



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

CITY OF TROY
MIAMI COUNTY

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

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

To the Honorable Mayor and City Council:

We have audited the financial statements of the City of Troy, Miami County (the City) as of and for the year ended December 31, 2001, and have issued our report thereon dated May 31, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the City in a separate letter dated May 31, 2002.

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

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

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large, looping initial "J" and a long horizontal stroke extending to the right.

Jim Petro
Auditor of State

May 31, 2002



COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended December 31, 2001

CITY OF TROY, OHIO

**Comprehensive Annual Financial Report
For the Fiscal Year Ended December 31, 2001**

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

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**INTRODUCTORY
SECTION**

CITY OF TROY, OHIO

**Comprehensive Annual Financial Report
For the Fiscal Year Ended December 31, 2001**

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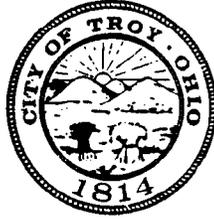
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TRANSMITTAL LETTER

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

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City of Troy, Ohio



May 31, 2002

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, 2001, is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures rests with the government. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various fund and account groups of the government. All disclosures necessary to enable the reader to gain an understanding of the government's financial activities have been included.

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

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

ECONOMIC CONDITION AND OUTLOOK

Troy's central location has made it a natural choice for development. It is a community of approximately 21,999 people, with a reputation for friendliness and hospitality, and a great pride in its history.

Beginning in the 1830's with the construction of the Miami-Erie Canal to today's Interstate Highway system, transportation has influenced Troy's development. The intersection of Interstate 75 and Interstate 70, approximately 10 miles south of Troy and the Dayton

International Airport located less than 15 minutes from the City, provide land and air accessibility that have been major factors in stimulating growth and development on both a national and international level.

Troy is at the center of America's largest 90-minute air travel market, reaching over two-thirds of the nation's population and businesses. From Troy the same 90-minute air travel market can be reached by car or truck in a day and a half. This makes Troy a good location for business and industry or anyone who delivers goods or services.

The City offers a great mix of people, places and activities to enjoy. The City is accessible without congestion and inconvenience. Troy works hard to attract businesses and industries whose products will be in demand far into the future and these efforts have helped establish a well diversified industrial base.

The Community Reinvestment Area and Enterprise Zone Programs have provided development incentives as an inducement for business and industry to locate or expand within the City. Since 1990 over 859 million dollars has been invested in non-residential construction, machinery, equipment, furniture and fixtures by businesses and industries. These businesses and industries have created over 6,000 jobs.

MAJOR INITIATIVES

The city places a high priority on quality of life and effectively delivering services to the citizens of Troy. 2001 did not bring a change in this priority, and did not see an interruption in the delivery of services.

The City and its employees have won several significant awards and honors including our 12th consecutive certification of Excellence from GFOA.

Major Activity of 2001 included:

- * Finalization of the renovation of the Hobart Arena, and the rededication of that facility.
- * Completion of the renovation of City Hall.
- * Continuation of the plan to upgrade playground equipment, with new equipment installed in four parks.
- * Continuation of the programs of paving, repairing catch basins, improving manholes, and installing handicap ramps at curbs.

In addition to the projects constructed during the year we began planning for others, as follows:

- * Focused on authorizing improvements to the home side of the Troy Memorial Stadium.
- * Continued to look for funding to improve the Treasure Island area, including connections to parks on the north side of the Great Miami River.
- * Continued the application for OPWC funds for infrastructure improvements.

- * Applied for a \$400,000 Downtown Revitalization Grant to be loaned to downtown property owners to improve building exteriors.

In addition to our capital improvements projects, we saw other enhancements:

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

Since the decade of the 90's, we saw an impressive list of accomplishments:

- Construction was completed on the \$11 million storm sewer project throughout the city (begun in the 1980's).
- The new Police Headquarters and Fire Sub-station were built.
- Troy Memorial Stadium was renovated (and may be again).
- Several parks were established or significantly improved including:
 - * Paul G. Duke
 - * Carriage Crossing
 - * McKaig Ave.
 - * River Overlook (Behind Court House)
 - * East Main at Franklin
 - * Boyer
 - * Trinity
- Our 125 year old City Hall was renovated.
- Police programs were established and expanded including School Resource Office and Bike Patrol.
- Troy began the region's first Paramedic Bike Program.
- A Fire Department "Dive Team" for water rescue was established.
- Youth golf programs at Miami Shores were expanded.
- Most City Offices and operations were computerized.
- We acquired technologically advanced equipment such as:
 - * Fire Department's imaging equipment to see through smoke, etc.
 - * Speed trailer (showing drivers their speed and recording that reading)
 - * Automatic, computerized traffic counters
 - * Laser speed detection devices and video cameras in Police vehicles
 - * Taller, more capable aerial truck for the Fire Department
 - * Advanced surveying and distance measuring equipment
 - * Upgraded sewer camera equipment
 - * Autocad design in Engineering
 - * Gas detection devices for sewer and other underground work
 - * Modernized telephones
 - * 800 MHZ radios in our safety and public service departments
 - * Computerized sign making equipment
 - * Ultraviolet disinfecting system at the sewer plant

- * Computerized monitoring and control at the water and sewer plants
- Treatment capacity of the Water Plant has been doubled.
- Troy continues the development of a wellhead protection program to safeguard water supplies.
- The Sewer Treatment Plant was updated and expanded, including the current project to reduce odors from the plant.
- Water and sewer service was extended to unserved areas.
- New streets were built:
 - * Corporate Drive
 - * Dorset (S. R. 55 to S. R. 718)
 - * Commerce Blvd.
 - * Wayne/Crescent Intersection
 - * Stanfield is currently being extended to McKaig
- Major Streets were reconstructed:
 - * West Main Street (west of Experiment Farm)
 - * Peters Road (Grant to Ridge)
 - * Stanfield Road (at Fire Station 3)
 - * Staunton (Adams to High School)
 - * South Market (West Market to City Limits)
 - * Crescent Drive
- The Mausoleum in Riverside Cemetery was repaired and improved.
- The Miami River Dam was rebuilt.
- Sidewalks along most of Main Street and Staunton Road were installed.
- The "Back 9" at Miami Shores Golf Course was rebuilt.
- A systematic catch basin repair program was organized.
- We established our outstanding web site: www.troy-ohio-usa.com
- The Kings Chapel Community Center was built.
- A Revolving Loan Fund [RLF] was extended, using grants from the Ohio Department of Development [ODOD] to assist the establishment of 2 hotels on Troy Towne Drive, and the redevelopment of Sherwood Shopping Center (money was loaned at a low interest rate and returned to the Revolving Loan Fund). There were also several smaller projects under this program. Thus far, Troy has received \$1.5 million from the ODOD for this program.
- An Enterprise Zone program was established to provide greater flexibility in negotiating tax abatement agreements.
- Over 1,000 acres have been annexed with another 640 acres being reviewed.
- The new comprehensive zoning code was completed.
- The First Phase of the Downtown Streetscape Project was constructed around the Public Square.
- The McDade property was acquired for future expansion of Duke Park and on it a path to the park was constructed.
- A roadway was added in Riverside Cemetery and a new section was opened.
- Land adjacent to the Cemetery was acquired for future development.
- The City contracted with Miami County for Building Inspection services.
- Our staff continues to work with ODOT on the I-75 project.

- A new outdoor warning siren system was installed.
- The City and Troy Main Street cooperated to improve the revitalization of the Downtown (including the coordination of many special events as well as the establishment of a rehabilitation loan program).
- The renovation of Hobart Arena was completed.
- A branch of the University of Phoenix was established in Troy.

Troy has established an expanding special event schedule, unrivaled in the area. These events are very time consuming for the staff of many departments. In fact, special events are a major part of the day to day work of several key staff members and the source of significant overtime for the Police, Fire, Parks and Public Works Departments.

Commercial and residential development has also required significant effort on the part of several City departments.

The successful operation of a diverse organization of over 220 employees and a \$36.6 million budget is the result of the cooperation of elected officials, boards & commissions, department heads & their staff, volunteers and the People of Troy.

While we are pleased with our progress in 2001, we expect 2002 to hold a similar level of successes and challenges.

DEPARTMENTAL FOCUS - HOBART ARENA

The Hobart Arena, a Troy landmark, was the vision of William H. and Edward A. Hobart, the founders of the Hobart Brothers Company. They proposed that if the citizens of Troy approved a \$450,000 bond issue to build a new 18 hole municipal golf course and a stadium, the C. C. Hobart Foundation (a charitable foundation named in honor of their father) would build a winter sports facility. Troy's City Council accepted this offer and approved the plan. At a special election held in 1947, the citizens of Troy overwhelmingly approved the plan. Hobart Arena was first opened on September 7, 1950. Over the years, many charitable, religious, civic, and educational groups have benefited from using the facility. Many well known entertainers (including Elvis Presley, Lawrence Welk, Gene Autry, Roy Rogers & Dale Evans and Alabama) have performed there, and it has hosted all types of sporting events, trade shows, conferences, ice shows, and events. Also, the Hobart Arena has been home to two hockey teams.

In 1970 the Hobart Arena became the property of the City of Troy, and has been operated under the jurisdiction of the City's Recreation Board. Under the ownership of the City, the Arena continued to be used for a variety of purposes, including the early training location for a number of champion ice skaters and Olympic contenders. The Hobart Arena continues to be the "home" of the Troy Skating Club.

In the late 1970s, the Hobart Arena was beginning to show its age. At the same time, other facilities came into being and became competition for the Hobart Arena. In the late 1980s and

into the 1990s, there were changes in the entertainment industry, with fewer well-known entertainers traveling to do shows in smaller communities.

Through the decades of the 1970s, 1980s and 1990s, the City continued to make repairs and improvements to the Arena, including parking lot improvements and the addition of storage facilities. As the building near its 50th anniversary, it became apparent that a major renovation was needed to turn the structure around.

Through an initial and generous \$1 million donation by Lucia and Robert Bravo, the fund to start the renovation began. Also, a public fund drive was commenced, and donations large and small were received. In 1996, Troy's City Council approved the renovation project and in April 1997, the first phase in the renovation began. Since that time, the Arena's room and exterior areas were repaired, windows were replaced, exterior lighting was upgraded and new landscaping was added. The main entrance and lobby were upgraded, and in the corridor, a rubberized floor was installed, walls were revamped and a ceiling was added. The concession stands were relocated to make room for the construction of the Troy Hall of Fame in the hall entrance, and the restrooms and locker rooms were renovated. The Arena's ceiling was painted, the ice surface was enlarged and new seating was installed. Baffles and a new sound system were installed after evaluation of the acoustics in the Arena. Finally, the City Council paid for and installed a new electrical system and air-conditioning system.

The renovations were completed, and a rededication was held on November 4, 2001. Hobart Arena remains a landmark of the City of Troy, and has been returned to its original beauty.

FINANCIAL INFORMATION

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

Financial Assistance

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

Budgeting Controls

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

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

General Government Functions

Revenues for general governmental functions totaled \$19,845,515 in 2001, an increase of \$348,148 over 2000. The 1.80% increase in revenues is primarily the result of increases in tax revenues stemming from the City's overall economic growth.

The following schedule presents a summary of general, special revenue, debt service and capital projects fund revenues for the fiscal year ended December 31, 2001.

<u>Revenues</u>	<u>2001 Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From 2000</u>
Current:			
Taxes	\$13,951,179	70.30 %	\$ 468,345
Fines, Licenses & Permits	137,493	0.69	535
Intergovernmental	3,034,424	15.29	(341,741)
Special Assessments	160,886	0.81	31,729
Charges for Services	1,151,549	5.80	170,452
Interest	882,904	4.45	(184,880)
Other	<u>527,080</u>	<u>2.66</u>	<u>203,708</u>
Total	<u>\$19,845,515</u>	<u>100.00 %</u>	<u>\$348,148</u>

Expenditures for general governmental purposes totaled \$20,238,300 in 2001, a decrease of \$10,895 over 2000. This overall decrease of 0.05% is primarily the result of decreases in the City's capital outlay expense.

The following schedule presents a summary of general, special revenue, debt service, and capital projects fund expenditures for the fiscal year ended December 31, 2001.

<u>Expenditures</u>	<u>2001 Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From 2000</u>
Current:			
General Government	\$ 3,758,271	18.56 %	\$ 435,397
Security of Persons and Property	6,971,369	34.45	134,392
Public Health and Welfare	409,096	2.02	(55,068)
Leisure Time Activities	1,718,024	8.49	70,709
Community Development	630,685	3.12	(10,072)
Basic Utility Service	1,408,231	6.96	225,986
Transportation	1,770,247	8.75	31,652
Capital Outlay	2,818,886	13.93	(824,377)
Debt Service:			
Principal	558,000	2.76	10,000
Interest	188,986	0.93	(29,020)
Other	<u>6,505</u>	<u>0.03</u>	<u>(494)</u>
Total	<u>\$20,238,300</u>	<u>100.00 %</u>	<u>(\$10,895)</u>

Fund Balances

The general fund balance increased by \$500,888, special revenue funds decreased by \$1,472,362, debt service funds decreased by \$23,522 and capital projects funds increased by \$1,509,396.

Proprietary Operations

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

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

Fiduciary Functions

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

Debt Administration

At December 31, 2001, the government had a number of debt issues outstanding. These issues included \$22,470,000 of general obligation bonds, \$554,000 of special assessment bonds with government commitment and an Ohio Water Development Authority loan of \$146,182. The government has maintained its Aa2 rating from Moody's Investors Service on general obligation bond issues. Under current state statutes, the government's general obligation bonded debt issuances are subject to a nonvoted legal limitation based on 5.5 percent of total assessed value of real and personal property located within the government and a 10.5 percent overall limitation.

As of December 31, 2001, the government's net general obligation bonded debt of \$1,880,183 was well below the legal limits of \$45,719,046 and \$23,052,746.

Cash Management

Cash temporarily idle during the year, was invested in demand deposits, certificates of deposit, U.S. Treasuries and the State Treasurer's Investment Pool (Star Ohio). The government earned \$3,330,372 on all investments for the year ended December 31, 2001.

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

Risk Management

The City is one of sixteen members of a joint insurance pool, Miami Valley Risk Management Association, Inc. (MVRMA). The pool has been operational since December 1, 1988 and was formed according to Section 2744 of the Ohio Revised Code. This joint insurance pool covers all property, crime, liability, boiler and machinery, and public official liability up to the limits stated below. It is intended to provide broad based coverage up to the limits with increased emphasis on safety and loss prevention.

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

For the year ended December 31, 2001, the loss fund contribution factors were:

Beavercreek	8.51%	Blue Ash	6.87%	Indian Hill	2.93%
Kettering	16.95%	Madeira	1.78%	Mason	4.14%
Miamisburg	12.33%	Montgomery	3.37%	Sidney	10.20%
Springdale	5.89%	Tipp City	1.82%	Troy	8.03%
Vandalalia	5.06%	West Carrollton	5.04%	Wilmington	4.66%
Wyoming	2.42%				

A summary of financial information as of December 31, 2000, (latest information available) is as follows:

Current Assets	\$5,228,483
Total Assets	\$5,269,299
Current Liabilities	\$3,606,375
Long-Term Liabilities	\$ 0

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

General Liability (including Police Professional Liability)	\$10,500,000 per occurrence
Automobile Liability	\$10,500,000 per occurrence
Public Officials Liability	\$500,000 excess (\$500,000 Aggregate) \$10M excess \$1M (\$10M Aggregate per city)
Boiler & Machinery	\$477,066,039 Blanket Limit
Property	\$477,066,039 Blanket Limit
Flood (Property)	\$100,000,000 annual aggregate
Earthquake (Property)	\$100,000,000 annual aggregate

MVRMA retains responsibility for the payment of claims within specified self-insured retention (SIR) limits prior to the application of coverage provided by excess reinsurance contracts. During the year, MVRMA's SIR limit for property was \$150,000 with the exception of boiler and machinery, which was \$5,000. The SIR for liability was \$500,000. The deductible per occurrence is \$5,000.

