



Mary Taylor, CPA
Auditor of State

CITY OF TROY
MIAMI COUNTY

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Mary Taylor, CPA

Auditor of State

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

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

To the Honorable Mayor and City Council:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Troy, Miami County, (the City) as of and for the year ended December 31, 2008, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 5, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

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

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

We noted certain matters that we reported to the City's management in a separate letter dated June 5, 2009.

Compliance and Other Matters

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

We did note certain noncompliance or other matters that we reported to the City's management in a separate letter dated June 5, 2009.

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

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

Mary Taylor, CPA
Auditor of State

June 5, 2009

Troy OHIO, USA

www.troyohio.gov



COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED DECEMBER 31, 2008

CITY OF TROY, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2008

PREPARED BY:
RICHARD L. CULTICE, CITY AUDITOR

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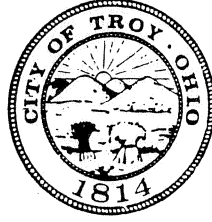
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INTRODUCTORY SECTION

City of Troy, Ohio



June 30, 2009

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, 2008 is submitted herewith. The Department of Finance prepared the report. The responsibility for both the accuracy of the presented data and the completeness and the fairness of the presentation, including all disclosures, rests with the City of Troy, specifically with the Department of Finance. We believe that the enclosed data is accurate in all material respects; and is presented in a manner designed to fairly set forth the financial position and results of operations of the various funds of the City. We further believe that all disclosures necessary to enable the reader to gain an understanding of the City's financial activity have been included.

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

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

CITY OVERVIEW

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

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

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

ECONOMIC CONDITIONS AND OUTLOOK

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

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

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

The City places a high priority on quality of life and effectively delivering services to the citizens of Troy. This priority continued during 2008. There was not an interruption in the delivery of services to the citizens. During the year, there were a number of major public improvements. Major activity in 2008 included:

- Continued a review of positions and services, as vacancies occurred. Staff and Council determined if the services provided by those positions could be shifted to other staff, revised, or eliminated. The result of those reviews and the subsequent reorganization approved by City Council was a savings of nearly \$400,000 and the abolishment of five (5) full-time positions.
- Implemented the federally mandated, but unfunded Storm Water Management Program, which included updating the City's Plan and the assessment of appropriate fees.
- Analyzed in-house refuse collections compared to outsourcing, concluded that in-house was more cost effective, and phased in a residential refuse collection fee over ten years.
- Determined that an enhanced Adams Street bridge is preferred by City Council and to offset the City's costs, established a limited term supplemental license plate fee to run concurrent with any debt service, through 2018.
- Authorized installation of an Automated Meter Reading System to be completed in 2009. This will streamline meter reading, reduce personnel and on-going costs, and provide enhanced service to the citizens. The City estimates a 9-year payback cycle, which will save millions to rate payers.
- Completed a comprehensive and much needed Income Tax Ordinance and regulations update.
- Through a partnership with the state and federal governments, provided a \$600,000 low interest loan for a new manufacturer, RevWires, to locate in Troy.
- Updated and standardized a number of fees for permits, etc., charged by City departments.
- Significantly reduced the number and cost of capital investment, due to budget constraints.
- Assisted with coordination of the very successful 2008 Troy Strawberry Festival, Festival of Nations, and concert series.
- Operation Cloverleaf continued the landscape efforts to enhance the I-75/SR 41 interchange entrance to the City, worth an annual donation of over \$38,000 in services to the community.
- Continued priority focus on economic development efforts locally, regionally, domestically and internationally through participation with the Troy Development Council, Dayton Development Coalition, and other regional groups. In addition to the on-going retention and expansion program called Business First, the City participated in a trade mission trip to Japan. That trade mission included visits to and discussions with a number of companies that are interested in expanding into the United States and to those that have selected Troy as an investment area.
- Continued cooperative partnerships and working relationships with the townships, Miami County, neighboring communities, Troy City Schools, the downtown merchants, the Troy Development Council, and Troy Main Street.
- Provided a number of training opportunities for City staff.
- Continued the property maintenance and code enforcement programs.

RELEVANT FINANCIAL POLICIES

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

TEAMWORK RESULTS IN TROY NAMED AS ONE OF OHIO'S 2009 BEST HOMETOWNS

Each month, Mayor Michael Beamish convenes the Mayor's Roundtable, which includes downtown business owners, as well as representatives from City staff, Troy Area Chamber, and Troy Main Street. During each Roundtable meeting, members highlight the good things going on in downtown.

During early summer 2008, the committee agreed that, while Troy residents and visitors have long recognized the City's appeal, it was time to seek broader recognition throughout the state of Ohio by applying for designation as "Best Hometown in Ohio."

Mayor Beamish chaired a subcommittee consisting of Superintendent of Troy City Schools Tom Dunne, Troy Main Street Executive Director Chuck Fox, Hayner Cultural Center Director Linda Jolly, Assistant Director of the Miami County Convention and Visitors Bureau Kay Hamilton, and several City staff. They assembled the extensive formal application, writing and reviewing essays related to six (6) key areas of Troy's character: Community spirit, Education, Entertainment, Health and safety, Culture and heritage, and Business environment.

Sponsored by Ohio Magazine, Troy competed against all cities and townships located in southwest Ohio, specifically the counties of Adams, Brown, Butler, Champaign, Clark, Clermont, Clinton, Darke, Fayette, Greene, Hamilton, Highland, Miami, Montgomery, Preble, and Warren.

In August of 2008, Troy became a semi-finalist, earning a visit from Ohio Magazine Assistant Editor Jessica Esemplare. During her visit, Ms. Esemplare conducted interviews with a number of citizens, staff, stakeholders, and business people. She toured the entire city, making impromptu stops along the way to talk to people about the City. She attended the Festival of Nations, serving as a judge of the ethnic food competition.

On August 28, 2008, Ohio Magazine selected Troy, Ohio as Ohio's 2009 "Best Hometown" for the southwestern region of Ohio. Four other cities also received the designation for 2009 based on geographic regions: Athens, Chagrin Falls, Dublin, and Perrysburg.

Richard Osborne, Publisher and Editor, stated: "Your achievement is especially impressive in light of the fact that Ohio is home to many of the best hometowns in America. Only one town is chosen from each of the state's five regions for this very special honor. This award recognizes Troy is among the best of the best." His participation during the downtown Christmas Tree Lighting Ceremony on November 28th highlighted a special presentation by Santa Clause of the "Best Hometown" sign and plaque.

The November 2008 edition of Ohio Magazine announcing Troy's honor not only sold all copies but will be a focal point of Troy's future economic development marketing efforts. Ohio Magazine's sister publications will feature additional articles related to Troy during 2009. Replicas of the "Best Hometown" sign are now prominently displayed on the seven (7) entrance signs as a 'welcome' to the City.

Citizens of Troy can take great pride not only in the winning of such a prestigious award but in the true interdepartmental teamwork, led by Mayor Beamish, without which this honor could never have been earned.

FUTURE PROJECTS

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

- Continued economic development efforts to both bring new high quality jobs to the community and to retain and support the growth of our existing businesses. We will continue to aggressively pursue high speed fiber optic opportunities.
- Maintenance of financial stability for the City. This will include monitoring fees for appropriate adjustments, including that for water and sewer rates, revise and update services, and evaluate staff levels as vacancies occur.
- Monitoring revenues for possible enhancements and reduce the financial impact on the General Fund by other budgetary funds where appropriate.
- Improving communication with our citizens, businesses and visitors. We will be responsive to citizen inquiries while analyzing methods to provide greater, faster, yet accurate information.
- Monitoring the condition of all City facilities and see that they are properly maintained.
- Completing the five-year review of the City's Comprehensive Plan to adjust our long-term vision based on current and future forecasted conditions. That review may include a comprehensive look at current zoning of parcels, with recommendations to City Council for changes.
- Fostering and encouraging strategic property annexations.
- Maintaining an excellent working relationship and partnership with other local governmental entities.
- Partnering with Troy Main Street and the downtown merchants in keeping the downtown vibrant, active and vital.
- Providing appropriate training for employees based on funding availability.
- Improve park and green space areas for aesthetic purposes and to meet community needs.
- Utilizing grants and other governmental funds (i.e., OPWC) where possible for projects.

INTERNAL ACCOUNTING AND BUDGETARY CONTROLS

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

Budgetary control is maintained at the fund level by the use of encumbrances for purchase order amounts to vendors. Open encumbrances are reported as reservations of the fund balance for the governmental fund types at December 31, 2008.

RISK MANAGEMENT

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

Out of concern for the 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. A satellite office for the EAP Program has also been established in Troy. This counseling process is based upon and centered on complete confidentiality for the person using the program. The EAP also provides on-site counseling for situations such as the loss of a co-worker or the debriefing of safety employees following a critical event. The EAP further provides on-site seminars/workshops with topics such as stress management, holiday stress, dealing with angry citizens, and other geared to the needs of the staff.

Wellness Program – The City of Troy has provided a Wellness Program for approximately 20 years. Since 2002, the City has contracted with the local Upper Valley Medical Center, Troy, Ohio for the service. The City is provided an on-site nurse for sixteen hours per month. Employees can establish base-line medical data with the nurse so that physical/medical problems/improvements can be measured.

A Wellness Committee of employees has been formed to suggest possible programs and services. To date, some of the benefits provided by the Wellness Program include: cholesterol screening, blood pressure checks, statistics, hearing exams, TB screening, health fair, flu shots (when vaccine is available), stress management, diabetes screening, etc. and the opportunity to take advantage of various screenings at a reduced cost for the employee/spouse. As a result of screenings and discussions with the nurse, some employees have been referred for further medical evaluation. In addition, the wellness program encourages regular exercise and other recommendations for healthy life styles. The program elements were extended to include regular “flyers” distributed to employees that provide a variety of information in a single and simple one page format. Employees are encouraged to share the flyers with their families. During 2007, a major wellness initiative was a walking challenge, with Troy employees logging over 24 million steps during a 12-week period. The initiative during the summer of 2008 mirrored the Olympic Games, where employees were encouraged to become involved in and add some physical activity to their lives every day.

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

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, 2007. 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 19th time for the year ended December 31, 2007. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

ACKNOWLEDGEMENTS

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

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

Respectfully submitted,
City of Troy, Ohio



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



Richard L. Cultice
City Auditor

CITY OF TROY, OHIO

Listing of Principal City Officials

December 31, 2008

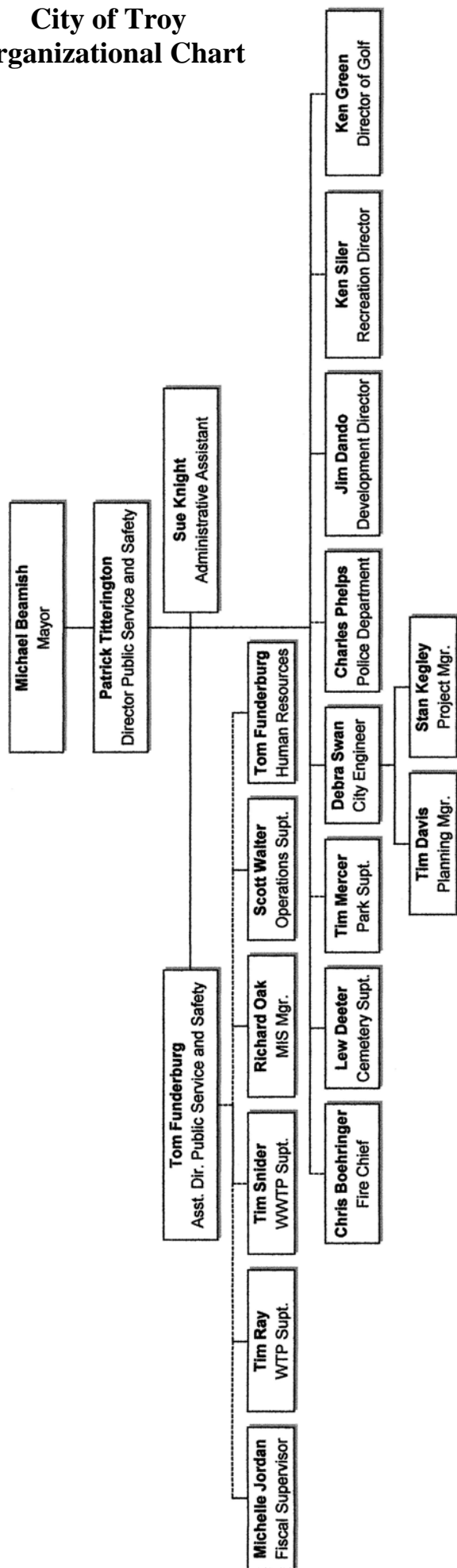
Elected Officials

Mayor	Michael L. Beamish
President of Council	Martha A. Baker
Councilmember-at-Large	Alan R. Clark
Councilmember-at-Large	Mark A. Douglas
Councilmember-at-Large	Frank L. Hutchinson
Councilmember, First Ward	Thomas M. Kendall
Councilmember, Second Ward	Thomas H. Kirkham
Councilmember, Third Ward	John S. Schweser
Councilmember, Fourth Ward	Jarrold W. Harrah
Treasurer	Edward L. Cox
Director of Law	W. McGregor Dixon, Jr.
Auditor	Richard L. Cultice

Appointed Officials

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

City of Troy Organizational Chart



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, 2007

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.



A handwritten signature in black ink, appearing to read "M. L. Post".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

FINANCIAL SECTION



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Honorable Mayor and City Council:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Troy, Miami County, (the City), as of and for the year ended December 31, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Troy, Miami County, as of December 31, 2008, and the respective changes in financial position and where applicable, cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 5, 2009, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

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

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

Mary Taylor, CPA
Auditor of State

June 5, 2009

City of Troy, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2008
(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, 2008. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the City's performance.

Financial Highlights

- The City's total net assets increased \$2,324,342. Net assets of governmental activities increased \$3,285,993, net assets of business-type activities decreased by \$961,651.
- The General Fund reported a net change in fund balance of \$2,205,122 .
- Business-type operations reflected operating (loss) of (\$1,748,381).

Overview of the Financial Statements

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

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

Government-wide Financial Statements

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

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

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

- **Governmental Activities** - Most of the City's services are reported here including police, fire, street maintenance, parks and recreation, and general administration. Income taxes, property taxes, intergovernmental revenue, charges for services, and interest finance most of these activities.
- **Business-Type Activities** - These services include sanitary sewer, water, Hobart Arena, swimming pool, parking meter, Miami Shores, stadium 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, Capital Improvement, Water and Sanitary Sewer.

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

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

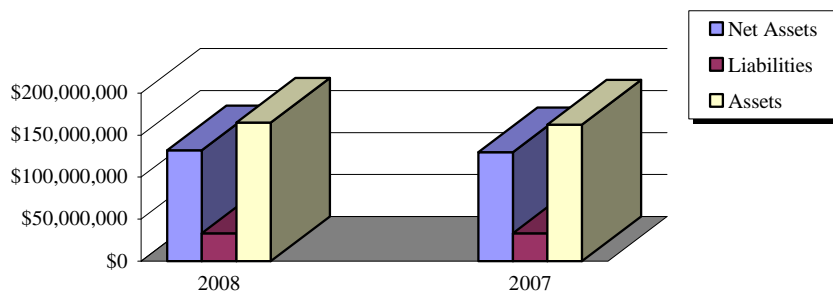
Fiduciary Funds - The City is the fiscal agent for one private purpose trust and seven agency funds. All of the City's fiduciary activities are reported in separate Statements of Fiduciary Net Assets and Statement of Changes in Assets and Liabilities. We exclude these activities from the City's other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

The City as a Whole

As stated previously, the Statement of Net Assets looks at the City as a whole. Table 1 provides a summary of the City's net assets for 2008 compared to 2007.

**Table 1
Net Assets**

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007 Restated	2008	2007 Restated
Assets:						
Current and Other Assets	\$54,686,237	\$51,561,844	\$17,919,425	\$18,062,830	\$72,605,662	\$69,624,674
Capital Assets	42,054,257	41,893,516	50,416,417	51,297,837	92,470,674	93,191,353
Total Assets	96,740,494	93,455,360	68,335,842	69,360,667	165,076,336	162,816,027
Liabilities:						
Long-Term Liabilities	12,362,016	12,620,557	15,041,748	16,445,516	27,403,764	29,066,073
Other Liabilities	3,772,562	3,514,880	1,820,413	479,819	5,592,975	3,994,699
Total Liabilities	16,134,578	16,135,437	16,862,161	16,925,335	32,996,739	33,060,772
Net Assets:						
Invested in Capital Assets, Net of Related Debt	31,419,257	30,704,516	35,991,417	35,452,837	67,410,674	66,157,353
Restricted	9,103,361	8,547,364	0	0	9,103,361	8,547,364
Unrestricted	40,083,298	38,068,043	15,482,264	16,982,495	55,565,562	55,050,538
Total Net Assets	\$80,605,916	\$77,319,923	\$51,473,681	\$52,435,332	\$132,079,597	\$129,755,255



Overtime, net assets can serve as a useful indicator of a government's financial position. Total net assets of the City as a whole increased \$2,324,342.

