Net Position of Governmental Activities

\$95,423,044

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, 2013

	General	TIF Retirement	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>				
Property and Other Taxes	\$1,707,980	\$0	\$4,750	\$1,712,730
Income Taxes	15,973,203	0	0	15,973,203
Charges for Services	3,692,793	0	298,344	3,991,137
Investment Earnings	(134,262)	0	49,791	(84,471)
Intergovernmental	1,075,157	0	1,864,308	2,939,465
Special Assessments	2,547	0	49,155	51,702
Fines, Licenses & Permits	56,370	0	17,779	74,149
Revenue in Lieu of Taxes	0	235,542	0	235,542
Other Revenues	667,364	0	32,622	699,986
<b>Total Revenues</b>	<b>23,041,152</b>	<b>235,542</b>	<b>2,316,749</b>	<b>25,593,443</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General Government	4,283,181	0	75,494	4,358,675
Public Safety	10,525,019	0	5,295	10,530,314
Community Development	803,958	0	279,767	1,083,725
Leisure Time Activities	1,307,669	0	0	1,307,669
Transportation and Street Repair	0	0	1,513,367	1,513,367
Basic Utility Service	1,097,822	0	60,940	1,158,762
Public Health and Welfare	0	0	332,317	332,317
Capital Outlay	0	23,525	2,308,307	2,331,832
<b>Debt Service:</b>				
Principal	0	0	587,388	587,388
Interest and Other Charges	0	94,500	170,711	265,211
<b>Total Expenditures</b>	<b>18,017,649</b>	<b>118,025</b>	<b>5,333,586</b>	<b>23,469,260</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>5,023,503</b>	<b>117,517</b>	<b>(3,016,837)</b>	<b>2,124,183</b>
<b>Other Financing Sources (Uses):</b>				
Proceeds from Sale of Capital Assets	98,713	0	80,497	179,210
Transfers In	26,641	0	3,661,982	3,688,623
Transfers (Out)	(4,641,982)	0	(43,037)	(4,685,019)
<b>Total Other Financing Sources (Uses)</b>	<b>(4,516,628)</b>	<b>0</b>	<b>3,699,442</b>	<b>(817,186)</b>
<b>Net Change in Fund Balance</b>	<b>506,875</b>	<b>117,517</b>	<b>682,605</b>	<b>1,306,997</b>
<b>Fund Balance - Beginning of Year</b>	<b>51,761,559</b>	<b>(1,428,095)</b>	<b>8,336,275</b>	<b>58,669,739</b>
<b>Fund Balance - End of Year</b>	<b>\$52,268,434</b>	<b>(\$1,310,578)</b>	<b>\$9,018,880</b>	<b>\$59,976,736</b>

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, 2013

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Net Change in Fund Balance - Total Governmental Funds \$1,306,997

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

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

Capital assets used in governmental activities	\$3,233,843	
Depreciation Expense	<u>(1,596,578)</u>	
		1,637,265

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. The amount of the proceeds must be removed and the gain or loss on the disposal of capital assets must be recognized. This is the amount of the difference between the proceeds and the gain or loss. (213,139)

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

Delinquent Property Taxes	(\$797)	
Intergovernmental	172,417	
Other	<u>(73,512)</u>	
		98,108

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 587,388

In the statement of activities interest expense is accrued when incurred; whereas, in governmental funds an interest expenditure is reported when due. 1,928

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	(\$279,388)	
Amortization of Bond Premium	1,156	
Amortization of Deferred Charge on Refunding	<u>(56,381)</u>	
		<u>(334,613)</u>

Change in Net Position of Governmental Activities \$3,083,934

See accompanying notes to the basic financial statements.

City of Troy, Ohio  
Statement of Net Position  
Proprietary Funds  
December 31, 2013

	Business-Type Activities -Enterprise Funds			
	Water	Sanitary Sewer	Other Enterprise Funds	Total Business-Type Activities
<b>Current Assets:</b>				
Equity in Pooled Cash and Investments	\$6,107,660	\$5,215,244	\$2,783,161	\$14,106,065
Restricted Cash	0	26,527	0	26,527
<b>Receivables (Net):</b>				
Accounts	307,535	288,198	113,998	709,731
Interest	5,114	4,389	1,269	10,772
Inventory	609,368	0	0	609,368
<b>Total Current Assets</b>	<b>7,029,677</b>	<b>5,534,358</b>	<b>2,898,428</b>	<b>15,462,463</b>
Nondepreciable Capital Assets	307,936	968,892	268,308	1,545,136
Depreciable Capital Assets, Net	19,605,060	18,246,990	5,136,801	42,988,851
<b>Total Noncurrent Assets</b>	<b>19,912,996</b>	<b>19,215,882</b>	<b>5,405,109</b>	<b>44,533,987</b>
<b>Total Assets</b>	<b>26,942,673</b>	<b>24,750,240</b>	<b>8,303,537</b>	<b>59,996,450</b>
<b>Deferred Outflows of Resources:</b>				
Deferred Charge on Refunding	0	170,130	0	170,130
<b>Total Deferred Outflows of Resources</b>	<b>0</b>	<b>170,130</b>	<b>0</b>	<b>170,130</b>
<b>Liabilities:</b>				
<b>Current Liabilities:</b>				
Accounts Payable	40,098	112,061	18,271	170,430
Accrued Wages and Benefits	57,199	59,082	33,098	149,379
Compensated Absences	48,845	81,537	27,249	157,631
Retainage Payable	0	26,527	0	26,527
Accrued Interest Payable	12,325	8,701	0	21,026
Long-Term Liabilities Due Within One Year	805,000	725,505	0	1,530,505
<b>Total Current Liabilities</b>	<b>963,467</b>	<b>1,013,413</b>	<b>78,618</b>	<b>2,055,498</b>
<b>Long-Term Liabilities:</b>				
Compensated Absences	140,141	257,418	19,336	416,895
Bonds, Notes & Loans Payable	2,260,000	3,606,909	0	5,866,909
<b>Total Noncurrent Liabilities</b>	<b>2,400,141</b>	<b>3,864,327</b>	<b>19,336</b>	<b>6,283,804</b>
<b>Total Liabilities</b>	<b>3,363,608</b>	<b>4,877,740</b>	<b>97,954</b>	<b>8,339,302</b>
<b>Net Position:</b>				
Net Investment in Capital Assets	16,847,996	15,053,598	5,405,109	37,306,703
Unrestricted	6,731,069	4,989,032	2,800,474	14,520,575
<b>Total Net Position</b>	<b>\$23,579,065</b>	<b>\$20,042,630</b>	<b>\$8,205,583</b>	<b>\$51,827,278</b>

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, 2013

	Business-Type Activities -Enterprise Funds			
	Water	Sanitary Sewer	Other Enterprise Funds	Total Business-Type Activities
Operating Revenues:				
Charges for Services	\$4,999,136	\$4,123,845	\$2,232,288	\$11,355,269
Other Revenues	32,892	19,806	905,308	958,006
Total Operating Revenues	5,032,028	4,143,651	3,137,596	12,313,275
Operating Expenses:				
Personal Services	1,543,811	1,240,500	1,509,348	4,293,659
Contractual Services	809,649	572,768	378,720	1,761,137
Materials and Supplies	605,900	301,957	449,956	1,357,813
Depreciation	975,843	1,079,640	291,780	2,347,263
Other Expense	203,119	921,749	723,714	1,848,582
Total Operating Expenses	4,138,322	4,116,614	3,353,518	11,608,454
Operating Income (Loss)	893,706	27,037	(215,922)	704,821
Non-Operating Revenues (Expenses):				
Investment Earnings	3,590	3,380	907	7,877
Interest (Expense)	(182,792)	(149,518)	0	(332,310)
Gain (Loss) on Disposal of Capital Assets	0	0	(396,005)	(396,005)
Operating Grants	13,997	0	0	13,997
Total Non-Operating Revenues (Expenses)	(165,205)	(146,138)	(395,098)	(706,441)
Income (Loss) Before Contributions and Transfers	728,501	(119,101)	(611,020)	(1,620)
Capital Grants and Contributions	142,631	144,499	0	287,130
Transfers In	0	4,205	992,191	996,396
Change in Net Position	871,132	29,603	381,171	1,281,906
Net Position - Beginning of Year, Restated	22,707,933	20,013,027	7,824,412	50,545,372
Net Position - End of Year	\$23,579,065	\$20,042,630	\$8,205,583	\$51,827,278

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, 2013

	Business-Type Activities -Enterprise Funds			
	Water	Sanitary Sewer	Other Enterprise Funds	Total Business-Type Activities
<b>Cash Flows from Operating Activities:</b>				
Cash Received from Customers	\$5,013,333	\$4,104,710	\$3,129,081	\$12,247,124
Cash Payments to Employees	(1,497,374)	(1,262,077)	(1,506,390)	(4,265,841)
Cash Payments to Suppliers	(1,633,148)	(1,768,180)	(1,558,659)	(4,959,987)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>1,882,811</b>	<b>1,074,453</b>	<b>64,032</b>	<b>3,021,296</b>
<b>Cash Flows from Noncapital Financing Activities:</b>				
Operating Grants Received	13,997	0	0	13,997
Payments from Other Funds	0	4,205	992,191	996,396
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>13,997</b>	<b>4,205</b>	<b>992,191</b>	<b>1,010,393</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>				
Payments for Capital Acquisitions	(796,795)	(995,681)	(72,086)	(1,864,562)
Debt Principal Payments	(770,000)	(697,345)	0	(1,467,345)
Debt Interest Payments	(186,400)	(133,283)	0	(319,683)
Loss on the Disposal of Capital Assets	0	0	(396,005)	(396,005)
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(1,753,195)</b>	<b>(1,826,309)</b>	<b>(468,091)</b>	<b>(4,047,595)</b>
<b>Cash Flows from Investing Activities:</b>				
Earnings on Investments	5,367	5,911	1,285	12,563
<b>Net Cash Provided (Used) by Cash Flows from Investing Activities</b>	<b>5,367</b>	<b>5,911</b>	<b>1,285</b>	<b>12,563</b>
<b>Net Increase (Decrease) in Cash and Cash Equivale</b>	<b>148,980</b>	<b>(741,740)</b>	<b>589,417</b>	<b>(3,343)</b>
Cash and Cash Equivalents - Beginning of Year	5,958,680	5,983,511	2,193,744	14,135,935
Cash and Cash Equivalents - End of Year	6,107,660	5,241,771	2,783,161	14,132,592
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>				
Operating Income (Loss)	893,706	27,037	(215,922)	704,821
Adjustments:				
Depreciation	975,843	1,079,640	291,780	2,347,263
Changes in Assets & Liabilities:				
(Increase) Decrease in Receivables	(18,695)	(38,941)	(8,515)	(66,151)
(Increase) Decrease in Inventory	2,617	0	0	2,617
Increase (Decrease) in Payables	(17,097)	28,294	(6,269)	4,928
Increase (Decrease) in Accrued Liabilities	46,437	(21,577)	2,958	27,818
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$1,882,811</b>	<b>\$1,074,453</b>	<b>\$64,032</b>	<b>\$3,021,296</b>
<b>Schedule of Noncash Capital Activities:</b>				
During the fiscal year, these amounts were received representing noncash contributions of:				
Capital Assets	\$142,631	\$144,499	\$0	\$287,130

See accompanying notes to the basic financial statements.



City of Troy, Ohio  
Statement of Fiduciary Net Position  
Fiduciary Fund  
December 31, 2013

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	Private Purpose Trust	Agency
	<u>          </u>	<u>          </u>
Assets:		
Equity in Pooled Cash and Investments	\$271,760	\$63,076
Receivables (Net):		
Interest	<u>228</u>	<u>23</u>
Total Assets	<u>271,988</u>	<u>63,099</u>
Liabilities:		
Accounts Payable	0	500
Undistributed Monies	<u>0</u>	<u>62,599</u>
Total Liabilities	<u>0</u>	<u>\$63,099</u>
Net Position:		
Restricted for Endowment - Expendable	154,896	
Restricted for Endowment - Nonexpendable	<u>117,092</u>	
Total Net Position	<u><u>\$271,988</u></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, 2013

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	Private Purpose Trust
Additions:	
Investment Earnings	\$109
Total Additions	109
Deductions:	
Public Health and Welfare	4,454
Total Deductions	4,454
Change in Net Position	(4,345)
Net Position - Beginning of Year	276,333
Net Position - End of Year	\$271,988

See accompanying notes to the basic financial statements.

**City of Troy, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Year Ended December 31, 2013**

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**Note 1 – Description of the City and Reporting Entity**

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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**

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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.

**City of Troy, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Year Ended December 31, 2013**

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**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.

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

**City of Troy, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Year Ended December 31, 2013**

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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.

Fund Financial Statements

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

**Fund Accounting**

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

Governmental Funds

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

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

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

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

Proprietary Funds

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

**City of Troy, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Year Ended December 31, 2013**

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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.

Sanitary Sewer Fund - The sewer fund accounts for the provision of sanitary sewer service 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

**City of Troy, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Year Ended December 31, 2013**

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expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the City, available means expected to be received within thirty days of year-end.

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

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

Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, grants and other taxes, special assessments, and unavailable revenues. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2013, but which were levied to finance year 2014 operations. These amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes revenue in lieu of taxes and accounts. These amounts are deferred and recognized as inflows of resources in the period the amounts become available.

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

**City of Troy, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Year Ended December 31, 2013**

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period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

**Equity in Pooled Cash and Investments**

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

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

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

Following the Ohio Revised Code, the City has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2013 amounted to (\$134,262). Interest revenue assigned to the General Fund from other city funds amounted to (\$162,284).

**Inventory**

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

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

**Capital Assets**

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

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



**City of Troy, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Year Ended December 31, 2013**

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

**Compensated Absences**

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

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

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

**Accrued Liabilities and Long-Term Obligations**

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

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

**City of Troy, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Year Ended December 31, 2013**

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**Fund Balance**

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

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

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

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

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

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

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

**Net Position**

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

The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available. Of the City's \$9,427,534 in restricted net position, none was restricted by enabling legislation.

**Operating Revenues and Expenses**

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

**City of Troy, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Year Ended December 31, 2013**

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

**Contributions of Capital**

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

**Interfund Activity**

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

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

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

**Restricted Assets**

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

**Gain/Loss on Refunding**

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

**Estimates**

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

**City of Troy, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Year Ended December 31, 2013**

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**Note 3 - Equity in Pooled Cash and Investments**

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

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

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

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

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

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

**City of Troy, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Year Ended December 31, 2013**

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- (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, 2013, \$11,578,444 of the City's bank balance of \$14,210,764 was exposed to custodial risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the City's name.

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

**City of Troy, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Year Ended December 31, 2013**

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**Investments**

As of December 31, 2013, the City had the following investments:

Investment Type	Fair Value	Weighted Average Maturity (Years)
Federal Home Loan Bank	\$8,850,675	4.17
Federal Home Loan Mortgage Corporation	4,960,210	4.91
Ohio Municipal Bonds	1,507,668	1.94
Federal Farm Credit Bank	1,962,850	4.49
Federal National Mortgage Association	38,145,950	3.76
Money Market Funds	864,570	0.00
Total Fair Value	\$56,291,923	
Portfolio Weighted Average Maturity		3.84

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

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

Concentration of Credit Risk – The City’s investment policy allows investments in Federal Government Securities or Instrumentalities. The City has invested 16% of the City’s investments in Federal Home Loan Bank, 9% in Federal Home Loan Mortgage Corporation, 3% in Federal Farm Credit Bank, 67% in Federal National Mortgage Association, 3% in Ohio Municipal Bonds and 2% in money market funds.

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

**Note 4 – Receivables**

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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 receivable.

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

**City of Troy, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Year Ended December 31, 2013**

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Special assessments expected to be collected in more than one year amounts to approximately \$210,347 of which, \$13,570 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 2013 were levied after October 1, 2012 on assessed values as of January 1, 2012, 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	\$497,566,570
Public Utility	<u>13,116,620</u>
Total Valuation	<u><u>\$510,683,190</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, 2013, and for which there is an enforceable legal claim. In the funds, the entire receivable has been offset by deferred inflows of resources since the current taxes were not levied to finance 2013 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.

