



Dave Yost • Auditor of State

CITY OF TROY
MIAMI COUNTY

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Dave Yost • Auditor of State

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

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

To the Honorable Mayor and City Council:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Troy, Miami County, (the City) as of and for the year ended December 31, 2011, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 4, 2012, wherein we noted the City adopted the provisions of Government Accounting Standards Board Statement No 54, *Fund Balance and Governmental Fund Type Definitions*. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and timely corrected.

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

Compliance and Other Matters

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

We did note certain matters not requiring inclusion in this report that we reported to the City's management in a separate letter dated June 4, 2012.

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

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

Dave Yost
Auditor of State

June 4, 2012

Troy OHIO, USA

www.troyohio.gov



COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED DECEMBER 31, 2011

CITY OF TROY, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2011

PREPARED BY:
JOHN A. STICKEL, CITY AUDITOR

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INTRODUCTORY SECTION





June 4, 2012

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

The Comprehensive Annual Financial Report of the City of Troy, Ohio for the fiscal year ended December 31, 2011 is submitted herewith. The Department of Finance prepared the report. The responsibility for both the accuracy of the presented data and the completeness and the fairness of the presentation, including all disclosures, rests with the City of Troy, specifically with the Department of Finance. We believe that the enclosed data is accurate in all material respects; and is presented in a manner designed to fairly set forth the financial position and results of operations of the various funds of the City. We further believe that all disclosures necessary to enable the reader to gain an understanding of the City's financial activity have been included.

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

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

City Overview

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

The City of Troy is home to approximately 25,058 people. While new residents move in at a slow, even pace, Troy continues to have a substantial number of long-time residents. People who move to Troy tend to continue to live here, even after they have raised their families. Troy has a reputation for community pride, friendliness and hospitality, along with respect for its past and great hopes for its future. The community offers a diverse mix of people, places and activities to enjoy. Destinations in the City are accessible without congestion or inconvenience.

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

Economic Conditions and Outlook

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

Today, Troy still reaps great economic benefits from its strategic location in the strong western Ohio transportation network. The Troy community is served by four interchanges on Interstate Route 75, one of the nation’s most heavily traveled north/south highways. Just 10 minutes to the south is the intersection of I-75 and I-70, which adds excellent east/west access to the rest of the nation. Easy access and fast travel to dispersed plants throughout the entire eastern half of the country allow Troy businesses to meet the just-in-time needs of modern industry. Major arterial highways connect from I-75 to all parts of the city. These include three state highways and the old Dixie Highway. In addition to easy automobile and truck movement, rail service continues to provide economical transportation of bulk products through Troy on one of the nation’s heaviest-traveled Class A lines. International air travel is only fifteen minutes away from Troy, at Dayton International Airport. The airport also is an air cargo center that provides both small and heavy freight service throughout the world. Over two-thirds of the nation’s population and businesses are within the nation’s largest ninety-minute air travel market, enabling Troy businesses to provide same-day connections with even distant customers and suppliers.

Troy’s manufacturing sector is diverse, with significant capabilities in metal-working industries, aerospace, auto parts, machinery, construction materials, and foods. This has enabled the community to suffer less from the national recession and to recover faster than many similar-sized cities. During 2011, ConAgra completed a major plant expansion and Clopay completed consolidation of production into its million-square feet facility. Other large Troy manufacturers

such as Goodrich, F&P America, and ITW began increasing employment to meet rising product demand. These five companies are Troy's largest employers and because they are similarly sized, often trade places in that ranking. Medium size companies also have responded to growing production demand and are increasing their employment, as well.

The commercial sector similarly is growing in both its retail and office segments. New restaurants include the largest unit in the regional Marion's Piazza chain and another national steakhouse. Troy continues to attract shoppers and diners from a larger than usual radius, making it the busiest commercial area in Miami and Shelby Counties. Even Downtown Troy continues to have new small businesses fill spaces, in some cases nearly as soon as one comes open. Construction of new business buildings in 2011 was up 9% from the year before, mostly because there are so few vacancies in retail, restaurant, office and even industrial buildings. Indications are these trends will increase in 2012.

Departmental Cooperation (Engineering, Development, Park, Street, Utilities Departments) with Major Conagra Expansion Project and Job Creation that also Provided for a Bike Path Extension, Roadway Improvements/Realignment, and Water Line Improvements

In 2011, in conjunction with a planned expansion at the Conagra facility, the city of Troy worked with several departments to provide about one million dollars of infrastructure improvements using funding from the State of Ohio and CDBG. The expansion at Conagra, initially expected to provide 250 new jobs actually provided nearly 400 new jobs within their facility.

The first phase of the project was to install a new waterline to provide more volume of water to their facility. This also eliminated some bottle necks in the system and provided needed looping for this quadrant of the City.

The other phases include improvements to different segments of Dye Mill Road including an intersection improvement that will provide for a better turning radius for trucks, roadway widening in a segment adjacent to the Conagra plant; a horizontal realignment to soften a curve and vertical realignment at the railroad. To finish the roadway work, a new course of asphalt was placed to finish the project. The final portion of this overall project was to build a connection from the existing bike trail on Dye Mill Road to Boyer Park. This connection allows for the neighborhood citizens to have easy access to the trails, and keeps the public off of private property while they obtain access to the trail.

The infrastructure improvements could not have been completed without the relationship that our Development Department has been able to create with the State of Ohio Department of Development (ODOD). This relationship was able to provide the funding to bring these much needed jobs to Troy and provide the infrastructure necessary to support the jobs. This project highlights the way the City of Troy staff is able to work together to accomplish the important steps necessary for this type of achievement.

Future Projects

2012 promises to be both exciting and nerve-wracking for what it will bring to, for and against the citizens of Troy. With a U.S. Presidential election that could be transformational, we continue to be challenged by the actions of the State of Ohio, Governor Kasich and the State Legislature. We have met and will continue to exceed the Governor's mandate that we work better together with our neighboring communities, school districts, local governmental entities and other partners to consolidate, regionalize, and share services so as to reduce our costs to our citizens.

One project that would change the face of Miami County and Troy for the good is the possibility of creating a regional water authority with Piqua. While the study isn't yet concluded, we believe that by coming together to combine our water treatment resources, we can not only save the residents and businesses of Piqua from spending millions of dollars to build a new plant, but more importantly, gain some much needed economy of scale in Troy's water system, possibly avoiding water rate increases for our customers in 2012 and beyond.

Another project that has been under construction and will be completed in 2012 is the reconstruction of the Adams Street bridge. As we write this article, the columns are poured and the beams are being laid across the river to connect north and south Adams Street. Currently, the project is on schedule for completion in October of this year. After that, the City will begin to use some of the license plate fees that were rescinded seven years early for repairs and renovations around the bridge area on Adams Street near Main Street and Hobart Arena.

Finally, the design of the reconstruction, possible widening, and infrastructure improvements to North Market Street from Staunton Road north to Foss Way will be completed in 2012, along with the first phases of the construction project. The result will be a corridor that is new, improved, possibly wider, and more traffic-friendly for our junior and senior high schools, as well as our business community.

With these opportunities will come several challenges that we will monitor and fight during 2012. First, everyone has felt the effects of the current economic downturn and the City of Troy's finances are no different. We will continue to monitor those closely, while we also continue to pursue economic development opportunities through retaining and expanding our existing businesses, recruiting new businesses, and pursuing project leads both in the United States and overseas.

Part of our financial stewardship is to make sure that our citizens, businesses, and property owners are paying their fair share of the costs – and no more. A recent study by the University of Toledo concluded that townships and their residents – particularly large, urban townships - are, by and large, not paying the full price for road maintenance, law enforcement and other services they receive. As our residents know, if the townships aren't paying their fair share, then cities such as Troy and our residents have to subsidize them through our taxes. That's simply not right and we will work in 2012 to identify those subsidies and begin to correct them for the long term.

A final challenge – and perhaps the biggest one we have and ever will face – is the idea being promoted by the State of Ohio to collect our local income tax on our behalf. While the promoters of this idea feel it would be more efficient and less costly, in reality, it would cost the City of Troy and its taxpayers up to \$1 million per year if that were to happen. Why? Because in exchange for

collecting our taxes “for us,” the State of Ohio would charge us a fee we currently don’t pay. So, the State would take Troy money with no guarantee of what we would get back in total collections, which has been used to pay for police, fire, paramedic, street repairs, etc.

Customer service would be hurt because the State also does not audit tax returns, doesn’t pursue delinquent taxpayers, doesn’t provide preparation services to our citizens, and doesn’t even take appointments when a taxpayer has a problem. The result is that the City would have to keep staff to make sure that all taxpayers are paying their fair share or risk losing \$1 million or more each year. Losing that revenue would have severe consequences for our citizens: either greatly reduced services such as police, fire, street plowing, and other services, or large increases in taxes, fees, charges, and assessments.

2012 promises to be an exciting and nerve wracking time for the City of Troy. Many good changes in terms of new and positive projects will improve our community, while we work diligently to make sure we continue to have the resources locally to keep the high quality of life that makes Troy unique.

Highlights and Accomplishments

Economic Development:

- Continues to be our #1 priority for growth, retention, and expansion
- Continue to utilize our business loan programs as an economic tool
 - ◆ Economic Development Revolving Loan Fund has 12 active loans with original principal of \$1,911,500
 - ◆ Downtown Building Repair Fund has 19 active loans totaling \$1,507,179
 - ◆ Small Business Development Fund has seven active loans with original principal of \$456,000
 - ◆ During the life of these programs we have made 61 low interest loans totaling \$6,827,386 in original principal
 - ◆ The EDRLF is a 22 year old program and has an available balance as of January 1, 2012 of \$398,416.02
 - ◆ The DBR is an 11 year old program with an available balance of \$340,788.55
 - ◆ Our newest SBD program is five years old and currently has an available balance of \$332,193.53
 - ◆ Our Enterprise Zone Program reported its best results in the past two years. All five companies in the program exceeded employment and investment goals
 - Non-residential building permits were up 9% from last year with a total valuation of \$7,313,267
 - Our restaurant business continues to be a positive draw to our community. New restaurants included LeDoux's move to downtown, Logan's Roadhouse, Oink-A-Doodle Moo, and Marion's Pizza

Sound Financial Stewardship:

- The City of Troy and the Auditor's Office received the "Award with Distinction" for excellence in Financial Reporting presented by the State Auditor's Office
- Continues to receive the "Excellence in Financial Reporting" Awards (since 1989) from the Government Finance Officers Association
- Maintained the acclaimed Moody's Aa1 bond rating

Growth:

- Continues to show gradual business and population growth
- Built 31 new single family homes with an average value of \$250,000

Recreation:

- Made Park improvements to tennis courts, pickleball courts, skate park, and dog park
- Continued to achieve Tree City USA status
- Memberships at the Troy Aquatic Park continued to grow
- The Hobart Arena continued to expand their programming with a variety of events and activities, both recreational and cultural
- Made "Gateway" enhancements to Treasure Island Park
- Received Honorable Mention status as a Bike Friendly community

Cultural:

- Continued the successful student-exchange program with our Sister City, Takahashi City, Japan
- Received positive feedback for our Festival of Nations event and the venue change
- Partnered with the Hayner Cultural Center and Troy Main Street to hold 18 free concerts on Prouty Plaza
- Supported the "Doors to Troy" Sculptures on the Square exhibit

A City of Volunteers

- Operation Cloverleaf
- Troy Strawberry Festival
- Make a Difference Day
- Sculptures on the Square
- National Night Out
- Festival of Nations
- Grand Illumination/Tree Lighting Celebration
- Downtown events ie: Taste of Troy, Farmer's Market

Recognized Observances

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

Internal Accounting and Budgetary Controls

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

Budgetary control is maintained at the fund level by the use of encumbrances for purchase order amounts to vendors. Open encumbrances are reported as an assignment of the fund balance for the governmental fund types at December 31, 2011.

Risk Management

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

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.

The biggest challenge facing MVRMA for 2012 will be the search for a new Executive Director, as the current Director will be retiring mid-year.

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

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

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

page format. Employees are encouraged to share the flyers with their families. During 2011, the program focused on employees utilizing the expertise of the on-site nurse.

City police and fire facilities have been equipped with fitness rooms and equipment.

Relevant Financial Policies

In June of 2006, the State legislature passed House Bill 66. House Bill 66 phases out the tax on tangible personal property of general business, telephone and telecommunications companies, and railroads. The tax on general business and railroad property began being phased out in 2007 and will be eliminated by 2009. The tax on telephone and telecommunication property will begin being phased out in 2009 and will be eliminated by 2011. The tax is being phased out by reducing the assessment rate on the property each year. In the first five years, the City will be reimbursed fully for the lost revenue; in the following seven years, the reimbursements will be phased out.

Independent Audit

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

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Troy, Ohio, for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2010. 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.

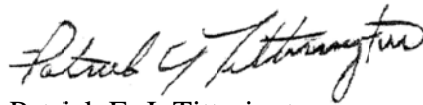
A Certificate of Achievement is valid for a period of one year. The City of Troy, Ohio, received a Certificate of Achievement for the 21th time for the year ended December 31, 2010. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

Acknowledgements

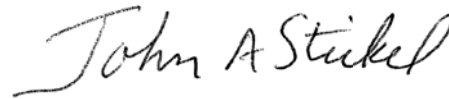
The preparation of the Comprehensive Annual Financial Report on a timely basis was made possible by the dedicated service of the entire staff of the City Auditor and other City departments. We express our sincere appreciation for the contributions made in the preparation of this report.

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

Respectfully submitted,
City of Troy, Ohio



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



John A. Stickel
City Auditor

CITY OF TROY, OHIO

Listing of Principal City Officials

December 31, 2011

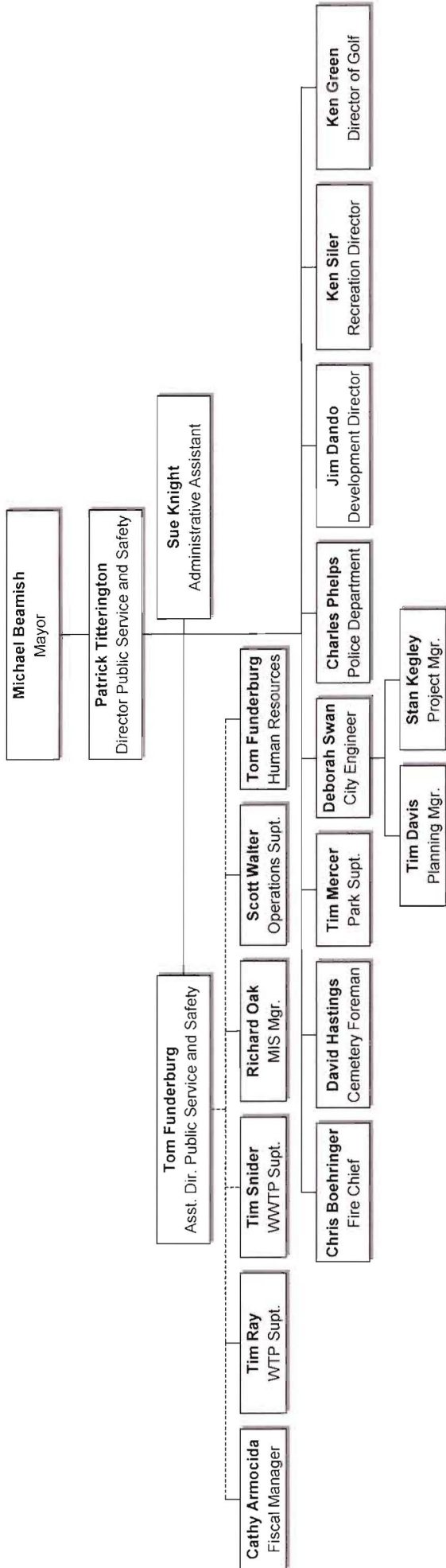
Elected Officials

Mayor	Michael L. Beamish
President of Council	Martha A. Baker
Councilmember-at-Large	Alan R. Clark
Councilmember-at-Large	Jarrold W. Harrah
Councilmember-at-Large	Frank L. Hutchinson
Councilmember, First Ward	Thomas M. Kendall
Councilmember, Second Ward	Douglas W. Tremblay
Councilmember, Third Ward	John W. Schweser
Councilmember, Fourth Ward	Bobby W. Phillips
Treasurer	Edward L. Cox
Director of Law	Grant D. Kerber
Auditor	Richard L. Cultice (through 5-11-2011)
Auditor	John A. Stickel (appointed 6-6-2011)

Appointed Officials

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

City of Troy
2012



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, 2010

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.



Linda C. Dandson

President

Jeffrey R. Emer

Executive Director

FINANCIAL SECTION





Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Honorable Mayor and City Council:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Troy, Miami County, Ohio (the City), as of and for the year ended December 31, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Troy, Miami County, Ohio, as of December 31, 2011, and the respective changes in financial position and where applicable, cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 18, during 2011 the City of Troy adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 4, 2012, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis* and the *required budgetary comparison schedule* as listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any other assurance.

We conducted our audit to opine on the financial statements that collectively comprise the City's basic financial statements taken as a whole. The introductory section, the financial section's combining statements, individual fund statements and schedules, and the statistical section information provide additional analysis and are not a required part of the basic financial statements. The financial section's combining statements, individual fund statements and schedules are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. These statements and schedules were subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.



Dave Yost
Auditor of State

June 4, 2012

City of Troy, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2011
(Unaudited)

The City of Troy's discussion and analysis of the annual financial reports provides a review of the financial performance for the fiscal year ending December 31, 2011. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the City's performance.

Financial Highlights

- The City's total net assets increased \$2,889,809.
- Net assets of governmental activities increased \$2,452,954, net assets of business-type activities increased by \$436,855.
- The General Fund reported a net change in fund balance of \$1,986,023.
- Business-type operations reflected operating (loss) of (\$9,760).

Overview of the Financial Statements

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

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

Government-wide Financial Statements

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

City of Troy, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2011
(Unaudited)

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

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

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

Fund Financial Statements

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

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

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

Fiduciary Funds - The City is the fiscal agent for one private purpose trust and seven agency funds. All of the City's fiduciary activities are reported in separate Statements of Fiduciary Net Assets and

City of Troy, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2011
(Unaudited)

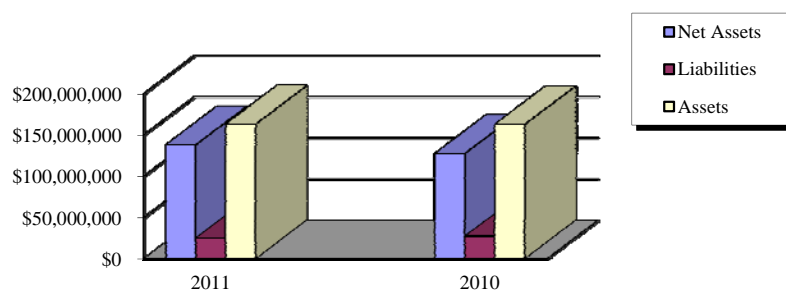
Statement of Changes in Assets and Liabilities. We exclude these activities from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

The City as a Whole

As stated previously, the Statement of Net Assets looks at the City as a whole. Table 1 provides a summary of the City's net assets for 2011 compared to 2010.

Table 1
Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010 Restated	2011	2010 Restated
Assets:						
Current and Other Assets	\$60,567,018	\$58,709,772	\$14,636,991	\$14,623,093	\$75,204,009	\$73,332,865
Capital Assets	41,677,370	41,710,459	46,290,887	47,624,292	87,968,257	89,334,751
Total Assets	102,244,388	100,420,231	60,927,878	62,247,385	163,172,266	162,667,616
Liabilities:						
Long-Term Liabilities	11,090,228	11,748,009	10,757,509	12,656,009	21,847,737	24,404,018
Other Liabilities	2,730,813	2,701,829	431,318	289,180	3,162,131	2,991,009
Total Liabilities	13,821,041	14,449,838	11,188,827	12,945,189	25,009,868	27,395,027
Net Assets:						
Invested in Capital Assets, Net of Related Debt	34,639,518	34,225,459	36,142,585	35,915,079	70,782,103	70,140,538
Restricted	8,539,110	10,582,438	0	0	8,539,110	10,582,438
Unrestricted	45,244,719	41,162,496	13,596,466	13,387,117	58,841,185	54,549,613
Total Net Assets	\$88,423,347	\$85,970,393	\$49,739,051	\$49,302,196	\$138,162,398	\$135,272,589



Overtime, net assets can serve as a useful indicator of a government's financial position. Total net assets of the City as a whole increased \$2,889,809.

Net assets of the City's governmental activities increased \$2,452,954. Current and Other Assets increased mainly due to an increase in equity in pooled cash and investments, due to the City's continuous efforts to keep, at a minimum, revenues consistent from year-to-year, while controlling spending. Long-Term Liabilities decreased mainly due to the City continuing to make regularly scheduled payments on their long-term obligations.