Net assets of the City's governmental activities increased \$3,285,993. Current and Other Assets increased mainly due to an increase in the balance of investments from the prior year. Capital assets, net increased mostly due to the purchase of \$766,271 of infrastructure in 2008.

The net assets of the City's business-type activities decreased \$961,651 from 2007. The City had a decrease in Capital assets, net due to depreciation expense being greater than capital asset additions for 2008. The City also saw a decrease in the amount of long-term liabilities for 2008 due to the City continuing to make regularly scheduled payments on their long-term obligations, while other liabilities increased due to an increase in accounts payable for 2008.

Table 2 shows the changes in net assets for the year ended December 31, 2008.

Table 2
Changes in Net Assets

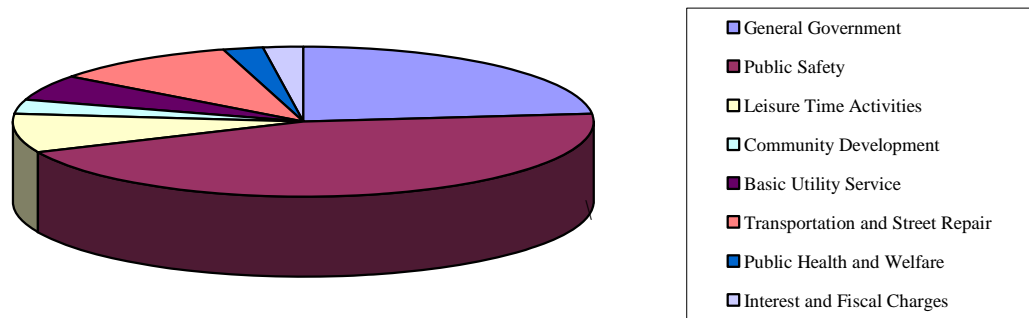
	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007 Restated	2008	2007 Restated
Program Revenues:						
Charges for Services	\$2,372,604	\$2,560,546	\$9,282,423	\$8,614,775	\$11,655,027	\$11,175,321
Operating Grants and Contributions	1,332,705	1,180,525	0	0	1,332,705	1,180,525
Capital Grants and Contributions	1,056,487	1,401,939	400,594	583,485	1,457,081	1,985,424
Total Program Revenues	4,761,796	5,143,010	9,683,017	9,198,260	14,444,813	14,341,270
General Revenues:						
Income Taxes	13,294,831	12,882,229	0	0	13,294,831	12,882,229
Property Taxes	2,642,640	2,681,028	0	0	2,642,640	2,681,028
Grants and Entitlements	2,235,974	1,673,098	0	0	2,235,974	1,673,098
Investment Earnings	2,115,536	2,826,639	596,975	848,742	2,712,511	3,675,381
Other Revenues	528,422	545,001	497,517	370,048	1,025,939	915,049
Total General Revenues	20,817,403	20,607,995	1,094,492	1,218,790	21,911,895	21,826,785
Total Revenues	25,579,199	25,751,005	10,777,509	10,417,050	36,356,708	36,168,055
Program Expenses:						
General Government	5,103,878	5,345,922	0	0	5,103,878	5,345,922
Public Safety	9,746,678	9,501,076	0	0	9,746,678	9,501,076
Leisure Time Activities	1,821,739	1,821,894	0	0	1,821,739	1,821,894
Community Development	695,455	959,438	0	0	695,455	959,438
Basic Utility Service	1,195,413	1,229,838	0	0	1,195,413	1,229,838
Transportation and Street Repair	2,206,531	2,473,911	0	0	2,206,531	2,473,911
Public Health and Welfare	469,365	533,385	0	0	469,365	533,385
Interest and Fiscal Charges	512,045	530,750	0	0	512,045	530,750
Water Utility	0	0	5,062,771	4,718,693	5,062,771	4,718,693
Sewer Utility	0	0	4,609,529	4,082,607	4,609,529	4,082,607
Area Facilities	0	0	1,053,354	912,204	1,053,354	912,204
Pool	0	0	343,970	343,074	343,970	343,074
Parking	0	0	46,869	38,354	46,869	38,354
Golf Course	0	0	785,734	866,238	785,734	866,238
Stadium Facilities	0	0	169,517	173,264	169,517	173,264
Stormwater Utility	0	0	209,518	0	209,518	0
Total Program Expenses	21,751,104	22,396,214	12,281,262	11,134,434	34,032,366	33,530,648
Increase (Decrease) in Net Assets before Transfers	3,828,095	3,354,791	(1,503,753)	(717,384)	2,324,342	2,637,407
Transfers - Internal Activities	(542,102)	(575,000)	542,102	575,000	0	0
Change in Net Assets	3,285,993	2,779,791	(961,651)	(142,384)	2,324,342	2,637,407
Net Assets Beginning of Year	77,319,923	74,540,132	52,435,332	52,577,716	129,755,255	127,117,848
Net Assets End of Year	\$80,605,916	\$77,319,923	\$51,473,681	\$52,435,332	\$132,079,597	\$129,755,255

Governmental Activities

Troy has continued attracting large-scale employers to our city in the year 2008, 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 66% of the City’s governmental activities general revenues.

Governmental Activities
Program Expenses for 2008

	Percentage
General Government	23.46%
Public Safety	44.81%
Leisure Time Activities	8.38%
Community Development	3.20%
Basic Utility Service	5.50%
Transportation and Street Repair	10.14%
Public Health and Welfare	2.16%
Interest and Fiscal Charges	2.35%
Total	100.00%



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

Business-Type Activities

Business-type activities, include water, sewer, Hobart Arena, swimming pool, parking meter, Miami Shores, the stadium and stormwater utilities. These programs had operating revenues of \$9,779,940 and operating expenses of \$11,528,321 for fiscal year 2008. Business activities receive no support from tax revenues. The business activities net assets at the end of the year was \$51,473,681, which decreased \$961,651 from 2007. The City had two business-type (enterprise) funds that were major funds: the Water fund and the Sanitary Sewer fund.

The City of Troy’s Water Department serves 9,918 customers, this represents a population base of nearly 21,999 people. The average daily consumption for the city is 3.97 million gallons and 136.92 miles of water mains in its distribution system. The water fund had operating loss of \$516,611 for 2008.

The City of Troy's Sewer Department includes 126.54 miles of sanitary sewer main, which provide the collection and treatment of public wastewater. Miles of sanitary sewer main increased 0.32 miles from 2007. The Sewer fund had operating loss of \$908,916 for 2008.

The City's Funds

The City has two major governmental funds: the General Fund and Capital Improvement Fund. Assets of the general fund comprised \$44,047,353 (81%) and the capital improvement fund comprised \$1,522,756 (3%) of the total \$54,686,237 governmental funds assets.

As of the end of the year, the City of Troy's governmental funds reported combined ending fund balances of \$48,874,613. Approximately \$46,351,519 of this amount constitutes *unreserved fund balance*, which is available for spending at the government's discretion. The remainder of the fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed to liquidate contracts and purchase orders of the prior period.

General Fund: Fund balance at December 31, 2008 was \$40,648,579 which was an increase in fund balance of \$2,205,122 from 2007. This resulted from an increase in taxes and intergovernmental revenue.

Capital Improvement Fund: Fund balance at December 31, 2008 was \$130,816 including \$109,785 of unreserved balance. The decrease in fund balance of \$316,630 from 2007 was mainly due to a decrease in intergovernmental revenues (grant monies received).

General Fund Budgeting Highlights

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

For the General Fund, the final budgeted revenue was \$20,744,134 and the original budgeted revenue was \$19,927,575. The difference was \$816,559. Of this difference, most was due to a conservative estimate 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 public safety and transfers out expenditures for 2008. As the City completed the year, its General Fund balance reported an actual fund balance of \$38,960,478, on a Non-GAAP Budgetary Basis.

Capital Assets and Debt Administration

Capital Assets

At year end, the City had \$92,470,674 invested in land, construction in progress, buildings and improvements, equipment and infrastructure. Table 3 shows 2008 balances compared to 2007:

Table 3
Capital Assets, Net of Depreciation

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007 Reclassed	2008	2007 Reclassed
Land	\$12,181,672	\$12,172,275	\$538,683	\$538,683	\$12,720,355	\$12,710,958
Construction in Progress	694,640	175,542	782,210	0	1,476,850	175,542
Buildings and Improvements	9,624,699	9,910,680	28,203,628	29,063,737	37,828,327	38,974,417
Equipment	2,239,042	2,585,145	7,489,172	8,188,142	9,728,214	10,773,287
Infrastructure	17,314,204	17,049,874	13,402,724	13,507,275	30,716,928	30,557,149
Total Net Capital Assets	\$42,054,257	\$41,893,516	\$50,416,417	\$51,297,837	\$92,470,674	\$93,191,353

The decrease in net capital assets was the result of depreciation expense being larger 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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Debt

At year-end the City had \$25,096,396 in general obligation bonds, special assessment bonds and a note.

Table 4
Outstanding Debt at Year End

		2008	2007
Governmental Activities			
<u>General Obligation Bonds</u>			
McKaig Storm Sewer Phase III	7.13%	\$0	\$40,000
Stadium Improvement	2.50-5.25%	2,420,000	2,545,000
Elm Street Improvements	2.00-4.75%	510,000	535,000
Aquatic Center	2.00-4.75%	3,385,000	3,540,000
Cemetery Maintenance Building	2.00-4.75%	395,000	415,000
Fire Station	2.00-4.75%	2,155,000	2,255,000
Tax Increment Financing	6.00%	1,700,000	1,725,000
Total General Obligation Bonds		<u>10,565,000</u>	<u>11,055,000</u>
<u>Special Assessment Bonds</u>			
Street Improvement - St. Rt. 55	7.13%	0	14,000
Street Improvement - Dorset Rd.	7.35%	40,000	80,000
Street Improvement - Exp. Farm Rd.	3.50-5.00%	30,000	40,000
Total Special Assessment Bonds		<u>70,000</u>	<u>134,000</u>
Business Type Activities			
<u>General Obligation Bonds</u>			
Water Improvement Towers	3.35-5.00%	\$735,000	\$955,000
Waterplant Expansion I	4.10-5.00%	860,000	1,115,000
Wastewater System Improvement	3.35-5.30%	2,185,000	2,330,000
Wastewater Improvement IIIC&VA	0.00%	300,000	325,000
Water Line Extension	2.50-4.00%	460,000	565,000
Southeast Area Sewer	2.00-4.75%	1,125,000	1,175,000
Generators	2.00-4.75%	1,040,000	1,085,000
Refunding Wastewater System			
Improvement	4.00-5.00%	2,060,000	2,300,000
Refunding Waterplant Expansion I	5.00%	1,705,000	1,705,000
Refunding Waterplant Expansion II	4.00-5.00%	3,955,000	4,290,000
Total General Obligation Bonds		<u>14,425,000</u>	<u>15,845,000</u>
Golf Cart Note	4.50%	36,396	50,864
Total Debt		<u>\$25,096,396</u>	<u>\$27,084,864</u>

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

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

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

Economic Factors

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

Contacting the City's Financial Department

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

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City of Troy, Ohio
Statement of Net Assets
December 31, 2008

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in Pooled Cash and Investments	\$46,146,132	\$16,518,505	\$62,664,637
Receivables:			
Taxes	2,525,693	0	2,525,693
Accounts	545,730	354,406	900,136
Interest	470,389	60,507	530,896
Intergovernmental	2,317,616	37,500	2,355,116
Notes	1,997,726	0	1,997,726
Special Assessments	682,951	0	682,951
Inventory	0	948,507	948,507
Nondepreciable Capital Assets	12,876,312	1,320,893	14,197,205
Depreciable Capital Assets, Net	29,177,945	49,095,524	78,273,469
Total Assets	96,740,494	68,335,842	165,076,336
Liabilities:			
Accounts Payable	216,191	904,795	1,120,986
Accrued Wages and Benefits	1,094,449	208,202	1,302,651
Accrued Interest Payable	66,340	57,752	124,092
Contracts Payable	433,615	649,664	1,083,279
Unearned Revenue	1,961,967	0	1,961,967
Long-Term Liabilities:			
Due Within One Year	1,026,327	1,692,014	2,718,341
Due In More Than One Year	11,335,689	13,349,734	24,685,423
Total Liabilities	16,134,578	16,862,161	32,996,739
Net Assets:			
Invested in Capital Assets, Net of Related Debt	31,419,257	35,991,417	67,410,674
Restricted for:			
Special Revenue	7,664,014	0	7,664,014
Debt Service	44,147	0	44,147
Capital Projects	1,395,200	0	1,395,200
Unrestricted	40,083,298	15,482,264	55,565,562
Total Net Assets	\$80,605,916	\$51,473,681	\$132,079,597

See accompanying notes to the basic financial statements.

City of Troy, Ohio
Statement of Activities
For the Fiscal Year Ended December 31, 2008

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$5,103,878	\$133,700	\$8,200	\$0
Public Safety	9,746,678	1,259,802	0	0
Leisure Time Activities	1,821,739	172,565	0	96,462
Community Development	695,455	57,239	0	69,496
Basic Utility Service	1,195,413	697,232	0	156,546
Transportation and Street Repair	2,206,531	34,793	1,324,505	733,983
Public Health and Welfare	469,365	17,273	0	0
Interest and Fiscal Charges	512,045	0	0	0
Total Governmental Activities	21,751,104	2,372,604	1,332,705	1,056,487
Business-Type Activities:				
Water Utility	5,062,771	4,110,581	0	243,478
Sewer Utility	4,609,529	3,355,106	0	157,116
Area Facilities	1,053,354	23,501	0	0
Pool	343,970	231,798	0	0
Parking	46,869	21,246	0	0
Golf Course	785,734	696,368	0	0
Stadium Facilities	169,517	0	0	0
Stormwater Utility	209,518	843,823	0	0
Total Business-Type Activities	12,281,262	9,282,423	0	400,594
Totals	\$34,032,366	\$11,655,027	\$1,332,705	\$1,457,081

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

Total General Revenues and Transfers

Change in Net Assets

Net Assets Beginning of Year, Restated

Net Assets End of Year

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-Type Activities	Total
(\$4,961,978)	\$0	(\$4,961,978)
(8,486,876)	0	(8,486,876)
(1,552,712)	0	(1,552,712)
(568,720)	0	(568,720)
(341,635)	0	(341,635)
(113,250)	0	(113,250)
(452,092)	0	(452,092)
(512,045)	0	(512,045)
<u>(16,989,308)</u>	<u>0</u>	<u>(16,989,308)</u>
0	(708,712)	(708,712)
0	(1,097,307)	(1,097,307)
0	(1,029,853)	(1,029,853)
0	(112,172)	(112,172)
0	(25,623)	(25,623)
0	(89,366)	(89,366)
0	(169,517)	(169,517)
0	634,305	634,305
<u>0</u>	<u>(2,598,245)</u>	<u>(2,598,245)</u>
<u>(16,989,308)</u>	<u>(2,598,245)</u>	<u>(19,587,553)</u>
13,294,831	0	13,294,831
1,772,552	0	1,772,552
870,088	0	870,088
2,235,974	0	2,235,974
186,224	0	186,224
50,847	0	50,847
2,115,536	596,975	2,712,511
291,351	497,517	788,868
(542,102)	542,102	0
<u>20,275,301</u>	<u>1,636,594</u>	<u>21,911,895</u>
3,285,993	(961,651)	2,324,342
<u>77,319,923</u>	<u>52,435,332</u>	<u>129,755,255</u>
<u>\$80,605,916</u>	<u>\$51,473,681</u>	<u>\$132,079,597</u>

City of Troy, Ohio
Balance Sheet
Governmental Funds
December 31, 2008

	General	Capital Improvement	Other Governmental Funds	Total Governmental Funds
Assets:				
Equity in Pooled Cash and Investments	\$39,651,360	\$415,680	\$6,079,092	\$46,146,132
Receivables:				
Taxes	2,310,246	0	215,447	2,525,693
Accounts	538,094	0	7,636	545,730
Interest	459,619	0	10,770	470,389
Intergovernmental	1,076,609	508,304	732,703	2,317,616
Notes	0	0	1,997,726	1,997,726
Special Assessments	11,425	598,772	72,754	682,951
Total Assets	44,047,353	1,522,756	9,116,128	54,686,237
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	163,216	0	52,975	216,191
Accrued Wages and Benefits	1,006,864	0	87,585	1,094,449
Contracts Payable	0	284,864	148,751	433,615
Deferred Revenue	2,228,694	1,107,076	731,599	4,067,369
Total Liabilities	3,398,774	1,391,940	1,020,910	5,811,624
Fund Balances:				
Reserved for Encumbrances	318,170	21,031	122,767	461,968
Reserved for Property Tax Advances	60,639	0	2,761	63,400
Reserved for Notes Receivable	0	0	1,997,726	1,997,726
Unreserved, Undesignated, Reported in:				
General Fund	40,269,770	0	0	40,269,770
Special Revenue Funds	0	0	5,272,144	5,272,144
Debt Service Funds	0	0	9,120	9,120
Capital Projects Funds	0	109,785	690,700	800,485
Total Fund Balances	40,648,579	130,816	8,095,218	48,874,613
Total Liabilities and Fund Balances	\$44,047,353	\$1,522,756	\$9,116,128	\$54,686,237

See accompanying notes to the basic financial statements.

