



Mary Taylor, CPA  
Auditor of State



CITY OF TROY  
MIAMI COUNTY

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# Mary Taylor, CPA

Auditor of State

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

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

To the Honorable Mayor and City Council:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Troy, Miami County, (the City) as of and for the year ended December 31, 2006, which collectively comprise the City's basic financial statements and have issued our report thereon dated May 31, 2007. 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 the Comptroller General of the United States' *Government Auditing Standards*.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the City's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the City's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the City's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the City's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

We noted certain matters that we reported to the City's management in a separate letter dated May 31, 2007.

### **Compliance and Other Matters**

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note certain noncompliance or other matters that we reported to the City's management in a separate letter dated May 31, 2007.

We intend this report solely for the information and use of the finance committee, management, Mayor and City Council. We intend it for no one other than these specified parties.

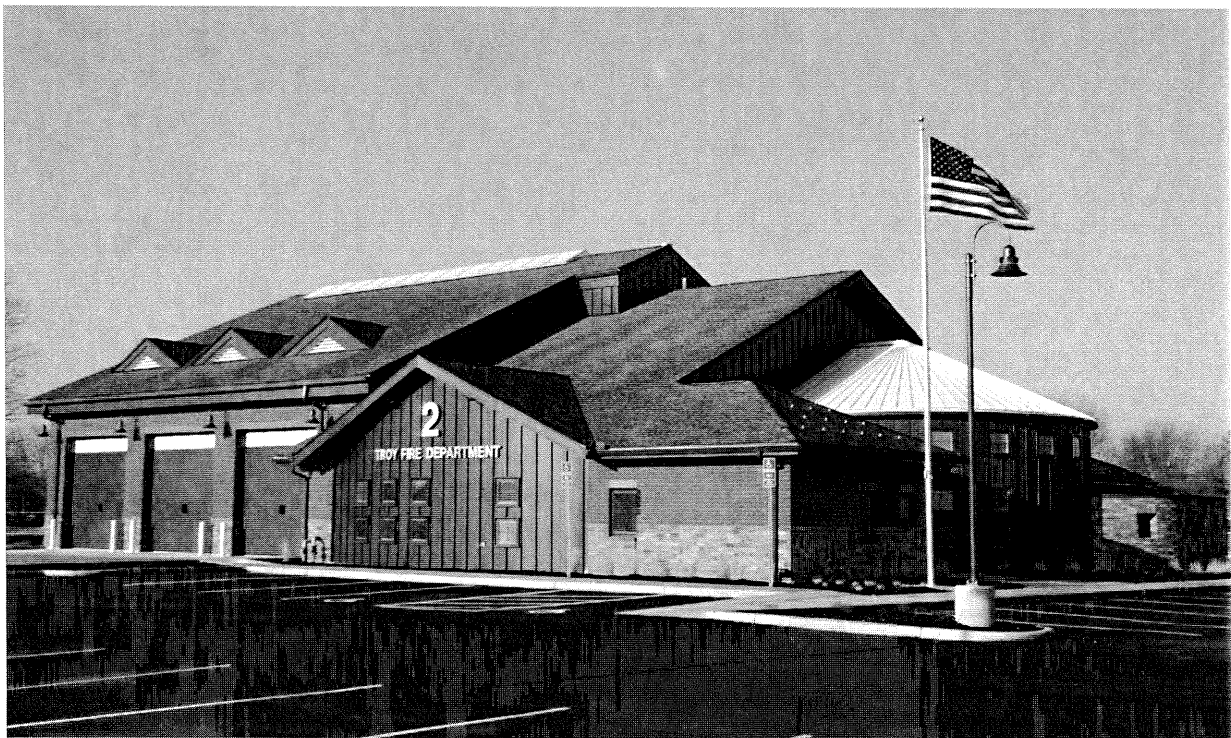
A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

**Mary Taylor, CPA**  
Auditor of State

May 31, 2007

# Troy OHIO, USA

[www.troyohio.gov](http://www.troyohio.gov)



## **COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED DECEMBER 31, 2006**





**CITY OF TROY, OHIO**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2006**

**PREPARED BY:**  
**RICHARD L. CULTICE, CITY AUDITOR**

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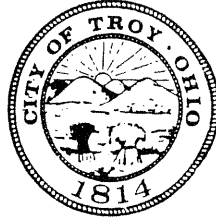
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**INTRODUCTORY  
SECTION**

# City of Troy, Ohio



May 31, 2007

The Honorable Mayor,  
Members of City Council  
and Citizens of Troy, Ohio

The Comprehensive Annual Financial Report of the City of Troy, Ohio for the fiscal year ended December 31, 2006 is submitted herewith. The Department of Finance prepared the report. The responsibility for both the accuracy of the presented data and the completeness and the fairness of the presentation, including all disclosures, rests with the City of Troy, specifically with the Department of Finance. We believe that the enclosed data is accurate in all material respects; and is presented in a manner designed to fairly set forth the financial position and results of operations of the various funds of the City. We further believe that all disclosures necessary to enable the reader to gain an understanding of the City's financial activity have been included.

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

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

The Comprehensive Annual Financial Report is presented in three sections: introductory, financial and statistical. The introductory section includes this transmittal letter, the government's organizational chart, a list of principal officials and the Certificate of Achievement for excellence in financial reporting for the City's 2005 CAFR. The financial section begins with the Independent Accountants' Report and includes the Management's Discussion and Analysis, the Basic Financial Statements and Notes to Basic Financial Statements that provide an overview of the City's financial position and operating results, the Combining Statements for nonmajor funds, and other schedules that provide detailed information relative to the Basic Financial Statements. The statistical section includes selected economic data, financial trends and demographic information, generally presented on a multi-year basis.



## **CITY OVERVIEW**

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

The City of Troy is home to approximately 21,999 people. While new residents move in at a slow, even pace, Troy continues to have a substantial number of long-time residents. People who move to Troy tend to continue to live here, even after they have raised their families. Troy has a reputation for community pride, friendliness and hospitality, along with respect for its past and great hopes for its future. The community offers a diverse mix of people, places and activities to enjoy. Destinations in the City are accessible without congestion or inconvenience.

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

## **ECONOMIC CONDITIONS AND OUTLOOK**

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

Today, Troy still reaps great economic benefits from its strategic location in the strong western Ohio transportation network. The Troy community is served by four interchanges on Interstate Route 75, one of the nation’s most heavily traveled north/south highways. Just 10 minutes to the south is the intersection of I-75 and I-70, which adds excellent east/west access to the rest of the nation. Easy access and fast travel to dispersed plants throughout the entire eastern half of the country allow Troy businesses to meet the just-in-time needs of modern industry. Major arterial highways connect from I-75 to all parts of the city. These include 3 state highways and the old Dixie Highway. In addition to easy automobile and truck movement, rail service continues to provide economical transportation of bulk products through Troy on one of the nation’s heaviest-traveled Class A lines.

International airfreight and travel are only 15 minutes away from Troy, at Dayton International Airport. Over two-thirds of the nation’s population and businesses are within the nation’s largest 90-minute air travel market, enabling Troy businesses to provide same-day delivery to even distant customers. The airport is one of the world’s largest air cargo centers and provides both small and heavy freight service throughout the world.

The City places a high priority on quality of life and effectively delivering services to the citizens of Troy. This priority continued during 2006. 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 in 2006 included:

- Continuation of the Sidewalk Improvement Program (year four), in combination with the Tree Reforestation Program.
- Completion, or substantial completion, of Capital projects – Fire Station 2, paving of streets, Commerce Center Blvd., installation of the Extra High Service Water Booster Station to accommodate the western side of the City, addition of screw pumps at the Wastewater Treatment Facility, Troy Aquatic Park, backup generators for the utility plants, Cemetery Maintenance Building, re-roofing of Fire Station One, North Elm Street reconstruction project, work on the Treasure Island Property.
- Cordial resolution of the agreements with both Concord Township and Staunton Township for the City providing fire and EMS services to the township residents for 2007 through 2009.
- A very successful 2006 Troy Strawberry Festival.
- The volunteers of Operation Cloverleaf continuation of the landscape efforts to enhance the I-75/SR 41 interchange entrance to the City. This is an annual donation worth approximately \$38,000 in services to the community.
- The Troy Foundation renovation of the former Stebelton Property on West Franklin Street. This not only cleaned up an on-going property maintenance issue but, more importantly, is preserving and restoring a structure to its original grandeur.
- Continued economic development efforts locally with the ongoing Retention and Expansion program and internationally by participating in trade mission trips to Europe and Japan. The trade missions included visits to a number of companies that are interested in expanding into the United States and to those that have selected Troy as an investment area.
- American Honda Motor Company, Inc. announced that a new warehouse facility would be located in Troy. This investment also included the commitment of 130 new jobs after the end of three years.
- Continued cooperative partnerships and working relationships with the Townships, Miami County, neighboring communities, the Board of Education, the downtown merchants, the Troy Development Council, and Troy Main Street.
- Provided a number of training opportunities for City staff.
- Continued a cooperative agreement with the First United Methodist Church for City Hall employees and Chamber employees to utilize their parking lot during the day, thus freeing up 36 on-street parking spaces for visitors and business patrons.

- Continuation of the more proactive stance in property code enforcement issues, and established two new programs to financially assist property owners (Paint Voucher Program and Garage Demolition Program).

## **DEPARTMENTAL FOCUS – TROY FIRE DEPARTMENT, NEW FIRE STATION NO. 2**

Fire Station No. 2 was established in 1974 to address concerns that approximately 30 times a day the Northeast section of the City was shut off from fire and EMS services by trains on the CSX grade separation. Fire Station No. 2 is actually a converted Humble Gasoline Station located at the edge of a small neighborhood shopping center. There had been some renovations over the years, including a small addition to house physical training equipment.

In 2002, the City of Troy commissioned for the Fire Department Master Plan regarding future fire station locations. After reviewing its recommendations, Troy City Council determined that a new station should be “more North than East of Troy.” Former Fire Chief John Denney then negotiated for parcels of land that would accommodate the new station.

In 2004, Council approved a bond issue in the amount of \$2,575,000 to construct a new fire station. Of that amount, \$275,000 was budgeted for acquisition of land.

On April 4, 2005, Troy City Council approved the purchase of land at 1528 N. Market Street from the Staunton Grange in the amount of \$65,000. The City then authorized the design and construction of the station.

The new Fire Station No. 2 sits on about 3.5 acres and has a total of 12,600 square feet. The station houses the office of the Fire Chief and his secretary, as well as a conference room that can be used for training purposes. In addition to living and kitchen facilities, the station has a workout room and five separate sleeping quarters for the on-duty firefighters. The bay area of the station will allow for all the equipment currently owned by the Fire Department to be housed inside, eliminating some of the outside storage at other facilities. The facility has been constructed to meet the needs of the Fire Department for the next several decades.

One of the outstanding features of this facility is the Training Tower located in the center of the station. The Training Tower will allow the City to perform much of the required training at our own station, allowing great efficiency of our operations. This multi-story tower along with the conference room will be used often by all of Troy's Fire Department.

The new Fire Station No. 2 was budgeted at a cost of \$3.4 million dollars. Construction was done by Brumbaugh Construction at a contract price of \$3,000,900. While final costs have not been determined, the contract price stands currently stands at \$3,000,574. This project was completed for less than the contract amount, well under the budgeted figure, and ahead of schedule.

The new station is to be occupied by the first part of April of 2007. During 2007, Council will be asked to consider the disposition of the old Station 2 location.

## **FUTURE PROJECTS**

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:

- Be responsive to citizens.
- Continue economic development efforts to bring high quality jobs to the community for current and future residents.
- Complete projects that have been started.
- Monitor revenues for possible enhancements and reduce the financial impact on the General Fund by other budgetary funds where appropriate without creating an undue burden for taxpayers.
- Streamline operations and expenses where possible without diluting the services to the citizens.
- Review the Comprehensive Plan to see that dated tasks are done.
- 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; extend recreational trails.
- Utilize grants and other governmental funds (i.e., OPWC) where possible for projects.
- Monitor the condition of all City facilities and see that they are properly maintained.
- Analyze the cost of City services and revenue to support this, and adjust current or create new revenue streams where necessary.

## **INTERNAL ACCOUNTING AND BUDGETARY CONTROLS**

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

Budgetary control is maintained at the fund level by the use of encumbrances for purchase order amounts to vendors. Open encumbrances are reported as reservations of the fund balance for the governmental fund types at December 31, 2006

## **RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. In 1988, the City joined the Miami Valley Risk Management Association, Inc. (MVRMA) a risk sharing insurance pool. See Notes to the Basic Financial Statements for more in-depth information.

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

Employee Assistance Plan (EAP) - Through EmployeeCare of Miami Valley Hospital in Dayton, the City provides employees and their families free 24-hour counseling services. In addition to counseling sessions, there is a 24-hour hotline. A satellite office for the EAP Program has also been established in Troy. This counseling process is based upon and centered on complete confidentiality for the person using the program. The EAP also provides on-site counseling for situations such as the loss of a co-worker or the debriefing of safety employees following a critical event. The EAP further provides on-site seminars/workshops with topics such as stress management, holiday stress, dealing with angry citizens, and other geared to the needs of the staff.

Wellness Program – This program has existed for approximately 17 years. Since 2002, the City has contracted with the local Upper Valley Medical Center, Troy, Ohio for the service. The City is provided an on-site nurse sixteen hours per month. Employees can establish base-line medical data with the nurse so that physical/medical problems/improvements can be measured. A Wellness Committee of employees has been formed to suggest possible programs and services. To date, some of the benefits provided by the Wellness Program include: cholesterol screening, blood pressure checks, statistics, hearing exams, TB screening, health fair, flu shots (when vaccine is available), stress management, diabetes screening, etc. and the opportunity to take advantage of various screenings at a reduced cost for the employee/spouse. As a result of screenings and discussions with the nurse, some employees have been referred for further medical evaluation. In addition, the wellness program encourages regular exercise and other recommendations for healthy life styles. The program elements were extended to include regular “flyers” distributed to employees that provide a variety of information in a single and simple one page format. Employees are encouraged to share the flyers with their families.

## INDEPENDENT AUDIT

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

## CERTIFICATE OF ACHIEVEMENT

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, 2005. 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.

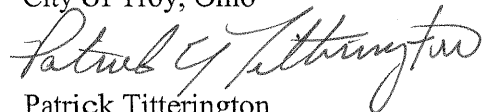
A Certificate of Achievement is valid for a period of one year. The City of Troy, Ohio, received a Certificate of Achievement for the 17<sup>th</sup> time for the year ended December 31, 2005. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

## ACKNOWLEDGEMENTS

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

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

Respectfully submitted,  
City of Troy, Ohio



Patrick Titterington  
Director of Public Service and Safety



Richard L. Cultice  
City Auditor

# CITY OF TROY, OHIO

## Listing of Principal City Officials

December 31, 2006

### Elected Officials

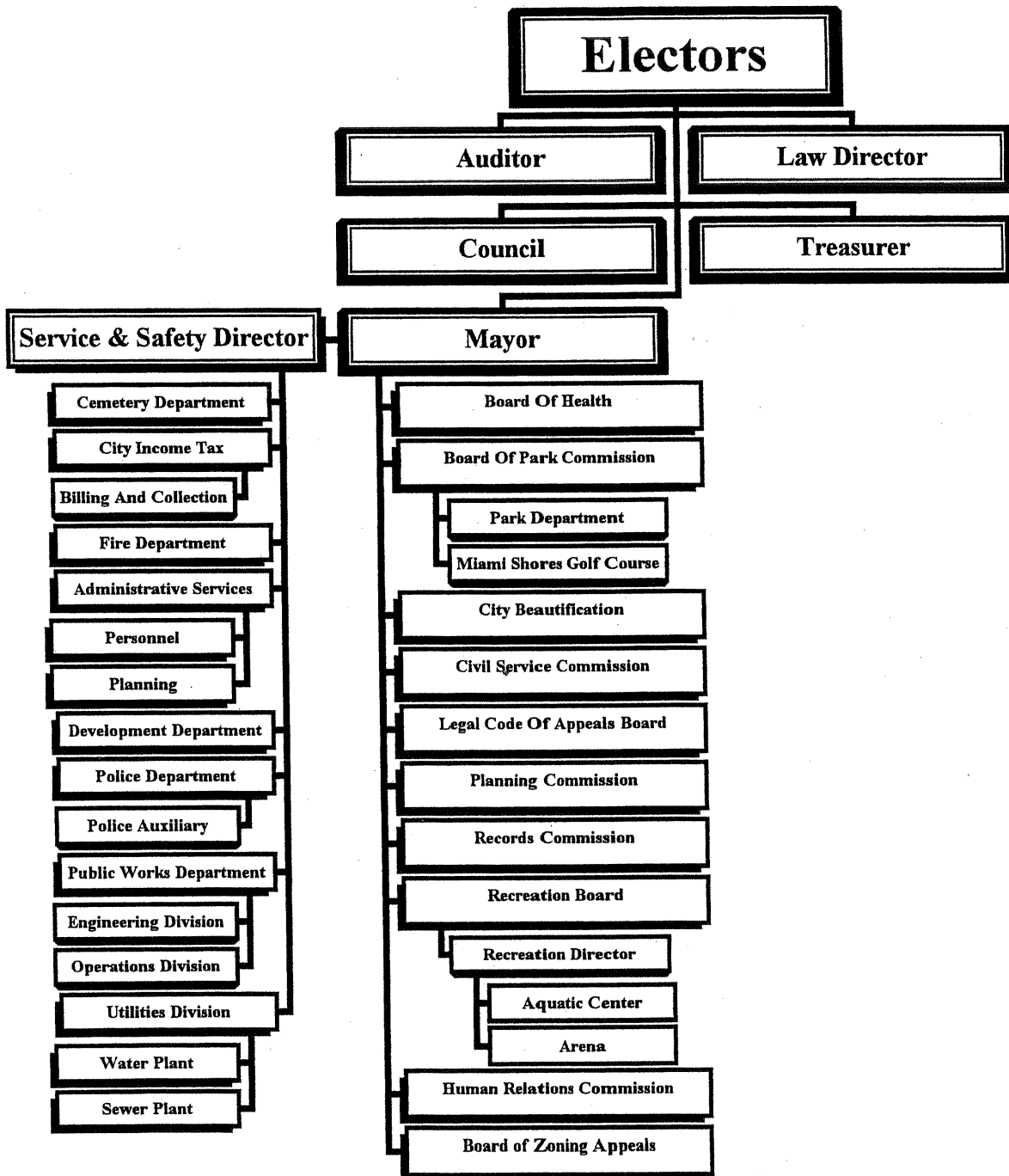
Mayor	Michael L. Beamish
President of Council	William F. Lohrer
Councilmember-at-Large	Alan R. Clark
Councilmember-at-Large	Mark A. Douglas
Councilmember-at-Large	Shirley M. Saxton
Councilmember, First Ward	Thomas M. Kendall
Councilmember, Second Ward	Martha A. Baker
Councilmember, Third Ward	Ted S. Mercer
Councilmember, Fourth Ward	Jarrold W. Harrah
Treasurer	Edward L. Cox
Director of Law	W. McGregor Dixon, Jr.
Auditor	Richard L. Cultice

### Appointed Officials

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

\* Resigned on April 19, 2006, Arthur D. Haddad is Interim Director of Public Service and Safety

# City Of Troy





# 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, 2005

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.



