



Comprehensive Annual Financial Report For the Fiscal Year Ended December 31, 2015





Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the City of Troy, Miami County, prepared by Plattenburg & Associates, Inc., for the audit period January 1, 2015 through December 31, 2015. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them .

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

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

Dave Yost
Auditor of State

July 28, 2016

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CITY OF TROY, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015

PREPARED BY:
JOHN A. STICKEL, CITY AUDITOR

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INTRODUCTORY SECTION





June 23, 2016

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, 2015 is submitted herewith. The Auditor's Office prepared the report. The responsibility for both the accuracy of the presented data and the completeness and the fairness of the presentation, including all disclosures, rests with the City of Troy, specifically with the Auditor's Office. We believe that the enclosed data is accurate in all material respects; and is presented in a manner designed to fairly set forth the financial payroll - bank statement and reconciliation as 12/31/2015 position and results of operations of the various funds of the City. We further believe that all disclosures necessary to enable the reader to gain an understanding of the City's financial activity have been included.

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

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

City Overview

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

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

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

Projects and Priorities

The strength of the community depends first and foremost on a robust, thriving, diverse and sustainable residential, commercial and industrial economy. For that reason, economic development remains the City’s number priority. Without it, the City cannot protect the health, welfare and safety of our stakeholders, nor can we continue the high level, unique quality of life we enjoy. Though our State of Ohio leaders continue the unconscionable confiscation of our revenues for their own gain, Troy officials recognize, through our close alliance with our business community, that attracting and retaining young workers and families to Troy will be absolutely essential to sustaining and growing our business economy.

To that end, 2016 will include a very aggressive slate of projects, all focused on continuing our emphasis on economic development. Continuing City Council’s 2014 approval of our riverfront projects, we will begin \$9.7 million in renovations to the historic Hobart Arena, and complete the redevelopment of the Marina and Treasure Island Park. In addition, our priorities include:

ECONOMIC DEVELOPMENT

- Participating in a comprehensive study of the riverfront corridor from Treasure Island through downtown, to identify and highlight best uses and reuses of properties and buildings;
- Continuing to redevelop select properties within the riverfront corridor as opportunities present themselves;
- Creating a Land Bank to assemble delinquent properties for redevelopment purposes;
- Addressing downtown parking by studying traffic flows, parking patterns, and designing and constructing a new lot on Mulberry Street, utilizing the properties the City purchased at the end of 2015;
- Establish a wayfaring program to draw visitors to and through downtown, our amenities and our riverfront recreational opportunities;

- Redeveloping the ITW/Hobart property and right-of-way, working with the owners and the Troy Development Council;
- Scheduling Treasure Island Park events with activities appealing to riverfront recreational opportunities for Troy's families, visitors and workers, while securing a viable, sustainable restaurant tenant in the Marina building who will partner with the City in scheduling unique activities;
- Continuing our long-standing partnerships with Troy Main Street, Troy Chamber of Commerce, Troy Development Council;
- Updating the Comprehensive Plan to include Complete Streets, a focus on alternative modes of transportation, and significantly increasing both on- and off-road bikeways;

RECREATION/PARKS

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

UTILITIES AND OPERATIONS

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

Departmental Focus

For the four-day period of September 10-13, 2015, the Lincoln Funeral Train was on exhibit on Monroe Street, Troy, Ohio, just next door to the Miami County Courthouse.

The Funeral Train consists of a full-size reproduction of an 1830s era steam railroad locomotive, Number 63 named LEVIATHAN, and tender. Built approximately five years ago from plans provided by the National Park Service, it is a faithful reproduction of locomotives of the Civil War era. The funeral car, UNITED STATES, is a full-size reproduction of the original funeral car, built in 1864 for use by the president of the United States. President Abraham Lincoln's only use of the car was to carry his remains from Washington, D.C. to Springfield, Illinois for burial. The original car was destroyed in a fire in 1911.

Troy Main Street, Inc. was given an opportunity to bring this exhibit to Troy during the every-two years "Sculptures on the Square" program. The 2015 sculpture was a "monumental" size sculpture on President Lincoln, and was on display at the Miami County Courthouse. The City of Troy is a funding partner of Troy Main Street, Inc. and the City is represented on the Sculptures on the Square Committee by Mayor Beamish and members of staff. Troy Main Street, Inc. was able to secure a grant to fund the actual cost to have the Lincoln Funeral Train exhibited. The four day exhibition included historical re-enactors.

It took over two days to safely set up the Funeral Train and prepare for the exhibit, and over two days to have it removed. Determining the transport route, positioning, set-up, security, and removal of the Lincoln Funeral Train involved the planning, expertise and assistance of City staff from a number of departments and divisions of the City, working with Troy Main Street, Inc., the Miami County Commissioners, the Troy-Hayner Cultural Center, the Troy Foundation, the Ohio Department of Transportation, as well as residents and businesses in the exhibit area. City Departments and Offices included: the Engineering and Planning Divisions, Police Department, Fire Department, Street Division, Electrical Division, Utilities Department, and the administrative offices.

It is estimated that at least 14,000 persons visited the exhibition, and enjoyed the opportunity to see this piece of American History.

Highlights and Accomplishments

- Continued the updating of the Police fleet by replacing cruisers with SUVs, resulting in lower operating costs.
- Replaced fire command staff vehicles, resulting in lower operation and maintenance costs.
- Loaned Revolving Loan Funds to local businesses as part of the Revolving Loan Fund programs to stimulate further growth, expansion, etc.
- Released mortgage liens on properties associated with two loans from the Revolving Loan Fund, with the loans paid ahead of the term.
- Continued the water and sewer line improvement projects that were part of previously approved bond issue for each utility fund to provide the revenues for the

improvements. Payment of the debt service was calculated as part of previously approved utility rate structure.

- Purchased land for a new water tower.
- Continued to oppose State legislation that will have a negative impact on the collection of income tax revenues.
- The Riverfront Development Project continued with work at the Treasure Island Park, the Hobart Boathouse and Marina, and authorized and began various elements of that project.
- Through partnerships with Troy Main Street, Troy-Hayner Cultural Center, and the Troy Foundation, a number of concerts and events were provided for Troy residents and visitors.
- Scheduled events to celebrate Troy's Bicentennial, including a kickoff event, a parade, and a laser light show.
- Authorized the purchase of a light house structure that will be placed adjacent to the Great Miami River within Treasure Island Park. This decorative structure as funded in full by The Troy Foundation as a legacy gift to the citizens of Troy in recognition of the Bicentennial.
- Authorized the long-anticipated intersection alignment at North Market Street/Piqua-Troy Road/Troy-Urbana Road. This project was partially funded by OPWC funds.
- Continued to authorize annual improvements of roadway paving and sidewalk repair/replacement.
- To finish improvements to North Adams Street, provided for safer entrances to the Hobart Arena and Troy Community Park, added street lighting, authorized a new sign for the Hobart Arena, and paved the roadway from the bridge to Staunton Road.
- Authorized cooperative projects with the Ohio Department of Transportation for future roadway paving and improvements.
- Authorized a contract for fireworks for July 4, 2015 and 2016.
- Purchased "big belly" trash receptacles for use in the downtown. The units have a greater capacity than traditional containers as refuse in the regular trash container is compacted. The units include a companion container for recycling.

Legislation Considered during 2015:

73 Resolutions

47 Ordinances

Economic Development/Business Improvements:

Low interest loans to assist property owners and businesses to remain in Troy, locate in Troy, and occupy/improve buildings:

Troy Community Works

Arc Abrasives

Financial support to Troy Development Council

Approved plats for development in Nottingham Development and the Story Point Senior

Facility:

Continued financial support to the Business First! Program

CDBG Funding for façade improvements, 121 Public Square NE

Zoning Code Updates related to:
Food Truck clarification

Roadway and Right-of-Way Improvements:

- Traffic Signal Installation on SR 55 at Clopay
- Reviewed McKaig Road Speed Limit
- Continued street paving program and sidewalk repair/replacement program
- Construction of McKaig Road Improvement, Phase II
- Authorized design of McKaig Road Improvement, Phase III

Utilities:

- Authorized a ten-year agreement for street lighting
- Authorized a water line extension on Washington Road
- Purchased land for a new water tower and authorized design of the project

Recreation & Parks:

- Purchased land adjacent to Paul G. Duke Park
- Authorized bidding of Hobart Arena renovation project
- Established position to bring concession operation at the Hobart Arena “in house”
- Funded feasibility study related to “second sheet of ice” for Hobart Arena

Cooperative Agreements:

- Participated in ODOT rock salt bid
- Agreement with ODNR for grant for Treasure Island Park parking lot
- Participation in HGACBuy Cooperative Purchasing program
- MVRPC grant, funding part of cost of SR 55 (at Clopay) traffic signal
- OPWC agreement, funding to improve part of McKaig Road (Ph III)
- OPWC application for 2017, improve part of N. Market Street (Ph II)
- Consented to ODOT performing future roadway improvements
- Authorized agreement for 2015 Troy Strawberry Festival
- Authorized agreement for 2015 Taste of Troy

Financial:

- Support to Troy Main Street and the Troy Rec
- Authorized bond issue for Riverfront Development Project

Other:

- Authorized new telephone system for all City facilities
- Authorized annexations of City owned properties and two requested annexations
- Purchased three properties on S. Mulberry Street for future parking
- Authorized bargaining unit agreements for settled contracts
- Authorized wage adjustments for non-bargaining unit employees

Future Perspective 2016:

Approval of budget with continuing support of agency partners and economic development

On-going financial challenges resulting from State budget impact

Internal Accounting and Budgetary Controls

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

Budgetary control is maintained at the fund level by the use of encumbrances for purchase order amounts to vendors. Open encumbrances are reported as an assignment of the fund balance for the governmental fund types at December 31, 2015.

Other Items

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

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

In 2015, the City established an incentive program for those employees on the City's HSA group health insurance plan. By documenting information and/or participating in wellness efforts, those employees are able to earn additional funding into their HSA account.

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

Relevant Financial Policies

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

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

Independent Audit

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

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Troy, Ohio, for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2014. 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 25th time for the year ended December 31, 2014. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

Acknowledgements

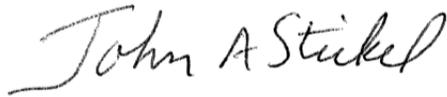
The preparation of the Comprehensive Annual Financial Report on a timely basis was made possible by the dedicated service of the entire staff of the City Auditor and other City departments. We express our sincere appreciation for the contributions made in the preparation of this report.

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

Respectfully submitted,
City of Troy, Ohio



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



John A. Stickel
City Auditor

City of Troy, Ohio

Listing of Principal City Officials

December 31, 2015

Elected Officials

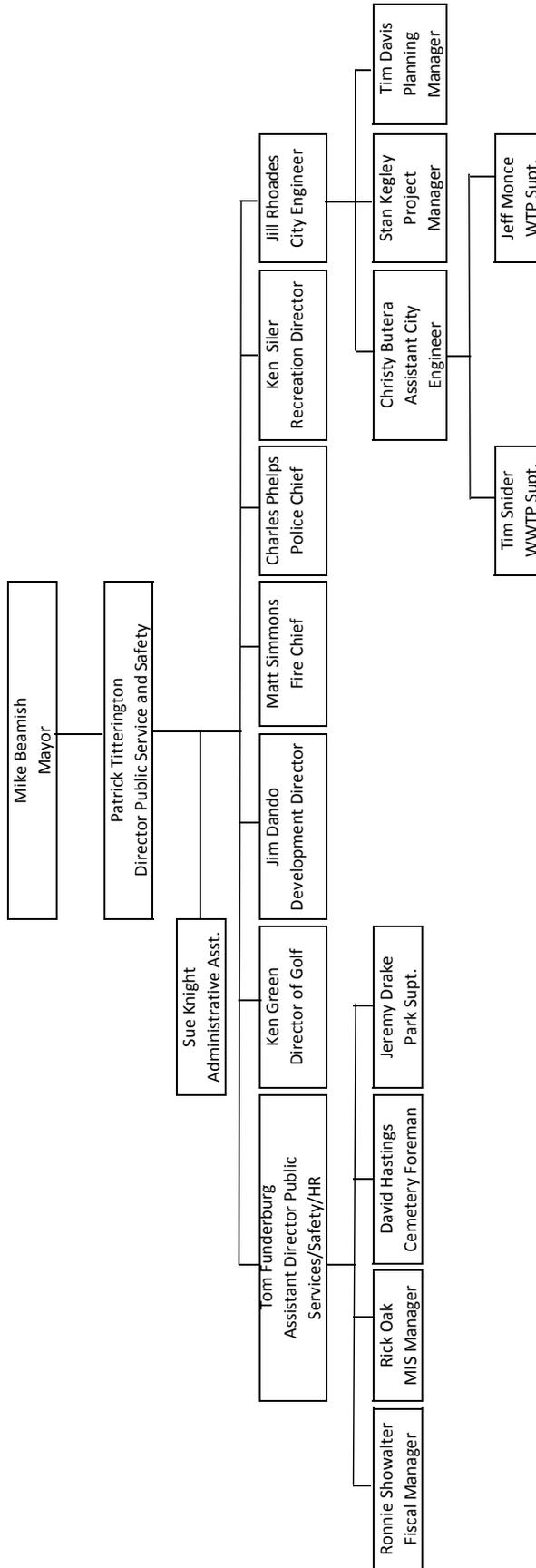
Mayor	Michael L. Beamish
President of Council	Martha A. Baker
Councilmember-at-Large	Alan R. Clark
Councilmember-at-Large	Robin I. Oda
Councilmember-at-Large	Lynne B. Snee
Councilmember, First Ward	Thomas M. Kendall
Councilmember, Second Ward	Douglas W. Tremblay
Councilmember, Third Ward	John W. Schweser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

Appointed Officials

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

City of Troy Organizational Chart

2015





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, 2014

Executive Director/CEO

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

Honorable Mayor, City Council and City Manager
City of Troy

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Troy (the City) as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 17 to the financial statements, the City adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2016, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.

Dayton, Ohio

June 23, 2016

City of Troy, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2015
(Unaudited)

The City of Troy's discussion and analysis of the annual financial reports provides a review of the financial performance for the fiscal year ending December 31, 2015. 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 \$17,231,612.
- Net position of governmental activities increased \$14,586,564, net position of business-type activities increased by \$2,645,048.
- The General Fund reported a net change in fund balance of \$3,792,747.
- Business-type operations reflected operating loss of \$502,314.

Overview of the Financial Statements

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

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

Government-wide Financial Statements

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

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

City of Troy, Ohio
Management's Discussion and Analysis
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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, Capital Improvement, Water, Sanitary Sewer and Stormwater Utility.

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

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

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

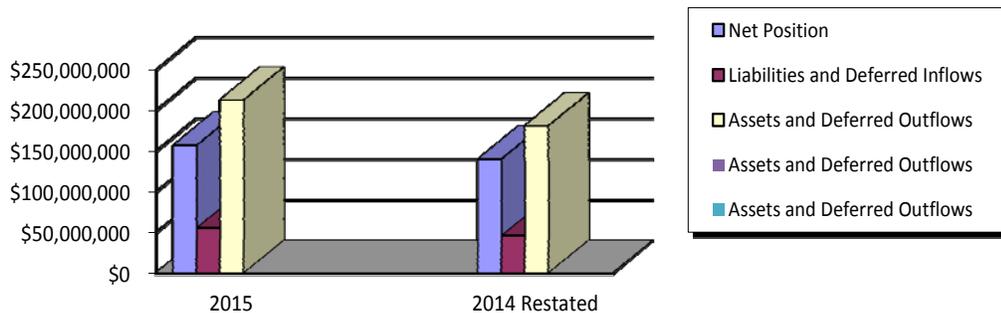
The City as a Whole

As stated previously, the Statement of Net Position looks at the City as a whole. Table 1 provides a summary of the City's net position for 2015 compared to 2014.

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

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2015	2014 Restated	2015	2014 Restated	2015	2014 Restated
Assets:						
Current and Other Assets	\$81,344,427	\$70,073,299	\$17,827,437	\$20,919,854	99,171,864	\$88,241,571
Capital Assets	53,131,263	39,236,504	57,153,964	53,503,662	110,285,227	92,740,166
Total Assets	134,475,690	109,309,803	74,981,401	74,423,516	209,457,091	183,733,319
Deferred Outflows of Resources:						
Deferred Charge on Refunding	453,119	509,500	131,920	151,025	585,039	660,525
Pension	2,557,028	1,660,831	499,297	347,954	3,056,325	2,008,785
Total Deferred Outflows of Resources	3,010,147	2,170,331	631,217	498,979	3,641,364	2,669,310
Liabilities:						
Long-Term Liabilities	36,603,678	19,378,038	14,130,395	15,788,829	50,734,073	35,166,867
Other Liabilities	2,964,891	8,826,568	521,601	868,040	3,486,492	9,694,608
Total Liabilities	39,568,569	28,204,606	14,651,996	16,656,869	54,220,565	44,861,475
Deferred Inflows of Resources:						
Property Taxes	1,287,245	1,255,251	0	0	1,287,245	1,255,251
Revenue in Lieu	200,000	230,000	0	0	200,000	230,000
Pension	53,182	0	49,948	0	103,130	0
Total Deferred Inflows of Resources	1,540,427	1,485,251	49,948	0	1,590,375	1,485,251
Net Position:						
Net Investment In Capital Assets	46,481,316	34,945,389	47,778,554	45,817,933	94,259,870	80,763,322
Restricted	8,665,294	11,411,958	0	0	8,665,294	11,411,958
Unrestricted	41,230,231	35,432,930	13,132,120	12,447,693	54,362,351	47,880,623
Total Net Position	\$96,376,841	\$81,790,277	\$60,910,674	\$58,265,626	\$157,287,515	\$140,055,903



During 2015, the City adopted GASB Statement 68, “Accounting and Financial Reporting for Pensions— an Amendment of GASB Statement 27,” which significantly revises accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City’s actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan’s *net pension liability*. GASB 68 takes an earnings approach to pension accounting; however, the nature of

City of Troy, Ohio
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Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

Under the new standards required by GASB 68, the net pension liability equals the City's proportionate share of each plan's collective:

1. Present value of estimated future pension benefits attributable to active and inactive employees' past service
2. Minus plan assets available to pay these benefits

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68, the City's statements prepared on an accrual basis of accounting include an annual pension expense for their proportionate share of each plan's *change* in net pension liability not accounted for as deferred inflows/outflows.

As a result of implementing GASB 68, the City's statement of net position reports a net pension liability and deferred inflows/outflows of resources related to pension and the implementation was the largest component of the restatement of net position at December 31, 2014, from \$95,353,463 to \$81,790,277 for governmental activities and from \$60,696,613 to \$58,265,626 for business activities.

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 \$17,231,612.

Current and Other Assets increased mainly due to an increase in equity in pooled cash and investments, due to the City's continuous efforts to keep, at a minimum, revenues consistent from year-to-year, while controlling spending. Long-Term Liabilities increased due to the increase in net pension liability.

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Table 2 shows the changes in net position for the year ended December 31, 2015 as compared to the year ended December 31, 2014.