City of Troy, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2011
(Unaudited)

The net assets of the City's business-type activities increased \$436,855 from 2010. The City had a decrease in Capital assets, net due to current year depreciation expense being greater than current year additions. The City also saw a decrease in the amount of long-term liabilities for 2011 due to the City continuing to make regularly scheduled payments on their long-term obligations.

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City of Troy, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2011
(Unaudited)

Table 2 shows the changes in net assets for the year ended December 31, 2011.

Table 2
Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2011	2010 Reclassed	2011	2010	2011	2010 Reclassed
Program Revenues:						
Charges for Services	\$4,046,374	\$3,808,997	\$10,266,607	\$10,288,081	\$14,312,981	\$14,097,078
Operating Grants and Contributions	1,140,154	1,454,945	0	3,158	1,140,154	1,458,103
Capital Grants and Contributions	1,951,040	613,524	173,440	162,542	2,124,480	776,066
Total Program Revenues	7,137,568	5,877,466	10,440,047	10,453,781	17,577,615	16,331,247
General Revenues:						
Income Taxes	14,186,343	12,765,791	0	0	14,186,343	12,765,791
Property Taxes	1,807,628	1,988,423	0	0	1,807,628	1,988,423
Grants and Entitlements	1,886,775	1,918,673	0	0	1,886,775	1,918,673
Investment Earnings	975,686	1,192,176	149,260	207,922	1,124,946	1,400,098
Other Revenues	594,288	607,465	782,685	634,221	1,376,973	1,241,686
Total General Revenues	19,450,720	18,472,528	931,945	842,143	20,382,665	19,314,671
Total Revenues	26,588,288	24,349,994	11,371,992	11,295,924	37,960,280	35,645,918
Program Expenses:						
General Government	4,811,024	4,582,293	0	0	4,811,024	4,582,293
Public Safety	9,788,994	10,007,502	0	0	9,788,994	10,007,502
Leisure Time Activities	1,963,883	1,765,285	0	0	1,963,883	1,765,285
Community Development	969,092	1,017,450	0	0	969,092	1,017,450
Basic Utility Service	1,197,495	1,329,668	0	0	1,197,495	1,329,668
Transportation and Street Repair	3,955,665	2,404,692	0	0	3,955,665	2,404,692
Public Health and Welfare	349,444	378,736	0	0	349,444	378,736
Interest and Fiscal Charges	453,931	470,078	0	0	453,931	470,078
Water Utility	0	0	4,017,767	4,292,357	4,017,767	4,292,357
Sewer Utility	0	0	4,086,762	4,127,389	4,086,762	4,127,389
Arena Facilities	0	0	1,324,887	1,122,147	1,324,887	1,122,147
Pool	0	0	359,687	346,867	359,687	346,867
Parking	0	0	46,292	45,670	46,292	45,670
Golf Course	0	0	820,170	791,761	820,170	791,761
Stadium Facilities	0	0	0	0	0	0
Stormwater Utility	0	0	925,378	894,589	925,378	894,589
Total Program Expenses	23,489,528	21,955,704	11,580,943	11,620,780	35,070,471	33,576,484
Increase (Decrease) in Net Assets before Transfers	3,098,760	2,394,290	(208,951)	(324,856)	2,889,809	2,069,434
Transfers - Internal Activities	(645,806)	(509,800)	645,806	509,800	0	0
Change in Net Assets	2,452,954	1,884,490	436,855	184,944	2,889,809	2,069,434
Net Assets Beginning of Year	85,970,393	84,085,903	49,302,196	49,117,252	135,272,589	133,203,155
Net Assets End of Year	\$88,423,347	\$85,970,393	\$49,739,051	\$49,302,196	\$138,162,398	\$135,272,589

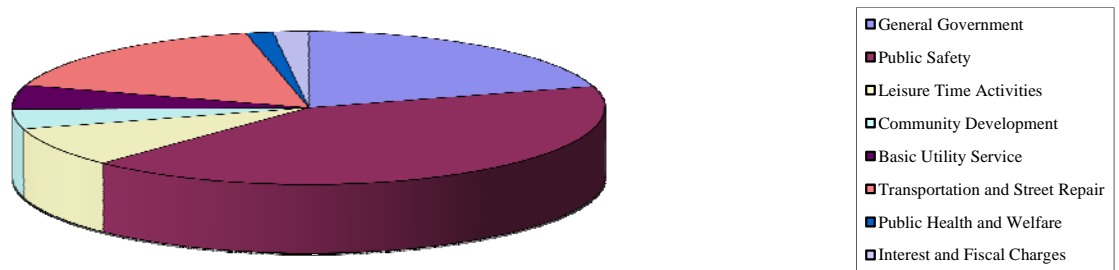
City of Troy, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2011
(Unaudited)

Governmental Activities

Troy has made continued efforts to attract large-scale employers to the city for the year 2011, thereby injecting the local economy with jobs and increasing the City's commercial tax base. The 1.75% income tax is the largest source of revenue for the City. Revenues generated by the earnings tax represent approximately 73% of the City's governmental activities general revenues.

Governmental Activities
Program Expenses for 2011

	Percentage
General Government	20.5%
Public Safety	41.7%
Leisure Time Activities	8.4%
Community Development	4.1%
Basic Utility Service	5.1%
Transportation and Street Repair	16.8%
Public Health and Welfare	1.5%
Interest and Fiscal Charges	1.9%
Total	100.0%



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

Capital Grants and Contributions increased in 2011 as compared to 2010 mainly due to an increase in capital grant monies received. Income Tax revenue increased in 2011 as compared to 2010 mainly due to an increase in income tax collections. Transportation and Street Repair expenses increased mainly due to the restart of the City's street paving program which was suspended in 2010.

Business-Type Activities

Business-type activities, include water, sewer, Hobart Arena, swimming pool, parking meter, Miami Shores, and stormwater utilities. These programs had operating revenues of \$11,049,292 and operating expenses of \$11,059,052 for fiscal year 2011. Business activities receive no support from

City of Troy, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2011
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tax revenues. The business activities net assets at the end of the year was \$49,739,051, which increased \$436,855 from 2010. The City had two business-type (enterprise) funds that were major funds: the Water fund and the Sanitary Sewer fund.

The City of Troy's Water Department serves 9,918 customers, this represents a population base of nearly 25,058 people. The average daily consumption for the city is 3.99 million gallons and 139.65 miles of water mains in its distribution system. The water fund had operating income of \$842,155 for 2011.

The City of Troy's Sewer Department includes 127.95 miles of sanitary sewer main, which provide the collection and treatment of public wastewater. Miles of sanitary sewer main increased 0.07 miles from 2010. The Sewer fund had operating loss of \$370,742 for 2011.

Total Revenues and Expenses remained relatively consistent in 2011 as compared to 2010. Transfers – Internal Activities increased in 2011 as compared to 2010 mainly due to an increase in enterprise capital assets being paid for by governmental funds.

The City's Funds

The City has one major governmental fund: the General Fund. Assets of the general fund comprised \$51,488,347 (85%) of the total \$60,528,663 governmental funds assets.

General Fund: Fund balance at December 31, 2011 was \$48,054,833 which was an increase in fund balance of \$1,986,023 from 2010. The increase is mainly due to an increase in income tax and property tax revenue.

General Fund Budgeting Highlights

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

For the General Fund, the final budgeted revenue was \$7,403,198 and the original budgeted revenue was \$7,402,698. The difference was \$500. Of this difference, most was due to an underestimate of tax and intergovernmental revenue and an overestimate of charges for services.

Variations from the final budget amounts to the actual amounts are primarily due to the following reasons: The City overestimated the general government and public safety expenditures for 2011. As the City completed the year, its General Fund balance reported an actual fund balance of \$5,736,341, on a Non-GAAP Budgetary Basis.

City of Troy, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2011
(Unaudited)

Capital Assets and Debt Administration

Capital Assets

At year end, the City had \$87,968,257 invested in land, construction in progress, buildings and improvements, equipment and infrastructure. Table 3 shows 2011 balances compared to 2010:

Table 3
Capital Assets, Net of Depreciation

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land	\$12,243,533	\$12,243,533	\$489,045	\$489,045	\$12,732,578	\$12,732,578
Construction in Progress	21,749	110,323	0	1,201,610	21,749	1,311,933
Buildings and Improvements	8,489,054	8,776,746	22,714,316	23,659,216	31,203,370	32,435,962
Equipment	2,498,453	2,577,331	8,172,655	8,599,056	10,671,108	11,176,387
Infrastructure	18,424,581	18,002,526	14,914,871	13,675,365	33,339,452	31,677,891
Total Net Capital Assets	\$41,677,370	\$41,710,459	\$46,290,887	\$47,624,292	\$87,968,257	\$89,334,751

The decrease in net capital assets mainly due to current year depreciation expense is greater than current year additions.

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

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City of Troy, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2011
(Unaudited)

Debt

The City had \$19,336,154 in general obligation bonds a loan.

Table 4
Outstanding Debt at Year End

		2011	2010 Restated
Governmental Activities			
<u>General Obligation Bonds</u>			
Stadium Improvement	2.50-5.25%	\$145,000	\$2,155,000
Elm Street Improvements	2.00-4.75%	435,000	460,000
Aquatic Center	2.00-4.75%	2,905,000	3,070,000
Cemetery Maintenance Building	2.00-4.75%	335,000	355,000
Fire Station	2.00-4.75%	1,845,000	1,950,000
Tax Increment Financing	6.00%	1,610,000	1,640,000
Refunding Capital Facilities Bonds	1.00-2.625%	2,005,000	0
Premium on Refunding Bonds		13,541	0
Discount on Refunding Bonds		(20,050)	0
Deferred Amount on Refunding Bonds		(85,639)	0
Total General Obligation Bonds		<u>9,187,852</u>	<u>9,630,000</u>
<u>Special Assessment Bonds</u>			
Street Improvement - Exp. Farm Rd.	3.50-5.00%	0	10,000
Total Special Assessment Bonds		<u>0</u>	<u>10,000</u>
Business Type Activities			
<u>General Obligation Bonds</u>			
Water Improvement Towers	3.35-5.00%	0	255,000
Waterplant Expansion I	4.75-6.25%	0	305,000
Wastewater System Improvement	3.35-5.30%	0	1,870,000
Wastewater Improvement IIIC&VA	0.00%	225,000	250,000
Water Line Extension	2.50-4.00%	120,000	235,000
Southeast Area Sewer	2.00-4.75%	960,000	1,015,000
Generators	2.00-4.75%	890,000	940,000
Refunding Wastewater System Improvement	4.00-5.00%	1,255,000	1,535,000
Refunding Waterplant Expansion I	5.00%	1,705,000	1,705,000
Refunding Waterplant Expansion II	4.00-5.00%	2,845,000	3,235,000
Refunding General Obligation Bonds - Water Bonds	1.00-3.00%	1,765,000	0
Premium on Refunding Bonds		23,706	0
Discount on Refunding Bonds		(20,812)	0
Deferred Amount on Refunding Bonds		(39,532)	0
Total General Obligation Bonds		<u>9,728,362</u>	<u>11,345,000</u>
OWDA Loan	3.25%	419,940	447,498
Golf Cart Note	4.50%	0	5,438
Total Debt		<u>\$19,336,154</u>	<u>\$21,437,936</u>

City of Troy, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2011
(Unaudited)

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

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

Economic Factors

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

Contacting the City's Financial Department

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

City of Troy, Ohio
Statement of Net Assets
December 31, 2011

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in Pooled Cash and Investments	\$52,938,930	\$13,101,333	\$66,040,263
Restricted Cash and Investments	11,996	0	11,996
Receivables:			
Taxes	2,617,949	0	2,617,949
Accounts	744,378	750,981	1,495,359
Interest	240,764	19,510	260,274
Intergovernmental	1,576,986	0	1,576,986
Notes	2,118,260	0	2,118,260
Special Assessments	279,400	0	279,400
Deferred Bond Issuance Costs	38,355	39,769	78,124
Inventory	0	725,398	725,398
Nondepreciable Capital Assets	12,265,282	489,045	12,754,327
Depreciable Capital Assets, Net	29,412,088	45,801,842	75,213,930
Total Assets	102,244,388	60,927,878	163,172,266
Liabilities:			
Accounts Payable	335,865	247,956	583,821
Accrued Wages and Benefits	872,873	149,183	1,022,056
Retainage Payable	11,996	0	11,996
Accrued Interest Payable	56,651	34,179	90,830
Unearned Revenue	1,453,428	0	1,453,428
Long-Term Liabilities:			
Due Within One Year	1,080,055	1,683,900	2,763,955
Due In More Than One Year	10,010,173	9,073,609	19,083,782
Total Liabilities	13,821,041	11,188,827	25,009,868
Net Assets:			
Invested in Capital Assets, Net of Related Debt	34,639,518	36,142,585	70,782,103
Restricted for:			
Debt Service	340,301	0	340,301
Capital Projects	1,798,480	0	1,798,480
Street Improvements	1,123,745	0	1,123,745
Community Development	3,463,486	0	3,463,486
Cemetery Services	1,063,418	0	1,063,418
Other Purposes	749,680	0	749,680
Unrestricted	45,244,719	13,596,466	58,841,185
Total Net Assets	\$88,423,347	\$49,739,051	\$138,162,398

See accompanying notes to the basic financial statements.

City of Troy, Ohio
Statement of Activities
For the Fiscal Year Ended December 31, 2011

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$4,811,024	\$209,420	\$5,516	\$0
Public Safety	9,788,994	1,476,420	0	0
Leisure Time Activities	1,963,883	148,126	0	0
Community Development	969,092	128,721	0	144,045
Basic Utility Service	1,197,495	1,863,435	0	59,310
Transportation and Street Repair	3,955,665	45,147	1,134,638	1,747,685
Public Health and Welfare	349,444	175,105	0	0
Interest and Fiscal Charges	453,931	0	0	0
Total Governmental Activities	23,489,528	4,046,374	1,140,154	1,951,040
Business-Type Activities:				
Water Utility	4,017,767	4,567,748	0	149,838
Sewer Utility	4,086,762	3,463,415	0	23,602
Arena Facilities	1,324,887	130,425	0	0
Pool	359,687	253,765	0	0
Parking	46,292	23,987	0	0
Golf Course	820,170	613,956	0	0
Stormwater Utility	925,378	1,213,311	0	0
Total Business-Type Activities	11,580,943	10,266,607	0	173,440
Totals	\$35,070,471	\$14,312,981	\$1,140,154	\$2,124,480

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

Total General Revenues and Transfers

Change in Net Assets

Net Assets Beginning of Year

Net Assets End of Year

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-Type Activities	Total
(\$4,596,088)	\$0	(\$4,596,088)
(8,312,574)	0	(8,312,574)
(1,815,757)	0	(1,815,757)
(696,326)	0	(696,326)
725,250	0	725,250
(1,028,195)	0	(1,028,195)
(174,339)	0	(174,339)
(453,931)	0	(453,931)
<u>(16,351,960)</u>	<u>0</u>	<u>(16,351,960)</u>
0	699,819	699,819
0	(599,745)	(599,745)
0	(1,194,462)	(1,194,462)
0	(105,922)	(105,922)
0	(22,305)	(22,305)
0	(206,214)	(206,214)
0	287,933	287,933
<u>0</u>	<u>(1,140,896)</u>	<u>(1,140,896)</u>
<u>(16,351,960)</u>	<u>(1,140,896)</u>	<u>(17,492,856)</u>
14,186,343	0	14,186,343
1,760,509	0	1,760,509
47,119	0	47,119
1,886,775	0	1,886,775
208,268	0	208,268
95,051	0	95,051
975,686	149,260	1,124,946
290,969	782,685	1,073,654
(645,806)	645,806	0
<u>18,804,914</u>	<u>1,577,751</u>	<u>20,382,665</u>
2,452,954	436,855	2,889,809
<u>85,970,393</u>	<u>49,302,196</u>	<u>135,272,589</u>
<u>\$88,423,347</u>	<u>\$49,739,051</u>	<u>\$138,162,398</u>

City of Troy, Ohio
Balance Sheet
Governmental Funds
December 31, 2011

	General	Other Governmental Funds	Total Governmental Funds
Assets:			
Equity in Pooled Cash and Investments	\$47,065,869	\$5,873,061	\$52,938,930
Restricted Cash and Investments	4,360	7,636	11,996
Receivables:			
Taxes	2,584,609	33,340	2,617,949
Accounts	723,470	20,908	744,378
Interest	236,126	4,638	240,764
Intergovernmental	873,913	703,073	1,576,986
Notes	0	2,118,260	2,118,260
Special Assessments	0	279,400	279,400
Total Assets	<u>51,488,347</u>	<u>9,040,316</u>	<u>60,528,663</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts Payable	304,814	31,051	335,865
Accrued Wages and Benefits	819,903	52,970	872,873
Retainage Payable	4,360	7,636	11,996
Deferred Revenue	2,304,437	903,499	3,207,936
Total Liabilities	<u>3,433,514</u>	<u>995,156</u>	<u>4,428,670</u>
Fund Balances:			
Restricted	1,573,675	7,761,596	9,335,271
Assigned	212,633	283,564	496,197
Unassigned	46,268,525	0	46,268,525
Total Fund Balances	<u>48,054,833</u>	<u>8,045,160</u>	<u>56,099,993</u>
Total Liabilities and Fund Balances	<u>\$51,488,347</u>	<u>\$9,040,316</u>	<u>\$60,528,663</u>

See accompanying notes to the basic financial statements.

City of Troy, Ohio
 Reconciliation of Total Governmental Fund Balance to
 Net Assets of Governmental Activities
 December 31, 2011

Total Governmental Fund Balance \$56,099,993

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

Capital assets used in governmental activities are not financial
 resources and therefore are not reported in the funds. 41,677,370

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

Delinquent Property Taxes	84,223	
Intergovernmental	1,173,854	
Other	<u>496,431</u>	
		1,754,508

In the statement of net assets interest payable is accrued when
 incurred, whereas in the governmental funds interest is
 reported as a liability only when it will require the use of
 current financial resources. (56,651)

Some liabilities reported in the statement of net assets do not
 require the use of current financial resources and therefore
 are not reported as liabilities in governmental funds.

Compensated Absences	(1,902,376)
----------------------	-------------

Deferred bond issuance cost associated with long-term liabilities
 are not reported in the funds. 38,355

Long-term liabilities, are not due and payable in the current
 period and therefore are not reported in the funds. (9,187,852)

Net Assets of Governmental Activities \$88,423,347

See accompanying notes to the basic financial statements.

City of Troy, Ohio
Statement of Revenues, Expenditures
and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended December 31, 2011

	General	Other Governmental Funds	Total Governmental Funds
Revenues:			
Taxes	\$15,945,806	\$47,682	\$15,993,488
Fines, Licenses and Permits	59,698	33,892	93,590
Charges for Services	3,460,744	284,814	3,745,558
Investment Earnings	889,016	86,670	975,686
Intergovernmental	1,832,918	2,409,998	4,242,916
Special Assessments	1,614	79,055	80,669
Payments in Lieu of Taxes	0	208,268	208,268
Other Revenues	534,273	40,879	575,152
Total Revenues	22,724,069	3,191,258	25,915,327
Expenditures:			
Current:			
General Government	4,333,555	60,492	4,394,047
Public Safety	9,553,157	0	9,553,157
Leisure Time Activities	1,682,768	0	1,682,768
Community Development	777,451	166,358	943,809
Basic Utility Service	1,062,114	0	1,062,114
Transportation and Street Repair	6,234	2,887,313	2,893,547
Public Health and Welfare	0	361,014	361,014
Capital Outlay	4,360	1,658,445	1,662,805
Debt Service:			
Principal Retirement	0	495,000	495,000
Interest and Fiscal Charges	0	459,813	459,813
Bond Issuance Costs	0	38,355	38,355
Total Expenditures	17,419,639	6,126,790	23,546,429
Excess of Revenues Over (Under) Expenditures	5,304,430	(2,935,532)	2,368,898
Other Financing Sources (Uses):			
Proceeds from Sale of Capital Assets	12,863	0	12,863
Sale of Refunding Bonds	0	2,005,000	2,005,000
Payments to Refunded Bond Escrow Agent	0	(1,955,639)	(1,955,639)
Premium on Sale of Refunded Bonds	0	13,541	13,541
(Discount) on Sale of Refunded Bonds	0	(20,050)	(20,050)
Transfers In	0	3,068,270	3,068,270
Transfers (Out)	(3,331,270)	(292,000)	(3,623,270)
Total Other Financing Sources (Uses)	(3,318,407)	2,819,122	(499,285)
Net Change in Fund Balance	1,986,023	(116,410)	1,869,613
Fund Balance Beginning of Year, Restated	46,068,810	8,161,570	54,230,380
Fund Balance End of Year	\$48,054,833	\$8,045,160	\$56,099,993

See accompanying notes to the basic financial statements.