President

Executive Director

**FINANCIAL  
SECTION**



# Mary Taylor, CPA

Auditor of State

## 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 financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Troy, Miami County, Ohio (the City), as of and for the year ended December 31, 2006, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Troy, Miami County, Ohio, as of December 31, 2006, and the respective changes in financial position and where applicable, cash flows, thereof 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 31, 2007, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

The Management's Discussion and Analysis and budgetary comparison for the General Fund are not a required part of the basic financial statements but are supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to opine on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining nonmajor fund statements and schedules and statistical tables provide additional information and are not a required part of the basic financial statements. We subjected the combining nonmajor fund statements and schedules to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical tables to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



**Mary Taylor, CPA**  
Auditor of State

May 31, 2007

## **City of Troy**

### **Management's Discussion and Analysis For The Year Ended December 31, 2006 (Unaudited)**

The City of Troy's discussion and analysis of the annual financial reports provides a review of the financial performance for the fiscal year ending December 31, 2006. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the City's performance.

#### **Financial Highlights**

- The City's total net assets increased \$606,209. Net assets of governmental activities decreased \$2,875,189, net assets of business-type activities increased by \$3,481,398.
- The General Fund reported a net change in fund balance of \$1,244,930.
- Business-type operations reflected operating loss of \$1,880,684.

#### **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

#### **Government-wide Financial Statements**

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

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

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

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

### **Fund Financial Statements**

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

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

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

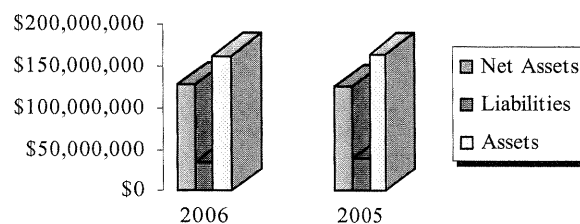
**Fiduciary Funds** - The City is the fiscal agent for one private purpose trust and six agency funds. All of the City's fiduciary activities are reported in separate Statements of Fiduciary Net Assets and Statement of Changes in Assets and Liabilities. We exclude these activities from the City's other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

### The City as a Whole

As stated previously, the Statement of Net Assets looks at the City as a whole. Table 1 provides a summary of the City's net assets for 2006 compared to 2005.

**Table 1**  
Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
<b>Assets</b>						
Current Assets	\$51,862,749	\$53,508,142	\$18,214,416	\$20,435,381	\$70,077,165	\$73,943,523
Capital Assets, Net	39,868,826	41,919,186	52,243,503	48,289,577	92,112,329	90,208,763
<b>Total Assets</b>	<b>91,731,575</b>	<b>95,427,328</b>	<b>70,457,919</b>	<b>68,724,958</b>	<b>162,189,494</b>	<b>164,152,286</b>
<b>Liabilities</b>						
Long-Term Liabilities	13,078,451	13,820,204	17,917,529	19,424,837	30,995,980	33,245,041
Other Liabilities	4,112,992	4,191,803	440,280	681,409	4,553,272	4,873,212
<b>Total Liabilities</b>	<b>17,191,443</b>	<b>18,012,007</b>	<b>18,357,809</b>	<b>20,106,246</b>	<b>35,549,252</b>	<b>38,118,253</b>
<b>Net Assets</b>						
Invested in Capital						
Assets Net of Debt	28,145,826	29,562,186	35,008,503	29,577,577	63,154,329	59,139,763
Restricted	9,735,905	12,517,653	0	0	9,735,905	12,517,653
Unrestricted	36,658,401	35,335,482	17,091,607	19,041,135	53,750,008	54,376,617
<b>Total Net Assets</b>	<b>\$74,540,132</b>	<b>\$77,415,321</b>	<b>\$52,100,110</b>	<b>\$48,618,712</b>	<b>\$126,640,242</b>	<b>\$126,034,033</b>



Overtime, net assets can serve as a useful indicator of a government's financial position. Total net assets of the City as a whole increased \$606,209, representing an improvement from the prior year.

Net assets of the City's governmental activities decreased \$2,875,189. Equity in pooled cash and investments decreased due mostly to additional transportation and street repair expenses as compared to the prior year. Capital Assets, Net decreased mostly due to the governmental activities transferring capital assets to the business-type activities.

The net assets of the City's business-type activities increased \$3,481,398 from 2005. The increase in net assets due mostly to the increase in net capital assets. The City added \$1,374,645 in Infrastructure.

Table 2 shows the changes in net assets for the year ended December 31, 2006.

**Table 2**  
Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Program Revenues:						
Charges for Services	\$1,924,966	\$1,926,249	\$8,546,200	\$9,590,865	\$10,471,166	\$11,517,114
Operating Grants, Contributions	1,247,032	1,207,394	0	79,150	1,247,032	1,286,544
Capital Grants and Contributions	2,311,020	2,650,155	1,224,803	1,354,320	3,535,823	4,004,475
Total Program Revenues	5,483,018	5,783,798	9,771,003	11,024,335	15,254,021	16,808,133
General Revenue:						
Income Taxes	12,542,400	12,681,511	0	0	12,542,400	12,681,511
Property Taxes	2,592,328	1,929,852	0	0	2,592,328	1,929,852
Grants and Entitlements	1,131,293	2,193,117	0	0	1,131,293	2,193,117
Unrestricted Contributions	56,900	44,600	0	0	56,900	44,600
Investment Earnings	2,160,055	1,143,110	674,201	416,709	2,834,256	1,559,819
Refunds and Reimbursements	61,219	44,338	0	0	61,219	44,338
Other	133,385	65,705	315,215	288,991	448,600	354,696
Total General Revenues	18,677,580	18,102,233	989,416	705,700	19,666,996	18,807,933
Total Revenues	24,160,598	23,886,031	10,760,419	11,730,035	34,921,017	35,616,066
Program Expenses:						
General Government	5,180,111	5,660,201	0	0	5,180,111	5,660,201
Public Safety	8,842,678	8,787,052	0	0	8,842,678	8,787,052
Leisure Time Activities	1,820,227	1,884,611	0	0	1,820,227	1,884,611
Community Development	688,806	836,887	0	0	688,806	836,887
Basic Utility Service	1,493,639	1,852,260	0	0	1,493,639	1,852,260
Transportation and Street Repair	3,681,464	2,392,805	0	0	3,681,464	2,392,805
Public Health and Welfare	428,505	500,215	0	0	428,505	500,215
Other	9,536	11,135	0	0	9,536	11,135
Interest and Fiscal Charges	550,755	589,068	0	0	550,755	589,068
Water Utility	0	0	4,962,223	4,574,926	4,962,223	4,574,926
Sewer Utility	0	0	4,614,815	3,776,760	4,614,815	3,776,760
Arena Facilities	0	0	771,549	683,886	771,549	683,886
Pool	0	0	293,478	323,370	293,478	323,370
Parking	0	0	44,946	44,624	44,946	44,624
Golf Course	0	0	763,612	814,751	763,612	814,751
Stadium Facilities	0	0	168,464	84,232	168,464	84,232
Total Program Expenses	22,695,721	22,514,234	11,619,087	10,302,549	34,314,808	32,816,783
Increase (Decrease) in Net Assets before Transfers	1,464,877	1,371,797	(858,668)	1,427,486	606,209	2,799,283
Transfers - Internal Activities	(4,340,066)	(825,000)	4,340,066	825,000	0	0
Change in Net Assets	(2,875,189)	546,797	3,481,398	2,252,486	606,209	2,799,283
Beginning Net Assets	77,415,321	76,868,524	48,618,712	46,366,226	126,034,033	123,234,750
Ending Net Assets	\$74,540,132	\$77,415,321	\$52,100,110	\$48,618,712	\$126,640,242	\$126,034,033

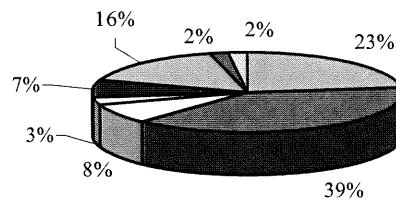


**Governmental Activities**

Troy has continued attracting large-scale employers to our city in the year 2006, thereby injecting the local economy with jobs and increasing the City’s commercial tax base. The 1.75% income tax is the largest source of revenue for the City. Revenues generated by the earnings tax represent more than 67% of the City’s governmental activities general revenues. During 2006, when most communities were faced with budget cuts due to the economic downturn of the economy, the City’s 2006 earnings tax revenues decreased approximately 1% over 2005 tax revenues.

Governmental activities program expenses for 2006 were as follows:

Program Expenses	Percent of Total
General Government	23%
Public Safety	39%
Leisure Time Activities	8%
Community Development	3%
Basic Utility Service	7%
Transportation & Street Repair	16%
Public Health & Welfare	2%
Interest & Fiscal Charges	2%
Total	100%



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

**Business-Type Activities**

Business-type activities, include water, sewer, Hobart Arena, swimming pool, parking meter, Miami Shores and the stadium. These programs had operating revenues of \$8,861,415 and operating expenses of \$10,742,099 for fiscal year 2006. Business activities receive no support from tax revenues. The business activities net assets at the end of the year was \$52,100,110, which increased \$3,481,398 from 2005. The City had two business-type (enterprise) funds that were major funds: the Water fund and the Sanitary Sewer fund.

The City of Troy’s Water Department serves 9,918 customers, this represents a population base of nearly 21,999 people. The average daily consumption for the city is 4.02 million gallons and 134.92 miles of water mains in its distribution system. The water fund had operating loss of \$322,285 for 2006.

The City of Troy’s Sewer Department includes 125.01 miles of sanitary sewer main, which provide the collection and treatment of public wastewater. Miles of sanitary sewer main increased 1.11 miles from 2005. The Sewer fund had operating loss of \$825,868 for 2006.

**The City’s Funds**

The City has two major governmental funds: the General Fund and Capital Improvement Fund. Assets of the general fund comprised \$40,195,551 (78%) and the capital improvement fund comprised \$2,198,565 (4%) of the total \$51,862,749 governmental funds assets.

As of the end of the year, the City of Troy’s governmental funds reported combined ending fund balances of \$45,383,473. Approximately \$41,582,213 of this amount constitutes *unreserved fund balance*, which is available for spending at the government’s discretion. The remainder of the fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed to liquidate contracts and purchase orders of the prior period.

**General Fund:** Fund balance at December 31, 2006 was \$37,022,214 which was an increase in fund balance of \$1,244,930 from 2005. This resulted from both an increase in taxes revenue and the City decreasing their General Fund expenditures.

**Capital Improvement Fund:** Fund balance at December 31, 2006 was \$509,070 including (\$63,996) of unreserved balance. The decrease in fund balance of \$3,380,471 from 2005 was mainly due to an increase in capital outlay expenditures.

**General Fund Budgeting Highlights**

The City’s General Fund budget is formally adopted at the fund level. Financial reports, which compare actual performance with the budget, are prepared quarterly and presented to the Council so the Council is able to review the financial status and measure the effectiveness of the budgetary controls.

As the City completed the year, its General Fund balance reported an actual fund balance of \$36,311,944, on a Non-GAAP Budgetary Basis.

Variations from the final budget amounts to the actual amounts are primarily due to the following reasons: The City overestimated the general government, public safety and transfers out expenditures for 2006.

**Capital Assets and Debt Administration**

**Capital Assets**

**Table 3**  
Capital Assets  
(Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Land	\$12,084,897	\$12,014,731	\$538,683	\$538,683	\$12,623,580	\$12,553,414
Construction in Progress	2,851,584	5,642,929	0	1,093,931	2,851,584	6,736,860
Buildings and Improvements	7,052,064	6,721,369	30,561,830	27,568,982	37,613,894	34,290,351
Equipment	2,468,749	2,940,127	7,921,852	6,735,824	10,390,601	9,675,951
Infrastructure	15,411,532	14,600,030	13,221,138	12,352,157	28,632,670	26,952,187
<b>Total Net Capital Assets</b>	<b>\$39,868,826</b>	<b>\$41,919,186</b>	<b>\$52,243,503</b>	<b>\$48,289,577</b>	<b>\$92,112,329</b>	<b>\$90,208,763</b>

The increase in net capital assets was the result of the increase in infrastructure and buildings and improvements for the City.

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

**Debt**

At year-end the City had \$28,958,000 in general obligation bonds and special assessment bonds.

**Table 4**  
Outstanding Debt at Year End

		<u>2006</u>	<u>2005</u>
<b>Governmental Activities</b>			
<u>General Obligation Bonds</u>			
Central Maintenance Facility	6.25%	\$0	\$80,000
McKaig Storm Sewer Phase II	6.25%	0	30,000
McKaig Storm Sewer Phase III	7.13%	80,000	120,000
Stadium Improvement	2.50-5.25%	2,665,000	2,780,000
Tax Increment Financing	6.00%	1,750,000	1,775,000
Elm Street Improvements	2.00-4.75%	560,000	580,000
Aquatic Center	2.00-4.75%	3,690,000	3,840,000
Cemetery Maintenance Building	2.00-4.75%	430,000	445,000
Fire Station	2.00-4.75%	2,350,000	2,445,000
Total General Obligation Bonds		<u>11,525,000</u>	<u>12,095,000</u>
<u>Special Assessment Bonds</u>			
Street Improvement - St. Rt. 55	7.13%	28,000	42,000
Street Improvement - Dorset Rd.	7.35%	120,000	160,000
Street Improvement - Exp. Farm Rd.	3.35-5.00%	50,000	60,000
Total Special Assessment Bonds		<u>198,000</u>	<u>262,000</u>
<b>Business Type Activities</b>			
<u>General Obligation Bonds</u>			
Southwest Interceptor Sewer	6.25%	\$0	\$70,000
Water Improvement Towers	3.35-5.00%	1,170,000	1,375,000
Wastewater System Improvement	4.90%	0	220,000
Waterplant Expansion I	4.75-6.25%	1,355,000	1,580,000
Golf Course Improvement	5.75%	0	72,000
Waterplant Expansion II	4.50%	320,000	620,000
Wastewater System Improvement	3.35-5.30%	2,470,000	2,605,000
Wastewater Improvement IIC&VA	0.00%	350,000	375,000
Water Line Extension	2.50-4.00%	665,000	760,000
Southeast Area Sewer	2.00-4.75%	1,225,000	1,275,000
Generators	2.00-4.75%	1,130,000	1,175,000
Refunding Wastewater System Improvement	4.00-5.00%	2,535,000	2,550,000
Refunding Waterplant Expansion I	5.00%	1,705,000	1,705,000
Refunding Waterplant Expansion II	4.00-5.00%	4,310,000	4,330,000
Total General Obligation Bonds		<u>17,235,000</u>	<u>18,712,000</u>
Total Debt		<u>\$28,958,000</u>	<u>\$31,069,000</u>

Special Assessment Street Improvement Bonds will be paid with special assessment revenue.

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

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

### **Economic Factors**

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

### **Contacting the City's Financial Department**

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

City of Troy, Ohio  
Statement of Net Assets  
December 31, 2006

	Governmental Activities	Business-Type Activities	Total
<b>Assets:</b>			
Equity in Pooled Cash and Investments	\$42,797,945	\$17,147,511	\$59,945,456
<b>Receivables:</b>			
Taxes	2,590,193	0	2,590,193
Accounts	487,799	516,396	1,004,195
Interest	456,793	62,371	519,164
Intergovernmental	2,433,843	0	2,433,843
Notes	1,955,891	0	1,955,891
Special Assessments	1,140,285	0	1,140,285
Inventory	0	488,138	488,138
Nondepreciable Capital Assets	14,936,481	538,683	15,475,164
Depreciable Capital Assets, Net	24,932,345	51,704,820	76,637,165
<b>Total Assets</b>	<b>91,731,575</b>	<b>70,457,919</b>	<b>162,189,494</b>
<b>Liabilities:</b>			
Accounts Payable	432,289	123,741	556,030
Accrued Wages and Benefits	952,464	211,893	1,164,357
Retainage Payable	196,046	36,518	232,564
Accrued Interest Payable	70,315	68,128	138,443
Unearned Revenue	2,461,878	0	2,461,878
<b>Long-Term Liabilities:</b>			
Due Within One Year	1,080,321	1,583,599	2,663,920
Due In More Than One Year	11,998,130	16,333,930	28,332,060
<b>Total Liabilities</b>	<b>17,191,443</b>	<b>18,357,809</b>	<b>35,549,252</b>
<b>Net Assets:</b>			
Invested in Capital Assets, Net of Related Debt	28,145,826	35,008,503	63,154,329
<b>Restricted for:</b>			
Special Revenue	6,720,779	0	6,720,779
Debt Service	264,654	0	264,654
Capital Projects	2,750,472	0	2,750,472
Unrestricted	36,658,401	17,091,607	53,750,008
<b>Total Net Assets</b>	<b>\$74,540,132</b>	<b>\$52,100,110</b>	<b>\$126,640,242</b>

See accompanying notes to the basic financial statements.

City of Troy, Ohio  
Statement of Activities  
For the Fiscal Year Ended December 31, 2006

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
General Government	\$5,180,111	\$109,659	\$6,972	\$0
Public Safety	8,842,678	1,103,563	0	0
Leisure Time Activities	1,820,227	177,180	0	0
Community Development	688,806	0	18,795	0
Basic Utility Service	1,493,639	305,678	0	218,179
Transportation and Street Repair	3,681,464	7,922	1,221,265	2,092,841
Public Health and Welfare	428,505	220,964	0	0
Interest and Fiscal Charges	550,755	0	0	0
Other	9,536	0	0	0
<b>Total Governmental Activities</b>	<b>22,695,721</b>	<b>1,924,966</b>	<b>1,247,032</b>	<b>2,311,020</b>
<b>Business-Type Activities:</b>				
Water Utility	4,962,223	4,129,742	0	310,926
Sewer Utility	4,614,815	3,414,879	0	913,877
Arena Facilities	771,549	80,893	0	0
Pool	293,478	222,913	0	0
Parking	44,946	18,085	0	0
Golf Course	763,612	679,688	0	0
Stadium Facilities	168,464	0	0	0
<b>Total Business-Type Activities</b>	<b>11,619,087</b>	<b>8,546,200</b>	<b>0</b>	<b>1,224,803</b>
<b>Totals</b>	<b>\$34,314,808</b>	<b>\$10,471,166</b>	<b>\$1,247,032</b>	<b>\$3,535,823</b>

General Revenues:  
Income Taxes  
Property Taxes Levied for:  
    General Purposes  
    Grants and Entitlements not Restricted to Specific Programs  
Unrestricted Contributions  
Investment Earnings  
Refunds and Reimbursements  
Other Revenues  
Transfers-Internal Activities  
  
Total General Revenues and Transfers  
  
Change in Net Assets  
  
Net Assets Beginning of Year  
  
Net Assets End of Year

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-Type Activities	Total
(\$5,063,480)	\$0	(\$5,063,480)
(7,739,115)	0	(7,739,115)
(1,643,047)	0	(1,643,047)
(670,011)	0	(670,011)
(969,782)	0	(969,782)
(359,436)	0	(359,436)
(207,541)	0	(207,541)
(550,755)	0	(550,755)
(9,536)	0	(9,536)
<u>(17,212,703)</u>	<u>0</u>	<u>(17,212,703)</u>
0	(521,555)	(521,555)
0	(286,059)	(286,059)
0	(690,656)	(690,656)
0	(70,565)	(70,565)
0	(26,861)	(26,861)
0	(83,924)	(83,924)
0	(168,464)	(168,464)
<u>0</u>	<u>(1,848,084)</u>	<u>(1,848,084)</u>
<u>(\$17,212,703)</u>	<u>(\$1,848,084)</u>	<u>(\$19,060,787)</u>
12,542,400	0	12,542,400
2,592,328	0	2,592,328
1,131,293	0	1,131,293
56,900	0	56,900
2,160,055	674,201	2,834,256
61,219	0	61,219
133,385	315,215	448,600
(4,340,066)	4,340,066	0
<u>14,337,514</u>	<u>5,329,482</u>	<u>19,666,996</u>
(2,875,189)	3,481,398	606,209
<u>77,415,321</u>	<u>48,618,712</u>	<u>126,034,033</u>
<u>\$74,540,132</u>	<u>\$52,100,110</u>	<u>\$126,640,242</u>

City of Troy, Ohio  
Balance Sheet  
Governmental Funds  
December 31, 2006

	General	Capital Improvement	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>				
Equity in Pooled Cash and Investments	\$36,054,412	\$1,018,216	\$5,725,317	\$42,797,945
<b>Receivables:</b>				
Taxes	2,371,333	0	218,860	2,590,193
Accounts	467,685	0	20,114	487,799
Interest	447,602	0	9,191	456,793
Intergovernmental	808,819	310,000	1,315,024	2,433,843
Notes	0	0	1,955,891	1,955,891
Special Assessments	45,700	870,349	224,236	1,140,285
<b>Total Assets</b>	<b>40,195,551</b>	<b>2,198,565</b>	<b>9,468,633</b>	<b>51,862,749</b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts Payable	70,823	313,100	48,366	432,289
Accrued Wages and Benefits	878,507	0	73,957	952,464
Compensated Absences	0	0	3,521	3,521
Retainage Payable	0	196,046	0	196,046
Deferred Revenue	2,224,007	1,180,349	1,490,600	4,894,956
<b>Total Liabilities</b>	<b>3,173,337</b>	<b>1,689,495</b>	<b>1,616,444</b>	<b>6,479,276</b>
<b>Fund Balances:</b>				
Reserved for Encumbrances	189,868	573,066	1,082,435	1,845,369
Reserved for Notes Receivable	0	0	1,955,891	1,955,891
<b>Unreserved, Undesignated, Reported in:</b>				
General Fund	36,832,346	0	0	36,832,346
Special Revenue Funds	0	0	4,192,666	4,192,666
Debt Service Funds	0	0	115,633	115,633
Capital Projects Funds	0	(63,996)	505,564	441,568
<b>Total Fund Balances</b>	<b>37,022,214</b>	<b>509,070</b>	<b>7,852,189</b>	<b>45,383,473</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$40,195,551</b>	<b>\$2,198,565</b>	<b>\$9,468,633</b>	<b>\$51,862,749</b>

See accompanying notes to the basic financial statements.