Table 2
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Program Revenues:						
Charges for Services	\$4,157,821	\$4,120,844	\$12,300,318	\$11,481,662	\$16,458,139	\$15,602,506
Operating Grants and Contributions	1,142,413	871,085	0	0	1,142,413	871,085
Capital Grants and Contributions	10,843,935	1,741,471	2,760,737	0	13,604,672	1,741,471
Total Program Revenues	16,144,169	6,733,400	15,061,055	11,481,662	31,205,224	18,215,062
General Revenues:						
Income Taxes	18,014,295	19,067,978	0	0	18,014,295	19,067,978
Property Taxes	1,674,986	1,651,629	0	0	1,674,986	1,651,629
Grants and Entitlements	890,548	292,024	0	0	890,548	292,024
Investment Earnings	526,342	1,153,754	49,306	166,647	575,648	1,320,401
Other Revenues	1,625,346	803,235	821,043	947,476	2,446,389	1,750,711
Total General Revenues	22,731,517	22,968,620	870,349	1,114,123	23,601,866	24,082,743
Total Revenues	38,875,686	29,702,020	15,931,404	12,595,785	54,807,090	42,297,805
Program Expenses:						
General Government	4,611,175	4,690,026	0	0	4,611,175	4,690,026
Public Safety	10,865,508	10,835,093	0	0	10,865,508	10,835,093
Community Development	1,011,689	920,312	0	0	1,011,689	920,312
Leisure Time Activities	1,537,027	1,657,996	0	0	1,537,027	1,657,996
Transportation and Street Repair	3,127,547	2,166,857	0	0	3,127,547	2,166,857
Basic Utility Service	1,149,146	1,462,403	0	0	1,149,146	1,462,403
Public Health and Welfare	567,888	377,222	0	0	567,888	377,222
Interest and Other Charges	393,785	301,410	0	0	393,785	301,410
Bond Issuance Cost	250,357	0	0	0	250,357	0
Water	0	0	5,260,863	4,647,346	5,260,863	4,647,346
Sanitary Sewer	0	0	4,752,848	4,688,542	4,752,848	4,688,542
Hobart Arena	0	0	1,683,676	1,336,596	1,683,676	1,336,596
Swimming Pool	0	0	347,637	356,570	347,637	356,570
Parking Meter	0	0	62,077	7,485	62,077	7,485
Miami Shores	0	0	905,516	851,236	905,516	851,236
Stormwater Utility	0	0	1,048,739	1,132,783	1,048,739	1,132,783
Total Program Expenses	23,514,122	22,411,319	14,061,356	13,020,558	37,575,478	35,431,877
Increase (Decrease) in Net Position before Transfers	15,361,564	7,290,701	1,870,048	(424,773)	17,231,612	6,865,928
Transfers - Internal Activities	(775,000)	(757,733)	775,000	757,733	0	0
Change in Net Position	14,586,564	6,532,968	2,645,048	332,960	17,231,612	6,865,928
Net Position - Beginning of Year, Restated	81,790,277	N/A	58,265,626	N/A	140,055,903	N/A
Net Position - End of Year	\$96,376,841	\$81,790,277	\$60,910,674	\$58,265,626	\$157,287,515	\$137,304,321

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The information necessary to restate the 2014 beginning balances and the 2014 pension expense amounts for the effects of the initial implementation of GASB 68 is not available. Therefore, 2014 expenses still include pension expense of \$2,008,785 computed under GASB 27. GASB 27 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 68, pension expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of pension expense. Under GASB 68, the 2015 statements report pension expenses of \$2,199,014. Consequently, in order to compare 2015 total expenses to 2014, the following adjustments are needed:

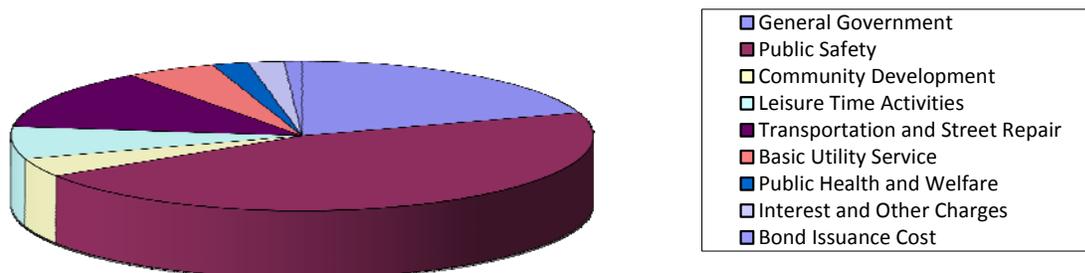
	Governmental Activities	Business-Type Activities	Total
Total 2015 program expenses under GASB 68	\$23,514,122	\$14,061,356	\$37,575,478
Pension expense under GASB 68	(1,888,596)	(310,418)	(2,199,014)
2015 contractually required contributions	1,707,087	347,596	2,054,683
Adjusted 2015 program expenses	23,332,613	14,098,534	37,431,147
Total 2014 program expenses under GASB 27	22,411,319	13,020,558	35,431,877
Increase in program expenses not related to pension	\$921,294	\$1,077,976	\$1,999,270

Governmental Activities

The City has made continued efforts to attract large-scale employers for the year 2015, thereby injecting the local economy with jobs and increasing the City's commercial tax base. The 1.75% income tax is the largest source of revenue for the City. Revenues generated by the earnings tax represent approximately 79% of the City's governmental activities general revenues.

Governmental Activities
Program Expenses for 2015

	Percentage
General Government	20%
Public Safety	46%
Community Development	4%
Leisure Time Activities	7%
Transportation and Street Repair	13%
Basic Utility Service	5%
Public Health and Welfare	2%
Interest and Other Charges	2%
Bond Issuance Cost	1%
Total	100%



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

Grants and Entitlements increased in 2015 as compared to 2014 mainly due to an increase in grant monies being received in 2015. Income Tax revenue increased in 2015 as compared to 2014 mainly due to an increase in income tax collections. Transportation and Street Repair expenses increased mainly due to an increase in maintenance and repairs.

Business-Type Activities

Business-type activities include water, sewer, stormwater utilities, Hobart Arena, swimming pool, parking meter and Miami Shores. These programs had operating revenues of \$13,121,361 and operating expenses of \$13,623,675 for fiscal year 2015. Business-type activities receive no support from tax revenues. The Business-type activities net position at the end of the year was \$60,910,674, which increased \$2,645,048 from 2014. The City had three business-type (enterprise) funds that were major funds: the Water fund, the Sanitary Sewer fund and Stormwater Utilities fund.

The City of Troy's Water Department serves approximately 9,918 customers; this represents a population base of nearly 25,058 people. The average daily consumption for the city is 3.56 million gallons and 157.16 miles of water mains in its distribution system. The water fund had operating income of \$505,220 for 2015.

The City of Troy's Sewer Department includes 127.29 miles of sanitary sewer main, which provide the collection and treatment of public wastewater. The Sewer fund had an operating loss of \$(111,510) for 2015.

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 three major governmental funds: the General Fund, the TIF Retirement Fund and the capital improvement fund. Assets of these funds comprised \$73,954,005 (89%) of the total \$83,140,427 governmental funds' assets.

General Fund: Fund balance at December 31, 2015 was \$56,844,390 which was an increase in fund balance of \$3,792,747 from 2014. The increase is mainly due to an increase in income taxes.

TIF Retirement Fund: Fund balance at December 31, 2015 was \$(1,105,362) which was an increase in fund balance of \$53,733 from 2014. The increase in fund balance is mainly due to an increase in capital outlay expenditures.

Capital Improvement Fund: Fund balance at December 31, 2015 was \$6,919,690 which was an increase in fund balance of \$4,291,895 from 2014. The increase is mainly due to the increase of issuance of new long-term capital-related debt.

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General Fund Budgeting Highlights

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

For the General Fund, the final budgeted revenue was \$7,213,091 and the original budgeted revenue was \$6,927,301. The difference was \$285,790. Of this difference, most was due to an underestimate of tax and intergovernmental revenue.

Variations from the final budget amounts to the actual amounts are primarily due to the following reasons: The City overestimated public safety expenditures for 2015. As the City completed the year, its General Fund balance reported an actual fund balance of \$10,198,525, on a Non-GAAP Budgetary Basis.

Capital Assets and Debt Administration

Capital Assets

At year end, the City had \$110,285,227 invested in land, construction in progress, buildings and improvements, equipment and infrastructure. Table 3 shows 2015 balances compared to 2014:

Table 3
Capital Assets, Net of Depreciation

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$14,240,949	\$12,240,731	\$616,026	\$489,045	\$14,856,975	\$12,729,776
Construction in Progress	2,125,375	735,042	2,222,156	1,753,289	4,347,531	2,488,331
Buildings and Improvements	6,735,900	7,249,850	18,823,866	19,801,466	25,559,766	27,051,316
Equipment	2,678,317	2,195,399	7,937,214	8,817,681	10,615,531	11,013,080
Infrastructure	27,350,722	16,815,482	27,554,702	22,642,181	54,905,424	39,457,663
Total Net Capital Assets	<u>\$53,131,263</u>	<u>\$39,236,504</u>	<u>\$57,153,964</u>	<u>\$53,503,662</u>	<u>\$110,285,227</u>	<u>\$92,740,166</u>

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

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

Debt

The City had \$25,729,358 in general obligation bonds and loan.

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Table 4
Outstanding Debt at Year End

		2015	2014
Governmental Activities			
<u>General Obligation Bonds</u>			
2015 Capital Facilities Bonds	0.00%	9,000,000	0
Premium on Capital Facilities Bonds	0.00%	251,938	0
Refunding Limited Tax	1.00-2.625%	1,430,000	1,615,000
Premium on Refunding Bonds	n/a	8,617	9,848
Discount on Refunding Bonds	n/a	(12,758)	(14,581)
Refunding Bonds - Elm Street Improvements	1.00-2.375%	344,661	379,068
Refunding Bonds - Aquatic Center	1.00-2.375%	2,285,189	2,513,315
Refunding Bonds - Cemetery Maintenance Building	1.00-2.375%	263,564	289,875
Refunding Bonds - Fire Station	1.00-2.375%	1,456,844	1,602,278
Premium on Refunding Bonds	n/a	48,728	54,669
Discount on Refunding Bonds	n/a	(34,397)	(38,590)
Total General Obligation Bonds		<u>15,042,386</u>	<u>6,410,882</u>
Business Type Activities			
<u>General Obligation Bonds</u>			
Refunding Limited Tax	1.00-3.00%	925,000	1,140,000
Premium on Refunding		11,062	14,223
Discount on Refunding		(9,715)	(12,490)
Wastewater Improvement IIIC&VA	0.00%	125,000	150,000
Sewer System Bonds - \$2,830,000		2,645,000	2,705,000
Premium on Sewer System Bonds		33,145	34,329
Water System Bonds - \$3,930,000		3,670,000	3,760,000
Premium on Water System Bonds		46,147	47,795
Refunding Wastewater System Improvement	4.00-5.00%	0	335,000
Refunding Waterplant Expansion I	5.00%	375,000	735,000
Refunding Waterplant Expansion II	4.00-5.00%	1,040,000	1,525,000
Refunding Bonds - Southeast Area Sewer	1.00-2.375%	758,833	834,586
Refunding Bonds - Generators	1.00-2.375%	700,908	770,878
Premium on Refunding Bonds		16,353	18,346
Discount on Refunding Bonds		(11,539)	(12,946)
Total General Obligation Bonds		<u>10,325,194</u>	<u>12,044,721</u>
OWDA Loan	3.25%	<u>361,778</u>	<u>382,825</u>
Total Debt		<u>\$25,729,358</u>	<u>\$18,838,428</u>

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

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

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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, 2015

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in Pooled Cash and Investments	\$68,645,597	\$15,954,113	\$84,599,710
Restricted Cash	122,755	127,636	250,391
Cash and Cash Equivalents with Fiscal Agent	40,000	0	40,000
Receivables (Net):			
Taxes	5,791,496	0	5,791,496
Accounts	1,014,182	841,827	1,856,009
Interest	130,383	11,628	142,011
Intergovernmental	2,898,260	437,205	3,335,465
Notes	2,413,239	0	2,413,239
Special Assessments	288,515	0	288,515
Inventory	0	455,028	455,028
Nondepreciable Capital Assets	16,366,324	2,838,182	19,204,506
Depreciable Capital Assets, Net	36,764,939	54,315,782	91,080,721
Total Assets	134,475,690	74,981,401	209,457,091
Deferred Outflows of Resources:			
Deferred Charge on Refunding	453,119	131,920	585,039
Pension	2,557,028	499,297	3,056,325
Total Deferred Outflows of Resources	3,010,147	631,217	3,641,364
Liabilities:			
Accounts Payable	595,175	222,336	817,511
Accrued Wages and Benefits	672,775	142,787	815,562
Retainage Payable	122,755	127,636	250,391
Accrued Interest Payable	74,186	28,842	103,028
Bond Anticipation Notes Payable	1,500,000	0	1,500,000
Long-Term Liabilities:			
Due Within One Year	1,239,660	1,695,391	2,935,051
Due In More Than One Year			
Net Pension Liability	19,000,123	2,843,159	21,843,282
Other Amounts	16,363,895	9,591,845	25,955,740
Total Liabilities	39,568,569	14,651,996	54,220,565
Deferred Inflows of Resources:			
Property and Income Taxes	1,287,245	0	1,287,245
Revenue In Lieu of Taxes	200,000	0	200,000
Pension	53,182	49,948	103,130
Total Deferred Inflows of Resources	1,540,427	49,948	1,590,375
Net Position:			
Net Investment in Capital Assets	46,481,316	47,778,554	94,259,870
Restricted for:			
Capital Projects	1,389,544	0	1,389,544
Street Improvements	1,872,044	0	1,872,044
Public Safety	49,770	0	49,770
Community Development	3,586,918	0	3,586,918
Park Improvements	248,373	0	248,373
Cemetery Services	1,205,084	0	1,205,084
Other Purposes	313,561	0	313,561
Unrestricted	41,230,231	13,132,120	54,362,351
Total Net Position	\$96,376,841	\$60,910,674	\$157,287,515

See accompanying notes to the basic financial statements.

City of Troy, Ohio
Statement of Activities
For the Fiscal Year Ended December 31, 2015

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$4,611,175	\$280,000	\$4,946	\$0
Public Safety	10,865,508	1,680,073	0	0
Community Development	1,011,689	864	0	688,924
Leisure Time Activities	1,537,027	126,981	0	0
Transportation and Street Repair	3,127,547	30,151	1,137,467	10,155,011
Basic Utility Service	1,149,146	1,817,212	0	0
Public Health and Welfare	567,888	222,540	0	0
Interest and Other Charges	393,785	0	0	0
Bond Issuance Cost	250,357	0	0	0
Total Governmental Activities	23,514,122	4,157,821	1,142,413	10,843,935
Business-Type Activities:				
Water	5,260,863	5,474,879	0	420,723
Sanitary Sewer	4,752,848	4,421,229	0	179,785
Hobart Arena	1,683,676	197,014	0	526,163
Swimming Pool	347,637	208,640	0	0
Parking Meter	62,077	26,097	0	0
Miami Shores	905,516	628,574	0	0
Stormwater Utility	1,048,739	1,343,885	0	1,634,066
Total Business-Type Activities	14,061,356	12,300,318	0	2,760,737
Totals	\$37,575,478	\$16,458,139	\$1,142,413	\$13,604,672

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
(\$4,326,229)	\$0	(\$4,326,229)
(9,185,435)	0	(9,185,435)
(321,901)	0	(321,901)
(1,410,046)	0	(1,410,046)
8,195,082	0	8,195,082
668,066	0	668,066
(345,348)	0	(345,348)
(393,785)	0	(393,785)
(250,357)	0	(250,357)
<u>(7,369,953)</u>	<u>0</u>	<u>(7,369,953)</u>
0	634,739	634,739
0	(151,834)	(151,834)
0	(960,499)	(960,499)
0	(138,997)	(138,997)
0	(35,980)	(35,980)
0	(276,942)	(276,942)
0	1,929,212	1,929,212
<u>0</u>	<u>999,699</u>	<u>999,699</u>
<u>(7,369,953)</u>	<u>999,699</u>	<u>(6,370,254)</u>
18,014,295	0	18,014,295
1,630,039	0	1,630,039
44,947	0	44,947
890,548	0	890,548
198,388	0	198,388
474,088	0	474,088
526,342	49,306	575,648
952,870	821,043	1,773,913
(775,000)	775,000	0
<u>21,956,517</u>	<u>1,645,349</u>	<u>23,601,866</u>
14,586,564	2,645,048	17,231,612
<u>81,790,277</u>	<u>58,265,626</u>	<u>140,055,903</u>
<u>\$96,376,841</u>	<u>\$60,910,674</u>	<u>\$157,287,515</u>

City of Troy, Ohio
Balance Sheet
Governmental Funds
December 31, 2015

	General	TIF Retirement	Capital Improvement	Other Governmental Funds	Total Governmental Funds
Assets:					
Equity in Pooled Cash and Investments	\$53,371,809	\$354,638	\$9,138,728	\$5,780,422	\$68,645,597
Restricted Cash	0	0	112,797	9,958	122,755
Cash and Cash Equivalents with Fiscal Agent	40,000	0	0	0	40,000
Receivables (Net):					
Taxes	5,733,879	0	0	57,617	5,791,496
Accounts	987,719	0	0	26,463	1,014,182
Interest	127,913	0	0	2,470	130,383
Intergovernmental	424,920	200,000	1,396,527	876,813	2,898,260
Notes	0	0	0	2,413,239	2,413,239
Special Assessments	7,939	0	261,136	19,440	288,515
Interfund	1,796,000	0	0	0	1,796,000
Total Assets	62,490,179	554,638	10,909,188	9,186,422	83,140,427
Liabilities:					
Accounts Payable	139,939	0	402,173	53,063	595,175
Accrued Wages and Benefits	627,885	0	0	44,890	672,775
Retainage Payable	0	0	112,797	9,958	122,755
Accrued Interest Payable	0	0	6,375	0	6,375
Interfund Payable	0	1,460,000	336,000	0	1,796,000
Bond Anticipation Notes Payable	0	0	1,500,000	0	1,500,000
Total Liabilities	767,824	1,460,000	2,357,345	107,911	4,693,080
Deferred Inflows of Resources:					
Property and Income Taxes	4,294,585	0	0	53,263	4,347,848
Grants and Other Taxes	370,151	0	1,371,017	788,723	2,529,891
Special Assessments	7,939	0	261,136	19,440	288,515
Accounts	205,290	0	0	0	205,290
Revenue In Lieu of Taxes	0	200,000	0	0	200,000
Total Deferred Inflows of Resources	4,877,965	200,000	1,632,153	861,426	7,571,544
Fund Balances:					
Restricted	832,108	0	6,919,690	7,433,428	15,185,226
Committed	33,180,085	0	0	0	33,180,085
Assigned	2,437,037	0	0	783,657	3,220,694
Unassigned	20,395,160	(1,105,362)	0	0	19,289,798
Total Fund Balances	56,844,390	(1,105,362)	6,919,690	8,217,085	70,875,803
Total Liabilities, Deferred Inflows and Fund Balances	\$62,490,179	\$554,638	\$10,909,188	\$9,186,422	\$83,140,427

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, 2015

Total Governmental Fund Balance		\$70,875,803
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		53,131,263
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		
Income Taxes	3,017,086	
Delinquent Property Taxes	43,517	
Intergovernmental	2,529,891	
Other Receivables	<u>493,805</u>	
		6,084,299
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.		
		(67,811)
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		(2,561,169)
Deferred outflow of resources associated with long-term liabilities are not reported in the funds.		
		453,119
Deferred outflows and inflows or resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions	2,557,028	
Deferred inflows of resources related to pensions	<u>(53,182)</u>	
		2,503,846
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Net Pension Liability	(19,000,123)	
Other Amounts	<u>(15,042,386)</u>	
		<u>(34,042,509)</u>
Net Position of Governmental Activities		<u>\$96,376,841</u>

See accompanying notes to the basic financial statements.