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

Employee Welfare

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

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

citizens and others geared to the needs of the staff.

Wellness Program - Through MedWork, a Dayton company, the City provides 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 screenings, health fair, flu shots, stress management, diabetes screening, etc. and the opportunity to take advantage of various screenings at a reduced cost for the employee/spouse. As a result of screenings and discussions with the nurse, some employees have been referred for further medical evaluation. In 1998 a "walking club" program was started to encourage regular exercise with incentives provided as walkers reached landmark miles. This program was continued and expanded in 1999. During 2001, an effort was made to survey employees as to programs they would find beneficial. Screenings and educational programs were established based on the survey results to the extent possible.

OTHER INFORMATION

Independent Audit

State statutes require an annual audit. Auditor of State, Jim Petro performed the December 31, 2001 audit. The auditor's report on the general purpose financial statements and combining statements and schedules is included in the financial section of this report.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Troy, Ohio, for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2000. 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 12th time for the year ended December 31, 2000. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

Acknowledgments

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

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

Sincerely,



David E. Anderson
Director of Public Service and Safety



R. Craig Helmer
City Auditor

CITY OF TROY, OHIO

Listing of Principal City Officials

December 31, 2001

Elected Officials

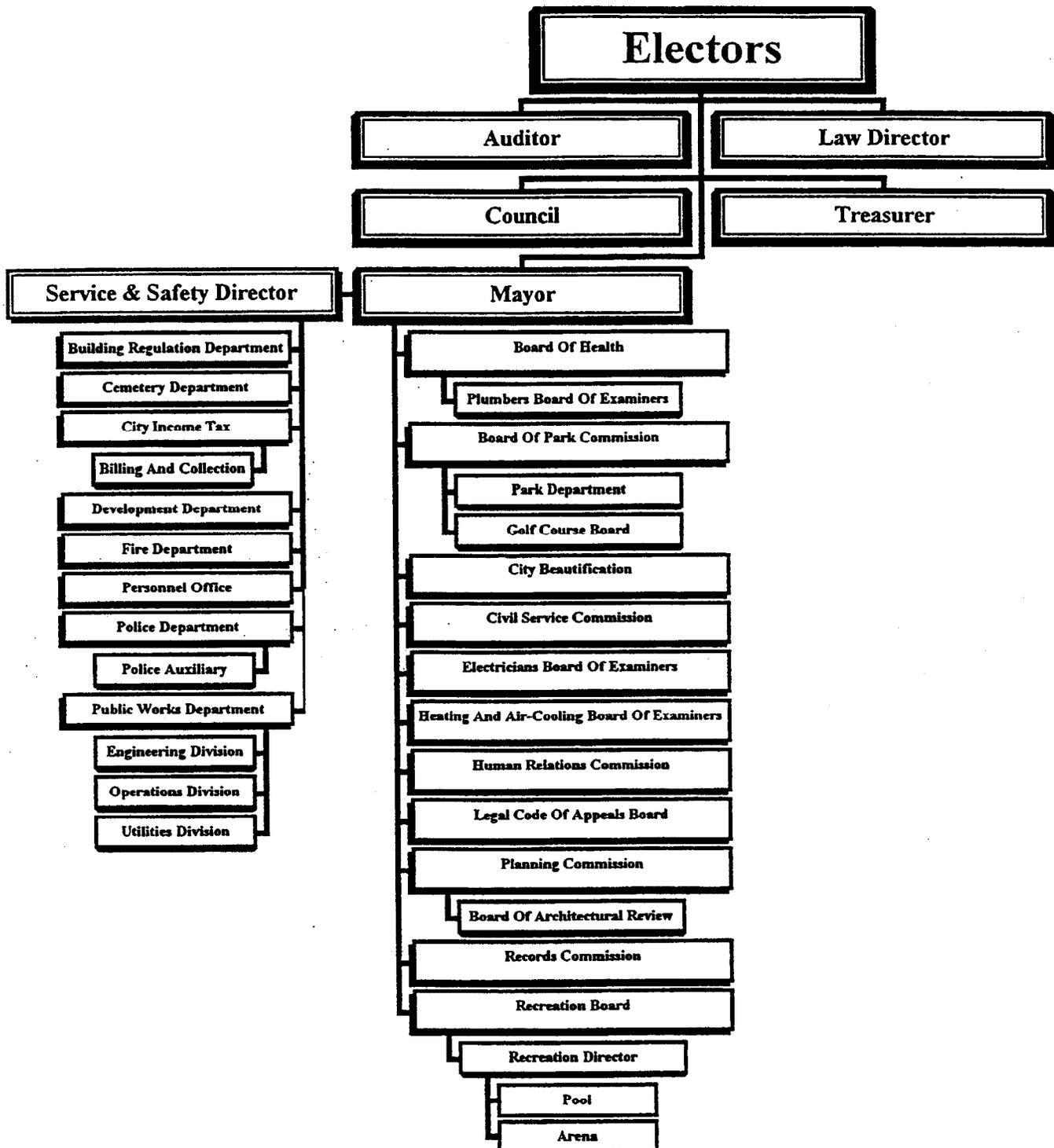
Mayor	Peter E. Jenkins
President of Council	William F. Lohrer
Councilmember-at-Large	A. Murphy Howe
Councilmember-at-Large	Michael L. Beamish
Councilmember-at-Large	Shirley M. Saxton
Councilmember, First Ward	Mark A. Douglas
Councilmember, Second Ward	Martha A. Baker
Councilmember, Third Ward	Ted S.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

Appointed Officials

Director of Public Service and Safety	N. Lawrence Wolke*
Clerk of Council	Sue Knight

***Mr. Wolke retired and was replaced by David E. Anderson in 2002.**

CITY OF TROY, OHIO



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Troy,
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2000

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.



Imelda Aruete
President

Jeffrey L. Esser
Executive Director

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FINANCIAL
SECTION



STATE OF OHIO
OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

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Dayton, Ohio 45402
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REPORT OF INDEPENDENT ACCOUNTANTS

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

To the Honorable Mayor and City Council:

We have audited the accompanying general-purpose financial statements of the City of Troy, Miami County, (the City) as of and for the year ended December 31, 2001, as listed in the table of contents. These general-purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Troy, Miami County, as of December 31, 2001, and the results of its operations and the cash flows of its proprietary fund types and nonexpendable trust funds 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, 2002, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

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

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large loop at the end of the last name.

Jim Petro
Auditor of State

May 31, 2002

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City of Troy, Ohio
 Combined Balance Sheet
 All Fund Types And Account Groups
 December 31, 2001

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
ASSETS AND OTHER DEBITS:				
Assets:				
Pooled cash and investments	\$1,853,176	\$8,870,318	\$364,470	\$4,229,950
Receivables (net of allowance for uncollectibles):				
Taxes	1,302,439	996,458	0	149,978
Accounts	534,284	13,714	0	0
Intergovernmental	958,638	750,227	0	0
Special assessments	6,349	0	730,817	54,152
Interest	10,578	21,778	347	0
Notes receivable	0	1,616,452	0	0
Inventory	0	0	0	0
Fixed assets (net, where applicable of accumulated depreciation)	0	0	0	0
Other debits:				
Amount available in debt service fund	0	0	0	0
Amount to be provided for retirement of general long-term obligations	0	0	0	0
TOTAL ASSETS AND OTHER DEBITS	<u>\$4,665,464</u>	<u>\$12,268,947</u>	<u>\$1,095,634</u>	<u>\$4,434,080</u>
LIABILITIES, EQUITY AND OTHER CREDITS:				
Liabilities:				
Accounts payable	\$125,213	\$45,470	\$0	\$3,775
Accrued wages and benefits	181,966	24,555	0	0
Interest payable	0	0	0	0
Retainage payable	0	6,678	0	80,951
Compensated absences	40,539	8,362	0	0
Due to others	0	0	0	0
Deferred revenue	2,211,978	751,420	730,817	54,152
Notes payable	0	0	0	0
General obligation bonds payable	0	0	0	0
Special assessment debt with government commitment	0	0	0	0
Total Liabilities	<u>2,559,696</u>	<u>836,485</u>	<u>730,817</u>	<u>138,878</u>
Equity and Other Credits:				
Investment in general fixed assets	0	0	0	0
Contributed capital	0	0	0	0
Retained earnings - unreserved	0	0	0	0
Fund Balances:				
Reserved for encumbrances	467,371	219,898	0	418,450
Reserved for debt service	0	0	364,817	0
Reserved for notes receivable	0	1,616,452	0	0
Reserved for endowments	0	0	0	0
Unreserved, undesignated	1,638,397	9,596,112	0	3,876,752
Total Equity and Other Credits	<u>2,105,768</u>	<u>11,432,462</u>	<u>364,817</u>	<u>4,295,202</u>
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	<u>\$4,665,464</u>	<u>\$12,268,947</u>	<u>\$1,095,634</u>	<u>\$4,434,080</u>

See accompanying notes.

Proprietary Fund Type	Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
		General Fixed Assets	General Long-Term Obligations	
Enterprise	Trust and Agency			
\$14,617,473	\$31,112,268	\$0	\$0	\$61,047,655
0	0	0	0	2,448,875
538,287	525	0	0	1,086,810
0	0	0	0	1,708,865
0	0	0	0	791,318
81,467	593,435	0	0	707,605
0	0	0	0	1,616,452
480,944	0	0	0	480,944
45,930,004	0	20,823,057	0	66,753,061
0	0	0	364,817	364,817
0	0	0	4,029,113	4,029,113
<u>\$61,648,175</u>	<u>\$31,706,228</u>	<u>\$20,823,057</u>	<u>\$4,393,930</u>	<u>\$141,035,515</u>
\$235,098	\$373	\$0	\$0	\$409,929
155,691	0	0	359,228	721,440
102,028	0	0	0	102,028
1,221	0	0	0	88,850
541,007	0	0	1,235,702	1,825,610
0	67,952	0	0	67,952
0	0	0	0	3,748,367
146,182	0	0	0	146,182
20,225,000	0	0	2,245,000	22,470,000
0	0	0	554,000	554,000
<u>21,406,227</u>	<u>68,325</u>	<u>0</u>	<u>4,393,930</u>	<u>30,134,358</u>
0	0	20,823,057	0	20,823,057
8,537,397	0	0	0	8,537,397
31,704,551	0	0	0	31,704,551
0	0	0	0	1,105,719
0	0	0	0	364,817
0	0	0	0	1,616,452
0	271,951	0	0	271,951
0	31,365,952	0	0	46,477,213
<u>40,241,948</u>	<u>31,637,903</u>	<u>20,823,057</u>	<u>0</u>	<u>110,901,157</u>
<u>\$61,648,175</u>	<u>\$31,706,228</u>	<u>\$20,823,057</u>	<u>\$4,393,930</u>	<u>\$141,035,515</u>

City of Troy, Ohio
 Combined Statement of Revenues, Expenditures
 And Changes in Fund Balances
 All Governmental Fund Types And
 Expendable Trust Funds
 For the Year Ended December 31, 2001

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
REVENUES:				
Taxes	\$2,230,664	\$9,565,644	\$375,000	\$1,779,871
Fines, licenses and permits	120,205	17,288	0	0
Intergovernmental	1,884,109	831,332	0	318,983
Special assessments	279	0	109,780	50,827
Charges for services	928,617	222,932	0	0
Investment earnings	601,506	274,378	7,020	0
Other	369,395	157,647	0	38
Total Revenues	6,134,775	11,069,221	491,800	2,149,719
EXPENDITURES:				
Current:				
General government	2,685,705	1,072,566	0	0
Public safety	6,971,369	0	0	0
Public health and welfare	0	409,096	0	0
Leisure time activities	1,574,693	143,331	0	0
Community development	577,905	10,500	0	42,280
Basic utility service	1,408,231	0	0	0
Transportation and street repair	0	1,770,247	0	0
Capital outlay	0	20,843	0	2,798,043
Debt service:				
Principal	0	0	558,000	0
Interest	0	0	188,986	0
Other	0	0	6,505	0
Total Expenditures	13,217,903	3,426,583	753,491	2,840,323
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(7,083,128)	7,642,638	(261,691)	(690,604)
OTHER FINANCING SOURCES (USES):				
Operating transfers - in	11,833,185	1,400,000	238,169	2,200,000
Operating transfer - out	(4,249,169)	(10,515,000)	0	0
Total Other Financing Sources (Uses)	7,584,016	(9,115,000)	238,169	2,200,000
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	500,888	(1,472,362)	(23,522)	1,509,396
FUND BALANCES, BEGINNING OF YEAR	1,604,880	12,904,824	388,339	2,785,806
FUND BALANCES, END OF YEAR	\$2,105,768	\$11,432,462	\$364,817	\$4,295,202

See accompanying notes.

<u>Fiduciary Fund Type</u>	<u>Totals</u>
<u>Expendable Trust</u>	<u>(Memorandum Only)</u>
\$0	\$13,951,179
0	137,493
0	3,034,424
0	160,886
10,850	1,162,399
1,778,799	2,661,703
<u>365,956</u>	<u>893,036</u>
<u>2,155,605</u>	<u>22,001,120</u>
40,036	3,798,307
0	6,971,369
0	409,096
13	1,718,037
0	630,685
0	1,408,231
0	1,770,247
0	2,818,886
0	558,000
0	188,986
<u>0</u>	<u>6,505</u>
<u>40,049</u>	<u>20,278,349</u>
<u>2,115,556</u>	<u>1,722,771</u>
0	15,671,354
<u>(1,318,185)</u>	<u>(16,082,354)</u>
<u>(1,318,185)</u>	<u>(411,000)</u>
797,371	1,311,771
<u>30,568,581</u>	<u>48,252,430</u>
<u>\$31,365,952</u>	<u>\$49,564,201</u>

City of Troy, Ohio
 Combined Statement of Revenues, Expenditures
 And Changes In Fund Balance
 Budget And Actual (Non-GAAP Basis)
 All Governmental Fund Types
 For the Year Ended December 31, 2001

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:						
Taxes	\$2,178,850	\$2,223,679	\$44,829	\$9,146,245	\$9,596,822	\$450,577
Licenses and permits	50,000	62,304	12,304	5,000	14,773	9,773
Intergovernmental	1,904,985	1,888,610	(16,375)	760,408	809,637	49,229
Special assessments	1,000	279	(721)	0	0	0
Charges for services	865,370	828,791	(36,579)	193,500	220,410	26,910
Fines and forfeitures	45,000	61,956	16,956	1,000	1,130	130
Investment earnings	575,000	597,967	22,967	365,100	279,319	(85,781)
Other	283,500	398,490	114,990	218,765	279,034	60,269
Total Revenues	5,903,705	6,062,076	158,371	10,690,018	11,201,125	511,107
EXPENDITURES:						
Current:						
General government	3,171,573	2,824,668	346,905	948,531	1,076,145	(127,614)
Security of persons and property	7,766,512	7,120,698	645,814	17,000	0	17,000
Public health and welfare	0	0	0	430,006	428,471	1,535
Leisure time activities	1,878,540	1,769,040	109,500	179,386	154,377	25,009
Community development	666,967	590,619	76,348	171,818	166,718	5,100
Basic utility services	1,585,824	1,503,051	82,773	0	0	0
Transportation	0	0	0	2,384,685	1,975,024	409,661
Other	0	0	0	0	0	0
Capital outlay	0	0	0	101,610	31,216	70,394
Debt service:						
Principal	0	0	0	0	0	0
Interest	0	0	0	0	0	0
Total Expenditures	15,069,416	13,808,076	1,261,340	4,233,036	3,831,951	401,085
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	(9,165,711)	(7,746,000)	1,419,711	6,456,982	7,369,174	912,192
OTHER FINANCING SOURCES (USES):						
Operating transfers - in	11,901,641	11,833,442	(68,199)	1,400,000	1,400,000	0
Operating transfers - (out)	(4,249,169)	(4,249,169)	0	(10,765,000)	(10,515,000)	250,000
Total Other Financing Sources (Uses)	7,652,472	7,584,273	(68,199)	(9,365,000)	(9,115,000)	250,000
EXCESS (DEFICIENCY) OF REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(1,513,239)	(161,727)	1,351,512	(2,908,018)	(1,745,826)	1,162,192
FUND BALANCE, BEGINNING OF YEAR	1,524,085	1,524,085	0	10,357,969	10,357,969	0
FUND BALANCE, END OF YEAR	\$10,846	\$1,362,358	\$1,351,512	\$7,449,951	\$8,612,143	\$1,162,192

See accompanying notes.

