



Dave Yost • Auditor of State

CITY OF TROY
MIAMI COUNTY

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S 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, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, 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, 2012, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 3, 2013 wherein we noted fund balances in the governmental funds were restated for a prior period adjustment, and the City adopted the provisions of Governmental Accounting Standards Board Statement No. 63, *Financial Reporting of Deferred Outflows, Deferred Inflows or Resources, and Net Position*.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the City's internal control. Accordingly, we have not opined on it.

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 a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the City's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

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, opining 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*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

June 3, 2013

Troy OHIO, USA

www.troyohio.gov



1876

Adams

Street

Bridge



1913



1922



2012

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012**

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CITY OF TROY, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012

PREPARED BY:
JOHN A. STICKEL, CITY AUDITOR

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INTRODUCTORY SECTION



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June 3, 2013

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, 2012 is submitted herewith. The Auditor's Office prepared the report. The responsibility for both the accuracy of the presented data and the completeness and the fairness of the presentation, including all disclosures, rests with the City of Troy, specifically with the Auditor's Office. We believe that the enclosed data is accurate in all material respects; and is presented in a manner designed to fairly set forth the financial position and results of operations of the various funds of the City. We further believe that all disclosures necessary to enable the reader to gain an understanding of the City's financial activity have been included.

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

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

City Overview

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

The City of Troy is home to approximately 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.

After a 15-month construction period, the long-awaited Adams Street Bridge over the Great Miami River was formally dedicated and opened on October 15, 2012. Replacing a 90-year old structure,

the new bridge features a dedicated bicycle lane, wider driving lanes, wider sidewalks, and overlooks. Funding was provided by the Ohio Department of Transportation, Miami County Engineer, the Miami Valley Regional Planning Commission, and the City of Troy. 80% of the \$6,010,939 construction cost of the bridge was paid for with Federal funds. The City's share of these costs were paid for with funds collected over a three year period with permissive tax fees.

The original Truss Bridge was constructed in approximately 1876. It is thought that bridge was ordered closed sometime in 1911. Construction of the first concrete arch Adams Street Bridge was completed in 1913. However, following the devastating 1913 flood and construction of the levee system, the 1913 bridge was replaced with the second concrete arch bridge in 1922, which stood for nearly 90 years. The new Adams Street Bridge construction project began on June 6, 2011, with the structure dedicated on October 15, 2012.

Future Projects

2013 promises to be both exciting and intense.

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.

During 2012, Troy officials were disappointed that Piqua officials were not convinced that Piqua's best options to handle their water issues would be to create a regional water authority with Troy or to purchase water from Troy. With those options no longer viable, Troy has started the process to update the water master plan to help solidify needed capital projects so that Troy can consider a bond issue to fund the projects. Likewise, the sewer collection system master plan is being updated to identify capital improvements to also be considered for a bond issue. The payment of the debt on the bond issues required adjustments to the utility fees.

Due to state funding cuts and the loss of much revenue sharing, Troy is examining funding mechanisms to provide at least a minimal annual road maintenance program. We have recommended that Council enact a \$10 permissive tax per vehicle, with the tax to start in 2014. Of the \$20 total permissive tax per vehicle that can be assessed, Miami County has already assessed \$10 of that amount and could add another \$5 if the City does not collect this revenue stream for our own system needs.

With the Adams Street Bridge reopened in October 2012, the City is focusing on the reconstruction of and infrastructure improvements to North Market Street from Staunton Road north to Foss Way. The result will be a corridor that is new, improved, and more traffic-friendly for our junior and senior high schools, as well as our business and residential community.

The economic downturn has impacted the City of Troy's finances. We will remain diligent as we continue to closely monitor the financial situation while seeking economic development opportunities through retaining and expanding our existing businesses, recruiting new businesses, and pursuing project leads both in the United States and overseas.

A challenge that Troy continues to face is the idea being promoted by the State of Ohio to offer tax breaks to special interests under the guise of making our municipal income tax system simpler and more uniform. While the promoters of this idea feel it would be more efficient and less costly, in reality, the proposal they have offered, known as House Bill 5, would cost the City of Troy and its taxpayers between \$750,000 and \$1.2 million per year if passed into law. These losses would occur due to changes that would limit collections and offer certain businesses the opportunity to take special deductions, as well as avoid taxes if working in Troy for less than 21 days per year.

There will be much excitement in Troy during 2013 for special events. The Troy Strawberry Festival returns to the Miami River Levee the first weekend of June. For an unprecedented third time in ten years, the Great Ohio Bicycle Adventure (GOBA), with its thousands of bicyclists, will return to Troy for a two-day stay that will include two concerts and many other activities. The US Figure Skating National Theater on Ice Competition also returns to Hobart Arena.

We also will have the usual line-up of outstanding concerts as a result of partnerships with Troy Main Street, The Troy Foundation, and Hayner Cultural Center. From mid-May through early September, there is at least one concert almost every week in Downtown Troy, at least four of which are expected to draw crowds in excess of 1,500 attendees and will require the closing of the entire public square.

Perhaps the biggest event in Troy's history, however, will occur from August 29-September 1, when the Gentlemen of the Road (GOTR) event comes to Troy for a music festival. The Grammy-award winning band, Mumford & Sons, will appear in concert at the Troy Memorial Stadium on August 31 as part of this three-day non-stop festival, during which 25,000 fans from 48 states and five countries will descend on Troy to camp, visit our downtown businesses, and, of course, listen to many different types of music and other entertainment. For this event only, Troy City Council and Mayor Beamish have granted the sale of alcohol on Troy land. The event is a partnership between Troy Main Street, the Troy City Schools, and the City. We note that the members of the Mumford & Sons band selected Troy, Ohio USA as one of three US cities for their stop-over music festival.

Highlights and Accomplishments

- Reorganized the staffing at the Cemetery, Golf Course, Fleet Maintenance, Police records & Police administrative support
- Entered into an informal agreement/beta test with the City of Dayton to supply them with used lime sludge and then buy reconstituted lime from them at a discounted price
- Instituted the paperless initiative with Council and staff, eliminating printed agendas and other documentation
- Eliminated in-house fleet maintenance and signed a contract with Troy Ford to manage the maintenance of the City's fleet
- Purchased new police SUVs to replace the cruisers, resulting in lower operating costs
- Attempted to enter into a contract with Piqua to regionalize the City's water treatment plant

- Loaned \$256,000 to local businesses as part of the Revolving Loan Fund programs to stimulate further growth, expansion, etc.
- Entered into a long term maintenance agreement for three water towers, resulting in smoother, more stable and lower overall maintenance costs year to year
- Renegotiated our streetlight and government building agreements with DP&L
- Began construction of the computerization of instrumentation at the Sewer Treatment Plant, which will result in lower operating costs
- Opened and rededicated the Adams Street Bridge
- Refinanced virtually all of our bonds at a lower interest rate
- Renegotiated our township fire/EMS contracts to eliminate the subsidy over the next five years

On the negative side, the Ohio budget cuts continued to reduce revenues in Local Government Funds, Estate Tax, and Personal Property Tax, which cost the City \$1 million in annual revenue losses. The full effects of those cuts were felt at the second half of 2012. Now, the State Legislature is deliberating a bill known as HB5 that would fundamentally change the way Troy can collect, process, regulate, audit, and enforce its local income tax laws. It is a draconian bill that will devastate the City's General Fund budget by a minimum of \$750,000 per year to upwards of \$1.2 million – annually! The last round of cuts cost us non-safety services. If HB5 were to pass, it would represent at least nine police and/or paramedic positions, all of which are filled with employees, being laid off. Alternatively, the City would have to ask for large increases to our income tax and/or property taxes, which would put Troy at a serious disadvantage when recruiting new businesses and residential growth.

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, 2012.

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.

During 2012 MVRMA appointed a new Executive Director after the prior Executive Director retired after leading the organization for approximately 10 years.

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. The program emphasizes employees utilizing the expertise of the on-site nurse. During 2012 the program continued free flu shots for employees, nurse visits that provided a blood sugar analysis, and distribution of flyers regarding health concerns. Also, through the health insurance provider, employees were strongly encouraged to complete and utilize an on-line health risk analysis to help alert the employee to potential health and wellness concerns.

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 was eliminated in 2009. The tax on telephone and telecommunication property will begin being phased out in 2009 and was 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, 2011. 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 22nd time for the year ended December 31, 2011. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

Acknowledgements

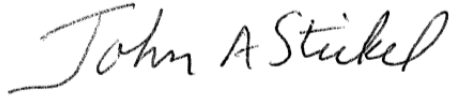
The preparation of the Comprehensive Annual Financial Report on a timely basis was made possible by the dedicated service of the entire staff of the City Auditor and other City departments. We express our sincere appreciation for the contributions made in the preparation of this report.

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

A handwritten signature in cursive script, reading "Patrick E. J. Titterington".

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

A handwritten signature in cursive script, reading "John A. Stickel".

John A. Stickel
City Auditor

CITY OF TROY, OHIO

Listing of Principal City Officials

December 31, 2012

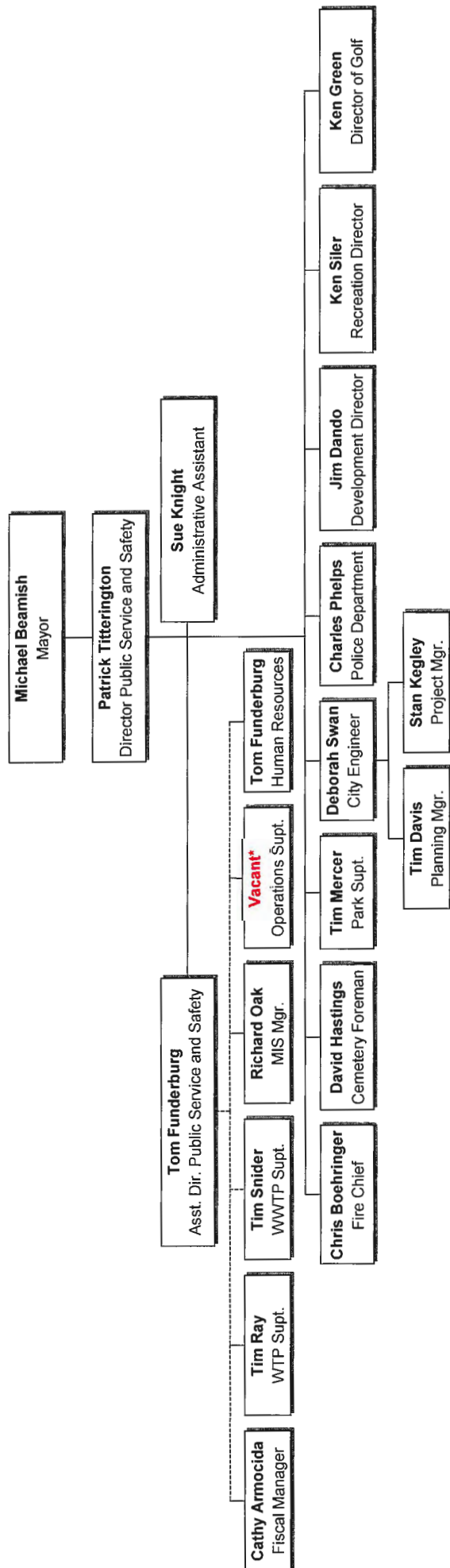
Elected Officials

Mayor	Michael L. Beamish
President of Council	Martha A. Baker
Councilmember-at-Large	Alan R. Clark
Councilmember-at-Large	Robin I. Oda
Councilmember-at-Large	Lynne B. Snee
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	James R. Livingston
Auditor	John A. Stickel

Appointed Officials

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

City of Troy
2012



*Operation Superintendent position vacant as of November 21, 2012
(decision to replace is pending)

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, 2011

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.



Christopher P. Morinell

President

Jeffrey R. Emer

Executive Director

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FINANCIAL SECTION



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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

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

To the Honorable Mayor and City Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Troy, Miami County, Ohio (the City), as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the City's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

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, 2012, and the respective changes in financial position and where applicable, cash flows, thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 16 to the financial statements, during 2012, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*.

Additionally, as discussed in Note 17 fund balance was restated on the governmental funds balance for a prior period adjustment.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis* and *required budgetary comparison schedule*, 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 applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

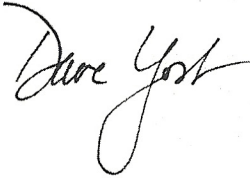
Our audit was conducted to opine on the City's basic financial statements taken as a whole. The introductory section, the financial section's combining statements, individual fund statements and schedules, and the statistical section information present additional analysis and are not a required part 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. We subjected these statements and schedules 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, and other additional procedures 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 3, 2013, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Dave Yost
Auditor of State

June 3, 2013

City of Troy, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2012
(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, 2012. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the City's performance.

Financial Highlights

- The City's total net position increased \$4,859,447.
- Net position of governmental activities increased \$4,001,571, net position of business-type activities increased by \$857,876.
- The General Fund reported a net change in fund balance of \$3,706,726 .
- Business-type operations reflected operating income of \$158,057 .

Overview of the Financial Statements

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

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

Government-wide Financial Statements

The analysis of the City as a whole begins with the Government-wide Financial Statements. These reports provide information that will help the reader to determine if the City 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, 2012
(Unaudited)

These two statements report the City's net position 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, TIF Retirement, 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 Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

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

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

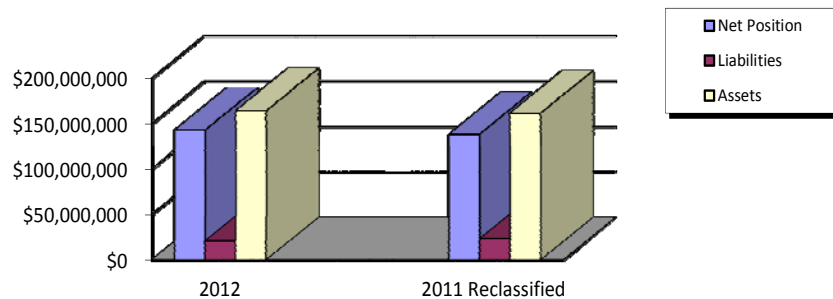
City of Troy, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2012
(Unaudited)

The City as a Whole

As stated previously, the Statement of Net Position looks at the City as a whole. Table 1 provides a summary of the City's net position for 2012 compared to 2011.

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2012	2011 Reclassified	2012	2011	2012	2011 Reclassified
Assets:						
Current and Other Assets	\$63,047,139	\$58,957,018	\$15,458,513	\$14,636,991	\$78,505,652	\$73,594,009
Capital Assets	40,939,839	41,677,370	44,729,558	46,290,887	85,669,397	87,968,257
Total Assets	103,986,978	100,634,388	60,188,071	60,927,878	164,175,049	161,562,266
Liabilities:						
Long-Term Liabilities	8,870,477	9,480,228	9,174,433	10,757,509	18,044,910	20,237,737
Other Liabilities	2,691,583	2,730,813	416,711	431,318	3,108,294	3,162,131
Total Liabilities	11,562,060	12,211,041	9,591,144	11,188,827	21,153,204	23,399,868
Net Position:						
Net Investment in Capital Assets	32,060,415	34,639,518	36,053,061	36,142,585	68,113,476	70,782,103
Restricted	8,487,756	8,539,110	0	0	8,487,756	8,539,110
Unrestricted	51,876,747	45,244,719	14,543,866	13,596,466	66,420,613	58,841,185
Total Net Position	\$92,424,918	\$88,423,347	\$50,596,927	\$49,739,051	\$143,021,845	\$138,162,398



Over time, net position can serve as a useful indicator of a government's financial position. Total net position of the City as a whole increased \$4,859,447.

Net position of the City's governmental activities increased \$4,001,571. 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, 2012
(Unaudited)

The net position of the City's business-type activities increased \$857,876 from 2011. The City had an increase in Current and Other Assets mainly due to an increase in bank balance from prior year. The City also saw a decrease in the amount of long-term liabilities for 2012 due to the City continuing to make regularly scheduled payments on their long-term obligations.