City of Troy, Ohio
 Reconciliation of Total Governmental Fund Balance to
 Net Assets of Governmental Activities
 December 31, 2008

Total Governmental Fund Balance		\$48,874,613
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		42,054,257
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Delinquent Property Taxes	\$34,016	
Intergovernmental	1,292,460	
Other	<u>778,926</u>	
		2,105,402
In the statement of net assets interest payable is accrued when incurred, whereas in the governmental funds interest is reported as a liability only when it will require the use of current financial resources.		(66,340)
Some liabilities reported in the statement of net assets do not require the use of current financial resources and therefore are not reported as liabilities in governmental funds.		
Compensated Absences		(1,727,016)
Long-term liabilities, are not due and payable in the current period and therefore are not reported in the funds.		<u>(10,635,000)</u>
Net Assets of Governmental Activities		<u><u>\$80,605,916</u></u>

See accompanying notes to the basic financial statements.

City of Troy, Ohio
Statement of Revenues, Expenditures
and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended December 31, 2008

	General	Capital Improvement	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$15,080,926	\$0	\$870,700	\$15,951,626
Fines, Licenses & Permits	98,132	0	25,354	123,486
Charges for Services	1,881,484	0	320,767	2,202,251
Investment Earnings	1,978,626	0	136,910	2,115,536
Intergovernmental	2,087,427	190,463	1,872,784	4,150,674
Special Assessments	11,425	141,866	73,767	227,058
Payments in Lieu of Taxes	0	0	186,224	186,224
Other Revenues	445,233	0	46,418	491,651
Total Revenues	21,583,253	332,329	3,532,924	25,448,506
Expenditures:				
Current:				
General Government	4,615,270	0	61,476	4,676,746
Public Safety	9,245,469	0	400	9,245,869
Leisure Time Activities	1,294,928	0	221,372	1,516,300
Community Development	516,386	97,699	46,218	660,303
Basic Utility Service	1,146,691	0	0	1,146,691
Transportation and Street Repair	0	0	1,994,218	1,994,218
Public Health and Welfare	0	0	433,203	433,203
Capital Outlay	0	664,760	759,938	1,424,698
Debt Service:				
Principal Retirement	0	0	554,000	554,000
Interest and Fiscal Charges	0	0	514,124	514,124
Total Expenditures	16,818,744	762,459	4,584,949	22,166,152
Excess of Revenues Over (Under) Expenditures	4,764,509	(430,130)	(1,052,025)	3,282,354
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	204,302	0	0	204,302
Transfers In	101,900	113,500	2,250,189	2,465,589
Transfers (Out)	(2,865,589)	0	(100,000)	(2,965,589)
Total Other Financing Sources (Uses)	(2,559,387)	113,500	2,150,189	(295,698)
Net Change in Fund Balance	2,205,122	(316,630)	1,098,164	2,986,656
Fund Balance Beginning of Year	38,443,457	447,446	6,997,054	45,887,957
Fund Balance End of Year	\$40,648,579	\$130,816	\$8,095,218	\$48,874,613

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, 2008

Net Change in Fund Balance - Total Governmental Funds \$2,986,656

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

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

Capital assets used in governmental activities	\$1,777,128	
Depreciation Expense	<u>(1,533,654)</u>	
		243,474

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. (82,733)

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

Delinquent Property Taxes	(\$14,154)	
Intergovernmental	237,686	
Other	<u>(338,299)</u>	
		(114,767)

Repayment of bond principal is an expenditure in the
 governmental funds, but the repayment reduces long-term
 liabilities in the statement of net assets. 554,000

In the statement of activities interest expense is accrued when incurred,
 whereas in governmental funds an interest expenditure is reported
 when due. 2,079

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

Compensated Absences		<u>(302,716)</u>
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Change in Net Assets of Governmental Activities		<u><u>\$3,285,993</u></u>
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See accompanying notes to the basic financial statements.

City of Troy, Ohio
Statement of Net Assets
Proprietary Funds
December 31, 2008

	Business-Type Activities -Enterprise Funds			
	Water	Sanitary Sewer	Other Enterprise Funds	Total Business-Type Activities
Current Assets:				
Equity in Pooled Cash and Investments	\$6,387,779	\$8,588,194	\$1,542,532	\$16,518,505
Receivables:				
Accounts	157,531	141,544	55,331	354,406
Interest	24,598	33,071	2,838	60,507
Intergovernmental	37,500	0	0	37,500
Inventory	948,507	0	0	948,507
Total Current Assets	7,555,915	8,762,809	1,600,701	17,919,425
Nondepreciable Capital Assets	431,365	571,582	317,946	1,320,893
Depreciable Capital Assets, Net	21,149,646	19,049,571	8,896,307	49,095,524
Total Noncurrent Assets	21,581,011	19,621,153	9,214,253	50,416,417
Total Assets	29,136,926	28,383,962	10,814,954	68,335,842
Liabilities:				
Current Liabilities:				
Accounts Payable	529,570	292,612	82,613	904,795
Accrued Wages and Benefits	86,370	79,628	42,204	208,202
Compensated Absences	72,862	64,730	34,290	171,882
Accrued Interest Payable	31,950	25,666	136	57,752
Contracts Payable	285,427	364,237	0	649,664
Long-Term Liabilities Due Within One Year	965,000	540,000	15,132	1,520,132
Total Current Liabilities	1,971,179	1,366,873	174,375	3,512,427
Long-Term Liabilities:				
Compensated Absences	232,455	128,630	47,385	408,470
Bonds, Notes & Loans Payable	6,750,000	6,170,000	21,264	12,941,264
Total Noncurrent Liabilities	6,982,455	6,298,630	68,649	13,349,734
Total Liabilities	8,953,634	7,665,503	243,024	16,862,161
Net Assets:				
Invested in Capital Assets, Net of Related Debt	13,866,011	12,911,153	9,214,253	35,991,417
Unrestricted	6,317,281	7,807,306	1,357,677	15,482,264
Total Net Assets	\$20,183,292	\$20,718,459	\$10,571,930	\$51,473,681

See accompanying notes to the basic financial statements.

City of Troy, Ohio
Statement of Revenues, Expenses
and Changes in Fund Net Assets
Proprietary Funds
For the Fiscal Year Ended December 31, 2008

	Business-Type Activities -Enterprise Funds			
	Water	Sanitary Sewer	Other Enterprise Funds	Total Business-Type Activities
Operating Revenues:				
Fines, Licenses & Permits	\$0	\$0	\$4,465	\$4,465
Charges for Services	4,110,581	3,355,106	1,812,271	9,277,958
Other Revenues	10,949	19,133	467,435	497,517
Total Operating Revenues	4,121,530	3,374,239	2,284,171	9,779,940
Operating Expenses:				
Personal Services	1,598,354	1,391,591	939,822	3,929,767
Contractual Services	1,210,537	997,972	502,575	2,711,084
Materials and Supplies	644,044	171,233	395,476	1,210,753
Depreciation	955,317	893,938	454,880	2,304,135
Other Expenses	229,889	828,421	314,272	1,372,582
Total Operating Expenses	4,638,141	4,283,155	2,607,025	11,528,321
Operating Income (Loss)	(516,611)	(908,916)	(322,854)	(1,748,381)
Non-Operating Revenues (Expenses):				
Investment Earnings	246,874	331,649	18,452	596,975
Interest (Expense)	(424,630)	(326,374)	(1,937)	(752,941)
Total Non-Operating Revenues (Expenses)	(177,756)	5,275	16,515	(155,966)
Income (Loss) Before Contributions and Transfers	(694,367)	(903,641)	(306,339)	(1,904,347)
Capital Grants and Contributions	243,478	157,116	42,102	442,696
Transfers In	0	0	500,000	500,000
Change in Net Assets	(450,889)	(746,525)	235,763	(961,651)
Net Assets Beginning of Year, Restated	20,634,181	21,464,984	10,336,167	52,435,332
Net Assets End of Year	\$20,183,292	\$20,718,459	\$10,571,930	\$51,473,681

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, 2008

	Business-Type Activities -Enterprise Funds			
	Water	Sanitary Sewer	Other Enterprise Funds	Total Business-Type Activities
Cash Flows from Operating Activities:				
Cash Received from Customers	\$4,126,043	\$3,371,867	\$2,298,905	\$9,796,815
Cash Payments to Employees	(1,615,306)	(1,438,749)	(932,581)	(3,986,636)
Cash Payments to Suppliers	(1,347,841)	(1,359,856)	(1,147,804)	(3,855,501)
Net Cash Provided (Used) by Operating Activities	1,162,896	573,262	218,520	1,954,678
Cash Flows from Noncapital Financing Activities:				
Payments from Other Funds	0	0	500,000	500,000
Net Cash Provided (Used) by Noncapital Financing Activities	0	0	500,000	500,000
Cash Flows from Capital and Related Financing Activities:				
Payments for Capital Acquisitions	(352,965)	(664,554)	0	(1,017,519)
Debt Principal Payments	(915,000)	(505,000)	(14,468)	(1,434,468)
Debt Interest Payments	(428,378)	(328,045)	(1,992)	(758,415)
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,696,343)	(1,497,599)	(16,460)	(3,210,402)
Cash Flows from Investing Activities:				
Earnings on Investments	255,023	343,620	16,341	614,984
Net Cash Provided (Used) by Cash Flows from Investing Activities	255,023	343,620	16,341	614,984
Net Increase (Decrease) in Cash and Cash Equivalents	(278,424)	(580,717)	718,401	(140,740)
Cash and Cash Equivalents Beginning of Year	6,666,203	9,168,911	824,131	16,659,245
Cash and Cash Equivalents End of Year	6,387,779	8,588,194	1,542,532	\$16,518,505
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	(516,611)	(908,916)	(322,854)	(\$1,748,381)
Adjustments:				
Depreciation	955,317	893,938	454,880	2,304,135
Changes in Assets & Liabilities:				
(Increase) Decrease in Receivables	4,513	(2,372)	14,734	16,875
(Increase) Decrease in Inventory	5,281	0	0	5,281
Increase (Decrease) in Retainage Payable	(37,898)	0	0	(37,898)
Increase (Decrease) in Payables	769,246	637,770	64,519	1,471,535
Increase (Decrease) in Accrued Liabilities	(16,952)	(47,158)	7,241	(56,869)
Net Cash Provided (Used) by Operating Activities	\$1,162,896	\$573,262	\$218,520	\$1,954,678
Schedule of Noncash Capital Activities:				
During the fiscal year, these amounts were received representing noncash contributions of:				
Capital Assets	\$205,978	\$157,116	\$42,102	\$405,196

See accompanying notes to the basic financial statements.

City of Troy, Ohio
Statement of Fiduciary Net Assets
Fiduciary Funds
December 31, 2008

	Private Purpose Trust	Agency
	<u> </u>	<u> </u>
Assets:		
Equity in Pooled Cash and Investments	\$281,488	\$95,433
Receivables:		
Interest	<u>1,084</u>	<u>118</u>
Total Assets	<u>282,572</u>	<u>95,551</u>
Liabilities:		
Other Liabilities	<u>0</u>	<u>95,551</u>
Total Liabilities	<u>0</u>	<u>\$95,551</u>
Net Assets:		
Restricted for Endowment - Expendable	172,480	
Restricted for Endowment - Nonexpendable	<u>110,092</u>	
Total Net Assets	<u>\$282,572</u>	

See accompanying notes to the basic financial statements.

City of Troy, Ohio
Statement of Changes in Fiduciary Net Assets
Fiduciary Fund
For the Fiscal Year Ended December 31, 2008

	Private Purpose Trust
Additions:	
Investment Earnings	\$10,226
Other	306
Total Additions	<u>10,532</u>
Deductions:	
Public Health and Welfare	<u>7,356</u>
Total Deductions	<u>7,356</u>
Change in Net Assets	3,176
Net Assets Beginning of Year	<u>279,396</u>
Net Assets End of Year	<u><u>\$282,572</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, 2008

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) Statements and Interpretations issued on or before November 30, 1989, to its governmental and business-type activities and to its enterprise funds provided they do not conflict with or contradict GASB pronouncements. For proprietary funds the City has elected not to follow subsequent private-sector guidance. The most significant of the City's accounting policies are described below.

Measurement Focus

Government-wide Financial Statements

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

Fund Financial Statements

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

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

Basis of Presentation

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

Government-wide Financial Statements

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

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

Fund Financial Statements

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

Fund Accounting

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

Governmental Funds

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

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

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

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

Proprietary Funds

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

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

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

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

Fiduciary Funds

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

Basis of Accounting

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

Revenues - Exchange and Non-exchange Transactions

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

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

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

Deferred Revenue

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

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

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

Unearned Revenue

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

Expenses/Expenditures

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

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

Equity in Pooled Cash and Investments

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

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

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

Following the Ohio Revised Code, the City has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2008 amounted to \$1,978,626. Interest revenues assigned to the General Fund from other city funds amounted to \$1,600,146.

Inventory

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

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

Capital Assets

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

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

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

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

Compensated Absences

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

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

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

Accrued Liabilities and Long-Term Obligations

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

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

Fund Balance Reserves

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

Net Assets

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

The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. Of the City's \$9,103,361 in restricted net assets, none was restricted by enabling legislation.

Operating Revenues and Expenses

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

Contributions of Capital

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

Interfund Activity

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

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

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

Estimates

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

NOTE 3 - EQUITY IN POOLED CASH AND INVESTMENTS

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

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

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

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

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

- (1) Bonds, notes, or other obligations of or guaranteed by the United States, or those for which the faith of the United States is pledged for the payment of principal and interest.
- (2) Bonds, notes, debentures, or other obligations or securities issued by any federal governmental agency.

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

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

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

Deposits

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's policy for deposits is any balance not covered by depository insurance will be collateralized by the financial institutions with pledged securities. As of December 31, 2008, \$3,734,097 of the City's bank balance of \$4,180,022 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, 2008, the City had the following investments:

Investment Type	Fair Value	Weighted Average Maturity (Years)
Federal Home Loan Bank	\$17,395,173	3.22
Federal Home Loan Mortgage Corporation	14,578,727	3.55
Federal Farm Credit Bank	1,000,000	1.71
Federal National Mortgage Association	14,697,220	2.50
Troy Long-Term Debt Held by the City	1,700,000	25.68
Money Market Fund	10,017,783	0.00
Total Fair Value	\$59,388,903	
Portfolio Weighted Average Maturity		3.20

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

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

Concentration of credit risk – The City’s investment policy allows investments in Federal Government Securities or Instrumentalities. The City has invested 29% of the City’s investments in Federal Home Loan Bank, 24% in Federal Home Loan Mortgage Corporation, 2% in Federal Farm Credit Bank, 25% in Federal National Mortgage Association, 3% in Troy Long-Term Debt Held by the City and 17% 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 \$682,951 of which, \$11,730 is considered delinquent.

Property Taxes

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Property tax revenue received during 2008 for real and public utility property taxes represents collections of the 2007 taxes. Property tax payments received during 2008 for tangible personal property (other than public utility property) is for 2007 taxes.

2008 real property taxes are levied after October 1, 2008, on the assessed value as of January 1, 2008, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2008 real property taxes are collected in and intended to finance 2009 operations.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 100 percent of true value. 2008 public utility property taxes became a lien December 31, 2007, are levied after October 1, 2008, and are collected in 2009 with real property taxes.

2008 tangible personal property taxes are levied after October 1, 2008, on the value as of December 31, 2007. Collections are made in 2008. Tangible personal property assessments are 25 percent of true value.

The tangible personal property tax will phase out over a four-year period starting with tax year 2006 and ending with no tax due in 2009. This phase-out applies to most businesses and includes furniture and fixtures, machinery and equipment and inventory. New manufacturing machinery and equipment first reportable on the 2006 and subsequent year returns is not subject to the personal property tax.

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

Real Property	\$476,759,560
Public Utility	9,799,060
Tangible Personal Property	<u>48,088,660</u>
Total Valuation	<u><u>\$534,647,280</u></u>

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

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

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

Income Taxes

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

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

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. During 2008, the MVRMA Board made a decision not to expand into the Columbus market at this time by adding the three members of CORMA, another risk pool.