Debt Service Fund			Capital Projects Funds			Totals (Memorandum Only)		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$375,000	\$375,000	\$0	\$1,695,000	\$1,784,947	\$89,947	\$13,395,095	\$13,980,448	\$585,353
0	0	0	0	0	0	55,000	77,077	22,077
0	0	0	316,000	318,983	2,983	2,981,393	3,017,230	35,837
110,000	109,780	(220)	35,000	50,827	15,827	146,000	160,886	14,886
0	0	0	0	0	0	1,058,870	1,049,201	(9,669)
0	0	0	0	0	0	46,000	63,086	17,086
5,000	6,673	1,673	0	0	0	945,100	883,959	(61,141)
0	0	0	0	38	38	502,265	677,562	175,297
<u>490,000</u>	<u>491,453</u>	<u>1,453</u>	<u>2,046,000</u>	<u>2,154,795</u>	<u>108,795</u>	<u>19,129,723</u>	<u>19,909,449</u>	<u>779,726</u>
0	0	0	0	0	0	4,120,104	3,900,813	219,291
0	0	0	0	0	0	7,783,512	7,120,698	662,814
0	0	0	0	0	0	430,006	428,471	1,535
0	0	0	0	0	0	2,057,926	1,923,417	134,509
0	0	0	145,000	103,977	41,023	983,785	861,314	122,471
0	0	0	0	0	0	1,585,824	1,503,051	82,773
0	0	0	0	0	0	2,384,685	1,975,024	409,661
9,500	6,505	2,995	0	0	0	9,500	6,505	2,995
0	0	0	3,855,825	3,338,351	517,474	3,957,435	3,369,567	587,868
558,000	558,000	0	0	0	0	558,000	558,000	0
188,986	188,986	0	0	0	0	188,986	188,986	0
<u>756,486</u>	<u>753,491</u>	<u>2,995</u>	<u>4,000,825</u>	<u>3,442,328</u>	<u>558,497</u>	<u>24,059,763</u>	<u>21,835,846</u>	<u>2,223,917</u>
<u>(266,486)</u>	<u>(262,038)</u>	<u>4,448</u>	<u>(1,954,825)</u>	<u>(1,287,533)</u>	<u>667,292</u>	<u>(4,930,040)</u>	<u>(1,926,397)</u>	<u>3,003,643</u>
238,169	238,169	0	2,200,000	2,200,000	0	15,739,810	15,671,611	(68,199)
0	0	0	0	0	0	(15,014,169)	(14,764,169)	250,000
<u>238,169</u>	<u>238,169</u>	<u>0</u>	<u>2,200,000</u>	<u>2,200,000</u>	<u>0</u>	<u>725,641</u>	<u>907,442</u>	<u>181,801</u>
(28,317)	(23,869)	4,448	245,175	912,467	667,292	(4,204,399)	(1,018,955)	3,185,444
388,338	388,338	0	2,895,262	2,895,262	0	15,165,654	15,165,654	0
<u>\$360,021</u>	<u>\$364,469</u>	<u>\$4,448</u>	<u>\$3,140,437</u>	<u>\$3,807,729</u>	<u>\$667,292</u>	<u>\$10,961,255</u>	<u>\$14,146,699</u>	<u>\$3,185,444</u>

City of Troy, Ohio
 Combined Statement of Revenues, Expenses
 And Changes In Retained Earnings/Fund Balances
 All Proprietary Fund Types And
 Non-Expendable Trust Funds
 For the Year Ended December 31, 2001

	Proprietary Fund Type	Fiduciary Fund Type	Totals
	Enterprise	Non-Expendable Trust	(Memorandum Only)
OPERATING REVENUES:			
Charges for services	\$9,008,538	\$0	\$9,008,538
Investment earnings	0	16,471	16,471
Fines and forfeitures	20,574	0	20,574
Other	280,528	467	280,995
Total Operating Revenue	9,309,640	16,938	9,326,578
OPERATING EXPENSES:			
Leisure time activities	1,316,007	0	1,316,007
Public health and welfare	0	6,951	6,951
Basic utility service	4,947,896	0	4,947,896
Depreciation	1,576,298	0	1,576,298
Transportation	42,574	0	42,574
Total Operating Expenses	7,882,775	6,951	7,889,726
OPERATING INCOME (LOSS)	1,426,865	9,987	1,436,852
NONOPERATING REVENUES (EXPENSES):			
Investment earnings	652,198	0	652,198
Interest expense	(1,068,937)	0	(1,068,937)
Capital contributions	1,504,547	0	1,504,547
Total Nonoperating Revenues (Expenses)	1,087,808	0	1,087,808
INCOME (LOSS) BEFORE OPERATING TRANSFERS	2,514,673	9,987	2,524,660
OPERATING TRANSFERS:			
Operating transfers - in	411,000	0	411,000
Total Operating Transfers	411,000	0	411,000
NET INCOME (LOSS)	2,925,673	9,987	2,935,660
RETAINED EARNINGS/FUND BALANCES, BEGINNING OF YEAR	28,778,878	261,964	29,040,842
RETAINED EARNINGS/FUND BALANCES, END OF YEAR	\$31,704,551	\$271,951	\$31,976,502

See accompanying notes.

City of Troy, Ohio
 Combined Statement Of Cash Flows
 All Proprietary Fund Types And
 Non-Expendable Trust Fund
 For the Year Ended Decmber 31, 2001

	Proprietary Fund Type	Fiduciary Fund Type	Totals
	Enterprise	Non-Expendable Trust	(Memorandum Only)
OPERATING ACTIVITIES:			
Operating income (loss)	\$1,426,865	\$9,987	\$1,436,852
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	1,576,298	0	1,576,298
Changes in assets and liabilities:			
(Increase) decrease in receivables	(3,831)	211	(3,620)
(Increase) decrease in inventory	(25,374)	0	(25,374)
Increase (decrease) in payables	(368,191)	0	(368,191)
Increase (decrease) in accrued liabilities	38,091	0	38,091
Increase (decrease) in other liabilities	(200,262)	0	(200,262)
Net Cash Provided (Used) by Operating Activities	2,443,596	10,198	2,453,794
NONCAPITAL FINANCING ACTIVITIES:			
Operating transfers - in	411,000	0	411,000
Net Cash Provided (Used) by Noncapital Financing Activities	411,000	0	411,000
CAPITAL AND RELATED FINANCING ACTIVITIES:			
Proceeds from issuance of debt	500,000	0	500,000
Principal paid	(1,075,766)	0	(1,075,766)
Interest paid	(1,070,167)	0	(1,070,167)
Acquisition of fixed assets	(2,307,172)	0	(2,307,172)
Capital contributions	1,504,547	0	1,504,547
Net Cash Provided (Used) by Capital and Related Financing Activities	(2,448,558)	0	(2,448,558)
INVESTING ACTIVITIES:			
Investment earnings	622,009	0	622,009
Net Cash Provided (Used) by Investing Activities	622,009	0	622,009
NET INCREASE (DECREASE) IN CASH	1,028,047	10,198	1,038,245
CASH, BEGINNING OF YEAR	13,589,426	258,682	13,848,108
CASH, END OF YEAR	14,617,473	268,880	\$14,886,353
ADD:			
Expendable trust fund cash	0	30,775,063	
Agency fund cash	0	68,325	
CASH, END OF YEAR PER BALANCE SHEET	\$14,617,473	\$31,112,268	

See accompanying notes.

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CITY OF TROY, OHIO

Notes To Financial Statements December 31, 2001

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

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

The City identified no component units.

B. Basis of Presentation

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

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

Governmental Fund Types:

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

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

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

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

Proprietary Fund Type:

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

Fiduciary Fund Types:

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

Account Groups:

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

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

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

C. Basis of Accounting

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

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a

reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

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

D. Budget

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

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

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

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

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

Encumbrances - The City of Troy is required to use the encumbrances method of accounting by Ohio law. Under this system, purchase orders, contracts and other

commitments for the expenditure of funds are recorded in order to reserve the portion of the applicable appropriation.

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

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

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

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

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

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

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
GAAP Basis (As Reported)	\$ 500,888	(\$1,472,362)	(\$23,522)	\$1,509,396
Adjustments:				
Revenue accruals, net	(72,442)	131,904	(347)	5,076
Expenditure accruals, net	(104,025)	(153,469)	0	(179,780)
Encumbrances	<u>(486,148)</u>	<u>(251,899)</u>	<u>0</u>	<u>(422,225)</u>
BUDGET BASIS	<u>(\$161,727)</u>	<u>(\$1,745,826)</u>	<u>(\$23,869)</u>	<u>\$912,467</u>

E. Inventory

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

F. Fixed Assets

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

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

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

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

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

G. Interfund Transactions

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

H. Fund Balance Reserves

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

I. Grants and Other Intergovernmental Revenues

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

J. Compensated Absences

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

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

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

K. Pooled Cash and Investments

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

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

L. Total Columns on Combined Financial Statements

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

M. Proprietary Fund Accounting

In accordance with GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting", the City applies all GASB pronouncements and all FASB Statements and

Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins issued on or before November 30, 1989, unless they conflict with GASB pronouncements.

2. PROPERTY TAXES

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

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

The property tax calendar is as follows:

Levy Date	January 1, 2000
Lien Date	January 1, 2001
Tax Bill Mailed	January 20, 2001
First Installment Payment Due	February 15, 2001
Second Installment Payment Due	July 15, 2001

The assessed valuation upon which the 2000 levy was based is as follows:

	<u>Assessed Value</u>
Real Property (Other Than Public Utility)	\$313,221,610
Public Utility Real and Personal Tangible Property	14,962,560
Tangible Personal Property (Other Than Public Utility)	<u>125,141,820</u>
Total Assessed Valuation	<u>\$453,325,990</u>

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

3. RECEIVABLES

Receivables at December 31, 2001 consist of the following:

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Enterprise</u>	<u>Trust and Agency</u>	<u>Total</u>
Receivables							
Taxes	\$1,302,439	\$996,458	\$ 0	\$149,978	\$ 0	\$ 0	\$2,448,875
Accounts	534,284	13,714	0	0	567,287	525	1,115,810
Intergovernmental	958,638	750,227	0	0	0	0	1,708,865
Special Assessments	6,349	0	730,817	54,152	0	0	791,318
Notes	0	1,616,452	0	0	0	0	1,616,452
Interest	<u>10,578</u>	<u>21,778</u>	<u>347</u>	<u>0</u>	<u>81,467</u>	<u>593,435</u>	<u>707,605</u>
Gross Receivables	\$2,812,288	\$3,398,629	\$731,164	\$204,130	\$648,754	\$593,960	\$8,388,925
Less: Allowance For Uncollectibles	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(29,000)</u>	<u>0</u>	<u>(29,000)</u>
Net Receivables	<u>\$2,812,288</u>	<u>\$3,398,629</u>	<u>\$731,164</u>	<u>\$204,130</u>	<u>\$619,754</u>	<u>\$593,960</u>	<u>\$8,359,925</u>

4. RETIREMENT SYSTEM

A. Public Employees Retirement System

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

Funding Policy: The ORC provides statutory authority for employee and employer contributions. The employee contribution rate is 8.5%. For local government employer units the rate is 13.55% of covered payroll. Required employer contributions are equal to 100% of the dollar amount billed to each employer and must be extracted from the employer's records. The contribution requirements of plan members and the City of Troy are established and may be amended by the PERS Retirement Board. The City's contributions for the years ending December 31, 2001, 2000, and 1999 were \$771,133, \$585,061 and \$719,891 respectively; 78% has been contributed for fiscal year 2001 and 100% for fiscal years 2000 and 1999.

Other Postemployment Benefits

In addition to the pension benefit obligation described above, the PERS of Ohio also provides postemployment health care benefits to age and service retirants with ten (10) or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. A portion of each employer's contribution to PERS is set-aside for the funding of post retirement health care. The Ohio Revised Code provides statutory authority for employer contributions and requires employers to fund postretirement health care through their contributions to PERS. The portion of the current year employer contribution rate (identified above) that was used to fund health care for the year was 4.3% of covered payroll, which amounted to \$244,714.

The significant assumptions and calculations described below were based on the PERS of Ohio's latest unaudited information as of December 31, 2000. There were 411,076 active contributing participants. Estimated net assets available for future benefits payments were \$11,735.9 million. Estimated accrued liability and the unfunded estimated accrued liability, based on the actuarial cost method used, were \$14,364.6 million and \$2,628.7 million, respectively. Benefits are financed through employer contributions and investment earnings there on. The contributions, investment income and periodic adjustment in health care provisions are expected to be sufficient to sustain the program indefinitely.

B. Police and Firemen's Disability and Pension Fund

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

Plan members are required to contribute 10.0% of their annual covered salary, while employers are required to contribute 19.5% and 24.0%, respectively for police officers and firefighters. The City's contributions to OP&F for the years ending December 31, 2001, 2000, and 1999 were \$918,712, \$898,571, and \$878,112, respectively; 73% has been contributed for fiscal year 2001 and 100% for fiscal years 2000 and 1999.

Other Post-retirement Benefits

The OP&F provides post-retirement health care coverage to any person who receives or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not

the child is attending school or under the age of 22 if attending school full-time or on a two-thirds basis. The Ohio Revised Code provides statutory authority for employer contributions and allows the Fund's Board of Trustees to provide post-retirement health care coverage to all eligible individuals from the employer's contributions to the OP&F. Most retirees are required to contribute a portion of the cost of their health care coverage.

The portion of the current year City contribution that was used to fund post-retirement health care benefits was \$156,325 representing 7.50% of covered payroll and \$160,083 representing 7.50% of covered payroll for police and fire respectively. Funding and accounting are on a pay-as-you-go basis.

