

# City of Troy, Ohio

## Comprehensive Annual Financial Report

*Make it yours.*

**TROY**  
**OHIO**



For the Fiscal Year Ended  
December 31, 2019



OHIO AUDITOR OF STATE  
KEITH FABER



88 East Broad Street  
Columbus, Ohio 43215  
IPAReport@ohioauditor.gov  
(800) 282-0370

Honorable Mayor  
and Members of City Council  
City of Troy  
100 South Market Street  
P. O. Box 3003  
Troy, Ohio 45373

We have reviewed the *Independent Auditor's Report* of the City of Troy, Miami County, prepared by Plattenburg & Associates, Inc., for the audit period January 1, 2019 through December 31, 2019. 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

September 25, 2020

**This page intentionally left blank.**

**CITY OF TROY, OHIO**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019**

**PREPARED BY:**  
**JOHN E. Frigge, CITY AUDITOR**

***THIS PAGE INTENTIONALLY LEFT BLANK***

	<b>Page</b>
<b>INTRODUCTORY SECTION</b>	
Letter of Transmittal	vii
Listing of Principal City Officials	xiv
Organizational Chart	xv
Certificate of Achievement for Excellence in Financial Reporting	xvi
<b>FINANCIAL SECTION</b>	
Independent Auditor's Report	1
Management's Discussion and Analysis	3
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	13
Statement of Activities	14
Fund Financial Statements:	
Balance Sheet - Governmental Funds	16
Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities	17
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	18
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities	19
Statement of Net Position - Proprietary Funds	20
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds	21
Statement of Cash Flows - Proprietary Funds	22
Statement of Fiduciary Net Position - Fiduciary Funds	23
Statement of Changes in Fiduciary Net Position - Fiduciary Fund	24
Notes to the Basic Financial Statements	25
Required Supplementary Information:	
Schedule of the City's Proportionate Share of the Net Pension Liability - Ohio Public Employees Retirement System	72
Schedule of the City's Proportionate Share of the Net Pension Liability - Ohio Police and Fire Pension Fund	73
Schedule of City's Contributions for Net Pension Liability - Ohio Public Employees Retirement System	74
Schedule of City's Contributions for Net Pension Liability - Ohio Police and Fire Pension Fund	75
Schedule of the City's Proportionate Share of the Net OPEB Liability - Ohio Public Employees Retirement System	76
Schedule of the City's Proportionate Share of the Net OPEB Liability - Ohio Police and Fire Pension Fund	77
Schedule of City's Contributions for Net OPEB Liability - Ohio Public Employees Retirement System	78
Schedule of City's Contributions for Net OPEB Liability - Ohio Police and Fire Pension Fund	79
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis):	
General Fund	80
Notes to the Required Supplementary Information	81
Combining Statements and Individual Fund Schedules:	
Major Governmental Funds	85
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis):	
TIF Retirement Fund	86
Capital Improvement Fund	87
Nonmajor Governmental Funds	88
Combining Balance Sheet	89
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	90
Nonmajor Special Revenue Funds	
Fund Descriptions	91
Combining Balance Sheet	92
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	94

	<u>Page</u>
Nonmajor Special Revenue Funds (Continued)	
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis):	
Street Construction, Maintenance and Repair Fund	96
State Highway Improvement Fund	97
Cemetery Fund	98
Municipal Real Property Fund	99
Miami Conservancy District Fund	100
Community Development Block Grant Fund	101
Parking Improvement Fund	102
Drug Law Enforcement Fund	103
Law Enforcement Fund	104
Cemetery Endowment Fund	105
Small Business Development R-Loan Fund	106
Equitable Sharing Fund	107
Nonmajor Debt Service Fund	
Fund Description	108
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis):	
Bond Retirement Fund	109
Nonmajor Capital Projects Funds	
Fund Descriptions	110
Combining Balance Sheet	111
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	112
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis):	
OPWC Project Fund	113
Technology Fund	114
Other General Funds	
Fund Descriptions	115
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis):	
Income Tax Fund	116
Investment Fund for Capital Improvement Fund	117
Safety - Income Tax Fund	118
Recreational Programs Fund	119
Parks and Recreation Improvement Fund	120
Nonmajor Enterprise Funds	
Fund Descriptions	121
Enterprise Funds	
Combining Statement of Net Position	122
Combining Statement of Revenues, Expenses and Changes in Fund Net Position	123
Combining Statement of Cash Flows	124
Nonmajor Agency Funds	
Fund Descriptions	125
Statement of Changes in Assets and Liabilities - Agency Funds	126



	<u>Schedule</u>	<u>Page</u>
<b>STATISTICAL SECTION</b>		
Statistical Section Description Page		129
Net Position by Component	1	130
Changes in Net Position	2	132
Fund Balances, Governmental Funds	3	135
Changes in Fund Balances, Governmental Funds	4	136
Assessed Value and Estimated Actual Value of Taxable Property	5	138
Direct and Overlapping Property Tax Rates	6	139
Principal Property Tax Payers	7	140
Property Tax Levies and Collections	8	141
Income Tax by Payer Type and Income Tax Rate	9	142
Principal Income Taxpayers	10	143
Ratios of Outstanding Debt by Type	11	144
Ratios of General Bonded Debt Outstanding	12	145
Direct and Overlapping Governmental Activities Debt	13	146
Legal Debt Margin Information	14	147
Pledged-Revenue Coverage	15	148
Demographic and Economic Statistics - Miami County	16	149
Major Employers	17	150
Full-Time Equivalent City Government Employees by Function/Program	18	151
Operating Indicators by Function/Program	19	152
Capital Asset Statistics by Function/Program	20	153

***THIS PAGE INTENTIONALLY LEFT BLANK***

## ***INTRODUCTORY SECTION***

**This page intentionally left blank.**



August 14, 2020

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, 2019 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, 2019 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 26,280 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.

During 2019, the newly constructed Kettering Health Network (KHN) Troy Hospital was opened. This KHN Project is a major economic development project providing even more medical options for residents. During 2019, the City-owned Miami Shores Golf Course Club House renovation was completed and the facility re-opened. This facility includes the Shoreline Restaurant, which can also be used as an event area. This facility has helped to attract not only golfers but others seeking a new restaurant opportunity or a small event area. Some of the other highlights and projects are as follows:

### **Economic Development**

- Worked with the Activate Troy Partnership (ATP) members to continue to implement the goals and recommendations related to the downtown and riverfront redevelopment.
- Added to the wayfinding program, directing visitors to historic downtown from our borders, providing direction to the recreational trail system and other recreational features, as well as points of interest.
- Evaluated for scheduling Treasure Island Park events that will appeal to community demographics and provide connectivity to the river corridor area and the downtown.
- Continued partnerships with Troy Main Street, Troy Chamber of Commerce, Troy Development Council;
- Finalized updating the Comprehensive Plan to incorporate the Troy Complete Streets Policy and
- Downtown Riverfront Strategic Development Study.
- The on-going rehab of the North Market Street/Sherwood Shopping Center commercial area, with businesses starting to locate in the commercial area.

### **Recreation/Parks**

- Worked 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).
- Added a Park Department staff member to assist the department, help keep the downtown area looking attractive, and to handle the rental of the Shoal Tents (floating tents made available for persons to use on the Great Miami River).
- Assessed the use of the new Miami Shores Golf Course driving range.
- Continued to assess buildings and the needs of the functions they address, including the Park

- Maintenance Facility and the Senior Citizens Center.
- Addressing the need to phase a roof replacement project for the Hobart Arena.

### **Utilities/Operations**

- Continued to replace and update water mains that are aging and undersized and to reline sewers to extend their life-cycles.
- Conducted the next phase of sidewalk improvement program in the southeast area.
- Coordinated the annual road repaving project, including resurfacing of sections of ten or more sections of roads.
- Constructed phases of the Riverside Drive Improvement Project and the McKaig Road Improvement Project with the construction of the roundabout at the McKaig Road/N. Dorset Road intersections.
- Engineering for Phases 1 and 2 of the West Main Street Corridor Improvement Project.
- Facilitated 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.
- Updated the 5-year City-wide Capital Improvement Plan for all funds.
- Continued to provide our citizens with professional and well-trained safety departments and forces.
- Continued to look at operating efficiencies, reorganizations, and work consolidations, and the elimination of operational redundancy for greater efficiency and cost effectiveness.
- Evaluated the scheduling related the Fire Station #1 replacement project.
- Continued Fire and Police Recruiting.
- Continued 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, including those started, included Arbogast Performing Arts Center, and the Family Abuse Shelter, with Lincoln Community Center starting a new construction project.
- Additions and renovations to existing buildings including the former US Bank Building, Heron's Meat Market, Moeller Brew Barn, Edison State Community College branch, Modern Bridal, and Sherwood Shopping Center.
- Troy continues to be attractive to small businesses in Downtown and all-around town, with new establishments of a co-share work operation, Ark House, Meraki, Tropical Smoothie, Poppin' Off, along with several business offices, retail shops, and beauty salons.

#### **Residential Construction**

- Edgewater is completely built out.
- Halifax has new sections of roads being built.
- Stonebridge Meadows is nearly built out.
- Nottingham is nearly built out.
- Fox Harbor has new roads being built along with new housing starting to be built.
- Heritage at the Country Club, Reserve at Washington, and Halifax Villas have commenced construction.

## **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.
- The major \$70,000,000 expansion project for Conagra Brands to manufacture "Duke's" meat snacks continued construction for a 2020 completion.
- Troy's top five employers are:
  1. Clopay Building Products, 1,250 Employees.
  2. F&P America MFG., 1,150 Employees.
  3. Collins Aerospace, 750 Employees.
  4. ConAgra Foods, 750 Employees.
  5. ITW Hobart Brothers Co., 600 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 finalized for the downtown/riverfront area.
- We maintained 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 26th Annual Festival of Nations.
- The Troy Civic Band has its home at the Treasure Island Amphitheatre.
- Troy Civic Theatre operates within Troy Community Park.

## **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 includes spouses being able to utilize the benefits of the program.

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, 2019.

### **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, 2018. 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 30th time for the year ended December 31, 2018. 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.

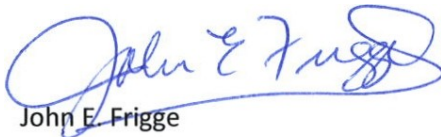
In closing, without the leadership and support of the Mayor and City Council of the City of Troy, preparation of this report would not have been possible.

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, 2019**

---

### **Elected Officials**

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

### **Appointed Officials**

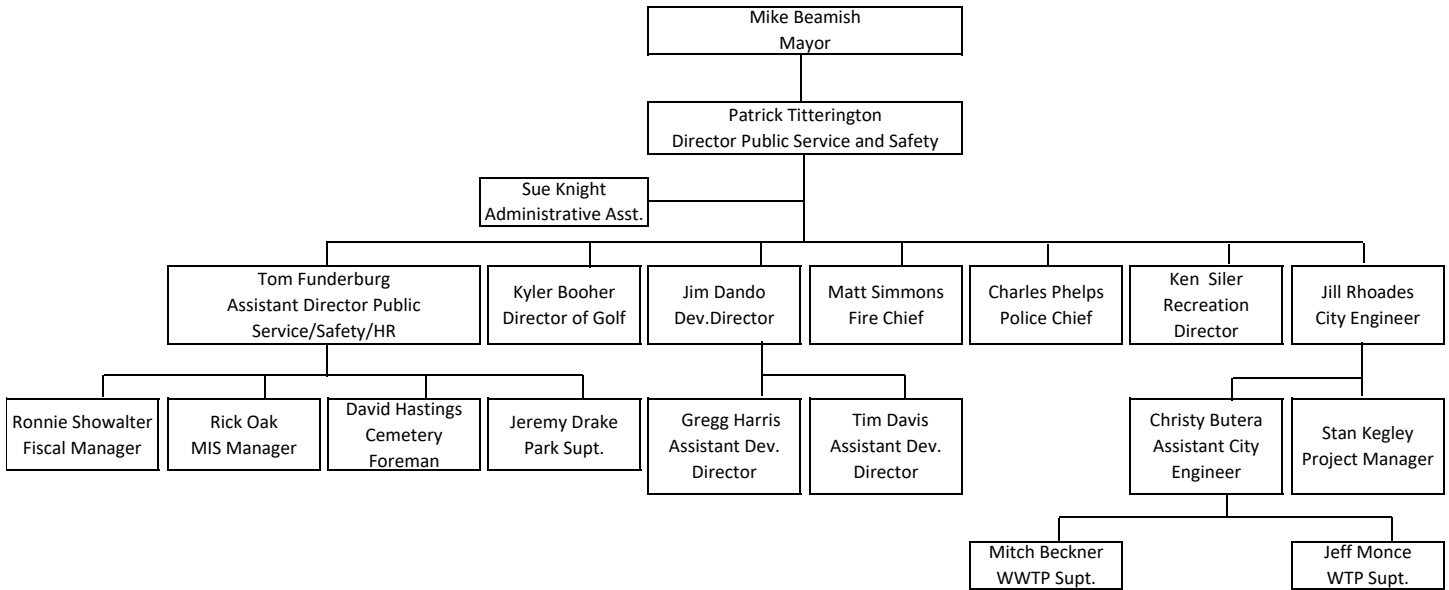
<b>Director of Public Service and Safety</b>	<b>Patrick E. J. Titterington</b>
<b>Clerk of Council</b>	<b>Sue G. Knight</b>

# City of Troy

## Organizational Chart

### 2019

---





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, 2018**

*Christopher P. Morill*

Executive Director/CEO

***FINANCIAL SECTION***

**This page intentionally left blank.**



**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, 2019, 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, 2019, 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 19 to the financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the City. 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 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 August 14, 2020, 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  
August 14, 2020

**City of Troy, Ohio**  
**Management's Discussion and Analysis**  
**For The Year Ended December 31, 2019**  
**(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, 2019. 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 \$20,432,402.
- Net position of governmental activities increased \$15,541,950, net position of business-type activities increased by \$4,890,452.
- The General Fund reported an increase in fund balance of \$2,902,112.
- Business-type operations reflected operating loss of \$308,227.

**Overview of the Financial Statements**

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

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

**Government-wide Financial Statements**

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

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

**City of Troy, Ohio**  
**Management's Discussion and Analysis**  
**For The Year Ended December 31, 2019**  
**(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, Capital Improvement, 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.

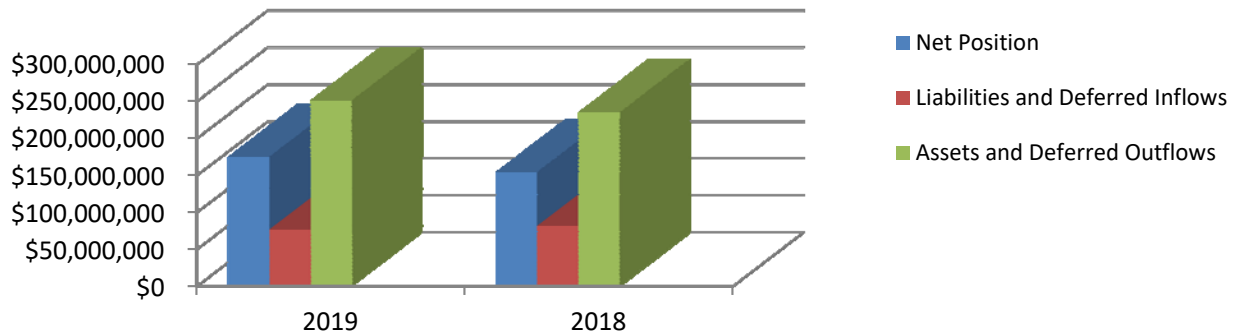
**City of Troy, Ohio**  
**Management's Discussion and Analysis**  
**For The Year Ended December 31, 2019**  
(Unaudited)

**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 2019 compared to 2018.

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

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
<b>Assets:</b>						
Current and Other Assets	\$80,543,518	\$77,459,388	\$21,722,389	\$20,959,241	\$102,265,907	\$98,418,629
Capital Assets	60,399,665	59,388,656	74,981,848	70,159,869	135,381,513	129,548,525
<b>Total Assets</b>	<b>140,943,183</b>	<b>136,848,044</b>	<b>96,704,237</b>	<b>91,119,110</b>	<b>237,647,420</b>	<b>227,967,154</b>
Total Deferred Outflows of Resources	10,799,154	5,620,832	2,218,623	1,139,590	13,017,777	6,760,422
<b>Liabilities:</b>						
Long-Term Liabilities	51,517,342	56,661,095	19,454,094	16,661,867	70,971,436	73,322,962
Other Liabilities	1,192,308	1,167,602	473,737	496,023	1,666,045	1,663,625
<b>Total Liabilities</b>	<b>52,709,650</b>	<b>57,828,697</b>	<b>19,927,831</b>	<b>17,157,890</b>	<b>72,637,481</b>	<b>74,986,587</b>
Total Deferred Inflows of Resources	3,514,716	4,664,158	163,764	1,159,997	3,678,480	5,824,155
<b>Net Position:</b>						
Net Investment In Capital Assets	49,206,166	47,314,669	65,687,495	60,163,790	114,893,661	107,478,459
Restricted	13,638,775	14,522,194	0	0	13,638,775	14,522,194
Unrestricted	32,673,030	18,139,158	13,143,770	13,777,023	45,816,800	31,916,181
<b>Total Net Position</b>	<b>\$95,517,971</b>	<b>\$79,976,021</b>	<b>\$78,831,265</b>	<b>\$73,940,813</b>	<b>\$174,349,236</b>	<b>\$153,916,834</b>



Over time, net position can serve as a useful indicator of a government's financial position. Total net position of the City as a whole increased \$20,432,402.

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 OPEB liability.

Table 2 shows the changes in net position for the year ended December 31, 2019 as compared to the year ended December 31, 2018.

**City of Troy, Ohio**  
**Management's Discussion and Analysis**  
**For The Year Ended December 31, 2019**  
**(Unaudited)**

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

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
<b>Program Revenues:</b>						
Charges for Services	\$4,481,352	\$4,424,497	\$14,483,496	\$13,988,438	\$18,964,848	\$18,412,935
Operating Grants and Contributions	1,609,041	1,217,354	0	0	1,609,041	1,217,354
Capital Grants and Contributions	1,402,328	1,631,943	1,671,288	986,500	3,073,616	2,618,443
<b>Total Program Revenues</b>	<b>7,492,721</b>	<b>7,273,794</b>	<b>16,154,784</b>	<b>14,974,938</b>	<b>23,647,505</b>	<b>22,248,732</b>
<b>General Revenues:</b>						
Income Taxes	21,541,455	18,698,514	0	0	21,541,455	18,698,514
Property Taxes	1,964,229	1,910,511	0	0	1,964,229	1,910,511
Grants and Entitlements	978,491	897,896	0	0	978,491	897,896
Investment Earnings	2,083,021	834,421	361,387	152,676	2,444,408	987,097
Other Revenues	1,456,357	1,316,699	454,767	280,407	1,911,124	1,597,106
<b>Total General Revenues</b>	<b>28,023,553</b>	<b>23,658,041</b>	<b>816,154</b>	<b>433,083</b>	<b>28,839,707</b>	<b>24,091,124</b>
<b>Total Revenues</b>	<b>35,516,274</b>	<b>30,931,835</b>	<b>16,970,938</b>	<b>15,408,021</b>	<b>52,487,212</b>	<b>46,339,856</b>
<b>Program Expenses:</b>						
General Government	4,257,293	6,844,661	0	0	4,257,293	6,844,661
Public Safety	4,089,310	13,483,334	0	0	4,089,310	13,483,334
Community Development	1,483,046	1,501,328	0	0	1,483,046	1,501,328
Leisure Time Activities	1,585,328	2,221,685	0	0	1,585,328	2,221,685
Transportation and Street Repair	2,926,523	3,663,358	0	0	2,926,523	3,663,358
Basic Utility Service	1,115,622	1,340,901	0	0	1,115,622	1,340,901
Public Health and Welfare	419,414	420,401	0	0	419,414	420,401
Interest and Other Charges	528,415	554,938	0	0	528,415	554,938
Water	0	0	4,867,435	4,539,890	4,867,435	4,539,890
Sanitary Sewer	0	0	4,552,301	4,620,157	4,552,301	4,620,157
Hobart Arena	0	0	2,806,004	2,433,942	2,806,004	2,433,942
Swimming Pool	0	0	418,786	390,029	418,786	390,029
Parking Meter	0	0	77,146	74,916	77,146	74,916
Miami Shores	0	0	1,222,127	862,830	1,222,127	862,830
Stormwater Utility	0	0	1,706,060	1,497,924	1,706,060	1,497,924
<b>Total Program Expenses</b>	<b>16,404,951</b>	<b>30,030,606</b>	<b>15,649,859</b>	<b>14,419,688</b>	<b>32,054,810</b>	<b>44,450,294</b>
Increase (Decrease) in Net Position before Transfers	19,111,323	901,229	1,321,079	988,333	20,432,402	1,889,562
Transfers - Internal Activities	(3,569,373)	(775,000)	3,569,373	775,000	0	0
<b>Change in Net Position</b>	<b>15,541,950</b>	<b>126,229</b>	<b>4,890,452</b>	<b>1,763,333</b>	<b>20,432,402</b>	<b>1,889,562</b>
Net Position - Beginning of Year	79,976,021	79,849,792	73,940,813	72,177,480	153,916,834	152,027,272
<b>Net Position - End of Year</b>	<b>\$95,517,971</b>	<b>\$79,976,021</b>	<b>\$78,831,265</b>	<b>\$73,940,813</b>	<b>\$174,349,236</b>	<b>\$153,916,834</b>

**Governmental Activities**

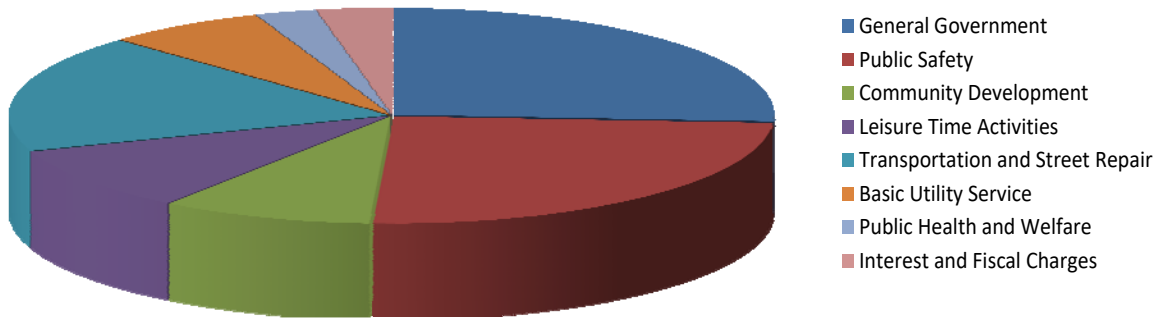
The City has made continued efforts to attract large-scale employers for the year 2019, thereby injecting the local economy with jobs and increasing the City's commercial tax base. The 1.75% income tax is the largest source of revenue for the City. Revenues generated by the earnings tax represent approximately 77% of the City's governmental activities general revenues.