Table 2 shows the changes in net position for the year ended December 31, 2012 as compared to the year ended December 31, 2011.

Table 2
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Program Revenues:						
Charges for Services	\$4,109,538	\$4,046,374	\$10,983,483	\$10,266,607	\$15,093,021	\$14,312,981
Operating Grants and Contributions	1,077,177	1,140,154	0	0	1,077,177	1,140,154
Capital Grants and Contributions	405,309	1,951,040	277,928	173,440	683,237	2,124,480
Total Program Revenues	5,592,024	7,137,568	11,261,411	10,440,047	16,853,435	17,577,615
General Revenues:						
Income Taxes	15,913,230	14,186,343	0	0	15,913,230	14,186,343
Property Taxes	1,891,035	1,807,628	0	0	1,891,035	1,807,628
Grants and Entitlements	1,161,462	1,886,775	0	0	1,161,462	1,886,775
Investment Earnings	607,412	975,686	114,967	149,260	722,379	1,124,946
Other Revenues	606,284	594,288	890,422	782,685	1,496,706	1,376,973
Total General Revenues	20,179,423	19,450,720	1,005,389	931,945	21,184,812	20,382,665
Total Revenues	25,771,447	26,588,288	12,266,800	11,371,992	38,038,247	37,960,280
Program Expenses:						
General Government	4,347,195	4,811,024	0	0	4,347,195	4,811,024
Public Safety	9,758,352	9,788,994	0	0	9,758,352	9,788,994
Leisure Time Activities	1,759,009	1,963,883	0	0	1,759,009	1,963,883
Community Development	1,071,345	969,092	0	0	1,071,345	969,092
Basic Utility Service	1,264,386	1,197,495	0	0	1,264,386	1,197,495
Transportation and Street Repair	2,331,957	3,955,665	0	0	2,331,957	3,955,665
Public Health and Welfare	353,417	349,444	0	0	353,417	349,444
Interest and Fiscal Charges	207,620	453,931	0	0	207,620	453,931
Water Utility	0	0	4,447,884	4,017,767	4,447,884	4,017,767
Sewer Utility	0	0	4,130,725	4,086,762	4,130,725	4,086,762
Arena Facilities	0	0	1,486,347	1,324,887	1,486,347	1,324,887
Pool	0	0	360,881	359,687	360,881	359,687
Parking	0	0	47,419	46,292	47,419	46,292
Golf Course	0	0	863,678	820,170	863,678	820,170
Stormwater Utility	0	0	748,585	925,378	748,585	925,378
Total Program Expenses	21,093,281	23,489,528	12,085,519	11,580,943	33,178,800	35,070,471
Increase (Decrease) in Net Position before Transfers	4,678,166	3,098,760	181,281	(208,951)	4,859,447	2,889,809
Transfers - Internal Activities	(676,595)	(645,806)	676,595	645,806	0	0
Change in Net Position	4,001,571	2,452,954	857,876	436,855	4,859,447	2,889,809
Net Position - Beginning of Year	88,423,347	85,970,393	49,739,051	49,302,196	138,162,398	135,272,589
Net Position - End of Year	\$92,424,918	\$88,423,347	\$50,596,927	\$49,739,051	\$143,021,845	\$138,162,398

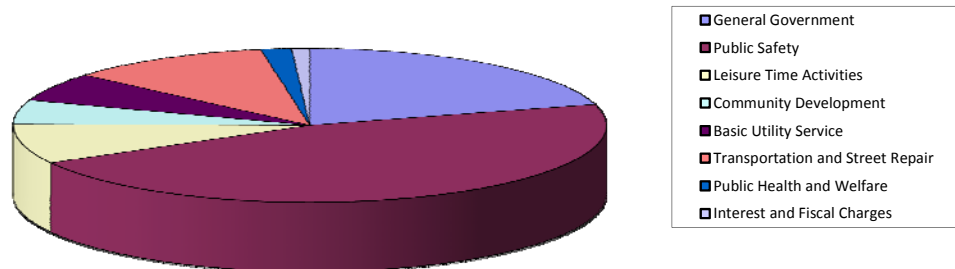
City of Troy, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2012
(Unaudited)

Governmental Activities

Troy has made continued efforts to attract large-scale employers to the city for the year 2012, 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 79% of the City's governmental activities general revenues.

Governmental Activities
Program Expenses for 2012

	Percentage
General Government	21%
Public Safety	46%
Leisure Time Activities	8%
Community Development	5%
Basic Utility Service	6%
Transportation and Street Repair	11%
Public Health and Welfare	2%
Interest and Fiscal Charges	1%
Total	100%



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

Capital Grants and Contributions decreased in 2012 as compared to 2011 mainly due to the majority of the capital grant monies being received in 2011. Income Tax revenue increased in 2012 as compared to 2011 mainly due to an increase in income tax collections. Transportation and Street Repair expenses decreased mainly due to a decrease in maintenance and repairs.

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 \$11,873,905 and operating expenses of \$11,715,848 for fiscal year 2012. Business activities receive no support from tax revenues. The business activities net position at the end of the year was \$50,596,927, which increased \$857,876

City of Troy, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2012
(Unaudited)

from 2011. 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 139.94 miles of water mains in its distribution system. The water fund had operating income of \$892,067 for 2012.

The City of Troy's Sewer Department includes 128.24 miles of sanitary sewer main, which provide the collection and treatment of public wastewater. Miles of sanitary sewer main increased 0.29 miles from 2011. The Sewer fund had operating loss of \$336,923 for 2012.

Charges for Services increased mainly due to an increase in utility collections. Contracted services expenses mainly due to increases in various utilities expenses.

The City's Funds

The City has two major governmental funds: the General Fund and the TIF Retirement Fund. Assets of these funds comprised \$55,381,188 (86%) of the total \$64,536,331 governmental funds' assets.

General Fund: Fund balance at December 31, 2012 was \$51,761,559 which was an increase in fund balance of \$3,706,726 from 2011. The increase is mainly due to a decrease in general government expenditures.

TIF Retirement Fund: Fund balance at December 31, 2012 was (\$1,428,095) which was a decrease in fund balance of \$141,044 from 2011. The decrease in fund balance is mainly due to an increase in capital outlay expenditures.

General Fund Budgeting Highlights

The City's General Fund budget is formally adopted at the fund level. The City amended it's budget throughout the year.

For the General Fund, the final budgeted revenue was \$6,692,639 and the original budgeted revenue was \$6,628,857. The difference was \$63,782. Of this difference, most was due to an underestimate of tax and intergovernmental revenue.

Variations from the final budget amounts to the actual amounts are primarily due to the following reasons: The City overestimated the general government and public safety expenditures for 2012. As the City completed the year, its General Fund balance reported an actual fund balance of \$8,510,649, on a Non-GAAP Budgetary Basis.

City of Troy, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2012
(Unaudited)

Capital Assets and Debt Administration

Capital Assets

At year end, the City had \$85,669,397 invested in land, construction in progress, buildings and improvements, equipment and infrastructure. Table 3 shows 2012 balances compared to 2011:

Table 3
Capital Assets, Net of Depreciation

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land	\$12,266,242	\$12,243,533	\$489,045	\$489,045	\$12,755,287	\$12,732,578
Construction in Progress	72,939	21,749	9,000	0	81,939	21,749
Buildings and Improvements	8,046,890	8,489,054	21,792,354	22,714,316	29,839,244	31,203,370
Equipment	2,153,597	2,498,453	7,853,191	8,172,655	10,006,788	10,671,108
Infrastructure	18,400,171	18,424,581	14,585,968	14,914,871	32,986,139	33,339,452
Total Net Capital Assets	\$40,939,839	\$41,677,370	\$44,729,558	\$46,290,887	\$85,669,397	\$87,968,257

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, 2012
(Unaudited)

Debt

The City had \$15,664,692 in general obligation bonds and loan.

Table 4
Outstanding Debt at Year End

		2012	2011 Restated
Governmental Activities			
<u>General Obligation Bonds</u>			
Stadium Improvement	2.50-5.25%	\$0	\$145,000
Elm Street Improvements	2.00-4.75%	55,000	435,000
Aquatic Center	2.00-4.75%	365,000	2,905,000
Cemetery Maintenance Building	2.00-4.75%	40,000	335,000
Fire Station	2.00-4.75%	235,000	1,845,000
Refunding Capital Facilities Bonds	1.00-2.625%	1,975,000	2,005,000
Premium on Refunding Bonds		12,310	13,541
Discount on Refunding Bonds		(18,227)	(20,050)
Deferred Amount on Refunding Bonds		(77,854)	(85,639)
Refunding Bonds - Elm Street Improvements	1.00-2.375%	390,339	0
Refunding Bonds - Aquatic Center	1.00-2.375%	2,588,046	0
Refunding Bonds - Cemetery Maintenance Building	1.00-2.375%	298,494	0
Refunding Bonds - Fire Station	1.00-2.375%	1,649,920	0
Premium on Refunding Bonds		66,551	0
Discount on Refunding Bonds		(46,976)	0
Deferred Amount on Refunding Bonds		(544,408)	0
Total General Obligation Bonds		<u>6,988,195</u>	<u>7,577,852</u>
Business Type Activities			
<u>General Obligation Bonds</u>			
Refunding Limited Tax	1.00-3.00%	1,565,000	1,765,000
Premium on Refunding		20,545	23,706
Discount on Refunding		(18,038)	(20,812)
Deferred Amount on Refunding		(34,261)	(39,532)
Wastewater Improvement IIC&VA	0.00%	200,000	225,000
Water Line Extension	2.50-4.00%	0	120,000
Southeast Area Sewer	2.50-4.75%	120,000	960,000
Generators	2.00-4.75%	110,000	890,000
Refunding Wastewater System			
Improvement	4.00-5.00%	965,000	1,255,000
Refunding Waterplant Expansion I	5.00%	1,400,000	1,705,000
Refunding Waterplant Expansion II	4.00-5.00%	2,435,000	2,845,000
Refunding Bonds - Southeast Area Sewer	1.00-2.375%	859,402	0
Refunding Bonds - Generators	1.00-2.375%	793,799	0
Premium on Refunding Bonds		22,332	0
Discount on Refunding Bonds		(15,760)	0
Deferred Amount on Refunding Bonds		(154,974)	0
Total General Obligation Bonds		<u>8,268,045</u>	<u>9,728,362</u>
OWDA Loan	3.25%	<u>408,452</u>	<u>419,940</u>
Total Debt		<u>\$15,664,692</u>	<u>\$17,726,154</u>

City of Troy, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2012
(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 Position
December 31, 2012

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in Pooled Cash and Investments	\$55,469,081	\$14,132,418	\$69,601,499
Restricted Cash and Investments	0	3,517	3,517
Receivables:			
Taxes	2,845,325	0	2,845,325
Accounts	832,000	643,580	1,475,580
Interest	159,048	15,458	174,506
Intergovernmental	1,453,668	0	1,453,668
Notes	1,950,346	0	1,950,346
Special Assessments	251,863	0	251,863
Deferred Bond Issuance Costs	85,808	51,555	137,363
Inventory	0	611,985	611,985
Nondepreciable Capital Assets	12,339,181	498,045	12,837,226
Depreciable Capital Assets, Net	28,600,658	44,231,513	72,832,171
Total Assets	103,986,978	60,188,071	164,175,049
Liabilities:			
Accounts Payable	280,215	188,512	468,727
Accrued Wages and Benefits	871,288	198,151	1,069,439
Retainage Payable	0	3,517	3,517
Accrued Interest Payable	45,726	26,531	72,257
Unearned Revenue	1,494,354	0	1,494,354
Long-Term Liabilities:			
Due Within One Year	1,165,530	1,662,305	2,827,835
Due In More Than One Year	7,704,947	7,512,128	15,217,075
Total Liabilities	11,562,060	9,591,144	21,153,204
Net Position:			
Net Investment in Capital Assets	32,060,415	36,053,061	68,113,476
Restricted for:			
Capital Projects	1,932,926	0	1,932,926
Street Improvements	1,174,886	0	1,174,886
Public Safety	51,461	0	51,461
Community Development	3,499,942	0	3,499,942
Park Improvements	275,916	0	275,916
Cemetery Services	1,070,724	0	1,070,724
Other Purposes	481,901	0	481,901
Unrestricted	51,876,747	14,543,866	66,420,613
Total Net Position	\$92,424,918	\$50,596,927	\$143,021,845

See accompanying notes to the basic financial statements.

City of Troy, Ohio
Statement of Activities
For the Fiscal Year Ended December 31, 2012

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$4,347,195	\$184,969	\$3,942	\$0
Public Safety	9,758,352	1,436,008	0	0
Leisure Time Activities	1,759,009	132,752	0	0
Community Development	1,071,345	133,661	0	93,374
Basic Utility Service	1,264,386	1,937,636	0	80,847
Transportation and Street Repair	2,331,957	27,430	1,073,235	231,088
Public Health and Welfare	353,417	257,082	0	0
Interest and Fiscal Charges	207,620	0	0	0
Total Governmental Activities	21,093,281	4,109,538	1,077,177	405,309
Business-Type Activities:				
Water Utility	4,447,884	5,108,969	0	133,429
Sewer Utility	4,130,725	3,639,617	0	144,499
Arena Facilities	1,486,347	124,329	0	0
Pool	360,881	222,790	0	0
Parking	47,419	18,074	0	0
Golf Course	863,678	669,172	0	0
Stormwater Utility	748,585	1,200,532	0	0
Total Business-Type Activities	12,085,519	10,983,483	0	277,928
Totals	\$33,178,800	\$15,093,021	\$1,077,177	\$683,237

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 Position

Net Position - Beginning of Year

Net Position - End of Year

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
(\$4,158,284)	\$0	(\$4,158,284)
(8,322,344)	0	(8,322,344)
(1,626,257)	0	(1,626,257)
(844,310)	0	(844,310)
754,097	0	754,097
(1,000,204)	0	(1,000,204)
(96,335)	0	(96,335)
(207,620)	0	(207,620)
<u>(15,501,257)</u>	<u>0</u>	<u>(15,501,257)</u>
0	794,514	794,514
0	(346,609)	(346,609)
0	(1,362,018)	(1,362,018)
0	(138,091)	(138,091)
0	(29,345)	(29,345)
0	(194,506)	(194,506)
0	451,947	451,947
<u>0</u>	<u>(824,108)</u>	<u>(824,108)</u>
<u>(15,501,257)</u>	<u>(824,108)</u>	<u>(16,325,365)</u>
15,913,230	0	15,913,230
1,860,106	0	1,860,106
30,929	0	30,929
1,161,462	0	1,161,462
224,299	0	224,299
72,989	0	72,989
607,412	114,967	722,379
308,996	890,422	1,199,418
(676,595)	676,595	0
<u>19,502,828</u>	<u>1,681,984</u>	<u>21,184,812</u>
4,001,571	857,876	4,859,447
<u>88,423,347</u>	<u>49,739,051</u>	<u>138,162,398</u>
<u>\$92,424,918</u>	<u>\$50,596,927</u>	<u>\$143,021,845</u>

City of Troy, Ohio
Balance Sheet
Governmental Funds
December 31, 2012

	General	TIF Retirement	Other Governmental Funds	Total Governmental Funds
Assets:				
Equity in Pooled Cash and Investments	\$48,928,371	\$155,217	\$6,385,493	\$55,469,081
Receivables:				
Taxes	2,845,325	0	0	2,845,325
Accounts	831,891	0	109	832,000
Interest	155,237	0	3,811	159,048
Intergovernmental	666,147	224,000	563,521	1,453,668
Notes	0	0	1,950,346	1,950,346
Special Assessments	0	0	251,863	251,863
Interfund	1,575,000	0	0	1,575,000
Total Assets	55,001,971	379,217	9,155,143	64,536,331
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	202,860	8,312	69,043	280,215
Accrued Wages and Benefits	818,115	0	53,173	871,288
Compensated Absences	59,039	0	0	59,039
Interfund Payable	0	1,575,000	0	1,575,000
Deferred Revenue	2,160,398	224,000	696,652	3,081,050
Total Liabilities	3,240,412	1,807,312	818,868	5,866,592
Fund Balances:				
Restricted	1,177,323	0	7,931,844	9,109,167
Assigned	530,678	0	404,431	935,109
Unassigned	50,053,558	(1,428,095)	0	48,625,463
Total Fund Balances	51,761,559	(1,428,095)	8,336,275	58,669,739
Total Liabilities and Fund Balances	\$55,001,971	379,217	\$9,155,143	\$64,536,331

See accompanying notes to the basic financial statements.