As of December 31, 2000, the number of participants eligible to receive health care benefits was 12,853 for police and 10,037 for fire. The OP&F System of Ohio does not provide separate data on the funded status and funding progress of post-retirement health care benefits. The Fund's total health care expenses for the year ended December 31, 2000 (latest available information) were \$106,160,054, which was net of member contributions of \$5,657,431.

5. ENTERPRISE FUND DEBT

	<u>Beginning Balance</u>	<u>Increase (Decrease)</u>	<u>Ending Balance</u>
<u>General Obligation Bonds:</u>			
Sewer system improvements, 6.25%	\$420,000	(\$70,000)	\$350,000
Water system improvement, 3.35%-5.30%	2,280,000	(170,000)	2,110,000
Wastewater system improvement 3.70% to 5.375%	3,815,000	(180,000)	3,635,000
Wastewater system improvements, 3.35% to 5.30%	3,190,000	(110,000)	3,080,000
Water Plant Expansion, 4.10% to 5.00%	4,350,000	(180,000)	4,170,000
Water Plant Expansion II, 4.375% to 5.00%	6,325,000	(245,000)	6,080,000
Golf Course improvements, 5.75%	379,000	(54,000)	325,000
Wastewater Plant improvements, interest free loan	0	475,000	475,000
<u>Notes Payable:</u>			
Ohio Water Development Authority:			
Sewer system improvements, 5.50%	<u>187,948</u>	<u>(41,766)</u>	<u>146,182</u>
TOTAL	<u>\$20,946,948</u>	<u>(\$575,766)</u>	<u>\$20,371,182</u>

	<u>General Obligation Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2002	\$1,073,000	\$1,015,664
2003	1,121,000	968,413
2004	1,150,000	918,091

2005-2009	6,151,000	3,741,671
2010-2014	6,745,000	2,033,778
2015-2020	<u>3,985,000</u>	<u>425,011</u>
Total	<u>\$20,225,000</u>	<u>\$9,102,628</u>

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

	Note Payable - Ohio Water Development Authority	
	<u>Principal</u>	<u>Interest</u>
2002	\$ 41,766	\$ 7,466
2003	41,766	5,169
2004	41,766	2,872
2005	<u>20,884</u>	<u>574</u>
Total	<u>\$146,182</u>	<u>\$16,081</u>

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

6. GENERAL LONG-TERM OBLIGATIONS

	<u>Beginning Balance</u>	<u>Increase (Decrease)</u>	<u>Ending Balance</u>
<u>General Obligation Bonds:</u>			
Central maintenance facility, 6.25%	\$ 480,000	(\$80,000)	\$400,000
Storm sewer improvements, 6.25%	180,000	(30,000)	150,000
Storm sewer improvements, 7.125%	310,000	(35,000)	275,000
Storm sewer improvements, 6.00%	105,000	(35,000)	70,000
Safety Facilities, 3.70% to 4.80%	1,650,000	(300,000)	1,350,000
 Special Assessment Bonds			
<u>With Government Commitment:</u>			
Street improvements, 8.5%	45,000	(9,000)	36,000
Street improvements, 3.35%	115,000	(15,000)	100,000
Street improvements, 7.125%	112,000	(14,000)	98,000
Street improvements, 7.35%	360,000	(40,000)	320,000
Accrued Wages & Benefits	391,825	(32,597)	359,228
Compensated absences	<u>1,263,261</u>	<u>(27,559)</u>	<u>1,235,702</u>
Total General Long-Term Obligations	<u>\$5,012,086</u>	<u>(\$618,156)</u>	<u>\$4,393,930</u>

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

The annual requirements to pay principal and interest on general long-term obligations at December 31, 2001 are as follows:

	<u>General Obligation Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2002	\$495,000	\$121,019
2003	515,000	95,375
2004	495,000	68,369
2005	510,000	42,430
2006-2008	<u>230,000</u>	<u>23,975</u>
Total	<u>\$2,245,000</u>	<u>\$351,168</u>

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

	<u>Special Assessment Bonds With Government Commitment</u>	
	<u>Principal</u>	<u>Interest</u>
2002	\$73,000	\$38,153
2003	73,000	33,040
2004	73,000	27,923
2005	73,000	22,775
2006-2008	<u>262,000</u>	<u>45,611</u>
Total	<u>\$554,000</u>	<u>\$167,502</u>

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

7. FIXED ASSETS

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Land	\$2,193,517	\$ 37,750	(\$ 2,687)	\$ 2,228,580
Buildings & Improvements	7,378,510	44,301	(5,313)	7,417,498
Machinery & Equipment	8,553,348	712,394	(237,737)	9,028,005
Construction in Progress	<u>1,472,903</u>	<u>676,071</u>	<u>0</u>	<u>2,148,974</u>
Total	<u>\$19,598,278</u>	<u>\$1,470,516</u>	<u>(\$245,737)</u>	<u>\$20,823,057</u>

A summary of enterprise fund fixed assets is as follows:

	<u>Ending Balance</u>
Land	\$ 525,061
Buildings & Improvements	38,945,309
Machinery & Equipment	25,061,624
Construction in Progress	<u>461,950</u>
 Total	 \$64,993,944
 Less:	
Accumulated Depreciation	<u>(19,063,940)</u>
 Net Fixed Assets	 <u><u>\$45,930,004</u></u>

8. CASH AND INVESTMENTS

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

Legal Requirements

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

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

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

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

1. United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank,

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

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

Deposits

At year-end, the carrying amount of the Municipality's deposits was \$645,982 and the bank balance was \$797,911. Of the bank balance:

1. \$250,106 was covered by federal depository insurance.
2. \$547,805 was covered by collateral held by third- party trustees pursuant to Section 135.181, Revised Code, in collateral pools securing all public funds on deposit with specific depository institutions. The entire amount above is defined by GASB statement No. 3 as being collateralized with securities held by the pledging financial institution's trust department or agent in the City's name.

During the year the City invested in the State Treasury Asset Reserve of Ohio (STAR Ohio). STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the state to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's quoted share price at year-end.

Investments

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

	<u>Category</u>			<u>Carrying Value/ Fair Value</u>
	<u>1</u>	<u>2</u>	<u>3</u>	
Federal Government				
Securities	\$ 0	\$45,799,530	\$ 0	\$45,799,530
Repurchase Agreement	0	0	1,320,877	1,320,877
Troy General Long-Term				
Debt Obligations Held By				
Expendable Trust Fund	325,000	0	0	325,000
Troy Enterprise Fund				
Bond Held by Expendable				
Trust Fund	70,000	0	0	70,000
Money Market Fund	0	0	108,537	108,537
Liquid Asset Management (1)	N/A	N/A	N/A	6,635,374
STAR Ohio (1)	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>6,142,355</u>
Total	<u>\$395,000</u>	<u>\$45,799,530</u>	<u>\$1,429,414</u>	<u>\$60,401,673</u>

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

9. SEGMENT INFORMATION FOR ENTERPRISE FUNDS

Included in the services provided by the City which are financed primarily by user charges are delivery of water, collection and disposal of sewerage, recreation, and parking meters. The key financial information for the year ended December 31, 2001 for these enterprise activities is as follows:

	<u>Water</u>	<u>Sanitary Sewer</u>	<u>Swimming Pool</u>	<u>Hobart Arena</u>	<u>Miami Shores</u>	<u>Parking Meter</u>	<u>Stadium</u>	<u>Total Enterprise</u>
Operating Revenues	\$4,398,241	\$3,946,170	\$36,237	\$218,808	\$651,794	\$51,030	\$7,360	\$9,309,640
Operating Expenses								
Before Depreciation	2,942,377	2,005,519	114,169	530,583	653,296	42,574	17,959	6,306,477
Depreciation	805,452	609,681	12,222	48,704	99,789	450	0	1,576,298
Operating Income (Loss)	650,412	1,330,970	(90,154)	(360,479)	(101,291)	8,006	(10,599)	1,426,865
Net Non-Operating								
Revenues (Expenses)	(70,086)	281,412	0	878,987	(4,673)	2,168	0	1,087,808
Net Income (Loss) Before								
Operating Transfers	580,326	1,612,382	(90,154)	518,508	(105,964)	10,174	(10,599)	2,514,673
Operating Transfer, Net	0	0	66,000	335,000	0	10,000	0	411,000
Net Income (Loss)	580,326	1,612,382	(24,154)	853,508	(105,964)	20,174	(10,599)	2,925,673
Contributed Capital	3,266,935	3,446,679	0	1,823,783	0	0	0	8,537,397
Fixed Asset Additions	14,919,739	7,111,878	502	2,461,739	38,129	0	0	24,531,987
Fixed Asset Disposals (14,772,859)	(5,922,380)		0	(1,582,752)	(16,767)	0	0	(22,294,758)
Net Working Capital	6,883,136	7,161,426	28,563	136,010	243,632	52,455	31,722	14,536,944
Total Assets	30,234,120	26,947,758	123,578	2,970,535	1,041,902	248,922	81,360	61,648,175
Total Liabilities	12,903,143	8,064,616	1,884	39,834	394,297	2,453	0	21,406,227
Total Fund Equity	17,330,977	18,883,142	121,694	2,930,701	647,605	246,469	81,360	40,241,948

10. CONTRIBUTED CAPITAL

During the year, contributed capital increased as follows:

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

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

11. CONSTRUCTION AND OTHER COMMITMENTS

At December 31, 2001, uncompleted construction contracts are as follows:

<u>Description</u>	<u>Remaining Commitment</u>
Water Treatment Plant	\$ 574,701
City Hall Improvement	31,800
Wastewater Treatment Plant	142,731
Other	<u>457,602</u>
Total	<u>\$1,206,834</u>

The City has no material lease commitments.

12. RISK MANAGEMENT

A. In 1988 the City entered into a joint insurance pool, Miami Valley Risk Management Association, Inc. (MVRMA, Inc.) with five other local cities. At year-end, the pool has sixteen members and covers all property, crime, liability, boiler and machinery, and public official liability up to the limits stated below. It is intended to provide broad based coverage up to the limits stated below, with increased emphasis on safety and loss prevention and to create an opportunity for other local governments to participate. MVRMA, Inc. is a corporation governed by a sixteen-member board of trustees, consisting of a representative appointed by each of the member cities. The board of trustees elects the officers of the corporation, with each trustee having a single vote. The board is responsible for its own financial matters and the corporation maintains its own

books of account. Budgeting and financing of MVRMA, Inc. is subject to the approval of the board. For the year ended December 31, 2001, the loss fund contribution factors were Beavercreek 8.51%, Blue Ash 6.87%, Indian Hill 2.93%, Kettering 16.95%, Madeira 1.78%, Mason 4.14%, Miamisburg 12.33%, Montgomery 3.37%, Sidney 10.20%, Springdale 5.89%, Tipp City 1.82%, Troy 8.03%, Vandalia 5.06%, West Carrollton 5.04%, Wilmington 4.66%, and Wyoming 2.42%. There was no joint venture debt at year-end.

A summary of financial information as of December 31, 2000, (latest information available) is as follows:

Current Assets	\$5,228,483
Total Assets	\$5,269,299
Current Liabilities	\$3,606,375
Long-Term Liabilities	\$ 0

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

General Liability (including Police Professional Liability)	
Automobile Liability	\$10,500,000 per occurrence
Public Officials Liability	\$500,000 excess (\$500,000 Aggregate)
	\$10M excess \$1M (\$10M Aggregate per city)
Boiler & Machinery	\$477,066,039 Blanket Limit
Property	\$477,066,039 Blanket Limit
Flood (Property)	\$100,000,000 annual aggregate
Earthquake (Property)	\$100,000,000 annual aggregate

MVRMA retains responsibility for the payment of claims within specified MVRMA self-insured retention limits prior to the application of coverage provided by excess reinsurance contracts. During the year, MVRMA's self insured retention (SIR) limit for property was \$150,000 with the exception of boiler and machinery, which was \$5,000. The SIR for liability was \$500,000.

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

- B. For the current fiscal year the City of Troy participated in the Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The intent of the GRP is to achieve the benefit of reduced premium for the City by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating cities is calculated as one experience and a common premium rate is applied to all the Cities in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than the individual rate. Total savings are then calculated and each participant's individual

performance is compared to the overall savings of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Funding Pool". This "equity pooling" arrangement ensures that each participant share equally in the overall performance of the GRP.

13. JOINTLY GOVERNED ORGANIZATIONS

The Miami Valley Risk Management Association, Inc., as discussed in the previous note, is a corporation governed by a sixteen member board of trustees, consisting of a representative appointed by each of the member cities. The board of trustees elects the officers of the corporation, with each trustee having a single vote. To obtain additional financial information write to the Miami Valley Risk Management Association, Inc., at 1450 East David Road, Suite 1B, Kettering, Ohio 45429-5706.

14. ADVANCED REFUNDING

On July 27, 1999, the City issued \$2,585,000 in General Obligation Bonds and \$140,000 in Special Assessment Bonds to advance refund \$2,450,000 and \$130,000 of outstanding Water Improvement Tower General Obligation Bonds and Special Assessment Bonds. The net proceeds were used to purchase U.S. Government Securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the Bonds. As a result, the Water Improvement Tower General Obligation Bonds and Special Assessment Bonds are considered defeased and the liabilities for those bonds removed from the enterprise fund and debt service fund respectively.

15. PRIOR PERIOD ADJUSTMENT

The beginning fixed asset balance of the general fixed asset group has been adjusted for corrections to the fixed asset detail as follows:

	General Fixed Assets <u>Account Group</u>
Balance Previously Stated, December 31, 2000	\$19,494,233
Prior Period Adjustment	<u>104,045</u>
As Restated, January 1, 2001	<u>\$19,598,278</u>

16. CHANGES IN ACCOUNTING PRINCIPLES

Changes in Accounting Principles

For fiscal year 2001, the City has implemented GASB Statement No.33, "Accounting and Financial Reporting for Nonexchange Transactions". At December 31, 2000 there was no effect on fund balance as a result of implementing GASB 33.

**COMBINING
STATEMENTS**

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General Fund

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

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

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Special Revenue Funds

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

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

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

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

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

Municipal Real Property - To account for receipts which are to be used to acquire, renovate, or repair municipal property.

Miami Conservancy District - To account for property tax receipts designated for conservancy district expenditures.

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

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

Community Development Block Grant - To account for community development block grant funds.

Parking Improvement - To account for monies used to maintain and upgrade parking facilities.

Drug Law Enforcement - To account for monies designated to be used for drug law enforcement.

Law Enforcement - To account for monies designated to be used for law enforcement.