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 retention (SIR) \$1 million/occurrence with \$9 million excess \$1 million reinsured by Government Entities Mutual Inc. (GEM). GEM then retroceded \$8 million to Munich Re America

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

MVRMA self-insured retention (SIR) \$1 million/occurrence with \$9 million excess \$1 million reinsured by Government Entities Mutual Inc. (GEM). GEM then retroceded \$8 million to Munich Re America

Employment Practices Liability and Public Officials Liability Including Employee Benefits Liability

MVRMA self-insured retention (SIR) \$1 million/occurrence with \$9 million excess \$1 million reinsured by Government Entities Mutual Inc. (GEM). GEM then retroceded \$8 million to Munich Re America – Annual aggregate \$10 million per member

Property (effective 7/1/08-7/1/09):

\$1,000,000,000/occurrence

MVRMA SIR: \$200,000/occurrence

Coverage excess SIR provided by PEPPIP USA with carriers as follows:

Lexington Insurance Company (Primary \$25 million)

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

Flood: \$25 million/occurrence and annual aggregate (Flood Zone A & V - \$5 million/occurrence and annual aggregate)

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

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

Earthquake: \$25 million/occurrence and annual aggregate

MVRMA SIR: \$100,000/occurrence

Boiler &

Machinery: \$100,000,000/occurrence

MVRMA SIR: \$5,000/occurrence

Coverage excess SIR provided by PEPPIP USA as follows:

Lexington Insurance Company – (Primary \$25 million)

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

Member Deductible/occurrence - \$2,500

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

Workers' Compensation Group Rating Program

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

NOTE 6 - CAPITAL ASSETS

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

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$12,172,275	\$9,397	\$0	\$12,181,672
Construction in Progress	175,542	700,200	181,102	694,640
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	14,692,987	157,023	0	14,850,010
Equipment	8,269,266	325,339	243,124	8,351,481
Infrastructure	27,525,119	766,271	0	28,291,390
Totals at Historical Cost	<u>\$62,835,189</u>	<u>\$1,958,230</u>	<u>\$424,226</u>	<u>\$64,369,193</u>
Less Accumulated Depreciation:				
Buildings and Improvements	\$4,782,307	\$443,004	\$0	\$5,225,311
Equipment	5,684,121	588,709	160,391	6,112,439
Infrastructure	10,475,245	501,941	0	10,977,186
Total Accumulated Depreciation	<u>\$20,941,673</u>	<u>\$1,533,654</u>	<u>\$160,391</u>	<u>\$22,314,936</u>
Governmental Activities Capital Assets, Net	<u>\$41,893,516</u>	<u>\$424,576</u>	<u>\$263,835</u>	<u>\$42,054,257</u>
Business-Type Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$538,683	\$0	\$0	\$538,683
Construction in Progress	0	782,210	0	782,210
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	44,627,692	42,102	0	44,669,794
Equipment	11,052,558	183,343	44,477	11,191,424
Infrastructure	24,823,516	435,211	0	25,258,727
Totals at Historical Cost	<u>\$81,042,449</u>	<u>\$1,442,866</u>	<u>\$44,477</u>	<u>\$82,440,838</u>
Less Accumulated Depreciation:				
Buildings and Improvements	\$15,276,560	\$1,189,606	\$0	\$16,466,166
Equipment	3,151,811	574,767	24,326	3,702,252
Infrastructure	11,316,241	539,762	0	11,856,003
Total Accumulated Depreciation	<u>\$29,744,612</u>	<u>\$2,304,135</u>	<u>\$24,326</u>	<u>\$32,024,421</u>
Business-Type Activities Capital Assets, Net	<u>\$51,297,837</u>	<u>(\$861,269)</u>	<u>\$20,151</u>	<u>\$50,416,417</u>

Depreciation expense was charged to governmental functions as follows:

General Government	\$504,615
Public Safety	369,879
Leisure Time Activities	290,052
Transportation and Street Repair	285,587
Basic Utility Service	50,157
Community Development	33,364
Total Depreciation Expense	<u><u>\$1,533,654</u></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.

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NOTE 8 - LONG-TERM OBLIGATIONS

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

	Maturity Date	Interest Rate	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental Activities							
<u>General Obligation Bonds</u>							
McKaig Storm Sewer Phase III - \$730,000	12/1/08	7.13%	\$40,000	\$0	(\$40,000)	\$0	\$0
Stadium Improvements - \$3,055,000	12/1/22	2.50-5.25%	2,545,000	0	(125,000)	2,420,000	130,000
Elm Street Improvements - \$595,000	12/1/24	2.00-4.75%	535,000	0	(25,000)	510,000	25,000
Aquatic Center - \$3,945,000	12/1/24	2.00-4.75%	3,540,000	0	(155,000)	3,385,000	155,000
Cemetary Maintenance Building - \$455,000	12/1/24	2.00-4.75%	415,000	0	(20,000)	395,000	20,000
Fire Station - \$2,515,000	12/1/24	2.00-4.75%	2,255,000	0	(100,000)	2,155,000	100,000
Tax Increment Financing - \$1,800,000	9/1/34	6.00%	1,725,000	0	(25,000)	1,700,000	30,000
Total General Obligation Bonds			11,055,000	0	(490,000)	10,565,000	460,000
<u>Special Assessment Bonds</u>							
Street Improvement - St. Rt. 55 - \$276,000	12/1/08	7.13%	14,000	0	(14,000)	0	0
Street Improvement - Dorset Rd. - \$779,000	12/1/09	7.35%	80,000	0	(40,000)	40,000	40,000
Street Improvement - Exp. Farm Rd. - \$140,000	12/1/11	3.35-5.00%	40,000	0	(10,000)	30,000	10,000
Total Special Assessment Bonds			134,000	0	(64,000)	70,000	50,000
Total Long-Term Liabilities - Bonds			11,189,000	0	(554,000)	10,635,000	510,000
Compensated Absences			1,431,557	757,778	(462,319)	1,727,016	516,327
Total Governmental Activities			\$12,620,557	\$757,778	(\$1,016,319)	\$12,362,016	\$1,026,327
Business-Type Activities							
<u>General Obligation Bonds</u>							
Water Improvement Towers - \$2,585,000	12/1/11	3.35-5.00%	\$955,000	\$0	(\$220,000)	\$735,000	\$235,000
Waterplant Expansion I - \$1,580,000	12/1/11	4.75-6.25%	1,115,000	0	(255,000)	860,000	270,000
Wastewater System Improvement - \$3,500,000	12/1/19	3.35-5.30%	2,330,000	0	(145,000)	2,185,000	155,000
Wastewater Improvement IIIC&VA - \$500,000	12/31/20	0.00%	325,000	0	(25,000)	300,000	25,000
Water Line Extension - \$1,020,000	12/1/12	2.50-4.00%	565,000	0	(105,000)	460,000	110,000
Southeast Area Sewer - \$1,310,000	12/1/24	2.00-4.75%	1,175,000	0	(50,000)	1,125,000	55,000
Generators - \$1,210,000	12/1/24	2.00-4.75%	1,085,000	0	(45,000)	1,040,000	50,000
Refunding Wastewater System Improvement - \$2,550,000	12/1/15	4.00-5.00%	2,300,000	0	(240,000)	2,060,000	255,000
Refunding Waterplant Expansion I - \$1,705,000	12/1/16	5.00%	1,705,000	0	0	1,705,000	0
Refunding Waterplant Expansion II - \$4,330,000	12/1/17	4.00-5.00%	4,290,000	0	(335,000)	3,955,000	350,000
Total General Obligation Bonds			15,845,000	0	(1,420,000)	14,425,000	1,505,000
Golf Cart Note - \$60,154	4/1/10	4.50%	50,864	0	(14,468)	36,396	15,132
Total Long Term Liabilities - Bonds and Note			15,895,864	0	(1,434,468)	14,461,396	1,520,132
Compensated Absences			549,652	208,273	(177,573)	580,352	171,882
Total Business-Type Activities			\$16,445,516	\$208,273	(\$1,612,041)	\$15,041,748	\$1,692,014

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		Special		General		Notes	
	Obligation Bonds		Assessment Bonds		Obligation Bonds		Payable	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2009	\$460,000	\$485,657	\$50,000	\$4,420	\$1,505,000	\$691,379	\$15,132	\$1,329
2010	475,000	470,928	10,000	995	1,575,000	618,493	15,826	635
2011	485,000	454,696	10,000	500	1,645,000	541,113	5,438	49
2012	505,000	437,129	0	0	1,435,000	462,695	0	0
2013	525,000	418,261	0	0	1,400,000	394,658	0	0
2014-2018	2,995,000	1,742,107	0	0	5,575,000	963,191	0	0
2019-2023	3,535,000	957,697	0	0	1,105,000	174,776	0	0
2024-2028	945,000	290,662	0	0	185,000	8,787	0	0
2029-2033	515,000	134,100	0	0	0	0	0	0
2034	125,000	7,500	0	0	0	0	0	0
Total	<u>\$10,565,000</u>	<u>\$5,398,737</u>	<u>\$70,000</u>	<u>\$5,915</u>	<u>\$14,425,000</u>	<u>\$3,855,092</u>	<u>\$36,396</u>	<u>\$2,013</u>

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

NOTE 9 - PRIOR YEAR DEFEASANCE OF DEBT

In prior years, the City defeased certain general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included on the City’s financial statements. On December 31, 2008, \$8,745,000 of bonds outstanding are considered defeased.

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 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, 2008, 2007 and 2006 were \$934,811, \$940,437 and \$916,454, respectively. The full amount has been contributed for 2007 and 2006 and 92% has been contributed for 2008.

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 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% of their annual covered salary, while employers (the City) are required to contribute 19.5% for police and 24.0% for firefighters. The City's contributions to OP&F for the years ending December 31, 2008, 2007 and 2006 were \$1,192,489, \$1,139,893, and \$1,133,385, respectively. The full amount has been contributed for 2007 and 2006 and 70% of the required contributions for 2008.

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 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.

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 2008, 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. For 2008, the employer contribution allocated to the health care plan was 7% of covered payroll. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, 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 City's actual contributions for the current year, which were used to fund postemployment benefits, were \$467,406 for 2008, \$169,997 for the period of January 1 through June 30, 2007 and were \$203,413 for the period of July 1 through December 31, 2007 and \$301,025 for 2006.

OPERS Retirement Board Implements its Health Care Preservation Plan

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

Other Information

At December 31, 2008, the number of active contributing participants in the Traditional and Combined Plans totaled 363,503. The number of active contributing participants for both plans used in the December 31, 2007 actuarial valuation was 364,076.

The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2007, (the latest information available) were \$12.8 billion. Based on the actuarial cost method used, the Actuarial Valuations as of December 31, 2007, (the latest information available) reported the actuarially accrued liability and the unfunded actuarial accrued liability for OPEB at \$29.8 billion and \$17.0 billion, respectively.

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 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 for the Plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

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, 2008, the employer contribution allocated to the health care plan was 6.75% of covered payroll. The amount of employer contributions allocated to the healthcare plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

Information from City's Records

The City's contributions to OP&F for the year ending December 31, 2008 were \$193,990 for police and \$177,771 for fire; for the year ending December 31, 2007 were \$183,071 for police and \$171,631 for fire; and for the year ending December 31, 2006 were \$207,265 for police and \$197,452 for fire, respectively, was allocated to the healthcare plan.

Other Information

The number of participants eligible to receive health care benefits as of December 31, 2007, the date of the last actuarial valuation available, are 14,295 for Police and 10,583 for Firefighters. OP&F's total health care expense for the year ending December 31, 2007, the date of the last actuarial valuation available, was \$93,205,319, which was net of member contributions of \$56,031,875.

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 Plant	\$1,308,957
Water Treatment Plant	1,102,952
Street Improvements	456,833
Police Cruisers	27,953
Rock Salt for Streets	69,228
Refuse Collection, Improvements and Two Trucks	242,794
Stormwater Improvements	48,728
Hobart Arena Events	35,149
Total Outstanding Commitments	<u><u>\$3,292,594</u></u>

NOTE 13 - INTERFUND TRANSFERS

Interfund transfers for the year ended December 31, 2008 consisted of the following:

	Transfers	
	<u>In</u>	<u>Out</u>
General Fund	\$101,900	\$2,865,589
Capital Improvement Fund	113,500	0
Other Governmental Funds	2,250,189	100,000
Other Enterprise Funds	<u>500,000</u>	<u>0</u>
Total All Funds	<u><u>\$2,965,589</u></u>	<u><u>\$2,965,589</u></u>

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

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 \$172,480. The City authorizes expenditures from donor-restricted endowment in compliance with the wishes expressed by the donor and the Ohio Revised Code.

NOTE 15 - PRIOR PERIOD ADJUSTMENT

A prior period adjustment was required to restate inventory at December 31, 2007 due to the recording of additional inventory in the Water Fund. This restatement had the following effect on net assets at December 31, 2007:

	Business-Type Activities	Water Fund
Ending Net Assets, December 31, 2007	<u>\$51,957,726</u>	<u>\$20,156,575</u>
Restatement of Inventory	<u>477,606</u>	<u>477,606</u>
Beginning Net Assets, January 1, 2008	<u><u>\$52,435,332</u></u>	<u><u>\$20,634,181</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, 2008

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$14,087,965	\$14,821,700	\$15,262,769	\$441,069
Fines, Licenses & Permits	94,051	99,600	101,894	2,294
Intergovernmental	1,864,123	1,924,119	2,019,573	95,454
Special Assessments	10,546	11,000	11,425	425
Charges for Services	1,725,470	1,724,810	1,869,358	144,548
Investment Earnings	1,721,632	1,712,705	1,865,200	152,495
Other Revenues	423,788	450,200	459,128	8,928
Total Revenues	19,927,575	20,744,134	21,589,347	845,213
Expenditures:				
Current:				
General Government	4,714,998	4,519,123	4,649,442	(130,319)
Public Safety	9,353,965	9,461,949	9,223,911	238,038
Leisure Time Activities	1,316,161	1,318,422	1,297,862	20,560
Community Development	534,569	563,634	527,137	36,497
Basic Utility Service	1,441,866	1,256,558	1,421,819	(165,261)
Total Expenditures	17,361,559	17,119,686	17,120,171	(485)
Excess of Revenues Over (Under) Expenditures	2,566,016	3,624,448	4,469,176	844,728
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	188,576	204,000	204,302	302
Transfers In	92,613	99,869	100,336	467
Transfers (Out)	(2,908,127)	(3,065,519)	(2,867,693)	197,826
Total Other Financing Sources (Uses)	(2,626,938)	(2,761,650)	(2,563,055)	198,595
Net Change in Fund Balance	(60,922)	862,798	1,906,121	1,043,323
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	37,054,357	37,054,357	37,054,357	0
Fund Balance End of Year	\$36,993,435	\$37,917,155	\$38,960,478	\$1,043,323

See accompanying notes to the required supplementary information.

City of Troy, Ohio
Notes to the Required Supplementary Information
For The Year Ended December 31, 2008

NOTE 1 - BUDGETARY PROCESS

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

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

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

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

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP).

4. Unreported cash represents amounts received but not included as revenue on the budget basis operating statements. These amounts are included as revenue on the GAAP basis operating statement.

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

Net Change in Fund Balance

	<u>General</u>
GAAP Basis	\$2,205,122
Net Adjustment for Revenue Accruals	6,094
Net Adjustment for Expenditure Accruals	46,949
Transfers	(3,668)
Encumbrances	<u>(348,376)</u>
Budget Basis	<u>\$1,906,121</u>

**COMBINING STATEMENTS AND
INDIVIDUAL FUND SCHEDULES**

NONMAJOR GOVERNMENTAL FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Capital Projects Funds: The Capital Projects Funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities.