City of Troy, Ohio
 Reconciliation of Total Governmental Fund Balance to
 Net Position of Governmental Activities
 December 31, 2012

Total Governmental Fund Balance \$58,669,739

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

Capital assets used in governmental activities are not financial
 resources and therefore are not reported in the funds. 40,939,839

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

Delinquent Property Taxes	\$80,517	
Intergovernmental	981,424	
Other	<u>524,755</u>	
		1,586,696

In the statement of net position interest payable is accrued when
 incurred, whereas in the governmental funds interest is
 reported as a liability only when it will require the use of
 current financial resources. (45,726)

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

Compensated Absences		(1,823,243)
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Deferred bond issuance cost associated with long-term liabilities
 are not reported in the funds. 85,808

Long-term liabilities, are not due and payable in the current period and therefore are not reported in the funds.		<u>(6,988,195)</u>
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Net Position of Governmental Activities		<u><u>\$92,424,918</u></u>
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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, 2012

	General	TIF Retirement	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$17,775,100	\$0	\$32,871	\$17,807,971
Fines, Licenses and Permits	65,453	0	24,191	89,644
Charges for Services	3,446,056	0	323,660	3,769,716
Investment Earnings	542,470	0	64,943	607,413
Intergovernmental	1,289,005	0	1,222,475	2,511,480
Special Assessments	1,866	0	39,629	41,495
Payments in Lieu of Taxes	0	224,299	0	224,299
Other Revenues	481,536	1,193	39,176	521,905
Total Revenues	23,601,486	225,492	1,746,945	25,573,923
Expenditures:				
Current:				
General Government	3,860,515	0	59,780	3,920,295
Public Safety	9,371,461	0	794	9,372,255
Leisure Time Activities	1,568,078	0	0	1,568,078
Community Development	774,312	0	247,836	1,022,148
Basic Utility Service	1,052,079	0	57,771	1,109,850
Transportation and Street Repair	0	0	1,545,172	1,545,172
Public Health and Welfare	0	0	360,495	360,495
Capital Outlay	0	269,936	705,096	975,032
Debt Service:				
Principal Retirement	0	0	604,826	604,826
Interest and Fiscal Charges	0	96,600	157,532	254,132
Bond Issuance Costs	0	0	54,565	54,565
Total Expenditures	16,626,445	366,536	3,793,867	20,786,848
Excess of Revenues Over (Under) Expenditures	6,975,041	(141,044)	(2,046,922)	4,787,075
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	64,803	0	0	64,803
Sale of Refunding Bonds	0	0	5,031,625	5,031,625
Payments to Refunded Bond Escrow Agent	0	0	(4,994,725)	(4,994,725)
Premium on Sale of Refunded Bonds	0	0	71,287	71,287
(Discount) on Sale of Refunded Bonds	0	0	(50,319)	(50,319)
Transfers In	0	0	2,626,819	2,626,819
Transfers (Out)	(3,333,118)	0	(23,701)	(3,356,819)
Total Other Financing Sources (Uses)	(3,268,315)	0	2,660,986	(607,329)
Net Change in Fund Balance	3,706,726	(141,044)	614,064	4,179,746
Fund Balance - Beginning of Year, Restated	48,054,833	(1,287,051)	7,722,211	54,489,993
Fund Balance - End of Year	\$51,761,559	(\$1,428,095)	\$8,336,275	\$58,669,739

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, 2012

Net Change in Fund Balance - Total Governmental Funds \$4,179,746

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	\$776,816	
Depreciation Expense	<u>(1,505,240)</u>	(728,424)

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. (9,107)

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

Delinquent Property Taxes	(\$3,706)	
Intergovernmental	(192,430)	
Other	<u>28,324</u>	(167,812)

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	\$54,565	
Premium on Bonds Issued	(71,287)	
Discount on Bonds Issued	50,319	
Deferred Amount on Refunding Bonds	583,150	
Refunding Bonds	(5,031,625)	
Bonds Refunded	<u>4,500,000</u>	85,122

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 604,826

In the statement of activities interest expense is accrued when incurred, whereas in governmental funds an interest expenditure is reported when due. 10,925

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	\$79,133	
Amortization of Bond Issuance Cost	(7,112)	
Amortization of Bond Premium	5,967	
Amortization of Bond Discount	(5,166)	
Amortization of Deferred Amount on Refunding Bonds	<u>(46,527)</u>	26,295

Change in Net Position of Governmental Activities \$4,001,571

See accompanying notes to the basic financial statements.

City of Troy, Ohio
Statement of Net Position
Proprietary Funds
December 31, 2012

	Business-Type Activities - Enterprise Funds			
	Water	Sanitary Sewer	Other Enterprise Funds	Total Business-Type Activities
Current Assets:				
Equity in Pooled Cash and Investments	\$5,958,680	\$5,979,994	\$2,193,744	\$14,132,418
Restricted Cash and Investments	0	3,517	0	3,517
Receivables:				
Accounts	288,840	249,257	105,483	643,580
Interest	6,891	6,920	1,647	15,458
Inventory	611,985	0	0	611,985
Total Current Assets	6,866,396	6,239,688	2,300,874	15,406,958
Deferred Bond Issuance Costs	0	51,555	0	51,555
Nondepreciable Capital Assets	154,937	74,800	268,308	498,045
Depreciable Capital Assets, Net	19,794,476	19,080,542	5,356,495	44,231,513
Total Noncurrent Assets	19,949,413	19,206,897	5,624,803	44,781,113
Total Assets	26,815,809	25,446,585	7,925,677	60,188,071
Liabilities:				
Current Liabilities:				
Accounts Payable	57,195	106,777	24,540	188,512
Accrued Wages and Benefits	52,457	116,260	29,434	198,151
Compensated Absences	50,721	116,861	27,378	194,960
Retainage Payable	0	3,517	0	3,517
Accrued Interest Payable	15,933	10,598	0	26,531
Long-Term Liabilities Due Within One Year	770,000	697,345	0	1,467,345
Total Current Liabilities	946,306	1,051,358	81,352	2,079,016
Long-Term Liabilities:				
Compensated Absences	96,570	186,493	19,913	302,976
Bonds, Notes & Loans Payable	3,065,000	4,144,152	0	7,209,152
Total Noncurrent Liabilities	3,161,570	4,330,645	19,913	7,512,128
Total Liabilities	4,107,876	5,382,003	101,265	9,591,144
Net Position:				
Net Investment in Capital Assets	16,114,413	14,313,845	5,624,803	36,053,061
Unrestricted	6,593,520	5,750,737	2,199,609	14,543,866
Total Net Position	\$22,707,933	\$20,064,582	\$7,824,412	\$50,596,927

See accompanying notes to the basic financial statements.

City of Troy, Ohio
Statement of Revenues, Expenses
and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended December 31, 2012

	Business-Type Activities - Enterprise Funds			
	Water	Sanitary Sewer	Other Enterprise Funds	Total Business-Type Activities
Operating Revenues:				
Fines, Licenses and Permits	\$0	\$0	\$5,100	\$5,100
Charges for Services	5,108,969	3,639,617	2,229,797	10,978,383
Other Revenues	7,011	8,485	874,926	890,422
Total Operating Revenues	5,115,980	3,648,102	3,109,823	11,873,905
Operating Expenses:				
Personal Services	1,479,295	1,258,514	1,452,143	4,189,952
Contractual Services	747,012	648,474	415,997	1,811,483
Materials and Supplies	797,907	185,719	545,106	1,528,732
Depreciation	994,779	1,052,800	284,216	2,331,795
Other Expenses	204,920	839,518	809,448	1,853,886
Total Operating Expenses	4,223,913	3,985,025	3,506,910	11,715,848
Operating Income (Loss)	892,067	(336,923)	(397,087)	158,057
Non-Operating Revenues (Expenses):				
Investment Earnings	50,408	53,545	11,014	114,967
Interest (Expense)	(223,971)	(143,263)	0	(367,234)
Gain (Loss) on Disposal of Capital Assets	0	(2,437)	0	(2,437)
Transfers (Out)	0	0	(53,405)	(53,405)
Total Non-Operating Revenues (Expenses)	(173,563)	(92,155)	(42,391)	(308,109)
Income (Loss) Before Contributions and Transfers	718,504	(429,078)	(439,478)	(150,052)
Capital Grants and Contributions	133,429	144,499	0	277,928
Transfers In	0	0	730,000	730,000
Change in Net Position	851,933	(284,579)	290,522	857,876
Net Position - Beginning of Year	21,856,000	20,349,161	7,533,890	49,739,051
Net Position - End of Year	\$22,707,933	\$20,064,582	\$7,824,412	\$50,596,927

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, 2012

	Business-Type Activities - Enterprise Funds			
	Water	Sanitary Sewer	Other Enterprise Funds	Total Business-Type Activities
Cash Flows from Operating Activities:				
Cash Received from Customers	\$5,165,682	\$3,691,668	\$3,123,956	\$11,981,306
Cash Payments to Employees	(1,535,369)	(1,223,156)	(1,493,730)	(4,252,255)
Cash Payments to Suppliers	(1,684,010)	(1,670,071)	(1,782,534)	(5,136,615)
Net Cash Provided (Used) by Operating Activities	1,946,303	798,441	(152,308)	2,592,436
Cash Flows from Noncapital Financing Activities:				
Payments from Other Funds	0	0	730,000	730,000
Payments to Other Funds	0	0	(53,405)	(53,405)
Net Cash Provided (Used) by Noncapital Financing Activities	0	0	676,595	676,595
Cash Flows from Capital and Related Financing Activities:				
Payments for Capital Acquisitions	(53,445)	(254,762)	(186,768)	(494,975)
Debt Principal Payments	(835,000)	(671,662)	0	(1,506,662)
Debt Interest Payments	(226,950)	(124,861)	0	(351,811)
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,115,395)	(1,051,285)	(186,768)	(2,353,448)
Cash Flows from Investing Activities:				
Earnings on Investments	51,547	56,401	11,071	119,019
Net Cash Provided (Used) by Cash Flows from Investing Activities	51,547	56,401	11,071	119,019
Net Increase (Decrease) in Cash and Cash Equivalents	882,455	(196,443)	348,590	1,034,602
Cash and Cash Equivalents - Beginning of Year	5,076,225	6,179,954	1,845,154	13,101,333
Cash and Cash Equivalents - End of Year	5,958,680	5,983,511	2,193,744	14,135,935
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	892,067	(336,923)	(397,087)	158,057
Adjustments:				
Depreciation	994,779	1,052,800	284,216	2,331,795
Changes in Assets & Liabilities:				
(Increase) Decrease in Receivables	49,702	43,566	14,133	107,401
(Increase) Decrease in Inventory	113,413	0	0	113,413
Increase (Decrease) in Payables	(47,584)	3,640	(11,983)	(55,927)
Increase (Decrease) in Accrued Liabilities	(56,074)	35,358	(41,587)	(62,303)
Net Cash Provided (Used) by Operating Activities	\$1,946,303	\$798,441	(\$152,308)	\$2,592,436
Schedule of Noncash Capital Activities:				
During the fiscal year, these amounts were received representing noncash contributions of:				
Capital Assets	\$133,429	\$144,499	\$0	\$277,928

See accompanying notes to the basic financial statements.

City of Troy, Ohio
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2012

	Private Purpose Trust	Agency
Assets:		
Equity in Pooled Cash and Investments	\$276,014	\$40,327
Receivables:		
Interest	<u>319</u>	<u>32</u>
Total Assets	<u>276,333</u>	<u>40,359</u>
Liabilities:		
Accounts Payable	0	500
Other Liabilities	<u>0</u>	<u>39,859</u>
Total Liabilities	<u>0</u>	<u>\$40,359</u>
Net Position:		
Restricted for Endowment - Expendable	166,241	
Restricted for Endowment - Nonexpendable	<u>110,092</u>	
Total Net Position	<u>\$276,333</u>	

See accompanying notes to the basic financial statements.

City of Troy, Ohio
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Fiscal Year Ended December 31, 2012

	Private Purpose Trust
Additions:	
Donations	\$4,953
Investment Earnings	2,358
Total Additions	<u>7,311</u>
Deductions:	
Public Health and Welfare	<u>5,659</u>
Total Deductions	<u>5,659</u>
Change in Net Position	1,652
Net Position - Beginning of Year	<u>274,681</u>
Net Position - End of Year	<u><u>\$276,333</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, 2012

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, 2012

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 Position.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances 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 position. The statement of revenues, expenses and changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

Basis of Presentation

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

Government-wide Financial Statements

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

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

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2012

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

Fund Financial Statements

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

Fund Accounting

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

Governmental Funds

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

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

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.

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

Proprietary Funds

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

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2012

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

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

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

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: agency funds, pension trust funds, investment trust funds and private-purpose trust funds. Agency Funds are custodial in nature (assets equal liabilities) and does not involve measurement of results of operations. Trust funds are used to account for assets held under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. The City currently has one private purpose trust funds and six agency funds. The Cemetery private purpose trust fund is used to account for the receipt of monies (investment earnings) to be used for (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.

Basis of Accounting

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

Revenues - Exchange and Non-exchange Transactions

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

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2012

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
Notes to the Basic Financial Statements
For The Year Ended December 31, 2012

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 position/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 2012 amounted to \$542,470. Interest revenues assigned to the General Fund from other city funds amounted to \$435,541.

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 position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and in the respective proprietary funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets 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
Notes to the Basic Financial Statements
For The Year Ended December 31, 2012

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

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

Compensated Absences

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

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

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

Accrued Liabilities and Long-Term Obligations

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

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

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2012

Fund Balance

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

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

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

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

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

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

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 Position

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

The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available. Of the City's \$8,487,756 in restricted net position, 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 goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2012

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.

Restricted Assets

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

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."

City of Troy, Ohio
Notes to the Basic Financial Statements
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State statute requires the classification of monies held by the City into three categories:

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

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

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

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

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2012

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

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

Deposits

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's policy for deposits is any balance not covered by depository insurance will be collateralized by the financial institutions with pledged securities. As of December 31, 2012, \$10,918,258 of the City's bank balance of \$16,774,070 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, 2012, the City had the following investments:

Investment Type	Fair Value	Weighted Average Maturity (Years)
Federal Home Loan Bank	\$2,998,440	4.77
Federal Home Loan Mortgage Corporation	1,000,620	4.57
Federal National Mortgage Association	46,582,600	4.38
Ohio Municipal Bonds	1,578,554	2.96
Money Market Funds	1,346,368	0.00
Total Fair Value	\$53,506,582	
Portfolio Weighted Average Maturity		4.38

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2012

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

Credit Risk – It is the City’s policy to limit its investments that are obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government to investments which have the highest credit quality rating issued by nationally recognized statistical rating organizations. The City’s investments in Federal Home Loan Bank, Federal Home Loan Mortgage Corporation and Federal National Mortgage Association were rated AA+ by Standard and Poor’s and Fitch ratings and Aaa by Moody’s Investors Service. Ohio Municipal Bonds were rated AA+ by Standard and Poor’s and Fitch ratings and Aa1 by Moody’s Investors Service. Money Market Funds were rated AA+ by Standard and Poor’s.

