

CITY OF TROY, OHIO



Yellow Book Report

December 31, 2018

PLATTENBURG
Certified Public Accountants

OHIO AUDITOR OF STATE
KEITH FABER



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City Council
City of Troy
100 S. Market St
Troy, OH 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, 2018 through December 31, 2018. 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 cursive script that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

August 1, 2019

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

Honorable Mayor and City Council
City of Troy

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Troy (the City), as of and for the year ended December 31, 2018, 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 28, 2019, wherein we noted the City adopted GASB No. 75 as disclosed in Note 18.

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 28, 2019

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City of Troy, Ohio

Comprehensive Annual Financial Report

Make it yours.

TROY
OHIO



For the Fiscal Year Ended
December 31, 2018

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CITY OF TROY, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

PREPARED BY:
JOHN E. Frigge, CITY AUDITOR

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INTRODUCTORY SECTION

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June 28, 2019

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, 2018 is submitted herewith. The Auditor's Office prepared the report. The responsibility for both the accuracy of the presented data and the completeness and the fairness of the presentation, including all disclosures, rests with the City of Troy, specifically with the Auditor's Office. We believe that the enclosed data is accurate in all material respects; and is presented in a manner designed to fairly set forth the financial payroll - bank statement and reconciliation as December 31, 2018 position and results of operations of the various funds of the City. We further believe that all disclosures necessary to enable the reader to gain an understanding of the City's financial activity have been included.

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

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

CITY OVERVIEW

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

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



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

ECONOMIC CONDITIONS AND OUTLOOK

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

The Miami Shores Golf Course Club House renovation is to be completed and the new Kettering Health Network Troy Hospital is to open. The first project involves the almost complete rebuilding of a City facility, and we will seek ways to attract not only golfers but others who can use a larger and updated restaurant/event area. The second project, the KHN Troy Hospital, has been a major economic development project that will provide even more medical options for residents. Some of the other highlights and projects are as follows:

Economic Development

- Working with the Activate Troy Partnership (ATP) members to continue to implement the goals and recommendations related to the downtown and riverfront redevelopment.
- Looking for additions to the wayfinding program, directing visitors to historic downtown from our borders as well as along our recreational trail system.
- Evaluating and scheduling Treasure Island Park events that will appeal to community demographics and provide a connectivity to the river corridor area and the downtown.
- Continuing partnerships with Troy Main Street, Troy Chamber of Commerce, Troy Development Council;
- Updating the Comprehensive Plan to incorporate the Troy Complete Streets Policy and Downtown Riverfront Strategic Development Study.
- Seeing the rehab of the North Market Street/Sherwood Shopping Center commercial area.

Recreation/Parks

- Working with the Recreation Board and Board of Park Commissioners in assessing opportunities to enhance recreational and park programming and in coordinating the work of staff to enhance both the Bravo Room and The Shoreline (restaurant/event area at the Miami Shores Golf Course Club House).
- Assessing the use of the new Miami Shores Golf Course driving range.
- Finalizing the design and commencing the construction of a public restroom facility at Prouty Plaza.
- Continuing to assess buildings and the needs of the functions they address, including the Park Maintenance Facility, Lincoln Community Center, and the Senior Citizens Center.
- Completion of the reconstruction of the Hobart Arena Parking Lot, which will also address stormwater management for the site and provide longer life-cycle of the paving.
- Continuing the multi-phase update to the Parks Master Plan, last updated in 1990.

Utilities/Operations

- Continuing to replace and update water mains that are aging and undersized and to reline sewers to extend their life-cycles.
- Conducting the next phase of sidewalk improvement program in the southeast area.
- Coordinating the annual road repaving project, including resurfacing of sections of ten or more sections of roads.
- Constructing the Riverside Drive Improvement Project and Phase IV of the McKaig Road Improvement Project with the construction of the roundabout at the McKaig Road/N. Dorset Road intersections, and designing Phase III of the Riverside Drive Improvement Project – all of which are partially funded by the Ohio Public Works Commission.
- Engineering Phases 1 and 2 of the West Main Street Corridor Improvement Project.
- Facilitating the growing number of outdoor concerts and other events (including Tour De Donut) to assist partners such as Troy Main Street, Troy Hayner Cultural Center, The Troy Foundation, the Mayor’s Concert Committee, and the Festival of Nations Committee in providing events and activities for citizens of all ages.
- Updating the 5-year City-wide Capital Improvement Plan for all funds.
- Continuing to provide our citizens with professional and well-trained safety departments and forces.
- Continuing to look at operating efficiencies, reorganizations, and work consolidations, and the elimination of operational redundancy for greater efficiency and cost effectiveness.
- Fire Station 1.
- Fire and Police Recruiting.
- Implementing the Fire Department apprentice program.

HIGHLIGHTS AND ACCOMPLISHMENTS THROUGHOUT THE YEAR

Investments in Businesses for retention, growth, expansion and reuse

- Construction projects during the year included AAA Tire and Auto Service, Partners in Hope, Greenville National Bank, Shell Gas Station.
- Additions and renovations to existing buildings including the Sherwood Shopping Center, WACO Aviation Learning Center, Hawk Homes, Arby’s, Sunoco, Speedway, Canyon Run Engineering Technologies, EcoTec, and Dayton Children’s Hospital.
- Troy continues to be attractive to small businesses in Downtown and all-around town, including Lunch at 4 Main, Grandpa Joe’s Candy Shop, Michelle’s Macarons, Portrait Creations, Be You Boutique, Special Occasions Party Supply, Buffalo Pacific, Omni Wellness Group along with several business offices, retail shops, and beauty salons.

Residential Construction

- Edgewater is almost completed.
- Halifax has new sections of roads being built (first section is completed).
- Stonebridge Meadows is preparing to begin its last phase of road construction.
- Nottingham is on its final section of roads being built and all lots have been sold.
- Fox Harbor has new roads being built along with new housing starting to be built.

Manufacturing Continues to be the Mainstay of the Troy Economy

- Troy has 14 industrial operations for international companies. The parent companies for these operations are headquartered in Sweden, France, Germany, Italy, and Japan.

- A major \$70,000,000 expansion project beginning for Conagra Brands to manufacture "Duke's" meat snacks.
- Additional expansions completed at Clopay, F&P America, and Remedi Senior Care.
- UTC Aerospace became Collins Aerospace through mergers.
- Troy's top 6 employers are:
 1. Clopay Building Products, 1,250 Employees.
 2. F&P America MFG., 1,100 Employees.
 3. Collins Aerospace, 800 Employees.
 4. ConAgra Foods, 750 Employees.
 5. American Honda Motor Co., 650 Employees.
 6. ITW Hobart Brothers Co., 550 Employees.

Water Quality

- We continue to provide citizens with high quality water.
- We live on top of one of the world's most prolific aquifers.
- Troy's strict monitoring exceeds the requirements of OEPA in both the quality of water and the daily testing requirement.

Recreation

- We continue to achieve Tree City USA status.
- The Hobart Arena continues to offer expanded programming with a variety of events and activities, both recreational and cultural.
- Branding and wayfinding initiatives are being implemented for the downtown/riverfront area.
- We maintain Bronze status as a Bicycle Friendly Community status.

Cultural

- We continue the successful student-exchange program with our Sister City, Takahashi City, Japan.
- Free concerts are held at Prouty Plaza and Treasure Island, made possible with generous donations by many people and organizations.
- We celebrated our community and diversity with the 25th Annual Festival of Nations.
- The Troy Civic Band has its home at the Treasure Island Amphitheatre.

A City of Volunteers

- Operation Cloverleaf.
- Troy Strawberry Festival.
- Sculptures on the Square.
- Neighborhood National Night Out events.
- Festival of Nations.
- Grand Illumination/Tree Lighting Celebration.
- Downtown events: Donut Jam Music Festival, Final Friday Events, Paint the Town Pink, Tour de Donut, Be the Match, and Farmers Market.
- Mayor's Concert Committee.
- The King Team.
- July 4th Parade Committee.

Recognized Observances

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

OTHER INFORMATION ABOUT THE CITY

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

In the summer of 2016 the City ended the program that had existed with the Upper Valley Medical Center since 2002, and presented a new Wellness Program that is provided as part of the City's Group Health Insurance Program through the Ohio Benefits Cooperative. This voluntary wellness incentive program is available only to those employees enrolled in the City's group health insurance program, and is known as PUSH. It is designed to help employees identify and reach wellness goals. By enrolling in the program, employees can earn monthly cash payouts that accrue up to \$35 per month, with the amount earned based on how well the employee meets five key wellness areas. Employees complete a Health Risk Assessment questionnaire (HRA) that helps employees and the PUSH staff recognize age-appropriate screenings. PUSH staff then administers a 20-minute assessment to measure the five key wellness areas: weight, blood pressure, cholesterol (total & HDL), nicotine use, and cardiovascular fitness (which involves a 3-minute step test). With the PUSH staff, employees can establish measurable goals to help improve any of the wellness areas. Employees are welcome to consult with the PUSH staff on a monthly basis and have an opportunity to improve their individual scores/cash payouts, if they have not reached the maximum amount. Annually, each participating employee will be required to have the 20-minute assessment. The PUSH program also provides monthly emails, mailings, and reminders to participating employees, with each month having a particular wellness/health focus. The City of Troy has a high percentage of eligible employees participating in the PUSH Wellness Program. Based on the acceptance and success of the PUSH program, it has been determined that spouses of eligible employees may also participate, based on the same criteria and qualifications. The PUSH program has been extended to spouses.

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

FINANCIAL INFORMATION

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. The cost of a control should not exceed the benefits to be derived, the objective is to provide reasonable, rather than absolute assurance, that the financial statements are free of any material misstatements. It is further the City's 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, 2018.

Relevant Financial Policies

In 2015, the State of Ohio passed House Bill 5, a municipal tax uniformity bill. This bill contains language modifying the income basis on which a municipal government can levy an income tax on and how the municipal government can collect income tax. Most provisions of this bill became effective in January 2017 for the 2016 tax year. At this time, the financial impact of these legislative changes on income tax receipts is negligible.

In 2017, the State of Ohio passed changes to the municipal income tax statute and revenue collection streams. In December 2016, over 150 Ohio municipalities filed a lawsuit to try and prevent the changes to the municipal income tax statute. The concerns revolve around the State Department of Taxation becoming a central filing and collection point for business profit returns, assessing the municipality a fee to process the returns and limiting access to tax information necessary for a municipal jurisdiction to review and audit returns as well as to enforce the local tax laws.

In February 2018, the Franklin County Judge ruled in favor of the State of Ohio. Though an appeal has been filed on behalf of the municipalities, the municipalities have adopted the statute changes. At this time, the total financial impact is unknown, as this statute became effective for tax year 2018.

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.

AWARDS AND ACKNOWLEDGMENTS

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, 2017. 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 29th time for the year ended December 31, 2017. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

Acknowledgements

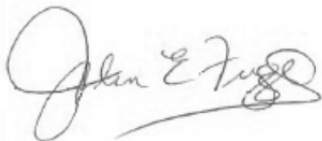
The preparation of the Comprehensive Annual Financial Report on a timely basis was made possible by the dedicated service of the entire staff of the City Auditor and other City departments. We express our sincere appreciation for the contributions made in the preparation of this report.

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

Respectfully submitted,
City of Troy, Ohio



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



John E. Frigge
City Auditor

City of Troy, Ohio

Listing of Principal City Officials

December 31, 2018

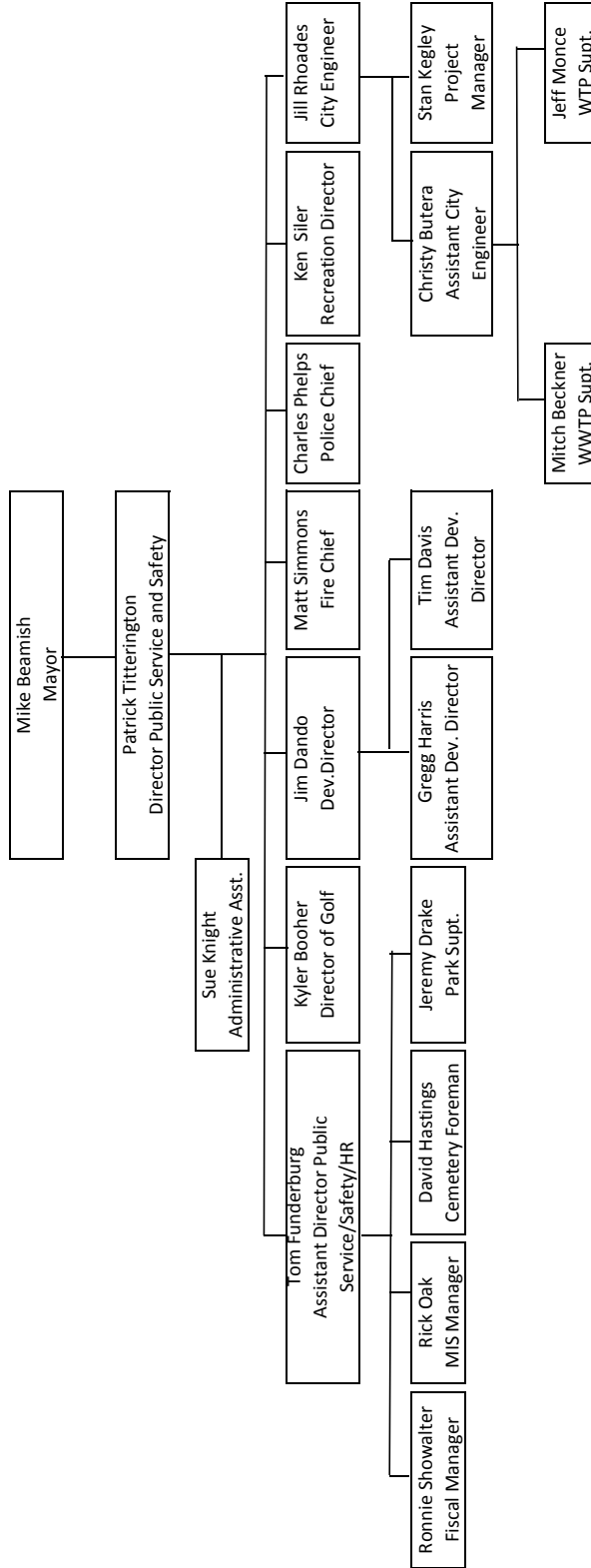
Elected Officials

Mayor	Michael L. Beamish
President of Council	Martha A. Baker
Councilmember-at-Large	William Lutz
Councilmember-at-Large	Robin I. Oda
Councilmember-at-Large	Todd D. Severt
Councilmember, First Ward	Thomas M. Kendall
Councilmember, Second Ward	John L. Terwilliger
Councilmember, Third Ward	John W. Schweser
Councilmember, Fourth Ward	Bobby W. Phillips
Councilmember, Fifth Ward	William C. Twiss
Councilmember, Sixth Ward	Brock A. Heath
Treasurer	Melvin R. Shane
Director of Law	Grant D. Kerber
Auditor	John E. Frigge

Appointed Officials

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

City of Troy Organizational Chart 2018





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, 2017

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Troy

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Troy (the City) as of and for the year ended December 31, 2018, 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, 2018, 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 discussed in Note 18 to the financial statements, during the year ended December 31, 2018, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pension. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and schedules of pension information and other postemployment information to 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 28, 2019, 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 28, 2019

City of Troy, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2018
(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, 2018. 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 \$1,889,562.
- Net position of governmental activities increased \$126,229, net position of business-type activities increased by \$1,763,333.
- The General Fund reported a decrease in fund balance of \$2,409,876.
- Business-type operations reflected operating income of \$291,082.

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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(Unaudited)

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

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

Fund Financial Statements

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

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

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

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

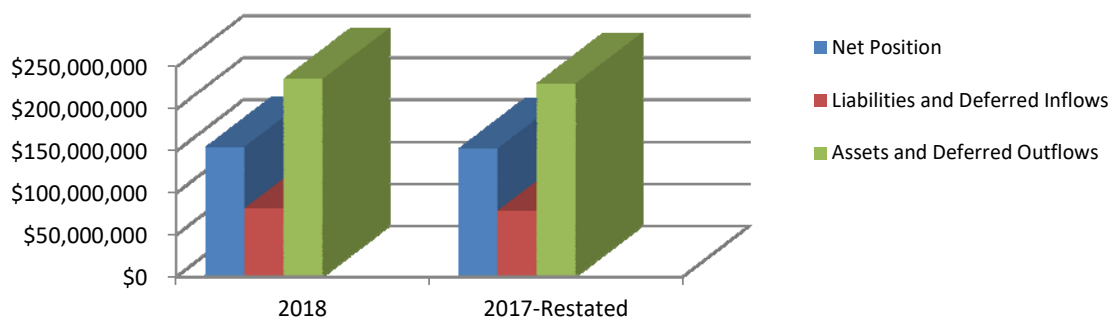
City of Troy, Ohio
Management’s Discussion and Analysis
For The Year Ended December 31, 2018
(Unaudited)

The City as a Whole

As stated previously, the Statement of Net Position looks at the City as a whole. Table 1 provides a summary of the City’s net position for 2018 compared to 2017.

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2018	2017 - Restated	2018	2017 - Restated	2018	2017 - Restated
Assets:						
Current and Other Assets	\$77,459,388	\$76,906,541	\$20,959,241	\$16,624,730	\$98,418,629	\$93,531,271
Capital Assets	59,388,656	57,794,986	70,159,869	70,254,004	129,548,525	128,048,990
Total Assets	136,848,044	134,701,527	91,119,110	86,878,734	227,967,154	221,580,261
Total Deferred Outflows of Resources	5,620,832	5,888,381	1,139,590	2,193,394	6,760,422	8,081,775
Liabilities:						
Long-Term Liabilities	56,661,095	57,717,848	16,661,867	16,423,133	73,322,962	74,140,981
Other Liabilities	1,167,602	986,753	496,023	416,666	1,663,625	1,403,419
Total Liabilities	57,828,697	58,704,601	17,157,890	16,839,799	74,986,587	75,544,400
Total Deferred Inflows of Resources	4,664,158	2,035,515	1,159,997	54,849	5,824,155	2,090,364
Net Position:						
Net Investment In Capital Assets	47,314,669	45,906,299	60,163,790	62,137,834	107,478,459	108,044,133
Restricted	14,522,194	11,239,643	0	0	14,522,194	11,239,643
Unrestricted	18,139,158	22,703,850	13,777,023	10,039,646	31,916,181	32,743,496
Total Net Position	\$79,976,021	\$79,849,792	\$73,940,813	\$72,177,480	\$153,916,834	\$152,027,272



The net pension liability (NPL) is reported by the City at December 31, 2018 and is reported pursuant to GASB Statement 68, “Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27.” For fiscal year 2018, the City adopted GASB Statement 75, “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,” which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). 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 OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may

City of Troy, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2018
(Unaudited)

not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability*. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability to equal the City's proportionate share of each plan's collective:

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

GASB notes that pension and OPEB 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 and other postemployment benefits. GASB noted that the unfunded portion of this 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 these liabilities. 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 Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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 retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *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 retirement system is responsible for the administration of the pension and OPEB plans.

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 or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, 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 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 and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, the City's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability, respectively, not accounted for as deferred inflows/outflows.

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

As a result of implementing GASB 75, the City is reporting a net OPEB liability and deferred inflows/outflows of resources related to OPEB on the accrual basis of accounting. This implementation also had the effect of restating net position at December 31, 2017, from \$171,269,165 to \$152,027,272.

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 \$1,889,562.

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

Table 2 shows the changes in net position for the year ended December 31, 2018 as compared to the year ended December 31, 2017.

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City of Troy, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2018
(Unaudited)

Table 2
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Program Revenues:						
Charges for Services	\$4,424,497	\$4,329,338	\$13,988,438	\$13,786,506	\$18,412,935	\$18,115,844
Operating Grants and Contributions	1,217,354	1,168,294	0	0	1,217,354	1,168,294
Capital Grants and Contributions	1,631,943	3,093,912	986,500	1,348,578	2,618,443	4,442,490
Total Program Revenues	7,273,794	8,591,544	14,974,938	15,135,084	22,248,732	23,726,628
General Revenues:						
Income Taxes	18,698,514	19,420,325	0	0	18,698,514	19,420,325
Property Taxes	1,910,511	1,893,538	0	0	1,910,511	1,893,538
Grants and Entitlements	897,896	827,617	0	0	897,896	827,617
Investment Earnings	834,421	1,285,077	152,676	104,224	987,097	1,389,301
Other Revenues	1,316,699	1,181,157	280,407	230,009	1,597,106	1,411,166
Total General Revenues	23,658,041	24,607,714	433,083	334,233	24,091,124	24,941,947
Total Revenues	30,931,835	33,199,258	15,408,021	15,469,317	46,339,856	48,668,575
Program Expenses:						
General Government	6,844,661	4,897,368	0	0	6,844,661	4,897,368
Public Safety	13,483,334	12,382,350	0	0	13,483,334	12,382,350
Community Development	1,501,328	1,373,191	0	0	1,501,328	1,373,191
Leisure Time Activities	2,221,685	2,081,037	0	0	2,221,685	2,081,037
Transportation and Street Repair	3,663,358	2,585,007	0	0	3,663,358	2,585,007
Basic Utility Service	1,340,901	1,157,661	0	0	1,340,901	1,157,661
Public Health and Welfare	420,401	477,533	0	0	420,401	477,533
Interest and Other Charges	554,938	576,961	0	0	554,938	576,961
Water	0	0	4,539,890	4,998,656	4,539,890	4,998,656
Sanitary Sewer	0	0	4,620,157	4,180,771	4,620,157	4,180,771
Hobart Arena	0	0	2,433,942	1,987,928	2,433,942	1,987,928
Swimming Pool	0	0	390,029	375,635	390,029	375,635
Parking Meter	0	0	74,916	81,973	74,916	81,973
Miami Shores	0	0	862,830	932,166	862,830	932,166
Stormwater Utility	0	0	1,497,924	1,486,102	1,497,924	1,486,102
Total Program Expenses	30,030,606	25,531,108	14,419,688	14,043,231	44,450,294	39,574,339
Increase (Decrease) in Net Position before Transfers	901,229	7,668,150	988,333	1,426,086	1,889,562	9,094,236
Transfers - Internal Activities	(775,000)	(10,253,539)	775,000	10,253,539	0	0
Change in Net Position	126,229	(2,585,389)	1,763,333	11,679,625	1,889,562	9,094,236
Net Position - Beginning of Year, Restated	79,849,792	N/A	72,177,480	N/A	152,027,272	N/A
Net Position - End of Year	\$79,976,021	\$79,849,792	\$73,940,813	\$72,177,480	\$153,916,834	\$152,027,272

The information necessary to restate the 2017 beginning balances and the 2017 OPEB expense amounts for the effects of the initial implementation of GASB 75 is not available. Therefore, 2017 functional expenses still include OPEB expense of \$109,429 computed under GASB 45. GASB 45 required recognizing OPEB expense equal to the contractually required contributions to the plan. Under GASB 75, OPEB expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of OPEB expense. Under GASB 75, the 2018 statements report OPEB expense of \$1,682,941. Consequently, in order to compare 2018 total program expenses to 2017, the following adjustments are needed:

City of Troy, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2018
(Unaudited)

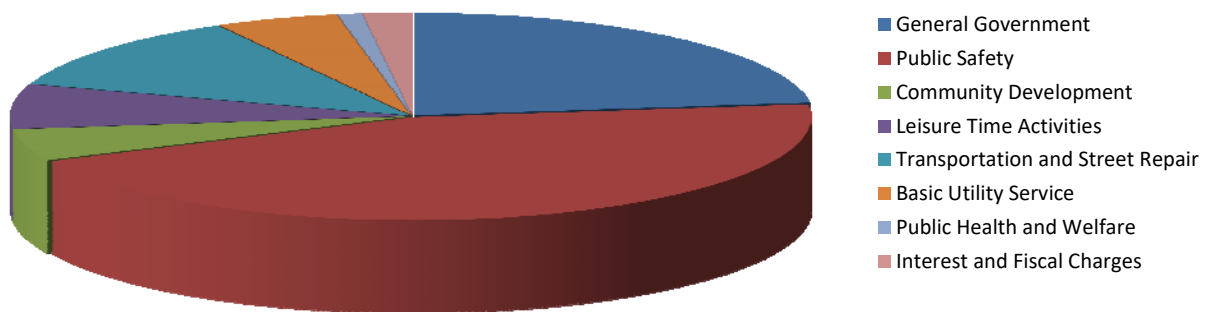
	Governmental Activities	Business-type Activities	Total
Total 2018 operating expenses under GASB 75	\$30,030,606	\$14,419,688	\$44,450,294
OPEB expense under GASB 75	(1,499,055)	(183,886)	(1,682,941)
2018 contractually required contribution	33,751	0	33,751
Adjusted 2018 operating expenses	28,565,302	14,235,802	42,801,104
Total 2017 operating expenses under GASB 45	25,531,108	14,043,231	39,574,339
Change in operating expenses not related to OPEB	\$3,034,194	\$192,571	\$3,226,765

Governmental Activities

The City has made continued efforts to attract large-scale employers for the year 2018, 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 2018

	Percentage
General Government	23%
Public Safety	45%
Community Development	5%
Leisure Time Activities	7%
Transportation and Street Repair	12%
Basic Utility Service	5%
Public Health and Welfare	1%
Interest and Fiscal Charges	2%
Total	100%



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

Capital grants and contributions decreased in 2018 as compared to 2017 mainly due to the City having less infrastructure (streets) being completed and donated to the City in 2018. Income Tax revenue decreased in 2018 as compared to 2017 mainly due to a decrease in income tax collections. Public Safety expenses increased mainly due to the City's efforts to keep the City safe to all.