City of Troy, Ohio
Combining Balance Sheet
Special Revenue Funds
December 31, 2001

	Street Construction, Maintenance and Repair	State Highway Improvement	Income Tax	Cemetery
ASSETS:				
Assets:				
Pooled cash and investments	\$688,786	\$72,004	\$2,576,543	\$81,461
Receivables (net of allowance for uncollectibles):				
Taxes	0	0	771,317	0
Accounts	4,569	0	0	7,095
Intergovernmental	294,232	23,857	0	0
Interest	0	408	14,564	0
Notes receivable	0	0	0	0
TOTAL ASSETS	<u>\$987,587</u>	<u>\$96,269</u>	<u>\$3,362,424</u>	<u>\$88,556</u>
LIABILITIES AND FUND EQUITY:				
Liabilities:				
Accounts payable	\$10,842	\$0	\$2,054	\$10,826
Accrued wages and benefits	17,203	0	3,600	3,752
Retainage Payable	0	0	0	0
Compensated absences	5,046	0	1,820	1,496
Deferred revenue	245,766	19,927	0	0
Total Liabilities	<u>278,857</u>	<u>19,927</u>	<u>7,474</u>	<u>16,074</u>
Fund Equity:				
Fund Balances:				
Reserved for encumbrances	153,656	8,429	4,886	16,972
Reserved for notes receivable	0	0	0	0
Unreserved, undesignated	555,074	67,913	3,350,064	55,510
Total Fund Equity	<u>708,730</u>	<u>76,342</u>	<u>3,354,950</u>	<u>72,482</u>
 TOTAL LIABILITIES AND FUND EQUITY	 <u>\$987,587</u>	 <u>\$96,269</u>	 <u>\$3,362,424</u>	 <u>\$88,556</u>

<u>Safety- Income Tax</u>	<u>Municipal Real Property</u>	<u>Miami Conservancy District</u>	<u>Recreational Programs</u>	<u>Parks and Recreation Improvement</u>	<u>Community Development Block Grant</u>	<u>Parking Improvement</u>
\$4,161,847	\$736,180	\$51,337	\$105,449	\$100,557	\$147,758	\$113,201
149,978	0	75,163	0	0	0	0
0	0	0	330	0	0	1,720
0	28,766	3,372	0	0	400,000	0
0	4,161	0	597	570	837	641
0	0	0	0	0	1,616,452	0
<u>\$4,311,825</u>	<u>\$769,107</u>	<u>\$129,872</u>	<u>\$106,376</u>	<u>\$101,127</u>	<u>\$2,165,047</u>	<u>\$115,562</u>
\$0	\$0	\$0	\$0	\$21,748	\$0	\$0
0	0	0	0	0	0	0
0	0	0	0	6,678	0	0
0	0	0	0	0	0	0
0	7,192	78,535	0	0	400,000	0
0	7,192	78,535	0	28,426	400,000	0
0	10,373	0	7,810	8,772	9,000	0
0	0	0	0	0	1,616,452	0
<u>4,311,825</u>	<u>751,542</u>	<u>51,337</u>	<u>98,566</u>	<u>63,929</u>	<u>139,595</u>	<u>115,562</u>
<u>4,311,825</u>	<u>761,915</u>	<u>51,337</u>	<u>106,376</u>	<u>72,701</u>	<u>1,765,047</u>	<u>115,562</u>
<u>\$4,311,825</u>	<u>\$769,107</u>	<u>\$129,872</u>	<u>\$106,376</u>	<u>\$101,127</u>	<u>\$2,165,047</u>	<u>\$115,562</u>

Continued

City of Troy, Ohio
Combining Balance Sheet
Special Revenue Funds
December 31, 2001

	<u>Drug Law Enforcement</u>	<u>Law Enforcement</u>	<u>Totals</u>
ASSETS:			
Assets:			
Pooled cash and investments	\$6,411	\$28,784	\$8,870,318
Receivables (net of allowance for uncollectibles):			
Taxes	0	0	996,458
Accounts	0	0	13,714
Intergovernmental	0	0	750,227
Interest	0	0	21,778
Notes receivable	0	0	1,616,452
TOTAL ASSETS	<u>\$6,411</u>	<u>\$28,784</u>	<u>\$12,268,947</u>
LIABILITIES AND FUND EQUITY:			
Liabilities:			
Accounts payable	\$0	\$0	\$45,470
Accrued wages and benefits	0	0	24,555
Retainage Payable	0	0	6,678
Compensated absences	0	0	8,362
Deferred revenue	0	0	751,420
Total Liabilities	<u>0</u>	<u>0</u>	<u>836,485</u>
Fund Equity:			
Fund Balances:			
Reserved for encumbrances	0	0	219,898
Reserved for notes receivable	0	0	1,616,452
Unreserved, undesignated	6,411	28,784	9,596,112
Total Fund Equity	<u>6,411</u>	<u>28,784</u>	<u>11,432,462</u>
 TOTAL LIABILITIES AND FUND EQUITY	 <u>\$6,411</u>	 <u>\$28,784</u>	 <u>\$12,268,947</u>

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City of Troy, Ohio
Combining Statement of Revenues, Expenditures
And Changes in Fund Balances
Special Revenue Funds
For the Year Ended December 31, 2001

	Street Construction, Maintenance and Repair	State Highway Improvement	Income Tax	Cemetery
REVENUES:				
Taxes	\$0	\$0	\$8,898,630	\$0
Fines, licenses and permits	68	0	0	0
Intergovernmental	639,164	50,668	0	0
Charges for services	7,723	0	300	115,678
Investment earnings	0	1,022	223,307	0
Other	11,578	2,156	32,643	2,773
Total Revenues	658,533	53,846	9,154,880	118,451
EXPENDITURES:				
Current:				
General government	0	0	1,014,883	0
Public health and welfare	0	0	0	409,096
Leisure time activities	0	0	0	0
Community development	0	0	0	0
Transportation and street repair	1,709,314	60,798	0	0
Capital outlay	0	0	0	0
Total Expenditures	1,709,314	60,798	1,014,883	409,096
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,050,781)	(6,952)	8,139,997	(290,645)
OTHER FINANCING SOURCES (USES):				
Operating transfers - in	1,175,000	0	0	225,000
Operating transfers - (out)	0	0	(10,515,000)	0
Total Other Financing Sources (Uses)	1,175,000	0	(10,515,000)	225,000
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	124,219	(6,952)	(2,375,003)	(65,645)
FUND BALANCES, BEGINNING OF YEAR	584,511	83,294	5,729,953	138,127
FUND BALANCES, END OF YEAR	\$708,730	\$76,342	\$3,354,950	\$72,482

<u>Safety- Income Tax</u>	<u>Municipal Real Property</u>	<u>Miami Conservancy District</u>	<u>Recreational Programs</u>	<u>Parks and Recreation Improvement</u>	<u>Community Development Block Grant</u>	<u>Parking Improvement</u>
\$604,870	\$0	\$61,694	\$0	\$0	\$450	\$0
0	0	0	0	0	0	16,090
0	112,492	5,508	0	0	23,500	0
0	0	0	99,231	0	0	0
0	30,985	0	4,961	4,980	4,124	4,999
0	3,474	0	1,515	13,894	88,627	522
<u>604,870</u>	<u>146,951</u>	<u>67,202</u>	<u>105,707</u>	<u>18,874</u>	<u>116,701</u>	<u>21,611</u>
0	0	57,683	0	0	0	0
0	0	0	0	0	0	0
0	0	0	102,061	41,270	0	0
0	0	0	0	0	10,500	0
0	0	0	0	0	0	135
0	20,843	0	0	0	0	0
<u>0</u>	<u>20,843</u>	<u>57,683</u>	<u>102,061</u>	<u>41,270</u>	<u>10,500</u>	<u>135</u>
<u>604,870</u>	<u>126,108</u>	<u>9,519</u>	<u>3,646</u>	<u>(22,396)</u>	<u>106,201</u>	<u>21,476</u>
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
604,870	126,108	9,519	3,646	(22,396)	106,201	21,476
3,706,955	635,807	41,818	102,730	95,097	1,658,846	94,086
<u>\$4,311,825</u>	<u>\$761,915</u>	<u>\$51,337</u>	<u>\$106,376</u>	<u>\$72,701</u>	<u>\$1,765,047</u>	<u>\$115,562</u>

Continued

City of Troy, Ohio
Combining Statement of Revenues, Expenditures
And Changes in Fund Balances
Special Revenue Funds
For the Year Ended December 31, 2001

	Drug Law Enforcement	Law Enforcement	Totals
REVENUES:			
Taxes	\$0	\$0	\$9,565,644
Fines, licenses and permits	0	1,130	17,288
Intergovernmental	0	0	831,332
Charges for services	0	0	222,932
Investment earnings	0	0	274,378
Other	465	0	157,647
Total Revenues	465	1,130	11,069,221
EXPENDITURES:			
Current:			
General government	0	0	1,072,566
Public health and welfare	0	0	409,096
Leisure time activities	0	0	143,331
Community development	0	0	10,500
Transportation and street repair	0	0	1,770,247
Capital outlay	0	0	20,843
Total Expenditures	0	0	3,426,583
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	465	1,130	7,642,638
OTHER FINANCING SOURCES (USES):			
Operating transfers - in	0	0	1,400,000
Operating transfers - (out)	0	0	(10,515,000)
Total Other Financing Sources (Uses)	0	0	(9,115,000)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	465	1,130	(1,472,362)
FUND BALANCES, BEGINNING OF YEAR	5,946	27,654	12,904,824
FUND BALANCES, END OF YEAR	\$6,411	\$28,784	\$11,432,462

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City of Troy, Ohio
Combining Schedule of Revenues, Expenditures
And Changes In Fund Balance
Budget And Actual (Non-GAAP Basis)
Special Revenue Funds
For the Year Ended December 31, 2001

	Street, Construction, Maintenance and Repair			State Highway Improvement		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:						
Taxes	\$0	\$0	\$0	\$0	\$0	\$0
Licenses and permits	0	68	68	0	0	0
Intergovernmental	610,000	639,053	29,053	47,900	50,658	2,758
Charges for services	2,500	5,451	2,951	0	0	0
Fines and forfeitures	0	0	0	0	0	0
Investment earnings	0	0	0	100	614	514
Other	2,800	11,578	8,778	1,200	2,156	956
Total Revenues	615,300	656,150	40,850	49,200	53,428	4,228
EXPENDITURES:						
Current:						
General government	0	0	0	0	0	0
Security of persons and property	0	0	0	0	0	0
Public health and welfare	0	0	0	0	0	0
Leisure time activities	0	0	0	0	0	0
Community development	0	0	0	0	0	0
Transportation	2,294,088	1,905,662	388,426	75,597	69,227	6,370
Capital outlay	0	0	0	0	0	0
Total Expenditures	2,294,088	1,905,662	388,426	75,597	69,227	6,370
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,678,788)	(1,249,512)	429,276	(26,397)	(15,799)	10,598
OTHER FINANCING SOURCES (USES):						
Operating transfers - in	1,175,000	1,175,000	0	0	0	0
Operating transfers - out	0	0	0	0	0	0
Total Other Financing Sources (Uses)	1,175,000	1,175,000	0	0	0	0
EXCESS (DEFICIENCY) OF REVENUES AND OTHER OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(503,788)	(74,512)	429,276	(26,397)	(15,799)	10,598
FUND BALANCE, BEGINNING OF YEAR	609,029	609,029	0	79,375	79,375	0
FUND BALANCE, END OF YEAR	\$105,241	\$534,517	\$429,276	\$52,978	\$63,576	\$10,598

Income Tax			Cemetery			Safety - Income Tax		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$8,600,000	\$8,924,732	\$324,732	\$0	\$0	\$0	\$485,000	\$609,946	\$124,946
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	300	300	106,000	114,859	8,859	0	0	0
0	0	0	0	0	0	0	0	0
325,000	232,808	(92,192)	0	0	0	0	0	0
450	32,643	32,193	100	2,773	2,673	0	0	0
<u>8,925,450</u>	<u>9,190,483</u>	<u>265,033</u>	<u>106,100</u>	<u>117,632</u>	<u>11,532</u>	<u>485,000</u>	<u>609,946</u>	<u>124,946</u>
876,531	1,018,462	(141,931)	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	430,006	428,471	1,535	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
<u>876,531</u>	<u>1,018,462</u>	<u>(141,931)</u>	<u>430,006</u>	<u>428,471</u>	<u>1,535</u>	<u>0</u>	<u>0</u>	<u>0</u>
8,048,919	8,172,021	123,102	(323,906)	(310,839)	13,067	485,000	609,946	124,946
0	0	0	225,000	225,000	0	0	0	0
(10,765,000)	(10,515,000)	250,000	0	0	0	0	0	0
<u>(10,765,000)</u>	<u>(10,515,000)</u>	<u>250,000</u>	<u>225,000</u>	<u>225,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(2,716,081)	(2,342,979)	373,102	(98,906)	(85,839)	13,067	485,000	609,946	124,946
4,909,360	4,909,360	0	141,083	141,083	0	3,551,901	3,551,901	0
<u>\$2,193,279</u>	<u>\$2,566,381</u>	<u>\$373,102</u>	<u>\$42,177</u>	<u>\$55,244</u>	<u>\$13,067</u>	<u>\$4,036,901</u>	<u>\$4,161,847</u>	<u>\$124,946</u>

Continued

City of Troy, Ohio
Combining Schedule of Revenues, Expenditures
And Changes In Fund Balance
Budget And Actual (Non-GAAP Basis)
Special Revenue Funds
For the Year Ended December 31, 2001

	Municipal Real Property			Miami Conservancy District		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:						
Taxes	\$0	\$0	\$0	\$61,245	\$61,694	\$449
Licenses and permits	0	0	0	0	0	0
Intergovernmental	97,000	90,918	(6,082)	5,508	5,508	0
Charges for services	0	0	0	0	0	0
Fines and forfeitures	0	0	0	0	0	0
Investment earnings	26,000	29,156	3,156	0	0	0
Other	0	3,474	3,474	0	0	0
Total Revenues	123,000	123,548	548	66,753	67,202	449
EXPENDITURES:						
Current:						
General government	0	0	0	72,000	57,683	14,317
Security of persons and property	0	0	0	0	0	0
Public health and welfare	0	0	0	0	0	0
Leisure time activities	0	0	0	0	0	0
Community development	0	0	0	0	0	0
Transportation	0	0	0	0	0	0
Capital outlay	101,610	31,216	70,394	0	0	0
Total Expenditures	101,610	31,216	70,394	72,000	57,683	14,317
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	21,390	92,332	70,942	(5,247)	9,519	14,766
OTHER FINANCING SOURCES (USES):						
Operating transfers - in	0	0	0	0	0	0
Operating transfers - out	0	0	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0	0	0
EXCESS (DEFICIENCY) OF REVENUES AND OTHER OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	21,390	92,332	70,942	(5,247)	9,519	14,766
FUND BALANCE, BEGINNING OF YEAR	632,081	632,081	0	41,817	41,817	0
FUND BALANCE, END OF YEAR	\$653,471	\$724,413	\$70,942	\$36,570	\$51,336	\$14,766

Recreational Programs			Parks and Recreation Improvement			Community Development Block Grant		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$450	\$450
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	23,500	23,500
85,000	99,800	14,800	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
5,000	4,686	(314)	4,000	4,410	410	1,000	3,287	2,287
0	1,515	1,515	4,750	13,894	9,144	209,465	210,014	549
<u>90,000</u>	<u>106,001</u>	<u>16,001</u>	<u>8,750</u>	<u>18,304</u>	<u>9,554</u>	<u>210,465</u>	<u>237,251</u>	<u>26,786</u>
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
132,386	111,013	21,373	47,000	43,364	3,636	0	0	0
0	0	0	0	0	0	171,818	166,718	5,100
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
<u>132,386</u>	<u>111,013</u>	<u>21,373</u>	<u>47,000</u>	<u>43,364</u>	<u>3,636</u>	<u>171,818</u>	<u>166,718</u>	<u>5,100</u>
<u>(42,386)</u>	<u>(5,012)</u>	<u>37,374</u>	<u>(38,250)</u>	<u>(25,060)</u>	<u>13,190</u>	<u>38,647</u>	<u>70,533</u>	<u>31,886</u>
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
<u>(42,386)</u>	<u>(5,012)</u>	<u>37,374</u>	<u>(38,250)</u>	<u>(25,060)</u>	<u>13,190</u>	<u>38,647</u>	<u>70,533</u>	<u>31,886</u>
<u>102,649</u>	<u>102,649</u>	<u>0</u>	<u>95,097</u>	<u>95,097</u>	<u>0</u>	<u>68,226</u>	<u>68,226</u>	<u>0</u>
<u>\$60,263</u>	<u>\$97,637</u>	<u>\$37,374</u>	<u>\$56,847</u>	<u>\$70,037</u>	<u>\$13,190</u>	<u>\$106,873</u>	<u>\$138,759</u>	<u>\$31,886</u>