City of Troy, Ohio  
 Reconciliation of Total Governmental Fund Balance to  
 Net Assets of Governmental Activities  
 December 31, 2006

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Total Governmental Fund Balance		\$45,383,473
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		39,868,826
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Delinquent Property Taxes	41,484	
Intergovernmental	1,113,377	
Other	<u>1,278,217</u>	
		2,433,078
In the statement of net assets interest payable is accrued when incurred, whereas in the governmental funds interest is reported as a liability only when it will require the use of current financial resources.		(70,315)
Some liabilities reported in the statement of net assets do not require the use of current financial resources and therefore are not reported as liabilities in governmental funds.		
Compensated Absences	<u>(1,351,930)</u>	
		(1,351,930)
Long-term liabilities, are not due and payable in the current period and therefore are not reported in the funds.		<u>(11,723,000)</u>
Net Assets of Governmental Activities		<u>\$74,540,132</u>

See accompanying notes to the basic financial statements.

City of Troy, Ohio  
Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Governmental Funds  
For the Fiscal Year Ended December 31, 2006

	General	Capital Improvement	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$14,374,181	\$0	\$767,521	\$15,141,702
Fines, Licenses & Permits	95,068	0	18,608	113,676
Charges for Services	1,259,188	0	318,039	1,577,227
Investment Earnings	2,068,044	0	92,012	2,160,056
Intergovernmental	1,670,827	700,000	1,189,514	3,560,341
Special Assessments	13,475	167,677	80,369	261,521
Other Revenues	304,261	0	114,461	418,722
<b>Total Revenues</b>	<b>19,785,044</b>	<b>867,677</b>	<b>2,580,524</b>	<b>23,233,245</b>
Expenditures:				
Current:				
General Government	4,272,135	0	60,530	4,332,665
Public Safety	8,377,066	0	19,611	8,396,677
Leisure Time Activities	1,179,251	0	221,440	1,400,691
Community Development	531,834	113,315	0	645,149
Basic Utility Service	1,264,828	0	0	1,264,828
Transportation and Street Repair	0	0	1,949,294	1,949,294
Public Health and Welfare	0	0	426,129	426,129
Capital Outlay	0	4,589,131	287,867	4,876,998
Debt Service:				
Principal Retirement	0	0	634,000	634,000
Interest and Fiscal Charges	0	0	553,162	553,162
Other	0	5,702	3,834	9,536
<b>Total Expenditures</b>	<b>15,625,114</b>	<b>4,708,148</b>	<b>4,155,867</b>	<b>24,489,129</b>
Excess of Revenues Over (Under) Expenditures	4,159,930	(3,840,471)	(1,575,343)	(1,255,884)
Other Financing Sources (Uses):				
Transfers In	440,000	460,000	2,565,000	3,465,000
Transfers (Out)	(3,355,000)	0	(440,000)	(3,795,000)
<b>Total Other Financing Sources (Uses)</b>	<b>(2,915,000)</b>	<b>460,000</b>	<b>2,125,000</b>	<b>(330,000)</b>
Net Change in Fund Balance	1,244,930	(3,380,471)	549,657	(1,585,884)
Fund Balance Beginning of Year	35,777,284	3,889,541	7,302,532	46,969,357
Fund Balance End of Year	\$37,022,214	\$509,070	\$7,852,189	\$45,383,473

See accompanying notes to the basic financial statements.

City of Troy, Ohio  
 Reconciliation of the Statement of Revenues, Expenditures, and Changes  
 in Fund Balance of Governmental Funds to the Statement of Activities  
 For the Fiscal Year Ended December 31, 2006

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Net Change in Fund Balance - Total Governmental Funds (\$1,585,884)

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

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

Capital assets used in governmental activities	3,986,893	
Depreciation Expense	<u>(1,306,394)</u>	2,680,499

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. The amount of the proceeds must be removed and the gain or loss on the disposal of capital assets must be recognized. This is the amount of the difference between the proceeds and the gain or loss. (720,793)

Capital assets transfers reported for governmental activities in the statement of activities are not reported in the governmental funds. (4,010,066)

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

Delinquent Property Taxes	(6,971)	
Intergovernmental	45,107	
Other	<u>21,103</u>	59,239

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 634,000

In the statement of activities interest expense is accrued when incurred, whereas in governmental funds an interest expenditure is reported when due. 2,407

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated Absences	<u>65,409</u>	<u>65,409</u>
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Change in Net Assets of Governmental Activities (\$2,875,189)

See accompanying notes to the basic financial statements.

City of Troy, Ohio  
Statement of Net Assets  
Proprietary Funds  
December 31, 2006

	Business-Type Activities -Enterprise Funds			
	Water	Sanitary Sewer	Other Enterprise Funds	Total Business-Type Activities
<b>Assets:</b>				
Equity in Pooled Cash and Investments	\$7,047,094	\$9,421,171	\$679,246	\$17,147,511
<b>Receivables:</b>				
Accounts	232,951	218,293	65,152	516,396
Interest	26,479	35,399	493	62,371
Inventory	488,138	0	0	488,138
<b>Total Current Assets</b>	<b>7,794,662</b>	<b>9,674,863</b>	<b>744,891</b>	<b>18,214,416</b>
Nondepreciable Capital Assets	145,937	74,800	317,946	538,683
Depreciable Capital Assets, Net	22,214,264	19,729,208	9,761,348	51,704,820
<b>Total Noncurrent Assets</b>	<b>22,360,201</b>	<b>19,804,008</b>	<b>10,079,294</b>	<b>52,243,503</b>
<b>Total Assets</b>	<b>30,154,863</b>	<b>29,478,871</b>	<b>10,824,185</b>	<b>70,457,919</b>
<b>Liabilities:</b>				
<b>Current Liabilities:</b>				
Accounts Payable	49,268	54,420	20,053	123,741
Accrued Wages and Benefits	100,750	73,590	37,553	211,893
Compensated Absences	113,827	55,065	24,707	193,599
Retainage Payable	36,518	0	0	36,518
Accrued Interest Payable	39,302	28,826	0	68,128
Long-Term Liabilities Due Within One Year	895,000	495,000	0	1,390,000
<b>Total Current Liabilities</b>	<b>1,234,665</b>	<b>706,901</b>	<b>82,313</b>	<b>2,023,879</b>
<b>Long-Term Liabilities:</b>				
Compensated Absences	342,679	106,362	39,889	488,930
Bonds, Notes & Loans Payable	8,630,000	7,215,000	0	15,845,000
<b>Total Noncurrent Liabilities</b>	<b>8,972,679</b>	<b>7,321,362</b>	<b>39,889</b>	<b>16,333,930</b>
<b>Total Liabilities</b>	<b>10,207,344</b>	<b>8,028,263</b>	<b>122,202</b>	<b>18,357,809</b>
<b>Net Assets:</b>				
Invested in Capital Assets, Net of Related Debt	12,835,201	12,094,008	10,079,294	35,008,503
Unrestricted	7,112,318	9,356,600	622,689	17,091,607
<b>Total Net Assets</b>	<b>\$19,947,519</b>	<b>\$21,450,608</b>	<b>\$10,701,983</b>	<b>\$52,100,110</b>

See accompanying notes to the basic financial statements.

City of Troy, Ohio  
Statement of Revenues, Expenses  
and Changes in Fund Net Assets  
Proprietary Funds  
For the Fiscal Year Ended December 31, 2006

	Business-Type Activities -Enterprise Funds			
	Water	Sanitary Sewer	Other Enterprise Funds	Total Business-Type Activities
Operating Revenues:				
Fines, Licenses & Permits	\$0	\$0	\$3,300	\$3,300
Charges for Services	4,129,742	3,414,879	998,279	8,542,900
Other Revenues	4,721	6,350	304,144	315,215
<b>Total Operating Revenues</b>	<b>4,134,463</b>	<b>3,421,229</b>	<b>1,305,723</b>	<b>8,861,415</b>
Operating Expenses:				
Personal Services	1,613,272	1,304,716	744,348	3,662,336
Contractual Services	1,026,797	1,063,560	393,581	2,483,938
Materials and Supplies	807,303	617,475	354,910	1,779,688
Depreciation	951,479	711,958	419,164	2,082,601
Other Expenses	57,897	549,388	126,251	733,536
<b>Total Operating Expenses</b>	<b>4,456,748</b>	<b>4,247,097</b>	<b>2,038,254</b>	<b>10,742,099</b>
<b>Operating Income (Loss)</b>	<b>(322,285)</b>	<b>(825,868)</b>	<b>(732,531)</b>	<b>(1,880,684)</b>
Non-Operating Revenues (Expenses):				
Investment Earnings	287,603	377,361	9,237	674,201
Interest (Expense)	(505,475)	(367,718)	(3,795)	(876,988)
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(217,872)</b>	<b>9,643</b>	<b>5,442</b>	<b>(202,787)</b>
<b>Income (Loss) Before Contributions and Transfers</b>	<b>(540,157)</b>	<b>(816,225)</b>	<b>(727,089)</b>	<b>(2,083,471)</b>
Capital Grants and Contributions	310,926	913,877	4,010,066	5,234,869
Transfers In	0	0	330,000	330,000
<b>Change in Net Assets</b>	<b>(229,231)</b>	<b>97,652</b>	<b>3,612,977</b>	<b>3,481,398</b>
<b>Net Assets Beginning of Year</b>	<b>20,176,750</b>	<b>21,352,956</b>	<b>7,089,006</b>	<b>48,618,712</b>
<b>Net Assets End of Year</b>	<b>\$19,947,519</b>	<b>\$21,450,608</b>	<b>\$10,701,983</b>	<b>\$52,100,110</b>

See accompanying notes to the basic financial statements.

City of Troy, Ohio  
Statement of Cash Flows  
Proprietary Funds  
For the Fiscal Year Ended December 31, 2006

	Business-Type Activities -Enterprise Funds			
	Water	Sanitary Sewer	Other Enterprise Funds	Total Business-Type Activities
<b>Cash Flows from Operating Activities:</b>				
Cash Received from Customers	\$4,129,091	\$3,407,185	\$1,285,097	\$8,821,373
Cash Payments to Employees	(1,621,980)	(1,334,517)	(746,063)	(3,702,560)
Cash Payments to Suppliers	(2,054,954)	(2,306,293)	(857,176)	(5,218,423)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>452,157</b>	<b>(233,625)</b>	<b>(318,142)</b>	<b>(99,610)</b>
<b>Cash Flows from Noncapital Financing Activities:</b>				
Operating Grants Received	79,150	0	0	79,150
Payments from Other Funds	0	0	330,000	330,000
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>79,150</b>	<b>0</b>	<b>330,000</b>	<b>409,150</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>				
Payments for Capital Acquisitions	(491,757)	(262,973)	(76,189)	(830,919)
Debt Principal Payments	(845,000)	(560,000)	(72,000)	(1,477,000)
Debt Interest Payments	(508,553)	(369,700)	(4,140)	(882,393)
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(1,845,310)</b>	<b>(1,192,673)</b>	<b>(152,329)</b>	<b>(3,190,312)</b>
<b>Cash Flows from Investing Activities:</b>				
Earnings on Investments	290,813	380,468	9,423	680,704
<b>Net Cash Provided (Used) by Cash Flows from Investing Activities</b>	<b>290,813</b>	<b>380,468</b>	<b>9,423</b>	<b>680,704</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(1,023,190)</b>	<b>(1,045,830)</b>	<b>(131,048)</b>	<b>(2,200,068)</b>
Cash and Cash Equivalents Beginning of Year	8,070,284	10,467,001	810,294	19,347,579
Cash and Cash Equivalents End of Year	7,047,094	9,421,171	679,246	17,147,511
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>				
Operating Income (Loss)	(322,285)	(825,868)	(732,531)	(1,880,684)
Adjustments:				
Depreciation	951,479	711,958	419,164	2,082,601
Changes in Assets & Liabilities:				
(Increase) Decrease in Receivables	(5,372)	(14,044)	(20,626)	(40,042)
(Increase) Decrease in Inventory	(24,714)	0	0	(24,714)
Increase (Decrease) in Payables	(138,243)	(75,870)	17,566	(196,547)
Increase (Decrease) in Accrued Liabilities	(8,708)	(29,801)	(1,715)	(40,224)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$452,157</b>	<b>(\$233,625)</b>	<b>(\$318,142)</b>	<b>(\$99,610)</b>
<b>Schedule of Noncash Capital Activities:</b>				
During the fiscal year, these amounts were received representing noncash contributions of:				
Capital Assets	\$310,926	\$913,877	\$4,010,066	\$5,234,869

See accompanying notes to the basic financial statements.

City of Troy, Ohio  
Statement of Fiduciary Net Assets  
Fiduciary Funds  
December 31, 2006

	Private Purpose Trust	Agency
Assets:		
Equity in Pooled Cash and Investments	\$274,676	\$186,597
Receivables:		
Accounts	0	18,720
Interest	1,032	108
Total Assets	<u>275,708</u>	<u>\$205,425</u>
Liabilities:		
Other Liabilities	<u>0</u>	<u>205,425</u>
Total Liabilities	<u>0</u>	<u>\$205,425</u>
Net Assets:		
Restricted for Endowment - Expendable	165,616	
Restricted for Endowment - Nonexpendable	<u>110,092</u>	
Total Net Assets	<u>\$275,708</u>	

See accompanying notes to the basic financial statements.

City of Troy, Ohio  
Statement of Changes in Fiduciary Net Assets  
Fiduciary Fund  
For the Fiscal Year Ended December 31, 2006

	Private Purpose Trust
Additions:	
Investment Earnings	\$9,761
Other	4,957
Total Additions	<u>14,718</u>
Deductions:	
Public Health and Welfare	<u>6,159</u>
Total Deductions	<u>6,159</u>
Change in Net Assets	8,559
Net Assets Beginning of Year	<u>267,149</u>
Net Assets End of Year	<u><u>\$275,708</u></u>

See accompanying notes to the basic financial statements.



## City of Troy

Notes to the Basic Financial Statements  
For The Year Ended December 31, 2006

### 1. DESCRIPTION OF THE CITY AND REPORTING ENTITY

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

#### Reporting Entity

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

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

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

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The City also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental and business-type activities and to its enterprise funds provided they do not conflict with or contradict GASB pronouncements. For proprietary funds the City has elected not to follow subsequent private-sector guidance. The most significant of the City's accounting policies are described below.

### **Measurement Focus**

#### Government-wide Financial Statements

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

#### Fund Financial Statements

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

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

### **Basis of Presentation**

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

### Government-wide Financial Statements

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

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

### Fund Financial Statements

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

## **Fund Accounting**

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

### Governmental Funds

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

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

Capital Improvement Capital Projects Fund – This capital projects fund accounts for various capital projects financed by governmental funds.

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

### Proprietary Funds

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

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

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

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

## Fiduciary Funds

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

## **Basis of Accounting**

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

## Revenues - Exchange and Non-exchange Transactions

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

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

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

#### Deferred Revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of the current year-end, but which were levied to finance future operations, have been recorded as deferred revenue. Special assessments not received within the available period and grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

#### Unearned Revenue

Unearned revenue represents amounts under the accrual basis of accounting for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met because such amounts have not yet been earned.

#### Expenses/Expenditures

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

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

## **Equity in Pooled Cash and Investments**

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

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

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

Following the Ohio Revised Code, the City has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2006 amounted to \$2,068,044. Interest revenues assigned to the General Fund from other city funds amounted to \$1,660,563.

## **Inventory**

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

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

## **Capital Assets**

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

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

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

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Buildings and Improvements	15-40 years	15-40 years
Machinery and Equipment	5-25 years	5-25 years
Infrastructure	25-50 years	25-50 years
Automobiles and Trucks	3-20 years	5-20 years

### **Compensated Absences**

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

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

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

### **Accrued Liabilities and Long-Term Obligations**

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

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



**Fund Balance Reserves**

The City reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent expendable resources and therefore are not available for appropriation or expenditure. As a result, encumbrances and notes receivable are recorded as a reservation of fund balance.

**Net Assets**

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

The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. Of the City’s \$9,735,905 in restricted net assets, \$0 was restricted by enabling legislation.

**Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund.

**Contributions of Capital**

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

**Interfund Activity**

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

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

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

### **Estimates**

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

### **3. EQUITY IN POOLED CASH AND INVESTMENTS**

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

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

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

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

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

- (1) Bonds, notes, or other obligations of or guaranteed by the United States, or those for which the faith of the United States is pledged for the payment of principal and interest.
- (2) Bonds, notes, debentures, or other obligations or securities issued by any federal governmental agency.
- (3) No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions.

- (4) Interim deposits in the eligible institutions applying for interim monies to be evidenced by time certificates of deposit maturing not more than one year from date of deposit, or by savings or deposit accounts, including, but limited to, passbook accounts.
- (5) Bonds and other obligations of the State of Ohio.
- (6) The Ohio State Treasurer's investment pool (STAR Ohio).
- (7) Commercial paper and banker's acceptances which meet the requirements established by Ohio Revised Code, Sec. 135.142.
- (8) Under limited circumstances, corporate debt interests in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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

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

### **Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's policy for deposits is any balance not covered by depository insurance will be collateralized by the financial institutions with pledged securities. As of December 31, 2006, \$3,314,605 of the City's bank balance of \$3,635,935 was exposed to custodial risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the City's name.