City of Troy, Ohio
 Reconciliation of the Statement of Revenues, Expenditures, and Changes
 in Fund Balance of Governmental Funds to the Statement of Activities
 For the Fiscal Year Ended December 31, 2011

Net Change in Fund Balance - Total Governmental Funds \$1,869,613

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

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

Capital assets used in governmental activities	1,482,384	
Depreciation Expense	<u>(1,497,311)</u>	(14,927)

Governmental funds only report the disposal of assets to the
 extent proceeds are received from the sale. In the statement
 of activities, a gain or loss is reported for each disposal. The
 amount of the proceeds must be removed and the gain or loss
 on the disposal of capital assets must be recognized. This is the
 amount of the difference between the proceeds and the gain or loss. (18,162)

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

Delinquent Property Taxes	483	
Intergovernmental	23,166	
Other	<u>(56,013)</u>	(32,364)

In the statement of activities, certain costs and proceeds associated with
 long-term debt obligations issued during the year are accrued and
 amortized over the life of the debt obligation. In governmental funds
 these costs and proceeds are recognized as financing sources and uses.

Bond Issuance Costs	38,355	
Premium on Bonds Issued	(13,541)	
Discount on Bonds Issued	20,050	
Deferred Amount on Bond Refunding	85,639	
Refunding Bonds	(2,015,000)	
Bonds Refunded	<u>1,880,000</u>	(4,497)

Repayment of bond principal is an expenditure in the
 governmental funds, but the repayment reduces long-term
 liabilities in the statement of net assets. 495,000

In the statement of activities interest expense is accrued when incurred,
 whereas in governmental funds an interest expenditure is reported
 when due. 5,882

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

Compensated Absences		<u>152,409</u>
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Change in Net Assets of Governmental Activities \$2,452,954

See accompanying notes to the basic financial statements.

City of Troy, Ohio
Statement of Net Assets
Proprietary Funds
December 31, 2011

	Business-Type Activities - Enterprise Funds			
	Water	Sanitary Sewer	Other Enterprise Funds	Total Business-Type Activities
Current Assets:				
Equity in Pooled Cash and Investments	\$5,076,225	\$6,179,954	\$1,845,154	\$13,101,333
Receivables:				
Accounts	338,542	292,823	119,616	750,981
Interest	8,030	9,776	1,704	19,510
Deferred Bond Issuance Costs	0	39,769	0	39,769
Inventory	725,398	0	0	725,398
Total Current Assets	6,148,195	6,522,322	1,966,474	14,636,991
Nondepreciable Capital Assets	145,937	74,800	268,308	489,045
Depreciable Capital Assets, Net	20,611,381	19,736,518	5,453,943	45,801,842
Total Noncurrent Assets	20,757,318	19,811,318	5,722,251	46,290,887
Total Assets	26,905,513	26,333,640	7,688,725	60,927,878
Liabilities:				
Current Liabilities:				
Accounts Payable	104,779	106,654	36,523	247,956
Accrued Wages and Benefits	57,255	58,325	33,603	149,183
Compensated Absences	64,720	120,083	38,971	223,774
Accrued Interest Payable	18,912	15,267	0	34,179
Long-Term Liabilities Due Within One Year	835,000	625,126	0	1,460,126
Total Current Liabilities	1,080,666	925,455	109,097	2,115,218
Long-Term Liabilities:				
Compensated Absences	133,847	205,848	45,738	385,433
Bonds, Notes & Loans Payable	3,835,000	4,853,176	0	8,688,176
Total Noncurrent Liabilities	3,968,847	5,059,024	45,738	9,073,609
Total Liabilities	5,049,513	5,984,479	154,835	11,188,827
Net Assets:				
Invested in Capital Assets, Net of Related Debt	16,087,318	14,333,016	5,722,251	36,142,585
Unrestricted	5,768,682	6,016,145	1,811,639	13,596,466
Total Net Assets	\$21,856,000	\$20,349,161	\$7,533,890	\$49,739,051

See accompanying notes to the basic financial statements.

City of Troy, Ohio
Statement of Revenues, Expenses
and Changes in Fund Net Assets
Proprietary Funds
For the Fiscal Year Ended December 31, 2011

	Business-Type Activities - Enterprise Funds			Total Business-Type Activities
	Water	Sanitary Sewer	Other Enterprise Funds	
Operating Revenues:				
Fines, Licenses and Permits	\$0	\$0	\$8,065	\$8,065
Charges for Services	4,567,748	3,463,415	2,227,379	10,258,542
Other Revenues	12,747	10,369	759,569	782,685
Total Operating Revenues	4,580,495	3,473,784	2,995,013	11,049,292
Operating Expenses:				
Personal Services	1,408,688	1,303,723	1,493,119	4,205,530
Contractual Services	515,797	488,905	426,938	1,431,640
Materials and Supplies	556,654	237,502	665,432	1,459,588
Depreciation	1,015,715	1,007,265	300,212	2,323,192
Other Expenses	241,486	807,131	590,485	1,639,102
Total Operating Expenses	3,738,340	3,844,526	3,476,186	11,059,052
Operating Income (Loss)	842,155	(370,742)	(481,173)	(9,760)
Non-Operating Revenues (Expenses):				
Investment Earnings	61,542	75,918	11,800	149,260
Interest (Expense)	(279,427)	(242,236)	(228)	(521,891)
Total Non-Operating Revenues (Expenses)	(217,885)	(166,318)	11,572	(372,631)
Income (Loss) Before Contributions and Transfers	624,270	(537,060)	(469,601)	(382,391)
Capital Grants and Contributions	315,150	23,602	0	338,752
Transfers In	0	0	555,000	555,000
Transfers (Out)	0	0	(74,506)	(74,506)
Change in Net Assets	939,420	(513,458)	10,893	436,855
Net Assets Beginning of Year	20,916,580	20,862,619	7,522,997	49,302,196
Net Assets End of Year	\$21,856,000	\$20,349,161	\$7,533,890	\$49,739,051

See accompanying notes to the basic financial statements.

City of Troy, Ohio
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended December 31, 2011

	Business-Type Activities - Enterprise Funds			
	Water	Sanitary Sewer	Other Enterprise Funds	Total Business-Type Activities
Cash Flows from Operating Activities:				
Cash Received from Customers	\$4,472,302	\$3,379,572	\$2,980,454	\$10,832,328
Cash Payments to Employees	(1,417,541)	(1,269,421)	(1,494,026)	(4,180,988)
Cash Payments to Suppliers	(1,291,432)	(1,462,380)	(1,674,609)	(4,428,421)
Net Cash Provided (Used) by Operating Activities	1,763,329	647,771	(188,181)	2,222,919
Cash Flows from Noncapital Financing Activities:				
Payments from Other Funds	0	0	555,000	555,000
Payments to Other Funds	0	0	(74,506)	(74,506)
Net Cash Provided (Used) by Noncapital Financing Activities	0	0	480,494	480,494
Cash Flows from Capital and Related Financing Activities:				
Payments for Capital Acquisitions	(297,332)	(196,461)	(157,242)	(651,035)
Debt Principal Payments	(1,065,000)	(627,558)	(5,438)	(1,697,996)
Debt Interest Payments	(283,921)	(240,064)	(248)	(524,233)
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,646,253)	(1,064,083)	(162,928)	(2,873,264)
Cash Flows from Investing Activities:				
Earnings on Investments	64,882	81,084	12,122	158,088
Net Cash Provided (Used) by Cash Flows from Investing Activities	64,882	81,084	12,122	158,088
Net Increase (Decrease) in Cash and Cash Equivalents	181,958	(335,228)	141,507	(11,763)
Cash and Cash Equivalents Beginning of Year, Restated	4,894,267	6,515,182	1,703,647	13,113,096
Cash and Cash Equivalents End of Year	5,076,225	6,179,954	1,845,154	\$13,101,333
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	842,155	(370,742)	(481,173)	(\$9,760)
Adjustments:				
Depreciation	1,015,715	1,007,265	300,212	2,323,192
Changes in Assets & Liabilities:				
(Increase) Decrease in Receivables	(108,193)	(94,212)	(14,559)	(216,964)
(Increase) Decrease in Inventory	(16,245)	0	0	(16,245)
Increase (Decrease) in Payables	38,750	71,158	8,246	118,154
Increase (Decrease) in Accrued Liabilities	(8,853)	34,302	(907)	24,542
Net Cash Provided (Used) by Operating Activities	\$1,763,329	\$647,771	(\$188,181)	\$2,222,919
<u>Schedule of Noncash Capital Activities:</u>				
During the fiscal year, these amounts were received representing noncash contributions of:				
Capital Assets	\$315,150	\$23,602	\$0	\$338,752

See accompanying notes to the basic financial statements.

City of Troy, Ohio
Statement of Fiduciary Net Assets
Fiduciary Funds
December 31, 2011

	Private Purpose Trust	Agency
Assets:		
Equity in Pooled Cash and Investments	\$274,247	\$39,726
Receivables:		
Interest	434	44
Total Assets	<u>274,681</u>	<u>39,770</u>
Liabilities:		
Accounts Payable	0	500
Other Liabilities	0	39,270
Total Liabilities	<u>0</u>	<u>\$39,770</u>
Net Assets:		
Restricted for Endowment - Expendable	164,589	
Restricted for Endowment - Nonexpendable	<u>110,092</u>	
Total Net Assets	<u>\$274,681</u>	

See accompanying notes to the basic financial statements.

City of Troy, Ohio
Statement of Changes in Fiduciary Net Assets
Fiduciary Fund
For the Fiscal Year Ended December 31, 2011

	Private Purpose Trust
Additions:	
Donations	\$1,059
Investment Earnings	3,256
Total Additions	<u>4,315</u>
Deductions:	
Public Health and Welfare	<u>8,445</u>
Total Deductions	<u>8,445</u>
Change in Net Assets	(4,130)
Net Assets Beginning of Year	<u>278,811</u>
Net Assets End of Year	<u><u>\$274,681</u></u>

See accompanying notes to the basic financial statements.

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2011

Note 1 – Description of the City and Reporting Entity

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

Reporting Entity

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

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

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

Note 2 – Summary of Significant Accounting Policies

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

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2011

Measurement Focus

Government-wide Financial Statements

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

Fund Financial Statements

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

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

Basis of Presentation

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

Government-wide Financial Statements

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

The statement of net assets presents the financial condition of the governmental and business-type activities of the City at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities and for the business-type activities of the City. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2011

grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the City.

Fund Financial Statements

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

Fund Accounting

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

Governmental Funds

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

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

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

Proprietary Funds

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

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

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2011

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

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

Fiduciary Funds

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

Basis of Accounting

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

Revenues - Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within

City of Troy, Ohio
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the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the City, available means expected to be received within thirty days of year-end.

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

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

Deferred Revenue

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

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

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

Unearned Revenue

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

Expenses/Expenditures

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

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

City of Troy, Ohio
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Equity in Pooled Cash and Investments

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

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

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

Following the Ohio Revised Code, the City has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2011 amounted to \$889,016. Interest revenues assigned to the General Fund from other city funds amounted to \$752,286.

Inventory

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

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

Capital Assets

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

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

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

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

Compensated Absences

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

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

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

Accrued Liabilities and Long-Term Obligations

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

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

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Fund Balance

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

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

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

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

Assigned – resources that are intended to be used for specific purposes as approved through the City’s formal purchasing procedure by the City Auditor.

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

The City applies restricted resources first when an expense is incurred for purposes which both restricted and unrestricted net assets are available. The City considers committed, assigned, and unassigned fund balances, respectively, to be spent when expenditures are incurred for purposes for which any of the unrestricted fund balance classifications could be used.

Net Assets

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

The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. Of the City’s \$8,539,110 in restricted net assets, none was restricted by enabling legislation.

Operating Revenues and Expenses

The City, in its proprietary fund, distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and delivering

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

Contributions of Capital

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

Interfund Activity

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

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

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

Estimates

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

Note 3 - Equity in Pooled Cash and Investments

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

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

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

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

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

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

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

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the

City of Troy, Ohio
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use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Deposits

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's policy for deposits is any balance not covered by depository insurance will be collateralized by the financial institutions with pledged securities. As of December 31, 2011, \$11,860,144 of the City's bank balance of \$12,432,191 was exposed to custodial risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the City's name.

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

Investments

As of December 31, 2011, the City had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity (Years)</u>
Federal Home Loan Bank	\$13,534,830	4.13
Federal Home Loan Mortgage Corporation	11,530,655	4.52
Federal National Mortgage Association	24,529,981	4.47
Ohio Municipal Bonds	1,596,684	3.97
Troy Long-Term Debt Held by the City	1,610,000	22.68
Money Market Fund	1,703,971	0.00
Total Fair Value	<u>\$54,506,121</u>	
Portfolio Weighted Average Maturity		4.62

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

Credit Risk – It is the City's policy to limit its investments that are not obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government to

City of Troy, Ohio
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investments which have the highest credit quality rating issued by nationally recognized statistical rating organizations. The City's investments in Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association and in Money Market Funds were rated AAA by Standard and Poor's and Fitch ratings and Aaa by Moody's Investors Service. Ohio Municipal Bonds were rated AA+ by Standard and Poor's and Fitch ratings and Aa1 by Moody's Investors Service. The City's Troy Long-Term Debt held by the City is not rated.

Concentration of credit risk – The City's investment policy allows investments in Federal Government Securities or Instrumentalities. The City has invested 25% of the City's investments in Federal Home Loan Bank, 21% in Federal Home Loan Mortgage Corporation, 45% in Federal National Mortgage Association, 3% in Ohio Municipal Bonds, 3% in Troy Long-Term Debt Held by the City and 3% in money market funds.

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

Note 4 – Receivables

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

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

Special assessments expected to be collected in more than one year amounts to approximately \$279,400 of which, \$10,400 is considered delinquent.

Property Taxes

Property taxes include amounts levied against all real estate and public utility property, and tangible personal property used in business and located in the City. Real property taxes (other than public utility) collected during 2011 were levied after October 1, 2010 on assessed values as of January 1, 2010, the lien date. Assessed values were established by the County Auditor at 35% of appraised market value. All property is required to be revalued every six years. Real property taxes are payable annually or semi-annually. If paid annually, payment is due January 31; if paid semiannually, the first payment is due February and the remainder payable in July. Under certain circumstances, state statute permits later payment dates to be established.

Tangible personal property tax revenues received in 2011 (other than public utility property) represent the collection of 2011 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, furniture and fixtures is no longer levied and collected. Tangible personal property taxes received from telephone companies in calendar year 2011 were levied after October 1, 2010 on values as of

City of Troy, Ohio
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For The Year Ended December 31, 2011

December 31, 2010. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

The tax on telephone and telecommunications property will be eliminated by calendar year 2011. The tax is phased out by reducing the assessment rate on the property each year. House Bill No. 66 was to hold governments harmless by replacing a portion of the revenue lost by the City due to the phasing out of the tax. In calendar years 2006-2012, the City will be fully reimbursed for the lost revenue. In calendar years 2013-2017, the reimbursements will be phased out.

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

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

Real Property	\$489,082,260
Public Utility	10,409,340
Tangible Personal Property	<u>382,320</u>
Total Valuation	<u><u>\$499,873,920</u></u>

Real property taxes are payable annually or semi-annually. If paid annually, the payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

The City receives property taxes from Miami County. The County Treasurers collect property taxes on behalf of all taxing districts in the counties, including the City of Troy. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2011, and for which there is an enforceable legal claim. In the funds, the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2011 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On an accrual basis, collectible delinquent property taxes have been recorded as revenue while the remainder of the receivable is deferred.

Income Taxes

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

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

Note 5 - Risk Management

The City is one of twenty members of a joint insurance pool, Miami Valley Risk Management Association, Inc. (MVRMA), with the cities of Englewood, Bellbrook and Centerville added in 2004. The pool has been operational since December 1, 1988, and was formed according to Section 2744.081 of the Ohio Revised Code. This joint venture covers all property, crime, liability, boiler and machinery, and public official liability up to the limits stated below. It is intended to provide broad-based coverage up to the various limits with increased emphasis on safety and loss prevention.

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

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

General Liability: \$10,000,000/occurrence

Automobile Liability: \$10,000,000/occurrence

MVRMA self-insured \$500,000/occurrence. MVRMA obtained reinsurance from Government Entities Mutual Inc. (GEM) for \$1.5 million excess \$500,000, and from General Reinsurance Corporation for \$8 million excess \$2 million.

Police Professional Liability: \$10,000,000/occurrence

MVRMA self-insured \$500,000/occurrence. MVRMA obtained reinsurance from Government Entities Mutual Inc. (GEM) for \$1.5 million excess \$500,000, and from General Reinsurance Corporation for \$8 million excess \$2 million.

Employment Practices Liability and Public Officials Liability Including Employee Benefits Liability

MVRMA self-insured \$500,000/occurrence. MVRMA obtained reinsurance from Government Entities Mutual Inc. (GEM) for \$1.5 million excess \$500,000, and from General Reinsurance Corporation for \$8 million excess \$2 million - Annual aggregate \$10 million per member

Property (effective 7/1/11-7/1/12):

\$1,000,000,000/occurrence

MVRMA SIR: \$250,000/occurrence

Coverage excess SIR provided by PEPPIP USA as follows:

Lexington Insurance Company (Primary \$25 million)

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List of carriers for layers excess of \$25 million provided upon request.

Flood (effective 7/1/11-7/1/12) - included in Property Policy

\$25 million/occurrence and annual aggregate

Sublimit: Flood Zone A & V - \$5 million/occurrence and annual aggregate

MVRMA SIR: \$100,000/occurrence excluding Flood Zones A & V

MVRMA SIR: \$250,000/occurrence Flood Zones A & V

Earthquake (effective 7/1/11-7/1/12) - included in Property Policy

\$25 million/occurrence and annual aggregate

MVRMA SIR: \$100,000/occurrence

Boiler & Machinery (effective 7/1/11-7/1/12)

\$100,000,000/occurrence

MVRMA SIR: \$5,000/occurrence (except as shown for specific objects or perils)

Coverage excess SIR provided by PEPiP USA as follows:

Lexington Insurance Company (Primary \$25 million)

List of carriers for layers excess of \$25 million provided upon request.

Cyber Coverage (effective 7/1/11-7/1/12)

MVRMA SIR: \$100,000/occurrence

Coverage excess SIR provided by Lloyd's of London - Beazley Syndicate

Third Party Liability:

\$2 million/occurrence and annual aggregate, but sublimited to:

\$500,000/occurrence and annual aggregate for Privacy Notification Costs

First Party Computer Liability:

\$2 million/occurrence and annual aggregate subject to policy sublimits

Pollution Liability (effective 7/1/11-7/1/12) – Claims Made and Reported Policy

Retroactive Date: Policy Inception

\$1 million/pollution condition and aggregate with a \$200,000 sublimit for Fungi & Legionella

MVRMA SIR: \$100,000/pollution condition; \$750,000 underground storage tanks specific

Member Deductible/Occurrence - \$2,500

The Financial Audit for 2011 has not been completed yet. Figures from the audited 2010 Financial Audit are as follows:

Current Assets	\$ 9,621,938
Total Assets	\$18,829,056
Current Liabilities	\$ 7,314,101
Long-Term Liabilities	\$ 0
Net Assets	\$11,514,955

City of Troy, Ohio
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MVRMA estimates that member cities are paying approximately 35% less for coverage through MVRMA than would be paid under a commercial insurance program.

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

Workers' Compensation Group Rating Program

For the current fiscal year the City of Troy participated in the Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The intent of the GRP is to achieve the benefit of reduced premium for the City by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating cities is calculated as one experience and a common premium rate is applied to all the Cities in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than the individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Funding Pool". This "equity pooling" arrangement ensures that each participant share equally in the overall performance of the GRP.