Continued

City of Troy, Ohio
Combining Schedule of Revenues, Expenditures
And Changes In Fund Balance
Budget And Actual (Non-GAAP Basis)
Special Revenue Funds
For the Year Ended December 31, 2001

	Parking Improvement			Drug Law Enforcement		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:						
Taxes	\$0	\$0	\$0	\$0	\$0	\$0
Licenses and permits	5,000	14,705	9,705	0	0	0
Intergovernmental	0	0	0	0	0	0
Charges for services	0	0	0	0	0	0
Fines and forfeitures	0	0	0	0	0	0
Investment earnings	4,000	4,358	358	0	0	0
Other	0	522	522	0	465	465
Total Revenues	9,000	19,585	10,585	0	465	465
EXPENDITURES:						
Current:						
General government	0	0	0	0	0	0
Security of persons and property	0	0	0	5,000	0	5,000
Public health and welfare	0	0	0	0	0	0
Leisure time activities	0	0	0	0	0	0
Community development	0	0	0	0	0	0
Transportation	15,000	135	14,865	0	0	0
Capital outlay	0	0	0	0	0	0
Total Expenditures	15,000	135	14,865	5,000	0	5,000
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(6,000)	19,450	25,450	(5,000)	465	5,465
OTHER FINANCING SOURCES (USES):						
Operating transfers - in	0	0	0	0	0	0
Operating transfers - out	0	0	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0	0	0
EXCESS (DEFICIENCY) OF REVENUES AND OTHER OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(6,000)	19,450	25,450	(5,000)	465	5,465
FUND BALANCE, BEGINNING OF YEAR	93,752	93,752	0	5,944	5,944	0
FUND BALANCE, END OF YEAR	\$87,752	\$113,202	\$25,450	\$944	\$6,409	\$5,465

Law Enforcement			Totals		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$0	\$0	\$9,146,245	\$9,596,822	\$450,577
0	0	0	5,000	14,773	9,773
0	0	0	760,408	809,637	49,229
0	0	0	193,500	220,410	26,910
1,000	1,130	130	1,000	1,130	130
0	0	0	365,100	279,319	(85,781)
0	0	0	218,765	279,034	60,269
<u>1,000</u>	<u>1,130</u>	<u>130</u>	<u>10,690,018</u>	<u>11,201,125</u>	<u>511,107</u>
0	0	0	948,531	1,076,145	(127,614)
12,000	0	12,000	17,000	0	17,000
0	0	0	430,006	428,471	1,535
0	0	0	179,386	154,377	25,009
0	0	0	171,818	166,718	5,100
0	0	0	2,384,685	1,975,024	409,661
0	0	0	101,610	31,216	70,394
<u>12,000</u>	<u>0</u>	<u>12,000</u>	<u>4,233,036</u>	<u>3,831,951</u>	<u>401,085</u>
<u>(11,000)</u>	<u>1,130</u>	<u>12,130</u>	<u>6,456,982</u>	<u>7,369,174</u>	<u>912,192</u>
0	0	0	1,400,000	1,400,000	0
0	0	0	(10,765,000)	(10,515,000)	250,000
0	0	0	(9,365,000)	(9,115,000)	250,000
<u>(11,000)</u>	<u>1,130</u>	<u>12,130</u>	<u>(2,908,018)</u>	<u>(1,745,826)</u>	<u>1,162,192</u>
<u>27,655</u>	<u>27,655</u>	<u>0</u>	<u>10,357,969</u>	<u>10,357,969</u>	<u>0</u>
<u>\$16,655</u>	<u>\$28,785</u>	<u>\$12,130</u>	<u>\$7,449,951</u>	<u>\$8,612,143</u>	<u>\$1,162,192</u>

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Debt Service Fund

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

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

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Capital Projects Funds

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

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

City of Troy, Ohio
Combining Balance Sheet
Capital Projects Funds
December 31, 2001

	<u>Capital Improvement</u>	<u>OPWC Project Fund</u>	<u>Totals</u>
ASSETS:			
Assets:			
Pooled cash and investments	\$3,943,094	\$286,856	\$4,229,950
Receivables (net of allowance for uncollectibles):			
Taxes	149,978	0	149,978
Special assessments	54,152	0	54,152
TOTAL ASSETS	<u><u>\$4,147,224</u></u>	<u><u>\$286,856</u></u>	<u><u>\$4,434,080</u></u>
LIABILITIES AND FUND EQUITY:			
Liabilities:			
Accounts payable	\$3,775	\$0	\$3,775
Retainage payable	80,951	0	80,951
Deferred revenue	54,152	0	54,152
Total Liabilities	<u>138,878</u>	<u>0</u>	<u>138,878</u>
Fund Equity:			
Fund Balances:			
Reserved for encumbrances	149,228	269,222	418,450
Unreserved, undesignated	3,859,118	17,634	3,876,752
Total Fund Equity	<u>4,008,346</u>	<u>286,856</u>	<u>4,295,202</u>
TOTAL LIABILITIES AND FUND EQUITY	<u><u>\$4,147,224</u></u>	<u><u>\$286,856</u></u>	<u><u>\$4,434,080</u></u>

City of Troy, Ohio
Combining Statement of Revenues, Expenditures
And Changes in Fund Balances
Capital Projects Funds
For the Year Ended December 31, 2001

	<u>Capital Improvement</u>	<u>OPWC Project Fund</u>	<u>Totals</u>
REVENUES:			
Taxes	\$1,779,871	\$0	\$1,779,871
Intergovernmental	92,000	226,983	318,983
Special assessments	50,827	0	50,827
Other	38	0	38
Total Revenues	<u>1,922,736</u>	<u>226,983</u>	<u>2,149,719</u>
EXPENDITURES:			
Current:			
Community development	42,280	0	42,280
Capital outlay	2,798,043	0	2,798,043
Total Expenditures	<u>2,840,323</u>	<u>0</u>	<u>2,840,323</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(917,587)</u>	<u>226,983</u>	<u>(690,604)</u>
OTHER FINANCING SOURCES (USES):			
Operating transfers - in	2,200,000	0	2,200,000
Total Other Financing Sources (Uses)	<u>2,200,000</u>	<u>0</u>	<u>2,200,000</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	1,282,413	226,983	1,509,396
FUND BALANCES, BEGINNING OF YEAR	<u>2,725,933</u>	<u>59,873</u>	<u>2,785,806</u>
FUND BALANCES, END OF YEAR	<u><u>\$4,008,346</u></u>	<u><u>\$286,856</u></u>	<u><u>\$4,295,202</u></u>

City of Troy, Ohio
Combining Schedule of Revenues, Expenditures
And Changes In Fund Balance
Budget And Actual (Non-GAAP Basis)
Capital Projects Funds
For the Year Ended December 31, 2001

	Capital Improvement			OPWC Project Fund		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:						
Taxes	\$1,695,000	\$1,784,947	\$89,947	\$0	\$0	\$0
Intergovernmental	90,000	92,000	2,000	226,000	226,983	983
Special assessments	35,000	50,827	15,827	0	0	0
Other	0	38	38	0	0	0
Total Revenues	1,820,000	1,927,812	107,812	226,000	226,983	983
EXPENDITURES:						
Current:						
Community Development	145,000	103,977	41,023	0	0	0
Capital outlay	3,580,825	3,069,129	511,696	275,000	269,222	5,778
Total Expenditures	3,725,825	3,173,106	552,719	275,000	269,222	5,778
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,905,825)	(1,245,294)	660,531	(49,000)	(42,239)	6,761
OTHER FINANCING SOURCES (USES):						
Operating transfers - in	2,200,000	2,200,000	0	0	0	0
Total Other Financing Sources (Uses)	2,200,000	2,200,000	0	0	0	0
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	294,175	954,706	660,531	(49,000)	(42,239)	6,761
FUND BALANCE, BEGINNING OF YEAR	2,835,389	2,835,389	0	59,873	59,873	0
FUND BALANCE, END OF YEAR	\$3,129,564	\$3,790,095	\$660,531	\$10,873	\$17,634	\$6,761

Totals		
Budget	Actual	Variance Favorable (Unfavorable)
\$1,695,000	\$1,784,947	\$89,947
316,000	318,983	2,983
35,000	50,827	15,827
0	38	38
<u>2,046,000</u>	<u>2,154,795</u>	<u>108,795</u>
145,000	103,977	41,023
<u>3,855,825</u>	<u>3,338,351</u>	<u>517,474</u>
4,000,825	3,442,328	558,497
<u>(1,954,825)</u>	<u>(1,287,533)</u>	<u>667,292</u>
2,200,000	2,200,000	0
<u>2,200,000</u>	<u>2,200,000</u>	<u>0</u>
245,175	912,467	667,292
<u>2,895,262</u>	<u>2,895,262</u>	<u>0</u>
<u>\$3,140,437</u>	<u>\$3,807,729</u>	<u>\$667,292</u>

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Enterprise Funds

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

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

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

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

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

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

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

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

City of Troy, Ohio
Combining Balance Sheet
Enterprise Funds
December 31, 2001

	Water	Sanitary Sewer	Swimming Pool	Hobart Arena
ASSETS:				
Assets:				
Pooled cash and investments	\$6,654,680	\$7,392,035	\$30,447	\$145,944
Receivables (net of allowance for uncollectibles):				
Accounts	253,038	252,222	0	29,900
Interest	37,617	41,785	0	0
Inventory	480,944	0	0	0
Fixed assets (net, where applicable of accumulated depreciation)	<u>22,807,841</u>	<u>19,261,716</u>	<u>93,131</u>	<u>2,794,691</u>
TOTAL ASSETS	<u><u>\$30,234,120</u></u>	<u><u>\$26,947,758</u></u>	<u><u>\$123,578</u></u>	<u><u>\$2,970,535</u></u>
LIABILITIES AND FUND EQUITY:				
Liabilities:				
Accounts payable	\$60,661	\$141,938	\$1,736	\$25,702
Accrued wages and benefits	77,298	49,117	148	14,132
Interest payable	55,142	45,070	0	0
Retainage payable	1,221	0	0	0
Compensated absences	348,821	142,309	0	0
Notes payable	0	146,182	0	0
General obligation bonds payable	<u>12,360,000</u>	<u>7,540,000</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u>12,903,143</u>	<u>8,064,616</u>	<u>1,884</u>	<u>39,834</u>
Fund Equity:				
Contributed capital	3,266,935	3,446,679	0	1,823,783
Retained earnings - unreserved	<u>14,064,042</u>	<u>15,436,463</u>	<u>121,694</u>	<u>1,106,918</u>
Total Fund Equity	<u>17,330,977</u>	<u>18,883,142</u>	<u>121,694</u>	<u>2,930,701</u>
TOTAL LIABILITIES AND FUND EQUITY	<u><u>\$30,234,120</u></u>	<u><u>\$26,947,758</u></u>	<u><u>\$123,578</u></u>	<u><u>\$2,970,535</u></u>

<u>Miami Shores</u>	<u>Parking Meter</u>	<u>Stadium</u>	<u>Totals</u>
\$311,170	\$54,047	\$29,150	\$14,617,473
0	555	2,572	538,287
1,759	306	0	81,467
0	0	0	480,944
<u>728,973</u>	<u>194,014</u>	<u>49,638</u>	<u>45,930,004</u>
<u>\$1,041,902</u>	<u>\$248,922</u>	<u>\$81,360</u>	<u>\$61,648,175</u>
\$5,061	\$0	\$0	\$235,098
13,497	1,499	0	155,691
1,816	0	0	102,028
0	0	0	1,221
48,923	954	0	541,007
0	0	0	146,182
<u>325,000</u>	<u>0</u>	<u>0</u>	<u>20,225,000</u>
<u>394,297</u>	<u>2,453</u>	<u>0</u>	<u>21,406,227</u>
0	0	0	8,537,397
<u>647,605</u>	<u>246,469</u>	<u>81,360</u>	<u>31,704,551</u>
<u>647,605</u>	<u>246,469</u>	<u>81,360</u>	<u>40,241,948</u>
<u>\$1,041,902</u>	<u>\$248,922</u>	<u>\$81,360</u>	<u>\$61,648,175</u>

City of Troy, Ohio
Combining Statement of Revenues, Expenses
And Changes In Retained Earnings
Enterprise Funds
For the Year Ended December 31, 2001

	Water	Sanitary Sewer	Swimming Pool	Hobart Arena
OPERATING REVENUES:				
Charges for services	\$4,348,326	\$3,891,291	\$34,572	\$63,024
Fines and forfeitures	0	0	0	0
Other	49,915	54,879	1,665	155,784
Total Operating Revenue	4,398,241	3,946,170	36,237	218,808
OPERATING EXPENSES:				
Leisure time activities	0	0	114,169	530,583
Basic utility service	2,942,377	2,005,519	0	0
Depreciation	805,452	609,681	12,222	48,704
Transportation	0	0	0	0
Total Operating Expenses	3,747,829	2,615,200	126,391	579,287
OPERATING INCOME (LOSS)	650,412	1,330,970	(90,154)	(360,479)
NONOPERATING REVENUES (EXPENSES):				
Investment earnings	292,464	340,446	0	0
Interest expense	(655,470)	(391,674)	0	0
Capital contributions	292,920	332,640	0	878,987
Total Nonoperating Revenues (Expenses)	(70,086)	281,412	0	878,987
INCOME (LOSS) BEFORE OPERATING TRANSFERS	580,326	1,612,382	(90,154)	518,508
OPERATING TRANSFERS:				
Operating transfers - in	0	0	66,000	335,000
Total Operating Transfers	0	0	66,000	335,000
NET INCOME (LOSS)	580,326	1,612,382	(24,154)	853,508
RETAINED EARNINGS, BEGINNING OF YEAR	13,483,716	13,824,081	145,848	253,410
RETAINED EARNINGS, END OF YEAR	\$14,064,042	\$15,436,463	\$121,694	\$1,106,918

<u>Miami Shores</u>	<u>Parking Meter</u>	<u>Stadium</u>	<u>Totals</u>
\$634,235	\$29,730	\$7,360	\$9,008,538
0	20,574	0	20,574
17,559	726	0	280,528
<u>651,794</u>	<u>51,030</u>	<u>7,360</u>	<u>9,309,640</u>
653,296	0	17,959	1,316,007
0	0	0	4,947,896
99,789	450	0	1,576,298
0	42,574	0	42,574
<u>753,085</u>	<u>43,024</u>	<u>17,959</u>	<u>7,882,775</u>
<u>(101,291)</u>	<u>8,006</u>	<u>(10,599)</u>	<u>1,426,865</u>
17,120	2,168	0	652,198
(21,793)	0	0	(1,068,937)
0	0	0	1,504,547
<u>(4,673)</u>	<u>2,168</u>	<u>0</u>	<u>1,087,808</u>
<u>(105,964)</u>	<u>10,174</u>	<u>(10,599)</u>	<u>2,514,673</u>
0	10,000	0	411,000
0	10,000	0	411,000
<u>(105,964)</u>	<u>20,174</u>	<u>(10,599)</u>	<u>2,925,673</u>
<u>753,569</u>	<u>226,295</u>	<u>91,959</u>	<u>28,778,878</u>
<u>\$647,605</u>	<u>\$246,469</u>	<u>\$81,360</u>	<u>\$31,704,551</u>