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

## Investments

As of December 31, 2006, the City had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Federal Home Loan Bank	\$28,957,641	1.32
Federal Home Loan Mortgage	11,363,990	1.92
Federal National Mortgage Assoc.	13,319,390	1.48
Troy Long-Term Debt		
Held by the City	1,750,000	27.69
Money Market Fund	<u>2,099,364</u>	0.00
Total Fair Value	<u>\$57,490,385</u>	
Portfolio Weighted Average Maturity		2.24

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

Credit Risk – It is the City’s policy to limit its investments that are not obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government to investments which have the highest credit quality rating issued by nationally recognized statistical rating organizations. The City’s investments in Federal Home Loan Bank, Federal Home Loan Mortgage, Federal National Mortgage Assoc. and in Money Market Funds were rated AAA by Standard and Poor’s and Fitch ratings and Aaa by Moody’s Investors Service. The City’s Troy Long-Term Debt held by the City is not rated.

Concentration of credit risk – The City’s investment policy allows investments in Federal Government Securities or Instrumentalities. The City has invested 50% of the City’s investments in Federal Home Loan Bank, 20% in Federal Home Loan Mortgage, 23% in Federal National Mortgage Assoc., 3% in Troy Long-Term Debt Held by the City and 4% in money market funds.

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

#### 4. RECEIVABLES

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

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

Special assessments expected to be collected in more than one year amounts to approximately \$1,140,285.

##### **Property Taxes**

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Property tax revenue received during 2006 for real and public utility property taxes represents collections of the 2005 taxes. Property tax payments received during 2006 for tangible personal property (other than public utility property) is for 2006 taxes.

2006 real property taxes are levied after October 1, 2006, on the assessed value as of January 1, 2006, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2006 real property taxes are collected in and intended to finance 2007 operations.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 100 percent of true value. 2006 public utility property taxes became a lien December 31, 2005, are levied after October 1, 2006, and are collected in 2007 with real property taxes.

2006 tangible personal property taxes are levied after October 1, 2006, on the value as of December 31, 2005. Collections are made in 2006. Tangible personal property assessments are 25 percent of true value.

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

Real Property	\$427,342,540
Public Utility	11,197,820
Tangible Personal Property	<u>119,988,710</u>
Total Valuation	<u>\$558,529,070</u>

Real property taxes are payable annually or semi-annually. The first payment is due February 14 with the remainder payable by July 20.

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30; with the remainder payable by September 20.

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City. The County Auditor periodically remits to the City its portion of the taxes collected. Accrued property taxes receivable represent real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of year end for which there is an enforceable legal claim. Although total property tax collections for the next year are measurable, amounts to be received during the available period are not subject to reasonable estimation at year end, nor were they levied to finance current year operations. The receivable is therefore offset by deferred revenue.

### **Income Taxes**

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

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

## **5. RISK MANAGEMENT**

### **Miami Valley Risk Management Association, Inc.**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. In 1988, the City joined the Miami Valley Risk Management Association, Inc. (MVRMA) a risk sharing insurance pool. The pool consists of twenty municipalities who pool risk for property, crime, liability, boiler and machinery and public official liability. The City pays an annual premium to MVRMA for this coverage. The agreement provides that the MVRMA will be self-sustaining through member premiums and excess insurance. The deductible per occurrence for all types of claims is \$2,500.

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

General Liability: \$10,000,000/occurrence  
Automobile Liability: \$10,000,000/occurrence  
MVRMA self-insured retention (SIR): \$1 million/occurrence with \$9 million excess \$1 million reinsured by Government Entities Mutual, Inc. (GEM). GEM then retroceded \$8 million to American Re-Annual Aggregate of \$10 million per member.

Police Professional Liability: \$10,000,000/occurrence  
MVRMA SIR: \$1 million/occurrence with \$9 million excess \$1 million reinsured by GEM. GEM then retroceded \$8 million to American Re-Annual Aggregate of \$10 million per member.

Employment Practices Liability and Public Officials Liability Including Employee Benefits Liability  
MVRMA SIR: \$1 million/occurrence and aggregate per member with \$9 million excess \$1 million reinsured by GEM. GEM then retroceded \$8 million to American Re-Annual Aggregate of \$10 million per member.

Property:  
\$350 Million/occurrence  
MVRMA SIR: \$200,000/occurrence  
Coverage excess SIR provided by PEPPIP USA with carriers as follows:  
Lexington Insurance Company (Primary \$10 million)  
Excess carriers (\$340 million excess \$10 million):  
Lloyds of London  
Great Lakes  
Commonwealth Ins. Co.  
Essex Insurance Corp.  
Insurance Company of the West  
AXIS Specialty Ins. Co.  
RSUI/Landmark Ins. Co.  
RLI/Mt. Hawley

Flood (included in property policy):  
\$20 million/occurrence and annual aggregate (Flood Zone A & V -\$5 million/occurrence and annual aggregate)  
MVRMA SIR: \$100,000/occurrence excluding Flood Zones A & V  
MVRMA SIR: \$250,000/occurrence Flood Zones A & V

Earthquake (included in property policy):  
\$25 million/occurrence and annual aggregate  
MVRMA SIR: \$100,000/occurrence

Boiler & Machinery (included in PEPPIP Program):  
\$100,000,000/occurrence  
MVRMA SIR: \$5,000/occurrence  
Coverage excess SIR provided by Continental Casualty

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

## Workers' Compensation Group Rating Program

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.

### 6. CAPITAL ASSETS

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

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities</b>				
<i>Capital Assets, not being depreciated:</i>				
Land	\$12,014,731	\$70,166	\$0	\$12,084,897
Construction in Progress	5,642,929	2,901,712	5,693,057	2,851,584
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	10,741,568	685,382	0	11,426,950
Equipment	7,652,038	47,929	67,396	7,632,571
Infrastructure	24,177,001	1,964,695	728,074	25,413,622
Totals at Historical Cost	<u>60,228,267</u>	<u>5,669,884</u>	<u>6,488,527</u>	<u>59,409,624</u>
Less Accumulated Depreciation:				
Buildings and Improvements	4,020,199	354,687	0	4,374,886
Equipment	4,711,911	519,307	67,396	5,163,822
Infrastructure	9,576,971	432,400	7,281	10,002,090
Total Accumulated Depreciation	<u>\$18,309,081</u>	<u>\$1,306,394</u>	<u>\$74,677</u>	<u>\$19,540,798</u>
Governmental Activities Capital Assets, Net	<u>\$41,919,186</u>	<u>\$4,363,490</u>	<u>\$6,413,850</u>	<u>\$39,868,826</u>



	Beginning Balance	Additions	Deletions	Ending Balance
<b>Business-Type Activities</b>				
<i>Capital Assets, not being depreciated:</i>				
Land	\$538,683	\$0	\$0	\$538,683
Construction in Progress	1,093,931	70,766	1,164,697	0
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	40,774,243	4,203,449	350,000	44,627,692
Equipment	9,164,582	1,600,489	154,353	10,610,718
Infrastructure	22,632,727	1,374,645	0	24,007,372
Totals at Historical Cost	<u>74,204,166</u>	<u>7,249,349</u>	<u>1,669,050</u>	<u>79,784,465</u>
Less Accumulated Depreciation:				
Buildings and Improvements	13,205,261	1,162,476	301,875	14,065,862
Equipment	2,428,758	414,461	154,353	2,688,866
Infrastructure	10,280,570	505,664	0	10,786,234
Total Accumulated Depreciation	<u>\$25,914,589</u>	<u>\$2,082,601</u>	<u>\$456,228</u>	<u>\$27,540,962</u>
Business-Type Activities Capital Assets, Net	<u>\$48,289,577</u>	<u>\$5,166,748</u>	<u>\$1,212,822</u>	<u>\$52,243,503</u>

Depreciation expense was charged to governmental functions as follows:

General Government	\$482,939
Public Safety	218,344
Leisure Time	272,030
Transportation	234,135
Basic Utility	59,955
Community Development	38,991
Total Depreciation Expense	<u>\$1,306,394</u>

## 7. COMPENSATED ABSENCES

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

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

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

## 8. LONG-TERM OBLIGATIONS

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

		Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
<b>Governmental Activities</b>						
<u>General Obligation Bonds</u>						
Central Maintenance Facility	6.25%	\$80,000	\$0	(\$80,000)	\$0	\$0
McKaig Storm Sewer Phase I	6.25%	30,000	0	(30,000)	0	0
McKaig Storm Sewer Phase II	7.13%	120,000	0	(40,000)	80,000	40,000
Stadium Improvements	2.50-5.25%	2,780,000	0	(115,000)	2,665,000	120,000
Tax Increment Financing	6.00%	1,775,000	0	(25,000)	1,750,000	25,000
Elm Street Improvements	2.00-4.75%	580,000	0	(20,000)	560,000	25,000
Aquatic Center	2.00-4.75%	3,840,000	0	(150,000)	3,690,000	150,000
Cemetery Maintenance Building	2.00-4.75%	445,000	0	(15,000)	430,000	15,000
Fire Station	2.00-4.75%	2,445,000	0	(95,000)	2,350,000	95,000
Total General Obligation Bonds		<u>12,095,000</u>	<u>0</u>	<u>(570,000)</u>	<u>11,525,000</u>	<u>470,000</u>
<u>Special Assessment Bonds</u>						
Street Improvement - St. Rt. 55	7.13%	42,000	0	(14,000)	28,000	14,000
Street Improvement - Dorset Rd.	7.35%	160,000	0	(40,000)	120,000	40,000
Street Improvement - Exp. Farm Rd.	3.35-5.00%	60,000	0	(10,000)	50,000	10,000
Total Special Assessment Bonds		<u>262,000</u>	<u>0</u>	<u>(64,000)</u>	<u>198,000</u>	<u>64,000</u>
Total Long-Term Liabilities Bonds		12,357,000	0	(634,000)	11,723,000	534,000
Compensated Absences		<u>1,463,204</u>	<u>363,803</u>	<u>(471,556)</u>	<u>1,355,451</u>	<u>546,321</u>
Total Governmental Activities		<u>\$13,820,204</u>	<u>\$363,803</u>	<u>(\$1,105,556)</u>	<u>\$13,078,451</u>	<u>\$1,080,321</u>

		Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
<b>Business Type Activities</b>						
<u>General Obligation Bonds</u>						
Southwest Interceptor Sewer	6.25%	\$70,000	\$0	(\$70,000)	\$0	\$0
Water Improvement Towers	3.35-5.00%	1,375,000	0	(205,000)	1,170,000	215,000
Wastewater System Improvement	4.90%	220,000	0	(220,000)	0	0
Waterplant Expansion I	4.75-6.25%	1,580,000	0	(225,000)	1,355,000	240,000
Golf Course Improvement	5.75%	72,000	0	(72,000)	0	0
Waterplant Expansion II	4.50%	620,000	0	(300,000)	320,000	320,000
Wastewater System Improvement	3.35-5.30%	2,605,000	0	(135,000)	2,470,000	140,000
Wastewater Improvement IIIC&VA	0.00%	375,000	0	(25,000)	350,000	25,000
Water Line Extension	2.50-4.00%	760,000	0	(95,000)	665,000	100,000
Southeast Area Sewer	2.00-4.75%	1,275,000	0	(50,000)	1,225,000	50,000
Generators	2.00-4.75%	1,175,000	0	(45,000)	1,130,000	45,000
Refunding Wastewater System Improvement	4.00-5.00%	2,550,000	0	(15,000)	2,535,000	235,000
Refunding Waterplant Expansion I	5.00%	1,705,000	0	0	1,705,000	0
Refunding Waterplant Expansion II	4.00-5.00%	4,330,000	0	(20,000)	4,310,000	20,000
Total General Obligation Bonds		<u>18,712,000</u>	<u>0</u>	<u>(1,477,000)</u>	<u>17,235,000</u>	<u>1,390,000</u>
Compensated Absences		<u>712,837</u>	<u>152,045</u>	<u>(182,353)</u>	<u>682,529</u>	<u>193,599</u>
Total Business-Type Activities		<u>\$19,424,837</u>	<u>\$152,045</u>	<u>(\$1,659,353)</u>	<u>\$17,917,529</u>	<u>\$1,583,599</u>

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

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

Year Ending December 31	Governmental Activities				Business Type Activities	
	General Obligation Bonds		Special Assessment Bonds		General Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2007	\$470,000	\$515,545	\$64,000	\$13,235	\$1,390,000	\$817,529
2008	490,000	501,692	64,000	8,833	1,420,000	756,424
2009	460,000	485,657	50,000	4,420	1,505,000	691,379
2010	475,000	470,928	10,000	995	1,575,000	618,493
2011	485,000	454,696	10,000	500	1,645,000	541,113
2012-2016	2,740,000	1,980,405	0	0	7,080,000	1,621,197
2017-2021	3,445,000	1,301,840	0	0	2,095,000	332,086
2022-2026	2,155,000	471,811	0	0	525,000	50,824
2027-2031	455,000	190,500	0	0	0	0
2032-2034	350,000	42,900	0	0	0	0
Total	<u>\$11,525,000</u>	<u>\$6,415,974</u>	<u>\$198,000</u>	<u>\$27,983</u>	<u>\$17,235,000</u>	<u>\$5,429,045</u>

The Special assessment bonds 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.

## **9. PRIOR YEAR DEFEASANCE OF DEBT**

In prior years, the City defeased certain general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included on the City's financial statements. On December 31, 2006, \$8,745,000 of bonds outstanding are considered defeased.

## **10. PENSION PLANS**

### **Ohio Public Employees Retirement System**

All full-time employees, other than non-administrative full-time police officers and firefighters, participate in the Ohio Public Employees Retirement System (OPERS), a cost-sharing multiple-employer public employee retirement system administered by the Public Employees Retirement Board. OPERS provides basic retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report which may be obtained by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling 614-222-6701 or 800-222-7377, or by visiting the OPERS website at [www.opers.org](http://www.opers.org).

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

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the TP and CO Plans. Members of the MD Plan do not qualify for the ancillary benefits.

Plan members are required to contribute 9.0 percent of their annual covered salary to fund pension obligations. The employer pension contribution rate for the City is 13.70 percent of covered payroll. Contributions are authorized by State statute. The contribution rates are determined actuarially. The City's required contributions to OPERS for the years ended December 31, 2006, 2005 and 2004 were \$916,454, \$938,267, and \$859,438, respectively. The full amount has been contributed for 2005 and 2004 and 100% has been contributed for 2006.

## **Ohio Police and Fire Pension Fund**

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

Police and firefighters are required to contribute 10 percent of their annual covered salary to fund pension obligations and the City is required to contribute 19.5 percent for police and 24.0 percent for firefighters. Contributions are authorized by State statute. The City's contributions to the OP&F for the years ending December 31, 2006, 2005 and 2004 were \$1,133,385, 1,136,612, and \$1,042,776, respectively. The full amount has been contributed for 2005 and 2004 and 70% has been contributed for 2006.

## **11. POST EMPLOYMENT BENEFITS**

### **Ohio Public Employees Retirement System**

The Ohio Public Employees Retirement System (OPERS) provides retirement, disability, survivor, and postretirement health care benefits to qualifying members of both the Traditional and the Combined Plans; however, health care benefits are not statutorily guaranteed. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage. In order to qualify for postretirement health care coverage, age and service retirees must have ten or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in GASB Statement No. 12. A portion of each employer's contribution to OPERS is set aside for the funding of postretirement health care based on authority granted by State statute. The current year employer contribution rate was 13.70 percent of covered payroll; 4.50 percent was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2005, include a rate of return on investments of 6.50 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.30 percent based on additional annual pay increases. Health care premiums were assumed to increase at the projected wage inflation rates plus an additional factor ranging from .50 percent to 6 percent for the next 9 years. In subsequent years (10 and beyond) health care costs were assumed to increase at 4 percent (the projected wage inflation rate).

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets.

At December 31, 2006, the number of active contributing participants in the Traditional and Combined Plans totaled 369,214. The City's actual contributions for the current year, which were used to fund postemployment benefits were \$301,025. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2005, (the latest information available) were \$11.1 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$31.3 billion and \$20.2 billion, respectively.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, will be effective January 1, 2007. In addition to the HCPP, OPERS has taken additional action to improve the solvency of the Health Care Fund in 2005 by creating a separate investment pool for health care assets. As an additional component of the HCPP, member and employer contribution rates increased as of January 1, 2006 and January 1, 2007, which will allow additional funds to be allocated to the health care plan.

Under the HCPP, retirees eligible for health care coverage will receive a graded monthly allocation based on their years of service at retirement. The Plan incorporates a cafeteria approach, offering a broad range of health care options that allow benefit recipients to use their monthly allocation to purchase health care coverage customized to meet their individual needs. If the monthly allocation exceeds the cost of the options selected, the excess is deposited into a Retiree Medical Account that can be used to fund future health care expenses.

### **Ohio Police and Fire Pension Fund**

The Ohio Police and Fire Pension Fund (OP&F) provides postretirement 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 2/3 basis.

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. The Ohio Revised Code provides the authority allowing the Ohio Police and Fire Pension Fund's board of trustees to provide health care coverage and states that health care costs paid from the Ohio Police and Fire Pension Fund shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution is 19.5 percent of covered payroll and the total firefighter employer contribution rate is 24 percent of covered payroll, of which 7.75 percent of covered payroll was applied to the postemployment health care program during the current year. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions.

The City's actual contributions for the current year that were used to fund postemployment benefits were \$207,493 for police and \$197,401 for fire. The OP&F's total health care expenses for the year ended December 31, 2005, (the latest information available) were \$108,039,449, which was net of member contributions of \$55,271,881. The number of OP&F participants eligible to receive health care benefits as of December 31, 2005, was 13,922 for police and 10,537 for firefighters.

## 12. CONSTRUCTION AND OTHER COMMITMENTS

The City had the following outstanding commitments at year end:

<u>Projects</u>	<u>Amount</u>
Sewer Plant	\$398,483
Water Treatment Plant	312,846
Fire Station #2	429,673
Street Improvements	1,202,890
Lincoln Center	172,979
Roadway Rock Salt	<u>100,460</u>
Total	<u><u>\$2,617,331</u></u>

## 13. INTERFUND TRANSFERS

Interfund transfers for the year ended December 31, 2006 consisted of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$440,000	\$3,355,000
Capital Improvement	460,000	0
Other Governmental Funds	2,565,000	440,000
Other Enterprises Funds	<u>330,000</u>	<u>0</u>
Total All Funds	<u><u>\$3,795,000</u></u>	<u><u>\$3,795,000</u></u>

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

## 14. DONOR-RESTRICTED ENDOWMENT

The City administers an endowment fund, which is restricted by the donor for the purposes of cemetery maintenance and improvement. Donor-restricted endowments are reported at fair value. The amount of net appreciation on investments of donor-restricted endowments that is available for authorization for expenditure by the City is \$165,616. The City authorizes expenditures from donor-restricted endowment in compliance with the wishes expressed by the donor and the Ohio Revised Code.

## **15. CHANGE IN ACCOUNTING PRINCIPLE**

For the year ended December 31, 2006, the District has implemented GASB Statement No. 42, "Accounting and Financial Reporting for Impairment of Capital Assets for Insurance Recoveries"; GASB Statement No. 44, "Economic Condition Reporting: The Statistical Section"; GASB Statement No. 46, "Net Assets Restricted by Enabling Legislation" and GASB Statement No. 47, "Accounting for Termination Benefits".