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

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

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

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City of Troy, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2008

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in Pooled Cash and Investments	\$5,221,644	\$9,085	\$848,363	\$6,079,092
Receivables:				
Taxes	215,447	0	0	215,447
Accounts	7,636	0	0	7,636
Interest	10,735	35	0	10,770
Intergovernmental	603,171	0	129,532	732,703
Notes	1,997,726	0	0	1,997,726
Special Assessments	5,387	67,367	0	72,754
Total Assets	8,061,746	76,487	977,895	9,116,128
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	52,975	0	0	52,975
Accrued Wages and Benefits	87,585	0	0	87,585
Contracts Payable	0	0	148,751	148,751
Deferred Revenue	534,700	67,367	129,532	731,599
Total Liabilities	675,260	67,367	278,283	1,020,910
Fund Balances:				
Reserved for Encumbrances	113,855	0	8,912	122,767
Reserved for Property Tax Advances	2,761	0	0	2,761
Reserved for Notes Receivable	1,997,726	0	0	1,997,726
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	5,272,144	0	0	5,272,144
Debt Service Funds	0	9,120	0	9,120
Capital Projects Funds	0	0	690,700	690,700
Total Fund Balances	7,386,486	9,120	699,612	8,095,218
Total Liabilities and Fund Balances	\$8,061,746	\$76,487	\$977,895	\$9,116,128

City of Troy, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2008

	Street Construction, Maintenance and Repair	State Highway Improvement	Cemetery	Safety- Income Tax
Assets:				
Equity in Pooled Cash and Investments	\$691,044	\$115,614	\$57,358	\$1,498,555
Receivables:				
Taxes	0	0	0	153,144
Accounts	5,794	0	0	0
Interest	0	471	0	0
Intergovernmental	496,863	40,287	0	0
Notes	0	0	0	0
Special Assessments	5,387	0	0	0
Total Assets	1,199,088	156,372	57,358	1,651,699
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	41,249	0	4,787	0
Accrued Wages and Benefits	67,692	0	19,893	0
Deferred Revenue	422,127	33,790	0	0
Total Liabilities	531,068	33,790	24,680	0
Fund Balances:				
Reserved for Encumbrances	68,646	2,332	13,087	0
Reserved for Property Tax Advances	0	0	0	0
Reserved for Notes Receivable	0	0	0	0
Unreserved, Undesignated, Reported in: Special Revenue Funds	599,374	120,250	19,591	1,651,699
Total Fund Balances	668,020	122,582	32,678	1,651,699
Total Liabilities and Fund Balances	\$1,199,088	\$156,372	\$57,358	\$1,651,699

Municipal Real Property	Miami Conservancy District	Recreational Programs	Parks and Recreation Improvement	Community Development Block Grant	Parking Improvement	Drug Law Enforcement
\$420,401	\$154,164	\$223,424	\$57,891	\$701,052	\$238,601	\$11,319
0	62,303	0	0	0	0	0
0	0	0	1,842	0	0	0
1,619	0	860	223	2,700	919	0
62,374	3,647	0	0	0	0	0
0	0	0	0	1,907,054	0	0
0	0	0	0	0	0	0
<u>484,394</u>	<u>220,114</u>	<u>224,284</u>	<u>59,956</u>	<u>2,610,806</u>	<u>239,520</u>	<u>11,319</u>
6,914	0	25	0	0	0	0
0	0	0	0	0	0	0
15,594	63,189	0	0	0	0	0
<u>22,508</u>	<u>63,189</u>	<u>25</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
21,847	0	2,050	3,309	2,196	0	0
0	2,761	0	0	0	0	0
0	0	0	0	1,907,054	0	0
<u>440,039</u>	<u>154,164</u>	<u>222,209</u>	<u>56,647</u>	<u>701,556</u>	<u>239,520</u>	<u>11,319</u>
<u>461,886</u>	<u>156,925</u>	<u>224,259</u>	<u>59,956</u>	<u>2,610,806</u>	<u>239,520</u>	<u>11,319</u>
<u>\$484,394</u>	<u>\$220,114</u>	<u>\$224,284</u>	<u>\$59,956</u>	<u>\$2,610,806</u>	<u>\$239,520</u>	<u>\$11,319</u>

Continued

City of Troy, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2008

	Law Enforcement	Cemetery Endowment	Small Business Development R-Loan	Total Nonmajor Special Revenue Funds
Assets:				
Equity in Pooled Cash and Investments	\$28,338	\$789,498	\$234,385	\$5,221,644
Receivables:				
Taxes	0	0	0	215,447
Accounts	0	0	0	7,636
Interest	0	3,040	903	10,735
Intergovernmental	0	0	0	603,171
Notes	0	0	90,672	1,997,726
Special Assessments	0	0	0	5,387
Total Assets	28,338	792,538	325,960	8,061,746
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	0	0	0	52,975
Accrued Wages and Benefits	0	0	0	87,585
Deferred Revenue	0	0	0	534,700
Total Liabilities	0	0	0	675,260
Fund Balances:				
Reserved for Encumbrances	0	0	388	113,855
Reserved for Property Tax Advances	0	0	0	2,761
Reserved for Notes Receivable	0	0	90,672	1,997,726
Unreserved, Undesignated, Reported in: Special Revenue Funds	28,338	792,538	234,900	5,272,144
Total Fund Balances	28,338	792,538	325,960	7,386,486
Total Liabilities and Fund Balances	\$28,338	\$792,538	\$325,960	\$8,061,746

City of Troy, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2008

	OPWC Project Fund	TIF 2003 Fund	Technology Fund	Total Nonmajor Capital Projects Funds
Assets:				
Equity in Pooled Cash and Investments	\$672,280	\$151,034	\$25,049	\$848,363
Receivables:				
Intergovernmental	129,532	0	0	129,532
Total Assets	<u>801,812</u>	<u>151,034</u>	<u>25,049</u>	<u>977,895</u>
Liabilities and Fund Balances:				
Liabilities:				
Contracts Payable	148,751	0	0	148,751
Deferred Revenue	129,532	0	0	129,532
Total Liabilities	<u>278,283</u>	<u>0</u>	<u>0</u>	<u>278,283</u>
Fund Balances:				
Reserved for Encumbrances	8,912	0	0	8,912
Unreserved, Undesignated, Reported in: Capital Projects Funds	514,617	151,034	25,049	690,700
Total Fund Balances	<u>523,529</u>	<u>151,034</u>	<u>25,049</u>	<u>699,612</u>
Total Liabilities and Fund Balances	<u>\$801,812</u>	<u>\$151,034</u>	<u>\$25,049</u>	<u>\$977,895</u>

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City of Troy, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Governmental Funds
For the Fiscal Year Ended December 31, 2008

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$870,700	\$0	\$0	\$870,700
Fines, Licenses & Permits	25,354	0	0	25,354
Charges for Services	304,418	0	16,349	320,767
Investment Earnings	135,739	1,171	0	136,910
Intergovernmental	1,241,426	0	631,358	1,872,784
Special Assessments	0	73,767	0	73,767
Payments in Lieu of Taxes	0	0	186,224	186,224
Other Revenues	46,418	0	0	46,418
Total Revenues	2,624,055	74,938	833,931	3,532,924
Expenditures:				
Current:				
General Government	61,476	0	0	61,476
Public Safety	400	0	0	400
Leisure Time Activities	221,372	0	0	221,372
Community Development	46,218	0	0	46,218
Transportation and Street Repair	1,994,218	0	0	1,994,218
Public Health and Welfare	433,203	0	0	433,203
Capital Outlay	118,137	0	641,801	759,938
Debt Service:				
Principal Retirement	0	529,000	25,000	554,000
Interest and Fiscal Charges	0	410,624	103,500	514,124
Total Expenditures	2,875,024	939,624	770,301	4,584,949
Excess of Revenues Over (Under) Expenditures	(250,969)	(864,686)	63,630	(1,052,025)
Other Financing Sources (Uses):				
Transfers In	1,381,489	860,000	8,700	2,250,189
Transfers (Out)	(100,000)	0	0	(100,000)
Total Other Financing Sources (Uses)	1,281,489	860,000	8,700	2,150,189
Net Change in Fund Balance	1,030,520	(4,686)	72,330	1,098,164
Fund Balance Beginning of Year	6,355,966	13,806	627,282	6,997,054
Fund Balance End of Year	\$7,386,486	\$9,120	\$699,612	\$8,095,218

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, 2008

	Street Construction, Maintenance and Repair	State Highway Improvement	Cemetery	Safety- Income Tax
Revenues:				
Taxes	\$0	\$0	\$0	\$791,317
Fines, Licenses & Permits	0	0	0	0
Charges for Services	13,383	0	104,550	0
Investment Earnings	0	953	0	0
Intergovernmental	1,053,792	85,443	0	0
Other Revenues	4,305	74	2,313	0
Total Revenues	1,071,480	86,470	106,863	791,317
Expenditures:				
Current:				
General Government	0	0	0	0
Public Safety	0	0	0	0
Leisure Time Activities	0	0	0	0
Community Development	0	0	0	0
Transportation and Street Repair	1,935,923	55,121	0	0
Public Health and Welfare	0	0	430,848	0
Capital Outlay	0	0	0	0
Total Expenditures	1,935,923	55,121	430,848	0
Excess of Revenues Over (Under) Expenditures	(864,443)	31,349	(323,985)	791,317
Other Financing Sources (Uses):				
Transfers In	1,000,000	0	325,000	0
Transfers (Out)	0	0	0	(100,000)
Total Other Financing Sources (Uses)	1,000,000	0	325,000	(100,000)
Net Change in Fund Balance	135,557	31,349	1,015	691,317
Fund Balance Beginning of Year	532,463	91,233	31,663	960,382
Fund Balance End of Year	\$668,020	\$122,582	\$32,678	\$1,651,699

Municipal Real Property	Miami Conservancy District	Recreational Programs	Parks and Recreation Improvement	Community Development Block Grant	Parking Improvement	Drug Law Enforcement
\$0	\$79,383	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	21,410	880
0	0	172,565	0	0	0	0
17,008	0	8,509	2,496	65,530	8,189	0
93,991	8,200	0	0	0	0	0
0	0	25,364	7,462	1,997	236	825
<u>110,999</u>	<u>87,583</u>	<u>206,438</u>	<u>9,958</u>	<u>67,527</u>	<u>29,835</u>	<u>1,705</u>
0	61,476	0	0	0	0	0
0	0	0	0	0	0	0
0	0	184,918	36,454	0	0	0
0	0	0	0	45,994	0	0
0	0	0	0	0	3,174	0
0	0	0	0	0	0	0
118,137	0	0	0	0	0	0
<u>118,137</u>	<u>61,476</u>	<u>184,918</u>	<u>36,454</u>	<u>45,994</u>	<u>3,174</u>	<u>0</u>
<u>(7,138)</u>	<u>26,107</u>	<u>21,520</u>	<u>(26,496)</u>	<u>21,533</u>	<u>26,661</u>	<u>1,705</u>
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>(7,138)</u>	<u>26,107</u>	<u>21,520</u>	<u>(26,496)</u>	<u>21,533</u>	<u>26,661</u>	<u>1,705</u>
469,024	130,818	202,739	86,452	2,589,273	212,859	9,614
<u>\$461,886</u>	<u>\$156,925</u>	<u>\$224,259</u>	<u>\$59,956</u>	<u>\$2,610,806</u>	<u>\$239,520</u>	<u>\$11,319</u>

Continued

City of Troy, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended December 31, 2008

	Law Enforcement	Cemetery Endowment	Small Business Development R-Loan	Total Nonmajor Special Revenue Funds
Revenues:				
Taxes	\$0	\$0	\$0	\$870,700
Fines, Licenses & Permits	3,064	0	0	25,354
Charges for Services	0	13,170	750	304,418
Investment Earnings	0	28,006	5,048	135,739
Intergovernmental	0	0	0	1,241,426
Other Revenues	2,927	828	87	46,418
Total Revenues	5,991	42,004	5,885	2,624,055
Expenditures:				
Current:				
General Government	0	0	0	61,476
Public Safety	400	0	0	400
Leisure Time Activities	0	0	0	221,372
Community Development	0	0	224	46,218
Transportation and Street Repair	0	0	0	1,994,218
Public Health and Welfare	0	2,355	0	433,203
Capital Outlay	0	0	0	118,137
Total Expenditures	400	2,355	224	2,875,024
Excess of Revenues Over (Under) Expenditures	5,591	39,649	5,661	(250,969)
Other Financing Sources (Uses):				
Transfers In	0	0	56,489	1,381,489
Transfers (Out)	0	0	0	(100,000)
Total Other Financing Sources (Uses)	0	0	56,489	1,281,489
Net Change in Fund Balance	5,591	39,649	62,150	1,030,520
Fund Balance Beginning of Year	22,747	752,889	263,810	6,355,966
Fund Balance End of Year	\$28,338	\$792,538	\$325,960	\$7,386,486

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, 2008

	OPWC Project Fund	TIF 2003 Fund	Technology Fund	Total Nonmajor Capital Projects Funds
Revenues:				
Charges for Services	\$0	\$0	\$16,349	\$16,349
Intergovernmental	631,358	0	0	631,358
Payments in Lieu of Taxes	0	186,224	0	186,224
Total Revenues	631,358	186,224	16,349	833,931
Expenditures:				
Current:				
Capital Outlay	638,656	3,145	0	641,801
Debt Service:				
Principal Retirement	0	25,000	0	25,000
Interest and Fiscal Charges	0	103,500	0	103,500
Total Expenditures	638,656	131,645	0	770,301
Excess of Revenues Over (Under) Expenditures	(7,298)	54,579	16,349	63,630
Other Financing Sources (Uses):				
Transfers In	0	0	8,700	8,700
Total Other Financing Sources (Uses)	0	0	8,700	8,700
Net Change in Fund Balance	(7,298)	54,579	25,049	72,330
Fund Balance Beginning of Year	530,827	96,455	0	627,282
Fund Balance End of Year	\$523,529	\$151,034	\$25,049	\$699,612

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, 2008

	Street Construction. Maintenance and Repair Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$1,090,000	\$1,055,830	(\$34,170)
Charges for Services	15,500	15,655	155
Other Revenues	2,600	4,305	1,705
Total Revenues	<u>1,108,100</u>	<u>1,075,790</u>	<u>(32,310)</u>
Expenditures:			
Current:			
Transportation and Street Repair	2,071,108	2,011,332	59,776
Total Expenditures	<u>2,071,108</u>	<u>2,011,332</u>	<u>59,776</u>
Excess of Revenues Over (Under) Expenditures	<u>(963,008)</u>	<u>(935,542)</u>	<u>27,466</u>
Other Financing Sources (Uses):			
Transfers In	1,000,000	1,000,000	0
Total Other Financing Sources (Uses)	<u>1,000,000</u>	<u>1,000,000</u>	<u>0</u>
Net Change in Fund Balance	36,992	64,458	27,466
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>531,050</u>	<u>531,050</u>	<u>0</u>
Fund Balance End of Year	<u>\$568,042</u>	<u>\$595,508</u>	<u>\$27,466</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, 2008

	State Highway Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$88,000	\$85,608	(\$2,392)
Investment Earnings	890	914	24
Other Revenues	0	74	74
Total Revenues	<u>88,890</u>	<u>86,596</u>	<u>(2,294)</u>
Expenditures:			
Current:			
Transportation and Street Repair	80,442	71,759	8,683
Total Expenditures	<u>80,442</u>	<u>71,759</u>	<u>8,683</u>
Net Change in Fund Balance	8,448	14,837	6,389
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>98,278</u>	<u>98,278</u>	<u>0</u>
Fund Balance End of Year	<u>\$106,726</u>	<u>\$113,115</u>	<u>\$6,389</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, 2008

	Cemetery Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Charges for Services	\$102,500	\$112,660	\$10,160
Other Revenues	3,500	4,028	528
Total Revenues	<u>106,000</u>	<u>116,688</u>	<u>10,688</u>
Expenditures:			
Current:			
Public Health and Welfare	458,012	441,199	16,813
Total Expenditures	<u>458,012</u>	<u>441,199</u>	<u>16,813</u>
Excess of Revenues Over (Under) Expenditures	<u>(352,012)</u>	<u>(324,511)</u>	<u>27,501</u>
Other Financing Sources (Uses):			
Transfers In	325,000	325,000	0
Total Other Financing Sources (Uses)	<u>325,000</u>	<u>325,000</u>	<u>0</u>
Net Change in Fund Balance	(27,012)	489	27,501
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>43,782</u>	<u>43,782</u>	<u>0</u>
Fund Balance End of Year	<u>\$16,770</u>	<u>\$44,271</u>	<u>\$27,501</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, 2008

	Safety - Income Tax Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$653,900	\$815,852	\$161,952
Total Revenues	653,900	815,852	161,952
Expenditures:			
Current:			
General Government	0	0	0
Total Expenditures	0	0	0
Excess of Revenues Over (Under) Expenditures	653,900	815,852	161,952
Other Financing Sources (Uses):			
Transfers (Out)	(1,000,000)	(100,000)	900,000
Total Other Financing Sources (Uses)	(1,000,000)	(100,000)	900,000
Net Change in Fund Balance	(346,100)	715,852	1,061,952
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	782,703	782,703	0
Fund Balance End of Year	\$436,603	\$1,498,555	\$1,061,952

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, 2008

	Municipal Real Property Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$72,500	\$72,766	\$266
Investment Earnings	15,700	17,513	1,813
Total Revenues	88,200	90,279	2,079
Expenditures:			
Current:			
Capital Outlay	153,412	141,217	12,195
Total Expenditures	153,412	141,217	12,195
Net Change in Fund Balance	(65,212)	(50,938)	14,274
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	442,158	442,158	0
Fund Balance End of Year	\$376,946	\$391,220	\$14,274

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, 2008

	Miami Conservancy District Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$79,975	\$80,752	\$777
Intergovernmental	8,000	8,200	200
Total Revenues	<u>87,975</u>	<u>88,952</u>	<u>977</u>
Expenditures:			
Current:			
General Government	65,500	61,476	4,024
Total Expenditures	<u>65,500</u>	<u>61,476</u>	<u>4,024</u>
Net Change in Fund Balance	22,475	27,476	5,001
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>126,688</u>	<u>126,688</u>	<u>0</u>
Fund Balance End of Year	<u>\$149,163</u>	<u>\$154,164</u>	<u>\$5,001</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, 2008

	Recreational Programs Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Charges for Services	\$169,650	\$174,836	\$5,186
Investment Earnings	7,970	8,559	589
Other Revenues	21,500	25,364	3,864
Total Revenues	199,120	208,759	9,639
Expenditures:			
Current:			
Leisure Time Activities	204,348	186,943	17,405
Total Expenditures	204,348	186,943	17,405
Net Change in Fund Balance	(5,228)	21,816	27,044
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	199,253	199,253	0
Fund Balance End of Year	\$194,025	\$221,069	\$27,044

