



Mary Taylor, CPA
Auditor of State

CITY OF TROY
MIAMI COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	1

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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, 2007, which collectively comprise the City's basic financial statements and have issued our report thereon dated May 22, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

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

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

We noted certain matters that we reported to the City's management in a separate letter dated May 22, 2008.

Compliance and Other Matters

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

We did note certain noncompliance or other matters that we reported to the City's management in a separate letter dated May 22, 2008.

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

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

Mary Taylor, CPA
Auditor of State

May 22, 2008

Troy OHIO, USA

www.troyohio.gov



COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED DECEMBER 31, 2007

CITY OF TROY, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2007

PREPARED BY:
RICHARD L. CULTICE, CITY AUDITOR

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TABLE OF CONTENTS

	Page
INTRODUCTORY SECTION	
Letter of Transmittal	vii
Listing of Principal City Officials	xiv
Organizational Chart	xv
Certificate of Achievement for Excellence in Financial Reporting	xvi
 FINANCIAL SECTION	
Report of Independent Accountants	1
Management's Discussion and Analysis	3
 Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	11
Statement of Activities	12
Fund Financial Statements:	
Balance Sheet - Governmental Funds	14
Reconciliation of Total Governmental Fund Balance to Net Assets of Governmental Activities	15
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	16
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities	17
Statement of Net Assets - Proprietary Funds	18
Statement of Revenues, Expenses and Changes in Fund Net Assets - Proprietary Funds	19
Statement of Cash Flows - Proprietary Funds	20
Statement of Fiduciary Net Assets - Fiduciary Funds	21
Statement of Changes in Fiduciary Net Assets - Fiduciary Fund	22
Notes to the Basic Financial Statements	23
 Required Supplementary Information:	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - General Fund	50
Notes to the Required Supplementary Information	51
 Combining Statements and Individual Fund Schedules:	
Nonmajor Governmental Funds:	
Listing of Funds	54
Combining Balance Sheet	56
Nonmajor Special Revenue Funds:	
Combining Balance Sheet	58

TABLE OF CONTENTS

	Page
Nonmajor Capital Projects Funds:	
Combining Balance Sheet	61
Nonmajor Governmental Funds:	
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	62
Nonmajor Special Revenue Funds:	
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	64
Nonmajor Capital Projects Funds:	
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	67
Individual Fund Schedules of Revenues, Expenditures and Changes in Fund Balance- Budget and Actual (Non-GAAP Budgetary Basis):	
Street Construction, Maintenance and Repair Fund	68
State Highway Improvement Fund	69
Cemetery Fund	70
Safety-Income Tax Fund	71
Municipal Real Property Fund	72
Miami Conservancy District Fund	73
Recreational Programs Fund	74
Parks and Recreation Improvement Fund	75
Community Development Block Grant Fund	76
Parking Improvement Fund	77
Drug Law Enforcement Fund	78
Law Enforcement Fund	79
Cemetery Endowment Fund	80
Small Business Development R-Loan Fund	81
Bond Retirement Fund	82
Capital Improvement Fund	83
OPWC Project Fund	84
TIF 2003 Fund	85
Nonmajor Enterprise Funds:	
Listing of Funds	87
Combining Statement of Net Assets	88
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets	90
Combining Statement of Cash Flows	92
Agency Funds:	
Statement of Changes in Assets and Liabilities	94

TABLE OF CONTENTS

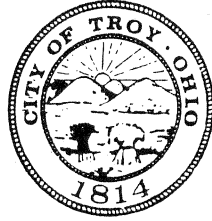
	<u>Schedule</u>	<u>Page</u>
STATISTICAL SECTION		
Net Assets by Component	1	99
Changes in Net Assets	2	100
Fund Balances, Governmental Funds	3	102
Changes in Fund Balances, Governmental Funds	4	104
Assessed Value and Actual Value of Taxable Property	5	106
Direct and Overlapping Property Tax Rates	6	107
Principal Property Tax Payers	7	108
Property Tax Levies and Collections	8	109
Income Tax by Payer Type and Income Tax Rate	9	110
Principal Income Taxpayers	10	111
Ratios of Outstanding Debt by Type	11	112
Ratios of General Bonded Debt Outstanding	12	113
Direct and Overlapping Governmental Activities Debt	13	114
Legal Debt Margin Information	14	115
Pledged-Revenue Coverage	15	116
Demographic and Economic Statistics - Miami County	16	117
Principal Employers	17	118
Full-Time Equivalent City Government Employees by Function/Program	18	119
Operating Indicators by Function/Program	19	120
Capital Asset Statistics by Function/Program	20	121

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INTRODUCTORY SECTION

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City of Troy, Ohio



June 30, 2008

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, 2007 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 2007. 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 2007 included:

- Appointed a new Director of Public Service and Safety, Patrick E. J. Titterington, as of January 2, 2007.
- Continuation of the Sidewalk Improvement Program (year five), in combination with the Tree Reforestation Program.
- Annexation and City Zoning of a number of small parcels.
- Addition of golf carts at Miami Shores to be in proportion to the average number of golfers using carts.
- Authorized the first phase of an asset management system.
- Updated and standardized a number of fees for permits, etc., charged by City departments.
- Completion, or substantial completion, of Capital projects – resurfaced tennis courts in Community Park, clarifier repairs, paving of streets, and the Peters Road OPWC project.
- A very successful 2007 Troy Strawberry Festival.
- The volunteers of Operation Cloverleaf continuation of the landscape efforts to enhance the I-75/SR 41 interchange entrance to the City. This is an annual donation of approximately \$38,000 in services to the community.
- Continued economic development efforts locally with the ongoing Retention and Expansion program and internationally by participating in a trade mission trip to Europe. The 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.
- The American Honda Motor Company, Inc. neared completion of the new warehouse facility in Troy. This investment also included the commitment of 130 new jobs after the end of three years.
- Continued cooperative partnerships and working relationships with the Townships, the County, neighboring communities, the Board of Education, the downtown merchants, the Troy Development Council, and Troy Main Street.
- Provided a number of training opportunities for City staff.
- Re-established a cooperative agreement with the First United Methodist Church for City Hall employees and Chamber employees to utilize their parking lot at the First Place Christian Center during the day, thus freeing up 36 on-street parking spaces for visitors and business patrons. Because of a devastating fire at First Place, and the renovation of the property, use of the parking lot could not be allowed during much of 2007.
- Continuation of the more proactive stance in property code enforcement issues. Continued the Paint Voucher Program and Garage Demolition Program to financially assist property owners in property maintenance.

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.