Statement No. 42 establishes accounting and financial standards for impairment of capital assets and clarifies and establishes accounting requirements for insurance recoveries.

Statement No. 44 establishes the objectives of the statistical section and provides guidance on the preparation of the statistical section.

Statement No. 46 establishes that any amount of the primary government's net assets at the end of the reporting period restricted by enabling legislation should be disclosed in the notes to the financial statements.

Statement No. 47 provides guidance to governmental employers for measuring, recognizing, and reporting liabilities and expenses/expenditures related to all termination benefits without limitation as to the period of time during which the benefits are offered.

There was no effect on fund balance/net assets as a result of the implementation of these new standards.



**REQUIRED  
SUPPLEMENTARY  
INFORMATION**

City of Troy, Ohio  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended December 31, 2006

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$12,864,730	\$14,330,000	\$14,399,767	\$69,767
Fines, Licenses & Permits	86,479	94,900	96,798	1,898
Intergovernmental	1,475,731	1,647,500	1,651,818	4,318
Special Assessments	12,038	13,000	13,475	475
Charges for Services	1,135,850	1,270,236	1,271,381	1,145
Investment Earnings	1,514,827	1,642,000	1,695,579	53,579
Other Revenues	268,861	297,100	300,942	3,842
<b>Total Revenues</b>	<b>17,358,516</b>	<b>19,294,736</b>	<b>19,429,760</b>	<b>135,024</b>
Expenditures:				
Current:				
General Government	3,952,859	4,853,828	4,458,425	395,403
Public Safety	7,480,265	8,742,874	8,436,982	305,892
Leisure Time Activities	1,097,165	1,352,843	1,237,491	115,352
Community Development	503,086	662,087	567,430	94,657
Basic Utility Service	1,173,957	1,570,256	1,324,105	246,151
<b>Total Expenditures</b>	<b>14,207,332</b>	<b>17,181,888</b>	<b>16,024,433</b>	<b>1,157,455</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>3,151,184</b>	<b>2,112,848</b>	<b>3,405,327</b>	<b>1,292,479</b>
Other financing sources (uses):				
Transfers In	393,905	440,500	440,906	406
Transfers (Out)	(2,974,557)	(5,455,590)	(3,355,000)	2,100,590
<b>Total Other Financing Sources (Uses)</b>	<b>(2,580,652)</b>	<b>(5,015,090)</b>	<b>(2,914,094)</b>	<b>2,100,996</b>
<b>Net Change in Fund Balance</b>	<b>570,532</b>	<b>(2,902,242)</b>	<b>491,233</b>	<b>3,393,475</b>
<b>Fund Balance Beginning of Year (includes prior year encumbrances appropriated)</b>	<b>35,820,711</b>	<b>35,820,711</b>	<b>35,820,711</b>	<b>0</b>
<b>Fund Balance End of Year</b>	<b>\$36,391,243</b>	<b>\$32,918,469</b>	<b>\$36,311,944</b>	<b>\$3,393,475</b>

See accompanying notes to the required supplementary information.

## 1. BUDGETARY PROCESS

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

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

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

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

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

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

Net Change in Fund Balance

	<u>General</u>
GAAP Basis	\$1,244,930
Net Adjustment for Revenue Accruals	(354,378)
Net Adjustment for Expenditure Accruals	(169,909)
Encumbrances	<u>(229,410)</u>
Budget Basis	<u>\$491,233</u>

**COMBINING STATEMENTS  
AND INDIVIDUAL  
FUND SCHEDULES**

## ***NONMAJOR GOVERNMENTAL FUNDS***

***Special Revenue Funds:*** Special Revenue funds are used to account for the proceeds of specific revenue sources (other than amounts relating to expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

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

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

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

*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.

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

**Debt Service Fund:** The Debt Service Fund is to account for special assessments resources and for the repayment of special assessments debt.

**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.

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

**TIF 2003 Fund** - To account for capital projects financed by TIF 2003 monies.

City of Troy, Ohio  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2006

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets:</b>				
Equity in Pooled Cash and Investments	\$4,238,631	\$115,633	\$1,371,053	\$5,725,317
<b>Receivables:</b>				
Taxes	218,860	0	0	218,860
Accounts	20,114	0	0	20,114
Interest	9,191	0	0	9,191
Intergovernmental	570,024	0	745,000	1,315,024
Notes	1,955,891	0	0	1,955,891
Special Assessments	4,900	219,336	0	224,236
<b>Total Assets</b>	<b>7,017,611</b>	<b>334,969</b>	<b>2,116,053</b>	<b>9,468,633</b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts Payable	48,366	0	0	48,366
Accrued Wages and Benefits	73,957	0	0	73,957
Compensated Absences	3,521	0	0	3,521
Deferred Revenue	526,264	219,336	745,000	1,490,600
<b>Total Liabilities</b>	<b>652,108</b>	<b>219,336</b>	<b>745,000</b>	<b>1,616,444</b>
<b>Fund Balances:</b>				
Reserved for Encumbrances	216,946	0	865,489	1,082,435
Reserved for Notes Receivable	1,955,891	0	0	1,955,891
<b>Unreserved, Undesignated, Reported in:</b>				
Special Revenue Funds	4,192,666	0	0	4,192,666
Debt Service Funds	0	115,633	0	115,633
Capital Projects Funds	0	0	505,564	505,564
<b>Total Fund Balances</b>	<b>6,365,503</b>	<b>115,633</b>	<b>1,371,053</b>	<b>7,852,189</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$7,017,611</b>	<b>\$334,969</b>	<b>\$2,116,053</b>	<b>\$9,468,633</b>



City of Troy, Ohio  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Nonmajor Governmental Funds  
For the Fiscal Year Ended December 31, 2006

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues:</b>				
Taxes	\$767,521	\$0	\$0	\$767,521
Fines, Licenses & Permits	18,608	0	0	18,608
Charges for Services	318,039	0	0	318,039
Investment Earnings	82,537	9,475	0	92,012
Intergovernmental	1,189,514	0	0	1,189,514
Special Assessments	0	80,369	0	80,369
Other Revenues	114,461	0	0	114,461
<b>Total Revenues</b>	<b>2,490,680</b>	<b>89,844</b>	<b>0</b>	<b>2,580,524</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General Government	60,530	0	0	60,530
Public Safety	19,611	0	0	19,611
Leisure Time Activities	221,440	0	0	221,440
Transportation and Street Repair	1,949,294	0	0	1,949,294
Public Health and Welfare	426,129	0	0	426,129
Capital Outlay	43,664	0	244,203	287,867
<b>Debt Service:</b>				
Principal Retirement	0	609,000	25,000	634,000
Interest and Fiscal Charges	0	446,662	106,500	553,162
Other	0	3,834	0	3,834
<b>Total Expenditures</b>	<b>2,720,668</b>	<b>1,059,496</b>	<b>375,703</b>	<b>4,155,867</b>
<b>Excess of Revenues Over (Under) Expend</b>	<b>(229,988)</b>	<b>(969,652)</b>	<b>(375,703)</b>	<b>(1,575,343)</b>
<b>Other Financing Sources (Uses):</b>				
Transfers In	920,000	950,000	695,000	2,565,000
Transfers (Out)	(440,000)	0	0	(440,000)
<b>Total Other Financing Sources (Uses)</b>	<b>480,000</b>	<b>950,000</b>	<b>695,000</b>	<b>2,125,000</b>
<b>Net Change in Fund Balance</b>	<b>250,012</b>	<b>(19,652)</b>	<b>319,297</b>	<b>549,657</b>
<b>Fund Balance Beginning of Year</b>	<b>6,115,491</b>	<b>135,285</b>	<b>1,051,756</b>	<b>7,302,532</b>
<b>Fund Balance End of Year</b>	<b>\$6,365,503</b>	<b>\$115,633</b>	<b>\$1,371,053</b>	<b>\$7,852,189</b>

City of Troy, Ohio  
 Combining Balance Sheet  
 Nonmajor Special Revenue Funds  
 December 31, 2006

	Street Construction, Maintenance and Repair	State Highway Improvement	Cemetery	Safety - Income Tax
<b>Assets:</b>				
Equity in Pooled Cash and Investments	\$560,101	\$80,577	\$35,640	\$1,059,189
<b>Receivables:</b>				
Taxes	0	0	0	154,703
Accounts	3,911	0	9,250	0
Interest	0	303	0	0
Intergovernmental	498,803	40,443	0	0
Notes	0	0	0	0
Special Assessments	4,900	0	0	0
<b>Total Assets</b>	<b>1,067,715</b>	<b>121,323</b>	<b>44,890</b>	<b>1,213,892</b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts Payable	36,692	9,380	2,089	0
Accrued Wages and Benefits	56,790	0	17,167	0
Compensated Absences	0	0	3,521	0
Deferred Revenue	419,949	33,652	0	0
<b>Total Liabilities</b>	<b>513,431</b>	<b>43,032</b>	<b>22,777</b>	<b>0</b>
<b>Fund Balances:</b>				
Reserved for Encumbrances	129,043	5,620	5,401	0
Reserved for Notes Receivable	0	0	0	0
Unreserved, Undesignated, Reported in: Special Revenue Funds	425,241	72,671	16,712	1,213,892
<b>Total Fund Balances</b>	<b>554,284</b>	<b>78,291</b>	<b>22,113</b>	<b>1,213,892</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$1,067,715</b>	<b>\$121,323</b>	<b>\$44,890</b>	<b>\$1,213,892</b>

Municipal Real Property	Miami Conservancy District	Recreational Programs	Parks and Recreation Improvement	Community Development Block Grant	Parking Improvement	Drug Law Enforcement
\$442,807	\$110,006	\$166,593	\$136,717	\$695,991	\$214,713	\$8,352
0	64,157	0	0	0	0	0
0	0	2,587	1,927	0	475	0
1,664	0	626	514	2,615	807	0
28,385	2,393	0	0	0	0	0
0	0	0	0	1,955,891	0	0
0	0	0	0	0	0	0
<u>472,856</u>	<u>176,556</u>	<u>169,806</u>	<u>139,158</u>	<u>2,654,497</u>	<u>215,995</u>	<u>8,352</u>
175	0	30	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>7,096</u>	<u>65,567</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>7,271</u>	<u>65,567</u>	<u>30</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
53,365	0	19,577	3,940	0	0	0
0	0	0	0	1,955,891	0	0
<u>412,220</u>	<u>110,989</u>	<u>150,199</u>	<u>135,218</u>	<u>698,606</u>	<u>215,995</u>	<u>8,352</u>
<u>465,585</u>	<u>110,989</u>	<u>169,776</u>	<u>139,158</u>	<u>2,654,497</u>	<u>215,995</u>	<u>8,352</u>
<u>\$472,856</u>	<u>\$176,556</u>	<u>\$169,806</u>	<u>\$139,158</u>	<u>\$2,654,497</u>	<u>\$215,995</u>	<u>\$8,352</u>

Continued

City of Troy, Ohio  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2006

	Law Enforcement	Cemetery Endowment	Total Nonmajor Special Revenue Funds
<b>Assets:</b>			
Equity in Pooled Cash and Investments	\$19,555	\$708,390	\$4,238,631
<b>Receivables:</b>			
Taxes	0	0	218,860
Accounts	329	1,635	20,114
Interest	0	2,662	9,191
Intergovernmental	0	0	570,024
Notes	0	0	1,955,891
Special Assessments	0	0	4,900
<b>Total Assets</b>	<b>19,884</b>	<b>712,687</b>	<b>7,017,611</b>
<b>Liabilities and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts Payable	0	0	48,366
Accrued Wages and Benefits	0	0	73,957
Compensated Absences	0	0	3,521
Deferred Revenue	0	0	526,264
<b>Total Liabilities</b>	<b>0</b>	<b>0</b>	<b>652,108</b>
<b>Fund Balances:</b>			
Reserved for Encumbrances	0	0	216,946
Reserved for Notes Receivable	0	0	1,955,891
Unreserved, Undesignated, Reported in: Special Revenue Funds	19,884	712,687	4,192,666
<b>Total Fund Balances</b>	<b>19,884</b>	<b>712,687</b>	<b>6,365,503</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$19,884</b>	<b>\$712,687</b>	<b>\$7,017,611</b>

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City of Troy, Ohio  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended December 31, 2006

	Street Construction, Maintenance and Repair	State Highway Improvement	Cemetery	Safety - Income Tax
<b>Revenues:</b>				
Taxes	\$0	\$0	\$0	\$690,474
Fines, Licenses & Permits	0	0	0	0
Charges for Services	12,426	0	118,927	0
Investment Earnings	0	1,390	0	0
Intergovernmental	1,066,271	86,454	0	0
Other Revenues	9,962	29	164	0
<b>Total Revenues</b>	<b>1,088,659</b>	<b>87,873</b>	<b>119,091</b>	<b>690,474</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General Government	0	0	0	0
Public Safety	0	0	0	0
Leisure Time Activities	0	0	0	0
Transportation and Street Repair	1,868,792	75,692	0	0
Public Health and Welfare	0	0	426,090	0
Capital Outlay	0	0	0	0
<b>Total Expenditures</b>	<b>1,868,792</b>	<b>75,692</b>	<b>426,090</b>	<b>0</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(780,133)</b>	<b>12,181</b>	<b>(306,999)</b>	<b>690,474</b>
<b>Other Financing Sources (Uses):</b>				
Transfers In	600,000	0	320,000	0
Transfers (Out)	0	0	0	(440,000)
<b>Total Other Financing Sources (Uses)</b>	<b>600,000</b>	<b>0</b>	<b>320,000</b>	<b>(440,000)</b>
<b>Net Change in Fund Balance</b>	<b>(180,133)</b>	<b>12,181</b>	<b>13,001</b>	<b>250,474</b>
<b>Fund Balance Beginning of Year</b>	<b>734,417</b>	<b>66,110</b>	<b>9,112</b>	<b>963,418</b>
<b>Fund Balance End of Year</b>	<b>\$554,284</b>	<b>\$78,291</b>	<b>\$22,113</b>	<b>\$1,213,892</b>

Municipal Real Property	Miami Conservancy District	Recreational Programs	Parks and Recreation Improvement	Community Development Block Grant	Parking Improvement	Drug Law Enforcement
\$0	\$74,038	\$0	\$0	\$3,009	\$0	\$0
0	0	0	0	0	15,680	0
0	0	166,563	0	0	0	0
16,407	0	6,787	5,787	19,347	7,309	851
32,122	4,667	0	0	0	0	0
0	0	5,117	31,767	65,777	0	256
<u>48,529</u>	<u>78,705</u>	<u>178,467</u>	<u>37,554</u>	<u>88,133</u>	<u>22,989</u>	<u>1,107</u>
0	60,530	0	0	0	0	0
0	0	0	0	0	0	2,856
0	0	175,447	45,993	0	0	0
0	0	0	0	0	4,810	0
0	0	0	0	0	0	0
43,634	0	30	0	0	0	0
<u>43,634</u>	<u>60,530</u>	<u>175,477</u>	<u>45,993</u>	<u>0</u>	<u>4,810</u>	<u>2,856</u>
4,895	18,175	2,990	(8,439)	88,133	18,179	(1,749)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
4,895	18,175	2,990	(8,439)	88,133	18,179	(1,749)
460,690	92,814	166,786	147,597	2,566,364	197,816	10,101
<u>\$465,585</u>	<u>\$110,989</u>	<u>\$169,776</u>	<u>\$139,158</u>	<u>\$2,654,497</u>	<u>\$215,995</u>	<u>\$8,352</u>

Continued

City of Troy, Ohio  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended December 31, 2006

	Law Enforcement	Cemetery Endowment	Total Nonmajor Special Revenue Funds
Revenues:			
Taxes	\$0	\$0	\$767,521
Fines, Licenses & Permits	2,928	0	18,608
Charges for Services	0	20,123	318,039
Investment Earnings	0	24,659	82,537
Intergovernmental	0	0	1,189,514
Other Revenues	1,389	0	114,461
Total Revenues	4,317	44,782	2,490,680
Expenditures:			
Current:			
General Government	0	0	60,530
Public Safety	16,755	0	19,611
Leisure Time Activities	0	0	221,440
Transportation and Street Repair	0	0	1,949,294
Public Health and Welfare	0	39	426,129
Capital Outlay	0	0	43,664
Total Expenditures	16,755	39	2,720,668
Excess of Revenues Over (Under) Expenditures	(12,438)	44,743	(229,988)
Other Financing Sources (Uses):			
Transfers In	0	0	920,000
Transfers (Out)	0	0	(440,000)
Total Other Financing Sources (Uses)	0	0	480,000
Net Change in Fund Balance	(12,438)	44,743	250,012
Fund Balance Beginning of Year	32,322	667,944	6,115,491
Fund Balance End of Year	\$19,884	\$712,687	\$6,365,503



City of Troy, Ohio  
 Combining Balance Sheet  
 Nonmajor Capital Projects Funds  
 December 31, 2006

	OPWC Project Fund	TIF 2003 Fund	Total Nonmajor Capital Projects Funds
<b>Assets:</b>			
Equity in Pooled Cash and Investments	\$1,295,682	\$75,371	\$1,371,053
<b>Receivables:</b>			
Intergovernmental	745,000	0	745,000
<b>Total Assets</b>	<b>2,040,682</b>	<b>75,371</b>	<b>2,116,053</b>
<b>Liabilities and Fund Balances:</b>			
<b>Liabilities:</b>			
Deferred Revenue	745,000	0	745,000
<b>Total Liabilities</b>	<b>745,000</b>	<b>0</b>	<b>745,000</b>
<b>Fund Balances:</b>			
Reserved for Encumbrances	865,489	0	865,489
Unreserved, Undesignated, Reported in: Capital Projects Funds	430,193	75,371	505,564
<b>Total Fund Balances</b>	<b>1,295,682</b>	<b>75,371</b>	<b>1,371,053</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$2,040,682</b>	<b>\$75,371</b>	<b>\$2,116,053</b>

City of Troy, Ohio  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Nonmajor Capital Projects Funds  
For the Fiscal Year Ended December 31, 2006

	OPWC Project Fund	TIF 2003 Fund	Total Nonmajor Capital Projects Funds
Revenues:			
Taxes	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Capital Outlay	244,203	0	244,203
Debt Service:			
Principal Retirement	0	25,000	25,000
Interest and Fiscal Charges	0	106,500	106,500
Total Expenditures	244,203	131,500	375,703
Excess of Revenues Over (Under) Expenditures	(244,203)	(131,500)	(375,703)
Other Financing Sources (Uses):			
Transfers In	695,000	0	695,000
Total Other Financing Sources (Uses)	695,000	0	695,000
Net Change in Fund Balance	450,797	(131,500)	319,297
Fund Balance Beginning of Year	844,885	206,871	1,051,756
Fund Balance End of Year	\$1,295,682	\$75,371	\$1,371,053

City of Troy, Ohio  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended December 31, 2006

	Street Construction. Maintenance and Repair Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$979,600	\$1,065,250	\$85,650
Charges for Services	11,000	11,823	823
Other Revenues	8,800	9,962	1,162
Total Revenues	999,400	1,087,035	87,635
Expenditures:			
Current:			
Transportation & Street Repair	2,267,460	2,031,166	236,294
Total Expenditures	2,267,460	2,031,166	236,294
Excess of Revenues Over (Under) Expenditures	(1,268,060)	(944,131)	323,929
Other financing sources (uses):			
Transfers In	600,000	600,000	0
Total Other Financing Sources (Uses)	600,000	600,000	0
Net Change in Fund Balance	(668,060)	(344,131)	323,929
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	743,323	743,323	0
Fund Balance End of Year	\$75,263	\$399,192	\$323,929