Concentration of Credit Risk – The City’s investment policy allows investments in Federal Government Securities or Instrumentalities. The City has invested 6% of the City’s investments in Federal Home Loan Bank, 2% in Federal Home Loan Mortgage Corporation, 87% in Federal National Mortgage Association, 3% in Ohio Municipal Bonds and 2% 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 \$251,863 of which, \$13,500 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 2012 were levied after October 1, 2011 on assessed values as of January 1, 2011, 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.

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2012

Tangible personal property tax revenues received in 2012 (other than public utility property) represent the collection of 2012 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 2012 were levied after October 1, 2011 on values as of December 31, 2011. 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 2012. 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	\$491,652,910
Public Utility	<u>10,786,650</u>
Total Valuation	<u><u>\$502,439,560</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 Treasurer collects property taxes on behalf of all taxing districts in the counties, including the City of Troy. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2012, 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 2012 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.

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2012

Income Taxes

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

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

Note 5 - Risk Management

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

City of Troy, Ohio
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For The Year Ended December 31, 2012

Property (effective 7/1/09-7/1/13):

\$1,000,000,000/occurrence

MVRMA SIR: \$250,000/occurrence

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.

Flood (effective 7/1/09-7/1/13) - 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 7/1/09-7/1/13) - included in Property Policy

\$25 million/occurrence and annual aggregate

MVRMA SIR: \$100,000/occurrence

Boiler & Machinery (effective 7/1/09-7/1/13)

\$100,000,000/occurrence

MVRMA SIR: \$10,000-\$350,000/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 7/1/12-7/1/13)

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 7/1/11-7/1/13) – 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

City of Troy, Ohio
Notes to the Basic Financial Statements
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The Financial Audit for 2012 has not been completed yet. Figures from the audited 2011 Financial Audit are as follows:

Current Assets	\$6,642,172
Total Assets	\$18,681,014
Current Liabilities	\$6,311,600
Long-Term Liabilities	\$0
Net Assets	\$12,369,414

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.

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2012

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	\$22,709	\$0	\$12,266,242
Construction in Progress	21,749	236,190	185,000	72,939
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	15,043,337	11,700	0	15,055,037
Equipment	9,627,587	171,689	65,218	9,734,058
Infrastructure	30,986,568	519,528	0	31,506,096
Totals at Historical Cost	<u>\$67,922,774</u>	<u>\$961,816</u>	<u>\$250,218</u>	<u>\$68,634,372</u>
Less Accumulated Depreciation:				
Buildings and Improvements	\$6,554,283	\$453,864	\$0	\$7,008,147
Equipment	7,129,134	507,438	56,111	7,580,461
Infrastructure	12,561,987	543,938	0	13,105,925
Total Accumulated Depreciation	<u>\$26,245,404</u>	<u>\$1,505,240</u>	<u>\$56,111</u>	<u>\$27,694,533</u>
Governmental Activities Capital Assets, Net	<u>\$41,677,370</u>	<u>(\$543,424)</u>	<u>\$194,107</u>	<u>\$40,939,839</u>

Depreciation expense was charged to governmental functions as follows:

General Government	\$467,383
Public Safety	393,702
Leisure Time Activities	244,683
Transportation and Street Repair	239,137
Basic Utility Service	153,300
Community Development	7,035
Total Depreciation Expense	<u>\$1,505,240</u>

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2012

	Beginning Balance	Additions	Deletions	Ending Balance
Business-Type Activities				
Capital Assets, not being depreciated:				
Land	\$489,045	\$0	\$0	\$489,045
Construction in Progress	0	9,000	0	9,000
Capital Assets, being depreciated:				
Buildings and Improvements	41,463,026	123,915	0	41,586,941
Equipment	13,651,169	362,060	7,758	14,005,471
Infrastructure	28,478,058	277,928	0	28,755,986
Totals at Historical Cost	<u>\$84,081,298</u>	<u>\$772,903</u>	<u>\$7,758</u>	<u>\$84,846,443</u>
Less Accumulated Depreciation:				
Buildings and Improvements	\$18,748,710	\$1,045,877	\$0	\$19,794,587
Equipment	5,478,514	679,087	5,321	6,152,280
Infrastructure	13,563,187	606,831	0	14,170,018
Total Accumulated Depreciation	<u>\$37,790,411</u>	<u>\$2,331,795</u>	<u>\$5,321</u>	<u>\$40,116,885</u>
Business-Type Activities Capital Assets, Net	<u>\$46,290,887</u>	<u>(\$1,558,892)</u>	<u>\$2,437</u>	<u>\$44,729,558</u>

Note 7 – Compensated Absences

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

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

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

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2012

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	Restated Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental Activities							
General Obligation Bonds							
Stadium Improvements -\$3,055,000	12/1/22	2.50-5.25%	\$145,000	\$0	(\$145,000)	\$0	\$0
Elm Street Improvements -\$595,000	12/1/24	2.00-4.75%	435,000	0	(380,000) \$	55,000	25,000
Aquatic Center -\$3,945,000	12/1/24	2.00-4.75%	2,905,000	0	(2,540,000) \$\$	365,000	180,000
Cemetery Maintenance Building -\$455,000	12/1/24	2.00-4.75%	335,000	0	(295,000) \$\$\$	40,000	20,000
Fire Station -\$2,515,000	12/1/24	2.00-4.75%	1,845,000	0	(1,610,000) \$\$\$\$	235,000	110,000
Refunding Capital Facilities -\$2,005,000	12/1/22	1.00-2.625%	2,005,000	0	(30,000)	1,975,000	180,000
Premium on Refunding	12/1/22	n/a	13,541	0	(1,231)	12,310	0
Discount on Refunding	12/1/22	n/a	(20,050)	0	1,823	(18,227)	0
Deferred Amount on Refunding	12/1/22	n/a	(85,639)	0	7,785	(77,854)	0
Refunding Bonds - Elm Street Improvements - \$398,644	12/1/24	1.00-2.375%	0	398,644	(8,305)	390,339	5,339
Refunding Bonds - Aquatic Center - \$2,643,111	12/1/24	1.00-2.375%	0	2,643,111	(55,065)	2,588,046	35,399
Refunding Bonds - Cemetery Maintenance Building - \$304,845	12/1/24	1.00-2.375%	0	304,845	(6,351)	298,494	4,083
Refunding Bonds - Fire Station - \$1,685,025	12/1/24	1.00-2.375%	0	1,685,025	(35,105)	1,649,920	22,567
Premium on Refunding	12/1/24	n/a	0	71,287	(4,736)	66,551	0
Discount on Refunding	12/1/24	n/a	0	(50,319)	3,343	(46,976)	0
Deferred Amount on Refunding	12/1/24	n/a	0	(583,150)	38,742	(544,408)	0
Total General Obligation Bonds			7,577,852	4,469,443	(5,059,100)	6,988,195	582,388
Compensated Absences			1,902,376	524,961	(545,055)	1,882,282	583,142
Total Governmental Activities			\$9,480,228	\$4,994,404	(\$5,604,155)	\$8,870,477	\$1,165,530

\$ - A principal payment of \$25,000 was made on the old debt and \$355,000 was refunded.

\$\$ - A principal payment of \$170,000 was made on the old debt and \$2,370,000 was refunded.

\$\$\$ - A principal payment of \$20,000 was made on the old debt and \$275,000 was refunded.

\$\$\$\$ - A principal payment of \$110,000 was made on the old debt and \$1,500,000 was refunded.

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2012

	Maturity Date	Interest Rate	Restated Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Business-Type Activities							
Refunding Capital Bonds -\$1,955,000	12/1/19	1.00-3.00%	\$1,765,000	\$0	(\$200,000)	\$1,565,000	\$210,000
Premium on Refunding	12/1/19	n/a	23,706	0	(3,161)	20,545	0
Discount on Refunding	12/1/19	n/a	(20,812)	0	2,774	(18,038)	0
Deferred Amount on Refunding	12/1/19	n/a	(39,532)	0	5,271	(34,261)	0
Wastewater Improvement Illic & Va -\$500,000	12/31/20	0.00%	225,000	0	(25,000)	200,000	25,000
Water Line Extension -\$1,020,000	12/1/12	2.50-4.00%	120,000	0	(120,000)	0	0
Southeast Area Sewer -\$1,310,000	12/1/24	2.50-4.75%	960,000	0	(840,000) *	120,000	60,000
Generators -\$1,210,000	12/1/24	2.00-4.75%	890,000	0	(780,000) **	110,000	55,000
Refunding Wastewater System. Imp. -\$2,550,000	12/1/15	4.00-5.00%	1,255,000	0	(290,000)	965,000	305,000
Refunding Waterplant Expansion I -\$1,705,000	12/1/16	5.00%	1,705,000	0	(305,000)	1,400,000	325,000
Refunding Waterplant Expansion II -\$4,330,000	12/1/17	4.00-5.00%	2,845,000	0	(410,000)	2,435,000	445,000
Refunding Bonds - Southeast Area Sewer -\$877,687	12/1/24	1.00-2.375%	0	877,687	(18,285)	859,402	11,755
Refunding Bonds - Generators -\$810,688	12/1/24	1.00-2.375%	0	810,688	(16,889)	793,799	10,857
Premium on Refunding	12/1/24	n/a	0	23,921	(1,589)	22,332	0
Discount on Refunding	12/1/24	n/a	0	(16,881)	1,121	(15,760)	0
Deferred Amount on Refunding	12/1/24	n/a	0	(166,002)	11,028	(154,974)	0
Total General Obligation Bonds			<u>9,728,362</u>	<u>1,529,413</u>	<u>(2,989,730)</u>	<u>8,268,045</u>	<u>1,447,612</u>
OWDA Loan -\$1,451,384	7/1/29	3.25%	<u>419,940</u>	<u>0</u>	<u>(11,488)</u>	<u>408,452</u>	<u>19,733</u>
Total Long Term Liabilities - Bonds and Loan			<u>10,148,302</u>	<u>1,529,413</u>	<u>(3,001,218)</u>	<u>8,676,497</u>	<u>1,467,345</u>
Compensated Absences			<u>609,207</u>	<u>112,503</u>	<u>(223,774)</u>	<u>497,936</u>	<u>194,960</u>
Total Business-Type Activities			<u>\$10,757,509</u>	<u>\$1,641,916</u>	<u>(\$3,224,992)</u>	<u>\$9,174,433</u>	<u>\$1,662,305</u>

* - Includes a principal payment of \$55,000 on the old debt and \$785,000 was refunded.

** - Includes a principal payment of \$55,000 on the old debt and \$725,000 was refunded.

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
2013	\$587,388	\$170,711	\$1,447,612	\$313,553	\$19,733	\$13,586
2014	609,875	155,972	1,510,125	252,311	20,380	12,939
2015	619,278	139,316	1,565,723	186,828	21,047	12,272
2016	634,252	122,586	1,275,748	119,156	21,737	11,582
2017	651,740	112,148	943,260	68,495	22,449	10,870
2018-2022	3,457,242	356,814	1,357,756	113,894	123,774	42,821
2023-2027	1,037,024	37,168	347,977	12,471	145,422	21,173
2028-2029	0	0	0	0	33,910	1,581
Total	<u>\$7,596,799</u>	<u>\$1,094,715</u>	<u>\$8,448,201</u>	<u>\$1,066,708</u>	<u>\$408,452</u>	<u>\$126,824</u>

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2012

Note 9 - Advanced Refunding

On March 13, 2012 the City issued \$6,720,000 in General Obligation bonds with an average interest rate of 2.09% of which \$6,720,000 was used to advance refund \$6,010,000 of outstanding Elm Street Improvement Bonds, Aquatic Center Bonds, Cemetery Maintenance Building Bonds, Fire Station Bonds, Southeast Area Sewer Bonds and Generators Bonds with average interest rates between 2.00% and 4.75%. The net proceeds of \$6,815,208 (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, \$6,010,000 of the Elm Street Improvement Bonds, Aquatic Center Bonds, Cemetery Maintenance Building Bonds, Fire Station Bonds, Southeast Area Sewer Bonds and Generators Bonds are considered to be defeased and the related liability for those bonds have been removed from the Statement of Net Position.

The City advance refunded a portion of the Elm Street Improvement Bonds, Aquatic Center Bonds, Cemetery Maintenance Building Bonds, Fire Station Bonds, Southeast Area Sewer Bonds and Generators Bonds to reduce its total debt service payments by \$652,172 and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$570,132.

Note 10 – 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 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, 2012, 2011 and 2010 were \$859,699, \$895,664, and \$907,169 respectively. The full amount has been contributed for 2011 and 2010, and 92 percent has actually been contributed for 2012. The City's unpaid

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2012

contractually required OPERS contributions (including post employment benefits) at year end (the liability) were recorded in the accrued wages and benefits line item of the government-wide and fund financial statements along with various corresponding expenses/expenditures.

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, 2012, 2011 and 2010 were \$574,737 (police) and \$646,773 (fire), \$568,983 (police) and \$640,401 (fire), and \$580,593 (police) and \$655,831 (fire), respectively. The 75% (police) and 74% (fire) has actually been contributed for 2012 and the full amount has been contributed for 2011 and 2010. The City's unpaid contractually required OP&F contributions (including post employment benefits) at year end (the liability) were recorded in the accrued wages and benefits line item of the government-wide and fund financial statements along with various corresponding expenses/expenditures.

Note 11 – 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 card 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

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2012

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 2012, 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 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 2012. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05% during calendar year 2012. 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 \$245,616 for 2012, \$255,891 for 2011; and \$55,059 for the period January 1 through February 28, 2010, and \$273,908 for the period of March 1 through December 31, 2010. The full amount has been contributed for 2011 and 2010, and 92 percent has actually been contributed for 2012.

OPERS Board of Trustees Adopt Changes to the Health Care Plan

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4 percent of the employer contributions toward the health care fund after the end of the transition period.

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2012

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.

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, 2012, 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).

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2012

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, 2012 were \$198,859 (police) and \$181,743 (fire); for the year ending December 31, 2011 were \$196,868 (police) and \$179,953 (fire); and for the year ending December 31, 2010 were \$200,885 (police) and \$184,289 (fire); respectively, and were allocated to the healthcare plan. The actual contributions for 2011 and 2010 were 100% and 75% (police) and 74% (fire) has actually been contributed for 2012.

Note 12 – Construction and Other Commitments

The City had the following outstanding commitments at year end:

<u>Construction and Other Commitments</u>	<u>Amount</u>
Sewer Maintenance and Improvements	\$806,575
Water Maintenance and Improvements	451,473
Street Improvements	1,965,728
Downtown Building Repair Loan	31,729
Rock Salt for Streets	52,120
Refuse Collection	54,871
Police and Fire Vehicles	305,622
Hobart Arena Events	50,439
Other Construction and Commitments	<u>106,265</u>
Total Outstanding Commitments	<u><u>\$3,824,822</u></u>

Note 13 – Interfund Transfers and Interfund Receivable/Payable

Interfund transfers for the year ended December 31, 2012 consisted of the following:

	Transfers	
	<u>In</u>	<u>Out</u>
General Fund	\$0	\$3,333,118
Other Governmental Funds	2,626,819	23,701
Other Enterprise Funds	<u>730,000</u>	<u>53,405</u>
Total All Funds	<u><u>\$3,356,819</u></u>	<u><u>\$3,410,224</u></u>

The transfers in and transfers out do not equal on the fund level due to the stormwater fund having \$53,405 paid for capital assets of the governmental activities. \$23,701 was transferred from the Community Development Fund to the Capital Improvement Fund to help fund the handicap accessibility improvements at Riverside Cemetery.

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2012

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.

Certain interfund receivable/payable of a longer term repayment schedule also exist. The General Fund has provided interfund loans to the TIF Retirement Fund. The TIF Retirement Fund will make repayments on the loan from the portions of their revenue.

