



**Auditor of State
Betty Montgomery**

CITY OF TROY
MIAMI COUNTY

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**Auditor of State
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON
INTERNAL CONTROL REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

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

To the Honorable Mayor and City Council:

We have audited the financial statements of the City of Troy, Miami County, (the City), as of and for the year ended December 31, 2002, and have issued our report thereon dated May 2, 2003. 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.

Compliance

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the City in a separate letter dated May 2, 2003.

City of Troy
Miami County
Independent Accountants' Report on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

This report is intended for the information and use of the finance committee, management, and the Mayor and Council, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

May 2, 2003

Troy OHIO, USA

www.troy-ohio-usa.com



COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002

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INTRODUCTORY
SECTION

CITY OF TROY, OHIO

**Comprehensive Annual Financial Report
For the Fiscal Year Ended December 31, 2002**

**Prepared By:
R. Craig Helmer, City Auditor**

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CITY OF TROY, OHIO

Comprehensive Annual Financial Report For the Fiscal Year Ended December 31, 2002

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TRANSMITTAL LETTER

The Transmittal Letter is a nontechnical narrative, which explains the legal, and policy reasons for the publication of Comprehensive Annual Financial Report and discusses its substantive highlights.

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May 2, 2003

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, 2002, is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various fund and account groups of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The Comprehensive Annual Financial Report is presented in three sections: Introductory, Financial, and Statistical. The Introductory section includes this transmittal letter, the City's organizational chart and a list of principal officials. The Financial section includes the general purpose financial statements and the combining and account group financial statements and schedules. The Statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

This report includes all funds and account groups of the City. The City provides a full range of services. These services include: police and fire protection; sanitation services; the construction and maintenance of highways, streets, and infrastructure; recreational activities; and cultural events.

ECONOMIC CONDITION AND OUTLOOK

Troy's central location and transportation access has made it a natural choice for development. Beginning in the 1830's with the construction of the Miami-Erie Canal, then the railroads of the 1850s, transportation has influenced Troy's development. This continues today, with Troy's development benefiting from four interchanges on one of the nation's most heavily traveled north/south highways, Interstate 75. The intersection of Interstate 75 and Interstate 70, approximately 10 miles south of Troy, adds excellent east/west access to the rest of the nation.

Troy has immediate access to the nation's largest 90-minute air travel market, through Dayton International Airport, just 15 minutes to the south. This includes over two-thirds of the nation's

population and businesses. The airport is also one of the world's largest cargo centers, providing excellent just-in-time delivery for Troy's industries. Land and air transportation have been major factors in stimulating growth and development on both a national and international level.

The Troy community is home for over 30,000 people, with 22,000 living inside the city limits. 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. The sights of the city are accessible without congestion and inconvenience. Getting to either traditional or new retail commercial areas is as easy as getting to the community. Modern services are available throughout the city, yet Downtown Troy continues to thrive and maintain its old-fashioned charm. Retail opportunities continued to expand in 2003, with remodeling of Meijer and the opening of new stores for Kohl's and Lowes. Walgreens began construction and Wal-Mart announced its planned expansion. Smaller local businesses also invested in new facilities, including Troy Lumber Company. Several restaurants opened, adding to the lively mix of entertainment and dining opportunities in Troy.

Troy works hard to attract businesses and industries that fuel the strong local economy. Working through a public/private partnership, the City of Troy and the Troy Development Council support companies whose products will be in demand far into the future. These efforts have helped establish a well-diversified industrial base that includes their traditional local expertise in metal-working and new technologies in plastics, robotics, electronics, and other high technology industries. The Community Reinvestment Area and Enterprise Zone Programs have provided development incentives as an inducement for businesses and industry to locate or expand in Troy. Since 1990, over 880 million dollars has been invested in non-residential construction, machinery, equipment, furniture and fixtures for businesses and industries. These companies have created over 6,000 jobs for the people of the Troy community.

In 2002, major projects included the completion of retooling for several plants such as Panasonic, Goodrich, and F&P America. Faurecia added new catalytic converter capabilities to its existing automotive exhaust tube operations and numerous small producers diversified their capabilities to attract new customers and meet the challenges of an ever-changing national global economy.

MAJOR INITIATIVES

The City places a high priority on quality of life and effectively delivering services to the citizens of Troy. This priority continued during 2002. There was not an interruption in the delivery of services to the citizens. During the year, there were a number of major public improvements:

Major Activity of 2002 included:

- * The completion of the first two phases of a downtown streetscape program (new sidewalks with a paver brick design, underground utilities, a number of aesthetic improvements, and resurfacing) provided an opportunity to change the pattern of how traffic engaged, or entered, the Public Square. Troy's Public Square is at the intersection of two major State highways (SR 41 and SR 55), with the traffic flowing around a circle (or roundabout).

While Troy's Public Square was designed to have traffic in the traffic lanes yielding to the traffic entering the Public Square, and the local population was rather accustomed to that pattern, it was in opposition to the traffic pattern engagement throughout the Country – where the traffic already traveling around the circle has the right of way and the traffic entering the Public Square yields. With the new course of asphalt soon to be applied, the City contracted with a traffic engineer to provide assistance in making changes to the flow of traffic. City staff, working the recommendations of the traffic engineer, were able to see that clearly defined roadway markings were placed on the roadway informing drivers of when and where to yield. This was coupled with a great deal of public information and the temporary use of large flashing warning signs that the traffic pattern had been changed. This change has been generally met with a great deal of public compliments. However, the best compliment has been the reduction in traffic accidents. From an average of one accident a week, of varying degrees of injury to vehicles and persons, the current average is less than one per month.

- * Working with the Miami County Sanitary Engineer and the City of West Milton, agreements were worked out for West Milton to purchase Troy water through the existing City-County agreements providing for the City to sell an average of 1MGD of water to Miami County. The County usage was less than half of the average permitted to be sold. West Milton, a small Miami County community, is under EPA mandates to find an alternative water supply for its citizens. Adding West Milton's usage to the agreement will still leave capacity with the City-County Agreement. Troy and West Milton then jointly funded the design of a water line to connect the two communities and are jointly funding the water line construction cost. Troy's cost, less than \$1 Million, is being funded through the sale of bonds, which permits the City to take advantage of borrowing money during a time of record low interest rates and repay the debt through the revenues of the sale of the water to West Milton.
- * Construction was started on major renovations to the Troy Memorial Stadium, a structure used primarily by the Troy schools, but owned by the City. This \$3 Million renovation and addition, is also being funded through the sale of bonds.
- * Continuation of the programs of paving, repairing catch basins, improving manholes and installing handicap ramps at curbs.
- * Commenced on what will become a major program of improving sidewalks to eliminate liability issues for the home owners and the City and a concurrent reforestation program to replace oversized and hazardous trees that had caused much of the sidewalk grade separations. This will be an assessment program for the homeowners. The Resolution of Necessity, which formally started the program was approved by the Troy City Council in 2002. This program will be a focus for the City for a number of years, as sidewalks throughout the community are identified to be replaced.
- * Continued to look for funding to improve the Treasure Island area, including connections to parks on the north side of the Great Miami River.
- * Continued the application for OPWC funds for infrastructure improvements.
- * Authorized loans to downtown property owners for building exterior improvements under a \$400,000 Downtown Revitalization Grant received in 2001.
- * Commenced the update of the important planning and development tool of the Comprehensive Plan.

- * Commenced a quarterly newsletter to help keep residents informed about activities and projects within their community.

Troy also continued other enhancements, including:

- * Continued the funding partnerships with the Troy Development Council and Troy Main Street.
- * Continued development of the Wellhead Protection Program to safeguard Troy's water supply.
- * Provided training to improve the proficiency and safety of City employees.

For the Future

Troy's plans for the future are based on maintaining and improving the quality of life of the community. Activities in this regard will include:

- * Continuing economic development efforts to bring high quality jobs to the community for current and future residents.
- * Completion of the Troy Memorial Stadium renovation project.
- * Completion of the Comprehensive Plan.
- * Using low interest rates to fund a number of projects, including a new swimming pool, relocating fire station two, continuing a good and well maintained roadway network, constructing the first phase of the sidewalk replacement program, constructing a new Cemetery Maintenance building to better serve the employees and citizens.
- * Foster and encourage strategic annexation.
- * Maintain an excellent working relationship with other local governmental entities.
- * Look for ways to help traffic flow in heavily traveled areas.
- * Continue to work with Troy Main Street and the downtown merchants in keeping the downtown active and vital.
- * Continue to provide appropriate training for employees.
- * Continue to improve park and green space areas for aesthetic purposes and to meet community needs.
- * Utilize grants and other governmental funds (i.e., OPWC) where possible for projects.

DEPARTMENTAL FOCUS – PLANNING AND DEVELOPMENT DEPARTMENT

The City of Troy has a long and successful history of efforts to develop into an ever better community. Over the years, these efforts have included many different programs, such as traditional comprehensive city planning, public infrastructure expansions, community development projects, and economic development programs. City planning practices have been followed continuously. A major Comprehensive Plan was written in 1960, updated in 1972, and 1989. Public utility systems have grown in a coordinated manner that meets changing standards. A master park plan was developed in 1980 and updated in 1991.

As far back as 1894, public-spirited citizens created The Troy Land Improvement Company, which developed an industrial park that became home for C. C. Hobart's electrical equipment

business. That beginning later led to the Hobart Corporation and the Hobart Brothers Company, which were the mainstays of the Troy economy for most of the Twentieth Century. Those companies remain important in Troy even after the economic restructuring of the past two decades. Today, the City of Troy and the Troy Development Council continue to market the community and its businesses locally and internationally.

Currently, the coordination and implementation of the City's planning and development programs is done by the Planning and Development Department. In late 1999, the former Community Development Department and the Building Regulations Department were merged. The day-to-day building inspection program was contracted to the Miami County Building Regulations Department for lower costs and improved county-wide coordination with the construction industry. All other planning, land use, zoning, property maintenance, community development, and economic development programs are now operated and managed by the Planning and Development Department.

The most common involvement with the Planning and Development Department for most Troy citizens is with land use and zoning. A property owner is required to obtain a zoning permit before building a house or other kind of building, relocating a business to another location, installing a new business sign, or for adding on to or remodeling an existing building. In 2002, 428 zoning permits were issued, for projects ranging from storage sheds behind houses to a \$1,800,000 addition to the First Presbyterian Church in Downtown Troy and a \$1,200,000 Walgreen's Drugstore in the south part of Troy. This also included permits for 131 new single family dwellings in several different new subdivisions and older neighborhoods.

Citizens also call upon city government to help with neighborhood problems, such as a run-down house. In addition to the Zoning Code, the Planning and Development Department investigates and enforces a property maintenance code. Generally, Troy property owners are concerned about the investment they have made in their homes, so properties tend to be well maintained. Often, just having an inspector bring it to an owner's attention results in the needed repairs. Sometimes the problems are more complicated and involve other agencies, such as the Miami County Health Department. In some cases, court action is necessary. At any given time, there are from 50 to 100 cases being opened, inspected, monitored, or in the process of being resolved.

Closely related to the zoning permit program is the contractor licensing program. Since 1973, the City of Troy has required plumbers, electricians, and heating/air conditioning mechanics to pass an exam and to show proof of liability insurance to obtain a license to do work on these types of projects in Troy. In the past year, licenses were issued to 315 electricians, 231 plumbers, and 75 HVAC mechanics.

The community development function includes grant applications and coordination with other agencies, both locally and in Columbus. The State of Ohio has many programs that send federal and state tax funds to local governments. An important source for Troy is the Community Development Block Grant program, known as "CDBG." Funds have been given to Troy for community building projects such as the Jeep Street reconstruction, Garden Manor building repairs, and improvements to the Miami County Family Abuse Shelter. Local organizations,

including Habitat for Humanity, Troy Main Street, and Lincoln Community Center have also proposed projects that later received grants. The Planning and Development Department writes the grant applications and then manages the grants.

CDBG funds have also helped start two important Troy economic development programs, the Downtown Building Repair Loan Program (DBR) and the Economic Development Revolving Loan Fund (RLF). From its small beginnings in 1990, the RLF has grown to a portfolio of over 1.6 million dollars for 15 current projects. It helps to fund industrial and commercial projects that create new investment and new jobs in Troy, when private bank financing can only satisfy part of the funding needs. The DBR was recently created from the RLF. The DBR makes loans only for building repairs in a Downtown Troy target area. The loans match private funds and can only be used for building repairs, such as roofs. A special CDBG grant was received in 2002, which has helped this program to fund more projects. It is also a matching loan program, and has already helped repair 14 buildings.

Economic development includes many different participants and special programs. In Troy, the Planning and Development Department and the Troy Development Council work together to help local companies to grow and to help new companies to come to Troy. Coordination with other agencies, such as the Ohio Department of Development, local banks and real estate firms, and with regional organizations also helps to keep Troy on the "short list" for companies that are making investments in new equipment or products. Local incentives include cutting through red tape, the loan programs, and the Enterprise Zone program. Currently, 16 companies are receiving a tax reduction for 22 projects. The Planning and Development Department has also assisted several companies to obtain assistance directly from the State of Ohio. Those programs have included employee training grants, tax credits, and state loan assistance.

The major project now in progress for the Planning and Development Department is a new update to the Comprehensive Plan. As part of this process, results of the 2000 Decennial Census are being studied and a new Geographic Information System (GIS) is being developed. The process also includes coordination with several other organizations that are also performing strategic planning, including Miami County, the Troy City School District, and even the City's Water Division. Basic studies and technical statistics will be supplemented with public comment and suggestions for Troy's future. The community comment phase is scheduled for summer and fall of 2003.

FINANCIAL INFORMATION

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Financial Assistance

The City of Troy is a recipient of federal, state, and county financial assistance; the City is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by the management of the City.

Budgeting Controls

In addition to the above, the City maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City's governing body. Activities of all funds are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level for all budgeted funds. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts do not lapse at year-end. Unused encumbrances are carried over to the following year.

As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

General Government Functions

Revenues for general governmental functions totaled \$19,826,390 in 2002, a decrease of \$19,125 over 2001. The 0.10% decrease in revenues is primarily the result of a decrease in tax revenues.

The following schedule presents a summary of general, special revenue, debt service and capital projects fund revenues for the fiscal year ended December 31, 2002.

<u>Revenues</u>	<u>2002 Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From 2001</u>
Current:			
Taxes	\$13,177,653	66.47 %	(\$773,526)
Fines, Licenses & Permits	149,571	0.75	12,078
Intergovernmental	3,029,309	15.28	(5,115)
Special Assessments	118,905	0.60	(41,981)
Charges for Services	1,216,667	6.14	65,118
Interest	775,349	3.91	(107,555)
Other	<u>1,358,936</u>	<u>6.85</u>	<u>831,856</u>
Total	<u>\$19,826,390</u>	<u>100.00 %</u>	<u>(\$19,125)</u>

Expenditures for general governmental purposes totaled \$21,733,036 in 2002, an increase of \$1,494,736 over 2001. This overall increase of 7.39% is primarily the result of increases in the City's capital outlay expense.

The following schedule presents a summary of general, special revenue, debt service, and capital projects fund expenditures for the fiscal year ended December 31, 2002.

<u>Expenditures</u>	<u>2002 Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From 2001</u>
Current:			
General Government	\$ 3,780,885	17.40 %	\$22,614
Security of Persons and Property	7,330,132	33.73	358,763
Public Health and Welfare	407,651	1.88	(1,445)
Leisure Time Activities	1,631,182	7.50	(86,842)
Community Development	726,078	3.34	95,393
Basic Utility Service	1,281,122	5.89	(127,109)
Transportation	2,227,376	10.25	457,129
Capital Outlay	3,560,043	16.38	741,157
Debt Service:			
Principal	568,000	2.61	10,000
Interest	214,172	0.99	25,186
Other	<u>6,395</u>	<u>0.03</u>	<u>(110)</u>
Total	<u>\$21,733,036</u>	<u>100.00 %</u>	<u>\$1,494,736</u>

Fund Balances

The general fund balance increased by \$420,594, special revenue funds decreased by \$808,795, debt service funds decreased by \$80,411 and capital projects funds increased by \$2,183,658.

Proprietary Operations

The City's proprietary operations consist of enterprise funds. The enterprise operations are comprised of seven separate and district activities: water, sanitary sewer, swimming pool, Hobart Arena, parking meter, Miami Shores golf course, and the municipal stadium.

The water, sewer, and golf course operations are the major enterprise operations. All three funds have been financially self-supported for years. Upgrades of the water and sewer plants and the golf course are currently underway. These funds have significant economic resources, which make improvements possible.

Fiduciary Functions

The City's fiduciary responsibilities are comprised of the following funds: cemetery nonexpendable trust, investment fund for capital improvement expendable trust, cemetery endowment expendable trust, stouder playground expendable trust, Paul G. Duke expendable trust, unclaimed funds expendable trust, tri-centennial expendable trust, imprest cash agency, enterprise zone agency. These fiduciary funds assist in cemetery maintenance, acquisition and improvement of capital assets, financing community activities, and enhancement of employee benefits.

Debt Administration

At December 31, 2002, the City had a number of debt issues outstanding. These issues included \$24,977,000 of general obligation bonds, \$481,000 of special assessment bonds with City commitment and an Ohio Water Development Authority loan of \$104,416. The City has maintained its Aa2 rating from Moody's Investors Service on general obligation bond issues. Under current state statutes, the City's general obligation bonded debt issuances are subject to a nonvoted legal limitation based on 5.5 percent of total assessed value of real and personal property located within the City and a 10.5 percent overall limitation.