DEPARTMENTAL FOCUS – PARK – LEVEE AREA ELECTRIC AND WATER UPGRADES

During 2007, the City established a priority of the Great Miami River Levee Improvement Project between Adams Street and Market Street. The project scope included an improved electrical grid that would benefit the community and a number of community activities and provided the city with a needed water loop. This project additionally allowed for an upgrade in aesthetic lighting, including underground wiring. The lighting was also a safety enhancement along a very popular and growing recreational activity corridor. In addition, the existing 21 benches and 27 swings were repainted to compliment the aesthetic enhancements to the levee area. The benches and swings provide a place for rest, reflection and contemplation as citizens pause to enjoy a panoramic view of the Great Miami River and the historic buildings and downtown area

The new electrical network meets the requirements set forth by the 2007 National Electric Code (NEC). The NEC sets these strict guidelines and standards, of which the new system is capable to efficiently and safely be upgraded with each guideline alteration governed by the NEC.

The replaced water line consisted of only one 2” galvanized pipe that was not looped in our current system. Not only being insufficient to meet the demands of the City and community activities, the old water line required yearly and costly maintenance in order to allow the system to stay operable.

The new water line installed includes an 8” ductile iron pipe that is now looped into the City’s existing grid. This allows the water to free flow throughout the entire system, which inhibits any chance of bacteria to form, unlike the system replaced. An addition of 22 water connections, 1 fire hydrant and 1 drinking fountain were incorporated in this project. This allows the required water supply to be more accessible throughout the entire levee site. \$410,000 was authorized for the project. The final contract cost was \$357,921.

The Troy Strawberry Festival is held annually along the levee area between Adams Street and Market Street. Recognizing that the Festival would be one event to benefit from the electrical improvement, the Festival Board agreed to fund \$48,776 towards that part of the project. The Strawberry Festival’s contribution is payable over three years, with the first payment made in 2007.

This project was completed on schedule and under the budgeted amount. It has the benefit of both infrastructure improvements and aesthetic enhancements that will serve the City well for years to come.

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:

- Continue economic development efforts to both bring high quality jobs to the community for current and future residents and to retain existing industry and jobs. Look at fiber optic opportunities to enhance development.
- Maintain financial stability for the City. This will include addressing storm water management regulations; implementing the storm water management charge; assessing an appropriate residential charge for solid waste; and establishing an appropriate increase in water and sewer rates.
- Monitor revenues for possible enhancements and reduce the financial impact on the General Fund by other budgetary funds where appropriate.
- Communication -- be responsive to citizens; analyze methods to provide more and faster information to citizens; determine what citizens want in regard to development.
- Complete projects that have been started.
- Streamline operations and expenses where possible without diluting the services to the citizens.
- Monitor the condition of all City facilities and see that they are properly maintained.
- Review the Comprehensive Plan to see that dated tasks are done.
- Foster and encourage strategic annexation.
- Maintain an excellent working relationship with other local governmental entities.
- Continue to work with Troy Main Street and the downtown merchants in keeping the downtown active and vital.
- Continue to provide appropriate training for employees based on funding availability.
- Continue to improve park and green space areas for aesthetic purposes and to meet community needs.
- Utilize 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, 2007.

RISK MANAGEMENT

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

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

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

Wellness Program – This program has existed for approximately 18 years. Since 2002, the City has contracted with the local Upper Valley Medical Center, Troy, Ohio for the service. The City is provided an on-site nurse sixteen hours per month. Employees can establish base-line medical data with the nurse so that physical/medical problems/improvements can be measured. A Wellness Committee of employees has been formed to suggest possible programs and services. To date, some of the benefits provided by the Wellness Program include: cholesterol screening, blood pressure checks, statistics, hearing exams, TB screening, health fair, flu shots (when vaccine is available), stress management, diabetes screening, etc. and the opportunity to take advantage of various screenings at a reduced cost for the employee/spouse. As a result of screenings and discussions with the nurse, some employees have been referred for further medical evaluation. In addition, the wellness program encourages regular exercise and other recommendations for healthy life styles. The program elements were extended to include regular “flyers” distributed to employees that provide a variety of information in a single and simple one page format. Employees are encouraged to share the flyers with their families. For 2007, a major wellness initiative was a walking challenge. Troy employees logged over 24 million steps during a 12-week period.

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, 2006. 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.

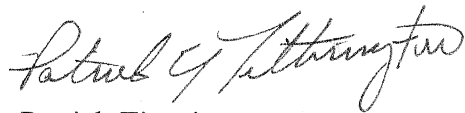
A Certificate of Achievement is valid for a period of one year. The City of Troy, Ohio, received a Certificate of Achievement for the 18th time for the year ended December 31, 2006. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