**City of Troy, Ohio**  
**Management’s Discussion and Analysis**  
**For The Year Ended December 31, 2019**  
**(Unaudited)**

---

Governmental Activities  
Program Expenses for 2019

	Percentage
General Government	26.0%
Public Safety	24.9%
Community Development	9.0%
Leisure Time Activities	9.7%
Transportation and Street Repair	17.8%
Basic Utility Service	6.8%
Public Health and Welfare	2.6%
Interest and Fiscal Charges	3.2%
<b>Total</b>	<b>100.0%</b>



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 2019 as compared to 2018 mainly due to the City having less infrastructure (streets) being completed and donated to the City in 2019. Income Tax revenue increased in 2019 as compared to 2018 mainly due to an increase in income tax collections. Public Safety expenses decreased mainly due to changes related to net pension and OPEB liabilities.

***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 \$14,938,263 and operating expenses of \$15,246,490 for fiscal year 2019. Business-type activities receive no support from tax revenues. The Business-type activities net position at the end of the year was \$78,831,265, which increased \$4,890,452 from 2018. 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 \$1,355,943 for 2019.

**City of Troy, Ohio**  
**Management's Discussion and Analysis**  
**For The Year Ended December 31, 2019**  
**(Unaudited)**

---

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 \$355,844 for 2019.

The City of Troy's Stormwater Utility Department provides for the collection and treatment of public stormwater. The Stormwater utility fund had an operating loss of (\$99,943) in 2019. Charges for Services increased slightly from 2018 to 2019, 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 (\$1,205,004) in 2019.

**The City's Funds**

The City has three major governmental funds: the General Fund, TIF Retirement Fund and the Capital Improvement Fund. Assets of these funds comprised (87%) of the total \$82,149,518 governmental funds' assets.

**General Fund:** Fund balance at December 31, 2019 was \$59,899,882 which was an increase in fund balance of \$2,902,112 from 2018.

**TIF Retirement Fund:** Fund balance at December 31, 2019 was (\$254,508) which was an increase in fund balance of \$355,828 from 2018. The increase in fund balance is mainly due to an increase in revenue in lieu of taxes received during 2019.

**Capital Improvement Fund:** Fund balance at December 31, 2019 was \$3,359,980 which was a decrease in fund balance of \$834,956 from 2018. The decrease in fund balance is mainly due to an increase in capital outlay expenditures related to an ongoing project in 2019.

**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 \$7,692,843 and the original budgeted revenue was \$7,661,846. The difference was \$30,997. Of this difference, most was due to an underestimate of tax and intergovernmental revenue.

Variations from the final budget amounts to the actual amounts are primarily due to the following reasons: The City overestimated public safety and community environment expenditures for 2019. As the City completed the year, its General Fund balance reported an actual fund balance of \$11,533,775 on a Non-GAAP Budgetary Basis.



**City of Troy, Ohio**  
**Management's Discussion and Analysis**  
**For The Year Ended December 31, 2019**  
(Unaudited)

---

**Capital Assets and Debt Administration**

**Capital Assets**

At year end, the City had \$135,381,513 invested in land, construction in progress, buildings and improvements, equipment and infrastructure. Table 3 shows 2019 balances compared to 2018:

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

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$14,416,490	\$14,416,490	\$780,372	\$780,372	\$15,196,862	\$15,196,862
Construction in Progress	773,675	1,558,158	512,741	2,895,730	1,286,416	4,453,888
Buildings and Improvements	8,223,612	8,499,393	30,478,127	25,444,340	38,701,739	33,943,733
Equipment	3,886,552	4,327,478	7,328,439	8,133,314	11,214,991	12,460,792
Infrastructure	33,099,336	30,587,137	35,882,169	32,906,113	68,981,505	63,493,250
<b>Total Net Capital Assets</b>	<b>\$60,399,665</b>	<b>\$59,388,656</b>	<b>\$74,981,848</b>	<b>\$70,159,869</b>	<b>\$135,381,513</b>	<b>\$129,548,525</b>

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.

*This Space Intentionally Left Blank*

**City of Troy, Ohio**  
**Management's Discussion and Analysis**  
**For The Year Ended December 31, 2019**  
(Unaudited)

**Debt**

The City had \$20,770,947 in general obligation bonds and loans.

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

		2019	2018
<b>Governmental Activities</b>			
<u>General Obligation Bonds</u>			
2015 Capital Facilities Bonds	0.00%	\$8,050,000	\$8,300,000
Premium on Capital Facilities Bonds	0.00%	215,946	224,944
Refunding Limited Tax	1.00-2.625%	645,000	850,000
Premium on Refunding Bonds		3,693	4,924
Discount on Refunding Bonds		(5,466)	(7,289)
Refunding Bonds:			
Elm Street Improvements	1.00-2.375%	198,433	235,806
Aquatic Center	1.00-2.375%	1,315,655	1,563,447
Cemetery Maintenance Building	1.00-2.375%	151,743	180,322
Fire Station	1.00-2.375%	838,751	996,722
Premium		24,964	30,905
Discount		(17,625)	(21,818)
Total General Obligation Bonds		<u>11,421,094</u>	<u>12,357,963</u>
<b>Business Type Activities</b>			
<u>General Obligation Bonds</u>			
Refunding Limited Tax	1.00-3.00%	0	240,000
Premium on Refunding		0	1,579
Discount on Refunding		0	(1,390)
Wastewater Improvement IIIC & VA	0.00%	25,000	50,000
Sewer System Bonds		2,395,000	2,460,000
Premium on Sewer System Bonds		28,409	29,593
Water System Bonds		3,320,000	3,405,000
Premium on Water System Bonds		39,555	41,203
Refunding Bonds:			
Southeast Area Sewer	1.00-2.375%	436,884	519,167
Generators	1.00-2.375%	403,535	479,537
Premium		8,381	10,374
Discount		(5,911)	(7,318)
Total General Obligation Bonds		<u>6,650,853</u>	<u>7,227,745</u>
2010 OWDA Water Pollution Control Loan	3.25%	270,462	294,407
2018 OWDA Fresh Water Loan	3.03%	<u>2,428,538</u>	<u>2,548,532</u>
Total Debt		<u>\$20,770,947</u>	<u>\$22,428,647</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, 2019**  
**(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.

***This Space Intentionally Left Blank***

***THIS PAGE INTENTIONALLY LEFT BLANK***

City of Troy, Ohio  
Statement of Net Position  
December 31, 2019

	Governmental Activities	Business-Type Activities	Total
<b>Assets:</b>			
Equity in Pooled Cash and Investments	\$66,354,641	\$20,498,485	\$86,853,126
Restricted Cash	61,137	21,915	83,052
Cash and Cash Equivalents with Fiscal Agent	230,000	0	230,000
<b>Receivables (Net):</b>			
Taxes	6,211,332	0	6,211,332
Accounts	1,033,137	632,880	1,666,017
Interest	233,833	27,586	261,419
Intergovernmental	3,186,041	0	3,186,041
Notes	2,877,333	0	2,877,333
Special Assessments	356,064	0	356,064
Inventory	0	541,523	541,523
Nondepreciable Capital Assets	15,190,165	1,293,113	16,483,278
Depreciable Capital Assets, Net	45,209,500	73,688,735	118,898,235
<b>Total Assets</b>	<b>140,943,183</b>	<b>96,704,237</b>	<b>237,647,420</b>
<b>Deferred Outflows of Resources:</b>			
Deferred Charge on Refunding	227,595	55,500	283,095
Pension	8,492,524	1,906,095	10,398,619
OPEB	2,079,035	257,028	2,336,063
<b>Total Deferred Outflows of Resources</b>	<b>10,799,154</b>	<b>2,218,623</b>	<b>13,017,777</b>
<b>Liabilities:</b>			
Accounts Payable	728,696	388,310	1,117,006
Accrued Wages and Benefits	344,837	36,613	381,450
Retainage Payable	61,137	21,915	83,052
Accrued Interest Payable	57,638	26,899	84,537
<b>Long-Term Liabilities:</b>			
Due Within One Year	1,703,893	660,483	2,364,376
Due In More Than One Year			
Net Pension Liability	31,407,043	6,376,588	37,783,631
Net OPEB Liability	5,974,378	3,094,566	9,068,944
Other Amounts	12,432,028	9,322,457	21,754,485
<b>Total Liabilities</b>	<b>52,709,650</b>	<b>19,927,831</b>	<b>72,637,481</b>
<b>Deferred Inflows of Resources:</b>			
Property and Income Taxes	1,682,195	0	1,682,195
Revenue In Lieu of Taxes	386,028	0	386,028
Pension	443,077	121,646	564,723
OPEB	1,003,416	42,118	1,045,534
<b>Total Deferred Inflows of Resources</b>	<b>3,514,716</b>	<b>163,764</b>	<b>3,678,480</b>
<b>Net Position:</b>			
Net Investment in Capital Assets	49,206,166	65,687,495	114,893,661
<b>Restricted for:</b>			
Capital Projects	5,560,932	0	5,560,932
Street Improvements	2,364,810	0	2,364,810
Public Safety	35,925	0	35,925
Community Development	4,164,443	0	4,164,443
Park Improvements	162,872	0	162,872
Cemetery Services	1,083,635	0	1,083,635
Other Purposes	266,158	0	266,158
Unrestricted	32,673,030	13,143,770	45,816,800
<b>Total Net Position</b>	<b>\$95,517,971</b>	<b>\$78,831,265</b>	<b>\$174,349,236</b>

See accompanying notes to the basic financial statements.

City of Troy, Ohio  
Statement of Activities  
For the Fiscal Year Ended December 31, 2019

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
General Government	\$4,257,293	\$262,869	\$14,534	\$0
Public Safety	4,089,310	1,693,379	0	0
Community Development	1,483,046	11,270	125,000	360,014
Leisure Time Activities	1,585,328	172,361	0	162,801
Transportation and Street Repair	2,926,523	46,933	1,469,507	879,513
Basic Utility Service	1,115,622	2,021,205	0	0
Public Health and Welfare	419,414	273,335	0	0
Interest and Other Charges	528,415	0	0	0
<b>Total Governmental Activities</b>	<b>16,404,951</b>	<b>4,481,352</b>	<b>1,609,041</b>	<b>1,402,328</b>
<b>Business-Type Activities:</b>				
Water	4,867,435	5,916,914	0	885,235
Sanitary Sewer	4,552,301	4,731,392	0	786,053
Hobart Arena	2,806,004	1,325,402	0	0
Swimming Pool	418,786	279,020	0	0
Parking Meter	77,146	55	0	0
Miami Shores	1,222,127	667,891	0	0
Stormwater Utility	1,706,060	1,562,822	0	0
<b>Total Business-Type Activities</b>	<b>15,649,859</b>	<b>14,483,496</b>	<b>0</b>	<b>1,671,288</b>
<b>Totals</b>	<b>\$32,054,810</b>	<b>\$18,964,848</b>	<b>\$1,609,041</b>	<b>\$3,073,616</b>

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

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning of Year

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
(\$3,979,890)	\$0	(\$3,979,890)
(2,395,931)	0	(2,395,931)
(986,762)	0	(986,762)
(1,250,166)	0	(1,250,166)
(530,570)	0	(530,570)
905,583	0	905,583
(146,079)	0	(146,079)
(528,415)	0	(528,415)
<u>(8,912,230)</u>	<u>0</u>	<u>(8,912,230)</u>
0	1,934,714	1,934,714
0	965,144	965,144
0	(1,480,602)	(1,480,602)
0	(139,766)	(139,766)
0	(77,091)	(77,091)
0	(554,236)	(554,236)
0	(143,238)	(143,238)
<u>0</u>	<u>504,925</u>	<u>504,925</u>
<u>(8,912,230)</u>	<u>504,925</u>	<u>(8,407,305)</u>
21,541,455	0	21,541,455
1,835,267	0	1,835,267
128,962	0	128,962
978,491	0	978,491
443,915	0	443,915
48,047	0	48,047
2,083,021	361,387	2,444,408
964,395	454,767	1,419,162
(3,569,373)	3,569,373	0
<u>24,454,180</u>	<u>4,385,527</u>	<u>28,839,707</u>
15,541,950	4,890,452	20,432,402
<u>79,976,021</u>	<u>73,940,813</u>	<u>153,916,834</u>
<u>\$95,517,971</u>	<u>\$78,831,265</u>	<u>\$174,349,236</u>

City of Troy, Ohio  
Balance Sheet  
Governmental Funds  
December 31, 2019

	General	TIF Retirement	Capital Improvement	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>					
Equity in Pooled Cash and Investments	\$55,923,018	\$1,017,213	\$3,695,637	\$5,718,773	\$66,354,641
Restricted Cash	0	0	1,980	59,157	61,137
Cash and Cash Equivalents with Fiscal Agent	230,000	0	0	0	230,000
<b>Receivables (Net):</b>					
Taxes	6,072,894	0	0	138,438	6,211,332
Accounts	1,001,340	0	0	31,797	1,033,137
Interest	229,317	0	0	4,516	233,833
Intergovernmental	418,717	386,028	334,122	2,047,174	3,186,041
Notes	0	0	0	2,877,333	2,877,333
Special Assessments	63,778	0	258,700	33,586	356,064
Interfund	1,606,000	0	0	0	1,606,000
<b>Total Assets</b>	<b>65,545,064</b>	<b>1,403,241</b>	<b>4,290,439</b>	<b>10,910,774</b>	<b>82,149,518</b>
<b>Liabilities:</b>					
Accounts Payable	413,017	1,721	27,860	286,098	728,696
Accrued Wages and Benefits	334,392	0	0	10,445	344,837
Compensated Absences	82,965	0	0	0	82,965
Retainage Payable	0	0	1,980	59,157	61,137
Interfund Payable	0	1,270,000	336,000	0	1,606,000
<b>Total Liabilities</b>	<b>830,374</b>	<b>1,271,721</b>	<b>365,840</b>	<b>355,700</b>	<b>2,823,635</b>
<b>Deferred Inflows of Resources:</b>					
Property and Income Taxes	4,117,261	0	0	129,819	4,247,080
Grants and Other Taxes	358,627	0	305,919	1,914,873	2,579,419
Special Assessments	63,778	0	258,700	33,586	356,064
Accounts	275,142	0	0	0	275,142
Revenue In Lieu of Taxes	0	386,028	0	0	386,028
<b>Total Deferred Inflows of Resources</b>	<b>4,814,808</b>	<b>386,028</b>	<b>564,619</b>	<b>2,078,278</b>	<b>7,843,733</b>
<b>Fund Balances:</b>					
Restricted	1,869,823	0	3,359,980	7,955,699	13,185,502
Committed	33,810,433	0	0	0	33,810,433
Assigned	646,379	0	0	521,097	1,167,476
Unassigned	23,573,247	(254,508)	0	0	23,318,739
<b>Total Fund Balances</b>	<b>59,899,882</b>	<b>(254,508)</b>	<b>3,359,980</b>	<b>8,476,796</b>	<b>71,482,150</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$65,545,064</b>	<b>\$1,403,241</b>	<b>\$4,290,439</b>	<b>\$10,910,774</b>	<b>\$82,149,518</b>

See accompanying notes to the basic financial statements.



City of Troy, Ohio  
 Reconciliation of Total Governmental Fund Balance to  
 Net Position of Governmental Activities  
 December 31, 2019

---

Total Governmental Fund Balance		\$71,482,150
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		60,399,665
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		
Income Taxes	2,537,650	
Delinquent Property Taxes	27,235	
Intergovernmental	2,579,419	
Other Receivables	<u>631,206</u>	
		5,775,510
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.		
		(57,638)
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		(2,631,862)
Deferred outflow of resources associated with long-term liabilities are not reported in the funds.		
		227,595
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	8,492,524	
Deferred inflows of resources related to pensions	(443,077)	
Deferred outflows of resources related to OPEB	2,079,035	
Deferred inflows of resources related to OPEB	<u>(1,003,416)</u>	
		9,125,066
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Net Pension Liability	(31,407,043)	
Net OPEB Liability	(5,974,378)	
Other Amounts	<u>(11,421,094)</u>	
		<u>(48,802,515)</u>
Net Position of Governmental Activities		<u><u>\$95,517,971</u></u>

See accompanying notes to the basic financial statements.

City of Troy, Ohio  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Governmental Funds  
For the Fiscal Year Ended December 31, 2019

	General	TIF Retirement	Capital Improvement	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Property and Other Taxes	\$1,853,878	\$0	\$0	\$129,146	\$1,983,024
Income Taxes	21,347,488	0	0	0	21,347,488
Charges for Services	3,697,478	0	0	234,908	3,932,386
Investment Earnings	2,006,544	0	0	76,476	2,083,020
Intergovernmental	967,902	0	340,980	1,555,555	2,864,437
Special Assessments	1,330	0	118,163	6,447	125,940
Fines, Licenses & Permits	95,373	0	0	143,244	238,617
Revenue in Lieu of Taxes	0	443,915	0	0	443,915
Other Revenues	1,097,142	0	61	127,784	1,224,987
<b>Total Revenues</b>	<b>31,067,135</b>	<b>443,915</b>	<b>459,204</b>	<b>2,273,560</b>	<b>34,243,814</b>
<b>Expenditures:</b>					
<b>Current:</b>					
General Government	4,572,488	0	0	143,422	4,715,910
Public Safety	11,418,324	0	0	25,432	11,443,756
Community Development	1,370,411	0	420,462	178,372	1,969,245
Leisure Time Activities	1,707,986	0	0	0	1,707,986
Transportation and Street Repair	0	0	1,213,949	1,506,584	2,720,533
Basic Utility Service	1,170,351	0	0	0	1,170,351
Public Health and Welfare	0	0	0	538,030	538,030
Capital Outlay	302,244	8,887	3,965,701	1,760,470	6,037,302
<b>Debt Service:</b>					
Principal	0	0	0	926,715	926,715
Interest and Other Charges	0	79,200	0	405,546	484,746
<b>Total Expenditures</b>	<b>20,541,804</b>	<b>88,087</b>	<b>5,600,112</b>	<b>5,484,571</b>	<b>31,714,574</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>10,525,331</b>	<b>355,828</b>	<b>(5,140,908)</b>	<b>(3,211,011)</b>	<b>2,529,240</b>
<b>Other Financing Sources (Uses):</b>					
Proceeds from Sale of Capital Assets	15,045	0	0	0	15,045
Transfers In	0	0	4,305,952	2,457,312	6,763,264
Transfers (Out)	(7,638,264)	0	0	0	(7,638,264)
<b>Total Other Financing Sources (Uses)</b>	<b>(7,623,219)</b>	<b>0</b>	<b>4,305,952</b>	<b>2,457,312</b>	<b>(859,955)</b>
<b>Net Change in Fund Balance</b>	<b>2,902,112</b>	<b>355,828</b>	<b>(834,956)</b>	<b>(753,699)</b>	<b>1,669,285</b>
<b>Fund Balance - Beginning of Year</b>	<b>56,997,770</b>	<b>(610,336)</b>	<b>4,194,936</b>	<b>9,230,495</b>	<b>69,812,865</b>
<b>Fund Balance - End of Year</b>	<b>\$59,899,882</b>	<b>(\$254,508)</b>	<b>\$3,359,980</b>	<b>\$8,476,796</b>	<b>\$71,482,150</b>

See accompanying notes to the basic financial statements.

City of Troy, Ohio  
 Reconciliation of the Statement of Revenues, Expenditures, and Changes  
 in Fund Balance of Governmental Funds to the Statement of Activities  
 For the Fiscal Year Ended December 31, 2019

---

Net Change in Fund Balance - Total Governmental Funds \$1,669,285

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	3,436,711	
Depreciation Expense	<u>(2,425,702)</u>	
		1,011,009

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	1,997,770	
Pension Expense	(4,712,186)	
OPEB Contributions	35,850	
OPEB Expense	<u>13,475,198</u>	
		10,796,632

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

Income Taxes	193,966	
Delinquent Property Taxes	(18,785)	
Intergovernmental	1,130,244	
Other	<u>(48,010)</u>	
		1,257,415

Repayment of bond principal is an expenditure in the  
 governmental funds, but the repayment reduces long-term  
 liabilities in the statement of net position. 926,715

In the statement of activities interest expense is accrued when incurred;  
 whereas, in governmental funds an interest expenditure is reported  
 when due. 2,558

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	(75,437)	
Amortization of Bond Premium	10,154	
Amortization of Deferred Charge on Refunding	<u>(56,381)</u>	
		<u>(121,664)</u>

Change in Net Position of Governmental Activities \$15,541,950

See accompanying notes to the basic financial statements.