**City of Troy, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Year Ended December 31, 2013**

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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**

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

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

Property:

\$1,000,000,000/occurrence

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

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

Flood – included in Property Policy

\$25 million/occurrence and annual aggregate

Sublimit: Flood zone A & V - \$5 million/occurrence and annual aggregate

MVRMA SIR: \$100,000/occurrence excluding Flood Zones A & V



**City of Troy, Ohio**  
**Notes to the Basic Financial Statements**  
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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, but sublimited to:  
\$500,000/occurrence and annual aggregate for Privacy Notification Costs

First Party Computer Liability

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

Pollution Liability – Claims made and Reported Policy

Retroactive Date: Policy inception

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

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

MVRMA SIR: \$100,000/pollution condition (1/1/13 – 7/1/13);

\$75,000/pollution condition (7/1/13 – 12/31/13); \$750,000 underground storage tanks specific

Member Deductible/occurrence - \$2,500

The Financial Audit for 2013 has not been completed. Figures from the audited 2012 financial Audit are as follows:

Current Assets	\$11,487,302
Total Assets	\$19,242,277
Current Liabilities	\$6,439,173
Long-Term Liabilities	\$0
Net Assets	\$12,803,104

MVRMA estimates that member cities are paying approximately 35% less for coverage through MVRMA than would be paid under a commercial insurance program.

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.

**City of Troy, Ohio**  
**Notes to the Basic Financial Statements**  
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**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**

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

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities</b>				
<b><i>Capital Assets, not being depreciated:</i></b>				
Land	\$12,266,242	\$22,709	\$48,220	\$12,240,731
Construction in Progress	72,939	185,652	234,120	24,471
<b><i>Capital Assets, being depreciated:</i></b>				
Buildings and Improvements	15,055,037	7,440	116,782	14,945,695
Equipment	9,734,058	1,081,535	292,793	10,522,800
Infrastructure	31,506,096	2,170,627	0	33,676,723
Totals at Historical Cost	<u>68,634,372</u>	<u>3,467,963</u>	<u>691,915</u>	<u>71,410,420</u>
Less Accumulated Depreciation:				
Buildings and Improvements	7,008,147	452,369	30,666	7,429,850
Equipment	7,580,461	561,726	213,990	7,928,197
Infrastructure	13,105,925	582,483	0	13,688,408
Total Accumulated Depreciation	<u>27,694,533</u>	<u>1,596,578</u>	<u>244,656</u>	<u>29,046,455</u>
Governmental Activities Capital Assets, Net	<u>\$40,939,839</u>	<u>\$1,871,385</u>	<u>\$447,259</u>	<u>\$42,363,965</u>

Depreciation expense was charged to governmental functions as follows:

General Government	\$468,899
Public Safety	354,339
Leisure Time	242,677
Transportation	331,176
Basic Utility Service	178,177
Community Development	21,310
Total Depreciation Expense	<u>\$1,596,578</u>

**City of Troy, Ohio**  
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	Beginning Balance	Additions	Deletions	Ending Balance
<b>Business-Type Activities</b>				
<b><i>Capital Assets, not being depreciated:</i></b>				
Land	\$489,045	\$0	\$0	\$489,045
Construction in Progress	9,000	1,342,591	295,500	1,056,091
<b><i>Capital Assets, being depreciated:</i></b>				
Buildings and Improvements	41,586,941	0	0	41,586,941
Equipment	14,005,471	588,918	58,360	14,536,029
Infrastructure	28,755,986	515,683	0	29,271,669
Totals at Historical Cost	<u>84,846,443</u>	<u>2,447,192</u>	<u>353,860</u>	<u>86,939,775</u>
Less Accumulated Depreciation:				
Buildings and Improvements	19,794,587	1,013,286	0	20,807,873
Equipment	6,152,280	729,403	58,360	6,823,323
Infrastructure	14,170,018	604,574	0	14,774,592
Total Accumulated Depreciation	<u>40,116,885</u>	<u>2,347,263</u>	<u>58,360</u>	<u>42,405,788</u>
Business-Type Activities Capital Assets, Net	<u>\$44,729,558</u>	<u>\$99,929</u>	<u>\$295,500</u>	<u>\$44,533,987</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.

**City of Troy, Ohio**  
**Notes to the Basic Financial Statements**  
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**Note 8 - Long-Term Obligations**

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

	Maturity Date	Interest Rate	Restated Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
<b>Governmental Activities</b>							
<u>General Obligation Bonds</u>							
Elm Street Improvements - \$595,000	12/1/24	2.00-4.75%	55,000	0	(25,000)	30,000	30,000
Aquatic Center - \$3,945,000	12/1/24	2.00-4.75%	365,000	0	(180,000)	185,000	185,000
Cemetery Maintenance Building - \$455,000	12/1/24	2.00-4.75%	40,000	0	(20,000)	20,000	20,000
Fire Station - \$2,515,000	12/1/24	2.00-4.75%	235,000	0	(115,000)	120,000	120,000
Refunding Stadium - \$2,515,000*	12/1/22	1.00-2.625%	1,975,000	0	(180,000)	1,795,000	180,000
Premium on Refunding*	12/1/22	n/a	12,310	0	(1,231)	11,079	0
Discount on Refunding*	12/1/22	n/a	(18,227)	0	1,823	(16,404)	0
Refunding Bonds - Elm Street Improvements - \$398,644	12/1/24	1.00-2.375%	390,339	0	(5,339)	385,000	5,932
Refunding Bonds - Aquatic Center - \$2,643,111	12/1/24	1.00-2.375%	2,588,046	0	(35,399)	2,552,647	39,332
Refunding Bonds - Cemetery Maintenance Building - \$304,845	12/1/24	1.00-2.375%	298,494	0	(4,083)	294,411	4,536
Refunding Bonds - Fire Station - \$1,685,025	12/1/24	1.00-2.375%	1,649,920	0	(22,567)	1,627,353	25,074
Premium on Refunding	12/1/24	n/a	66,551	0	(5,941)	60,610	0
Discount on Refunding	12/1/24	n/a	(46,976)	0	4,193	(42,783)	0
<b>Total Long-Term Liabilities - Bonds</b>			<b>7,610,457</b>	<b>0</b>	<b>(588,544)</b>	<b>7,021,913</b>	<b>609,874</b>
Compensated Absences		N/A	1,882,282	803,491	(583,142)	2,102,631	570,573
<b>Total Governmental Activities</b>			<b>\$9,492,739</b>	<b>\$803,491</b>	<b>(\$1,171,686)</b>	<b>\$9,124,544</b>	<b>\$1,180,447</b>

\*- 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, 2013**

	Maturity Date	Interest Rate	Restated Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
<b>Business-Type Activities</b>							
Refunding Limited Tax General Obligation Bonds - \$1,955,000	12/1/19	1.00-3.00%	\$1,565,000	\$0	(\$210,000)	\$1,355,000	\$215,000
Premium on Refunding	12/1/19	n/a	20,545	0	(3,161)	17,384	0
Discount on Refunding	12/1/19	n/a	(18,038)	0	2,774	(15,264)	0
Wastewater Improvement Illc & Va -\$500,000	12/31/20	0.00%	200,000	0	(25,000)	175,000	25,000
Southeast Area Sewer -\$1,310,000	12/1/14	2.00-4.75%	120,000	0	(60,000)	60,000	60,000
Generators -\$1,210,000	12/1/14	2.00-4.75%	110,000	0	(55,000)	55,000	55,000
Refunding Wastewater System. Imp. -\$2,550,000	12/1/15	4.00-5.00%	965,000	0	(305,000)	660,000	325,000
Refunding Waterplant Expansion I -\$1,705,000	12/1/16	5.00%	1,400,000	0	(325,000)	1,075,000	340,000
Refunding Waterplant Expansion II -\$4,330,000	12/1/17	4.00-5.00%	2,435,000	0	(445,000)	1,990,000	465,000
Refunding Bonds - Southeast Area Sewer -\$877,687	12/1/24	1.00-2.375%	859,402	0	(11,755)	847,647	13,061
Refunding Bonds - Generators -\$810,688	12/1/24	1.00-2.375%	793,799	0	(10,857)	782,942	12,064
Premium on Refunding	12/1/24	n/a	22,332	0	(1,993)	20,339	0
Discount on Refunding	12/1/24	n/a	(15,760)	0	1,407	(14,353)	0
Total General Obligation Bonds			<u>8,457,280</u>	<u>0</u>	<u>(1,448,585)</u>	<u>7,008,695</u>	<u>1,510,125</u>
OWDA Loan -\$1,451,384	7/1/29	3.25%	<u>408,452</u>	<u>0</u>	<u>(19,733)</u>	<u>388,719</u>	<u>20,380</u>
Total Long Term Liabilities - Bonds and Loan			<u>8,865,732</u>	<u>0</u>	<u>(1,468,318)</u>	<u>7,397,414</u>	<u>1,530,505</u>
Compensated Absences			<u>497,936</u>	<u>271,550</u>	<u>(194,960)</u>	<u>574,526</u>	<u>157,631</u>
Total Business-Type Activities			<u>\$9,363,668</u>	<u>\$271,550</u>	<u>(\$1,663,278)</u>	<u>\$7,971,940</u>	<u>\$1,688,136</u>

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

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

Year Ending December 31	Governmental Activities		Business-Type Activities			
	General		General		OWDA	
	Obligation Bonds		Obligation Bonds		Loan	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$609,874	\$155,972	\$1,510,125	\$252,311	\$20,380	\$12,939
2015	619,278	139,316	1,565,723	186,828	21,047	12,272
2016	634,252	122,586	1,275,748	119,156	21,737	11,582
2017	651,740	112,148	943,260	68,495	22,449	10,870
2018	667,970	100,256	417,029	38,663	23,185	10,134
2019-2023	3,298,425	281,188	1,111,575	83,496	127,829	38,766
2024-2028	527,872	12,538	177,129	4,207	150,186	16,409
2029	0	0	0	0	1,906	266
Total	<u>\$7,009,411</u>	<u>\$924,004</u>	<u>\$7,000,589</u>	<u>\$753,156</u>	<u>\$388,719</u>	<u>\$113,238</u>

**Note 9 - Prior Year Defeasance of Debt**

In prior years, the City defeased certain general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included on the City's financial statements. As of December 31, 2013, \$6,141,093 of bonds outstanding are considered defeased.

**City of Troy, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Year Ended December 31, 2013**

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**Note 10 – Pension Plans**

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**Ohio Public Employees Retirement System**

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

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

The Ohio Revised Code provides statutory authority for member and employer contributions. Plan members and employer contributions rates were consistent across all three plans. Plan members are required to contribute 10% of their annual covered salary to fund pension obligations. The employer pension contribution rate for the City is 14% of covered payroll. The contribution rates are determined actuarially. The City's required contributions to OPERS for the years ended December 31, 2013, 2012 and 2011 were \$853,548, \$859,699, and \$895,664 respectively. The full amount has been contributed for 2013, 2012 and 2011. The City's unpaid contractually required OPERS contributions (including post employment benefits) at year end (the liability) were recorded in the accrued wages and benefits line item of the government-wide and fund financial statements along with various corresponding expenses/expenditures. In 2013, there were no unpaid contractually required OPERS contributions to record in accrued wages and benefits.

**Ohio Police and Fire Pension Fund**

The City contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple employer defined benefit pension plan. OP&F provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164, or by visiting the OP&F website at [www.op-f.org](http://www.op-f.org).

Plan members are required to contribute 10.0% of their annual covered salary, while employers (the City) are required to contribute 19.5% for police officers and 24.0% for firefighters. The City's contributions to OP&F for the years ending December 31, 2013, 2012 and 2011 were \$602,101 (police) and \$675,827 (fire), \$574,737 (police) and \$646,773 (fire), and \$568,983 (police) and \$640,401 (fire),

**City of Troy, Ohio**  
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respectively. In 2013, there were no unpaid contractually required OP&F contributions to record in accrued wages and benefits. The full amount has been contributed for 2013, 2012 and 2011. The City's unpaid contractually required OP&F contributions (including post employment benefits) at year end (the liability) were recorded in the accrued wages and benefits line item of the government-wide and fund financial statements along with various corresponding expenses/expenditures.

**Note 11 – Post Employment Benefits**

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**Ohio Public Employees Retirement System**

Plan Description

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

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

In order to qualify for post-employment health card coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

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

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

Funding Policy

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

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2013, the City contributed at 14% of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14% of covered payroll. Active members do not make contributions to the OPEB Plan.

**City of Troy, Ohio**  
**Notes to the Basic Financial Statements**  
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OPERS' Post Employment Health Care Plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determined the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. The portion of employer contributions allocated to the health care for members in the Traditional Plan was 1.0% during calendar year 2013. The portion of employer contributions allocated to health care for members in the Combined Plan was 1.0% during calendar year 2013. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care coverage by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

Information from City's Records

The rates stated in Funding Policy, above, are the contractually required contribution rates for OPERS. The City's actual contributions for the current year, which were used to fund postemployment benefits, were \$60,943 for 2013, \$245,616 for 2012; and \$255,891 for 2011. The full amount has been contributed for 2013, 2012 and 2011.

OPERS Board of Trustees Adopt Changes to the Health Care Plan

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

**Ohio Police and Fire Pension Fund**

Plan Description

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

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

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

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



**City of Troy, Ohio**  
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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 employee contributions allocated to health care was 4.69% of covered payroll for January 1, 2013 through May 31, 2013, and 2.85% of covered payroll from June 1, 2013 through December 31, 2013. 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 period of January 1, 2013 through May 31, 2013 were \$57,442 (police) and \$52,938 (fire); and for the period of June 1, 2013 through December 31, 2013 were \$53,106 (police) and \$48,117 (fire); for the year ending December 31, 2012 were \$198,859 (police) and \$181,743 (fire); and for the year ending December 31, 2011 were \$196,868 (police) and \$179,953 (fire); respectively, and were allocated to the healthcare plan. The actual contributions for 2013, 2012 and 2011 were 100%.

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**City of Troy, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Year Ended December 31, 2013**

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**Note 12 – Construction and Other Commitments**

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The City had the following outstanding commitments at year end:

<u>Projects</u>	<u>Amount</u>
Sewer Maintenance and Improvements	\$206,738
Water Maintenance and Improvements	518,221
Street Improvements	365,870
Downtown Building Repair Loan	37,675
Rock Salt for Streets	42,240
Refuse Collection	25,065
Vehicles	303,906
Hobart Arena Events	84,384
Other Construction and Commitments	<u>120,957</u>
Total Outstanding Commitments	<u><u>\$1,705,056</u></u>

**Note 13 – Interfund Transfers and Interfund Receivable/Payable**

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Interfund transfers for the year ended December 31, 2013 consisted of the following:

	Transfers	
	<u>In</u>	<u>Out</u>
General Fund	\$26,641	\$4,641,982
Other Governmental Funds	3,661,982	43,037
Sewer Fund	4,205	0
Other Enterprise Funds	<u>992,191</u>	<u>0</u>
Total All Funds	<u><u>\$4,685,019</u></u>	<u><u>\$4,685,019</u></u>

\$43,037 was transferred from the FEMA fund into the following funds to close out the FEMA fund: \$26,641 into the General Fund, \$4,205 into the Sewer Fund, and \$12,191 into other enterprise funds.

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

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

**City of Troy, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Year Ended December 31, 2013**

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	Interfund Receivable	Interfund Payable
General Fund	\$1,540,000	\$0
TIF Retirement Fund	0	1,540,000
	<u>\$1,540,000</u>	<u>\$1,540,000</u>

**Note 14 - Donor-Restricted Endowment**

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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 \$154,896. The City authorizes expenditures from donor-restricted endowment in compliance with the wishes expressed by the donor and the Ohio Revised Code.