City of Troy, Ohio
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Business-Type Activities

Business-type activities include water, sewer, stormwater utilities, Hobart Arena, swimming pool, parking meter and Miami Shores. These programs had operating revenues of \$14,268,845 and operating expenses of \$13,977,763 for fiscal year 2018. Business-type activities receive no support from tax revenues. The Business-type activities net position at the end of the year was \$73,940,813, which increased \$1,763,333 from 2017. The City had four business-type (enterprise) funds that were major funds: the Water fund, the Sanitary Sewer fund, Hobart Arena and Stormwater Utilities fund.

The City of Troy's Water Department serves approximately 9,918 customers; this represents a population base of nearly 25,058 people. The average daily consumption for the city is 3.44 million gallons and 160.14 miles of water mains in its distribution system. The water fund had operating income of \$1,510,924 for 2018.

The City of Troy's Sewer Department includes 130.22 miles of sanitary sewer main, which provide the collection and treatment of public wastewater. The Sewer fund had an operating income of \$169,264 for 2018.

The City of Troy's Stormwater Utility Department provides for the collection and treatment of public stormwater. The Stormwater utility fund had an operating income of \$72,294 in 2018. Charges for Services increased slightly from 2017 to 2018, while total expenses increased due to the increase in the amount of materials and supplies the City used for various projects through-out the City.

The City of Troy's Hobart Arena accounts for arena facilities provided by the City. The Hobart Arena fund had an operating loss of (\$1,029,221) in 2018.

The City's Funds

The City has two major governmental funds: the General Fund and the TIF Retirement Fund. Assets of these funds comprised (80%) of the total \$79,115,388 governmental funds' assets.

General Fund: Fund balance at December 31, 2018 was \$56,997,770 which was a decrease in fund balance of \$2,409,876 from 2017.

TIF Retirement Fund: Fund balance at December 31, 2018 was (\$610,336) which was an increase in fund balance of \$252,561 from 2017. The increase in fund balance is mainly due to an increase in revenue in lieu of taxes received during 2018.

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 \$7,528,698 and the original budgeted revenue was \$7,361,102. The difference was \$167,596. Of this difference, most was due to an underestimate of tax and intergovernmental revenue.

City of Troy, Ohio
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Variations from the final budget amounts to the actual amounts are primarily due to the following reasons: The City overestimated public safety expenditures for 2018. As the City completed the year, its General Fund balance reported an actual fund balance of \$8,633,381, on a Non-GAAP Budgetary Basis.

Capital Assets and Debt Administration

Capital Assets

At year end, the City had \$129,548,525 invested in land, construction in progress, buildings and improvements, equipment and infrastructure. Table 3 shows 2018 balances compared to 2017:

Table 3
Capital Assets, Net of Depreciation

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$14,416,490	\$14,380,469	\$780,372	\$616,026	\$15,196,862	\$14,996,495
Construction in Progress	1,558,158	159,248	2,895,730	2,300,980	4,453,888	2,460,228
Buildings and Improvements	8,499,393	8,551,114	25,444,340	26,553,488	33,943,733	35,104,602
Equipment	4,327,478	4,063,007	8,133,314	8,989,314	12,460,792	13,052,321
Infrastructure	30,587,137	30,641,148	32,906,113	31,794,196	63,493,250	62,435,344
Total Net Capital Assets	<u>\$59,388,656</u>	<u>\$57,794,986</u>	<u>\$70,159,869</u>	<u>\$70,254,004</u>	<u>\$129,548,525</u>	<u>\$128,048,990</u>

The increase in net capital assets is mainly due to current year additions being greater than current year depreciation expense. See Note 6 to the basic financial statements for further details on the City's capital assets.

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City of Troy, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2018
(Unaudited)

Debt

The City had \$22,428,647 in general obligation bonds and loans.

Table 4
Outstanding Debt at Year End

		2018	2017
Governmental Activities			
<u>General Obligation Bonds</u>			
2015 Capital Facilities Bonds	0.00%	\$8,300,000	\$8,540,000
Premium on Capital Facilities Bonds	0.00%	224,944	233,942
Refunding Limited Tax	1.00-2.625%	850,000	1,050,000
Premium on Refunding Bonds		4,924	6,155
Discount on Refunding Bonds		(7,289)	(9,112)
Refunding Bonds:			
Elm Street Improvements	1.00-2.375%	235,806	272,882
Aquatic Center	1.00-2.375%	1,563,447	1,809,272
Cemetery Maintenance Building	1.00-2.375%	180,322	208,674
Fire Station	1.00-2.375%	996,722	1,153,439
Premium		30,905	36,846
Discount		(21,818)	(26,011)
Total General Obligation Bonds		<u>12,357,963</u>	<u>13,276,087</u>
Business Type Activities			
<u>General Obligation Bonds</u>			
Refunding Limited Tax	1.00-3.00%	240,000	475,000
Premium on Refunding		1,579	4,740
Discount on Refunding		(1,390)	(4,165)
Wastewater Improvement IIIC & VA	0.00%	50,000	75,000
Sewer System Bonds		2,460,000	2,525,000
Premium on Sewer System Bonds		29,593	30,777
Water System Bonds		3,405,000	3,490,000
Premium on Water System Bonds		41,203	42,851
Refunding Bonds:			
Southeast Area Sewer	1.00-2.375%	519,167	600,797
Generators	1.00-2.375%	479,537	554,936
Premium		10,374	12,367
Discount		(7,318)	(8,725)
Total General Obligation Bonds		<u>7,227,745</u>	<u>7,798,578</u>
2010 OWDA Water Pollution Control Loan	3.25%	294,407	317,592
2018 OWDA Fresh Water Loan	3.03%	<u>2,548,532</u>	<u>0</u>
Total Debt		<u>\$22,428,647</u>	<u>\$21,392,257</u>

The Various Purpose Improvement general obligation bonds will be paid with property tax revenues via transfers from the General Fund. See Note 8 to the basic financial statements for further details on the City's long-term obligations.

City of Troy, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2018
(Unaudited)

Economic Factors

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

Contacting the City's Financial Department

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

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City of Troy, Ohio
Statement of Net Position
December 31, 2018

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in Pooled Cash and Investments	\$64,891,004	\$19,625,671	\$84,516,675
Restricted Cash	38,285	50,567	88,852
Cash and Cash Equivalents with Fiscal Agent	180,000	0	180,000
Receivables (Net):			
Taxes	5,824,101	0	5,824,101
Accounts	1,099,953	642,649	1,742,602
Interest	325,526	27,199	352,725
Intergovernmental	2,001,217	100,736	2,101,953
Notes	2,627,428	0	2,627,428
Special Assessments	471,874	0	471,874
Inventory	0	512,419	512,419
Nondepreciable Capital Assets	15,974,648	3,676,102	19,650,750
Depreciable Capital Assets, Net	43,414,008	66,483,767	109,897,775
Total Assets	136,848,044	91,119,110	227,967,154
Deferred Outflows of Resources:			
Deferred Charge on Refunding	283,976	74,605	358,581
Pension	3,455,322	881,126	4,336,448
OPEB	1,881,534	183,859	2,065,393
Total Deferred Outflows of Resources	5,620,832	1,139,590	6,760,422
Liabilities:			
Accounts Payable	692,094	381,847	1,073,941
Accrued Wages and Benefits	377,027	35,154	412,181
Retainage Payable	38,285	50,567	88,852
Accrued Interest Payable	60,196	28,455	88,651
Long-Term Liabilities:			
Due Within One Year	1,618,537	872,710	2,491,247
Due In More Than One Year			
Net Pension Liability	22,144,763	3,547,320	25,692,083
Net OPEB Liability	19,601,944	2,498,448	22,100,392
Other Amounts	13,295,851	9,743,389	23,039,240
Total Liabilities	57,828,697	17,157,890	74,986,587
Deferred Inflows of Resources:			
Property and Income Taxes	1,630,173	0	1,630,173
Revenue In Lieu of Taxes	390,849	0	390,849
Pension	2,036,325	910,725	2,947,050
OPEB	606,811	249,272	856,083
Total Deferred Inflows of Resources	4,664,158	1,159,997	5,824,155
Net Position:			
Net Investment in Capital Assets	47,314,669	60,163,790	107,478,459
Restricted for:			
Capital Projects	6,195,329	0	6,195,329
Street Improvements	2,584,787	0	2,584,787
Public Safety	54,835	0	54,835
Community Development	4,107,247	0	4,107,247
Park Improvements	132,969	0	132,969
Cemetery Services	1,195,894	0	1,195,894
Other Purposes	251,133	0	251,133
Unrestricted	18,139,158	13,777,023	31,916,181
Total Net Position	\$79,976,021	\$73,940,813	\$153,916,834

See accompanying notes to the basic financial statements.

City of Troy, Ohio
Statement of Activities
For the Fiscal Year Ended December 31, 2018

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$6,844,661	\$278,575	\$14,997	\$0
Public Safety	13,483,334	1,719,330	0	0
Community Development	1,501,328	6,678	0	470,885
Leisure Time Activities	2,221,685	142,853	0	0
Transportation and Street Repair	3,663,358	49,154	1,202,357	1,161,058
Basic Utility Service	1,340,901	2,015,155	0	0
Public Health and Welfare	420,401	212,752	0	0
Interest and Other Charges	554,938	0	0	0
Total Governmental Activities	30,030,606	4,424,497	1,217,354	1,631,943
Business-Type Activities:				
Water	4,539,890	5,798,521	0	66,793
Sanitary Sewer	4,620,157	4,526,936	0	18,179
Hobart Arena	2,433,942	1,282,471	0	0
Swimming Pool	390,029	251,097	0	0
Parking Meter	74,916	17,321	0	0
Miami Shores	862,830	580,103	0	0
Stormwater Utility	1,497,924	1,531,989	0	901,528
Total Business-Type Activities	14,419,688	13,988,438	0	986,500
Totals	\$44,450,294	\$18,412,935	\$1,217,354	\$2,618,443

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
(\$6,551,089)	\$0	(\$6,551,089)
(11,764,004)	0	(11,764,004)
(1,023,765)	0	(1,023,765)
(2,078,832)	0	(2,078,832)
(1,250,789)	0	(1,250,789)
674,254	0	674,254
(207,649)	0	(207,649)
(554,938)	0	(554,938)
<u>(22,756,812)</u>	<u>0</u>	<u>(22,756,812)</u>
0	1,325,424	1,325,424
0	(75,042)	(75,042)
0	(1,151,471)	(1,151,471)
0	(138,932)	(138,932)
0	(57,595)	(57,595)
0	(282,727)	(282,727)
0	935,593	935,593
<u>0</u>	<u>555,250</u>	<u>555,250</u>
<u>(22,756,812)</u>	<u>555,250</u>	<u>(22,201,562)</u>
18,698,514	0	18,698,514
1,782,923	0	1,782,923
127,588	0	127,588
897,896	0	897,896
339,638	0	339,638
65,845	0	65,845
834,421	152,676	987,097
911,216	280,407	1,191,623
(775,000)	775,000	0
<u>22,883,041</u>	<u>1,208,083</u>	<u>24,091,124</u>
126,229	1,763,333	1,889,562
<u>79,849,792</u>	<u>72,177,480</u>	<u>152,027,272</u>
<u>\$79,976,021</u>	<u>\$73,940,813</u>	<u>\$153,916,834</u>

City of Troy, Ohio
Balance Sheet
Governmental Funds
December 31, 2018

	General	TIF Retirement	Other Governmental Funds	Total Governmental Funds
Assets:				
Equity in Pooled Cash and Investments	\$52,874,775	\$709,664	\$11,306,565	\$64,891,004
Restricted Cash	1,733	0	36,552	38,285
Cash and Cash Equivalents with Fiscal Agent	180,000	0	0	180,000
Receivables (Net):				
Taxes	5,678,954	0	145,147	5,824,101
Accounts	1,070,830	0	29,123	1,099,953
Interest	320,968	0	4,558	325,526
Intergovernmental	385,374	390,849	1,224,994	2,001,217
Notes	0	0	2,627,428	2,627,428
Special Assessments	39,814	0	432,060	471,874
Interfund	1,656,000	0	0	1,656,000
Total Assets	62,208,448	1,100,513	15,806,427	79,115,388
Liabilities:				
Accounts Payable	384,699	0	307,395	692,094
Accrued Wages and Benefits	357,257	0	19,770	377,027
Retainage Payable	1,733	0	36,552	38,285
Interfund Payable	0	1,320,000	336,000	1,656,000
Total Liabilities	743,689	1,320,000	699,717	2,763,406
Deferred Inflows of Resources:				
Property and Income Taxes	3,883,987	0	135,890	4,019,877
Grants and Other Taxes	335,846	0	1,113,329	1,449,175
Special Assessments	39,814	0	432,060	471,874
Accounts	207,342	0	0	207,342
Revenue In Lieu of Taxes	0	390,849	0	390,849
Total Deferred Inflows of Resources	4,466,989	390,849	1,681,279	6,539,117
Fund Balances:				
Nonspendable	0	0	2,627,428	2,627,428
Restricted	1,444,592	0	10,477,529	11,922,121
Committed	32,854,302	0	0	32,854,302
Assigned	643,414	0	320,474	963,888
Unassigned	22,055,462	(610,336)	0	21,445,126
Total Fund Balances	56,997,770	(610,336)	13,425,431	69,812,865
Total Liabilities, Deferred Inflows and Fund Balances	\$62,208,448	\$1,100,513	\$15,806,427	\$79,115,388

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, 2018

Total Governmental Fund Balance \$69,812,865

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 59,388,656

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

Income Taxes	2,343,684	
Delinquent Property Taxes	46,020	
Intergovernmental	1,449,175	
Other Receivables	<u>679,216</u>	
		4,518,095

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.

(60,196)

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 (2,556,425)

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

283,976

Deferred outflows and inflows or resources related to pension
 and OPEB are applicable to future periods and, therefore, are not
 reported in the funds.

Deferred outflows of resources related to pensions	3,455,322	
Deferred inflows of resources related to pensions	(2,036,325)	
Deferred outflows of resources related to OPEB	1,881,534	
Deferred inflows of resources related to OPEB	<u>(606,811)</u>	
		2,693,720

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

Net Pension Liability	(22,144,763)	
Net OPEB Liability	(19,601,944)	
Other Amounts	<u>(12,357,963)</u>	
		<u>(54,104,670)</u>

Net Position of Governmental Activities \$79,976,021

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, 2018

	General	TIF Retirement	Other Governmental Funds	Total Governmental Funds
Revenues:				
Property and Other Taxes	\$1,442,788	\$0	\$127,980	\$1,570,768
Income Taxes	19,320,391	0	0	19,320,391
Charges for Services	3,729,684	0	195,879	3,925,563
Investment Earnings	786,234	0	48,187	834,421
Intergovernmental	1,219,556	0	2,175,103	3,394,659
Special Assessments	1,730	0	106,828	108,558
Fines, Licenses & Permits	83,891	0	64,127	148,018
Revenue in Lieu of Taxes	0	339,638	0	339,638
Other Revenues	1,084,074	0	161,602	1,245,676
Total Revenues	27,668,348	339,638	2,879,706	30,887,692
Expenditures:				
Current:				
General Government	5,794,978	0	143,463	5,938,441
Public Safety	10,948,662	0	0	10,948,662
Community Development	1,228,209	0	132,232	1,360,441
Leisure Time Activities	1,576,884	0	0	1,576,884
Transportation and Street Repair	0	0	2,494,163	2,494,163
Basic Utility Service	1,108,700	0	0	1,108,700
Public Health and Welfare	0	0	393,912	393,912
Capital Outlay	1,204,551	4,877	3,543,689	4,753,117
Debt Service:				
Principal	0	0	907,970	907,970
Interest and Other Charges	0	82,200	429,507	511,707
Total Expenditures	21,861,984	87,077	8,044,936	29,993,997
Excess of Revenues Over (Under) Expenditures	5,806,364	252,561	(5,165,230)	893,695
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	37,820	0	0	37,820
Transfers In	0	0	7,479,060	7,479,060
Transfers (Out)	(8,254,060)	0	0	(8,254,060)
Total Other Financing Sources (Uses)	(8,216,240)	0	7,479,060	(737,180)
Net Change in Fund Balance	(2,409,876)	252,561	2,313,830	156,515
Fund Balance - Beginning of Year	59,407,646	(862,897)	11,111,601	69,656,350
Fund Balance - End of Year	\$56,997,770	(\$610,336)	\$13,425,431	\$69,812,865

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, 2018

Net Change in Fund Balance - Total Governmental Funds \$156,515

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

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

Capital Assets used in governmental activities	3,855,623	
Depreciation Expense	<u>(2,261,953)</u>	
		1,593,670

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

Pension Contributions	1,891,621	
Pension Expense	(2,847,888)	
OPEB Contributions	33,751	
OPEB Expense	<u>(1,499,055)</u>	
		(2,421,571)

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

Income Taxes	(621,877)	
Delinquent Property Taxes	13,421	
Intergovernmental	414,251	
Other	<u>200,528</u>	
		6,323

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 907,970

In the statement of activities interest expense is accrued when incurred; whereas, in governmental funds an interest expenditure is reported when due. 2,996

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	(73,447)	
Amortization of Bond Premium	10,154	
Amortization of Deferred Charge on Refunding	<u>(56,381)</u>	
		<u>(119,674)</u>

Change in Net Position of Governmental Activities \$126,229

See accompanying notes to the basic financial statements.