As of December 31, 2002, the City's net general obligation bonded debt of \$4,520,594 was well below the legal limits of \$46,974,330 and \$22,452,938.

Cash Management

Cash temporarily idle during the year, was invested in demand deposits, certificates of deposit, U.S. Treasuries and the State Treasurer's Investment Pool (Star Ohio). The City earned \$2,937,201 on all investments for the year ended December 31, 2002.

The City's investment policy is to minimize credit and market risks while maintaining competitive yield on its portfolio. Accordingly, deposits were either insured by federal depository insurance or collaterally.

Risk Management

The City is one of sixteen members of a joint insurance pool, Miami Valley Risk Management Association, Inc. (MVRMA). The pool has been operational since December 1, 1988 and was formed according to Section 2744 of the Ohio Revised Code. This joint insurance pool 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 limits with increased emphasis on safety and loss prevention.

MVRMA is a corporation governed by a sixteen-member board of trustees, consisting of a representative appointed by each of the member cities. The board of trustees elect 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. Budgeting and financing of MVRMA is subject to the approval of the board.

For the year ended December 31, 2002, the loss fund contribution factors were:

Beavercreek	8.54%	Blue Ash	7.24%	Indian Hill	2.78%
Kettering	16.90%	Madeira	1.61%	Mason	5.41%
Miamisburg	11.70%	Montgomery	3.41%	Sidney	9.26%
Springdale	5.74%	Tipp City	2.20%	Troy	7.97%
Vandalalia	5.14%	West Carrollton	4.74%	Wilmington	4.93%
Wyoming	2.43%				

A summary of financial information as of December 31, 2001, (latest information available) is as follows:

Current Assets	\$6,199,382
Total Assets	\$6,227,638
Current Liabilities	\$3,643,395
Long-Term Liabilities	\$ 0

The following is a summary of insurance coverage at year-end:

General Liability (including Police Professional Liability)	\$10,500,000 per occurrence
Automobile Liability	\$10,500,000 per occurrence
Public Officials Liability	\$500,000 excess (\$500,000 Aggregate) \$10M excess \$1M (\$10M Aggregate per city)
Boiler & Machinery	\$100,000,000 per occurrence
Property	\$100,000,000 per occurrence
Flood (Property)	\$25,000,000 annual aggregate (Excludes Zone A) \$500,000 annual aggregate (Zone B & Shaded X)
Earthquake (Property)	\$25,000,000 annual aggregate
Employment Practices Liability	\$500,000 aggregate for pool \$10M excess of \$1M (\$10M per member)

MVRMA retains responsibility for the payment of claims within specified self-insured retention (SIR) limits prior to the application of coverage provided by excess reinsurance contracts. During the year, MVRMA's SIR limit for property was \$250,000 with the exception of boiler and machinery, which was \$5,000. The SIR for liability was \$500,000. The deductible per occurrence is \$2,500.

MVRMA estimates that member cities are paying approximately thirty-five percent less for coverage through MVRMA than would be paid under a commercial insurance program.

Employee Welfare

Out of concern for the welfare of City employees, two programs are provided:

Employee Assistance Plan (EAP) - Through Employee Care 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. A satellite office for the EAP Program has also been established in Troy. This counseling process is based upon and centered around complete confidentiality for the person using the program. The EAP also provides on-

site counseling for situations such as the loss of a co-worker or the debriefing of safety employees following a critical event. The EAP further provides on-site seminars/workshops with topics such as stress management, holiday stress, dealing with angry citizens and others geared to the needs of the staff.

Wellness Program – In 2002, the City changed providers for this program from MedWork, a Dayton company, to the local Upper Valley Medical Center. The City is provided an on-site nurse sixteen hours per month. Employees can establish base-line medical data with the nurse so that physical/medical problems/improvements can be measured. A Wellness Committee of employees has been formed to suggest possible programs and services. To date, some of the benefits provided by the Wellness Program include: cholesterol screening, blood pressure checks, statistics, hearing exams, TB screening, health fair, flu shots, stress management, diabetes screening, etc. and the opportunity to take advantage of various screenings at a reduced cost for the employee/spouse. As a result of screenings and discussions with the nurse, some employees have been referred for further medical evaluation. In addition, the wellness program encourages regular exercise. During 2002, the program elements were extended to include monthly paycheck “flyers”, which provides a variety of information in a single and simple one page format. Employees are encouraged to share the flyers with their families.

OTHER INFORMATION

Independent Audit

State statutes require an annual audit. Auditor of State, Betty Montgomery performed the December 31, 2002 audit. The auditor's report on the general purpose financial statements and combining statements and schedules is included in the financial section of this report.

Awards

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, 2001. 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 13th time for the year ended December 31, 2001. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

Acknowledgments

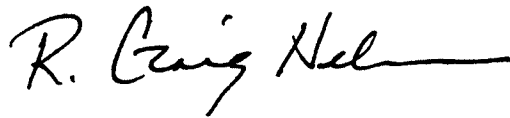
The preparation of the Comprehensive Annual Financial Report on a timely basis was made possible by the dedicated service of the entire staff of the City Auditor and other City departments. We express our sincere appreciation for the contributions made in the preparation of this report.

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.

Sincerely,



David E. Anderson
Director of Public Service and Safety



R. Craig Helmer
City Auditor

CITY OF TROY, OHIO

Listing of Principal City Officials

December 31, 2002

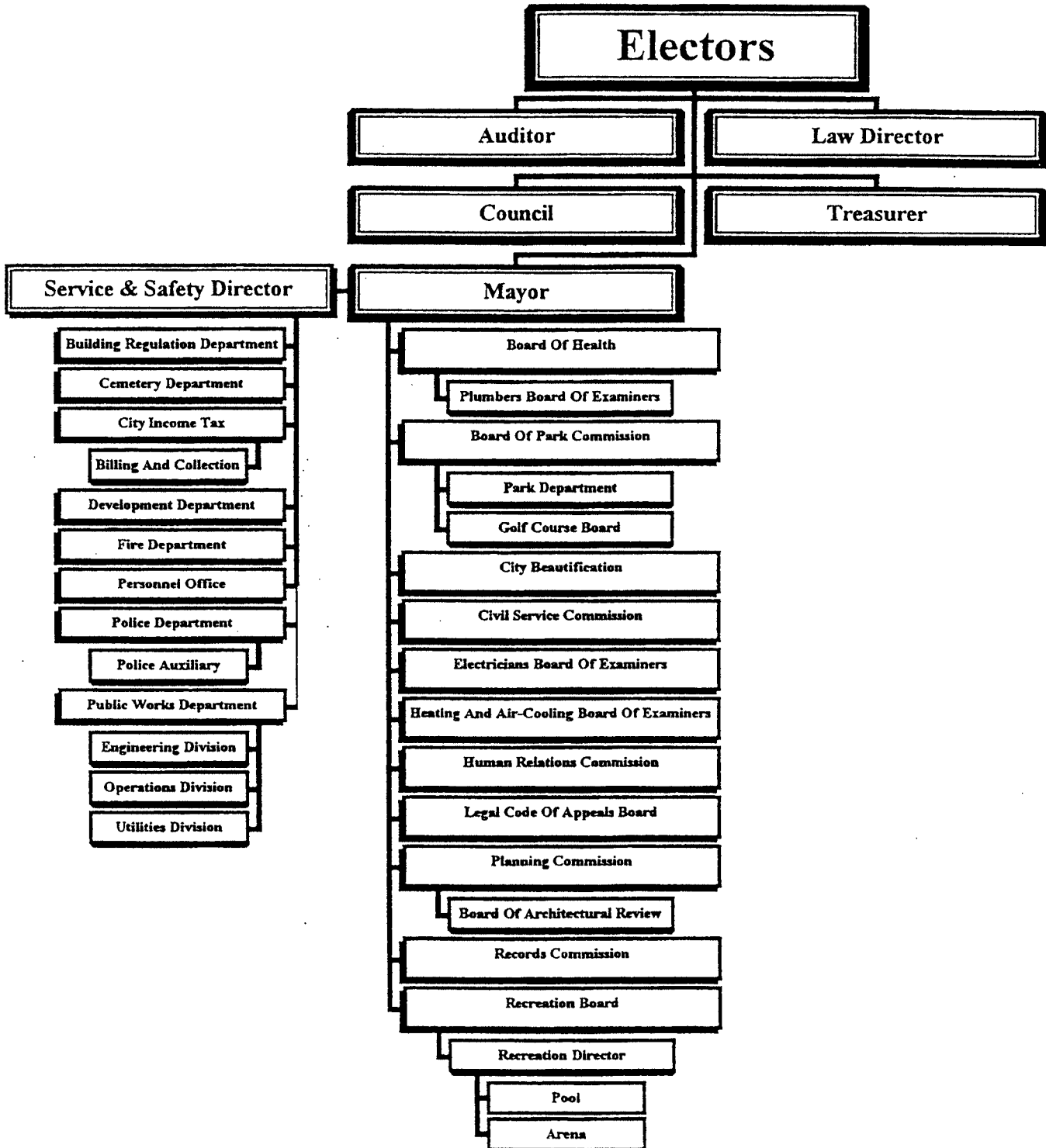
Elected Officials

Mayor	Peter E. Jenkins
President of Council	William F. Lohrer
Councilmember-at-Large	Michael L. Beamish
Councilmember-at-Large	Richard L. Cultice
Councilmember-at-Large	Shirley M. Saxton
Councilmember, First Ward	Craig E. Wise
Councilmember, Second Ward	Martha A. Baker
Councilmember, Third Ward	Ted S. Mercer
Councilmember, Fourth Ward	Raymond R. Bretland
Treasurer	Edward L. Cox
Director of Law	W. McGregor Dixon, Jr.
Auditor	R. Craig Helmer

Appointed Officials

Director of Public Service and Safety	David E. Anderson
Clerk of Council	Sue Knight

CITY OF TROY, OHIO



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, 2001

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Thomas A. Drew
President

Jeffrey L. Essler
Executive Director

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FINANCIAL
SECTION

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Honorable Mayor and City Council:

We have audited the accompanying general-purpose financial statements of the City of Troy, Miami County, (the City) as of and for the year ended December 31, 2002, as listed in the table of contents. These general-purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general-purpose 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Troy, Miami County, as of December 31, 2002, and the results of its operations and the cash flows of its proprietary fund type and nonexpendable trust fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 2, 2003, 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for additional analysis and are not a required part of the general-purpose financial statements. We subjected this information to the auditing procedures applied in the audit of the general-purpose financial statements. In our opinion, it is fairly stated in all material respects, in relation to the general-purpose financial statements taken as a whole.

One First National Plaza / 130 W. Second St. / Suite 2040 / Dayton, OH 45402
Telephone: (937) 285-6677 (800) 443-9274 Fax: (937) 285-6688
www.auditor.state.oh.us

City of Troy
Miami County
Independent Accountants' Report
Page 2

We did not audit the data included in the introductory and statistical sections of this report and therefore express no opinion thereon.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

BETTY MONTGOMERY
Auditor of State

May 2, 2003

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City of Troy, Ohio
 Combined Balance Sheet
 All Fund Types And Account Groups
 December 31, 2002

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Assets and other debits:				
Assets:				
Pooled cash and investments	\$2,355,346	\$7,893,232	\$284,361	\$6,498,158
Receivables (net of allowance for uncollectibles):				
Taxes	1,524,747	1,027,460	0	157,527
Accounts	535,647	14,497	0	0
Intergovernmental	947,109	822,462	0	461,550
Special assessments	8,202	0	584,246	287,042
Interest	9,454	13,494	45	0
Notes	0	1,734,304	0	0
Inventory	0	0	0	0
Fixed assets (net, where applicable of accumulated depreciation)	0	0	0	0
Other debits:				
Amount available in debt service fund	0	0	0	0
Amount to be provided for retirement of general long-term obligations	0	0	0	0
Total assets and other debits	<u>\$5,380,505</u>	<u>\$11,505,449</u>	<u>\$868,652</u>	<u>\$7,404,277</u>
Liabilities, equity and other credits:				
Liabilities:				
Accounts payable	\$155,563	\$35,999	\$0	\$118,105
Accrued wages and benefits	185,630	31,651	0	0
Interest payable	0	0	0	0
Retainage payable	1,695	0	0	58,720
Compensated absences	50,231	5,602	0	0
Due to others	0	0	0	0
Deferred revenue	2,461,024	808,530	584,246	748,592
Notes payable	0	0	0	0
General obligation bonds payable	0	0	0	0
Special assessment debt with government commitment	0	0	0	0
Total liabilities	<u>2,854,143</u>	<u>881,782</u>	<u>584,246</u>	<u>925,417</u>
Equity and Other Credits:				
Investment in general fixed assets	0	0	0	0
Contributed capital	0	0	0	0
Retained earnings - unreserved	0	0	0	0
Fund Balances:				
Reserved for encumbrances	707,676	380,551	0	3,407,540
Reserved for debt service	0	0	284,406	0
Reserved for notes receivable	0	1,734,304	0	0
Reserved for endowments	0	0	0	0
Unreserved, undesignated	1,818,686	8,508,812	0	3,071,320
Total equity and other credits	<u>2,526,362</u>	<u>10,623,667</u>	<u>284,406</u>	<u>6,478,860</u>
Total liabilities, equity and other credits	<u>\$5,380,505</u>	<u>\$11,505,449</u>	<u>\$868,652</u>	<u>\$7,404,277</u>

See accompanying notes.

Proprietary Fund Type	Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
		General Fixed Assets	General Long-Term Obligations	
Enterprise	Trust and Agency			
\$16,971,638	\$31,816,337	\$0	\$0	\$65,819,072
0	0	0	0	2,709,734
591,046	7,169	0	0	1,148,359
0	0	0	0	2,231,121
0	0	0	0	879,490
67,436	403,529	0	0	493,958
0	0	0	0	1,734,304
917,252	0	0	0	917,252
45,163,179	0	21,671,253	0	66,834,432
0	0	0	284,406	284,406
0	0	0	6,675,108	6,675,108
<u>\$63,710,551</u>	<u>\$32,227,035</u>	<u>\$21,671,253</u>	<u>\$6,959,514</u>	<u>\$149,727,236</u>
\$205,367	\$0	\$0	\$0	\$515,034
158,763	0	0	416,080	792,124
97,469	0	0	0	97,469
0	0	0	0	60,415
560,356	0	0	1,257,434	1,873,623
0	83,349	0	0	83,349
0	0	0	0	4,602,392
104,416	0	0	0	104,416
20,172,000	0	0	4,805,000	24,977,000
0	0	0	481,000	481,000
<u>21,298,371</u>	<u>83,349</u>	<u>0</u>	<u>6,959,514</u>	<u>33,586,822</u>
0	0	21,671,253	0	21,671,253
8,537,397	0	0	0	8,537,397
33,874,783	0	0	0	33,874,783
0	0	0	0	4,495,767
0	0	0	0	284,406
0	0	0	0	1,734,304
0	273,718	0	0	273,718
0	31,869,968	0	0	45,268,786
<u>42,412,180</u>	<u>32,143,686</u>	<u>21,671,253</u>	<u>0</u>	<u>116,140,414</u>
<u>\$63,710,551</u>	<u>\$32,227,035</u>	<u>\$21,671,253</u>	<u>\$6,959,514</u>	<u>\$149,727,236</u>

City of Troy, Ohio
 Combined Statement of Revenues, Expenditures
 And Changes in Fund Balances
 All Governmental Fund Types And
 Expendable Trust Funds
 For the Year Ended December 31, 2002

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Revenues:				
Taxes	\$2,765,812	\$8,388,723	\$375,000	\$1,648,118
Fines, licenses and permits	126,690	22,881	0	0
Intergovernmental	1,935,367	1,033,942	0	60,000
Special assessments	1,127	0	104,588	13,190
Charges for services	998,984	217,683	0	0
Investment earnings	609,814	162,536	2,999	0
Other	1,218,498	133,869	6,569	0
Total revenues	7,656,292	9,959,634	489,156	1,721,308
Expenditures:				
Current:				
General government	2,905,606	875,279	0	0
Public safety	7,330,132	0	0	0
Public health and welfare	0	407,651	0	0
Leisure time activities	1,524,109	107,073	0	0
Community development	625,421	27,361	0	73,296
Basic utility service	1,281,122	0	0	0
Transportation and street repair	0	2,227,376	0	0
Capital outlay	0	43,689	0	3,516,354
Debt service:				
Principal	0	0	568,000	0
Interest	0	0	159,172	55,000
Other	0	0	6,395	0
Total expenditures	13,666,390	3,688,429	733,567	3,644,650
Excess (deficiency) of revenue over (under) expenditures	(6,010,098)	6,271,205	(244,411)	(1,923,342)
Other financing sources (uses):				
Proceeds of bonds	0	0	0	3,055,000
Operating transfers - in	9,890,692	1,790,000	164,000	1,052,000
Operating transfers - (out)	(3,460,000)	(8,870,000)	0	0
Total other financing sources (uses)	6,430,692	(7,080,000)	164,000	4,107,000
Excess (deficiency) of revenue and other financing sources over (under) expenditures and other financing uses	420,594	(808,795)	(80,411)	2,183,658
Fund balance, Beginning of year	2,105,768	11,432,462	364,817	4,295,202
Fund balance, End of year	\$2,526,362	\$10,623,667	\$284,406	\$6,478,860

See accompanying notes.