**Note 15 – Fund Balance**

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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:

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**City of Troy, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Year Ended December 31, 2013**

Fund Balance	General	TIF Retirement	Other Governmental Funds	Total
<b>Restricted for:</b>				
Safety Income Tax	\$991,248	\$0	\$0	\$991,248
Street Construction, Maintenance and Repair	0	0	846,583	846,583
State Highway Improvement	0	0	169,030	169,030
Cemetery	0	0	285,468	285,468
Municipal Real Property	0	0	313,846	313,846
Miami Conservatory District	0	0	108,922	108,922
Community Development Block Grant	0	0	2,624,277	2,624,277
Parking Improvement	0	0	291,669	291,669
Drug Law Enforcement	0	0	16,242	16,242
Law Enforcement	0	0	31,144	31,144
Cemetery Endowment	0	0	956,219	956,219
Small Business Development R-Loan	0	0	825,845	825,845
Capital Improvement	0	0	1,332,464	1,332,464
OPWC Project	0	0	756,014	756,014
<b>Total Restricted</b>	<b>991,248</b>	<b>0</b>	<b>8,557,723</b>	<b>9,548,971</b>
<b>Committed to:</b>				
Capital Improvements	32,981,626	0	0	32,981,626
<b>Total Committed</b>	<b>32,981,626</b>	<b>0</b>	<b>0</b>	<b>32,981,626</b>
<b>Assigned to:</b>				
Bond Retirement	0	0	102,672	102,672
Technology	0	0	358,485	358,485
Encumbrances	456,887	0	0	456,887
<b>Total Assigned</b>	<b>456,887</b>	<b>0</b>	<b>461,157</b>	<b>918,044</b>
<b>Unassigned (Deficit)</b>	<b>17,838,673</b>	<b>(1,310,578)</b>	<b>0</b>	<b>16,528,095</b>
<b>Total Fund Balance</b>	<b>\$52,268,434</b>	<b>(\$1,310,578)</b>	<b>\$9,018,880</b>	<b>\$59,976,736</b>

**Note 16 – Change in Accounting Principle**

GASB Statement Number 65, *Items Previously Reported as Assets and Liabilities*. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012 and have been implemented by the City.

**Note 17 – Prior Period Adjustment**

In prior periods, the City had reported assets related to bond issuance costs in the Governmental and Business-Type Activities entity-wide financial statements and proprietary fund financial statements. GASB Statement Number 65, *Items Previously Reported as Assets and Liabilities*, has reclassified debt issuance costs as an expense in the period incurred rather than amortizing the costs over the life of the

**City of Troy, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Year Ended December 31, 2013**

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debt. The implementation of GASB Statement Number 65 requires a restatement of prior period's net position as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Sewer Fund</u>
Net Position - December 31, 2012	\$92,424,918	\$50,596,927	\$20,064,582
Pay Period Adjustments:			
Bond Issuance Costs	(85,808)	(51,555)	(51,555)
Restated Net Position - December 31, 2012	<u>\$92,339,110</u>	<u>\$50,545,372</u>	<u>\$20,013,027</u>

**Note 18 –Accountability and Compliance**

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**Accountability**

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

<u>Fund</u>	<u>Deficit</u>
Major Fund:	
TIF Retirement	\$1,310,578

**Compliance**

Ohio Revised Code Section 5731.48(A) requires estate taxes to be deposited to the General Fund of the City. The City did not post all of its estate tax proceeds to the General Fund. Instead, it posted 75% to the General Fund and 25% to the Municipal Real Property Fund, and the amount posted to the Municipal Real Property Fund was material to its year-end cash fund balance.

**Note 19 –Subsequent Events**

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On June 16, 2014, City Council approved two ordinances to issue bonds not to exceed \$2,870,000 and \$3,985,000, respectively, for sewer system improvements.

# **REQUIRED SUPPLEMENTARY INFORMATION**

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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, 2013

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
<b>Revenues:</b>				
Property and Other Taxes	\$1,624,011	\$1,686,761	\$1,689,828	\$3,067
Charges for Services	3,376,665	3,438,850	3,513,513	74,663
Investment Earnings	67,908	54,810	70,660	15,850
Intergovernmental	1,096,429	1,140,482	1,140,864	382
Special Assessments	2,448	2,500	2,547	47
Fines, Licenses & Permits	54,506	55,200	56,715	1,515
Other Revenues	620,446	644,050	645,591	1,541
<b>Total Revenues</b>	<b>6,842,413</b>	<b>7,022,653</b>	<b>7,119,718</b>	<b>97,065</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General Government	3,523,129	3,670,930	3,481,084	189,846
Public Safety	11,029,917	11,152,020	10,898,287	253,733
Community Environment	817,327	815,482	807,573	7,909
Recreation	1,357,205	1,494,665	1,341,008	153,657
Basic Utility	1,149,626	1,159,935	1,135,906	24,029
Capital Outlay	221,775	300,000	219,128	80,872
<b>Total Expenditures</b>	<b>18,098,979</b>	<b>18,593,032</b>	<b>17,882,986</b>	<b>710,046</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(11,256,566)</b>	<b>(11,570,379)</b>	<b>(10,763,268)</b>	<b>807,111</b>
<b>Other Financing Sources (Uses):</b>				
Proceeds from Sale of Capital Assets	47,578	49,500	49,506	6
Transfers In	15,723,914	16,361,155	16,361,164	9
Transfers (Out)	(4,698,554)	(4,704,500)	(4,642,482)	62,018
<b>Total Other Financing Sources (Uses)</b>	<b>11,072,938</b>	<b>11,706,155</b>	<b>11,768,188</b>	<b>62,033</b>
<b>Net Change in Fund Balance</b>	<b>(183,628)</b>	<b>135,776</b>	<b>1,004,920</b>	<b>869,144</b>
<b>Fund Balance Beginning of Year (includes prior year encumbrances appropriated)</b>	<b>9,104,890</b>	<b>9,104,890</b>	<b>9,104,890</b>	<b>0</b>
<b>Fund Balance End of Year</b>	<b>\$8,921,262</b>	<b>\$9,240,666</b>	<b>\$10,109,810</b>	<b>\$869,144</b>

See accompanying notes to the required supplementary information.

**City of Troy, Ohio**  
**Notes to the Required Supplementary Information**  
**For The Year Ended December 31, 2013**

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**Budgetary Process**

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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 statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during the year.

The appropriation 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 (Non-GAAP Basis) and Actual 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, 2013**

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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**

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	<u>General</u>
GAAP Basis	\$506,875
Revenue Accruals	1,237,220
Expenditure Accruals	635,697
Proceeds from Sale of Capital Assets	(49,207)
Transfers In	3,034
Transfers Out	(500)
Encumbrances	(499,830)
Funds Budgeted Elsewhere	(828,369)
Budget Basis	<u><u>\$1,004,920</u></u>

# COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES



## **MAJOR GOVERNMENTAL FUNDS**

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

City of Troy, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2013

	TIF Retirement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Revenue in Lieu of Taxes	\$235,500	\$235,542	\$42
<b>Total Revenues</b>	<b>235,500</b>	<b>235,542</b>	<b>42</b>
Expenditures:			
Current:			
Capital Outlay	32,469	31,837	632
Debt Service:			
Principal Retirement	35,000	35,000	0
Interest and Fiscal Charges	94,500	94,500	0
<b>Total Expenditures</b>	<b>161,969</b>	<b>161,337</b>	<b>632</b>
<b>Net Change in Fund Balance</b>	<b>73,531</b>	<b>74,205</b>	<b>674</b>
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	155,218	155,218	0
<b>Fund Balance End of Year</b>	<b>\$228,749</b>	<b>\$229,423</b>	<b>\$674</b>

## **NONMAJOR GOVERNMENTAL FUNDS**

### **Special Revenue Funds**

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

### **Debt Service Funds**

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

### **Capital Projects Funds**

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

City of Troy, Ohio  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2013

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets:</b>				
Equity in Pooled Cash and Investments	\$4,401,642	\$102,586	\$1,944,191	\$6,448,419
<b>Receivables (Net):</b>				
Taxes	32,055	0	0	32,055
Accounts	97	0	0	97
Interest	2,611	86	0	2,697
Intergovernmental	511,629	0	955,259	1,466,888
Notes	2,050,226	0	0	2,050,226
Special Assessments	16,046	1,792	192,509	210,347
<b>Total Assets</b>	<b>7,014,306</b>	<b>104,464</b>	<b>3,091,959</b>	<b>10,210,729</b>
<b>Liabilities:</b>				
Accounts Payable	35,544	0	82,672	118,216
Accrued Wages and Benefits	47,579	0	0	47,579
<b>Total Liabilities</b>	<b>83,123</b>	<b>0</b>	<b>82,672</b>	<b>165,795</b>
<b>Deferred Inflows of Resources:</b>				
Property Taxes	29,277	0	0	29,277
Grants and Other Taxes	416,615	0	369,815	786,430
Special Assessments	16,046	1,792	192,509	210,347
<b>Total Deferred Inflows of Resources</b>	<b>461,938</b>	<b>1,792</b>	<b>562,324</b>	<b>1,026,054</b>
<b>Fund Balances:</b>				
Restricted	6,469,245	0	2,088,478	8,557,723
Assigned	0	102,672	358,485	461,157
<b>Total Fund Balances</b>	<b>6,469,245</b>	<b>102,672</b>	<b>2,446,963</b>	<b>9,018,880</b>
<b>Total Liabilities, Deferred Inflows and Fund Balanc</b>	<b>\$7,014,306</b>	<b>\$104,464</b>	<b>\$3,091,959</b>	<b>\$10,210,729</b>

City of Troy, Ohio  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Nonmajor Governmental Funds  
For the Fiscal Year Ended December 31, 2013

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues:</b>				
Property and Other Taxes	\$4,750	\$0	\$0	\$4,750
Charges for Services	182,230	0	116,114	298,344
Investment Earnings	43,216	(439)	7,014	49,791
Intergovernmental	1,196,123	0	668,185	1,864,308
Special Assessments	0	94	49,061	49,155
Fines, Licenses & Permits	17,779	0	0	17,779
Other Revenues	32,622	0	0	32,622
<b>Total Revenues</b>	<b>1,476,720</b>	<b>(345)</b>	<b>840,374</b>	<b>2,316,749</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General Government	75,490	4	0	75,494
Public Safety	5,295	0	0	5,295
Community Development	158,310	0	121,457	279,767
Transportation and Street Repair	1,513,367	0	0	1,513,367
Basic Utility Service	0	0	60,940	60,940
Public Health and Welfare	332,317	0	0	332,317
Capital Outlay	112,384	0	2,195,923	2,308,307
<b>Debt Service:</b>				
Principal	0	587,388	0	587,388
Interest and Other Charges	0	170,711	0	170,711
<b>Total Expenditures</b>	<b>2,197,163</b>	<b>758,103</b>	<b>2,378,320</b>	<b>5,333,586</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(720,443)</b>	<b>(758,448)</b>	<b>(1,537,946)</b>	<b>(3,016,837)</b>
<b>Other Financing Sources (Uses):</b>				
Proceeds from Sale of Capital Assets	80,497	0	0	80,497
Transfers In	901,982	760,000	2,000,000	3,661,982
Transfers (Out)	(43,037)	0	0	(43,037)
<b>Total Other Financing Sources (Uses)</b>	<b>939,442</b>	<b>760,000</b>	<b>2,000,000</b>	<b>3,699,442</b>
<b>Net Change in Fund Balance</b>	<b>218,999</b>	<b>1,552</b>	<b>462,054</b>	<b>682,605</b>
<b>Fund Balance - Beginning of Year</b>	<b>6,250,246</b>	<b>101,120</b>	<b>1,984,909</b>	<b>8,336,275</b>
<b>Fund Balance - End of Year</b>	<b>\$6,469,245</b>	<b>\$102,672</b>	<b>\$2,446,963</b>	<b>\$9,018,880</b>

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## **NONMAJOR SPECIAL REVENUE FUNDS**

### **Fund Descriptions**

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

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

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

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

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

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

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

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

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

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

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

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

City of Troy, Ohio  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2013

	Street Construction, Maintenance and Repair	State Highway Improvement	Cemetery	Municipal Real Property
<b>Assets:</b>				
Equity in Pooled Cash and Investments	\$834,278	\$162,032	\$296,227	\$310,066
<b>Receivables (Net):</b>				
Taxes	0	0	0	0
Accounts	37	0	0	0
Interest	0	136	0	260
Intergovernmental	468,917	38,019	0	4,693
Notes	0	0	0	0
Special Assessments	16,046	0	0	0
<b>Total Assets</b>	<b>1,319,278</b>	<b>200,187</b>	<b>296,227</b>	<b>315,019</b>
<b>Liabilities:</b>				
Accounts Payable	31,812	0	3,732	0
Accrued Wages and Benefits	40,552	0	7,027	0
<b>Total Liabilities</b>	<b>72,364</b>	<b>0</b>	<b>10,759</b>	<b>0</b>
<b>Deferred Inflows of Resources:</b>				
Property Taxes	0	0	0	0
Grants and Other Taxes	384,285	31,157	0	1,173
Special Assessments	16,046	0	0	0
<b>Total Deferred Inflows of Resources</b>	<b>400,331</b>	<b>31,157</b>	<b>0</b>	<b>1,173</b>
<b>Fund Balances:</b>				
Restricted	846,583	169,030	285,468	313,846
<b>Total Fund Balances</b>	<b>846,583</b>	<b>169,030</b>	<b>285,468</b>	<b>313,846</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$1,319,278</b>	<b>\$200,187</b>	<b>\$296,227</b>	<b>\$315,019</b>

Miami Conservancy District	Community Development Block Grant	Parking Improvement	Drug Law Enforcement	Law Enforcement	Cemetery Endowment
\$106,144	\$738,973	\$291,425	\$16,242	\$31,084	\$955,419
32,055	0	0	0	0	0
0	0	0	0	60	0
0	619	244	0	0	800
0	0	0	0	0	0
0	1,884,685	0	0	0	0
0	0	0	0	0	0
<u>138,199</u>	<u>2,624,277</u>	<u>291,669</u>	<u>16,242</u>	<u>31,144</u>	<u>956,219</u>
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
29,277	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>29,277</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>108,922</u>	<u>2,624,277</u>	<u>291,669</u>	<u>16,242</u>	<u>31,144</u>	<u>956,219</u>
<u>108,922</u>	<u>2,624,277</u>	<u>291,669</u>	<u>16,242</u>	<u>31,144</u>	<u>956,219</u>
<u>\$138,199</u>	<u>\$2,624,277</u>	<u>\$291,669</u>	<u>\$16,242</u>	<u>\$31,144</u>	<u>\$956,219</u>

Continued

Small Business Development R-Loan	FEMA	Total Nonmajor Special Revenue Funds
\$659,752	\$0	\$4,401,642
0	0	32,055
0	0	97
552	0	2,611
0	0	511,629
165,541	0	2,050,226
0	0	16,046
<u>825,845</u>	<u>0</u>	<u>7,014,306</u>
0	0	35,544
0	0	47,579
0	0	83,123
0	0	29,277
0	0	416,615
0	0	16,046
0	0	461,938
<u>825,845</u>	<u>0</u>	<u>6,469,245</u>
<u>825,845</u>	<u>0</u>	<u>6,469,245</u>
<u>\$825,845</u>	<u>\$0</u>	<u>\$7,014,306</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, 2013