ACKNOWLEDGEMENTS

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

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

Respectfully submitted,
City of Troy, Ohio



Patrick Titterington
Director of Public Service and Safety



Richard L. Cultice
City Auditor

CITY OF TROY, OHIO

Listing of Principal City Officials

December 31, 2007

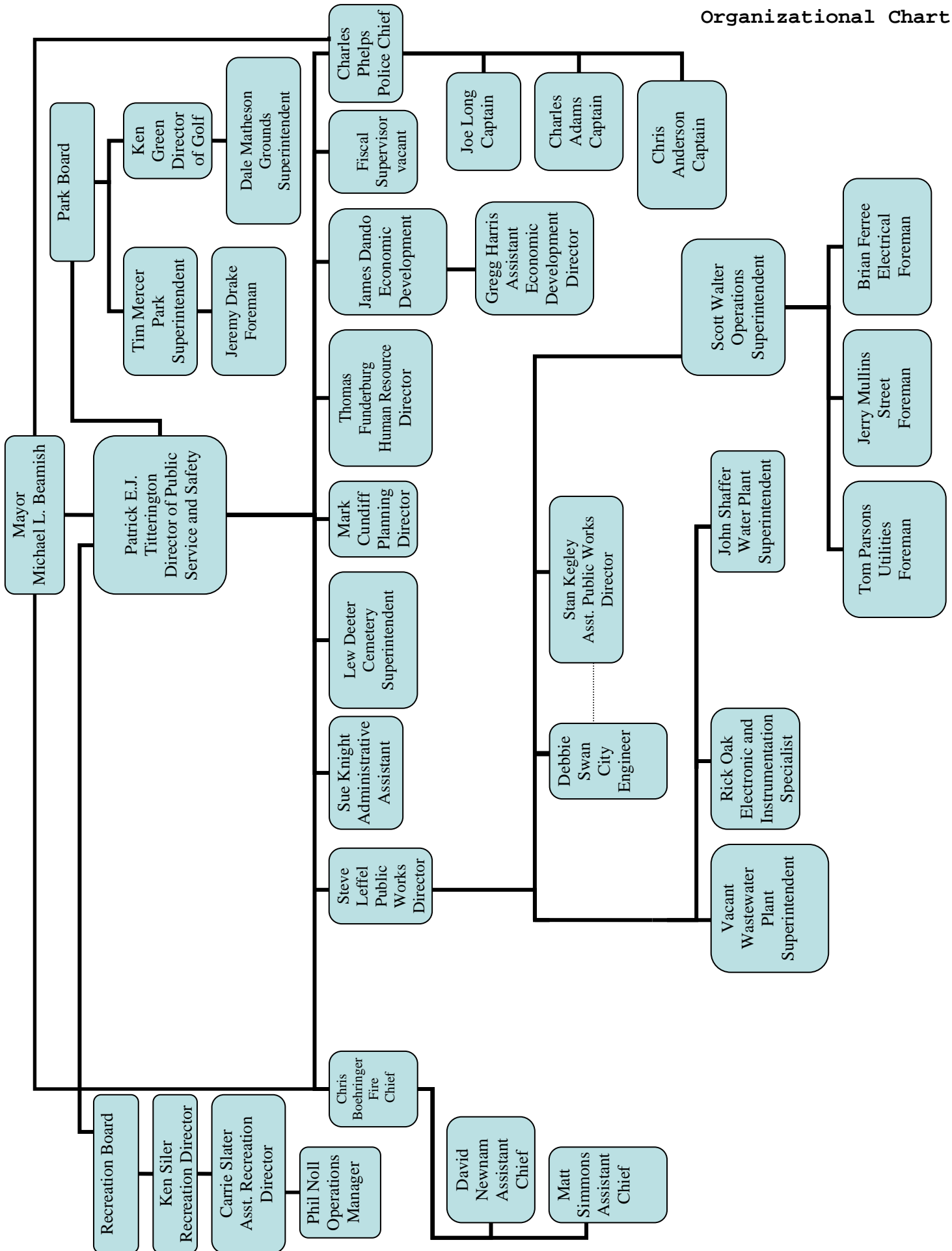
Elected Officials

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

Appointed Officials

Director of Public Service and Safety	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, 2006

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.



Charles S. Cox

President

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, 2007, 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, 2007, and the respective changes in financial position and where applicable, cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 22, 2008, 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 cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

May 22, 2008

CITY OF TROY

Management's Discussion and Analysis For The Year Ended December 31, 2007 (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, 2007. 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 \$2,637,407. Net assets of governmental activities increased \$2,779,791, net assets of business-type activities decreased by \$142,384.
- The General Fund reported a net change in fund balance of \$1,421,243.
- Business-type operations reflected operating loss of \$1,215,037.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

Government-wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

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

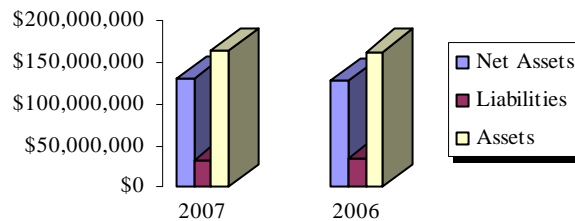
Fiduciary Funds - The City is the fiscal agent for one private purpose trust and six agency funds. All of the City's fiduciary activities are reported in separate Statements of Fiduciary Net Assets and Statement of Changes in Assets and Liabilities. We exclude these activities from the City's other financial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

The City as a Whole

As stated previously, the Statement of Net Assets looks at the City as a whole. Table 1 provides a summary of the City's net assets for 2007 compared to 2006.

Table 1
Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2007	2006	2007	2006	2007	2006
Assets						
Current Assets	\$51,561,844	\$51,862,749	\$17,585,224	\$18,214,416	\$69,147,068	\$70,077,165
Capital Assets, Net	41,893,516	39,868,826	51,297,837	52,243,503	93,191,353	92,112,329
Total Assets	93,455,360	91,731,575	68,883,061	70,457,919	162,338,421	162,189,494
Liabilities						
Long-Term Liabilities	12,620,557	13,078,451	16,445,516	17,917,529	29,066,073	30,995,980
Other Liabilities	3,514,880	4,112,992	479,819	440,280	3,994,699	4,553,272
Total Liabilities	16,135,437	17,191,443	16,925,335	18,357,809	33,060,772	35,549,252
Net Assets						
Invested in Capital						
Assets Net of Debt	30,704,516	28,145,826	35,452,837	35,008,503	66,157,353	63,154,329
Restricted	8,547,364	9,735,905	0	0	8,547,364	9,735,905
Unrestricted	38,068,043	36,658,401	16,504,889	17,091,607	54,572,932	53,750,008
Total Net Assets	\$77,319,923	\$74,540,132	\$51,957,726	\$52,100,110	\$129,277,649	\$126,640,242



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 \$2,637,407, representing an improvement from the prior year.

Net assets of the City's governmental activities increased \$2,779,791. Capital Assets, Net increased mostly due to the purchase of \$2,111,497 of infrastructure in 2007.

The net assets of the City's business-type activities decreased \$142,384 from 2006. The City had a decrease in Capital Assets, Net due to depreciation expense being greater than capital asset additions for 2007. The City also saw a decrease in the amount of long-term liabilities for 2007 due to the City continuing to make regularly scheduled payments on their long-term obligations.

Table 2 shows the changes in net assets for the year ended December 31, 2007.

Table 2
Changes in Net Assets

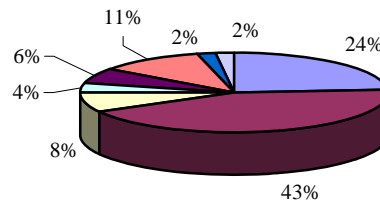
	Governmental Activities		Business-Type Activities		Total	
	2007	2006	2007	2006	2007	2006
Program Revenues:						
Charges for Services	\$2,560,546	\$1,924,966	\$8,614,775	\$8,546,200	\$11,175,321	\$10,471,166
Operating Grants, Contributions	1,180,525	1,247,032	0	0	1,180,525	1,247,032
Capital Grants and Contributions	1,401,939	2,311,020	583,485	1,224,803	1,985,424	3,535,823
Total Program Revenues	5,143,010	5,483,018	9,198,260	9,771,003	14,341,270	15,254,021
General Revenue:						
Income Taxes	12,882,229	12,542,400	0	0	12,882,229	12,542,400
Property Taxes	2,681,028	2,592,328	0	0	2,681,028	2,592,328
Grants and Entitlements	1,673,098	1,131,293	0	0	1,673,098	1,131,293
Payment in Lieu of Taxes	162,376	0	0	0	162,376	0
Unrestricted Contributions	97,535	56,900	0	0	97,535	56,900
Investment Earnings	2,826,639	2,160,055	848,742	674,201	3,675,381	2,834,256
Refunds and Reimbursements	139,808	61,219	0	0	139,808	61,219
Other	145,282	133,385	370,048	315,215	515,330	448,600
Total General Revenues	20,607,995	18,677,580	1,218,790	989,416	21,826,785	19,666,996
Total Revenues	25,751,005	24,160,598	10,417,050	10,760,419	36,168,055	34,921,017
Program Expenses:						
General Government	5,345,922	5,180,111	0	0	5,345,922	5,180,111
Public Safety	9,501,076	8,842,678	0	0	9,501,076	8,842,678
Leisure Time Activities	1,821,894	1,820,227	0	0	1,821,894	1,820,227
Community Development	959,438	688,806	0	0	959,438	688,806
Basic Utility Service	1,229,838	1,493,639	0	0	1,229,838	1,493,639
Transportation and Street Repair	2,473,911	3,681,464	0	0	2,473,911	3,681,464
Public Health and Welfare	533,385	428,505	0	0	533,385	428,505
Other	3,865	9,536	0	0	3,865	9,536
Interest and Fiscal Charges	526,885	550,755	0	0	526,885	550,755
Water Utility	0	0	4,718,693	4,962,223	4,718,693	4,962,223
Sewer Utility	0	0	4,082,607	4,614,815	4,082,607	4,614,815
Arena Facilities	0	0	912,204	771,549	912,204	771,549
Pool	0	0	343,074	293,478	343,074	293,478
Parking	0	0	38,354	44,946	38,354	44,946
Golf Course	0	0	866,238	763,612	866,238	763,612
Stadium Facilities	0	0	173,264	168,464	173,264	168,464
Total Program Expenses	22,396,214	22,695,721	11,134,434	11,619,087	33,530,648	34,314,808
Increase (Decrease) in Net Assets before Transfers	3,354,791	1,464,877	(717,384)	(858,668)	2,637,407	606,209
Transfers - Internal Activities	(575,000)	(4,340,066)	575,000	4,340,066	0	0
Change in Net Assets	2,779,791	(2,875,189)	(142,384)	3,481,398	2,637,407	606,209
Beginning Net Assets	74,540,132	77,415,321	52,100,110	48,618,712	126,640,242	126,034,033
Ending Net Assets	\$77,319,923	\$74,540,132	\$51,957,726	\$52,100,110	\$129,277,649	\$126,640,242