Note 6 – Capital Assets

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$12,243,533	\$0	\$0	\$12,243,533
Construction in Progress	110,323	79,212	167,786	21,749
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	14,881,175	162,162	0	15,043,337
Equipment	9,337,287	457,517	167,217	9,627,587
Infrastructure	30,035,289	951,279	0	30,986,568
Totals at Historical Cost	<u>\$66,607,607</u>	<u>\$1,650,170</u>	<u>\$335,003</u>	<u>\$67,922,774</u>
Less Accumulated Depreciation:				
Buildings and Improvements	\$6,104,429	\$449,854	\$0	\$6,554,283
Equipment	6,759,956	518,233	149,055	7,129,134
Infrastructure	12,032,763	529,224	0	12,561,987
Total Accumulated Depreciation	<u>\$24,897,148</u>	<u>\$1,497,311</u>	<u>\$149,055</u>	<u>\$26,245,404</u>
Governmental Activities Capital Assets, Net	<u>\$41,710,459</u>	<u>\$152,859</u>	<u>\$185,948</u>	<u>\$41,677,370</u>

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Depreciation expense was charged to governmental functions as follows:

General Government	\$464,872
Public Safety	314,654
Leisure Time Activities	283,523
Transportation and Street Repair	265,633
Basic Utility Service	148,210
Community Development	20,419
Total Depreciation Expense	<u>\$1,497,311</u>

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Business-Type Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$489,045	\$0	\$0	\$489,045
Construction in Progress	1,201,610	86,284	1,287,894	0
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	41,364,426	98,600	0	41,463,026
Equipment	13,418,524	276,882	44,237	13,651,169
Infrastructure	<u>26,650,560</u>	<u>1,827,498</u>	<u>0</u>	<u>28,478,058</u>
Totals at Historical Cost	<u>\$83,124,165</u>	<u>\$2,289,264</u>	<u>\$1,332,131</u>	<u>\$84,081,298</u>
Less Accumulated Depreciation:				
Buildings and Improvements	\$17,705,210	\$1,043,500	\$0	\$18,748,710
Equipment	4,819,468	691,700	32,654	5,478,514
Infrastructure	<u>12,975,195</u>	<u>587,992</u>	<u>0</u>	<u>13,563,187</u>
Total Accumulated Depreciation	<u>\$35,499,873</u>	<u>\$2,323,192</u>	<u>\$32,654</u>	<u>\$37,790,411</u>
Business-Type Activities Capital Assets, Net	<u>\$47,624,292</u>	<u>(\$33,928)</u>	<u>\$1,299,477</u>	<u>\$46,290,887</u>

Note 7 – Compensated Absences

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

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

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

Note 8 - Long-Term Obligations

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

	Maturity Date	Interest Rate	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental Activities							
<u>General Obligation Bonds</u>							
Stadium Improvements -\$3,055,000	12/1/22	2.50-5.25%	\$2,155,000	\$0	(\$2,010,000) *	\$145,000	\$145,000
Elm Street Improvements -\$595,000	12/1/24	2.00-4.75%	460,000	0	(25,000)	435,000	25,000
Aquatic Center -\$3,945,000	12/1/24	2.00-4.75%	3,070,000	0	(165,000)	2,905,000	170,000
Cemetery Maintenance Building -\$455,000	12/1/24	2.00-4.75%	355,000	0	(20,000)	335,000	20,000
Fire Station -\$2,515,000	12/1/24	2.00-4.75%	1,950,000	0	(105,000)	1,845,000	110,000
Tax Increment Financing -\$1,800,000	9/1/34	6.00%	1,640,000	0	(30,000)	1,610,000	35,000
Refunding Ltd. Tax G O Facilities -\$2,005,000	12/1/22	1.00-2.625%	0	2,005,000	0	2,005,000	30,000
Premium on Refunding	12/1/22	n/a	0	13,541	0	13,541	0
Discount on Refunding	12/1/22	n/a	0	(20,050)	0	(20,050)	0
Deferred Amount on Refunding	12/1/22	n/a	0	(85,639)	0	(85,639)	0
Total General Obligation Bonds			<u>9,630,000</u>	<u>1,912,852</u>	<u>(2,355,000)</u>	<u>9,187,852</u>	<u>535,000</u>
<u>Special Assessment Bonds</u>							
Street Imp.-Exp. Farm Rd. -\$140,000	12/1/11	3.35-5.00%	10,000	0	(10,000)	0	0
Refunding Ltd. Tax G O Bonds -\$10,000	12/1/11	1.00%	0	10,000	(10,000)	0	0
Total Special Assessment Bonds			<u>10,000</u>	<u>10,000</u>	<u>(20,000)</u>	<u>0</u>	<u>0</u>
Total Long-Term Liabilities - Bonds			<u>9,640,000</u>	<u>1,922,852</u>	<u>(2,375,000)</u>	<u>9,187,852</u>	<u>535,000</u>
Compensated Absences			<u>2,108,009</u>	<u>431,747</u>	<u>(637,380)</u>	<u>1,902,376</u>	<u>545,055</u>
Total Governmental Activities			<u>\$11,748,009</u>	<u>\$2,354,599</u>	<u>(\$3,012,380)</u>	<u>\$11,090,228</u>	<u>\$1,080,055</u>

* - a principal payment of \$140,000 was made, and \$1,870,000 was refunded.

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2011

Business-Type Activities

Water Improvement Towers -\$2,585,000	12/1/11	3.35-5.00%	\$255,000	\$0	(\$255,000)	\$0	\$0
Refunding Ltd, Tax G. O. Bonds -\$255,000	12/1/11	1.00%	0	255,000	(255,000)	0	0
Waterplant Expansion I -\$1,580,000	12/1/11	4.75-6.25%	305,000	0	(305,000)	0	0
Wastewater Systm. Improvement -\$3,500,000	12/1/19	3.35-5.30%	1,870,000	0	(1,870,000)	0	0
Refunding Ltd. Tax G O Bonds -\$1,955,000	12/1/19	1.00-3.00%	0	1,955,000	(190,000)	1,765,000	200,000
Premium on Refunding	12/1/19	n/a	0	25,286	(1,580)	23,706	0
Discount on Refunding	12/1/19	n/a	0	(22,200)	1,388	(20,812)	0
Deferred Amount on Refunding	12/1/19	n/a	0	(42,167)	2,635	(39,532)	0
Wastewater Improvement IIIc & Va -\$500,000	12/31/20	0.00%	250,000	0	(25,000)	225,000	25,000
Water Line Extension -\$1,020,000	12/1/12	2.50-4.00%	235,000	0	(115,000)	120,000	120,000
Southeast Area Sewer -\$1,310,000	12/1/24	2.50-4.75%	1,015,000	0	(55,000)	960,000	55,000
Generators -\$1,210,000	12/1/24	2.00-4.75%	940,000	0	(50,000)	890,000	55,000
Refunding Wastewater Systm. Imp. -\$2,550,000	12/1/15	4.00-5.00%	1,535,000	0	(280,000)	1,255,000	290,000
Refunding Waterplant Expansion I -\$1,705,000	12/1/16	5.00%	1,705,000	0	0	1,705,000	305,000
Refunding Waterplant Expansion II -\$4,330,000	12/1/17	4.00-5.00%	3,235,000	0	(390,000)	2,845,000	410,000
Total General Obligation Bonds			11,345,000	2,170,919	(3,787,557)	9,728,362	1,460,000
OWDA Loan -\$1,451,384	7/1/29	3.25%	447,498	0	(27,558)	419,940	126
Golf Cart Note -\$60,154	4/1/10	4.50%	5,438	0	(5,438)	0	0
Total Long Term Liabilities - Bonds, Loan and Note			11,797,936	2,170,919	(3,820,553)	10,148,302	1,460,126
Compensated Absences			619,584	199,733	(210,110)	609,207	223,774
Total Business-Type Activities			\$12,417,520	\$2,370,652	(\$4,030,663)	\$10,757,509	\$1,683,900

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

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

Year Ending December 31	Governmental Activities		Business-Type Activities			
	General		General		OWDA	
	Obligation Bonds		Obligation Bonds		Loan	
	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$535,000	\$390,830	\$1,460,000	\$410,157	\$126	\$172
2013	555,000	372,476	1,425,000	349,395	19,733	13,586
2014	575,000	356,335	1,485,000	288,355	20,380	12,939
2015	585,000	338,100	1,545,000	223,300	21,047	12,272
2016	610,000	317,600	1,250,000	155,000	21,737	11,582
2017-2021	3,470,000	1,193,052	2,075,000	294,185	119,847	46,748
2022-2026	2,145,000	465,511	525,000	50,824	140,809	25,786
2027-2031	455,000	190,500	0	0	76,261	3,911
2032-2034	350,000	42,900	0	0	0	0
Total	\$9,280,000	\$3,667,304	\$9,765,000	\$1,771,216	\$419,940	\$126,996

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

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2011

Note 9 - Advanced Refunding

On June 23, 2011 the City issued \$2,220,253 in General Obligation bonds with an average interest rate of 2.37% of which \$2,220,000 was used to advance refund \$2,135,000 of outstanding Wastewater System Improvement Bonds, Water Improvement Towers Bonds, and Experiment Road Improvement Bonds with average interest rates of 4.325%, 4.325% and 4.175%. The net proceeds of \$2,245,286 (after payment of underwriting fees, insurance and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited into an irrevocable trust with an escrow agent to provide all future debt service payments on the three bond issues. As a result, none of the Wastewater System Improvement Bonds, Water Improvement Towers Bonds, and Experiment Road Improvement Bonds are considered to be defeased and the related liability for those bonds has been removed from the Statement of Net Assets.

The City advance refunded a portion of the Wastewater System Improvement Bonds, Water Improvement Towers Bonds, and Experiment Road Improvement Bonds to reduce its total debt service payments by \$167,679 and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$171,179.

On November 23, 2011, the City issued \$1,967,716 in General Obligation bonds with an average interest rate of 2.28% of which \$2,005,000 was used to partially advance refund \$2,015,000 of outstanding Stadium Improvement Bonds with average interest rates of 3.875%. The net proceeds of \$2,018,541 (after payment of underwriting fees, insurance and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited into an irrevocable trust with an escrow agent to provide all future debt service payments on the three bond issues. As a result, \$1,955,638 of the Stadium Improvement Bonds is considered to be defeased and the related liability for those bonds has been removed from the Statement of Net Assets.

The City advance refunded a portion of the Stadium Improvement Bonds to reduce its total debt service payments by \$160,449 and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$164,947.

Note 10 – Prior Year Defeasance of Debt

In prior years, the City defeased certain general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included on the City's financial statements. As of December, 31 2011 all prior year defeased debt has been paid off.

Note 11 – Pension Plans

Ohio Public Employees Retirement System

Ohio Public Employees Retirement System (OPERS) administers three separate pension plans, a Traditional Pension Plan (TP), a Member-Directed Plan (MD) and a Combined Plan (CO). The TP Plan is a cost-sharing multiple-employer defined benefit pension plan. The MD Plan is a defined

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2011

contribution plan in which member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the MD Plan members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings. The CO Plan is a cost sharing, multiple-employer defined benefit pension plan. Under the CO Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to the TP Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the MD Plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the TP and CO Plans. Members of the MD Plan do not qualify for the ancillary benefits. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing to the OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling 614-222-5601 or 800-222-7377, or by visiting the OPERS website at www.opers.org.

The Ohio Revised Code provides statutory authority for member and employer contributions. Plan members and employer contributions rates were consistent across all three plans. Plan members are required to contribute 10% of their annual covered salary to fund pension obligations. The employer pension contribution rate for the City is 14% of covered payroll. The contribution rates are determined actuarially. The City's required contributions to OPERS for the years ended December 31, 2011, 2010 and 2009 were \$895,664, \$907,169, and \$922,961 respectively. The full amount has been contributed for 2010 and 2009, and 93 percent has been contributed for 2011.

Ohio Police and Fire Pension Fund

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

Plan members are required to contribute 10.0% of their annual covered salary, while employers (the City) are required to contribute 19.5% for police officers and 24.0% for firefighters. The City's contributions to OP&F for the years ending December 31, 2011, 2010 and 2009 were \$568,983 (police) and \$640,401 (fire), \$580,593 (police) and \$655,831 (fire), and \$572,693 (police) and \$653,071 (fire), respectively. The 78% (police) and 77% (fire) has been contributed for 2011 and the full amount has been contributed for 2010 and 2009.

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2011

Note 12 – Post Employment Benefits

Ohio Public Employees Retirement System

Plan Description

Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan – a cost sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan – a defined contribution plan; and the Combined Plan – a cost sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377, or by visiting the OPERS website at www.opers.org.

Funding Policy

The Ohio Revised Code provides the statutory authority requiring public employers to fund post retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care benefits.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2011, the City contributed at 14% of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14% of covered payroll. Active members do not make contributions to the OPEB Plan.

OPERS' Post Employment Health Care Plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2011

determined the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. The portion of employer contributions allocated to the health care for members in the Traditional Plan was 4.0% during calendar year 2011. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05% during calendar year 2011. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care coverage by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

Information from City's Records

The rates stated in Funding Policy, above, are the contractually required contribution rates for OPERS. The City's actual contributions for the current year, which were used to fund postemployment benefits, were \$255,891 for 2011; \$55,059 for the period January 1 through February 28, 2010, and \$273,908 for the period of March 1 through December 31, 2010; and \$107,361 for the period of January 1 through March 31, 2009, and \$278,267 for the period of April 1 through December 31, 2009. The full amount has been contributed for 2010 and 2009, and 93 percent has been contributed for 2011.

OPERS Retirement Board Implements its Health Care Preservation Plan

The Health Care Preservation Plan (HCPP) adopted by the OPERS Board of Trustees on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased on January 1 of each year 2006 to 2008, which allowed additional funds to be allocated to the health care plan.

Ohio Police and Fire Pension Fund

Plan Description

The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment healthcare plan administered by OP&F. OP&F provides healthcare benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium and long term care to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to post-retirement healthcare coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person. The healthcare coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

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

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2011

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, or by visiting the OP&F website at www.op-f.org.

Funding Policy

The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.5% and 24.0% of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5% of the covered payroll for police employer units and 24.0% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

OP&F maintains funds for health care in two separate accounts. One for health care benefits under IRS Code Section 115 trust and one for Medicare Part B reimbursements administrated as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and Section 401(h) account as the employer contribution for retiree healthcare benefits. For the year ended December 31, 2011, the employer contribution allocated to the health care plan was 6.75% of covered payroll. The amount of employer contributions allocated to the healthcare plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OP&F Board of Trustees also is authorized to establish requirements for contributions to the healthcare plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

Information from City's Records

The City's contributions to OP&F for the year ending December 31, 2011 were \$196,868 (police) and \$179,953 (fire); for the year ending December 31, 2010 were \$200,885 (police) and \$184,289 (fire); and for the year ending December 31, 2009 were \$198,152 (police) and \$183,513 (fire); respectively, and were allocated to the healthcare plan. The actual contributions for 2009 and 2010 were 100% and 78% (police) and 77% (fire) has been contributed for 2011.

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2011

Note 13 – Construction and Other Commitments

The City had the following outstanding commitments at year end:

Construction and Other Commitments	Amount
Sewer Maintenance and Improvements	\$303,117
Water Maintenance and Improvements	147,788
Street Improvements	445,349
Downtown Building Repair Loan	175,904
Rock Salt for Streets	57,933
Refuse Collection	45,924
Hobart Arena Events	99,801
Other Construction and Commitments	94,386
Total Outstanding Commitments	\$1,370,202

Note 14 – Interfund Transfers

Interfund transfers for the year ended December 31, 2011 consisted of the following:

	Transfers	
	In	Out
General Fund	\$0	\$3,331,270
Other Governmental Funds	3,068,270	292,000
Other Enterprise Funds	555,000	74,506
Total All Funds	\$3,623,270	\$3,697,776

The transfers in and transfers out do not equal on the fund level due to the stormwater fund having \$74,506 paid for capital assets of the governmental activities. \$292,000 was transferred from the Community Development Fund to the Capital Improvement Fund to help fund the Boyer Park project and the Dye Mill Road project.

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

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2011

Note 15 - Donor-Restricted Endowment

The City administers an endowment fund, which is restricted by the donor for the purposes of cemetery maintenance and improvement. Donor-restricted endowments are reported at fair value. The amount of net appreciation on investments of donor-restricted endowments that is available for authorization for expenditure by the City is \$164,589. The City authorizes expenditures from donor-restricted endowment in compliance with the wishes expressed by the donor and the Ohio Revised Code.

Note 16 – Prior Period Adjustment

The City originally had an OWDA loan balance of \$685,987 to pay off as of December 31, 2010 in the Sanitary Sewer Fund. The City held \$321,774 in cash with fiscal agent left to be spent on the OWDA project. In 2011, the City realized that it would not received the entire amount on the OWDA grant and that as of December 31, 2010, it would owe \$447,498. A prior period adjustment of \$238,489 reduced cash with fiscal agent and reduced the Bonds, Notes, and Loans Payable beginning balance as of 12/31/2010. The net effect on net assets was \$0.

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City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2011

Note 17 – Fund Balances

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

Fund Balances	General	Other Governmental Funds	Total
Restricted for:			
Safety Income Tax	\$1,573,675	\$0	\$1,573,675
Street Construction, Maintenance and Repair	0	598,175	598,175
State Highway Improvement	0	164,652	164,652
Cemetary	0	252,765	252,765
Municipal Real Property	0	253,663	253,663
Miami Conservatory District	0	202,591	202,591
Community Development Block Grant	0	2,809,425	2,809,425
Parking Improvement	0	253,030	253,030
Drug Law Enforcement	0	6,993	6,993
Law Enforcement	0	25,763	25,763
Cemetary Endowment	0	897,059	897,059
Small Business Devlopment R-Loan	0	654,061	654,061
TIF Retirement	0	322,949	322,949
Capital Improvement	0	509,862	509,862
OPWC Project	0	810,608	810,608
Total Restricted	1,573,675	7,761,596	9,335,271
Assigned to:			
Bond Retirement	0	39,201	39,201
Technology	0	244,363	244,363
Encumbrances:			
General Government	96,760	0	96,760
Public Safety	16,872	0	16,872
Leisure Time Activities	67,766	0	67,766
Community Development	66	0	66
Basic Utility Service	31,169	0	31,169
Total Assigned	212,633	283,564	496,197
Unassigned (Deficit)	46,268,525	0	46,268,525
Total Fund Balance	\$48,054,833	\$8,045,160	\$56,099,993

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2011

Note 18 – Change in Accounting Principles and Restatement of Fund Balance

Change in Accounting Principles

For fiscal year 2011, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions.” GASB 54 shifts the focus of fund balance reporting from the availability of fund resources for budgeting to the extent to which the City is bound to honor constraints on the specific purposes for which amounts in funds can be spent.

Restatement of Fund Balance

The implementation of GASB 54 had the following effects on fund balance of the following major and non-major (other governmental) funds of the City as they were previously reported.

	General Fund	Other Governmental Funds
	<u> </u>	<u> </u>
Fund Balance, December 31, 2010	\$44,224,917	\$10,005,463
Change in Fund Structure	<u>1,843,893</u>	<u>(1,843,893)</u>
Fund Balance, December 31, 2010 - Restated	<u><u>\$46,068,810</u></u>	<u><u>\$8,161,570</u></u>

Note 19 – Subsequent Event

On March 13, 2012, the City issued \$6,720,000 in Limited Tax General Obligation bonds to refinance the Elm Street Improvements Bonds, Aquatic Center Bonds, Cemetery Maintenance Building Bonds, Fire Station Bonds, Southeast Sewer Bonds and Generators Bonds.

REQUIRED SUPPLEMENTARY INFORMATION

City of Troy, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2011

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$1,611,680	\$1,639,011	\$1,642,911	\$3,900
Fines, Licenses and Permits	58,882	58,400	60,023	1,623
Intergovernmental	1,877,876	1,912,008	1,914,266	2,258
Special Assessments	1,583	1,500	1,614	114
Charges for Services	3,240,078	3,185,536	3,302,865	117,329
Investment Earnings	129,046	116,443	131,547	15,104
Other Revenues	483,553	490,300	492,923	2,623
Total Revenues	7,402,698	7,403,198	7,546,149	142,951
Expenditures:				
Current:				
General Government	3,184,673	3,330,113	3,210,356	119,757
Public Safety	9,529,023	10,061,163	9,593,390	467,773
Leisure Time Activities	1,512,485	1,465,550	1,524,683	(59,133)
Community Development	772,509	908,658	778,739	129,919
Basic Utility Service	1,137,077	1,167,602	1,146,247	21,355
Total Expenditures	16,135,767	16,933,086	16,253,415	679,671
Excess of Revenues Over (Under) Expenditures	(8,733,069)	(9,529,888)	(8,707,266)	822,622
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	12,618	12,500	12,863	363
Transfers In	12,266,511	12,502,850	12,504,214	1,364
Transfers (Out)	(3,317,000)	(3,335,000)	(3,331,270)	3,730
Total Other Financing Sources (Uses)	8,962,129	9,180,350	9,185,807	5,457
Net Change in Fund Balance	229,060	(349,538)	478,541	828,079
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	5,257,800	5,257,800	5,257,800	0
Fund Balance End of Year	\$5,486,860	\$4,908,262	\$5,736,341	\$828,079

See accompanying notes to the required supplementary information.