City of Troy, Ohio
Statement of Revenues, Expenditures
and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended December 31, 2015

	General	TIF Retirement	Capital Improvement	Other Governmental Funds	Total Governmental Funds
Revenues:					
Property and Other Taxes	\$1,634,141	\$0	\$0	\$41,856	\$1,675,997
Income Taxes	17,748,791	0	0	0	17,748,791
Charges for Services	3,904,385	0	0	174,846	4,079,231
Investment Earnings	469,872	0	0	56,470	526,342
Intergovernmental	861,275	0	698,711	1,472,473	3,032,459
Special Assessments	1,228	0	54,081	261	55,570
Fines, Licenses & Permits	232,324	0	0	130,583	362,907
Revenue in Lieu of Taxes	0	198,388	0	0	198,388
Other Revenues	811,003	0	80,000	141,021	1,032,024
Total Revenues	25,663,019	198,388	832,792	2,017,510	28,711,709
Expenditures:					
Current:					
General Government	4,080,330	0	0	76,102	4,156,432
Public Safety	10,217,352	0	0	2,549	10,219,901
Community Development	834,091	0	61,778	51,476	947,345
Leisure Time Activities	1,401,449	0	0	0	1,401,449
Transportation and Street Repair	0	0	0	1,483,514	1,483,514
Basic Utility Service	1,100,215	0	0	0	1,100,215
Public Health and Welfare	0	0	0	368,056	368,056
Capital Outlay	1,097,129	54,655	5,964,325	880,638	7,996,747
Debt Service:					
Principal	0	0	0	619,278	619,278
Interest and Other Charges	0	90,000	6,375	215,984	312,359
Bond Issuance Cost	0	0	250,357	0	250,357
Total Expenditures	18,730,566	144,655	6,282,835	3,697,597	28,855,653
Excess of Revenues Over (Under) Expenditures	6,932,453	53,733	(5,450,043)	(1,680,087)	(143,944)
Other Financing Sources (Uses):					
Proceeds from Sale of Capital Assets	57,023	0	0	0	57,023
Issuance of Long-Term Capital-Related Debt	0	0	9,000,000	0	9,000,000
Premium on Issuance	0	0	251,938	0	251,938
Transfers In	0	0	490,000	1,931,729	2,421,729
Transfers (Out)	(3,196,729)	0	0	0	(3,196,729)
Total Other Financing Sources (Uses)	(3,139,706)	0	9,741,938	1,931,729	8,533,961
Net Change in Fund Balance	3,792,747	53,733	4,291,895	251,642	8,390,017
Fund Balance - Beginning of Year	53,051,643	(1,159,095)	2,627,795	7,965,443	62,485,786
Fund Balance - End of Year	\$56,844,390	(\$1,105,362)	\$6,919,690	\$8,217,085	\$70,875,803

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, 2015

Net Change in Fund Balance - Total Governmental Funds \$8,390,017

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	15,418,632	
Depreciation Expense	<u>(1,523,873)</u>	
		13,894,759

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

City pension contributions	1,707,087	
Cost of benefits earned net of employee contributions	<u>(1,888,596)</u>	
		(181,509)

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

Income Taxes	265,504	
Delinquent Property Taxes	(1,011)	
Intergovernmental	1,103,327	
Other	<u>(4,296)</u>	
		1,363,524

In the statement of activities, certain costs and proceeds associated with long-term debt obligations issued during the year are accrued and amortized over the life of the debt obligation. In governmental funds these costs and proceeds are recognized as financing sources and uses.

Premium on Bonds Issued		(251,938)
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Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

619,278

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

(26,201)

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	(166,141)	
Amortization of Bond Premium	1,156	
Amortization of Deferred Charge on Refunding	<u>(56,381)</u>	
		(221,366)

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

(9,000,000)

Change in Net Position of Governmental Activities		<u>\$14,586,564</u>
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See accompanying notes to the basic financial statements.

City of Troy, Ohio
Statement of Net Position
Proprietary Funds
December 31, 2015

	Business-Type Activities -Enterprise Funds				Total Business-Type Activities
	Water	Sanitary Sewer	Stormwater Utility	Other Enterprise Funds	
Current Assets:					
Equity in Pooled Cash and Investments	\$7,438,500	\$5,394,450	\$1,683,771	\$1,437,392	\$15,954,113
Restricted Cash	40,598	68,935	18,103	0	127,636
Receivables (Net):					
Accounts	394,167	332,310	111,609	3,741	841,827
Interest	5,862	4,282	1,334	150	11,628
Intergovernmental	121,449	47,338	268,418	0	437,205
Inventory	455,028	0	0	0	455,028
Total Current Assets	8,455,604	5,847,315	2,083,235	1,441,283	17,827,437
Noncurrent Assets:					
Capital Assets:					
Nondepreciable Capital Assets	518,623	1,195,081	255,007	869,471	2,838,182
Depreciable Capital Assets, Net	21,362,726	18,514,972	9,831,025	4,607,059	54,315,782
Total Noncurrent Assets	21,881,349	19,710,053	10,086,032	5,476,530	57,153,964
Total Assets	30,336,953	25,557,368	12,169,267	6,917,813	74,981,401
Deferred Outflows of Resources:					
Deferred Charge on Refunding Pension	0	131,920	0	0	131,920
	173,732	143,816	71,926	109,823	499,297
Total Deferred Outflows of Resources	173,732	275,736	71,926	109,823	631,217
Liabilities:					
Current Liabilities:					
Accounts Payable	89,509	106,335	14,028	12,464	222,336
Accrued Wages and Benefits	54,974	52,409	0	35,404	142,787
Compensated Absences	106,823	102,472	0	38,611	247,906
Retainage Payable	40,598	68,935	18,103	0	127,636
Accrued Interest Payable	16,432	12,410	0	0	28,842
Long-Term Liabilities Due Within One Year	970,000	477,485	0	0	1,447,485
Total Current Liabilities	1,278,336	820,046	32,131	86,479	2,216,992
Long-Term Liabilities:					
Compensated Absences	95,938	229,231	0	27,189	352,358
Bonds, Notes & Loans Payable	4,161,147	5,078,340	0	0	9,239,487
Net Pension Liability	989,285	818,931	409,572	625,371	2,843,159
Total Noncurrent Liabilities	5,246,370	6,126,502	409,572	652,560	12,435,004
Total Liabilities	6,524,706	6,946,548	441,703	739,039	14,651,996
Deferred Inflows of Resources:					
Pension	17,380	14,387	7,195	10,986	49,948
Total Deferred Inflows of Resources	17,380	14,387	7,195	10,986	49,948
Net Position:					
Net Investment in Capital Assets	17,580,614	14,635,378	10,086,032	5,476,530	47,778,554
Unrestricted	6,387,985	4,236,791	1,706,263	801,081	13,132,120
Total Net Position	\$23,968,599	\$18,872,169	\$11,792,295	\$6,277,611	\$60,910,674

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, 2015

	Business-Type Activities -Enterprise Funds				Total Business-Type Activities
	Water	Sanitary Sewer	Stormwater Utility	Other Enterprise Funds	
Operating Revenues:					
Charges for Services	\$5,474,879	\$4,421,229	\$1,343,885	\$1,060,325	\$12,300,318
Other Revenues	55,710	17,922	4,513	742,898	821,043
Total Operating Revenues	5,530,589	4,439,151	1,348,398	1,803,223	13,121,361
Operating Expenses:					
Personal Services	1,533,470	1,247,474	633,509	927,973	4,342,426
Contactual Services	1,012,765	450,429	41,249	451,258	1,955,701
Materials and Supplies	1,059,608	641,327	48,745	500,073	2,249,753
Depreciation	1,017,187	1,259,044	296,037	302,473	2,874,741
Other Expense	402,339	952,387	29,199	817,129	2,201,054
Total Operating Expenses	5,025,369	4,550,661	1,048,739	2,998,906	13,623,675
Operating Income (Loss)	505,220	(111,510)	299,659	(1,195,683)	(502,314)
Non-Operating Revenues (Expenses):					
Investment Earnings	24,706	18,113	5,735	752	49,306
Interest and Fiscal Charges	(235,494)	(202,187)	0	0	(437,681)
Total Non-Operating Revenues (Expenses)	(210,788)	(184,074)	5,735	752	(388,375)
Income (Loss) Before Contributions and Transfers	294,432	(295,584)	305,394	(1,194,931)	(890,689)
Capital Grants and Contributions	420,723	179,785	1,634,066	526,163	2,760,737
Transfers In	0	0	0	775,000	775,000
Change in Net Position	715,155	(115,799)	1,939,460	106,232	2,645,048
Net Position - Beginning of Year, Restated	23,253,444	18,987,968	9,852,835	6,171,379	58,265,626
Net Position - End of Year	\$23,968,599	\$18,872,169	\$11,792,295	\$6,277,611	\$60,910,674

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, 2015

	Business-Type Activities -Enterprise Funds				
	Water	Sanitary Sewer	Stormwater Utility	Other Enterprise Funds	Total Business-Type Activities
Cash Flows from Operating Activities:					
Cash Received from Customers	\$5,449,567	\$4,371,725	\$1,322,961	\$1,804,228	\$12,948,481
Cash Payments to Employees	(1,610,424)	(1,263,208)	(638,864)	(934,436)	(4,446,932)
Cash Payments to Suppliers	(2,506,584)	(2,170,848)	(101,727)	(1,778,708)	(6,557,867)
Net Cash Provided (Used) by Operating Activities	1,332,559	937,669	582,370	(908,916)	1,943,682
Cash Flows from Noncapital Financing Activities:					
Payments from Other Funds	0	0	0	775,000	775,000
Net Cash Provided (Used) by Noncapital Financing Activities	0	0	0	775,000	775,000
Cash Flows from Capital and Related Financing Activities:					
Payments for Capital Acquisitions	(1,310,456)	(2,384,405)	(506,650)	0	(4,201,511)
Debt Principal Payments	(935,000)	(801,770)	0	0	(1,736,770)
Debt Interest Payments	(240,775)	(187,425)	0	0	(428,200)
Net Cash Provided (Used) by Capital and Related Financing Activities	(2,486,231)	(3,373,600)	(506,650)	0	(6,366,481)
Cash Flows from Investing Activities:					
Earnings on Investments	22,791	17,444	5,144	670	46,049
Net Cash Provided (Used) by Cash Flows from Investing Activities	22,791	17,444	5,144	670	46,049
Net Increase (Decrease) in Cash and Cash Equivalents	(1,130,881)	(2,418,487)	80,864	(133,246)	(3,601,750)
Cash and Cash Equivalents - Beginning of Year	8,609,979	7,881,872	1,621,010	1,570,638	19,683,499
Cash and Cash Equivalents - End of Year	7,479,098	5,463,385	1,701,874	1,437,392	16,081,749
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Operating Income (Loss)	505,220	(111,510)	299,659	(1,195,683)	(502,314)
Adjustments:					
Depreciation	1,017,187	1,259,044	296,037	302,473	2,874,741
Changes in Assets & Liabilities:					
(Increase) Decrease in Receivables	(81,022)	(67,426)	(25,437)	1,005	(172,880)
(Increase) Decrease in Inventory	104,009	0	0	0	104,009
(Increase) Decrease in Deferred Outflows of Resources	(52,661)	(43,593)	(21,801)	(33,288)	(151,343)
Increase (Decrease) in Retainage Payable	13,474	68,935	18,103	0	100,512
Increase (Decrease) in Payables	(149,355)	(195,640)	(637)	(10,250)	(355,882)
Increase (Decrease) in Accrued Liabilities	(64,018)	(5,025)	0	1,716	(67,327)
Increase (Decrease) in Deferred Inflows of Resources	17,380	14,387	7,195	10,986	49,948
Increase (Decrease) in Net Pension Liability	22,345	18,497	9,251	14,125	64,218
Net Cash Provided (Used) by Operating Activities	\$1,332,559	\$937,669	\$582,370	(\$908,916)	\$1,943,682
Schedule of Noncash Capital Activities:					
During the fiscal year, these amounts were received representing noncash contributions of:					
Capital Assets	\$299,274	\$132,447	\$1,365,648	\$526,163	\$2,323,532

See accompanying notes to the basic financial statements.

City of Troy, Ohio
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2015

	Private Purpose Trust	Agency
	<u> </u>	<u> </u>
Assets:		
Equity in Pooled Cash and Investments	\$292,077	\$144,177
Receivables (Net):		
Interest	<u>229</u>	<u>99</u>
Total Assets	<u>292,306</u>	<u>144,276</u>
Liabilities:		
Undistributed Monies	<u>0</u>	<u>144,276</u>
Total Liabilities	<u>0</u>	<u>\$144,276</u>
Net Position:		
Restricted for Endowment - Expendable	160,274	
Restricted for Endowment - Nonexpendable	<u>132,032</u>	
Total Net Position	<u>\$292,306</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, 2015

	Private Purpose Trust
Additions:	
Investment Earnings	\$915
Other	8
Total Additions	<u>923</u>
Deductions:	
Public Health and Welfare	<u>3,137</u>
Total Deductions	<u>3,137</u>
Change in Net Position	(2,214)
Net Position - Beginning of Year	<u>294,520</u>
Net Position - End of Year	<u><u>\$292,306</u></u>

See accompanying notes to the basic financial statements.

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2015

Note 1 – Description of the City and Reporting Entity

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

Reporting Entity

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

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

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

Note 2 – Summary of Significant Accounting Policies

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

Measurement Focus

Government-wide Financial Statements

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

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2015

Fund Financial Statements

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

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

Basis of Presentation

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

Government-wide Financial Statements

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

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

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2015

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.

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

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

Proprietary Funds

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

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

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2015

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

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

Fiduciary Funds

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

Basis of Accounting

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

Revenues - Exchange and Non-exchange Transactions

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

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2015

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

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources include a deferral on refunding and pension are reported in the government-wide statement of net position. A deferral on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension are explained in Note 11.

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, accounts, revenue in lieu of taxes, and pension. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2015, but which were levied to finance year 2016 operations. Revenue in lieu of taxes are deferred and recognized as inflows of resources in the period the amounts become available. These amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. Deferred inflows of resources related to pension are reported on the governmental-wide statement of net position. (See Note 11)

Expenses/Expenditures

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

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

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2015

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 2015 amounted to \$469,872, and \$56,470 was credited to other governmental funds.

Inventory

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

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

Capital Assets

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

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

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2015

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.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net position have been determined

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2015

on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

Fund Balance

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

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

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

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

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

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 \$8,665,294 in restricted net position, none was restricted by enabling legislation.

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2015

Operating Revenues and Expenses

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

Contributions of Capital

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

Interfund Activity

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

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

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.

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2015

Estimates

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

Note 3 - Equity in Pooled Cash and Investments

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

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

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

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

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

- (1) Bonds, notes, or other obligations of or guaranteed by the United States, or those for which the faith of the United States is pledged for the payment of principal and interest.
- (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).

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2015

- (7) Commercial paper and banker's acceptances which meet the requirements established by Ohio Revised Code, Sec. 135.142.
- (8) Under limited circumstances, corporate debt interests in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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

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

Deposits

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's policy for deposits is any balance not covered by depository insurance will be collateralized by the financial institutions with pledged securities. As of December 31, 2015, \$25,144,344 of the City's bank balance of \$26,138,569 was exposed to custodial risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the City's name.

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

Investments

As of December 31, 2015, the City had the following investments:

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City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2015

Investment Type	Fair Value	Weighted Average Maturity (Years)
Federal Home Loan Bank	\$6,466,125	4.12
Federal Home Loan Mortgage Corporation	36,582,504	4.56
Ohio Municipal Bonds	396,217	0.33
Federal Farm Credit Bank	990,530	2.20
Federal National Mortgage Association	8,955,560	3.46
Certificates of Deposit	3,070,638	2.03
Money Market Funds	3,203,600	0.00
Total Fair Value	\$59,665,174	
Portfolio Weighted Average Maturity		3.90

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 and Certificates of Deposits 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 11% of the City’s investments in Federal Home Loan Bank, 61% in Federal Home Loan Mortgage Corporation, 2% in Federal Farm Credit Bank, 15% in Federal National Mortgage Association, 1% in Ohio Municipal Bonds, 5% in Certificates of Deposit, and 5% in money market funds.

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

Note 4 – Receivables

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

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

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2015

Special assessments expected to be collected in more than one year amounts to approximately \$288,515 of which, \$5,013 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 2015 were levied after October 1, 2014 on assessed values as of January 1, 2014, 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	\$479,708,290
Public Utility	13,442,150
Total Valuation	<u>\$493,150,440</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, 2015, 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 2015 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, 2015

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

Note 5 - Risk Management

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

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

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

Liability:

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

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

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

Property:

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

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

Flood – included in Property Policy

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

City of Troy, Ohio
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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:
\$1,000,000/occurrence and annual aggregate for Privacy Notification Costs

First Party Computer Liability
\$2 million/occurrence and annual aggregate subject to policy sublimits

Pollution Liability – Claims made and Reported Policy
Retroactive Date: Policy inception
Coverage excess SIR provided by ACE – Illinois Union Insurance Co.
\$1 million/pollution condition and aggregate with a \$200,000 sublimit for Fungi & Legionella

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

Member Deductible/occurrence - \$2,500

The Financial Audit for 2015 has not been completed. Figures from the audited 2014 financial Audit are as follows:

Current Assets	\$3,240,713
Total Assets	\$19,207,067
Current Liabilities	\$7,920,045
Long-Term Liabilities	\$0
Net Position	\$11,287,022

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

The City manages employee health benefits on a self-insured basis. The employee health benefit plan provides basic health coverage through Anthem, the third party administrator (TPA) of the program, which reviews and processes or disallows the claims. Jefferson Health Plan (JHP) releases the claims payments to the providers as a consortium outside Anthem. JHP is a jointly governed organization

City of Troy, Ohio
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For The Year Ended December 31, 2015

established as a joint insurance pool. A specific excess loss coverage (stoploss) insurance policy covers claims in excess of \$200,000 per year. The 2015 monthly family and single premiums for the PPO plan were \$1,686.66 and \$565.86. The TPA charges the City an administration fee of \$53.03 per employee per month. The 2015 monthly family and single premiums for the HSA Standard plan were \$1,304.59 and \$437.15. The TPA charges the City an administration fee of \$57.63 per employee per month. The 2015 monthly family and single premiums for the HSA Low plan were \$1,226.88 and \$411.11. The TPA charges the City an administration fee of \$57.63 per employee per month.