Governmental Activities

Troy has continued attracting large-scale employers to our city in the year 2007, thereby injecting the local economy with jobs and increasing the City’s commercial tax base. The 1.75% income tax is the largest source of revenue for the City. Revenues generated by the earnings tax represent more than 64% of the City’s governmental activities general revenues.

Governmental activities program expenses for 2007 were as follows:

<u>Program Expenses</u>	<u>Percent of Total</u>
General Government	24%
Public Safety	43%
Leisure Time Activities	8%
Community Development	4%
Basic Utility Service	6%
Transportation and Street Repair	11%
Public Health and Welfare	2%
Interest and Fiscal Charges	2%
Total	<u>100%</u>



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

Business-Type Activities

Business-type activities, include water, sewer, Hobart Arena, swimming pool, parking meter, Miami Shores and the stadium. These programs had operating revenues of \$8,984,823 and operating expenses of \$10,199,860 for fiscal year 2007. Business activities receive no support from tax revenues. The business activities net assets at the end of the year was \$51,957,726, which decreased \$142,384 from 2006. The City had two business-type (enterprise) funds that were major funds: the Water fund and the Sanitary Sewer fund.

The City of Troy’s Water Department serves 9,918 customers, this represents a population base of nearly 21,999 people. The average daily consumption for the city is 4.16 million gallons and 136.44 miles of water mains in its distribution system. The water fund had operating income of \$51,216 for 2007.

The City of Troy’s Sewer Department includes 126.22 miles of sanitary sewer main, which provide the collection and treatment of public wastewater. Miles of sanitary sewer main increased 1.21 miles from 2006. The Sewer fund had operating loss of \$332,430 for 2007.

The City's Funds

The City has two major governmental funds: the General Fund and Capital Improvement Fund. Assets of the general fund comprised \$41,690,242 (81%) and the capital improvement fund comprised \$1,615,492 (3%) of the total \$51,561,844 governmental funds assets.

As of the end of the year, the City of Troy's governmental funds reported combined ending fund balances of \$45,887,957. Approximately \$43,293,721 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, 2007 was \$38,443,457 which was an increase in fund balance of \$1,421,243 from 2006. This resulted from an increase in taxes and charges for services revenue.

Capital Improvement Fund: Fund balance at December 31, 2007 was \$447,446 including \$297,935 of unreserved balance. The decrease in fund balance of \$61,624 from 2006 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 \$19,601,675 and the original budgeted revenue was \$18,263,844. The difference was \$1,337,831. 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 general government, public safety and transfers out expenditures for 2007. As the City completed the year, its General Fund balance reported an actual fund balance of \$36,358,926, on a Non-GAAP Budgetary Basis.

Capital Assets and Debt Administration

Capital Assets

Table 3
Capital Assets
(Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2007	2006	2007	2006	2007	2006
Land	\$12,172,275	\$12,084,897	\$538,683	\$538,683	\$12,710,958	\$12,623,580
Construction in Progress	175,542	2,851,584	0	0	175,542	2,851,584
Buildings and Improvements	9,910,680	7,052,064	29,351,132	30,561,830	39,261,812	37,613,894
Equipment	2,585,145	2,468,749	7,900,747	7,921,852	10,485,892	10,390,601
Infrastructure	17,049,874	15,411,532	13,507,275	13,221,138	30,557,149	28,632,670
Total Net Capital Assets	\$41,893,516	\$39,868,826	\$51,297,837	\$52,243,503	\$93,191,353	\$92,112,329

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

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

Debt

At year-end the City had \$27,084,864 in general obligation bonds, special assessment bonds and a note.

Table 4
Outstanding Debt at Year End

		<u>2007</u>	<u>2006</u>
Governmental Activities			
<u>General Obligation Bonds</u>			
McKaig Storm Sewer Phase III	7.13%	\$40,000	\$80,000
Stadium Improvement	2.50-5.25%	2,545,000	2,665,000
Elm Street Improvements	2.00-4.75%	535,000	560,000
Aquatic Center	2.00-4.75%	3,540,000	3,690,000
Cemetery Maintenance Building	2.00-4.75%	415,000	430,000
Fire Station	2.00-4.75%	2,255,000	2,350,000
Tax Increment Financing	6.00%	<u>1,725,000</u>	<u>1,750,000</u>
Total General Obligation Bonds		<u>11,055,000</u>	<u>11,525,000</u>
<u>Special Assessment Bonds</u>			
Street Improvement - St. Rt. 55	7.13%	14,000	28,000
Street Improvement - Dorset Rd.	7.35%	80,000	120,000
Street Improvement - Exp. Farm Rd.	3.50-5.00%	<u>40,000</u>	<u>50,000</u>
Total Special Assessment Bonds		<u>134,000</u>	<u>198,000</u>
Business Type Activities			
<u>General Obligation Bonds</u>			
Water Improvement Towers	3.35-5.00%	\$955,000	\$1,170,000
Waterplant Expansion I	4.10-5.00%	1,115,000	1,355,000
Waterplant Expansion II	4.37-5.00%	0	320,000
Wastewater System Improvement	3.35-5.30%	2,330,000	2,470,000
Wastewater Improvement IIC&VA	0.00%	325,000	350,000
Water Line Extension	2.50-4.00%	565,000	665,000
Southeast Area Sewer	2.00-4.75%	1,175,000	1,225,000
Generators	2.00-4.75%	1,085,000	1,130,000
Refunding Wastewater System Improvement	4.00-5.00%	2,300,000	2,535,000
Refunding Waterplant Expansion I	5.00%	1,705,000	1,705,000
Refunding Waterplant Expansion II	4.00-5.00%	<u>4,290,000</u>	<u>4,310,000</u>
Total General Obligation Bonds		<u>15,845,000</u>	<u>17,235,000</u>
Golf Cart Note	4.50%	<u>50,864</u>	<u>0</u>
Total Debt		<u>\$27,084,864</u>	<u>\$28,958,000</u>