	Street Construction, Maintenance and Repair	State Highway Improvement	Cemetery	Municipal Real Property
Revenues:				
Property and Other Taxes	\$0	\$0	\$0	\$0
Charges for Services	12,168	0	138,674	0
Investment Earnings	0	(693)	0	227
Intergovernmental	1,017,019	82,462	0	53,605
Fines, Licenses & Permits	924	0	0	0
Other Revenues	14,849	938	4,427	0
<b>Total Revenues</b>	<b>1,044,960</b>	<b>82,707</b>	<b>143,101</b>	<b>53,832</b>
Expenditures:				
Current:				
General Government	0	0	0	0
Public Safety	0	0	0	0
Community Development	0	0	0	0
Transportation and Street Repair	1,433,189	80,177	0	0
Public Health and Welfare	0	0	312,934	0
Capital Outlay	0	0	0	112,384
<b>Total Expenditures</b>	<b>1,433,189</b>	<b>80,177</b>	<b>312,934</b>	<b>112,384</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(388,229)</b>	<b>2,530</b>	<b>(169,833)</b>	<b>(58,552)</b>
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	0	0	0	80,497
Transfers In	600,000	0	250,000	0
Transfers (Out)	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>600,000</b>	<b>0</b>	<b>250,000</b>	<b>80,497</b>
<b>Net Change in Fund Balance</b>	<b>211,771</b>	<b>2,530</b>	<b>80,167</b>	<b>21,945</b>
<b>Fund Balance - Beginning of Year</b>	<b>634,812</b>	<b>166,500</b>	<b>205,301</b>	<b>291,901</b>
<b>Fund Balance - End of Year</b>	<b>\$846,583</b>	<b>\$169,030</b>	<b>\$285,468</b>	<b>\$313,846</b>

Miami Conservancy District	Community Development Block Grant	Parking Improvement	Drug Law Enforcement	Law Enforcement	Cemetery Endowment
\$4,750	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	30,476
0	40,332	119	0	0	375
0	0	0	0	0	0
0	0	15,635	130	1,090	0
0	12,075	0	0	0	0
<u>4,750</u>	<u>52,407</u>	<u>15,754</u>	<u>130</u>	<u>1,090</u>	<u>30,851</u>
75,490	0	0	0	0	0
0	0	0	0	5,295	0
0	131,073	0	0	0	0
0	0	1	0	0	0
0	0	0	0	0	19,383
0	0	0	0	0	0
<u>75,490</u>	<u>131,073</u>	<u>1</u>	<u>0</u>	<u>5,295</u>	<u>19,383</u>
<u>(70,740)</u>	<u>(78,666)</u>	<u>15,753</u>	<u>130</u>	<u>(4,205)</u>	<u>11,468</u>
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(70,740)	(78,666)	15,753	130	(4,205)	11,468
179,662	2,702,943	275,916	16,112	35,349	944,751
<u>\$108,922</u>	<u>\$2,624,277</u>	<u>\$291,669</u>	<u>\$16,242</u>	<u>\$31,144</u>	<u>\$956,219</u>

Continued

Small Business Development R-Loan	FEMA	Total Nonmajor Special Revenue Funds
\$0	\$0	\$4,750
912	0	182,230
2,856	0	43,216
0	43,037	1,196,123
0	0	17,779
333	0	32,622
<u>4,101</u>	<u>43,037</u>	<u>1,476,720</u>
0	0	75,490
0	0	5,295
27,237	0	158,310
0	0	1,513,367
0	0	332,317
0	0	112,384
<u>27,237</u>	<u>0</u>	<u>2,197,163</u>
<u>(23,136)</u>	<u>43,037</u>	<u>(720,443)</u>
0	0	80,497
51,982	0	901,982
0	(43,037)	(43,037)
<u>51,982</u>	<u>(43,037)</u>	<u>939,442</u>
28,846	0	218,999
796,999	0	6,250,246
<u>\$825,845</u>	<u>\$0</u>	<u>\$6,469,245</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, 2013

	Street Construction. Maintenance and Repair Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Charges for Services	\$12,100	\$12,168	\$68
Intergovernmental	1,018,700	1,018,763	63
Fines, Licenses & Permits	900	924	24
Other Revenues	14,675	14,849	174
Total Revenues	<u>1,046,375</u>	<u>1,046,704</u>	<u>329</u>
Expenditures:			
Current:			
Basic Utility	1,619,851	1,527,311	92,540
Total Expenditures	<u>1,619,851</u>	<u>1,527,311</u>	<u>92,540</u>
Excess of Revenues Over (Under) Expenditures	<u>(573,476)</u>	<u>(480,607)</u>	<u>92,869</u>
Other Financing Sources (Uses):			
Transfers In	600,000	600,000	0
Total Other Financing Sources (Uses)	<u>600,000</u>	<u>600,000</u>	<u>0</u>
Net Change in Fund Balance	26,524	119,393	92,869
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>642,249</u>	<u>642,249</u>	<u>0</u>
Fund Balance End of Year	<u>\$668,773</u>	<u>\$761,642</u>	<u>\$92,869</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, 2013

	State Highway Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$82,500	\$82,602	\$102
Other Revenues	900	938	38
Total Revenues	<u>83,400</u>	<u>83,540</u>	<u>140</u>
Expenditures:			
Current:			
Transportation	<u>109,619</u>	<u>97,073</u>	<u>12,546</u>
Total Expenditures	<u>109,619</u>	<u>97,073</u>	<u>12,546</u>
Net Change in Fund Balance	(26,219)	(13,533)	12,686
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>159,175</u>	<u>159,175</u>	<u>0</u>
Fund Balance End of Year	<u>\$132,956</u>	<u>\$145,642</u>	<u>\$12,686</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, 2013

	Cemetery Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Charges for Services	\$131,800	\$138,674	\$6,874
Other Revenues	4,300	4,427	127
Total Revenues	<u>136,100</u>	<u>143,101</u>	<u>7,001</u>
Expenditures:			
Current:			
Public Health and Welfare	<u>339,600</u>	<u>324,687</u>	<u>14,913</u>
Total Expenditures	<u>339,600</u>	<u>324,687</u>	<u>14,913</u>
Excess of Revenues Over (Under) Expenditures	<u>(203,500)</u>	<u>(181,586)</u>	<u>21,914</u>
Other Financing Sources (Uses):			
Transfers In	<u>250,000</u>	<u>250,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>250,000</u>	<u>250,000</u>	<u>0</u>
Net Change in Fund Balance	46,500	68,414	21,914
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>217,702</u>	<u>217,702</u>	<u>0</u>
Fund Balance End of Year	<u>\$264,202</u>	<u>\$286,116</u>	<u>\$21,914</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, 2013

	Municipal Real Property Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Charges for Services	\$75,400	\$75,439	\$39
Investment Earnings	1,218	1,479	261
Total Revenues	<u>76,618</u>	<u>76,918</u>	<u>300</u>
Expenditures:			
Current:			
Capital Outlay	<u>173,701</u>	<u>138,641</u>	<u>35,060</u>
Total Expenditures	<u>173,701</u>	<u>138,641</u>	<u>35,060</u>
Excess of Revenues Over (Under) Expenditures	<u>(97,083)</u>	<u>(61,723)</u>	<u>35,360</u>
Other Financing Sources (Uses):			
Proceeds from Sale of Capital Assets	<u>80,400</u>	<u>80,497</u>	<u>97</u>
Total Other Financing Sources (Uses)	<u>80,400</u>	<u>80,497</u>	<u>97</u>
Net Change in Fund Balance	(16,683)	18,774	35,457
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>267,805</u>	<u>267,805</u>	<u>0</u>
Fund Balance End of Year	<u>\$251,122</u>	<u>\$286,579</u>	<u>\$35,457</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, 2013

	Miami Conservancy District Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Property and Other Taxes	\$1,900	\$1,972	\$72
Total Revenues	1,900	1,972	72
Expenditures:			
Current:			
General Government	101,196	75,490	25,706
Total Expenditures	101,196	75,490	25,706
Net Change in Fund Balance	(99,296)	(73,518)	25,778
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	179,667	179,667	0
Fund Balance End of Year	\$80,371	\$106,149	\$25,778

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, 2013

	Community Development Block Grant Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$43,800	\$44,009	\$209
Other Revenues	177,090	178,589	1,499
Total Revenues	220,890	222,598	1,708
Expenditures:			
Current:			
Community Environment	982,960	497,597	485,363
Total Expenditures	982,960	497,597	485,363
Excess of Revenues Over (Under) Expenditures	(762,070)	(274,999)	487,071
Other Financing Sources (Uses):			
Transfers (Out)	(30,000)	0	30,000
Total Other Financing Sources (Uses)	(30,000)	0	30,000
Net Change in Fund Balance	(792,070)	(274,999)	517,071
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	978,596	978,596	0
Fund Balance End of Year	\$186,526	\$703,597	\$517,071

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, 2013

	Parking Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$1,100	\$1,344	\$244
Fines, Licenses & Permits	15,490	15,635	145
Total Revenues	16,590	16,979	389
Expenditures:			
Current:			
Transportation	36,700	1	36,699
Total Expenditures	36,700	1	36,699
Net Change in Fund Balance	(20,110)	16,978	37,088
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	275,357	275,357	0
Fund Balance End of Year	\$255,247	\$292,335	\$37,088

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, 2013

	Drug Law Enforcement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses & Permits	\$130	\$130	\$0
Total Revenues	130	130	0
Expenditures:			
Current:			
Public Safety	2,000	0	2,000
Total Expenditures	2,000	0	2,000
Net Change in Fund Balance	(1,870)	130	2,000
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	16,112	16,112	0
Fund Balance End of Year	\$14,242	\$16,242	\$2,000



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, 2013

	Law Enforcement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses & Permits	\$1,100	\$1,102	\$2
Total Revenues	1,100	1,102	2
Expenditures:			
Current:			
Public Safety	11,000	8,861	2,139
Total Expenditures	11,000	8,861	2,139
Net Change in Fund Balance	(9,900)	(7,759)	2,141
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	35,276	35,276	0
Fund Balance End of Year	\$25,376	\$27,517	\$2,141

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, 2013

	Cemetery Endowment Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Charges for Services	\$30,000	\$30,476	\$476
Investment Earnings	3,661	4,471	810
Total Revenues	<u>33,661</u>	<u>34,947</u>	<u>1,286</u>
Expenditures:			
Current:			
Public Health and Welfare	<u>23,000</u>	<u>19,383</u>	<u>3,617</u>
Total Expenditures	<u>23,000</u>	<u>19,383</u>	<u>3,617</u>
Net Change in Fund Balance	10,661	15,564	4,903
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>942,829</u>	<u>942,829</u>	<u>0</u>
Fund Balance End of Year	<u>\$953,490</u>	<u>\$958,393</u>	<u>\$4,903</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, 2013

	Small Business Development R-Loan Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Charges for Services	\$910	\$912	\$2
Investment Earnings	5,150	5,516	366
Other Revenues	<u>83,030</u>	<u>85,575</u>	<u>2,545</u>
Total Revenues	<u>89,090</u>	<u>92,003</u>	<u>2,913</u>
Expenditures:			
Current:			
Community Environment	<u>351,400</u>	<u>50,024</u>	<u>301,376</u>
Total Expenditures	<u>351,400</u>	<u>50,024</u>	<u>301,376</u>
Excess of Revenues Over (Under) Expenditures	<u>(262,310)</u>	<u>41,979</u>	<u>304,289</u>
Other Financing Sources (Uses):			
Transfers In	<u>30,000</u>	<u>51,982</u>	<u>21,982</u>
Total Other Financing Sources (Uses)	<u>30,000</u>	<u>51,982</u>	<u>21,982</u>
Net Change in Fund Balance	(232,310)	93,961	326,271
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>567,845</u>	<u>567,845</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$335,535</u></u>	<u><u>\$661,806</u></u>	<u><u>\$326,271</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, 2013

	FEMA Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$43,037	\$43,037	\$0
Total Revenues	43,037	43,037	0
Expenditures:			
Current:			
General Government	0	0	0
Total Expenditures	0	0	0
Excess of Revenues Over (Under) Expenditures	43,037	43,037	0
Other Financing Sources (Uses):			
Transfers (Out)	(43,037)	(43,037)	0
Total Other Financing Sources (Uses)	(43,037)	(43,037)	0
Net Change in Fund Balance	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	\$0	\$0	\$0

## **NONMAJOR DEBT SERVICE FUNDS**

### **Fund Descriptions**

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

City of Troy, Ohio  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended December 31, 2013

	Bond Retirement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Special Assessments	\$94	\$94	\$0
Total Revenues	94	94	0
Expenditures:			
Current:			
General Government	300	4	296
Debt Service:			
Principal Retirement	587,388	587,388	0
Interest and Fiscal Charges	170,711	170,711	0
Total Expenditures	758,399	758,103	296
Excess of Revenues Over (Under) Expenditures	(758,305)	(758,009)	296
Other Financing Sources (Uses):			
Transfers In	760,000	760,000	0
Total Other Financing Sources (Uses)	760,000	760,000	0
Net Change in Fund Balance	1,695	1,991	296
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	100,917	100,917	0
Fund Balance End of Year	\$102,612	\$102,908	\$296

## **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, 2013

	Capital Improvement	OPWC Project Fund	Technology Fund	Total Nonmajor Capital Projects Funds
<b>Assets:</b>				
Equity in Pooled Cash and Investments	\$1,404,692	\$181,014	\$358,485	\$1,944,191
<b>Receivables (Net):</b>				
Intergovernmental	380,259	575,000	0	955,259
Special Assessments	192,509	0	0	192,509
<b>Total Assets</b>	<b>1,977,460</b>	<b>756,014</b>	<b>358,485</b>	<b>3,091,959</b>
<b>Liabilities:</b>				
Accounts Payable	82,672	0	0	82,672
<b>Total Liabilities</b>	<b>82,672</b>	<b>0</b>	<b>0</b>	<b>82,672</b>
<b>Deferred Inflows of Resources:</b>				
Grants and Other Taxes	369,815	0	0	369,815
Special Assessments	192,509	0	0	192,509
<b>Total Deferred Inflows of Resources</b>	<b>562,324</b>	<b>0</b>	<b>0</b>	<b>562,324</b>
<b>Fund Balances:</b>				
Restricted	1,332,464	756,014	0	2,088,478
Assigned	0	0	358,485	358,485
<b>Total Fund Balances</b>	<b>1,332,464</b>	<b>756,014</b>	<b>358,485</b>	<b>2,446,963</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$1,977,460</b>	<b>\$756,014</b>	<b>\$358,485</b>	<b>\$3,091,959</b>



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, 2013

	Capital Improvement	OPWC Project Fund	Technology Fund	Total Nonmajor Capital Projects Funds
Revenues:				
Charges for Services	0	\$0	\$116,114	\$116,114
Investment Earnings	\$7,014	\$0	\$0	\$7,014
Intergovernmental	93,185	575,000	0	668,185
Special Assessments	49,061	0	0	49,061
Total Revenues	149,260	575,000	116,114	840,374
Expenditures:				
Current:				
Community Development	121,457	0	0	121,457
Basic Utility Service	0	0	60,940	60,940
Capital Outlay	1,021,084	1,174,839	0	2,195,923
Total Expenditures	1,142,541	1,174,839	60,940	2,378,320
Excess of Revenues Over (Under) Expenditures	(993,281)	(599,839)	55,174	(1,537,946)
Other Financing Sources (Uses):				
Transfers In	2,000,000	0	0	2,000,000
Total Other Financing Sources (Uses)	2,000,000	0	0	2,000,000
Net Change in Fund Balance	1,006,719	(599,839)	55,174	462,054
Fund Balance - Beginning of Year	325,745	1,355,853	303,311	1,984,909
Fund Balance - End of Year	\$1,332,464	\$756,014	\$358,485	\$2,446,963

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, 2013

	Capital Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$7,000	\$7,014	\$14
Intergovernmental	52,200	82,741	30,541
Special Assessments	45,600	49,061	3,461
Total Revenues	<u>104,800</u>	<u>138,816</u>	<u>34,016</u>
Expenditures:			
Current:			
Community Environment	129,594	135,450	(5,856)
Capital Outlay	2,190,811	1,331,187	859,624
Total Expenditures	<u>2,320,405</u>	<u>1,466,637</u>	<u>853,768</u>
Excess of Revenues Over (Under) Expenditures	<u>(2,215,605)</u>	<u>(1,327,821)</u>	<u>887,784</u>
Other Financing Sources (Uses):			
Transfers In	2,000,000	2,000,000	0
Total Other Financing Sources (Uses)	<u>2,000,000</u>	<u>2,000,000</u>	<u>0</u>
Net Change in Fund Balance	(215,605)	672,179	887,784
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>334,718</u>	<u>334,718</u>	<u>0</u>
Fund Balance End of Year	<u>\$119,113</u>	<u>\$1,006,897</u>	<u>\$887,784</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, 2013