Workers' Compensation Group Rating Program

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

Note 6 – Capital Assets

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

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$12,240,731	\$2,000,218	\$0	\$14,240,949
Construction in Progress	735,042	2,594,832	1,204,499	2,125,375
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	15,131,106	0	0	15,131,106
Equipment	10,141,098	929,770	189,711	10,881,157
Infrastructure	30,845,210	11,098,311	0	41,943,521
Totals at Historical Cost	<u>69,093,187</u>	<u>16,623,131</u>	<u>1,394,210</u>	<u>84,322,108</u>
Less Accumulated Depreciation:				
Buildings and Improvements	7,881,256	513,950	0	8,395,206
Equipment	7,945,699	446,852	189,711	8,202,840
Infrastructure	14,029,728	563,071	0	14,592,799
Total Accumulated Depreciation	<u>29,856,683</u>	<u>1,523,873</u>	<u>189,711</u>	<u>31,190,845</u>
Governmental Activities Capital Assets, Net	<u>\$39,236,504</u>	<u>\$15,099,258</u>	<u>\$1,204,499</u>	<u>\$53,131,263</u>

City of Troy, Ohio
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For The Year Ended December 31, 2015

Depreciation expense was charged to governmental functions as follows:

General Government	\$397,529
Public Safety	421,575
Leisure Time	276,935
Transportation	355,546
Basic Utility Service	46,986
Community Development	25,302
Total Depreciation Expense	<u>\$1,523,873</u>

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Business-Type Activities				
Capital Assets, not being depreciated:				
Land	\$489,045	\$126,981	\$0	\$616,026
Construction in Progress	1,753,289	4,604,726	4,135,859	2,222,156
Capital Assets, being depreciated:				
Buildings and Improvements	41,586,941	0	0	41,586,941
Equipment	16,765,910	123,971	0	16,889,881
Infrastructure	47,075,612	5,805,224	0	52,880,836
Totals at Historical Cost	<u>107,670,797</u>	<u>10,660,902</u>	<u>4,135,859</u>	<u>114,195,840</u>
Less Accumulated Depreciation:				
Buildings and Improvements	21,785,475	977,600	0	22,763,075
Equipment	7,948,229	1,004,438	0	8,952,667
Infrastructure	24,433,431	892,703	0	25,326,134
Total Accumulated Depreciation	<u>54,167,135</u>	<u>2,874,741</u>	<u>0</u>	<u>57,041,876</u>
Business-Type Activities Capital Assets, Net	<u>\$53,503,662</u>	<u>\$7,786,161</u>	<u>\$4,135,859</u>	<u>\$57,153,964</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
For The Year Ended December 31, 2015

Note 8 - Long-Term Obligations

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

	Maturity Date	Interest Rate	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental Activities							
<u>General Obligation Bonds</u>							
2015 Capital Facilities Bonds - \$9,000,000	12/1/40	0.00%	0	9,000,000	0	9,000,000	0
Premium on Capital Facilities Bonds	12/1/40	0.00%	0	251,938	0	251,938	0
Refunding Limited Tax General Obligation Capital Facilities Bonds - \$2,005,000	12/1/22	1.00-2.625%	1,615,000	0	(185,000)	1,430,000	185,000
Premium on Refunding*	12/1/22	n/a	9,848	0	(1,231)	8,617	0
Discount on Refunding*	12/1/22	n/a	(14,581)	0	1,823	(12,758)	0
Refunding Bonds - Elm Street Improvements - \$398,644	12/1/24	1.00-2.375%	379,068	0	(34,407)	344,661	36,186
Refunding Bonds - Aquatic Center - \$2,643,111	12/1/24	1.00-2.375%	2,513,315	0	(228,126)	2,285,189	235,992
Refunding Bonds - Cemetery Maintenance Building - \$304,845	12/1/24	1.00-2.375%	289,875	0	(26,311)	263,564	27,218
Refunding Bonds - Fire Station - \$1,685,025	12/1/24	1.00-2.375%	1,602,278	0	(145,434)	1,456,844	150,449
Premium on Refunding	12/1/24	n/a	54,669	0	(5,941)	48,728	0
Discount on Refunding	12/1/24	n/a	(38,590)	0	4,193	(34,397)	0
Total Long-Term Liabilities - Bonds			<u>6,410,882</u>	<u>9,251,938</u>	<u>(620,434)</u>	<u>15,042,386</u>	<u>634,845</u>
Net Pension Liability:							
OPERS			2,958,854	438,856	(370,481)	3,027,229	0
OP&F			<u>15,016,745</u>	<u>2,246,499</u>	<u>(1,290,350)</u>	<u>15,972,894</u>	<u>0</u>
Total Net Pension Liability			<u>17,975,599</u>	<u>2,685,355</u>	<u>(1,660,831)</u>	<u>19,000,123</u>	<u>0</u>
Compensated Absences		N/A	2,415,686	831,774	(686,291)	2,561,169	604,815
Total Governmental Activities			<u>\$26,802,167</u>	<u>\$12,769,067</u>	<u>(\$2,967,556)</u>	<u>\$36,603,678</u>	<u>\$1,239,660</u>

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

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City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2015

	Maturity Date	Interest Rate	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Business-Type Activities							
Refunding Limited Tax General Obligation Bonds - \$1,955,000	12/1/19	1.00-3.00%	\$1,140,000	\$0	(\$215,000)	\$925,000	\$220,000
Premium on Refunding	12/1/19	n/a	14,223	0	(3,161)	11,062	0
Discount on Refunding	12/1/19	n/a	(12,490)	0	2,775	(9,715)	0
Wastewater Improvement IIIc & Va -\$500,000	12/31/20	0.00%	150,000	0	(25,000)	125,000	25,000
Sewer System Bonds - \$2,830,000	12/1/43	1.00-4.00%	2,705,000	0	(60,000)	2,645,000	60,000
Premium on Sewer System Bonds	12/1/43	n/a	34,329	0	(1,184)	33,145	0
Water System Bonds - \$3,930,000	12/1/43	1.00-4.00%	3,760,000	0	(90,000)	3,670,000	90,000
Premium on Water System Bonds	12/1/43	n/a	47,795	0	(1,648)	46,147	0
Refunding Wastewater System. Imp. -\$2,550,000	12/1/15	4.00-5.00%	335,000	0	(335,000)	0	0
Refunding Waterplant Expansion I -\$1,705,000	12/1/16	5.00%	735,000	0	(360,000)	375,000	375,000
Refunding Waterplant Expansion II -\$4,330,000	12/1/17	4.00-5.00%	1,525,000	0	(485,000)	1,040,000	505,000
Refunding Bonds - Southeast Area Sewer -\$877,687	12/1/24	1.00-2.375%	834,586	0	(75,753)	758,833	78,365
Refunding Bonds - Generators -\$810,688	12/1/24	1.00-2.375%	770,878	0	(69,970)	700,908	72,383
Premium on Refunding	12/1/24	n/a	18,346	0	(1,993)	16,353	0
Discount on Refunding	12/1/24	n/a	(12,946)	0	1,407	(11,539)	0
Total General Obligation Bonds			<u>12,044,721</u>	<u>0</u>	<u>(1,719,527)</u>	<u>10,325,194</u>	<u>1,425,748</u>
OWDA Loan -\$1,451,384	7/1/29	3.25%	382,825	0	(21,047)	361,778	21,737
Net Pension Liability - OPERS:							
Water			966,940	143,416	(121,071)	989,285	0
Sanitation/Sewer			800,434	118,720	(100,223)	818,931	0
Stormwater Utility			400,322	59,375	(50,125)	409,572	0
Other Enterprise			611,246	90,660	(76,535)	625,371	0
Total Net Pension Liability			<u>2,778,942</u>	<u>412,171</u>	<u>(347,954)</u>	<u>2,843,159</u>	<u>0</u>
Total Long Term Liabilities - Bonds and Loan			15,206,488	412,171	(2,088,528)	13,530,131	1,447,485
Compensated Absences			582,342	247,041	(229,119)	600,264	247,906
Total Business-Type Activities			<u>\$15,788,830</u>	<u>\$659,212</u>	<u>(\$2,317,647)</u>	<u>\$14,130,395</u>	<u>\$1,695,391</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
2016	\$864,251	\$463,336	\$1,425,748	\$346,006	\$21,737	\$11,582
2017	881,740	448,298	1,093,260	293,094	22,449	10,870
2018	907,970	429,506	567,029	261,012	23,185	10,134
2019	926,715	405,547	573,284	248,410	23,945	9,374
2020	942,946	385,251	337,054	235,044	24,729	8,590
2021-2024	3,571,636	1,300,378	1,523,366	1,060,549	136,342	30,253
2025-2029	1,640,000	1,198,950	990,000	867,300	109,391	7,224
2030-2034	2,025,000	816,728	1,205,000	653,200	0	0
2035-2039	2,470,000	997,192	1,485,000	390,800	0	0
2040-2043	550,000	19,938	1,040,000	84,200	0	0
Total	<u>\$14,780,258</u>	<u>\$6,465,124</u>	<u>\$10,239,741</u>	<u>\$4,439,615</u>	<u>\$361,778</u>	<u>\$88,027</u>

City of Troy, Ohio
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For The Year Ended December 31, 2015

Note 9 – Short-Term Obligations

A summary of the note transactions for the current year end are as follows:

	Rate	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities					
2015 Land Acquisition BAN	1.70%	0	1,500,000	0	1,500,000
Total Governmental Activities		<u>\$0</u>	<u>\$1,500,000</u>	<u>\$0</u>	<u>\$1,500,000</u>

On September 30, 2015, the Land Acquisition Ban was issued at an interest rate of 1.70% in the amount of \$1,500,000.

Note 10 - 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, 2015, none of bonds outstanding are considered defeased.

Note 11 - Defined Benefit Pension Plans

Net Pension Liability

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

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

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

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded

City of Troy, Ohio
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For The Year Ended December 31, 2015

liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

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

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City of Troy, Ohio
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For The Year Ended December 31, 2015

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

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

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

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

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

City of Troy, Ohio
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For The Year Ended December 31, 2015

	<u>State and Local</u>	<u>Public Safety</u>	<u>Law Enforcement</u>
2015 Statutory Maximum Contribution Rates			
Employer	14.0 %	18.1 %	18.1 %
Employee	10.0 %	*	**
2015 Actual Contribution Rates			
Employer:			
Pension	12.0 %	16.1 %	16.1 %
Post-employment Health Care Benefits	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>
Total Employer	<u>14.0 %</u>	<u>18.1 %</u>	<u>18.1 %</u>
Employee	<u>10.0 %</u>	<u>12.0 %</u>	<u>13.0 %</u>

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

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$717,696 for 2015. Of this amount, \$73,376 is reported as accrued wages and benefits.

Plan Description – Ohio Police & Fire Pension Fund (OPF)

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

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

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

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2015

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

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

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

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

	<u>Police</u>	<u>Firefighters</u>
2015 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee:		
January 1, 2015 through July 1, 2015	11.50 %	11.50 %
July 2, 2015 through December 31, 2015	12.25 %	12.25 %
2015 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50	0.50
	<u>19.50 %</u>	<u>24.00 %</u>
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee:		
January 1, 2015 through July 1, 2015	11.50 %	11.50 %
July 2, 2015 through December 31, 2015	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OPF was \$1,336,987 for 2015. Of this amount \$150,991 is reported as accrued wages and benefits.

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2015

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

The net pension liability for OPERS was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OPF's total pension liability was measured as of December 31, 2014, and was determined by rolling forward the total pension liability as of January 1, 2014, to December 31, 2014. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>OPERS</u>	<u>OP&F - Police</u>	<u>OP&F - Fire</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$5,870,388	\$7,463,645	\$8,509,249	\$21,843,282
Proportion of the Net Pension Liability	0.048672%	0.1440742%	0.1642580%	
Pension Expense	\$640,932	\$728,044	\$830,038	\$2,199,014

At December 31, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS</u>	<u>OP&F - Police</u>	<u>OP&F - Fire</u>	<u>Total</u>
Deferred Outflows of Resources				
Net difference between projected and actual earnings on pension plan investments	\$313,225	\$321,676	\$366,741	\$1,001,642
City contributions subsequent to the measurement date	<u>717,696</u>	<u>622,364</u>	<u>714,623</u>	<u>\$2,054,683</u>
Total Deferred Outflows of Resources	<u>\$1,030,921</u>	<u>\$944,040</u>	<u>\$1,081,364</u>	<u>\$3,056,325</u>
Deferred Inflows of Resources				
Differences between expected and actual experience	<u>\$103,130</u>	<u>\$0</u>	<u>\$0</u>	<u>\$103,130</u>

\$2,054,683 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

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City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2015

Year Ending December 31:	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
2016	\$52,523	\$172,104	\$224,627
2017	52,524	172,104	224,628
2018	52,524	172,104	224,628
2019	<u>52,524</u>	<u>172,105</u>	<u>224,629</u>
Total	<u>\$210,095</u>	<u>\$688,417</u>	<u>\$898,512</u>

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage Inflation	3.75 percent
Future Salary Increases, including inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA	3 percent, simple
Investment Rate of Return	8 percent
Actuarial Cost Method	Individual Entry Age

Mortality rates were based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

The most recent experience study was completed for the five year period ended December 31, 2010.

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

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2015

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan and the VEBA Trust. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 6.95 percent for 2014.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2014 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.31 %
Domestic Equities	19.90	5.84
Real Estate	10.00	4.25
Private Equity	10.00	9.25
International Equities	19.10	7.40
Other investments	18.00	4.59
Total	100.00 %	5.28 %

Discount Rate The discount rate used to measure the total pension liability was 8 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the City’s proportionate share of the net pension liability calculated using the current period discount rate assumption of 8 percent, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (7 percent) or one-percentage-point higher (9 percent) than the current rate:

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2015

	1% Decrease <u>(7.00%)</u>	Current Discount Rate <u>(8.00%)</u>	1% Increase <u>(9.00%)</u>
City's proportionate share of the net pension liability	\$10,799,830	\$5,870,387	\$1,718,608

Actuarial Assumptions – OPF

OPF's total pension liability as of December 31, 2014 is based on the results of an actuarial valuation date of January 1, 2014, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OPF's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2014, are presented below:

Valuation Date	January 1, 2014
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.25 percent
Projected Salary Increases	4.25 percent to 11 percent
Payroll Increases	3.75 percent
Inflation Assumptions	3.25 percent
Cost of Living Adjustments	2.60 percent and 3.00 percent

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

The most recent experience study was completed January 1, 2012.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF's target asset allocation as of December 31, 2014 are summarized below:

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2015

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash and Cash Equivalents	- %	(0.25) %
Domestic Equity	16.00	4.47
Non-US Equity	16.00	4.47
Core Fixed Income *	20.00	1.62
Global Inflation Protected *	20.00	1.33
High Yield	15.00	3.39
Real Estate	12.00	3.93
Private Markets	8.00	6.98
Timber	5.00	4.92
Master Limited Partnerships	8.00	7.03
 Total	 120.00 %	

* levered 2x

OPF's Board of Trustees has incorporated the "risk parity" concept into OPF's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

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

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

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City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2015

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
City's proportionate share of the net pension liability - police	\$10,323,349	\$7,463,644	\$5,042,344
City's proportionate share of the net pension liability - fire	\$11,769,579	\$8,509,249	\$5,748,741

Note 12 – Post Employment Benefits

Ohio Public Employees Retirement System

Plan Description

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

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

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. OPERS' eligibility requirements for post-employment health care coverage changed for those retiring on and after January 1, 2016. Please see the Plan Statement in the OPERS 2013 CAFR for details.

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

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

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.

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2015

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2015, the City contributed at 14% of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14% of covered payroll. Active members do not make contributions to the OPEB Plan.

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

Information from City's Records

The rates stated in Funding Policy, above, are the contractually required contribution rates for OPERS. The City's actual contributions for the current year, which were used to fund postemployment benefits, were \$129,335 for 2015, \$128,017 for 2014, and \$60,943 for 2013. The full amount has been contributed for 2013, and 92 percent has actually been contributed for 2014 and 2015.

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, 2015. 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.

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2015

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

Funding Policy

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and Section 401(h) account as the employer contribution for retiree healthcare benefits. The portion of employer contributions allocated to health care was .5% of covered payroll from January 1, 2015 thru December 31, 2015. For the year ended December 31, 2015, the employer contribution allocated to the health care plan was 6.75% of covered payroll. The amount of employer contributions allocated to the healthcare plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

Information from City's Records

The City's contributions to OP&F for the year ending December 31, 2015 was \$31,320, December 31, 2014 was \$30,830; and December 31, 2013 was \$211,603. The actual contributions for 2012 and 2013 were 100% and 89% (police) and 89% (fire) has actually been contributed for 2014 and 2015.

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City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2015

Note 13 – Construction and Other Commitments

The City had the following outstanding commitments at year end:

<u>Projects</u>	<u>Amount</u>
Building Maintenance and Improvements	\$1,208,793
Sewer Maintenance and Improvements	793,223
Water Maintenance and Improvements	302,861
Stormwater Maintenance and Improvements	35,000
Street Improvements	862,491
Downtown Building Repair Loan	806,855
Rock Salt for Streets	51,993
Refuse Collection	153,948
Vehicles	148,121
Hobart Arena Improvements	153,837
Hobart Arena Events	41,045
Other Construction and Commitments	<u>319,373</u>
Total Outstanding Commitments	<u><u>\$4,877,540</u></u>

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

<u>Fund</u>	<u>Amount</u>
General	\$577,759
Capital Improvements	1,668,030
Water	636,987
Sanitary Sewer	929,056
Stormwater Utility	175,890
Nonmajor Funds	<u>1,512,393</u>
Total	<u><u>\$5,500,115</u></u>

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City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2015

Note 14 – Interfund Transfers and Interfund Receivable/Payable

Interfund transfers for the year ended December 31, 2015 consisted of the following:

	Transfers	
	In	Out
General Fund	\$0	\$3,196,729
Capital Improvement	\$490,000	\$0
Other Governmental Funds	1,931,729	0
Other Enterprise Funds	775,000	0
Total All Funds	<u>\$3,196,729</u>	<u>\$3,196,729</u>

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

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

	Interfund Receivable	Interfund Payable
General Fund	\$1,796,000	\$0
TIF Retirement Fund	0	1,460,000
Capital Improvements	0	336,000
	<u>\$1,796,000</u>	<u>\$1,796,000</u>

Note 15 - Donor-Restricted Endowment

The City administers an endowment fund, which is restricted by the donor for the purposes of cemetery maintenance and improvement. Donor-restricted endowments are reported at fair value. The amount of net appreciation on investments of donor-restricted endowments that is available for authorization for expenditure by the City is \$160,274. The City authorizes expenditures from donor-restricted endowment in compliance with the wishes expressed by the donor and the Ohio Revised Code.

Note 16 – Fund Balance

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

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2015

Fund Balances	General	TIF Retirement	Capital Improvement	Other Governmental Funds	Total
Restricted for:					
Safety Income Tax	\$832,108	\$0	\$0	\$0	\$832,108
Street Construction, Maintenance and Repair	0	0	0	1,329,104	1,329,104
State Highway Improvement	0	0	0	154,521	154,521
Cemetery	0	0	0	302,791	302,791
Municipal Real Property	0	0	0	232,642	232,642
Miami Conservatory District	0	0	0	40,164	40,164
Community Development Block Grant	0	0	0	2,600,976	2,600,976
Parking Improvement	0	0	0	248,373	248,373
Drug Law Enforcement	0	0	0	25,508	25,508
Law Enforcement	0	0	0	24,262	24,262
Cemetery Endowment	0	0	0	963,387	963,387
Small Business Development R-Loan	0	0	0	985,942	985,942
Equitable Sharing	0	0	0	36,324	36,324
Capital Improvement	0	0	6,919,690	0	6,919,690
OPWC Project	0	0	0	489,434	489,434
Total Restricted	832,108	0	6,919,690	7,433,428	15,185,226
Committed to:					
Capital Improvements	33,180,085	0	0	0	33,180,085
Total Committed	33,180,085	0	0	0	33,180,085
Assigned to:					
Bond Retirement	0	0	0	385,225	385,225
Technology	0	0	0	398,432	398,432
Encumbrances	548,509	0	0	0	548,509
Budgetary Variance	1,888,528	0	0	0	1,888,528
Total Assigned	2,437,037	0	0	783,657	3,220,694
Unassigned (Deficit)	20,395,160	(1,105,362)	0	0	19,289,798
Total Fund Balance	\$56,844,390	(\$1,105,362)	\$6,919,690	\$8,217,085	\$70,875,803

Note 17 – Change in Accounting Principle and Restatement of Net Position

During 2015, the City corrected previously reported income tax revenue which resulted in the restatement of net position as reported December 31, 2014.

For 2015, the City implemented the Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68." GASB 68 established standards for measuring and recognizing pension liabilities, deferred outflows of resources, deferred inflows of resources and expense/expenditure. The implementation of this pronouncement had the following effect on net position as reported December 31, 2014:

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2015

	<u>Governmental Activities</u>	<u>Business -Type Activities</u>
Net position December 31, 2014	\$95,353,463	\$60,696,613
Adjustments:		
Correction of Income Tax Revenue	2,751,582	0
Net Pension Liability	(17,975,599)	(2,778,941)
Deferred Outflow - Payments Subsequent to Measurement Date	<u>1,660,831</u>	<u>347,954</u>
Restated Net Position December 31, 2014	<u>\$81,790,277</u>	<u>\$58,265,626</u>

	<u>Water Fund</u>	<u>Sanitary Sewer Fund</u>	<u>Storm-Water Utility Fund</u>	<u>Other Enterprise</u>	<u>Total Enterprise</u>
Net position December 31, 2014	\$24,099,313	\$19,688,179	\$10,203,031	\$6,706,090	\$60,696,613
Adjustments:					
Net Pension Liability	(966,940)	(800,434)	(400,321)	(611,246)	(2,778,941)
Deferred Outflow - Payments Subsequent to Measurement Date	<u>121,071</u>	<u>100,223</u>	<u>50,125</u>	<u>76,535</u>	<u>347,954</u>
Restated Net Position December 31, 2014	<u>\$23,253,444</u>	<u>\$18,987,968</u>	<u>\$9,852,835</u>	<u>\$6,171,379</u>	<u>\$58,265,626</u>

Other than employer contributions subsequent to the measurement date, the City made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available.