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$1,575,000	\$0
TIF Retirement Fund	0	1,575,000
	<u>\$1,575,000</u>	<u>\$1,575,000</u>

Note 14 - Donor-Restricted Endowment

The City administers an endowment fund, which is restricted by the donor for the purposes of cemetery maintenance and improvement. Donor-restricted endowments are reported at fair value. The amount of net appreciation on investments of donor-restricted endowments that is available for authorization for expenditure by the City is \$166,241. The City authorizes expenditures from donor-restricted endowment in compliance with the wishes expressed by the donor and the Ohio Revised Code.

Note 15 – Fund Balance

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

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2012

Fund Balance	General	TIF Retirement	Other Governmental Funds	Total
Restricted for:				
Safety Income Tax	\$1,177,323	\$0	\$0	\$1,177,323
Street Construction, Maintenance and Repair	0	0	634,812	634,812
State Highway Improvement	0	0	166,500	166,500
Cemetery	0	0	205,301	205,301
Municipal Real Property	0	0	291,901	291,901
Miami Conservatory District	0	0	179,662	179,662
Community Development Block Grant	0	0	2,702,943	2,702,943
Parking Improvement	0	0	275,916	275,916
Drug Law Enforcement	0	0	16,112	16,112
Law Enforcement	0	0	35,349	35,349
Cemetery Endowment	0	0	944,751	944,751
Small Business Development R-Loan	0	0	796,999	796,999
Capital Improvement	0	0	325,745	325,745
OPWC Project	0	0	1,355,853	1,355,853
Total Restricted	1,177,323	0	7,931,844	9,109,167
Assigned to:				
Bond Retirement	0	0	101,120	101,120
Technology	0	0	303,311	303,311
Encumbrances	530,678	0	0	530,678
Total Assigned	530,678	0	404,431	935,109
Unassigned (Deficit)	50,053,558	(1,428,095)	0	48,625,463
Total Fund Balance	\$51,761,559	(\$1,428,095)	\$8,336,275	\$58,669,739

Note 16 – Change in Accounting Principle

For fiscal year 2012, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position".

Note 17 – Prior Period Adjustment

The City owns manuscript bonds in the TIF Retirement fund. The City previously recognized these manuscript bonds as investments and as long term debt. The City has revised the financial statements to recognize these manuscript bonds as an interfund payable from the TIF Retirement fund to the General Fund on the fund level financial statements.

City of Troy, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2012

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

	TIF Retirement Fund	Other Governmental Funds
	<u> </u>	<u> </u>
Fund Balance - December 31, 2011	\$0	\$8,045,160
Major Fund Classification	322,949	(322,949)
Manuscript Bonds Reclassification	<u>(1,610,000)</u>	<u>0</u>
Fund Balance - December 31, 2011, Restated	<u><u>(\$1,287,051)</u></u>	<u><u>\$7,722,211</u></u>

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, 2012

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$1,552,165	\$1,606,797	\$1,609,689	\$2,892
Fines, Licenses and Permits	63,251	63,650	65,595	1,945
Intergovernmental	1,242,296	1,288,128	1,288,336	208
Special Assessments	1,799	1,800	1,866	66
Charges for Services	3,226,081	3,189,790	3,345,642	155,852
Investment Earnings	96,515	93,624	100,092	6,468
Other Revenues	446,750	448,850	463,307	14,457
Total Revenues	6,628,857	6,692,639	6,874,527	181,888
Expenditures:				
Current:				
General Government	3,566,797	3,427,829	3,358,377	69,452
Public Safety	10,458,735	10,449,027	9,847,597	601,430
Leisure Time Activities	1,394,361	1,352,189	1,312,884	39,305
Community Development	824,823	814,522	776,626	37,896
Basic Utility Service	1,186,859	1,063,478	1,117,507	(54,029)
Total Expenditures	17,431,575	17,107,045	16,412,991	694,054
Excess of Revenues Over (Under) Expenditures	(10,802,718)	(10,414,406)	(9,538,464)	875,942
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	62,487	64,500	64,803	303
Transfers In	14,822,174	15,371,490	15,371,493	3
Transfers (Out)	(3,539,970)	(3,924,500)	(3,333,118)	591,382
Total Other Financing Sources (Uses)	11,344,691	11,511,490	12,103,178	591,688
Net Change in Fund Balance	541,973	1,097,084	2,564,714	1,467,630
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	5,945,935	5,945,935	5,945,935	0
Fund Balance End of Year	\$6,487,908	\$7,043,019	\$8,510,649	\$1,467,630

See accompanying notes to the required supplementary information.

City of Troy, Ohio
Notes to the Required Supplementary Information
For The Year Ended December 31, 2012

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 an assignment of fund balance (GAAP).
4. Unreported cash represents amounts received but not included as revenue on the budget basis operating statements. These amounts are included as revenue on the GAAP basis operating statement.
5. Some funds are reported as part of the general fund (GAAP basis as opposed to the general fund being reported alone (budget basis)).

City of Troy, Ohio
Notes to the Required Supplementary Information
For The Year Ended December 31, 2012

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

Net Change in Fund Balance

	<u>General</u>
GAAP Basis	\$3,706,726
Revenue Accruals	(1,832,415)
Expenditure Accruals	804,826
Transfers	579
Encumbrances	(594,243)
Funds Budgeted Elsewhere	<u>479,241</u>
Budget Basis	<u><u>\$2,564,714</u></u>

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES



MAJOR GOVERNMENTAL FUNDS

TIF Retirement - To account for the accumulation of resources for and the payment of TIF bond principal and interest from governmental resources when the City is obligated in some manner for the payment. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance are included in the Basic Financial Statements. The Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis) follows this page.

City of Troy, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2012

	TIF Retirement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$1,100	\$1,193	\$93
Payments in Lieu of Taxes	224,250	224,299	49
Total Revenues	<u>225,350</u>	<u>225,492</u>	<u>142</u>
Expenditures:			
Current:			
Capital Outlay	274,940	274,093	847
Debt Service:			
Principal Retirement	35,000	35,000	0
Interest and Fiscal Charges	96,600	96,600	0
Total Expenditures	<u>406,540</u>	<u>405,693</u>	<u>847</u>
Net Change in Fund Balance	(181,190)	(180,201)	989
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>322,950</u>	<u>322,950</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$141,760</u></u>	<u><u>\$142,749</u></u>	<u><u>\$989</u></u>

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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.

City of Troy, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2012

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in Pooled Cash and Investments	\$4,285,419	\$101,003	\$1,999,071	\$6,385,493
Receivables:				
Accounts	109	0	0	109
Interest	3,694	117	0	3,811
Intergovernmental	539,537	0	23,984	563,521
Notes	1,950,346	0	0	1,950,346
Special Assessments	22,614	1,885	227,364	251,863
Total Assets	6,801,719	103,005	2,250,419	9,155,143
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	54,881	0	14,162	69,043
Accrued Wages and Benefits	53,173	0	0	53,173
Deferred Revenue	443,419	1,885	251,348	696,652
Total Liabilities	551,473	1,885	265,510	818,868
Fund Balances:				
Restricted	6,250,246	0	1,681,598	7,931,844
Assigned	0	101,120	303,311	404,431
Total Fund Balances	6,250,246	101,120	1,984,909	8,336,275
Total Liabilities and Fund Balances	\$6,801,719	\$103,005	\$2,250,419	\$9,155,143

City of Troy, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Governmental Funds
For the Fiscal Year Ended December 31, 2012

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$32,871	\$0	\$0	\$32,871
Fines, Licenses and Permits	24,191	0	0	24,191
Charges for Services	206,941	0	116,719	323,660
Investment Earnings	64,814	129	0	64,943
Intergovernmental	1,150,459	0	72,016	1,222,475
Special Assessments	0	766	38,863	39,629
Other Revenues	29,059	10,117	0	39,176
Total Revenues	1,508,335	11,012	227,598	1,746,945
Expenditures:				
Current:				
General Government	59,742	38	0	59,780
Public Safety	794	0	0	794
Community Development	132,289	0	115,547	247,836
Basic Utility Service	0	0	57,771	57,771
Transportation and Street Repair	1,545,172	0	0	1,545,172
Public Health and Welfare	360,495	0	0	360,495
Capital Outlay	37,091	0	668,005	705,096
Debt Service:				
Principal Retirement	0	604,826	0	604,826
Interest and Fiscal Charges	0	157,532	0	157,532
Bond Issuance Costs	0	54,565	0	54,565
Total Expenditures	2,135,583	816,961	841,323	3,793,867
Excess of Revenues Over (Under) Expenditures	(627,248)	(805,949)	(613,725)	(2,046,922)
Other Financing Sources (Uses):				
Sale of Refunding Bonds	0	5,031,625	0	5,031,625
Payments to Refunded Bond Escrow Agent	0	(4,994,725)	0	(4,994,725)
Premium on Sale of Refunded Bonds	0	71,287	0	71,287
(Discount) on Sale of Refunded Bonds	0	(50,319)	0	(50,319)
Transfers In	783,018	810,000	1,033,801	2,626,819
Transfers (Out)	(23,701)	0	0	(23,701)
Total Other Financing Sources (Uses)	759,317	867,868	1,033,801	2,660,986
Net Change in Fund Balance	132,069	61,919	420,076	614,064
Fund Balance - Beginning of Year, Restated	6,118,177	39,201	1,564,833	7,722,211
Fund Balance - End of Year	\$6,250,246	\$101,120	\$1,984,909	\$8,336,275

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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, 2012

	Street Construction, Maintenance and Repair	State Highway Improvement	Cemetery	Municipal Real Property	Miami Conservancy District
Assets:					
Equity in Pooled Cash and Investments	\$642,250	\$159,314	\$217,702	\$268,039	\$179,662
Receivables:					
Accounts	37	0	0	0	0
Interest	0	184	0	310	0
Intergovernmental	466,058	37,787	0	33,805	1,887
Notes	0	0	0	0	0
Special Assessments	22,614	0	0	0	0
Total Assets	1,130,959	197,285	217,702	302,154	181,549
Liabilities and Fund Balances:					
Liabilities:					
Accounts Payable	47,440	0	5,639	1,802	0
Accrued Wages and Benefits	46,411	0	6,762	0	0
Deferred Revenue	402,296	30,785	0	8,451	1,887
Total Liabilities	496,147	30,785	12,401	10,253	1,887
Fund Balances:					
Restricted	634,812	166,500	205,301	291,901	179,662
Total Fund Balances	634,812	166,500	205,301	291,901	179,662
Total Liabilities and Fund Balances	\$1,130,959	\$197,285	\$217,702	\$302,154	\$181,549

Community Development Block Grant	Parking Improvement	Drug Law Enforcement	Law Enforcement	Cemetery Endowment	Small Business Development R-Loan	Total Nonmajor Special Revenue Funds
\$979,460	\$275,597	\$16,112	\$35,277	\$943,660	\$568,346	\$4,285,419
0	0	0	72	0	0	109
1,133	319	0	0	1,091	657	3,694
0	0	0	0	0	0	539,537
1,722,350	0	0	0	0	227,996	1,950,346
0	0	0	0	0	0	22,614
<u>2,702,943</u>	<u>275,916</u>	<u>16,112</u>	<u>35,349</u>	<u>944,751</u>	<u>796,999</u>	<u>6,801,719</u>
0	0	0	0	0	0	54,881
0	0	0	0	0	0	53,173
0	0	0	0	0	0	443,419
0	0	0	0	0	0	551,473
<u>2,702,943</u>	<u>275,916</u>	<u>16,112</u>	<u>35,349</u>	<u>944,751</u>	<u>796,999</u>	<u>6,250,246</u>
<u>2,702,943</u>	<u>275,916</u>	<u>16,112</u>	<u>35,349</u>	<u>944,751</u>	<u>796,999</u>	<u>6,250,246</u>
<u>\$2,702,943</u>	<u>\$275,916</u>	<u>\$16,112</u>	<u>\$35,349</u>	<u>\$944,751</u>	<u>\$796,999</u>	<u>\$6,801,719</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, 2012

	Street Construction, Maintenance and Repair	State Highway Improvement	Cemetery	Municipal Real Property	Miami Conservancy District
Revenues:					
Taxes	\$0	\$0	\$0	\$0	\$32,871
Fines, Licenses and Permits	1,300	0	0	0	0
Charges for Services	5,077	0	161,491	0	0
Investment Earnings	0	14	0	2,295	0
Intergovernmental	991,614	81,882	0	73,021	3,942
Other Revenues	3,320	0	1,540	13	0
Total Revenues	1,001,311	81,896	163,031	75,329	36,813
Expenditures:					
Current:					
General Government	0	0	0	0	59,742
Public Safety	0	0	0	0	0
Community Development	0	0	0	0	0
Transportation and Street Repair	1,464,674	80,048	0	0	0
Public Health and Welfare	0	0	360,495	0	0
Capital Outlay	0	0	0	37,091	0
Total Expenditures	1,464,674	80,048	360,495	37,091	59,742
Excess of Revenues Over (Under) Expenditures	(463,363)	1,848	(197,464)	38,238	(22,929)
Other Financing Sources (Uses):					
Transfers In	500,000	0	150,000	0	0
Transfers (Out)	0	0	0	0	0
Total Other Financing Sources (Uses)	500,000	0	150,000	0	0
Net Change in Fund Balance	36,637	1,848	(47,464)	38,238	(22,929)
Fund Balance - Beginning of Year	598,175	164,652	252,765	253,663	202,591
Fund Balance - End of Year	\$634,812	\$166,500	\$205,301	\$291,901	\$179,662

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	\$32,871
0	21,053	125	1,713	0	0	24,191
0	0	0	0	39,730	643	206,941
43,865	2,271	0	0	7,918	8,451	64,814
0	0	0	0	0	0	1,150,459
5,555	12	9,788	7,873	44	914	29,059
<u>49,420</u>	<u>23,336</u>	<u>9,913</u>	<u>9,586</u>	<u>47,692</u>	<u>10,008</u>	<u>1,508,335</u>
0	0	0	0	0	0	59,742
0	0	794	0	0	0	794
132,201	0	0	0	0	88	132,289
0	450	0	0	0	0	1,545,172
0	0	0	0	0	0	360,495
0	0	0	0	0	0	37,091
<u>132,201</u>	<u>450</u>	<u>794</u>	<u>0</u>	<u>0</u>	<u>88</u>	<u>2,135,583</u>
<u>(82,781)</u>	<u>22,886</u>	<u>9,119</u>	<u>9,586</u>	<u>47,692</u>	<u>9,920</u>	<u>(627,248)</u>
0	0	0	0	0	133,018	783,018
(23,701)	0	0	0	0	0	(23,701)
<u>(23,701)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>133,018</u>	<u>759,317</u>
(106,482)	22,886	9,119	9,586	47,692	142,938	132,069
2,809,425	253,030	6,993	25,763	897,059	654,061	6,118,177
<u>\$2,702,943</u>	<u>\$275,916</u>	<u>\$16,112</u>	<u>\$35,349</u>	<u>\$944,751</u>	<u>\$796,999</u>	<u>\$6,250,246</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, 2012

	Street Construction. Maintenance and Repair Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses and Permits	\$1,300	\$1,300	\$0
Intergovernmental	962,100	1,007,109	45,009
Charges for Services	5,000	5,040	40
Other Revenues	3,100	3,320	220
Total Revenues	971,500	1,016,769	45,269
Expenditures:			
Current:			
Transportation and Street Repair	1,758,559	1,528,077	230,482
Total Expenditures	1,758,559	1,528,077	230,482
Excess of Revenues Over (Under) Expenditures	(787,059)	(511,308)	275,751
Other Financing Sources (Uses):			
Transfers In	500,000	500,000	0
Total Other Financing Sources (Uses)	500,000	500,000	0
Net Change in Fund Balance	(287,059)	(11,308)	275,751
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	563,044	563,044	0
Fund Balance End of Year	\$275,985	\$551,736	\$275,751