City of Troy, Ohio
Statement of Net Position
Proprietary Funds
December 31, 2018

	Business-Type Activities					Total Business-Type Activities
	Enterprise Funds					
	Water	Sanitary Sewer	Hobart Arena	Stormwater Utility	Other Enterprise Funds	
Current Assets:						
Equity in Pooled Cash and Investments	\$10,196,252	\$5,617,881	\$1,282,224	\$2,060,694	\$468,620	\$19,625,671
Restricted Cash	50,567	0	0	0	0	50,567
Receivables (Net):						
Accounts	278,940	281,547	371	81,654	137	642,649
Interest	15,260	8,366	0	3,069	504	27,199
Intergovernmental	7,458	18,179	0	75,099	0	100,736
Inventory	512,419	0	0	0	0	512,419
Total Current Assets	11,060,896	5,925,973	1,282,595	2,220,516	469,261	20,959,241
Noncurrent Assets:						
Capital Assets:						
Nondepreciable Capital Assets	2,882,984	341,526	20,900	183,284	247,408	3,676,102
Depreciable Capital Assets, Net	21,247,082	20,188,738	10,788,736	11,388,277	2,870,934	66,483,767
Total Noncurrent Assets	24,130,066	20,530,264	10,809,636	11,571,561	3,118,342	70,159,869
Total Assets	35,190,962	26,456,237	12,092,231	13,792,077	3,587,603	91,119,110
Deferred Outflows of Resources:						
Deferred Charge on Refunding	0	74,605	0	0	0	74,605
Pension	314,380	232,327	106,077	131,318	97,024	881,126
OPEB	65,600	48,478	22,134	27,401	20,246	183,859
Total Deferred Outflows of Resources	379,980	355,410	128,211	158,719	117,270	1,139,590
Liabilities:						
Current Liabilities:						
Accounts Payable	101,174	169,247	22,243	72,984	16,199	381,847
Accrued Wages and Benefits	13,266	12,099	6,227	0	3,562	35,154
Compensated Absences	54,760	59,091	28,686	3,336	11,403	157,276
Retainage Payable	50,567	0	0	0	0	50,567
Accrued Interest Payable	18,368	10,087	0	0	0	28,455
Long-Term Liabilities Due Within One Year	203,204	512,230	0	0	0	715,434
Total Current Liabilities	441,339	762,754	57,156	76,320	31,164	1,368,733
Long-Term Liabilities:						
Compensated Absences	131,253	188,996	18,955	41,400	7,535	388,139
Bonds, Notes & Loans Payable	5,791,531	3,563,719	0	0	0	9,355,250
Net Pension Liability	1,265,662	935,323	427,054	528,672	390,609	3,547,320
Net OPEB Liability	891,431	658,767	300,782	372,354	275,114	2,498,448
Total Long-Term Liabilities	8,079,877	5,346,805	746,791	942,426	673,258	15,789,157
Total Liabilities	8,521,216	6,109,559	803,947	1,018,746	704,422	17,157,890
Deferred Inflows of Resources:						
Pension	324,941	240,131	109,640	135,729	100,284	910,725
OPEB	88,939	65,726	30,009	37,150	27,448	249,272
Total Deferred Inflows of Resources	413,880	305,857	139,649	172,879	127,732	1,159,997
Net Position:						
Net Investment in Capital Assets	18,135,331	16,528,920	10,809,636	11,571,561	3,118,342	60,163,790
Unrestricted	8,500,515	3,867,311	467,210	1,187,610	(245,623)	13,777,023
Total Net Position	\$26,635,846	\$20,396,231	\$11,276,846	\$12,759,171	\$2,872,719	\$73,940,813

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, 2018

	Business-Type Activities Enterprise Funds					Total Business-Type Activities
	Water	Sanitary Sewer	Hobart Arena	Stormwater Utility	Other Enterprise Funds	
Operating Revenues:						
Charges for Services	\$5,798,521	\$4,526,936	\$1,282,471	\$1,531,989	\$848,521	\$13,988,438
Other Revenues	44,652	28,201	122,250	38,229	47,075	280,407
Total Operating Revenues	5,843,173	4,555,137	1,404,721	1,570,218	895,596	14,268,845
Operating Expenses:						
Personal Services	1,807,624	1,317,638	642,098	873,979	592,935	5,234,274
Contactual Services	662,353	719,508	214,977	196,400	229,037	2,022,275
Materials and Supplies	569,577	191,931	224,888	83,399	339,536	1,409,331
Depreciation	1,115,753	1,245,105	496,708	337,861	130,580	3,326,007
Other Expense	176,942	911,691	855,271	6,285	35,687	1,985,876
Total Operating Expenses	4,332,249	4,385,873	2,433,942	1,497,924	1,327,775	13,977,763
Operating Income (Loss)	1,510,924	169,264	(1,029,221)	72,294	(432,179)	291,082
Non-Operating Revenues (Expenses):						
Investment Earnings	77,203	70,953	0	14	4,506	152,676
Interest and Fiscal Charges	(207,641)	(234,284)	0	0	0	(441,925)
Total Non-Operating Revenues (Expenses)	(130,438)	(163,331)	0	14	4,506	(289,249)
Income (Loss) Before Contributions and Transfers	1,380,486	5,933	(1,029,221)	72,308	(427,673)	1,833
Capital Grants and Contributions	66,793	18,179	0	901,528	0	986,500
Transfers In	0	0	500,000	0	275,000	775,000
Change in Net Position	1,447,279	24,112	(529,221)	973,836	(152,673)	1,763,333
Net Position - Beginning of Year, Restated	25,188,567	20,372,119	11,806,067	11,785,335	3,025,392	72,177,480
Net Position - End of Year	\$26,635,846	\$20,396,231	\$11,276,846	\$12,759,171	\$2,872,719	\$73,940,813

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, 2018

	Business-Type Activities Enterprise Funds					Total Business-Type Activities
	Water	Sanitary Sewer	Hobart Arena	Stormwater Utility	Other Enterprise Funds	
Cash Flows from Operating Activities:						
Cash Received from Customers	\$5,837,521	\$4,516,031	\$1,404,483	\$1,571,756	\$899,651	\$14,229,442
Cash Payments to Employees	(1,698,059)	(1,342,573)	(548,145)	(741,753)	(565,153)	(4,895,683)
Cash Payments to Suppliers	(1,386,967)	(1,762,662)	(1,289,662)	(225,933)	(599,453)	(5,264,677)
Net Cash Provided (Used) by Operating Activities	2,752,495	1,410,796	(433,324)	604,070	(264,955)	4,069,082
Cash Flows from Noncapital Financing Activities:						
Payments from Other Funds	0	0	500,000	0	275,000	775,000
Net Cash Provided (Used) by Noncapital Financing Activities	0	0	500,000	0	275,000	775,000
Cash Flows from Capital and Related Financing Activities:						
Payments for Capital Acquisitions	(1,248,114)	(542,510)	(13,598)	(541,885)	0	(2,346,107)
Debt Proceeds	2,721,892	0	0	0	0	2,721,892
Debt Principal Payments	(258,360)	(505,214)	0	0	0	(763,574)
Debt Interest Payments	(201,674)	(218,243)	0	0	0	(419,917)
Net Cash Provided (Used) by Capital and Related Financing Activities	1,013,744	(1,265,967)	(13,598)	(541,885)	0	(807,706)
Cash Flows from Investing Activities:						
Earnings (Loss) on Investments	70,757	70,017	0	(306)	4,470	144,938
Net Cash Provided (Used) by Cash Flows from Investing Activities	70,757	70,017	0	(306)	4,470	144,938
Net Increase (Decrease) in Cash and Cash Equivalents	3,836,996	214,846	53,078	61,879	14,515	4,181,314
Cash and Cash Equivalents - Beginning of Year	6,409,823	5,403,035	1,229,146	1,998,815	454,105	15,494,924
Cash and Cash Equivalents - End of Year	10,246,819	5,617,881	1,282,224	2,060,694	468,620	19,676,238
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities						
Operating Income (Loss)	1,510,924	169,264	(1,029,221)	72,294	(432,179)	291,082
Adjustments:						
Depreciation	1,115,753	1,245,105	496,708	337,861	130,580	3,326,007
Changes in Assets & Liabilities:						
(Increase) Decrease in Receivables	(6,060)	(39,433)	(371)	1,374	3,918	(40,572)
(Increase) Decrease in Inventory	(108,017)	0	0	0	0	(108,017)
(Increase) Decrease in Deferred Outflows of Resources	363,049	309,309	97,638	144,845	119,857	1,034,698
(Increase) Decrease in Prepaids	103,866	0	0	0	0	103,866
Increase (Decrease) in Retainage Payable	25	0	0	0	0	25
Increase (Decrease) in Payables	26,030	60,468	5,474	60,152	8,038	160,162
Increase (Decrease) in Accrued Liabilities	(74,035)	(95,513)	(7,444)	44,736	(19,701)	(151,957)
Increase (Decrease) in Deferred Inflows of Resources	394,473	290,425	133,762	164,954	121,534	1,105,148
Increase (Decrease) in Net Pension Liability	(602,506)	(550,255)	(139,652)	(234,256)	(205,950)	(1,732,619)
Increase (Decrease) in Net OPEB Liability	28,993	21,426	9,782	12,110	8,948	81,259
Net Cash Provided (Used) by Operating Activities	\$2,752,495	\$1,410,796	(\$433,324)	\$604,070	(\$264,955)	\$4,069,082
Schedule of Noncash Capital Activities:						
During the fiscal year, these amounts were received representing noncash contributions of:						
Capital Assets	\$66,793	\$18,179	\$0	\$901,528	\$0	\$986,500

See accompanying notes to the basic financial statements.

City of Troy, Ohio
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2018

	Private Purpose Trust	Agency
	<u> </u>	<u> </u>
Assets:		
Equity in Pooled Cash and Investments	\$292,976	\$192,280
Receivables (Net):		
Interest	436	260
Total Assets	<u>293,412</u>	<u>192,540</u>
Liabilities:		
Accounts Payable	520	0
Undistributed Monies	<u>0</u>	<u>192,540</u>
Total Liabilities	<u>520</u>	<u>\$192,540</u>
Net Position:		
Restricted for Endowment - Expendable	158,860	
Restricted for Endowment - Nonexpendable	<u>134,032</u>	
Total Net Position	<u>\$292,892</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, 2018

	Private Purpose Trust
Additions:	
Investment Earnings	\$3,698
Other	66
Total Additions	<u>3,764</u>
Deductions:	
Public Health and Welfare	<u>2,630</u>
Total Deductions	<u>2,630</u>
Change in Net Position	1,134
Net Position - Beginning of Year	<u>291,758</u>
Net Position - End of Year	<u><u>\$292,892</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, 2018

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 City participated in the following risk management and risk sharing pools during the year, Miami Valley Risk Management Association, Inc. (MVRMA), Ohio Benefits Cooperative (OBC), and Workers' Compensation Group Rating Program (GRP). See Note 5 of the basic financial statements for more information on these organizations.

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, 2018

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, 2018

Fund Financial Statements

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

Fund Accounting

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

Governmental Funds

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

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

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

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

Proprietary Funds

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

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

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

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2018

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

Hobart Arena – This fund accounts for arena facilities provided by the City.

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

Fiduciary Funds

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

Basis of Accounting

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

Revenues - Exchange and Non-exchange Transactions

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

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2018

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, OPEB 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 and OPEB are explained in Notes 9 and 10.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property and income taxes, grants and other taxes, special assessments, accounts, revenue in lieu of taxes, OPEB, and pension. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2018, but which were levied to finance year 2019 operations. Revenue in lieu of taxes are deferred and recognized as inflows of resources in the period the amounts become available. These amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. Grants and other taxes have been recorded as deferred inflows on the governmental fund financial statements. Deferred inflows of resources related to pension and OPEB are reported on the governmental-wide statement of net position. For more pension and OPEB related information, see Notes 9 and 10.

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, 2018

Equity in Pooled Cash and Investments

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

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

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

During 2018, the City invested in certificates of deposit, federal agency securities, commercial paper, a money market fund, and STAR Ohio. Investments are reported at cost, except for the money market fund and STAR Ohio. The City's money market fund investment is recorded at the amount reported by financial institutions on December 31, 2018.

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

For 2018, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

Following the Ohio Revised Code, the City has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2018 amounted to \$786,234, and \$48,187 was credited to other governmental funds.

Inventory

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

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

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2018

Prepaid Items

Payments made for services that will benefit periods beyond December 31, 2018, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense in the year in which services are consumed. The City had no prepaid items as of December 31, 2018.

Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement should be reported at acquisition value rather than fair value. The City's infrastructure consists of curbs, sidewalks, storm sewers, streets, and water and sewer lines. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. The City will capitalize capital assets with a cost of \$5,000 or more.

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

<u>Description</u>	<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

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2018

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. Net pension/OPEB liabilities should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

Pensions/Other Postemployment Benefits (OPEB)

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

Fund Balance

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

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

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

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

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

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2018

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

The City applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in 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 \$14,522,194 in restricted net position, none was restricted by enabling legislation.

Operating Revenues and Expenses

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

Contributions of Capital

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

Interfund Activity

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

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2018

reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

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

Restricted Assets

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

Gain/Loss on Refunding

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

Estimates

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

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.

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2018

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

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

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institution's participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial 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.

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2018

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. As of December 31, 2018, \$9,567,084 of the City's bank balance of \$10,567,084 was exposed to custodial credit risk because it was uninsured and collateralized.

The City has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by:

Eligible securities pledged to the City and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105% of the deposits being secured; or

Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102% of the deposits being secured or a rate set by the Treasurer of State.

Investments

The following is a summary of the fair value hierarchy of the fair value of investments of the City as of December 31, 2018:

Investment Type	Fair Value Measurements Using			Net Asset Value*	Weighted Average Maturity (Years)
	Net Asset Value* / Fair Value	Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs		
		Level 1	Level 2		
Federal Home Loan Mortgage Corporation	\$29,955,964		\$29,955,964		3.07
Federal Home Loan Bank	15,077,106		15,077,106		2.63
Federal National Mortgage Association	12,636,348		12,636,348		2.49
Negotiable Certificate of Deposit	11,312,951		11,312,951		1.28
Commercial Paper	4,477,710		4,477,710		0.18
Money Market Funds	1,245,805	\$1,245,805			0.00
Star Ohio*	1,149,970			\$1,149,970	0.12
	<u>\$75,855,854</u>	<u>\$1,245,805</u>	<u>\$73,460,079</u>	<u>\$1,149,970</u>	
Portfolio Weighted Average Maturity					2.35

The City categorizes its fair value measurements with the fair value hierarchy established by generally accepted accounting principles. The Hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Inputs to the valuation techniques used in fair the measurement for Level 2 include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data by correlation or other means. Level 3 inputs are significant unobservable inputs. The above table identifies the City's recurring fair value measurements as of December 31, 2018. STAR Ohio is reported at its share price (Net Asset value per share).

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

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2018

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. Investments in Commercial Paper were rated A-1+ by Standard and Poor’s and P-1 by Moody’s Investors Service. The City’s investments in Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, and Federal National Mortgage Association were rated AA+ by Standard and Poor’s and Fitch ratings and Aaa by Moody’s Investors Service. Investments in Star Ohio were rated AAAm by Standard and Poor’s. Money Market Funds and Certificates of Deposits were not rated.

Concentration of Credit Risk – The City’s investment policy allows investments in Federal Government Securities or Instrumentalities. The City has invested 19.9% in Federal Home Loan Bank, 39.5% in Federal Home Loan Mortgage Corporation, 16.7% in Federal National Mortgage Association, 14.9% in Certificates of Deposit, 5.9% in commercial paper, 1.5% in Star Ohio, and 1.6% in money market funds.

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

Note 4 – Receivables

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

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

Special assessments expected to be collected amount to \$471,874 of which, \$18,007 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 2018 were levied after October 1, 2017 on assessed values as of January 1, 2017, 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.

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2018

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

Real Property	\$527,390,480
Public Utility	16,311,050
Total Valuation	<u>\$543,701,530</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, 2018, 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 2018 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On an accrual basis, collectible delinquent property taxes have been recorded as revenue while the remainder of the receivable is deferred.

Income Taxes

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

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

Note 5 - Risk Management and Risk Sharing Pool

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:

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2018

Liability:

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

Limits: \$12,000,000 per occurrence. \$12,000,000 annual aggregate per member for Employment Practices Liability; Public Officials Errors and Omissions and Employee Benefits Liability combined; and Products/Completed Operations.

MVRMA self-insured \$500,000 per occurrence and obtained reinsurance from Government Entities Mutual Inc. (GEM) for \$4.5 million excess of \$500,000, and from Genesis for \$7 million excess of \$5 million.

Property:

\$1,000,000,000/occurrence
MVRMA Self-Insured Retention (SIR): \$250,000/occurrence
Coverage excess of SIR provided by Alliant Property Insurance Program (APIP). List of carriers underwriting the coverage provided upon request.

Flood – included in Property Policy

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

Earthquake – included in Property Policy

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

Boiler & Machinery – included in Property Policy

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

Cyber Liability – included in Property Policy

MVRMA SIR: \$100,000/occurrence
Coverage excess of SIR provided by Lloyd's of London – Beazley Syndicate
Third Party Liability:
\$2 million/occurrence and annual aggregate per member, but sublimited to:
\$1,000,000/occurrence and annual aggregate for Privacy Notification Costs
First Party Computer Liability
\$2 million/occurrence and annual aggregate subject to policy sublimits
MVRMA SIR: \$100,000/occurrence
Coverage excess of SIR provided by Lloyd's of London – Beazley Syndicate

Pollution Liability – Claims made and Reported Policy

\$1 million/pollution condition and aggregate
Retroactive Date: Policy inception
MVRMA SIR: \$75,000/pollution condition;
\$750,000 underground storage tanks specific
Coverage excess SIR provided by Illinois Union Insurance Company

Member Deductible/occurrence - \$2,500

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2018

The Audit of MVRMA's 2018 financial statements has not been completed yet. Data from the December 31, 2017 financial statements are as follows:

Current Assets	\$1,163,987
Total Assets	\$18,902,013
Current Liabilities	\$5,742,796
Non-current Liabilities	\$3,062,563
Net Position	\$10,277,805

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.

Ohio Benefits Cooperative (OBC)

The City is a member of the OBC, a consortium of political subdivisions in the greater Miami Valley area. The purpose of the OBC is to pool risk and collectively purchase health insurance. OBC entered into an administrative agreement on September 1, 2015 with the Jefferson Health Plan (JHP) for stop loss insurance, pooling, administration and other benefit services to provide medical benefits to City employees. The Jefferson Health Plan (JHP) is a self-insurance plan.

The employee health benefit plan provides basic health coverage through Anthem, the third party administrator (TPA) of the program, which reviews and processes or disallows the claims. Jefferson Health Plan (JHP) releases the claims payments to the providers as a consortium outside Anthem. JHP is a jointly governed organization established as a joint insurance pool. A specific excess loss coverage (stoploss) insurance policy covers claims in excess of \$250,000 per year. The 2018 monthly family and single premiums for the PPO plan were \$1,901.33 and \$705.22. The TPA charges the City an administration fee of \$48.08 per employee per month. The 2018 monthly family and single premiums for the HSA Standard plan were \$1,421.16 and \$527.12. The TPA charges the City an administration fee of \$52.68 per employee per month. The 2018 monthly family and single premiums for the HSA Low plan were \$1,259.14 and \$467.03. The TPA charges the City an administration fee of \$52.68 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.

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2018

Note 6 – Capital Assets

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

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital Assets, not being depreciated:				
Land	\$14,380,469	\$36,021	\$0	\$14,416,490
Construction in Progress	159,248	1,398,910	0	1,558,158
Capital Assets, being depreciated:				
Buildings and Improvements	17,988,213	565,239	0	18,553,452
Equipment	11,257,164	1,071,953	75,996	12,253,121
Infrastructure	46,856,908	783,500	0	47,640,408
Totals at Historical Cost	<u>90,642,002</u>	<u>3,855,623</u>	<u>75,996</u>	<u>94,421,629</u>
Less Accumulated Depreciation:				
Buildings and Improvements	9,437,099	616,960	0	10,054,059
Equipment	7,194,157	807,482	75,996	7,925,643
Infrastructure	16,215,760	837,511	0	17,053,271
Total Accumulated Depreciation	<u>32,847,016</u>	<u>2,261,953</u>	<u>75,996</u>	<u>35,032,973</u>
Governmental Activities Capital Assets, Net	<u>\$57,794,986</u>	<u>\$1,593,670</u>	<u>\$0</u>	<u>\$59,388,656</u>

Depreciation expense was charged to governmental functions as follows:

General Government	\$590,070
Public Safety	625,762
Leisure Time	411,067
Transportation	527,753
Basic Utility Service	69,744
Community Development	37,557
Total Depreciation Expense	<u>\$2,261,953</u>

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City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2018

	Beginning Balance	Additions	Deletions	Ending Balance
Business-Type Activities				
Capital Assets, not being depreciated:				
Land	\$616,026	\$164,346	\$0	\$780,372
Construction in Progress	2,300,980	740,233	145,483	2,895,730
Capital Assets, being depreciated:				
Buildings and Improvements	51,380,853	35,081	0	51,415,934
Equipment	19,559,958	223,113	43,874	19,739,197
Infrastructure	59,164,724	2,214,582	0	61,379,306
Totals at Historical Cost	<u>133,022,541</u>	<u>3,377,355</u>	<u>189,357</u>	<u>136,210,539</u>
Less Accumulated Depreciation:				
Buildings and Improvements	24,827,365	1,144,229	0	25,971,594
Equipment	10,570,644	1,079,113	43,874	11,605,883
Infrastructure	27,370,528	1,102,665	0	28,473,193
Total Accumulated Depreciation	<u>62,768,537</u>	<u>3,326,007</u>	<u>43,874</u>	<u>66,050,670</u>
Business-Type Activities Capital Assets, Net	<u>\$70,254,004</u>	<u>\$51,348</u>	<u>\$145,483</u>	<u>\$70,159,869</u>

Note 7 – Compensated Absences

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

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

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

Note 8 - Long-Term Obligations

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

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City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2018

	Maturity Date	Interest Rate	Restated Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental Activities							
General Obligation Bonds							
Capital Facilities Bonds-\$9,000,000	12/1/40	0.00%	\$8,540,000	\$0	(\$240,000)	\$8,300,000	\$250,000
Premium	12/1/40		233,942	0	(8,998)	224,944	0
Refunding Bonds:							
Capital Facilities Bonds							
(Limited Tax)*-\$2,005,000	12/1/22	1.00-2.625%	1,050,000	0	(200,000)	850,000	205,000
Premium	12/1/22		6,155	0	(1,231)	4,924	0
Discount	12/1/22		(9,112)	0	1,823	(7,289)	0
Elm Street Improvements-\$398,644	12/1/24	1.00-2.375%	272,882	0	(37,076)	235,806	37,373
Aquatic Center-\$2,643,111	12/1/24	1.00-2.375%	1,809,272	0	(245,825)	1,563,447	247,792
Cemetery Maintenance							
Building-\$304,845	12/1/24	1.00-2.375%	208,674	0	(28,352)	180,322	28,579
Fire Station-\$1,685,025	12/1/24	1.00-2.375%	1,153,439	0	(156,717)	996,722	157,971
Premium	12/1/24		36,846	0	(5,941)	30,905	0
Discount	12/1/24		(26,011)	0	4,193	(21,818)	0
Total Bonds			<u>13,276,087</u>	<u>0</u>	<u>(918,124)</u>	<u>12,357,963</u>	<u>926,715</u>
Net Pension Liability:							
OPERS			5,761,972	0	(1,917,862)	3,844,110	0
OP&F			<u>19,100,951</u>	<u>0</u>	<u>(800,298)</u>	<u>18,300,653</u>	<u>0</u>
Total Net Pension Liability			<u>24,862,923</u>	<u>0</u>	<u>(2,718,160)</u>	<u>22,144,763</u>	<u>0</u>
Net OPEB Liability:							
OPERS			2,619,426	88,057	0	2,707,483	0
OP&F			<u>14,314,707</u>	<u>2,579,754</u>	<u>0</u>	<u>16,894,461</u>	<u>0</u>
Total Net OPEB Liability			<u>16,934,133</u>	<u>2,667,811</u>	<u>0</u>	<u>19,601,944</u>	<u>0</u>
Compensated Absences			<u>2,644,705</u>	<u>525,609</u>	<u>(613,889)</u>	<u>2,556,425</u>	<u>691,822</u>
Total Governmental Activities			<u>\$57,717,848</u>	<u>\$3,193,420</u>	<u>(\$4,250,173)</u>	<u>\$56,661,095</u>	<u>\$1,618,537</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, 2018

	Maturity Date	Interest Rate	Restated Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Business-Type Activities							
Wastewater Improvement-\$500,000	12/31/20	0.0%	\$75,000	\$0	(\$25,000)	\$50,000	\$25,000
Sewer System Bonds-\$2,830,000	12/1/43	1.0-4.0%	2,525,000	0	(65,000)	2,460,000	65,000
Premium	12/1/43		30,777	0	(1,184)	29,593	0
Water System Bonds-\$3,930,000	12/1/43	1.0-4.0%	3,490,000	0	(85,000)	3,405,000	85,000
Premium	12/1/43		42,851	0	(1,648)	41,203	0
Refunding Bonds:							
Limited Tax Bonds-\$1,955,000	12/1/19	1.0-3.0%	475,000	0	(235,000)	240,000	240,000
Premium	12/1/19		4,740	0	(3,161)	1,579	0
Discount	12/1/19		(4,165)	0	2,775	(1,390)	0
Southeast Area Sewer-\$877,687	12/1/24	1.0-2.375%	600,797	0	(81,630)	519,167	82,283
Generators-\$810,688	12/1/24	1.0-2.375%	554,936	0	(75,399)	479,537	76,002
Premium	12/1/24		12,367	0	(1,993)	10,374	0
Discount	12/1/24		(8,725)	0	1,407	(7,318)	0
Total Bonds			7,798,578	0	(570,833)	7,227,745	573,285
OWDA Loans:							
Water Pollution Control-\$1,451,384	7/1/29	3.25%	317,592	0	(23,185)	294,407	23,945
Fresh Water	7/1/29	3.25%	0	2,721,892	(173,360)	2,548,532	118,204
			317,592	2,721,892	(196,545)	2,842,939	142,149
Net Pension Liability - OPERS:							
Hobart			566,706	0	(139,652)	427,054	0
Water			1,868,168	0	(602,506)	1,265,662	0
Sanitation/Sewer			1,485,578	0	(550,255)	935,323	0
Stormwater Utility			762,928	0	(234,256)	528,672	0
Other Enterprise			596,559	0	(205,950)	390,609	0
Total Net Pension Liability			5,279,939	0	(1,732,619)	3,547,320	0
Net OPEB Liability - OPERS:							
Hobart			291,000	9,782	0	300,782	0
Water			862,438	28,993	0	891,431	0
Sanitation/Sewer			637,341	21,426	0	658,767	0
Stormwater Utility			360,244	12,110	0	372,354	0
Other Enterprise			266,166	8,948	0	275,114	0
Total Net OPEB Liability			2,417,189	81,259	0	2,498,448	0
Total Long Term Liabilities - Bonds and Loans			15,813,298	2,803,151	(2,499,997)	16,116,452	715,434
Compensated Absences			609,835	117,334	(181,754)	545,415	157,276
Total Business-Type Activities			\$16,423,133	\$2,920,485	(\$2,681,751)	\$16,661,867	\$872,710

In 2018, the City issued OWDA Fresh Water Loan to help fund the Stanfield Road Water Tower Project. The maturity date is July 1, 2037 at an interest rate of 3.03%. The first payment was made on January 1, 2018.