	OPWC Project Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Charges for Services	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Capital Outlay	1,295,866	1,210,950	84,916
Total Expenditures	1,295,866	1,210,950	84,916
Net Change in Fund Balance	(1,295,866)	(1,210,950)	84,916
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,355,853	1,355,853	0
Fund Balance End of Year	\$59,987	\$144,903	\$84,916

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, 2013

	Technology Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Charges for Services	\$116,100	\$116,114	\$14
Total Revenues	116,100	116,114	14
Expenditures:			
Current:			
Basic Utility	86,490	74,975	11,515
Total Expenditures	86,490	74,975	11,515
Net Change in Fund Balance	29,610	41,139	11,529
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	308,498	308,498	0
Fund Balance End of Year	\$338,108	\$349,637	\$11,529

## **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, 2013

	Income Tax Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Income Taxes	\$13,694,200	\$13,892,152	\$197,952
Investment Earnings	41,685	46,009	4,324
Other Revenues	3,400	3,410	10
Total Revenues	<u>13,739,285</u>	<u>13,941,571</u>	<u>202,286</u>
Expenditures:			
Current:			
General Government	1,962,601	1,131,205	831,396
Total Expenditures	<u>1,962,601</u>	<u>1,131,205</u>	<u>831,396</u>
Excess of Revenues Over (Under) Expenditures	<u>11,776,684</u>	<u>12,810,366</u>	<u>1,033,682</u>
Other Financing Sources (Uses):			
Transfers (Out)	(13,550,000)	(13,550,000)	0
Total Other Financing Sources (Uses)	<u>(13,550,000)</u>	<u>(13,550,000)</u>	<u>0</u>
Net Change in Fund Balance	(1,773,316)	(739,634)	1,033,682
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	6,963,574	6,963,574	0
Fund Balance End of Year	<u>\$5,190,258</u>	<u>\$6,223,940</u>	<u>\$1,033,682</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, 2013

	Investment Fund For Capital Improvement Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$352,700	\$384,038	\$31,338
Other Revenues	750	750	0
Total Revenues	<u>353,450</u>	<u>384,788</u>	<u>31,338</u>
Expenditures:			
Current:			
General Government	0	125	(125)
Total Expenditures	<u>0</u>	<u>125</u>	<u>(125)</u>
Excess of Revenues Over (Under) Expenditures	<u>353,450</u>	<u>384,663</u>	<u>31,213</u>
Other Financing Sources (Uses):			
Transfers (Out)	(337,500)	(281,489)	56,011
Total Other Financing Sources (Uses)	<u>(337,500)</u>	<u>(281,489)</u>	<u>56,011</u>
Net Change in Fund Balance	15,950	103,174	87,224
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>32,878,452</u>	<u>32,878,452</u>	<u>0</u>
Fund Balance End of Year	<u>\$32,894,402</u>	<u>\$32,981,626</u>	<u>\$87,224</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, 2013

	Safety - Income Tax Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Income Taxes	\$2,240,400	\$2,313,925	\$73,525
Total Revenues	<u>2,240,400</u>	<u>2,313,925</u>	<u>73,525</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>2,240,400</u>	<u>2,313,925</u>	<u>73,525</u>
Other Financing Sources (Uses):			
Transfers (Out)	<u>(2,500,000)</u>	<u>(2,500,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(2,500,000)</u>	<u>(2,500,000)</u>	<u>0</u>
Net Change in Fund Balance	(259,600)	(186,075)	73,525
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>1,177,323</u>	<u>1,177,323</u>	<u>0</u>
Fund Balance End of Year	<u>\$917,723</u>	<u>\$991,248</u>	<u>\$73,525</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, 2013

	Recreational Programs Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Charges for Services	\$118,000	\$118,139	\$139
Investment Earnings	1,021	1,249	228
Other Revenues	7,600	7,640	40
Total Revenues	<u>126,621</u>	<u>127,028</u>	<u>407</u>
Expenditures:			
Current:			
Community Environment	172,246	147,641	24,605
Total Expenditures	<u>172,246</u>	<u>147,641</u>	<u>24,605</u>
Net Change in Fund Balance	(45,625)	(20,613)	25,012
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>272,262</u>	<u>272,262</u>	<u>0</u>
Fund Balance End of Year	<u>\$226,637</u>	<u>\$251,649</u>	<u>\$25,012</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, 2013

	Parks and Recreation Improvement Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$62	\$119	\$57
Other Revenues	9,900	9,972	72
Total Revenues	9,962	10,091	129
Expenditures:			
Current:			
Recreation	5,150	0	5,150
Total Expenditures	5,150	0	5,150
Excess of Revenues Over (Under) Expenditures	4,812	10,091	5,279
Other Financing Sources (Uses):			
Proceeds from Sale of Capital Assets	49,200	49,207	7
Total Other Financing Sources (Uses)	49,200	49,207	7
Net Change in Fund Balance	54,012	59,298	5,286
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	11,728	11,728	0
Fund Balance End of Year	\$65,740	\$71,026	\$5,286

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

## **NONMAJOR FUNDS**

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

### **Fund Descriptions**

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

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

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

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

**Stormwater Utility** - To account for stormwater utilities provided by the City.

City of Troy, Ohio  
Combining Statement of Net Position  
Nonmajor Enterprise Funds  
December 31, 2013

	Hobart Arena	Swimming Pool	Parking Meter	Miami Shores
<b>Assets:</b>				
Equity in Pooled Cash and Investments	\$1,119,535	\$148,040	\$50,932	\$71,814
<b>Receivables (Net):</b>				
Accounts	0	3,998	0	0
Interest	0	0	43	60
<b>Total Current Assets</b>	<b>1,119,535</b>	<b>152,038</b>	<b>50,975</b>	<b>71,874</b>
Nondepreciable Capital Assets	20,900	10,450	189,961	46,997
Depreciable Capital Assets, Net	1,609,108	3,286,201	0	241,492
<b>Total Assets</b>	<b>2,749,543</b>	<b>3,448,689</b>	<b>240,936</b>	<b>360,363</b>
<b>Liabilities:</b>				
<b>Current Liabilities:</b>				
Accounts Payable	14,911	499	0	2,154
Accrued Wages and Benefits	18,797	212	0	14,089
Compensated Absences	21,328	0	0	5,921
<b>Total Current Liabilities</b>	<b>55,036</b>	<b>711</b>	<b>0</b>	<b>22,164</b>
<b>Long-Term Liabilities:</b>				
Compensated Absences	15,135	0	0	4,201
<b>Total Liabilities</b>	<b>70,171</b>	<b>711</b>	<b>0</b>	<b>26,365</b>
<b>Net Position:</b>				
Net Investment in Capital Assets	1,630,008	3,296,651	189,961	288,489
Unrestricted	1,049,364	151,327	50,975	45,509
<b>Total Net Position</b>	<b>\$2,679,372</b>	<b>\$3,447,978</b>	<b>\$240,936</b>	<b>\$333,998</b>

Stormwater Utility	Total Nonmajor Enterprise Funds
\$1,392,840	\$2,783,161
110,000	113,998
1,166	1,269
<u>1,504,006</u>	<u>2,898,428</u>
0	268,308
0	5,136,801
<u>1,504,006</u>	<u>8,303,537</u>
707	18,271
0	33,098
0	27,249
<u>707</u>	<u>78,618</u>
0	19,336
<u>707</u>	<u>97,954</u>
0	5,405,109
1,503,299	2,800,474
<u>\$1,503,299</u>	<u>\$8,205,583</u>

City of Troy, Ohio  
Combining Statement of Revenues, Expenses  
and Changes in Fund Net Position  
Nonmajor Enterprise Funds  
For the Fiscal Year Ended December 31, 2013

	Hobart Arena	Swimming Pool	Parking Meter	Miami Shores
Operating Revenues:				
Charges for Services	\$146,322	\$202,949	\$16,356	\$620,147
Other Revenues	851,878	18,798	598	23,266
Total Operating Revenues	998,200	221,747	16,954	643,413
Operating Expenses:				
Personal Services	397,807	107,253	16,593	372,861
Contractual Services	155,945	50,183	4,222	145,778
Materials and Supplies	101,425	61,243	980	184,027
Depreciation	138,178	113,758	0	39,844
Other Expense	641,712	8,352	4,125	59,105
Total Operating Expenses	1,435,067	340,789	25,920	801,615
Operating Income (Loss)	(436,867)	(119,042)	(8,966)	(158,202)
Non-Operating Revenues (Expenses):				
Investment Earnings	0	0	(49)	134
Gain (Loss) on Disposal of Capital Assets	0	0	0	0
Total Non-Operating Revenues (Expenses)	0	0	(49)	134
Income (Loss) Before Contributions and Transfers	(436,867)	(119,042)	(9,015)	(158,068)
Transfers In	808,793	2,000	30,000	151,398
Change in Net Position	371,926	(117,042)	20,985	(6,670)
Net Position - Beginning of Year	2,307,446	3,565,020	219,951	340,668
Net Position - End of Year	\$2,679,372	\$3,447,978	\$240,936	\$333,998

Stormwater Utility	Total Nonmajor Enterprise Funds
\$1,246,514	\$2,232,288
10,768	905,308
<u>1,257,282</u>	<u>3,137,596</u>
614,834	1,509,348
22,592	378,720
102,281	449,956
0	291,780
10,420	723,714
<u>750,127</u>	<u>3,353,518</u>
<u>507,155</u>	<u>(215,922)</u>
822	907
(396,005)	(396,005)
<u>(395,183)</u>	<u>(395,098)</u>
111,972	(611,020)
0	992,191
111,972	381,171
<u>1,391,327</u>	<u>7,824,412</u>
<u>\$1,503,299</u>	<u>\$8,205,583</u>

City of Troy, Ohio  
Combining Statement of Cash Flows  
Nonmajor Enterprise Funds  
For the Fiscal Year Ended December 31, 2013

	Hobart Arena	Swimming Pool	Parking Meter	Miami Shores
Cash Flows from Operating Activities:				
Cash Received from Customers	\$998,318	\$221,631	\$16,954	\$643,413
Cash Payments to Employees	(393,130)	(107,041)	(19,358)	(372,027)
Cash Payments to Suppliers	(895,169)	(119,757)	(9,327)	(390,979)
Net Cash Provided (Used) by Operating Activities	(289,981)	(5,167)	(11,731)	(119,593)
Cash Flows from Noncapital Financing Activities:				
Payments from Other Funds	808,793	2,000	30,000	151,398
Net Cash Provided (Used) by Noncapital Financing Activities	808,793	2,000	30,000	151,398
Cash Flows from Capital and Related Financing Activities:				
Payments for Capital Acquisitions	(17,952)	0	0	(54,134)
Loss on the Disposal of Capital Assets	0	0	0	0
Net Cash Provided (Used) by Capital and Related Financing Activities	(17,952)	0	0	(54,134)
Cash Flows from Investing Activities:				
Earnings on Investments	0	0	(54)	183
Net Cash Provided (Used) by Cash Flows from Investing Activities	0	0	(54)	183
Net Increase (Decrease) in Cash and Cash Equivalents	500,860	(3,167)	18,215	(22,146)
Cash and Cash Equivalents - Beginning of Year	618,675	151,207	32,717	93,960
Cash and Cash Equivalents - End of Year	1,119,535	148,040	50,932	71,814
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	(436,867)	(119,042)	(8,966)	(158,202)
Adjustments:				
Depreciation	138,178	113,758	0	39,844
Changes in Assets & Liabilities:				
(Increase) Decrease in Receivables	118	(116)	0	0
Increase (Decrease) in Payables	3,913	21	0	(2,069)
Increase (Decrease) in Accrued Liabilities	4,677	212	(2,765)	834
Net Cash Provided (Used) by Operating Activities	(\$289,981)	(\$5,167)	(\$11,731)	(\$119,593)



Stormwater Utility	Total Nonmajor Enterprise Funds
\$1,248,765	\$3,129,081
(614,834)	(1,506,390)
(143,427)	(1,558,659)
<u>490,504</u>	<u>64,032</u>
<u>0</u>	<u>992,191</u>
<u>0</u>	<u>992,191</u>
0	(72,086)
(396,005)	(396,005)
<u>(396,005)</u>	<u>(468,091)</u>
<u>1,156</u>	<u>1,285</u>
1,156	1,285
95,655	589,417
<u>1,297,185</u>	<u>2,193,744</u>
<u>1,392,840</u>	<u>2,783,161</u>
507,155	(215,922)
0	291,780
(8,517)	(8,515)
(8,134)	(6,269)
0	2,958
<u>\$490,504</u>	<u>\$64,032</u>

## **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 Fund  
For the Fiscal Year Ended December 31, 2013

	Stouder Playground			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$15,700	\$74	\$14	\$15,760
Receivables (Net):				
Interest	18	13	18	13
<b>Total Assets</b>	<b>15,718</b>	<b>87</b>	<b>32</b>	<b>15,773</b>
Liabilities:				
Undistributed Monies	15,718	87	32	15,773
<b>Total Liabilities</b>	<b>\$15,718</b>	<b>\$87</b>	<b>\$32</b>	<b>\$15,773</b>

	Paul G. Duke			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$11,841	\$0	\$10	\$11,831
Receivables (Net):				
Interest	14	10	14	10
<b>Total Assets</b>	<b>11,855</b>	<b>10</b>	<b>24</b>	<b>11,841</b>
Liabilities:				
Undistributed Monies	11,855	10	24	11,841
<b>Total Liabilities</b>	<b>\$11,855</b>	<b>\$10</b>	<b>\$24</b>	<b>\$11,841</b>

	Unclaimed Funds			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$5,943	\$1,326	\$3,034	\$4,235
<b>Total Assets</b>	<b>5,943</b>	<b>1,326</b>	<b>3,034</b>	<b>4,235</b>
Liabilities:				
Undistributed Monies	5,943	1,326	3,034	4,235
<b>Total Liabilities</b>	<b>\$5,943</b>	<b>\$1,326</b>	<b>\$3,034</b>	<b>\$4,235</b>

Continued

City of Troy, Ohio  
Statement of Changes In Assets and Liabilities  
Agency Fund  
For the Fiscal Year Ended December 31, 2013

	Tri-Centennial			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$1,078	\$5	\$0	\$1,083
Total Assets	1,078	5	0	1,083
Liabilities:				
Undistributed Monies	1,078	5	0	1,083
Total Liabilities	\$1,078	\$5	\$0	\$1,083

	Imprest Cash			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$2,950	\$1,050	\$1,000	\$3,000
Total Assets	2,950	1,050	1,000	3,000
Liabilities:				
Undistributed Monies	2,950	1,050	1,000	3,000
Total Liabilities	\$2,950	\$1,050	\$1,000	\$3,000

	Enterprise Zone			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$2,815	\$6,750	\$8,500	\$1,065
Total Assets	2,815	6,750	8,500	1,065
Liabilities:				
Accounts Payable	500	500	500	500
Undistributed Monies	2,315	6,250	8,000	565
Total Liabilities	\$2,815	\$6,750	\$8,500	\$1,065

Continued

City of Troy, Ohio  
Statement of Changes In Assets and Liabilities  
Agency Fund  
For the Fiscal Year Ended December 31, 2013

	Fire Insurance Escrow			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$0	\$93,275	\$67,173	\$26,102
Total Assets	<u>0</u>	<u>93,275</u>	<u>67,173</u>	<u>26,102</u>
Liabilities:				
Undistributed Monies	0	93,275	67,173	26,102
Total Liabilities	<u>\$0</u>	<u>\$93,275</u>	<u>\$67,173</u>	<u>\$26,102</u>