City of Troy, Ohio
Notes to the Required Supplementary Information
For The Year Ended December 31, 2011

Budgetary Process

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

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

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

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

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

City of Troy, Ohio
Notes to the Required Supplementary Information
For The Year Ended December 31, 2011

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

<u>Net Change in Fund Balance</u>	
	<u>General</u>
GAAP Basis	\$1,986,023
Revenue Accruals	(73,616)
Expenditure Accruals	212,852
Transfers	12,504,214
Encumbrances	(209,594)
Funds Budgeted Elsewhere	<u>(13,941,338)</u>
Budget Basis	<u>\$478,541</u>

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES



NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The term *proceeds of specific revenue sources* establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund.

Debt Service Funds

The debt service fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds should be used to report resources if legally mandated (i.e. debt payable from property taxes). Financial resources that are being accumulated for principal and interest maturing in future years also should be reported in debt service funds.

Capital Projects Funds

The Capital Projects Funds is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments. The City has two Capital Projects Funds for fiscal year 2011, the Permanent Improvement Fund and the Building Fund

City of Troy, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2011

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in Pooled Cash and Investments	\$3,954,562	\$362,088	\$1,556,411	\$5,873,061
Restricted Cash and Investments	0	0	7,636	7,636
Receivables:				
Taxes	33,340	0	0	33,340
Accounts	20,908	0	0	20,908
Interest	4,576	62	0	4,638
Intergovernmental	529,040	164,338	9,695	703,073
Notes	2,118,260	0	0	2,118,260
Special Assessments	10,951	2,602	265,847	279,400
Total Assets	6,671,637	529,090	1,839,589	9,040,316
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	29,778	0	1,273	31,051
Accrued Wages and Benefits	52,970	0	0	52,970
Retainage Payable	0	0	7,636	7,636
Deferred Revenue	470,712	166,940	265,847	903,499
Total Liabilities	553,460	166,940	274,756	995,156
Fund Balances:				
Restricted	6,118,177	322,949	1,320,470	7,761,596
Assigned	0	39,201	244,363	283,564
Total Fund Balances	6,118,177	362,150	1,564,833	8,045,160
Total Liabilities and Fund Balances	\$6,671,637	\$529,090	\$1,839,589	\$9,040,316

City of Troy, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Governmental Funds
For the Fiscal Year Ended December 31, 2011

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$47,682	\$0	\$0	\$47,682
Fines, Licenses and Permits	33,892	0	0	33,892
Charges for Services	173,195	0	111,619	284,814
Investment Earnings	86,595	75	0	86,670
Intergovernmental	1,159,451	0	1,250,547	2,409,998
Special Assessments	0	6,774	72,281	79,055
Payments in Lieu of Taxes	0	208,268	0	208,268
Other Revenues	24,178	3,208	13,493	40,879
Total Revenues	1,524,993	218,325	1,447,940	3,191,258
Expenditures:				
Current:				
General Government	60,169	323	0	60,492
Community Development	122,825	0	43,533	166,358
Transportation and Street Repair	1,852,412	0	1,034,901	2,887,313
Public Health and Welfare	361,014	0	0	361,014
Capital Outlay	166,935	30,837	1,460,673	1,658,445
Debt Service:				
Principal Retirement	0	495,000	0	495,000
Interest and Fiscal Charges	0	459,813	0	459,813
Bond Issuance Costs	0	38,355	0	38,355
Total Expenditures	2,563,355	1,024,328	2,539,107	6,126,790
Excess of Revenues Over (Under) Expenditures	(1,038,362)	(806,003)	(1,091,167)	(2,935,532)
Other Financing Sources (Uses):				
Sale of Refunding Bonds	0	2,005,000	0	2,005,000
Payments to Refunded Bond Escrow Agent	0	(1,955,639)	0	(1,955,639)
Premium on Sale of Refunded Bonds	0	13,541	0	13,541
(Discount) on Sale of Refunded Bonds	0	(20,050)	0	(20,050)
Transfers In	1,026,270	850,000	1,192,000	3,068,270
Transfers (Out)	(292,000)	0	0	(292,000)
Total Other Financing Sources (Uses)	734,270	892,852	1,192,000	2,819,122
Net Change in Fund Balance	(304,092)	86,849	100,833	(116,410)
Fund Balance Beginning of Year, Restated	6,422,269	275,301	1,464,000	8,161,570
Fund Balance End of Year	\$6,118,177	\$362,150	\$1,564,833	\$8,045,160

NONMAJOR SPECIAL REVENUE FUNDS

Fund Descriptions

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

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

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

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

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

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

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

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

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

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

Small Business Development R-Loan - To account for small business development R-loan funds.

City of Troy, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2011

	Street Construction, Maintenance and Repair	State Highway Improvement	Cemetery	Municipal Real Property	Miami Conservancy District
Assets:					
Equity in Pooled Cash and Investments	\$563,044	\$157,626	\$268,443	\$243,389	\$200,227
Receivables:					
Taxes	0	0	0	0	33,340
Accounts	18,282	0	330	0	0
Interest	0	249	0	385	0
Intergovernmental	474,944	38,509	0	13,186	2,401
Notes	0	0	0	0	0
Special Assessments	10,951	0	0	0	0
Total Assets	1,067,221	196,384	268,773	256,960	235,968
Liabilities and Fund Balances:					
Liabilities:					
Accounts Payable	21,118	0	8,660	0	0
Accrued Wages and Benefits	45,622	0	7,348	0	0
Deferred Revenue	402,306	31,732	0	3,297	33,377
Total Liabilities	469,046	31,732	16,008	3,297	33,377
Fund Balances:					
Restricted	598,175	164,652	252,765	253,663	202,591
Total Fund Balances	598,175	164,652	252,765	253,663	202,591
Total Liabilities and Fund Balances	\$1,067,221	\$196,384	\$268,773	\$256,960	\$235,968

Community Development Block Grant	Parking Improvement	Drug Law Enforcement	Law Enforcement	Cemetery Endowment	Small Business Development R-Loan	Total Nonmajor Special Revenue Funds
\$1,022,052	\$252,630	\$4,915	\$25,545	\$895,642	\$321,049	\$3,954,562
0	0	0	0	0	0	33,340
0	0	2,078	218	0	0	20,908
1,617	400	0	0	1,417	508	4,576
0	0	0	0	0	0	529,040
1,785,756	0	0	0	0	332,504	2,118,260
0	0	0	0	0	0	10,951
<u>2,809,425</u>	<u>253,030</u>	<u>6,993</u>	<u>25,763</u>	<u>897,059</u>	<u>654,061</u>	<u>6,671,637</u>
0	0	0	0	0	0	29,778
0	0	0	0	0	0	52,970
0	0	0	0	0	0	470,712
0	0	0	0	0	0	553,460
<u>2,809,425</u>	<u>253,030</u>	<u>6,993</u>	<u>25,763</u>	<u>897,059</u>	<u>654,061</u>	<u>6,118,177</u>
<u>2,809,425</u>	<u>253,030</u>	<u>6,993</u>	<u>25,763</u>	<u>897,059</u>	<u>654,061</u>	<u>6,118,177</u>
<u>\$2,809,425</u>	<u>\$253,030</u>	<u>\$6,993</u>	<u>\$25,763</u>	<u>\$897,059</u>	<u>\$654,061</u>	<u>\$6,671,637</u>

City of Troy, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended December 31, 2011

	Street Construction, Maintenance and Repair	State Highway Improvement	Cemetery	Municipal Real Property	Miami Conservancy District
Revenues:					
Taxes	\$0	\$0	\$0	\$0	\$47,682
Fines, Licenses and Permits	0	0	0	0	0
Charges for Services	15,432	0	134,795	0	0
Investment Earnings	0	241	0	3,710	0
Intergovernmental	1,008,004	81,729	0	64,202	5,516
Other Revenues	3,233	107	2,389	125	0
Total Revenues	1,026,669	82,077	137,184	68,037	53,198
Expenditures:					
Current:					
General Government	0	0	0	0	60,169
Community Development	0	0	0	0	0
Transportation and Street Repair	1,682,333	93,720	0	0	0
Public Health and Welfare	0	0	361,014	0	0
Capital Outlay	0	0	0	166,935	0
Total Expenditures	1,682,333	93,720	361,014	166,935	60,169
Excess of Revenues Over (Under) Expenditures	(655,664)	(11,643)	(223,830)	(98,898)	(6,971)
Other Financing Sources (Uses):					
Transfers In	600,000	0	300,000	0	0
Transfers (Out)	0	0	0	0	0
Total Other Financing Sources (Uses)	600,000	0	300,000	0	0
Net Change in Fund Balance	(55,664)	(11,643)	76,170	(98,898)	(6,971)
Fund Balance Beginning of Year	653,839	176,295	176,595	352,561	209,562
Fund Balance End of Year	\$598,175	\$164,652	\$252,765	\$253,663	\$202,591

Community Development Block Grant	Parking Improvement	Drug Law Enforcement	Law Enforcement	Cemetery Endowment	Small Business Development R-Loan	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$0	\$0	\$47,682
0	29,715	2,230	1,947	0	0	33,892
0	0	0	0	20,517	2,451	173,195
60,879	3,135	0	0	10,376	8,254	86,595
0	0	0	0	0	0	1,159,451
17,293	54	0	0	190	787	24,178
<u>78,172</u>	<u>32,904</u>	<u>2,230</u>	<u>1,947</u>	<u>31,083</u>	<u>11,492</u>	<u>1,524,993</u>
0	0	0	0	0	0	60,169
122,673	0	0	0	0	152	122,825
0	76,359	0	0	0	0	1,852,412
0	0	0	0	0	0	361,014
0	0	0	0	0	0	166,935
<u>122,673</u>	<u>76,359</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>152</u>	<u>2,563,355</u>
<u>(44,501)</u>	<u>(43,455)</u>	<u>2,230</u>	<u>1,947</u>	<u>31,083</u>	<u>11,340</u>	<u>(1,038,362)</u>
0	0	0	0	0	126,270	1,026,270
(292,000)	0	0	0	0	0	(292,000)
<u>(292,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>126,270</u>	<u>734,270</u>
(336,501)	(43,455)	2,230	1,947	31,083	137,610	(304,092)
3,145,926	296,485	4,763	23,816	865,976	516,451	6,422,269
<u>\$2,809,425</u>	<u>\$253,030</u>	<u>\$6,993</u>	<u>\$25,763</u>	<u>\$897,059</u>	<u>\$654,061</u>	<u>\$6,118,177</u>

City of Troy, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2011

	Street Construction. Maintenance and Repair Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses and Permits	\$1,000	\$1,084	\$84
Intergovernmental	1,011,000	1,011,707	707
Charges for Services	9,000	9,507	507
Other Revenues	2,000	3,466	1,466
Total Revenues	<u>1,023,000</u>	<u>1,025,764</u>	<u>2,764</u>
Expenditures:			
Current:			
Transportation and Street Repair	1,847,678	1,727,362	120,316
Total Expenditures	<u>1,847,678</u>	<u>1,727,362</u>	<u>120,316</u>
Excess of Revenues Over (Under) Expenditures	<u>(824,678)</u>	<u>(701,598)</u>	<u>123,080</u>
Other Financing Sources (Uses):			
Transfers In	600,000	600,000	0
Total Other Financing Sources (Uses)	<u>600,000</u>	<u>600,000</u>	<u>0</u>
Net Change in Fund Balance	(224,678)	(101,598)	123,080
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>605,632</u>	<u>605,632</u>	<u>0</u>
Fund Balance End of Year	<u>\$380,954</u>	<u>\$504,034</u>	<u>\$123,080</u>

City of Troy, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2011

	State Highway Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$81,500	\$82,030	\$530
Other Revenues	0	107	107
Total Revenues	81,500	82,137	637
Expenditures:			
Current:			
Transportation and Street Repair	128,427	118,391	10,036
Total Expenditures	128,427	118,391	10,036
Net Change in Fund Balance	(46,927)	(36,254)	10,673
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	169,327	169,327	0
Fund Balance End of Year	\$122,400	\$133,073	\$10,673

City of Troy, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2011

	Cemetery Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Charges for Services	\$125,000	\$134,795	\$9,795
Other Revenues	1,900	2,059	159
Total Revenues	<u>126,900</u>	<u>136,854</u>	<u>9,954</u>
Expenditures:			
Current:			
Public Health and Welfare	<u>422,295</u>	<u>368,792</u>	<u>53,503</u>
Total Expenditures	<u>422,295</u>	<u>368,792</u>	<u>53,503</u>
Excess of Revenues Over (Under) Expenditures	<u>(295,395)</u>	<u>(231,938)</u>	<u>63,457</u>
Other Financing Sources (Uses):			
Transfers In	<u>300,000</u>	<u>300,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>300,000</u>	<u>300,000</u>	<u>0</u>
Net Change in Fund Balance	4,605	68,062	63,457
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>188,989</u>	<u>188,989</u>	<u>0</u>
Fund Balance End of Year	<u>\$193,594</u>	<u>\$257,051</u>	<u>\$63,457</u>

City of Troy, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2011

	Municipal Real Property Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$81,500	\$81,571	\$71
Investment Earnings	3,228	3,654	426
Other Revenues	0	125	125
Total Revenues	<u>84,728</u>	<u>85,350</u>	<u>622</u>
Expenditures:			
Current:			
Capital Outlay	<u>215,636</u>	<u>197,868</u>	<u>17,768</u>
Total Expenditures	<u>215,636</u>	<u>197,868</u>	<u>17,768</u>
Net Change in Fund Balance	(130,908)	(112,518)	18,390
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>340,427</u>	<u>340,427</u>	<u>0</u>
Fund Balance End of Year	<u>\$209,519</u>	<u>\$227,909</u>	<u>\$18,390</u>

City of Troy, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2011

	Miami Conservancy District Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$47,400	\$48,218	\$818
Intergovernmental	5,500	5,516	16
Total Revenues	52,900	53,734	834
Expenditures:			
Current:			
General Government	60,950	60,169	781
Total Expenditures	60,950	60,169	781
Net Change in Fund Balance	(8,050)	(6,435)	1,615
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	206,666	206,666	0
Fund Balance End of Year	\$198,616	\$200,231	\$1,615

City of Troy, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2011

	Community Development Block Grant Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$59,000	\$59,780	\$780
Other Revenues	842,200	848,120	5,920
Total Revenues	901,200	907,900	6,700
Expenditures:			
Current:			
Community Development	643,000	514,799	128,201
Total Expenditures	643,000	514,799	128,201
Excess of Revenues Over (Under) Expenditures	258,200	393,101	134,901
Other Financing Sources (Uses):			
Transfers (Out)	(292,000)	(292,000)	0
Total Other Financing Sources (Uses)	(292,000)	(292,000)	0
Net Change in Fund Balance	(33,800)	101,101	134,901
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	736,174	736,174	0
Fund Balance End of Year	\$702,374	\$837,275	\$134,901

City of Troy, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2011

	Parking Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses and Permits	\$28,000	\$29,715	\$1,715
Investment Earnings	2,696	3,009	313
Other Revenues	0	54	54
Total Revenues	<u>30,696</u>	<u>32,778</u>	<u>2,082</u>
Expenditures:			
Current:			
Transportation and Street Repair	120,825	79,609	41,216
Total Expenditures	<u>120,825</u>	<u>79,609</u>	<u>41,216</u>
Net Change in Fund Balance	(90,129)	(46,831)	43,298
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>299,115</u>	<u>299,115</u>	<u>0</u>
Fund Balance End of Year	<u>\$208,986</u>	<u>\$252,284</u>	<u>\$43,298</u>

City of Troy, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2011

	Drug Law Enforcement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses and Permits	\$150	\$152	\$2
Total Revenues	150	152	2
Expenditures:			
Current:			
Public Safety	2,000	0	2,000
Total Expenditures	2,000	0	2,000
Net Change in Fund Balance	(1,850)	152	2,002
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	4,763	4,763	0
Fund Balance End of Year	\$2,913	\$4,915	\$2,002

City of Troy, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2011

	Law Enforcement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses and Permits	\$1,800	\$1,848	\$48
Total Revenues	1,800	1,848	48
Expenditures:			
Current:			
Public Safety	5,000	0	5,000
Total Expenditures	5,000	0	5,000
Net Change in Fund Balance	(3,200)	1,848	5,048
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	23,697	23,697	0
Fund Balance End of Year	\$20,497	\$25,545	\$5,048

City of Troy, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2011

	Cemetery Endowment Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Charges for Services	\$19,000	\$20,517	\$1,517
Investment Earnings	8,644	9,686	1,042
Other Revenues	0	190	190
Total Revenues	<u>27,644</u>	<u>30,393</u>	<u>2,749</u>
Expenditures:			
Current:			
Public Health and Welfare	3,500	0	3,500
Total Expenditures	<u>3,500</u>	<u>0</u>	<u>3,500</u>
Net Change in Fund Balance	24,144	30,393	6,249
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>864,900</u>	<u>864,900</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$889,044</u></u>	<u><u>\$895,293</u></u>	<u><u>\$6,249</u></u>

City of Troy, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2011

	Small Business Development R-Loan Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Charges for Services	\$2,450	\$2,451	\$1
Investment Earnings	7,500	7,927	427
Other Revenues	81,200	81,995	795
Total Revenues	91,150	92,373	1,223
Expenditures:			
Current:			
Community Development	281,970	143,152	138,818
Total Expenditures	281,970	143,152	138,818
Excess of Revenues Over (Under) Expenditures	(190,820)	(50,779)	140,041
Other Financing Sources (Uses):			
Transfers In	126,000	126,270	270
Total Other Financing Sources (Uses)	126,000	126,270	270
Net Change in Fund Balance	(64,820)	75,491	140,311
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	245,433	245,433	0
Fund Balance End of Year	\$180,613	\$320,924	\$140,311

NONMAJOR DEBT SERVICE FUNDS

Fund Descriptions

Bond Retirement – To account for the accumulation of resources for and the payment of general obligation bond principal and interest and certain other long-term obligations from governmental resources when the City is obligated in some manner for the payment.