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, 2012

	State Highway Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$78,005	\$81,657	\$3,652
Total Revenues	78,005	81,657	3,652
Expenditures:			
Current:			
Transportation and Street Repair	123,922	102,479	21,443
Total Expenditures	123,922	102,479	21,443
Net Change in Fund Balance	(45,917)	(20,822)	25,095
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	157,565	157,565	0
Fund Balance End of Year	\$111,648	\$136,743	\$25,095

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, 2012

	Cemetery Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Charges for Services	\$149,500	\$161,491	\$11,991
Other Revenues	285	1,866	1,581
Total Revenues	<u>149,785</u>	<u>163,357</u>	<u>13,572</u>
Expenditures:			
Current:			
Public Health and Welfare	<u>387,285</u>	<u>368,490</u>	<u>18,795</u>
Total Expenditures	<u>387,285</u>	<u>368,490</u>	<u>18,795</u>
Excess of Revenues Over (Under) Expenditures	<u>(237,500)</u>	<u>(205,133)</u>	<u>32,367</u>
Other Financing Sources (Uses):			
Transfers In	<u>150,000</u>	<u>150,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>150,000</u>	<u>150,000</u>	<u>0</u>
Net Change in Fund Balance	(87,500)	(55,133)	32,367
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>268,447</u>	<u>268,447</u>	<u>0</u>
Fund Balance End of Year	<u>\$180,947</u>	<u>\$213,314</u>	<u>\$32,367</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, 2012

	Municipal Real Property Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$57,500	\$57,556	\$56
Investment Earnings	2,123	2,228	105
Other Revenues	0	13	13
Total Revenues	59,623	59,797	174
Expenditures:			
Current:			
Capital Outlay	107,987	43,990	63,997
Total Expenditures	107,987	43,990	63,997
Net Change in Fund Balance	(48,364)	15,807	64,171
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	243,296	243,296	0
Fund Balance End of Year	\$194,932	\$259,103	\$64,171

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, 2012

	Miami Conservancy District Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$35,002	\$35,235	\$233
Intergovernmental	3,900	3,942	42
Total Revenues	38,902	39,177	275
Expenditures:			
Current:			
General Government	60,912	59,742	1,170
Total Expenditures	60,912	59,742	1,170
Net Change in Fund Balance	(22,010)	(20,565)	1,445
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	200,231	200,231	0
Fund Balance End of Year	\$178,221	\$179,666	\$1,445

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, 2012

	Community Development Block Grant Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$43,650	\$43,884	\$234
Other Revenues	293,500	294,354	854
Total Revenues	<u>337,150</u>	<u>338,238</u>	<u>1,088</u>
Expenditures:			
Current:			
Community Development	<u>1,116,879</u>	<u>410,554</u>	<u>706,325</u>
Total Expenditures	<u>1,116,879</u>	<u>410,554</u>	<u>706,325</u>
Excess of Revenues Over (Under) Expenditures	<u>(779,729)</u>	<u>(72,316)</u>	<u>707,413</u>
Other Financing Sources (Uses):			
Transfers In	0	14,299	14,299
Transfers (Out)	<u>0</u>	<u>(38,000)</u>	<u>(38,000)</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>(23,701)</u>	<u>(23,701)</u>
Net Change in Fund Balance	(779,729)	(96,017)	683,712
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>1,021,654</u>	<u>1,021,654</u>	<u>0</u>
Fund Balance End of Year	<u>\$241,925</u>	<u>\$925,637</u>	<u>\$683,712</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, 2012

	Parking Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses and Permits	\$17,700	\$21,053	\$3,353
Investment Earnings	2,107	2,208	101
Other Revenues	0	12	12
Total Revenues	<u>19,807</u>	<u>23,273</u>	<u>3,466</u>
Expenditures:			
Current:			
Transportation and Street Repair	12,150	450	11,700
Total Expenditures	<u>12,150</u>	<u>450</u>	<u>11,700</u>
Net Change in Fund Balance	7,657	22,823	15,166
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>252,535</u>	<u>252,535</u>	<u>0</u>
Fund Balance End of Year	<u>\$260,192</u>	<u>\$275,358</u>	<u>\$15,166</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, 2012

	Drug Law Enforcement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses and Permits	\$125	\$125	\$0
Other Revenues	11,500	11,866	366
Total Revenues	11,625	11,991	366
Expenditures:			
Current:			
Public Safety	2,000	794	1,206
Total Expenditures	2,000	794	1,206
Net Change in Fund Balance	9,625	11,197	1,572
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	4,915	4,915	0
Fund Balance End of Year	\$14,540	\$16,112	\$1,572

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, 2012

	Law Enforcement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses and Permits	\$1,850	\$1,859	\$9
Other Revenues	7,500	7,873	373
Total Revenues	9,350	9,732	382
Expenditures:			
Current:			
Public Safety	5,000	0	5,000
Total Expenditures	5,000	0	5,000
Net Change in Fund Balance	4,350	9,732	5,382
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	25,544	25,544	0
Fund Balance End of Year	\$29,894	\$35,276	\$5,382

City of Troy, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2012

	Cemetery Endowment Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Charges for Services	\$39,000	\$39,730	\$730
Investment Earnings	7,431	7,762	331
Other Revenues	43	44	1
Total Revenues	<u>46,474</u>	<u>47,536</u>	<u>1,062</u>
Expenditures:			
Current:			
Public Health and Welfare	3,000	0	3,000
Total Expenditures	<u>3,000</u>	<u>0</u>	<u>3,000</u>
Net Change in Fund Balance	43,474	47,536	4,062
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>895,294</u>	<u>895,294</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$938,768</u></u>	<u><u>\$942,830</u></u>	<u><u>\$4,062</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, 2012

	Small Business Development R-Loan Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Charges for Services	\$620	\$643	\$23
Investment Earnings	7,925	7,927	2
Other Revenues	<u>135,400</u>	<u>135,722</u>	<u>322</u>
Total Revenues	<u>143,945</u>	<u>144,292</u>	<u>347</u>
Expenditures:			
Current:			
Community Development	<u>359,970</u>	<u>30,388</u>	<u>329,582</u>
Total Expenditures	<u>359,970</u>	<u>30,388</u>	<u>329,582</u>
Excess of Revenues Over (Under) Expenditures	<u>(216,025)</u>	<u>113,904</u>	<u>329,929</u>
Other Financing Sources (Uses):			
Transfers In	<u>110,500</u>	<u>133,018</u>	<u>22,518</u>
Total Other Financing Sources (Uses)	<u>110,500</u>	<u>133,018</u>	<u>22,518</u>
Net Change in Fund Balance	(105,525)	246,922	352,447
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>320,924</u>	<u>320,924</u>	<u>0</u>
Fund Balance End of Year	<u>\$215,399</u>	<u>\$567,846</u>	<u>\$352,447</u>

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.

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, 2012

	Bond Retirement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Special Assessments	\$750	\$766	\$16
Other Revenues	10,000	10,117	117
Total Revenues	10,750	10,883	133
Expenditures:			
Current:			
General Government	500	38	462
Debt Service:			
Principal Retirement	470,000	604,826	(134,826)
Interest and Fiscal Charges	340,529	154,229	186,300
Total Expenditures	811,029	759,093	51,936
Excess of Revenues Over (Under) Expenditures	(800,279)	(748,210)	52,069
Other Financing Sources (Uses):			
Transfers In	810,000	810,000	0
Total Other Financing Sources (Uses)	810,000	810,000	0
Net Change in Fund Balance	9,721	61,790	52,069
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	39,127	39,127	0
Fund Balance End of Year	\$48,848	\$100,917	\$52,069

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, 2012

	Capital Improvement	OPWC Project Fund	Technology Fund	Total Nonmajor Capital Projects Funds
Assets:				
Equity in Pooled Cash and Investments	\$334,720	\$1,355,853	\$308,498	\$1,999,071
Receivables:				
Intergovernmental	23,984	0	0	23,984
Special Assessments	227,364	0	0	227,364
Total Assets	586,068	1,355,853	308,498	2,250,419
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	8,975	0	5,187	14,162
Deferred Revenue	251,348	0	0	251,348
Total Liabilities	260,323	0	5,187	265,510
Fund Balances:				
Restricted	325,745	1,355,853	0	1,681,598
Assigned	0	0	303,311	303,311
Total Fund Balances	325,745	1,355,853	303,311	1,984,909
Total Liabilities and Fund Balances	\$586,068	\$1,355,853	\$308,498	\$2,250,419

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, 2012

	Capital Improvement	OPWC Project Fund	Technology Fund	Total Nonmajor Capital Projects Funds
Revenues:				
Charges for Services	0	\$0	\$116,719	\$116,719
Intergovernmental	72,016	0	0	72,016
Special Assessments	38,863	0	0	38,863
Total Revenues	110,879	0	116,719	227,598
Expenditures:				
Current:				
Community Development	115,547	0	0	115,547
Basic Utility Service	0	0	57,771	57,771
Capital Outlay	613,250	54,755	0	668,005
Total Expenditures	728,797	54,755	57,771	841,323
Excess of Revenues Over (Under) Expenditures	(617,918)	(54,755)	58,948	(613,725)
Other Financing Sources (Uses):				
Transfers In	433,801	600,000	0	1,033,801
Total Other Financing Sources (Uses)	433,801	600,000	0	1,033,801
Net Change in Fund Balance	(184,117)	545,245	58,948	420,076
Fund Balance - Beginning of Year	509,862	810,608	244,363	1,564,833
Fund Balance - End of Year	\$325,745	\$1,355,853	\$303,311	\$1,984,909

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, 2012

	Capital Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$48,250	\$81,711	\$33,461
Special Assessments	38,800	38,863	63
Total Revenues	<u>87,050</u>	<u>120,574</u>	<u>33,524</u>
Expenditures:			
Current:			
Community Development	173,257	153,439	19,818
Capital Outlay	870,894	769,597	101,297
Total Expenditures	<u>1,044,151</u>	<u>923,036</u>	<u>121,115</u>
Excess of Revenues Over (Under) Expenditures	<u>(957,101)</u>	<u>(802,462)</u>	<u>154,639</u>
Other Financing Sources (Uses):			
Transfers In	448,100	448,100	0
Transfers (Out)	0	(14,299)	(14,299)
Total Other Financing Sources (Uses)	<u>448,100</u>	<u>433,801</u>	<u>(14,299)</u>
Net Change in Fund Balance	(509,001)	(368,661)	140,340
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>509,074</u>	<u>509,074</u>	<u>0</u>
Fund Balance End of Year	<u>\$73</u>	<u>\$140,413</u>	<u>\$140,340</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, 2012

	OPWC Project Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Capital Outlay	1,314,366	1,295,621	18,745
Total Expenditures	1,314,366	1,295,621	18,745
Excess of Revenues Over (Under) Expenditures	(1,314,366)	(1,295,621)	18,745
Other Financing Sources (Uses):			
Transfers In	600,000	600,000	0
Total Other Financing Sources (Uses)	600,000	600,000	0
Net Change in Fund Balance	(714,366)	(695,621)	18,745
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	810,608	810,608	0
Fund Balance End of Year	\$96,242	\$114,987	\$18,745

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, 2012

	Technology Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Charges for Services	\$116,500	\$116,719	\$219
Total Revenues	116,500	116,719	219
Expenditures:			
Current:			
Basic Utility Service	80,000	59,074	20,926
Total Expenditures	80,000	59,074	20,926
Net Change in Fund Balance	36,500	57,645	21,145
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	244,363	244,363	0
Fund Balance End of Year	\$280,863	\$302,008	\$21,145

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, 2012

	Income Tax Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$13,400,000	\$13,640,734	\$240,734
Investment Earnings	82,678	84,939	2,261
Other Revenues	670	675	5
Total Revenues	<u>13,483,348</u>	<u>13,726,348</u>	<u>243,000</u>
Expenditures:			
Current:			
General Government	<u>1,050,471</u>	<u>790,790</u>	<u>259,681</u>
Total Expenditures	<u>1,050,471</u>	<u>790,790</u>	<u>259,681</u>
Excess of Revenues Over (Under) Expenditures	<u>12,432,877</u>	<u>12,935,558</u>	<u>502,681</u>
Other Financing Sources (Uses):			
Transfers (Out)	<u>(12,500,000)</u>	<u>(12,500,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(12,500,000)</u>	<u>(12,500,000)</u>	<u>0</u>
Net Change in Fund Balance	(67,123)	435,558	502,681
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>6,516,602</u>	<u>6,516,602</u>	<u>0</u>
Fund Balance End of Year	<u>\$6,449,479</u>	<u>\$6,952,160</u>	<u>\$502,681</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, 2012

	Investment Fund For Capital Improvement Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$476,500	\$498,434	\$21,934
Other Revenues	9,200	9,410	210
Total Revenues	<u>485,700</u>	<u>507,844</u>	<u>22,144</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>485,700</u>	<u>507,844</u>	<u>22,144</u>
Other Financing Sources (Uses):			
Transfers (Out)	<u>(422,500)</u>	<u>(370,914)</u>	<u>51,586</u>
Total Other Financing Sources (Uses)	<u>(422,500)</u>	<u>(370,914)</u>	<u>51,586</u>
Net Change in Fund Balance	63,200	136,930	73,730
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>32,741,522</u>	<u>32,741,522</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$32,804,722</u></u>	<u><u>\$32,878,452</u></u>	<u><u>\$73,730</u></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, 2012

	Safety - Income Tax Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$2,234,000	\$2,272,496	\$38,496
Total Revenues	<u>2,234,000</u>	<u>2,272,496</u>	<u>38,496</u>
Expenditures:			
Current:			
General Government	0	0	0
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>2,234,000</u>	<u>2,272,496</u>	<u>38,496</u>
Other Financing Sources (Uses):			
Transfers (Out)	<u>(2,500,000)</u>	<u>(2,500,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(2,500,000)</u>	<u>(2,500,000)</u>	<u>0</u>
Net Change in Fund Balance	(266,000)	(227,504)	38,496
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>1,404,827</u>	<u>1,404,827</u>	<u>0</u>
Fund Balance End of Year	<u>\$1,138,827</u>	<u>\$1,177,323</u>	<u>\$38,496</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, 2012

	Recreational Programs Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Charges for Services	\$130,675	\$132,252	\$1,577
Investment Earnings	2,050	2,187	137
Other Revenues	0	7,312	7,312
Total Revenues	132,725	141,751	9,026
Expenditures:			
Current:			
Leisure Time Activities	173,620	151,349	22,271
Total Expenditures	173,620	151,349	22,271
Net Change in Fund Balance	(40,895)	(9,598)	31,297
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	268,314	268,314	0
Fund Balance End of Year	\$227,419	\$258,716	\$31,297

(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, 2012

	Parks and Recreation Improvement Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$152	\$160	\$8
Other Revenues	1,750	2,299	549
Total Revenues	1,902	2,459	557
Expenditures:			
Current:			
Leisure Time Activities	27,270	26,168	1,102
Total Expenditures	27,270	26,168	1,102
Net Change in Fund Balance	(25,368)	(23,709)	1,659
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	35,436	35,436	0
Fund Balance End of Year	\$10,068	\$11,727	\$1,659

(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.