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, 2008

	Parks and Recreation Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$2,500	\$2,721	\$221
Other Revenues	7,000	7,428	428
Total Revenues	9,500	10,149	649
Expenditures:			
Current:			
Leisure Time Activities	63,202	42,049	21,153
Total Expenditures	63,202	42,049	21,153
Net Change in Fund Balance	(53,702)	(31,900)	21,802
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	86,403	86,403	0
Fund Balance End of Year	\$32,701	\$54,503	\$21,802

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, 2008

	Community Development Block Grant Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$65,240	\$65,346	\$106
Other Revenues	171,025	171,304	279
Total Revenues	236,265	236,650	385
Expenditures:			
Current:			
Community Development	801,801	107,991	693,810
Total Expenditures	801,801	107,991	693,810
Net Change in Fund Balance	(565,536)	128,659	694,195
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	569,241	569,241	0
Fund Balance End of Year	\$3,705	\$697,900	\$694,195

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, 2008

	Parking Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses & Permits	\$20,500	\$22,885	\$2,385
Investment Earnings	7,200	8,226	1,026
Other Revenues	0	236	236
Total Revenues	<u>27,700</u>	<u>31,347</u>	<u>3,647</u>
Expenditures:			
Current:			
Transportation and Street Repair	27,805	3,174	24,631
Total Expenditures	<u>27,805</u>	<u>3,174</u>	<u>24,631</u>
Net Change in Fund Balance	(105)	28,173	28,278
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>210,103</u>	<u>210,103</u>	<u>0</u>
Fund Balance End of Year	<u>\$209,998</u>	<u>\$238,276</u>	<u>\$28,278</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, 2008

	Drug Law Enforcement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses & Permits	\$0	\$880	\$880
Other Revenues	100	825	725
Total Revenues	100	1,705	1,605
Expenditures:			
Current:			
Public Safety	3,000	0	3,000
Total Expenditures	3,000	0	3,000
Net Change in Fund Balance	(2,900)	1,705	4,605
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	9,614	9,614	0
Fund Balance End of Year	\$6,714	\$11,319	\$4,605

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, 2008

	Law Enforcement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses & Permits	\$3,000	\$3,347	\$347
Other Revenues	2,900	2,927	27
Total Revenues	5,900	6,274	374
Expenditures:			
Current:			
Public Safety	3,000	400	2,600
Total Expenditures	3,000	400	2,600
Net Change in Fund Balance	2,900	5,874	2,974
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	22,464	22,464	0
Fund Balance End of Year	\$25,364	\$28,338	\$2,974

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, 2008

	Cemetery Endowment Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Charges for Services	\$13,100	\$14,095	\$995
Investment Earnings	26,400	28,448	2,048
Other Revenues	800	828	28
Total Revenues	<u>40,300</u>	<u>43,371</u>	<u>3,071</u>
Expenditures:			
Current:			
Public Health and Welfare	3,100	2,355	745
Total Expenditures	<u>3,100</u>	<u>2,355</u>	<u>745</u>
Net Change in Fund Balance	37,200	41,016	3,816
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>747,406</u>	<u>747,406</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$784,606</u></u>	<u><u>\$788,422</u></u>	<u><u>\$3,816</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, 2008

	Small Business Development R-Loan Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Charges for Services	\$500	\$750	\$250
Investment Earnings	3,400	3,825	425
Other Revenues	7,385	7,415	30
Total Revenues	11,285	11,990	705
Expenditures:			
Current:			
Community Development	230,000	73,612	156,388
Total Expenditures	230,000	73,612	156,388
Excess of Revenues Over (Under) Expenditures	(218,715)	(61,622)	157,093
Other Financing Sources (Uses):			
Transfers In	0	56,489	56,489
Total Other Financing Sources (Uses)	0	56,489	56,489
Net Change in Fund Balance	(218,715)	(5,133)	213,582
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	238,810	238,810	0
Fund Balance End of Year	\$20,095	\$233,677	\$213,582

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, 2008

	Bond Retirement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Special Assessments	\$73,700	\$73,767	\$67
Investment Earnings	1,100	1,124	24
Total Revenues	74,800	74,891	91
Expenditures:			
Current:			
Debt Service:			
Principal Retirement	529,000	529,000	0
Interest and Fiscal Charges	411,535	410,624	911
Total Expenditures	940,535	939,624	911
Excess of Revenues Over (Under) Expenditures	(865,735)	(864,733)	1,002
Other Financing Sources (Uses):			
Transfers In	860,000	860,000	0
Total Other Financing Sources (Uses)	860,000	860,000	0
Net Change in Fund Balance	(5,735)	(4,733)	1,002
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	13,806	13,806	0
Fund Balance End of Year	\$8,071	\$9,073	\$1,002

City of Troy, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2008

	Capital Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$190,000	\$190,463	\$463
Special Assessments	141,800	141,867	67
Total Revenues	<u>331,800</u>	<u>332,330</u>	<u>530</u>
Expenditures:			
Current:			
Community Development	99,138	112,162	(13,024)
Capital Outlay	1,043,345	921,311	122,034
Total Expenditures	<u>1,142,483</u>	<u>1,033,473</u>	<u>109,010</u>
Excess of Revenues Over (Under) Expenditures	<u>(810,683)</u>	<u>(701,143)</u>	<u>109,540</u>
Other Financing Sources (Uses):			
Transfers In	113,500	113,500	0
Total Other Financing Sources (Uses)	<u>113,500</u>	<u>113,500</u>	<u>0</u>
Net Change in Fund Balance	(697,183)	(587,643)	109,540
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>697,429</u>	<u>697,429</u>	<u>0</u>
Fund Balance End of Year	<u>\$246</u>	<u>\$109,786</u>	<u>\$109,540</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, 2008

	OPWC Project Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$1,062,000	\$631,358	(\$430,642)
Total Revenues	1,062,000	631,358	(430,642)
Expenditures:			
Current:			
Capital Outlay	1,647,682	702,531	945,151
Total Expenditures	1,647,682	702,531	945,151
Net Change in Fund Balance	(585,682)	(71,173)	514,509
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	585,790	585,790	0
Fund Balance End of Year	\$108	\$514,617	\$514,509

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, 2008

	TIF 2003 Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Payments in Lieu of Taxes	\$186,000	\$186,224	\$224
 Total Revenues	 186,000	 186,224	 224
Expenditures:			
Current:			
Capital Outlay	40,100	3,145	36,955
Debt Service:			
Principal Retirement	25,000	25,000	0
Interest and Fiscal Charges	103,500	103,500	0
 Total Expenditures	 168,600	 131,645	 36,955
 Net Change in Fund Balance	 17,400	 54,579	 37,179
 Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	 96,455	 96,455	 0
 Fund Balance End of Year	 \$113,855	 \$151,034	 \$37,179

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, 2008

	Technology Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Charges for Services	\$16,300	\$16,349	\$49
Total Revenues	16,300	16,349	49
Expenditures:			
Current:			
Basic Utility Service	25,000	0	25,000
Total Expenditures	25,000	0	25,000
Excess of Revenues Over (Under) Expenditures	(8,700)	16,349	25,049
Other Financing Sources (Uses):			
Transfers In	8,700	8,700	0
Total Other Financing Sources (Uses)	8,700	8,700	0
Net Change in Fund Balance	0	25,049	25,049
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	\$0	\$25,049	\$25,049

NONMAJOR ENTERPRISE FUNDS

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

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

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

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

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

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

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

City of Troy, Ohio
Combining Statement of Net Assets
Nonmajor Enterprise Funds
December 31, 2008

	Hobart Arena	Swimming Pool	Parking Meter	Miami Shores
Assets:				
Equity in Pooled Cash and Investments	\$506,856	\$223,516	\$12,583	\$86,187
Receivables:				
Accounts	1,374	0	0	0
Interest	0	0	48	332
Total Current Assets	508,230	223,516	12,631	86,519
Nondepreciable Capital Assets	20,900	10,450	189,961	46,997
Depreciable Capital Assets, Net	1,990,801	3,749,453	0	335,344
Total Noncurrent Assets	2,011,701	3,759,903	189,961	382,341
Total Assets	2,519,931	3,983,419	202,592	468,860
Liabilities:				
Current Liabilities:				
Accounts Payable	27,919	810	0	5,475
Accrued Wages and Benefits	23,681	0	2,519	16,004
Compensated Absences	21,944	0	769	11,577
Accrued Interest Payable	0	0	0	136
Long-Term Liabilities Due Within One Year	0	0	0	15,132
Total Current Liabilities	73,544	810	3,288	48,324
Long-Term Liabilities:				
Compensated Absences	13,506	0	474	33,405
Bonds, Notes & Loans Payable	0	0	0	21,264
Total Noncurrent Liabilities	13,506	0	474	54,669
Total Liabilities	87,050	810	3,762	102,993
Net Assets:				
Invested in Capital Assets, Net of Related Debt	2,011,701	3,759,903	189,961	382,341
Unrestricted	421,180	222,706	8,869	(16,474)
Total Net Assets	\$2,432,881	\$3,982,609	\$198,830	\$365,867

Stadium	Stormwater Utility	Total Nonmajor Enterprise Funds
\$75,147	\$638,243	\$1,542,532
0	53,957	55,331
0	2,458	2,838
75,147	694,658	1,600,701
49,638	0	317,946
2,820,709	0	8,896,307
2,870,347	0	9,214,253
2,945,494	694,658	10,814,954
0	48,409	82,613
0	0	42,204
0	0	34,290
0	0	136
0	0	15,132
0	48,409	174,375
0	0	47,385
0	0	21,264
0	0	68,649
0	48,409	243,024
2,870,347	0	9,214,253
75,147	646,249	1,357,677
\$2,945,494	\$646,249	\$10,571,930

City of Troy, Ohio
Combining Statement of Revenues, Expenses
and Changes in Fund Net Assets
Nonmajor Enterprise Funds
For the Fiscal Year Ended December 31, 2008

	Hobart Arena	Swimming Pool	Parking Meter	Miami Shores
Operating Revenues:				
Fines, Licenses & Permits	\$0	\$0	\$4,465	\$0
Charges for Services	23,501	231,798	16,781	696,368
Other Revenues	441,216	7,323	79	18,762
Total Operating Revenues	464,717	239,121	21,325	715,130
Operating Expenses:				
Personal Services	415,745	107,145	38,909	282,077
Contractual Services	223,095	54,781	0	168,402
Materials and Supplies	66,394	64,202	1,524	207,292
Depreciation	125,084	111,791	2,100	46,388
Other Expenses	223,036	6,051	4,336	79,638
Total Operating Expenses	1,053,354	343,970	46,869	783,797
Operating Income (Loss)	(588,637)	(104,849)	(25,544)	(68,667)
Non-Operating Revenues (Expenses):				
Investment Earnings	0	0	768	5,795
Interest (Expense)	0	0	0	(1,937)
Total Non-Operating Revenues (Expenses)	0	0	768	3,858
Income (Loss) Before Contributions and Transfers	(588,637)	(104,849)	(24,776)	(64,809)
Capital Grants and Contributions	0	0	0	0
Transfers In	500,000	0	0	0
Change in Net Assets	(88,637)	(104,849)	(24,776)	(64,809)
Net Assets Beginning of Year	2,521,518	4,087,458	223,606	430,676
Net Assets End of Year	\$2,432,881	\$3,982,609	\$198,830	\$365,867

Stadium	Stormwater Utility	Total Nonmajor Enterprise Funds
\$0	\$0	\$4,465
0	843,823	1,812,271
0	55	467,435
0	843,878	2,284,171
0	95,946	939,822
0	56,297	502,575
0	56,064	395,476
169,517	0	454,880
0	1,211	314,272
169,517	209,518	2,607,025
(169,517)	634,360	(322,854)
0	11,889	18,452
0	0	(1,937)
0	11,889	16,515
(169,517)	646,249	(306,339)
42,102	0	42,102
0	0	500,000
(127,415)	646,249	235,763
3,072,909	0	10,336,167
<u>\$2,945,494</u>	<u>\$646,249</u>	<u>\$10,571,930</u>

City of Troy, Ohio
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Fiscal Year Ended December 31, 2008

	Hobart Arena	Swimming Pool	Parking Meter	Miami Shores
Cash Flows from Operating Activities:				
Cash Received from Customers	\$531,686	\$240,843	\$21,325	\$715,130
Cash Payments to Employees	(411,549)	(107,145)	(38,103)	(279,838)
Cash Payments to Suppliers	(499,600)	(124,912)	(5,860)	(452,269)
Net Cash Provided (Used) by Operating Activities	(379,463)	8,786	(22,638)	(16,977)
Cash Flows from Noncapital Financing Activities:				
Payments from Other Funds	500,000	0	0	0
Net Cash Provided (Used) by Noncapital Financing Activities	500,000	0	0	0
Cash Flows from Capital and Related Financing Activities:				
Debt Principal Payments	0	0	0	(14,468)
Debt Interest Payments	0	0	0	(1,992)
Net Cash Provided (Used) by Capital and Related Financing Activities	0	0	0	(16,460)
Cash Flows from Investing Activities:				
Earnings on Investments	0	0	889	6,021
Net Cash Provided (Used) by Cash Flows from Investing Activities	0	0	889	6,021
Net Increase (Decrease) in Cash and Cash Equivalents	120,537	8,786	(21,749)	(27,416)
Cash and Cash Equivalents Beginning of Year	386,319	214,730	34,332	113,603
Cash and Cash Equivalents End of Year	506,856	223,516	12,583	86,187
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	(588,637)	(104,849)	(25,544)	(68,667)
Adjustments:				
Depreciation	125,084	111,791	2,100	46,388
Changes in Assets & Liabilities:				
(Increase) Decrease in Receivables	66,969	1,722	0	0
Increase (Decrease) in Payables	12,925	122	0	3,063
Increase (Decrease) in Accrued Liabilities	4,196	0	806	2,239
Net Cash Provided (Used) by Operating Activities	(\$379,463)	\$8,786	(\$22,638)	(\$16,977)
Schedule of Noncash Capital Activities:				
During the fiscal year, these amounts were received representing noncash contributions of:				
Capital Assets	\$0	\$0	\$0	\$0

Stadium	Stormwater Utility	Total Nonmajor Enterprise Funds
\$0	\$789,921	\$2,298,905
0	(95,946)	(932,581)
0	(65,163)	(1,147,804)
0	628,812	218,520
0	0	500,000
0	0	500,000
0	0	(14,468)
0	0	(1,992)
0	0	(16,460)
0	9,431	16,341
0	9,431	16,341
0	638,243	718,401
75,147	0	824,131
75,147	638,243	1,542,532
(169,517)	634,360	(322,854)
169,517	0	454,880
0	(53,957)	14,734
0	48,409	64,519
0	0	7,241
\$0	\$628,812	\$218,520
\$42,102	\$0	\$42,102

City of Troy, Ohio
Statement of Changes In Assets and Liabilities
Agency Funds
For the Fiscal Year Ended December 31, 2008

	Stouder Playground			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$17,982	\$818	\$78	\$18,722
Receivables:				
Interest	89	72	89	72
Total Assets	<u>18,071</u>	<u>890</u>	<u>167</u>	<u>18,794</u>

Liabilities:				
Other Liabilities	18,071	890	167	18,794
Total Liabilities	<u>\$18,071</u>	<u>\$890</u>	<u>\$167</u>	<u>\$18,794</u>

	Paul G. Duke			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$11,686	\$180	\$14	\$11,852
Receivables:				
Interest	58	46	58	46
Total Assets	<u>11,744</u>	<u>226</u>	<u>72</u>	<u>11,898</u>

Liabilities:				
Other Liabilities	11,744	226	72	11,898
Total Liabilities	<u>\$11,744</u>	<u>\$226</u>	<u>\$72</u>	<u>\$11,898</u>

	Unclaimed Funds			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$2,918	\$3,034	\$336	\$5,616
Total Assets	<u>2,918</u>	<u>3,034</u>	<u>336</u>	<u>5,616</u>

Liabilities:				
Other Liabilities	2,918	3,034	336	5,616
Total Liabilities	<u>\$2,918</u>	<u>\$3,034</u>	<u>\$336</u>	<u>\$5,616</u>

Continued

City of Troy, Ohio
Statement of Changes In Assets and Liabilities
Agency Funds
For the Fiscal Year Ended December 31, 2008

	Tri-Centennial			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$995	\$39	\$3	\$1,031
Total Assets	<u>995</u>	<u>39</u>	<u>3</u>	<u>1,031</u>
Liabilities:				
Other Liabilities	995	39	3	1,031
Total Liabilities	<u>\$995</u>	<u>\$39</u>	<u>\$3</u>	<u>\$1,031</u>

	Imprest Cash			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$1,300	\$1,000	\$1,000	\$1,300
Total Assets	<u>1,300</u>	<u>1,000</u>	<u>1,000</u>	<u>1,300</u>
Liabilities:				
Other Liabilities	1,300	1,000	1,000	1,300
Total Liabilities	<u>\$1,300</u>	<u>\$1,000</u>	<u>\$1,000</u>	<u>\$1,300</u>