Note 18 –Accountability

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

<u>Fund</u>	<u>Deficit</u>
Major Fund:	
TIF Retirement	\$1,105,362

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

Note 19 – Contingent Liabilities

Litigation

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

REQUIRED SUPPLEMENTARY INFORMATION

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

	2014	2013
City's Proportion of the Net Pension Liability	0.04867200%	0.04867200%
City's Proportionate Share of the Net Pension Liability	\$5,870,387	\$5,737,795
City's Covered-Employee Payroll	\$5,986,956	\$6,565,754
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	98.05%	87.39%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.45%	86.36%

(1) - Information prior to 2013 is not available

Note - Amounts presented as of the City's measurement date which is the prior fiscal year end.

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

	2014	2013
City's Proportion of the Net Pension Liability - 0620P	0.1440742%	0.1440742%
Liability - 0620F	0.1642580%	0.1642580%
City's Proportionate Share of the Net Pension Liability - 0620P	\$7,463,644	\$7,016,866
Pension Liability - 0620F	8,509,249	7,999,880
Pension Liability - Total	<u>\$15,972,893</u>	<u>\$15,016,746</u>
City's Covered-Employee Payroll	\$6,337,672	\$7,482,014
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	252.03%	200.70%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.20%	73.00%

(1) - Information prior to 2013 is not available

Note - Amounts presented as of the City's measurement date which is the prior fiscal year end.

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

	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$717,696	\$718,435
Contributions in Relation to the Contractually Required Contribution	<u>(717,696)</u>	<u>(718,435)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>
City's Covered-Employee Payroll	\$5,980,800	\$5,986,958
Contributions as a Percentage of Covered-Employee Payroll	12.00%	12.00%

(1) - Information prior to 2014 is not available

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

	<u>2015</u>	<u>2014</u>
Contractually Required Contribution - 0620P	\$622,364	\$602,941
Contractually Required Contribution - 0620F	<u>714,623</u>	<u>687,409</u>
Contractually Required Contribution - Total	\$1,336,987	\$1,290,350
Contributions in Relation to the Contractually Required Contribution	<u>(1,336,987)</u>	<u>(1,290,350)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>
City's Covered-Employee Payroll	\$6,654,988	\$6,337,672
Contributions as a Percentage of Covered-Employee Payroll	20.09%	20.36%

(1) - Information prior to 2014 is not available

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, 2015

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Property and Other Taxes	\$1,545,582	\$1,642,925	\$1,642,979	\$54
Charges for Services	3,494,700	3,570,755	3,714,924	144,169
Investment Earnings	121,854	124,940	129,533	4,593
Intergovernmental	811,677	862,765	862,826	61
Special Assessments	1,155	1,228	1,228	0
Fines, Licenses & Permits	220,083	232,380	233,952	1,572
Other Revenues	732,250	778,098	778,394	296
Total Revenues	6,927,301	7,213,091	7,363,836	150,745
Expenditures:				
Current:				
General Government	3,987,442	4,102,794	4,113,365	(10,571)
Public Safety	10,061,772	10,796,081	10,379,522	416,559
Community Environment	818,289	889,018	844,130	44,888
Recreation	1,265,004	1,371,230	1,304,953	66,277
Basic Utility	1,227,817	1,232,194	1,266,591	(34,397)
Capital Outlay	1,106,438	1,109,811	1,141,379	(31,568)
Total Expenditures	18,466,762	19,501,128	19,049,940	451,188
Excess of Revenues Over (Under) Expenditures	(11,539,461)	(12,288,037)	(11,686,104)	601,933
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	53,643	57,023	57,023	0
Transfers In	12,606,230	13,400,631	13,400,631	0
Transfers (Out)	(3,098,867)	(3,201,500)	(3,196,729)	4,771
Total Other Financing Sources (Uses)	9,561,006	10,256,154	10,260,925	4,771
Net Change in Fund Balance	(1,978,455)	(2,031,883)	(1,425,179)	606,704
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	11,623,704	11,623,704	11,623,704	0
Fund Balance End of Year	\$9,645,249	\$9,591,821	\$10,198,525	\$606,704

See accompanying notes to the required supplementary information.

City of Troy, Ohio
Notes to the Required Supplementary Information
For The Year Ended December 31, 2015

Budgetary Process

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

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

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

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

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

City of Troy, Ohio
Notes to the Required Supplementary Information
For The Year Ended December 31, 2015

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

Net Change in Fund Balance

	<u>General</u>
GAAP Basis	\$3,792,747
Revenue Accruals	(17,958,961)
Expenditure Accruals	295,161
Transfers In	13,400,631
Encumbrances	(577,759)
Funds Budgeted Elsewhere	<u>(376,998)</u>
Budget Basis	<u><u>(\$1,425,179)</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.

Capital Improvement – To account for various capital projects financed by governmental funds. 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, 2015

	TIF Retirement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Revenue in Lieu of Taxes	\$198,385	\$198,388	\$3
Total Revenues	198,385	198,388	3
Expenditures:			
Current:			
Capital Outlay	73,715	54,655	19,060
Debt Service:			
Principal Retirement	40,000	40,000	0
Interest and Fiscal Charges	90,000	90,000	0
Total Expenditures	203,715	184,655	19,060
Net Change in Fund Balance	(5,330)	13,733	19,063
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	340,906	340,906	0
Fund Balance End of Year	\$335,576	\$354,639	\$19,063

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, 2015

	Capital Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$698,705	\$698,711	\$6
Special Assessments	52,970	54,081	1,111
Other Revenues	80,000	80,000	0
Total Revenues	<u>831,675</u>	<u>832,792</u>	<u>1,117</u>
Expenditures:			
Current:			
Community Environment	128,165	130,878	(2,713)
Capital Outlay	<u>14,893,739</u>	<u>7,309,444</u>	<u>7,584,295</u>
Total Expenditures	<u>15,021,904</u>	<u>7,440,322</u>	<u>7,581,582</u>
Excess of Revenues Over (Under) Expenditures	<u>(14,190,229)</u>	<u>(6,607,530)</u>	<u>7,582,699</u>
Other Financing Sources (Uses):			
Issuance of Debt	10,501,580	10,501,581	1
Transfers In	<u>826,000</u>	<u>826,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>11,327,580</u>	<u>11,327,581</u>	<u>1</u>
Net Change in Fund Balance	(2,862,649)	4,720,051	7,582,700
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>2,863,441</u>	<u>2,863,441</u>	<u>0</u>
Fund Balance End of Year	<u>\$792</u>	<u>\$7,583,492</u>	<u>\$7,582,700</u>

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

Debt Service Funds

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

Capital Projects Funds

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

City of Troy, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2015

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in Pooled Cash and Investments	\$4,511,643	\$384,923	\$883,856	\$5,780,422
Restricted Cash	0	0	9,958	9,958
Receivables (Net):				
Taxes	57,617	0	0	57,617
Accounts	37	0	26,426	26,463
Interest	2,168	302	0	2,470
Intergovernmental	515,085	0	361,728	876,813
Notes	2,413,239	0	0	2,413,239
Special Assessments	19,440	0	0	19,440
Total Assets	7,519,229	385,225	1,281,968	9,186,422
Liabilities:				
Accounts Payable	30,647	0	22,416	53,063
Accrued Wages and Benefits	44,890	0	0	44,890
Retainage Payable	0	0	9,958	9,958
Total Liabilities	75,537	0	32,374	107,911
Deferred Inflows of Resources:				
Property and Income Taxes	53,263	0	0	53,263
Grants and Other Taxes	426,995	0	361,728	788,723
Special Assessments	19,440	0	0	19,440
Total Deferred Inflows of Resources	499,698	0	361,728	861,426
Fund Balances:				
Restricted	6,943,994	0	489,434	7,433,428
Assigned	0	385,225	398,432	783,657
Total Fund Balances	6,943,994	385,225	887,866	8,217,085
Total Liabilities, Deferred Inflows and Fund Balances	\$7,519,229	\$385,225	\$1,281,968	\$9,186,422

City of Troy, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Governmental Funds
For the Fiscal Year Ended December 31, 2015

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Property and Other Taxes	\$41,856	\$0	\$0	\$41,856
Charges for Services	174,846	0	0	174,846
Investment Earnings	56,844	(374)	0	56,470
Intergovernmental	1,122,473	0	350,000	1,472,473
Special Assessments	112	149	0	261
Fines, Licenses & Permits	23,575	0	107,008	130,583
Other Revenues	64,083	76,938	0	141,021
Total Revenues	1,483,789	76,713	457,008	2,017,510
Expenditures:				
Current:				
General Government	76,102	0	0	76,102
Public Safety	2,549	0	0	2,549
Community Development	51,476	0	0	51,476
Transportation and Street Repair	1,483,514	0	0	1,483,514
Public Health and Welfare	368,056	0	0	368,056
Capital Outlay	200,572	0	680,066	880,638
Debt Service:				
Principal	0	619,278	0	619,278
Interest and Other Charges	0	215,984	0	215,984
Total Expenditures	2,182,269	835,262	680,066	3,697,597
Excess of Revenues Over (Under) Expenditures	(698,480)	(758,549)	(223,058)	(1,680,087)
Other Financing Sources (Uses):				
Transfers In	856,729	1,075,000	0	1,931,729
Total Other Financing Sources (Uses)	856,729	1,075,000	0	1,931,729
Net Change in Fund Balance	158,249	316,451	(223,058)	251,642
Fund Balance - Beginning of Year	6,785,745	68,774	1,110,924	7,965,443
Fund Balance - End of Year	\$6,943,994	\$385,225	\$887,866	\$8,217,085

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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.

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

City of Troy, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2015

	Street Construction, Maintenance and Repair	State Highway Improvement	Cemetery	Municipal Real Property
Assets:				
Equity in Pooled Cash and Investments	\$1,313,377	\$147,815	\$311,529	\$233,448
Receivables (Net):				
Taxes	0	0	0	0
Accounts	37	0	0	0
Interest	0	116	0	183
Intergovernmental	476,170	38,608	0	307
Notes	0	0	0	0
Special Assessments	19,440	0	0	0
Total Assets	1,809,024	186,539	311,529	233,938
Liabilities:				
Accounts Payable	27,467	0	1,961	1,219
Accrued Wages and Benefits	38,113	0	6,777	0
Total Liabilities	65,580	0	8,738	1,219
Deferred Inflows of Resources:				
Property and Income Taxes	0	0	0	0
Grants and Other Taxes	394,900	32,018	0	77
Special Assessments	19,440	0	0	0
Total Deferred Inflows of Resources	414,340	32,018	0	77
Fund Balances:				
Restricted	1,329,104	154,521	302,791	232,642
Total Fund Balances	1,329,104	154,521	302,791	232,642
Total Liabilities, Deferred Inflows and Fund Balances	\$1,809,024	\$186,539	\$311,529	\$233,938

Miami Conservancy District	Community Development Block Grant	Parking Improvement	Drug Law Enforcement	Law Enforcement	Cemetery Endowment	Small Business Development R-Loan
\$35,810	\$724,938	\$248,178	\$25,508	\$24,262	\$962,632	\$447,822
57,617	0	0	0	0	0	0
0	0	0	0	0	0	0
0	568	195	0	0	755	351
0	0	0	0	0	0	0
0	1,875,470	0	0	0	0	537,769
0	0	0	0	0	0	0
<u>93,427</u>	<u>2,600,976</u>	<u>248,373</u>	<u>25,508</u>	<u>24,262</u>	<u>963,387</u>	<u>985,942</u>
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
53,263	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>53,263</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>40,164</u>	<u>2,600,976</u>	<u>248,373</u>	<u>25,508</u>	<u>24,262</u>	<u>963,387</u>	<u>985,942</u>
<u>40,164</u>	<u>2,600,976</u>	<u>248,373</u>	<u>25,508</u>	<u>24,262</u>	<u>963,387</u>	<u>985,942</u>
<u>\$93,427</u>	<u>\$2,600,976</u>	<u>\$248,373</u>	<u>\$25,508</u>	<u>\$24,262</u>	<u>\$963,387</u>	<u>\$985,942</u>

Continued

City of Troy, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2015

	Equitable Sharing	Total Nonmajor Special Revenue Funds
Assets:		
Equity in Pooled Cash and Investments	\$36,324	\$4,511,643
Receivables (Net):		
Taxes	0	57,617
Accounts	0	37
Interest	0	2,168
Intergovernmental	0	515,085
Notes	0	2,413,239
Special Assessments	0	19,440
Total Assets	36,324	7,519,229
Liabilities:		
Accounts Payable	0	30,647
Accrued Wages and Benefits	0	44,890
Total Liabilities	0	75,537
Deferred Inflows of Resources:		
Property and Income Taxes	0	53,263
Grants and Other Taxes	0	426,995
Special Assessments	0	19,440
Total Deferred Inflows of Resources	0	499,698
Fund Balances:		
Restricted	36,324	6,943,994
Total Fund Balances	36,324	6,943,994
Total Liabilities, Deferred Inflows and Fund Balances	\$36,324	\$7,519,229

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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, 2015

	Street Construction, Maintenance and Repair	State Highway Improvement	Cemetery	Municipal Real Property
Revenues:				
Property and Other Taxes	\$0	\$0	\$0	\$0
Charges for Services	7,236	0	140,764	0
Investment Earnings	0	(446)	0	770
Intergovernmental	1,033,712	83,815	0	230
Special Assessments	0	0	0	0
Fines, Licenses & Permits	0	0	0	0
Other Revenues	17,631	291	6,620	6
Total Revenues	1,058,579	83,660	147,384	1,006
Expenditures:				
Current:				
General Government	0	0	0	0
Public Safety	0	0	0	0
Community Development	0	0	0	0
Transportation and Street Repair	1,372,903	96,109	0	0
Public Health and Welfare	0	0	345,117	0
Capital Outlay	83,551	0	3,494	59,112
Total Expenditures	1,456,454	96,109	348,611	59,112
Excess of Revenues Over (Under) Expenditures	(397,875)	(12,449)	(201,227)	(58,106)
Other Financing Sources (Uses):				
Transfers In	600,000	0	200,000	0
Total Other Financing Sources (Uses)	600,000	0	200,000	0
Net Change in Fund Balance	202,125	(12,449)	(1,227)	(58,106)
Fund Balance - Beginning of Year	1,126,979	166,970	304,018	290,748
Fund Balance - End of Year	\$1,329,104	\$154,521	\$302,791	\$232,642

Miami Conservancy District	Community Development Block Grant	Parking Improvement	Drug Law Enforcement	Law Enforcement	Law Enforcement	Cemetery Endowment	Small Business Development R-Loan
\$41,856	\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	385	0	0	0	0	26,094	367
0	36,648	701	0	0	0	3,004	16,167
4,716	0	0	0	0	0	0	0
0	112	0	0	0	0	0	0
0	0	22,915	220	440	0	0	0
0	0	6	3,179	0	0	26	0
<u>46,572</u>	<u>37,145</u>	<u>23,622</u>	<u>3,399</u>	<u>440</u>	<u>29,124</u>	<u>16,534</u>	
76,102	0	0	0	0	0	0	0
0	0	0	0	2,549	0	0	0
0	51,360	0	0	0	0	0	116
0	0	14,502	0	0	0	0	0
0	0	0	0	0	22,939	0	0
0	0	39,520	6,748	8,147	0	0	0
<u>76,102</u>	<u>51,360</u>	<u>54,022</u>	<u>6,748</u>	<u>10,696</u>	<u>22,939</u>	<u>116</u>	
<u>(29,530)</u>	<u>(14,215)</u>	<u>(30,400)</u>	<u>(3,349)</u>	<u>(10,256)</u>	<u>6,185</u>	<u>16,418</u>	
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>56,729</u>	
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>56,729</u>	
<u>(29,530)</u>	<u>(14,215)</u>	<u>(30,400)</u>	<u>(3,349)</u>	<u>(10,256)</u>	<u>6,185</u>	<u>73,147</u>	
<u>69,694</u>	<u>2,615,191</u>	<u>278,773</u>	<u>28,857</u>	<u>34,518</u>	<u>957,202</u>	<u>912,795</u>	
<u>\$40,164</u>	<u>\$2,600,976</u>	<u>\$248,373</u>	<u>\$25,508</u>	<u>\$24,262</u>	<u>\$963,387</u>	<u>\$985,942</u>	

Continued

City of Troy, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended December 31, 2015

	Equitable Sharing	Total Nonmajor Special Revenue Funds
Revenues:		
Property and Other Taxes	\$0	\$41,856
Charges for Services	0	174,846
Investment Earnings	0	56,844
Intergovernmental	0	1,122,473
Special Assessments	0	112
Fines, Licenses & Permits	0	23,575
Other Revenues	36,324	64,083
Total Revenues	36,324	1,483,789
Expenditures:		
Current:		
General Government	0	76,102
Public Safety	0	2,549
Community Development	0	51,476
Transportation and Street Repair	0	1,483,514
Public Health and Welfare	0	368,056
Capital Outlay	0	200,572
Total Expenditures	0	2,182,269
Excess of Revenues Over (Under) Expenditures	36,324	(698,480)
Other Financing Sources (Uses):		
Transfers In	0	856,729
Total Other Financing Sources (Uses)	0	856,729
Net Change in Fund Balance	36,324	158,249
Fund Balance - Beginning of Year	0	6,785,745
Fund Balance - End of Year	\$36,324	\$6,943,994

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, 2015

	Street Construction. Maintenance and Repair Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Charges for Services	\$7,235	\$7,236	\$1
Intergovernmental	1,038,260	1,038,264	4
Other Revenues	18,655	18,677	22
Total Revenues	<u>1,064,150</u>	<u>1,064,177</u>	<u>27</u>
Expenditures:			
Current:			
Transportation	1,596,422	1,487,834	108,588
Capital Outlay	75,500	85,551	(10,051)
Total Expenditures	<u>1,671,922</u>	<u>1,573,385</u>	<u>98,537</u>
Excess of Revenues Over (Under) Expenditures	<u>(607,772)</u>	<u>(509,208)</u>	<u>98,564</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	(7,772)	90,792	98,564
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>1,122,739</u>	<u>1,122,739</u>	<u>0</u>
Fund Balance End of Year	<u>\$1,114,967</u>	<u>\$1,213,531</u>	<u>\$98,564</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, 2015

	State Highway Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$84,180	\$84,184	\$4
Other Revenues	290	291	1
Total Revenues	84,470	84,475	5
Expenditures:			
Current:			
Transportation	124,362	110,207	14,155
Total Expenditures	124,362	110,207	14,155
Net Change in Fund Balance	(39,892)	(25,732)	14,160
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	159,650	159,650	0
Fund Balance End of Year	\$119,758	\$133,918	\$14,160

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, 2015

	Cemetery Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Charges for Services	\$129,450	\$140,764	\$11,314
Other Revenues	6,615	6,620	5
Total Revenues	<u>136,065</u>	<u>147,384</u>	<u>11,319</u>
Expenditures:			
Current:			
Public Health and Welfare	389,497	365,952	23,545
Capital Outlay	950	3,494	(2,544)
Total Expenditures	<u>390,447</u>	<u>369,446</u>	<u>21,001</u>
Excess of Revenues Over (Under) Expenditures	<u>(254,382)</u>	<u>(222,062)</u>	<u>32,320</u>
Other Financing Sources (Uses):			
Transfers In	200,000	200,000	0
Total Other Financing Sources (Uses)	<u>200,000</u>	<u>200,000</u>	<u>0</u>
Net Change in Fund Balance	(54,382)	(22,062)	32,320
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>317,995</u>	<u>317,995</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$263,613</u></u>	<u><u>\$295,933</u></u>	<u><u>\$32,320</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, 2015

	Municipal Real Property Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$1,520	\$1,561	\$41
Other Revenues	6	6	0
Total Revenues	<u>1,526</u>	<u>1,567</u>	<u>41</u>
Expenditures:			
Current:			
Capital Outlay	<u>93,539</u>	<u>65,481</u>	<u>28,058</u>
Total Expenditures	<u>93,539</u>	<u>65,481</u>	<u>28,058</u>
Net Change in Fund Balance	(92,013)	(63,914)	28,099
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>290,092</u>	<u>290,092</u>	<u>0</u>
Fund Balance End of Year	<u>\$198,079</u>	<u>\$226,178</u>	<u>\$28,099</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, 2015