City of Troy, Ohio
Combining Statement of Net Position
Nonmajor Enterprise Funds
December 31, 2012

	Hobart Arena	Swimming Pool	Parking Meter	Miami Shores
Assets:				
Equity in Pooled Cash and Investments	\$618,675	\$151,207	\$32,717	\$93,960
Receivables:				
Accounts	118	3,882	0	0
Interest	0	0	38	109
Total Current Assets	618,793	155,089	32,755	94,069
Nondepreciable Capital Assets	20,900	10,450	189,961	46,997
Depreciable Capital Assets, Net	1,729,334	3,399,959	0	227,202
Total Noncurrent Assets	1,750,234	3,410,409	189,961	274,199
Total Assets	2,369,027	3,565,498	222,716	368,268
Liabilities:				
Current Liabilities:				
Accounts Payable	10,998	478	0	4,223
Accrued Wages and Benefits	15,630	0	1,808	11,996
Compensated Absences	20,235	0	554	6,589
Total Current Liabilities	46,863	478	2,362	22,808
Long-Term Liabilities:				
Compensated Absences	14,718	0	403	4,792
Total Noncurrent Liabilities	14,718	0	403	4,792
Total Liabilities	61,581	478	2,765	27,600
Net Position:				
Net Investment in Capital Assets	1,750,234	3,410,409	189,961	274,199
Unrestricted	557,212	154,611	29,990	66,469
Total Net Position	\$2,307,446	\$3,565,020	\$219,951	\$340,668

Stormwater Utility	Total Nonmajor Enterprise Funds
\$1,297,185	\$2,193,744
101,483	105,483
1,500	1,647
1,400,168	2,300,874
0	268,308
0	5,356,495
0	5,624,803
1,400,168	7,925,677
8,841	24,540
0	29,434
0	27,378
8,841	81,352
0	19,913
0	19,913
8,841	101,265
0	5,624,803
1,391,327	2,199,609
\$1,391,327	\$7,824,412

City of Troy, Ohio
Combining Statement of Revenues, Expenses
and Changes in Fund Net Position
Nonmajor Enterprise Funds
For the Fiscal Year Ended December 31, 2012

	Hobart Arena	Swimming Pool	Parking Meter	Miami Shores
Operating Revenues:				
Fines, Licenses and Permits	\$0	\$0	\$5,100	\$0
Charges for Services	124,329	222,790	12,974	669,172
Other Revenues	847,322	8,120	1	19,434
Total Operating Revenues	<u>971,651</u>	<u>230,910</u>	<u>18,075</u>	<u>688,606</u>
Operating Expenses:				
Personal Services	370,868	110,697	41,416	348,616
Contractual Services	162,807	56,983	0	170,712
Materials and Supplies	87,881	70,360	1,979	244,877
Depreciation	131,822	114,567	0	37,827
Other Expenses	732,969	8,274	4,024	61,646
Total Operating Expenses	<u>1,486,347</u>	<u>360,881</u>	<u>47,419</u>	<u>863,678</u>
Operating Income (Loss)	<u>(514,696)</u>	<u>(129,971)</u>	<u>(29,344)</u>	<u>(175,072)</u>
Non-Operating Revenues (Expenses):				
Investment Earnings	0	0	235	821
Transfers (Out)	0	0	0	0
Total Non-Operating Revenues (Expenses)	<u>0</u>	<u>0</u>	<u>235</u>	<u>821</u>
Income (Loss) Before Contributions and Transfers	(514,696)	(129,971)	(29,109)	(174,251)
Transfers In	<u>600,000</u>	<u>0</u>	<u>30,000</u>	<u>100,000</u>
Change in Net Position	85,304	(129,971)	891	(74,251)
Net Position - Beginning of Year	<u>2,222,142</u>	<u>3,694,991</u>	<u>219,060</u>	<u>414,919</u>
Net Position - End of Year	<u>\$2,307,446</u>	<u>\$3,565,020</u>	<u>\$219,951</u>	<u>\$340,668</u>

Stormwater Utility	Total Nonmajor Enterprise Funds
\$0	\$5,100
1,200,532	2,229,797
49	874,926
<u>1,200,581</u>	<u>3,109,823</u>
580,546	1,452,143
25,495	415,997
140,009	545,106
0	284,216
2,535	809,448
<u>748,585</u>	<u>3,506,910</u>
<u>451,996</u>	<u>(397,087)</u>
9,958	11,014
(53,405)	(53,405)
<u>(43,447)</u>	<u>(42,391)</u>
408,549	(439,478)
0	730,000
408,549	290,522
<u>982,778</u>	<u>7,533,890</u>
<u>\$1,391,327</u>	<u>\$7,824,412</u>

City of Troy, Ohio
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Fiscal Year Ended December 31, 2012

	Hobart Arena	Swimming Pool	Parking Meter	Miami Shores
Cash Flows from Operating Activities:				
Cash Received from Customers	\$978,238	\$233,200	\$18,075	\$689,178
Cash Payments to Employees	(383,466)	(110,697)	(41,651)	(377,370)
Cash Payments to Suppliers	(993,436)	(135,665)	(6,003)	(478,703)
Net Cash Provided (Used) by Operating Activities	(398,664)	(13,162)	(29,579)	(166,895)
Cash Flows from Noncapital Financing Activities:				
Payments from Other Funds	600,000	0	30,000	100,000
Payments to Other Funds	0	0	0	0
Net Cash Provided (Used) by Noncapital Financing Activities	600,000	0	30,000	100,000
Cash Flows from Capital and Related Financing Activities:				
Payments for Capital Acquisitions	(186,768)	0	0	0
Net Cash Provided (Used) by Capital and Related Financing Activities	(186,768)	0	0	0
Cash Flows from Investing Activities:				
Earnings on Investments	0	0	248	965
Net Cash Provided (Used) by Cash Flows from Investing Activities	0	0	248	965
Net Increase (Decrease) in Cash and Cash Equivalents	14,568	(13,162)	669	(65,930)
Cash and Cash Equivalents - Beginning of Year	604,107	164,369	32,048	159,890
Cash and Cash Equivalents - End of Year	<u>618,675</u>	<u>151,207</u>	<u>32,717</u>	<u>93,960</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	(514,696)	(129,971)	(29,344)	(175,072)
Adjustments:				
Depreciation	131,822	114,567	0	37,827
Changes in Assets & Liabilities:				
(Increase) Decrease in Receivables	6,587	2,290	0	572
Increase (Decrease) in Payables	(9,779)	(48)	0	(1,468)
Increase (Decrease) in Accrued Liabilities	(12,598)	0	(235)	(28,754)
Net Cash Provided (Used) by Operating Activities	(\$398,664)	(\$13,162)	(\$29,579)	(\$166,895)

Stormwater Utility	Total Nonmajor Enterprise Funds
\$1,205,265	\$3,123,956
(580,546)	(1,493,730)
<u>(168,727)</u>	<u>(1,782,534)</u>
455,992	(152,308)
0	730,000
<u>(53,405)</u>	<u>(53,405)</u>
(53,405)	676,595
0	<u>(186,768)</u>
0	<u>(186,768)</u>
<u>9,858</u>	<u>11,071</u>
<u>9,858</u>	<u>11,071</u>
412,445	348,590
<u>884,740</u>	<u>1,845,154</u>
<u>1,297,185</u>	<u>2,193,744</u>
451,996	(397,087)
0	284,216
4,684	14,133
(688)	(11,983)
<u>0</u>	<u>(41,587)</u>
<u>\$455,992</u>	<u>(\$152,308)</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.

City of Troy, Ohio
Statement of Changes In Assets and Liabilities
Agency Funds
For the Fiscal Year Ended December 31, 2012

	Stouder Playground			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$15,580	\$153	\$33	\$15,700
Receivables:				
Interest	25	18	25	18
Total Assets	15,605	171	58	15,718
Liabilities:				
Other Liabilities	15,605	171	58	15,718
Total Liabilities	\$15,605	\$171	\$58	\$15,718

	Paul G. Duke			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$11,846	\$0	\$5	\$11,841
Receivables:				
Interest	19	14	19	14
Total Assets	11,865	14	24	11,855
Liabilities:				
Other Liabilities	11,865	14	24	11,855
Total Liabilities	\$11,865	\$14	\$24	\$11,855

	Unclaimed Funds			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$6,157	\$364	\$578	\$5,943
Total Assets	6,157	364	578	5,943
Liabilities:				
Other Liabilities	6,157	364	578	5,943
Total Liabilities	\$6,157	\$364	\$578	\$5,943

Continued

City of Troy, Ohio
Statement of Changes In Assets and Liabilities
Agency Funds
For the Fiscal Year Ended December 31, 2012

	Tri-Centennial			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$1,078	\$0	\$0	\$1,078
Total Assets	<u>1,078</u>	<u>0</u>	<u>0</u>	<u>1,078</u>
Liabilities:				
Other Liabilities	1,078	0	0	1,078
Total Liabilities	<u>\$1,078</u>	<u>\$0</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	\$1,200	\$1,000	\$2,950
Total Assets	<u>2,750</u>	<u>1,200</u>	<u>1,000</u>	<u>2,950</u>
Liabilities:				
Other Liabilities	2,750	1,200	1,000	2,950
Total Liabilities	<u>\$2,750</u>	<u>\$1,200</u>	<u>\$1,000</u>	<u>\$2,950</u>

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

Continued

City of Troy, Ohio
Statement of Changes In Assets and Liabilities
Agency Funds
For the Fiscal Year Ended December 31, 2012

	Total All Agency Funds			
	Beginning Balance	Additions	Deductions	Ending Balance
Assets:				
Equity in Pooled Cash and Investments	\$39,726	\$12,217	\$11,616	\$40,327
Receivables:				
Interest	44	32	44	32
Total Assets	<u>39,770</u>	<u>12,249</u>	<u>11,660</u>	<u>40,359</u>
Liabilities:				
Accounts Payable	500	500	500	500
Other Liabilities	39,270	11,749	11,160	39,859
Total Liabilities	<u>\$39,770</u>	<u>\$12,249</u>	<u>\$11,660</u>	<u>\$40,359</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.

City of Troy, Ohio
 Net Position by Component
 Last Ten Calendar Years
 (accrual basis of accounting)
 Schedule 1

	Calendar Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012 (1)
Governmental Activities										
Net Investment in Capital Assets	\$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	\$32,060,415
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	8,487,756
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	51,876,747
Total Governmental Activities Net Position	\$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	\$92,424,918
Business-Type Activities										
Net Investment in Capital Assets	\$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	\$36,053,061
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	14,543,866
Total Business-Type Activities Net Position	\$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	\$50,596,927
Total Primary Government										
Net Investment in Capital Assets	\$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	\$68,113,476
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	8,487,756
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	66,420,613
Total Primary Government Net Position	\$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	\$143,021,845

(1) - Due to the implementation of GASB63 in 2012, Net Assets will now be referred to as Net Position.

Source: City Records

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

	Calendar Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
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	\$4,347,195
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	9,758,352
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	1,759,009
Community Development	1,374,320	952,247	836,887	688,806	959,438	695,455	778,762	1,017,450	969,092	1,071,345
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	1,264,386
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	2,331,957
Public Health and Welfare	400,308	404,448	500,215	428,505	533,385	469,365	455,342	378,736	349,444	353,417
Interest and Fiscal Charges	162,806	589,272	600,203	560,291	530,750	512,045	490,667	470,078	453,931	207,620
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	21,093,281
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	4,447,884
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	4,130,725
Arena Facilities	748,989	755,000	683,886	771,549	912,204	1,053,354	1,127,694	1,122,147	1,324,887	1,486,347
Pool	102,640	85,855	323,370	293,478	343,074	343,970	315,939	346,867	359,687	360,881
Parking	40,896	44,077	44,624	44,946	38,354	46,869	45,003	45,670	46,292	47,419
Golf Course	787,547	784,551	814,751	763,612	866,238	785,734	752,247	791,761	820,170	863,678
Stadium Facilities (1)	0	0	84,232	168,464	173,264	169,517	2,914,173	0	0	0
Stormwater Utility	0	0	0	0	0	209,518	736,277	894,589	925,378	748,585
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	12,085,519
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	\$33,178,800
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	\$184,969
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	1,436,008
Leisure Time Activities	121,394	246,134	178,506	177,180	181,784	172,565	156,521	163,156	148,126	132,752
Community Development	0	0	0	0	261,874	57,239	88,534	90,623	128,721	133,661
Basic Utility Service	280,127	288,224	302,450	305,678	618,812	697,232	1,209,115	1,814,395	1,863,435	1,937,636
Transportation and Street Repair	25,514	47,280	9,636	7,922	14,605	34,793	53,888	39,698	45,147	27,430
Public Health and Welfare	45,457	8,601	142,834	220,964	219,022	17,273	204,179	186,317	175,105	257,082
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	1,077,177
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	405,309
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	5,592,024

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

	Calendar Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
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	5,108,969
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	3,639,617
Arena Facilities	71,472	62,179	71,053	80,893	104,661	23,501	114,584	137,692	130,425	124,329
Pool	35,145	31,651	224,303	222,913	223,289	231,798	209,716	242,840	253,765	222,790
Parking	19,145	20,403	19,521	18,085	19,318	21,246	23,265	23,731	23,987	18,074
Golf Course	572,205	623,157	695,849	679,688	690,093	696,368	696,102	666,908	613,956	669,172
Stormwater Utility	0	0	0	0	0	843,823	1,037,004	1,174,156	1,213,311	1,200,532
Operating Grants and Contributions	0	50,770	79,150	0	0	0	0	3,158	0	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	277,928
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	11,261,411
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	\$16,853,435
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)	(\$15,501,257)
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)	(824,108)
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)	(\$16,325,365)

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

	Calendar Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Revenues and Other Changes in Net Position										
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	\$15,913,230
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	1,860,106
Special Revenue Purposes	3,637	985	2,096	0	822,177	870,088	1,888,060	1,899,601	47,119	30,929
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	1,161,462
Payments in Lieu of Taxes	0	0	0	0	162,376	186,224	194,775	205,798	208,268	224,299
Unrestricted Contributions	200,730	32,800	44,600	56,900	97,535	50,847	48,268	71,000	95,051	72,989
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	607,412
Other Revenues	422,686	246,029	110,043	194,604	285,090	291,351	280,779	330,667	290,969	308,996
Transfers-Internal Activities	(286,800)	(765,158)	(825,000)	(4,340,066)	(575,000)	(542,102)	25,200	(509,800)	(645,806)	(676,595)
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	19,502,828
Business-Type Activities:										
Investment Earnings	213,236	323,723	416,709	674,201	848,742	596,975	319,289	207,922	149,260	114,967
Other Revenues	1,318,708	358,337	288,991	315,215	370,048	497,517	681,344	634,221	782,685	890,422
Transfers-Internal Activities	286,800	765,158	825,000	4,340,066	575,000	542,102	(25,200)	509,800	645,806	676,595
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	1,681,984
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	\$21,184,812
Changes in Net Position										
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	\$4,001,571
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	857,876
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	\$4,859,447

Source: City Records

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

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

	Calendar Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011 (1)	2012
General Fund										
Reserved	\$404,749	\$532,272	\$352,871	\$189,868	\$223,214	\$378,809	\$431,345	\$356,805	\$0	\$0
Unreserved	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	0
Restricted									1,573,675	1,177,323
Assigned									212,633	530,678
Unassigned									46,268,525	50,053,558
Total General Fund	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	51,761,559
All Other Governmental Funds										
Reserved	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	0
Unreserved, Reported in:										
Special Revenue Funds	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	0
Debt Service Funds	376,327	19,104	342,156	191,004	110,261	160,154	232,506	274,612	0	0
Capital Project Funds	2,016,221	3,891,736	4,101,074	366,197	760,315	649,451	733,014	561,516	0	0
Restricted									7,761,596	7,931,844
Assigned									283,564	404,431
Unassigned									0	(1,428,095)
Total all Other Governmental Funds	\$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	\$6,908,180