	Enterprise Zone			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$50,462	\$19,650	\$13,200	\$56,912
Receivables:				
Accounts	14,000	0	14,000	0
Total Assets	<u>64,462</u>	<u>19,650</u>	<u>27,200</u>	<u>56,912</u>
Liabilities:				
Other Liabilities	64,462	19,650	27,200	56,912
Total Liabilities	<u>\$64,462</u>	<u>\$19,650</u>	<u>\$27,200</u>	<u>\$56,912</u>

Continued

City of Troy, Ohio
Statement of Changes In Assets and Liabilities
Agency Funds
For the Fiscal Year Ended December 31, 2008

	Fire Insurance Escrow			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$0	\$25,250	\$25,250	\$0
Total Assets	<u>0</u>	<u>25,250</u>	<u>25,250</u>	<u>0</u>
Liabilities:				
Other Liabilities	0	25,250	25,250	0
Total Liabilities	<u>\$0</u>	<u>\$25,250</u>	<u>\$25,250</u>	<u>\$0</u>

	Total All Agency Funds			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$85,343	\$49,971	\$39,881	\$95,433
Receivables:				
Accounts	14,000	0	14,000	0
Interest	147	118	147	118
Total Assets	<u>99,490</u>	<u>50,089</u>	<u>54,028</u>	<u>95,551</u>
Liabilities:				
Other Liabilities	99,490	50,089	54,028	95,551
Total Liabilities	<u>\$99,490</u>	<u>\$50,089</u>	<u>\$54,028</u>	<u>\$95,551</u>

STATISTICAL SECTION

STATISTICAL SECTION

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

Contents

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

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

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

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

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

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

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

	Calendar Year					
	2003	2004	2005	2006	2007	2008
Governmental Activities						
Invested in Capital Assets, Net of Related Debt	\$28,242,354	\$24,472,572	\$29,562,186	\$28,145,826	\$30,704,516	\$31,419,257
Restricted	12,489,638	17,059,880	12,517,653	9,735,905	8,547,364	9,103,361
Unrestricted	35,213,861	35,336,072	35,335,482	36,658,401	38,068,043	40,083,298
Total Governmental Activities Net Assets	\$75,945,853	\$76,868,524	\$77,415,321	\$74,540,132	\$77,319,923	\$80,605,916
Business-Type Activities						
Invested in Capital Assets, Net of Related Debt	\$27,981,971	\$27,399,172	\$29,577,577	\$35,008,503	\$35,452,837	\$35,991,417
Unrestricted	16,893,247	19,030,520	19,041,135	17,091,607	16,982,495	15,482,264
Total Business-Type Activities Net Assets	\$44,875,218	\$46,429,692	\$48,618,712	\$52,100,110	\$52,435,332	\$51,473,681
Total Primary Government						
Invested in Capital Assets, Net of Related Debt	\$56,224,325	\$51,871,744	\$59,139,763	\$63,154,329	\$66,157,353	\$67,410,674
Restricted	12,489,638	17,059,880	12,517,653	9,735,905	8,547,364	9,103,361
Unrestricted	52,107,108	54,366,592	54,376,617	53,750,008	55,050,538	55,565,562
Total Primary Government Net Assets	\$120,821,071	\$123,298,216	\$126,034,033	\$126,640,242	\$129,755,255	\$132,079,597

Source: City Records

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

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

	Calendar Year					
	2003	2004	2005	2006	2007	2008
Expenses						
Governmental Activities:						
General Government	\$3,786,639	\$5,033,894	\$5,660,201	\$5,180,111	\$5,345,922	\$5,103,878
Public Safety	8,321,750	8,169,075	8,787,052	8,842,678	9,501,076	9,746,678
Leisure Time Activities	2,203,202	1,859,158	1,884,611	1,820,227	1,821,894	1,821,739
Community Development	1,374,320	952,247	836,887	688,806	959,438	695,455
Basic Utility Service	1,975,881	1,624,988	1,852,260	1,493,639	1,229,838	1,195,413
Transportation and Street Repair	6,761,973	2,544,171	2,392,805	3,681,464	2,473,911	2,206,531
Public Health and Welfare	400,308	404,448	500,215	428,505	533,385	469,365
Interest and Fiscal Charges	162,806	589,272	600,203	560,291	530,750	512,045
Total Governmental Activities Expenses	24,986,879	21,177,253	22,514,234	22,695,721	22,396,214	21,751,104
Business-Type Activities:						
Water Utility	5,797,672	5,216,113	4,574,926	4,962,223	4,718,693	5,062,771
Sewer Utility	3,622,033	3,690,842	3,776,760	4,614,815	4,082,607	4,609,529
Arena Facilities	748,989	755,000	683,886	771,549	912,204	1,053,354
Pool	102,640	85,855	323,370	293,478	343,074	343,970
Parking	40,896	44,077	44,624	44,946	38,354	46,869
Golf Course	787,547	784,551	814,751	763,612	866,238	785,734
Stadium Facilities	0	0	84,232	168,464	173,264	169,517
Stormwater Utility	0	0	0	0	0	209,518
Total Business-Type Activities Expenses	11,099,777	10,576,438	10,302,549	11,619,087	11,134,434	12,281,262
Total Primary Government Expenses	\$36,086,656	\$31,753,691	\$32,816,783	\$34,314,808	\$33,530,648	\$34,032,366
Program Revenues						
Governmental Activities:						
Charges for Services:						
General Government	\$138,020	\$102,950	\$160,545	\$109,659	\$141,270	\$133,700
Public Safety	853,784	957,683	1,132,278	1,103,563	1,123,179	1,259,802
Leisure Time Activities	121,394	246,134	178,506	177,180	181,784	172,565
Community Development	0	0	0	0	261,874	57,239
Basic Utility Service	280,127	288,224	302,450	305,678	618,812	697,232
Transportation and Street Repair	25,514	47,280	9,636	7,922	14,605	34,793
Public Health and Welfare	45,457	8,601	142,834	220,964	219,022	17,273
Operating Grants and Contributions	819,796	1,316,515	1,207,394	1,247,032	1,180,525	1,332,705
Capital Grants and Contributions	543,680	2,502,281	2,650,155	2,311,020	1,401,939	1,056,487
Total Governmental Activities Program Revenues	2,827,772	5,469,668	5,783,798	5,483,018	5,143,010	4,761,796

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

	Calendar Year					
	2003	2004	2005	2006	2007	2008
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
Sewer Utility	3,985,418	3,804,824	3,784,736	3,414,879	3,332,482	3,355,106
Arena Facilities	71,472	62,179	71,053	80,893	104,661	23,501
Pool	35,145	31,651	224,303	222,913	223,289	231,798
Parking	19,145	20,403	19,521	18,085	19,318	21,246
Golf Course	572,205	623,157	695,849	679,688	690,093	696,368
Stormwater Utility	0	0	0	0	0	843,823
Operating Grants and Contributions	0	50,770	79,150	0	0	0
Capital Grants and Contributions	2,766,026	1,244,147	1,354,320	1,224,803	583,485	400,594
Total business-Type Activities Program Revenues	11,887,237	10,607,048	11,024,335	9,771,003	9,198,260	9,683,017
Total Primary Government Program Revenues	\$14,715,009	\$16,076,716	\$16,808,133	\$15,254,021	\$14,341,270	\$14,444,813
Net (Expense)/Revenue						
Governmental Activities	(\$22,159,107)	(\$15,707,585)	(\$16,730,436)	(\$17,212,703)	(\$17,253,204)	(\$16,989,308)
Business-Type Activities	787,460	30,610	721,786	(1,848,084)	(1,936,174)	(2,598,245)
Total Primary Government Net Expenses	(\$21,371,647)	(\$15,676,975)	(\$16,008,650)	(\$19,060,787)	(\$19,189,378)	(\$19,587,553)

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

	Calendar Year					
	2003	2004	2005	2006	2007	2008
General Revenues and Other Changes in Net Assets						
Governmental Activities:						
Income Taxes	\$11,467,066	\$13,989,707	\$12,681,511	\$12,542,400	\$12,882,229	\$13,294,831
Property Taxes Levied for:						
General Purposes	1,442,545	2,157,693	1,927,756	2,592,328	1,858,851	1,772,552
Special Revenue Purposes	3,637	985	2,096	0	822,177	870,088
Grants and Entitlements not Restricted	1,406,330	1,926,126	2,193,117	1,131,293	1,673,098	2,235,974
Payments in Lieu of Taxes	0	0	0	0	162,376	186,224
Unrestricted Contributions	200,730	32,800	44,600	56,900	97,535	50,847
Investment Earnings	1,028,663	910,902	1,143,110	2,160,055	2,826,639	2,115,536
Other Revenues	422,686	246,029	110,043	194,604	285,090	291,351
Transfers-Internal Activities	(286,800)	(765,158)	(825,000)	(4,340,066)	(575,000)	(542,102)
Total Governmental Activities	15,684,857	18,499,084	17,277,233	14,337,514	20,032,995	20,275,301
Business-Type Activities:						
Investment Earnings	213,236	323,723	416,709	674,201	848,742	596,975
Other Revenues	1,318,708	358,337	288,991	315,215	370,048	497,517
Transfers-Internal Activities	286,800	765,158	825,000	4,340,066	575,000	542,102
Total Business-Type Activities	1,818,744	1,447,218	1,530,700	5,329,482	1,793,790	1,636,594
Total Primary Government	\$17,503,601	\$19,946,302	\$18,807,933	\$19,666,996	\$21,826,785	\$21,911,895
Change in Net Assets						
Governmental Activities	(\$6,474,250)	\$2,791,499	\$546,797	(\$2,875,189)	\$2,779,791	\$3,285,993
Business-Type Activities	2,606,204	1,477,828	2,252,486	3,481,398	(142,384)	(961,651)
Total Primary Government	(\$3,868,046)	\$4,269,327	\$2,799,283	\$606,209	\$2,637,407	\$2,324,342

Source: City Records

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

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

	Calendar Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Fund										
Reserved	\$476,369	\$436,564	\$467,371	\$707,676	\$404,749	\$532,272	\$352,871	\$189,868	\$223,214	\$378,809
Unreserved	1,462,387	1,168,316	1,638,397	1,818,686	35,090,007	35,090,247	35,424,413	36,832,346	38,220,243	40,269,770
Total General Fund	1,938,756	1,604,880	2,105,768	2,526,362	35,494,756	35,622,519	35,777,284	37,022,214	38,443,457	40,648,579
All Other Governmental Funds										
Reserved	2,687,068	3,541,473	2,619,617	5,806,801	3,423,005	6,740,400	2,765,365	3,611,392	2,371,022	2,144,285
Unreserved, Reported in:										
Special Revenue Funds	11,523,186	11,087,483	9,596,112	8,508,812	5,452,931	5,578,574	3,983,478	4,192,666	4,202,902	5,272,144
Debt Service Funds	0	0	0	0	376,327	19,104	135,285	115,633	13,806	9,120
Capital Project Funds	1,209,083	1,450,013	3,876,752	3,071,320	2,016,221	3,891,736	4,307,945	441,568	856,770	800,485
Total all Other Governmental Funds	\$15,419,337	\$16,078,969	\$16,092,481	\$17,386,933	\$11,268,484	\$16,229,814	\$11,192,073	\$8,361,259	\$7,444,500	\$8,226,034

Source: City Records

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

	Calendar Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Revenues										
Taxes	\$13,216,082	\$13,482,834	\$13,951,179	\$13,177,653	\$13,078,788	\$16,137,437	\$14,670,531	\$15,141,702	\$15,556,609	\$15,951,626
Fines, Licenses & Permits	245,446	136,958	137,493	149,571	127,364	111,916	112,296	113,676	110,183	123,486
Charges for Services	689,787	981,097	1,151,549	1,216,667	1,288,668	1,385,158	1,633,216	1,577,227	2,251,504	2,202,251
Investment Earnings	889,962	1,067,784	882,904	775,349	1,028,664	910,902	1,143,111	2,160,056	2,826,639	2,115,536
Intergovernmental	3,392,742	3,376,165	3,034,424	3,029,309	2,704,034	3,980,977	3,547,439	3,560,341	3,125,811	4,150,674
Special Assessments	134,304	129,157	160,886	118,905	174,237	190,672	195,049	261,521	239,099	227,058
Payments in Lieu of Taxes	0	0	0	0	0	0	0	0	0	186,224
Other Revenues	281,161	323,372	527,080	1,358,936	690,462	476,614	389,713	418,722	525,371	491,651
Total Revenues	18,849,484	19,497,367	19,845,515	19,826,390	19,092,217	23,193,676	21,691,355	23,233,245	24,797,592	25,448,506
Expenditures										
Current:										
General Government	3,079,040	3,322,874	3,758,271	3,780,885	4,085,269	4,594,783	4,053,075	4,332,665	4,772,246	4,676,746
Public Safety	6,628,054	6,836,977	6,971,369	7,330,132	8,025,594	7,924,826	8,369,858	8,396,677	9,234,356	9,245,869
Leisure Time Activities	1,563,357	1,647,315	1,718,024	1,631,182	1,824,597	1,493,876	1,510,229	1,400,691	1,546,806	1,516,300
Community Development	830,693	640,757	630,685	726,078	1,130,705	921,465	832,057	645,149	918,513	660,303
Basic Utility Service	1,092,524	1,182,245	1,408,231	1,281,122	1,888,840	1,595,015	1,559,172	1,264,828	1,224,791	1,146,691
Transportation and Street Repair	1,555,358	1,738,595	1,770,247	2,227,376	2,065,992	2,379,777	2,066,280	1,949,294	2,263,423	1,994,218
Public Health and Welfare	304,258	464,164	409,096	407,651	405,234	403,470	467,916	426,129	494,383	433,203
Capital Outlay	2,372,536	3,643,263	2,818,886	3,560,043	5,322,710	4,407,434	5,288,381	4,876,998	2,196,944	1,424,698
Debt Service:										
Principal Retirement	533,000	548,000	558,000	568,000	643,000	678,000	918,000	634,000	534,000	554,000
Interest and Fiscal Charges	256,033	225,005	195,491	220,567	209,719	450,782	684,360	562,698	532,646	514,124
Total Expenditures	\$18,214,853	\$20,249,195	\$20,238,300	\$21,733,036	\$25,601,660	\$24,849,428	\$25,749,328	\$24,489,129	\$23,718,108	\$22,166,152

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

	Calendar Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Excess of revenues over (under) expenditures	\$634,631	(\$751,828)	(\$392,785)	(\$1,906,646)	(\$6,509,443)	(\$1,655,752)	(\$4,057,973)	(\$1,255,884)	\$1,079,484	\$3,282,354
Other Financing Sources (Uses)										
Issuance of Long-Term Capital-Related Debt	\$0	\$0	\$0	\$0	\$0	\$7,510,000	\$0	\$0	\$0	\$0
Proceeds of Long-Term Capital-Related Debt	0	0	0	0	1,800,000	0	0	0	0	0
Proceeds from Sale of Capital Assets	0	0	0	0	0	0	0	0	0	204,302
Transfers In	9,986,706	14,125,690	15,671,354	12,896,692	2,477,353	9,217,435	3,889,006	3,465,000	4,511,874	2,465,589
Transfers (Out)	(10,162,575)	(13,066,106)	(14,764,169)	(12,330,000)	(2,764,153)	(9,982,593)	(4,714,006)	(3,795,000)	(5,086,874)	(2,965,589)
Proceeds Of Notes and Bonds	9,656	0	0	3,055,000	0	0	0	0	0	0
Proceeds Of Refunded Bonds	130,000	0	0	0	0	0	0	0	0	0
Payments to Refunded Bond Escrow Agent	(130,000)	0	0	0	0	0	0	0	0	0
Total Other Financing Sources (Uses)	(166,213)	1,059,584	907,185	3,621,692	1,513,200	6,744,842	(825,000)	(330,000)	(575,000)	(295,698)
Net Change in Fund Balances	\$468,418	\$307,756	\$514,400	\$1,715,046	(\$4,996,243)	\$5,089,090	(\$4,882,973)	(\$1,585,884)	\$504,484	\$2,986,656
Debt service as a percentage of noncapital expenditures (1)	4.6%	4.2%	3.7%	4.0%	3.5%	6.1%	7.0%	5.0%	5.3%	4.9%

Source: City Records

(1) - Noncapital expenditures is capital assets for reporting in the government-wide financial statements subtracted from total governmental fund expenditures

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

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

Source: County Auditor

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

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

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

City of Troy, 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 Vocational	Miami County
1999	3.10	0.19	50.10	4.90	8.82
2000	3.10	0.15	54.60	4.90	8.81
2001	3.10	0.15	54.60	4.90	8.83
2002	3.10	0.16	54.60	4.90	8.43
2003	3.10	0.12	54.60	4.90	9.13
2004	3.10	0.12	54.60	5.46	9.13
2005	3.10	0.14	56.59	5.45	9.11
2006	3.10	0.14	56.59	5.45	9.12
2007	3.10	0.14	56.59	5.45	8.81
2008	3.10	0.14	52.09	5.35	8.80