City of Troy, Ohio
Combining Statement Of Cash Flows
Enterprise Funds
For the Year Ended Dcccember 31, 2001

	Water	Sanitary Sewer	Swimming Pool	Hobart Arena
OPERATING ACTIVITIES:				
Operating income (loss)	\$650,412	\$1,330,970	(\$90,154)	(\$360,479)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	805,452	609,681	12,222	48,704
Changes in assets and liabilities:				
(Increase) decrease in receivables	12,838	(14,687)	0	1,145
(Increase) decrease in inventory	(25,374)	0	0	0
Increase (decrease) in payables	(212,271)	(150,929)	1,736	(2,976)
Increase (decrease) in accrued liabilities	24,504	6,993	(434)	4,018
Increase (decrease) in other liabilities	(32,390)	(178,970)	0	(6,603)
Net Cash Provided (Used) by Operating Activities	1,223,171	1,603,058	(76,630)	(316,191)
NONCAPITAL FINANCING ACTIVITIES:				
Operating transfers - in	0	0	66,000	335,000
Net Cash Provided (Used) by Noncapital Financing Activities	0	0	66,000	335,000
CAPITAL AND RELATED FINANCING ACTIVITIES:				
Proceeds from issuance of debt	0	500,000	0	0
Principal paid	(595,000)	(426,766)	0	0
Interest paid	(656,088)	(392,286)	0	0
Acquisition of fixed assets	(190,980)	(1,200,444)	(512)	(878,987)
Capital Contributions	292,920	332,640	0	878,987
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,149,148)	(1,186,856)	(512)	0
INVESTING ACTIVITIES:				
Investment earnings	279,294	323,773	0	0
Net Cash Provided (Used) by Investing Activities	279,294	323,773	0	0
NET INCREASE (DECREASE) IN CASH	353,317	739,975	(11,142)	18,809
CASH BEGINNING OF YEAR	6,301,363	6,652,060	41,589	127,135
CASH END OF YEAR	\$6,654,680	\$7,392,035	\$30,447	\$145,944

<u>Miami Shores</u>	<u>Parking Meter</u>	<u>Stadium</u>	<u>Totals</u>
(\$101,291)	\$8,006	(\$10,599)	\$1,426,865
99,789	450	0	1,576,298
0	(555)	(2,572)	(3,831)
0	0	0	(25,374)
(3,751)	0	0	(368,191)
2,144	866	0	38,091
<u>16,747</u>	<u>954</u>	<u>0</u>	<u>(200,262)</u>
<u>13,638</u>	<u>9,721</u>	<u>(13,171)</u>	<u>2,443,596</u>
<u>0</u>	<u>10,000</u>	<u>0</u>	<u>411,000</u>
<u>0</u>	<u>10,000</u>	<u>0</u>	<u>411,000</u>
0	0	0	500,000
(54,000)	0	0	(1,075,766)
(21,793)	0	0	(1,070,167)
(36,249)	0	0	(2,307,172)
<u>0</u>	<u>0</u>	<u>0</u>	<u>1,504,547</u>
<u>(112,042)</u>	<u>0</u>	<u>0</u>	<u>(2,448,558)</u>
<u>17,080</u>	<u>1,862</u>	<u>0</u>	<u>622,009</u>
<u>17,080</u>	<u>1,862</u>	<u>0</u>	<u>622,009</u>
(81,324)	21,583	(13,171)	1,028,047
<u>392,494</u>	<u>32,464</u>	<u>42,321</u>	<u>13,589,426</u>
<u>\$311,170</u>	<u>\$54,047</u>	<u>\$29,150</u>	<u>\$14,617,473</u>

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Trust and Agency Funds

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

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

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

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

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

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

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

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

Board of Building Standards Agency - To account for assets received and disbursed as agent relative to building standards activities.

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

City of Troy, Ohio
Combining Balance Sheet
Fiduciary Funds
December 31, 2001

	Cemetery Non-Expendable Trust	Investment Fund For Capital Improvement Expendable Trust	Cemetery Endowment Expendable Trust	Stouder Playground Expendable Trust
ASSETS:				
Assets:				
Pooled cash and investments	\$268,880	\$30,233,819	\$517,505	\$9,595
Receivables (net of allowance for uncollectibles):				
Accounts	0	0	525	0
Interest	3,071	587,439	2,925	0
TOTAL ASSETS	\$271,951	\$30,821,258	\$520,955	\$9,595
LIABILITIES AND FUND EQUITY:				
Liabilities:				
Accounts Payable	0	0	0	0
Due to others	0	0	0	0
Total Liabilities	0	0	0	0
Fund Equity:				
Reserved for endowments	271,951	0	0	0
Unreserved, undesignated	0	30,821,258	520,955	9,595
Total Fund Equity	271,951	30,821,258	520,955	9,595
TOTAL LIABILITIES AND FUND EQUITY	\$271,951	\$30,821,258	\$520,955	\$9,595

<u>Paul G. Duke Expendable Trust</u>	<u>Unclaimed Funds Expendable Trust</u>	<u>Tri-Centennial Expendable Trust</u>	<u>Imprest Cash Agency</u>	<u>Board of Building Standards Agency</u>	<u>Enterprise Zone Agency</u>	<u>Totals</u>
\$9,711	\$3,603	\$830	\$1,125	\$0	\$67,200	\$31,112,268
0	0	0	0	0	0	525
0	0	0	0	0	0	593,435
<u>\$9,711</u>	<u>\$3,603</u>	<u>\$830</u>	<u>\$1,125</u>	<u>\$0</u>	<u>\$67,200</u>	<u>\$31,706,228</u>
0	0	0	0	0	373	373
0	0	0	1,125	0	66,827	67,952
0	0	0	1,125	0	67,200	68,325
0	0	0	0	0	0	271,951
9,711	3,603	830	0	0	0	31,365,952
9,711	3,603	830	0	0	0	31,637,903
<u>\$9,711</u>	<u>\$3,603</u>	<u>\$830</u>	<u>\$1,125</u>	<u>\$0</u>	<u>\$67,200</u>	<u>\$31,706,228</u>

City of Troy, Ohio
Combining Statement of Revenues, Expenditures
And Changes in Fund Balances
Expendable Trust Funds
For the Year Ended December 31, 2001

	Investment Fund For Capital Improvement Expendable Trust	Cemetery Endowment Expendable Trust	Stouder Playground Expendable Trust	Paul G. Duke Expendable Trust
REVENUES:				
Charges for services	\$0	\$10,850	\$0	\$0
Investment earnings	1,756,206	21,820	404	302
Other	362,413	2,588	49	0
Total Revenues	2,118,619	35,258	453	302
EXPENDITURES:				
Current:				
General government	40,036	0	0	0
Leisure time activities	0	0	13	0
Total Expenditures	40,036	0	13	0
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	2,078,583	35,258	440	302
OTHER FINANCING SOURCES (USES):				
Operating transfers - (out)	(1,316,214)	0	0	0
Total Other Financing Sources (Uses)	(1,316,214)	0	0	0
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	762,369	35,258	440	302
FUND BALANCES, BEGINNING OF YEAR	30,058,889	485,697	9,155	9,409
FUND BALANCES, END OF YEAR	\$30,821,258	\$520,955	\$9,595	\$9,711

<u>Unclaimed Funds Expendable Trust</u>	<u>Tri-Centennial Expendable Trust</u>	<u>Totals</u>
\$0	\$0	\$10,850
0	67	1,778,799
<u>906</u>	<u>0</u>	<u>365,956</u>
<u>906</u>	<u>67</u>	<u>2,155,605</u>
0	0	40,036
<u>0</u>	<u>0</u>	<u>13</u>
<u>0</u>	<u>0</u>	<u>40,049</u>
<u>906</u>	<u>67</u>	<u>2,115,556</u>
<u>(1,971)</u>	<u>0</u>	<u>(1,318,185)</u>
<u>(1,971)</u>	<u>0</u>	<u>(1,318,185)</u>
(1,065)	67	797,371
<u>4,668</u>	<u>763</u>	<u>30,568,581</u>
<u>\$3,603</u>	<u>\$830</u>	<u>\$31,365,952</u>

City of Troy, Ohio
 Combining Statement Of Changes In Assets And Liabilities
 Agency Funds
 For the Year Ended December 31, 2001

	Balance 12/31/00	Additions	Deductions	Balance 12/31/01
Imprest Cash				
ASSETS:				
Pooled Cash and Investments	\$850	\$775	(\$500)	\$1,125
Total Assets	\$850	\$775	(\$500)	\$1,125
LIABILITIES:				
Due to others	\$850	\$775	(\$500)	\$1,125
Total Liabilities	\$850	\$775	(\$500)	\$1,125
Board of Building Standards				
ASSETS:				
Pooled Cash and Investments	\$257	\$0	(\$257)	\$0
Total Assets	\$257	\$0	(\$257)	\$0
LIABILITIES:				
Due to others	\$257	\$0	(\$257)	\$0
Total Liabilities	\$257	\$0	(\$257)	\$0
Enterprise Zone				
ASSETS:				
Pooled Cash and Investments	\$46,475	\$21,800	(\$1,075)	\$67,200
Total Assets	\$46,475	\$21,800	(\$1,075)	\$67,200
LIABILITIES:				
Accounts payable	\$0	\$373	\$0	\$373
Due to others	46,475	21,427	(1,075)	66,827
Total Liabilities	\$46,475	\$21,800	(\$1,075)	\$67,200
Totals				
ASSETS:				
Pooled Cash and Investments	\$47,582	\$22,575	(\$1,832)	\$68,325
Total Assets	\$47,582	\$22,575	(\$1,832)	\$68,325
LIABILITIES:				
Due to others	\$47,582	\$22,575	(\$1,832)	\$68,325
Total Liabilities	\$47,582	\$22,575	(\$1,832)	\$68,325

General Fixed Assets Account Group

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

City of Troy, Ohio
Schedule Of General Fixed Assets
By Source
December 31, 2001

GENERAL FIXED ASSETS:

Land	\$2,228,580
Buildings	7,417,498
Equipment	9,028,005
Construction in Progress	<u>2,148,974</u>

Total General Fixed Assets \$20,823,057

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

General fund revenue	\$4,410,620
Special revenue funds revenue	65,498
Investment prior to 1-1-97	<u>16,346,939</u>

Total Investment in General Fixed Assets \$20,823,057

City of Troy, Ohio
Schedule Of General Fixed Assets
By Function And Activity
As of December 31, 2001

	<u>Total</u>	<u>Land</u>	<u>Buildings</u>	<u>Equipment</u>
FUNCTION AND ACTIVITY:				
Public Safety:				
Law enforcement	\$3,469,241	\$100,000	\$2,469,058	\$900,183
Fire protection	<u>\$3,875,572</u>	<u>216,168</u>	<u>1,127,224</u>	<u>2,532,180</u>
Total Public Safety	<u>\$7,344,813</u>	<u>\$316,168</u>	<u>\$3,596,282</u>	<u>\$3,432,363</u>
Culture and Recreation:				
Parks and recreation	<u>\$5,041,214</u>	<u>\$1,357,812</u>	<u>\$1,125,782</u>	<u>\$2,557,620</u>
Total Culture and Recreation	<u>\$5,041,214</u>	<u>\$1,357,812</u>	<u>\$1,125,782</u>	<u>\$2,557,620</u>
Transportation:				
Street construction, maintenance, and repair	<u>\$1,095,725</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,095,725</u>
Total Transportation	<u>\$1,095,725</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,095,725</u>
General Government:				
Municipal facilities	<u>\$7,341,305</u>	<u>\$554,600</u>	<u>\$4,844,408</u>	<u>\$1,942,297</u>
Total General Government	<u>\$7,341,305</u>	<u>\$554,600</u>	<u>\$4,844,408</u>	<u>\$1,942,297</u>
TOTAL GENERAL FIXED ASSETS	<u><u>\$20,823,057</u></u>	<u><u>\$2,228,580</u></u>	<u><u>\$9,566,472</u></u>	<u><u>\$9,028,005</u></u>

City of Troy, Ohio
Schedule Of Changes In General Fixed Assets
By Function And Activity
For the Year Ended December 31, 2001

	General Fixed Assets 12-31-00	Additions	Deletions	General Fixed Assets 12-31-01
FUNCTION AND ACTIVITY:				
Public Safety:				
Law enforcement	\$3,481,241	\$0	(\$12,000)	\$3,469,241
Fire protection	3,827,154	51,568	(3,150)	3,875,572
Total Public Safety	<u>\$7,308,395</u>	<u>\$51,568</u>	<u>(\$15,150)</u>	<u>\$7,344,813</u>
Culture and Recreation:				
Parks and recreation	\$4,923,306	\$142,518	(\$24,610)	\$5,041,214
Total Culture and Recreation	<u>\$4,923,306</u>	<u>\$142,518</u>	<u>(\$24,610)</u>	<u>\$5,041,214</u>
Transportation:				
Street construction, maintenance, and repair	\$974,441	\$255,715	(\$134,431)	\$1,095,725
Total Transportation	<u>\$974,441</u>	<u>\$255,715</u>	<u>(\$134,431)</u>	<u>\$1,095,725</u>
General Government:				
Municipal facilities	\$6,392,136	\$1,020,715	(\$71,546)	\$7,341,305
Total General Government	<u>\$6,392,136</u>	<u>\$1,020,715</u>	<u>(\$71,546)</u>	<u>\$7,341,305</u>
TOTAL GENERAL FIXED ASSETS	<u>\$19,598,278</u>	<u>\$1,470,516</u>	<u>(\$245,737)</u>	<u>\$20,823,057</u>

**STATISTICAL
SECTION**

CITY OF TROY, OHIO

General Governmental Revenues By Source (B)
(Last Ten Fiscal Years)

Year	Taxes (A)	Intergovernmental Revenues	Special Assessments	Charges For Services	Fines, Licenses and Permits	Interest Revenue	Other Revenue	Total
1992	\$6,885,295	\$2,348,360	\$400,230	\$405,670	\$258,131	\$314,667	\$158,609	\$10,770,962
1993	8,330,329	1,796,490	166,568	472,888	261,683	249,117	230,353	11,507,428
1994	9,626,696	1,992,211	146,119	441,166	307,005	342,639	202,820	13,058,656
1995	10,510,719	2,046,170	125,669	521,381	428,533	616,045	452,975	14,701,492
1996	11,323,104	2,201,171	134,971	580,052	300,220	764,362	289,668	15,593,548
1997	10,441,128	3,130,223	130,206	570,320	330,338	827,379	402,921	15,832,515
1998	11,032,201	2,428,989	134,967	667,696	230,147	870,717	626,584	15,991,301
1999	11,417,425	2,855,296	120,450	689,787	245,446	889,962	261,219	16,479,585
2000	11,765,812	3,326,165	115,703	981,097	136,958	1,067,784	323,372	17,716,891
2001	12,171,308	2,715,441	110,059	1,151,549	137,493	882,904	527,042	17,695,796

Source: Auditor, City of Troy, Ohio

A. Prior to 1992, includes property, income, state-levied and shared and other local taxes. For 1992 and after state-levied and shared taxes are shown as intergovernmental revenues.