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

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

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

Economic Factors

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

Contacting the City's Financial Department

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

City of Troy, Ohio
Statement of Net Assets
December 31, 2007

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in Pooled Cash and Investments	\$42,588,987	\$16,621,347	\$59,210,334
Restricted Cash and Investments	99,950	37,898	137,848
Receivables:			
Taxes	2,763,934	0	2,763,934
Accounts	620,405	371,281	991,686
Interest	569,903	78,516	648,419
Intergovernmental	1,956,302	0	1,956,302
Notes	2,041,560	0	2,041,560
Special Assessments	920,803	0	920,803
Inventory	0	476,182	476,182
Nondepreciable Capital Assets	12,347,817	538,683	12,886,500
Depreciable Capital Assets, Net	29,545,699	50,759,154	80,304,853
Total Assets	93,455,360	68,883,061	162,338,421
Liabilities:			
Accounts Payable	389,889	82,924	472,813
Accrued Wages and Benefits	1,015,067	295,771	1,310,838
Retainage Payable	99,950	37,898	137,848
Accrued Interest Payable	68,419	63,226	131,645
Unearned Revenue	1,941,555	0	1,941,555
Long-Term Liabilities:			
Due Within One Year	1,016,319	1,612,041	2,628,360
Due In More Than One Year	11,604,238	14,833,475	26,437,713
Total Liabilities	16,135,437	16,925,335	33,060,772
Net Assets:			
Invested in Capital Assets, Net of Related Debt	30,704,516	35,452,837	66,157,353
Restricted for:			
Special Revenue	6,647,762	0	6,647,762
Debt Service	121,035	0	121,035
Capital Projects	1,778,567	0	1,778,567
Unrestricted	38,068,043	16,504,889	54,572,932
Total Net Assets	\$77,319,923	\$51,957,726	\$129,277,649

See accompanying notes to the basic financial statements.

City of Troy, Ohio
Statement of Activities
For the Fiscal Year Ended December 31, 2007

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$5,345,922	\$141,270	\$4,805	\$0
Public Safety	9,501,076	1,123,179	0	0
Leisure Time Activities	1,821,894	181,784	0	0
Community Development	959,438	261,874	0	206,716
Basic Utility Service	1,229,838	618,812	0	429,813
Transportation and Street Repair	2,473,911	14,605	1,175,720	765,410
Public Health and Welfare	533,385	219,022	0	0
Interest and Fiscal Charges	526,885	0	0	0
Other	3,865	0	0	0
Total Governmental Activities	22,396,214	2,560,546	1,180,525	1,401,939
Business-Type Activities:				
Water Utility	4,718,693	4,244,932	0	301,153
Sewer Utility	4,082,607	3,332,482	0	282,332
Arena Facilities	912,204	104,661	0	0
Pool	343,074	223,289	0	0
Parking	38,354	19,318	0	0
Golf Course	866,238	690,093	0	0
Stadium Facilities	173,264	0	0	0
Total Business-Type Activities	11,134,434	8,614,775	0	583,485
Totals	\$33,530,648	\$11,175,321	\$1,180,525	\$1,985,424

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

Total General Revenues and Transfers

Change in Net Assets

Net Assets Beginning of Year

Net Assets End of Year

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-Type Activities	Total
(\$5,199,847)	\$0	(\$5,199,847)
(8,377,897)	0	(8,377,897)
(1,640,110)	0	(1,640,110)
(490,848)	0	(490,848)
(181,213)	0	(181,213)
(518,176)	0	(518,176)
(314,363)	0	(314,363)
(526,885)	0	(526,885)
(3,865)	0	(3,865)
<u>(17,253,204)</u>	<u>0</u>	<u>(17,253,204)</u>
0	(172,608)	(172,608)
0	(467,793)	(467,793)
0	(807,543)	(807,543)
0	(119,785)	(119,785)
0	(19,036)	(19,036)
0	(176,145)	(176,145)
0	(173,264)	(173,264)
<u>0</u>	<u>(1,936,174)</u>	<u>(1,936,174)</u>
<u>(\$17,253,204)</u>	<u>(\$1,936,174)</u>	<u>(\$19,189,378)</u>
12,882,229	0	12,882,229
1,858,851	0	1,858,851
822,177	0	822,177
1,673,098	0	1,673,098
162,376	0	162,376
2,826,639	848,742	3,675,381
139,808	0	139,808
145,282	370,048	515,330
97,535	0	97,535
(575,000)	575,000	0
<u>20,032,995</u>	<u>1,793,790</u>	<u>21,826,785</u>
2,779,791	(142,384)	2,637,407
<u>74,540,132</u>	<u>52,100,110</u>	<u>126,640,242</u>
<u>\$77,319,923</u>	<u>\$51,957,726</u>	<u>\$129,277,649</u>

City of Troy, Ohio
Balance Sheet
Governmental Funds
December 31, 2007

	General	Capital Improvement	Other Governmental Funds	Total Governmental Funds
Assets:				
Equity in Pooled Cash and Investments	\$37,184,727	\$642,918	\$4,761,342	\$42,588,987
Restricted Cash and Investments	0	54,511	45,439	99,950
Receivables:				
Taxes	2,521,262	0	242,672	2,763,934
Accounts	595,752	0	24,653	620,405
Interest	558,331	0	11,572	569,903
Intergovernmental	795,895	179,724	980,683	1,956,302
Notes	0	0	2,041,560	2,041,560
Special Assessments	34,275	738,339	148,189	920,803
Total Assets	41,690,242	1,615,492	8,256,110	51,561,844
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	137,000	195,472	57,417	389,889
Accrued Wages and Benefits	934,224	0	80,843	1,015,067
Compensated Absences	7,257	0	0	7,257
Retainage Payable	0	54,511	45,439	99,950
Deferred Revenue	2,168,304	918,063	1,075,357	4,161,724
Total Liabilities	3,246,785	1,168,046	1,259,056	5,673,887
Fund Balances:				
Reserved for Encumbrances	131,799	149,511	175,821	457,131
Reserved for Property Tax Advances	91,415	0	4,130	95,545
Reserved for Notes Receivable	0	0	2,041,560	2,041,560
Unreserved, Undesignated, Reported in:				
General Fund	38,220,243	0	0	38,220,243
Special Revenue Funds	0	0	4,202,902	4,202,902
Debt Service Funds	0	0	13,806	13,806
Capital Projects Funds	0	297,935	558,835	856,770
Total Fund Balances	38,443,457	447,446	6,997,054	45,887,957
Total Liabilities and Fund Balances	\$41,690,242	\$1,615,492	\$8,256,110	\$51,561,844