Compensated Absences will be paid from the fund from which the person is paid. Historically, this is the General Fund, a Special Revenue Fund, or an Enterprise Fund. Net pension liability and Net other postemployment benefits liability represents the long-term portion of the accrued liability associated with STRS and SERS pension liability. These items will be repaid from the funds from which the employees work to whom the liability is associated with or the General Fund if no such funds are available.

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

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2018

Year Ending December 31	Governmental Activities		Business-Type Activities			
	General		General		OWDA	
	Obligation Bonds		Obligation Bonds		Loan	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$926,715	\$405,547	\$573,285	\$248,410	\$142,149	\$9,374
2020	942,946	385,251	337,054	235,044	142,933	8,590
2021	961,690	364,352	323,310	228,804	143,743	7,780
2022	987,921	338,358	332,079	221,374	144,580	6,943
2023	794,153	310,580	340,847	212,664	145,444	6,079
2024-2028	2,112,872	1,271,888	1,097,129	941,207	741,206	16,409
2029-2033	1,940,000	904,028	1,115,000	744,200	607,412	266
2034-2038	2,380,000	749,902	1,365,000	502,400	591,020	0
2039-2043	1,080,000	59,088	1,670,000	205,400	184,452	0
Total	<u>\$12,126,297</u>	<u>\$4,788,994</u>	<u>\$7,153,704</u>	<u>\$3,539,503</u>	<u>\$2,842,939</u>	<u>\$55,441</u>

Note 9 - Defined Benefit Pension Plans

Net Pension Liability/Net Other Postemployment Benefits (OPEB) Liability

Pensions and OPEB 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 net pension liability and the net OPEB liability represent the City’s proportionate share of each pension/OPEB plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/OPEB plan’s fiduciary net position. The net pension/OPEB 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/OPEB are financed; however, the City does receive the benefit of employees’ services in exchange for compensation including pension and OPEB.

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability. Resulting adjustments to the net pension/OPEB liability would be effective when the changes are legally enforceable. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients.

The remainder of this note includes the pension disclosures. See Note 10 for the OPEB disclosures.

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2018

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. 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 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 in the traditional and combined plans 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 and combined plans as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information, including requirements for reduced and unreduced benefits):

<u>Group A</u>	<u>Group B</u>	<u>Group C</u>
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
<u>State and Local</u>	<u>State and Local</u>	<u>State and Local</u>
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
Traditional Plan 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	Traditional Plan 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	Traditional Plan 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
<u>Public Safety</u>	<u>Public Safety</u>	<u>Public Safety</u>
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
<u>Law Enforcement</u>	<u>Law Enforcement</u>	<u>Law Enforcement</u>
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
<u>Public Safety and Law Enforcement</u>	<u>Public Safety and Law Enforcement</u>	<u>Public Safety and Law Enforcement</u>
Traditional Plan 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	Traditional Plan 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	Traditional Plan 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

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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 traditional plan 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. Members retiring under the combined plan receive a cost-of-living adjustment of the defined benefit portion of their pension benefit. 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:

	<u>State and Local</u>	<u>Public Safety</u>	<u>Law Enforcement</u>
2018 Statutory Maximum Contribution Rates			
Employer	14.0 %	18.1 %	18.1 %
Employee *	10.0 %	**	***
2018 Actual Contribution Rates			
Employer:			
Pension ****	14.0 %	18.1 %	18.1 %
Post-employment Health Care Benefits ****	<u>0.0</u>	<u>0.0</u>	<u>0.0</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>

- * Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.
- ** 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.
- **** These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. For 2018, The City’s contractually required contribution was \$896,649 for the traditional plan. Of this amount \$114,135 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

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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.

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 (see OPF CAFR referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits):

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, surviving beneficiaries, and statutory survivors. Members participating in the DROP program have separate eligibility requirements related to COLA.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will receive a COLA equal to a percentage of the member's base pension benefit where the percentage is the lesser of three percent or the percentage increase in the consumer price index, if any, over the 12 month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

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

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	<u>Police</u>	<u>Firefighters</u>
2018 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
2018 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	<u>0.50</u>	<u>0.50</u>
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OPF was \$1,425,295 for 2018. Of this amount \$218,560 is reported as accrued wages and benefits.

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

The net pension liability for OPERS was measured as of December 31, 2017, 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, 2017, and was determined by rolling forward the total pension liability as of January 1, 2017 to December 31, 2017. 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 of the City's defined benefit pension plans:

	<u>OPERS</u>	<u>OPF</u>	<u>Total</u>
Proportionate Share of the:			
Net Pension Liability	\$7,391,430	\$18,300,653	\$25,692,083
Proportion of the Net Pension Liability:			
Current Measurement Date	0.04711500%	0.29818000%	0.34529500%
Prior Measurement Date	<u>0.04862500%</u>	<u>0.30156700%</u>	<u>0.35019200%</u>
Change in Proportionate Share	<u>-0.00151000%</u>	<u>-0.00338700%</u>	<u>-0.00489700%</u>
Pension Expense	\$1,506,371	\$2,076,441	\$3,582,812

At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	OPERS	OPF	Total
Deferred Outflows of Resources:			
Differences between expected and actual experience	\$7,548	\$277,725	\$285,273
Changes in assumptions	883,325	797,456	1,680,781
Changes in employer proportionate share of net pension liability	48,450	0	48,450
Contributions subsequent to the measurement date	896,649	1,425,295	2,321,944
Total Deferred Outflows of Resources	<u>\$1,835,972</u>	<u>\$2,500,476</u>	<u>\$4,336,448</u>
Deferred Inflows of Resources:			
Differences between expected and actual experience	\$145,661	\$33,107	\$178,768
Changes in employer proportionate share of net pension liability	165,143	383,234	548,377
Net difference between projected and actual earnings on pension plan investments	1,586,843	633,062	2,219,905
Total Deferred Inflows of Resources	<u>\$1,897,647</u>	<u>\$1,049,403</u>	<u>\$2,947,050</u>

\$2,321,944 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, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	OPERS	OPF	Total
2019	\$618,782	\$371,074	\$989,856
2020	(226,287)	204,637	(21,650)
2021	(698,761)	(451,064)	(1,149,825)
2022	(652,058)	(310,055)	(962,113)
2023	0	169,605	169,605
Thereafter	0	41,581	41,581
Total	<u>(\$958,324)</u>	<u>\$25,778</u>	<u>(\$932,546)</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 was determined by an actuarial valuation as of December 31, 2017, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2017, are presented below.

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OPERS Traditional Plan

Wage Inflation	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA:	
Pre-January 7, 2013 Retirees	3 percent, simple
Post-January 7, 2013 Retirees	3 percent, simple through 2018, then 2.15 percent, simple
Investment Rate of Return	7.5 percent
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The most recent experience study was completed for the five year period ended December 31, 2015.

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.

During 2017, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 16.82 percent for 2017.

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 2017 and the long-term expected real rates of return:

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Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00%	2.20%
Domestic Equities	19.00%	6.37%
Real Estate	10.00%	5.26%
Private Equity	10.00%	8.97%
International Equities	20.00%	7.88%
Other investments	18.00%	5.26%
Total	100.00%	5.66%

Discount Rate The discount rate used to measure the total pension liability was 7.5 percent for the traditional plan and the combined plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future 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 7.5 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 (6.5 percent) or one-percentage-point higher (8.5 percent) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City's proportionate share of the net pension liability:			
OPERS	\$11,711,847	\$7,391,430	\$2,611,113

Changes between Measurement Date and Report Date In October 2018, the OPERS Board adopted a change in the investment return assumption, reducing it from 7.5 percent to 7.2 percent. This change will be effective for the 2018 valuation. The exact amount of the impact to the City’s net pension liability is not known.

Actuarial Assumptions – OPF

OPF’s total pension liability as of December 31, 2017, is based on the results of an actuarial valuation date of January 1, 2017, 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

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made about the future. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of January 1, 2017, compared with January 1, 2016, are presented below.

	January 1, 2017	January 1, 2016
Valuation Date	January 1, 2017, with actuarial liabilities rolled forward to December 31, 2017	January 1, 2016, with actuarial liabilities rolled forward to December 31, 2016
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	8.0 percent	8.25 percent
Projected Salary Increases	3.75 percent to 10.5 percent	4.25 percent to 11 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent	Inflation rate of 3.25 percent plus productivity increase rate of 0.5 percent
Cost of Living Adjustments	3.00 percent simple; 2.2 percent simple for increased based on the lesser of the increase in CPI and 3 percent	3.00 percent simple; 2.6 percent simple for increased based on the lesser of the increase in CPI and 3 percent

For the January 1, 2017, valuation, mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

Age	Police	Fire
67 or less	77%	68%
68-77	105%	87%
78 and up	115%	120%

For the January 1, 2017, valuation, mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale.

Age	Police	Fire
59 or less	35%	35%
60-69	60%	45%
70-79	75%	70%
80 and up	100%	90%

For the January 1, 2016 valuation, rates of death were 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 for the five year period ended December 31, 2016, the prior experience study was completed December 31, 2011.

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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 expected. 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, 2017, are summarized below:

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

Note: Assumptions are geometric
 * 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 For 2017, the total pension liability was calculated using the discount rate of 8.00 percent. The discount rate used for 2016 was 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 8.00 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 8.00 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 (7.00 percent), or one percentage point higher (9.00 percent) than the current rate.

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	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:			
OPF	\$25,369,504	\$18,300,653	\$12,535,358

Changes between Measurement Date and Report Date There have been no OPF pension plan amendments adopted or changes in assumptions between the measurement date and the report date that would have impacted the actuarial valuation studies as of the pension plan for the measurement date.

Note 10 - Defined Benefit Other Postemployment Benefits Plans

Net Other Postemployment Benefits (OPEB) Liability

The net OPEB liability reported on the statement of net position represents a liability to employees for OPEB. OPEB is a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. OPEB 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 OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net OPEB liability represents the City’s proportionate share of each OPEB plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan’s fiduciary net position. The net OPEB 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 these estimates 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 OPEB are financed; however, the City does receive the benefit of employees’ services in exchange for compensation including OPEB.

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - The Ohio Public Employees Retirement System (OPERS) maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty 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 75. See OPERS' CAFR referenced below for additional information.

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

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, health care is not being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2018, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan was 1.0 percent during calendar year 2017. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2018 decreased to 0 percent for both plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The

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employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2018 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$0 for 2018.

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

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OPF) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment healthcare plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. OPF provides health care benefits including coverage for medical, prescription drug, dental, vision, and Medicare Part B Premium to retirees, qualifying benefit recipients and their eligible dependents.

OPF provides access to postretirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit, or is a spouse or eligible dependent child of such person. The health care coverage provided by OPF meets the definition of an Other Post Employment Benefit (OPEB) as described in Government Accounting Standards Board (GASB) Statement No. 75.

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

OPF issues a publicly available financial report that includes financial information and required supplementary information for the plan. The report 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.

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OPF 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 percent and 24 percent of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

OPF maintains funds for health care in two separate accounts. There is one account for health care benefits and one account for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefits under IRS Code Section 115 trust. An Internal Revenue Code 401(h) account is maintained for Medicare Part B reimbursements.

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 the Section 401(h) account as the employer contribution for retiree health care benefits. For 2018, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care 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).

City of Troy, Ohio
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For The Year Ended December 31, 2018

The OPF Board of Trustees is also authorized to establish requirements for contributions to the health care 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.

Beginning January 1, 2019, OPF is changing its retiree health care model and the current self-insured health care plan will no longer be offered. In its place is a stipend-based health care model. A stipend funded by OPF will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses.

The City's contractually required contribution to OPF was \$33,751 for 2018.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2016, rolled forward to the measurement date of December 31, 2017, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OPF's total OPEB liability was measured as of December 31, 2017, and was determined by rolling forward the total OPEB liability as of January 1, 2017, to December 31, 2017. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>	<u>OPF</u>	<u>Total</u>
Proportionate Share of the:			
Net OPEB Liability	\$5,205,931	\$16,894,461	\$22,100,392
Proportion of the Net OPEB Liability:			
Current Measurement Date	0.04794000%	0.29818000%	0.34612000%
Prior Measurement Date	<u>0.04986580%</u>	<u>0.30156700%</u>	<u>0.35143280%</u>
Change in Proportionate Share	<u>-0.00192580%</u>	<u>-0.00338700%</u>	<u>-0.00531280%</u>
OPEB Expense	\$383,157	\$1,299,784	\$1,682,941

At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2018

	<u>OPERS</u>	<u>OPF</u>	<u>Total</u>
Deferred Outflows of Resources:			
Differences between expected and actual experience	\$4,055	\$0	\$4,055
Changes in assumptions	379,047	1,648,540	2,027,587
Contributions subsequent to the measurement date	0	33,751	33,751
Total Deferred Outflows of Resources	<u>\$383,102</u>	<u>\$1,682,291</u>	<u>\$2,065,393</u>
Deferred Inflows of Resources:			
Differences between expected and actual experience	\$0	\$85,207	\$85,207
Net difference between projected and actual earnings on OPEB plan investments	387,807	111,207	499,014
Changes in employer proportionate share of net OPEB liability	131,596	140,266	271,862
Total Deferred Inflows of Resources	<u>\$519,403</u>	<u>\$336,680</u>	<u>\$856,083</u>

\$33,751 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31:	<u>OPERS</u>	<u>OPF</u>	<u>Total</u>
2019	\$23,295	\$180,249	\$203,544
2020	23,294	180,249	203,543
2021	(85,937)	180,249	94,312
2022	(96,953)	180,250	83,297
2023	0	208,050	208,050
Thereafter	0	382,813	382,813
Total	<u>(\$136,301)</u>	<u>\$1,311,860</u>	<u>\$1,175,559</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 and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2016, rolled forward to the measurement date of December 31, 2017. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2018

Wage Inflation	3.25 percent
Projected Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	3.85 percent
Prior Measurement date	4.23 percent
Investment Rate of Return	6.50 percent
Municipal Bond Rate	3.31 percent
Health Care Cost Trend Rate	7.5 percent, initial 3.25 percent, ultimate in 2028
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The most recent experience study was completed for the five year period ended December 31, 2015.

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

During 2017, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio is 15.2 percent for 2017.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2017 and the long-term expected real rates of return:

City of Troy, Ohio
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For The Year Ended December 31, 2018

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00%	1.88%
Domestic Equities	21.00%	6.37%
Real Estate Investment Trust	6.00%	5.91%
International Equities	22.00%	7.88%
Other investments	17.00%	5.39%
Total	100.00%	4.98%

Discount Rate A single discount rate of 3.85 percent was used to measure the OPEB liability on the measurement date of December 31, 2017. A single discount rate of 4.23 percent was used to measure the OPEB liability on the measurement date of December 31, 2016. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.50 percent and a municipal bond rate of 3.31 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following table presents the City's proportionate share of the net OPEB liability calculated using the single discount rate of 3.85 percent, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.85 percent) or one-percentage-point higher (4.85 percent) than the current rate:

	1% Decrease (2.85%)	Discount Rate (3.85%)	1% Increase (4.85%)
City's proportionate share of the net OPEB liability:			
OPERS	\$6,916,304	\$5,205,931	\$3,822,256

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate

Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

City of Troy, Ohio
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Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2018 is 7.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25 percent in the most recent valuation.

	Current Health Care Cost Trend Rate		
	<u>1% Decrease</u>	<u>Assumption</u>	<u>1% Increase</u>
City's proportionate share of the net OPEB liability OPERS	\$4,980,966	\$5,205,931	\$5,438,314

Changes between Measurement Date and Report Date In October 2018, the OPERS Board adopted a change in the investment return assumption, reducing it from 6.5 percent to 6.0 percent. This change will be effective for the 2018 valuation. The exact amount of impact to the City's net OPEB liability is not known.

Actuarial Assumptions – OPF

OPF's total OPEB liability as of December 31, 2017, is based on the results of an actuarial valuation date of January 1, 2017, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OPF's actuaries in accordance with GASB Statement No. 74, 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.

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 and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below.

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2018

Valuation Date	January 1, 2017, with actuarial liabilities rolled forward to December 31, 2017
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5
Single discount rate:	
Current measurement date	3.24 percent
Prior measurement date	3.79 percent
Cost of Living Adjustments	3.00 percent simple; 2.2 percent simple for increased based on the lesser of the increase in CPI and 3 percent

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
67 or less	77%	68%
68-77	105%	87%
78 and up	115%	120%

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
59 or less	35%	35%
60-69	60%	45%
70-79	75%	70%
80 and up	100%	90%

The most recent experience study was completed for the five year period ended December 31, 2016, the prior experience study was completed December 31, 2011.

The long-term expected rate of return on OPEB 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 expected. 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, 2017, are summarized below:

City of Troy, Ohio
Notes to the Basic Financial Statements
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Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and Cash Equivalent	0.00%	0.00%
Domestic Equity	16.00%	5.21%
Non-US Equity	16.00%	5.40%
Core Fixed Income*	20.00%	2.37%
Global Inflation Protected Securities*	20.00%	2.33%
High Yield	15.00%	4.48%
Real Estate	12.00%	5.65%
Private Markets	8.00%	7.99%
Timber	5.00%	6.87%
Master Limited Partnerships	8.00%	7.36%
Total	120.00%	

Note: Assumptions are geometric

* 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 OPEB liability was calculated using the discount rate of 3.24 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 8 percent. Based on those assumptions, OPF's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 3.16 percent at December 31, 2017 and 3.71 percent at December 31, 2016, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 3.24 percent. The municipal bond rate was determined using the S&P Municipal Bond 20 Year High Grade Rate Index. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2025. The long-term expected rate of return on health care investments was applied to projected costs through 2025, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 3.24 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.24 percent), or one percentage point higher (4.24 percent) than the current rate.

City of Troy, Ohio
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	1% Decrease <u>(2.24%)</u>	Current Discount Rate <u>(3.24%)</u>	1% Increase <u>(4.24%)</u>
City's proportionate share of the Net OPEB Liability			
OPF	\$21,118,280	\$16,894,461	\$13,644,418

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate Net OPEB liability is sensitive to changes in the health care cost trend rate. The trend rate is the annual rate at which the cost of covered medical services is assumed to increase from the current year to the next year. Beginning in 2017, the per-capita costs are assumed to change by the following percentages each year:

Year	Non-Medicare	Non-AARP	AARP	Rx Drug	Medicare Part B
2017	-0.47%	-2.50%	4.50%	-0.47%	5.20%
2018	7.00%	7.00%	4.50%	7.00%	5.10%
2019	6.50%	6.50%	4.50%	6.50%	5.00%
2020	6.00%	6.00%	4.50%	6.00%	5.00%
2021	5.50%	5.50%	4.50%	5.50%	5.00%
2022	5.00%	5.00%	4.50%	5.00%	5.00%
2023 and Later	4.50%	4.50%	4.50%	4.50%	5.00%

To illustrate the potential impact, the following table presents the net OPEB liability calculated using the current healthcare cost trend current rates as outlined in the table above, a one percent decrease in the trend rates and a one percent increase in the trend rates.

	1% Decrease	Current Rates	1% Increase
City's proportionate share of the net OPEB liability			
OPF	\$13,123,921	\$16,894,461	\$21,975,873

Changes between Measurement Date and Report Date In March 2018, the OPF Board of Trustees approved the implementation date and framework for a new health care model. Beginning January 1, 2019, the current self-insured health care plan will no longer be offered. In its place is a stipend-based health care model. A stipend funded by OPF will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses. The impact to the City's Net OPEB Liability is not known.

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City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2018

Note 11 – Construction and Other Commitments

The City had the following outstanding commitments at year end:

Projects	Amount
Hobart Arena Events	\$41,996
Sewer Maintenance and Improvements	1,095,955
Water Maintenance and Improvements	1,200,906
Miami Shores Renovations	1,084,120
Street Improvements	3,882,251
Downtown Building Repair Loan	664,366
Rock Salt for Streets	39,724
Refuse Collection	60,001
Vehicles	131,874
Other Construction and Commitments	281,252
Total Outstanding Commitments	\$8,482,445

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:

Fund	Amount
General	\$833,829
Capital Improvements	3,646,670
Water	1,467,744
Sanitary Sewer	1,305,031
Stormwater Utility	424,738
Nonmajor Funds	2,285,742
Total	\$9,963,754

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City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2018

Note 12 – Interfund Transfers and Interfund Receivable/Payable

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

	Interfund		Transfers	
	Receivable	Payable	In	Out
General Fund	\$1,656,000	\$0	\$0	\$8,254,060
TIF Retirement	0	1,320,000	0	0
Other Governmental Funds	0	336,000	7,479,060	0
Hobart Arena	0	0	500,000	0
Other Enterprise Funds	0	0	275,000	0
Total All Funds	<u>\$1,656,000</u>	<u>\$1,656,000</u>	<u>\$8,254,060</u>	<u>\$8,254,060</u>

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

Note 13 - Donor-Restricted Endowment

The City administers an endowment fund, which is restricted by the donor for the purposes of cemetery maintenance and improvement. Donor-restricted endowments are reported at fair value. The amount of net appreciation on investments of donor-restricted endowments that is available for authorization for expenditure by the City is \$158,860. The City authorizes expenditures from donor-restricted endowment in compliance with the wishes expressed by the donor and the Ohio Revised Code.