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

CITY OF TROY, OHIO

General Governmental Expenditures By Function (A)
(Last Ten Fiscal Years)

Year	Public Safety	Public Health and Welfare	Leisure Time Activities	Community Development	Transportation	Basic Utility Services	General Government	Total
1992	\$4,016,995	\$188,750	\$875,407	\$390,774	\$1,097,838	\$826,485	\$2,465,909	\$9,862,158
1993	4,309,118	209,995	949,772	461,437	1,090,810	792,358	2,115,253	9,928,743
1994	4,897,394	219,435	927,489	417,527	1,180,135	845,927	2,091,010	10,578,917
1995	5,242,314	229,501	1,148,935	457,687	1,361,477	945,549	2,149,206	11,534,669
1996	5,810,100	228,890	1,412,779	533,877	1,201,433	919,175	2,434,614	12,540,868
1997	5,841,055	256,097	1,404,491	705,390	1,628,292	1,123,763	2,489,008	13,448,096
1998	6,295,009	270,160	1,435,693	734,750	1,783,185	1,135,629	2,952,022	14,606,448
1999	6,628,054	304,258	1,563,357	778,371	1,555,358	1,092,524	3,079,040	15,000,962
2000	6,836,977	464,164	1,647,315	624,298	1,738,595	1,182,245	3,322,874	15,816,468
2001	6,971,369	409,096	1,718,024	588,405	1,770,247	1,408,231	3,758,271	16,623,643

Source: Auditor, City of Troy, Ohio

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

CITY OF TROY, OHIO

Assessed and Estimated Actual Value of Taxable Property
(Last Ten Fiscal Years)

Tax Year/ Collection Year	Real Property			Public Utilities Assessed Value	Total Assessed Value
	Assessed Value	Estimated Actual Value (A)	Personal Property Assessed Value		
1991 / 1992	\$180,575,340	\$515,929,540	\$108,729,036	\$14,335,790	\$303,640,166
1992 / 1993	200,909,520	574,027,200	129,699,578	15,078,650	345,687,748
1993 / 1994	202,516,680	578,619,086	130,284,440	15,757,500	348,558,620
1994 / 1995	206,075,280	588,786,514	139,179,390	16,551,840	361,806,510
1995 / 1996	244,501,470	698,575,628	143,984,821	15,366,290	403,852,581
1996 / 1997	250,293,810	715,125,171	142,600,990	15,070,770	407,965,570
1997 / 1998	260,936,780	745,533,657	128,637,620	15,464,290	405,038,690
1998 / 1999	290,217,440	829,192,686	152,202,420	17,814,530	460,234,390
1999 / 2000	305,673,670	873,353,343	125,248,730	17,178,640	448,101,040
2000 / 2001	313,221,610	894,918,880	125,141,820	14,962,560	453,325,990

Source: Miami County Auditor

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

CITY OF TROY, OHIO

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

Tax Year/ Collection Year	City	Miami Conservancy District (A)	Troy City School District	Upper Valley		Total
				Joint Vocational	Miami County	
1991 / 1992	3.10	0.10	45.00	3.40	6.52	58.12
1992 / 1993	3.10	0.11	44.75	3.40	10.54	61.90
1993 / 1994	3.10	0.09	44.90	3.40	10.51	62.00
1994 / 1995	3.10	0.09	44.42	3.40	10.51	61.52
1995 / 1996	3.10	0.08	44.10	4.90	6.02	58.20
1996 / 1997	3.10	0.14	50.10	4.90	7.03	65.27
1997 / 1998	3.10	0.16	50.10	4.90	8.82	67.08
1998 / 1999	3.10	0.19	50.10	4.90	8.82	67.11
1999 / 2000	3.10	0.15	54.60	4.90	8.81	71.56
2000 / 2001	3.10	0.15	54.60	4.90	8.83	71.58

Source: Miami County Auditor

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

CITY OF TROY, OHIO

Real - Property Tax Levies and Collection
Real and Public Utility
(Last Ten Fiscal Years)

<u>Tax Year/ Collection Year</u>	<u>Current Levy</u>	<u>Collection Including Delinquencies</u>	<u>Total Collections As Percent of Current Year</u>	<u>Accumulated Delinquency</u>
1991 / 1992	\$664,543	\$667,504	100.40%	\$22,694
1992 / 1993	741,459	746,871	100.70	18,891
1993 / 1994	745,428	744,184	99.80	21,428
1994 / 1995	756,982	760,746	100.40	29,500
1995 / 1996	907,065	907,861	100.10	22,532
1996 / 1997	930,851	933,101	100.30	20,701
1997 / 1998	969,619	972,102	100.26	18,200
1998 / 1999	1,115,663	1,112,296	99.70	25,025
1999 / 2000	1,137,461	1,110,312	97.61	51,751
2000 / 2001	1,147,523	1,123,667	97.92	52,305

Source: Miami County Auditor

Table 6

CITY OF TROY, OHIO

Tangible - Personal Property Collections
(Last Ten Fiscal Years)

Tax Year/ Collection Year	Billed	Collected	Total Collections As Percent of Current Year	Accumulated Delinquency
1991 / 1992	N/A	N/A	N/A	N/A
1992 / 1993	\$410,312	\$414,140	100.93%	\$31,380
1993 / 1994	435,856	458,123	105.11	19,460
1994 / 1995	449,688	467,182	103.89	13,572
1995 / 1996	450,436	428,489	95.12	23,511
1996 / 1997	436,294	459,234	105.25	29,260
1997 / 1998	503,821	483,638	95.99	30,324
1998 / 1999	486,778	417,926	85.90	17,645
1999 / 2000	397,705	393,688	98.99	12,213
2000 / 2001	411,198	401,582	97.66	6,219

Source: Miami County Auditor

N/A - Information is not available

Table 7

CITY OF TROY, OHIO

Special Assessment Collections
(Last Ten Fiscal Years)

Fiscal Year	Current Assessments Due	Total Collection Including Delinquencies	Total Collections As Percent of Current Year	Accumulated Delinquency
1992	\$433,092	\$400,750	92.50%	\$32,342
1993	177,192	166,793	94.10	12,217
1994	188,867	146,768	77.70	12,179
1995	154,300	140,896	91.31	13,260
1996	138,417	136,252	98.44	2,165
1997	145,976	141,674	97.05	4,301
1998	153,707	148,984	96.93	4,722
1999	141,705	137,229	96.84	4,475
2000	133,160	131,146	98.49	2,014
2001	132,290	129,324	97.76	2,966

Source: Miami County Auditor

CITY OF TROY, OHIO

Computation of Legal Debt Margin
December 31, 2001

	<u>Debt Outstanding</u>	<u>10 1/2% of Assessed Valuation</u>	<u>5 1/2% of Assessed Valuation</u>
Overall Debt Limitations		\$47,599,229	\$24,932,929
Gross Indebtedness	\$23,170,182		
Less: Debt Outside Limitations (A)	20,925,182		
Less: Bond Retirement Fund Balance	<u>364,817</u>		
Net Debt Within Limitation		<u>1,880,183</u>	<u>1,880,183</u>
Legal Debt Margin Within Limitations		<u>\$45,719,046</u>	<u>\$23,052,746</u>

Source: Miami County Auditor

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

Table 9

CITY OF TROY, OHIO

Computation of Direct and Overlapping Debt
December 31, 2001

	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to City of Troy</u>	<u>Amount Applicable to City of Troy</u>
City of Troy	\$21,205,207	100.00%	\$21,205,207
Miami County	11,340,000	24.20%	2,744,280
Miami East Local School District	<u>10,000,000</u>	2.83%	<u>283,000</u>
Total	<u>\$42,545,207</u>		<u>\$24,232,487</u>

Source: Ohio Municipal Advisory Council

CITY OF TROY, OHIO

Ratio of Annual Debt Service Expenditures For
General Bonded Debt to Total General Governmental Expenditures
(Last Ten Fiscal Years)

Year	Principal (A)	Interest (A) (B)	Total Debt Service	General Governmental Expenditures (C)	Ratio of Debt Service to General Governmental Expenditures
1992	\$203,000	\$240,051	\$443,051	\$9,862,158	0.0449
1993	209,000	241,819	450,819	9,928,743	0.0454
1994	248,000	232,808	480,808	10,578,917	0.0454
1995	374,000	165,399	539,399	11,534,669	0.0468
1996	624,000	282,048	906,048	12,540,868	0.0723
1997	534,000	240,865	774,865	13,448,096	0.0576
1998	449,000	214,630	663,630	15,000,962	0.0454
1999	460,000	192,419	652,419	15,869,791	0.0454
2000	470,000	169,331	639,331	16,613,788	0.0385
2001	480,000	145,538	625,538	17,397,977	0.0360

Source: Auditor, City of Troy, Ohio

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

B. Excludes bond issuance and other cost.

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

Table 11

CITY OF TROY, OHIO

Ratio of Net General Bonded Debt to Assessed
Valuation and Net Bonded Debt Per Capita
(Last Ten Fiscal Years)

Year	Population (A)	Assessed Value (B)	Gross General Bonded Debt (C)*	Less Balance In Debt Service Fund (C)	Net General Bonded Debt (C)	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
1992	19,479	\$303,640,166	\$2,260,000	\$445,174	\$1,814,826	0.0060	\$93
1993	19,479	345,687,748	2,484,000	439,229	2,044,771	0.0059	105
1994	19,479	348,558,620	2,815,000	423,148	2,391,852	0.0069	123
1995	19,479	361,806,510	5,591,000	415,415	5,175,585	0.0143	266
1996	19,479	403,852,581	4,638,000	410,590	4,227,410	0.0105	217
1997	19,479	407,965,570	4,104,000	417,013	3,686,987	0.0090	189
1998	19,479	405,038,690	3,655,000	403,685	3,251,315	0.0080	167
1999	19,479	460,234,390	3,195,000	400,874	2,794,126	0.0061	143
2000	19,479	448,101,040	2,725,000	388,339	2,336,661	0.0052	120
2001	21,999	453,325,990	2,245,000	364,817	1,880,183	0.0041	85

Sources:

A. Federal census.

B. Miami County Auditor.

C. Auditor, City of Troy, Ohio.

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

CITY OF TROY, OHIO

Demographic Statistics
December 31, 2001

	1960 Census	1980 Census	1988 (Estimate)	1990 Census	2000 Census
Population	17,577	19,086	19,414	19,479	21,999
Per Capita Income	\$3,239	\$7,303	\$11,613	*	*
Number of Dwelling Units	*	7,253	*	7,649	9,497
Persons Per Household	3.07	2.71	2.54	2.51	*
Median Age	*	30.6	32.6	33.1	*
Percentage Owner-Occupied Dwelling Units	*	69.4	*	*	*
Median Family Income	*	\$20,365	\$25,022	\$29,973	*
Family Income Distribution:					
\$ 0 - \$ 7,499	*	1,229	883	*	*
7,500 - 14,999	*	1,544	1,055	*	*
15,000 - 24,999	*	2,160	1,543	*	*
25,000 - 49,999	*	1,779	2,989	*	*
50,000 and over	*	217	1,051	*	*
Total Families		<u>6,929</u>	<u>7,521</u>		
Education Distribution/Grades Years Completed:					
0 - 8	*	1,613	*	*	*
9 - 11	*	1,943	*	*	*
12	*	4,711	*	*	*
13 - 15	*	1,437	*	*	*
16 or more	*	1,626	*	*	*

Source: Federal Census
*Data Not Available

CITY OF TROY, OHIO

Construction and Bank Deposits
(Last Ten Fiscal Years)

Year	Commercial Construction (A)		Residential Construction (A)		Bank Deposits in Thousands (B)
	Number of Permits	Value	Number of Permits	Value	
1992	296	\$15,368,735	440	\$5,296,036	\$822,697
1993	258	19,090,804	467	6,624,388	688,286
1994	340	19,976,101	604	8,026,873	653,371
1995	338	50,412,407	600	9,353,737	746,675
1996	402	42,231,350	978	23,924,920	772,201
1997	288	23,643,525	954	35,313,426	0
1998	240	12,782,644	801	19,803,213	0
1999	410	20,559,141	1041	21,489,651	0
2000	61	7,761,322	201	11,086,202	0
2001	26	11,153,834	110	15,968,738	0

Sources:

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

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

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

Table 14

CITY OF TROY, OHIO

Principal Taxpayers
December 31, 2001

Taxpayer	Real Property 1997 Assessed Valuation (A)	Percent of Total for City
American Honda Motor	\$8,750,000	2.79%
Dayton Power and Light Company	6,447,680	2.06%
American Matsushita	3,540,160	1.13%
Verizon North, Inc.	2,937,900	0.94%
Hobart Brothers Company	2,537,910	0.81%
Hobart Coporation	2,096,150	0.67%
Harison Investments, LTD	1,834,090	0.59%
F A Archer Partnership	1,764,350	0.56%
Trojan Plaza Investors	1,628,820	0.52%
THCI Company, L.L.C.	1,575,000	0.50%
Total	<u>\$33,112,060</u>	<u>10.57%</u>
Total Assessed Valuation of City	<u>\$313,221,610</u>	<u>100.00%</u>

Source: Miami County Auditor.

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

Table 15

CITY OF TROY, OHIO

Other Statistics
December 31, 2001

Year of Incorporation	1814
Form of Government	Council/Mayor
Area	9.30 Square Miles
Mile of Streets	102.35 Miles
Fire Protection and Emergency Rescue:	
Number of Stations	3
Number of Firemen and Officers	41
Police Protection:	
Number of Stations	1
Number of Policemen and Officers	39
Municipal Water Department:	
Number of Consumers	9,200
Average Daily Consumption	5.30 Million Gallons
Miles of Water Mains	123.83
Sewers:	
Miles of Storm Sewers	67.25
Miles of Sanitary Sewers	116.96
Buildings:	
2001 Permits Issued	136
2001 Valuation of Construction	\$27,122,572
Parks and Recreation:	
Number of Parks	24
Number of Acres	296.4
Employees:	
Classified Service	208
Unclassified Service	14
Elected Officials	12

Source: City of Troy, Ohio

CITY OF TROY, OHIO

OWDA Note Coverage
Sanitary Sewer Fund
(Last Ten Fiscal Years) (A)
(Amounts Expressed in Thousands)

Fiscal Year	Gross Revenues (A)	Operating Expenses (B)	Net Revenue Available For Debt Service	Debt Service Requirements (C)			Coverage
				Principal	Interest	Total	
1992	\$2,722	\$1,608	\$1,114	\$42	\$30	\$72	15.47
1993	2,333	1,657	676	42	27	69	9.79
1994	2,552	1,834	718	42	26	68	10.55
1995	2,924	2,159	765	42	23	65	11.77
1996	3,471	2,777	694	42	21	63	11.02
1997	3,896	3,121	775	42	19	61	12.70
1998	4,002	2,604	1,398	42	17	59	23.69
1999	5,555	2,402	2,638	42	14	56	47.11
2000	4,233	2,800	1,433	42	12	54	26.54
2001	4,286	2,005	2,281	42	10	52	43.87

Source: Auditor, City of Troy, Ohio

A. Total Revenues (including interest).

B. Total operating expenses exclusive of depreciation.

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



STATE OF OHIO
OFFICE OF THE AUDITOR

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CITY OF TROY

MIAMI COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JUNE 27, 2002**