City of Troy, Ohio  
Statement of Net Position  
Proprietary Funds  
December 31, 2019

	Business-Type Activities					Total Business-Type Activities
	Enterprise Funds				Other Enterprise Funds	
	Water	Sanitary Sewer	Hobart Arena	Stormwater Utility		
<b>Current Assets:</b>						
Equity in Pooled Cash and Investments	\$11,300,901	\$5,065,062	\$1,228,708	\$2,343,438	\$560,376	\$20,498,485
Restricted Cash	11,006	10,909	0	0	0	21,915
<b>Receivables (Net):</b>						
Accounts	288,757	245,682	139	98,160	142	632,880
Interest	16,301	7,315	0	3,377	593	27,586
Inventory	541,523	0	0	0	0	541,523
<b>Total Current Assets</b>	<b>12,158,488</b>	<b>5,328,968</b>	<b>1,228,847</b>	<b>2,444,975</b>	<b>561,111</b>	<b>21,722,389</b>
<b>Noncurrent Assets:</b>						
<b>Capital Assets:</b>						
Nondepreciable Capital Assets	950,005	74,800	20,900	0	247,408	1,293,113
Depreciable Capital Assets, Net	24,460,898	22,071,670	11,576,648	11,484,400	4,095,119	73,688,735
<b>Total Noncurrent Assets</b>	<b>25,410,903</b>	<b>22,146,470</b>	<b>11,597,548</b>	<b>11,484,400</b>	<b>4,342,527</b>	<b>74,981,848</b>
<b>Total Assets</b>	<b>37,569,391</b>	<b>27,475,438</b>	<b>12,826,395</b>	<b>13,929,375</b>	<b>4,903,638</b>	<b>96,704,237</b>
<b>Deferred Outflows of Resources:</b>						
Deferred Charge on Refunding	0	55,500	0	0	0	55,500
Pension	645,162	502,576	226,903	296,747	234,707	1,906,095
OPEB	86,997	67,770	30,597	40,015	31,649	257,028
<b>Total Deferred Outflows of Resources</b>	<b>732,159</b>	<b>625,846</b>	<b>257,500</b>	<b>336,762</b>	<b>266,356</b>	<b>2,218,623</b>
<b>Liabilities:</b>						
<b>Current Liabilities:</b>						
Accounts Payable	164,926	157,674	21,213	33,787	10,710	388,310
Accrued Wages and Benefits	12,964	13,466	6,222	0	3,961	36,613
Compensated Absences	60,365	65,183	28,546	9,384	14,326	177,804
Retainage Payable	11,006	10,909	0	0	0	21,915
Accrued Interest Payable	17,785	9,114	0	0	0	26,899
Long-Term Liabilities Due Within One Year	205,896	276,783	0	0	0	482,679
<b>Total Current Liabilities</b>	<b>472,942</b>	<b>533,129</b>	<b>55,981</b>	<b>43,171</b>	<b>28,997</b>	<b>1,134,220</b>
<b>Long-Term Liabilities:</b>						
Compensated Absences	143,374	235,529	19,126	47,656	9,598	455,283
Bonds, Notes & Loans Payable	5,582,197	3,284,977	0	0	0	8,867,174
Net Pension Liability	2,158,303	1,681,303	759,073	992,727	785,182	6,376,588
Net OPEB Liability	1,047,427	815,939	368,379	481,772	381,049	3,094,566
<b>Total Long-Term Liabilities</b>	<b>8,931,301</b>	<b>6,017,748</b>	<b>1,146,578</b>	<b>1,522,155</b>	<b>1,175,829</b>	<b>18,793,611</b>
<b>Total Liabilities</b>	<b>9,404,243</b>	<b>6,550,877</b>	<b>1,202,559</b>	<b>1,565,326</b>	<b>1,204,826</b>	<b>19,927,831</b>
<b>Deferred Inflows of Resources:</b>						
Pension	41,174	32,074	14,481	18,938	14,979	121,646
OPEB	14,256	11,105	5,014	6,557	5,186	42,118
<b>Total Deferred Inflows of Resources</b>	<b>55,430</b>	<b>43,179</b>	<b>19,495</b>	<b>25,495</b>	<b>20,165</b>	<b>163,764</b>
<b>Net Position:</b>						
Net Investment in Capital Assets	19,622,810	18,640,210	11,597,548	11,484,400	4,342,527	65,687,495
Unrestricted	9,219,067	2,867,018	264,293	1,190,916	(397,524)	13,143,770
<b>Total Net Position</b>	<b>\$28,841,877</b>	<b>\$21,507,228</b>	<b>\$11,861,841</b>	<b>\$12,675,316</b>	<b>\$3,945,003</b>	<b>\$78,831,265</b>

See accompanying notes to the basic financial statements.

City of Troy, Ohio  
Statement of Revenues, Expenses and Changes in Fund Net Position  
Proprietary Funds  
For the Fiscal Year Ended December 31, 2019

	Business-Type Activities Enterprise Funds					Total Business-Type Activities
	Water	Sanitary Sewer	Hobart Arena	Stormwater Utility	Other Enterprise Funds	
Operating Revenues:						
Charges for Services	\$5,916,914	\$4,731,392	\$1,325,402	\$1,562,822	\$946,966	\$14,483,496
Other Revenues	48,957	30,891	275,598	43,295	56,026	454,767
Total Operating Revenues	<u>5,965,871</u>	<u>4,762,283</u>	<u>1,601,000</u>	<u>1,606,117</u>	<u>1,002,992</u>	<u>14,938,263</u>
Operating Expenses:						
Personal Services	2,079,455	1,750,531	757,561	963,505	860,969	6,412,021
Contactual Services	605,141	450,074	223,789	45,018	208,406	1,532,428
Materials and Supplies	639,586	131,998	258,034	336,679	415,987	1,782,284
Depreciation	1,065,714	1,155,274	527,725	350,918	189,347	3,288,978
Other Expense	220,032	918,562	1,038,895	9,940	43,350	2,230,779
Total Operating Expenses	<u>4,609,928</u>	<u>4,406,439</u>	<u>2,806,004</u>	<u>1,706,060</u>	<u>1,718,059</u>	<u>15,246,490</u>
Operating Income (Loss)	<u>1,355,943</u>	<u>355,844</u>	<u>(1,205,004)</u>	<u>(99,943)</u>	<u>(715,067)</u>	<u>(308,227)</u>
Non-Operating Revenues (Expenses):						
Investment Earnings	222,360	114,962	0	16,088	7,977	361,387
Interest and Fiscal Charges	(213,071)	(145,862)	0	0	0	(358,933)
(Loss) on Disposal of Capital Assets	(44,436)	0	0	0	0	(44,436)
Total Non-Operating Revenues (Expenses)	<u>(35,147)</u>	<u>(30,900)</u>	<u>0</u>	<u>16,088</u>	<u>7,977</u>	<u>(41,982)</u>
Income (Loss) Before Contributions and Transfers	<u>1,320,796</u>	<u>324,944</u>	<u>(1,205,004)</u>	<u>(83,855)</u>	<u>(707,090)</u>	<u>(350,209)</u>
Capital Grants and Contributions	885,235	786,053	1,289,999	0	1,404,374	4,365,661
Transfers In	<u>0</u>	<u>0</u>	<u>500,000</u>	<u>0</u>	<u>375,000</u>	<u>875,000</u>
Change in Net Position	2,206,031	1,110,997	584,995	(83,855)	1,072,284	4,890,452
Net Position - Beginning of Year	<u>26,635,846</u>	<u>20,396,231</u>	<u>11,276,846</u>	<u>12,759,171</u>	<u>2,872,719</u>	<u>73,940,813</u>
Net Position - End of Year	<u>\$28,841,877</u>	<u>\$21,507,228</u>	<u>\$11,861,841</u>	<u>\$12,675,316</u>	<u>\$3,945,003</u>	<u>\$78,831,265</u>

See accompanying notes to the basic financial statements.

City of Troy, Ohio  
Statement of Cash Flows  
Proprietary Funds  
For the Fiscal Year Ended December 31, 2019

	Business-Type Activities Enterprise Funds					Total Business-Type Activities
	Water	Sanitary Sewer	Hobart Arena	Stormwater Utility	Other Enterprise Funds	
<b>Cash Flows from Operating Activities:</b>						
Cash Received from Customers	\$5,963,528	\$4,816,340	\$1,601,238	\$1,664,716	\$1,002,992	\$15,048,814
Cash Payments to Employees	(1,687,061)	(1,345,619)	(607,368)	(703,161)	(614,728)	(4,957,937)
Cash Payments to Suppliers	(1,514,108)	(1,501,298)	(1,521,748)	(430,834)	(670,238)	(5,638,226)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>2,762,359</b>	<b>1,969,423</b>	<b>(527,878)</b>	<b>530,721</b>	<b>(281,974)</b>	<b>4,452,651</b>
<b>Cash Flows from Noncapital Financing Activities:</b>						
Payments from Other Funds	0	0	500,000	0	375,000	875,000
<b>Net Cash Provided by Noncapital Financing Activities</b>	<b>0</b>	<b>0</b>	<b>500,000</b>	<b>0</b>	<b>375,000</b>	<b>875,000</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>						
Payments for Capital Acquisitions	(1,461,316)	(1,985,427)	(25,638)	(263,757)	(9,158)	(3,745,296)
Debt Principal Payments	(204,994)	(512,230)	0	0	0	(717,224)
Debt Interest Payments	(252,280)	(129,689)	0	0	0	(381,969)
<b>Net Cash (Used) by Capital and Related Financing Activities</b>	<b>(1,918,590)</b>	<b>(2,627,346)</b>	<b>(25,638)</b>	<b>(263,757)</b>	<b>(9,158)</b>	<b>(4,844,489)</b>
<b>Cash Flows from Investing Activities:</b>						
Earnings (Loss) on Investments	221,319	116,013	0	15,780	7,888	361,000
<b>Net Cash Provided by Cash Flows from Investing Activities</b>	<b>221,319</b>	<b>116,013</b>	<b>0</b>	<b>15,780</b>	<b>7,888</b>	<b>361,000</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>1,065,088</b>	<b>(541,910)</b>	<b>(53,516)</b>	<b>282,744</b>	<b>91,756</b>	<b>844,162</b>
Cash and Cash Equivalents - Beginning of Year	10,246,819	5,617,881	1,282,224	2,060,694	468,620	19,676,238
<b>Cash and Cash Equivalents - End of Year</b>	<b>11,311,907</b>	<b>5,075,971</b>	<b>1,228,708</b>	<b>2,343,438</b>	<b>560,376</b>	<b>20,520,400</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>						
Operating Income (Loss)	1,355,943	355,844	(1,205,004)	(99,943)	(715,067)	(308,227)
<b>Adjustments:</b>						
Depreciation	1,065,714	1,155,274	527,725	350,918	189,347	3,288,978
<b>Changes in Assets &amp; Liabilities:</b>						
(Increase) Decrease in Receivables	(9,817)	54,044	232	58,593	(5)	103,047
(Increase) Decrease in Inventory	(29,104)	0	0	0	0	(29,104)
(Increase) Decrease in Deferred Outflows of Resources	(352,179)	(289,541)	(129,289)	(178,043)	(149,086)	(1,098,138)
Increase (Decrease) in Retainage Payable	(39,561)	10,909	0	0	0	(28,652)
Increase (Decrease) in Payables	63,752	(11,573)	(1,030)	(39,197)	(5,489)	6,463
Increase (Decrease) in Accrued Liabilities	17,424	53,992	26	12,304	5,385	89,131
Increase (Decrease) in Deferred Inflows of Resources	(358,450)	(262,678)	(120,154)	(147,384)	(107,567)	(996,233)
Increase (Decrease) in Net Pension Liability	892,641	745,980	332,019	464,055	394,573	2,829,268
Increase (Decrease) in Net OPEB Liability	155,996	157,172	67,597	109,418	105,935	596,118
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$2,762,359</b>	<b>\$1,969,423</b>	<b>(\$527,878)</b>	<b>\$530,721</b>	<b>(\$281,974)</b>	<b>\$4,452,651</b>
<b>Schedule of Noncash Capital Activities:</b>						
During the fiscal year, these amounts were received representing noncash contributions of:						
Capital Assets	\$885,235	\$786,053	\$1,289,999	\$0	\$1,404,374	\$4,365,661

See accompanying notes to the basic financial statements.

City of Troy, Ohio  
Statement of Fiduciary Net Position  
Fiduciary Funds  
December 31, 2019

---

	Private Purpose Trust	Agency
	<u>          </u>	<u>          </u>
Assets:		
Equity in Pooled Cash and Investments	\$299,802	\$194,831
Receivables (Net):		
Interest	<u>432</u>	<u>242</u>
Total Assets	<u>300,234</u>	<u>195,073</u>
Liabilities:		
Accounts Payable	785	0
Undistributed Monies	<u>0</u>	<u>195,073</u>
Total Liabilities	<u>785</u>	<u>\$195,073</u>
Net Position:		
Restricted for Endowment - Expendable	162,917	
Restricted for Endowment - Nonexpendable	<u>136,532</u>	
Total Net Position	<u><u>\$299,449</u></u>	

See accompanying notes to the basic financial statements.

City of Troy, Ohio  
Statement of Changes in Fiduciary Net Position  
Fiduciary Fund  
For the Fiscal Year Ended December 31, 2019

---

	Private Purpose Trust
Additions:	
Investment Earnings	\$6,172
Other	<u>3,010</u>
Total Additions	<u>9,182</u>
Deductions:	
Public Health and Welfare	<u>2,625</u>
Total Deductions	<u>2,625</u>
Change in Net Position	6,557
Net Position - Beginning of Year	<u>292,892</u>
Net Position - End of Year	<u><u>\$299,449</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, 2019**

---

**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.

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

**City of Troy, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Year Ended December 31, 2019**

---

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.

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.

**City of Troy, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Year Ended December 31, 2019**

---

**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.

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

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

Proprietary Funds

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

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

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

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

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.

**City of Troy, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Year Ended December 31, 2019**

---

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.

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

**City of Troy, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Year Ended December 31, 2019**

---

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, 2019, but which were levied to finance year 2020 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.

**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.

**City of Troy, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Year Ended December 31, 2019**

---

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 2019, the City invested in certificates of deposit, federal agency securities, a money market fund, and STAR Ohio. Investments are reported at cost, except for the money market fund and STAR Ohio. The City's money market fund investment is recorded at the amount reported by financial institutions on December 31, 2019.

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 2019, 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 2019 amounted to \$2,006,544, and \$76,476 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.

### **Prepaid Items**

Payments made for services that will benefit periods beyond December 31, 2019, 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, 2019.

**City of Troy, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Year Ended December 31, 2019**

---

**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 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.

**City of Troy, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Year Ended December 31, 2019**

---

**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).

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.



**City of Troy, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Year Ended December 31, 2019**

---

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 \$13,638,775 in restricted net position, none was restricted by enabling legislation.

**Operating Revenues and Expenses**

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

**Contributions of Capital**

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

**Interfund Activity**

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

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

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.

**City of Troy, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Year Ended December 31, 2019**

---

**Restricted Assets**

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

**Gain/Loss on Refunding**

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

**Estimates**

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

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

---

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

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

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

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

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

- (1) Bonds, notes, or other obligations of or guaranteed by the United States, or those for which the faith of the United States is pledged for the payment of principal and interest.
- (2) Bonds, notes, debentures, or other obligations or securities issued by any federal governmental agency.

**City of Troy, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Year Ended December 31, 2019**

---

- (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.

### **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, 2019, \$11,502,516 of the City's bank balance of \$12,632,646 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:

**City of Troy, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Year Ended December 31, 2019**

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, 2019:

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 Level 1	Significant Other Observable Inputs Level 2		
Federal Home Loan Mortgage Corporation	\$26,022,904		\$26,022,904		2.87
Federal Home Loan Bank	13,236,373		12,236,373		2.50
Federal Farm Credit Bank	4,736,105		4,736,105		3.64
Federal National Mortgage Association	11,224,218		11,224,218		1.83
Negotiable Certificate of Deposit	7,596,296		7,596,296		1.04
Money Market Funds	12,006,260	\$12,006,260			0.00
Star Ohio*	689,472			\$689,472	0.12
	<u>\$75,511,628</u>	<u>\$12,006,260</u>	<u>\$61,815,896</u>	<u>\$689,472</u>	
Portfolio Weighted Average Maturity					2.05

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, 2019. STAR Ohio is reported at its share price (Net Asset value per share).

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

Credit Risk – It is the City's policy to limit its investments that are obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government to investments which have the highest credit quality rating issued by nationally recognized statistical rating organizations. The City's investments in Federal Home Loan Bank, Federal Farm Credit 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.

**City of Troy, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Year Ended December 31, 2019**

---

Concentration of Credit Risk – The City’s investment policy allows investments in Federal Government Securities or Instrumentalities. The City has invested 17.5% in Federal Home Loan Bank, 34.4% in Federal Home Loan Mortgage Corporation, 6.3% in Federal Farm Credit Bank, 14.9% in Federal National Mortgage Association, 10.1% in Certificates of Deposit, 0.9% in Star Ohio, and 15.9% 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 \$356,064 of which, \$25,512 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 2019 were levied after October 1, 2018 on assessed values as of January 1, 2018, the lien date. Assessed values were established by the County Auditor at 35% of appraised market value. All property is required to be revalued every six years. Real property taxes are payable annually or semi-annually. If paid annually, payment is due January 31; if paid semiannually, the first payment is due February and the remainder payable in July. Under certain circumstances, state statute permits later payment dates to be established.

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

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

Real Property	\$599,807,390
Public Utility	20,208,490
Total Valuation	<u><u>\$620,015,880</u></u>

Real property taxes are payable annually or semi-annually. If paid annually, the payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable

**City of Troy, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Year Ended December 31, 2019**

---

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, 2019, 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 2019 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:

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.

**City of Troy, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Year Ended December 31, 2019**

---

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

The Audit of MVRMA’s 2019 financial statements has not been completed yet. Data from the December 31, 2018 financial statements are as follows:

Current Assets	\$1,298,233
Total Assets	\$18,388,873
Current Liabilities	\$7,910,492
Non-current Liabilities	\$2,088,064
Net Position	\$8,386,628

**City of Troy, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Year Ended December 31, 2019**

---

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 2019 monthly family and single premiums for the PPO plan were \$2,010.45 and \$745.70. The TPA charges the City an administration fee of \$48.29 per employee per month. The 2019 monthly family and single premiums for the HSA Standard plan were \$1,502.72 and \$557.37. The TPA charges the City an administration fee of \$52.89 per employee per month. The 2019 monthly family and single premiums for the HSA Low plan were \$1,331.40 and \$493.83. The TPA charges the City an administration fee of \$52.89 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.

*This Space Intentionally Left Blank*



**City of Troy, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Year Ended December 31, 2019**

**Note 6 – Capital Assets**

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

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities</b>				
<b><i>Capital Assets, not being depreciated:</i></b>				
Land	\$14,416,490	\$0	\$0	\$14,416,490
Construction in Progress	1,558,158	2,343,508	3,127,991	773,675
<b><i>Capital Assets, being depreciated:</i></b>				
Buildings and Improvements	18,553,452	350,171	0	18,903,623
Equipment	12,253,121	466,500	17,346	12,702,275
Infrastructure	47,640,408	3,404,523	0	51,044,931
Totals at Historical Cost	<u>94,421,629</u>	<u>6,564,702</u>	<u>3,145,337</u>	<u>97,840,994</u>
Less Accumulated Depreciation:				
Buildings and Improvements	10,054,059	625,952	0	10,680,011
Equipment	7,925,643	907,426	17,346	8,815,723
Infrastructure	17,053,271	892,324	0	17,945,595
Total Accumulated Depreciation	<u>35,032,973</u>	<u>2,425,702</u>	<u>17,346</u>	<u>37,441,329</u>
Governmental Activities Capital Assets, Net	<u>\$59,388,656</u>	<u>\$4,139,000</u>	<u>\$3,127,991</u>	<u>\$60,399,665</u>

Depreciation expense was charged to governmental functions as follows:

General Government	\$632,787
Public Safety	671,063
Leisure Time	440,825
Transportation	565,958
Basic Utility Service	74,793
Community Development	40,276
Total Depreciation Expense	<u>\$2,425,702</u>

***This Space Intentionally Left Blank***

**City of Troy, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Year Ended December 31, 2019**

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Business-Type Activities</b>				
<b>Capital Assets, not being depreciated:</b>				
Land	\$780,372	\$0	\$0	\$780,372
Construction in Progress	2,895,730	1,551,978	3,934,967	512,741
<b>Capital Assets, being depreciated:</b>				
Buildings and Improvements	51,415,934	6,204,535	0	57,620,469
Equipment	19,739,197	229,678	99,191	19,869,684
Infrastructure	61,379,306	4,104,169	0	65,483,475
Totals at Historical Cost	<u>136,210,539</u>	<u>12,090,360</u>	<u>4,034,158</u>	<u>144,266,741</u>
Less Accumulated Depreciation:				
Buildings and Improvements	25,971,594	1,170,748	0	27,142,342
Equipment	11,605,883	990,117	54,755	12,541,245
Infrastructure	28,473,193	1,128,113	0	29,601,306
Total Accumulated Depreciation	<u>66,050,670</u>	<u>3,288,978</u>	<u>54,755</u>	<u>69,284,893</u>
Business-Type Activities Capital Assets, Net	<u>\$70,159,869</u>	<u>\$8,801,382</u>	<u>\$3,979,403</u>	<u>\$74,981,848</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.