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

City of Troy, Ohio
 Combining Balance Sheet
 Nonmajor Debt Service Funds
 December 31, 2011

	Bond Retirement	TIF Retirement	Total Nonmajor Debt Service Funds
Assets:			
Equity in Pooled Cash and Investments	\$39,139	\$322,949	\$362,088
Receivables:			
Interest	62	0	62
Intergovernmental	0	164,338	164,338
Special Assessments	2,602	0	2,602
Total Assets	<u>41,803</u>	<u>487,287</u>	<u>529,090</u>
Liabilities and Fund Balances:			
Liabilities:			
Deferred Revenue	2,602	164,338	166,940
Total Liabilities	<u>2,602</u>	<u>164,338</u>	<u>166,940</u>
Fund Balances:			
Restricted	0	322,949	322,949
Assigned	39,201	0	39,201
Total Fund Balances	<u>39,201</u>	<u>322,949</u>	<u>362,150</u>
Total Liabilities and Fund Balances	<u>\$41,803</u>	<u>\$487,287</u>	<u>\$529,090</u>

City of Troy, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Debt Service Funds
For the Fiscal Year Ended December 31, 2011

	Bond Retirement	TIF Retirement	Total Nonmajor Debt Service Funds
Revenues:			
Investment Earnings	\$75	\$0	\$75
Special Assessments	6,774	0	6,774
Payments in Lieu of Taxes	0	208,268	208,268
Other Revenues	3,208	0	3,208
Total Revenues	10,057	208,268	218,325
Expenditures:			
Current:			
General Government	323	0	323
Capital Outlay	0	30,837	30,837
Debt Service:			
Principal Retirement	465,000	30,000	495,000
Interest and Fiscal Charges	361,413	98,400	459,813
Bond Issuance Costs	38,355	0	38,355
Total Expenditures	865,091	159,237	1,024,328
Excess of Revenues Over (Under) Expenditures	(855,034)	49,031	(806,003)
Other Financing Sources (Uses):			
Sale of Refunding Bonds	2,005,000	0	2,005,000
Payments to Refunded Bond Escrow Agent	(1,955,639)	0	(1,955,639)
Premium on Sale of Refunded Bonds	13,541	0	13,541
(Discount) on Sale of Refunded Bonds	(20,050)	0	(20,050)
Transfers In	850,000	0	850,000
Total Other Financing Sources (Uses)	892,852	0	892,852
Net Change in Fund Balance	37,818	49,031	86,849
Fund Balance Beginning of Year	1,383	273,918	275,301
Fund Balance End of Year	\$39,201	\$322,949	\$362,150

City of Troy, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2011

	Bond Retirement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Special Assessments	\$6,500	\$6,774	\$274
Other Revenues	3,000	3,208	208
Total Revenues	9,500	9,982	482
Expenditures:			
Current:			
General Government	0	323	(323)
Debt Service:			
Principal Retirement	465,000	465,000	0
Interest and Fiscal Charges	357,247	356,916	331
Total Expenditures	822,247	822,239	8
Excess of Revenues Over (Under) Expenditures	(812,747)	(812,257)	490
Other Financing Sources (Uses):			
Transfers In	850,000	850,000	0
Total Other Financing Sources (Uses)	850,000	850,000	0
Net Change in Fund Balance	37,253	37,743	490
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,385	1,385	0
Fund Balance End of Year	\$38,638	\$39,128	\$490

City of Troy, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2011

	TIF Retirement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Payments in Lieu of Taxes	\$208,000	\$208,268	\$268
 Total Revenues	 208,000	 208,268	 268
Expenditures:			
Current:			
Capital Outlay	210,189	194,777	15,412
Debt Service:			
Principal Retirement	30,000	30,000	0
Interest and Fiscal Charges	98,400	98,400	0
 Total Expenditures	 338,589	 323,177	 15,412
 Net Change in Fund Balance	 (130,589)	 (114,909)	 15,680
 Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	 273,918	 273,918	 0
 Fund Balance End of Year	 \$143,329	 \$159,009	 \$15,680

NONMAJOR CAPITAL PROJECTS FUNDS

Fund Descriptions

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

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

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

City of Troy, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2011

	Capital Improvement	OPWC Project Fund	Technology Fund	Total Nonmajor Capital Projects Funds
Assets:				
Equity in Pooled Cash and Investments	\$501,440	\$810,608	\$244,363	\$1,556,411
Restricted Cash and Investments	7,636	0	0	7,636
Receivables:				
Intergovernmental	9,695	0	0	9,695
Special Assessments	265,847	0	0	265,847
Total Assets	784,618	810,608	244,363	1,839,589
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	1,273	0	0	1,273
Retainage Payable	7,636	0	0	7,636
Deferred Revenue	265,847	0	0	265,847
Total Liabilities	274,756	0	0	274,756
Fund Balances:				
Restricted	509,862	810,608	0	1,320,470
Assigned	0	0	244,363	244,363
Total Fund Balances	509,862	810,608	244,363	1,564,833
Total Liabilities and Fund Balances	\$784,618	\$810,608	\$244,363	\$1,839,589

City of Troy, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Capital Projects Funds
For the Fiscal Year Ended December 31, 2011

	Capital Improvement	OPWC Project Fund	Technology Fund	Total Nonmajor Capital Projects Funds
Revenues:				
Charges for Services	0	\$0	\$111,619	\$111,619
Intergovernmental	911,222	339,325	0	1,250,547
Special Assessments	72,281	0	0	72,281
Other Revenues	13,493	0	0	13,493
Total Revenues	996,996	339,325	111,619	1,447,940
Expenditures:				
Current:				
Community Development	43,533	0	0	43,533
Transportation and Street Repair	1,034,901	0	0	1,034,901
Capital Outlay	614,397	846,276	0	1,460,673
Total Expenditures	1,692,831	846,276	0	2,539,107
Excess of Revenues Over (Under) Expenditures	(695,835)	(506,951)	111,619	(1,091,167)
Other Financing Sources (Uses):				
Transfers In	992,000	200,000	0	1,192,000
Total Other Financing Sources (Uses)	992,000	200,000	0	1,192,000
Net Change in Fund Balance	296,165	(306,951)	111,619	100,833
Fund Balance Beginning of Year	213,697	1,117,559	132,744	1,464,000
Fund Balance End of Year	\$509,862	\$810,608	\$244,363	\$1,564,833

City of Troy, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2011

	Capital Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$901,500	\$901,527	\$27
Special Assessments	72,000	72,281	281
Other Revenues	13,000	13,493	493
Total Revenues	<u>986,500</u>	<u>987,301</u>	<u>801</u>
Expenditures:			
Current:			
Community Development	45,000	76,790	(31,790)
Transportation and Street Repair	1,164,604	1,034,901	129,703
Capital Outlay	834,022	882,716	(48,694)
Total Expenditures	<u>2,043,626</u>	<u>1,994,407</u>	<u>49,219</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,057,126)</u>	<u>(1,007,106)</u>	<u>50,020</u>
Other Financing Sources (Uses):			
Transfers In	992,000	992,000	0
Total Other Financing Sources (Uses)	<u>992,000</u>	<u>992,000</u>	<u>0</u>
Net Change in Fund Balance	(65,126)	(15,106)	50,020
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>290,029</u>	<u>290,029</u>	<u>0</u>
Fund Balance End of Year	<u>\$224,903</u>	<u>\$274,923</u>	<u>\$50,020</u>

City of Troy, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2011

	OPWC Project Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$339,000	\$339,325	\$325
Total Revenues	339,000	339,325	325
Expenditures:			
Current:			
Capital Outlay	1,643,192	939,594	703,598
Total Expenditures	1,643,192	939,594	703,598
Excess of Revenues Over (Under) Expenditures	(1,304,192)	(600,269)	703,923
Other Financing Sources (Uses):			
Transfers In	200,000	200,000	0
Total Other Financing Sources (Uses)	200,000	200,000	0
Net Change in Fund Balance	(1,104,192)	(400,269)	703,923
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,117,558	1,117,558	0
Fund Balance End of Year	\$13,366	\$717,289	\$703,923

City of Troy, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2011

	Technology Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Charges for Services	\$111,500	\$111,619	\$119
Total Revenues	111,500	111,619	119
Expenditures:			
Current:			
Basic Utility Service	0	0	0
Total Expenditures	0	0	0
Net Change in Fund Balance	111,500	111,619	119
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	132,744	132,744	0
Fund Balance End of Year	\$244,244	\$244,363	\$119

OTHER GENERAL FUNDS

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

Fund Descriptions

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

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

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

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

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

City of Troy, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2011

	Income Tax Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$11,250,000	\$12,159,723	\$909,723
Investment Earnings	67,228	73,368	6,140
Other Revenues	2,350	2,563	213
Total Revenues	11,319,578	12,235,654	916,076
Expenditures:			
Current:			
General Government	1,223,870	937,995	285,875
Total Expenditures	1,223,870	937,995	285,875
Excess of Revenues Over (Under) Expenditures	10,095,708	11,297,659	1,201,951
Other Financing Sources (Uses):			
Transfers (Out)	(10,000,000)	(10,000,000)	0
Total Other Financing Sources (Uses)	(10,000,000)	(10,000,000)	0
Net Change in Fund Balance	95,708	1,297,659	1,201,951
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	5,188,874	5,188,874	0
Fund Balance End of Year	\$5,284,582	\$6,486,533	\$1,201,951

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

City of Troy, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2011

	Investment Fund For Capital Improvement Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$641,500	\$650,213	\$8,713
Other Revenues	1,500	1,638	138
Total Revenues	<u>643,000</u>	<u>651,851</u>	<u>8,851</u>
Expenditures:			
Current:			
General Government	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>643,000</u>	<u>651,851</u>	<u>8,851</u>
Other Financing Sources (Uses):			
Transfers (Out)	<u>(537,500)</u>	<u>(503,899)</u>	<u>33,601</u>
Total Other Financing Sources (Uses)	<u>(537,500)</u>	<u>(503,899)</u>	<u>33,601</u>
Net Change in Fund Balance	105,500	147,952	42,452
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>32,593,570</u>	<u>32,593,570</u>	<u>0</u>
Fund Balance End of Year	<u>\$32,699,070</u>	<u>\$32,741,522</u>	<u>\$42,452</u>

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

City of Troy, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2011

	Safety - Income Tax Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$1,875,000	\$2,026,620	\$151,620
Total Revenues	1,875,000	2,026,620	151,620
Expenditures:			
Current:			
General Government	0	0	0
Total Expenditures	0	0	0
Excess of Revenues Over (Under) Expenditures	1,875,000	2,026,620	151,620
Other Financing Sources (Uses):			
Transfers (Out)	(2,000,000)	(2,000,000)	0
Total Other Financing Sources (Uses)	(2,000,000)	(2,000,000)	0
Net Change in Fund Balance	(125,000)	26,620	151,620
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,378,207	1,378,207	0
Fund Balance End of Year	\$1,253,207	\$1,404,827	\$151,620

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

City of Troy, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2011

	Recreational Programs Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Charges for Services	\$141,350	\$148,126	\$6,776
Investment Earnings	2,541	2,879	338
Other Revenues	14,400	22,694	8,294
Total Revenues	<u>158,291</u>	<u>173,699</u>	<u>15,408</u>
Expenditures:			
Current:			
Leisure Time Activities	182,850	169,786	13,064
Total Expenditures	<u>182,850</u>	<u>169,786</u>	<u>13,064</u>
Net Change in Fund Balance	(24,559)	3,913	28,472
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>258,780</u>	<u>258,780</u>	<u>0</u>
Fund Balance End of Year	<u>\$234,221</u>	<u>\$262,693</u>	<u>\$28,472</u>

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

City of Troy, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2011

	Parks and Recreation Improvement Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$461	\$715	\$254
Other Revenues	15,500	15,765	265
Total Revenues	15,961	16,480	519
Expenditures:			
Current:			
Leisure Time Activities	55,335	55,185	150
Total Expenditures	55,335	55,185	150
Net Change in Fund Balance	(39,374)	(38,705)	669
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	54,141	54,141	0
Fund Balance End of Year	\$14,767	\$15,436	\$669

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

NONMAJOR FUNDS

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

Fund Descriptions

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

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

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

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

Stormwater Utility - To account for stormwater utilities provided by the City.

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City of Troy, Ohio
Combining Statement of Net Assets
Nonmajor Enterprise Funds
December 31, 2011

	Hobart Arena	Swimming Pool	Parking Meter	Miami Shores
Assets:				
Equity in Pooled Cash and Investments	\$604,107	\$164,369	\$32,048	\$159,890
Receivables:				
Accounts	6,705	6,172	0	572
Interest	0	0	51	253
Total Current Assets	610,812	170,541	32,099	160,715
Nondepreciable Capital Assets	20,900	10,450	189,961	46,997
Depreciable Capital Assets, Net	1,674,388	3,514,526	0	265,029
Total Noncurrent Assets	1,695,288	3,524,976	189,961	312,026
Total Assets	2,306,100	3,695,517	222,060	472,741
Liabilities:				
Current Liabilities:				
Accounts Payable	20,777	526	0	5,691
Accrued Wages and Benefits	17,866	0	1,939	13,798
Compensated Absences	26,658	0	624	11,689
Total Current Liabilities	65,301	526	2,563	31,178
Long-Term Liabilities:				
Compensated Absences	18,657	0	437	26,644
Total Noncurrent Liabilities	18,657	0	437	26,644
Total Liabilities	83,958	526	3,000	57,822
Net Assets:				
Invested in Capital Assets, Net of Related Debt	1,695,288	3,524,976	189,961	312,026
Unrestricted	526,854	170,015	29,099	102,893
Total Net Assets	\$2,222,142	\$3,694,991	\$219,060	\$414,919

Stormwater Utility	Total Nonmajor Enterprise Funds
\$884,740	\$1,845,154
106,167	119,616
1,400	1,704
992,307	1,966,474
0	268,308
0	5,453,943
0	5,722,251
992,307	7,688,725
9,529	36,523
0	33,603
0	38,971
9,529	109,097
0	45,738
0	45,738
9,529	154,835
0	5,722,251
982,778	1,811,639
\$982,778	\$7,533,890

City of Troy, Ohio
Combining Statement of Revenues, Expenses
and Changes in Fund Net Assets
Nonmajor Enterprise Funds
For the Fiscal Year Ended December 31, 2011

	Hobart Arena	Swimming Pool	Parking Meter	Miami Shores
Operating Revenues:				
Fines, Licenses and Permits	\$0	\$0	\$8,065	\$0
Charges for Services	130,425	253,765	15,922	613,956
Other Revenues	733,402	9,540	90	15,456
Total Operating Revenues	<u>863,827</u>	<u>263,305</u>	<u>24,077</u>	<u>629,412</u>
Operating Expenses:				
Personal Services	393,844	111,533	41,238	357,261
Contractual Services	180,132	60,368	0	161,795
Materials and Supplies	107,372	65,267	1,107	183,170
Depreciation	127,518	113,987	0	58,707
Other Expenses	516,021	8,532	3,947	59,009
Total Operating Expenses	<u>1,324,887</u>	<u>359,687</u>	<u>46,292</u>	<u>819,942</u>
Operating Income (Loss)	<u>(461,060)</u>	<u>(96,382)</u>	<u>(22,215)</u>	<u>(190,530)</u>
Non-Operating Revenues (Expenses):				
Investment Earnings	0	0	377	1,750
Interest (Expense)	0	0	0	(228)
Total Non-Operating Revenues (Expenses)	<u>0</u>	<u>0</u>	<u>377</u>	<u>1,522</u>
Income (Loss) Before Contributions and Transfers	(461,060)	(96,382)	(21,838)	(189,008)
Transfers In	350,000	0	30,000	175,000
Transfers (Out)	0	0	0	0
Change in Net Assets	(111,060)	(96,382)	8,162	(14,008)
Net Assets Beginning of Year	<u>2,333,202</u>	<u>3,791,373</u>	<u>210,898</u>	<u>428,927</u>
Net Assets End of Year	<u>\$2,222,142</u>	<u>\$3,694,991</u>	<u>\$219,060</u>	<u>\$414,919</u>

Stormwater Utility	Total Nonmajor Enterprise Funds
\$0	\$8,065
1,213,311	2,227,379
1,081	759,569
<u>1,214,392</u>	<u>2,995,013</u>
589,243	1,493,119
24,643	426,938
308,516	665,432
0	300,212
2,976	590,485
<u>925,378</u>	<u>3,476,186</u>
<u>289,014</u>	<u>(481,173)</u>
9,673	11,800
0	(228)
<u>9,673</u>	<u>11,572</u>
298,687	(469,601)
0	555,000
<u>(74,506)</u>	<u>(74,506)</u>
224,181	10,893
<u>758,597</u>	<u>7,522,997</u>
<u>\$982,778</u>	<u>\$7,533,890</u>

City of Troy, Ohio
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Fiscal Year Ended December 31, 2011

	Hobart Arena	Swimming Pool	Parking Meter	Miami Shores
Cash Flows from Operating Activities:				
Cash Received from Customers	\$878,092	\$257,133	\$24,077	\$629,092
Cash Payments to Employees	(386,141)	(111,533)	(40,720)	(366,389)
Cash Payments to Suppliers	(804,710)	(134,355)	(5,054)	(402,264)
Net Cash Provided (Used) by Operating Activities	(312,759)	11,245	(21,697)	(139,561)
Cash Flows from Noncapital Financing Activities:				
Payments from Other Funds	350,000	0	30,000	175,000
Payments to Other Funds	0	0	0	0
Net Cash Provided (Used) by Noncapital Financing Activities	350,000	0	30,000	175,000
Cash Flows from Capital and Related Financing Activities:				
Payments for Capital Acquisitions	(13,080)	(98,600)	0	(45,562)
Debt Principal Payments	0	0	0	(5,438)
Debt Interest Payments	0	0	0	(248)
Net Cash Provided (Used) by Capital and Related Financing Activities	(13,080)	(98,600)	0	(51,248)
Cash Flows from Investing Activities:				
Earnings on Investments	0	0	380	1,901
Net Cash Provided (Used) by Cash Flows from Investing Activities	0	0	380	1,901
Net Increase (Decrease) in Cash and Cash Equivalents	24,161	(87,355)	8,683	(13,908)
Cash and Cash Equivalents Beginning of Year, Restated	579,946	251,724	23,365	173,798
Cash and Cash Equivalents End of Year	604,107	164,369	32,048	159,890
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	(461,060)	(96,382)	(22,215)	(190,530)
Adjustments:				
Depreciation	127,518	113,987	0	58,707
Changes in Assets & Liabilities:				
(Increase) Decrease in Receivables	14,265	(6,172)	0	(320)
Increase (Decrease) in Payables	(1,185)	(188)	0	1,710
Increase (Decrease) in Accrued Liabilities	7,703	0	518	(9,128)
Net Cash Provided (Used) by Operating Activities	(\$312,759)	\$11,245	(\$21,697)	(\$139,561)

Stormwater Utility	Total Nonmajor Enterprise Funds
\$1,192,060	\$2,980,454
(589,243)	(1,494,026)
<u>(328,226)</u>	<u>(1,674,609)</u>
274,591	(188,181)
0	555,000
<u>(74,506)</u>	<u>(74,506)</u>
(74,506)	480,494
0	(157,242)
0	(5,438)
<u>0</u>	<u>(248)</u>
0	(162,928)
9,841	12,122
9,841	12,122
209,926	141,507
<u>674,814</u>	<u>1,703,647</u>
<u>884,740</u>	<u>1,845,154</u>
289,014	(481,173)
0	300,212
(22,332)	(14,559)
7,909	8,246
<u>0</u>	<u>(907)</u>
<u>\$274,591</u>	<u>(\$188,181)</u>

NONMAJOR FUNDS

Fiduciary Funds: Fiduciary fund types are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds.

Fund Descriptions

Agency Fund - Stouder Playground - To account for the receipt of monies to be used for the acquisition and maintenance of playground equipment.

Agency Fund - Paul G. Duke - To account for the receipt of monies to be used for the acquisition and improvement of parks and recreation facilities.

Agency Fund - Unclaimed Funds – To account for the receipt of unclaimed monies.

Agency Fund - Tri-Centennial - To account for receipt of monies to be used for tri-centennial activities.

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

Agency Fund - Enterprise Zone - agency fund is used to account for assets received and disbursed as agent relative to enterprise zone activities.

Agency Fund - Fire Insurance Escrow - To account for receipts and disbursements on monies related to fire insurance escrow.

City of Troy, Ohio
Statement of Changes In Assets and Liabilities
Agency Funds
For the Fiscal Year Ended December 31, 2011

	Stouder Playground			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$17,363	\$200	\$1,983	\$15,580
Receivables:				
Interest	40	25	40	25
Total Assets	<u>17,403</u>	<u>225</u>	<u>2,023</u>	<u>15,605</u>
Liabilities:				
Other Liabilities	17,403	225	2,023	15,605
Total Liabilities	<u>\$17,403</u>	<u>\$225</u>	<u>\$2,023</u>	<u>\$15,605</u>

	Paul G. Duke			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$11,810	\$36	\$0	\$11,846
Receivables:				
Interest	27	19	27	19
Total Assets	<u>11,837</u>	<u>55</u>	<u>27</u>	<u>11,865</u>
Liabilities:				
Other Liabilities	11,837	55	27	11,865
Total Liabilities	<u>\$11,837</u>	<u>\$55</u>	<u>\$27</u>	<u>\$11,865</u>

	Unclaimed Funds			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$6,041	\$431	\$315	\$6,157
Total Assets	<u>6,041</u>	<u>431</u>	<u>315</u>	<u>6,157</u>
Liabilities:				
Other Liabilities	6,041	431	315	6,157
Total Liabilities	<u>\$6,041</u>	<u>\$431</u>	<u>\$315</u>	<u>\$6,157</u>

Continued

City of Troy, Ohio
Statement of Changes In Assets and Liabilities
Agency Funds
For the Fiscal Year Ended December 31, 2011

	Tri-Centennial			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$1,066	\$12	\$0	\$1,078
Total Assets	<u>1,066</u>	<u>12</u>	<u>0</u>	<u>1,078</u>
Liabilities:				
Other Liabilities	1,066	12	0	1,078
Total Liabilities	<u>\$1,066</u>	<u>\$12</u>	<u>\$0</u>	<u>\$1,078</u>

	Imprest Cash			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$2,750	\$0	\$0	\$2,750
Total Assets	<u>2,750</u>	<u>0</u>	<u>0</u>	<u>2,750</u>
Liabilities:				
Other Liabilities	2,750	0	0	2,750
Total Liabilities	<u>\$2,750</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,750</u>

	Enterprise Zone			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$9,816	\$10,500	\$18,001	\$2,315
Total Assets	<u>9,816</u>	<u>10,500</u>	<u>18,001</u>	<u>2,315</u>
Liabilities:				
Accounts Payable	0	500	0	500
Other Liabilities	9,816	10,000	18,001	1,815
Total Liabilities	<u>\$9,816</u>	<u>\$10,500</u>	<u>\$18,001</u>	<u>\$2,315</u>

Continued

City of Troy, Ohio
Statement of Changes In Assets and Liabilities
Agency Funds
For the Fiscal Year Ended December 31, 2011

	Fire Insurance Escrow			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$0	\$9,879	\$9,879	\$0
Total Assets	<u>0</u>	<u>9,879</u>	<u>9,879</u>	<u>0</u>
Liabilities:				
Other Liabilities	0	9,879	9,879	0
Total Liabilities	<u>\$0</u>	<u>\$9,879</u>	<u>\$9,879</u>	<u>\$0</u>