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, 2007

Total Governmental Fund Balance		\$45,887,957
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		41,893,516
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Delinquent Property Taxes	48,170	
Intergovernmental	1,054,774	
Other	<u>1,117,225</u>	
		2,220,169
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.		(68,419)
Some liabilities reported in the statement of net assets do not require the use of current financial resources and therefore are not reported as liabilities in governmental funds.		
Compensated Absences	<u>(1,424,300)</u>	
		(1,424,300)
Long-term liabilities, are not due and payable in the current period and therefore are not reported in the funds.		<u>(11,189,000)</u>
Net Assets of Governmental Activities		<u><u>\$77,319,923</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, 2007

	General	Capital Improvement	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$14,734,719	\$0	\$821,890	\$15,556,609
Fines, Licenses & Permits	93,033	0	17,150	110,183
Charges for Services	1,911,734	0	339,770	2,251,504
Investment Earnings	2,710,980	0	115,659	2,826,639
Intergovernmental	1,714,574	216,000	1,195,237	3,125,811
Special Assessments	11,711	149,087	78,301	239,099
Payments in Lieu of Taxes	0	0	162,376	162,376
Other Revenues	400,229	30,068	95,074	525,371
Total Revenues	21,576,980	395,155	2,825,457	24,797,592
Expenditures:				
Current:				
General Government	4,711,870	0	60,376	4,772,246
Public Safety	9,234,356	0	0	9,234,356
Leisure Time Activities	1,314,812	0	231,994	1,546,806
Community Development	583,034	189,479	146,000	918,513
Basic Utility Service	1,224,791	0	0	1,224,791
Transportation and Street Repair	0	0	2,263,423	2,263,423
Public Health and Welfare	0	0	494,383	494,383
Capital Outlay	0	1,267,300	929,644	2,196,944
Debt Service:				
Principal Retirement	0	0	534,000	534,000
Interest and Fiscal Charges	0	0	528,781	528,781
Other	0	0	3,865	3,865
Total Expenditures	17,068,863	1,456,779	5,192,466	23,718,108
Excess of Revenues Over (Under) Expenditures	4,508,117	(1,061,624)	(2,367,009)	1,079,484
Other Financing Sources (Uses):				
Transfers In	1,000,000	1,000,000	2,511,874	4,511,874
Transfers (Out)	(4,086,874)	0	(1,000,000)	(5,086,874)
Total Other Financing Sources (Uses)	(3,086,874)	1,000,000	1,511,874	(575,000)
Net Change in Fund Balance	1,421,243	(61,624)	(855,135)	504,484
Fund Balance Beginning of Year	37,022,214	509,070	7,852,189	45,383,473
Fund Balance End of Year	\$38,443,457	\$447,446	\$6,997,054	\$45,887,957

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, 2007

Net Change in Fund Balance - Total Governmental Funds \$504,484

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

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

Capital assets used in governmental activities	3,545,565	
Depreciation Expense	<u>(1,448,875)</u>	
		2,096,690

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. (72,000)

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

Delinquent Property Taxes	6,686	
Intergovernmental	(58,603)	
Other	<u>(160,992)</u>	
		(212,909)

Repayment of bond principal is an expenditure in the
 governmental funds, but the repayment reduces long-term
 liabilities in the statement of net assets. 534,000

In the statement of activities interest expense is accrued when incurred,
 whereas in governmental funds an interest expenditure is reported
 when due. 1,896

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>(72,370)</u>	
		<u>(72,370)</u>

Change in Net Assets of Governmental Activities \$2,779,791

See accompanying notes to the basic financial statements.

City of Troy, Ohio
Statement of Net Assets
Proprietary Funds
December 31, 2007

	<u>Business-Type Activities -Enterprise Funds</u>			
	<u>Water</u>	<u>Sanitary Sewer</u>	<u>Other Enterprise Funds</u>	<u>Total Business-Type Activities</u>
Assets:				
Equity in Pooled Cash and Investments	\$6,628,305	\$9,168,911	\$824,131	\$16,621,347
Restricted Cash and Investments	37,898	0	0	37,898
Receivables:				
Accounts	162,044	139,172	70,065	371,281
Interest	32,747	45,042	727	78,516
Inventory	476,182	0	0	476,182
Total Current Assets	<u>7,337,176</u>	<u>9,353,125</u>	<u>894,923</u>	<u>17,585,224</u>
Nondepreciable Capital Assets	145,937	74,800	317,946	538,683
Depreciable Capital Assets, Net	21,831,448	19,618,621	9,309,085	50,759,154
Total Noncurrent Assets	<u>21,977,385</u>	<u>19,693,421</u>	<u>9,627,031</u>	<u>51,297,837</u>
Total Assets	<u>29,314,561</u>	<u>29,046,546</u>	<u>10,521,954</u>	<u>68,883,061</u>
Liabilities:				
Current Liabilities:				
Accounts Payable	45,751	19,079	18,094	82,924
Accrued Wages and Benefits	94,631	157,494	43,646	295,771
Compensated Absences	89,223	59,180	29,170	177,573
Retainage Payable	37,898	0	0	37,898
Accrued Interest Payable	35,698	27,337	191	63,226
Long-Term Liabilities Due Within One Year	915,000	505,000	14,468	1,434,468
Total Current Liabilities	<u>1,218,201</u>	<u>768,090</u>	<u>105,569</u>	<u>2,091,860</u>
Long-Term Liabilities:				
Compensated Absences	224,785	103,472	43,822	372,079
Bonds, Notes & Loans Payable	7,715,000	6,710,000	36,396	14,461,396
Total Noncurrent Liabilities	<u>7,939,785</u>	<u>6,813,472</u>	<u>80,218</u>	<u>14,833,475</u>
Total Liabilities	<u>9,157,986</u>	<u>7,581,562</u>	<u>185,787</u>	<u>16,925,335</u>
Net Assets:				
Invested in Capital Assets, Net of Related Debt	13,347,385	12,478,421	9,627,031	35,452,837
Unrestricted	6,809,190	8,986,563	709,136	16,504,889
Total Net Assets	<u>\$20,156,575</u>	<u>\$21,464,984</u>	<u>\$10,336,167</u>	<u>\$51,957,726</u>