***This Space Intentionally Left Blank***

**City of Troy, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Year Ended December 31, 2019**

**Note 8 - Long-Term Obligations**

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

	Maturity Date	Interest Rate	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
<b>Governmental Activities</b>							
<b>General Obligation Bonds</b>							
Capital Facilities Bonds-\$9,000,000	12/1/40	0.00%	\$8,300,000	\$0	(\$250,000)	\$8,050,000	\$250,000
Premium	12/1/40		224,944	0	(8,998)	215,946	0
<b>Refunding Bonds:</b>							
<b>Capital Facilities Bonds</b>							
(Limited Tax)*-\$2,005,000	12/1/22	1.00-2.625%	850,000	0	(205,000)	645,000	210,000
Premium	12/1/22		4,924	0	(1,231)	3,693	0
Discount	12/1/22		(7,289)	0	1,823	(5,466)	0
Elm Street Improvements-\$398,644	12/1/24	1.00-2.375%	235,806	0	(37,373)	198,433	38,263
Aquatic Center-\$2,643,111	12/1/24	1.00-2.375%	1,563,447	0	(247,792)	1,315,655	253,691
<b>Cemetery Maintenance</b>							
Building-\$304,845	12/1/24	1.00-2.375%	180,322	0	(28,579)	151,743	29,260
Fire Station-\$1,685,025	12/1/24	1.00-2.375%	996,722	0	(157,971)	838,751	161,732
Premium	12/1/24		30,905	0	(5,941)	24,964	0
Discount	12/1/24		(21,818)	0	4,193	(17,625)	0
<b>Total Bonds</b>			<b>12,357,963</b>	<b>0</b>	<b>(936,869)</b>	<b>11,421,094</b>	<b>942,946</b>
<b>Net Pension Liability:</b>							
OPERS			3,844,110	2,766,132	0	6,610,242	0
OP&F			18,300,653	6,496,148	0	24,796,801	0
<b>Total Net Pension Liability</b>			<b>22,144,763</b>	<b>9,262,280</b>	<b>0</b>	<b>31,407,043</b>	<b>0</b>
<b>Net OPEB Liability:</b>							
OPERS			2,707,483	500,476	0	3,207,959	0
OP&F			16,894,461	0	(14,128,042)	2,766,419	0
<b>Total Net OPEB Liability</b>			<b>19,601,944</b>	<b>500,476</b>	<b>(14,128,042)</b>	<b>5,974,378</b>	<b>0</b>
Compensated Absences			2,556,425	850,224	(691,822)	2,714,827	760,947
<b>Total Governmental Activities</b>			<b>\$56,661,095</b>	<b>\$10,612,980</b>	<b>(\$15,756,733)</b>	<b>\$51,517,342</b>	<b>\$1,703,893</b>

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

***This Space Intentionally Left Blank***

**City of Troy, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Year Ended December 31, 2019**

	Maturity Date	Interest Rate	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
<b>Business-Type Activities</b>							
Wastewater Improvement-\$500,000	12/31/20	0.0%	\$50,000	\$0	(\$25,000)	\$25,000	\$25,000
Sewer System Bonds-\$2,830,000	12/1/43	1.0-4.0%	2,460,000	0	(65,000)	2,395,000	65,000
Premium	12/1/43		29,593	0	(1,184)	28,409	0
Water System Bonds-\$3,930,000	12/1/43	1.0-4.0%	3,405,000	0	(85,000)	3,320,000	85,000
Premium	12/1/43		41,203	0	(1,648)	39,555	0
Refunding Bonds:							
Limited Tax Bonds-\$1,955,000	12/1/19	1.0-3.0%	240,000	0	(240,000)	0	0
Premium	12/1/19		1,579	0	(1,579)	0	0
Discount	12/1/19		(1,390)	0	1,390	0	0
Southeast Area Sewer-\$877,687	12/1/24	1.0-2.375%	519,167	0	(82,283)	436,884	84,242
Generators-\$810,688	12/1/24	1.0-2.375%	479,537	0	(76,002)	403,535	77,812
Premium	12/1/24		10,374	0	(1,993)	8,381	0
Discount	12/1/24		(7,318)	0	1,407	(5,911)	0
Total Bonds			<u>7,227,745</u>	<u>0</u>	<u>(576,892)</u>	<u>6,650,853</u>	<u>337,054</u>
OWDA Loans:							
Water Pollution Control-\$1,451,384	7/1/29	3.25%	294,407	0	(23,945)	270,462	24,729
Fresh Water	7/1/29	3.25%	2,548,532	0	(119,994)	2,428,538	120,896
			<u>2,842,939</u>	<u>0</u>	<u>(143,939)</u>	<u>2,699,000</u>	<u>145,625</u>
Net Pension Liability - OPERS:							
Hobart			427,054	332,019	0	759,073	0
Water			1,265,662	892,641	0	2,158,303	0
Sanitation/Sewer			935,323	745,980	0	1,681,303	0
Stormwater Utility			528,672	464,055	0	992,727	0
Other Enterprise			390,609	394,573	0	785,182	0
Total Net Pension Liability			<u>3,547,320</u>	<u>2,829,268</u>	<u>0</u>	<u>6,376,588</u>	<u>0</u>
Net OPEB Liability - OPERS:							
Hobart			300,782	67,597	0	368,379	0
Water			891,431	155,996	0	1,047,427	0
Sanitation/Sewer			658,767	157,172	0	815,939	0
Stormwater Utility			372,354	109,418	0	481,772	0
Other Enterprise			275,114	105,935	0	381,049	0
Total Net OPEB Liability			<u>2,498,448</u>	<u>596,118</u>	<u>0</u>	<u>3,094,566</u>	<u>0</u>
Total Long Term Liabilities - Bonds and Loans			<u>16,116,452</u>	<u>3,425,386</u>	<u>(720,831)</u>	<u>18,821,007</u>	<u>482,679</u>
Compensated Absences			<u>545,415</u>	<u>269,426</u>	<u>(181,754)</u>	<u>633,087</u>	<u>177,804</u>
Total Business-Type Activities			<u>\$16,661,867</u>	<u>\$3,694,812</u>	<u>(\$902,585)</u>	<u>\$19,454,094</u>	<u>\$660,483</u>

Compensated Absences will be paid from the fund from which the person is paid. Historically, this is the General Fund, a Special Revenue Fund, or an Enterprise Fund. 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, 2019**

Year Ending December 31	Governmental Activities		Business-Type Activities			
	General		General		OWDA	
	Obligation Bonds		Obligation Bonds		Loan	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$942,946	\$385,251	\$337,054	\$235,044	\$145,625	\$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	340,848	212,664	145,444	6,079
2024	827,872	287,088	347,128	203,507	146,337	5,186
2025-2029	1,640,000	1,198,950	955,000	903,700	729,465	11,489
2030-2034	2,025,000	816,728	1,160,000	699,600	591,020	0
2035-2039	2,470,000	576,305	1,425,000	447,800	591,020	0
2040	550,000	19,938	1,360,000	138,600	61,766	0
Total	<u>\$11,199,582</u>	<u>\$4,297,550</u>	<u>\$6,580,419</u>	<u>\$3,291,093</u>	<u>\$2,699,000</u>	<u>\$46,067</u>

**Note 9 - Defined Benefit Pension Plans**

The Statewide retirement systems provide both pension and other postemployment benefits (OPEB).

**Net Pension Liability/Net 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 may 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

**City of Troy, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Year Ended December 31, 2019**

---

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

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

***Plan Description – Ohio Public Employees Retirement System (OPERS)***

**Plan Description**

City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. While employees may elect the member-directed plan or the combined plan, substantially all employees are in the traditional plan; therefore, the following disclosure focuses on the traditional 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 [opers.org/financial/reports.shtml](http://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 plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information, including requirements for reduced and unreduced benefits):

***This Space Intentionally Left Blank***

**City of Troy, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Year Ended December 31, 2019**

---

<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

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. For those retiring prior to January 7, 2013, the COLA will continue to be a 3.00% 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 3.00%.

**Funding Policy**

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

***This Space Intentionally Left Blank***

**City of Troy, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Year Ended December 31, 2019**

	<u>State and Local</u>	<u>Public Safety</u>	<u>Law Enforcement</u>
2019 Statutory Maximum Contribution Rates			
Employer	14.00%	18.10%	18.10%
Employee (a)	10.00%	(b)	(c)
2019 Actual Contribution Rates			
Employer:			
Pension (d)	14.00%	18.10%	18.10%
Post-employment Health Care Benefits (d)	0.00%	0.00%	0.00%
Total Employer	<u>14.00%</u>	<u>18.10%</u>	<u>18.10%</u>
Employee	<u>10.00%</u>	<u>12.00%</u>	<u>13.00%</u>

(a) Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.

(b) This rate is determined by OPERS' Board and has no maximum rate established by ORC.

(c) This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2% greater than the Public Safety rate.

(d) 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% 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 2019, the City's contractually required contribution was \$949,748, of this amount \$79,566 is reported in accrued wages and benefits.

**Plan Description – Ohio Police & Fire Pension Fund (OP&F)**

**Plan Description**

City full-time police and firefighters participate in Ohio Police and Fire Pension Fund (OP&F), a cost-sharing, multiple-employer defined benefit pension plan administered by OP&F. OP&F provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OP&F fiduciary net position. The report that may be obtained by visiting the OP&F website at [op-f.org](http://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 OP&F may retire and receive a lifetime monthly pension. OP&F offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member's average annual salary. The following discussion of the pension formula relates to normal service retirement.

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



**City of Troy, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Year Ended December 31, 2019**

---

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.50% for each of the first 20 years of service credit, 2.00% for each of the next five years of service credit and 1.50% for each year of service credit in excess of 25 years. The maximum pension of 72.00% of the allowable average annual salary is paid after 33 years of service credit (see OP&F CAFR referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits):

Under the COLA method, retired members who are at least 55 years old and have been receiving OP&F 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 3.00% 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:

	<u>Police</u>	<u>Firefighters</u>
2019 Statutory Maximum Contribution Rates		
Employer	19.50%	24.00%
Employee	12.25%	12.25%
2019 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 OP&F was \$1,514,352 for 2019, of this amount \$166,270 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, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OP&F’s total pension liability was measured as of December 31, 2018, and was determined by rolling forward the total pension liability as of January 1, 2018 to December 31, 2018. The City’s

**City of Troy, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Year Ended December 31, 2019**

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:

	OPERS		Total
	Traditional Plan	OP&F	
Proportionate Share of the Net Pension Liability	\$12,986,830	\$24,796,801	\$37,783,631
Proportion of the Net Pension Liability:			
Current Measurement Date	0.04741800%	0.30378400%	
Prior Measurement Date	0.04711500%	0.29818000%	
Change in Proportionate Share	0.00030300%	0.00560400%	
Pension Expense	\$2,849,189	\$3,261,961	\$6,111,150

At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS		Total
	Traditional Plan	OP&F	
<u>Deferred Outflows of Resources</u>			
Differences between expected and actual experience	\$599	\$1,018,802	\$1,019,401
Changes of assumptions	1,130,536	657,397	1,787,933
Net difference between projected and actual earnings on pension plan investments	1,762,676	3,054,945	4,817,621
Changes in employer proportionate share of net pension liability	38,474	271,090	309,564
Contributions subsequent to the measurement date	949,748	1,514,352	2,464,100
Total Deferred Outflows of Resources	\$3,882,033	\$6,516,586	\$10,398,619
<u>Deferred Inflows of Resources</u>			
Differences between expected and actual experience	\$170,526	\$23,155	\$193,681
Changes in employer proportionate share of net pension liability	77,224	293,818	371,042
Total Deferred Inflows of Resources	\$247,750	\$316,973	\$564,723

\$2,464,100 reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

**City of Troy, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Year Ended December 31, 2019**

Year Ending December 31:	OPERS Traditional Plan	OP&F	Total
2020	\$1,116,321	\$1,457,840	\$2,574,161
2021	584,916	789,817	1,374,733
2022	163,524	933,159	1,096,683
2023	819,774	1,421,125	2,240,899
2024	0	83,320	83,320
Total	\$2,684,535	\$4,685,261	\$7,369,796

**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, 2018, 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, 2018, are presented below.

	OPERS Traditional Plan
Wage Inflation	3.25%
Projected Salary Increases	3.25% to 10.75% (includes wage inflation at 3.25%)
COLA or Ad Hoc COLA:	
Pre-January 7, 2013 Retirees	3.00% Simple
Post-January 7, 2013 Retirees	3.00% Simple through 2018, then 2.15% Simple
Investment Rate of Return	7.20%
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.

**City of Troy, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Year Ended December 31, 2019**

---

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 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 2018, 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 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 a loss of 2.94% for 2018.

The allocation of investment assets within the Defined Benefit portfolio is approved by the Board as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The following table displays the Board-approved asset allocation policy for 2018 and the long-term expected real rates of return.

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00%	2.79%
Domestic Equities	19.00%	6.21%
Real Estate	10.00%	4.90%
Private Equity	10.00%	10.81%
International Equities	20.00%	7.83%
Other Investments	18.00%	5.50%
Total	100.00%	5.95%

**Discount Rate**

The discount rate used to measure the total pension liability was 7.20% for the Traditional Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments applied to all periods of projected benefit payments to determine the total pension liability.

**City of Troy, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Year Ended December 31, 2019**

---

**Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following table presents the net pension liability calculated using the discount rate of 7.20%, and the expected net pension liability if it were calculated using a discount rate that is 1.00% lower or 1.00% higher than the current rate:

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
Proportionate share of the net pension liability	\$19,185,323	\$12,986,830	\$7,835,825

**Changes since the prior Measurement Date on to Report Date**

OPERS Board adopted a change in the investment return assumption, reducing it from 7.50% to 7.20%.

**Actuarial Assumptions – OP&F**

OP&F’s total pension liability as of December 31, 2019 (December 31, 2018 measurement date), is based on the results of an actuarial valuation date of January 1, 2018, rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. 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, 2018:

Valuation Date	January 1, 2018, with actuarial liabilities rolled forward to December 31, 2018
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Investment Rate of Return	8.00%
Salary Increases	3.75% to 10.50%
Payroll Growth	Inflation rate of 2.75% plus productivity increase rate of 0.50%
Cost of Living Adjustments	3.00% Simple; 2.20% Simple for increased based on the lesser of the increase in CPI and 3.00%

**Healthy Mortality**

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 Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120%.

**City of Troy, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Year Ended December 31, 2019**

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

**Disabled Mortality**

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 Buck 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 actuarial assumptions used in the valuation are based on the results of a five-year experience review covering the period 2012-2016. The experience study was performed by OP&F's prior actuary and the assumptions were effective January 1, 2017.

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 OP&F's Statement of Investment Policy. A forecasted rate of inflation serves as a 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 average 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.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash and Cash Equivalents	0.00%	0.80%
Domestic Equity	16.00%	5.50%
Non-US Equity	16.00%	5.90%
Private Markets	8.00%	8.40%
Core Fixed Income*	23.00%	2.60%
High Yield Fixed Income	7.00%	4.80%
Private Credit	5.00%	7.50%
U.S. Inflation Linked Bonds*	17.00%	2.30%
Master Limited Partnerships	8.00%	6.40%
Real Assets	8.00%	7.00%
Private Real Estate	12.00%	6.10%
Total	<u>120.00%</u>	

*Note: Assumptions are geometric*

*\* levered 2x*

**City of Troy, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Year Ended December 31, 2019**

---

OP&F’s Board of Trustees has incorporated the risk parity concept into OP&F’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 the relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.20 times due to the application of leverage in certain fixed income asset classes.

**Discount Rate**

Total pension liability was calculated using the discount rate of 8.00%. The projection of cash flows used to determine the discount rate assumed the contributions 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 8.00%. Based on those assumptions, OP&F’s fiduciary net position was projected to be available to make all future benefit payment 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 Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

Net pension liability is sensitive to changes in the discount rate. To illustrate the potential impact, the following table presents the net pension liability calculated using the discount rate of 8.00%, 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%, or one percentage point higher, 9.00%, than the current rate:

	1% Decrease <u>(7.00%)</u>	Discount Rate <u>(8.00%)</u>	1% Increase <u>(9.00%)</u>
Proportionate share of the net pension liability	\$32,593,687	\$24,796,801	\$18,281,378

**Changes in Benefit Terms and Assumptions since prior measurement date and to report date**

There have been no OP&F 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**

---

See Note 9 for a description of the net OPEB liability.

**Plan Description – Ohio Public Employees Retirement System (OPERS)**

**Health Care Plan Description**

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.

**City of Troy, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Year Ended December 31, 2019**

---

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 [opers.org/financial/reports.shtml](http://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. During 2019, health care is not being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2019, state and local employers contributed at a rate of 14.00% of earnable salary and public safety and law enforcement employers contributed at 18.10%. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 1.00% 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% for both plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2019 was 4.00%.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The City's contractually required contribution was \$0 for 2019.

***Plan Description – Ohio Police & Fire Pension Fund (OP&F)***

**Health Care Plan Description**

The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment healthcare plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board



**City of Troy, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Year Ended December 31, 2019**

---

of Trustees. Beginning January 1, 2019 OP&F changed its retiree health care model to a stipend-based health care model. OP&F has contracted with a vendor who will assist eligible retirees in choosing health care plans from their marketplace (both Medicare-eligible and pre-Medicare populations). A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses. As a result of changing from the current health care model to the stipend based health care model, management expects that it will be able to provide stipends to eligible participants for the next 15 years.

OP&F 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 OP&F 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, OP&F to provide OPEB benefits. Authority for the OP&F 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.

OP&F 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 OP&F website at [www.op-f.org](http://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 OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.50% and 24.00% of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.50% of covered payroll for police employer units and 24.00% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

OP&F maintains funds for health care in two separate accounts. 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 2019, the portion of employer contributions allocated to health care was 0.50% 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).

The OP&F 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.

**City of Troy, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Year Ended December 31, 2019**

On January 1, 2019, OP&F changed 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 OP&F 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 OP&F was \$35,850 for 2019.

**Net OPEB Liability**

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2018, and was determined by rolling forward the total OPEB liability as of January 1, 2018 to December 31, 2018. 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:

	OPERS		
	<u>Traditional Plan</u>	<u>OP&amp;F</u>	<u>Total</u>
Proportionate Share of the Net OPEB Liability	\$6,302,525	\$2,766,419	\$9,068,944
Proportion of the Net OPEB Liability:			
Current Measurement Date	0.04834100%	0.30378400%	
Prior Measurement Date	<u>0.04794000%</u>	<u>0.29818000%</u>	
Change in Proportionate Share	<u>0.00040100%</u>	<u>0.00560400%</u>	
OPEB Expense	\$522,602	(\$13,599,417)	(\$13,076,815)

At December 31, 2019, reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS		
	<u>Traditional Plan</u>	<u>OP&amp;F</u>	<u>Total</u>
<u>Deferred Outflows of Resources</u>			
Differences between expected and actual experience	\$2,135	\$0	\$2,135
Changes of assumptions	203,201	1,433,979	1,637,180
Net difference between projected and actual earnings on pension plan investments	288,934	93,646	382,580
Changes in employer proportionate share of net OPEB liability	29,203	249,115	278,318
Contributions subsequent to the measurement date	<u>0</u>	<u>35,850</u>	<u>35,850</u>
Total Deferred Outflows of Resources	<u>\$523,473</u>	<u>\$1,812,590</u>	<u>\$2,336,063</u>
<u>Deferred Inflows of Resources</u>			
Differences between expected and actual experience	\$17,101	\$74,118	\$91,219
Changes of assumptions	0	765,876	765,876
Changes in employer proportionate share of net OPEB liability	<u>68,679</u>	<u>119,760</u>	<u>188,439</u>
Total Deferred Inflows of Resources	<u>\$85,780</u>	<u>\$959,754</u>	<u>\$1,045,534</u>

**City of Troy, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Year Ended December 31, 2019**

---

\$35,850 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending December 31, 2020. 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:	OPERS Traditional Plan	OP&F	Total
2020	\$177,364	\$143,402	\$320,766
2021	66,741	143,402	210,143
2022	48,030	143,402	191,432
2023	145,558	171,727	317,285
2024	0	127,073	127,073
Thereafter	0	87,980	87,980
Total	<u>\$437,693</u>	<u>\$816,986</u>	<u>\$1,254,679</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, 2017, rolled forward to the measurement date of December 31, 2018. 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:

Wage Inflation	3.25%
Projected Salary	3.25% to 10.75% (including wage inflation)
Single Discount Rate:	
Current measurement date	3.96%
Prior Measurement date	3.85%
Investment Rate of Return	6.00%
Municipal Bond Rate	3.71%
Health Care Cost Trend Rate	10.00% initial, 3.25% ultimate in 2029
Actuarial Cost Method	Individual Entry Age, Normal

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

**City of Troy, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Year Ended December 31, 2019**

---

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 2018, 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 healthcare 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 was a loss of 5.60% for 2018.

The allocation of investment assets within the OPERS Health Care portfolio is approved by the Board 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. The System’s primary goal is to achieve and maintain a fully funded status for benefits provided through the defined pension plans. Health care is a discretionary benefit. The table on the following page displays the Board-approved asset allocation policy for 2018 and the long-term expected real rates of return.

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34%	2.42%
Domestic Equities	21%	6.21%
Real Estate Investment Trust	6%	5.98%
International Equities	22%	7.83%
Other investments	17%	5.57%
Total	100%	5.16%

**Discount Rate**

A single discount rate of 3.96% was used to measure the OPEB liability on the measurement date of December 31, 2018. 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

**City of Troy, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Year Ended December 31, 2019**

---

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 6.00% and a municipal bond rate of 3.71%. 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 OPEB plan's fiduciary net position and future contributions were sufficient to finance the health care costs through the year 2031. As a result, the long term expected rate of return on health care investments was applied to projected costs through the year 2031, 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 OPEB liability calculated using the single discount rate of 3.96%, and the expected net OPEB liability if it were calculated using a discount rate that is 1.00% lower or 1.00% higher than the current rate.