	Miami Conservancy District Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Property and Other Taxes	\$40,930	\$40,936	\$6
Intergovernmental	4,715	4,716	1
Total Revenues	45,645	45,652	7
Expenditures:			
Current:			
General Government	80,600	76,102	4,498
Total Expenditures	80,600	76,102	4,498
Net Change in Fund Balance	(34,955)	(30,450)	4,505
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	66,266	66,266	0
Fund Balance End of Year	\$31,311	\$35,816	\$4,505

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, 2015

	Community Development Block Grant Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Charges for Services	\$380	\$385	\$5
Investment Earnings	38,760	38,762	2
Special Assessments	110	112	2
Other Revenues	197,010	197,010	0
Total Revenues	236,260	236,269	9
Expenditures:			
Current:			
Community Environment	751,400	751,360	40
Total Expenditures	751,400	751,360	40
Net Change in Fund Balance	(515,140)	(515,091)	49
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	749,897	749,897	0
Fund Balance End of Year	\$234,757	\$234,806	\$49

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, 2015

	Parking Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$1,435	\$1,474	\$39
Fines, Licenses & Permits	22,555	22,915	360
Other Revenues	6	6	0
Total Revenues	<u>23,996</u>	<u>24,395</u>	<u>399</u>
Expenditures:			
Current:			
Transportation	28,943	14,502	14,441
Capital Outlay	40,000	39,520	480
Total Expenditures	<u>68,943</u>	<u>54,022</u>	<u>14,921</u>
Net Change in Fund Balance	(44,947)	(29,627)	15,320
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>278,143</u>	<u>278,143</u>	<u>0</u>
Fund Balance End of Year	<u>\$233,196</u>	<u>\$248,516</u>	<u>\$15,320</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, 2015

	Drug Law Enforcement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses & Permits	\$220	\$220	\$0
Other Revenues	3,175	3,179	4
Total Revenues	3,395	3,399	4
Expenditures:			
Current:			
Public Safety	2,250	0	2,250
Capital Outlay	8,000	6,748	1,252
Total Expenditures	10,250	6,748	3,502
Net Change in Fund Balance	(6,855)	(3,349)	3,506
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	28,856	28,856	0
Fund Balance End of Year	\$22,001	\$25,507	\$3,506

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, 2015

	Law Enforcement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses & Permits	\$490	\$490	\$0
Total Revenues	490	490	0
Expenditures:			
Current:			
Public Safety	2,000	3,449	(1,449)
Capital Outlay	13,810	8,147	5,663
Total Expenditures	15,810	11,596	4,214
Net Change in Fund Balance	(15,320)	(11,106)	4,214
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	34,468	34,468	0
Fund Balance End of Year	\$19,148	\$23,362	\$4,214

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, 2015

	Cemetery Endowment Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Charges for Services	\$25,100	\$26,094	\$994
Investment Earnings	5,565	5,719	154
Other Revenues	25	26	1
Total Revenues	<u>30,690</u>	<u>31,839</u>	<u>1,149</u>
Expenditures:			
Current:			
Public Health and Welfare	25,850	22,939	2,911
Total Expenditures	<u>25,850</u>	<u>22,939</u>	<u>2,911</u>
Net Change in Fund Balance	4,840	8,900	4,060
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>955,033</u>	<u>955,033</u>	<u>0</u>
Fund Balance End of Year	<u>\$959,873</u>	<u>\$963,933</u>	<u>\$4,060</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, 2015

	Small Business Development R-Loan Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Charges for Services	\$365	\$367	\$2
Investment Earnings	17,215	17,219	4
Other Revenues	58,180	58,182	2
Total Revenues	75,760	75,768	8
Expenditures:			
Current:			
Community Environment	402,248	285,121	117,127
Total Expenditures	402,248	285,121	117,127
Excess of Revenues Over (Under) Expenditures	(326,488)	(209,353)	117,135
Other Financing Sources (Uses):			
Transfers In	56,725	56,729	4
Total Other Financing Sources (Uses)	56,725	56,729	4
Net Change in Fund Balance	(269,763)	(152,624)	117,139
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	351,051	351,051	0
Fund Balance End of Year	\$81,288	\$198,427	\$117,139

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, 2015

	Equitable Sharing Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Other Revenues	\$36,320	\$36,324	\$4
Total Revenues	36,320	36,324	4
Expenditures:			
Current:			
General Government	0	0	(0)
Total Expenditures	0	0	0
Net Change in Fund Balance	36,320	36,324	4
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	\$36,320	\$36,324	\$4

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, 2015

	Bond Retirement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Special Assessments	\$145	\$149	\$4
Total Revenues	145	149	4
Expenditures:			
Current:			
General Government	100	7	93
Debt Service:			
Principal Retirement	739,338	619,277	120,061
Interest and Fiscal Charges	339,316	215,985	123,331
Total Expenditures	1,078,754	835,269	243,485
Excess of Revenues Over (Under) Expenditures	(1,078,609)	(835,120)	243,489
Other Financing Sources (Uses):			
Issuance of Debt	76,935	76,938	3
Transfers In	1,075,000	1,075,000	0
Total Other Financing Sources (Uses)	1,151,935	1,151,938	3
Net Change in Fund Balance	73,326	316,818	243,492
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	68,621	68,621	0
Fund Balance End of Year	\$141,947	\$385,439	\$243,492

NONMAJOR CAPITAL PROJECTS FUNDS

Fund Descriptions

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, 2015

	OPWC Project Fund	Technology Fund	Total Nonmajor Capital Projects Funds
Assets:			
Equity in Pooled Cash and Investments	\$511,850	\$372,006	\$883,856
Restricted Cash	9,958	0	9,958
Receivables (Net):			
Accounts	0	26,426	26,426
Intergovernmental	361,728	0	361,728
Total Assets	883,536	398,432	1,281,968
Liabilities:			
Accounts Payable	22,416	0	22,416
Retainage Payable	9,958	0	9,958
Total Liabilities	32,374	0	32,374
Deferred Inflows of Resources:			
Grants and Other Taxes	361,728	0	361,728
Total Deferred Inflows of Resources	361,728	0	361,728
Fund Balances:			
Restricted	489,434	0	489,434
Assigned	0	398,432	398,432
Total Fund Balances	489,434	398,432	887,866
Total Liabilities, Deferred Inflows and Fund Balances	\$883,536	\$398,432	\$1,281,968

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, 2015

	OPWC Project Fund	Technology Fund	Total Nonmajor Capital Projects Funds
Revenues:			
Intergovernmental	\$350,000	\$0	\$350,000
Fines, Licenses & Permits	0	107,008	107,008
Total Revenues	350,000	107,008	457,008
Expenditures:			
Capital Outlay	579,314	100,752	680,066
Total Expenditures	579,314	100,752	680,066
Net Change in Fund Balance	(229,314)	6,256	(223,058)
Fund Balance - Beginning of Year	718,748	392,176	1,110,924
Fund Balance - End of Year	\$489,434	\$398,432	\$887,866

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, 2015

	OPWC Project Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$350,000	\$350,000	\$0
Total Revenues	350,000	350,000	0
Expenditures:			
Current:			
Capital Outlay	1,034,662	862,513	172,149
Total Expenditures	1,034,662	862,513	172,149
Net Change in Fund Balance	(684,662)	(512,513)	172,149
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	777,980	777,980	0
Fund Balance End of Year	\$93,318	\$265,467	\$172,149

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, 2015

	Technology Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses & Permits	\$108,000	\$108,001	\$1
Total Revenues	108,000	108,001	1
Expenditures:			
Current:			
Capital Outlay	297,754	291,116	6,638
Total Expenditures	297,754	291,116	6,638
Net Change in Fund Balance	(189,754)	(183,115)	6,639
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	364,757	364,757	0
Fund Balance End of Year	\$175,003	\$181,642	\$6,639

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, 2015

	Income Tax Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Income Taxes	\$14,865,140	\$15,117,366	\$252,226
Investment Earnings	55,230	56,563	1,333
Other Revenues	1,615	1,617	2
Total Revenues	14,921,985	15,175,546	253,561
Expenditures:			
Current:			
General Government	1,227,372	735,391	491,981
Capital Outlay	18,898	20,317	(1,419)
Total Expenditures	1,246,270	755,708	490,562
Excess of Revenues Over (Under) Expenditures	13,675,715	14,419,838	744,123
Other Financing Sources (Uses):			
Transfers (Out)	(10,550,000)	(10,550,000)	0
Total Other Financing Sources (Uses)	(10,550,000)	(10,550,000)	0
Net Change in Fund Balance	3,125,715	3,869,838	744,123
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	5,956,726	5,956,726	0
Fund Balance End of Year	\$9,082,441	\$9,826,564	\$744,123

(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, 2015

	Investment Fund For Capital Improvement Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$404,175	\$414,334	\$10,159
Other Revenues	16,810	16,910	100
Total Revenues	420,985	431,244	10,259
Expenditures:			
Current:			
General Government	0	0	0
Total Expenditures	0	0	0
Excess of Revenues Over (Under) Expenditures	420,985	431,244	10,259
Other Financing Sources (Uses):			
Transfers (Out)	(352,500)	(349,623)	2,877
Total Other Financing Sources (Uses)	(352,500)	(349,623)	2,877
Net Change in Fund Balance	68,485	81,621	13,136
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	33,098,464	33,098,464	0
Fund Balance End of Year	\$33,166,949	\$33,180,085	\$13,136

(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, 2015

	Safety - Income Tax Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Income Taxes	\$2,519,440	\$2,519,443	\$3
Total Revenues	<u>2,519,440</u>	<u>2,519,443</u>	<u>3</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>2,519,440</u>	<u>2,519,443</u>	<u>3</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	19,440	19,443	3
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>812,665</u>	<u>812,665</u>	<u>0</u>
Fund Balance End of Year	<u>\$832,105</u>	<u>\$832,108</u>	<u>\$3</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, 2015

	Recreational Programs Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Charges for Services	\$122,550	\$123,481	\$931
Investment Earnings	1,605	1,654	49
Other Revenues	72	76	4
Total Revenues	<u>124,227</u>	<u>125,211</u>	<u>984</u>
Expenditures:			
Current:			
Recreation	149,297	139,696	9,601
Total Expenditures	<u>149,297</u>	<u>139,696</u>	<u>9,601</u>
Net Change in Fund Balance	(25,070)	(14,485)	10,585
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>281,645</u>	<u>281,645</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$256,575</u></u>	<u><u>\$267,160</u></u>	<u><u>\$10,585</u></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, 2015

	Parks and Recreation Improvement Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$495	\$511	\$16
Other Revenues	17,550	24,060	6,510
Total Revenues	18,045	24,571	6,526
Expenditures:			
Current:			
Recreation	10,300	12	10,288
Total Expenditures	10,300	12	10,288
Net Change in Fund Balance	7,745	24,559	16,814
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	76,571	76,571	0
Fund Balance End of Year	\$84,316	\$101,130	\$16,814

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

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NONMAJOR FUNDS

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

Fund Descriptions

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

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

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

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

City of Troy, Ohio
Combining Statement of Net Position
Nonmajor Enterprise Funds
December 31, 2015

	Hobart Arena	Swimming Pool	Parking Meter	Miami Shores
Assets:				
Equity in Pooled Cash and Investments	\$1,130,511	\$115,232	\$70,632	\$121,017
Receivables (Net):				
Accounts	0	3,741	0	0
Interest	0	0	55	95
Total Current Assets	1,130,511	118,973	70,687	121,112
Noncurrent Assets:				
Capital Assets:				
Nondepreciable Capital Assets	622,063	10,450	189,961	46,997
Depreciable Capital Assets, Net	1,341,348	3,060,303	17,500	187,908
Total Assets	3,093,922	3,189,726	278,148	356,017
Deferred Outflows of Resources:				
Pension	52,118	14,887	5,329	37,489
Total Deferred Outflows of Resources	52,118	14,887	5,329	37,489
Liabilities:				
Current Liabilities:				
Accounts Payable	11,115	376	0	973
Accrued Wages and Benefits	21,608	0	2,118	11,678
Compensated Absences	27,477	0	377	10,757
Total Current Liabilities	60,200	376	2,495	23,408
Long-Term Liabilities:				
Compensated Absences	19,349	0	265	7,575
Net Pension Liability	296,776	84,772	30,346	213,477
Total Liabilities	376,325	85,148	33,106	244,460
Deferred Inflows of Resources:				
Pension	5,214	1,489	533	3,750
Total Deferred Inflows of Resources	5,214	1,489	533	3,750
Net Position:				
Net Investment in Capital Assets	1,963,411	3,070,753	207,461	234,905
Unrestricted	801,090	47,223	42,377	(89,609)
Total Net Position	\$2,764,501	\$3,117,976	\$249,838	\$145,296

<u> Total Nonmajor Enterprise Funds </u>
\$1,437,392
3,741 <u>150</u>
<u>1,441,283</u>
869,471 <u>4,607,059</u>
<u>6,917,813</u>
<u>109,823</u>
<u>109,823</u>
12,464 35,404 <u>38,611</u>
<u>86,479</u>
27,189 <u>625,371</u>
<u>739,039</u>
<u>10,986</u>
<u>10,986</u>
5,476,530 <u>801,081</u>
<u><u>\$6,277,611</u></u>

City of Troy, Ohio
Combining Statement of Revenues, Expenses
and Changes in Fund Net Position
Nonmajor Enterprise Funds
For the Fiscal Year Ended December 31, 2015

	Hobart Arena	Swimming Pool	Parking Meter	Miami Shores
Operating Revenues:				
Charges for Services	\$197,014	\$208,640	\$26,097	\$628,574
Other Revenues	697,442	12,166	14,357	18,933
Total Operating Revenues	894,456	220,806	40,454	647,507
Operating Expenses:				
Personal Services	439,652	109,327	47,783	331,211
Contactual Services	224,516	52,194	0	174,548
Materials and Supplies	133,913	65,481	4,981	295,698
Depreciation	136,735	112,949	5,000	47,789
Other Expense	748,860	7,686	4,313	56,270
Total Operating Expenses	1,683,676	347,637	62,077	905,516
Operating Income (Loss)	(789,220)	(126,831)	(21,623)	(258,009)
Non-Operating Revenues (Expenses):				
Investment Earnings	0	0	157	595
Total Non-Operating Revenues (Expenses)	0	0	157	595
Income (Loss) Before Contributions and Transfers	(789,220)	(126,831)	(21,466)	(257,414)
Capital Grants and Contributions	526,163	0	0	0
Transfers In	500,000	0	25,000	250,000
Change in Net Position	236,943	(126,831)	3,534	(7,414)
Net Position - Beginning of Year	2,527,558	3,244,807	246,304	152,710
Net Position - End of Year	\$2,764,501	\$3,117,976	\$249,838	\$145,296

<u>Total Nonmajor Enterprise Funds</u>
\$1,060,325
<u>742,898</u>
1,803,223
927,973
451,258
500,073
302,473
<u>817,129</u>
2,998,906
<u>(1,195,683)</u>
752
<u>752</u>
(1,194,931)
526,163
<u>775,000</u>
106,232
<u>6,171,379</u>
<u>\$6,277,611</u>

City of Troy, Ohio
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Fiscal Year Ended December 31, 2015

	Hobart Arena	Swimming Pool	Parking Meter	Miami Shores
Cash Flows from Operating Activities:				
Cash Received from Customers	\$895,712	\$220,315	\$40,454	\$647,747
Cash Payments to Employees	(440,300)	(110,436)	(45,419)	(338,281)
Cash Payments to Suppliers	(1,115,157)	(125,782)	(9,294)	(528,475)
Net Cash Provided (Used) by Operating Activities	(659,745)	(15,903)	(14,259)	(219,009)
Cash Flows from Noncapital Financing Activities:				
Payments from Other Funds	500,000	0	25,000	250,000
Net Cash Provided (Used) by Noncapital Financing Activities	500,000	0	25,000	250,000
Cash Flows from Investing Activities:				
Earnings on Investments	0	0	129	541
Net Cash Provided (Used) by Cash Flows from Investing Activities	0	0	129	541
Net Increase (Decrease) in Cash and Cash Equivalents	(159,745)	(15,903)	10,870	31,532
Cash and Cash Equivalents - Beginning of Year	1,290,256	131,135	59,762	89,485
Cash and Cash Equivalents - End of Year	1,130,511	115,232	70,632	121,017
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	(789,220)	(126,831)	(21,623)	(258,009)
Adjustments:				
Depreciation	136,735	112,949	5,000	47,789
Changes in Assets & Liabilities:				
(Increase) Decrease in Receivables	1,256	(491)	0	240
(Increase) Decrease in Deferred Outflows of Resources	(15,798)	(4,512)	(1,615)	(11,363)
Increase (Decrease) in Payables	(7,870)	(421)	0	(1,959)
Increase (Decrease) in Accrued Liabilities	3,235	0	2,760	(4,279)
Increase (Decrease) in Deferred Inflows of Resources	5,214	1,489	533	3,750
Increase (Decrease) in Net Pension Liability	6,703	1,914	686	4,822
Net Cash Provided (Used) by Operating Activities	(\$659,745)	(\$15,903)	(\$14,259)	(\$219,009)
Schedule of Noncash Capital Activities:				
During the fiscal year, these amounts were received representing noncash contributions of:				
Capital Assets	\$526,163	\$0	\$0	\$0

<hr/>	
Total Nonmajor Enterprise Funds	
	<hr/>
\$1,804,228	
(934,436)	
(1,778,708)	<hr/>
(908,916)	<hr/>
775,000	<hr/>
775,000	<hr/>
670	<hr/>
670	
(133,246)	
1,570,638	<hr/>
1,437,392	<hr/> <hr/>
(1,195,683)	
302,473	
1,005	
(33,288)	
(10,250)	
1,716	
10,986	
14,125	<hr/>
(\$908,916)	<hr/> <hr/>
\$526,163	<hr/>

NONMAJOR FUNDS

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

Fund Descriptions

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

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

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

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

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

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

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

City of Troy, Ohio
Statement of Changes In Assets and Liabilities
Agency Funds
For the Fiscal Year Ended December 31, 2015

	Stouder Playground			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$15,898	\$92	\$1,997	\$13,993
Receivables (Net):				
Interest	7	11	7	11
Total Assets	<u>15,905</u>	<u>103</u>	<u>2,004</u>	<u>14,004</u>
Liabilities:				
Undistributed Monies	15,905	103	2,004	14,004
Total Liabilities	<u>\$15,905</u>	<u>\$103</u>	<u>\$2,004</u>	<u>\$14,004</u>

	Paul G. Duke			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$11,862	\$100,000	\$0	\$111,862
Receivables (Net):				
Interest	5	88	5	88
Total Assets	<u>11,867</u>	<u>100,088</u>	<u>5</u>	<u>111,950</u>
Liabilities:				
Undistributed Monies	11,867	100,088	5	111,950
Total Liabilities	<u>\$11,867</u>	<u>\$100,088</u>	<u>\$5</u>	<u>\$111,950</u>

	Unclaimed Funds			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$4,314	\$1,147	\$1,008	\$4,453
Total Assets	<u>4,314</u>	<u>1,147</u>	<u>1,008</u>	<u>4,453</u>
Liabilities:				
Undistributed Monies	4,314	1,147	1,008	4,453
Total Liabilities	<u>\$4,314</u>	<u>\$1,147</u>	<u>\$1,008</u>	<u>\$4,453</u>

Continued

City of Troy, Ohio
Statement of Changes In Assets and Liabilities
Agency Funds
For the Fiscal Year Ended December 31, 2015

	Tri-Centennial			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$1,090	\$14	\$0	\$1,104
Total Assets	<u>1,090</u>	<u>14</u>	<u>0</u>	<u>1,104</u>

Liabilities:				
Undistributed Monies	1,090	14	0	1,104
Total Liabilities	<u>\$1,090</u>	<u>\$14</u>	<u>\$0</u>	<u>\$1,104</u>

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

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

	Enterprise Zone			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$515	\$7,750	\$6,500	\$1,765
Total Assets	<u>515</u>	<u>7,750</u>	<u>6,500</u>	<u>1,765</u>