City of Troy, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2006

	State Highway Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
<b>Revenues:</b>			
Intergovernmental	\$79,000	\$86,371	\$7,371
Investment Earnings	900	1,089	189
Other Revenues	0	29	29
<b>Total Revenues</b>	<b>79,900</b>	<b>87,489</b>	<b>7,589</b>
<b>Expenditures:</b>			
<b>Current:</b>			
Transportation & Street Repair	89,459	83,204	6,255
<b>Total Expenditures</b>	<b>89,459</b>	<b>83,204</b>	<b>6,255</b>
<b>Net Change in Fund Balance</b>	<b>(9,559)</b>	<b>4,285</b>	<b>13,844</b>
<b>Fund Balance Beginning of Year (includes prior year encumbrances appropriated)</b>	<b>61,680</b>	<b>61,680</b>	<b>0</b>
<b>Fund Balance End of Year</b>	<b>\$52,121</b>	<b>\$65,965</b>	<b>\$13,844</b>

City of Troy, Ohio  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended December 31, 2006

	Cemetery Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Charges for Services	\$106,400	\$115,487	\$9,087
Other Revenues	0	164	164
Total Revenues	<u>106,400</u>	<u>115,651</u>	<u>9,251</u>
Expenditures:			
Current:			
Public Health and Welfare	445,688	430,035	15,653
Total Expenditures	<u>445,688</u>	<u>430,035</u>	<u>15,653</u>
Excess of Revenues Over (Under) Expenditures	<u>(339,288)</u>	<u>(314,384)</u>	<u>24,904</u>
Other financing sources (uses):			
Transfers In	320,000	320,000	0
Total Other Financing Sources (Uses)	<u>320,000</u>	<u>320,000</u>	<u>0</u>
Net Change in Fund Balance	(19,288)	5,616	24,904
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>24,093</u>	<u>24,093</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$4,805</u></u>	<u><u>\$29,709</u></u>	<u><u>\$24,904</u></u>

City of Troy, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2006

	Safety - Income Tax Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$679,000	\$693,564	\$14,564
Total Revenues	679,000	693,564	14,564
Expenditures:			
Current:			
General Government	0	0	0
Total Expenditures	0	0	0
Excess of Revenues Over (Under) Expenditures	679,000	693,564	14,564
Other financing sources (uses):			
Transfers (Out)	(440,000)	(440,000)	0
Total Other Financing Sources (Uses)	(440,000)	(440,000)	0
Net Change in Fund Balance	239,000	253,564	14,564
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	805,626	805,626	0
Fund Balance End of Year	<u>\$1,044,626</u>	<u>\$1,059,190</u>	<u>\$14,564</u>

City of Troy, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2006

	Municipal Real Property Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$25,700	\$25,785	\$85
Investment Earnings	12,600	14,040	1,440
Total Revenues	<u>38,300</u>	<u>39,825</u>	<u>1,525</u>
Expenditures:			
Current:			
Capital Outlay	110,215	100,479	9,736
Total Expenditures	<u>110,215</u>	<u>100,479</u>	<u>9,736</u>
Net Change in Fund Balance	(71,915)	(60,654)	11,261
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>452,059</u>	<u>452,059</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$380,144</u></u>	<u><u>\$391,405</u></u>	<u><u>\$11,261</u></u>

City of Troy, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2006

	Miami Conservancy District Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$73,600	\$74,484	\$884
Intergovernmental	4,600	4,667	67
Total Revenues	78,200	79,151	951
Expenditures:			
Current:			
General Government	65,500	60,530	4,970
Total Expenditures	65,500	60,530	4,970
Net Change in Fund Balance	12,700	18,621	5,921
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	91,387	91,387	0
Fund Balance End of Year	\$104,087	\$110,008	\$5,921



City of Troy, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2006

	Recreational Programs Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Charges for Services	\$160,250	\$164,719	\$4,469
Investment Earnings	5,200	5,915	715
Other Revenues	4,500	5,117	617
<b>Total Revenues</b>	<b>169,950</b>	<b>175,751</b>	<b>5,801</b>
Expenditures:			
Current:			
Leisure Time Activities	206,247	195,024	11,223
<b>Total Expenditures</b>	<b>206,247</b>	<b>195,024</b>	<b>11,223</b>
Net Change in Fund Balance	(36,297)	(19,273)	17,024
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	167,091	167,091	0
<b>Fund Balance End of Year</b>	<b>\$130,794</b>	<b>\$147,818</b>	<b>\$17,024</b>

City of Troy, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2006

	Parks and Recreation Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$3,900	\$4,999	\$1,099
Other Revenues	28,500	29,840	1,340
Total Revenues	32,400	34,839	2,439
Expenditures:			
Current:			
Leisure Time Activities	78,000	49,933	28,067
Total Expenditures	78,000	49,933	28,067
Net Change in Fund Balance	(45,600)	(15,094)	30,506
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	148,531	148,531	0
Fund Balance End of Year	\$102,931	\$133,437	\$30,506

City of Troy, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2006

	Community Development Block Grant Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$2,550	\$3,009	\$459
Investment Earnings	13,548	15,905	2,357
Other Revenues	611,886	650,141	38,255
Total Revenues	627,984	669,055	41,071
Expenditures:			
Current:			
Community Development	637,500	636,000	1,500
Total Expenditures	637,500	636,000	1,500
Net Change in Fund Balance	(9,516)	33,055	42,571
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	666,296	666,296	0
Fund Balance End of Year	\$656,780	\$699,351	\$42,571

City of Troy, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2006

	Parking Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses & Permits	\$15,000	\$16,280	\$1,280
Investment Earnings	5,400	6,294	894
Total Revenues	20,400	22,574	2,174
Expenditures:			
Current:			
Transportation & Street Repair	20,000	4,810	15,190
Total Expenditures	20,000	4,810	15,190
Net Change in Fund Balance	400	17,764	17,364
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	197,988	197,988	0
Fund Balance End of Year	\$198,388	\$215,752	\$17,364

City of Troy, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2006

	Drug Law Enforcement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses & Permits	\$800	\$851	\$51
Other Revenues	200	256	56
Total Revenues	1,000	1,107	107
Expenditures:			
Current:			
Public Safety	3,000	2,856	144
Total Expenditures	3,000	2,856	144
Net Change in Fund Balance	(2,000)	(1,749)	251
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	10,100	10,100	0
Fund Balance End of Year	\$8,100	\$8,351	\$251

City of Troy, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2006

	Law Enforcement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses & Permits	\$2,300	\$2,599	\$299
Other Revenues	1,000	1,389	389
Total Revenues	3,300	3,988	688
Expenditures:			
Current:			
Public Safety	22,755	16,755	6,000
Total Expenditures	22,755	16,755	6,000
Net Change in Fund Balance	(19,455)	(12,767)	6,688
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	32,323	32,323	0
Fund Balance End of Year	\$12,868	\$19,556	\$6,688

City of Troy, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2006

	Cemetery Endowment Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Charges for Services	\$17,800	\$18,858	\$1,058
Investment Earnings	18,700	21,196	2,496
Total Revenues	36,500	40,054	3,554
Expenditures:			
Current:			
Public Health and Welfare	1,600	39	1,561
Total Expenditures	1,600	39	1,561
Net Change in Fund Balance	34,900	40,015	5,115
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	671,796	671,796	0
Fund Balance End of Year	\$706,696	\$711,811	\$5,115

City of Troy, Ohio  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended December 31, 2006

	Bond Retirement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Special Assessments	\$80,000	\$80,369	\$369
Investment Earnings	9,200	9,475	275
Total Revenues	<u>89,200</u>	<u>89,844</u>	<u>644</u>
Expenditures:			
Current:			
Debt Service:			
Principal Retirement	609,000	609,000	0
Interest and Fiscal Charges	446,662	446,662	0
Other	3,834	3,834	0
Total Expenditures	<u>1,059,496</u>	<u>1,059,496</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>(970,296)</u>	<u>(969,652)</u>	<u>644</u>
Other financing sources (uses):			
Transfers In	950,000	950,000	0
Total Other Financing Sources (Uses)	<u>950,000</u>	<u>950,000</u>	<u>0</u>
Net Change in Fund Balance	(20,296)	(19,652)	644
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>135,285</u>	<u>135,285</u>	<u>0</u>
Fund Balance End of Year	<u>\$114,989</u>	<u>\$115,633</u>	<u>\$644</u>



City of Troy, Ohio  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended December 31, 2006

	Capital Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$700,000	\$700,000	\$0
Special Assessments	166,000	167,677	1,677
Total Revenues	<u>866,000</u>	<u>867,677</u>	<u>1,677</u>
Expenditures:			
Current:			
Community Development	205,755	241,429	(35,674)
Capital Outlay	5,039,790	4,907,692	132,098
Debt Service:			
Other	5,702	5,702	0
Total Expenditures	<u>5,251,247</u>	<u>5,154,823</u>	<u>96,424</u>
Excess of Revenues Over (Under) Expenditures	<u>(4,385,247)</u>	<u>(4,287,146)</u>	<u>98,101</u>
Other financing sources (uses):			
Transfers In	460,000	460,000	0
Total Other Financing Sources (Uses)	<u>460,000</u>	<u>460,000</u>	<u>0</u>
Net Change in Fund Balance	(3,925,247)	(3,827,146)	98,101
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>3,959,197</u>	<u>3,959,197</u>	<u>0</u>
Fund Balance End of Year	<u>\$33,950</u>	<u>\$132,051</u>	<u>\$98,101</u>

City of Troy, Ohio  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended December 31, 2006

	OPWC Project Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$529,000	\$529,700	\$700
Total Revenues	529,000	529,700	700
Expenditures:			
Current:			
Capital Outlay	1,316,634	1,147,952	168,682
Total Expenditures	1,316,634	1,147,952	168,682
Excess of Revenues Over (Under) Expenditures	(787,634)	(618,252)	169,382
Other financing sources (uses):			
Transfers In	695,000	695,000	0
Total Other Financing Sources (Uses)	695,000	695,000	0
Net Change in Fund Balance	(92,634)	76,748	169,382
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	353,446	353,446	0
Fund Balance End of Year	\$260,812	\$430,194	\$169,382

City of Troy, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2006

	TIF 2003 Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Capital Outlay	40,000	0	40,000
Debt Service:			
Principal Retirement	25,000	25,000	0
Interest and Fiscal Charges	106,500	106,500	0
Total Expenditures	171,500	131,500	40,000
Net Change in Fund Balance	(171,500)	(131,500)	40,000
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	206,871	206,871	0
Fund Balance End of Year	\$35,371	\$75,371	\$40,000

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## ***NONMAJOR ENTERPRISE FUNDS***

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

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

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

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

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

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

City of Troy, Ohio  
Combining Statement of Net Assets  
Nonmajor Enterprise Funds  
December 31, 2006

	Hobart Arena	Swimming Pool	Parking Meter	Miami Shores
<b>Assets:</b>				
Equity in Pooled Cash and Investments	\$263,636	\$216,470	\$19,862	\$111,331
<b>Receivables:</b>				
Accounts	60,841	0	0	4,311
Interest	0	0	75	418
<b>Total Current Assets</b>	<b>324,477</b>	<b>216,470</b>	<b>19,937</b>	<b>116,060</b>
Nondepreciable Capital Assets	20,900	10,450	189,961	46,997
Depreciable Capital Assets, Net	2,240,969	3,973,035	6,300	424,456
<b>Total Noncurrent Assets</b>	<b>2,261,869</b>	<b>3,983,485</b>	<b>196,261</b>	<b>471,453</b>
<b>Total Assets</b>	<b>2,586,346</b>	<b>4,199,955</b>	<b>216,198</b>	<b>587,513</b>
<b>Liabilities:</b>				
<b>Current Liabilities:</b>				
Accounts Payable	17,215	630	0	2,208
Accrued Wages and Benefits	21,816	0	0	15,737
Compensated Absences	15,927	0	0	8,780
<b>Total Current Liabilities</b>	<b>54,958</b>	<b>630</b>	<b>0</b>	<b>26,725</b>
<b>Long-Term Liabilities:</b>				
Compensated Absences	9,922	0	0	29,967
<b>Total Noncurrent Liabilities</b>	<b>9,922</b>	<b>0</b>	<b>0</b>	<b>29,967</b>
<b>Total Liabilities</b>	<b>64,880</b>	<b>630</b>	<b>0</b>	<b>56,692</b>
<b>Net Assets:</b>				
Invested in Capital Assets, Net of Related Debt	2,261,869	3,983,485	196,261	471,453
Unrestricted	259,597	215,840	19,937	59,368
<b>Total Net Assets</b>	<b>\$2,521,466</b>	<b>\$4,199,325</b>	<b>\$216,198</b>	<b>\$530,821</b>

Stadium	Total Nonmajor Enterprise Funds
\$67,947	\$679,246
0	65,152
0	493
<u>67,947</u>	<u>744,891</u>
49,638	317,946
3,116,588	9,761,348
<u>3,166,226</u>	<u>10,079,294</u>
<u>3,234,173</u>	<u>10,824,185</u>
0	20,053
0	37,553
0	24,707
<u>0</u>	<u>82,313</u>
<u>0</u>	<u>39,889</u>
<u>0</u>	<u>39,889</u>
<u>0</u>	<u>122,202</u>
3,166,226	10,079,294
67,947	622,689
<u>\$3,234,173</u>	<u>\$10,701,983</u>

City of Troy, Ohio  
Combining Statement of Revenues, Expenses  
and Changes in Fund Net Assets  
Nonmajor Enterprise Funds  
For the Fiscal Year Ended December 31, 2006

	Hobart Arena	Swimming Pool	Parking Meter	Miami Shores
Operating Revenues:				
Fines, Licenses & Permits	\$0	\$0	\$3,300	\$0
Charges for Services	80,893	222,913	14,785	679,688
Other Revenues	269,851	4,633	21	17,639
Total Operating Revenues	350,744	227,546	18,106	697,327
Operating Expenses:				
Personal Services	331,376	96,025	35,669	281,278
Contractual Services	199,639	40,258	0	153,684
Materials and Supplies	75,741	95,444	1,650	182,075
Depreciation	123,512	55,895	4,200	67,093
Other Expenses	41,281	5,856	3,427	75,687
Total Operating Expenses	771,549	293,478	44,946	759,817
Operating Income (Loss)	(420,805)	(65,932)	(26,840)	(62,490)
Non-Operating Revenues (Expenses):				
Investment Earnings	0	0	832	8,405
Interest (Expense)	0	0	0	(3,795)
Total Non-Operating Revenues (Expenses)	0	0	832	4,610
Income (Loss) Before Contributions and Transfers	(420,805)	(65,932)	(26,008)	(57,880)
Capital Grants and Contributions	0	4,010,066	0	0
Transfers In	237,000	0	26,000	67,000
Change in Net Assets	(183,805)	3,944,134	(8)	9,120
Net Assets Beginning of Year	2,705,271	255,191	216,206	521,701
Net Assets End of Year	\$2,521,466	\$4,199,325	\$216,198	\$530,821



Stadium	Total Nonmajor Enterprise Funds
\$0	\$3,300
0	998,279
12,000	304,144
12,000	1,305,723
0	744,348
0	393,581
0	354,910
168,464	419,164
0	126,251
168,464	2,038,254
(156,464)	(732,531)
0	9,237
0	(3,795)
0	5,442
(156,464)	(727,089)
0	4,010,066
0	330,000
(156,464)	3,612,977
3,390,637	7,089,006
\$3,234,173	\$10,701,983

City of Troy, Ohio  
Combining Statement of Cash Flows  
Nonmajor Enterprise Funds  
For the Fiscal Year Ended December 31, 2006

	Hobart Arena	Swimming Pool	Parking Meter	Miami Shores
<b>Cash Flows from Operating Activities:</b>				
Cash Received from Customers	\$334,429	\$227,546	\$18,106	\$693,016
Cash Payments to Employees	(330,930)	(96,025)	(38,998)	(280,110)
Cash Payments to Suppliers	(324,898)	(114,893)	(5,709)	(411,676)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>(321,399)</b>	<b>16,628</b>	<b>(26,601)</b>	<b>1,230</b>
<b>Cash Flows from Noncapital Financing Activities:</b>				
Payments from Other Funds	237,000	0	26,000	67,000
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>237,000</b>	<b>0</b>	<b>26,000</b>	<b>67,000</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>				
Payments for Capital Acquisitions	(21,975)	0	0	(54,214)
Debt Principal Payments	0	0	0	(72,000)
Debt Interest Payments	0	0	0	(4,140)
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(21,975)</b>	<b>0</b>	<b>0</b>	<b>(130,354)</b>
<b>Cash Flows from Investing Activities:</b>				
Earnings on Investments	0	0	829	8,594
<b>Net Cash Provided (Used) by Cash Flows from Investing Activities</b>	<b>0</b>	<b>0</b>	<b>829</b>	<b>8,594</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(106,374)</b>	<b>16,628</b>	<b>228</b>	<b>(53,530)</b>
Cash and Cash Equivalents Beginning of Year	370,010	199,842	19,634	164,861
Cash and Cash Equivalents End of Year	263,636	216,470	19,862	111,331
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>				
Operating Income (Loss)	(420,805)	(65,932)	(26,840)	(62,490)
Adjustments:				
Depreciation	123,512	55,895	4,200	67,093
Changes in Assets & Liabilities:				
(Increase) Decrease in Receivables	(16,315)	0	0	(4,311)
Increase (Decrease) in Payables	(8,237)	26,665	(632)	(230)
Increase (Decrease) in Accrued Liabilities	446	0	(3,329)	1,168
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>(\$321,399)</b>	<b>\$16,628</b>	<b>(\$26,601)</b>	<b>\$1,230</b>
<b>Schedule of Noncash Capital Activities:</b>				
During the fiscal year, these amounts were received representing noncash contributions of:				
Capital Assets	\$0	\$4,010,066	\$0	\$0

Stadium	Total Nonmajor Enterprise Funds
\$12,000	\$1,285,097
0	(746,063)
0	(857,176)
<u>12,000</u>	<u>(318,142)</u>
0	330,000
0	330,000
0	(76,189)
0	(72,000)
0	(4,140)
<u>0</u>	<u>(152,329)</u>
0	9,423
0	9,423
12,000	(131,048)
<u>55,947</u>	<u>810,294</u>
<u>67,947</u>	<u>679,246</u>
(156,464)	(732,531)
168,464	419,164
0	(20,626)
0	17,566
0	(1,715)
<u>\$12,000</u>	<u>(\$318,142)</u>
<u>\$0</u>	<u>\$4,010,066</u>

City of Troy, Ohio  
Statement of Changes In Assets and Liabilities  
Agency Funds  
For the Fiscal Year Ended December 31, 2006

	Stouder Playground			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$16,670	\$692	\$83	\$17,279
Receivables:				
Interest	61	65	61	65
Total Assets	<u>16,731</u>	<u>757</u>	<u>144</u>	<u>17,344</u>
Liabilities:				
Other Liabilities	<u>16,731</u>	<u>757</u>	<u>144</u>	<u>17,344</u>
Total Liabilities	<u>\$16,731</u>	<u>\$757</u>	<u>\$144</u>	<u>\$17,344</u>