	1% Decrease (2.96%)	Current Discount Rate (3.96%)	1% Increase (4.96%)
Proportionate share of the net OPEB liability	\$8,063,279	\$6,302,525	\$4,902,261

**Sensitivity of the 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 1.00% lower or 1.00% higher than the current rate.

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 2019 is 10.00%. 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% in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
Proportionate share of the net OPEB liability	\$6,058,094	\$6,302,525	\$6,584,044

**City of Troy, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Year Ended December 31, 2019**

---

**Changes since prior Measurement Date and to Report Date**

OPERS Board adopted a change in the investment return assumption, reducing it from 6.50% to 6.00%. In January 2020, the Board adopted changes to health care coverage for Medicare and pre-Medicare retirees. It will include discontinuing the PPO plan for pre-Medicare retirees and replacing it with a monthly allowance to help participants pay for a health care plan of their choosing. The base allowance for Medicare-eligible retirees will be reduced. The specific effect of these changes on the net OPEB liability and OPEB expense are unknown at this time.

**Actuarial Assumptions – OP&F**

OP&F’s total OPEB liability as of December 31, 2018, is based on the results of an actuarial valuation date of January 1, 2018 and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F’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.

Valuation Date	January 1, 2018, with actuarial liabilities rolled forward to December 31, 2018
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.00%
Payroll Growth	Inflation rate of 2.75% plus productivity increase rate of 0.50%
Single discount rate:	
Current measurement date	4.66%
Prior measurement date	3.24%
Stipend Increase Rate	The stipend is not assured to increase over the projection period

**Healthy Mortality**

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant

**City of Troy, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Year Ended December 31, 2019**

---

Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120%.

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

**Disabled Mortality**

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 Buck 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 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 OP&F's Statement of Investment Policy. A forecasted rate of inflation serves as a 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 average of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes.

Best estimates of the long-term expected real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2018 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash and Cash Equivalents	0.00%	0.80%
Domestic Equity	16.00%	5.50%
Non-US Equity	16.00%	5.90%
Private Markets	8.00%	8.40%
Core Fixed Income*	23.00%	2.60%
High Yield Fixed Income	7.00%	4.80%
Private Credit	5.00%	7.50%
U.S. Inflation Linked Bonds*	17.00%	2.30%
Master Limited Partnerships	8.00%	6.40%
Real Assets	8.00%	7.00%
Private Real Estate	12.00%	6.10%
Total	<u>120.00%</u>	

*Note: Assumptions are geometric*  
*\* levered 2x*

**City of Troy, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Year Ended December 31, 2019**

---

OP&F’s Board of Trustees has incorporated the risk parity concept into OP&F’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 the relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.20 times due to the application of leverage in certain fixed income asset classes.

**Discount Rate**

Total OPEB liability was calculated using the discount rate of 4.66%. The projection of cash flows used to determine the discount rate assumed the contributions 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 8.00%. Based on those assumptions, OP&F’s fiduciary net position was projected to not be able to make all future benefit payment of current plan members. Therefore, a municipal bond rate of 4.13% at December 31, 2018 and 3.16% at December 31, 2017 was blended with the long-term rate of 8.00%, which resulted in a blended discount rate of 4.66%.

**Sensitivity of the Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate**

Net OPEB liability is sensitive to changes in the discount rate. To illustrate the potential impact, the following table presents the net OPEB liability calculated using the discount rate of 4.66%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower, 3.66%, or one percentage point higher, 5.66%, than the current rate:

	1% Decrease (3.66%)	Current Discount Rate (4.66%)	1% Increase (5.66%)
Proportionate share of the net OPEB liability	\$3,370,254	\$2,766,419	\$2,259,552

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

The net OPEB liability for OP&F is no sensitive to changes in the healthcare care cost trend rate because it is based on a medical benefit that is a flat dollar amount.

**Changes since prior measurement date and to report date**

Beginning January 1, 2019 OP&F changed its retiree health care model and the current self-insured health care plan is no longer offered. In its place will be a stipend-based health care model. OP&F has contracted with a vendor who will assist eligible retirees in choosing health care plans from their marketplace (both Medicare-eligible and pre-Medicare populations). A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses. As a result of changing from the current health care model to the stipend based health care model, management expects that it will be able to provide stipends to eligible participants for the next 15 years. Beginning in 2020 the Board approved a change to the Deferred Retirement Option Plan. The minimum interest rate accruing will be 2.5%.



**City of Troy, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Year Ended December 31, 2019**

---

**Note 11 – Construction and Other Commitments**

---

The City had the following outstanding commitments at year end:

Projects	Amount
Sewer Maintenance and Improvements	\$322,111
Water Maintenance and Improvements	1,167,842
Street Improvements	1,798,659
Downtown Building Repair Loan	246,070
Street Lights	75,609
Sidewalk Improvements	97,612
Vehicles	370,000
Other Construction and Commitments	333,289
Total Outstanding Commitments	\$4,411,192

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	\$951,398
TIF Retirement	34,000
Capital Improvements	2,425,860
Water	997,878
Sanitary Sewer	517,079
Hobart Arena	161,872
Stormwater Utility	332,366
Nonmajor Funds	1,332,564
Total	\$6,753,017

*This Space Intentionally Left Blank*

**City of Troy, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Year Ended December 31, 2019**

---

**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	\$1,606,000	\$0	\$0	\$7,638,264
TIF Retirement	0	1,270,000	0	0
Capital Improvement	0	336,000	4,305,952	0
Other Governmental Funds	0	0	2,457,312	0
Hobart Arena	0	0	500,000	0
Other Enterprise Funds	0	0	375,000	0
Total All Funds	<u>\$1,606,000</u>	<u>\$1,606,000</u>	<u>\$7,638,264</u>	<u>\$7,638,264</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 \$162,917. The City authorizes expenditures from donor-restricted endowment in compliance with the wishes expressed by the donor and the Ohio Revised Code.

*This Space Intentionally Left Blank*

**City of Troy, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Year Ended December 31, 2019**

**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	Capital Improvement	Other Governmental Funds	Total
Restricted for:					
Safety Income Tax	\$1,869,823	\$0	\$0	\$0	\$1,869,823
Street Construction, Maintenance and Repair	0	0	0	1,754,552	1,754,552
State Highway Improvement	0	0	0	202,320	202,320
Cemetery	0	0	0	211,982	211,982
Municipal Real Property	0	0	0	50,704	50,704
Miami Conservatory District	0	0	0	95,606	95,606
Community Development	0	0	0	3,821,101	3,821,101
Parking Improvement	0	0	0	162,872	162,872
Drug Law Enforcement	0	0	0	11,229	11,229
Law Enforcement	0	0	0	24,696	24,696
Cemetery Endowment	0	0	0	931,233	931,233
Small Business Development R-Loan	0	0	0	343,342	343,342
Equitable Sharing	0	0	0	117,812	117,812
Capital Improvement	0	0	3,359,980	0	3,359,980
OPWC Project	0	0	0	228,250	228,250
<b>Total Restricted</b>	<b>1,869,823</b>	<b>0</b>	<b>3,359,980</b>	<b>7,955,699</b>	<b>13,185,502</b>
Committed to:					
Capital Improvements	33,810,433	0	0	0	33,810,433
<b>Total Committed</b>	<b>33,810,433</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>33,810,433</b>
Assigned to:					
Bond Retirement	0	0	0	345,017	345,017
Technology	0	0	0	176,080	176,080
Future Encumbrances	646,379	0	0	0	646,379
<b>Total Assigned</b>	<b>646,379</b>	<b>0</b>	<b>0</b>	<b>521,097</b>	<b>1,167,476</b>
Unassigned (Deficit)	23,573,247	(254,508)	0	0	23,318,739
<b>Total Fund Balance</b>	<b>\$59,899,882</b>	<b>(\$254,508)</b>	<b>\$3,359,980</b>	<b>\$8,476,796</b>	<b>\$71,482,150</b>

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

**Note 15 –Accountability**

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

Fund	Deficit
Major Fund:	
TIF Retirement	\$254,508

**City of Troy, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Year Ended December 31, 2019**

---

The fund deficit at December 31, 2019 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, 2019, the City provides tax abatements through the Community Reinvestment Area (CRA) and Ohio Enterprise Zone Area (EZA) Program:

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

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

<u>Tax Abatement Programs</u>	<u>City's Share of Taxes Abated</u>
Community Reinvestment Area	\$29,039
Enterprise Zone Area	89,157

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

**City of Troy, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Year Ended December 31, 2019**

---

**Note 18 – Implementation of New Accounting Principles**

---

For fiscal year 2019, the City has postponed implementation of Governmental Accounting Standards Board (GASB) Statement No. 83, Certain Asset Retirement Obligations, GASB No. 84, Fiduciary Activities, GASB No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements, and GASB No. 90, Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61. The City did not implement these statements due to the GASB postponing the implementation by 12 months because of the covid-19 pandemic.

**Note 19 – Subsequent Events**

---

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the City. The City's investment portfolio could incur a significant decline in fair value, in 2020, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the City's future operating costs, revenues, the impact of the investments of the pension and other employee benefit plan in which the City participates and any recovery from emergency funding, either federal or state, cannot be estimated.

*This Space Intentionally Left Blank*

***THIS PAGE INTENTIONALLY LEFT BLANK***

***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 Six Fiscal Years (1)

	2019	2018	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.04741800%	0.04711500%	0.04862500%	0.04752900%	0.04867200%	0.04867200%
City's Proportionate Share of the Net Pension Liability	\$12,986,830	\$7,391,430	\$11,041,911	\$8,232,622	\$5,870,387	\$5,737,795
City's Covered Payroll	\$6,404,636	\$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	202.77%	118.71%	175.67%	137.65%	98.05%	87.39%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.70%	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 Six Fiscal Years (1)

	2019	2018	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.30378400%	0.29818000%	0.30156700%	0.30581300%	0.30833220%	0.30833220%
City's Proportionate Share of the Net Pension Liability	\$24,796,801	\$18,300,653	\$19,100,951	\$19,673,165	\$15,972,893	\$15,016,746
City's Covered Payroll	\$7,501,553	\$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	330.56%	255.27%	273.43%	295.62%	252.03%	200.70%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.07%	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 Six Fiscal Years (1)

	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	\$949,748	\$896,649	\$809,412	\$754,289	\$717,696	\$718,435
Contributions in Relation to the Contractually Required Contribution	(949,748)	(896,649)	(809,412)	(754,289)	(717,696)	(718,435)
Contribution Deficiency (Excess)	\$0	\$0	\$0	\$0	\$0	\$0
City's Covered Payroll	\$6,783,914	\$6,404,636	\$6,226,246	\$6,285,742	\$5,980,800	\$5,986,958
Contributions as a Percentage of Covered Payroll	14.00%	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 Six Fiscal Years (1)

	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	\$1,514,352	\$1,425,295	\$1,362,158	\$1,327,293	\$1,336,987	\$1,290,350
Contributions in Relation to the Contractually Required Contribution	<u>(1,514,352)</u>	<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>	<u>\$0</u>
City's Covered Payroll	\$7,166,834	\$7,501,553	\$7,169,253	\$6,985,753	\$6,654,988	\$6,337,672
Contributions as a Percentage of Covered Payroll	21.13%	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 Three Fiscal Years (1)

	2019	2018	2017
City's Proportion of the Net OPEB Liability	0.04834100%	0.04794000%	0.04986580%
City's Proportionate Share of the Net OPEB Liability	\$6,302,525	\$5,205,931	\$5,036,615
City's Covered Payroll	\$6,404,636	\$6,226,246	\$6,285,742
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	98.41%	83.61%	80.13%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	46.33%	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 Three Fiscal Years (1)

	2019	2018	2017
City's Proportion of the Net OPEB Liability	0.30378400%	0.29818000%	0.30156700%
City's Proportionate Share of the Net OPEB Liability	\$2,766,419	\$16,894,461	\$14,314,707
City's Covered Payroll	\$7,501,553	\$7,169,253	\$6,985,753
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	36.88%	235.65%	204.91%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	46.57%	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 Four Fiscal Years (1)

	2019	2018	2017	2016
Contractually Required Contribution to OPEB	\$0	\$0	\$77,541	\$137,770
Contributions to OPEB in Relation to the Contractually Required Contribution	<u>0</u>	<u>0</u>	<u>(77,541)</u>	<u>(137,770)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's Covered Payroll	\$6,783,914	\$6,404,636	\$6,226,246	\$6,285,742
Contributions to OPEB as a Percentage of Covered Payroll	0.00%	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 Four Fiscal Years (1)

	2019	2018	2017	2016
Contractually Required Contribution to OPEB	\$35,850	\$33,751	\$31,888	\$31,765
Contributions to OPEB in Relation to the Contractually Required Contribution	<u>(35,850)</u>	<u>(33,751)</u>	<u>(31,888)</u>	<u>(31,765)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's Covered Payroll	\$7,166,834	\$7,501,553	\$7,169,253	\$6,985,753
Contributions to OPEB as a Percentage of Covered Payroll	0.50%	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, 2019

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
<b>Revenues:</b>				
Property and Other Taxes	\$1,810,977	\$1,850,275	\$1,860,750	\$10,475
Charges for Services	3,470,921	3,427,934	3,566,317	138,383
Investment Earnings	312,165	306,850	320,745	13,895
Intergovernmental	931,732	957,269	957,340	71
Special Assessments	1,294	1,330	1,330	0
Fines, Licenses & Permits	93,344	86,275	95,910	9,635
Other Revenues	1,041,413	1,062,910	1,070,036	7,126
<b>Total Revenues</b>	<b>7,661,846</b>	<b>7,692,843</b>	<b>7,872,428</b>	<b>179,585</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General Government	4,050,344	4,105,870	3,920,548	185,322
Public Safety	12,139,383	11,870,660	11,750,368	120,292
Community Environment	1,350,249	1,882,404	1,306,979	575,425
Recreation	1,641,806	1,560,301	1,589,193	(28,892)
Basic Utility	1,245,227	1,177,064	1,205,323	(28,259)
Capital Outlay	532,835	540,287	515,760	24,527
<b>Total Expenditures</b>	<b>20,959,844</b>	<b>21,136,586</b>	<b>20,288,171</b>	<b>848,415</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(13,297,998)</b>	<b>(13,443,743)</b>	<b>(12,415,743)</b>	<b>1,028,000</b>
<b>Other Financing Sources (Uses):</b>				
Proceeds from Sale of Capital Assets	14,643	15,025	15,045	20
Transfers In	21,538,887	22,130,868	22,130,869	1
Transfers (Out)	(7,891,141)	(7,714,400)	(7,638,264)	76,136
<b>Total Other Financing Sources (Uses)</b>	<b>13,662,389</b>	<b>14,431,493</b>	<b>14,507,650</b>	<b>76,157</b>
<b>Net Change in Fund Balance</b>	<b>364,391</b>	<b>987,750</b>	<b>2,091,907</b>	<b>1,104,157</b>
<b>Fund Balance Beginning of Year (includes prior year encumbrances appropriated)</b>	<b>9,441,868</b>	<b>9,441,868</b>	<b>9,441,868</b>	<b>0</b>
<b>Fund Balance End of Year</b>	<b>\$9,806,259</b>	<b>\$10,429,618</b>	<b>\$11,533,775</b>	<b>\$1,104,157</b>

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, 2019**

---

**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, 2019**

---

**Net Change in Fund Balance**

---

	General
GAAP Basis	\$2,902,112
Revenue Accruals	(23,194,707)
Expenditure Accruals	1,169,332
Transfers In	22,130,869
Encumbrances	(915,699)
Budget Basis	\$2,091,907

**Note 2 – Net Pension Liability**

---

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

*Changes in assumptions:*

2019: There have been no OP&F pension plan amendments adopted or changes in assumptions between the measurement date and the report date that would have impacted the actuarial valuation of the pension plan as of the measurement date.

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%

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

*Changes in benefit terms:*

2019-2014: There were no changes in benefit terms for the period.

**Ohio Public Employees Retirement System Changes in Assumptions and Benefit Terms**

*Changes in assumptions:*

2019: OPERS Board adopted a change in the investment return assumption, reducing it from 7.50% to 7.20%.

2018: 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%

**City of Troy, Ohio**  
**Notes to the Required Supplementary Information**  
**For The Fiscal Year Ended December 31, 2019**

---

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

*Changes in benefit terms:*

2019-2014: There were no changes in benefit terms for the period.

**Note 3 - Net OPEB Liability**

---

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

*Changes in assumptions:*

2019: Beginning January 1, 2019 OP&F changed its retiree health care model and the current self-insured health care plan is no longer offered. In its place will be a stipend-based health care model. OP&F has contracted with a vendor who will assist eligible retirees in choosing health care plans from their marketplace (both Medicare-eligible and pre-Medicare populations). A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses. As a result of changing from the current health care model to the stipend based health care model, management expects that it will be able to provide stipends to eligible participants for the next 15 years. Beginning in 2020 the Board approved a change to the Deferred Retirement Option Plan. The minimum interest rate accruing will be 2.5%.

2018: The single discount rate changed from 3.79% to 3.24%

*Changes in benefit terms:*

2019: See above regarding change to stipend-based model.

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

**Ohio Public Employees Retirement System Changes in Assumptions and Benefit Terms**

*Changes in assumptions:*

2019: OPERS Board adopted a change in the investment return assumption, reducing it from 6.50% to 6.00%. In January 2020, the Board adopted changes to health care coverage for Medicare and pre-Medicare retirees. It will include discontinuing the PPO plan for pre-Medicare retirees and replacing it with a monthly allowance to help participants pay for a health care plan of their choosing. The base allowance for Medicare-eligible retirees will be reduced. The specific effect of these changes on the net OPEB liability and OPEB expense are unknown at this time.

2018: The single discount rate changed from 4.23% to 3.85%.

*Changes in benefit terms:*

2019-2018: There were no changes in benefit terms for the period.

***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.

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

The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance are included in the Basic Financial Statements. The Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis) follows this page.

City of Troy, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2019

	TIF Retirement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Revenue in Lieu of Taxes	\$443,915	\$443,915	\$0
Total Revenues	443,915	443,915	0
Expenditures:			
Current:			
Capital Outlay	43,000	41,166	1,834
Debt Service:			
Principal Retirement	50,000	50,000	0
Interest and Fiscal Charges	79,200	79,200	0
Total Expenditures	172,200	170,366	1,834
Net Change in Fund Balance	271,715	273,549	1,834
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	709,666	709,666	0
Fund Balance End of Year	\$981,381	\$983,215	\$1,834

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, 2019

	Capital Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$338,200	\$338,221	\$21
Special Assessments	117,248	118,163	915
Other Revenues	0	61	61
Total Revenues	<u>455,448</u>	<u>456,445</u>	<u>997</u>
Expenditures:			
Current:			
Community Environment	180,011	235,339	(55,328)
Capital Outlay	<u>9,310,159</u>	<u>7,984,071</u>	<u>1,326,088</u>
Total Expenditures	<u>9,490,170</u>	<u>8,219,410</u>	<u>1,270,760</u>
Excess of Revenues Over (Under) Expenditures	<u>(9,034,722)</u>	<u>(7,762,965)</u>	<u>1,271,757</u>
Other Financing Sources (Uses):			
Transfers In	<u>4,305,952</u>	<u>4,305,952</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>4,305,952</u>	<u>4,305,952</u>	<u>0</u>
Net Change in Fund Balance	(4,728,770)	(3,457,013)	1,271,757
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>4,728,770</u>	<u>4,728,770</u>	<u>0</u>
Fund Balance End of Year	<u>\$0</u>	<u>\$1,271,757</u>	<u>\$1,271,757</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, 2019

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets:</b>				
Equity in Pooled Cash and Investments	\$4,968,711	\$344,521	\$405,541	\$5,718,773
Restricted Cash	0	0	59,157	59,157
<b>Receivables (Net):</b>				
Taxes	138,438	0	0	138,438
Accounts	2,917	0	28,880	31,797
Interest	4,020	496	0	4,516
Intergovernmental	639,091	0	1,408,083	2,047,174
Notes	2,877,333	0	0	2,877,333
Special Assessments	33,586	0	0	33,586
<b>Total Assets</b>	<b>8,664,096</b>	<b>345,017</b>	<b>1,901,661</b>	<b>10,910,774</b>
<b>Liabilities:</b>				
Accounts Payable	256,007	0	30,091	286,098
Accrued Wages and Benefits	10,445	0	0	10,445
Retainage Payable	0	0	59,157	59,157
<b>Total Liabilities</b>	<b>266,452</b>	<b>0</b>	<b>89,248</b>	<b>355,700</b>
<b>Deferred Inflows of Resources:</b>				
Property and Income Taxes	129,819	0	0	129,819
Grants and Other Taxes	506,790	0	1,408,083	1,914,873
Special Assessments	33,586	0	0	33,586
<b>Total Deferred Inflows of Resources</b>	<b>670,195</b>	<b>0</b>	<b>1,408,083</b>	<b>2,078,278</b>
<b>Fund Balances:</b>				
Restricted	7,727,449	0	228,250	7,955,699
Assigned	0	345,017	176,080	521,097
<b>Total Fund Balances</b>	<b>7,727,449</b>	<b>345,017</b>	<b>404,330</b>	<b>8,476,796</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$8,664,096</b>	<b>\$345,017</b>	<b>\$1,901,661</b>	<b>\$10,910,774</b>

City of Troy, Ohio  
Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Governmental Funds  
For the Fiscal Year Ended December 31, 2019