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City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2018

Note 14 – Fund Balance

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

Fund Balances	General	TIF Retirement	Other Governmental Funds	Total
Nonspendable:				
Notes	\$0	\$0	\$2,627,428	\$2,627,428
Total Nonspendable	0	0	2,627,428	2,627,428
Restricted for:				
Safety Income Tax	1,444,592	0	0	1,444,592
Street Construction, Maintenance and Repair	0	0	1,968,418	1,968,418
State Highway Improvement	0	0	189,490	189,490
Cemetery	0	0	251,619	251,619
Municipal Real Property	0	0	88,149	88,149
Miami Conservatory District	0	0	95,348	95,348
Community Development Block Grant	0	0	995,242	995,242
Parking Improvement	0	0	132,969	132,969
Drug Law Enforcement	0	0	17,332	17,332
Law Enforcement	0	0	37,503	37,503
Cemetery Endowment	0	0	1,002,037	1,002,037
Small Business Development R-Loan	0	0	484,577	484,577
Equitable Sharing	0	0	65,416	65,416
Capital Improvement	0	0	4,194,936	4,194,936
OPWC Project	0	0	954,493	954,493
Total Restricted	1,444,592	0	10,477,529	11,922,121
Committed to:				
Capital Improvements	32,854,302	0	0	32,854,302
Total Committed	32,854,302	0	0	32,854,302
Assigned to:				
Bond Retirement	0	0	169,372	169,372
Technology	0	0	151,102	151,102
Future Encumbrances	643,414	0	0	643,414
Total Assigned	643,414	0	320,474	963,888
Unassigned (Deficit)	22,055,462	(610,336)	0	21,445,126
Total Fund Balance	<u>\$56,997,770</u>	<u>(\$610,336)</u>	<u>\$13,425,431</u>	<u>\$69,812,865</u>

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

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2018

Note 15 –Accountability

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

Fund	Deficit
Major Fund:	
TIF Retirement	\$610,336

The fund deficit at December 31, 2018 arises from the recognition of certain liabilities under the modified accrual basis of accounting. Under the budgetary basis of accounting the deficit does not exist. The General Fund provides transfers when cash is required, not when accruals occur.

Note 16 – Contingent Liabilities

Litigation

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

Note 17 – Tax Abatements

As of December 31, 2018, the City provides tax abatements through the Community Reinvestment Area (CRA) and Ohio Enterprise Zone Area (EZA) Program:

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

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

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2018

Tax Abatement Programs	City's Share of Taxes Abated
Community Reinvestment Area	\$10,698
Enterprise Zone Area	8,429

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

Note 18 – Implementation of New Accounting Principles and Restatement of Net Position

For fiscal year 2018, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, GASB Statement No. 85, *Omnibus 2017*, and GASB Statement No. 86, *Certain Debt Extinguishments*.

GASB Statement No. 75 improves the accounting and financial reporting by state and local governments for postemployment benefits other than pension (OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The implementation of GASB Statement No. 75 affected the City's postemployment benefit plan disclosures, as presented in the notes to the basic financial statements, and added required supplementary information which can be found following these notes to the basic financial statements.

GASB Statement No. 85 addresses practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and OPEB. The implementation of GASB Statement No. 85 did not have an effect on the financial statements of the City.

GASB Statement No. 86 improves consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources – resources other than the proceeds of refunding debt - are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The implementation of GASB Statement No. 86 did not have an effect on the financial statements of the City.

A net position restatement is required in order to implement GASB Statement No. 75. The governmental activities, and business-type activities at January 1, 2018 have been restated as follows:

	Governmental Activities	Business-Type Activities
Net position as previously reported	\$96,711,710	\$74,557,455
Adjustments:		
Net OPEB Liability	(16,934,133)	(2,417,189)
Deferred Outflow		
Payments Subsequent to Measurement Date	72,215	37,214
Restated Net Position December 31, 2017	\$79,849,792	\$72,177,480

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2018

	Enterprise Funds			
	Water	Sanitary Sewer	Hobart Arena	Stormwater Utility
Net position December 31, 2017	\$26,037,727	\$20,999,648	\$12,092,586	\$12,140,033
Adjustments:				
Net OPEB Liability	(862,438)	(637,341)	(291,000)	(360,244)
Deferred Outflow				
Payments Subsequent to Measurement Date	13,278	9,812	4,481	5,546
Restated Net Position December 31, 2017	<u>\$25,188,567</u>	<u>\$20,372,119</u>	<u>\$11,806,067</u>	<u>\$11,785,335</u>

	Enterprise Funds (Continued)			
	Swimming Pool	Parking Meter	Miami Shores	Total Other Enterprise
Net position as previously reported	\$2,877,949	\$242,093	\$167,419	\$3,287,461
Adjustments:				
Net OPEB Liability	(76,706)	(29,326)	(160,134)	(266,166)
Deferred Outflow				
Payments Subsequent to Measurement Date	1,181	451	2,465	4,097
Restated Net Position December 31, 2017	<u>\$2,802,424</u>	<u>\$213,218</u>	<u>\$9,750</u>	<u>\$3,025,392</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.

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REQUIRED SUPPLEMENTARY INFORMATION

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

	2018	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.04711500%	0.04862500%	0.04752900%	0.04867200%	0.04867200%
City's Proportionate Share of the Net Pension Liability	\$7,391,430	\$11,041,911	\$8,232,622	\$5,870,387	\$5,737,795
City's Covered Payroll	\$6,226,246	\$6,285,742	\$5,980,800	\$5,986,958	\$6,565,754
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	118.71%	175.67%	137.65%	98.05%	87.39%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.66%	77.25%	81.08%	86.45%	86.36%

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

Note:

Amounts presented as of the City's measurement date which is the prior fiscal year end.
 See accompanying notes to the required supplementary information.

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

	2018	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.29818000%	0.30156700%	0.30581300%	0.30833220%	0.30833220%
City's Proportionate Share of the Net Pension Liability	\$18,300,653	\$19,100,951	\$19,673,165	\$15,972,893	\$15,016,746
City's Covered Payroll	\$7,169,253	\$6,985,753	\$6,654,988	\$6,337,672	\$7,482,014
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	255.27%	273.43%	295.62%	252.03%	200.70%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.91%	68.36%	66.77%	72.20%	73.00%

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

Note:

Amounts presented as of the City's measurement date which is the prior fiscal year end.
 See accompanying notes to the required supplementary information.

City of Troy, Ohio
 Required Supplementary Information
 Schedule of City's Contributions
 for Net Pension Liability
 Ohio Public Employees Retirement System- Traditional Plan
 Last Five Fiscal Years (1)

	2018	2017	2016	2015	2014
Contractually Required Contribution	\$896,649	\$809,412	\$754,289	\$717,696	\$718,435
Contributions in Relation to the Contractually Required Contribution	<u>(896,649)</u>	<u>(809,412)</u>	<u>(754,289)</u>	<u>(717,696)</u>	<u>(718,435)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's Covered Payroll	\$6,404,636	\$6,226,246	\$6,285,742	\$5,980,800	\$5,986,958
Contributions as a Percentage of Covered Payroll	14.00%	13.00%	12.00%	12.00%	12.00%

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

Note:

See accompanying notes to the required supplementary information.

City of Troy, Ohio
 Required Supplementary Information
 Schedule of City's Contributions
 for Net Pension Liability
 Ohio Police and Fire Pension Fund
 Last Five Fiscal Years (1)

	2018	2017	2016	2015	2014
Contractually Required Contribution	\$1,425,295	\$1,362,158	\$1,327,293	\$1,336,987	\$1,290,350
Contributions in Relation to the Contractually Required Contribution	<u>(1,425,295)</u>	<u>(1,362,158)</u>	<u>(1,327,293)</u>	<u>(1,336,987)</u>	<u>(1,290,350)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's Covered Payroll	\$7,501,553	\$7,169,253	\$6,985,753	\$6,654,988	\$6,337,672
Contributions as a Percentage of Covered Payroll	19.00%	19.00%	19.00%	20.09%	20.36%

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

Note:

See accompanying notes to the required supplementary information.

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

	2018	2017
City's Proportion of the Net OPEB Liability	0.04794000%	0.04986580%
City's Proportionate Share of the Net OPEB Liability	\$5,205,931	\$5,036,615
City's Covered Payroll	\$6,226,246	\$6,285,742
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	83.61%	80.13%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	54.14%	54.04%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2017 is not available.

Note:

Amounts presented as of the City's measurement date which is the prior fiscal year end.
 See accompanying notes to the required supplementary information.

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

	2018	2017
City's Proportion of the Net OPEB Liability	0.29818000%	0.30156700%
City's Proportionate Share of the Net OPEB Liability	\$16,894,461	\$14,314,707
City's Covered Payroll	\$7,169,253	\$6,985,753
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	235.65%	204.91%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	14.13%	15.96%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2017 is not available.

Note:

Amounts presented as of the City's measurement date which is the prior fiscal year end.
 See accompanying notes to the required supplementary information.

City of Troy, Ohio
 Required Supplementary Information
 Schedule of City's Contributions to
 Postemployment Benefits Other Than Pension (OPEB)
 Ohio Public Employees Retirement System - Traditional Plan
 Last Three Fiscal Years (1)

	2018	2017	2016
Contractually Required Contribution to OPEB	\$0	\$77,541	\$137,770
Contributions to OPEB in Relation to the Contractually Required Contribution	0	(77,541)	(137,770)
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's Covered Payroll	\$6,404,636	\$6,226,246	\$6,285,742
Contributions to OPEB as a Percentage of Covered Payroll	0.00%	1.25%	2.19%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2016 is not available.

Note:

See accompanying notes to the required supplementary information.

City of Troy, Ohio
 Required Supplementary Information
 Schedule of City's Contributions to
 Postemployment Benefits Other Than Pension (OPEB)
 Ohio Police and Fire Pension Fund
 Last Three Fiscal Years (1)

	2018	2017	2016
Contractually Required Contribution to OPEB	\$33,751	\$31,888	\$31,765
Contributions to OPEB in Relation to the Contractually Required Contribution	<u>(33,751)</u>	<u>(31,888)</u>	<u>(31,765)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's Covered Payroll	\$7,501,553	\$7,169,253	\$6,985,753
Contributions to OPEB as a Percentage of Covered Payroll	0.45%	0.44%	0.45%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2016 is not available.

Note:

See accompanying notes to the required supplementary information.

City of Troy, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2018

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Property and Other Taxes	\$1,396,891	\$1,458,279	\$1,458,281	\$2
Charges for Services	3,434,902	3,457,880	3,585,858	127,978
Investment Earnings	252,510	246,000	263,607	17,607
Intergovernmental	1,160,471	1,205,990	1,211,471	5,481
Special Assessments	1,657	1,725	1,730	5
Fines, Licenses & Permits	76,901	77,541	80,281	2,740
Other Revenues	1,037,770	1,081,283	1,083,378	2,095
Total Revenues	7,361,102	7,528,698	7,684,606	155,908
Expenditures:				
Current:				
General Government	5,040,619	5,596,519	5,232,297	364,222
Public Safety	10,950,457	12,300,722	11,366,866	933,856
Community Environment	1,204,247	1,337,991	1,250,040	87,951
Recreation	1,476,376	1,608,179	1,532,518	75,661
Basic Utility	1,147,109	1,237,059	1,190,730	46,329
Capital Outlay	1,219,574	1,254,595	1,265,950	(11,355)
Total Expenditures	21,038,382	23,335,065	21,838,401	1,496,664
Excess of Revenues Over (Under) Expenditures	(13,677,280)	(15,806,367)	(14,153,795)	1,652,572
Other Financing Sources (Uses):				
Transfers In	21,148,290	22,077,700	22,077,711	11
Transfers (Out)	(7,951,683)	(8,555,000)	(8,254,059)	300,941
Total Other Financing Sources (Uses)	13,196,607	13,522,700	13,823,652	300,952
Net Change in Fund Balance	(480,673)	(2,283,667)	(330,143)	1,953,524
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	8,963,524	8,963,524	8,963,524	0
Fund Balance End of Year	\$8,482,851	\$6,679,857	\$8,633,381	\$1,953,524

See accompanying notes to the required supplementary information.

City of Troy, Ohio
Notes to the Required Supplementary Information
For The Fiscal Year Ended December 31, 2018

Note 1 – 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).

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

City of Troy, Ohio
Notes to the Required Supplementary Information
For The Fiscal Year Ended December 31, 2018

Net Change in Fund Balance

	General
GAAP Basis	(\$2,409,876)
Revenue Accruals	(19,983,741)
Expenditure Accruals	832,071
Transfers In	22,077,711
Proceeds of Capital Assets	(37,820)
Encumbrances	(808,488)
Budget Basis	(\$330,143)

Note 2 – Net Pension Liability

Ohio Public Employees Retirement System (Traditional Plan)

Changes in benefit terms: There were no changes in benefit terms for the period 2014-2018.

Changes in assumptions:

2014-2016: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

2017: The following were the most significant changes of assumptions that affected total pension liability since the prior measurement date

- Reduction in actuarial assumed rate of return from 8.00% to 7.50%
- Decrease in wage inflation from 3.75% to 3.25%
- Change in future salary increases from a range of 4.25%-10.02% to 3.25%-10.75%

2018: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

Changes between Measurement Date and Report Date: In October 2018, the OPERS Board adopted a change in the investment return assumption, reducing it from 7.5 percent to 7.2 percent. This change will be effective for the 2018 valuation. The exact amount of the impact to the City's net pension liability is not known.

Ohio Police and Fire Pension Fund

Changes in benefit terms: There were no changes in benefit terms for the period 2014-2018.

Changes in assumptions:

2014-2017: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

2018: The following were the most significant changes of assumptions that affected total pension liability since the prior measurement date.

- Reduction in actuarial assumed rate of return from 8.25% to 8.00%
- Decrease salary increases from 3.75% to 3.25%
- Change in payroll growth from 3.75% to 3.25%
- Reduce DROP interest rate from 4.5% to 4.0%
- Reduce CPI-based COLA from 2.6% to 2.2%
- Inflation component reduced from 3.25% to 2.75%

City of Troy, Ohio
Notes to the Required Supplementary Information
For The Fiscal Year Ended December 31, 2018

Note 3 – Net Other Post Employment Benefits (OPEB) Liability

Ohio Public Employees Retirement System

Changes in benefit terms: There were no changes in benefit terms for 2018.

Changes in assumptions: The single discount rate changed from 4.23% to 3.85% for 2018.

Ohio Police and Fire

Changes in benefit terms: There were no changes in benefit terms for 2018.

Changes in assumptions: The single discount rate changed from 3.79% to 3.24% for 2018.

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES

MAJOR GOVERNMENTAL FUNDS

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

City of Troy, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2018

	TIF Retirement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Revenue in Lieu of Taxes	\$339,635	\$339,638	\$3
Total Revenues	<u>339,635</u>	<u>339,638</u>	<u>3</u>
Expenditures:			
Current:			
Capital Outlay	17,000	16,877	123
Debt Service:			
Principal Retirement	50,000	50,000	0
Interest and Fiscal Charges	<u>82,200</u>	<u>82,200</u>	<u>0</u>
Total Expenditures	<u>149,200</u>	<u>149,077</u>	<u>123</u>
Net Change in Fund Balance	190,435	190,561	126
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>507,105</u>	<u>507,105</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$697,540</u></u>	<u><u>\$697,666</u></u>	<u><u>\$126</u></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 Fund

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, 2018

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in Pooled Cash and Investments	\$5,315,658	\$169,120	\$5,821,787	\$11,306,565
Restricted Cash	0	0	36,552	36,552
Receivables (Net):				
Taxes	145,147	0	0	145,147
Accounts	353	0	28,770	29,123
Interest	4,306	252	0	4,558
Intergovernmental	549,953	0	675,041	1,224,994
Notes	2,627,428	0	0	2,627,428
Special Assessments	35,757	0	396,303	432,060
Total Assets	8,678,602	169,372	6,958,453	15,806,427
Liabilities:				
Accounts Payable	67,925	0	239,470	307,395
Accrued Wages and Benefits	19,770	0	0	19,770
Retainage Payable	0	0	36,552	36,552
Interfund Payable	0	0	336,000	336,000
Total Liabilities	87,695	0	612,022	699,717
Deferred Inflows of Resources:				
Property and Income Taxes	135,890	0	0	135,890
Grants and Other Taxes	463,732	0	649,597	1,113,329
Special Assessments	35,757	0	396,303	432,060
Total Deferred Inflows of Resources	635,379	0	1,045,900	1,681,279
Fund Balances:				
Nonspendable	2,627,428	0	0	2,627,428
Restricted	5,328,100	0	5,149,429	10,477,529
Assigned	0	169,372	151,102	320,474
Total Fund Balances	7,955,528	169,372	5,300,531	13,425,431
Total Liabilities, Deferred Inflows and Fund Balances	\$8,678,602	\$169,372	\$6,958,453	\$15,806,427

City of Troy, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Governmental Funds
For the Fiscal Year Ended December 31, 2018

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Property and Other Taxes	\$127,980	\$0	\$0	\$127,980
Charges for Services	195,879	0	0	195,879
Investment Earnings	45,159	3,028	0	48,187
Intergovernmental	1,193,296	0	981,807	2,175,103
Special Assessments	0	5,679	101,149	106,828
Fines, Licenses & Permits	35,357	0	28,770	64,127
Other Revenues	73,485	0	88,117	161,602
Total Revenues	1,671,156	8,707	1,199,843	2,879,706
Expenditures:				
Current:				
General Government	143,463	0	0	143,463
Community Development	23,781	0	108,451	132,232
Transportation and Street Repair	1,380,047	0	1,114,116	2,494,163
Public Health and Welfare	393,912	0	0	393,912
Capital Outlay	275,429	0	3,268,260	3,543,689
Debt Service:				
Principal	0	907,970	0	907,970
Interest and Other Charges	0	429,507	0	429,507
Total Expenditures	2,216,632	1,337,477	4,490,827	8,044,936
Excess of Revenues Over (Under) Expenditures	(545,476)	(1,328,770)	(3,290,984)	(5,165,230)
Other Financing Sources (Uses):				
Transfers In	1,129,060	900,000	5,450,000	7,479,060
Total Other Financing Sources (Uses)	1,129,060	900,000	5,450,000	7,479,060
Net Change in Fund Balance	583,584	(428,770)	2,159,016	2,313,830
Fund Balance - Beginning of Year	7,371,944	598,142	3,141,515	11,111,601
Fund Balance - End of Year	\$7,955,528	\$169,372	\$5,300,531	\$13,425,431

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, 2018

	Street Construction, Maintenance and Repair	State Highway Improvement	Cemetery	Municipal Real Property	Miami Conservancy District	Community Development Block Grant
Assets:						
Equity in Pooled Cash and Investments	\$1,954,126	\$183,601	\$264,120	\$96,683	\$86,091	\$993,762
Receivables (Net):						
Taxes	0	0	0	0	145,147	0
Accounts	186	17	0	0	0	0
Interest	0	273	0	144	0	1,480
Intergovernmental	508,706	41,247	0	0	0	0
Notes	0	0	0	0	0	1,613,600
Special Assessments	35,757	0	0	0	0	0
Total Assets	2,498,775	225,138	264,120	96,827	231,238	2,608,842
Liabilities:						
Accounts Payable	47,788	868	10,591	8,678	0	0
Accrued Wages and Benefits	17,860	0	1,910	0	0	0
Total Liabilities	65,648	868	12,501	8,678	0	0
Deferred Inflows of Resources:						
Property and Income Taxes	0	0	0	0	135,890	0
Grants and Other Taxes	428,952	34,780	0	0	0	0
Special Assessments	35,757	0	0	0	0	0
Total Deferred Inflows of Resources	464,709	34,780	0	0	135,890	0
Fund Balances:						
Nonspendable	0	0	0	0	0	1,613,600
Restricted	1,968,418	189,490	251,619	88,149	95,348	995,242
Total Fund Balances	1,968,418	189,490	251,619	88,149	95,348	2,608,842
Total Liabilities, Deferred Inflows and Fund Balances	\$2,498,775	\$225,138	\$264,120	\$96,827	\$231,238	\$2,608,842

<u>Parking Improvement</u>	<u>Drug Law Enforcement</u>	<u>Law Enforcement</u>	<u>Cemetery Endowment</u>	<u>Small Business Development R-Loan</u>	<u>Equitable Sharing</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$132,771	\$17,207	\$37,478	\$1,000,547	\$483,856	\$65,416	\$5,315,658
0	0	0	0	0	0	145,147
0	125	25	0	0	0	353
198	0	0	1,490	721	0	4,306
0	0	0	0	0	0	549,953
0	0	0	0	1,013,828	0	2,627,428
0	0	0	0	0	0	35,757
<u>132,969</u>	<u>17,332</u>	<u>37,503</u>	<u>1,002,037</u>	<u>1,498,405</u>	<u>65,416</u>	<u>8,678,602</u>
0	0	0	0	0	0	67,925
0	0	0	0	0	0	19,770
0	0	0	0	0	0	87,695
0	0	0	0	0	0	135,890
0	0	0	0	0	0	463,732
0	0	0	0	0	0	35,757
0	0	0	0	0	0	635,379
0	0	0	0	1,013,828	0	2,627,428
<u>132,969</u>	<u>17,332</u>	<u>37,503</u>	<u>1,002,037</u>	<u>484,577</u>	<u>65,416</u>	<u>5,328,100</u>
<u>132,969</u>	<u>17,332</u>	<u>37,503</u>	<u>1,002,037</u>	<u>1,498,405</u>	<u>65,416</u>	<u>7,955,528</u>
<u>\$132,969</u>	<u>\$17,332</u>	<u>\$37,503</u>	<u>\$1,002,037</u>	<u>\$1,498,405</u>	<u>\$65,416</u>	<u>\$8,678,602</u>