<u>Fiduciary Fund Type</u>	<u>Totals</u>
<u>Expendable Trust</u>	<u>(Memorandum Only)</u>
\$0	\$13,177,653
0	149,571
0	3,029,309
0	118,905
44,079	1,260,746
1,490,089	2,265,438
55,131	1,414,067
<u>1,589,299</u>	<u>21,415,689</u>
64,576	3,845,461
0	7,330,132
0	407,651
15	1,631,197
0	726,078
0	1,281,122
0	2,227,376
0	3,560,043
0	568,000
0	214,172
0	6,395
<u>64,591</u>	<u>21,797,627</u>
<u>1,524,708</u>	<u>(381,938)</u>
0	3,055,000
0	12,896,692
<u>(1,020,692)</u>	<u>(13,350,692)</u>
<u>(1,020,692)</u>	<u>2,601,000</u>
504,016	2,219,062
<u>31,365,952</u>	<u>49,564,201</u>
<u>\$31,869,968</u>	<u>\$51,783,263</u>

City of Troy, Ohio
 Combined Statement of Revenues, Expenditures
 And Changes In Fund Balance
 Budget And Actual (Non-GAAP Basis)
 All Governmental Fund Types
 For the Year Ended December 31, 2002

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Taxes	\$2,678,908	\$2,762,906	\$83,998	\$8,217,255	\$8,342,350	\$125,095
Fines, licenses and permits	107,000	126,824	19,824	21,100	24,601	3,501
Intergovernmental	2,008,569	1,938,324	(70,245)	1,149,937	1,034,188	(115,749)
Special assessments	1,000	1,127	127	0	0	0
Charges for services	964,738	1,072,170	107,432	200,300	213,951	13,651
Investment earnings	415,000	603,286	188,286	152,385	159,423	7,038
Other	1,099,000	1,212,041	113,041	235,100	553,223	318,123
Total revenues	7,274,215	7,716,678	442,463	9,976,077	10,327,736	351,659
Expenditures:						
Current:						
General government	3,281,286	3,060,974	220,312	1,131,260	883,200	248,060
Security of persons and property	8,187,217	7,384,300	802,917	17,000	0	17,000
Public health and welfare	0	0	0	450,515	424,160	26,355
Leisure time activities	1,828,523	1,676,937	151,586	176,730	147,783	28,947
Community development	822,466	670,386	152,080	706,500	706,467	33
Basic utility services	1,736,933	1,611,089	125,844	0	0	0
Transportation	0	0	0	2,878,160	2,430,971	447,189
Other	0	0	0	0	0	0
Capital outlay	0	0	0	111,373	46,622	64,751
Debt service:						
Principal	0	0	0	0	0	0
Interest	0	0	0	0	0	0
Total expenditures	15,856,425	14,403,686	1,452,739	5,471,538	4,639,203	832,335
Excess (deficiency) of revenue over (under) expenditures	(8,582,210)	(6,687,008)	1,895,202	4,504,539	5,688,533	1,183,994
Other financing sources (uses):						
Proceeds of bonds	0	0	0	0	0	0
Operating transfers - in	10,260,001	9,890,692	(369,309)	1,790,000	1,790,000	0
Operating transfers - (out)	(3,520,000)	(3,460,000)	60,000	(10,227,716)	(8,870,000)	1,357,716
Total other financing sources (uses)	6,740,001	6,430,692	(309,309)	(8,437,716)	(7,080,000)	1,357,716
Excess (deficiency) of revenue and other financing sources over (under) expenditures and other financing uses	(1,842,209)	(256,316)	1,585,893	(3,933,177)	(1,391,467)	2,541,710
Fund balance, Beginning of year	1,848,505	1,848,505	0	8,864,043	8,864,043	0
Fund balance, End of year	\$6,296	\$1,592,189	\$1,585,893	\$4,930,866	\$7,472,576	\$2,541,710

See accompanying notes.

Debt Service Fund			Capital Projects Funds			Totals (Memorandum Only)		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$375,000	\$375,000	\$0	\$1,565,000	\$1,640,569	\$75,569	\$12,836,163	\$13,120,825	\$284,662
0	0	0	0	0	0	128,100	151,425	23,325
0	0	0	662,450	60,000	(602,450)	3,820,956	3,032,512	(788,444)
107,000	104,588	(2,412)	0	13,190	13,190	108,000	118,905	10,905
0	0	0	0	0	0	1,165,038	1,286,121	121,083
4,000	3,301	(699)	0	0	0	571,385	766,010	194,625
0	2,163	2,163	0	0	0	1,334,100	1,767,427	433,327
<u>486,000</u>	<u>485,052</u>	<u>(948)</u>	<u>2,227,450</u>	<u>1,713,759</u>	<u>(513,691)</u>	<u>19,963,742</u>	<u>20,243,225</u>	<u>279,483</u>
0	0	0	0	0	0	4,412,546	3,944,174	468,372
0	0	0	0	0	0	8,204,217	7,384,300	819,917
0	0	0	0	0	0	450,515	424,160	26,355
0	0	0	0	0	0	2,005,253	1,824,720	180,533
0	0	0	100,738	73,281	27,457	1,629,704	1,450,134	179,570
0	0	0	0	0	0	1,736,933	1,611,089	125,844
0	0	0	0	0	0	2,878,160	2,430,971	447,189
9,500	6,395	3,105	0	0	0	9,500	6,395	3,105
0	0	0	7,565,397	6,949,915	615,482	7,676,770	6,996,537	680,233
568,000	568,000	0	0	0	0	568,000	568,000	0
159,172	159,172	0	0	0	0	159,172	159,172	0
<u>736,672</u>	<u>733,567</u>	<u>3,105</u>	<u>7,666,135</u>	<u>7,023,196</u>	<u>642,939</u>	<u>29,730,770</u>	<u>26,799,652</u>	<u>2,931,118</u>
<u>(250,672)</u>	<u>(248,515)</u>	<u>2,157</u>	<u>(5,438,685)</u>	<u>(5,309,437)</u>	<u>129,248</u>	<u>(9,767,028)</u>	<u>(6,556,427)</u>	<u>3,210,601</u>
0	4,406	4,406	3,000,000	3,000,000	0	3,000,000	3,004,406	4,406
164,000	164,000	0	390,000	1,052,000	662,000	12,604,001	12,896,692	292,691
0	0	0	0	0	0	(13,747,716)	(12,330,000)	1,417,716
<u>164,000</u>	<u>168,406</u>	<u>4,406</u>	<u>3,390,000</u>	<u>4,052,000</u>	<u>662,000</u>	<u>1,856,285</u>	<u>3,571,098</u>	<u>1,714,813</u>
(86,672)	(80,109)	6,563	(2,048,685)	(1,257,437)	791,248	(7,910,743)	(2,985,329)	4,925,414
364,470	364,470	0	4,229,953	4,229,953	0	15,306,971	15,306,971	0
<u>\$277,798</u>	<u>\$284,361</u>	<u>\$6,563</u>	<u>\$2,181,268</u>	<u>\$2,972,516</u>	<u>\$791,248</u>	<u>\$7,396,228</u>	<u>\$12,321,642</u>	<u>\$4,925,414</u>

City of Troy, Ohio
 Combined Statement of Revenues, Expenses
 And Changes In Retained Earnings/Fund Balances
 All Proprietary Fund Types And
 Non-Expendable Trust Funds
 For the Year Ended December 31, 2002

	Proprietary Fund Type	Fiduciary Fund Type	Totals
	Enterprise	Non-Expendable Trust	(Memorandum Only)
Operating revenues:			
Charges for services	\$9,373,539	\$0	\$9,373,539
Investment earnings	0	12,240	12,240
Fines, licenses and permits	5,405	0	5,405
Other	218,550	55	218,605
Total operating revenue	9,597,494	12,295	9,609,789
Operating expenses:			
Leisure time activities	1,400,192	0	1,400,192
Public health and welfare	0	10,528	10,528
Basic utility service	4,647,911	0	4,647,911
Depreciation	1,709,624	0	1,709,624
Transportation	53,155	0	53,155
Total operating expenses	7,810,882	10,528	7,821,410
Operating income	1,786,612	1,767	1,788,379
Nonoperating revenues (expenses):			
Investment earnings	659,523	0	659,523
Interest expense	(1,093,714)	0	(1,093,714)
Capital contributions	1,078,687	0	1,078,687
Total nonoperating revenues (expenses)	644,496	0	644,496
Income before operating transfers	2,431,108	1,767	2,432,875
Operating transfers:			
Operating transfers - in	454,000	0	454,000
Total operating transfers	454,000	0	454,000
Net income	2,885,108	1,767	2,886,875
Retained earnings/fund balances, Beginning of year	30,989,675	271,951	31,261,626
Retained earnings/fund balances, End of year	\$33,874,783	\$273,718	\$34,148,501

See accompanying notes.

City of Troy, Ohio
 Combined Statement Of Cash Flows
 All Proprietary Fund Types And
 Non-Expendable Trust Fund
 For the Year Ended December 31, 2002

	Proprietary Fund Type	Fiduciary Fund Type	Totals
	Enterprise	Non-Expendable Trust	(Memorandum Only)
Operating activities:			
Operating income (loss)	\$1,786,612	\$1,767	\$1,788,379
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	1,709,624	0	1,709,624
Changes in assets and liabilities:			
(Increase) decrease in receivables	(52,699)	389	(52,310)
(Increase) decrease in inventory	(436,308)	0	(436,308)
Increase (decrease) in payables	(29,731)	0	(29,731)
Increase (decrease) in accrued liabilities	3,072	0	3,072
Increase (decrease) in other liabilities	18,128	0	18,128
Net cash provided (used) by operating activities	<u>2,998,698</u>	<u>2,156</u>	<u>3,000,854</u>
Noncapital financing activities:			
Operating transfers - in	454,000	0	454,000
Net cash provided (used) by noncapital financing Activities	<u>454,000</u>	<u>0</u>	<u>454,000</u>
Capital and related financing activities:			
Proceeds from issuance of debt	1,000,000	0	1,000,000
Principal paid	(1,114,766)	0	(1,114,766)
Interest paid	(1,023,131)	0	(1,023,131)
Acquisition of fixed assets	(1,657,675)	0	(1,657,675)
Capital contributions	1,078,687	0	1,078,687
Net cash provided (used) by capital and related Financing activities	<u>(1,716,885)</u>	<u>0</u>	<u>(1,716,885)</u>
Investing activities:			
Investment earnings	618,352	0	618,352
Net cash provided (used) by investing activities	<u>618,352</u>	<u>0</u>	<u>618,352</u>
Net increase (decrease) in cash	2,354,165	2,156	2,356,321
Cash, Beginning of year	14,617,473	268,880	14,886,353
Cash, End of year	16,971,638	271,036	\$17,242,674
Add:			
Expendable trust fund cash	0	31,461,952	
Agency fund cash	0	83,349	
Cash, End of year per balance sheet	\$16,971,638	\$31,816,337	

See accompanying notes.

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CITY OF TROY, OHIO

Notes To Financial Statements December 31, 2002

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. 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.

For financial reporting purposes, the City's financial statements include all funds, account groups, and component units for which the City is financially accountable based upon criteria set forth in GASB Statement 14. Generally, component units are legally separate organizations for which the elected officials of the primary government (i.e. the City) are financially accountable. The City would consider an organization to be a component unit if:

1. The City appoints a voting majority of the organization's governing body; and (a) is able to impose its will on that organization; or (b) there is a potential for the organization to provide specific financial burdens on the City; or
2. The organization is fiscally dependent upon the City; or
3. The nature of the relationship between the City and the organization is such that the exclusion from the financial reporting entity would render the financial statements of the City misleading.

The City identified no component units.

B. Basis of Presentation

The financial reporting practices of the City conform to generally accepted accounting principles for local governments as prescribed by the Governmental Accounting Standards Board (GASB). The following is a summary of the more significant policies:

The accounts of the City are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures/expenses. The various funds are summarized by type in the combined financial statements. The following fund types and account groups are used by the City:

Governmental Fund Types:

General Fund - The general fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - The special revenue funds are used to account for revenues derived from specific taxes, grants, or other restricted revenue sources. The uses and limitations of each special revenue fund are specified by city ordinances or federal and state statutes or grant provisions.

Debt Service Fund - The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Capital Projects Funds - The capital projects funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds or trust funds).

Proprietary Fund Type:

Enterprise Funds - The enterprise funds account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Fiduciary Fund Types:

Trust and Agency Funds - Trust and agency funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. These include expendable trust, nonexpendable trust, and agency funds.

Account Groups:

Account groups are used to establish accounting control and accountability for the City's general fixed assets and general long-term obligations. Because these assets and obligations are long-term, they are neither spendable resources nor require current appropriation.

General Fixed Assets Account Group - This account group accounts for all fixed assets required for general City purposes, excluding fixed assets of the proprietary and fiduciary fund types.

General Long-Term Obligations Account Group - This account group accounts for long-term obligations of the City, except those accounted for in the proprietary and fiduciary fund types.

C. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The measurement focus of governmental funds and expendable trust funds is upon the flow of current financial resources. Governmental funds, expendable trust funds and agency funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become available and measurable. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period which for City purposes is considered to be 30 days after year-end.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal 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 non-exchange transactions must also be available before it can be recognized.

Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

The proprietary funds' and nonexpendable trust fund's measurement focus is upon the flow of economic resources. The proprietary funds and nonexpendable trust funds are accounted for using the accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred.

D. Budget

A budget of estimated cash receipts and disbursements is submitted to the county auditor, as secretary of the county budget commission, by July 20 of each year for the period January 1 to December 31, of the following year. Annual budgets are adopted for all funds.

Estimated Resources - The county budget commission certifies its actions to the City by September 1. As part of this examination the City receives the official certificate of estimated resources which states the projected receipts of each fund. On or about January 1, this certificate is amended to include any unencumbered balances from the preceding year. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure

Appropriations- A temporary appropriation measure to control cash disbursements may be passed on or about January 1 of each year for the period January 1 to March 31. An annual appropriation measure must be passed by April 1 of each year for the period January 1 to December 31. The appropriation measure may be amended or supplemented by City Council during the year as new information becomes available. (The budget may be revised by management without City Council approval if the revised budget does not exceed total appropriations at the fund level). Appropriations may not exceed estimated resources.

Expenditures may not legally exceed appropriations at the fund level for all budgeted funds. During the year, various supplemental appropriations were necessary.

Unencumbered appropriation balances lapse at year-end and revert to the respective funds from which they were originally appropriated, thus becoming available for future appropriation.

Encumbrances - The City of Troy is required to use the encumbrances method of accounting by Ohio law. Under this system, purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve the portion of the applicable appropriation.

Encumbrances outstanding at year end for governmental funds are reported as reservations of fund balances and do not represent expenditures or liabilities.

Budget Basis of Accounting - While reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP basis), the budgetary basis as provided by law is based upon accounting for transactions on a basis of cash receipts and disbursements.

The Combined Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - All Governmental Fund Types are presented on the budgetary basis to provide a relevant comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are:

- * Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
- * Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
- * Encumbrances are recorded as the equivalent of expenditures (budget) as opposed to reservation of fund balance (GAAP).

The adjustments necessary to convert results of operations at the end of the year on the GAAP basis to the budget basis are as follows:

**Excess of Revenues and Other Sources Over
(Under) Expenditures and Other Uses**

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
GAAP Basis (As Reported)	\$ 420,594	(\$808,795)	(\$80,411)	\$2,183,658
Adjustments:				
Revenue accruals, net	60,386	368,102	302	(62,549)
Expenditure accruals, net	13,538	(547,791)	0	147,099
Encumbrances	<u>(750,834)</u>	<u>(402,983)</u>	<u>0</u>	<u>(3,525,645)</u>
BUDGET BASIS	<u>(\$256,316)</u>	<u>(\$1,391,467)</u>	<u>(\$80,109)</u>	<u>(\$1,257,437)</u>

E. Inventory

Inventories of proprietary funds are stated at the lower of cost or market. Cost is determined on a first-in, first-out basis. Inventories of proprietary funds consist of materials and supplies inventory.

F. Fixed Assets

Fixed assets used in governmental fund type operations are accounted for in the general fixed assets account group. No depreciation is recorded for general fixed assets.

Fixed assets used in proprietary fund type operations are recorded in the enterprise funds. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. The following lives are used:

Automobiles and Trucks	5-20 years
Machinery and Equipment	5-20 years
Buildings and Improvements	15-40 years

Public domain assets (infrastructure) such as roads, bridges, curbs and gutters, streets and sidewalks, and drainage systems are not capitalized.

Fixed assets are valued at historical cost, or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair market value at the time received. Interest on constructed fixed assets is capitalized.

G. Interfund Transactions

During the course of normal operations, the City has numerous transactions among funds, most of which are in the form of transfers of resources to provide services, construct assets and service debt. The accompanying financial statements generally reflect such transactions as operating transfers. The classification of amounts recorded as subsidies, advances, or equity contributions is determined by City management.

H. Fund Balance Reserves

Reserves indicate portions of fund equity legally segregated for a specific future use and/or not appropriate for expenditures.

I. Grants and Other Intergovernmental Revenues

Federal grants and assistance awards made on the basis of entitlement periods are recorded as intergovernmental receivables and revenues when entitlement occurs. All other reimbursement-type grants are recorded as intergovernmental receivables and revenues when the related expenditures are incurred.

J. 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. Amounts that are not expected to be liquidated with expendable available financial resources are reported in the General Long-Term Obligations Account Group. Compensated absences of Proprietary Funds are recorded as an expense and liability of the respective proprietary fund.