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues:</b>				
Property and Other Taxes	\$129,146	\$0	\$0	\$129,146
Charges for Services	234,908	0	0	234,908
Investment Earnings	75,017	1,459	0	76,476
Intergovernmental	1,555,555	0	0	1,555,555
Special Assessments	0	6,447	0	6,447
Fines, Licenses & Permits	30,352	0	112,892	143,244
Other Revenues	127,784	0	0	127,784
<b>Total Revenues</b>	<b>2,152,762</b>	<b>7,906</b>	<b>112,892</b>	<b>2,273,560</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General Government	143,422	0	0	143,422
Public Safety	25,432	0	0	25,432
Community Development	178,372	0	0	178,372
Transportation and Street Repair	1,506,584	0	0	1,506,584
Public Health and Welfare	538,030	0	0	538,030
Capital Outlay	213,327	0	1,547,143	1,760,470
<b>Debt Service:</b>				
Principal	0	926,715	0	926,715
Interest and Other Charges	0	405,546	0	405,546
<b>Total Expenditures</b>	<b>2,605,167</b>	<b>1,332,261</b>	<b>1,547,143</b>	<b>5,484,571</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(452,405)</b>	<b>(1,324,355)</b>	<b>(1,434,251)</b>	<b>(3,211,011)</b>
<b>Other Financing Sources (Uses):</b>				
Transfers In	224,326	1,500,000	732,986	2,457,312
<b>Total Other Financing Sources (Uses)</b>	<b>224,326</b>	<b>1,500,000</b>	<b>732,986</b>	<b>2,457,312</b>
<b>Net Change in Fund Balance</b>	<b>(228,079)</b>	<b>175,645</b>	<b>(701,265)</b>	<b>(753,699)</b>
<b>Fund Balance - Beginning of Year</b>	<b>7,955,528</b>	<b>169,372</b>	<b>1,105,595</b>	<b>9,230,495</b>
<b>Fund Balance - End of Year</b>	<b>\$7,727,449</b>	<b>\$345,017</b>	<b>\$404,330</b>	<b>\$8,476,796</b>

## **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, 2019

	Street Construction, Maintenance and Repair	State Highway Improvement	Cemetery	Municipal Real Property	Miami Conservancy District	Community Development Block Grant
<b>Assets:</b>						
Equity in Pooled Cash and Investments	\$1,687,433	\$192,601	\$227,593	\$54,077	\$86,987	\$942,410
<b>Receivables (Net):</b>						
Taxes	0	0	0	0	138,438	0
Accounts	2,846	18	53	0	0	0
Interest	0	278	0	78	0	1,358
Intergovernmental	591,262	47,829	0	0	0	0
Notes	0	0	0	0	0	1,825,543
Special Assessments	33,586	0	0	0	0	0
<b>Total Assets</b>	<b>2,315,127</b>	<b>240,726</b>	<b>227,646</b>	<b>54,155</b>	<b>225,425</b>	<b>2,769,311</b>
<b>Liabilities:</b>						
Accounts Payable	49,192	902	13,730	3,451	0	0
Accrued Wages and Benefits	8,511	0	1,934	0	0	0
<b>Total Liabilities</b>	<b>57,703</b>	<b>902</b>	<b>15,664</b>	<b>3,451</b>	<b>0</b>	<b>0</b>
<b>Deferred Inflows of Resources:</b>						
Property and Income Taxes	0	0	0	0	129,819	0
Grants and Other Taxes	469,286	37,504	0	0	0	0
Special Assessments	33,586	0	0	0	0	0
<b>Total Deferred Inflows of Resources</b>	<b>502,872</b>	<b>37,504</b>	<b>0</b>	<b>0</b>	<b>129,819</b>	<b>0</b>
<b>Fund Balances:</b>						
Restricted	1,754,552	202,320	211,982	50,704	95,606	2,769,311
<b>Total Fund Balances</b>	<b>1,754,552</b>	<b>202,320</b>	<b>211,982</b>	<b>50,704</b>	<b>95,606</b>	<b>2,769,311</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$2,315,127</b>	<b>\$240,726</b>	<b>\$227,646</b>	<b>\$54,155</b>	<b>\$225,425</b>	<b>\$2,769,311</b>

Parking Improvement	Drug Law Enforcement	Law Enforcement	Cemetery Endowment	Small Business Development R-Loan	Equitable Sharing	Total Nonmajor Special Revenue Funds
\$162,638	\$21,229	\$38,128	\$929,893	\$507,910	\$117,812	\$4,968,711
0	0	0	0	0	0	138,438
0	0	0	0	0	0	2,917
234	0	0	1,340	732	0	4,020
0	0	0	0	0	0	639,091
0	0	0	0	1,051,790	0	2,877,333
0	0	0	0	0	0	33,586
<u>162,872</u>	<u>21,229</u>	<u>38,128</u>	<u>931,233</u>	<u>1,560,432</u>	<u>117,812</u>	<u>8,664,096</u>
0	10,000	13,432	0	165,300	0	256,007
0	0	0	0	0	0	10,445
0	10,000	13,432	0	165,300	0	266,452
0	0	0	0	0	0	129,819
0	0	0	0	0	0	506,790
0	0	0	0	0	0	33,586
0	0	0	0	0	0	670,195
<u>162,872</u>	<u>11,229</u>	<u>24,696</u>	<u>931,233</u>	<u>1,395,132</u>	<u>117,812</u>	<u>7,727,449</u>
<u>162,872</u>	<u>11,229</u>	<u>24,696</u>	<u>931,233</u>	<u>1,395,132</u>	<u>117,812</u>	<u>7,727,449</u>
<u>\$162,872</u>	<u>\$21,229</u>	<u>\$38,128</u>	<u>\$931,233</u>	<u>\$1,560,432</u>	<u>\$117,812</u>	<u>\$8,664,096</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, 2019

	Street Construction, Maintenance and Repair	State Highway Improvement	Cemetery	Municipal Real Property	Miami Conservancy District	Community Development Block Grant
<b>Revenues:</b>						
Property and Other Taxes	\$0	\$0	\$0	\$0	\$129,146	\$0
Charges for Services	18,103	0	178,766	0	0	3,931
Investment Earnings	0	2,520	0	703	0	44,538
Intergovernmental	1,309,417	106,604	0	0	14,534	125,000
Fines, Licenses & Permits	0	0	0	0	0	0
Other Revenues	19,029	0	5,133	1,089	0	0
<b>Total Revenues</b>	<b>1,346,549</b>	<b>109,124</b>	<b>183,899</b>	<b>1,792</b>	<b>143,680</b>	<b>173,469</b>
<b>Expenditures:</b>						
<b>Current:</b>						
General Government	0	0	0	0	143,422	0
Public Safety	0	0	0	0	0	0
Community Development	0	0	0	0	0	13,000
Transportation and Street Repair	1,402,343	96,294	0	0	0	0
Public Health and Welfare	0	0	418,166	0	0	0
Capital Outlay	158,072	0	5,370	39,237	0	0
<b>Total Expenditures</b>	<b>1,560,415</b>	<b>96,294</b>	<b>423,536</b>	<b>39,237</b>	<b>143,422</b>	<b>13,000</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(213,866)</b>	<b>12,830</b>	<b>(239,637)</b>	<b>(37,445)</b>	<b>258</b>	<b>160,469</b>
<b>Other Financing Sources (Uses):</b>						
Transfers In	0	0	200,000	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>200,000</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Change in Fund Balance</b>	<b>(213,866)</b>	<b>12,830</b>	<b>(39,637)</b>	<b>(37,445)</b>	<b>258</b>	<b>160,469</b>
<b>Fund Balance - Beginning of Year</b>	<b>1,968,418</b>	<b>189,490</b>	<b>251,619</b>	<b>88,149</b>	<b>95,348</b>	<b>2,608,842</b>
<b>Fund Balance - End of Year</b>	<b>\$1,754,552</b>	<b>\$202,320</b>	<b>\$211,982</b>	<b>\$50,704</b>	<b>\$95,606</b>	<b>\$2,769,311</b>

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	\$129,146
0	0	0	26,769	7,339	0	234,908
2,917	0	0	20,601	3,738	0	75,017
0	0	0	0	0	0	1,555,555
28,830	897	625	0	0	0	30,352
278	5,000	0	1,690	32,521	63,044	127,784
<u>32,025</u>	<u>5,897</u>	<u>625</u>	<u>49,060</u>	<u>43,598</u>	<u>63,044</u>	<u>2,152,762</u>
0	0	0	0	0	0	143,422
0	12,000	13,432	0	0	0	25,432
0	0	0	0	165,372	0	178,372
7,947	0	0	0	0	0	1,506,584
0	0	0	119,864	0	0	538,030
0	0	0	0	0	10,648	213,327
<u>7,947</u>	<u>12,000</u>	<u>13,432</u>	<u>119,864</u>	<u>165,372</u>	<u>10,648</u>	<u>2,605,167</u>
<u>24,078</u>	<u>(6,103)</u>	<u>(12,807)</u>	<u>(70,804)</u>	<u>(121,774)</u>	<u>52,396</u>	<u>(452,405)</u>
<u>5,825</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>18,501</u>	<u>0</u>	<u>224,326</u>
<u>5,825</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>18,501</u>	<u>0</u>	<u>224,326</u>
29,903	(6,103)	(12,807)	(70,804)	(103,273)	52,396	(228,079)
132,969	17,332	37,503	1,002,037	1,498,405	65,416	7,955,528
<u>\$162,872</u>	<u>\$11,229</u>	<u>\$24,696</u>	<u>\$931,233</u>	<u>\$1,395,132</u>	<u>\$117,812</u>	<u>\$7,727,449</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, 2019

	Street Construction, Maintenance and Repair Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Charges for Services	\$15,440	\$15,448	\$8
Intergovernmental	1,267,190	1,267,195	5
Other Revenues	18,975	19,029	54
Total Revenues	<u>1,301,605</u>	<u>1,301,672</u>	<u>67</u>
Expenditures:			
Current:			
Transportation	1,637,304	1,534,347	102,957
Capital Outlay	238,425	233,092	5,333
Total Expenditures	<u>1,875,729</u>	<u>1,767,439</u>	<u>108,290</u>
Net Change in Fund Balance	(574,124)	(465,767)	108,357
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>1,954,124</u>	<u>1,954,124</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$1,380,000</u></u>	<u><u>\$1,488,357</u></u>	<u><u>\$108,357</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, 2019

	State Highway Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$102,725	\$102,746	\$21
Other Revenues	1,100	1,101	1
Total Revenues	<u>103,825</u>	<u>103,847</u>	<u>22</u>
Expenditures:			
Current:			
Transportation	<u>109,833</u>	<u>109,652</u>	<u>181</u>
Total Expenditures	<u>109,833</u>	<u>109,652</u>	<u>181</u>
Net Change in Fund Balance	(6,008)	(5,805)	203
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>185,118</u>	<u>185,118</u>	<u>0</u>
Fund Balance End of Year	<u>\$179,110</u>	<u>\$179,313</u>	<u>\$203</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, 2019

	Cemetery Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Charges for Services	\$167,895	\$178,766	\$10,871
Other Revenues	5,100	5,133	33
Total Revenues	<u>172,995</u>	<u>183,899</u>	<u>10,904</u>
Expenditures:			
Current:			
Public Health and Welfare	475,058	433,174	41,884
Capital Outlay	3,000	5,370	(2,370)
Total Expenditures	<u>478,058</u>	<u>438,544</u>	<u>39,514</u>
Excess of Revenues Over (Under) Expenditures	<u>(305,063)</u>	<u>(254,645)</u>	<u>50,418</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	(105,063)	(54,645)	50,418
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>264,120</u>	<u>264,120</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$159,057</u></u>	<u><u>\$209,475</u></u>	<u><u>\$50,418</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, 2019

	Municipal Real Property Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Other Revenues	\$1,054	\$1,089	\$35
Total Revenues	1,054	1,089	35
Expenditures:			
Current:			
Capital Outlay	53,336	48,468	4,868
Total Expenditures	53,336	48,468	4,868
Net Change in Fund Balance	(52,282)	(47,379)	4,903
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	97,482	97,482	0
Fund Balance End of Year	\$45,200	\$50,103	\$4,903

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, 2019

	Miami Conservancy District Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Property and Other Taxes	\$129,775	\$129,784	\$9
Intergovernmental	14,525	14,534	9
Total Revenues	<u>144,300</u>	<u>144,318</u>	<u>18</u>
Expenditures:			
Current:			
General Government	<u>152,500</u>	<u>143,422</u>	<u>9,078</u>
Total Expenditures	<u>152,500</u>	<u>143,422</u>	<u>9,078</u>
Net Change in Fund Balance	(8,200)	896	9,096
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>86,092</u>	<u>86,092</u>	<u>0</u>
Fund Balance End of Year	<u>\$77,892</u>	<u>\$86,988</u>	<u>\$9,096</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, 2019

	Community Development Block Grant Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Charges for Services	\$3,925	\$3,931	\$6
Investment Earnings	32,900	36,951	4,051
Intergovernmental	125,000	125,000	0
Other Revenues	40,043	57,681	17,638
Total Revenues	201,868	223,563	21,695
Expenditures:			
Current:			
Community Environment	802,866	931,173	(128,307)
Total Expenditures	802,866	931,173	(128,307)
Net Change in Fund Balance	(600,998)	(707,610)	(106,612)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,001,967	1,001,967	0
Fund Balance End of Year	\$400,969	\$294,357	(\$106,612)

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, 2019

	Parking Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$1,780	\$1,870	\$90
Fines, Licenses & Permits	27,270	28,830	1,560
Other Revenues	265	278	13
Total Revenues	<u>29,315</u>	<u>30,978</u>	<u>1,663</u>
Expenditures:			
Current:			
Transportation	19,010	7,947	11,063
Capital Outlay	150,000	0	150,000
Total Expenditures	<u>169,010</u>	<u>7,947</u>	<u>161,063</u>
Excess of Revenues Over (Under) Expenditures	<u>(139,695)</u>	<u>23,031</u>	<u>162,726</u>
Other Financing Sources (Uses):			
Transfers In	5,825	5,825	0
Total Other Financing Sources (Uses)	<u>5,825</u>	<u>5,825</u>	<u>0</u>
Net Change in Fund Balance	(133,870)	28,856	162,726
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>133,870</u>	<u>133,870</u>	<u>0</u>
Fund Balance End of Year	<u>\$0</u>	<u>\$162,726</u>	<u>\$162,726</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, 2019

	Drug Law Enforcement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses & Permits	\$875	\$897	\$22
Other Revenues	5,120	5,125	5
Total Revenues	5,995	6,022	27
Expenditures:			
Current:			
Public Safety	2,000	2,000	0
Capital Outlay	12,500	10,000	2,500
Total Expenditures	14,500	12,000	2,500
Net Change in Fund Balance	(8,505)	(5,978)	2,527
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	17,205	17,205	0
Fund Balance End of Year	\$8,700	\$11,227	\$2,527

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, 2019

	Law Enforcement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses & Permits	\$630	\$650	\$20
Total Revenues	630	650	20
Expenditures:			
Current:			
Public Safety	5,000	0	5,000
Capital Outlay	26,300	15,400	10,900
Total Expenditures	31,300	15,400	15,900
Net Change in Fund Balance	(30,670)	(14,750)	15,920
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	37,477	37,477	0
Fund Balance End of Year	\$6,807	\$22,727	\$15,920



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, 2019

	Cemetery Endowment Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Charges for Services	\$26,150	\$26,769	\$619
Investment Earnings	12,475	12,980	505
Other Revenues	1,675	1,690	15
Total Revenues	<u>40,300</u>	<u>41,439</u>	<u>1,139</u>
Expenditures:			
Current:			
Public Health and Welfare	128,520	121,774	6,746
Total Expenditures	<u>128,520</u>	<u>121,774</u>	<u>6,746</u>
Net Change in Fund Balance	(88,220)	(80,335)	7,885
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>1,008,807</u>	<u>1,008,807</u>	<u>0</u>
Fund Balance End of Year	<u>\$920,587</u>	<u>\$928,472</u>	<u>\$7,885</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, 2019

	Small Business Development R-Loan Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Charges for Services	\$7,325	\$7,339	\$14
Other Revenues	195,600	207,227	11,627
Total Revenues	202,925	214,566	11,641
Expenditures:			
Current:			
Community Environment	543,810	458,810	85,000
Total Expenditures	543,810	458,810	85,000
Excess of Revenues Over (Under) Expenditures	(340,885)	(244,244)	96,641
Other Financing Sources (Uses):			
Transfers In	18,500	18,501	1
Total Other Financing Sources (Uses)	18,500	18,501	1
Net Change in Fund Balance	(322,385)	(225,743)	96,642
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	487,850	487,850	0
Fund Balance End of Year	\$165,465	\$262,107	\$96,642

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, 2019

	Equitable Sharing Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Other Revenues	\$58,490	\$63,044	\$4,554
Total Revenues	58,490	63,044	4,554
Expenditures:			
Current:			
Capital Outlay	58,640	18,648	39,992
Total Expenditures	58,640	18,648	39,992
Net Change in Fund Balance	(150)	44,396	44,546
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	65,413	65,413	0
Fund Balance End of Year	\$65,263	\$109,809	\$44,546

## **NONMAJOR DEBT SERVICE FUND**

### **Fund Description**

**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, 2019

	Bond Retirement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Special Assessments	\$6,445	\$6,447	\$2
Total Revenues	6,445	6,447	2
Expenditures:			
Debt Service:			
Principal Retirement	1,206,715	926,715	280,000
Interest and Fiscal Charges	405,547	405,546	1
Total Expenditures	1,612,262	1,332,261	280,001
Excess of Revenues Over (Under) Expenditures	(1,605,817)	(1,325,814)	280,003
Other Financing Sources (Uses):			
Transfers In	1,500,000	1,500,000	0
Total Other Financing Sources (Uses)	1,500,000	1,500,000	0
Net Change in Fund Balance	(105,817)	174,186	280,003
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	170,514	170,514	0
Fund Balance End of Year	\$64,697	\$344,700	\$280,003

## **NONMAJOR CAPITAL PROJECTS FUNDS**

### **Fund Descriptions**

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

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

City of Troy, Ohio  
Combining Balance Sheet  
Nonmajor Capital Projects Funds  
December 31, 2019

	OPWC Project Fund	Technology Fund	Total Nonmajor Capital Projects Funds
<b>Assets:</b>			
Equity in Pooled Cash and Investments	\$258,151	\$147,390	\$405,541
Restricted Cash	59,157	0	59,157
<b>Receivables (Net):</b>			
Accounts	0	28,880	28,880
Intergovernmental	1,408,083	0	1,408,083
<b>Total Assets</b>	<b>1,725,391</b>	<b>176,270</b>	<b>1,901,661</b>
<b>Liabilities:</b>			
Accounts Payable	29,901	190	30,091
Retainage Payable	59,157	0	59,157
<b>Total Liabilities</b>	<b>89,058</b>	<b>190</b>	<b>89,248</b>
<b>Deferred Inflows of Resources:</b>			
Grants and Other Taxes	1,408,083	0	1,408,083
<b>Total Deferred Inflows of Resources</b>	<b>1,408,083</b>	<b>0</b>	<b>1,408,083</b>
<b>Fund Balances:</b>			
Restricted	228,250	0	228,250
Assigned	0	176,080	176,080
<b>Total Fund Balances</b>	<b>228,250</b>	<b>176,080</b>	<b>404,330</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$1,725,391</b>	<b>\$176,270</b>	<b>\$1,901,661</b>

City of Troy, Ohio  
Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Capital Projects Funds  
For the Fiscal Year Ended December 31, 2019

	OPWC Project Fund	Technology Fund	Total Nonmajor Capital Projects Funds
Revenues:			
Fines, Licenses & Permits	\$0	\$112,892	\$112,892
Total Revenues	0	112,892	112,892
Expenditures:			
Capital Outlay	1,459,229	87,914	1,547,143
Total Expenditures	1,459,229	87,914	1,547,143
Excess of Revenues Over (Under) Expenditures	(1,459,229)	24,978	(1,434,251)
Other Financing Sources (Uses):			
Transfers In	732,986	0	732,986
Total Other Financing Sources (Uses)	732,986	0	732,986
Net Change in Fund Balance	(726,243)	24,978	(701,265)
Fund Balance - Beginning of Year	954,493	151,102	1,105,595
Fund Balance - End of Year	\$228,250	\$176,080	\$404,330



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, 2019

	OPWC Project Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Capital Outlay	1,736,569	1,532,741	203,828
Total Expenditures	1,736,569	1,532,741	203,828
Excess of Revenues Over (Under) Expenditures	(1,736,569)	(1,532,741)	203,828
Other Financing Sources (Uses):			
Transfers In	732,986	732,986	0
Total Other Financing Sources (Uses)	732,986	732,986	0
Net Change in Fund Balance	(1,003,583)	(799,755)	203,828
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,003,584	1,003,584	0
Fund Balance End of Year	\$1	\$203,829	\$203,828

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, 2019

	Technology Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Other Revenues	\$112,775	\$112,782	\$7
Total Revenues	<u>112,775</u>	<u>112,782</u>	<u>7</u>
Expenditures:			
Current:			
Capital Outlay	118,493	91,377	27,116
Total Expenditures	<u>118,493</u>	<u>91,377</u>	<u>27,116</u>
Net Change in Fund Balance	(5,718)	21,405	27,123
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>125,984</u>	<u>125,984</u>	<u>0</u>
Fund Balance End of Year	<u>\$120,266</u>	<u>\$147,389</u>	<u>\$27,123</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, 2019

	Income Tax Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Income Taxes	\$18,027,400	\$18,154,720	\$127,320
Investment Earnings	173,125	176,685	3,560
Other Revenues	28,085	28,125	40
<b>Total Revenues</b>	<b>18,228,610</b>	<b>18,359,530</b>	<b>130,920</b>
Expenditures:			
Current:			
General Government	1,262,945	851,911	411,034
Capital Outlay	2,600	79,487	(76,887)
<b>Total Expenditures</b>	<b>1,265,545</b>	<b>931,398</b>	<b>334,147</b>
Excess of Revenues Over (Under) Expenditures	16,963,065	17,428,132	465,067
Other Financing Sources (Uses):			
Transfers (Out)	(19,000,000)	(19,000,000)	0
<b>Total Other Financing Sources (Uses)</b>	<b>(19,000,000)</b>	<b>(19,000,000)</b>	<b>0</b>
Net Change in Fund Balance	(2,036,935)	(1,571,868)	465,067
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	10,428,399	10,428,399	0
<b>Fund Balance End of Year</b>	<b>\$8,391,464</b>	<b>\$8,856,531</b>	<b>\$465,067</b>