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, 2018

	Street Construction, Maintenance and Repair	State Highway Improvement	Cemetery	Municipal Real Property	Miami Conservancy District	Community Development Block Grant
Revenues:						
Property and Other Taxes	\$0	\$0	\$0	\$0	\$127,980	\$0
Charges for Services	14,949	0	149,772	0	0	0
Investment Earnings	0	(27)	0	395	0	30,879
Intergovernmental	1,089,926	88,373	0	0	14,997	0
Fines, Licenses & Permits	0	0	0	0	0	0
Other Revenues	18,893	1,211	4,686	1,634	0	0
Total Revenues	<u>1,123,768</u>	<u>89,557</u>	<u>154,458</u>	<u>2,029</u>	<u>142,977</u>	<u>30,879</u>
Expenditures:						
Current:						
General Government	0	0	0	0	143,463	0
Community Development	0	0	0	0	0	22,436
Transportation and Street Repair	1,300,186	79,861	0	0	0	0
Public Health and Welfare	0	0	379,637	0	0	0
Capital Outlay	172,861	0	4,789	62,052	0	0
Total Expenditures	<u>1,473,047</u>	<u>79,861</u>	<u>384,426</u>	<u>62,052</u>	<u>143,463</u>	<u>22,436</u>
Excess of Revenues Over (Under) Expenditures	<u>(349,279)</u>	<u>9,696</u>	<u>(229,968)</u>	<u>(60,023)</u>	<u>(486)</u>	<u>8,443</u>
Other Financing Sources (Uses):						
Transfers In	600,000	0	200,000	0	0	0
Total Other Financing Sources (Uses)	<u>600,000</u>	<u>0</u>	<u>200,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	250,721	9,696	(29,968)	(60,023)	(486)	8,443
Fund Balance - Beginning of Year	1,717,697	179,794	281,587	148,172	95,834	2,600,399
Fund Balance - End of Year	<u>\$1,968,418</u>	<u>\$189,490</u>	<u>\$251,619</u>	<u>\$88,149</u>	<u>\$95,348</u>	<u>\$2,608,842</u>

Parking Improvement	Drug Law Enforcement	Law Enforcement	Cemetery Endowment	Small Business Development R-Loan	Equitable Sharing	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$0	\$0	\$127,980
0	0	0	24,480	6,678	0	195,879
1,640	0	0	12,416	(144)	0	45,159
0	0	0	0	0	0	1,193,296
34,205	500	652	0	0	0	35,357
26	2,524	250	226	23,803	20,232	73,485
<u>35,871</u>	<u>3,024</u>	<u>902</u>	<u>37,122</u>	<u>30,337</u>	<u>20,232</u>	<u>1,671,156</u>
0	0	0	0	0	0	143,463
0	0	0	0	1,345	0	23,781
0	0	0	0	0	0	1,380,047
0	0	0	14,275	0	0	393,912
23,947	0	0	0	0	11,780	275,429
<u>23,947</u>	<u>0</u>	<u>0</u>	<u>14,275</u>	<u>1,345</u>	<u>11,780</u>	<u>2,216,632</u>
<u>11,924</u>	<u>3,024</u>	<u>902</u>	<u>22,847</u>	<u>28,992</u>	<u>8,452</u>	<u>(545,476)</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>327,936</u>	<u>1,124</u>	<u>1,129,060</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>327,936</u>	<u>1,124</u>	<u>1,129,060</u>
11,924	3,024	902	22,847	356,928	9,576	583,584
121,045	14,308	36,601	979,190	1,141,477	55,840	7,371,944
<u>\$132,969</u>	<u>\$17,332</u>	<u>\$37,503</u>	<u>\$1,002,037</u>	<u>\$1,498,405</u>	<u>\$65,416</u>	<u>\$7,955,528</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, 2018

	Street Construction, Maintenance and Repair Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Charges for Services	\$14,945	\$14,949	\$4
Intergovernmental	1,067,200	1,078,767	11,567
Other Revenues	18,866	18,893	27
Total Revenues	1,101,011	1,112,609	11,598
Expenditures:			
Current:			
Transportation	1,633,766	1,387,306	246,460
Capital Outlay	180,241	183,886	(3,645)
Total Expenditures	1,814,007	1,571,192	242,815
Excess of Revenues Over (Under) Expenditures	(712,996)	(458,583)	254,413
Other Financing Sources (Uses):			
Transfers In	600,000	600,000	0
Total Other Financing Sources (Uses)	600,000	600,000	0
Net Change in Fund Balance	(112,996)	141,417	254,413
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,687,811	1,687,811	0
Fund Balance End of Year	\$1,574,815	\$1,829,228	\$254,413

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, 2018

	State Highway Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$86,520	\$87,468	\$948
Other Revenues	1,200	1,211	11
Total Revenues	<u>87,720</u>	<u>88,679</u>	<u>959</u>
Expenditures:			
Current:			
Transportation	<u>102,809</u>	<u>95,173</u>	<u>7,636</u>
Total Expenditures	<u>102,809</u>	<u>95,173</u>	<u>7,636</u>
Net Change in Fund Balance	(15,089)	(6,494)	8,595
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>175,449</u>	<u>175,449</u>	<u>0</u>
Fund Balance End of Year	<u>\$160,360</u>	<u>\$168,955</u>	<u>\$8,595</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, 2018

	Cemetery Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Charges for Services	\$140,860	\$149,772	\$8,912
Other Revenues	4,680	4,686	6
Total Revenues	<u>145,540</u>	<u>154,458</u>	<u>8,918</u>
Expenditures:			
Current:			
Public Health and Welfare	475,363	396,434	78,929
Capital Outlay	1,600	4,789	(3,189)
Total Expenditures	<u>476,963</u>	<u>401,223</u>	<u>75,740</u>
Excess of Revenues Over (Under) Expenditures	<u>(331,423)</u>	<u>(246,765)</u>	<u>84,658</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	(131,423)	(46,765)	84,658
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>291,945</u>	<u>291,945</u>	<u>0</u>
Fund Balance End of Year	<u>\$160,522</u>	<u>\$245,180</u>	<u>\$84,658</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, 2018

	Municipal Real Property Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Other Revenues	\$1,563	\$1,634	\$71
Total Revenues	1,563	1,634	71
Expenditures:			
Current:			
Capital Outlay	64,040	58,930	5,110
Total Expenditures	64,040	58,930	5,110
Net Change in Fund Balance	(62,477)	(57,296)	5,181
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	151,442	151,442	0
Fund Balance End of Year	\$88,965	\$94,146	\$5,181

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, 2018

	Miami Conservancy District Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Property and Other Taxes	\$129,690	\$129,696	\$6
Intergovernmental	14,995	14,997	2
Total Revenues	<u>144,685</u>	<u>144,693</u>	<u>8</u>
Expenditures:			
Current:			
General Government	<u>152,500</u>	<u>143,467</u>	<u>9,033</u>
Total Expenditures	<u>152,500</u>	<u>143,467</u>	<u>9,033</u>
Net Change in Fund Balance	(7,815)	1,226	9,041
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>84,866</u>	<u>84,866</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$77,051</u></u>	<u><u>\$86,092</u></u>	<u><u>\$9,041</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, 2018

	Community Development Block Grant Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$30,598	\$30,601	\$3
Other Revenues	60,840	60,841	1
Total Revenues	91,438	91,442	4
Expenditures:			
Current:			
Community Environment	913,986	764,922	149,064
Total Expenditures	913,986	764,922	149,064
Excess of Revenues Over (Under) Expenditures	(822,548)	(673,480)	149,068
Other Financing Sources (Uses):			
Transfers (Out)	(120,000)	0	120,000
Total Other Financing Sources (Uses)	(120,000)	0	120,000
Net Change in Fund Balance	(942,548)	(673,480)	269,068
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,011,081	1,011,081	0
Fund Balance End of Year	\$68,533	\$337,601	\$269,068

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, 2018

	Parking Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$1,600	\$1,694	\$94
Fines, Licenses & Permits	33,580	34,205	625
Other Revenues	25	26	1
Total Revenues	<u>35,205</u>	<u>35,925</u>	<u>720</u>
Expenditures:			
Current:			
Transportation	88,020	32,957	55,063
Total Expenditures	<u>88,020</u>	<u>32,957</u>	<u>55,063</u>
Net Change in Fund Balance	(52,815)	2,968	55,783
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>121,893</u>	<u>121,893</u>	<u>0</u>
Fund Balance End of Year	<u>\$69,078</u>	<u>\$124,861</u>	<u>\$55,783</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, 2018

	Drug Law Enforcement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses & Permits	\$500	\$500	\$0
Other Revenues	2,395	2,399	4
Total Revenues	2,895	2,899	4
Expenditures:			
Current:			
Public Safety	2,000	0	2,000
Capital Outlay	6,356	0	6,356
Total Expenditures	8,356	0	8,356
Net Change in Fund Balance	(5,461)	2,899	8,360
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	14,306	14,306	0
Fund Balance End of Year	\$8,845	\$17,205	\$8,360

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, 2018

	Law Enforcement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses & Permits	\$650	\$652	\$2
Other Revenues	250	250	0
Total Revenues	900	902	2
Expenditures:			
Current:			
Public Safety	5,000	0	5,000
Capital Outlay	4,000	0	4,000
Total Expenditures	9,000	0	9,000
Net Change in Fund Balance	(8,100)	902	9,002
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	36,575	36,575	0
Fund Balance End of Year	\$28,475	\$37,477	\$9,002

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, 2018

	Cemetery Endowment Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Charges for Services	\$23,972	\$24,480	\$508
Investment Earnings	11,655	12,358	703
Other Revenues	225	226	1
Total Revenues	<u>35,852</u>	<u>37,064</u>	<u>1,212</u>
Expenditures:			
Current:			
Public Health and Welfare	44,960	14,275	30,685
Total Expenditures	<u>44,960</u>	<u>14,275</u>	<u>30,685</u>
Net Change in Fund Balance	(9,108)	22,789	31,897
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>986,019</u>	<u>986,019</u>	<u>0</u>
Fund Balance End of Year	<u>\$976,911</u>	<u>\$1,008,808</u>	<u>\$31,897</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, 2018

	Small Business Development R-Loan Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Charges for Services	\$6,675	\$6,678	\$3
Other Revenues	104,200	104,207	7
Total Revenues	110,875	110,885	10
Expenditures:			
Current:			
Community Environment	802,110	402,881	399,229
Total Expenditures	802,110	402,881	399,229
Excess of Revenues Over (Under) Expenditures	(691,235)	(291,996)	399,239
Other Financing Sources (Uses):			
Transfers In	327,935	327,936	1
Total Other Financing Sources (Uses)	327,935	327,936	1
Net Change in Fund Balance	(363,300)	35,940	399,240
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	451,911	451,911	0
Fund Balance End of Year	\$88,611	\$487,851	\$399,240

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, 2018

	Equitable Sharing Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Other Revenues	\$19,685	\$20,232	\$547
Total Revenues	19,685	20,232	547
Expenditures:			
Current:			
Capital Outlay	40,000	11,780	28,220
Total Expenditures	40,000	11,780	28,220
Excess of Revenues Over (Under) Expenditures	(20,315)	8,452	28,767
Other Financing Sources (Uses):			
Transfers In	1,120	1,124	4
Total Other Financing Sources (Uses)	1,120	1,124	4
Net Change in Fund Balance	(19,195)	9,576	28,771
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	55,838	55,838	0
Fund Balance End of Year	\$36,643	\$65,414	\$28,771

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.

The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance are included in the Combining Statements for Nonmajor Governmental Funds. 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, 2018

	Bond Retirement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Special Assessments	\$5,675	\$5,679	\$4
Total Revenues	5,675	5,679	4
Expenditures:			
Debt Service:			
Principal Retirement	907,972	907,971	1
Interest and Fiscal Charges	429,506	429,506	0
Total Expenditures	1,337,478	1,337,477	1
Excess of Revenues Over (Under) Expenditures	(1,331,803)	(1,331,798)	5
Other Financing Sources (Uses):			
Transfers In	900,000	900,000	0
Total Other Financing Sources (Uses)	900,000	900,000	0
Net Change in Fund Balance	(431,803)	(431,798)	5
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	602,312	602,312	0
Fund Balance End of Year	\$170,509	\$170,514	\$5

NONMAJOR CAPITAL PROJECTS FUNDS

Fund Descriptions

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

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

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

City of Troy, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2018

	Capital Improvement	OPWC Project Fund	Technology Fund	Total Nonmajor Capital Projects Funds
Assets:				
Equity in Pooled Cash and Investments	\$4,728,770	\$967,032	\$125,985	\$5,821,787
Restricted Cash	0	36,552	0	36,552
Receivables (Net):				
Accounts	0	0	28,770	28,770
Intergovernmental	158,134	516,907	0	675,041
Special Assessments	396,303	0	0	396,303
Total Assets	5,283,207	1,520,491	154,755	6,958,453
Liabilities:				
Accounts Payable	223,278	12,539	3,653	239,470
Retainage Payable	0	36,552	0	36,552
Interfund Payable	336,000	0	0	336,000
Total Liabilities	559,278	49,091	3,653	612,022
Deferred Inflows of Resources:				
Grants and Other Taxes	132,690	516,907	0	649,597
Special Assessments	396,303	0	0	396,303
Total Deferred Inflows of Resources	528,993	516,907	0	1,045,900
Fund Balances:				
Restricted	4,194,936	954,493	0	5,149,429
Assigned	0	0	151,102	151,102
Total Fund Balances	4,194,936	954,493	151,102	5,300,531
Total Liabilities, Deferred Inflows and Fund Balances	\$5,283,207	\$1,520,491	\$154,755	\$6,958,453

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, 2018

	Capital Improvement	OPWC Project Fund	Technology Fund	Total Nonmajor Capital Projects Funds
Revenues:				
Intergovernmental	\$456,807	\$525,000	\$0	\$981,807
Special Assessments	101,149	0	0	101,149
Fines, Licenses & Permits	0	0	28,770	28,770
Other Revenues	0	0	88,117	88,117
Total Revenues	557,956	525,000	116,887	1,199,843
Expenditures:				
Current:				
Community Development	108,451	0	0	108,451
Transportation and Street Repair	1,114,116	0	0	1,114,116
Capital Outlay	1,401,263	1,787,215	79,782	3,268,260
Total Expenditures	2,623,830	1,787,215	79,782	4,490,827
Excess of Revenues Over (Under) Expenditures	(2,065,874)	(1,262,215)	37,105	(3,290,984)
Other Financing Sources (Uses):				
Transfers In	5,000,000	450,000	0	5,450,000
Total Other Financing Sources (Uses)	5,000,000	450,000	0	5,450,000
Net Change in Fund Balance	2,934,126	(812,215)	37,105	2,159,016
Fund Balance - Beginning of Year	1,260,810	1,766,708	113,997	3,141,515
Fund Balance - End of Year	<u>\$4,194,936</u>	<u>\$954,493</u>	<u>\$151,102</u>	<u>\$5,300,531</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, 2018

	Capital Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$454,445	\$454,449	\$4
Special Assessments	101,135	101,149	14
Total Revenues	<u>555,580</u>	<u>555,598</u>	<u>18</u>
Expenditures:			
Current:			
Community Environment	117,414	109,962	7,452
Capital Outlay	6,675,138	5,942,751	732,387
Total Expenditures	<u>6,792,552</u>	<u>6,052,713</u>	<u>739,839</u>
Excess of Revenues Over (Under) Expenditures	<u>(6,236,972)</u>	<u>(5,497,115)</u>	<u>739,857</u>
Other Financing Sources (Uses):			
Transfers In	5,000,000	5,000,000	0
Total Other Financing Sources (Uses)	<u>5,000,000</u>	<u>5,000,000</u>	<u>0</u>
Net Change in Fund Balance	(1,236,972)	(497,115)	739,857
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>1,579,215</u>	<u>1,579,215</u>	<u>0</u>
Fund Balance End of Year	<u>\$342,243</u>	<u>\$1,082,100</u>	<u>\$739,857</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, 2018

	OPWC Project Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$525,000	\$525,000	\$0
Total Revenues	525,000	525,000	0
Expenditures:			
Current:			
Capital Outlay	2,734,753	2,732,002	2,751
Total Expenditures	2,734,753	2,732,002	2,751
Excess of Revenues Over (Under) Expenditures	(2,209,753)	(2,207,002)	2,751
Other Financing Sources (Uses):			
Transfers In	450,000	450,000	0
Total Other Financing Sources (Uses)	450,000	450,000	0
Net Change in Fund Balance	(1,759,753)	(1,757,002)	2,751
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,776,680	1,776,680	0
Fund Balance End of Year	\$16,927	\$19,678	\$2,751

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, 2018

	Technology Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Other Revenues	\$114,400	\$114,414	\$14
Total Revenues	<u>114,400</u>	<u>114,414</u>	<u>14</u>
Expenditures:			
Current:			
Capital Outlay	112,947	87,794	25,153
Total Expenditures	<u>112,947</u>	<u>87,794</u>	<u>25,153</u>
Net Change in Fund Balance	1,453	26,620	25,167
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>91,491</u>	<u>91,491</u>	<u>0</u>
Fund Balance End of Year	<u>\$92,944</u>	<u>\$118,111</u>	<u>\$25,167</u>

OTHER GENERAL FUNDS

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

Fund Descriptions

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

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

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

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

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

City of Troy, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2018

	Income Tax Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Income Taxes	\$16,462,243	\$16,553,815	\$91,572
Charges for Services	25	25	0
Investment Earnings	183,440	189,643	6,203
Other Revenues	8,067	8,080	13
Total Revenues	16,653,775	16,751,563	97,788
Expenditures:			
Current:			
General Government	1,284,622	1,123,783	160,839
Capital Outlay	0	3,014	(3,014)
Total Expenditures	1,284,622	1,126,797	157,825
Excess of Revenues Over (Under) Expenditures	15,369,153	15,624,766	255,613
Other Financing Sources (Uses):			
Transfers (Out)	(19,000,000)	(19,000,000)	0
Total Other Financing Sources (Uses)	(19,000,000)	(19,000,000)	0
Net Change in Fund Balance	(3,630,847)	(3,375,234)	255,613
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	13,782,774	13,782,774	0
Fund Balance End of Year	\$10,151,927	\$10,407,540	\$255,613

(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, 2018

	Investment Fund for Capital Improvement Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$534,000	\$601,843	\$67,843
Other Revenues	100	100	0
Total Revenues	534,100	601,943	67,843
Other Financing Sources (Uses):			
Transfers (Out)	(462,500)	(435,320)	27,180
Total Other Financing Sources (Uses)	(462,500)	(435,320)	27,180
Net Change in Fund Balance	71,600	166,623	95,023
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	33,452,517	33,452,517	0
Fund Balance End of Year	\$33,524,117	\$33,619,140	\$95,023

(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, 2018

	Safety - Income Tax Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Income Taxes	\$2,754,151	\$2,758,700	\$4,549
Total Revenues	<u>2,754,151</u>	<u>2,758,700</u>	<u>4,549</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>2,754,151</u>	<u>2,758,700</u>	<u>4,549</u>
Other Financing Sources (Uses):			
Transfers (Out)	<u>(2,600,000)</u>	<u>(2,600,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(2,600,000)</u>	<u>(2,600,000)</u>	<u>0</u>
Net Change in Fund Balance	154,151	158,700	4,549
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>1,285,892</u>	<u>1,285,892</u>	<u>0</u>
Fund Balance End of Year	<u>\$1,440,043</u>	<u>\$1,444,592</u>	<u>\$4,549</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, 2018

	Recreational Programs Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Charges for Services	\$136,085	\$137,828	\$1,743
Investment Earnings	3,510	3,734	224
Other Revenues	439	440	1
Total Revenues	<u>140,034</u>	<u>142,002</u>	<u>1,968</u>
Expenditures:			
Current:			
Recreation	133,042	127,865	5,177
Total Expenditures	<u>133,042</u>	<u>127,865</u>	<u>5,177</u>
Net Change in Fund Balance	6,992	14,137	7,145
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>297,087</u>	<u>297,087</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$304,079</u></u>	<u><u>\$311,224</u></u>	<u><u>\$7,145</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, 2018

	Parks and Recreation Improvement Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$705	\$13,277	\$12,572
Other Revenues	11,540	746	(10,794)
Total Revenues	12,245	14,023	1,778
Expenditures:			
Current:			
Recreation	40,010	37,089	2,921
Total Expenditures	40,010	37,089	2,921
Net Change in Fund Balance	(27,765)	(23,066)	4,699
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	80,524	80,524	0
Fund Balance End of Year	\$52,759	\$57,458	\$4,699

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

NONMAJOR FUNDS

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

Fund Descriptions

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

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

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

City of Troy, Ohio
Combining Statement of Net Position
Nonmajor Enterprise Funds
December 31, 2018

	Swimming Pool	Parking Meter	Miami Shores	Total Nonmajor Enterprise Funds
Assets:				
Equity in Pooled Cash and Investments	\$130,436	\$77,947	\$260,237	\$468,620
Receivables (Net):				
Accounts	39	15	83	137
Interest	0	116	388	504
Total Current Assets	130,475	78,078	260,708	469,261
Noncurrent Assets:				
Capital Assets:				
Nondepreciable Capital Assets	10,450	189,961	46,997	247,408
Depreciable Capital Assets, Net	2,735,948	2,500	132,486	2,870,934
Total Noncurrent Assets	2,746,398	192,461	179,483	3,118,342
Total Assets	2,876,873	270,539	440,191	3,587,603
Deferred Outflows of Resources:				
Pension	27,961	10,690	58,373	97,024
OPEB	5,835	2,231	12,180	20,246
Total Deferred Outflows of Resources	33,796	12,921	70,553	117,270
Liabilities:				
Current Liabilities:				
Accounts Payable	3,809	3,231	9,159	16,199
Accrued Wages and Benefits	0	549	3,013	3,562
Compensated Absences	0	776	10,627	11,403
Total Current Liabilities	3,809	4,556	22,799	31,164
Long-Term Liabilities:				
Compensated Absences	0	512	7,023	7,535
Net Pension Liability	112,569	43,036	235,004	390,609
Net OPEB Liability	79,285	30,311	165,518	275,114
Total Long-Term Liabilities	191,854	73,859	407,545	673,258
Total Liabilities	195,663	78,415	430,344	704,422
Deferred Inflows of Resources:				
Pension	28,901	11,049	60,334	100,284
OPEB	7,910	3,024	16,514	27,448
Total Deferred Inflows of Resources	36,811	14,073	76,848	127,732
Net Position:				
Net Investment in Capital Assets	2,746,398	192,461	179,483	3,118,342
Unrestricted	(68,203)	(1,489)	(175,931)	(245,623)
Total Net Position	\$2,678,195	\$190,972	\$3,552	\$2,872,719