	Total All Agency Funds			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$40,327	\$102,480	\$79,731	\$63,076
Receivables (Net):				
Interest	32	23	32	23
Total Assets	<u>40,359</u>	<u>102,503</u>	<u>79,763</u>	<u>63,099</u>
Liabilities:				
Accounts Payable	500	500	500	500
Undistributed Monies	39,859	102,003	79,263	62,599
Total Liabilities	<u>\$40,359</u>	<u>\$102,503</u>	<u>\$79,763</u>	<u>\$63,099</u>

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# STATISTICAL SECTION



## STATISTICAL SECTION

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

### **Contents**

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

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

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

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

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

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



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

	Calendar Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012 (1)	2013 (1)
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$24,472,572	\$29,562,186	\$28,145,826	\$30,704,516	\$31,419,257	\$34,675,398	\$34,225,459	\$34,639,518	\$32,060,415	\$37,627,539
Restricted	17,059,880	12,517,653	9,735,905	8,547,364	9,103,361	9,958,828	10,582,438	8,539,110	8,487,756	9,427,534
Unrestricted	35,336,072	35,335,482	36,658,401	38,068,043	40,083,298	39,451,677	41,162,496	45,244,719	51,876,747	48,367,971
<b>Total Governmental Activities Net Position</b>	<b>\$76,868,524</b>	<b>\$77,415,321</b>	<b>\$74,540,132</b>	<b>\$77,319,923</b>	<b>\$80,605,916</b>	<b>\$84,085,903</b>	<b>\$85,970,393</b>	<b>\$88,423,347</b>	<b>\$92,424,918</b>	<b>\$95,423,044</b>
<b>Business-Type Activities</b>										
Net Investment in Capital Assets	\$27,399,172	\$29,577,577	\$35,008,503	\$35,452,837	\$35,991,417	\$35,342,051	\$35,915,079	\$36,142,585	\$36,053,061	\$37,306,703
Unrestricted	19,030,520	19,041,135	17,091,607	16,982,495	15,482,264	13,775,201	13,387,117	13,596,466	14,543,866	14,520,575
<b>Total Business-Type Activities Net Position</b>	<b>\$46,429,692</b>	<b>\$48,618,712</b>	<b>\$52,100,110</b>	<b>\$52,435,332</b>	<b>\$51,473,681</b>	<b>\$49,117,252</b>	<b>\$49,302,196</b>	<b>\$49,739,051</b>	<b>\$50,596,927</b>	<b>\$51,827,278</b>
<b>Total Primary Government</b>										
Net Investment in Capital Assets	\$51,871,744	\$59,139,763	\$63,154,329	\$66,157,353	\$67,410,674	\$70,017,449	\$70,140,538	\$70,782,103	\$68,113,476	\$74,934,242
Restricted	17,059,880	12,517,653	9,735,905	8,547,364	9,103,361	9,958,828	10,582,438	8,539,110	8,487,756	9,427,534
Unrestricted	54,366,592	54,376,617	53,750,008	55,050,538	55,565,562	53,226,878	54,549,613	58,841,185	66,420,613	62,888,546
<b>Total Primary Government Net Position</b>	<b>\$123,298,216</b>	<b>\$126,034,033</b>	<b>\$126,640,242</b>	<b>\$129,755,255</b>	<b>\$132,079,597</b>	<b>\$133,203,155</b>	<b>\$135,272,589</b>	<b>\$138,162,398</b>	<b>\$143,021,845</b>	<b>\$147,250,322</b>

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

Source: City Records

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

	Calendar Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Expenses</b>										
<b>Governmental Activities:</b>										
General Government	\$5,033,894	\$5,660,201	\$5,180,111	\$5,345,922	\$5,103,878	\$4,703,316	\$4,582,293	\$4,811,024	\$4,347,195	\$4,886,884
Public Safety	8,169,075	8,787,052	8,842,678	9,501,076	9,746,678	9,602,958	10,007,502	9,788,994	9,758,352	11,085,786
Leisure Time Activities	1,859,158	1,884,611	1,820,227	1,821,894	1,821,739	1,800,337	1,765,285	1,963,883	1,759,009	1,586,678
Community Development	952,247	836,887	688,806	959,438	695,455	778,762	1,017,450	969,092	1,071,345	1,132,281
Basic Utility Service	1,624,988	1,852,260	1,493,639	1,229,838	1,195,413	1,285,995	1,329,668	1,197,495	1,264,386	1,338,126
Transportation and Street Repair	2,544,171	2,392,805	3,681,464	2,473,911	2,206,531	2,181,607	2,404,692	3,955,665	2,278,552	1,662,887
Public Health and Welfare	404,448	500,215	428,505	533,385	469,365	455,342	378,736	349,444	353,417	312,993
Interest and Fiscal Charges	589,272	600,203	560,291	530,750	512,045	490,667	470,078	453,931	207,620	318,508
<b>Total Governmental Activities Expenses</b>	<b>21,177,253</b>	<b>22,514,234</b>	<b>22,695,721</b>	<b>22,396,214</b>	<b>21,751,104</b>	<b>21,298,984</b>	<b>21,955,704</b>	<b>23,489,528</b>	<b>21,039,876</b>	<b>22,324,143</b>
<b>Business-Type Activities:</b>										
Water Utility	5,216,113	4,574,926	4,962,223	4,718,693	5,062,771	4,656,843	4,292,357	4,017,767	4,447,884	4,321,114
Sewer Utility	3,690,842	3,776,760	4,614,815	4,082,607	4,609,529	4,059,903	4,127,389	4,086,762	4,130,725	4,266,132
Arena Facilities	755,000	683,886	771,549	912,204	1,053,354	1,127,694	1,122,147	1,324,887	1,486,347	1,435,067
Pool	85,855	323,370	293,478	343,074	343,970	315,939	346,867	359,687	360,881	340,789
Parking	44,077	44,624	44,946	38,354	46,869	45,003	45,670	46,292	47,419	25,920
Golf Course	784,551	814,751	763,612	866,238	785,734	752,247	791,761	820,170	863,678	801,615
Stadium Facilities (1)	0	84,232	168,464	173,264	169,517	2,914,173	0	0	0	0
Stormwater Utility	0	0	0	0	209,518	736,277	894,589	925,378	801,990	750,127
<b>Total Business-Type Activities Expenses</b>	<b>10,576,438</b>	<b>10,302,549</b>	<b>11,619,087</b>	<b>11,134,434</b>	<b>12,281,262</b>	<b>14,608,079</b>	<b>11,620,780</b>	<b>11,580,943</b>	<b>12,138,924</b>	<b>11,940,764</b>
<b>Total Primary Government Expenses</b>	<b>\$31,753,691</b>	<b>\$32,816,783</b>	<b>\$34,314,808</b>	<b>\$33,530,648</b>	<b>\$34,032,366</b>	<b>\$35,907,063</b>	<b>\$33,576,484</b>	<b>\$35,070,471</b>	<b>\$33,178,800</b>	<b>\$34,264,907</b>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
Charges for Services:										
General Government	\$102,950	\$160,545	\$109,659	\$141,270	\$133,700	\$245,612	\$238,871	\$209,420	\$184,969	\$277,995
Public Safety	957,683	1,132,278	1,103,563	1,123,179	1,259,802	1,335,644	1,275,937	1,476,420	1,436,008	1,435,582
Leisure Time Activities	246,134	178,506	177,180	181,784	172,565	156,521	163,156	148,126	132,752	120,639
Community Development	0	0	0	261,874	57,239	88,534	90,623	128,721	133,661	53,024
Basic Utility Service	288,224	302,450	305,678	618,812	697,232	1,209,115	1,814,395	1,863,435	1,937,636	1,998,963
Transportation and Street Repair	47,280	9,636	7,922	14,605	34,793	53,888	39,698	45,147	27,430	28,727
Public Health and Welfare	8,601	142,834	220,964	219,022	17,273	204,179	186,317	175,105	257,082	137,154
Operating Grants and Contributions	1,316,515	1,207,394	1,247,032	1,180,525	1,332,705	1,930,659	1,454,945	1,140,154	1,077,177	1,539,798
Capital Grants and Contributions	2,502,281	2,650,155	2,311,020	1,401,939	1,056,487	1,506,391	613,524	1,951,040	405,309	409,844
<b>Total Governmental Activities Program Revenues</b>	<b>5,469,668</b>	<b>5,783,798</b>	<b>5,483,018</b>	<b>5,143,010</b>	<b>4,761,796</b>	<b>6,730,543</b>	<b>5,877,466</b>	<b>7,137,568</b>	<b>5,592,024</b>	<b>6,001,726</b>

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

	Calendar Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Business-Type Activities:</b>										
Charges for Services:										
Water Utility	4,769,917	4,795,403	4,129,742	4,244,932	4,110,581	4,105,433	4,652,239	4,567,748	5,108,969	4,999,136
Sewer Utility	3,804,824	3,784,736	3,414,879	3,332,482	3,355,106	3,220,430	3,390,515	3,463,415	3,639,617	4,123,845
Arena Facilities	62,179	71,053	80,893	104,661	23,501	114,584	137,692	130,425	124,329	146,322
Pool	31,651	224,303	222,913	223,289	231,798	209,716	242,840	253,765	222,790	202,949
Parking	20,403	19,521	18,085	19,318	21,246	23,265	23,731	23,987	18,074	16,356
Golf Course	623,157	695,849	679,688	690,093	696,368	696,102	666,908	613,956	669,172	620,147
Stormwater Utility	0	0	0	0	843,823	1,037,004	1,174,156	1,213,311	1,200,532	1,246,514
Operating Grants and Contributions	50,770	79,150	0	0	0	0	3,158	0	0	13,997
Capital Grants and Contributions	1,244,147	1,354,320	1,224,803	583,485	400,594	1,869,683	162,542	173,440	277,928	287,130
<b>Total business-Type Activities Program Revenues</b>	<b>10,607,048</b>	<b>11,024,335</b>	<b>9,771,003</b>	<b>9,198,260</b>	<b>9,683,017</b>	<b>11,276,217</b>	<b>10,453,781</b>	<b>10,440,047</b>	<b>11,261,411</b>	<b>11,656,396</b>
<b>Total Primary Government Program Revenues</b>	<b>\$16,076,716</b>	<b>\$16,808,133</b>	<b>\$15,254,021</b>	<b>\$14,341,270</b>	<b>\$14,444,813</b>	<b>\$18,006,760</b>	<b>\$16,331,247</b>	<b>\$17,577,615</b>	<b>\$16,853,435</b>	<b>\$17,658,122</b>
<b>Net (Expense)/Revenue</b>										
Governmental Activities	(\$15,707,585)	(\$16,730,436)	(\$17,212,703)	(\$17,253,204)	(\$16,989,308)	(\$14,568,441)	(\$16,078,238)	(\$16,351,960)	(\$15,447,852)	(\$16,322,417)
Business-Type Activities	30,610	721,786	(1,848,084)	(1,936,174)	(2,598,245)	(3,331,862)	(1,166,999)	(1,140,896)	(877,513)	(284,368)
<b>Total Primary Government Net Expenses</b>	<b>(\$15,676,975)</b>	<b>(\$16,008,650)</b>	<b>(\$19,060,787)</b>	<b>(\$19,189,378)</b>	<b>(\$19,587,553)</b>	<b>(\$17,900,303)</b>	<b>(\$17,245,237)</b>	<b>(\$17,492,856)</b>	<b>(\$16,325,365)</b>	<b>(\$16,606,785)</b>

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

	Calendar Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Income Taxes	\$13,989,707	\$12,681,511	\$12,542,400	\$12,882,229	\$13,294,831	\$10,947,510	\$10,942,392	\$14,186,343	\$15,913,230	\$15,973,203
Property Taxes Levied for:										
General Purposes	2,157,693	1,927,756	2,592,328	1,858,851	1,772,552	1,889,150	1,912,221	1,760,509	1,860,106	1,705,413
Special Revenue Purposes	985	2,096	0	822,177	870,088	1,888,060	1,899,601	47,119	30,929	6,520
Grants and Entitlements not Restricted	1,926,126	2,193,117	1,131,293	1,673,098	2,235,974	1,739,288	1,918,673	1,886,775	1,161,462	1,490,142
Payments in Lieu of Taxes	0	0	0	162,376	186,224	194,775	205,798	208,268	224,299	235,542
Unrestricted Contributions	32,800	44,600	56,900	97,535	50,847	48,268	71,000	95,051	72,989	71,262
Investment Earnings	910,902	1,143,110	2,160,055	2,826,639	2,115,536	1,035,398	1,192,176	975,686	607,412	(91,481)
Other Revenues	246,029	110,043	194,604	285,090	291,351	280,779	330,667	290,969	308,996	616,141
Transfers-Internal Activities	(765,158)	(825,000)	(4,340,066)	(575,000)	(542,102)	25,200	(509,800)	(645,806)	(730,000)	(600,391)
<b>Total Governmental Activities</b>	<b>18,499,084</b>	<b>17,277,233</b>	<b>14,337,514</b>	<b>20,032,995</b>	<b>20,275,301</b>	<b>18,048,428</b>	<b>17,962,728</b>	<b>18,804,914</b>	<b>19,449,423</b>	<b>19,406,351</b>
Business-Type Activities:										
Investment Earnings	323,723	416,709	674,201	848,742	596,975	319,289	207,922	149,260	114,967	7,877
Other Revenues	358,337	288,991	315,215	370,048	497,517	681,344	634,221	782,685	890,422	958,006
Transfers-Internal Activities	765,158	825,000	4,340,066	575,000	542,102	(25,200)	509,800	645,806	730,000	600,391
<b>Total Business-Type Activities</b>	<b>1,447,218</b>	<b>1,530,700</b>	<b>5,329,482</b>	<b>1,793,790</b>	<b>1,636,594</b>	<b>975,433</b>	<b>1,351,943</b>	<b>1,577,751</b>	<b>1,735,389</b>	<b>1,566,274</b>
<b>Total Primary Government</b>	<b>\$19,946,302</b>	<b>\$18,807,933</b>	<b>\$19,666,996</b>	<b>\$21,826,785</b>	<b>\$21,911,895</b>	<b>\$19,023,861</b>	<b>\$19,314,671</b>	<b>\$20,382,665</b>	<b>\$21,184,812</b>	<b>\$20,972,625</b>
<b>Changes in Net Position</b>										
Governmental Activities	\$2,791,499	\$546,797	(\$2,875,189)	\$2,779,791	\$3,285,993	\$3,479,987	\$1,884,490	\$2,452,954	\$4,001,571	\$3,083,934
Business-Type Activities	1,477,828	2,252,486	3,481,398	(142,384)	(961,651)	(2,356,429)	184,944	436,855	857,876	1,281,906
<b>Total Primary Government</b>	<b>\$4,269,327</b>	<b>\$2,799,283</b>	<b>\$606,209</b>	<b>\$2,637,407</b>	<b>\$2,324,342</b>	<b>\$1,123,558</b>	<b>\$2,069,434</b>	<b>\$2,889,809</b>	<b>\$4,859,447</b>	<b>\$4,365,840</b>

Source: City Records

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

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

	Calendar Year									
	2004	2005	2006	2007	2008	2009	2010	2011 (1)	2012	2013
General Fund										
Reserved	\$532,272	\$352,871	\$189,868	\$223,214	\$378,809	\$431,345	\$356,805	\$0	\$0	\$0
Unreserved	35,090,247	35,424,413	36,832,346	38,220,243	40,269,770	42,053,913	43,868,112	0	0	0
Restricted								1,573,675	1,177,323	991,248
Committed								0	0	32,981,626
Assigned								212,633	530,678	456,887
Unassigned								46,268,525	50,053,558	17,838,673
Total General Fund	35,622,519	35,777,284	37,022,214	38,443,457	40,648,579	42,485,258	44,224,917	48,054,833	51,761,559	52,268,434
All Other Governmental Funds										
Reserved	6,740,400	2,765,365	3,611,392	2,371,022	2,144,285	3,034,723	3,827,372	0	0	0
Unreserved, Reported in:										
Special Revenue Funds	5,578,574	3,983,478	4,192,666	4,202,902	5,272,144	5,243,384	5,341,963	0	0	0
Debt Service Funds	19,104	342,156	191,004	110,261	160,154	232,506	274,612	0	0	0
Capital Project Funds	3,891,736	4,101,074	366,197	760,315	649,451	733,014	561,516	0	0	0
Restricted								7,761,596	7,931,844	8,557,723
Assigned								283,564	404,431	461,157
Unassigned								0	(1,428,095)	(1,310,578)
Total all Other Governmental Funds	\$16,229,814	\$11,192,073	\$8,361,259	\$7,444,500	\$8,226,034	\$9,243,627	\$10,005,463	\$8,045,160	\$6,908,180	\$7,708,302