Liabilities:				
Undistributed Monies	515	7,750	6,500	1,765
Total Liabilities	<u>\$515</u>	<u>\$7,750</u>	<u>\$6,500</u>	<u>\$1,765</u>

Continued

City of Troy, Ohio
Statement of Changes In Assets and Liabilities
Agency Funds
For the Fiscal Year Ended December 31, 2015

	Fire Insurance Escrow			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$19,734	\$0	\$11,734	\$8,000
Total Assets	<u>19,734</u>	<u>0</u>	<u>11,734</u>	<u>8,000</u>
Liabilities:				
Undistributed Monies	19,734	0	11,734	8,000
Total Liabilities	<u>\$19,734</u>	<u>\$0</u>	<u>\$11,734</u>	<u>\$8,000</u>

	Total All Agency Funds			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$56,413	\$109,003	\$21,239	\$144,177
Receivables (Net):				
Interest	12	99	12	99
Total Assets	<u>56,425</u>	<u>109,102</u>	<u>21,251</u>	<u>144,276</u>
Liabilities:				
Undistributed Monies	56,425	109,102	21,251	144,276
Total Liabilities	<u>\$56,425</u>	<u>\$109,102</u>	<u>\$21,251</u>	<u>\$144,276</u>

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STATISTICAL SECTION



STATISTICAL SECTION

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

Contents

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

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

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

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

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

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

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

	Calendar Year									
	2006	2007	2008	2009	2010	2011	2012 (1)	2013 (1)	2014 (1)	2015 (1)
Governmental Activities										
Net Investment in Capital Assets	\$28,145,826	\$30,704,516	\$31,419,257	\$34,675,398	\$34,225,459	\$34,639,518	\$32,060,415	\$37,627,539	\$34,945,389	\$46,481,316
Restricted	9,735,905	8,547,364	9,103,361	9,958,828	10,582,438	8,539,110	8,487,756	9,427,534	11,411,958	8,665,294
Unrestricted	36,658,401	38,068,043	40,083,298	39,451,677	41,162,496	45,244,719	51,876,747	48,367,971	35,432,930	41,230,231
Total Governmental Activities Net Position	\$74,540,132	\$77,319,923	\$80,605,916	\$84,085,903	\$85,970,393	\$88,423,347	\$92,424,918	\$95,423,044	\$81,790,277	\$96,376,841
Business-Type Activities										
Net Investment in Capital Assets	\$35,008,503	\$35,452,837	\$35,991,417	\$35,342,051	\$35,915,079	\$36,142,585	\$36,053,061	\$37,306,703	\$45,817,933	\$47,778,554
Unrestricted	17,091,607	16,982,495	15,482,264	13,775,201	13,387,117	13,596,466	14,543,866	14,520,575	12,447,693	13,132,120
Total Business-Type Activities Net Position	\$52,100,110	\$52,435,332	\$51,473,681	\$49,117,252	\$49,302,196	\$49,739,051	\$50,596,927	\$51,827,278	\$58,265,626	\$60,910,674
Total Primary Government										
Net Investment in Capital Assets	\$63,154,329	\$66,157,353	\$67,410,674	\$70,017,449	\$70,140,538	\$70,782,103	\$68,113,476	\$74,934,242	\$80,763,322	\$94,259,870
Restricted	9,735,905	8,547,364	9,103,361	9,958,828	10,582,438	8,539,110	8,487,756	9,427,534	11,411,958	8,665,294
Unrestricted	53,750,008	55,050,538	55,565,562	53,226,878	54,549,613	58,841,185	66,420,613	62,886,546	47,880,623	54,362,351
Total Primary Government Net Position	\$126,640,242	\$129,755,255	\$132,079,597	\$133,203,155	\$135,272,589	\$138,162,398	\$143,021,845	\$147,250,322	\$140,055,903	\$157,287,515

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

Source: City Records

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

	Calendar Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental Activities:										
General Government	\$5,180,111	\$5,345,922	\$5,103,878	\$4,703,316	\$4,582,293	\$4,811,024	\$4,347,195	\$4,886,884	\$4,690,026	\$4,611,175
Public Safety	8,842,678	9,501,076	9,746,678	9,602,958	10,007,502	9,788,994	9,758,352	11,085,786	10,835,093	10,865,508
Leisure Time Activities	1,820,227	1,821,894	1,821,739	1,800,337	1,765,285	1,963,883	1,759,009	1,586,678	1,657,996	1,537,027
Community Development	688,806	959,438	695,455	778,762	1,017,450	969,092	1,071,345	1,132,281	920,312	1,011,689
Basic Utility Service	1,493,639	1,229,838	1,195,413	1,285,995	1,329,668	1,197,495	1,264,386	1,338,126	1,462,403	1,149,146
Transportation and Street Repair	3,681,464	2,473,911	2,206,531	2,181,607	2,404,692	3,955,665	2,278,552	1,662,887	2,166,857	3,127,547
Public Health and Welfare	428,505	533,385	469,365	455,342	378,736	349,444	353,417	312,993	377,222	567,888
Interest and Fiscal Charges	560,291	530,750	512,045	490,667	470,078	453,931	207,620	318,508	301,410	393,785
Bond Issuance Cost	0	0	0	0	0	0	0	0	0	250,357
Total Governmental Activities Expenses	22,695,721	22,396,214	21,751,104	21,298,984	21,955,704	23,489,528	21,039,876	22,324,143	22,411,319	23,514,122
Business-Type Activities:										
Water Utility	4,962,223	4,718,693	5,062,771	4,656,843	4,292,357	4,017,767	4,447,884	4,321,114	4,647,346	5,260,863
Sewer Utility	4,614,815	4,082,607	4,609,529	4,059,903	4,127,389	4,086,762	4,130,725	4,266,132	4,688,542	4,752,848
Arena Facilities	771,549	912,204	1,053,354	1,127,694	1,122,147	1,324,887	1,486,347	1,435,067	1,336,596	1,683,676
Pool	293,478	343,074	343,970	315,939	346,867	359,687	360,881	340,789	356,570	347,637
Parking	44,946	38,354	46,869	45,003	45,670	46,292	47,419	25,920	7,485	62,077
Golf Course	763,612	866,238	785,734	752,247	791,761	820,170	863,678	801,615	851,236	905,516
Stadium Facilities (1)	168,464	173,264	169,517	2,914,173	0	0	0	0	0	0
Stormwater Utility	0	0	209,518	736,277	894,589	925,378	801,990	750,127	1,132,783	1,048,739
Total Business-Type Activities Expenses	11,619,087	11,134,434	12,281,262	14,608,079	11,620,780	11,580,943	12,138,924	11,940,764	13,020,558	14,061,356
Total Primary Government Expenses	\$34,314,808	\$33,530,648	\$34,032,366	\$35,907,063	\$33,576,484	\$35,070,471	\$33,178,800	\$34,264,907	\$35,431,877	\$37,575,478
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	\$109,659	\$141,270	\$133,700	\$245,612	\$238,871	\$209,420	\$184,969	\$277,995	\$230,229	\$280,000
Public Safety	1,103,563	1,123,179	1,259,802	1,335,644	1,275,937	1,476,420	1,436,008	1,435,582	1,548,977	1,680,073
Leisure Time Activities	177,180	181,784	172,565	156,521	163,156	148,126	132,752	120,639	140,193	126,981
Community Development	0	261,874	57,239	88,534	90,623	128,721	133,661	53,024	68,546	864
Basic Utility Service	305,678	618,812	697,232	1,209,115	1,814,395	1,863,435	1,937,636	1,998,963	2,036,694	1,817,212
Transportation and Street Repair	7,922	14,605	34,793	53,888	39,698	45,147	27,430	28,727	8,245	30,151
Public Health and Welfare	220,964	219,022	172,273	204,179	186,317	175,105	257,082	137,154	87,960	222,540
Operating Grants and Contributions	1,247,032	1,180,525	1,323,705	1,930,659	1,454,945	1,140,154	1,077,177	1,539,798	871,085	1,142,413
Capital Grants and Contributions	2,311,020	1,401,939	1,056,487	1,506,391	613,524	1,951,040	405,309	409,844	1,741,471	10,843,935
Total Governmental Activities Program Revenues	5,483,018	5,143,010	4,761,796	6,730,543	5,877,466	7,137,568	5,592,024	6,001,726	6,733,400	16,144,169

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

	Calendar Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Business-Type Activities:										
Charges for Services:										
Water Utility	4,129,742	4,244,932	4,110,581	4,105,433	4,652,239	4,567,748	5,108,969	4,999,136	5,032,906	5,474,879
Sewer Utility	3,414,879	3,332,482	3,355,106	3,220,430	3,390,515	3,463,415	3,639,617	4,123,845	4,231,193	4,421,229
Arena Facilities	80,893	104,661	23,501	114,584	137,692	130,425	124,329	146,322	142,263	197,014
Pool	222,913	223,289	231,798	209,716	242,840	253,765	222,790	202,949	201,438	208,640
Parking	18,085	19,318	21,246	23,265	23,731	23,987	18,074	16,356	9,657	26,097
Golf Course	679,688	690,093	696,368	696,102	666,908	613,956	669,172	620,147	592,073	628,574
Stormwater Utility	0	0	843,823	1,037,004	1,174,156	1,213,311	1,200,532	1,246,514	1,272,132	1,343,885
Operating Grants and Contributions	0	0	0	0	3,158	0	0	13,997	0	0
Capital Grants and Contributions	1,224,803	583,485	400,594	1,869,683	162,542	173,440	277,928	287,130	0	2,760,737
Total business-Type Activities Program Revenues	9,771,003	9,198,260	9,683,017	11,276,217	10,453,781	10,440,047	11,261,411	11,656,396	11,481,662	15,061,055
Total Primary Government Program Revenues	\$15,254,021	\$14,341,270	\$14,444,813	\$18,006,760	\$16,331,247	\$17,577,615	\$16,853,435	\$17,658,122	\$18,215,062	\$31,205,224
Net (Expense)/Revenue	(\$17,212,703)	(\$17,253,204)	(\$16,989,308)	(\$14,568,441)	(\$16,078,238)	(\$16,351,960)	(\$15,447,852)	(\$16,322,417)	(\$15,677,919)	(\$7,369,953)
Governmental Activities	(1,848,084)	(1,936,174)	(2,598,245)	(3,331,862)	(1,166,999)	(1,140,896)	(877,513)	(284,368)	(1,538,896)	999,699
Business-Type Activities	(\$19,060,787)	(\$19,189,378)	(\$19,587,553)	(\$17,900,303)	(\$17,245,237)	(\$17,492,856)	(\$16,325,365)	(\$16,606,785)	(\$17,216,815)	(\$6,370,254)

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

	Calendar Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Income Taxes	\$12,542,400	\$12,882,229	\$13,294,831	\$10,947,510	\$10,942,392	\$14,186,343	\$15,913,230	\$15,973,203	\$19,067,978	\$18,014,295
Property Taxes Levied for:										
General Purposes	2,592,328	1,858,851	1,772,552	1,889,150	1,912,221	1,760,509	1,860,106	1,705,413	1,618,964	1,630,039
Special Revenue Purposes	0	822,177	870,088	1,888,060	1,899,601	47,119	30,929	6,520	32,665	44,947
Grants and Entitlements not Restricted	1,131,293	1,673,098	2,235,974	1,739,288	1,918,673	1,886,775	1,161,462	1,490,142	292,024	890,548
Payments in Lieu of Taxes	0	162,376	186,224	194,775	205,798	208,268	224,299	235,542	248,790	198,388
Unrestricted Contributions	56,900	97,535	50,847	48,268	71,000	95,051	72,989	71,262	57,170	474,088
Investment Earnings	2,160,055	2,826,639	2,115,536	1,035,398	1,192,176	975,686	607,412	(91,481)	1,153,754	526,342
Other Revenues	194,604	285,090	291,351	280,779	330,667	290,969	308,996	616,141	497,275	952,870
Transfers-Internal Activities	(4,340,066)	(575,000)	(542,102)	25,200	(509,800)	(645,806)	(730,000)	(600,391)	(757,733)	(775,000)
Total Governmental Activities	14,337,514	20,032,995	20,275,301	18,048,428	17,962,728	18,804,914	19,449,423	19,406,351	22,210,887	21,956,517
Business-Type Activities:										
Investment Earnings	674,201	848,742	596,975	319,289	207,922	149,260	114,967	7,877	166,647	49,306
Other Revenues	315,215	370,048	497,517	681,344	634,221	782,685	890,422	958,006	947,476	821,043
Transfers-Internal Activities	4,340,066	575,000	542,102	(25,200)	509,800	645,806	730,000	600,391	757,733	775,000
Total Business-Type Activities	5,329,482	1,793,790	1,636,594	975,433	1,351,943	1,577,751	1,735,389	1,566,274	1,871,856	1,645,349
Total Primary Government	\$19,666,996	\$21,826,785	\$21,911,895	\$19,023,861	\$19,314,671	\$20,382,665	\$21,184,812	\$20,972,625	\$24,082,743	\$23,601,866
Changes in Net Position										
Governmental Activities	(\$2,875,189)	\$2,779,791	\$3,285,993	\$3,479,987	\$1,884,490	\$2,452,954	\$4,001,571	\$3,083,934	\$6,532,968	\$14,586,564
Business-Type Activities	3,481,398	(142,384)	(961,651)	(2,356,429)	184,944	436,855	857,876	1,281,906	332,960	2,645,048
Total Primary Government	\$606,209	\$2,637,407	\$2,324,342	\$1,123,558	\$2,069,434	\$2,889,809	\$4,859,447	\$4,365,840	\$6,865,928	\$17,231,612

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									
	2006	2007	2008	2009	2010	2011 (1)	2012	2013	2014	2015
General Fund										
Reserved	\$189,868	\$223,214	\$378,809	\$431,345	\$356,805					
Unreserved	36,832,346	38,220,243	40,269,770	42,053,913	43,868,112	\$1,573,675	\$1,177,323	\$991,248	\$794,501	\$832,108
Restricted						0	0	32,981,626	33,508,812	33,180,085
Committed						212,633	530,678	456,887	1,939,443	2,437,037
Assigned						46,268,525	50,053,558	17,838,673	16,808,887	20,395,160
Unassigned										
Total General Fund	37,022,214	38,443,457	40,648,579	42,485,258	44,224,917	48,054,833	51,761,559	52,268,434	53,051,643	56,844,390
All Other Governmental Funds										
Reserved	3,611,392	2,371,022	2,144,285	3,034,723	3,827,372					
Unreserved, Reported in:										
Special Revenue Funds	4,192,666	4,202,902	5,272,144	5,243,384	5,341,963					
Debt Service Funds	191,004	110,261	160,154	232,506	274,612					
Capital Project Funds	366,197	760,315	649,451	733,014	561,516					
Restricted						7,761,596	7,931,844	8,557,723	10,132,288	14,353,118
Assigned						283,564	404,431	461,157	460,950	783,657
Unassigned						0	(1,428,095)	(1,310,578)	(1,159,095)	(1,105,362)
Total all Other Governmental Funds	\$8,361,259	\$7,444,500	\$8,226,034	\$9,243,627	\$10,005,463	\$8,045,160	\$6,908,180	\$7,708,302	\$9,434,143	\$14,031,413

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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Taxes	\$15,141,702	\$15,556,609	\$15,951,626	\$14,703,665	\$14,748,543	\$15,993,488	\$17,807,971	\$17,685,933	\$18,003,217	\$19,424,788
Fines, Licenses and Permits	113,676	110,183	123,486	117,596	93,858	93,590	89,644	74,149	415,384	362,907
Charges for Services	1,577,227	2,251,504	2,202,251	2,926,793	3,509,000	3,745,558	3,769,716	3,991,137	3,777,696	4,079,231
Investment Earnings	2,160,056	2,826,639	2,115,536	1,035,398	1,192,176	975,686	607,413	(84,471)	1,153,755	526,342
Intergovernmental	3,560,341	3,125,811	4,150,674	4,435,499	3,853,125	4,242,916	2,511,480	2,939,465	2,399,866	3,032,459
Special Assessments	261,521	239,099	227,058	298,786	123,178	80,669	41,495	51,702	91,946	55,570
Revenue in Lieu of Taxes	0	162,376	186,224	194,775	205,798	208,268	224,299	235,542	248,790	198,388
Other Revenues	418,722	525,371	491,651	493,893	532,065	575,152	521,905	699,986	538,199	1,032,024
Total Revenues	23,233,245	24,797,592	25,448,506	24,206,405	24,257,743	25,915,327	25,573,923	25,593,443	26,628,853	28,711,709
Expenditures										
Current:										
General Government	4,332,665	4,772,246	4,676,746	4,159,322	4,044,847	4,394,047	3,920,295	4,358,675	4,313,792	4,156,432
Public Safety	8,396,677	9,234,356	9,245,869	9,140,317	9,478,312	9,553,157	9,372,255	10,530,314	10,217,092	10,219,901
Leisure Time Activities	1,400,691	1,546,806	1,516,300	1,508,342	1,470,324	1,682,768	1,568,078	1,307,669	1,409,945	1,401,449
Community Development	645,149	918,513	660,303	721,362	984,252	943,809	1,022,148	1,083,725	914,865	947,345
Basic Utility Service	1,264,828	1,224,791	1,146,691	1,225,369	1,099,540	1,062,114	1,109,850	1,158,762	1,408,069	1,100,215
Transportation and Street Repair	1,949,294	2,263,423	1,994,218	1,834,053	2,077,805	2,893,547	1,545,172	1,513,367	1,474,539	1,483,514
Public Health and Welfare	426,129	494,383	433,203	432,254	428,737	361,014	360,495	332,317	377,198	368,056
Capital Outlay	4,876,998	2,196,944	1,424,698	887,499	743,293	1,662,805	975,032	2,331,832	2,426,089	7,996,747
Debt Service:										
Principal Retirement	634,000	534,000	554,000	510,000	485,000	495,000	604,826	587,388	609,875	619,278
Interest and Fiscal Charges	562,698	532,646	514,124	492,630	471,922	459,813	254,132	265,211	248,373	312,359
Bond Issuance Costs	0	0	0	0	0	38,355	54,565	0	0	250,357
Total Expenditures	\$24,489,129	\$23,718,108	\$22,166,152	\$20,911,148	\$21,284,032	\$23,546,429	\$20,786,848	\$23,469,260	\$23,399,837	\$28,855,653

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

	Calendar Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Excess of revenues over (under) expenditures	(\$1,255,884)	\$1,079,484	\$3,282,354	\$3,295,257	\$2,973,711	\$2,368,898	\$4,787,075	\$2,124,183	\$3,229,016	(\$143,944)
Other Financing Sources (Uses)										
Issuance of Long-Term Capital-Related Debt	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,000,000
Premium of Issuance	0	0	0	0	0	0	0	0	0	251,938
Sale of Refunding Bonds	0	0	0	0	0	\$2,005,000	\$5,031,625	0	0	0
Payments to Refunded Bond Escrow Agent	0	0	0	0	0	(1,955,639)	(4,994,725)	0	0	0
Premium on Sale of Refunded Bonds	0	0	0	0	0	13,541	71,287	0	0	0
(Discourt) on Sale of Refunded Bonds	0	0	0	0	0	(20,050)	(50,319)	0	0	0
Proceeds from Sale of Capital Assets	0	0	204,302	18,615	57,784	12,863	64,803	179,210	37,767	57,023
Transfers In	3,465,000	4,511,874	2,465,589	3,804,704	4,587,000	3,068,270	2,626,819	3,688,623	4,392,814	2,421,729
Transfers (Out)	(3,795,000)	(5,086,874)	(2,965,589)	(4,264,304)	(5,117,000)	(3,623,270)	(3,356,819)	(4,685,019)	(5,150,547)	(3,196,729)
Total Other Financing Sources (Uses)	(330,000)	(575,000)	(295,698)	(440,985)	(472,216)	(499,285)	(607,329)	(817,186)	(719,966)	8,533,961
Net Change in Fund Balances	(\$1,585,884)	\$504,484	\$2,986,656	\$2,854,272	\$2,501,495	\$1,869,613	\$4,179,746	\$1,306,997	\$2,509,050	\$8,390,017
Debt service as a percentage of noncapital expenditures (1)	5.8%	5.3%	5.2%	5.3%	4.7%	4.3%	4.3%	4.2%	4.0%	6.9%

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				
2006	\$427,342,540	\$119,988,710	\$11,197,820	\$558,529,070	\$1,595,797,343	3.10	1.10			
2007	432,828,960	82,696,590	11,374,070	526,899,620	1,505,427,486	3.10	1.10			
2008	476,759,560	48,088,660	9,799,060	534,647,280	1,527,563,657	3.10	1.10			
2009	485,838,200	24,111,720	10,003,980	519,953,900	1,485,582,571	3.10	1.10			
2010	496,671,020	790,250	9,929,350	507,390,620	1,449,687,486	3.10	1.10			
2011	489,082,260	382,320	10,409,340	499,873,920	1,428,211,200	3.10	1.10			
2012	491,652,910	0	10,786,650	502,439,560	1,435,541,600	3.10	1.10			
2013	497,566,570	0	13,116,620	510,683,190	1,459,094,829	3.10	1.10			
2014	471,863,070	0	12,778,280	484,641,350	1,384,689,571	3.10	1.10			
2015	479,708,290	0	13,442,150	493,150,440	1,409,001,257	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.