	Total All Agency Funds			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$48,846	\$21,058	\$30,178	\$39,726
Receivables:				
Interest	67	44	67	44
Total Assets	<u>48,913</u>	<u>21,102</u>	<u>30,245</u>	<u>39,770</u>
Liabilities:				
Accounts Payable	0	500	0	500
Other Liabilities	48,913	20,602	30,245	39,270
Total Liabilities	<u>\$48,913</u>	<u>\$21,102</u>	<u>\$30,245</u>	<u>\$39,770</u>

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STATISTICAL SECTION



STATISTICAL SECTION

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

Contents

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

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

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

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

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

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

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City of Troy, Ohio
 Net Assets by Component
 Last Nine Calendar Years (1)
 (accrual basis of accounting)
 Schedule I

	Calendar Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental Activities									
Invested in Capital Assets, Net of Related Debt	\$28,242,354	\$24,472,572	\$29,562,186	\$28,145,826	\$30,704,516	\$31,419,257	\$34,675,398	\$34,225,459	\$34,639,518
Restricted	12,489,638	17,059,880	12,517,653	9,735,905	8,547,364	9,103,361	9,958,828	10,582,438	8,539,110
Unrestricted	35,213,861	35,336,072	35,335,482	36,658,401	38,068,043	40,083,298	39,451,677	41,162,496	45,244,719
Total Governmental Activities Net Assets	\$75,945,853	\$76,868,524	\$77,415,321	\$74,540,132	\$77,319,923	\$80,605,916	\$84,085,903	\$85,970,393	\$88,423,347
Business-Type Activities									
Invested in Capital Assets, Net of Related Debt	\$27,981,971	\$27,399,172	\$29,577,577	\$35,008,503	\$35,452,837	\$35,991,417	\$35,342,051	\$35,915,079	\$36,142,585
Unrestricted	16,893,247	19,030,520	19,041,135	17,091,607	16,982,495	15,482,264	13,775,201	13,387,117	13,596,466
Total Business-Type Activities Net Assets	\$44,875,218	\$46,429,692	\$48,618,712	\$52,100,110	\$52,435,332	\$51,473,681	\$49,117,252	\$49,302,196	\$49,739,051
Total Primary Government									
Invested in Capital Assets, Net of Related Debt	\$56,224,325	\$51,871,744	\$59,139,763	\$63,154,329	\$66,157,353	\$67,410,674	\$70,017,449	\$70,140,538	\$70,782,103
Restricted	12,489,638	17,059,880	12,517,653	9,735,905	8,547,364	9,103,361	9,958,828	10,582,438	8,539,110
Unrestricted	52,107,108	54,366,592	54,376,617	53,750,008	55,050,538	55,565,562	53,226,878	54,549,613	58,841,185
Total Primary Government Net Assets	\$120,821,071	\$123,298,216	\$126,034,033	\$126,640,242	\$129,755,255	\$132,079,597	\$133,203,155	\$135,272,589	\$138,162,398

Source: City Records

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

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

	Calendar Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	
Expenses										
Governmental Activities:										
General Government	\$3,786,639	\$5,033,894	\$5,660,201	\$5,180,111	\$5,345,922	\$5,103,878	\$4,703,316	\$4,582,293	\$4,811,024	
Public Safety	8,321,750	8,169,075	8,787,052	8,842,678	9,501,076	9,746,678	9,602,958	10,007,502	9,788,994	
Leisure Time Activities	2,203,202	1,859,158	1,884,611	1,820,227	1,821,894	1,821,739	1,800,337	1,765,285	1,963,883	
Community Development	1,374,320	952,247	836,887	688,806	959,438	695,455	778,762	1,017,450	969,092	
Basic Utility Service	1,975,881	1,624,988	1,852,260	1,493,639	1,229,838	1,195,413	1,285,995	1,329,668	1,197,495	
Transportation and Street Repair	6,761,973	2,544,171	2,392,805	3,681,464	2,473,911	2,206,531	2,181,607	2,404,692	3,955,665	
Public Health and Welfare	400,308	404,448	500,215	428,505	533,385	469,365	455,342	378,736	349,444	
Interest and Fiscal Charges	162,806	589,272	600,203	560,291	530,750	512,045	490,667	470,078	453,931	
Total Governmental Activities Expenses	24,986,879	21,177,253	22,514,234	22,695,721	22,396,214	21,751,104	21,298,984	21,955,704	23,489,528	
Business-Type Activities:										
Water Utility	5,797,672	5,216,113	4,574,926	4,962,223	4,718,693	5,062,771	4,656,843	4,292,357	4,017,767	
Sewer Utility	3,622,033	3,690,842	3,776,760	4,614,815	4,082,607	4,609,529	4,059,903	4,127,389	4,086,762	
Arena Facilities	748,989	755,000	683,886	771,549	912,204	1,053,354	1,127,694	1,122,147	1,324,887	
Pool	102,640	85,855	323,370	293,478	343,074	343,970	315,939	346,867	359,687	
Parking	40,896	44,077	44,624	44,946	38,354	46,869	45,003	45,670	46,292	
Golf Course	787,547	784,551	814,751	763,612	866,238	785,734	752,247	791,761	820,170	
Stadium Facilities (2)	0	0	84,232	168,464	173,264	169,517	2,914,173	0	0	
Stormwater Utility	0	0	0	0	0	209,518	736,277	894,589	925,378	
Total Business-Type Activities Expenses	11,099,777	10,576,438	10,302,549	11,619,087	11,134,434	12,281,262	14,608,079	11,620,780	11,580,943	
Total Primary Government Expenses	\$36,086,656	\$31,753,691	\$32,816,783	\$34,314,808	\$33,530,648	\$34,032,366	\$35,907,063	\$33,576,484	\$35,070,471	
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	\$138,020	\$102,950	\$160,545	\$109,659	\$141,270	\$133,700	\$245,612	\$238,871	\$209,420	
Public Safety	853,784	957,683	1,132,278	1,103,563	1,123,179	1,259,802	1,335,644	1,275,937	1,476,420	
Leisure Time Activities	121,394	246,134	178,506	177,180	181,784	172,565	156,521	163,156	148,126	
Community Development	0	0	0	0	261,874	57,239	88,534	90,623	128,721	
Basic Utility Service	280,127	288,224	302,450	305,678	618,812	697,232	1,209,115	1,814,395	1,863,435	
Transportation and Street Repair	25,514	47,280	9,636	7,922	14,605	34,793	53,888	39,698	45,147	
Public Health and Welfare	45,457	8,601	142,834	220,964	219,022	17,273	204,179	186,317	175,105	
Operating Grants and Contributions	819,796	1,316,515	1,207,394	1,247,032	1,180,525	1,332,705	1,930,659	1,454,945	1,140,154	
Capital Grants and Contributions	543,680	2,502,281	2,650,155	2,311,020	1,401,939	1,056,487	1,506,391	613,524	1,951,040	
Total Governmental Activities Program Revenues	2,827,772	5,469,668	5,783,798	5,483,018	5,143,010	4,761,796	6,730,543	5,877,466	7,137,568	

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

	Calendar Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Business-Type Activities:									
Charges for Services:									
Water Utility	4,437,826	4,769,917	4,795,403	4,129,742	4,244,932	4,110,581	4,105,433	4,652,239	4,567,748
Sewer Utility	3,985,418	3,804,824	3,784,736	3,414,879	3,332,482	3,355,106	3,220,430	3,390,515	3,463,415
Arena Facilities	71,472	62,179	71,053	80,893	104,661	23,501	114,584	137,692	130,425
Pool	35,145	31,651	224,303	222,913	223,289	231,798	209,716	242,840	253,765
Parking	19,145	20,403	19,521	18,085	19,318	21,246	23,265	23,731	23,987
Golf Course	572,205	623,157	695,849	679,688	690,093	696,368	696,102	666,908	613,956
Stormwater Utility	0	0	0	0	0	843,823	1,037,004	1,174,156	1,213,311
Operating Grants and Contributions	0	50,770	79,150	0	0	0	0	3,158	0
Capital Grants and Contributions	2,766,026	1,244,147	1,354,320	1,224,803	583,485	400,594	1,869,683	162,542	173,440
Total business-Type Activities Program Revenues	11,887,237	10,607,048	11,024,335	9,771,003	9,198,260	9,683,017	11,276,217	10,453,781	10,440,047
Total Primary Government Program Revenues	\$14,715,009	\$16,076,716	\$16,808,133	\$15,254,021	\$14,341,270	\$14,444,813	\$18,006,760	\$16,331,247	\$17,577,615
Net (Expense)/Revenue									
Governmental Activities	(\$22,159,107)	(\$15,707,585)	(\$16,730,436)	(\$17,212,703)	(\$17,253,204)	(\$16,989,308)	(\$14,568,441)	(\$16,078,238)	(\$16,351,960)
Business-Type Activities	787,460	30,610	721,786	(1,848,084)	(1,936,174)	(2,598,245)	(3,331,862)	(1,166,999)	(1,140,896)
Total Primary Government Net Expenses	(\$21,371,647)	(\$15,676,975)	(\$16,008,650)	(\$19,060,787)	(\$19,189,378)	(\$19,587,553)	(\$17,900,303)	(\$17,245,237)	(\$17,492,856)

City of Troy, Ohio

Changes in Net Assets

Last Nine Calendar Years (1)

(accrual basis of accounting)

Schedule 2 (Continued)

	Calendar Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Revenues and Other Changes in Net Assets									
Governmental Activities:									
Income Taxes	\$11,467,066	\$13,989,707	\$12,681,511	\$12,542,400	\$12,882,229	\$13,294,831	\$10,947,510	\$10,942,392	\$14,186,343
Property Taxes Levied for:									
General Purposes	1,442,545	2,157,693	1,927,756	2,592,328	1,858,851	1,772,552	1,889,150	1,912,221	1,760,509
Special Revenue Purposes	3,637	985	2,096	0	822,177	870,088	1,888,060	1,899,601	47,119
Grants and Entitlements not Restricted	1,406,330	1,926,126	2,193,117	1,131,293	1,673,098	2,235,974	1,739,288	1,918,673	1,886,775
Payments in Lieu of Taxes	0	0	0	0	162,376	186,224	194,775	205,798	208,268
Unrestricted Contributions	200,730	32,800	44,600	56,900	97,535	50,847	48,268	71,000	95,051
Investment Earnings	1,028,663	910,902	1,143,110	2,160,055	2,826,639	2,115,536	1,035,398	1,192,176	975,686
Other Revenues	422,686	246,029	110,043	194,604	285,090	291,351	280,779	330,667	290,969
Transfers-Internal Activities	(286,800)	(765,158)	(825,000)	(4,340,066)	(575,000)	(542,102)	25,200	(509,800)	(645,806)
Total Governmental Activities	15,684,857	18,499,084	17,277,233	14,337,514	20,032,995	20,275,301	18,048,428	17,962,728	18,804,914
Business-Type Activities:									
Investment Earnings	213,236	323,723	416,709	674,201	848,742	596,975	319,289	207,922	149,260
Other Revenues	1,318,708	358,337	288,991	315,215	370,048	497,517	681,344	634,221	782,685
Transfers-Internal Activities	286,800	765,158	825,000	4,340,066	575,000	542,102	(25,200)	509,800	645,806
Total Business-Type Activities	1,818,744	1,447,218	1,530,700	5,329,482	1,793,790	1,636,594	975,433	1,351,943	1,577,751
Total Primary Government	\$17,503,601	\$19,946,302	\$18,807,933	\$19,666,996	\$21,826,785	\$21,911,895	\$19,023,861	\$19,314,671	\$20,382,665
Change in Net Assets									
Governmental Activities	(\$6,474,250)	\$2,791,499	\$546,797	(\$2,875,189)	\$2,779,791	\$3,285,993	\$3,479,987	\$1,884,490	\$2,452,954
Business-Type Activities	2,606,204	1,477,828	2,252,486	3,481,398	(142,384)	(961,651)	(2,356,429)	184,944	436,855
Total Primary Government	(\$3,868,046)	\$4,269,327	\$2,799,283	\$606,209	\$2,637,407	\$2,324,342	\$1,123,558	\$2,069,434	\$2,889,809

Source: City Records

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

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

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

	Calendar Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011 (1)
General Fund										
Reserved	\$707,676	\$404,749	\$532,272	\$352,871	\$189,868	\$223,214	\$378,809	\$431,345	\$356,805	\$0
Unreserved	1,818,686	35,090,007	35,090,247	35,424,413	36,832,346	38,220,243	40,269,770	42,053,913	43,868,112	0
Restricted										1,573,675
Assigned										212,633
Unassigned										46,268,525
Total General Fund	2,526,362	35,494,756	35,622,519	35,777,284	37,022,214	38,443,457	40,648,579	42,485,258	44,224,917	48,054,833
All Other Governmental Funds										
Reserved	5,806,801	3,423,005	6,740,400	2,765,365	3,611,392	2,371,022	2,144,285	3,034,723	3,827,372	0
Unreserved, Reported in:										
Special Revenue Funds	8,508,812	5,452,931	5,578,574	3,983,478	4,192,666	4,202,902	5,272,144	5,243,384	5,341,963	0
Debt Service Funds	0	376,327	19,104	342,156	191,004	110,261	160,154	232,506	274,612	0
Capital Project Funds	3,071,320	2,016,221	3,891,736	4,101,074	366,197	760,315	649,451	733,014	561,516	0
Restricted										7,761,596
Assigned										283,564
Unassigned										0
Total all Other Governmental Funds	\$17,386,933	\$11,268,484	\$16,229,814	\$11,192,073	\$8,361,259	\$7,444,500	\$8,226,034	\$9,243,627	\$10,005,463	\$8,045,160

Source: City Records

(1) - Prior year amounts have not been restated for the implementation of GASB Statement 54. The change in the classification of fund balance amounts in 2011 are discussed in the Notes to the Financial Statements

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

	Calendar Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues										
Taxes	\$13,177,653	\$13,078,788	\$16,137,437	\$14,670,531	\$15,141,702	\$15,556,609	\$15,951,626	\$14,703,665	\$14,748,543	\$15,993,488
Fines, Licenses and Permits	149,571	127,364	111,916	112,296	113,676	110,183	123,486	117,596	93,858	93,590
Charges for Services	1,216,667	1,288,668	1,385,158	1,633,216	1,577,227	2,251,504	2,202,251	2,926,793	3,509,000	3,745,558
Investment Earnings	775,349	1,028,664	910,902	1,143,111	2,160,056	2,826,639	2,115,536	1,035,398	1,192,176	975,686
Intergovernmental	3,029,309	2,704,034	3,980,977	3,547,439	3,560,341	3,125,811	4,150,674	4,435,499	3,853,125	4,242,916
Special Assessments	118,905	174,237	190,672	195,049	261,521	239,099	227,058	298,786	123,178	80,669
Payments in Lieu of Taxes	0	0	0	0	0	162,376	186,224	194,775	205,798	208,268
Other Revenues	1,358,936	690,462	476,614	389,713	418,722	525,371	491,651	493,893	532,065	575,152
Total Revenues	19,826,390	19,092,217	23,193,676	21,691,355	23,233,245	24,797,592	25,448,506	24,206,405	24,257,743	25,915,327
Expenditures										
Current:										
General Government	3,780,885	4,085,269	4,594,783	4,053,075	4,332,665	4,772,246	4,676,746	4,159,322	4,044,847	4,394,047
Public Safety	7,330,132	8,025,594	7,924,826	8,369,858	8,396,677	9,234,356	9,245,869	9,140,317	9,478,312	9,553,157
Leisure Time Activities	1,631,182	1,824,597	1,493,876	1,510,229	1,400,691	1,546,806	1,516,300	1,508,342	1,470,324	1,682,768
Community Development	726,078	1,130,705	921,465	832,057	645,149	918,513	660,303	721,362	984,252	943,809
Basic Utility Service	1,281,122	1,888,840	1,595,015	1,559,172	1,264,828	1,224,791	1,146,691	1,225,369	1,099,540	1,062,114
Transportation and Street Repair	2,227,376	2,065,992	2,379,777	2,066,280	1,949,294	2,263,423	1,994,218	1,834,053	2,077,805	2,893,547
Public Health and Welfare	407,651	405,234	403,470	467,916	426,129	494,383	433,203	432,254	428,737	361,014
Capital Outlay	3,560,043	5,322,710	4,407,434	5,288,381	4,876,998	2,196,944	1,424,698	887,499	743,293	1,662,805
Debt Service:										
Principal Retirement	568,000	643,000	678,000	918,000	634,000	534,000	554,000	510,000	485,000	495,000
Interest and Fiscal Charges	220,567	209,719	450,782	684,360	562,698	532,646	514,124	492,630	471,922	459,813
Bond Issuance Costs	0	0	0	0	0	0	0	0	0	38,355
Total Expenditures	\$21,733,036	\$25,601,660	\$24,849,428	\$25,749,328	\$24,489,129	\$23,718,108	\$22,166,152	\$20,911,148	\$21,284,032	\$23,546,429

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

	Calendar Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Excess of revenues over (under) expenditures	(\$1,906,646)	(\$6,509,443)	(\$1,655,752)	(\$4,057,973)	(\$1,255,884)	\$1,079,484	\$3,282,354	\$3,295,257	\$2,973,711	\$2,368,898
Other Financing Sources (Uses)										
Issuance of Long-Term Capital-Related Debt	\$3,055,000	\$1,800,000	\$7,510,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sale of Refunding Bonds	0	0	0	0	0	0	0	0	0	2,005,000
Payments to Refunded Bond Escrow Agent	0	0	0	0	0	0	0	0	0	(1,955,639)
Premium on Sale of Refunded Bonds	0	0	0	0	0	0	0	0	0	13,541
(Discourt) on Sale of Refunded Bonds	0	0	0	0	0	0	0	0	0	(20,050)
Proceeds from Sale of Capital Assets	0	0	0	0	0	0	0	0	0	0
Transfers In	12,896,692	2,477,353	9,217,435	3,889,006	3,465,000	4,511,874	2,465,589	3,804,704	57,784	12,863
Transfers (Out)	(12,330,000)	(2,764,153)	(9,982,593)	(4,714,006)	(3,795,000)	(5,086,874)	(2,965,589)	(4,264,304)	(5,117,000)	(3,623,270)
Total Other Financing Sources (Uses)	3,621,692	1,513,200	6,744,842	(825,000)	(330,000)	(575,000)	(295,698)	(440,985)	(472,216)	(499,285)
Net Change in Fund Balances	\$1,715,046	(\$4,996,243)	\$5,089,090	(\$4,882,973)	(\$1,585,884)	\$504,484	\$2,986,656	\$2,854,272	\$2,501,495	\$1,869,613
Debt service as a percentage of noncapital expenditures (1)	4.5%	3.5%	6.1%	8.0%	5.8%	5.3%	5.2%	5.3%	4.7%	4.5%

Source: City Records

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

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

Calendar Year	Real Property Assessed Value		Tangible Personal Property (1) Assessed Value		Public Utilities Personal Assessed Value		Total Assessed Value	Total Estimated Actual Value	Total Direct Rate (2)		Total Direct Rate (3)
	Value	Value	Value	Value	Value	Value			Direct Rate (2)	Direct Rate (3)	
2002	\$349,997,450	\$129,422,940	\$11,007,460	\$490,427,850	\$1,401,222,429	3.10	1.10				
2003	359,593,630	138,549,520	11,242,060	509,385,210	1,455,386,314	3.10	1.10				
2004	370,904,790	133,736,850	11,002,640	515,644,280	1,473,269,371	3.10	1.10				
2005	406,825,130	125,877,320	11,115,360	543,817,810	1,553,765,171	3.10	1.10				
2006	427,342,540	119,988,710	11,197,820	558,529,070	1,595,797,343	3.10	1.10				
2007	432,828,960	82,696,590	11,374,070	526,899,620	1,505,427,486	3.10	1.10				
2008	476,759,560	48,088,660	9,799,060	534,647,280	1,527,563,657	3.10	1.10				
2009	485,838,200	24,111,720	10,003,980	519,953,900	1,485,582,571	3.10	1.10				
2010	496,671,020	790,250	9,929,350	507,390,620	1,449,687,486	3.10	1.10				
2011	489,082,260	382,320	10,409,340	499,873,920	1,428,211,200	3.10	1.10				

Source: County Auditor

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

(2) - For Tax District D08

(3) - For Tax District D45

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

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

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

Calendar Year	Total Direct Rate (1)	Overlapping Rates (1)					
		Miami		Upper Valley		Troy-Miami	
		Conservancy City (3)	Troy City School District	Joint Vocational	Miami County	County Library (4)	County Library (4)
2002	3.10	0.16	54.60	4.90	8.43	N/A	
2003	3.10	0.12	54.60	4.90	9.13	N/A	
2004	3.10	0.12	54.60	5.46	9.13	N/A	
2005	3.10	0.14	56.59	5.45	9.11	N/A	
2006	3.10	0.14	56.59	5.45	9.12	N/A	
2007	3.10	0.14	56.59	5.45	8.81	N/A	
2008	3.10	0.14	52.09	5.35	8.80	N/A	
2009	3.10	0.14	52.09	5.18	8.81	N/A	
2010	3.10	0.14	52.28	5.36	8.81	0.60	
2011	3.10	0.09	52.40	5.32	8.81	0.60	

Calendar Year	Total Direct Rate (2)	Overlapping Rates (2)					
		Miami		Miami Valley		Troy-Miami	
		Conservancy City (3)	Miami East School District	Career Technology Center	Miami County	County Library (4)	County Library (4)
2002	1.10	0.16	41.50	2.58	8.43	N/A	
2003	1.10	0.12	41.50	2.58	9.13	N/A	
2004	1.10	0.12	42.80	2.58	9.13	N/A	
2005	1.10	0.14	45.80	2.58	9.11	N/A	
2006	1.10	0.14	46.80	2.58	9.12	N/A	
2007	1.10	0.14	46.80	2.58	8.81	N/A	
2008	1.10	0.14	46.50	2.58	8.80	N/A	
2009	1.10	0.14	49.46	2.58	8.81	N/A	
2010	1.10	0.14	49.46	2.58	8.81	0.60	
2011	1.10	0.09	46.71	2.58	8.81	0.60	

Source: County Auditor

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

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

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

Taxpayer	2011	
	Assessed Value	Percentage of Total Assessed Value
Dayton Power and Light Company	\$7,745,130	1.55%
American Honda Motor	6,999,860	1.40%
Hobart Corporation	3,698,200	0.74%
Health Care Reit Inc.	3,185,780	0.64%
Towne Park SPE-1 LLC	3,027,510	0.61%
Vectren Energy Delivery	3,025,080	0.61%
DW28 Monroe, LLC	2,962,790	0.59%
United Distribution	2,789,300	0.56%
F&P America Mfg. Inc.	2,556,180	0.51%
Hobart Brothers Co.	2,527,970	0.51%
Total Principal Property Tax Payers	\$38,517,800	7.72%

Taxpayer	2006 (1)	
	Assessed Value	Percentage of Total Assessed Value
American Honda Motor	\$8,750,000	1.57%
Dayton Power and Light Company	6,667,470	1.19%
Towne Park Apartments, LLC	4,356,040	0.78%
Hobart Corporation	4,285,670	0.77%
Ramco Properties	3,113,710	0.56%
Dayton Montgomery County	2,440,950	0.44%
Hobart Brothers Company	2,423,690	0.43%
Lowes Home Centers, Inc.	2,397,850	0.43%
Health Care REIT, Inc.	2,390,990	0.43%
B F Goodrich Co.	2,221,260	0.40%
Total Principal Property Tax Payers	\$39,047,630	7.00%

(1) - Current and four years ago information only available. Information from nine years prior is not available.