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, 2018

	Swimming Pool	Parking Meter	Miami Shores	Total Nonmajor Enterprise Funds
Operating Revenues:				
Charges for Services	\$251,097	\$17,321	\$580,103	\$848,521
Other Revenues	14,703	9,420	22,952	47,075
Total Operating Revenues	<u>265,800</u>	<u>26,741</u>	<u>603,055</u>	<u>895,596</u>
Operating Expenses:				
Personal Services	142,351	64,855	385,729	592,935
Contactual Services	49,408	0	179,629	229,037
Materials and Supplies	73,159	805	265,572	339,536
Depreciation	117,090	5,000	8,490	130,580
Other Expense	8,021	4,256	23,410	35,687
Total Operating Expenses	<u>390,029</u>	<u>74,916</u>	<u>862,830</u>	<u>1,327,775</u>
Operating Income (Loss)	<u>(124,229)</u>	<u>(48,175)</u>	<u>(259,775)</u>	<u>(432,179)</u>
Non-Operating Revenues (Expenses):				
Investment Earnings	0	929	3,577	4,506
Total Non-Operating Revenues (Expenses)	<u>0</u>	<u>929</u>	<u>3,577</u>	<u>4,506</u>
Income (Loss) Before Contributions	(124,229)	(47,246)	(256,198)	(427,673)
Transfers In	0	25,000	250,000	275,000
Change in Net Position	(124,229)	(22,246)	(6,198)	(152,673)
Net Position - Beginning of Year, Restated	<u>2,802,424</u>	<u>213,218</u>	<u>9,750</u>	<u>3,025,392</u>
Net Position - End of Year	<u>\$2,678,195</u>	<u>\$190,972</u>	<u>\$3,552</u>	<u>\$2,872,719</u>

City of Troy, Ohio
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Fiscal Year Ended December 31, 2018

	Swimming Pool	Parking Meter	Miami Shores	Total Nonmajor Enterprise Funds
Cash Flows from Operating Activities:				
Cash Received from Customers	\$269,855	\$26,741	\$603,055	\$899,651
Cash Payments to Employees	(125,722)	(51,928)	(387,503)	(565,153)
Cash Payments to Suppliers	(127,624)	(5,061)	(466,768)	(599,453)
Net Cash Provided (Used) by Operating Activities	<u>16,509</u>	<u>(30,248)</u>	<u>(251,216)</u>	<u>(264,955)</u>
Cash Flows from Noncapital Financing Activities:				
Payments from Other Funds	<u>0</u>	<u>25,000</u>	<u>250,000</u>	<u>275,000</u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>0</u>	<u>25,000</u>	<u>250,000</u>	<u>275,000</u>
Cash Flows from Investing Activities:				
Earnings (Loss) on Investments	<u>0</u>	<u>926</u>	<u>3,544</u>	<u>4,470</u>
Net Cash Provided (Used) by Cash Flows from Investing Activities	<u>0</u>	<u>926</u>	<u>3,544</u>	<u>4,470</u>
Net Increase (Decrease) in Cash and Cash Equivalents	16,509	(4,322)	2,328	14,515
Cash and Cash Equivalents - Beginning of Year	<u>113,927</u>	<u>82,269</u>	<u>257,909</u>	<u>454,105</u>
Cash and Cash Equivalents - End of Year	<u><u>130,436</u></u>	<u><u>77,947</u></u>	<u><u>260,237</u></u>	<u><u>468,620</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	(124,229)	(48,175)	(259,775)	(432,179)
Adjustments:				
Depreciation	117,090	5,000	8,490	130,580
Changes in Assets & Liabilities:				
(Increase) Decrease in Receivables	4,016	(15)	(83)	3,918
(Increase) Decrease in Deferred Outflows of Resources	32,099	9,135	78,623	119,857
Increase (Decrease) in Payables	2,964	3,231	1,843	8,038
Increase (Decrease) in Accrued Liabilities	0	(1,634)	(18,067)	(19,701)
Increase (Decrease) in Deferred Inflows of Resources	35,090	13,498	72,946	121,534
Increase (Decrease) in Net Pension Liability	(53,100)	(12,273)	(140,577)	(205,950)
Increase (Decrease) in Net OPEB Liability	2,579	985	5,384	8,948
Net Cash Provided (Used) by Operating Activities	<u><u>\$16,509</u></u>	<u><u>(\$30,248)</u></u>	<u><u>(\$251,216)</u></u>	<u><u>(\$264,955)</u></u>

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 Loss (Insurance Escrow) - To account for receipts and disbursements on monies related to fire insurance escrow.

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City of Troy, Ohio
Statement of Changes In Assets and Liabilities
Agency Funds
For the Fiscal Year Ended December 31, 2018

	Stouder Playground			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$14,086	\$298	\$119	\$14,265
Receivables (Net):				
Interest	19	21	19	21
Total Assets	14,105	319	138	14,286
Liabilities:				
Undistributed Monies	14,105	319	138	14,286
Total Liabilities	\$14,105	\$319	\$138	\$14,286

	Paul G. Duke			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$160,499	\$1,342	\$1,326	\$160,515
Receivables (Net):				
Interest	221	239	221	239
Total Assets	160,720	1,581	1,547	160,754
Liabilities:				
Undistributed Monies	160,720	1,581	1,547	160,754
Total Liabilities	\$160,720	\$1,581	\$1,547	\$160,754

	Unclaimed Funds			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$6,767	\$3,296	\$1,215	\$8,848
Total Assets	6,767	3,296	1,215	8,848
Liabilities:				
Undistributed Monies	6,767	3,296	1,215	8,848
Total Liabilities	\$6,767	\$3,296	\$1,215	\$8,848

Continued

City of Troy, Ohio
Statement of Changes In Assets and Liabilities
Agency Funds
For the Fiscal Year Ended December 31, 2018

	Tri-Centennial			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$1,123	\$14	\$0	\$1,137
Total Assets	<u>1,123</u>	<u>14</u>	<u>0</u>	<u>1,137</u>

Liabilities:				
Undistributed Monies	1,123	14	0	1,137
Total Liabilities	<u>\$1,123</u>	<u>\$14</u>	<u>\$0</u>	<u>\$1,137</u>

	Imprest Cash			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$3,000	\$1,500	\$1,000	\$3,500
Total Assets	<u>3,000</u>	<u>1,500</u>	<u>1,000</u>	<u>3,500</u>

Liabilities:				
Undistributed Monies	3,000	1,500	1,000	3,500
Total Liabilities	<u>\$3,000</u>	<u>\$1,500</u>	<u>\$1,000</u>	<u>\$3,500</u>

	Enterprise Zone			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$3,265	\$6,250	\$5,500	\$4,015
Total Assets	<u>3,265</u>	<u>6,250</u>	<u>5,500</u>	<u>4,015</u>

Liabilities:				
Undistributed Monies	3,265	6,250	5,500	4,015
Total Liabilities	<u>\$3,265</u>	<u>\$6,250</u>	<u>\$5,500</u>	<u>\$4,015</u>

Continued

City of Troy, Ohio
Statement of Changes In Assets and Liabilities
Agency Funds
For the Fiscal Year Ended December 31, 2018

	Fire Insurance Escrow			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$3	\$0	\$3	\$0
Total Assets	3	0	3	0
Liabilities:				
Undistributed Monies	3	0	3	0
Total Liabilities	\$3	\$0	\$3	\$0

	Total All Agency Funds			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$188,743	\$12,700	\$9,163	\$192,280
Receivables (Net):				
Interest	240	260	240	260
Total Assets	188,983	12,960	9,403	192,540
Liabilities:				
Undistributed Monies	188,983	12,960	9,403	192,540
Total Liabilities	\$188,983	\$12,960	\$9,403	\$192,540

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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.

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

	Calendar Year									
	2009	2010	2011	2012 (1)	2013	2014	2015	2016	2017 (2)	2018
Governmental Activities										
Net Investment in Capital Assets	\$34,675,398	\$34,225,459	\$34,639,518	\$32,060,415	\$37,627,539	\$34,945,389	\$46,481,316	\$51,673,974	\$45,906,299	\$47,314,669
Restricted	9,958,828	10,582,438	8,539,110	8,487,756	9,427,534	11,411,958	8,665,294	10,601,444	11,239,643	14,522,194
Unrestricted	39,451,677	41,162,496	45,244,719	51,876,747	48,367,971	35,432,930	41,230,231	37,021,681	22,703,850	18,139,158
Total Governmental Activities Net Position	\$84,085,903	\$85,970,393	\$88,423,347	\$92,424,918	\$95,423,044	\$81,790,277	\$96,376,841	\$99,297,099	\$79,849,792	\$79,976,021
Business-Type Activities										
Net Investment in Capital Assets	\$35,342,051	\$35,915,079	\$36,142,585	\$36,053,061	\$37,306,703	\$45,817,933	\$47,778,554	\$51,838,278	\$62,137,834	\$60,163,790
Unrestricted	13,775,201	13,387,117	13,596,466	14,543,866	14,520,575	12,447,693	13,132,120	11,039,552	10,039,646	13,777,023
Total Business-Type Activities Net Position	\$49,117,252	\$49,302,196	\$49,739,051	\$50,596,927	\$51,827,278	\$58,265,626	\$60,910,674	\$62,877,830	\$72,177,480	\$73,940,813
Total Primary Government										
Net Investment in Capital Assets	\$70,017,449	\$70,140,538	\$70,782,103	\$68,113,476	\$74,934,242	\$80,763,322	\$94,259,870	\$103,512,252	\$108,044,133	\$107,478,459
Restricted	9,958,828	10,582,438	8,539,110	8,487,756	9,427,534	11,411,958	8,665,294	10,601,444	11,239,643	14,522,194
Unrestricted	53,226,878	54,549,613	58,841,185	66,420,613	62,888,546	47,880,623	54,362,351	48,061,233	32,743,496	31,916,181
Total Primary Government Net Position	\$133,203,155	\$135,272,589	\$138,162,398	\$143,021,845	\$147,250,322	\$140,055,903	\$157,287,515	\$162,174,929	\$152,027,272	\$153,916,834

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

(2) - Restated for GASB Statement No. 75 Implementation

Source: City Records

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

	Calendar Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental Activities:										
General Government	\$4,703,316	\$4,582,293	\$4,811,024	\$4,347,195	\$4,886,884	\$4,690,026	\$4,611,175	\$5,243,647	\$4,897,368	\$6,844,661
Public Safety	9,602,958	10,007,502	9,788,994	9,758,352	11,085,786	10,835,093	10,865,508	12,221,291	12,382,350	13,483,334
Community Development	778,762	1,017,450	1,071,345	1,071,345	1,132,281	920,312	1,011,689	1,186,949	1,373,191	1,501,328
Leisure Time Activities	1,800,337	1,765,285	1,963,883	1,759,009	1,586,678	1,657,996	1,537,027	2,013,072	2,081,037	2,221,685
Transportation and Street Repair	2,181,607	2,404,692	3,955,665	2,278,552	1,662,887	2,166,857	3,127,547	2,736,725	2,585,007	3,663,358
Basic Utility Service	1,285,995	1,329,668	1,197,495	1,264,386	1,338,126	1,462,403	1,149,146	1,161,658	1,157,661	1,340,901
Public Health and Welfare	455,342	378,736	349,444	353,417	312,993	377,222	567,888	203,392	477,533	420,401
Interest and Fiscal Charges	490,667	470,078	453,931	207,620	318,508	301,410	644,142	614,136	576,961	554,938
Total Governmental Activities Expenses	21,298,984	21,955,704	23,489,528	21,039,876	22,324,143	22,411,319	23,514,122	25,380,870	25,531,108	30,030,606
Business-Type Activities:										
Water	4,656,843	4,292,357	4,017,767	4,447,884	4,321,114	4,647,346	5,260,863	4,942,051	4,998,656	4,539,890
Sanitary Sewer	4,059,903	4,127,389	4,086,762	4,130,725	4,266,132	4,688,542	4,752,848	3,773,386	4,180,771	4,620,157
Hobart Arena	1,127,694	1,122,147	1,324,887	1,486,347	1,435,067	1,336,596	1,683,676	1,168,240	1,987,928	2,433,942
Swimming Pool	315,939	346,867	359,687	360,881	340,789	356,570	347,637	370,397	375,635	390,029
Parking Meter	45,003	45,670	46,292	47,419	25,920	7,485	62,077	14,128	81,973	74,916
Miami Shores	752,247	791,761	820,170	863,678	801,615	851,236	905,516	825,538	932,166	862,830
Stormwater Utility	736,277	894,589	925,378	801,990	750,127	1,132,783	1,048,739	1,413,861	1,486,102	1,497,924
Stadium Facilities (1)	2,914,173	0	0	0	0	0	0	0	0	0
Total Business-Type Activities Expenses	14,608,079	11,620,780	11,580,943	12,138,924	11,940,764	13,020,558	14,061,356	12,507,601	14,043,231	14,419,688
Total Primary Government Expenses	\$35,907,063	\$33,576,484	\$35,070,471	\$33,178,800	\$34,264,907	\$35,431,877	\$37,575,478	\$37,888,471	\$39,574,339	\$44,450,294
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	\$245,612	\$238,871	\$209,420	\$184,969	\$277,995	\$230,229	\$280,000	\$214,466	280,148	278,575
Public Safety	1,335,644	1,275,937	1,476,420	1,436,008	1,435,582	1,548,977	1,680,073	1,785,765	1,736,647	1,719,330
Community Development	88,534	90,623	128,721	133,661	53,024	68,546	864	2,871	2,062	6,678
Leisure Time Activities	156,521	163,156	148,126	132,752	120,639	140,193	126,981	134,753	130,852	142,853
Transportation and Street Repair	53,888	39,698	45,147	27,430	28,727	8,245	30,151	16,722	52,011	49,154
Basic Utility Service	1,209,115	1,814,395	1,863,435	1,937,636	1,998,963	2,036,694	1,817,212	1,891,363	1,931,589	2,015,155
Public Health and Welfare	204,179	186,317	175,105	257,082	137,154	87,960	222,540	208,016	196,029	212,752
Operating Grants and Contributions	1,930,659	1,454,945	1,140,154	1,077,177	1,539,798	871,085	1,142,413	1,126,535	1,168,294	1,217,354
Capital Grants and Contributions	1,506,391	613,524	1,951,040	405,309	409,844	1,741,471	10,843,935	789,430	3,093,912	1,631,943
Total Governmental Activities Program Revenues	6,730,543	5,877,466	7,137,568	5,592,024	6,001,726	6,733,400	16,144,169	6,169,921	8,591,544	7,273,794

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

	Calendar Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Business-Type Activities:										
Charges for Services:										
Water	4,105,433	4,652,239	4,567,748	5,108,969	4,999,136	5,032,906	5,474,879	5,737,577	5,727,326	5,798,521
Sanitary Sewer	3,220,430	3,390,515	3,463,415	3,639,617	4,123,845	4,231,193	4,421,229	4,260,303	4,407,668	4,526,936
Hobart Arena	114,584	137,692	130,425	124,329	146,322	142,263	197,014	115,693	1,234,889	1,282,471
Swimming Pool	209,716	242,840	253,765	222,790	202,949	201,438	208,640	233,265	245,158	251,097
Parking Meter	23,265	23,731	23,987	18,074	16,356	9,657	26,097	22,186	23,499	17,321
Miami Shores	696,102	666,908	613,956	669,172	620,147	592,073	628,574	604,725	627,655	580,103
Stormwater Utility	1,037,004	1,174,156	1,213,311	1,200,532	1,246,514	1,272,132	1,343,885	1,324,931	1,520,311	1,531,989
Operating Grants and Contributions	0	3,158	0	0	13,997	0	0	0	0	0
Capital Grants and Contributions	1,869,683	162,542	173,440	277,928	287,130	0	2,760,737	826,087	1,348,578	986,500
Total business-Type Activities Program Revenues	11,276,217	10,453,781	10,440,047	11,261,411	11,656,396	11,481,662	15,061,055	13,124,767	15,135,084	14,974,938
Total Primary Government Program Revenues	\$18,006,760	\$16,331,247	\$17,577,615	\$16,853,435	\$17,658,122	\$18,215,062	\$31,205,224	\$19,294,688	\$23,726,628	\$22,248,732
Net (Expense)/Revenue										
Governmental Activities	(\$14,568,441)	(\$16,078,238)	(\$16,351,960)	(\$15,447,852)	(\$16,322,417)	(\$15,677,919)	(\$7,369,953)	(\$19,210,949)	(\$16,939,564)	(\$22,756,812)
Business-Type Activities	(3,331,862)	(1,166,999)	(1,140,896)	(877,513)	(284,368)	(1,538,896)	999,699	617,166	1,091,853	555,250
Total Primary Government Net Expenses	(\$17,900,303)	(\$17,245,237)	(\$17,492,856)	(\$16,325,365)	(\$16,606,785)	(\$17,216,815)	(\$6,370,254)	(\$18,593,783)	(\$15,847,711)	(\$22,201,562)

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

	Calendar Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Income Taxes	\$10,947,510	\$10,942,392	\$14,186,343	\$15,913,230	\$15,973,203	\$19,067,978	\$18,014,295	\$19,049,745	\$19,420,325	\$18,698,514
Property Taxes Levied for:										
General Purposes	1,889,150	1,912,221	1,760,509	1,860,106	1,705,413	1,618,964	1,630,039	1,658,628	1,764,609	1,782,923
Special Revenue Purposes	1,888,060	1,899,601	47,119	30,929	6,520	32,665	44,947	57,838	128,929	127,588
Grants and Entitlements not Restricted	1,739,288	1,918,673	1,886,775	1,161,462	1,490,142	292,024	890,548	908,292	827,617	897,896
Payments in Lieu of Taxes	194,775	205,798	208,268	224,299	235,542	248,790	198,388	210,682	209,947	339,638
Unrestricted Contributions	48,268	71,000	95,051	72,989	71,262	57,170	474,088	42,050	95,450	65,845
Investment Earnings	1,035,398	1,192,176	975,686	607,412	(91,481)	1,153,754	526,342	66,295	1,285,077	834,421
Other Revenues	280,779	330,667	290,969	308,996	616,141	497,275	952,870	912,677	875,760	911,216
Transfers-Internal Activities	25,200	(509,800)	(645,806)	(730,000)	(600,391)	(757,733)	(775,000)	(775,000)	(10,253,539)	(775,000)
Total Governmental Activities	18,048,428	17,962,728	18,804,914	19,449,423	19,406,351	22,210,887	21,956,517	22,131,207	14,354,175	22,883,041
Business-Type Activities:										
Investment Earnings	319,289	207,922	149,260	114,967	7,877	166,647	49,306	24,833	104,224	152,676
Other Revenues	681,344	634,221	782,685	890,422	958,006	947,476	821,043	550,157	230,009	280,407
Transfers-Internal Activities	(25,200)	509,800	645,806	730,000	600,391	757,733	775,000	775,000	10,253,539	775,000
Total Business-Type Activities	975,433	1,351,943	1,577,751	1,735,389	1,566,274	1,871,856	1,645,349	1,349,990	10,587,772	1,208,083
Total Primary Government	\$19,023,861	\$19,314,671	\$20,382,665	\$21,184,812	\$20,972,625	\$24,082,743	\$23,601,866	\$23,481,197	\$24,941,947	\$24,091,124
Changes in Net Position										
Governmental Activities	\$3,479,987	\$1,884,490	\$2,452,954	\$4,001,571	\$3,083,934	\$6,532,968	\$14,586,564	\$2,920,258	(\$2,585,389)	\$126,229
Business-Type Activities	(2,356,429)	184,944	436,855	857,876	1,281,906	332,960	2,645,048	1,967,156	11,679,625	1,763,333
Total Primary Government	\$1,123,558	\$2,069,434	\$2,889,809	\$4,859,447	\$4,365,840	\$6,865,928	\$17,231,612	\$4,887,414	\$9,094,236	\$1,889,562

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									
	2009	2010	2011 (1)	2012	2013	2014	2015	2016	2017	2018
General Fund										
Reserved	\$431,345	\$356,805								
Unreserved	42,053,913	43,868,112	1,573,675	\$1,177,323	\$991,248	\$794,501	\$832,108	\$998,315	\$1,285,892	\$1,444,592
Restricted			0	0	32,981,626	33,508,812	33,180,085	33,299,005	33,452,517	32,854,302
Committed			212,633	530,678	456,887	1,939,443	2,437,037	3,339,176	672,148	643,414
Assigned			46,268,525	50,053,558	17,838,673	16,808,887	20,395,160	17,409,290	23,997,089	22,055,462
Unassigned										
Total General Fund	42,485,258	44,224,917	48,054,833	51,761,559	52,268,434	53,051,643	56,844,390	55,045,786	59,407,646	56,997,770
All Other Governmental Funds										
Reserved	3,034,723	3,827,372								
Unreserved, Reported in:										
Special Revenue Funds	5,243,384	5,341,963								
Debt Service Funds	232,506	274,612								
Capital Project Funds	733,014	561,516								
Nonspendable			0	0	0	0	0	0	0	2,627,428
Restricted			7,761,596	7,931,844	8,557,723	10,132,288	14,353,118	9,854,123	10,399,462	10,477,529
Assigned			283,564	404,431	461,157	460,950	783,657	742,273	712,139	320,474
Unassigned			0	(1,428,095)	(1,310,578)	(1,159,095)	(1,105,362)	(985,134)	(862,897)	(610,336)
Total all Other Governmental Funds	\$9,243,627	\$10,005,463	\$8,045,160	\$6,908,180	\$7,708,302	\$9,434,143	\$14,031,413	\$9,611,262	\$10,248,704	\$12,815,095

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									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Taxes	\$14,703,665	\$14,748,543	\$15,993,488	\$17,807,971	\$17,685,933	\$18,003,217	\$19,424,788	\$20,377,376	\$21,765,139	\$20,891,159
Charges for Services	2,926,793	3,509,000	3,745,558	3,769,716	3,991,137	3,777,696	4,079,231	3,919,415	3,918,322	3,925,563
Investment Earnings	1,035,398	1,192,176	975,686	607,413	(84,471)	1,153,755	526,342	66,295	1,285,076	834,421
Intergovernmental	4,435,499	3,853,125	4,242,916	2,511,480	2,939,465	2,399,866	3,032,459	3,148,693	3,072,150	3,394,659
Special Assessments	298,786	123,178	80,669	41,495	51,702	91,946	55,570	91,105	86,516	108,558
Fines, Licenses and Permits	117,596	93,858	93,590	89,644	74,149	415,384	362,907	191,613	215,831	148,018
Revenue in Lieu of Taxes	194,775	205,798	208,268	224,299	235,542	248,790	198,388	210,682	209,947	339,638
Other Revenues	493,893	532,065	575,152	521,905	699,986	538,199	1,032,024	1,120,640	1,183,213	1,245,676
Total Revenues	24,206,405	24,257,743	25,915,327	25,573,923	25,593,443	26,628,853	28,711,709	29,125,819	31,736,194	30,887,692
Expenditures										
Current:										
General Government	4,159,322	4,044,847	4,394,047	3,920,295	4,358,675	4,313,792	4,156,432	4,607,792	4,151,288	5,938,441
Public Safety	9,140,317	9,478,312	9,553,157	9,372,255	10,530,314	10,217,092	10,219,901	10,406,317	10,617,674	10,948,662
Community Development	721,362	984,252	943,809	1,022,148	1,083,725	914,865	947,345	1,088,196	1,254,273	1,360,441
Leisure Time Activities	1,508,342	1,470,324	1,682,768	1,568,078	1,307,669	1,409,945	1,401,449	1,423,497	1,652,471	1,576,884
Transportation and Street Repair	1,834,053	2,077,805	2,893,547	1,545,172	1,513,367	1,474,539	1,483,514	1,451,258	1,438,950	2,494,163
Basic Utility Service	1,225,369	1,099,540	1,062,114	1,109,850	1,158,762	1,408,069	1,100,215	1,085,412	1,069,084	1,108,700
Public Health and Welfare	432,254	428,737	361,014	360,495	332,317	377,198	368,056	387,002	462,831	393,912
Capital Outlay	887,499	743,293	1,662,805	975,032	2,331,832	2,426,089	7,996,747	12,721,449	4,210,157	4,753,117
Debt Service:										
Principal Retirement	510,000	485,000	495,000	604,826	587,388	609,875	619,278	864,252	881,739	907,970
Interest and Fiscal Charges	492,630	471,922	459,813	254,132	265,211	248,373	312,359	570,062	533,200	511,707
Bond Issuance Costs	0	0	38,355	54,565	0	0	250,357	0	0	0
Total Expenditures	\$20,911,148	\$21,284,032	\$23,546,429	\$20,786,848	\$23,469,260	\$23,399,837	\$28,855,653	\$34,605,237	\$26,271,667	\$29,993,997