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)	
2006	3.10	0.14	56.59	5.45	9.12	N/A	
2007	3.10	0.14	56.59	5.45	8.81	N/A	
2008	3.10	0.14	52.09	5.35	8.80	N/A	
2009	3.10	0.14	52.09	5.18	8.81	N/A	
2010	3.10	0.14	52.28	5.36	8.81	0.60	
2011	3.10	0.09	52.40	5.32	8.81	0.60	
2012	3.10	0.07	52.61	5.32	8.81	0.60	
2013	3.10	0.00	52.66	5.30	8.75	0.60	
2014	3.10	0.07	52.69	5.32	8.81	0.60	
2015	3.10	0.09	62.69	5.30	8.81	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)
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	0.07	46.59	2.58	8.75	0.60
2014	1.10	0.07	46.30	2.58	8.81	0.60
2015	1.10	0.09	46.18	2.58	8.81	0.60

Source: County Auditor

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

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

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

Taxpayer	2015	
	Assessed Value	Percentage of Total Assessed Value
Dayton Power and Light Company	\$9,324,420	1.89%
American Honda Motor	6,955,690	1.41%
Vectren Energy Delivery of Ohio Inc.	4,794,600	0.97%
F&P America Manufacturing, Inc.	4,213,000	0.85%
Hobart Corporation	3,145,370	0.64%
Health Care Reit Inc.	3,125,050	0.63%
Dayton Montgomery County Port Authority	2,948,340	0.60%
TPAP IV Town Park Delaware LLC	2,894,300	0.59%
Troy Investment Group LLC	2,609,330	0.53%
Ramco Properties Associates LP	2,402,720	0.49%
Total Principal Property Tax Payers	\$42,412,820	8.60%

Taxpayer	2007 (1)	
	Assessed Value	Percentage of Total Assessed Value
Dayton Power and Light Company	\$7,344,570	1.39%
American Honda Motor	6,408,920	1.22%
Towne Park Apartments, LLC	5,175,530	0.98%
Hobart Corporation	4,103,930	0.78%
DW28 Mornoe, LLC	3,655,150	0.69%
Meijer Stores Limited	2,707,220	0.51%
Ramco Properties	2,511,080	0.48%
Vectren Energy Delivery	2,497,620	0.47%
Health Care REIT, Inc.	2,471,960	0.47%
Lowes Home Centers, Inc.	2,392,330	0.45%
Total Principal Property Tax Payers	\$39,268,310	7.44%

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

Source: County Auditor

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

Calendar Year	Taxes Levied for the Calendar Year (2)	Collected, including Delinquencies, within the Calendar Year of the Levy		Accumulated Delinquency (1)	Total Collections to Date	
		Amount (3)	Percentage of Levy		Amount	Percentage of Levy
2006	\$1,492,952	\$1,440,079	96.46%	\$52,873	\$1,492,952	100.00%
2007	1,558,388	1,499,522	96.22%	58,866	1,558,388	100.00%
2008	1,716,982	1,640,749	95.56%	76,233	1,716,982	100.00%
2009	1,757,384	1,690,146	96.17%	67,238	1,757,384	100.00%
2010	1,792,808	1,732,453	96.63%	41,410	1,773,863	98.94%
2011 (4)	1,731,500	1,680,088	97.03%	51,412	1,731,500	100.00%
2012 (5)	1,728,675	1,684,400	97.44%	44,275	1,728,675	100.00%
2013 (5)	1,714,325	1,677,487	97.85%	36,838	1,714,325	100.00%
2014 (5)	1,679,317	1,646,258	98.03%	33,059	1,679,317	100.00%
2015 (5)	1,738,440	1,714,882	98.64%	23,558	1,738,440	100.00%

Source: County Auditor

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

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

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

(4) - Includes City of Troy TIF Parcels.

(5) - No tangible personal property included.

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

Calendar Year	Withholding Accounts	Business Accounts	Residential Accounts	Total	Income Tax Rate
2006	\$10,063,324	\$2,417,595	\$774,027	\$13,254,946	1.75%
2007	10,516,937	2,183,885	764,159	13,464,981	1.75%
2008	11,075,668	1,963,644	1,071,371	14,110,683	1.75%
2009	10,245,095	1,251,838	1,258,095	12,755,028	1.75%
2010	10,334,799	1,257,584	1,171,897	12,764,280	1.75%
2011	10,941,314	1,943,457	1,301,572	14,186,343	1.75%
2012	11,947,402	2,598,675	1,361,993	15,908,070	1.75%
2013	12,055,419	2,728,488	1,413,919	16,197,826	1.75%
2014	12,427,660	2,510,592	1,311,989	16,250,241	1.75%
2015	12,936,325	3,226,982	1,473,099	17,636,406	1.75%

Source: City Records

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

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

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

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

Calendar Year	Governmental Activities			Business-Type Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Special Assessment Bonds	General Obligation Bonds	Notes Payable	OWDA Loan	Total				
2006 (1)	\$9,775,000	\$198,000	\$17,235,000	\$0	\$0	\$27,208,000	0.84%	\$848		
2007 (1)	9,330,000	134,000	15,845,000	50,864	0	25,359,864	0.76%	764		
2008 (1)	8,865,000	70,000	14,425,000	36,396	0	23,396,396	0.66%	668		
2009 (1)	8,435,000	20,000	12,920,000	21,264	712,670	22,108,934	0.64%	656		
2010 (1)	7,990,000	10,000	11,345,000	5,438	685,987	20,036,425	0.56%	572		
2011 (1)	7,577,852	0	9,728,362	0	419,940	17,726,154	0.47%	479		
2012	6,988,195	0	8,268,045	0	408,452	15,664,692	0.39%	400		
2013	7,021,913	0	7,008,695	0	388,719	14,419,327	0.35%	357		
2014	6,410,882	0	12,044,721	0	382,825	18,838,428	0.45%	467		
2015	15,042,386	0	10,325,194	0	361,778	25,729,358	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
2006	\$27,010,000	\$0	\$27,010,000	1.69%	\$1,228
2007	25,175,000	0	25,175,000	1.67%	1,144
2008	23,290,000	0	23,290,000	1.52%	1,059
2009	21,355,000	0	21,355,000	1.44%	971
2010	19,335,000	0	19,335,000	1.33%	772
2011	17,306,214	0	17,306,214	1.21%	691
2012	15,256,240	0	15,256,240	1.06%	609
2013	14,030,608	0	14,030,608	0.96%	560
2014	18,455,603	0	18,455,603	1.33%	737
2015	25,367,580	0	25,367,580	1.80%	1,012

(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, 2015
 Schedule 13

Governmental Unit	Net Debt Outstanding	Estimated Percentage Applicable (1)	Amount Applicable to City of Troy
Miami County	\$18,585,000	23.15%	\$4,302,428
Troy City School District	14,474,990	74.04%	10,717,283
Miami East Local School District	14,547,496	8.67%	1,261,268
Miami Valley Career Center Joint Vocational School District	5,867,994	0.27%	15,844
Upper Valley Career Center Joint Vocational School District	2,580,000	20.04%	517,032
Subtotal Overlapping Debt	56,055,480		16,813,855
City of Troy - Direct Debt	15,042,386	100.00%	15,042,386
Total Direct and Overlapping Debt	\$71,097,866		\$31,856,241

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 2015

Assessed Value	\$493,150,440	\$493,150,440
Statutory Legal Debt Limitation (1)	10.5%	5.5%
Total Debt Limitation	51,780,796	27,123,274
Debt Applicable to Limit:		
Gross Indebtedness	25,729,358	25,729,358
Less: Debt Outside Limitations (2)	10,686,972	10,686,972
Less: Bond Retirement Fund Balance	0	0
Total Net Debt Applicable to Limit	15,042,386	15,042,386
Legal Debt Margin	\$36,738,410	\$12,080,888

	Calendar Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Total Debt Limit (1)										
Debt Limit (10.5%)	\$58,645,552	\$55,324,460	\$56,137,964	\$54,595,160	\$53,276,015	\$52,486,762	\$52,756,154	\$53,621,735	\$50,887,342	\$51,780,796
Total Net Debt Applicable to Limit	11,190,031	10,900,046	10,551,194	10,797,038	10,315,987	9,187,852	6,988,195	7,021,913	6,410,882	15,042,386
Legal Debt Margin	\$47,455,521	\$44,424,414	\$45,586,770	\$43,798,122	\$42,960,028	\$43,298,910	\$45,767,959	\$46,599,822	\$44,476,460	\$36,738,410
Total Net Debt Applicable to the Limit										
as a Percentage of Debt Limit	19.1%	19.7%	18.8%	19.8%	19.4%	17.5%	13.2%	13.1%	12.6%	29.1%

	Calendar Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2014
Total Unvoted Debt Limit (1)										
Debt Limit (5.5%)	\$30,719,099	\$28,979,479	\$29,405,600	\$28,597,465	\$27,906,484	\$27,493,066	\$27,634,176	\$28,087,575	\$26,655,274	\$27,123,274
Total Net Debt Applicable to Limit	11,190,031	10,900,046	10,551,194	10,797,038	10,315,987	9,187,852	6,988,195	7,021,913	6,410,882	15,042,386
Legal Debt Margin	\$19,529,068	\$18,079,433	\$18,854,406	\$17,800,427	\$17,590,497	\$18,305,214	\$20,645,981	\$21,065,662	\$20,244,392	\$12,080,888
Total Net Debt Applicable to the Limit										
as a Percentage of Debt Limit	36.4%	37.6%	35.9%	37.8%	37.0%	33.4%	25.3%	25.0%	24.1%	55.5%

Source: City Records

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

(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	
2006	215,779	198,000	17,628	1.00
2007	241,912	134,000	14,748	1.63
2008	242,672	70,000	5,915	3.20
2009	274,568	20,000	1,495	12.77
2010	130,503	10,000	995	11.87
2011	89,812	0	0	0.00
2012	48,150	0	0	0.00
2013	56,277	0	0	0.00
2014	47,724	0	0	0.00
2015	74,260	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)
2006	21,999	\$3,240,388	\$32,097	5.70%
2007	21,999	3,347,023	33,189	5.40%
2008	21,999	3,539,795	35,003	7.00%
2009	21,999	3,455,094	33,700	12.20%
2010	25,058	3,592,525	35,052	9.60%
2011	25,058	3,807,886	37,021	7.50%
2012	25,058	4,037,971	39,181	6.10%
2013	25,058	4,178,641	40,397	7.00%
2014	25,058	4,187,325	40,301	4.30%
2015	25,058	N/A	N/A	4.40%

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

N/A - Information not available

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

2015			
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)

2009			
Major Employers (3)	Type	Number of Employees	Employer's Percentage of Total Population
A.O. Smith Corp.	Mfg	(4)	(5)
Crane Co.	Mfg	(4)	(5)
Evenflo Company, Inc.	Mfg	(4)	(5)
Faurecia SA	Mfg	(4)	(5)
F-Tech, Inc./F&P America	Mfg	(4)	(5)
Goodrich Corp.	Mfg	(4)	(5)
Illinois Tool Works, Inc./Hobart	Mfg	(4)	(5)
Jackson Tube Service	Mfg	(4)	(5)
Meijer, Inc.	Ret	(4)	(5)
Troy City Board of Education	Govt	(4)	(5)
Upper Valley Medical Center	Health	(4)	(5)

Source: Ohio Department of Development

(1) - For all of Miami County

(2) - Only current year and six years ago information available. Information for nine years ago not available.

(3) - Includes at minimum the ten largest employers for the county. In alphabetical order only.

(4) - The number of employees of each listed major employer was not available.

(5) - The employer's percentage of total employment for each major employer was not available.

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

Function/Program	Full-Time Equivalent Employees as of December 31									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Information Systems	0	0	3	2	2	2	2	3	3	3
General Government	1	1	0	0	0	0	0	0	0	0
Council	1	1	1	1	1	1	1	1	1	1
Mayor	1	1	1	1	1	1	1	1	1	1
Audit	4	4	4	4	4	4	4	4	3	4
Law	2	2	2	2	2	2	2	2	2	2
Service	4	4	4	4	4	4	4	4	4	4
Human Resources	2	2	2	2	2	2	2	2	2	2
Fire	40	39	41	41	40	38	35	39	39	39
Police	46	45	46	46	44	40	39	39	41	40
Parks	8	9	9	8	8	7	7	6	7	7
Recreation	4	4	4	4	3	3	3	3	3	3
Electric	3	3	3	3	3	3	3	3	3	3
Development	7	6	5	2	2	2	2	2	2	2
Street	17	17	16	16	15	14	13	12	13	13
Tax	4	4	5	5	4	4	5	5	6	6
Cemetery	4	4	4	4	3	2	2	2	2	2
Refuse	6	6	4	3	4	2	2	2	2	2
Hobart Arena	5	5	5	5	5	5	5	5	5	6
Water Administration	5	5	2	2	2	2	2	0	0	0
Water Plant	10	9	9	9	9	9	8	9	8	9
Water Distribution	8	8	7	5	5	5	5	5	4	5
Sewer B&C	5	4	3	2	2	2	2	3	2	2
Sewer Plant	12	11	11	11	10	10	9	9	8	8
Sewer Maintenance	3	2	4	5	5	5	5	5	5	5
Parking	0	1	1	1	1	1	1	0	1	1
Miami Shores	5	5	5	5	5	5	5	5	5	4
Engineering	7	6	6	8	8	8	7	10	9	10
Total	214	208	207	201	194	183	176	181	181	184

Source: Various City Departments

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

Function/Program	Calendar Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General government										
Commercial Construction										
Building permits issued	30	97	150	133	138	108	173	131	142	178
Value	\$31,502,490	\$42,270,987	\$25,002,977	\$28,976,372	\$8,792,068	\$18,425,170	\$20,858,627	\$16,785,655	\$12,395,774	\$13,551,130
Residential Construction (5)										
Building permits issued	270	136	77	74	49	47	48	49	67	54
Value	\$33,012,180	\$28,394,390	\$16,160,962	\$15,184,126	\$8,315,391	\$10,762,366	\$12,745,948	\$13,341,957	\$16,077,815	\$14,675,067
Police department										
Physical arrests	2,885	3,073	2,959	2,688	2,724	2,577	2,169	2,195	2,119	1,916
Parking violations (3)	2,877	2,867	2,592	3,074	3,093	2,490	2,152	1,501	521	1,865
Traffic violations	0	0	0	0	0	0	0	2,530	2,478	2,178
Fire department										
Fire responses	1,249	1,181	1,371	1,480	1,266	1,439	1,560	1,575	1,636	1,574
EMS responses	3,472	3,536	3,625	3,646	3,725	3,966	4,019	4,064	4,387	4,816
Fires extinguished	134	104	106	88	132	111	108	107	49	52
Inspections	1,030	718	682	418	700	700	851	861	688	979
Refuse collection department										
Refuse collected (tons)	6,542	6,584	6,484	5,611	5,191	5,265	5,184	6,213	6,177	6,335
Recyclables collected (tons)	1,750	1,840	1,864	1,473	1,640	1,659	1,704	1,706	1,647	1,765
Other public works departments										
Street resurfacing (cubic yards) (1)	4,500	2,483	2,486	344	4,182	0	2,353	3,446	3,406	4,925
Parks and recreation department										
Community Center Admissions (2)	\$95,622	\$88,035	\$87,087	\$89,711	\$75,510	\$99,581	\$88,341	\$73,317	\$72,968	\$82,146
Community Center Attendance	46,775	43,476	40,493	41,983	35,269	40,325	33,812	31,160	29,009	28,420
Water department										
New connections (each)	154	132	63	129	62	15	36	48	43	65
Water main breaks (each)	23	26	33	29	45	38	10	20	26	31
Average daily consumption (millions of gallon per day)	5.00	4.10	4.16	3.97	3.85	3.94	4.22	4.00	3.68	3.56
Peak daily consumption (millions of gallon per day)	7.4	5.4	5.8	5.6	5.7	5.8	8.1	5.6	5.3	4.8
Wastewater department										
Average daily sewage treatment (millions of gallon per day)	5.96	5.73	5.79	5.51	4.85	4.43	4.55	5.08	5.60	5.03

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

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

(5) - Represents residential dwellings only

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

Function/Program	Calendar Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	8	8	9	10	11	11	11	11	11	11
Fire Stations	3	3	3	3	3	3	3	3	3	3
Other Public Works										
Area of City (square miles)	12.167	12.345	12.345	12.345	12.345	12.345	12.345	12.345	12.345	11.800
Streets (miles)	110.50	111.84	111.96	112.59	112.75	112.75	113.04	113.04	128.00	132.07
Streetlights	2,579	2,601	2,615	2,622	2,624	2,624	2,568	2,568	2,598	25,987
Traffic signals	42	43	43	43	43	43	43	44	44	44
Parks and Recreation										
Number of Parks	26	26	25	25	25	25	25	25	25	25
Acreeage	303.90	303.90	303.40	303.40	303.00	303.00	303.00	303.00	321.00	321.00
Playgrounds	18	18	17	17	17	17	17	17	17	17
Baseball/Softball Diamonds	15	15	15	15	15	15	15	15	15	15
Soccer/Football Fields	14	14	14	14	15	15	15	15	15	15
Community Centers										
Kings Chapel Community Center	1	1	1	1	1	1	1	1	1	1
Troy Aquatic Park	1	1	1	1	1	1	1	1	1	1
Senior Citizen Center	0	0	0	0	0	0	0	0	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)	134.92	136.44	136.92	137.78	138.39	139.65	139.94	139.96	155.83	157.16
Fire hydrants	1,322	1,244	1,254	1,268	1,278	1,284	1,292	1,288	1,373	1,356
Sewers										
Treatment Capacity (millions of gallons per day)	7	7	7	7	7	7	7	7	7	7
Storm Sewers (miles)	76.39	78.67	79.42	80.29	80.52	81.00	81.29	81.18	124.51	127.55
Sanitary Sewers (miles)	125.01	126.22	126.54	127.25	127.88	127.95	128.24	128.24	126.85	127.29
Hobart Arena										
Attendance	15,103	13,664	30,153	24,347	27,251	24,963	28,442	26,181	21,159	23,325
Ticket Sold (1)	8,415	7,901	13,547	16,194	20,110	20,844	24,068	22,032	20,168	22,690

Source: Various City Departments

(1) - Tickets sold by Hobart Arena only

(2) - Information was not available from the City

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CITY OF TROY, OHIO



Yellow Book Report

December 31, 2015

PLATTENBURG
Certified Public Accountants

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

Honorable Mayor, City Council and City Manager
City of Troy

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Troy (the City), as of and for the year ended December 31, 2015, 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 23, 2016, wherein we noted the City adopted GASB No. 68 and 71 as disclosed in Note 17.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.

Dayton, Ohio

June 23, 2016



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
AUGUST 9, 2016