Calendar Year	Total Direct Rate (2)	Overlapping Rates (2)			
		Miami Conservancy City (3)	Miami East School District	Miami Valley Career Technology Center	Miami County
1999	1.10	0.19	41.50	2.58	8.82
2000	1.10	0.15	41.50	2.58	8.81
2001	1.10	0.15	41.50	2.58	8.83
2002	1.10	0.16	41.50	2.58	8.43
2003	1.10	0.12	41.50	2.58	9.13
2004	1.10	0.12	42.80	2.58	9.13
2005	1.10	0.14	45.80	2.58	9.11
2006	1.10	0.14	46.80	2.58	9.12
2007	1.10	0.14	46.80	2.58	8.81
2008	1.10	0.14	46.50	2.58	8.80

Source: County Auditor

(1) - For Tax District D08

(2) - For Tax District D45

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

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

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

Taxpayer	2008	
	Assessed Value	Percentage of Total Assessed Value
Dayton Power and Light Company	\$7,396,090	1.38%
American Honda Motor	6,999,860	1.31%
Towne Park Apartments, L.L.C.	5,175,530	0.97%
Hobart Corporation	4,103,930	0.77%
DW28 Mornoe, L.L.C.	3,631,950	0.68%
United Distribution Services, Inc.	2,789,300	0.52%
Meijer Stores Limited	2,707,220	0.51%
Vectren Energy Delivery	2,553,140	0.48%
Ramco Properties	2,511,080	0.47%
Health Care REIT, Inc.	2,471,960	0.46%
Total Principal Property Tax Payers	\$40,340,060	7.55%

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, L.L.C.	4,356,040	0.78%
Hobart Corporation	4,285,670	0.77%
Ramco Properties	3,113,710	0.56%
Dayton Montgomery County	2,440,950	0.44%
Hobart Brothers Company	2,423,690	0.43%
Lowe's 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 two 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	Collected, including Delinquencies, within the Calendar Year of the Levy		Accumulated Delinquency	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1999	\$1,115,663	\$1,112,296	99.70%	\$25,025	\$1,137,321	101.94%
2000	1,137,461	1,110,312	97.61%	51,751	1,162,063	102.16%
2001	1,147,523	1,123,667	97.92%	52,305	1,175,972	102.48%
2002	1,252,515	1,245,247	99.42%	69,539	1,314,786	104.97%
2003	1,266,916	1,270,333	100.27%	42,921	1,313,254	103.66%
2004	1,312,974	1,318,922	100.45%	40,758	1,359,680	103.56%
2005	1,445,812	1,433,860	99.17%	55,724	1,489,584	103.03%
2006	1,492,952	1,509,256	101.09%	52,873	1,562,129	104.63%
2007	1,558,388	1,554,728	99.77%	58,866	1,613,594	103.54%
2008	1,716,982	1,714,893	99.88%	76,233	1,791,126	104.32%

Source: County Auditor

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
1999	\$9,153,195	\$2,166,731	\$485,363	\$11,805,289	1.75%
2000	9,759,333	1,460,462	499,230	11,719,025	1.75%
2001	9,965,943	1,961,382	567,270	12,494,595	1.75%
2002	9,672,609	1,184,102	627,275	11,483,986	1.75%
2003	9,757,643	1,109,823	643,006	11,510,472	1.75%
2004	9,669,316	3,849,138	630,634	14,149,088	1.75%
2005	9,992,096	2,220,540	737,792	12,950,428	1.75%
2006	10,063,324	2,417,595	774,027	13,254,946	1.75%
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%

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			
1999	\$3,195,000	\$0	\$710,000	\$21,726,000	\$0	\$229,714	\$25,860,714	0.99%	\$974
2000	2,725,000	0	632,000	20,759,000	0	187,948	24,303,948	0.88%	872
2001	2,245,000	0	554,000	20,225,000	0	146,182	23,170,182	0.84%	835
2002	4,805,000	0	481,000	20,172,000	0	104,416	25,562,416	0.91%	903
2003	6,035,000	4,000,000	408,000	18,976,000	1,800,000	62,650	31,281,650	1.06%	1,060
2004	12,940,000	0	335,000	20,256,000	0	20,884	33,551,884	1.09%	1,103
2005	12,095,000	0	262,000	18,712,000	0	0	31,069,000	1.00%	1,014
2006	11,525,000	0	198,000	17,235,000	0	0	28,958,000	0.89%	902
2007	11,055,000	0	134,000	15,845,000	0	50,864	27,084,864	N/A	N/A
2008	10,565,000	0	70,000	14,425,000	0	36,396	25,096,396	N/A	N/A

Source: City Records

N/A - Information not available

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

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

<u>Calendar Year</u>	<u>General Bonded Debt Outstanding General Obligation Bonds</u>	<u>Percentage of Estimated Actual Taxable Value of Property</u>	<u>Per Capita</u>
1999	\$3,195,000	0.24%	\$164
2000	2,725,000	0.21%	124
2001	2,245,000	0.17%	102
2002	4,805,000	0.34%	218
2003	6,035,000	0.41%	274
2004	12,940,000	0.88%	588
2005	12,095,000	0.78%	550
2006	11,525,000	0.72%	524
2007	11,055,000	0.73%	503
2008	10,565,000	0.69%	480

Source: City Records

City of Troy, Ohio
 Direct and Overlapping Governmental Activities Debt
 As of December 31, 2008
 Schedule 13

Governmental Unit	Net Debt Outstanding	Estimated Percentage Applicable (1)	Amount Applicable to City of Troy
City of Troy	\$510,000	99.98%	\$509,898
Miami County	2,905,000	23.88%	693,714
Troy City School District	19,594,991	75.03%	14,702,122
Miami East Local School District	10,149,989	6.40%	649,599
Miami Valley Career Center Joint Vocational School District	6,695,000	0.15%	10,043
Upper Valley Career Center Joint Vocational School District	670,000	22.11%	148,137
Total Direct and Overlapping Debt	\$40,524,980		\$16,713,513

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 2008

Assessed Value	\$534,647,280	\$534,647,280
Statutory Legal Debt Limitation (1)	10.5%	5.5%
Total Debt Limitation	56,137,964	29,405,600
Debt Applicable to Limit:		
Gross Indebtedness	25,096,396	25,096,396
Less: Debt Outside Limitations (2)	14,531,396	14,531,396
Less: Bond Retirement Fund Balance	13,806	13,806
Total Net Debt Applicable to Limit	10,551,194	10,551,194
Legal Debt Margin	\$45,586,770	\$18,854,406

	Calendar Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Total Debt Limit (1)										
Debt Limit (10.5%)	\$48,324,611	\$47,050,609	\$47,599,229	\$51,494,924	\$53,485,447	\$54,142,649	\$57,100,870	\$58,645,552	\$55,324,460	\$56,137,964
Total Net Debt Applicable to Limit	2,794,126	2,336,661	1,880,183	4,520,594	5,628,673	12,920,896	11,959,715	11,190,031	10,900,046	10,551,194
Legal Debt Margin	\$45,530,485	\$44,713,948	\$45,719,046	\$46,974,330	\$47,856,774	\$41,221,753	\$45,141,155	\$47,455,521	\$44,424,414	\$45,586,770
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	5.8%	5.0%	4.0%	8.8%	10.5%	23.9%	20.9%	19.1%	19.7%	18.8%

	Calendar Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Total Unvoted Debt Limit (1)										
Debt Limit (5.5%)	\$25,312,891	\$24,645,557	\$24,932,929	\$26,973,532	\$28,016,187	\$28,360,435	\$29,909,980	\$30,719,099	\$28,979,479	\$29,405,600
Total Net Debt Applicable to Limit	2,794,126	2,336,661	1,880,183	4,520,594	5,628,673	12,920,896	11,959,715	11,190,031	10,900,046	10,551,194
Legal Debt Margin	\$22,518,765	\$22,308,896	\$23,052,746	\$22,452,938	\$22,387,514	\$15,439,539	\$17,950,265	\$19,529,068	\$18,079,433	\$18,854,406
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	11.0%	9.5%	7.5%	16.8%	20.1%	45.6%	40.0%	36.4%	37.6%	35.9%

Source: City Records

(1) - Direct debt limitation based upon Section 133, the Uniform Bond Act of the Ohio Revised Code. Total debt limit should not exceed 10.5% of net assessed property value.
 Total unvoted debt limit should not exceed 5.5% of net assessed property value.
 (2) - General obligation bonds and notes in the enterprise funds, special assessment debt with government commitment and bond anticipation notes have been included.

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

Calendar Year	Special Assessment Bonds			
	Special Assessment Collections (1)	Debt Service		Coverage
		Principal	Interest	
1999	\$137,229	\$710,000	\$56,950	0.18
2000	131,146	632,000	48,675	0.19
2001	129,324	554,000	43,448	0.22
2002	121,497	481,000	38,153	0.23
2003	144,042	408,000	33,040	0.33
2004	145,432	335,000	27,923	0.40
2005	161,427	262,000	22,775	0.57
2006	215,779	198,000	17,628	1.00
2007	241,912	134,000	14,748	1.63
2008	242,672	70,000	5,915	3.20

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)
1999	19,479	\$2,618,361	\$26,559	3.40%
2000	21,999	2,759,517	27,876	2.90%
2001	21,999	2,755,586	27,762	5.20%
2002	21,999	2,821,089	28,324	5.40%
2003	21,999	2,954,972	29,514	5.70%
2004	21,999	3,064,960	30,411	5.50%
2005	21,999	3,107,811	30,645	5.50%
2006	21,999	3,240,388	32,097	5.70%
2007	21,999	N/A	N/A	5.40%
2008	21,999	N/A	N/A	7.00%

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

N/A - Information not available

City of Troy, Ohio
Major Employers (1)
Current Fiscal Year (2)
Schedule 17

<u>Major Employers (3)</u>	<u>Type (4)</u>
A.O. Smith Corp.	Mfg
Crane Co.	Mfg
Evenflo Company, Inc.	Mfg
Faurecia SA	Mfg
F-Tech, Inc./F&P America	Mfg
Goodrich Corp.	Mfg
Illinois Tool Works, Inc./Hobart	Mfg
Jackson Tube Service	Mfg
Meijer, Inc.	Ret
Troy City Board of Education	Govt
Upper Valley Medical Center	Health

Source: Ohio Department of Development

(1) - For all of Miami County

(2) - Only information as of October, 2007 available

(3) - In alphabetical order only

(4) - Number of employees and percentage of population employed 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									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Information Systems	0	0	0	0	0	0	0	0	0	3
General Government	2	2	2	2	2	2	2	1	1	0
Council	1	1	1	1	1	1	1	1	1	1
Mayor	1	1	1	1	1	1	1	1	1	1
Audit	4	4	4	4	4	4	4	4	4	4
Law	2	2	2	2	2	2	2	2	2	2
Service	4	4	4	4	4	5	5	4	4	4
Human Resources	2	2	2	2	2	2	2	2	2	2
Fire	41	42	42	42	42	42	42	40	39	41
Police	47	45	44	44	45	45	48	46	45	46
Parks	8	8	8	9	8	7	9	8	9	9
Recreation	4	4	3	4	4	4	4	4	4	4
Electric	3	3	3	3	3	3	3	3	3	3
Development	5	6	4	6	6	6	6	7	6	5
Street	19	17	17	18	17	18	18	17	17	16
Tax	4	4	4	3	4	4	4	4	4	5
Cemetery	4	4	3	4	4	4	4	4	4	4
Refuse	6	7	6	7	7	7	7	6	6	4
Hobart Arena	4	4	5	5	5	5	5	5	5	5
Water Administration	5	5	5	5	5	5	5	5	5	2
Water Plant	10	10	10	9	10	10	10	10	9	9
Water Distribution	8	8	8	8	8	7	8	8	7	7
Sewer B&C	5	5	4	5	5	5	5	5	4	3
Sewer Plant	11	12	12	12	12	12	12	12	11	11
Sewer Maintenance	4	4	4	4	4	4	4	3	2	4
Parking	1	0	1	1	1	1	1	0	1	1
Miami Shores	5	5	5	5	5	5	5	5	5	5
Engineering	8	8	8	8	8	8	8	7	6	6
Total	218	217	212	218	219	219	225	214	208	207

Source: Various City Departments

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

Function/Program	Calendar Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General government										
Commercial Construction										
Building permits issued	410	61	26	19	27	53	30	97	150	133
Value	\$20,559,141	\$7,761,322	\$11,153,834	\$4,416,399	\$8,723,883	\$13,530,000	\$31,502,490	\$42,270,987	\$25,002,977	\$28,976,372
Residential Construction										
Building permits issued	1,041	201	110	236	289	168	270	136	77	74
Value	\$21,489,651	\$11,086,202	\$15,968,738	\$23,613,370	\$32,863,289	\$28,449,654	\$33,012,180	\$28,394,390	\$16,160,962	\$15,184,126
Police										
Physical arrests	2,217	2,336	2,377	2,191	1,819	2,651	2,885	3,073	2,959	2,688
Parking violations	2,653	2,133	5,843	4,147	3,397	3,012	2,877	2,867	2,592	3,074
Traffic violations	3,794	4,185	3,742	3,445	2,853	3,465	4,210	4,657	3,956	5,240
Fire										
Emergency responses	853	952	1,036	1,071	934	1,143	1,249	1,181	1,371	1,480
Fires extinguished	155	145	127	125	96	98	134	104	106	88
Inspections	339	320	434	288	334	799	1,030	718	682	418
Refuse collection										
Refuse collected (tons)	5,724	5,725	6,209	6,158	6,250	6,530	6,542	6,584	6,484	5,611
Recyclables collected (tons)	2,000	1,500	1,466	1,370	1,727	1,686	1,750	1,840	1,864	1,473
Other public works										
Street resurfacing (cubic yards)	6,361	5,318	6,688	7,135	6,623	5,127	4,500	2,483	2,486	344
Parks and Recreation										
Community Center Admissions (1)	\$27,237	\$18,191	\$19,583	\$26,950	\$19,499	\$16,626	\$95,622	\$88,035	\$87,087	\$89,711
Community Center Attendance	21,131	11,341	9,868	14,176	10,793	10,674	46,775	43,476	40,493	41,983
Water										
New connections (each)	95	208	158	154	267	222	154	132	63	129
Water main breaks (each)	27	26	24	24	32	27	23	26	33	29
Average daily consumption (millions of gallon per day)	5.40	5.30	5.30	5.40	5.10	5.20	5.00	4.10	4.16	3.97
Peak daily consumption (millions of gallon per day)	7.8	7.0	6.8	7.4	6.8	6.6	7.4	5.4	5.8	5.6
Wastewater										
Average daily sewage treatment (millions of gallon per day)	6.18	5.88	5.66	5.73	6.59	5.73	5.96	5.73	5.79	5.51

Source: Various City Departments

(1) - Cash basis

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

Function/Program	Calendar Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	8	8	8	8	8	8	8	8	8	9
Fire Stations	3	3	3	3	3	3	3	3	3	3
Other Public Works										
Area of City (square miles)	9,062	9,245	9,698	10,697	11,696	12,151	12,164	12,167	12,345	12,345
Streets (miles)	99,45	100,88	102,35	104,45	105,05	107,49	109,60	110,50	111,84	111,96
Streetlights	2,242	2,356	2,356	2,356	2,356	2,356	2,356	2,579	2,601	2,615
Traffic signals	43	43	43	43	43	43	42	42	43	43
Parks and Recreation										
Number of Parks	24	24	24	24	24	25	25	26	26	25
Acreage	296,40	296,40	296,40	296,40	296,40	297,90	297,90	303,90	303,90	303,40
Playgrounds	15	16	16	17	17	17	18	18	18	17
Baseball/Sofball Diamonds	15	15	15	15	15	15	15	15	15	15
Soccer/Football Fields	14	14	14	14	14	14	14	14	14	14
Community Centers										
Kings Chapel Community Center	1	1	1	1	1	1	1	1	1	1
Troy Aquatic Park	1	1	1	1	1	1	1	1	1	1
Municipal Water Department										
Treatment Capacity (millions of gallons per day)	16	16	16	16	16	16	16	16	16	16
Water Mains (miles)	120.11	121.62	123.83	126.23	128.81	131.31	133.67	134.92	136.44	136.92
Fire hydrants	(2)	(2)	(2)	(2)	(2)	1,177	(2)	1,322	1,244	1,254
Sewers										
Treatment Capacity (millions of gallons per day)	(2)	(2)	7	7	7	7	7	7	7	7
Storm Sewers (miles)	63.02	64.81	67.25	69.95	70.27	73.08	75.19	76.39	78.67	79.42
Sanitary Sewers (miles)	113.39	114.86	116.96	119.16	119.22	121.90	123.90	125.01	126.22	126.54
Hobart Arena										
Attendance	(2)	(2)	(2)	(2)	9,819	11,914	10,216	15,103	13,664	30,153
Ticket Sold (1)	(2)	(2)	(2)	(2)	6,225	7,709	6,474	8,415	7,901	13,547

Source: Various City Departments

(1) - Tickets sold by Hobart Arena only

(2) - Information was not available from the City

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Mary Taylor, CPA
Auditor of State

CITY OF TROY

MIAMI COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JUNE 25, 2009**