	Paul G. Duke			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$11,199	\$309	\$55	\$11,453
Receivables:				
Interest	41	43	41	43
Total Assets	<u>11,240</u>	<u>352</u>	<u>96</u>	<u>11,496</u>
Liabilities:				
Other Liabilities	<u>11,240</u>	<u>352</u>	<u>96</u>	<u>11,496</u>
Total Liabilities	<u>\$11,240</u>	<u>\$352</u>	<u>\$96</u>	<u>\$11,496</u>

	Unclaimed Funds			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$3,305	\$368	\$906	\$2,767
Total Assets	<u>3,305</u>	<u>368</u>	<u>906</u>	<u>2,767</u>
Liabilities:				
Other Liabilities	<u>3,305</u>	<u>368</u>	<u>906</u>	<u>2,767</u>
Total Liabilities	<u>\$3,305</u>	<u>\$368</u>	<u>\$906</u>	<u>\$2,767</u>

Continued

City of Troy, Ohio  
Statement of Changes In Assets and Liabilities  
Agency Funds  
For the Fiscal Year Ended December 31, 2006

	Tri-Centennial			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$928	\$29	\$0	\$957
Total Assets	<u>928</u>	<u>29</u>	<u>0</u>	<u>957</u>
Liabilities:				
Other Liabilities	928	29	0	957
Total Liabilities	<u>\$928</u>	<u>\$29</u>	<u>\$0</u>	<u>\$957</u>

	Imprest Cash			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$1,350	\$1,000	\$1,000	\$1,350
Total Assets	<u>1,350</u>	<u>1,000</u>	<u>1,000</u>	<u>1,350</u>
Liabilities:				
Other Liabilities	1,350	1,000	1,000	1,350
Total Liabilities	<u>\$1,350</u>	<u>\$1,000</u>	<u>\$1,000</u>	<u>\$1,350</u>

	Enterprise Zone			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$130,330	\$30,470	\$8,009	\$152,791
Receivables:				
Accounts	0	18,720	0	18,720
Total Assets	<u>130,330</u>	<u>49,190</u>	<u>8,009</u>	<u>171,511</u>
Liabilities:				
Other Liabilities	130,330	49,190	8,009	171,511
Total Liabilities	<u>\$130,330</u>	<u>\$49,190</u>	<u>\$8,009</u>	<u>\$171,511</u>

Continued

City of Troy, Ohio  
Statement of Changes In Assets and Liabilities  
Agency Funds  
For the Fiscal Year Ended December 31, 2006

	Total All Agency Funds			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$163,782	\$32,868	\$10,053	\$186,597
Receivables:				
Accounts	0	18,720	0	18,720
Interest	102	108	102	108
Total Assets	<u>163,884</u>	<u>51,696</u>	<u>10,155</u>	<u>205,425</u>
Liabilities:				
Other Liabilities	<u>163,884</u>	<u>51,696</u>	<u>10,155</u>	<u>205,425</u>
Total Liabilities	<u>\$163,884</u>	<u>\$51,696</u>	<u>\$10,155</u>	<u>\$205,425</u>

**STATISTICAL  
SECTION**

## **Statistical Section**

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

### **Contents**

#### **Financial Trends**

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

#### **Revenue Capacity**

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

#### **Debt Capacity**

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

#### **Economic and Demographic Information**

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

#### **Operating Information**

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

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in fiscal year 2003; schedules presenting government-wide information include information beginning in that fiscal year.



City of Troy  
 Net Assets by Component  
 Last Four Calendar Years (1)  
 (accrual basis of accounting)  
 Schedule 1

	Calendar Year			
	2003	2004	2005	2006
<b>Governmental Activities</b>				
Invested in Capital Assets, Net of Related Debt	\$28,242,354	\$24,472,572	\$29,562,186	\$28,145,826
Restricted	12,489,638	17,059,880	12,517,653	9,735,905
Unrestricted	35,213,861	35,336,072	35,335,482	36,658,401
<b>Total governmental activities net assets</b>	<b>\$75,945,853</b>	<b>\$76,868,524</b>	<b>\$77,415,321</b>	<b>\$74,540,132</b>
<b>Business-type activities</b>				
Invested in Capital Assets, Net of Related Debt	\$27,981,971	\$27,399,172	\$29,577,577	\$35,008,503
Unrestricted	16,893,247	19,030,520	19,041,135	17,091,607
<b>Total business-type activities net assets</b>	<b>\$44,875,218</b>	<b>\$46,429,692</b>	<b>\$48,618,712</b>	<b>\$52,100,110</b>

Source: City Records

(1) - The City began to report accrual information when it implemented GASB Statement 34 in calendar year 2003

City of Troy  
Changes in Net Assets  
Last Four Calendar Years (1)  
(accrual basis of accounting)  
Schedule 2

	Calendar Year			
	2003	2004	2005	2006
<b>Expenses</b>				
<b>Governmental Activities:</b>				
General Government	\$3,786,639	\$5,033,894	\$5,660,201	\$5,180,111
Public Safety	8,321,750	8,169,075	8,787,052	8,842,678
Leisure Time Activities	2,203,202	1,859,158	1,884,611	1,820,227
Community Development	1,374,320	952,247	836,887	688,806
Basic Utility Service	1,975,881	1,624,988	1,852,260	1,493,639
Transportation & Street Repair	6,761,973	2,544,171	2,392,805	3,681,464
Public Health and Welfare	400,308	404,448	500,215	428,505
Interest and Fiscal Charges	154,684	425,988	589,068	550,755
Other	8,122	163,284	11,135	9,536
<b>Total governmental activities expenses</b>	<b>24,986,879</b>	<b>21,177,253</b>	<b>22,514,234</b>	<b>22,695,721</b>
<b>Business-type activities:</b>				
Water Utility	5,797,672	5,216,113	4,574,926	4,962,223
Sewer Utility	3,622,033	3,690,842	3,776,760	4,614,815
Arena Facilities	748,989	755,000	683,886	771,549
Pool	102,640	85,855	323,370	293,478
Parking	40,896	44,077	44,624	44,946
Golf Course	787,547	784,551	814,751	763,612
Stadium Facilities	0	0	84,232	168,464
<b>Total business-type activities expenses</b>	<b>11,099,777</b>	<b>10,576,438</b>	<b>10,302,549</b>	<b>11,619,087</b>
<b>Total primary government expenses</b>	<b>\$36,086,656</b>	<b>\$31,753,691</b>	<b>\$32,816,783</b>	<b>\$34,314,808</b>
<b>Program Revenues</b>				
<b>Governmental Activities:</b>				
<b>Charges for Services:</b>				
General Government	\$138,020	\$102,950	\$160,545	\$109,659
Public Safety	853,784	957,683	1,132,278	1,103,563
Leisure Time Activities	121,394	246,134	178,506	177,180
Basic Utility Service	280,127	288,224	302,450	305,678
Transportation & Street Repair	25,514	47,280	9,636	7,922
Public Health and welfareW	45,457	8,601	142,834	220,964
Operating Grants and Contributions	819,796	1,316,515	1,207,394	1,247,032
Capital Grants and Contributions	543,680	2,502,281	2,650,155	2,311,020
<b>Total governmental activities program revenues</b>	<b>2,827,772</b>	<b>5,469,668</b>	<b>5,783,798</b>	<b>5,483,018</b>
<b>Business-type activities:</b>				
<b>Charges for Services:</b>				
Water Utility	4,437,826	4,769,917	4,795,403	4,129,742
Sewer Utility	3,985,418	3,804,824	3,784,736	3,414,879
Arena Facilities	71,472	62,179	71,053	80,893
Pool	35,145	31,651	224,303	222,913
Parking	19,145	20,403	19,521	18,085
Golf Course	572,205	623,157	695,849	679,688
Operating Grants and Contributions	0	50,770	79,150	0
Capital Grants and Contributions	2,766,026	1,244,147	1,354,320	1,224,803
<b>Total business-type activities program revenues</b>	<b>11,887,237</b>	<b>10,607,048</b>	<b>11,024,335</b>	<b>9,771,003</b>
<b>Total primary government program revenues</b>	<b>\$14,715,009</b>	<b>\$16,076,716</b>	<b>\$16,808,133</b>	<b>\$15,254,021</b>

City of Troy  
Changes in Net Assets  
Last Four Calendar Years (1)  
(accrual basis of accounting)  
Schedule 2 (Continued)

	Calendar Year			
	2003	2004	2005	2006
Net (Expense)/Revenue				
Governmental Activities	(\$22,159,107)	(\$15,707,585)	(\$16,730,436)	(\$17,212,703)
Business-type activities	787,460	30,610	721,786	(1,848,084)
Total primary government net expenses	<u>(\$21,371,647)</u>	<u>(\$15,676,975)</u>	<u>(\$16,008,650)</u>	<u>(\$19,060,787)</u>
General Revenues and Other Changes in Net Assets				
Governmental Activities:				
Income Taxes	\$11,467,066	\$13,989,707	\$12,681,511	\$12,542,400
Property Taxes Levied for:				
General Purposes	1,442,545	2,157,693	1,927,756	2,592,328
Special Revenue Purposes	3,637	985	2,096	0
Grants and Entitlements not Restricted	1,406,330	1,926,126	2,193,117	1,131,293
Unrestricted Contributions	200,730	32,800	44,600	56,900
Investment Earnings	1,028,663	910,902	1,143,110	2,160,055
Refunds & Reimbursements	117,697	40,094	44,338	61,219
Other Revenues	304,989	205,935	65,705	133,385
Transfers-Internal Activities	(286,800)	(765,158)	(825,000)	(4,340,066)
Total governmental activities	<u>15,684,857</u>	<u>18,499,084</u>	<u>17,277,233</u>	<u>14,337,514</u>
Business-type activities:				
Investment earnings	213,236	323,723	416,709	674,201
Other Revenues	1,318,708	358,337	288,991	315,215
Transfers-Internal Activities	286,800	765,158	825,000	4,340,066
Total business-type activities	<u>1,818,744</u>	<u>1,447,218</u>	<u>1,530,700</u>	<u>5,329,482</u>
Total primary government	<u>\$17,503,601</u>	<u>\$19,946,302</u>	<u>\$18,807,933</u>	<u>\$19,666,996</u>
Change in Net Assets				
Governmental Activities	(\$6,474,250)	\$2,791,499	\$546,797	(\$2,875,189)
Business-type activities	2,606,204	1,477,828	2,252,486	3,481,398
Total primary government	<u>(\$3,868,046)</u>	<u>\$4,269,327</u>	<u>\$2,799,283</u>	<u>\$606,209</u>

Source: City Records

(1) - The City began to report accrual information when it implemented GASB Statement 34 in calendar year 2003

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

	Calendar Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>General Fund</b>										
Reserved	\$432,692	\$410,038	\$476,369	\$436,564	\$467,371	\$707,676	\$404,749	\$532,272	\$352,871	\$189,868
Unreserved	1,060,658	1,526,815	1,462,387	1,168,316	1,638,397	1,818,686	35,090,007	35,090,247	35,424,413	36,832,346
<b>Total General Fund</b>	<b>1,493,350</b>	<b>1,936,853</b>	<b>1,938,756</b>	<b>1,604,880</b>	<b>2,105,768</b>	<b>2,526,362</b>	<b>35,494,756</b>	<b>35,622,519</b>	<b>35,777,284</b>	<b>37,022,214</b>
<b>All Other Governmental Funds</b>										
Reserved	1,613,308	1,687,137	2,687,068	3,541,473	2,619,617	5,806,801	3,423,005	6,740,400	2,765,365	3,611,392
Unreserved, Reported in:										
Special Revenue Funds	9,677,068	10,121,689	11,523,186	11,087,483	9,596,112	8,508,812	5,452,931	5,578,574	3,983,478	4,192,666
Debt Service Funds	0	0	0	0	0	0	376,327	19,104	135,285	115,633
Capital Project Funds	2,148,194	3,161,996	1,209,083	1,450,013	3,876,752	3,071,320	2,016,221	3,891,736	4,307,945	441,568
<b>Total all Other Governmental Funds</b>	<b>\$13,438,570</b>	<b>\$14,970,822</b>	<b>\$15,419,337</b>	<b>\$16,078,969</b>	<b>\$16,092,481</b>	<b>\$17,386,933</b>	<b>\$11,268,484</b>	<b>\$16,229,814</b>	<b>\$11,192,073</b>	<b>\$8,361,259</b>

Source: City Records

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

	Calendar Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Revenues</b>										
Taxes	\$11,964,274	\$12,637,567	\$13,216,082	\$13,482,834	\$13,951,179	\$13,177,653	\$13,078,788	\$16,137,437	\$14,670,531	\$15,141,702
Fines, Licenses & Permits	330,338	230,147	245,446	136,958	137,493	149,571	127,364	111,916	112,296	113,676
Charges for Services	570,320	667,696	689,787	981,097	1,151,549	1,216,667	1,288,668	1,385,158	1,633,216	1,577,227
Investment Earnings	827,379	870,717	889,962	1,067,784	882,904	775,349	1,028,664	910,902	1,143,111	2,160,056
Intergovernmental	3,467,576	3,289,510	3,392,742	3,376,165	3,034,424	3,029,309	2,704,034	3,980,977	3,547,439	3,560,341
Special Assessments	141,040	157,210	134,304	129,157	160,886	118,905	174,237	190,672	195,049	261,521
Other Revenues	415,184	626,584	281,161	323,372	527,080	1,358,936	690,462	476,614	389,713	418,722
<b>Total Revenues</b>	<b>17,716,111</b>	<b>18,479,431</b>	<b>18,849,484</b>	<b>19,497,367</b>	<b>19,845,515</b>	<b>19,826,390</b>	<b>19,092,217</b>	<b>23,193,676</b>	<b>21,691,355</b>	<b>23,233,245</b>
<b>Expenditures</b>										
<b>Current:</b>										
General Government	2,489,008	2,830,755	3,079,040	3,322,874	3,758,271	3,780,885	4,085,269	4,594,783	4,053,075	4,332,665
Public Safety	5,841,055	6,295,009	6,628,054	6,836,977	6,971,369	7,330,132	8,025,594	7,924,826	8,369,858	8,396,677
Leisure Time Activities	1,404,491	1,435,693	1,563,357	1,647,315	1,718,024	1,631,182	1,824,597	1,493,876	1,510,229	1,400,691
Community Development	799,883	780,870	830,693	640,757	630,685	726,078	1,130,705	921,465	832,057	645,149
Basic Utility Service	1,123,763	1,135,629	1,092,524	1,182,245	1,408,231	1,281,122	1,888,840	1,595,015	1,559,172	1,264,828
Transportation and Street Repair	1,628,292	1,783,185	1,555,358	1,738,595	1,770,247	2,227,376	2,065,992	2,379,777	2,066,280	1,949,294
Public Health and Welfare	256,097	270,160	304,258	464,164	409,096	407,651	405,234	403,470	467,916	426,129
Capital Outlay	862,761	2,144,847	2,372,536	3,643,263	2,818,886	3,560,043	5,322,710	4,407,434	5,288,381	4,876,998
<b>Debt Service:</b>										
Principal Retirement	608,000	523,000	533,000	548,000	558,000	568,000	643,000	678,000	918,000	634,000
Interest and Fiscal Charges	308,811	277,077	247,013	218,006	188,986	214,172	201,597	287,498	673,225	553,162
Other	7,262	7,718	9,020	6,999	6,505	6,395	8,122	163,284	11,135	9,536
<b>Total Expenditures</b>	<b>\$15,329,423</b>	<b>\$17,483,943</b>	<b>\$18,214,853</b>	<b>\$20,249,195</b>	<b>\$20,238,300</b>	<b>\$21,733,036</b>	<b>\$25,601,660</b>	<b>\$24,849,428</b>	<b>\$25,749,328</b>	<b>\$24,489,129</b>

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

Excess of revenues over (under) expenditures	\$2,386,688	\$995,488	\$634,631	(\$751,828)	(\$392,785)	(\$1,906,646)	(\$6,509,443)	(\$1,655,752)	(\$4,057,973)	(\$1,255,884)
Other Financing Sources (Uses)										
Issuance of Long-Term Capital-Related Debt	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,510,000	\$0	\$0
Proceeds of Long-Term Capital-Related Debt Transfers In	11,453,778	11,700,251	9,986,706	14,125,690	15,671,354	12,896,692	2,477,353	9,217,435	3,889,006	3,465,000
Transfers (Out)	(11,969,580)	(10,719,984)	(10,162,575)	(13,066,106)	(14,764,169)	(12,330,000)	(2,764,153)	(9,982,593)	(4,714,006)	(3,795,000)
Proceeds Of Notes and Bonds	0	0	9,656	0	0	3,055,000	0	0	0	0
Proceeds Of Refunded Bonds	0	0	130,000	0	0	0	0	0	0	0
Payments to Refunded Bond Escrow Agent	0	0	(130,000)	0	0	0	0	0	0	0
Total Other Financing Sources (Uses)	(515,802)	980,267	(166,213)	1,059,584	907,185	3,621,692	1,513,200	6,744,842	(825,000)	(330,000)
Net Change in Fund Balances	\$1,870,886	\$1,975,755	\$468,418	\$307,756	\$514,400	\$1,715,046	(\$4,996,243)	\$5,089,090	(\$4,882,973)	(\$1,585,884)

Debt service as a percentage of noncapital expenditures (1) 6.4% 5.3% 5.0% 4.7% 4.3% 4.3% 4.2% 5.5% 7.8% 6.1%

Source: City Records

(1) - Noncapital expenditures is total expenditures minus capital outlay

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

Calendar Year	Real Property	Tangible	Public	Total Assessed Value	Total Estimated Actual Value	Total Direct Rate (1)	Total Direct Rate (2)
	Assessed Value	Personal Property Assessed Value	Utilities Personal Assessed Value				
1997	\$250,293,810	\$142,600,990	\$15,070,770	\$407,965,570	\$1,165,615,914	3.10	1.10
1998	260,936,780	128,637,620	15,464,290	405,038,690	1,157,253,400	3.10	1.10
1999	290,217,440	152,202,420	17,814,530	460,234,390	1,314,955,400	3.10	1.10
2000	305,673,670	125,248,730	17,178,640	448,101,040	1,280,288,686	3.10	1.10
2001	313,221,610	125,141,820	14,962,560	453,325,990	1,295,217,114	3.10	1.10
2002	349,997,450	129,422,940	11,007,460	490,427,850	1,401,222,429	3.10	1.10
2003	359,593,630	138,549,520	11,242,060	509,385,210	1,455,386,314	3.10	1.10
2004	370,904,790	133,736,850	11,002,640	515,644,280	1,473,269,371	3.10	1.10
2005	406,825,130	125,877,320	11,115,360	543,817,810	1,553,765,171	3.10	1.10
2006	427,342,540	119,988,710	11,197,820	558,529,070	1,595,797,343	3.10	1.10

Source: County Auditor

- (1) - For Tax District D08
- (2) - For Tax District D45

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

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

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

Calendar Year	Total Direct Rate (1)	Overlapping Rates (1)			
		Miami Conservancy City (3)	Troy City School District	Upper Valley Joint Vocational	Miami County
1997	3.10	0.14	50.10	4.90	7.03
1998	3.10	0.16	50.10	4.90	8.82
1999	3.10	0.19	50.10	4.90	8.82
2000	3.10	0.15	54.60	4.90	8.81
2001	3.10	0.15	54.60	4.90	8.83
2002	3.10	0.16	54.60	4.90	8.43
2003	3.10	0.12	54.60	4.90	9.13
2004	3.10	0.12	54.60	5.46	9.13
2005	3.10	0.14	56.59	5.45	9.11
2006	3.10	0.14	56.59	5.45	9.12