K. Pooled Cash and Investments

Cash and investment balances of the City's funds, except cash held by a trustee or fiscal agent, are pooled and invested in short-term investments in order to provide improved cash management. Investments are stated at fair value. The fair value of investments was determined through the use of published market values. For purposes of the combined statement of cash flows and for presentation on the combined balance sheet, investments with original maturities of three months or less are considered to be cash and cash equivalents.

For purposes of the Statement of Cash Flows (GASB Statement 9) the proprietary fund type portion of cash and investments is considered to be liquid because its portion of the cash and investment pool can be accessed without prior notice or penalty.

L. Total Columns on Combined Financial Statements

Total columns on the combined financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not represent financial position, results of operations, or cash flows in conformity with generally accepted accounting principles, nor is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

M. Proprietary Fund Accounting

In accordance with GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting", the City applies all GASB pronouncements and all FASB Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins issued on or before November 30, 1989, unless they conflict with GASB pronouncements.

2. PROPERTY TAXES

Property taxes include amounts levied against all real and public utility property, and tangible personal property used in business, located in the City. Real property taxes are levied each January 1 on the assessed value listed as of the prior January 1.

Assessed values are established by the County Auditor at 35% of appraised market value for real property. A revaluation of all real property is required to be completed every six years, with a statistical update every third year. The last revaluation was completed in 2001. Public utility property taxes on tangible personal property are assessed at true value (generally net book value). Tangible personal property used in business (except public utility business) is assessed at 25% of average value for inventories and 25% of true value for all other personal property.

The property tax calendar is as follows:

Levy Date	January 1, 2001
Lien Date	January 1, 2002
Tax Bill Mailed	January 20, 2002
First Installment Payment Due	February 15, 2002
Second Installment Payment Due	July 15, 2002

The assessed valuation upon which the 2001 levy was based is as follows:

	<u>Assessed Value</u>
Real Property (Other Than Public Utility)	\$349,997,450
Public Utility Real and Personal Tangible Property	11,007,460
Tangible Personal Property (Other Than Public Utility)	<u>129,422,940</u>
 Total Assessed Valuation	 <u>\$490,427,850</u>

In accordance with NCGA Statement 1, property taxes that are measurable but not available at fiscal year end are recorded as a receivable with the corresponding revenue deferred until available. Delinquent property tax amounts, net of allowance for uncollectibles, are recorded if material in amount.

3. RECEIVABLES

Receivables at December 31, 2002 consist of the following:

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Enterprise</u>	<u>Trust and Agency</u>	<u>Total</u>
Receivables							
Taxes	\$1,524,747	\$1,027,460	\$ 0	\$157,527	\$ 0	\$ 0	\$2,709,734
Accounts	535,647	14,497	0	0	624,646	7,169	1,181,959
Intergovernmental	947,109	822,462	0	461,550	0	0	2,231,121
Special Assessments	8,202	0	584,246	287,042	0	0	879,490
Notes	0	1,734,304	0	0	0	0	1,734,304
Interest	<u>9,454</u>	<u>13,494</u>	<u>45</u>	<u>0</u>	<u>67,436</u>	<u>403,529</u>	<u>493,958</u>
Gross Receivables	\$3,025,159	\$3,612,217	\$584,291	\$906,119	\$692,082	\$410,698	\$9,230,566
Less: Allowance For Uncollectibles	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(33,600)</u>	<u>0</u>	<u>(33,600)</u>
Net Receivables	<u>\$3,025,159</u>	<u>\$3,612,217</u>	<u>\$584,291</u>	<u>\$906,119</u>	<u>\$658,482</u>	<u>\$410,698</u>	<u>\$9,196,966</u>

4. RETIREMENT SYSTEM

A. Public Employees Retirement System

Plan Description: The City of Troy contributes to PERS, a cost-sharing multiple-employer defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Chapter 145 of the Ohio Revised Code (ORC) assigns the authority to establish and amend benefit provisions to the PERS Retirement Board. PERS issues a publicly available financial report that includes financial statements and required supplementary information. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio, 43215-4642 or by calling (614) 466-2085.

Funding Policy: The ORC provides statutory authority for employee and employer contributions. The employee contribution rate is 8.5%. For local government employer units the rate is 13.55% of covered payroll. Required employer contributions are equal to 100% of the dollar amount billed to each employer and must be extracted from the employer's records. The contribution requirements of plan members and the City of Troy are established and may be amended by the PERS Retirement Board. The City's contributions for the years ending December 31, 2002, 2001, and 2000 were \$799,317, \$771,133, and \$585,061 respectively; 86% has been contributed for fiscal year 2002 and 100% for fiscal years 2001 and 2000.

Other Postemployment Benefits

In addition to the pension benefit obligation described above, the PERS of Ohio also provides postemployment health care benefits to age and service retirants with ten (10) or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. A portion of each employer's contribution to PERS is set-aside for the funding of post retirement health care. The Ohio Revised Code provides statutory authority for employer contributions and requires employers to fund postretirement health care through their contributions to PERS. The portion of the current year employer contribution rate (identified above) that was used to fund health care for the year was 5.00% of covered payroll, which amounted to \$294,951.

The significant assumptions and calculations described below were based on the PERS of Ohio's latest unaudited information as of December 31, 2001. There were 402,041 active contributing participants. Estimated net assets available for future benefits payments were \$11.6 billion. Estimated accrued liability and the unfunded estimated accrued liability, based on the actuarial cost method used, were \$16.4 billion and \$4.8 billion, respectively. Benefits are financed through employer contributions and investment earnings there on. The contributions, investment income and periodic adjustment in health care provisions are expected to be sufficient to sustain the program indefinitely.

B. Police and Firemen's Disability and Pension Fund

The City of Troy contributes to the Ohio Police and Fire Pension Fund (OP&F); a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Contribution requirements and benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. The OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Plan members are required to contribute 10.0% of their annual covered salary, while employers are required to contribute 19.5% and 24.0%, respectively for police officers and firefighters. The City's contributions to OP&F for the years ending December 31, 2002, 2001, and 2000 were \$974,685, \$918,712, and \$898,571, respectively; 78% has been contributed for fiscal year 2002 and 100% for fiscal years 2001 and 2000.

Other Post-retirement Benefits

The OP&F provides post-retirement health care coverage to any person who receives or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school or under the age of 22 if attending school full-time or on a two-thirds basis. The Ohio Revised Code provides statutory authority for employer contributions and allows the Fund's Board of Trustees to provide post-retirement health care coverage to all eligible individuals from the employer's contributions to the OP&F. Most retirees are required to contribute a portion of the cost of their health care coverage.

The portion of the current year City contribution that was used to fund post-retirement health care benefits was \$178,955 representing 7.75% of covered payroll and \$169,341 representing 7.75% of covered payroll for police and fire respectively. Funding and accounting are on a pay-as-you-go basis.

As of December 31, 2001, the number of participants eligible to receive health care benefits was 13,174 for police and 10,239 for fire. The OP&F System of Ohio does not provide separate data on the funded status and funding progress of post-retirement health care benefits. The Fund's total health care expenses for the year ended December 31, 2001 (latest available information) were \$122,298,771, which was net of member contributions of \$6,874,699.

5. ENTERPRISE FUND DEBT

	<u>Beginning Balance</u>	<u>Increase (Decrease)</u>	<u>Ending Balance</u>
<u>General Obligation Bonds:</u>			
Sewer system improvements, 6.25%	\$350,000	(\$70,000)	\$280,000
Water system improvement, 3.35%-5.30%	2,110,000	(175,000)	1,935,000
Wastewater system improvement 3.70% to 5.375%	3,635,000	(185,000)	3,450,000
Wastewater system improvements, 3.35% to 5.30%	3,080,000	(115,000)	2,965,000
Water Plant Expansion, 4.10% to 5.00%	4,170,000	(190,000)	3,980,000
Water Plant Expansion II, 4.375% to 5.00%	6,080,000	(255,000)	5,825,000
Golf Course improvements, 5.75%	325,000	(58,000)	267,000
Wastewater Plant improvements, interest free loan	475,000	(25,000)	450,000
Waterline Extension, 2.50% to 4.00%	0	1,020,000	1,020,000
<u>Notes Payable:</u>			
Ohio Water Development Authority:			
Sewer system improvements, 5.50%	<u>146,182</u>	<u>(41,766)</u>	<u>104,416</u>
TOTAL	<u>\$20,371,182</u>	<u>(\$94,766)</u>	<u>\$20,276,416</u>

	<u>General Obligation Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2003	\$1,196,000	\$1,014,957
2004	1,240,000	949,071
2005	1,314,000	894,914
2006	1,347,000	836,030
2007-2011	7,015,000	3,186,737
2012-2016	6,685,000	1,324,093
2017-2020	<u>1,375,000</u>	<u>105,675</u>
Total	<u>\$20,172,000</u>	<u>\$8,311,477</u>

The above general obligation bonds are repaid from the resources of the associated water, sewer, and golf course funds.

	<u>Note Payable - Ohio Water Development Authority</u>	
	<u>Principal</u>	<u>Interest</u>
2003	\$41,766	\$5,169
2004	41,766	2,872
2005	<u>20,884</u>	<u>574</u>
Total	<u>\$104,416</u>	<u>\$8,615</u>

The Ohio Water Development Authority note is repaid from the resources of the sewer fund.

6. GENERAL LONG-TERM OBLIGATIONS

	<u>Beginning Balance</u>	<u>Increase (Decrease)</u>	<u>Ending Balance</u>
<u>General Obligation Bonds:</u>			
Central maintenance facility, 6.25%	\$ 400,000	(\$80,000)	\$320,000
Storm sewer improvements, 6.25%	150,000	(30,000)	120,000
Storm sewer improvements, 7.125%	275,000	(35,000)	240,000
Storm sewer improvements, 6.00%	70,000	(35,000)	35,000
Safety Facilities, 3.70% to 4.80%	1,350,000	(315,000)	1,035,000
Stadium Improvements, 2.50% to 5.25%	0	3,055,000	3,055,000
<u>Special Assessment Bonds</u>			
<u>With Government Commitment:</u>			
Street improvements, 8.5%	36,000	(9,000)	27,000
Street improvements, 3.35%	100,000	(10,000)	90,000
Street improvements, 7.125%	98,000	(14,000)	84,000
Street improvements, 7.35%	320,000	(40,000)	280,000
Accrued Wages & Benefits	359,228	56,852	416,080
Compensated absences	<u>1,235,702</u>	<u>21,732</u>	<u>1,257,434</u>
Total General			
Long-Term Obligations	<u>\$4,393,930</u>	<u>\$2,565,584</u>	<u>\$6,959,514</u>

The accrued wages and benefits amount above represents pension contributions that are not expected to be liquidated with expendable available financial resources.

The annual requirements to pay principal and interest on general long-term obligations at December 31, 2002 are as follows:

	<u>General Obligation Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2003	\$570,000	\$273,528
2004	605,000	192,749
2005	620,000	164,610
2006	265,000	134,910
2007-2020	<u>2,745,000</u>	<u>1,176,368</u>
Total	<u>\$4,805,000</u>	<u>\$1,942,165</u>

The preceding general obligation bonds are repaid from the resources of the debt service fund.

	<u>Special Assessment Bonds With Government Commitment</u>	
	<u>Principal</u>	<u>Interest</u>
2003	\$73,000	\$33,040
2004	73,000	27,913
2005	73,000	22,775
2006	64,000	17,628
2007-2011	<u>198,000</u>	<u>27,983</u>
Total	<u>\$481,000</u>	<u>\$129,339</u>

The special assessment bonds with government commitment are backed by the full faith and credit of the City and are repaid from the resources of the debt service fund. The City levies an assessment against the effected property owners.

7. FIXED ASSETS

A summary of changes in general fixed assets is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Land	\$3,517,874	\$ 89,120	\$ 0	\$ 3,606,994
Buildings & Improvements	7,312,494	2,586,072	(8,375)	9,890,191
Machinery & Equipment	7,561,480	1,073,723	(461,135)	8,174,068
Construction in Progress	<u>2,148,974</u>	<u>481,385</u>	<u>(2,630,359)</u>	<u>0</u>
Total	<u>\$20,540,822</u>	<u>\$4,230,300</u>	<u>(\$3,099,869)</u>	<u>\$21,671,253</u>

A summary of enterprise fund fixed assets is as follows:

	<u>Ending Balance</u>
Land	\$1,111,031
Buildings & Improvements	56,593,428
Machinery & Equipment	8,225,345
Construction in Progress	<u>508,071</u>
Total	\$66,437,875
Less:	
Accumulated Depreciation	<u>(21,274,696)</u>
Net Fixed Assets	<u>\$45,163,179</u>

8. CASH AND INVESTMENTS

The Municipality maintains a cash and investment pool used by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as Pooled Cash and Investments.

Legal Requirements

Statutes require the classification of monies held by the Municipality into three categories. Category 1 consists of "active" monies, those monies required to be kept in a "cash or "near cash" status for immediate use by the Municipality. Such monies must be maintained either as cash in the Municipal treasury or in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts.

Category 2 consists of "inactive" monies, those monies not required for use within the current two-year period of designation of depositories. Inactive monies may be deposited or invested only as certificates of deposit maturing not later than the end of the current period of designation of depositories.

Category 3 consists of "interim" monies, those monies which are not needed for immediate use but which will be needed before the end of the current period of depositories.

State legislation permits interim monies to be deposited or invested in the following securities:

1. United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal and interest by the United States;

2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct insurances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. Under limited circumstances, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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 of 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

At year-end, the carrying amount of the Municipality's deposits was \$2,587,898 and the bank balance was \$2,745,014. Of the bank balance:

1. \$900,091 was covered by federal depository insurance.
2. \$1,844,923 was covered by collateral held by third- party trustees pursuant to Section 135.181, Revised Code, in collateral pools securing all public funds on deposit with specific depository institutions. The entire amount above is defined by GASB statement No. 3 as being collateralized with securities held by the pledging financial institution's trust department or agent in the City's name.

During the year the City invested in the State Treasury Asset Reserve of Ohio (STAR Ohio). STAR 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 does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's quoted share price at year-end.

Investments

The Municipality's investments are categorized below to give an indication of the level of risk assumed by the entity at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the Municipality in the Municipality's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the Municipality's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department but not in the Municipality's name.

	<u>Category</u>			<u>Carrying Value/ Fair Value</u>
	<u>1</u>	<u>2</u>	<u>3</u>	
Federal Government				
Securities	\$ 0	\$46,735,901	\$ 0	\$46,735,901
Repurchase Agreement	0	0	5,819,644	5,819,644
Commercial Paper	0	3,000,000	0	3,000,000
Troy General Long-Term				
Debt Obligations Held By				
Expendable Trust Fund	267,000	0	0	267,000
Troy Enterprise Fund				
Bond Held by Expendable				
Trust Fund	35,000	0	0	35,000
Money Market Fund	0	0	5,260,440	5,260,440
Bankers Acceptance	0	400,000	0	400,000
STAR Ohio (1)	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>1,713,189</u>
Total	<u>\$302,000</u>	<u>\$50,135,901</u>	<u>\$11,080,084</u>	<u>\$63,231,174</u>

(1) Investment is not categorized because it is not evidenced by securities that exist in physical or book entry form.

9. SEGMENT INFORMATION FOR ENTERPRISE FUNDS

Included in the services provided by the City which are financed primarily by user charges are delivery of water, collection and disposal of sewerage, recreation, and parking meters. The key financial information for the year ended December 31, 2002 for these enterprise activities is as follows:

	<u>Water</u>	<u>Sanitary Sewer</u>	<u>Swimming Pool</u>	<u>Hobart Arena</u>	<u>Miami Shores</u>	<u>Parking Meter</u>	<u>Stadium</u>	<u>Total Enterprise</u>
Operating Revenues	\$4,647,881	\$4,039,985	\$46,849	\$245,876	\$591,122	\$18,336	\$7,445	\$9,597,494
Operating Expenses								
Before Depreciation	2,120,857	2,527,054	107,639	623,712	649,621	53,155	19,220	6,101,258
Depreciation	785,052	695,097	9,845	118,591	100,588	451	0	1,709,624
Operating Income (Loss)	1,741,972	817,834	(70,635)	(496,427)	(159,087)	(35,270)	(11,775)	1,786,612
Net Non-Operating								
Revenues (Expenses)	8,098	267,529	0	0	(8,911)	2,389	375,391	644,496
Net Income (Loss) Before								
Operating Transfers	1,750,070	1,085,363	(70,635)	(496,427)	(167,998)	(32,881)	363,616	2,431,108
Operating Transfer, Net	0	0	100,000	315,000	0	39,000	0	454,000
Net Income (Loss)	1,750,070	1,085,363	29,365	(181,427)	(167,998)	6,119	363,616	2,885,108
Contributed Capital	3,266,935	3,446,679	0	1,823,783	0	0	0	8,537,397
Fixed Asset Additions	546,026	1,456,605	8,155	2,400	56,554	0	375,391	2,445,131
Fixed Asset Disposals	(56,859)	(779,007)	0	0	(47,316)	0	0	(883,182)
Net Working Capital	9,294,552	7,850,644	59,618	70,774	66,441	59,025	19,947	17,421,001
Total Assets	31,937,487	27,270,144	148,745	2,796,688	857,080	255,431	444,976	63,710,551
Total Liabilities	13,303,570	7,575,357	888	47,865	367,883	2,808	0	21,298,371
Total Fund Equity	18,633,917	19,694,787	147,857	2,748,823	489,197	252,623	444,976	42,412,180

10. CONTRIBUTED CAPITAL

During the year, contributed capital increased as follows:

	<u>Water Fund</u>	<u>Sanitary Sewer Fund</u>	<u>Hobart Arena</u>	<u>Total</u>
Contributed Capital, Beginning of Year	\$3,266,935	\$3,446,679	\$1,823,783	\$8,537,397
Capital Contributed by Developers	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Contributed Capital, End of Year	<u>\$3,266,935</u>	<u>\$3,446,679</u>	<u>\$1,823,783</u>	<u>\$8,537,397</u>

In accordance with GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions", capital contributions received after December 31, 2000 are recorded as revenue in the proprietary funds.