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, 2007

	Business-Type Activities -Enterprise Funds			
	Water	Sanitary Sewer	Other Enterprise Funds	Total Business-Type Activities
Operating Revenues:				
Fines, Licenses & Permits	\$0	\$0	\$3,675	\$3,675
Charges for Services	4,244,932	3,332,482	1,033,686	8,611,100
Other Revenues	21,333	4,913	343,802	370,048
Total Operating Revenues	4,266,265	3,337,395	1,381,163	8,984,823
Operating Expenses:				
Personal Services	1,550,387	1,456,934	807,117	3,814,438
Contractual Services	763,440	442,598	497,489	1,703,527
Materials and Supplies	732,483	217,438	367,912	1,317,833
Depreciation	959,569	864,098	470,027	2,293,694
Other Expenses	209,170	688,757	172,441	1,070,368
Total Operating Expenses	4,215,049	3,669,825	2,314,986	10,199,860
Operating Income (Loss)	51,216	(332,430)	(933,823)	(1,215,037)
Non-Operating Revenues (Expenses):				
Investment Earnings	360,331	477,256	11,155	848,742
Interest (Expense)	(503,644)	(412,782)	(18,148)	(934,574)
Total Non-Operating Revenues (Expenses)	(143,313)	64,474	(6,993)	(85,832)
Income (Loss) Before Contributions and Transfers	(92,097)	(267,956)	(940,816)	(1,300,869)
Capital Grants and Contributions	301,153	282,332	0	583,485
Transfers In	0	0	575,000	575,000
Change in Net Assets	209,056	14,376	(365,816)	(142,384)
Net Assets Beginning of Year	19,947,519	21,450,608	10,701,983	52,100,110
Net Assets End of Year	\$20,156,575	\$21,464,984	\$10,336,167	\$51,957,726

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, 2007

	Business-Type Activities -Enterprise Funds			
	Water	Sanitary Sewer	Other Enterprise Funds	Total Business-Type Activities
Cash Flows from Operating Activities:				
Cash Received from Customers	\$4,337,172	\$3,416,516	\$1,376,250	\$9,129,938
Cash Payments to Employees	(1,699,004)	(1,371,805)	(792,628)	(3,863,437)
Cash Payments to Suppliers	(1,695,274)	(1,384,134)	(1,039,801)	(4,119,209)
Net Cash Provided (Used) by Operating Activities	<u>942,894</u>	<u>660,577</u>	<u>(456,179)</u>	<u>1,147,292</u>
Cash Flows from Noncapital Financing Activities:				
Payments from Other Funds	<u>0</u>	<u>0</u>	<u>575,000</u>	<u>575,000</u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>0</u>	<u>0</u>	<u>575,000</u>	<u>575,000</u>
Cash Flows from Capital and Related Financing Activities:				
Payments for Capital Acquisitions	(275,600)	(471,179)	(17,764)	(764,543)
Debt Proceeds	0	0	60,154	60,154
Debt Principal Payments	(895,000)	(495,000)	(9,290)	(1,399,290)
Debt Interest Payments	(507,248)	(414,271)	(17,957)	(939,476)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(1,677,848)</u>	<u>(1,380,450)</u>	<u>15,143</u>	<u>(3,043,155)</u>
Cash Flows from Investing Activities:				
Earnings on Investments	<u>354,063</u>	<u>467,613</u>	<u>10,921</u>	<u>832,597</u>
Net Cash Provided (Used) by Cash Flows from Investing Activities	<u>354,063</u>	<u>467,613</u>	<u>10,921</u>	<u>832,597</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(380,891)	(252,260)	144,885	(488,266)
Cash and Cash Equivalents Beginning of Year	<u>7,047,094</u>	<u>9,421,171</u>	<u>679,246</u>	<u>17,147,511</u>
Cash and Cash Equivalents End of Year	<u><u>6,666,203</u></u>	<u><u>9,168,911</u></u>	<u><u>824,131</u></u>	<u><u>16,659,245</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	51,216	(332,430)	(933,823)	(1,215,037)
Adjustments:				
Depreciation	959,569	864,098	470,027	2,293,694
Changes in Assets & Liabilities:				
(Increase) Decrease in Receivables	70,907	79,121	(4,913)	145,115
(Increase) Decrease in Inventory	11,956	0	0	11,956
Increase (Decrease) in Payables	(2,137)	(35,341)	(1,959)	(39,437)
Increase (Decrease) in Accrued Liabilities	(148,617)	85,129	14,489	(48,999)
Net Cash Provided (Used) by Operating Activities	<u><u>\$942,894</u></u>	<u><u>\$660,577</u></u>	<u><u>(\$456,179)</u></u>	<u><u>\$1,147,292</u></u>
Schedule of Noncash Capital Activities:				
During the fiscal year, these amounts were received representing noncash contributions of:				
Capital Assets	<u><u>\$301,153</u></u>	<u><u>\$282,332</u></u>	<u><u>\$0</u></u>	<u><u>\$583,485</u></u>

See accompanying notes to the basic financial statements.

City of Troy, Ohio
Statement of Fiduciary Net Assets
Fiduciary Funds
December 31, 2007

	Private Purpose Trust	Agency
Assets:		
Equity in Pooled Cash and Investments	\$278,030	\$85,343
Receivables:		
Accounts	0	14,000
Interest	1,366	147
Total Assets	<u>279,396</u>	<u>99,490</u>
Liabilities:		
Other Liabilities	<u>0</u>	<u>99,490</u>
Total Liabilities	<u>0</u>	<u>\$99,490</u>
Net Assets:		
Restricted for Endowment - Expendable	169,304	
Restricted for Endowment - Nonexpendable	<u>110,092</u>	
Total Net Assets	<u>\$279,396</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, 2007

	Private Purpose Trust
Additions:	
Investment Earnings	\$14,080
Other	96
Total Additions	<u>14,176</u>
Deductions:	
Public Health and Welfare	<u>10,488</u>
Total Deductions	<u>10,488</u>
Change in Net Assets	3,688
Net Assets Beginning of Year	<u>275,708</u>
Net Assets End of Year	<u><u>\$279,396</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, 2007

1. DESCRIPTION OF THE CITY AND REPORTING ENTITY

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

Reporting Entity

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Measurement Focus

Government-wide Financial Statements

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

Fund Financial Statements

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

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

Basis of Presentation

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

Government-wide Financial Statements

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

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

Fund Financial Statements

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

Fund Accounting

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

Governmental Funds

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

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

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

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

Proprietary Funds

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

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

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

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

Fiduciary Funds

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

Basis of Accounting

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

Revenues - Exchange and Non-exchange Transactions

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

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

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

Deferred Revenue

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

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

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

Unearned Revenue

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

Expenses/Expenditures

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

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

Equity in Pooled Cash and Investments

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

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

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

Following the Ohio Revised Code, the City has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2007 amounted to \$2,710,980. Interest revenues assigned to the General Fund from other city funds amounted to \$2,233,720.

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.

Restricted Assets

Restricted assets consist of resources whose use is restricted by retainage for various contractors.