(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, 2019

	Investment Fund for Capital Improvement Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$583,235	\$664,611	\$81,376
Other Revenues	1,880	3,881	2,001
Total Revenues	<u>585,115</u>	<u>668,492</u>	<u>83,377</u>
Other Financing Sources (Uses):			
Transfers (Out)	(515,000)	(489,056)	25,944
Total Other Financing Sources (Uses)	<u>(515,000)</u>	<u>(489,056)</u>	<u>25,944</u>
Net Change in Fund Balance	70,115	179,436	109,321
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>33,619,139</u>	<u>33,619,139</u>	<u>0</u>
Fund Balance End of Year	<u>\$33,689,254</u>	<u>\$33,798,575</u>	<u>\$109,321</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, 2019

	Safety - Income Tax Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Income Taxes	\$3,004,000	\$3,025,230	\$21,230
Total Revenues	3,004,000	3,025,230	21,230
Expenditures:			
Current:			
General Government	0	0	0
Total Expenditures	0	0	0
Excess of Revenues Over (Under) Expenditures	3,004,000	3,025,230	21,230
Other Financing Sources (Uses):			
Transfers (Out)	(2,600,000)	(2,600,000)	0
Total Other Financing Sources (Uses)	(2,600,000)	(2,600,000)	0
Net Change in Fund Balance	404,000	425,230	21,230
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,444,592	1,444,592	0
Fund Balance End of Year	\$1,848,592	\$1,869,822	\$21,230

(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, 2019

	Recreational Programs Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Charges for Services	\$167,125	\$168,861	\$1,736
Investment Earnings	4,100	4,312	212
Other Revenues	1,299	1,302	3
<b>Total Revenues</b>	<b>172,524</b>	<b>174,475</b>	<b>1,951</b>
Expenditures:			
Current:			
Recreation	124,766	119,918	4,848
<b>Total Expenditures</b>	<b>124,766</b>	<b>119,918</b>	<b>4,848</b>
<b>Net Change in Fund Balance</b>	<b>47,758</b>	<b>54,557</b>	<b>6,799</b>
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	314,120	314,120	0
<b>Fund Balance End of Year</b>	<b>\$361,878</b>	<b>\$368,677</b>	<b>\$6,799</b>

(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, 2019

	Parks and Recreation Improvement Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$800	\$829	\$29
Other Revenues	13,000	14,008	1,008
Total Revenues	13,800	14,837	1,037
Expenditures:			
Current:			
Recreation	31,585	30,000	1,585
Total Expenditures	31,585	30,000	1,585
Net Change in Fund Balance	(17,785)	(15,163)	2,622
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	59,043	59,043	0
Fund Balance End of Year	\$41,258	\$43,880	\$2,622

(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, 2019

	Swimming Pool	Parking Meter	Miami Shores	Total Nonmajor Enterprise Funds
<b>Assets:</b>				
Equity in Pooled Cash and Investments	\$149,292	\$37,823	\$373,261	\$560,376
<b>Receivables (Net):</b>				
Accounts	41	15	86	142
Interest	0	55	538	593
<b>Total Current Assets</b>	<b>149,333</b>	<b>37,893</b>	<b>373,885</b>	<b>561,111</b>
<b>Noncurrent Assets:</b>				
<b>Capital Assets:</b>				
Nondepreciable Capital Assets	10,450	189,961	46,997	247,408
Depreciable Capital Assets, Net	2,618,858	0	1,476,261	4,095,119
<b>Total Noncurrent Assets</b>	<b>2,629,308</b>	<b>189,961</b>	<b>1,523,258</b>	<b>4,342,527</b>
<b>Total Assets</b>	<b>2,778,641</b>	<b>227,854</b>	<b>1,897,143</b>	<b>4,903,638</b>
<b>Deferred Outflows of Resources:</b>				
Pension	56,630	21,612	156,465	234,707
OPEB	7,636	2,914	21,099	31,649
<b>Total Deferred Outflows of Resources</b>	<b>64,266</b>	<b>24,526</b>	<b>177,564</b>	<b>266,356</b>
<b>Liabilities:</b>				
<b>Current Liabilities:</b>				
Accounts Payable	2,183	237	8,290	10,710
Accrued Wages and Benefits	0	549	3,412	3,961
Compensated Absences	0	992	13,334	14,326
<b>Total Current Liabilities</b>	<b>2,183</b>	<b>1,778</b>	<b>25,036</b>	<b>28,997</b>
<b>Long-Term Liabilities:</b>				
Compensated Absences	0	664	8,934	9,598
Net Pension Liability	189,448	72,300	523,434	785,182
Net OPEB Liability	91,939	35,087	254,023	381,049
<b>Total Long-Term Liabilities</b>	<b>281,387</b>	<b>108,051</b>	<b>786,391</b>	<b>1,175,829</b>
<b>Total Liabilities</b>	<b>283,570</b>	<b>109,829</b>	<b>811,427</b>	<b>1,204,826</b>
<b>Deferred Inflows of Resources:</b>				
Pension	3,614	1,379	9,986	14,979
OPEB	1,251	478	3,457	5,186
<b>Total Deferred Inflows of Resources</b>	<b>4,865</b>	<b>1,857</b>	<b>13,443</b>	<b>20,165</b>
<b>Net Position:</b>				
Net Investment in Capital Assets	2,629,308	189,961	1,523,258	4,342,527
Unrestricted	(74,836)	(49,267)	(273,421)	(397,524)
<b>Total Net Position</b>	<b>\$2,554,472</b>	<b>\$140,694</b>	<b>\$1,249,837</b>	<b>\$3,945,003</b>

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, 2019

	Swimming Pool	Parking Meter	Miami Shores	Total Nonmajor Enterprise Funds
Operating Revenues:				
Charges for Services	\$279,020	\$55	\$667,891	\$946,966
Other Revenues	16,043	643	39,340	56,026
Total Operating Revenues	<u>295,063</u>	<u>698</u>	<u>707,231</u>	<u>1,002,992</u>
Operating Expenses:				
Personal Services	158,269	63,535	639,165	860,969
Contactual Services	49,087	5,300	154,019	208,406
Materials and Supplies	84,915	1,562	329,510	415,987
Depreciation	117,090	2,500	69,757	189,347
Other Expense	9,425	4,249	29,676	43,350
Total Operating Expenses	<u>418,786</u>	<u>77,146</u>	<u>1,222,127</u>	<u>1,718,059</u>
Operating Income (Loss)	<u>(123,723)</u>	<u>(76,448)</u>	<u>(514,896)</u>	<u>(715,067)</u>
Non-Operating Revenues (Expenses):				
Investment Earnings	0	1,170	6,807	7,977
Total Non-Operating Revenues (Expenses)	<u>0</u>	<u>1,170</u>	<u>6,807</u>	<u>7,977</u>
Income (Loss) Before Contributions	<u>(123,723)</u>	<u>(75,278)</u>	<u>(508,089)</u>	<u>(707,090)</u>
Capital Grants and Contributions	0	0	1,404,374	1,404,374
Transfers In	0	25,000	350,000	375,000
Change in Net Position	<u>(123,723)</u>	<u>(50,278)</u>	<u>1,246,285</u>	<u>1,072,284</u>
Net Position - Beginning of Year	<u>2,678,195</u>	<u>190,972</u>	<u>3,552</u>	<u>2,872,719</u>
Net Position - End of Year	<u>\$2,554,472</u>	<u>\$140,694</u>	<u>\$1,249,837</u>	<u>\$3,945,003</u>

City of Troy, Ohio  
Combining Statement of Cash Flows  
Nonmajor Enterprise Funds  
For the Fiscal Year Ended December 31, 2019

	Swimming Pool	Parking Meter	Miami Shores	Total Nonmajor Enterprise Funds
<b>Cash Flows from Operating Activities:</b>				
Cash Received from Customers	\$295,063	\$698	\$707,231	\$1,002,992
Cash Payments to Employees	(131,154)	(55,942)	(427,632)	(614,728)
Cash Payments to Suppliers	(145,053)	(11,111)	(514,074)	(670,238)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>18,856</b>	<b>(66,355)</b>	<b>(234,475)</b>	<b>(281,974)</b>
<b>Cash Flows from Noncapital Financing Activities:</b>				
Payments from Other Funds	0	25,000	350,000	375,000
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>0</b>	<b>25,000</b>	<b>350,000</b>	<b>375,000</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>				
Payments for Capital Acquisitions	0	0	(9,158)	(9,158)
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>0</b>	<b>0</b>	<b>(9,158)</b>	<b>(9,158)</b>
<b>Cash Flows from Investing Activities:</b>				
Earnings (Loss) on Investments	0	1,231	6,657	7,888
<b>Net Cash Provided (Used) by Cash Flows from Investing Activities</b>	<b>0</b>	<b>1,231</b>	<b>6,657</b>	<b>7,888</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>18,856</b>	<b>(40,124)</b>	<b>113,024</b>	<b>91,756</b>
Cash and Cash Equivalents - Beginning of Year	130,436	77,947	260,237	468,620
Cash and Cash Equivalents - End of Year	149,292	37,823	373,261	560,376
<b>Reconciliation of Operating Income (Loss) to</b>				
<b>Net Cash Provided (Used) by Operating Activities</b>				
Operating Income (Loss)	(123,723)	(76,448)	(514,896)	(715,067)
Adjustments:				
Depreciation	117,090	2,500	69,757	189,347
Changes in Assets & Liabilities:				
(Increase) Decrease in Receivables	(2)	0	(3)	(5)
(Increase) Decrease in Deferred Outflows of Resources	(30,470)	(11,605)	(107,011)	(149,086)
Increase (Decrease) in Payables	(1,626)	(2,994)	(869)	(5,489)
Increase (Decrease) in Accrued Liabilities	0	368	5,017	5,385
Increase (Decrease) in Deferred Inflows of Resources	(31,946)	(12,216)	(63,405)	(107,567)
Increase (Decrease) in Net Pension Liability	76,879	29,264	288,430	394,573
Increase (Decrease) in Net OPEB Liability	12,654	4,776	88,505	105,935
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$18,856</b>	<b>(\$66,355)</b>	<b>(\$234,475)</b>	<b>(\$281,974)</b>
<b>Schedule of Noncash Capital Activities:</b>				
During the fiscal year, these amounts were received representing noncash contributions of:				
Capital Assets	\$0	\$0	\$1,404,374	\$1,404,374

**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.

City of Troy, Ohio  
Statement of Changes In Assets and Liabilities  
Agency Funds  
For the Fiscal Year Ended December 31, 2019

	Stouder Playground			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$14,265	\$136	\$8,079	\$6,322
Receivables (Net):				
Interest	21	9	21	9
<b>Total Assets</b>	<b>14,286</b>	<b>145</b>	<b>8,100</b>	<b>6,331</b>
Liabilities:				
Undistributed Monies	14,286	145	8,100	6,331
<b>Total Liabilities</b>	<b>\$14,286</b>	<b>\$145</b>	<b>\$8,100</b>	<b>\$6,331</b>

	Paul G. Duke			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$160,515	\$1,326	\$0	\$161,841
Receivables (Net):				
Interest	239	233	239	233
<b>Total Assets</b>	<b>160,754</b>	<b>1,559</b>	<b>239</b>	<b>162,074</b>
Liabilities:				
Undistributed Monies	160,754	1,559	239	162,074
<b>Total Liabilities</b>	<b>\$160,754</b>	<b>\$1,559</b>	<b>\$239</b>	<b>\$162,074</b>

	Unclaimed Funds			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$8,848	\$11,395	\$637	\$19,606
<b>Total Assets</b>	<b>8,848</b>	<b>11,395</b>	<b>637</b>	<b>19,606</b>
Liabilities:				
Undistributed Monies	8,848	11,395	637	19,606
<b>Total Liabilities</b>	<b>\$8,848</b>	<b>\$11,395</b>	<b>\$637</b>	<b>\$19,606</b>

Continued

City of Troy, Ohio  
Statement of Changes In Assets and Liabilities  
Agency Funds  
For the Fiscal Year Ended December 31, 2019

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

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

	Imprest Cash			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$3,500	\$0	\$90	\$3,410
Total Assets	<u>3,500</u>	<u>0</u>	<u>90</u>	<u>3,410</u>

Liabilities:				
Undistributed Monies	3,500	0	90	3,410
Total Liabilities	<u>\$3,500</u>	<u>\$0</u>	<u>\$90</u>	<u>\$3,410</u>

	Enterprise Zone			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$4,015	\$4,000	\$5,500	\$2,515
Total Assets	<u>4,015</u>	<u>4,000</u>	<u>5,500</u>	<u>2,515</u>

Liabilities:				
Undistributed Monies	4,015	4,000	5,500	2,515
Total Liabilities	<u>\$4,015</u>	<u>\$4,000</u>	<u>\$5,500</u>	<u>\$2,515</u>

Continued

City of Troy, Ohio  
Statement of Changes In Assets and Liabilities  
Agency Funds  
For the Fiscal Year Ended December 31, 2019

	Fire Insurance Escrow			Ending Balance
	Beginning Balance	Additions	Deductions	
<b>Assets:</b>				
Equity in Pooled Cash and Investments	\$0	\$1,492	\$1,492	\$0
<b>Total Assets</b>	<b>0</b>	<b>1,492</b>	<b>1,492</b>	<b>0</b>
<b>Liabilities:</b>				
Undistributed Monies	0	1,492	1,492	0
<b>Total Liabilities</b>	<b>\$0</b>	<b>\$1,492</b>	<b>\$1,492</b>	<b>\$0</b>
<b>Total All Agency Funds</b>				
	Beginning Balance	Additions	Deductions	Ending Balance
<b>Assets:</b>				
Equity in Pooled Cash and Investments	\$192,280	\$18,349	\$15,798	\$194,831
Receivables (Net):				
Interest	260	242	260	242
<b>Total Assets</b>	<b>192,540</b>	<b>18,591</b>	<b>16,058</b>	<b>195,073</b>
<b>Liabilities:</b>				
Undistributed Monies	192,540	18,591	16,058	195,073
<b>Total Liabilities</b>	<b>\$192,540</b>	<b>\$18,591</b>	<b>\$16,058</b>	<b>\$195,073</b>



***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									
	2010	2011	2012 (1)	2013	2014	2015	2016	2017 (2)	2018	2019
<b>Governmental Activities</b>										
Net investment in Capital Assets	\$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	\$49,206,166
Restricted	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	13,638,775
Unrestricted	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	32,673,030
<b>Total Governmental Activities Net Position</b>	<b>\$85,970,393</b>	<b>\$88,423,347</b>	<b>\$92,424,918</b>	<b>\$95,423,044</b>	<b>\$81,790,277</b>	<b>\$96,376,841</b>	<b>\$99,297,099</b>	<b>\$79,849,792</b>	<b>\$79,976,021</b>	<b>\$95,517,971</b>
<b>Business-Type Activities</b>										
Net investment in Capital Assets	\$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	\$65,687,495
Unrestricted	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	13,143,770
<b>Total Business-Type Activities Net Position</b>	<b>\$49,302,196</b>	<b>\$49,739,051</b>	<b>\$50,596,927</b>	<b>\$51,827,278</b>	<b>\$58,265,626</b>	<b>\$60,910,674</b>	<b>\$62,877,830</b>	<b>\$72,177,480</b>	<b>\$73,940,813</b>	<b>\$78,831,265</b>
<b>Total Primary Government</b>										
Net investment in Capital Assets	\$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	\$114,893,661
Restricted	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	13,638,775
Unrestricted	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	45,816,800
<b>Total Primary Government Net Position</b>	<b>\$135,272,589</b>	<b>\$138,162,398</b>	<b>\$143,021,845</b>	<b>\$147,250,322</b>	<b>\$140,055,903</b>	<b>\$157,287,515</b>	<b>\$162,174,929</b>	<b>\$152,027,272</b>	<b>\$153,916,834</b>	<b>\$174,349,236</b>

(1) - Due to the implementation of GASB Statement No. 63 in 2012, Net Assets will now be referred to as Net Position.

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

Source: City Records

***THIS PAGE INTENTIONALLY LEFT BLANK***

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

	Calendar Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Expenses</b>										
<b>Governmental Activities:</b>										
General Government	\$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	\$4,257,293
Public Safety	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	4,089,310
Community Development	1,017,450	969,092	1,071,345	1,132,281	920,312	1,011,689	1,186,949	1,373,191	1,501,328	1,483,046
Leisure Time Activities	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	1,585,328
Transportation and Street Repair	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	2,926,523
Basic Utility Service	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	1,115,622
Public Health and Welfare	378,736	349,444	353,417	312,993	377,222	567,888	203,392	477,533	420,401	419,414
Interest and Fiscal Charges	470,078	453,931	207,620	318,508	301,410	644,142	614,136	576,961	554,938	528,415
<b>Total Governmental Activities Expenses</b>	<b>21,955,704</b>	<b>23,489,528</b>	<b>21,039,876</b>	<b>22,324,143</b>	<b>22,411,319</b>	<b>23,514,122</b>	<b>25,380,870</b>	<b>25,531,108</b>	<b>30,030,606</b>	<b>16,404,951</b>
<b>Business-Type Activities:</b>										
Water	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	4,867,435
Sanitary Sewer	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	4,552,301
Hobart Arena	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	2,806,004
Swimming Pool	346,867	359,687	360,881	340,789	356,570	347,637	370,397	375,635	390,029	418,786
Parking Meter	45,670	46,292	47,419	25,920	7,485	62,077	14,128	81,973	74,916	77,146
Miami Shores	791,761	820,170	863,678	801,615	851,236	905,516	825,538	932,166	862,830	1,222,127
Stormwater Utility	894,589	925,378	801,990	750,127	1,132,783	1,048,739	1,413,861	1,486,102	1,497,924	1,706,060
<b>Total Business-Type Activities Expenses</b>	<b>11,620,780</b>	<b>11,580,943</b>	<b>12,138,924</b>	<b>11,940,764</b>	<b>13,020,558</b>	<b>14,061,356</b>	<b>12,507,601</b>	<b>14,043,231</b>	<b>14,419,688</b>	<b>15,649,859</b>
<b>Total Primary Government Expenses</b>	<b>\$33,576,484</b>	<b>\$35,070,471</b>	<b>\$33,178,800</b>	<b>\$34,264,907</b>	<b>\$35,431,877</b>	<b>\$37,575,478</b>	<b>\$37,888,471</b>	<b>\$39,574,339</b>	<b>\$44,450,294</b>	<b>\$32,054,810</b>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
Charges for Services:										
General Government	\$238,871	\$209,420	\$184,969	\$277,995	\$230,229	\$280,000	\$214,466	\$280,148	278,575	262,869
Public Safety	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	1,693,379
Community Development	90,623	128,721	133,661	53,024	68,546	864	2,871	2,062	6,678	11,270
Leisure Time Activities	163,156	148,126	132,752	120,639	140,193	126,981	134,753	130,852	142,853	172,361
Transportation and Street Repair	39,698	45,147	27,430	28,727	8,245	30,151	16,722	52,011	49,154	46,933
Basic Utility Service	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	2,021,205
Public Health and Welfare	186,317	175,105	257,082	137,154	87,960	222,540	208,016	196,029	212,752	273,335
Operating Grants and Contributions	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	1,609,041
Capital Grants and Contributions	613,524	1,951,040	405,309	409,844	1,741,471	10,843,935	789,430	3,093,912	1,631,943	1,402,328
<b>Total Governmental Activities Program Revenues</b>	<b>5,877,466</b>	<b>7,137,568</b>	<b>5,592,024</b>	<b>6,001,726</b>	<b>6,733,400</b>	<b>16,144,169</b>	<b>6,169,921</b>	<b>8,591,544</b>	<b>7,273,794</b>	<b>7,492,721</b>

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

	Calendar Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Business-Type Activities:										
Charges for Services:										
Water	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	5,916,914
Sanitary Sewer	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	4,731,392
Hobart Arena	137,692	130,425	124,329	146,322	142,263	197,014	115,693	1,234,889	1,282,471	1,325,402
Swimming Pool	242,840	253,765	222,790	202,949	201,438	208,640	233,265	245,158	251,097	279,020
Parking Meter	23,731	23,987	18,074	16,356	9,657	26,097	22,186	23,499	17,321	55
Miami Shores	666,908	613,956	669,172	620,147	592,073	628,574	604,725	627,655	580,103	667,891
Stormwater Utility	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	1,562,822
Operating Grants and Contributions	3,158	0	0	13,997	0	0	0	0	0	0
Capital Grants and Contributions	162,542	173,440	277,928	287,130	0	2,760,737	826,087	1,348,578	986,500	1,671,288
Total business-Type Activities Program Revenues	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	16,154,784
Total Primary Government Program Revenues	\$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	\$23,647,505
Net (Expense)/Revenue	(\$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)	(\$8,912,230)
Governmental Activities	(1,166,999)	(1,140,896)	(877,513)	(284,368)	(1,538,896)	999,699	617,166	1,091,853	555,250	504,925
Business-Type Activities	(\$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)	(\$8,407,305)
Total Primary Government Net Expenses										