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									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Revenues</b>										
Taxes	\$16,137,437	\$14,670,531	\$15,141,702	\$15,556,609	\$15,951,626	\$14,703,665	\$14,748,543	\$15,993,488	\$17,807,971	\$17,685,933
Fines, Licenses and Permits	111,916	112,296	113,676	110,183	123,486	117,596	93,858	93,590	89,644	74,149
Charges for Services	1,385,158	1,633,216	1,577,227	2,251,504	2,202,251	2,926,793	3,509,000	3,745,558	3,769,716	3,991,137
Investment Earnings	910,902	1,143,111	2,160,056	2,826,639	2,115,536	1,035,398	1,192,176	975,686	607,413	(84,471)
Intergovernmental	3,980,977	3,547,439	3,560,341	3,125,811	4,150,674	4,435,499	3,853,125	4,242,916	2,511,480	2,939,465
Special Assessments	190,672	195,049	261,521	239,099	227,058	298,786	123,178	80,669	41,495	51,702
Revenue in Lieu of Taxes	0	0	0	162,376	186,224	194,775	205,798	208,268	224,299	235,542
Other Revenues	476,614	389,713	418,722	525,371	491,651	493,893	532,065	575,152	521,905	699,986
<b>Total Revenues</b>	<b>23,193,676</b>	<b>21,691,355</b>	<b>23,233,245</b>	<b>24,797,592</b>	<b>25,448,506</b>	<b>24,206,405</b>	<b>24,257,743</b>	<b>25,915,327</b>	<b>25,573,923</b>	<b>25,593,443</b>
<b>Expenditures</b>										
Current:										
General Government	4,594,783	4,053,075	4,332,665	4,772,246	4,676,746	4,159,322	4,044,847	4,394,047	3,920,295	4,358,675
Public Safety	7,924,826	8,369,858	8,396,677	9,234,356	9,245,869	9,140,317	9,478,312	9,553,157	9,372,255	10,530,314
Leisure Time Activities	1,493,876	1,510,229	1,400,691	1,546,806	1,516,300	1,508,342	1,470,324	1,682,768	1,568,078	1,307,669
Community Development	921,465	832,057	645,149	918,513	660,303	721,362	984,252	943,809	1,022,148	1,083,725
Basic Utility Service	1,595,015	1,559,172	1,264,828	1,224,791	1,146,691	1,225,369	1,099,540	1,062,114	1,109,850	1,158,762
Transportation and Street Repair	2,379,777	2,066,280	1,949,294	2,263,423	1,994,218	1,834,053	2,077,805	2,893,547	1,545,172	1,513,367
Public Health and Welfare	403,470	467,916	426,129	494,383	433,203	432,254	428,737	361,014	360,495	332,317
Capital Outlay	4,407,434	5,288,381	4,876,998	2,196,944	1,424,698	887,499	743,293	1,662,805	975,032	2,331,832
Debt Service:										
Principal Retirement	678,000	918,000	634,000	534,000	554,000	510,000	485,000	495,000	604,826	587,388
Interest and Fiscal Charges	450,782	684,360	562,698	532,646	514,124	492,630	471,922	459,813	254,132	265,211
Bond Issuance Costs	0	0	0	0	0	0	0	38,355	54,565	0
<b>Total Expenditures</b>	<b>\$24,849,428</b>	<b>\$25,749,328</b>	<b>\$24,489,129</b>	<b>\$23,718,108</b>	<b>\$22,166,152</b>	<b>\$20,911,148</b>	<b>\$21,284,032</b>	<b>\$23,546,429</b>	<b>\$20,786,848</b>	<b>\$23,469,260</b>

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

	Calendar Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Excess of revenues over (under) expenditures	(\$4,057,973)	(\$4,057,973)	(\$1,255,884)	\$1,079,484	\$3,282,354	\$3,295,257	\$2,973,711	\$2,368,898	\$4,787,075	\$2,124,183
Other Financing Sources (Uses)										
Issuance of Long-Term Capital-Related Debt	\$7,510,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sale of Refunding Bonds	0	0	0	0	0	0	0	2,005,000	5,031,625	0
Payments to Refunded Bond Escrow Agent	0	0	0	0	0	0	0	(1,955,639)	(4,994,725)	0
Premium on Sale of Refunded Bonds	0	0	0	0	0	0	0	13,541	71,287	0
(Discourt) on Sale of Refunded Bonds	0	0	0	0	0	0	0	(20,050)	(50,319)	0
Proceeds from Sale of Capital Assets	0	0	0	0	204,302	18,615	57,784	12,863	64,803	179,210
Transfers In	9,217,435	3,889,006	3,465,000	4,511,874	2,465,589	3,804,704	4,587,000	3,068,270	2,626,819	3,688,623
Transfers (Out)	(9,982,593)	(4,714,006)	(3,795,000)	(5,086,874)	(2,965,589)	(4,264,304)	(5,117,000)	(3,623,270)	(3,356,819)	(4,685,019)
Total Other Financing Sources (Uses)	6,744,842	(825,000)	(330,000)	(575,000)	(295,698)	(440,985)	(472,216)	(499,285)	(607,329)	(817,186)
Net Change in Fund Balances	\$5,089,090	\$4,882,973	(\$1,585,884)	\$504,484	\$2,896,656	\$2,854,272	\$2,501,495	\$1,869,613	\$4,179,746	\$1,306,997
Debt service as a percentage of noncapital expenditures (1)	6.1%	8.0%	5.8%	5.3%	5.2%	5.3%	4.7%	4.3%	4.3%	4.2%

Source: City Records

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



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

Calendar Year	Real Property Assessed Value		Tangible Personal Property (1) Assessed Value		Public Utilities Personal Assessed Value		Total Assessed Value	Total Estimated Actual Value	Total Direct Rate (2)	Total Direct Rate (3)
	Assessed Value	Value	Assessed Value	Value	Assessed Value	Value				
2004	\$370,904,790	\$133,736,850	\$11,002,640	\$515,644,280	\$1,473,269,371	3.10	1.10			
2005	406,825,130	125,877,320	11,115,360	543,817,810	1,553,765,171	3.10	1.10			
2006	427,342,540	119,988,710	11,197,820	558,529,070	1,595,797,343	3.10	1.10			
2007	432,828,960	82,696,590	11,374,070	526,899,620	1,505,427,486	3.10	1.10			
2008	476,759,560	48,088,660	9,799,060	534,647,280	1,527,563,657	3.10	1.10			
2009	485,838,200	24,111,720	10,003,980	519,953,900	1,485,582,571	3.10	1.10			
2010	496,671,020	790,250	9,929,350	507,390,620	1,449,687,486	3.10	1.10			
2011	489,082,260	382,320	10,409,340	499,873,920	1,428,211,200	3.10	1.10			
2012	491,652,910	0	10,786,650	502,439,560	1,435,541,600	3.10	1.10			
2013	497,566,570	0	13,116,620	510,683,190	1,459,094,829	3.10	1.10			

Source: County Auditor

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

(2) - For Tax District D08

(3) - For Tax District D45

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

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

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

Calendar Year	Total Direct Rate (1)	Overlapping Rates (1)					
		Miami		Upper Valley		Troy-Miami	
		Conservancy City (3)	Troy City School District	Joint Vocational	Miami County	County Library (4)	County Library (4)
2004	3.10	0.12	54.60	5.46	9.13	N/A	
2005	3.10	0.14	56.59	5.45	9.11	N/A	
2006	3.10	0.14	56.59	5.45	9.12	N/A	
2007	3.10	0.14	56.59	5.45	8.81	N/A	
2008	3.10	0.14	52.09	5.35	8.80	N/A	
2009	3.10	0.14	52.09	5.18	8.81	N/A	
2010	3.10	0.14	52.28	5.36	8.81	0.60	
2011	3.10	0.09	52.40	5.32	8.81	0.60	
2012	3.10	0.07	52.61	5.32	8.81	0.60	
2013	3.10	0.00	52.66	5.30	8.75	0.60	

Calendar Year	Total Direct Rate (2)	Overlapping Rates (2)					
		Miami		Miami Valley		Troy-Miami	
		Conservancy City (3)	Miami East School District	Career Technology Center	Miami County	County Library (4)	County Library (4)
2004	1.10	0.12	42.80	2.58	9.13	N/A	
2005	1.10	0.14	45.80	2.58	9.11	N/A	
2006	1.10	0.14	46.80	2.58	9.12	N/A	
2007	1.10	0.14	46.80	2.58	8.81	N/A	
2008	1.10	0.14	46.50	2.58	8.80	N/A	
2009	1.10	0.14	49.46	2.58	8.81	N/A	
2010	1.10	0.14	49.46	2.58	8.81	0.60	
2011	1.10	0.09	46.71	2.58	8.81	0.60	
2012	1.10	0.07	46.70	2.58	8.81	0.60	
2013	1.10	0.00	46.59	2.58	8.75	0.60	

Source: County Auditor

(1) - For Tax District D08. The components that make up the Total Direct Rate were not available from the County Auditor, only the Total Direct Rate is available.

(2) - For Tax District D45. The components that make up the Total Direct Rate were not available from the County Auditor, only the Total Direct Rate is available.

(3) - Levied by the City for the benefit of the Miami Conservancy District

(4) - 2010 was the first year the Troy-Miami County Library was levied by the City. This was a 5 year levy.

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

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

Taxpayer	2013	
	Assessed Value	Percentage of Total Assessed Value
Dayton Power and Light Company	\$9,066,890	1.78%
American Honda Motor	6,954,400	1.36%
F&P America Mfg. Inc.	4,342,580	0.85%
Vectren Energy Delivery	3,684,870	0.72%
Hobart Corporation	3,145,370	0.62%
Health Care Reit Inc.	2,977,110	0.58%
Dayton Montgomery County Port Authority	2,948,340	0.58%
TPAC IV Towne Park LLC	2,894,300	0.57%
DW28 Monroe, LLC	2,718,270	0.53%
Troy Investment Group LLC	2,418,010	0.47%
<b>Total Principal Property Tax Payers</b>	<b>\$41,150,140</b>	<b>8.06%</b>

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

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

Source: County Auditor

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

Calendar Year	Taxes Levied for the Calendar Year (2)	Collected, including Delinquencies, within the Calendar Year of the Levy		Accumulated Delinquency (1)	Total Collections to Date	
		Amount (3)	Percentage of Levy		Amount	Percentage of Levy
2004	\$1,312,974	\$1,272,216	96.90%	\$40,758	\$1,312,974	100.00%
2005	1,445,812	1,390,088	96.15%	55,724	1,445,812	100.00%
2006	1,492,952	1,440,079	96.46%	52,873	1,492,952	100.00%
2007	1,558,388	1,499,522	96.22%	58,866	1,558,388	100.00%
2008	1,716,982	1,640,749	95.56%	76,233	1,716,982	100.00%
2009	1,757,384	1,690,146	96.17%	67,238	1,757,384	100.00%
2010	1,792,808	1,732,453	96.63%	41,410	1,773,863	98.94%
2011 (4)	1,731,500	1,680,088	97.03%	51,412	1,731,500	100.00%
2012 (5)	1,728,675	1,684,400	97.44%	44,275	1,728,675	100.00%
2013 (5)	1,714,325	1,677,487	97.85%	36,838	1,714,325	100.00%

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

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Calendar Year	Withholding Accounts	Business Accounts	Residential Accounts	Total	Income Tax Rate
2004	\$9,669,316	\$3,849,138	\$630,634	\$14,149,088	1.75%
2005	9,992,096	2,220,540	737,792	12,950,428	1.75%
2006	10,063,324	2,417,595	774,027	13,254,946	1.75%
2007	10,516,937	2,183,885	764,159	13,464,981	1.75%
2008	11,075,668	1,963,644	1,071,371	14,110,683	1.75%
2009	10,245,095	1,251,838	1,258,095	12,755,028	1.75%
2010	10,334,799	1,257,584	1,171,897	12,764,280	1.75%
2011	10,941,314	1,943,457	1,301,572	14,186,343	1.75%
2012	11,947,402	2,598,675	1,361,993	15,908,070	1.75%
2013	12,055,419	2,728,488	1,413,919	16,197,826	1.75%

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

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

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

Calendar Year	Governmental Activities				Business-Type Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Short-Term Bond Anticipation Notes	Special Assessment Bonds	General Obligation Bonds	Short-Term Bond Anticipation Notes	Notes Payable	OWDA Loan	Total			
2004 (1)	\$11,140,000	\$0	\$335,000	\$20,256,000	\$0	\$20,884	\$0	\$31,751,884	1.04%	\$1,044	
2005 (1)	10,320,000	0	262,000	18,712,000	0	0	0	29,294,000	0.94%	956	
2006 (1)	9,775,000	0	198,000	17,235,000	0	0	0	27,208,000	0.84%	848	
2007 (1)	9,330,000	0	134,000	15,845,000	0	50,864	0	25,359,864	0.76%	764	
2008 (1)	8,865,000	0	70,000	14,425,000	0	36,396	0	23,396,396	0.66%	668	
2009 (1)	8,435,000	0	20,000	12,920,000	0	21,264	712,670	22,108,934	0.64%	656	
2010 (1)	7,990,000	0	10,000	11,345,000	0	5,438	685,987	20,036,425	0.56%	572	
2011 (1)	7,577,852	0	0	9,728,362	0	0	419,940	17,726,154	0.47%	479	
2012	6,988,195	0	0	8,268,045	0	0	408,452	15,664,692	0.39%	400	
2013	7,021,913	0	0	7,008,695	0	0	388,719	14,419,327	N/A	N/A	

Source: City Records

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

N/A - Information not available

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

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

Calendar Year	General Bonded Debt Outstanding Total General Obligation Bonds	Debt Service Fund Balance (1)	General Bonded Debt Outstanding Net General Obligation Bonds	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2004	\$31,396,000	\$0	\$31,396,000	2.13%	\$1,427
2005	29,032,000	0	29,032,000	1.87%	1,320
2006	27,010,000	0	27,010,000	1.69%	1,228
2007	25,175,000	0	25,175,000	1.67%	1,144
2008	23,290,000	0	23,290,000	1.52%	1,059
2009	21,355,000	0	21,355,000	1.44%	971
2010	19,335,000	0	19,335,000	1.33%	772
2011	17,306,214	0	17,306,214	1.21%	691
2012	15,256,240	0	15,256,240	1.06%	609
2013	14,030,608	0	14,030,608	0.96%	560

(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, 2013  
 Schedule 13

Governmental Unit	Net Debt Outstanding	Estimated Percentage Applicable (1)	Amount Applicable to City of Troy
Miami County	\$18,565,000	23.43%	\$4,349,780
Troy City School District	16,409,990	74.21%	12,177,854
Miami East Local School District	15,294,994	8.83%	1,350,548
Miami Valley Career Center Joint Vocational School District	6,390,000	25.00%	1,597,500
Upper Valley Career Center Joint Vocational School District	4,190,000	21.82%	914,258
Subtotal Overlapping Debt	60,849,984		20,389,940
City of Troy - Direct Debt	7,021,913	100.00%	7,021,913
Total Direct and Overlapping Debt	\$67,871,897		\$27,411,853