11. CONSTRUCTION AND OTHER COMMITMENTS

At December 31, 2002, uncompleted construction contracts are as follows:

<u>Description</u>	<u>Remaining Commitment</u>
Water Treatment Plant	\$ 119,071
Stadium Improvements	2,806,288
Wastewater Treatment Plant	302,179
West Market Street Improvements	959,573
Other	<u>537,343</u>
Total	<u>\$4,724,454</u>

The City has no material lease commitments.

12. RISK MANAGEMENT

A. In 1988 the City entered into a joint insurance pool, Miami Valley Risk Management Association, Inc. (MVRMA, Inc.) with five other local cities. At year-end, the pool has sixteen members and 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 limits stated below, with increased emphasis on safety and loss prevention and to create an opportunity for other local governments to participate. MVRMA, Inc. is a corporation governed by a sixteen-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 books of account. Budgeting and financing of MVRMA, Inc. is subject to the approval of the board. For the year ended December 31, 2002, the loss fund contribution factors were

Beavercreek 8.54%, Blue Ash 7.24%, Indian Hill 2.78%, Kettering 16.90%, Madeira 1.61%, Mason 5.41%, Miamisburg 11.70%, Montgomery 3.41%, Sidney 9.26%, Springdale 5.74%, Tipp City 2.20%, Troy 7.97%, Vandalia 5.14%, West Carrollton 4.74%, Wilmington 4.93%, and Wyoming 2.43%. There was no joint venture debt at year-end.

A summary of financial information as of December 31, 2001, (latest information available) is as follows:

Current Assets	\$6,199,382
Total Assets	\$6,227,638
Current Liabilities	\$3,643,395
Long-Term Liabilities	\$ 0

The following is a summary of insurance coverage at year-end:

General Liability (including Police Professional Liability)	\$10,500,000 per occurrence
Automobile Liability	\$10,500,000 per occurrence
Public Officials Liability	\$500,000 excess (\$500,000 Aggregate) \$10M excess \$1M (\$10M Aggregate per city)
Boiler & Machinery	\$100,000,000 per occurrence
Property	\$100,000,000 per occurrence
Flood (Property)	\$25,000,000 annual aggregate (excludes Zone A) \$500,000 annual aggregate (Zone B and Shaded X)
Earthquake (Property)	\$25,000,000 annual aggregate

MVRMA retains responsibility for the payment of claims within specified MVRMA self-insured retention limits prior to the application of coverage provided by excess reinsurance contracts. During the year, MVRMA's self insured retention (SIR) limit for property was \$250,000 with the exception of boiler and machinery, which was \$5,000. The SIR for liability was \$500,000.

MVRMA estimates that member cities are paying approximately thirty-five percent less for coverage through MVRMA than would be paid under a commercial insurance program.

- B. For the current fiscal year the City of Troy 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.

13. JOINTLY GOVERNED ORGANIZATIONS

The Miami Valley Risk Management Association, Inc., as discussed in the previous note, is a corporation governed by a sixteen 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. To obtain additional financial information write to the Miami Valley Risk Management Association, Inc., at 1450 East David Road, Suite 1B, Kettering, Ohio 45429-5706.

14. PRIOR PERIOD ADJUSTMENT

The beginning fixed asset balance of the general fixed asset group and the beginning retained earnings balance of the enterprise fund has been adjusted for corrections to the fixed asset detail as follows:

	General Fixed Assets <u>Account Group</u>	Enterprise <u>Fund</u>
Balance Previously Stated, December 31, 2001	\$20,823,057	\$31,704,551
Prior Period Adjustment	<u>(282,235)</u>	<u>(714,876)</u>
As Restated, January 1, 2002	<u>\$20,540,822</u>	<u>\$30,989,675</u>

15. SUBSEQUENT EVENT

After year end the City issued Bond Anticipation Notes in the amount of \$5,800,000, to finance the following projects: Arena Improvements, Street Improvement Program, Fire Truck Purchase, Miami Shores Golf Course Improvements, Generator Purchase, Municipal Pool Construction, Cemetery Building Construction, Fire Station Construction, Sidewalk Program and Parking Lot Land Acquisition. The notes were authorized by the City on April 7, 2003.

**COMBINING
STATEMENTS**

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General Fund

To account for all activities of the city not included in other specified funds.

Since there is only one general fund, no additional financial statements are presented here.

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Special Revenue Funds

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.

Income Tax - To account for monies received for City income taxes.

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

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.

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.

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.

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.

City of Troy, Ohio
Combining Balance Sheet
Special Revenue Funds
December 31, 2002

	Street Construction, Maintenance and Repair	State Highway Improvement	Income Tax	Cemetery
Assets:				
Pooled cash and investments	\$711,791	\$58,338	\$1,810,476	\$85,255
Receivables (net of allowance for uncollectibles):				
Taxes	0	0	810,141	0
Accounts	3,855	0	0	8,891
Intergovernmental	332,878	26,990	0	0
Interest	0	234	7,267	0
Notes	0	0	0	0
Total assets	<u>\$1,048,524</u>	<u>\$85,562</u>	<u>\$2,627,884</u>	<u>\$94,146</u>
Liabilities and fund equity:				
Liabilities:				
Accounts payable	\$28,660	\$1,319	\$365	\$2,406
Accrued wages and benefits	22,238	0	3,513	5,900
Compensated absences	3,785	0	810	1,007
Deferred revenue	283,480	22,985	0	0
Total liabilities	<u>338,163</u>	<u>24,304</u>	<u>4,688</u>	<u>9,313</u>
Fund balances:				
Reserved for encumbrances	207,687	0	4,770	9,748
Reserved for notes receivable	0	0	0	0
Unreserved, undesignated	502,674	61,258	2,618,426	75,085
Total fund equity	<u>710,361</u>	<u>61,258</u>	<u>2,623,196</u>	<u>84,833</u>
Total liabilities and fund equity	<u>\$1,048,524</u>	<u>\$85,562</u>	<u>\$2,627,884</u>	<u>\$94,146</u>

Safety- Income Tax	Municipal Real Property	Miami Conservancy District	Recreational Programs	Parks and Recreation Improvement	Community Development Block Grant	Parking Improvement
\$3,627,416	\$865,336	\$70,527	\$91,119	\$121,412	\$277,984	\$137,188
157,527	0	59,792	0	0	0	0
0	0	0	313	0	0	1,165
0	27,094	2,567	0	0	432,933	0
0	3,473	0	366	487	1,116	551
0	0	0	0	0	1,734,304	0
<u>\$3,784,943</u>	<u>\$895,903</u>	<u>\$132,886</u>	<u>\$91,798</u>	<u>\$121,899</u>	<u>\$2,446,337</u>	<u>\$138,904</u>
\$0	\$646	\$0	\$0	\$0	\$2,603	\$0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	6,773	62,359	0	0	432,933	0
0	7,419	62,359	0	0	435,536	0
0	2,933	0	12,284	0	143,129	0
0	0	0	0	0	1,734,304	0
3,784,943	885,551	70,527	79,514	121,899	133,368	138,904
3,784,943	888,484	70,527	91,798	121,899	2,010,801	138,904
<u>\$3,784,943</u>	<u>\$895,903</u>	<u>\$132,886</u>	<u>\$91,798</u>	<u>\$121,899</u>	<u>\$2,446,337</u>	<u>\$138,904</u>

Continued

City of Troy, Ohio
Combining Balance Sheet
Special Revenue Funds
December 31, 2002

	<u>Drug Law Enforcement</u>	<u>Law Enforcement</u>	<u>Totals</u>
Assets:			
Pooled cash and investments	\$6,461	\$29,929	\$7,893,232
Receivables (net of allowance for uncollectibles):			
Taxes	0	0	1,027,460
Accounts	0	273	14,497
Intergovernmental	0	0	822,462
Interest	0	0	13,494
Notes	0	0	1,734,304
Total assets	<u><u>\$6,461</u></u>	<u><u>\$30,202</u></u>	<u><u>\$11,505,449</u></u>
Liabilities and fund equity:			
Liabilities:			
Accounts payable	\$0	\$0	\$35,999
Accrued wages and benefits	0	0	31,651
Compensated absences	0	0	5,602
Deferred revenue	0	0	808,530
Total liabilities	<u>0</u>	<u>0</u>	<u>881,782</u>
Fund balances:			
Reserved for encumbrances	0	0	380,551
Reserved for notes receivable	0	0	1,734,304
Unreserved, undesignated	6,461	30,202	8,508,812
Total fund equity	<u>6,461</u>	<u>30,202</u>	<u>10,623,667</u>
Total liabilities and fund equity	<u><u>\$6,461</u></u>	<u><u>\$30,202</u></u>	<u><u>\$11,505,449</u></u>

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City of Troy, Ohio
Combining Statement of Revenues, Expenditures
And Changes in Fund Balances
Special Revenue Funds
For the Year Ended December 31, 2002

	Street Construction, Maintenance and Repair	State Highway Improvement	Income Tax	Cemetery
Revenues:				
Taxes	\$0	\$0	\$8,241,526	\$0
Fines, licenses and permits	1,476	0	0	0
Intergovernmental	649,476	52,660	0	0
Charges for services	3,855	0	180	128,947
Investment earnings	0	1,117	111,227	0
Other	2,029	193	2,744	1,055
Total revenues	<u>656,836</u>	<u>53,970</u>	<u>8,355,677</u>	<u>130,002</u>
Expenditures:				
Current:				
General government	0	0	817,431	0
Public health and welfare	0	0	0	407,651
Leisure time activities	0	0	0	0
Community development	0	0	0	0
Transportation and street repair	2,155,205	69,054	0	0
Capital outlay	0	0	0	0
Total expenditures	<u>2,155,205</u>	<u>69,054</u>	<u>817,431</u>	<u>407,651</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(1,498,369)</u>	<u>(15,084)</u>	<u>7,538,246</u>	<u>(277,649)</u>
Other financing sources (uses):				
Operating transfers - in	1,500,000	0	0	290,000
Operating transfers - (out)	0	0	(8,270,000)	0
Total other financing sources (uses)	<u>1,500,000</u>	<u>0</u>	<u>(8,270,000)</u>	<u>290,000</u>
Excess (deficiency) of revenue and other financing sources over (under) expenditures and other financing uses	<u>1,631</u>	<u>(15,084)</u>	<u>(731,754)</u>	<u>12,351</u>
Fund balance, Beginning of year	<u>708,730</u>	<u>76,342</u>	<u>3,354,950</u>	<u>72,482</u>
Fund balance, End of year	<u><u>\$710,361</u></u>	<u><u>\$61,258</u></u>	<u><u>\$2,623,196</u></u>	<u><u>\$84,833</u></u>

Safety- Income Tax	Municipal Real Property	Miami Conservancy District	Recreational Programs	Parks and Recreation Improvement	Community Development Block Grant	Parking Improvement
\$73,118	\$0	\$72,666	\$0	\$0	\$1,413	\$0
0	0	0	0	0	0	20,210
0	139,867	4,372	0	0	187,567	0
0	0	0	83,263	0	0	1,165
0	30,391	0	3,850	3,516	7,420	5,015
0	0	0	3,159	47,905	76,715	69
<u>73,118</u>	<u>170,258</u>	<u>77,038</u>	<u>90,272</u>	<u>51,421</u>	<u>273,115</u>	<u>26,459</u>
0	0	57,848	0	0	0	0
0	0	0	0	0	0	0
0	0	0	104,850	2,223	0	0
0	0	0	0	0	27,361	0
0	0	0	0	0	0	3,117
0	43,689	0	0	0	0	0
<u>0</u>	<u>43,689</u>	<u>57,848</u>	<u>104,850</u>	<u>2,223</u>	<u>27,361</u>	<u>3,117</u>
<u>73,118</u>	<u>126,569</u>	<u>19,190</u>	<u>(14,578)</u>	<u>49,198</u>	<u>245,754</u>	<u>23,342</u>
0	0	0	0	0	0	0
(600,000)	0	0	0	0	0	0
<u>(600,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(526,882)	126,569	19,190	(14,578)	49,198	245,754	23,342
<u>4,311,825</u>	<u>761,915</u>	<u>51,337</u>	<u>106,376</u>	<u>72,701</u>	<u>1,765,047</u>	<u>115,562</u>
<u>\$3,784,943</u>	<u>\$888,484</u>	<u>\$70,527</u>	<u>\$91,798</u>	<u>\$121,899</u>	<u>\$2,010,801</u>	<u>\$138,904</u>

Continued

City of Troy, Ohio
 Combining Statement of Revenues, Expenditures
 And Changes in Fund Balances
 Special Revenue Funds
 For the Year Ended December 31, 2002

	Drug Law Enforcement	Law Enforcement	Totals
Revenues:			
Taxes	\$0	\$0	\$8,388,723
Fines, licenses and permits	50	1,145	22,881
Intergovernmental	0	0	1,033,942
Charges for services	0	273	217,683
Investment earnings	0	0	162,536
Other	0	0	133,869
	<u>50</u>	<u>1,418</u>	<u>9,959,634</u>
Total revenues			
Expenditures:			
Current:			
General government	0	0	875,279
Public health and welfare	0	0	407,651
Leisure time activities	0	0	107,073
Community development	0	0	27,361
Transportation and street repair	0	0	2,227,376
Capital outlay	0	0	43,689
	<u>0</u>	<u>0</u>	<u>3,688,429</u>
Total expenditures			
Excess (deficiency) of revenue over (under) expenditures	<u>50</u>	<u>1,418</u>	<u>6,271,205</u>
Other financing sources (uses):			
Operating transfers - in	0	0	1,790,000
Operating transfers - (out)	<u>0</u>	<u>0</u>	<u>(8,870,000)</u>
	<u>0</u>	<u>0</u>	<u>(7,080,000)</u>
Total other financing sources (uses)			
Excess (deficiency) of revenue and other financing sources over (under) expenditures and other financing uses	50	1,418	(808,795)
Fund balance, Beginning of year	<u>6,411</u>	<u>28,784</u>	<u>11,432,462</u>
Fund balance, End of year	<u>\$6,461</u>	<u>\$30,202</u>	<u>\$10,623,667</u>

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City of Troy, Ohio
Combining Schedule of Revenues, Expenditures
And Changes In Fund Balance
Budget And Actual (Non-GAAP Basis)
Special Revenue Funds
For the Year Ended December 31, 2002

	Street, Construction, Maintenance and Repair			State Highway Improvement		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Taxes	\$0	\$0	\$0	\$0	\$0	\$0
Fines, licenses and permits	0	1,476	1,476	0	0	0
Intergovernmental	605,000	648,544	43,544	49,000	52,585	3,585
Charges for services	3,000	3,340	340	0	0	0
Investment earnings	0	0	0	1,000	984	(16)
Other	2,900	3,258	358	100	193	93
Total revenues	610,900	656,618	45,718	50,100	53,762	3,662
Expenditures:						
Current:						
General government	0	0	0	0	0	0
Security of persons and property	0	0	0	0	0	0
Public health and welfare	0	0	0	0	0	0
Leisure time activities	0	0	0	0	0	0
Community development	0	0	0	0	0	0
Transportation	2,780,951	2,358,800	422,151	87,069	69,054	18,015
Capital outlay	0	0	0	0	0	0
Total expenditures	2,780,951	2,358,800	422,151	87,069	69,054	18,015
Excess (deficiency) of revenue over (under) expenditures	(2,170,051)	(1,702,182)	467,869	(36,969)	(15,292)	21,677
Other financing sources (uses):						
Operating transfers - in	1,500,000	1,500,000	0	0	0	0
Operating transfers - (out)	0	0	0	0	0	0
Total other financing sources (uses)	1,500,000	1,500,000	0	0	0	0
Excess (deficiency) of revenue and other financing sources over (under) expenditures and other financing uses	(670,051)	(202,182)	467,869	(36,969)	(15,292)	21,677
Fund balance, Beginning of year	688,785	688,785	0	72,004	72,004	0
Fund balance, End of year	\$18,734	\$486,603	\$467,869	\$35,035	\$56,712	\$21,677