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

	Calendar Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Excess of revenues over (under) expenditures	\$3,295,257	\$2,973,711	\$2,368,898	\$4,787,075	\$2,124,183	\$3,229,016	(\$143,944)	(\$5,479,418)	\$5,464,527	\$893,695
Other Financing Sources (Uses)										
Issuance of Long-Term Capital-Related Debt	\$0	\$0	\$0	\$0	\$0	\$0	\$9,000,000	\$0	\$0	\$0
Premium of Issuance	0	0	0	0	0	0	251,938	0	0	0
Sale of Refunding Bonds	0	0	2,005,000	\$5,031,625	\$0	0	0	0	0	0
Payments to Refunded Bond Escrow Agent	0	0	(1,955,639)	(4,994,725)	0	0	0	0	0	0
Premium on Sale of Refunded Bonds	0	0	13,541	71,287	0	0	0	0	0	0
(Discourt) on Sale of Refunded Bonds	0	0	(20,050)	(50,319)	0	0	0	0	0	0
Proceeds from Sale of Capital Assets	18,615	57,784	12,863	64,803	179,210	37,767	57,023	35,663	284,775	37,820
Transfers In	3,804,704	4,587,000	3,068,270	2,626,819	3,688,623	4,392,814	2,421,729	9,586,588	3,741,482	7,479,060
Transfers (Out)	(4,264,304)	(5,117,000)	(3,623,270)	(3,356,819)	(4,685,019)	(5,150,547)	(3,196,729)	(10,361,588)	(4,491,482)	(8,254,060)
Total Other Financing Sources (Uses)	(440,985)	(472,216)	(499,285)	(607,329)	(817,186)	(719,966)	8,533,961	(739,337)	(465,225)	(737,180)
Net Change in Fund Balances	\$2,854,272	\$2,501,495	\$1,869,613	\$4,179,746	\$1,306,997	\$2,509,050	\$8,390,017	(\$6,218,755)	\$4,999,302	\$156,515
Debt service as a percentage of noncapital expenditures (1)	5.3%	4.7%	4.5%	4.6%	4.2%	4.0%	8.8%	6.6%	6.7%	5.4%

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		Tangible Personal Property (1)		Public Utilities Personal		Total Assessed Value	Total Estimated Actual Value	Total Direct Rate (2)		Total Direct Rate (3)		Total Direct Rate (4)		Total Direct Rate (5)	
	Assessed Value	Assessed Value	Assessed Value	Assessed Value	Assessed Value	Assessed Value			Direct Rate	Direct Rate	Direct Rate	Direct Rate	Direct Rate	Direct Rate	Direct Rate	Direct Rate
2009	\$485,838,200	\$24,111,720	\$10,003,980	\$519,953,900	\$1,485,582,571	3.10	1.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2010	496,671,020	790,250	9,929,350	507,390,620	1,449,687,486	3.10	1.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2011	489,082,260	382,320	10,409,340	499,873,920	1,428,211,200	3.10	1.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2012	491,652,910	0	10,786,650	502,439,560	1,435,541,600	3.10	1.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2013	497,566,570	0	13,116,620	510,683,190	1,459,094,829	3.10	1.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2014	471,863,070	0	12,778,280	484,641,350	1,384,689,571	3.10	1.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2015	479,708,290	0	13,442,150	493,150,440	1,409,001,257	3.10	1.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2016	484,535,010	0	14,172,530	498,707,540	1,424,878,686	3.10	1.10	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55
2017	517,577,100	0	15,518,370	533,095,470	1,523,129,914	3.10	1.10	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55
2018	527,390,480	0	16,311,050	543,701,530	1,553,432,943	3.10	1.10	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55

Source: County Auditor

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

(2) - For Tax District D08

(3) - For Tax District D45

(4) - For Tax District R50

(5) - For Tax District S51

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

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

Calendar Year	Total Direct Rate (1)	Overlapping Rates					
		Miami Conservancy City (3)		Upper Valley Joint		Troy-Miami County Library (4)	
		School District	Troy City School District	Vocational	Joint	Miami County	County Library (4)
2009	3.10	0.14	52.09	5.18	8.81	N/A	
2010	3.10	0.14	52.28	5.36	8.81	0.60	
2011	3.10	0.09	52.40	5.32	8.81	0.60	
2012	3.10	0.07	52.61	5.32	8.81	0.60	
2013	3.10	0.00	52.66	5.30	8.75	0.60	
2014	3.10	0.07	52.69	5.32	8.81	0.60	
2015	3.10	0.09	52.69	5.30	8.81	0.60	
2016	3.10	0.12	52.67	5.30	8.81	0.60	
2017	3.10	0.27	52.62	5.26	8.82	0.60	
2018	3.10	0.27	52.60	5.22	9.22	0.60	

Calendar Year	Total Direct Rate (2)	Overlapping Rates				
		Miami Conservancy City (3)		Miami Valley Career Technology Center		
		School District	Miami East School District	Center	Troy-Miami County Library (4)	
2009	1.10	0.14	49.46	2.58	8.81	N/A
2010	1.10	0.14	49.46	2.58	8.81	0.60
2011	1.10	0.09	46.71	2.58	8.81	0.60
2012	1.10	0.07	46.70	2.58	8.81	0.60
2013	1.10	0.07	46.59	2.58	8.75	0.60
2014	1.10	0.07	46.30	2.58	8.81	0.60
2015	1.10	0.09	46.18	2.58	8.81	0.60
2016	1.10	0.12	43.99	2.58	8.81	0.60
2017	1.10	0.27	44.40	2.58	8.82	0.60
2018	1.10	0.27	44.80	4.01	9.22	0.60

Source: County Auditor

- (1) - For Tax District D08. The components that make up the Total Direct Rate were not available from the County Auditor, only the Total Direct Rate is available.
- (2) - For Tax District D45. The components that make up the Total Direct Rate were not available from the County Auditor, only the Total Direct Rate is available.
- (3) - For Tax District R50. The components that make up the Total Direct Rate were not available from the County Auditor, only the Total Direct Rate is available.
- (4) - For Tax District S51. The components that make up the Total Direct Rate were not available from the County Auditor, only the Total Direct Rate is available.
- (3) - Levied by the City for the benefit of the Miami Conservancy District
- (4) - 2010 was the first year the Troy-Miami County Library was levied by the City. This was a 5 year levy.

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

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

Taxpayer	2018	
	Assessed Value	Percentage of Total Assessed Value
Dayton Power and Light Company	\$10,034,430	1.85%
American Honda Motor	6,970,250	1.28%
Vectren Energy Delivery of Ohio Inc.	6,856,080	1.26%
Kroger Company	3,597,730	0.66%
Hobart Corporation	3,145,370	0.58%
Health Care Reit Inc.	3,125,050	0.57%
F & P America Mfg. Inc.	2,992,330	0.55%
Dayton Montgomery County Port Authority	2,919,140	0.54%
Traf IV Towne Park Delaware	2,894,300	0.53%
MO Troy LLC	2,453,260	0.45%
Total Principal Property Tax Payers	\$44,987,940	8.27%

Taxpayer	2009	
	Assessed Value	Percentage of Total Assessed Value
Dayton Power and Light Company	\$7,325,230	1.41%
American Honda Motor	6,408,920	1.23%
Towne Park Apartments, L.L.C.	5,175,530	1.00%
Hobart Corporation	3,400,860	0.65%
DW28 Mornoe, L.L.C.	3,333,420	0.64%
Meijer Stores Limited	2,707,220	0.52%
Vectren Energy Delivery	2,604,080	0.50%
Ramco Properties	2,491,690	0.48%
United Distribution	2,409,790	0.46%
Kroger Company	1,909,540	0.37%
Total Principal Property Tax Payers	\$37,766,280	7.26%

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
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%
2016 (5)	1,760,169	1,690,096	96.02%	70,073	1,760,169	100.00%
2017 (5)	2,003,514	1,992,375	99.44%	11,139	2,003,514	100.00%
2018 (5)	2,041,223	2,032,755	99.59%	8,468	2,041,223	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
2009	\$10,245,095	\$1,251,838	\$1,258,095	\$12,755,028	1.75%
2010	10,334,799	1,257,584	1,171,897	12,764,280	1.75%
2011	10,941,314	1,943,457	1,301,572	14,186,343	1.75%
2012	11,947,402	2,598,675	1,361,993	15,908,070	1.75%
2013	12,055,419	2,728,488	1,413,919	16,197,826	1.75%
2014	12,427,660	2,510,592	1,311,989	16,250,241	1.75%
2015	12,936,325	3,226,982	1,473,099	17,636,406	1.75%
2016	14,248,752	2,945,020	1,469,880	18,663,652	1.75%
2017	14,142,510	3,996,784	1,374,173	19,513,467	1.75%
2018	14,860,616	3,221,721	1,228,787	19,311,124	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 Loans	Total			
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	0.58%	606	
2016	14,167,980	0	8,360,642	0	340,041	22,868,663	0.50%	524	
2017	13,276,087	0	7,798,578	0	317,592	21,392,257	0.45%	472	
2018	12,357,963	0	7,227,745	0	2,842,939	22,428,647	N/A	N/A	

Source: City Records

(1) - Governmental Activities General Obligations Bonds were restated to exclude the manuscript bonds.

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

N/A - Information not available

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	Less: Restricted for Debt Service (1)	General Bonded Debt Outstanding Net General Obligation Bonds	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2009	\$21,355,000	\$0	\$21,355,000	1.44%	\$971
2010	19,335,000	0	19,335,000	1.33%	772
2011	17,306,214	0	17,306,214	1.21%	691
2012	15,256,240	0	15,256,240	1.06%	609
2013	14,030,608	0	14,030,608	0.96%	560
2014	18,455,603	0	18,455,603	1.33%	737
2015	25,367,580	0	25,367,580	1.80%	1,012
2016	22,528,622	0	22,528,622	1.58%	899
2017	21,074,665	0	21,074,665	1.38%	841
2018	19,585,708	0	19,585,708	1.26%	782

(1) - Amount from Statement of Net Assets/Net Position

Source: City Records

City of Troy, Ohio
 Direct and Overlapping Governmental Activities Debt
 As of December 31, 2018
 Schedule 13

Governmental Unit	Net Debt Outstanding	Estimated Percentage Applicable (1)	Amount Applicable to City of Troy
Miami County	\$17,057,000	23.67%	\$4,037,392
Troy City School District	11,995,000	73.97%	8,872,702
Miami East Local School District	12,905,000	10.74%	1,385,997
Miami Valley Career Center Joint Vocational School District	131,082,994	0.36%	471,899
Subtotal Overlapping Debt	173,039,994		14,767,990
City of Troy - Direct Debt	12,357,963	100.00%	12,357,963
Total Direct and Overlapping Debt	\$185,397,957		\$27,125,953

Source: Ohio Municipal Advisory Council

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

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

Legal Debt Margin Calculation for the Calendar Year	
Assessed Value	\$543,701,530
Statutory Legal Debt Limitation (1)	10.5%
Total Debt Limitation	57,088,661
Debt Applicable to Limit:	
Gross Indebtedness	22,428,647
Less: Debt Outside Limitations (2)	10,070,684
Less: Restricted for Debt Service (2)	0
Total Net Debt Applicable to Limit	12,357,963
Legal Debt Margin	\$44,730,698

	Calendar Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total Debt Limit (1)										
Debt Limit (10.5%)	\$54,595,160	\$53,276,015	\$52,486,762	\$52,756,154	\$53,621,735	\$50,887,342	\$51,780,796	\$52,364,292	\$55,975,024	57,088,661
Total Net Debt Applicable to Limit	10,797,038	10,315,987	9,187,852	6,988,195	7,021,913	6,410,882	15,042,386	14,167,980	13,276,087	12,357,963
Legal Debt Margin	\$43,798,122	\$42,960,028	\$43,298,910	\$45,767,959	\$46,599,822	\$44,476,460	\$36,738,410	\$38,196,312	\$42,698,937	\$44,730,698
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	19.8%	19.4%	17.5%	13.2%	13.1%	12.6%	29.1%	27.1%	23.7%	21.6%

	Calendar Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total Unvoted Debt Limit (1) Debt Limit (5.5%)	\$28,597,465	\$27,906,484	\$27,493,066	\$27,634,176	\$28,087,575	\$26,655,274	\$27,123,274	\$27,428,915	\$29,320,251	29,903,584
Total Net Debt Applicable to Limit	10,797,038	10,315,987	9,187,852	6,988,195	7,021,913	6,410,882	15,042,386	14,167,980	13,276,087	12,357,963
Legal Debt Margin	\$17,800,427	\$17,590,497	\$18,305,214	\$20,645,981	\$21,065,662	\$20,244,392	\$12,080,888	\$13,260,935	\$16,044,164	\$17,545,621
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	37.8%	37.0%	33.4%	25.3%	25.0%	24.1%	24.1%	51.7%	45.3%	41.3%

Source: City Records

- (1) - Direct debt limitation based upon Section 133, the Uniform Bond Act of the Ohio Revised Code. Total debt limit should not exceed 10.5% of net assessed property value.
Total unvoted debt limit should not exceed 5.5% of net assessed property value.
- (2) - General obligation bonds and notes in the enterprise funds, special assessment debt with government commitment and bond anticipation notes have been included.
- (3) - Amount from Statement of Net Assets/Net Position

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	
2009	\$274,568	\$20,000	\$1,495	12.77
2010	130,503	10,000	995	11.87
2011	89,812	0	0	0.00
2012	48,150	0	0	0.00
2013	56,277	0	0	0.00
2014	47,724	0	0	0.00
2015	74,260	0	0	0.00
2016	73,945	0	0	0.00
2017	102,123	0	0	0.00
2018	110,216	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)
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	4,416,221	42,483	4.40%
2016	25,058	4,556,230	43,650	4.30%
2017	25,058	4,766,277	45,340	4.70%
2018	25,058	N/A	N/A	4.30%

Sources:

(1) - Population estimates provided by U.S. Census Bureau (2000 Census for years 2002 - 2009 and 2010 Census for years 2010 - 2011)

(2) - Personal Income information provided by Bureau of Economic Analysis: Regional Economic Accounts

(3) - Per Capita Personal Income information provided by Bureau of Economic Analysis: Regional Economic Accounts

(4) - Ohio Department of Job and Family Services for Miami County

N/A - Information not available

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

2018			
Major Employers (3)	Type	Number of Employees	Employer's Percentage of Total Employment
Upper Valley Medical Center	Health	(4)	(5)
Clopay Building Products	Mfg	(4)	(5)
F & P American Mfg.	Mfg	(4)	(5)
UTC Aerospace Systems	Mfg	(4)	(5)
ConAgra Foods	Mfg	(4)	(5)
ITW Food Equipment Group	Mfg	(4)	(5)
Hobart Brothers	Mfg	(4)	(5)
Industry Products	Mfg	(4)	(5)
American Honda	Logistics	(4)	(5)
Meijer Distribution Center	Logistics	(4)	(5)

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

Source: Ohio Department of Development

(1) - For all of Miami County

(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									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Information Systems	2	2	2	2	3	3	3	3	3	3
General Government	0	0	0	0	0	0	0	0	0	0
Council	1	1	1	1	1	1	1	1	1	1
Mayor	1	1	1	1	1	1	1	1	1	1
Audit	4	4	4	4	4	3	4	4	4	4
Law	2	2	2	2	2	2	2	2	2	2
Service	4	4	4	4	4	4	4	4	4	4
Human Resources	2	2	2	2	2	2	2	2	2	3
Fire	41	40	38	35	39	39	39	39	40	40
Police	46	44	40	39	39	41	40	43	44	44
Parks	8	8	7	7	6	7	7	7	7	8
Recreation	4	3	3	3	3	3	3	4	4	4
Electric	3	3	3	3	3	3	3	3	3	3
Development	2	2	2	2	2	2	2	5	5	5
Street	16	15	14	13	12	13	13	13	11	11
Tax	5	4	4	5	5	6	6	6	5	5
Cemetery	4	3	2	2	2	2	2	2	2	2
Refuse	3	4	2	2	2	2	2	2	2	2
Hobart Arena	5	5	5	5	5	5	6	6	6	7
Water Administration	2	2	2	2	0	0	0	0	0	0
Water Plant	9	9	9	8	9	8	9	9	9	9
Water Distribution	5	5	5	5	5	4	5	4	5	5
Sewer B&C	2	2	2	2	3	2	2	2	2	2
Sewer Plant	11	10	10	9	9	8	8	7	8	7
Sewer Maintenance	5	5	5	5	5	5	5	5	5	5
Parking	1	1	1	1	0	1	1	1	1	1
Miami Shores	5	5	5	5	5	5	4	4	4	4
Engineering	8	8	8	7	10	9	10	7	7	7
Total	201	194	183	176	181	181	184	186	188	189

Source: Various City Departments

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

Function/Program	Calendar Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General government										
Commercial Construction										
Building permits issued	133	138	108	173	131	142	178	180	161	188
Value	\$28,976,372	\$8,792,068	\$18,425,170	\$20,858,627	\$16,785,655	\$12,395,774	\$13,551,130	\$20,775,296	\$53,461,060	\$24,739,752
Residential Construction (5)										
Building permits issued	74	49	47	48	49	67	54	54	79	196
Value	\$15,184,126	\$8,315,391	\$10,762,366	\$12,745,948	\$13,341,957	\$16,077,815	\$14,675,067	\$15,217,543	\$23,977,228	\$23,483,403
Police department										
Physical arrests	2,688	2,724	2,577	2,169	2,195	2,119	1,916	1,854	N/A	2,091
Parking violations (3)	3,074	3,093	2,490	2,152	1,501	521	1,865	669	N/A	1,683
Traffic violations	0	0	0	0	2,530	2,478	2,178	2,664	N/A	2,599
Fire department										
Fire responses	1,480	1,266	1,439	1,560	1,575	1,636	1,574	1,589	1,796	1,970
EMS responses	3,646	3,725	3,966	4,019	4,064	4,387	4,816	4,945	4,704	4,630
Fires extinguished	88	132	111	108	107	49	52	85	87	67
Inspections	418	700	700	851	861	688	979	993	933	820
Refuse collection department										
Refuse collected (tons)	5,611	5,191	5,265	5,184	6,213	6,177	6,335	6,099	6,215	6,346
Recyclables collected (tons)	1,473	1,640	1,659	1,704	1,706	1,647	1,765	1,924	1,936	1,917
Other public works departments										
Street resurfacing (cubic yards) (1)	344	4,182	0	2,353	3,446	3,406	4,925	6,143	4,492	10,309
Parks and recreation department										
Community Center Admissions (2)	\$89,711	\$75,510	\$99,581	\$88,341	\$73,317	\$72,968	\$82,146	\$89,148	\$91,653	\$96,959
Community Center Attendance	41,983	35,269	40,325	33,812	31,160	29,009	28,420	33,276	33,212	34,116
Water department										
New connections (each)	129	62	15	36	48	43	65	112	67	80
Water main breaks (each)	29	45	38	10	20	26	31	24	16	35
Average daily consumption (millions of gallon per day)	3.97	3.85	3.94	4.22	4.00	3.68	3.56	3.54	3.44	3.45
Peak daily consumption (millions of gallon per day)	5.6	5.7	5.8	8.1	5.6	5.3	4.8	5.1	5.1	5.0
Wastewater department										
Average daily sewage treatment (millions of gallon per day)	5.51	4.85	4.43	4.55	5.08	5.60	5.03	4.64	5.46	7.36

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									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	10	11	11	11	11	11	11	11	11	11
Fire Stations	3	3	3	3	3	3	3	3	3	3
Other Public Works										
Area of City (square miles)	12,345	12,345	12,345	12,345	12,345	12,345	11,800	12,040	12,050	12,100
Streets (miles)	112.59	112.75	112.75	113.04	113.04	128.00	132.07	132.74	132.74	133.20
Streetlights	2,622	2,624	2,624	2,568	2,568	2,598	25,987	2,661	2,590	2,714
Traffic signals	43	43	43	43	44	44	44	47	46	47
Parks and Recreation										
Number of Parks	25	25	25	25	25	25	25	25	25	25
Acreeage	303.40	303.00	303.00	303.00	303.00	321.00	321.00	321.00	321.00	321.00
Playgrounds	17	17	17	17	17	17	17	17	17	17
Baseball/Softball Diamonds	15	15	15	15	15	15	15	15	15	15
Soccer/Football Fields	14	15	15	15	15	15	15	15	15	15
Community Centers										
Kings Chapel Community Center	1	1	1	1	1	1	1	1	1	1
Troy Aquatic Park	1	1	1	1	1	1	1	1	1	1
Senior Citizen Center	0	0	0	0	0	0	0	0	0	0
Municipal Water Department										
Treatment Capacity (millions of gallons per day)	16	16	16	16	16	16	16	16	16	16
Water Mains (miles)	137.78	138.39	139.65	139.94	139.96	155.83	157.16	159.26	160.14	160.98
Fire hydrants	1,268	1,278	1,284	1,292	1,288	1,373	1,356	1,325	1,356	1,357
Sewers										
Treatment Capacity (millions of gallons per day)	7	7	7	7	7	7	7	7	7	7
Storm Sewers (miles)	80.29	80.52	81.00	81.29	81.18	124.51	127.55	128.86	130.14	132.35
Sanitary Sewers (miles)	127.25	127.88	127.95	128.24	128.24	126.85	127.29	128.36	130.22	131.01
Hobart Arena										
Attendance	24,347	27,251	24,963	28,442	26,181	21,159	23,325	15,191	29,935	25,275
Ticket Sold (1)	16,194	20,110	20,844	24,068	22,032	20,168	22,690	14,533	24,239	24,092

Source: Various City Departments

(1) - Tickets sold by Hobart Arena only

(2) - Information was not available from the City

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OHIO AUDITOR OF STATE KEITH FABER



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 15, 2019**