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

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

	Calendar Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
Taxes	\$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	\$17,807,971
Fines, Licenses and Permits	127,364	111,916	112,296	113,676	110,183	123,486	117,596	93,858	93,590	89,644
Charges for Services	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	3,769,716
Investment Earnings	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	607,413
Intergovernmental	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	2,511,480
Special Assessments	174,237	190,672	195,049	261,521	239,099	227,058	298,786	123,178	80,669	41,495
Payments in Lieu of Taxes	0	0	0	0	162,376	186,224	194,775	205,798	208,268	224,299
Other Revenues	690,462	476,614	389,713	418,722	525,371	491,651	493,893	532,065	575,152	521,905
Total Revenues	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	25,573,923
Expenditures										
Current:										
General Government	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	3,920,295
Public Safety	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	9,372,255
Leisure Time Activities	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	1,568,078
Community Development	1,130,705	921,465	832,057	645,149	918,513	660,303	721,362	984,252	943,809	1,022,148
Basic Utility Service	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	1,109,850
Transportation and Street Repair	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	1,545,172
Public Health and Welfare	405,234	403,470	467,916	426,129	494,383	433,203	432,254	428,737	361,014	360,495
Capital Outlay	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	975,032
Debt Service:										
Principal Retirement	643,000	678,000	918,000	634,000	534,000	554,000	510,000	485,000	495,000	604,826
Interest and Fiscal Charges	209,719	450,782	684,360	562,698	532,646	514,124	492,630	471,922	459,813	254,132
Bond Issuance Costs	0	0	0	0	0	0	0	0	38,355	54,565
Total Expenditures	\$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	\$20,786,848

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

	Calendar Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Excess of revenues over (under) expenditures	(\$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	\$4,787,075
Other Financing Sources (Uses)										
Issuance of Long-Term Capital-Related Debt	\$1,800,000	\$7,510,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sale of Refunding Bonds	0	0	0	0	0	0	0	0	2,005,000	5,031,625
Payments to Refunded Bond Escrow Agent	0	0	0	0	0	0	0	0	(1,955,639)	(4,994,725)
Premium on Sale of Refunded Bonds	0	0	0	0	0	0	0	0	13,541	71,287
(Discout) on Sale of Refunded Bonds	0	0	0	0	0	0	0	0	(20,050)	(50,319)
Proceeds from Sale of Capital Assets	0	0	0	0	0	0	0	0	12,863	64,803
Transfers In	2,477,353	9,217,435	3,889,006	3,465,000	4,511,874	2,465,589	3,804,704	4,587,000	3,068,270	2,626,819
Transfers (Out)	(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)	(3,356,819)
Total Other Financing Sources (Uses)	1,513,200	6,744,842	(825,000)	(330,000)	(575,000)	(295,698)	(440,985)	(472,216)	(499,285)	(607,329)
Net Change in Fund Balances	(\$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	\$4,179,746
Debt service as a percentage of noncapital expenditures (1)	3.5%	6.1%	8.0%	5.8%	5.3%	5.2%	5.3%	4.7%	4.3%	4.3%

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)
	Assessed Value	Value	Assessed Value	Value	Assessed Value	Value				
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			
2012	491,652,910	0	10,786,650	502,439,560	1,435,541,600	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 Conservancy City (3)	Troy City School District	Upper Valley Joint		Miami County	Troy-Miami County Library (4)
				Vocational			
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	
2012	3.10	0.07	52.61	5.32	8.81	0.60	

Calendar Year	Total Direct Rate (2)	Overlapping Rates (2)					
		Miami Conservancy City (3)	Miami East School District	Miami Valley		Miami County	Troy-Miami County Library (4)
				Career Technology Center			
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	0.60	
2010	1.10	0.14	49.46	2.58	8.81	0.60	
2011	1.10	0.09	46.71	2.58	8.81	0.60	
2012	1.10	0.07	46.70	2.58	8.81	0.60	

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 Six Years Ago
Schedule 7

Taxpayer	2012	
	Assessed Value	Percentage of Total Assessed Value
Dayton Power and Light Company	\$8,211,400	1.63%
American Honda Motor	6,999,860	1.39%
F&P America Mfg. Inc.	4,360,880	0.87%
Hobart Corporation	3,698,200	0.74%
Dayton Montgomery County Port Authority	3,366,240	0.67%
Vectren Energy Delivery	3,356,830	0.67%
Health Care Reit Inc.	3,185,780	0.63%
1850 Towne Park Drive Holdings LLC	3,027,510	0.60%
DW28 Monroe, LLC	2,962,790	0.59%
Hobart Brothers Co.	2,573,640	0.51%
Total Principal Property Tax Payers	\$41,743,130	8.30%

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 six 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
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 (4)	1,731,500	1,680,088	97.03%	51,412	1,731,500	100.00%
2012 (5)	1,728,675	1,684,400	97.44%	44,275	1,728,675	100.00%

Source: County Auditor

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

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

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

(4) - Includes City of Troy TIF Parcels.

(5) - No tangible personal property included.

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

Calendar Year	Withholding Accounts	Business Accounts	Residential Accounts	Total	Income Tax Rate
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%
2012	11,947,402	2,598,675	1,361,993	15,908,070	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	OWDA Loan	Total			
2003 (1)	\$5,855,000	\$4,000,000	\$408,000	\$18,976,000	\$1,800,000	\$62,650	\$0	\$31,101,650	1.05%	\$1,054	
2004 (1)	11,140,000	0	335,000	20,256,000	0	20,884	0	31,751,884	1.04%	1,044	
2005 (1)	10,320,000	0	262,000	18,712,000	0	0	0	29,294,000	0.94%	956	
2006 (1)	9,775,000	0	198,000	17,235,000	0	0	0	27,208,000	0.84%	848	
2007 (1)	9,330,000	0	134,000	15,845,000	0	50,864	0	25,359,864	0.76%	764	
2008 (1)	8,865,000	0	70,000	14,425,000	0	36,396	0	23,396,396	0.66%	668	
2009 (1)	8,435,000	0	20,000	12,920,000	0	21,264	712,670	22,108,934	0.64%	656	
2010 (1)	7,990,000	0	10,000	11,345,000	0	5,438	685,987	20,036,425	0.56%	572	
2011 (1)	7,577,852	0	0	9,728,362	0	0	419,940	17,726,154	N/A	N/A	
2012	6,988,195	0	0	8,268,045	0	0	408,452	15,664,692	N/A	N/A	

Source: City Records

(1) - Governmental Activities General Obligations Bonds were restated to exclude the manuscript bonds. See note 17 in the notes to the basic financial statements for further information.

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 Total General Obligation Bonds	Debt Service Fund Balance (1)	General Bonded Debt Outstanding Net General Obligation Bonds	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2003	\$24,831,000	\$0	\$24,831,000	1.71%	\$1,129
2004	31,396,000	0	31,396,000	2.13%	1,427
2005	29,032,000	0	29,032,000	1.87%	1,320
2006	27,010,000	0	27,010,000	1.69%	1,228
2007	25,175,000	0	25,175,000	1.67%	1,144
2008	23,290,000	0	23,290,000	1.52%	1,059
2009	21,355,000	0	21,355,000	1.44%	971
2010	19,335,000	0	19,335,000	1.33%	772
2011	17,306,214	0	17,306,214	1.21%	691
2012	15,256,240	0	15,256,240	1.06%	609

(1) - The effect of the restatement of the manuscript bonds would have made the total debt service balance negative since it would be classified as an interfund payable. See note 17 in the notes to the basic financial statements for further details.

Source: City Records

City of Troy, Ohio
 Direct and Overlapping Governmental Activities Debt
 As of December 31, 2012
 Schedule 13

Governmental Unit	Net Debt Outstanding	Estimated Percentage Applicable (1)	Amount Applicable to City of Troy
Miami County	\$21,152,000	23.18%	\$4,903,034
Troy City School District	9,615,000	74.04%	7,118,946
Miami East Local School District	15,629,456	8.60%	1,344,133
Miami Valley Career Center Joint Vocational School District	6,615,000	0.24%	15,876
Upper Valley Career Center Joint Vocational School District	4,970,000	21.63%	1,075,011
Subtotal Overlapping Debt	57,981,456		14,457,000
City of Troy - Direct Debt	6,988,195	100.00%	6,988,195
Total Direct and Overlapping Debt	\$64,969,651		\$21,445,195

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 2012	
Assessed Value	\$502,439,560
Statutory Legal Debt Limitation (1)	10.5%
Total Debt Limitation	52,756,154
Debt Applicable to Limit:	
Gross Indebtedness	15,664,692
Less: Debt Outside Limitations (2)	8,676,497
Less: Bond Retirement Fund Balance	0
Total Net Debt Applicable to Limit	6,988,195
Legal Debt Margin	\$45,767,959

	Calendar Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Total Debt Limit (1)										
Debt Limit (10.5%)	\$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	\$52,756,154
Total Net Debt Applicable to Limit	5,628,673	12,920,896	11,959,715	11,190,031	10,900,046	10,551,194	10,797,038	10,315,987	9,187,852	6,988,195
Legal Debt Margin	\$47,856,774	\$41,221,753	\$45,141,155	\$47,455,521	\$44,424,414	\$45,586,770	\$43,798,122	\$42,960,028	\$43,298,910	\$45,767,959
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	10.5%	23.9%	20.9%	19.1%	19.7%	18.8%	19.8%	19.4%	17.5%	13.2%

	Calendar Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Total Unvoted Debt Limit (1)										
Debt Limit (5.5%)	\$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	\$27,634,176
Total Net Debt Applicable to Limit	5,628,673	12,920,896	11,959,715	11,190,031	10,900,046	10,551,194	10,797,038	10,315,987	9,187,852	6,988,195
Legal Debt Margin	\$22,387,514	\$15,439,539	\$17,950,265	\$19,529,068	\$18,079,433	\$18,854,406	\$17,800,427	\$17,590,497	\$18,305,214	\$20,645,981
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	20.1%	45.6%	40.0%	36.4%	37.6%	35.9%	37.8%	37.0%	33.4%	25.3%

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			
	Special Assessment Collections (1)	Debt Service		Coverage
		Principal	Interest	
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	89,812	0	0	0.00
2012	48,150	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)
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	3,455,094	33,700	12.20%
2010	25,058	3,592,525	35,052	9.60%
2011	25,058	3,807,886	37,021	7.50%
2012	25,058	N/A	N/A	6.10%

- 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 Four Years Ago (2)
Schedule 17

2012			
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)
F-Tech, Inc./F&P America	Mfg	(4)	(5)
Goodrich Corp.	Mfg	(4)	(5)
Hartzell	Mfg	(4)	(5)
Illinois Tool Works, Inc./Hobart	Mfg	(4)	(5)
Meijer, Inc.	Trade	(4)	(5)
Piqua City Schools	Govt	(4)	(5)
Troy City Schools	Govt	(4)	(5)
Upper Valley Medical Center	Serv	(4)	(5)

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 four years 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									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Information Systems	0	0	0	0	0	3	2	2	2	2
General Government	2	2	2	1	1	0	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	5	5	4	4	4	4	4	4	4
Human Resources	2	2	2	2	2	2	2	2	2	2
Fire	42	42	42	40	39	41	41	40	38	35
Police	45	45	48	46	45	46	46	44	40	39
Parks	8	7	9	8	9	9	8	8	7	7
Recreation	4	4	4	4	4	4	4	3	3	3
Electric	3	3	3	3	3	3	3	3	3	3
Development	6	6	6	7	6	5	2	2	2	2
Street	17	18	18	17	17	16	16	15	14	13
Tax	4	4	4	4	4	5	5	4	4	5
Cemetery	4	4	4	4	4	4	4	3	2	2
Refuse	7	7	7	6	6	4	3	4	2	2
Hobart Arena	5	5	5	5	5	5	5	5	5	5
Water Administration	5	5	5	5	5	2	2	2	2	2
Water Plant	10	10	10	10	9	9	9	9	9	8
Water Distribution	8	7	8	8	8	7	5	5	5	5
Sewer B&C	5	5	5	5	4	3	2	2	2	2
Sewer Plant	12	12	12	12	11	11	11	10	10	9
Sewer Maintenance	4	4	4	3	2	4	5	5	5	5
Parking	1	1	1	0	1	1	1	1	1	1
Miami Shores	5	5	5	5	5	5	5	5	5	5
Engineering	8	8	8	7	6	6	8	8	8	7
Total	219	219	225	214	208	207	201	194	183	176

Source: Various City Departments

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

Function/Program	Calendar Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General government										
Commercial Construction										
Building permits issued	19	27	53	30	97	150	133	138	108	173
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	\$20,858,627
Residential Construction										
Building permits issued	236	289	168	270	136	77	74	49	47	48
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	\$2,745,948
Police										
Physical arrests	2,191	1,819	2,651	2,885	3,073	2,959	2,688	2,724	2,577	2,169
Parking violations	4,147	3,397	3,012	2,877	2,867	2,592	3,074	3,093	2,490	2,152
Traffic violations	3,445	2,853	3,465	4,210	4,657	3,956	5,240	3,546	2,957	2,515
Fire										
Emergency responses	1,071	934	1,143	1,249	1,181	1,371	1,480	1,266	1,439	1,560
Fires extinguished	125	96	98	134	104	106	88	132	111	108
Inspections	288	334	799	1,030	718	682	418	700	700	851
Refuse collection										
Refuse collected (tons)	6,158	6,250	6,530	6,542	6,584	6,484	5,611	5,191	5,265	5,184
Recyclables collected (tons)	1,370	1,727	1,686	1,750	1,840	1,864	1,473	1,640	1,659	1,704
Other public works										
Street resurfacing (cubic yards) (1)	7,135	6,623	5,127	4,500	2,483	2,486	344	4,182	0	2,353
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	\$88,341
Community Center Attendance	14,176	10,793	10,674	46,775	43,476	40,493	41,983	35,269	40,325	33,812
Water										
New connections (each)	154	267	222	154	132	63	129	62	15	36
Water main breaks (each)	24	32	27	23	26	33	29	45	38	10
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	4.22
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	8.1
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	4.55

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									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	8	8	8	8	8	9	10	11	11	11
Fire Stations	3	3	3	3	3	3	3	3	3	3
Other Public Works										
Area of City (square miles)	11.696	12.151	12.164	12.167	12.345	12.345	12.345	12.345	12.345	12.345
Streets (miles)	105.05	107.49	109.60	110.50	111.84	111.96	112.59	112.75	112.75	113.04
Streetlights	2,356	2,356	2,356	2,579	2,601	2,615	2,622	2,624	2,624	2,568
Traffic signals	43	43	42	42	43	43	43	43	43	43
Parks and Recreation										
Number of Parks	24	25	25	26	26	25	25	25	25	25
Acreeage	296.40	297.90	297.90	303.90	303.90	303.40	303.40	303.00	303.00	303.00
Playgrounds	17	17	18	18	18	17	17	17	17	17
Baseball/Softball Diamonds	15	15	15	15	15	15	15	15	15	15
Soccer/Football Fields	14	14	14	14	14	14	14	15	15	15
Community Centers										
Kings Chapel Community Center	1	1	1	1	1	1	1	1	1	1
Troy Aquatic Park	1	1	1	1	1	1	1	1	1	1
Municipal Water Department										
Treatment Capacity (millions of gallons per day)	16	16	16	16	16	16	16	16	16	16
Water Mains (miles)	128.81	131.31	133.67	134.92	136.44	136.92	137.78	138.39	139.65	139.94
Fire hydrants	(2)	1,177	(2)	1,322	1,244	1,254	1,268	1,278	1,284	1,292
Sewers										
Treatment Capacity (millions of gallons per day)	7	7	7	7	7	7	7	7	7	7
Storm Sewers (miles)	70.27	73.08	75.19	76.39	78.67	79.42	80.29	80.52	81.00	81.29
Sanitary Sewers (miles)	119.22	121.90	123.90	125.01	126.22	126.54	127.25	127.88	127.95	128.24
Hobart Arena										
Attendance	9,819	11,914	10,216	15,103	13,664	30,153	24,347	27,251	24,963	28,442
Ticket Sold (1)	6,225	7,709	6,474	8,415	7,901	13,547	16,194	20,110	20,844	24,068

Source: Various City Departments

(1) - Tickets sold by Hobart Arena only

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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
JULY 2, 2013**