Income Tax			Cemetery			Safety - Income Tax		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$8,110,000	\$8,202,702	\$92,702	\$0	\$0	\$0	\$35,000	\$65,569	\$30,569
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	180	180	114,000	127,151	13,151	0	0	0
113,500	113,887	387	0	0	0	0	0	0
100	2,744	2,644	100	1,055	955	0	0	0
<u>8,223,600</u>	<u>8,319,513</u>	<u>95,913</u>	<u>114,100</u>	<u>128,206</u>	<u>14,106</u>	<u>35,000</u>	<u>65,569</u>	<u>30,569</u>
1,050,792	825,352	225,440	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	450,515	424,160	26,355	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
<u>1,050,792</u>	<u>825,352</u>	<u>225,440</u>	<u>450,515</u>	<u>424,160</u>	<u>26,355</u>	<u>0</u>	<u>0</u>	<u>0</u>
7,172,808	7,494,161	321,353	(336,415)	(295,954)	40,461	35,000	65,569	30,569
0	0	0	290,000	290,000	0	0	0	0
(9,627,716)	(8,270,000)	1,357,716	0	0	0	(600,000)	(600,000)	0
<u>(9,627,716)</u>	<u>(8,270,000)</u>	<u>1,357,716</u>	<u>290,000</u>	<u>290,000</u>	<u>0</u>	<u>(600,000)</u>	<u>(600,000)</u>	<u>0</u>
(2,454,908)	(775,839)	1,679,069	(46,415)	(5,954)	40,461	(565,000)	(534,431)	30,569
2,571,662	2,571,662	0	81,462	81,462	0	4,161,847	4,161,847	0
<u>\$116,754</u>	<u>\$1,795,823</u>	<u>\$1,679,069</u>	<u>\$35,047</u>	<u>\$75,508</u>	<u>\$40,461</u>	<u>\$3,596,847</u>	<u>\$3,627,416</u>	<u>\$30,569</u>

Continued

City of Troy, Ohio
Combining Schedule of Revenues, Expenditures
And Changes In Fund Balance
Budget And Actual (Non-GAAP Basis)
Special Revenue Funds
For the Year Ended December 31, 2002

	Municipal Real Property			Miami Conservancy District		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Taxes	\$0	\$0	\$0	\$72,255	\$72,666	\$411
Fines, licenses and permits	0	0	0	0	0	0
Intergovernmental	140,000	141,120	1,120	4,357	4,372	15
Charges for services	0	0	0	0	0	0
Investment earnings	27,000	27,925	925	0	0	0
Other	0	0	0	0	0	0
Total revenues	167,000	169,045	2,045	76,612	77,038	426
Expenditures:						
Current:						
General government	0	0	0	80,468	57,848	22,620
Security of persons and property	0	0	0	0	0	0
Public health and welfare	0	0	0	0	0	0
Leisure time activities	0	0	0	0	0	0
Community development	0	0	0	0	0	0
Transportation	0	0	0	0	0	0
Capital outlay	111,373	46,622	64,751	0	0	0
Total expenditures	111,373	46,622	64,751	80,468	57,848	22,620
Excess (deficiency) of revenue over (under) expenditures	55,627	122,423	66,796	(3,856)	19,190	23,046
Other financing sources (uses):						
Operating transfers - in	0	0	0	0	0	0
Operating transfers - (out)	0	0	0	0	0	0
Total other financing sources (uses)	0	0	0	0	0	0
Excess (deficiency) of revenue and other financing sources over (under) expenditures and other financing uses	55,627	122,423	66,796	(3,856)	19,190	23,046
Fund balance, Beginning of year	734,786	734,786	0	51,337	51,337	0
Fund balance, End of year	\$790,413	\$857,209	\$66,796	\$47,481	\$70,527	\$23,046

Recreational Programs			Parks and Recreation Improvement			Community Development Block Grant		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,413	\$1,413
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	351,580	187,567	(164,013)
83,300	83,280	(20)	0	0	0	0	0	0
3,500	3,602	102	2,685	2,961	276	1,500	5,680	4,180
0	3,159	3,159	11,900	47,905	36,005	220,000	494,840	274,840
86,800	90,041	3,241	14,585	50,866	36,281	573,080	689,500	116,420
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
123,070	117,134	5,936	53,660	30,649	23,011	0	0	0
0	0	0	0	0	0	706,500	706,467	33
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
123,070	117,134	5,936	53,660	30,649	23,011	706,500	706,467	33
(36,270)	(27,093)	9,177	(39,075)	20,217	59,292	(133,420)	(16,967)	116,453
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
(36,270)	(27,093)	9,177	(39,075)	20,217	59,292	(133,420)	(16,967)	116,453
105,447	105,447	0	100,557	100,557	0	147,759	147,759	0
\$69,177	\$78,354	\$9,177	\$61,482	\$120,774	\$59,292	\$14,339	\$130,792	\$116,453

Continued

City of Troy, Ohio
Combining Schedule of Revenues, Expenditures
And Changes In Fund Balance
Budget And Actual (Non-GAAP Basis)
Special Revenue Funds
For the Year Ended December 31, 2002

	Parking Improvement			Drug Law Enforcement		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Taxes	\$0	\$0	\$0	\$0	\$0	\$0
Fines, licenses and permits	20,000	21,930	1,930	0	50	50
Intergovernmental	0	0	0	0	0	0
Charges for services	0	0	0	0	0	0
Investment earnings	3,200	4,384	1,184	0	0	0
Other	0	69	69	0	0	0
Total revenues	23,200	26,383	3,183	0	50	50
Expenditures:						
Current:						
General government	0	0	0	0	0	0
Security of persons and property	0	0	0	5,000	0	5,000
Public health and welfare	0	0	0	0	0	0
Leisure time activities	0	0	0	0	0	0
Community development	0	0	0	0	0	0
Transportation	10,140	3,117	7,023	0	0	0
Capital outlay	0	0	0	0	0	0
Total expenditures	10,140	3,117	7,023	5,000	0	5,000
Excess (deficiency) of revenue over (under) expenditures	13,060	23,266	10,206	(5,000)	50	5,050
Other financing sources (uses):						
Operating transfers - in	0	0	0	0	0	0
Operating transfers - (out)	0	0	0	0	0	0
Total other financing sources (uses)	0	0	0	0	0	0
Excess (deficiency) of revenue and other financing sources over (under) expenditures and other financing uses	13,060	23,266	10,206	(5,000)	50	5,050
Fund balance, Beginning of year	113,203	113,203	0	6,409	6,409	0
Fund balance, End of year	\$126,263	\$136,469	\$10,206	\$1,409	\$6,459	\$5,050

Law Enforcement			Totals		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$0	\$0	\$8,217,255	\$8,342,350	\$125,095
1,100	1,145	45	21,100	24,601	3,501
0	0	0	1,149,937	1,034,188	(115,749)
0	0	0	200,300	213,951	13,651
0	0	0	152,385	159,423	7,038
0	0	0	235,100	553,223	318,123
1,100	1,145	45	9,976,077	10,327,736	351,659
0	0	0	1,131,260	883,200	248,060
12,000	0	12,000	17,000	0	17,000
0	0	0	450,515	424,160	26,355
0	0	0	176,730	147,783	28,947
0	0	0	706,500	706,467	33
0	0	0	2,878,160	2,430,971	447,189
0	0	0	111,373	46,622	64,751
12,000	0	12,000	5,471,538	4,639,203	832,335
(10,900)	1,145	12,045	4,504,539	5,688,533	1,183,994
0	0	0	1,790,000	1,790,000	0
0	0	0	(10,227,716)	(8,870,000)	1,357,716
0	0	0	(8,437,716)	(7,080,000)	1,357,716
(10,900)	1,145	12,045	(3,933,177)	(1,391,467)	2,541,710
28,785	28,785	0	8,864,043	8,864,043	0
\$17,885	\$29,930	\$12,045	\$4,930,866	\$7,472,576	\$2,541,710

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Debt Service Fund

To account for special assessments resources and for the repayment of special assessments debt.

Since there is only one debt service fund, no additional financial statements are presented here.

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Capital Projects Funds

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

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

City of Troy, Ohio
Combining Balance Sheet
Capital Projects Funds
December 31, 2002

	Capital Improvement	OPWC Project Fund	Totals
Assets:			
Pooled cash and investments	\$6,048,807	\$449,351	\$6,498,158
Receivables (net of allowance for uncollectibles):			
Taxes	157,527	0	157,527
Intergovernmental	0	461,550	461,550
Special assessments	287,042	0	287,042
Total assets	<u>\$6,493,376</u>	<u>\$910,901</u>	<u>\$7,404,277</u>
Liabilities and fund equity:			
Liabilities:			
Accounts payable	\$12,152	\$105,953	\$118,105
Retainage payable	58,720	0	58,720
Deferred revenue	287,042	461,550	748,592
Total liabilities	<u>357,914</u>	<u>567,503</u>	<u>925,417</u>
Fund balances:			
Reserved for encumbrances	3,064,326	343,214	3,407,540
Unreserved, undesignated	3,071,136	184	3,071,320
Total fund equity	<u>6,135,462</u>	<u>343,398</u>	<u>6,478,860</u>
Total liabilities and fund equity	<u>\$6,493,376</u>	<u>\$910,901</u>	<u>\$7,404,277</u>

City of Troy, Ohio
Combining Statement of Revenues, Expenditures
And Changes in Fund Balances
Capital Projects Funds
For the Year Ended December 31, 2002

	Capital Improvement	OPWC Project Fund	Totals
Revenues:			
Taxes	\$1,648,118	\$0	\$1,648,118
Intergovernmental	60,000	0	60,000
Special assessments	13,190	0	13,190
Total revenues	<u>1,721,308</u>	<u>0</u>	<u>1,721,308</u>
Expenditures:			
Current:			
Community development	73,296	0	73,296
Capital outlay	2,520,896	995,458	3,516,354
Debt service:			
Interest	55,000	0	55,000
Total expenditures	<u>2,649,192</u>	<u>995,458</u>	<u>3,644,650</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(927,884)</u>	<u>(995,458)</u>	<u>(1,923,342)</u>
Other financing sources (uses):			
Proceeds of bonds	3,055,000	0	3,055,000
Operating transfers - in	0	1,052,000	1,052,000
Total other financing sources (uses)	<u>3,055,000</u>	<u>1,052,000</u>	<u>4,107,000</u>
Excess (deficiency) of revenue and other financing sources over (under) expenditures and other financing uses	2,127,116	56,542	2,183,658
Fund balance, Beginning of year	<u>4,008,346</u>	<u>286,856</u>	<u>4,295,202</u>
Fund balance, End of year	<u>\$6,135,462</u>	<u>\$343,398</u>	<u>\$6,478,860</u>

City of Troy, Ohio
Combining Schedule of Revenues, Expenditures
And Changes In Fund Balance
Budget And Actual (Non-GAAP Basis)
Capital Projects Funds
For the Year Ended December 31, 2002

	Capital Improvement			OPWC Project Fund		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Taxes	\$1,565,000	\$1,640,569	\$75,569	\$0	\$0	\$0
Intergovernmental	450	60,000	59,550	662,000	0	(662,000)
Special assessments	0	13,190	13,190	0	0	0
Total revenues	1,565,450	1,713,759	148,309	662,000	0	(662,000)
Expenditures:						
Current:						
Community development	100,738	73,281	27,457	0	0	0
Capital outlay	6,226,715	5,611,243	615,472	1,338,682	1,338,672	10
Total expenditures	6,327,453	5,684,524	642,929	1,338,682	1,338,672	10
Excess (deficiency) of revenue over (under) expenditures	(4,762,003)	(3,970,765)	791,238	(676,682)	(1,338,672)	(661,990)
Other financing sources (uses):						
Proceeds of bonds	3,000,000	3,000,000	0	0	0	0
Operating transfers - in	0	0	0	390,000	1,052,000	662,000
Total other financing sources (uses)	3,000,000	3,000,000	0	390,000	1,052,000	662,000
Excess (deficiency) of revenue and other financing sources over (under) expenditures and other financing uses	(1,762,003)	(970,765)	791,238	(286,682)	(286,672)	10
Fund balance, Beginning of year	3,943,097	3,943,097	0	286,856	286,856	0
Fund balance, End of year	<u>\$2,181,094</u>	<u>\$2,972,332</u>	<u>\$791,238</u>	<u>\$174</u>	<u>\$184</u>	<u>\$10</u>

Totals

<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
\$1,565,000	\$1,640,569	\$75,569
662,450	60,000	(602,450)
<u>0</u>	<u>13,190</u>	<u>13,190</u>
<u>2,227,450</u>	<u>1,713,759</u>	<u>(513,691)</u>
100,738	73,281	27,457
<u>7,565,397</u>	<u>6,949,915</u>	<u>615,482</u>
<u>7,666,135</u>	<u>7,023,196</u>	<u>642,939</u>
<u>(5,438,685)</u>	<u>(5,309,437)</u>	<u>129,248</u>
3,000,000	3,000,000	0
<u>390,000</u>	<u>1,052,000</u>	<u>662,000</u>
<u>3,390,000</u>	<u>4,052,000</u>	<u>662,000</u>
(2,048,685)	(1,257,437)	791,248
<u>4,229,953</u>	<u>4,229,953</u>	<u>0</u>
<u>\$2,181,268</u>	<u>\$2,972,516</u>	<u>\$791,248</u>

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Enterprise Funds

Water - To account for the provision of water treatment and distribution to the residents and commercial users of the water system.

Sanitary Sewer - To account for sanitary sewer services provided to the residents and commercial users of the sewer system.

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

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

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

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

Stadium - To account for stadium facilities provided by the City.

All activities necessary to provide the above services are accounted for in each particular fund including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

City of Troy, Ohio
Combining Balance Sheet
Enterprise Funds
December 31, 2002

	Water	Sanitary Sewer	Swimming Pool	Hobart Arena
Assets:				
Pooled cash and investments	\$8,598,655	\$7,974,568	\$60,506	\$89,930
Receivables (net of allowance for uncollectibles):				
Accounts	287,702	274,425	0	28,709
Interest	34,513	32,008	0	0
Inventory	917,252	0	0	0
Fixed assets (net, where applicable of accumulated depreciation)	<u>22,099,365</u>	<u>18,989,143</u>	<u>88,239</u>	<u>2,678,049</u>
Total assets	<u><u>\$31,937,487</u></u>	<u><u>\$27,270,144</u></u>	<u><u>\$148,745</u></u>	<u><u>\$2,796,688</u></u>
Liabilities and fund equity:				
Liabilities:				
Accounts payable	\$88,737	\$67,695	\$548	\$18,952
Accrued wages and benefits	67,880	57,588	340	15,714
Interest payable	52,583	43,329	0	0
Compensated absences	334,370	157,329	0	13,199
Notes payable	0	104,416	0	0
General obligation bonds payable	<u>12,760,000</u>	<u>7,145,000</u>	<u>0</u>	<u>0</u>
Total liabilities	<u>13,303,570</u>	<u>7,575,357</u>	<u>888</u>	<u>47,865</u>
Fund Equity:				
Contributed capital	3,266,935	3,446,679	0	1,823,783
Retained earnings - unreserved	<u>15,366,982</u>	<u>16,248,108</u>	<u>147,857</u>	<u>925,040</u>
Total fund equity	<u>18,633,917</u>	<u>19,694,787</u>	<u>147,857</u>	<u>2,748,823</u>
Total liabilities and fund equity	<u><u>\$31,937,487</u></u>	<u><u>\$27,270,144</u></u>	<u><u>\$148,745</u></u>	<u><u>\$2,796,688</u></u>

<u>Miami Shores</u>	<u>Parking Meter</u>	<u>Stadium</u>	<u>Totals</u>
\$166,655	\$61,377	\$19,947	\$16,971,638
0	210	0	591,046
669	246	0	67,436
0	0	0	917,252
<u>689,756</u>	<u>193,598</u>	<u>425,029</u>	<u>45,163,179</u>
<u>\$857,080</u>	<u>\$255,431</u>	<u>\$444,976</u>	<u>\$63,710,551</u>
\$29,435	\$0	\$0	\$205,367
15,533	1,708	0	158,763
1,557	0	0	97,469
54,358	1,100	0	560,356
0	0	0	104,416
<u>267,000</u>	<u>0</u>	<u>0</u>	<u>20,172,000</u>
<u>367,883</u>	<u>2,808</u>	<u>0</u>	<u>21,298,371</u>
0	0	0	8,537,397
<u>489,197</u>	<u>252,623</u>	<u>444,976</u>	<u>33,874,783</u>
<u>489,197</u>	<u>252,623</u>	<u>444,976</u>	<u>42,412,180</u>
<u>\$857,080</u>	<u>\$255,431</u>	<u>\$444,976</u>	<u>\$63,710,551</u>

City of Troy, Ohio
Combining Statement of Revenues, Expenses
And Changes In Retained Earnings
Enterprise Funds
For the Year Ended December 31, 2002

	Water	Sanitary Sewer	Swimming Pool	Hobart Arena
Operating revenues:				
Charges for services	\$4,636,030	\$4,018,747	\$43,971	\$83,401
Fines, licenses and permits	0	0	0	0
Other	11,851	21,238	2,878	162,475
Total operating revenue	<u>4,647,881</u>	<u>4,039,985</u>	<u>46,849</u>	<u>245,876</u>
Operating expenses:				
Leisure time activities	0	0	107,639	623,712
Basic utility service	2,120,857	2,527,054	0	0
Depreciation	785,052	695,097	9,845	118,591
Transportation	0	0	0	0
Total operating expenses	<u>2,905,909</u>	<u>3,222,151</u>	<u>117,484</u>	<u>742,303</u>
Operating income (loss)	<u>1,741,972</u>	<u>817,834</u>	<u>(70,635)</u>	<u>(496,427)</u>
Nonoperating revenues (expenses):				
Investment earnings	356,869	290,747	0	0
Interest expense	(703,587)	(371,698)	0	0
Capital contributions	354,816	348,480	0	0
Total nonoperating revenues (expenses)	<u>8,098</u>	<u>267,529</u>	<u>0</u>	<u>0</u>
Income (loss) before operating transfers	<u>1,750,070</u>	<u>1,085,363</u>	<u>(70,635)</u>	<u>(496,427)</u>
Operating transfers:				
Operating transfers - in	0	0	100,000	315,000
Total operating transfers	<u>0</u>	<u>0</u>	<u>100,000</u>	<u>315,000</u>
Net income (loss)	1,750,070	1,085,363	29,365	(181,427)
Retained earnings, Beginning of year	<u>13,616,912</u>	<u>15,162,745</u>	<u>118,492</u>	<u>1,106,467</u>
Retained earnings, End of year	<u>\$15,366,982</u>	<u>\$16,248,108</u>	<u>\$147,857</u>	<u>\$925,040</u>