Source: Ohio Municipal Advisory Council

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

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

Legal Debt Margin Calculation for Calendar Year 2013

Assessed Value	\$510,683,190	\$510,683,190
Statutory Legal Debt Limitation (1)	10.5%	5.5%
Total Debt Limitation	53,621,735	28,087,575
Debt Applicable to Limit:		
Gross Indebtedness	14,419,327	14,419,327
Less: Debt Outside Limitations (2)	7,397,414	7,397,414
Less: Bond Retirement Fund Balance	0	0
Total Net Debt Applicable to Limit	7,021,913	7,021,913
Legal Debt Margin	\$46,599,822	\$21,065,662

	Calendar Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Total Debt Limit (1)										
Debt Limit (10.5%)	\$54,142,649	\$57,100,870	\$58,645,552	\$55,324,460	\$56,137,964	\$54,595,160	\$53,276,015	\$52,486,762	\$52,756,154	\$53,621,735
Total Net Debt Applicable to Limit	12,920,896	11,959,715	11,190,031	10,900,046	10,551,194	10,797,038	10,315,987	9,187,852	6,988,195	7,021,913
Legal Debt Margin	\$41,221,753	\$45,141,155	\$47,455,521	\$44,424,414	\$45,586,770	\$43,798,122	\$42,960,028	\$43,298,910	\$45,767,959	\$46,599,822
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	23.9%	20.9%	19.1%	19.7%	18.8%	19.8%	19.4%	17.5%	13.2%	13.1%

	Calendar Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Total Unvoted Debt Limit (1)										
Debt Limit (5.5%)	\$28,360,435	\$29,909,980	\$30,719,099	\$28,979,479	\$29,405,600	\$28,597,465	\$27,906,484	\$27,493,066	\$27,634,176	\$28,087,575
Total Net Debt Applicable to Limit	12,920,896	11,959,715	11,190,031	10,900,046	10,551,194	10,797,038	10,315,987	9,187,852	6,988,195	7,021,913
Legal Debt Margin	\$15,439,539	\$17,950,265	\$19,529,068	\$18,079,433	\$18,854,406	\$17,800,427	\$17,590,497	\$18,305,214	\$20,645,981	\$21,065,662
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	45.6%	40.0%	36.4%	37.6%	35.9%	37.8%	37.0%	33.4%	25.3%	25.0%

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	
2004	\$145,432	\$335,000	\$27,923	0.40
2005	161,427	262,000	22,775	0.57
2006	215,779	198,000	17,628	1.00
2007	241,912	134,000	14,748	1.63
2008	242,672	70,000	5,915	3.20
2009	274,568	20,000	1,495	12.77
2010	130,503	10,000	995	11.87
2011	89,812	0	0	0.00
2012	48,150	0	0	0.00
2013	56,277	0	0	0.00

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)
2004	21,999	\$3,064,960	\$30,411	5.50%
2005	21,999	3,107,811	30,645	5.50%
2006	21,999	3,240,388	32,097	5.70%
2007	21,999	3,347,023	33,189	5.40%
2008	21,999	3,539,795	35,003	7.00%
2009	21,999	3,455,094	33,700	12.20%
2010	25,058	3,592,525	35,052	9.60%
2011	25,058	3,807,886	37,021	7.50%
2012	25,058	4,037,971	39,181	6.10%
2013	25,058	N/A	N/A	7.00%

- 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 Five Years Ago (2)  
Schedule 17

2013			
Major Employers (3)	Type	Number of Employees	Employer's Percentage of Total Employment
A.O. Smith Corp.	Mfg	(4)	(5)
ConAgra Inc	Mfg	(4)	(5)
Crane Co.	Mfg	(4)	(5)
Evenflo Company, Inc.	Mfg	(4)	(5)
F-Tech, Inc./F&P America	Mfg	(4)	(5)
Goodrich Corp.	Mfg	(4)	(5)
Hartzell	Mfg	(4)	(5)
Illinois Tool Works, Inc./Hobart	Mfg	(4)	(5)
Meijer, Inc.	Trade	(4)	(5)
Piqua City Schools	Govt	(4)	(5)
Troy City Schools	Govt	(4)	(5)
Upper Valley Medical Center	Serv	(4)	(5)

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

Source: Ohio Department of Development

(1) - For all of Miami County

(2) - Only current year and five 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									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Information Systems	0	0	0	0	3	2	2	2	2	3
General Government	2	2	1	1	0	0	0	0	0	0
Council	1	1	1	1	1	1	1	1	1	1
Mayor	1	1	1	1	1	1	1	1	1	1
Audit	4	4	4	4	4	4	4	4	4	4
Law	2	2	2	2	2	2	2	2	2	2
Service	5	5	4	4	4	4	4	4	4	4
Human Resources	2	2	2	2	2	2	2	2	2	2
Fire	42	42	40	39	41	41	40	38	35	39
Police	45	48	46	45	46	46	44	40	39	39
Parks	7	9	8	9	9	8	8	7	7	6
Recreation	4	4	4	4	4	4	3	3	3	3
Electric	3	3	3	3	3	3	3	3	3	3
Development	6	6	7	6	5	2	2	2	2	2
Street	18	18	17	17	16	16	15	14	13	12
Tax	4	4	4	4	5	5	4	4	5	5
Cemetery	4	4	4	4	4	4	3	2	2	2
Refuse	7	7	6	6	4	3	4	2	2	2
Hobart Arena	5	5	5	5	5	5	5	5	5	5
Water Administration	5	5	5	5	2	2	2	2	2	0
Water Plant	10	10	10	9	9	9	9	9	8	9
Water Distribution	7	8	8	8	7	5	5	5	5	5
Sewer B&C	5	5	5	4	3	2	2	2	2	3
Sewer Plant	12	12	12	11	11	11	10	10	9	9
Sewer Maintenance	4	4	3	2	4	5	5	5	5	5
Parking	1	1	0	1	1	1	1	1	1	0
Miami Shores	5	5	5	5	5	5	5	5	5	5
Engineering	8	8	7	6	6	8	8	8	7	10
<b>Total</b>	<b>219</b>	<b>225</b>	<b>214</b>	<b>208</b>	<b>207</b>	<b>201</b>	<b>194</b>	<b>183</b>	<b>176</b>	<b>181</b>

Source: Various City Departments

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

Function/Program	Calendar Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General government										
Commercial Construction										
Building permits issued	27	53	30	97	150	133	138	108	173	131
Value	\$8,723,883	\$13,530,000	\$31,502,490	\$42,270,987	\$25,002,977	\$28,976,372	\$8,792,068	\$18,425,170	\$20,858,627	\$16,785,655
Residential Construction										
Building permits issued	289	168	270	136	77	74	49	47	48	49
Value	\$32,863,289	\$28,449,654	\$33,012,180	\$28,394,390	\$16,160,962	\$15,184,126	\$8,315,391	\$10,762,366	\$12,745,948	\$13,341,957
Police										
Physical arrests	1,819	2,651	2,885	3,073	2,959	2,688	2,724	2,577	2,169	2,195
Parking violations (3)	3,397	3,012	2,877	2,867	2,592	3,074	3,093	2,490	2,152	1,501
Traffic violations	2,853	3,465	4,210	4,657	3,956	5,240	3,546	2,957	2,515	2,530
Fire										
Emergency responses	934	1,143	1,249	1,181	1,371	1,480	1,266	1,439	1,560	1,575
Fires extinguished	96	98	134	104	106	88	132	111	108	107
Inspections	334	799	1,030	718	682	418	700	700	851	861
Refuse collection										
Refuse collected (tons)	6,250	6,530	6,542	6,584	6,484	5,611	5,191	5,265	5,184	6,213
Recyclables collected (tons)	1,727	1,686	1,750	1,840	1,864	1,473	1,640	1,659	1,704	1,706
Other public works										
Street resurfacing (cubic yards) (1)	6,623	5,127	4,500	2,483	2,486	344	4,182	0	2,353	3,446
Parks and Recreation										
Community Center Admissions (2)	\$19,499	\$16,626	\$95,622	\$88,035	\$87,087	\$89,711	\$75,510	\$99,581	\$88,341	\$73,317
Community Center Attendance	10,793	10,674	46,775	43,476	40,493	41,983	35,269	40,325	33,812	31,160
Water										
New connections (each)	267	222	154	132	63	129	62	15	36	48
Water main breaks (each)	32	27	23	26	33	29	45	38	10	20
Average daily consumption (millions of gallon per day)	5.10	5.20	5.00	4.10	4.16	3.97	3.85	3.94	4.22	4.00
Peak daily consumption (millions of gallon per day)	6.8	6.6	7.4	5.4	5.8	5.6	5.7	5.8	8.1	5.6
Wastewater										
Average daily sewage treatment (millions of gallon per day)	6.59	5.73	5.96	5.73	5.79	5.51	4.85	4.43	4.55	5.08

Source: Various City Departments

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

(2) - Cash basis

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

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

Function/Program	Calendar Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	8	8	8	8	9	10	11	11	11	11
Fire Stations	3	3	3	3	3	3	3	3	3	3
Other Public Works										
Area of City (square miles)	12.151	12.164	12.167	12.345	12.345	12.345	12.345	12.345	12.345	12.345
Streets (miles)	107.49	109.60	110.50	111.84	111.96	112.59	112.75	112.75	113.04	113.04
Streetlights	2,356	2,356	2,579	2,601	2,615	2,622	2,624	2,624	2,568	2,568
Traffic signals	43	42	42	43	43	43	43	43	43	44
Parks and Recreation										
Number of Parks	25	25	26	26	25	25	25	25	25	25
Acreeage	297.90	297.90	303.90	303.90	303.40	303.40	303.00	303.00	303.00	303.00
Playgrounds	17	18	18	18	17	17	17	17	17	17
Baseball/Softball Diamonds	15	15	15	15	15	15	15	15	15	15
Soccer/Football Fields	14	14	14	14	14	14	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
Municipal Water Department										
Treatment Capacity (millions of gallons per day)	16	16	16	16	16	16	16	16	16	16
Water Mains (miles)	131.31	133.67	134.92	136.44	136.92	137.78	138.39	139.65	139.94	139.96
Fire hydrants	1,177	(2)	1,322	1,244	1,254	1,268	1,278	1,284	1,292	1,288
Sewers										
Treatment Capacity (millions of gallons per day)	7	7	7	7	7	7	7	7	7	7
Storm Sewers (miles)	73.08	75.19	76.39	78.67	79.42	80.29	80.52	81.00	81.29	81.18
Sanitary Sewers (miles)	121.90	123.90	125.01	126.22	126.54	127.25	127.88	127.95	128.24	128.24
Hobart Arena										
Attendance	11,914	10,216	15,103	13,664	30,153	24,347	27,251	24,963	28,442	26,181
Ticket Sold (1)	7,709	6,474	8,415	7,901	13,547	16,194	20,110	20,844	24,068	22,032

Source: Various City Departments

(1) - Tickets sold by Hobart Arena only

(2) - Information was not available from the City





Dave Yost • Auditor of State



CITY OF TROY  
MIAMI COUNTY

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# Dave Yost • Auditor of State

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

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

To the Honorable Mayor and City Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Troy, Miami County, (the City) as of and for the year ended December 31, 2013, 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 19, 2014, wherein we noted the City adopted provisions of Governmental Accounting Standards Board Statement No. 65, *Items Previously Reported as Assets and Liabilities*.

### ***Internal Control Over Financial Reporting***

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. However, as described in the accompanying schedule of findings we identified a certain deficiency in internal control over financial reporting, that we consider a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the City's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider Finding Number 2013-002 described in the accompanying schedule of findings to be a material weakness.

***Compliance and Other Matters***

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as Finding Number 2013-001.

***Purpose of this Report***

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

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

**Dave Yost**  
Auditor of State

Columbus, Ohio

June 19, 2014

**CITY OF TROY  
MIAMI COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2013**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
--

**FINDING NUMBER 2013-001**

**Material Noncompliance – Posting of Estate Tax Receipts**

**Ohio Rev. Code Section 5731.48(A)(1)** requires estate taxes to be deposited to the General Fund of the City.

During 2013, the City posted 25% of its estate tax receipts, totaling \$75,439, to the non-major Municipal Real Property Fund. This has been the City's practice for many years. Posting estate tax receipts to any fund other than the General Fund is in violation of the Revised Code section noted above. The 2013 amount posted to the Municipal Real Property Fund represents 23% of the December 31, 2013 fund cash balance of that fund.

We have not adjusted the financial statements for this error because the City has ensured us that its intent was always to fund the Municipal Real Property Fund with 25% of total estate tax receipts. The City has also ensured us that any adjustment would simply be countered by the City with a transfer from the General Fund to the Municipal Real Property Fund in the same amount as any proposed adjustment amount.

The City should revise its policies and procedures to credit all estate tax receipts to the General Fund. Failure to do so is in violation of the above Revised Code section and may result in misstated financial statements and possible future findings for adjustment. If it is the City's wish for a portion of estate tax receipts to fund the Municipal Real Property Fund, the City should first credit the estate tax receipts to the General Fund and then consider a transfer to move the funds from the General Fund to the Municipal Real Property Fund.

**Officials' Response:**

We did not receive a response from City Officials to this finding.

**FINDING NUMBER 2013-002**

**Material Weakness – Financial Statement Misstatements**

Sound financial reporting is the responsibility of the City Auditor's Office and is essential to ensure the information provided to the readers of the financial statements is complete and accurate.

The City's 2013 GAAP financial statements reported its Investment Fund for Capital Improvement Fund as part of the General Fund and classified the entire balance as unassigned fund balance. Based on review of Ordinance O-81-69, which established the fund, the City Council designated the fund "for the purpose of construction or acquisition of permanent improvements." Because this constraint was internally imposed by City Council through passage of an ordinance, this balance meets the criteria of committed fund balance under GASB Statement No. 54. At December 31, 2013, the fund had a balance of \$32,981,626. As a result, \$32,981,626 of the City's General Fund unassigned fund balance has been reclassified as committed fund balance on the Governmental Funds Balance Sheet. The accompanying financial statements have been adjusted to reflect this reclassification.

**FINDING NUMBER 2013-002  
(Continued)**

The City's 2013 GAAP financial statements also contained the following errors that did not require adjustment to the financial statements:

- Cable franchise fees were reported as charges for services in the General Fund and Technology Fund (another governmental fund). Since the City received fees from franchise revenue and no service was provided, the cable franchise fees should have been classified as fines, licenses, and permits. The cable franchise fees amounted to \$174,171 in the General Fund and \$116,114 in the Technology Fund. Additionally, on the Statement of Activities, total cable franchise fees of \$290,285 should have been classified as general revenue instead of charges for services.
- The liability related to the OWDA loan in the Sewer Fund and Business-Type Activities was understated by \$14,485 because of an incorrect amortization schedule that was used. In July 2013, the City received a final schedule, but an estimated schedule that had been used in prior years was used instead. This error also resulted in Net Investment in Capital Assets in the Sewer Fund and Business-Type Activities to be overstated by \$14,485.
- The Sewer Fund compensated absences liability due within one year was overstated by \$17,261. This amount should have been classified as a compensated absences liability due in more than one year in the Sewer Fund to properly present current and long term liabilities.
- Non-depreciable capital assets and net investment in capital assets were understated by \$161,181 due to an error in the calculation of construction in progress for government type activities.
- **Auditor of State Bulletin 2011-004** states that when the appropriation measure is adopted for the subsequent year, and those appropriations exceed estimated receipts, the excess is assigned as it uses existing fund balance at year-end. This would be applicable to the General Fund as it is the only fund with a positive unassigned fund balance. The City failed to properly classify the amount by which temporary appropriations exceeded estimated receipts for the subsequent fiscal year in the amount of \$447,057. This amount should have been classified as assigned fund balance rather than unassigned fund balance in the General Fund.

The lack of or failure of controls over the accounts and balances related to financial reporting could result in errors and irregularities that may go undetected and decrease the reliability of the City's financial reporting.

The City should develop policies and procedures to further enhance its controls over financial reporting to provide that the financial reporting accurately reflects the activity of the City and thereby increases the reliability of the financial statements. Such procedures may include management review of financial activity and the comprehensive annual financial report to determine proper classification and reporting.

**Officials' Response:**

We did not receive a response from City Officials to this finding.





# 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  
JULY 15, 2014**