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

	Calendar Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Income Taxes	\$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	\$21,541,455
Property Taxes Levied for:										
General Purposes	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	1,835,267
Special Revenue Purposes	1,899,601	47,119	30,929	6,520	32,665	44,947	57,838	128,929	127,588	128,962
Grants and Entitlements not Restricted	1,918,673	1,886,775	1,161,462	1,490,142	292,024	890,548	908,292	827,617	897,896	978,491
Payments in Lieu of Taxes	205,798	208,268	224,299	235,542	248,790	198,388	210,682	209,947	339,638	443,915
Unrestricted Contributions	71,000	95,051	72,989	71,262	57,170	474,088	42,050	95,450	65,845	48,047
Investment Earnings	1,192,176	975,686	607,412	(91,481)	1,153,754	526,342	66,295	1,285,077	834,421	2,083,021
Other Revenues	330,667	290,969	308,996	616,141	497,275	952,870	912,677	875,760	911,216	964,395
Transfers-Internal Activities	(509,800)	(645,806)	(730,000)	(600,391)	(757,733)	(775,000)	(775,000)	(10,253,539)	(775,000)	(3,569,373)
<b>Total Governmental Activities</b>	<b>17,962,728</b>	<b>18,804,914</b>	<b>19,449,423</b>	<b>19,406,351</b>	<b>22,210,887</b>	<b>21,956,517</b>	<b>22,131,207</b>	<b>14,354,175</b>	<b>22,883,041</b>	<b>24,454,180</b>
Business-Type Activities:										
Investment Earnings	207,922	149,260	114,967	7,877	166,647	49,306	24,833	104,224	152,676	361,387
Other Revenues	634,221	782,685	890,422	958,006	947,476	821,043	550,157	230,009	280,407	454,767
Transfers-Internal Activities	509,800	645,806	730,000	600,391	757,733	775,000	775,000	10,253,539	775,000	3,569,373
<b>Total Business-Type Activities</b>	<b>1,351,943</b>	<b>1,577,751</b>	<b>1,735,389</b>	<b>1,566,274</b>	<b>1,871,856</b>	<b>1,645,349</b>	<b>1,349,990</b>	<b>10,587,772</b>	<b>1,208,083</b>	<b>4,385,527</b>
<b>Total Primary Government</b>	<b>\$19,314,671</b>	<b>\$20,382,665</b>	<b>\$21,184,812</b>	<b>\$20,972,625</b>	<b>\$24,082,743</b>	<b>\$23,601,866</b>	<b>\$23,481,197</b>	<b>\$24,941,947</b>	<b>\$24,091,124</b>	<b>\$28,839,707</b>
Changes in Net Position										
Governmental Activities	\$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	\$15,541,950
Business-Type Activities	184,944	436,855	857,876	1,281,906	332,960	2,645,048	1,967,156	11,679,625	1,763,333	4,890,452
<b>Total Primary Government</b>	<b>\$2,069,434</b>	<b>\$2,889,809</b>	<b>\$4,859,447</b>	<b>\$4,365,840</b>	<b>\$6,865,928</b>	<b>\$17,231,612</b>	<b>\$4,887,414</b>	<b>\$9,094,236</b>	<b>\$1,889,562</b>	<b>\$20,432,402</b>

Source: City Records

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

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

	Calendar Year									
	2010	2011 (1)	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Reserved	\$356,805						\$998,315	\$1,285,892	\$1,444,592	\$1,869,823
Unreserved	43,868,112	\$1,573,675	\$1,177,323	\$991,248	\$794,501	\$832,108	33,299,005	33,452,517	32,854,302	33,810,433
Restricted		0	0	32,981,626	33,508,812	33,180,085				
Committed		212,633	530,678	456,887	1,939,443	2,437,037	3,339,176	672,148	643,414	646,379
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	23,573,247
Unassigned		48,054,833	51,761,559	52,268,434	53,051,643	56,844,390	55,045,786	59,407,646	56,997,770	59,899,882
Total General Fund	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	59,899,882
All Other Governmental Funds										
Reserved	3,827,372									
Unreserved, Reported in:										
Special Revenue Funds	5,341,963									
Debt Service Funds	274,612									
Capital Project Funds	561,516									
Restricted		7,761,596	7,931,844	8,557,723	10,132,288	14,353,118	9,854,123	10,399,462	13,104,957	11,315,679
Assigned		283,564	404,431	461,157	460,950	783,657	742,273	712,139	320,474	521,097
Unassigned		0	(1,428,095)	(1,310,578)	(1,159,095)	(1,105,362)	(985,134)	(862,897)	(610,336)	(254,508)
Total all Other Governmental Funds	\$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	\$11,582,268

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									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Revenues</b>										
Taxes	\$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	\$23,330,512
Charges for Services	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	3,932,386
Investment Earnings	1,192,176	975,686	607,413	(84,471)	1,153,755	526,342	66,295	1,285,076	834,421	2,083,020
Intergovernmental	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	2,864,437
Special Assessments	123,178	80,669	41,495	51,702	91,946	55,570	91,105	86,516	108,558	125,940
Fines, Licenses and Permits	93,858	93,590	89,644	74,149	415,384	362,907	191,613	215,831	148,018	238,617
Revenue in Lieu of Taxes	205,798	208,268	224,299	235,542	248,790	198,388	210,682	209,947	339,638	443,915
Other Revenues	532,065	575,152	521,905	699,986	538,199	1,032,024	1,120,640	1,183,213	1,245,676	1,224,987
<b>Total Revenues</b>	<b>24,257,743</b>	<b>25,915,327</b>	<b>25,573,923</b>	<b>25,593,443</b>	<b>26,628,853</b>	<b>28,711,709</b>	<b>29,125,819</b>	<b>31,736,194</b>	<b>30,887,692</b>	<b>34,243,814</b>
<b>Expenditures</b>										
<b>Current:</b>										
General Government	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	4,715,910
Public Safety	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	11,443,756
Community Development	984,252	943,809	1,022,148	1,083,725	914,865	947,345	1,088,196	1,254,273	1,360,441	1,969,245
Leisure Time Activities	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	1,707,986
Transportation and Street Repair	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	2,720,533
Basic Utility Service	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	1,170,351
Public Health and Welfare	428,737	361,014	360,495	332,317	377,198	368,056	387,002	462,831	393,912	538,030
Capital Outlay	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	6,037,302
<b>Debt Service:</b>										
Principal Retirement	485,000	495,000	604,826	587,388	609,875	619,278	864,252	881,739	907,970	926,715
Interest and Fiscal Charges	471,922	459,813	254,132	265,211	248,373	312,359	570,062	533,200	511,707	484,746
Bond Issuance Costs	0	38,355	54,565	0	0	250,357	0	0	0	0
<b>Total Expenditures</b>	<b>\$21,284,032</b>	<b>\$23,546,429</b>	<b>\$20,786,848</b>	<b>\$23,469,260</b>	<b>\$23,399,837</b>	<b>\$28,855,653</b>	<b>\$34,605,237</b>	<b>\$26,271,667</b>	<b>\$29,993,997</b>	<b>\$31,714,574</b>

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

	Calendar Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Excess of revenues over (under) expenditures	\$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	\$2,529,240
Other Financing Sources (Uses)										
Issuance of Long-Term Capital-Related Debt	\$0	\$0	\$0	\$0	\$0	\$9,000,000	\$0	\$0	\$0	\$0
Premium of Issuance	0	0	0	0	0	251,938	0	0	0	0
Sale of Refunding Bonds	0	2,005,000	5,031,625	0	0	0	0	0	0	0
Payments to Refunded Bond Escrow Agent	0	(1,955,639)	(4,994,725)	0	0	0	0	0	0	0
Premium on Sale of Refunded Bonds	0	13,541	71,287	0	0	0	0	0	0	0
(Discourt) on Sale of Refunded Bonds	0	(20,050)	(50,319)	0	0	0	0	0	0	0
Proceeds from Sale of Capital Assets	57,784	12,863	64,803	179,210	37,767	57,023	35,663	284,775	37,820	15,045
Transfers In	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	6,763,264
Transfers (Out)	(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)	(7,638,264)
Total Other Financing Sources (Uses)	(472,216)	(499,285)	(607,329)	(817,186)	(719,966)	8,533,961	(739,337)	(465,225)	(737,180)	(859,955)
Net Change in Fund Balances	\$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	\$1,669,285
Debt service as a percentage of noncapital expenditures (1)	4.7%	4.5%	4.6%	4.2%	4.0%	8.8%	6.6%	6.7%	5.4%	5.0%

Source: City Records

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

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

Calendar Year	Real Property		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	Value	Assessed Value	Value	Assessed Value	Value			Assessed Value	Value	Direct Rate	Total	Direct Rate	Total	Direct Rate	Total
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	1.55	0.55	1.55	0.55	1.55	1.55
2017	517,577,100	0	15,518,370	533,095,470	1,523,129,914	3.10	1.10	0.55	0.55	0.55	1.55	0.55	1.55	0.55	1.55	1.55
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	1.55	0.55	1.55	0.55	1.55	1.55
2019	599,807,390	0	20,208,490	620,015,880	1,771,473,943	3.10	1.10	0.55	0.55	0.55	1.55	0.55	1.55	0.55	1.55	1.55

Source: County Auditor

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

(2) - For Tax District D08

(3) - For Tax District D45

(4) - For Tax District R50

(5) - For Tax District S51

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

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

Calendar Year	Total Direct Rate (1)	Overlapping Rates					
		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)
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	
2019	3.10	0.25	51.80	6.40	9.21	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)	
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
2019	1.10	0.27	44.60	4.01	9.21	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	2019	
	Assessed Value	Percentage of Total Assessed Value
American Honda Motor	\$18,034,400	2.91%
Dayton Power and Light Company	10,904,610	1.76%
Vectren Energy Delivery of Ohio Inc.	9,639,850	1.55%
MO Troy LLC	3,695,730	0.60%
Kroger Company	3,614,950	0.58%
Hobart Corporation	3,114,990	0.50%
Dayton Montgomery County Port Authority	3,044,340	0.49%
Traf IV Towne Park Delaware	2,986,830	0.48%
F&P America Mfg, Inc.	2,924,570	0.47%
First Troy Corp.	2,628,460	0.42%
<b>Total Principal Property Tax Payers</b>	<b>\$60,588,730</b>	<b>9.76%</b>

Taxpayer	2010	
	Assessed Value	Percentage of Total Assessed Value
Dayton Power and Light Company	\$7,618,630	1.50%
American Honda Motor	6,408,920	1.26%
Hobart Corporation	3,400,860	0.67%
DW28 Monroe, LLC	3,333,420	0.66%
Towne Park SPE-1 LLC	3,027,510	0.60%
Vectren Energy Delivery	2,785,330	0.55%
Meijer Sotres Limited Partnership	2,707,220	0.53%
Ramco Properties	2,491,690	0.49%
United Distribution	2,409,790	0.47%
F&P America Mfg, Inc.	2,381,790	0.47%
<b>Total Principal Property Tax Payers</b>	<b>\$36,565,160</b>	<b>7.20%</b>

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
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%
2019	2,127,146	2,092,925	98.39%	34,221	2,127,146	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
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%
2019	15,386,770	4,414,710	1,375,888	21,177,368	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			
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	0.44%	472	
2019	11,421,094	0	6,650,853	0	2,699,000	20,770,947	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
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
2019	18,071,947	0	18,071,947	1.02%	721

(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, 2019  
 Schedule 13

Governmental Unit	Net Debt Outstanding	Estimated Percentage Applicable (1)	Amount Applicable to City of Troy
Miami County	\$15,385,000	23.93%	\$3,681,631
Troy City School District	11,340,000	72.59%	8,231,706
Miami East Local School District	12,140,000	11.97%	1,453,158
Miami Valley Career Center Joint Vocational School District	128,422,994	0.40%	513,692
Subtotal Overlapping Debt	167,287,994		13,880,187
City of Troy - Direct Debt	11,421,094	100.00%	11,421,094
Total Direct and Overlapping Debt	\$178,709,088		\$25,301,281

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	\$620,015,880
Statutory Legal Debt Limitation (1)	10.5%
Total Debt Limitation	65,101,667
Debt Applicable to Limit:	
Gross Indebtedness	20,770,947
Less: Debt Outside Limitations (2)	9,349,853
Less: Restricted for Debt Service (2)	0
Total Net Debt Applicable to Limit	11,421,094
Legal Debt Margin	\$53,680,573

	Calendar Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total Debt Limit (1)										
Debt Limit (10.5%)	\$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	65,101,667
Total Net Debt Applicable to Limit	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	11,421,094
Legal Debt Margin	\$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	\$53,680,573

Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	19.4%	17.5%	13.2%	13.1%	12.6%	29.1%	27.1%	23.7%	21.6%	17.5%
--	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------

	Calendar Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total Unvoted Debt Limit (1)										
Debt Limit (5.5%)	\$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	34,100,873
Total Net Debt Applicable to Limit	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	11,421,094
Legal Debt Margin	\$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	\$22,679,779
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	37.0%	33.4%	25.3%	25.0%	24.1%	24.1%	51.7%	45.3%	41.3%	33.5%

Source: City Records

- (1) - Direct debt limitation based upon Section 133, the Uniform Bond Act of the Ohio Revised Code. Total debt limit should not exceed 10.5% of net assessed property value.  
 Total unvoted debt limit should not exceed 5.5% of net assessed property value.
- (2) - General obligation bonds and notes in the enterprise funds, special assessment debt with government commitment and bond anticipation notes have been included.
- (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	
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
2019	158,740	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)
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	5,051,061	47,552	4.30%
2019	25,058	N/A	N/A	3.40%

Sources:

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

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

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

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

N/A - Information not available

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

2019			
Major Employers (2)	Type	Number of Employees	Employer's Percentage of Total Employment
Upper Valley Medical Center	Health	(3)	(4)
Clopay Building Products	Mfg	(3)	(4)
F & P American Mfg.	Mfg	(3)	(4)
UTC Aerospace Systems	Mfg	(3)	(4)
ConAgra Foods	Mfg	(3)	(4)
ITW Food Equipment Group	Mfg	(3)	(4)
Hobart Brothers	Mfg	(3)	(4)
Industry Products	Mfg	(3)	(4)
American Honda	Logistics	(3)	(4)
Meijer Distribution Center	Logistics	(3)	(4)

2010			
Major Employers (2)	Type	Number of Employees	Employer's Percentage of Total Population
A.O. Smith Corp.	Mfg	(3)	(4)
Crane Co.	Mfg	(3)	(4)
Evenflo Company, Inc.	Mfg	(3)	(4)
Faurecia SA	Mfg	(3)	(4)
F-Tech, Inc./F&P America	Mfg	(3)	(4)
Goodrich Corp.	Mfg	(3)	(4)
Illinois Tool Works, Inc./Hobart	Mfg	(3)	(4)
Jackson Tube Service	Mfg	(3)	(4)
Meijer, Inc.	Ret	(3)	(4)
Troy City Board of Education	Govt	(3)	(4)
Upper Valley Medical Center	Health	(3)	(4)

Source: Ohio Department of Development

- (1) - For all of Miami County
- (2) - Includes at minimum the ten largest employers for the county. In alphabetical order only.
- (3) - The number of employees of each listed major employer was not available.
- (4) - 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									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Information Systems	2	2	2	3	3	3	3	3	3	3
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	3	4	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	6
Human Resources	2	2	2	2	2	2	2	3	3	2
Fire	40	38	35	39	39	39	39	40	40	40
Police	44	40	39	39	41	40	43	44	44	42
Parks	8	7	7	6	7	7	7	7	7	8
Recreation	3	3	3	3	3	3	4	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	15	14	13	12	13	13	13	11	11	11
Tax	4	4	5	5	6	6	6	5	5	5
Cemetery	3	2	2	2	2	2	2	2	2	2
Refuse	4	2	2	2	2	2	2	2	2	2
Hobart Arena	5	5	5	5	5	6	6	6	7	8
Water Administration	2	2	2	0	0	0	0	0	0	2
Water Plant	9	9	8	9	8	9	9	9	9	9
Water Distribution	5	5	5	5	4	5	4	5	5	5
Sewer B&C	2	2	2	3	2	2	2	2	2	2
Sewer Plant	10	10	9	9	8	8	7	8	7	7
Sewer Maintenance	5	5	5	5	5	5	5	5	5	6
Parking	1	1	1	0	1	1	1	1	1	1
Miami Shores	5	5	5	5	5	4	4	4	4	4
Engineering	8	8	7	10	9	10	7	7	7	7
<b>Total</b>	<b>194</b>	<b>183</b>	<b>176</b>	<b>181</b>	<b>181</b>	<b>184</b>	<b>186</b>	<b>188</b>	<b>189</b>	<b>192</b>

Source: Various City Departments



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

Function/Program	Calendar Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General government										
Commercial Construction										
Building permits issued	138	108	173	131	142	178	180	161	188	159
Value	\$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	\$52,239,282
Residential Construction (5)										
Building permits issued	49	47	48	49	67	54	54	79	196	91
Value	\$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	\$26,675,859
Police department										
Physical arrests	2,724	2,577	2,169	2,195	2,119	1,916	1,854	N/A	2,091	N/A
Parking violations (3)	3,093	2,490	2,152	1,501	521	1,865	669	N/A	1,683	N/A
Traffic violations	N/A	N/A	N/A	2,530	2,478	2,178	2,664	N/A	2,599	N/A
Fire department										
Fire responses	1,266	1,439	1,560	1,575	1,636	1,574	1,589	1,796	1,970	1,989
EMS responses	3,725	3,966	4,019	4,064	4,387	4,816	4,945	4,704	4,630	4,619
Fires extinguished	132	111	108	107	49	52	85	87	67	86
Inspections	700	700	851	861	688	979	993	933	820	813
Refuse collection department										
Refuse collected (tons)	5,191	5,265	5,184	6,213	6,177	6,335	6,099	6,215	6,346	6,536
Recyclables collected (tons)	1,640	1,659	1,704	1,706	1,647	1,765	1,924	1,936	1,917	1,878
Other public works departments										
Street resurfacing (cubic yards) (1)	4,182	0	2,353	3,446	3,406	4,925	6,143	4,492	10,309	7,890
Parks and recreation department										
Community Center Admissions (2)	\$75,510	\$99,581	\$88,341	\$73,317	\$72,968	\$82,146	\$89,148	\$91,653	\$96,959	\$116,833
Community Center Attendance	35,269	40,325	33,812	31,160	29,009	28,420	33,276	33,212	34,116	37,514
Water department										
New connections (each)	62	15	36	48	43	65	112	67	80	99
Water main breaks (each)	45	38	10	20	26	31	24	16	35	32
Average daily consumption (millions of gallon per day)	3.85	3.94	4.22	4.00	3.68	3.56	3.54	3.44	3.45	3.50
Peak daily consumption (millions of gallon per day)	5.7	5.8	8.1	5.6	5.3	4.8	5.1	5.1	5.0	4.9
Wastewater department										
Average daily sewage treatment (millions of gallon per day)	4.85	4.43	4.55	5.08	5.60	5.03	4.64	5.46	7.36	6.66

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									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	11	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	11,800	12,040	12,050	12,100	12,150
Streets (miles)	112.75	112.75	113.04	113.04	128.00	132.07	132.74	132.74	133.20	133.65
Streetlights	2,624	2,624	2,568	2,568	2,598	25,987	2,661	2,590	2,714	2,629
Traffic signals	43	43	43	44	44	44	47	46	47	43
Parks and Recreation										
Number of Parks	25	25	25	25	25	25	25	25	25	25
Acreeage	303.00	303.00	303.00	303.00	321.00	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	15	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	1	1	1	1	1	1
Municipal Water Department										
Treatment Capacity (millions of gallons per day)	16	16	16	16	16	16	16	16	16	16
Water Mains (miles)	138.39	139.65	139.94	139.96	155.83	157.16	159.26	160.14	160.98	163.00
Fire hydrants	1,278	1,284	1,292	1,288	1,373	1,356	1,325	1,356	1,357	1,390
Sewers										
Treatment Capacity (millions of gallons per day)	7	7	7	7	7	7	7	7	7	7
Storm Sewers (miles)	80.52	81.00	81.29	81.18	124.51	127.55	128.86	130.14	132.35	132.30
Sanitary Sewers (miles)	127.88	127.95	128.24	128.24	126.85	127.29	128.36	130.22	131.01	133.20
Hobart Arena										
Attendance	27,251	24,963	28,442	26,181	21,159	23,325	15,191	29,935	25,275	27,143
Ticket Sold (1)	20,110	20,844	24,068	22,032	20,168	22,690	14,533	24,239	24,092	23,018

Source: Various City Departments

(1) - Tickets sold by Hobart Arena only

(2) - Information was not available from the City

# CITY OF TROY, OHIO



Yellow Book Report

December 31, 2019

**PLATTENBURG**  
Certified Public Accountants

**This page intentionally left blank.**

**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, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated August 14, 2020.

**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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider to be a material weakness. Finding 2019-001.

**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*.

## City's Response to Finding

The City's response to the finding identified in our audit is described in the accompanying schedule of findings. The responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

## 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

August 14, 2020

**CITY OF TROY**  
**SCHEDULE OF FINDINGS**  
**Year Ended December 31, 2019**

**2019-001-Material Weakness-Controls Related to Revenue Collections at Hobart Arena**

During the audit, the City discovered that certain cash collections were being taken by an employee working at the Hobart Arena. During the City's investigation of this theft, it was determined that it had taken place for a period of approximately 3 years. The design or operation of internal controls did not allow management or employees to prevent the theft.

**Recommendation:**

We recommend that the City make improvements to internal control related to revenue collections at Hobart Arena. This should include improved management review of collections and segregation of duties for key areas in the revenue collections process.

**Management's Response:**

The City agrees and has implemented procedures that have expanded the City's Point of Sale reporting and has included dual control for all cash receipts.

**This page intentionally left blank.**



# OHIO AUDITOR OF STATE KEITH FABER



**CITY OF TROY**

**MIAMI COUNTY**

## **AUDITOR OF STATE OF OHIO CERTIFICATION**

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



**Certified for Release 10/8/2020**

88 East Broad Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)