Miami Shores	Parking Meter	Stadium	Totals
\$578,653	\$12,737	\$0	\$9,373,539
0	5,405	0	5,405
12,469	194	7,445	218,550
<u>591,122</u>	<u>18,336</u>	<u>7,445</u>	<u>9,597,494</u>
649,621	0	19,220	1,400,192
0	0	0	4,647,911
100,588	451	0	1,709,624
0	53,155	0	53,155
<u>750,209</u>	<u>53,606</u>	<u>19,220</u>	<u>7,810,882</u>
<u>(159,087)</u>	<u>(35,270)</u>	<u>(11,775)</u>	<u>1,786,612</u>
9,518	2,389	0	659,523
(18,429)	0	0	(1,093,714)
0	0	375,391	1,078,687
<u>(8,911)</u>	<u>2,389</u>	<u>375,391</u>	<u>644,496</u>
<u>(167,998)</u>	<u>(32,881)</u>	<u>363,616</u>	<u>2,431,108</u>
<u>0</u>	<u>39,000</u>	<u>0</u>	<u>454,000</u>
<u>0</u>	<u>39,000</u>	<u>0</u>	<u>454,000</u>
(167,998)	6,119	363,616	2,885,108
<u>657,195</u>	<u>246,504</u>	<u>81,360</u>	<u>30,989,675</u>
<u>\$489,197</u>	<u>\$252,623</u>	<u>\$444,976</u>	<u>\$33,874,783</u>

City of Troy, Ohio
Combining Statement Of Cash Flows
Enterprise Funds
For the Year Ended December 31, 2002

	Water	Sanitary Sewer	Swimming Pool	Hobart Arena
OPERATING ACTIVITIES:				
Operating income (loss)	\$1,741,972	\$817,834	(\$70,635)	(\$496,427)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	785,052	695,097	9,845	118,591
Changes in assets and liabilities:				
(Increase) decrease in receivables	(34,664)	(22,203)	0	1,191
(Increase) decrease in inventory	(436,308)	0	0	0
Increase (decrease) in payables	28,076	(74,243)	(1,188)	(6,750)
Increase (decrease) in accrued liabilities	(9,418)	8,471	192	1,582
Increase (decrease) in other liabilities	(15,672)	15,020	0	13,199
Net cash provided (used) by operating activities	<u>2,059,038</u>	<u>1,439,976</u>	<u>(61,786)</u>	<u>(368,614)</u>
Noncapital financing activities:				
Operating transfers - in	<u>0</u>	<u>0</u>	<u>100,000</u>	<u>315,000</u>
Net cash provided (used) by noncapital financing Activities	<u>0</u>	<u>0</u>	<u>100,000</u>	<u>315,000</u>
Capital and related financing activities:				
Proceeds from issuance of debt	1,000,000	0	0	0
Principal paid	(620,000)	(436,766)	0	0
Interest paid	(631,004)	(373,439)	0	0
Acquisition of fixed assets	(523,706)	(696,242)	(8,155)	(2,400)
Capital contributions	<u>354,816</u>	<u>348,480</u>	<u>0</u>	<u>0</u>
Net cash provided (used) by capital and related Financing activities	<u>(419,894)</u>	<u>(1,157,967)</u>	<u>(8,155)</u>	<u>(2,400)</u>
Investing activities:				
Investment earnings	<u>304,831</u>	<u>300,524</u>	<u>0</u>	<u>0</u>
Net cash provided (used) by investing activities	<u>304,831</u>	<u>300,524</u>	<u>0</u>	<u>0</u>
Net increase (decrease) in cash	1,943,975	582,533	30,059	(56,014)
Cash, Beginning of year	<u>6,654,680</u>	<u>7,392,035</u>	<u>30,447</u>	<u>145,944</u>
Cash, End of year	<u><u>\$8,598,655</u></u>	<u><u>\$7,974,568</u></u>	<u><u>\$60,506</u></u>	<u><u>\$89,930</u></u>

<u>Miami Shores</u>	<u>Parking Meter</u>	<u>Stadium</u>	<u>Totals</u>
(\$159,087)	(\$35,270)	(\$11,775)	\$1,786,612
100,588	451	0	1,709,624
0	405	2,572	(52,699)
0	0	0	(436,308)
24,374	0	0	(29,731)
2,036	209	0	3,072
5,435	146	0	18,128
<u>(26,654)</u>	<u>(34,059)</u>	<u>(9,203)</u>	<u>2,998,698</u>
<u>0</u>	<u>39,000</u>	<u>0</u>	<u>454,000</u>
<u>0</u>	<u>39,000</u>	<u>0</u>	<u>454,000</u>
0	0	0	1,000,000
(58,000)	0	0	(1,114,766)
(18,688)	0	0	(1,023,131)
(51,781)	0	(375,391)	(1,657,675)
0	0	375,391	1,078,687
<u>(128,469)</u>	<u>0</u>	<u>0</u>	<u>(1,716,885)</u>
<u>10,608</u>	<u>2,389</u>	<u>0</u>	<u>618,352</u>
<u>10,608</u>	<u>2,389</u>	<u>0</u>	<u>618,352</u>
(144,515)	7,330	(9,203)	2,354,165
<u>311,170</u>	<u>54,047</u>	<u>29,150</u>	<u>14,617,473</u>
<u>\$166,655</u>	<u>\$61,377</u>	<u>\$19,947</u>	<u>\$16,971,638</u>

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Trust and Agency Funds

Cemetery Non-Expendable Trust - To account for donations received where the donor desires the principal amount donated to remain intact with the interest revenue to be used for the general care and maintenance of the cemetery.

Investment Fund for Capital Improvement Expendable Trust - To account for receipt of monies to be held in expendable trust fund for acquisition and improvement of capital assets.

Cemetery Endowment Expendable Trust - To account for the receipt of monies to be held in expendable trust fund for general care and maintenance of the cemetery.

Stouder Playground Expendable Trust - To account for the receipt of monies to be held in expendable trust fund for acquisition and maintenance of playground equipment.

Paul G. Duke Expendable Trust - To account for the receipt of monies to be held in expendable trust fund for acquisition and improvement of parks and recreation facilities.

Unclaimed Funds Expendable Trust - To account for receipt of unclaimed monies to be held in expendable trust fund.

Tri-Centennial Expendable Trust - To account for the receipt of monies to be held in expendable trust fund for tricentennial activities.

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

Enterprise Zone Agency - To account for assets received and disbursed as agent relative to enterprise zone activities.

City of Troy, Ohio
Combining Balance Sheet
Fiduciary Funds
December 31, 2002

	Cemetery Non-Expendable Trust	Investment Fund For Capital Improvement Expendable Trust	Cemetery Endowment Expendable Trust	Stouder Playground Expendable Trust
Assets:				
Pooled cash and investments	\$271,036	\$30,862,527	\$575,749	\$9,987
Receivables (net of allowance for uncollectibles):				
Accounts	0	0	7,169	0
Interest	2,682	398,456	2,311	40
Total assets	\$273,718	\$31,260,983	\$585,229	\$10,027
Liabilities and fund equity:				
Liabilities:				
Due to others	0	0	0	0
Total Liabilities	0	0	0	0
Fund Balances:				
Reserved for endowments	273,718	0	0	0
Unreserved, undesignated	0	31,260,983	585,229	10,027
Total fund equity	273,718	31,260,983	585,229	10,027
Total liabilities and fund equity	\$273,718	\$31,260,983	\$585,229	\$10,027

Paul G. Duke Expendable Trust	Unclaimed Funds Expendable Trust	Tri-Centennial Expendable Trust	Imprest Cash Agency	Enterprise Zone Agency	Totals
\$9,907	\$2,906	\$876	\$1,275	\$82,074	\$31,816,337
0	0	0	0	0	7,169
40	0	0	0	0	403,529
<u>\$9,947</u>	<u>\$2,906</u>	<u>\$876</u>	<u>\$1,275</u>	<u>\$82,074</u>	<u>\$32,227,035</u>
0	0	0	1,275	82,074	83,349
0	0	0	1,275	82,074	83,349
0	0	0	0	0	273,718
9,947	2,906	876	0	0	31,869,968
9,947	2,906	876	0	0	32,143,686
<u>\$9,947</u>	<u>\$2,906</u>	<u>\$876</u>	<u>\$1,275</u>	<u>\$82,074</u>	<u>\$32,227,035</u>

City of Troy, Ohio
Combining Statement of Revenues, Expenditures
And Changes in Fund Balances
Expendable Trust Funds
For the Year Ended December 31, 2002

	Investment Fund For Capital Improvement Expendable Trust	Cemetery Endowment Expendable Trust	Stouder Playground Expendable Trust	Paul G. Duke Expendable Trust
Revenues:				
Charges for services	\$0	\$44,079	\$0	\$0
Investment earnings	1,469,473	19,892	442	236
Other	54,361	303	5	0
Total revenues	1,523,834	64,274	447	236
Expenditures:				
Current:				
General government	64,576	0	0	0
Leisure time activities	0	0	15	0
Total expenditures	64,576	0	15	0
Excess (deficiency) of revenue over (under) expenditures	1,459,258	64,274	432	236
Other financing sources (uses):				
Operating transfers - (out)	(1,019,533)	0	0	0
Total other financing sources (uses)	(1,019,533)	0	0	0
Excess (deficiency) of revenue and other financing sources over (under) expenditures and other financing uses	439,725	64,274	432	236
Fund balance, Beginning of year	30,821,258	520,955	9,595	9,711
Fund balance, End of year	\$31,260,983	\$585,229	\$10,027	\$9,947

Unclaimed Funds Expendable Trust	Tri-Centennial Expendable Trust	Totals
\$0	\$0	\$44,079
0	46	1,490,089
462	0	55,131
<u>462</u>	<u>46</u>	<u>1,589,299</u>
0	0	64,576
0	0	15
0	0	64,591
<u>462</u>	<u>46</u>	<u>1,524,708</u>
<u>(1,159)</u>	<u>0</u>	<u>(1,020,692)</u>
<u>(1,159)</u>	<u>0</u>	<u>(1,020,692)</u>
(697)	46	504,016
<u>3,603</u>	<u>830</u>	<u>31,365,952</u>
<u>\$2,906</u>	<u>\$876</u>	<u>\$31,869,968</u>

City of Troy, Ohio
 Combining Statement Of Changes In Assets And Liabilities
 Agency Funds
 For the Year Ended December 31, 2002

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<u>Imprest Cash</u>				
ASSETS:				
Pooled Cash and Investments	<u>\$1,125</u>	<u>\$650</u>	<u>(\$500)</u>	<u>\$1,275</u>
Total Assets	<u><u>\$1,125</u></u>	<u><u>\$650</u></u>	<u><u>(\$500)</u></u>	<u><u>\$1,275</u></u>
LIABILITIES:				
Due to others	<u>\$1,125</u>	<u>\$650</u>	<u>(\$500)</u>	<u>\$1,275</u>
Total Liabilities	<u><u>\$1,125</u></u>	<u><u>\$650</u></u>	<u><u>(\$500)</u></u>	<u><u>\$1,275</u></u>
<u>Enterprise Zone</u>				
ASSETS:				
Pooled Cash and Investments	<u>\$67,200</u>	<u>\$24,721</u>	<u>(\$9,847)</u>	<u>\$82,074</u>
Total Assets	<u><u>\$67,200</u></u>	<u><u>\$24,721</u></u>	<u><u>(\$9,847)</u></u>	<u><u>\$82,074</u></u>
LIABILITIES:				
Accounts payable	\$373	\$0	(\$373)	\$0
Due to others	<u>66,827</u>	<u>24,721</u>	<u>(9,474)</u>	<u>82,074</u>
Total Liabilities	<u><u>\$67,200</u></u>	<u><u>\$24,721</u></u>	<u><u>(\$9,847)</u></u>	<u><u>\$82,074</u></u>
<u>Totals</u>				
ASSETS:				
Pooled Cash and Investments	<u>\$68,325</u>	<u>\$25,371</u>	<u>(\$10,347)</u>	<u>\$83,349</u>
Total Assets	<u><u>\$68,325</u></u>	<u><u>\$25,371</u></u>	<u><u>(\$10,347)</u></u>	<u><u>\$83,349</u></u>
LIABILITIES:				
Accounts payable	\$373	\$0	(\$373)	\$0
Due to others	<u>67,952</u>	<u>25,371</u>	<u>(9,974)</u>	<u>83,349</u>
Total Liabilities	<u><u>\$68,325</u></u>	<u><u>\$25,371</u></u>	<u><u>(\$10,347)</u></u>	<u><u>\$83,349</u></u>

General Fixed Assets Account Group

The General Fixed Assets Account Group accounts for all general fixed assets of the City.

City of Troy, Ohio
Schedule Of General Fixed Assets
By Source
December 31, 2002

GENERAL FIXED ASSETS:

Land	\$3,606,994
Buildings	9,890,191
Equipment	<u>8,174,068</u>

Total General Fixed Assets \$21,671,253

**INVESTMENT IN GENERAL FIXED
ASSETS BY SOURCE:**

General fund revenue	\$5,271,071
Special revenue funds revenue	53,243
Investment prior to 1-1-97	<u>16,346,939</u>

Total Investment in General Fixed Assets \$21,671,253

City of Troy, Ohio
Schedule Of General Fixed Assets
By Function And Activity
As of December 31, 2002

	<u>Total</u>	<u>Land</u>	<u>Buildings</u>	<u>Equipment</u>
FUNCTION AND ACTIVITY:				
Public Safety:				
Law enforcement	\$3,800,614	\$100,000	\$2,469,058	\$1,231,556
Fire protection	<u>4,212,709</u>	<u>216,188</u>	<u>1,706,218</u>	<u>2,290,303</u>
Total Public Safety	<u>8,013,323</u>	<u>316,188</u>	<u>4,175,276</u>	<u>3,521,859</u>
Culture and Recreation:				
Parks and recreation	<u>5,453,004</u>	<u>2,398,712</u>	<u>1,117,407</u>	<u>1,936,885</u>
Total Culture and Recreation	<u>5,453,004</u>	<u>2,398,712</u>	<u>1,117,407</u>	<u>1,936,885</u>
Transportation:				
Street construction, maintenance, and repair	<u>1,607,025</u>	<u>0</u>	<u>345,592</u>	<u>1,261,433</u>
Total Transportation	<u>1,607,025</u>	<u>0</u>	<u>345,592</u>	<u>1,261,433</u>
General Government:				
Municipal facilities	<u>6,597,901</u>	<u>892,094</u>	<u>4,251,916</u>	<u>1,453,891</u>
Total General Government	<u>6,597,901</u>	<u>892,094</u>	<u>4,251,916</u>	<u>1,453,891</u>
TOTAL GENERAL FIXED ASSETS	<u><u>\$21,671,253</u></u>	<u><u>\$3,606,994</u></u>	<u><u>\$9,890,191</u></u>	<u><u>\$8,174,068</u></u>

City of Troy, Ohio
Schedule Of Changes In General Fixed Assets
By Function And Activity
For the Year Ended December 31, 2002

	<u>Beginning General Fixed Assets</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending General Fixed Assets</u>
FUNCTION AND ACTIVITY:				
Public Safety:				
Law enforcement	\$3,697,348	\$203,896	(\$100,630)	\$3,800,614
Fire protection	<u>4,108,164</u>	<u>157,697</u>	<u>(53,152)</u>	<u>4,212,709</u>
Total Public Safety	<u>\$7,805,512</u>	<u>\$361,593</u>	<u>(\$153,782)</u>	<u>\$8,013,323</u>
Culture and Recreation:				
Parks and recreation	<u>\$5,135,205</u>	<u>\$404,435</u>	<u>(\$86,636)</u>	<u>\$5,453,004</u>
Total Culture and Recreation	<u>\$5,135,205</u>	<u>\$404,435</u>	<u>(\$86,636)</u>	<u>\$5,453,004</u>
Transportation:				
Street construction, maintenance, and repair	<u>\$1,027,041</u>	<u>\$655,744</u>	<u>(\$75,760)</u>	<u>\$1,607,025</u>
Total Transportation	<u>\$1,027,041</u>	<u>\$655,744</u>	<u>(\$75,760)</u>	<u>\$1,607,025</u>
General Government:				
Municipal facilities	<u>\$6,573,064</u>	<u>\$2,808,528</u>	<u>(\$2,783,691)</u>	<u>\$6,597,901</u>
Total General Government	<u>\$6,573,064</u>	<u>\$2,808,528</u>	<u>(\$2,783,691)</u>	<u>\$6,597,901</u>
TOTAL GENERAL FIXED ASSETS	<u><u>\$20,540,822</u></u>	<u><u>\$4,230,300</u></u>	<u><u>(\$3,099,869)</u></u>	<u><u>\$21,671,253</u></u>

**STATISTICAL
SECTION**

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CITY OF TROY, OHIO
 General Governmental Revenues By Source (A)
 Last Ten Fiscal Years