Source: County Auditor

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

Calendar Year	Taxes Levied for the Calendar Year (2)	Collected, including Delinquencies, within the Calendar Year of the Levy		Accumulated Delinquency (1)	Total Collections to Date	
		Amount (3)	Percentage of Levy		Amount	Percentage of Levy
2002	\$1,252,515	\$1,182,976	94.45%	\$69,539	\$1,252,515	100.00%
2003	1,266,916	1,223,995	96.61%	42,921	1,266,916	100.00%
2004	1,312,974	1,272,216	96.90%	40,758	1,312,974	100.00%
2005	1,445,812	1,390,088	96.15%	55,724	1,445,812	100.00%
2006	1,492,952	1,440,079	96.46%	52,873	1,492,952	100.00%
2007	1,558,388	1,499,522	96.22%	58,866	1,558,388	100.00%
2008	1,716,982	1,640,749	95.56%	76,233	1,716,982	100.00%
2009	1,757,384	1,690,146	96.17%	67,238	1,757,384	100.00%
2010	1,792,808	1,732,453	96.63%	41,410	1,773,863	98.94%
2011	1,706,807	1,659,837	97.25%	45,600	1,705,437	99.92%

Source: County Auditor

(1) - Delinquent Collections by levy year are not available. Only Delinquent Collections by collection year are available and presented.

(2) - Taxes levied and collected are presented on a cash basis.

(3) - State reimbursements of rollback and homestead exemptions are included.

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

Calendar Year	Withholding Accounts	Business Accounts	Residential Accounts	Total	Income Tax Rate
2002	\$9,672,609	\$1,184,102	\$627,275	\$11,483,986	1.75%
2003	9,757,643	1,109,823	643,006	11,510,472	1.75%
2004	9,669,316	3,849,138	630,634	14,149,088	1.75%
2005	9,992,096	2,220,540	737,792	12,950,428	1.75%
2006	10,063,324	2,417,595	774,027	13,254,946	1.75%
2007	10,516,937	2,183,885	764,159	13,464,981	1.75%
2008	11,075,668	1,963,644	1,071,371	14,110,683	1.75%
2009	10,245,095	1,251,838	1,258,095	12,755,028	1.75%
2010	10,334,799	1,257,584	1,171,897	12,764,280	1.75%
2011	10,941,314	1,943,457	1,301,572	14,186,343	1.75%

Source: City Records

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

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

Note: Due to legal restrictions and confidentiality requirements, the City cannot disclose the amount of withholdings by taxpayer.

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

Calendar Year	Governmental Activities			Business-Type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Short-Term Bond Anticipation Notes	Special Assessment Bonds	General Obligation Bonds	Short-Term Bond Anticipation Notes	Notes Payable			
2002	4,805,000	0	481,000	20,172,000	0	104,416	25,562,416	0.91%	\$903
2003	6,035,000	4,000,000	408,000	18,976,000	1,800,000	62,650	31,281,650	1.06%	1,060
2004	12,940,000	0	335,000	20,256,000	0	20,884	33,551,884	1.09%	1,103
2005	12,095,000	0	262,000	18,712,000	0	0	31,069,000	1.00%	1,014
2006	11,525,000	0	198,000	17,235,000	0	0	28,958,000	0.89%	902
2007	11,055,000	0	134,000	15,845,000	0	50,864	27,084,864	0.81%	816
2008	10,565,000	0	70,000	14,425,000	0	36,396	25,096,396	0.71%	717
2009	10,105,000	0	20,000	12,920,000	0	21,264	23,778,934	0.67%	681
2010	9,630,000	0	10,000	11,345,000	0	5,438	21,676,425	0.60%	619
2011	9,187,852	0	0	9,728,362	0	0	19,336,154	N/A	N/A

Source: City Records

N/A - Information not available

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

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

Calendar Year	General Bonded Debt Outstanding		Percentage of Estimated Actual Taxable Value of Property	Per Capita
	General Obligation Bonds			
2002	\$4,805,000		0.34%	\$218
2003	6,035,000		0.41%	274
2004	12,940,000		0.88%	588
2005	12,095,000		0.78%	550
2006	11,525,000		0.72%	524
2007	11,055,000		0.73%	503
2008	10,565,000		0.69%	480
2009	10,105,000		0.68%	459
2010	9,630,000		0.66%	384
2011	9,187,852		0.64%	367

Source: City Records

City of Troy, Ohio
 Direct and Overlapping Governmental Activities Debt
 As of December 31, 2011
 Schedule 13

Governmental Unit	Net Debt Outstanding	Estimated Percentage Applicable (1)	Amount Applicable to City of Troy
Miami County	\$11,971,200	23.14%	\$2,770,136
Troy City School District	18,150,000	73.92%	13,416,480
Miami East Local School District	15,960,298	8.27%	1,319,917
Miami Valley Career Center Joint Vocational School District	6,635,000	0.22%	14,597
Upper Valley Career Center Joint Vocational School District	5,735,000	21.75%	1,247,363
Subtotal Overlapping Debt	58,451,498		18,768,493
City of Troy - Direct Debt	19,336,154	100.00%	19,336,154
Total Direct and Overlapping Debt	\$77,787,652		\$38,104,647

Source: Ohio Municipal Advisory Council

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

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

Legal Debt Margin Calculation for Calendar Year 2011

Assessed Value	\$499,873,920	\$499,873,920
Statutory Legal Debt Limitation (1)	10.5%	5.5%
Total Debt Limitation	52,486,762	27,493,066
Debt Applicable to Limit:		
Gross Indebtedness	19,336,154	19,336,154
Less: Debt Outside Limitations (2)	9,728,362	9,728,362
Less: Bond Retirement Fund Balance	0	0
Total Net Debt Applicable to Limit	9,607,792	9,607,792
Legal Debt Margin	\$42,878,970	\$17,885,274

	Calendar Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Total Debt Limit (1)										
Debt Limit (10.5%)	\$51,494,924	\$53,485,447	\$54,142,649	\$57,100,870	\$58,645,552	\$55,324,460	\$56,137,964	\$54,595,160	\$53,276,015	\$52,486,762
Total Net Debt Applicable to Limit	4,520,594	5,628,673	12,920,896	11,959,715	11,190,031	10,900,046	10,551,194	10,797,038	10,315,987	9,607,792
Legal Debt Margin	\$46,974,330	\$47,856,774	\$41,221,753	\$45,141,155	\$47,455,521	\$44,424,414	\$45,586,770	\$43,798,122	\$42,960,028	\$42,878,970
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	8.8%	10.5%	23.9%	20.9%	19.1%	19.7%	18.8%	19.8%	19.4%	18.3%

	Calendar Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Total Unvoted Debt Limit (1)										
Debt Limit (5.5%)	\$26,973,532	\$28,016,187	\$28,360,435	\$29,909,980	\$30,719,099	\$28,979,479	\$29,405,600	\$28,597,465	\$27,906,484	\$27,493,066
Total Net Debt Applicable to Limit	4,520,594	5,628,673	12,920,896	11,959,715	11,190,031	10,900,046	10,551,194	10,797,038	10,315,987	9,607,792
Legal Debt Margin	\$22,452,938	\$22,387,514	\$15,439,539	\$17,950,265	\$19,529,068	\$18,079,433	\$18,854,406	\$17,800,427	\$17,590,497	\$17,885,274
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	16.8%	20.1%	45.6%	40.0%	36.4%	37.6%	35.9%	37.8%	37.0%	34.9%

Source: City Records

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

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

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

Calendar Year	Special Assessment Bonds				Coverage
	Special Assessment Collections (1)	Debt Service		Interest	
		Principal	Interest		
2002	\$121,497	\$481,000	\$38,153		0.23
2003	144,042	408,000	33,040		0.33
2004	145,432	335,000	27,923		0.40
2005	161,427	262,000	22,775		0.57
2006	215,779	198,000	17,628		1.00
2007	241,912	134,000	14,748		1.63
2008	242,672	70,000	5,915		3.20
2009	274,568	20,000	1,495		12.77
2010	130,503	10,000	995		11.87
2011	109,018	0	0		0.00

Source: County Auditor

(1) - Total special assessment collections including delinquencies

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

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

Calendar Year	Population (1)	Personal Income (Thousands of Dollars) (2)	Per Capita Personal Income (3)	Unemployment Rate (4)
2002	21,999	2,821,089	28,324	5.40%
2003	21,999	2,954,972	29,514	5.70%
2004	21,999	3,064,960	30,411	5.50%
2005	21,999	3,107,811	30,645	5.50%
2006	21,999	3,240,388	32,097	5.70%
2007	21,999	3,347,023	33,189	5.40%
2008	21,999	3,539,795	35,003	7.00%
2009	21,999	3,535,946	34,921	12.20%
2010	25,058	3,590,000	35,027	9.60%
2011	25,058	N/A	N/A	7.50%

Sources: (1) - Population estimates provided by U.S. Census Bureau (2000 Census for years 2002 - 2009 and 2010 Census for years 2010 - 2011)
 (2) - Personal Income information provided by Bureau of Economic Analysis: Regional Economic Accounts
 (3) - Per Capita Personal Income information provided by Bureau of Economic Analysis: Regional Economic Accounts
 (4) - Ohio Department of Job and Family Services for Miami County

N/A - Information not available

City of Troy, Ohio
 Major Employers (1)
 Current Year and Three Years Ago (2)
 Schedule 17

2011		2008	
Major Employers (3)	Type	Number of Employees	Employer's Percentage of Total Employment
A.O. Smith Corp.	Mfg	(4)	(5)
Crane Co.	Mfg	(4)	(5)
Evenflo Company, Inc.	Mfg	(4)	(5)
Faurecia SA	Mfg	(4)	(5)
F-Tech, Inc./F&P America	Mfg	(4)	(5)
Goodrich Corp.	Mfg	(4)	(5)
Illinois Tool Works, Inc./Hobart	Mfg	(4)	(5)
Jackson Tube Service	Mfg	(4)	(5)
Meijer, Inc.	Trade	(4)	(5)
Troy City Board of Education	Govt	(4)	(5)
Upper Valley Medical Center	Health	(4)	(5)

2008		2008	
Major Employers (3)	Type	Number of Employees	Employer's Percentage of Total Population
A.O. Smith Corp.	Mfg	(4)	(5)
Crane Co.	Mfg	(4)	(5)
Evenflo Company, Inc.	Mfg	(4)	(5)
Faurecia SA	Mfg	(4)	(5)
F-Tech, Inc./F&P America	Mfg	(4)	(5)
Goodrich Corp.	Mfg	(4)	(5)
Illinois Tool Works, Inc./Hobart	Mfg	(4)	(5)
Jackson Tube Service	Mfg	(4)	(5)
Meijer, Inc.	Ret	(4)	(5)
Troy City Board of Education	Govt	(4)	(5)
Upper Valley Medical Center	Health	(4)	(5)

Source: Ohio Department of Development

- (1) - For all of Miami County
- (2) - Only current year and three year ago information available. Information for nine years ago not available.
- (3) - Includes at minimum the ten largest employers for the county. In alphabetical order only.
- (4) - The number of employees of each listed major employer was not available.
- (5) - The employer's percentage of total employment for each major employer was not available.

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

Function/Program	Full-Time Equivalent Employees as of December 31									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Information Systems	0	0	0	0	0	0	3	2	2	2
General Government	2	2	2	2	1	1	0	0	0	0
Council	1	1	1	1	1	1	1	1	1	1
Mayor	1	1	1	1	1	1	1	1	1	1
Audit	4	4	4	4	4	4	4	4	4	4
Law	2	2	2	2	2	2	2	2	2	2
Service	4	4	5	5	4	4	4	4	4	4
Human Resources	2	2	2	2	2	2	2	2	2	2
Fire	42	42	42	42	40	39	41	41	40	38
Police	44	45	45	48	46	45	46	46	44	40
Parks	9	8	7	9	8	9	9	8	8	7
Recreation	4	4	4	4	4	4	4	4	3	3
Electric	3	3	3	3	3	3	3	3	3	3
Development	6	6	6	6	7	6	5	2	2	2
Street	18	17	18	18	17	17	16	16	15	14
Tax	3	4	4	4	4	4	5	5	4	4
Cemetery	4	4	4	4	4	4	4	4	3	2
Refuse	7	7	7	7	6	6	4	3	4	2
Hobart Arena	5	5	5	5	5	5	5	5	5	5
Water Administration	5	5	5	5	5	5	2	2	2	2
Water Plant	9	10	10	10	10	9	9	9	9	9
Water Distribution	8	8	7	8	8	8	7	7	5	5
Sewer B&C	5	5	5	5	5	4	3	2	2	2
Sewer Plant	12	12	12	12	12	11	11	11	10	10
Sewer Maintenance	4	4	4	4	3	2	4	5	5	5
Parking	1	1	1	1	0	1	1	1	1	1
Miami Shores	5	5	5	5	5	5	5	5	5	5
Engineering	8	8	8	8	7	6	6	8	8	8
Total	218	219	219	225	214	208	207	201	194	183

Source: Various City Departments

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

Function/Program	Calendar Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General government										
Commercial Construction										
Building permits issued	19	27	53	30	97	150	133	138	108	118
Value	\$4,416,399	\$8,723,883	\$13,530,000	\$31,502,490	\$42,270,987	\$25,002,977	\$28,976,372	\$8,792,068	\$18,425,170	\$7,313,267
Residential Construction										
Building permits issued	236	289	168	270	136	77	74	49	47	30
Value	\$23,613,370	\$32,863,289	\$28,449,654	\$33,012,180	\$28,394,390	\$16,160,962	\$15,184,126	\$8,315,391	\$10,762,366	\$8,440,000
Police										
Physical arrests	2,191	1,819	2,651	2,885	3,073	2,959	2,688	2,724	2,577	2,574
Parking violations	4,147	3,397	3,012	2,877	2,867	2,592	3,074	3,093	2,490	3,561
Traffic violations	3,445	2,853	3,465	4,210	4,657	3,956	5,240	3,546	2,957	1,864
Fire										
Emergency responses	1,071	934	1,143	1,249	1,181	1,371	1,480	1,266	1,439	1,040
Fires extinguished	125	96	98	134	104	106	88	132	111	103
Inspections	288	334	799	1,030	718	682	418	700	700	775
Refuse collection										
Refuse collected (tons)	6,158	6,250	6,530	6,542	6,584	6,484	5,611	5,191	5,265	4,781
Recyclables collected (tons)	1,370	1,727	1,686	1,750	1,840	1,864	1,473	1,640	1,659	1,723
Other public works										
Street resurfacing (cubic yards) (1)	7,135	6,623	5,127	4,500	2,483	2,486	344	4,182	0	1,811
Parks and Recreation										
Community Center Admissions (2)	\$26,950	\$19,499	\$16,626	\$95,622	\$88,035	\$87,087	\$89,711	\$75,510	\$99,581	\$105,263
Community Center Attendance	14,176	10,793	10,674	46,775	43,476	40,493	41,983	35,269	40,325	42,605
Water										
New connections (each)	154	267	222	154	132	63	129	62	15	2
Water main breaks (each)	24	32	27	23	26	33	29	45	38	30
Average daily consumption (millions of gallon per day)	5.40	5.10	5.20	5.00	4.10	4.16	3.97	3.85	3.94	3.99
Peak daily consumption (millions of gallon per day)	7.4	6.8	6.6	7.4	5.4	5.8	5.6	5.7	5.8	5.6
Wastewater										
Average daily sewage treatment (millions of gallon per day)	5.73	6.59	5.73	5.96	5.73	5.79	5.51	4.85	4.43	6.69

Source: Various City Departments

(1) - The City did not have the street paving (resurfacing) program in 2010

(2) - Cash basis

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

Function/Program	Calendar Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	8	8	8	8	8	8	9	10	11	11
Fire Stations	3	3	3	3	3	3	3	3	3	3
Other Public Works										
Area of City (square miles)	10,697	11,696	12,151	12,164	12,167	12,345	12,345	12,345	12,345	12,345
Streets (miles)	104,45	105,05	107,49	109,60	110,50	111,84	111,96	112,59	112,75	112,75
Streetlights	2,356	2,356	2,356	2,356	2,579	2,601	2,615	2,622	2,624	2,624
Traffic signals	43	43	43	42	42	43	43	43	43	43
Parks and Recreation										
Number of Parks	24	24	25	25	26	26	25	25	25	25
Acreage	296,40	296,40	297,90	297,90	303,90	303,90	303,40	303,40	303,00	303,00
Playgrounds	17	17	17	18	18	18	17	17	17	17
Baseball/Sofball Diamonds	15	15	15	15	15	15	15	15	15	15
Soccer/Football Fields	14	14	14	14	14	14	14	14	15	15
Community Centers										
Kings Chapel Community Center	1	1	1	1	1	1	1	1	1	1
Troy Aquatic Park	1	1	1	1	1	1	1	1	1	1
Municipal Water Department										
Treatment Capacity (millions of gallons per day)	16	16	16	16	16	16	16	16	16	16
Water Mains (miles)	126,23	128,81	131,31	133,67	134,92	136,44	136,92	137,78	138,39	139,65
Fire hydrants	(2)	(2)	1,177	(2)	1,322	1,244	1,254	1,268	1,278	1,284
Sewers										
Treatment Capacity (millions of gallons per day)	7	7	7	7	7	7	7	7	7	7
Storm Sewers (miles)	69,95	70,27	73,08	75,19	76,39	78,67	79,42	80,29	80,52	81,00
Sanitary Sewers (miles)	119,16	119,22	121,90	123,90	125,01	126,22	126,54	127,25	127,88	127,95
Hobart Arena										
Attendance	(2)	9,819	11,914	10,216	15,103	13,664	30,153	24,347	27,251	24,963
Ticket Sold (1)	(2)	6,225	7,709	6,474	8,415	7,901	13,547	16,194	20,110	20,844

Source: Various City Departments

(1) - Tickets sold by Hobart Arena only

(2) - Information was not available from the City

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Dave Yost • Auditor of State

CITY OF TROY

MIAMI COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JUNE 26, 2012**