Calendar Year	Total Direct Rate (2)	Overlapping Rates (2)			
		Miami Conservancy City (3)	Miami East School District	Miami Valley Career Technology Center	Miami County
1997	1.10	0.14	41.50	2.58	7.03
1998	1.10	0.16	41.50	2.58	8.82
1999	1.10	0.19	41.50	2.58	8.82
2000	1.10	0.15	41.50	2.58	8.81
2001	1.10	0.15	41.50	2.58	8.83
2002	1.10	0.16	41.50	2.58	8.43
2003	1.10	0.12	41.50	2.58	9.13
2004	1.10	0.12	42.80	2.58	9.13
2005	1.10	0.14	45.80	2.58	9.11
2006	1.10	0.14	46.80	2.58	9.12

Source: County Auditor

(1) - For Tax District D08

(2) - For Tax District D45

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

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



City of Troy  
Principal Property Tax Payers  
Current Year and Prior Year (1)  
Schedule 7

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

2005		
Taxpayer	Assessed Value	Percentage of Total Assessed Value
MT Picture Display	\$10,824,850	1.99%
American Honda Motor	8,750,000	1.61%
Dayton Power and Light Company	6,621,330	1.22%
Towne Park Apartments, L.L.C.	3,675,600	0.68%
Hobart Brothers Company	2,423,690	0.45%
Lowes Home Centers, Inc.	2,397,850	0.44%
Health Care REIT, Inc.	2,390,990	0.44%
Ramco Properties	2,380,150	0.44%
B F Goodrich, Co.	2,203,760	0.41%
Verizon North, Inc.	2,203,460	0.41%
	<u>\$43,871,680</u>	<u>8.09%</u>

Source: County Auditor

(1) - Current and prior year information only available

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

Calendar Year	Taxes Levied for the Calendar Year	Collected, including Delinquencies, within the Calendar Year of the Levy		Accumulated Delinquency	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1997	\$930,851	\$933,101	100.24%	\$20,700	\$953,801	102.47%
1998	969,619	972,102	100.26%	18,200	990,302	102.13%
1999	1,115,663	1,112,296	99.70%	25,025	1,137,321	101.94%
2000	1,137,461	1,110,312	97.61%	51,751	1,162,063	102.16%
2001	1,147,523	1,123,667	97.92%	52,305	1,175,972	102.48%
2002	1,252,515	1,245,247	99.42%	69,539	1,314,786	104.97%
2003	1,266,916	1,270,333	100.27%	42,921	1,313,254	103.66%
2004	1,312,974	1,318,922	100.45%	40,758	1,359,680	103.56%
2005	1,445,812	1,433,860	99.17%	55,724	1,489,584	103.03%
2006	1,492,952	1,509,256	101.09%	52,873	1,562,129	104.63%

Source: County Auditor

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

Calendar Year	Withholding Accounts	Business Accounts	Residential Accounts	Total	Income Tax Rate
1997	\$8,916,746	\$1,282,037	\$459,799	\$10,658,582	1.75%
1998	9,226,173	1,551,208	459,831	11,237,212	1.75%
1999	9,153,195	2,166,731	485,363	11,805,289	1.75%
2000	9,759,333	1,460,462	499,230	11,719,025	1.75%
2001	9,965,943	1,961,382	567,270	12,494,595	1.75%
2002	9,672,609	1,184,102	627,275	11,483,986	1.75%
2003	9,757,643	1,109,823	643,006	11,510,472	1.75%
2004	9,669,316	3,849,138	630,634	14,149,088	1.75%
2005	9,992,096	2,220,540	737,792	12,950,428	1.75%
2006	10,063,324	2,417,595	774,027	13,254,946	1.75%

Source: City Records

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

City of Troy  
Principal Income Taxpayers  
Current and Prior Year(1)  
(cash basis of accounting)  
Schedule 10

2006	
Name	Rank
Goodrich Corporation	1
Illinois Tool Works, Inc.	2
American Honda Motor Company, Inc. - B Account	3
F & P America Manufacturing, Inc.	4
Troy City School District	5
Hobart Brothers Company	6
Miami County Employees	7
American Honda Motor Company, Inc	8
Hobart Brothers Company - B Account	9
Faurecia Exhaust Systems, Inc.	10
Combined percentage of total income taxes	33.56%

2005	
Name	Rank
Goodrich Corporation	1
Illinois Tool Works, Inc.	2
Matsushita Display Device	3
Troy City School District	4
F & P America Manufacturing, Inc.	5
Miami County Employees	6
F & P America Manufacturing, Inc. - B Account	7
American Honda Motor Company, Inc	8
Hobart Brothers Company	9
3 Sigma, LLC - B Account	10
Combined percentage of total income taxes	34.23%

Source: City Records

(1) - Only current and prior year information available

Note: Due to legal restrictions and confidentiality requirements, the City cannot disclose the amount of withholdings by taxpayer. The City chose not to disclose percentages and number of filers by income level because the City does not require all taxpayers to file a return, therefore it does not have, nor can it obtain, this type of information.

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

Calendar Year	Governmental Activities			Business-Type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Short-Term Bond Anticipation Notes	Special Assessment Bonds	General Obligation Bonds	Short-Term Bond Anticipation Notes	Notes Payable			
1997	\$4,104,000	\$0	\$847,000	\$19,876,000	\$0	\$313,246	\$25,140,246	1.02%	\$993
1998	3,655,000	0	773,000	19,115,000	0	271,480	23,814,480	0.94%	919
1999	3,195,000	0	710,000	21,726,000	0	229,714	25,860,714	0.99%	974
2000	2,725,000	0	632,000	20,759,000	0	187,948	24,303,948	0.88%	872
2001	2,245,000	0	554,000	20,225,000	0	146,182	23,170,182	0.84%	835
2002	4,805,000	0	481,000	20,172,000	0	104,416	25,562,416	0.91%	903
2003	6,035,000	4,000,000	408,000	18,976,000	1,800,000	62,650	31,281,650	1.06%	1,060
2004	12,940,000	0	335,000	20,256,000	0	20,884	33,551,884	1.09%	1,103
2005	12,095,000	0	262,000	18,712,000	0	0	31,069,000	N/A	N/A
2006	11,525,000	0	198,000	17,235,000	0	0	28,958,000	N/A	N/A

Source: City Records

N/A - Information not available

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

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

<u>Calendar Year</u>	<u>General Bonded Debt Outstanding</u>	<u>Percentage of Estimated Actual Taxable Value of Property</u>	<u>Per Capita</u>
1997	\$4,104,000	0.35%	\$211
1998	3,655,000	0.32%	188
1999	3,195,000	0.24%	164
2000	2,725,000	0.21%	124
2001	2,245,000	0.17%	102
2002	4,805,000	0.34%	218
2003	6,035,000	0.41%	274
2004	12,940,000	0.88%	588
2005	12,095,000	0.78%	550
2006	11,525,000	0.72%	524

Source: City Records

City of Troy  
 Direct and Overlapping Governmental Activities Debt  
 As of December 31, 2006  
 Schedule 13

Governmental Unit	Net Debt Outstanding	Estimated Percentage Applicable (1)	Amount Applicable to City of Troy
City of Troy	\$560,000	100.00%	\$560,000
Miami County	4,109,000	25.83%	1,061,355
Troy City School District	20,609,991	76.79%	15,826,412
Miami East Local School District	11,084,992	5.05%	559,792
Upper Valley Career Center	3,850,000	22.21%	855,085
Total Direct and Overlapping Debt	\$40,213,983		\$18,862,644

Source: Ohio Municipal Advisory Council

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

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

Legal Debt Margin Calculation for Calendar Year 2006

Assessed value	\$558,529,070	\$558,529,070
Statutory legal debt limitation (1)	10.5%	5.5%
Total debt limitation	58,645,552	30,719,099
Debt applicable to limit:		
Gross Indebtedness	28,958,000	28,958,000
Less: Debt Outside Limitations (2)	17,433,000	17,433,000
Less: Bond Retirement Fund Balance	334,969	334,969
Total net debt applicable to limit	11,190,031	11,190,031
Legal debt margin	\$47,455,521	\$19,529,068

	Calendar Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Total Debt Limit (1)										
Debt Limit (10.5%)	\$42,836,385	\$42,529,062	\$48,324,611	\$47,050,609	\$47,599,229	\$51,494,924	\$53,485,447	\$54,142,649	\$57,100,870	\$58,645,552
Total Net Debt Applicable to Limit	3,686,987	3,251,315	2,794,126	2,336,661	1,880,183	4,520,594	5,628,673	12,920,896	11,959,715	11,190,031
Legal Debt Margin	\$39,149,398	\$39,277,747	\$45,530,485	\$44,713,948	\$45,719,046	\$46,974,330	\$47,856,774	\$41,221,753	\$45,141,155	\$47,455,521

Total Net Debt Applicable to the Limit	8.6%	7.6%	5.8%	5.0%	4.0%	8.8%	10.5%	23.9%	20.9%	19.1%
as a Percentage of Debt Limit										

	Calendar Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Total Unvoted Debt Limit (1)										
Debt Limit (5.5%)	\$22,438,106	\$22,277,128	\$25,312,891	\$24,645,557	\$24,932,929	\$26,973,532	\$28,016,187	\$28,360,435	\$29,909,980	\$30,719,099
Total Net Debt Applicable to Limit	3,686,987	3,251,315	2,794,126	2,336,661	1,880,183	4,520,594	5,628,673	12,920,896	11,959,715	11,190,031
Legal Debt Margin	\$18,751,119	\$19,025,813	\$22,518,765	\$22,308,896	\$23,052,746	\$22,452,938	\$22,387,514	\$15,439,539	\$17,950,265	\$19,529,068

Total Net Debt Applicable to the Limit	16.4%	14.6%	11.0%	9.5%	7.5%	16.8%	20.1%	45.6%	40.0%	36.4%
as a Percentage of Debt Limit										

Source: City Records

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

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



City of Troy  
Pledged-Revenue Coverage  
Last Ten Calendar Years  
Schedule 15

Calendar Year	Special Assessment Bonds			
	Special Assessment Collections (1)	Debt Service		Coverage
		Principal	Interest	
1997	\$141,674	\$847,000	\$64,395	0.16
1998	148,984	773,000	62,448	0.18
1999	137,229	710,000	56,950	0.18
2000	131,146	632,000	48,675	0.19
2001	129,324	554,000	43,448	0.22
2002	121,497	481,000	38,153	0.23
2003	144,042	408,000	33,040	0.33
2004	145,432	335,000	27,923	0.40
2005	161,427	262,000	22,775	0.57
2006	215,779	198,000	17,628	1.00

Source: County Auditor

(1) - Total special assessment collections including delinquencies

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

City of Troy  
 Demographic and Economic Statistics - Miami County  
 Last Ten Calendar Years  
 Schedule 16

Calendar Year	Population (1)	Personal Income (Thousands of Dollars) (2)	Per Capita Personal Income (3)	Unemployment Rate (4)
1997	19,479	\$2,474,097	\$25,327	4.00%
1998	19,479	2,543,432	25,904	3.20%
1999	19,479	2,618,361	26,559	3.40%
2000	21,999	2,759,517	27,876	2.90%
2001	21,999	2,755,586	27,762	5.20%
2002	21,999	2,821,089	28,324	5.40%
2003	21,999	2,954,972	29,514	5.70%
2004	21,999	3,064,960	30,411	5.50%
2005	21,999	N/A	N/A	5.50%
2006	21,999	N/A	N/A	5.70%

- Sources:
- (1) - Population estimates provided by U.S. Census Bureau (1990 Census and 2000 Census)
  - (2) - Personal Income information provided by Bureau of Economic Analysis: Regional Economic Accounts
  - (3) - Per Capita Personal Income information provided by Bureau of Economic Analysis: Regional Economic Accounts
  - (4) - Ohio Bureau of Employment Services

N/A - Information not available

City of Troy  
 Principal Employers  
 Current Year (1)  
 Schedule 17

2006 (2)

Employer	Number of Employees	Percentage of Total City Employment
UVMC	1,800	3.43%
Meijer Distribution	1,000	1.90%
ITW / Hobart Corporation	900	1.71%
Goodrich Corporation	742	1.41%
F & P America	700	1.33%
American Honda Motor Company	425	0.81%
ITW / Hobart Brothers	402	0.77%
Evenflo Corp.	400	0.76%
AO Smith Corporation	400	0.76%
Hartzell Propeller, Inc.	395	0.75%
	7,164	13.63%
Total City Employment	52,500	

Source: City Economic Development Division

- (1) - Only current fiscal year information available
- (2) - Data current as of December, 2006

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

Function/Program	Full-Time Equivalent Employees as of December 31									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
General Government	(1)	(1)	2	2	2	2	2	2	2	1
Council	(1)	(1)	1	1	1	1	1	1	1	1
Mayor	(1)	(1)	1	1	1	1	1	1	1	1
Audit	(1)	(1)	4	4	4	4	4	4	4	4
Law	(1)	(1)	2	2	2	2	2	2	2	2
Service	(1)	(1)	4	4	4	4	4	5	5	4
Human Resources	(1)	(1)	2	2	2	2	2	2	2	2
Fire	(1)	(1)	41	42	42	42	42	42	42	40
Police	(1)	(1)	47	45	44	44	45	45	48	46
Parks	(1)	(1)	8	8	8	9	8	7	9	8
Recreation	(1)	(1)	4	4	3	4	4	4	4	4
Electric	(1)	(1)	3	3	3	3	3	3	3	3
Development	(1)	(1)	5	6	4	6	6	6	6	7
Street	(1)	(1)	19	17	17	18	17	18	18	17
Tax	(1)	(1)	4	4	4	3	4	4	4	4
Cemetery	(1)	(1)	4	4	3	4	4	4	4	4
Refuse	(1)	(1)	6	7	6	7	7	7	7	6
Hobart Arena	(1)	(1)	4	4	5	5	5	5	5	5
Water Administration	(1)	(1)	5	5	5	5	5	5	5	5
Water Plant	(1)	(1)	10	10	10	9	10	10	10	10
Water Distribution	(1)	(1)	8	8	8	8	8	7	8	8
Sewer B&C	(1)	(1)	5	5	4	5	5	5	5	5
Sewer Plant	(1)	(1)	11	12	12	12	12	12	12	12
Sewer Maintenance	(1)	(1)	4	4	4	4	4	4	4	3
Parking	(1)	(1)	1	0	1	1	1	1	1	0
Miami Shores	(1)	(1)	5	5	5	5	5	5	5	5
Engineering	(1)	(1)	8	8	8	8	8	8	8	7
Total	-	-	218	217	212	218	219	219	225	214

Source: Various City Departments

(1) - Information was not available from the City

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

Function/Program	Calendar Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
General government										
Commercial Construction										
Building permits issued	288	240	410	61	26	19	27	53	30	97
Value	\$23,643,525	\$12,782,644	\$20,559,141	\$7,761,322	\$11,153,834	\$4,416,399	\$8,723,883	\$13,530,000	\$31,502,490	\$42,270,987
Residential Construction										
Building permits issued	954	801	1,041	201	110	236	289	168	270	136
Value	\$35,313,426	\$19,803,213	\$21,489,651	\$11,086,202	\$15,968,738	\$23,613,370	\$32,863,289	\$28,449,654	\$33,012,180	\$28,394,390
Police										
Physical arrests	1,474	2,066	2,217	2,336	2,377	2,191	1,819	2,651	2,885	3,073
Parking violations	4,586	3,543	2,653	2,133	5,843	4,147	3,397	3,012	2,877	2,867
Traffic violations	2,150	3,046	3,794	4,185	3,742	3,445	2,853	3,465	4,210	4,657
Fire										
Emergency responses	859	824	853	952	1,036	1,071	934	1,143	1,249	1,181
Fires extinguished	180	172	155	145	127	125	96	98	134	104
Inspections	523	294	339	320	434	288	334	799	1,030	718
Refuse collection										
Refuse collected (tons)	5,513	5,777	5,724	5,725	6,209	6,158	6,250	6,530	6,542	6,584
Recyclables collected (tons)	1,355	2,000	2,000	1,500	1,466	1,370	1,727	1,686	1,750	1,840
Other public works										
Street resurfacing (cubic yards)	6,165	5,749	6,361	5,318	6,688	7,135	6,623	5,127	4,500	2,483
Parks and Recreation										
Community Center Admissions (1)	\$23,909	\$25,682	\$27,237	\$18,191	\$19,583	\$26,950	\$19,499	\$16,626	\$95,622	\$88,035
Community Center Attendance	20,624	21,436	21,131	11,341	9,868	14,176	10,793	10,674	46,775	43,476
Water										
New connections (each)	248	136	95	208	158	154	267	222	154	132
Water main breaks (each)	30	22	27	26	24	24	32	27	23	26
Average daily consumption (millions of gallon per day)	5.4	5.2	5.4	5.3	5.3	5.4	5.1	5.2	5.0	4.1
Peak daily consumption (millions of gallon per day)	6.5	6.3	7.8	7.0	6.8	7.4	6.8	6.6	7.4	5.4
Wastewater										
Average daily sewage treatment (millions of gallon per day)	6.30	6.17	6.18	5.88	5.66	5.73	6.59	5.73	5.96	5.73

Source: Various City Departments

(1) - Cash basis

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

Function/Program	Calendar Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	6	6	8	8	8	8	8	8	8	8
Fire Stations	3	3	3	3	3	3	3	3	3	3
Other Public Works										
Area of City (square miles)	8.820	9.062	9.062	9.245	9.698	10.697	11.696	12.151	12.164	12.167
Streets (miles)	96.63	97.86	99.45	100.88	102.35	104.45	105.05	107.49	109.60	110.50
Streetlights	2,242	2,242	2,242	2,356	2,356	2,356	2,356	2,356	2,356	2,579
Traffic signals	43	43	43	43	43	43	43	43	42	42
Parks and Recreation										
Number of Parks	24	24	24	24	24	24	24	25	25	26
Acreage	296.40	296.40	296.40	296.40	296.40	296.40	296.40	297.90	297.90	303.90
Playgrounds	15	15	15	16	16	17	17	17	18	18
Baseball/Softball Diamonds	15	15	15	15	15	15	15	15	15	15
Soccer/Football Fields	14	14	14	14	14	14	14	14	14	14
Community Centers										
Kings Chapel Community Center	1	1	1	1	1	1	1	1	1	1
Troy Aquatic Park	1	1	1	1	1	1	1	1	1	1
Municipal Water Department										
Treatment Capacity (millions of gallons per day)	8.00	8.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00
Water Mains (miles)	116.19	118.53	120.11	121.62	123.83	126.23	128.81	131.31	133.67	134.92
Fire hydrants	(2)	(2)	(2)	(2)	(2)	(2)	(2)	1,177	(2)	1,322
Sewers										
Treatment Capacity (millions of gallons per day)	6.0	(2)	(2)	(2)	7.0	7.0	7.0	7.0	7.0	7.0
Storm Sewers (miles)	59.37	61.09	63.02	64.81	67.25	69.95	70.27	73.08	75.19	76.39
Sanitary Sewers (miles)	109.79	111.68	113.39	114.86	116.96	119.16	119.22	121.90	123.90	125.01
Hobart Arena										
Attendance	(2)	(2)	(2)	(2)	(2)	(2)	9,819	11,914	10,216	15,103
Ticket Sold (1)	(2)	(2)	(2)	(2)	(2)	(2)	6,225	7,709	6,474	8,415

Source: Various City Departments

(1) - Tickets sold by Hobart Arena only

(2) - Information was not available from the City

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**Mary Taylor, CPA**  
Auditor of State

**CITY OF TROY**

**MIAMI COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JUNE 21, 2007**