Year	Intergovernmental		Special Assessments	Charges For Services	Fines, Licenses and Permits	Interest Revenue	Other Revenue	Total
	Taxes	Revenues						
1993	\$8,330,329	\$1,796,490	\$166,568	\$472,888	\$261,683	\$249,117	\$230,353	\$11,507,428
1994	9,626,696	1,992,211	146,119	441,166	307,005	342,639	202,820	13,058,656
1995	10,510,719	2,046,170	125,669	521,381	428,533	616,045	452,975	14,701,492
1996	11,323,104	2,201,171	134,971	580,052	300,220	764,362	289,668	15,593,548
1997	10,441,128	3,130,223	130,206	570,320	330,338	827,379	402,921	15,832,515
1998	11,032,201	2,428,989	134,967	667,696	230,147	870,717	626,584	15,991,301
1999	11,417,425	2,855,296	120,450	689,787	245,446	889,962	261,219	16,479,585
2000	11,765,812	3,326,165	115,703	981,097	136,958	1,067,784	323,372	17,716,891
2001	12,171,308	2,715,441	110,059	1,151,549	137,493	882,904	527,042	17,695,796
2002	11,529,535	2,969,309	105,715	1,216,667	149,571	775,349	1,358,936	18,105,082

Source: Auditor, City of Troy, Ohio

A. Includes general, special revenue and debt service funds.

CITY OF TROY, OHIO
 General Governmental Expenditures By Function (A)
 Last Ten Fiscal Years

Table 2

Year	Public Safety	Public Health and Welfare	Leisure Time Activities	Community Development	Transportation	Basic Utility Services		Total
						General Government	Government	
1993	\$4,309,118	\$209,995	\$949,772	\$461,437	\$1,090,810	\$792,358	\$2,115,253	\$9,928,743
1994	4,897,394	219,435	927,489	417,527	1,180,135	845,927	2,091,010	10,578,917
1995	5,242,314	229,501	1,148,935	457,687	1,361,477	945,549	2,149,206	11,534,669
1996	5,810,100	228,890	1,412,779	533,877	1,201,433	919,175	2,434,614	12,540,868
1997	5,841,055	256,097	1,404,491	705,390	1,628,292	1,123,763	2,489,008	13,448,096
1998	6,295,009	270,160	1,435,693	734,750	1,783,185	1,135,629	2,952,022	14,606,448
1999	6,628,054	304,258	1,563,357	778,371	1,555,358	1,092,524	3,079,040	15,000,962
2000	6,836,977	464,164	1,647,315	624,298	1,738,595	1,182,245	3,322,874	15,816,468
2001	6,971,369	409,096	1,718,024	588,405	1,770,247	1,408,231	3,758,271	16,623,643
2002	7,330,132	407,651	1,631,182	652,782	2,227,376	1,281,122	3,780,885	17,311,130

Source: Auditor, City of Troy, Ohio

A. Includes general, special revenue and debt service funds.

Table 3

CITY OF TROY, OHIO
 Assessed and Estimated Actual Value of Taxable Property
 Last Ten Fiscal Years

Tax Year / Collection Year	Real Property			Personal Property Assessed Value	Public Utilities Assessed Value	Total Assessed Value
	Assessed Value	Estimated Actual Value (A)				
1992 / 1993	\$200,909,520	\$574,027,200		\$129,699,578	\$15,078,650	\$345,687,748
1993 / 1994	202,516,680	578,619,086		130,284,440	15,757,500	348,558,620
1994 / 1995	206,075,280	588,786,514		139,179,390	16,551,840	361,806,510
1995 / 1996	244,501,470	698,575,628		143,984,821	15,366,290	403,852,581
1996 / 1997	250,293,810	715,125,171		142,600,990	15,070,770	407,965,570
1997 / 1998	260,936,780	745,533,657		128,637,620	15,464,290	405,038,690
1998 / 1999	290,217,440	829,192,686		152,202,420	17,814,530	460,234,390
1999 / 2000	305,673,670	873,353,343		125,248,730	17,178,640	448,101,040
2000 / 2001	313,221,610	894,918,880		125,141,820	14,962,560	453,325,990
2001 / 2002	349,997,450	999,992,714		129,422,940	11,007,460	490,427,850

Source: Miami County Auditor

A. Estimated actual value based on assessment level of 35 percent.

Table 4

CITY OF TROY, OHIO
 Property Tax Rates - Direct and Overlapping Governments
 (Per \$1,000 of Assessed Valuation)
 Last Ten Fiscal Years

Tax Year/ Collection Year	City	Miami Conservancy District (A)	Troy City School District	Upper Valley		Total
				Joint	Vocational	
1992 / 1993	3.10	0.11	44.75	3.40	10.54	61.90
1993 / 1994	3.10	0.09	44.90	3.40	10.51	62.00
1994 / 1995	3.10	0.09	44.42	3.40	10.51	61.52
1995 / 1996	3.10	0.08	44.10	4.90	6.02	58.20
1996 / 1997	3.10	0.14	50.10	4.90	7.03	65.27
1997 / 1998	3.10	0.16	50.10	4.90	8.82	67.08
1998 / 1999	3.10	0.19	50.10	4.90	8.82	67.11
1999 / 2000	3.10	0.15	54.60	4.90	8.81	71.56
2000 / 2001	3.10	0.15	54.60	4.90	8.83	71.58
2001 / 2002	3.10	0.16	54.60	4.90	8.43	71.19

Source: Miami County Auditor

A. Levied by the City for the benefit of the Miami Conservancy District.

Table 5

CITY OF TROY, OHIO
 Real - Property Tax Levies and Collection
 Real and Public Utility
 Last Ten Fiscal Years

Tax Year / Collection Year	Current Levy	Collection Including Delinquencies	Total Collections As Percent of Current Year	Accumulated Delinquency
1992 / 1993	\$741,459	\$746,871	100.70%	\$18,891
1993 / 1994	745,428	744,184	99.80	21,428
1994 / 1995	756,982	760,746	100.40	29,500
1995 / 1996	907,065	907,861	100.10	22,532
1996 / 1997	930,851	933,101	100.30	20,701
1997 / 1998	969,619	972,102	100.26	18,200
1998 / 1999	1,115,663	1,112,296	99.70	25,025
1999 / 2000	1,137,461	1,110,312	97.61	51,751
2000 / 2001	1,147,523	1,123,667	97.92	52,305
2001 / 2002	1,252,515	1,245,247	99.42	69,539

Source: Miami County Auditor

CITY OF TROY, OHIO
Tangible - Personal Property Collections
Last Ten Fiscal Years

Table 6

Tax Year / Collection Year	Billed	Collected	Total Collections As Percent of Current Year	Accumulated Delinquency
1992 / 1993	\$410,312	\$414,140	100.93%	\$31,380
1993 / 1994	435,856	458,123	105.11	19,460
1994 / 1995	449,688	467,182	103.89	13,572
1995 / 1996	450,436	428,489	95.12	23,511
1996 / 1997	436,294	459,234	105.25	29,260
1997 / 1998	503,821	483,638	95.99	30,324
1998 / 1999	486,778	417,926	85.90	17,645
1999 / 2000	397,705	393,688	98.99	12,213
2000 / 2001	411,198	401,582	97.66	6,219
2001 / 2002	442,510	411,201	92.92	83,883

Source: Miami County Auditor

CITY OF TROY, OHIO
Special Assessment Collections
Last Ten Fiscal Years

Table 7

Fiscal Year	Current Assessments Due	Total Collection Including Delinquencies	Total Collections As Percent of Current Year	Accumulated Delinquency
1993	\$177,192	\$166,793	94.10%	\$12,217
1994	188,867	146,768	77.70	12,179
1995	154,300	140,896	91.31	13,260
1996	138,417	136,252	98.44	2,165
1997	145,976	141,674	97.05	4,301
1998	153,707	148,984	96.93	4,722
1999	141,705	137,229	96.84	4,475
2000	133,160	131,146	98.49	2,014
2001	132,290	129,324	97.76	2,966
2002	125,969	121,497	96.45	4,472

Source: Miami County Auditor

CITY OF TROY, OHIO
 Computation of Legal Debt Margin
 December 31, 2002

Table 8

	Debt Outstanding	10 1/2% of Assessed Valuation	5 1/2% of Assessed Valuation
Overall Debt Limitations		\$51,494,924	\$26,973,532
Gross Indebtedness	\$25,562,416		
Less: Debt Outside Limitations (A)	20,757,416		
Less: Bond Retirement Fund Balance	<u>284,406</u>		
Net Debt Within Limitation		<u>4,520,594</u>	4,520,594
Legal Debt Margin Within Limitations		<u>\$46,974,330</u>	<u>\$22,452,938</u>

Source: Miami County Auditor

A. General obligation bonds in the enterprise funds, special assessment debt with government commitment and bond anticipation notes have been included.

CITY OF TROY, OHIO
 Computation of Direct and Overlapping Debt
 December 31, 2002

Table 9

	Net Debt Outstanding	Percentage Applicable to City of Troy	Amount Applicable to City of Troy
City of Troy	\$23,868,717	100.00%	\$23,868,717
Miami County	10,842,000	24.65%	2,672,553
Miami East Local School District	9,999,992	2.72%	272,000
Total	<u>\$44,710,709</u>		<u>\$26,813,270</u>

Source: Ohio Municipal Advisory Council

Table 10

CITY OF TROY, OHIO
 Ratio of Annual Debt Service Expenditures For
 General Bonded Debt to Total General Governmental Expenditures
 Last Ten Fiscal Years

Year	Principal (A)	Interest (A) (B)	Total Debt Service	General Governmental Expenditures (C)	Ratio of Debt Service to General Governmental Expenditures
1993	\$209,000	\$241,819	\$450,819	\$9,928,743	0.0454
1994	248,000	232,808	480,808	10,578,917	0.0454
1995	374,000	165,399	539,399	11,534,669	0.0468
1996	624,000	282,048	906,048	12,540,868	0.0723
1997	534,000	240,865	774,865	13,448,096	0.0576
1998	449,000	214,630	663,630	15,000,962	0.0454
1999	460,000	192,419	652,419	15,869,791	0.0454
2000	470,000	169,331	639,331	16,613,788	0.0385
2001	480,000	145,538	625,538	17,397,977	0.0360
2002	495,000	121,019	616,019	18,088,386	0.0341

Source: Auditor, City of Troy, Ohio

A. General obligation bonds reported in the enterprise funds and special assessment debt with government commitment have been excluded.

B. Excludes bond issuance and other cost.

C. Includes general, special revenue and debt service funds.

Table 11

CITY OF TROY, OHIO
 Ratio of Net General Bonded Debt to Assessed
 Valuation and Net Bonded Debt Per Capita
 Last Ten Fiscal Years

Year	Population (A)	Assessed Value (B)	Gross General Bonded Debt (C)*	Less Balance In Debt Service Fund (C)	Net General Bonded Debt (C)	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
1993	19,479	\$345,687,748	\$2,484,000	\$439,229	\$2,044,771	0.0059	\$105
1994	19,479	348,558,620	2,815,000	423,148	2,391,852	0.0069	123
1995	19,479	361,806,510	5,591,000	415,415	5,175,585	0.0143	266
1996	19,479	403,852,581	4,638,000	410,590	4,227,410	0.0105	217
1997	19,479	407,965,570	4,104,000	417,013	3,686,987	0.0090	189
1998	19,479	405,038,690	3,655,000	403,685	3,251,315	0.0080	167
1999	19,479	460,234,390	3,195,000	400,874	2,794,126	0.0061	143
2000	19,479	448,101,040	2,725,000	388,339	2,336,661	0.0052	120
2001	21,999	453,325,990	2,245,000	364,817	1,880,183	0.0041	85
2002	21,999	490,427,850	4,805,000	284,406	4,520,594	0.0092	205

urces:

A. us.

B. Miami County Auditor.

C. Auditor, City of Troy, Ohio.

* General obligation bonds reported in the enterprise funds and special assessment debt with government commitment have been excluded.

CITY OF TROY, OHIO
Demographic Statistics
December 31, 2002

Table 12

	1960 Census	1980 Census	1988 (Estimate)	1990 Census	2000 Census
Population	17,577	19,086	19,414	19,479	21,999
Per Capita Income	\$3,239	\$7,303	\$11,613	*	*
Number of Dwelling Units	*	7,253	*	7,649	9,497
Persons Per Household	3.07	2.71	2.54	2.51	2.40
Median Age	*	30.6	32.6	33.1	35.2
Percentage Owner-Occupied Dwelling Units	*	69.4	*	*	60.3
Median Family Income	*	\$20,365	\$25,022	\$29,973	\$46,889
Family Income Distribution:					
\$ 0 - \$ 9,999	*	1,229	883	*	258
10,000 - 14,999	*	1,544	1,055	*	252
15,000 - 24,999	*	2,160	1,543	*	642
25,000 - 49,999	*	1,779	2,989	*	2,053
50,000 and over	*	217	1,051	*	2,811
Total Families		6,929	7,521		6,016
Education Distribution/Grades Years Completed:					
0 - 8	*	1,613	*	*	706
9 - 11	*	1,943	*	*	2,009
12	*	4,711	*	*	5,151
13 - 15	*	1,437	*	*	4,217
16 or more	*	1,626	*	*	2,487

Source: Federal Census
*Data Not Available

Table 13

CITY OF TROY, OHIO
Construction and Bank Deposits
Last Ten Fiscal Years

Year	Commercial Construction (A)		Residential Construction (A)		Bank Deposits in Thousands (B)
	Number of Permits	Value	Number of Permits	Value	
1993	258	\$19,090,804	467	\$6,624,388	\$688,286
1994	340	19,976,101	604	8,026,873	653,371
1995	338	50,412,407	600	9,353,737	746,675
1996	402	42,231,350	978	23,924,920	772,201
1997	288	23,643,525	954	35,313,426	0
1998	240	12,782,644	801	19,803,213	0
1999	410	20,559,141	1041	21,489,651	0
2000	61	7,761,322	201	11,086,202	0
2001	26	11,153,834	110	15,968,738	0
2002	19	4,416,399	236	23,613,370	0

Sources:

A. City of Troy, Ohio, Planning & Development Department.

B. Federal Reserve Bank of Cleveland - amounts are for Miami County.

(Note: County bank deposits measures total deposits for those banks headquartered within a given county and does not measure total deposits within a county).

CITY OF TROY, OHIO
Principal Taxpayers
December 31, 2002

Table 14

Taxpayer	Real Property 2002 Assessed Valuation (A)	Percent of Total for City
American Honda Motor	\$8,750,000	2.50%
Dayton Power and Light Company	6,756,480	1.93%
Verizon North, Inc.	2,908,830	0.83%
Hobart Brothers Company	2,537,910	0.73%
American Matsushita	2,112,470	0.60%
Hobart Coporation	2,068,730	0.59%
F A Archer Partnership	1,764,350	0.50%
Trojan Plaza Investors	1,628,820	0.47%
Harison Investments, LTD	1,593,140	0.46%
THCI Company, L.L.C.	1,575,000	0.45%
Total	\$31,695,730	9.06%
Total Assessed Valuation of City	\$349,997,450	100.00%

Source: Miami County Auditor.

A. Property Assessed at 35 percent of Fair Market Value.

Table 15

CITY OF TROY, OHIO
Other Statistics
December 31, 2002

Year of Incorporation	1814
Form of Government	Council / Mayor
Area	10.59 Square Miles
Mile of Streets	104.45 Miles
Fire Protection and Emergency Rescue:	
Number of Stations	3
Number of Firemen and Officers	41
Police Protection:	
Number of Stations	1
Number of Policemen and Officers	43
Municipal Water Department:	
Number of Consumers	9,232
Average Daily Consumption	5.40 Million Gallons
Miles of Water Mains	126.23
Sewers:	
Miles of Storm Sewers	69.95
Miles of Sanitary Sewers	119.16
Buildings:	
2002 Permits Issued	255
2002 Valuation of Construction	\$28,029,769
Parks and Recreation:	
Number of Parks	24
Number of Acres	296.4
Employees:	
Classified Service	206
Unclassified Service	14
Elected Officials	12

Source: City of Troy, Ohio

CITY OF TROY, OHIO
 OWDA Note Coverage
 Sanitary Sewer Fund
 Last Ten Fiscal Years (A)
 (Amounts Expressed in Thousands)

Fiscal Year	Gross Revenues (A)	Operating Expenses (B)	Net Revenue Available For Debt Service	Debt Service Requirements (C)			Coverage
				Principal	Interest	Total	
1993	\$2,333	\$1,657	\$676	\$42	\$27	\$69	9.79
1994	2,552	1,834	718	42	26	68	10.55
1995	2,924	2,159	765	42	23	65	11.77
1996	3,471	2,777	694	42	21	63	11.02
1997	3,896	3,121	775	42	19	61	12.70
1998	4,002	2,604	1,398	42	17	59	23.69
1999	5,555	2,402	3,153	42	14	56	56.30
2000	4,233	2,800	1,433	42	12	54	26.54
2001	4,286	2,005	2,281	42	10	52	43.87
2002	4,331	2,527	1,804	42	7	49	36.82

Source: Auditor, City of Troy, Ohio

A. Total Revenues (including interest).

B. Total operating expenses exclusive of depreciation.

C. Includes principal and interest of the OWDA Note only. Does not include the general obligation bonds reported in the sanitary sewer fund.



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CITY OF TROY

MIAMI COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JUNE 3, 2003**