Net Assets

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

The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. Of the City's \$8,547,364 in restricted net assets, \$0 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.

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, 2007, \$2,704,559 of the City's bank balance of \$2,977,771 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, 2007, the City had the following investments:

Investment Type	Fair Value	Weighted Average Maturity (Years)
Federal Home Loan Bank	\$18,268,084	2.10
Federal Home Loan Mortgage	15,846,299	2.55
Federal Farm Credit Bank	1,000,000	1.98
Federal National Mortgage Assoc.	13,512,655	1.83
Troy Long-Term Debt		
Held by the City	1,725,000	26.69
Money Market Fund	7,378,948	0.00
Total Fair Value	\$57,730,986	
Portfolio Weighted Average Maturity		2.67

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

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

Concentration of credit risk – The City’s investment policy allows investments in Federal Government Securities or Instrumentalities. The City has invested 32% of the City’s investments in Federal Home Loan Bank, 27% in Federal Home Loan Mortgage, 2% in Federal Farm Credit Bank, 23% in Federal National Mortgage Assoc., 3% in Troy Long-Term Debt Held by the City and 13% in money market funds.

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

4. RECEIVABLES

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

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

Special assessments expected to be collected in more than one year amounts to approximately \$920,803 of which, \$10,519 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 2007 for real and public utility property taxes represents collections of the 2006 taxes. Property tax payments received during 2007 for tangible personal property (other than public utility property) is for 2006 taxes.

2007 real property taxes are levied after October 1, 2007, on the assessed value as of January 1, 2007, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2007 real property taxes are collected in and intended to finance 2008 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. 2007 public utility property taxes became a lien December 31, 2006, are levied after October 1, 2007, and are collected in 2008 with real property taxes.

2007 tangible personal property taxes are levied after October 1, 2007, on the value as of December 31, 2006. Collections are made in 2007. 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	\$432,828,960
Public Utility	11,374,070
Tangible Personal Property	<u>82,696,590</u>
Total Valuation	<u><u>\$526,899,620</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.

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 2007, 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 7/1/07-7/1/08):

\$1,000,000,000/occurrence

MVRMA SIR: \$200,000/occurrence

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

Lexington Insurance Company (Primary \$25 million)

Layers excess of \$25 million will be composed of a combination of the following insurance carriers:

AXIS Specialty Insurance Corp.

C.N.A./Continental Casualty Insurance Co.

Commonwealth Insurance Company
Essex Insurance
Global Excess - Lloyds of London
GMAC Re
Great American Insurance Co.
Lancashire Re
Lloyd's of London
Munich Re/Great Lakes
One Beacon/Homeland Insurance Co.
Traveler's Insurance Company
XL America
Zurich/Steadfast Insurance

Flood (included in property policy effective 7/1/07):

\$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 (included in property policy effective 7/1/07):

\$25 million/occurrence and annual aggregate

MVRMA SIR: \$100,000/occurrence

Boiler & Machinery (included in PEP/IP Program effective 7/1/07):

\$100,000,000/occurrence

MVRMA SIR: \$5,000/occurrence

Coverage excess SIR provided:

Lexington Insurance Company – 100% of \$25 million Primary

CNA Insurance Company – 50% of \$75 million Excess of \$25 million

Foreign Excess Ins. Companies – 50% of \$75 million Excess of \$25 million

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.

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	\$12,084,897	\$87,378	\$0	\$12,172,275
Construction in Progress	2,851,584	589,995	3,266,037	175,542
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	11,426,950	3,266,037	0	14,692,987
Equipment	7,632,571	756,695	120,000	8,269,266
Infrastructure	25,413,622	2,111,497	0	27,525,119
Totals at Historical Cost	<u>59,409,624</u>	<u>6,811,602</u>	<u>3,386,037</u>	<u>62,835,189</u>
Less Accumulated Depreciation:				
Buildings and Improvements	4,374,886	407,421	0	4,782,307
Equipment	5,163,822	568,299	48,000	5,684,121
Infrastructure	10,002,090	473,155	0	10,475,245
Total Accumulated Depreciation	<u>\$19,540,798</u>	<u>\$1,448,875</u>	<u>\$48,000</u>	<u>\$20,941,673</u>
Governmental Activities Capital Assets, Net	<u>\$39,868,826</u>	<u>\$5,362,727</u>	<u>\$3,338,037</u>	<u>\$41,893,516</u>

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Business-Type Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$538,683	\$0	\$0	\$538,683
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	44,627,692	0	0	44,627,692
Equipment	10,610,718	539,438	97,598	11,052,558
Infrastructure	24,007,372	816,144	0	24,823,516
Totals at Historical Cost	<u>79,784,465</u>	<u>1,355,582</u>	<u>97,598</u>	<u>81,042,449</u>
Less Accumulated Depreciation:				
Buildings and Improvements	14,065,862	1,210,698	0	15,276,560
Equipment	2,688,866	552,989	90,044	3,151,811
Infrastructure	10,786,234	530,007	0	11,316,241
Total Accumulated Depreciation	<u>\$27,540,962</u>	<u>\$2,293,694</u>	<u>\$90,044</u>	<u>\$29,744,612</u>
Business-Type Activities Capital Assets, Net	<u>\$52,243,503</u>	<u>(\$938,112)</u>	<u>\$7,554</u>	<u>\$51,297,837</u>

Depreciation expense was charged to governmental functions as follows:

General Government	\$501,888
Public Safety	304,343
Leisure Time	290,602
Transportation	265,668
Basic Utility	47,904
Community Development	38,470
Total Depreciation Expense	<u>\$1,448,875</u>

7. COMPENSATED ABSENCES

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

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

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

8. LONG-TERM OBLIGATIONS

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

	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%	\$80,000	\$0	(\$40,000)	\$40,000	\$40,000
Stadium Improvements - \$3,055,000	12/1/22	2.50-5.25%	2,665,000	0	(120,000)	2,545,000	125,000
Elm Street Improvements - \$595,000	12/1/24	2.00-4.75%	560,000	0	(25,000)	535,000	25,000
Aquatic Center - \$3,945,000	12/1/24	2.00-4.75%	3,690,000	0	(150,000)	3,540,000	155,000
Cemetery Maintenance Building - \$455,000	12/1/24	2.00-4.75%	430,000	0	(15,000)	415,000	20,000
Fire Station - \$2,515,000	12/1/24	2.00-4.75%	2,350,000	0	(95,000)	2,255,000	100,000
Tax Increment Financing - \$1,800,000	9/1/34	6.00%	1,750,000	0	(25,000)	1,725,000	25,000
Total General Obligation Bonds			<u>11,525,000</u>	<u>0</u>	<u>(470,000)</u>	<u>11,055,000</u>	<u>490,000</u>
<u>Special Assessment Bonds</u>							
Street Improvement - St. Rt. 55 - \$276,000	12/1/08	7.13%	28,000	0	(14,000)	14,000	14,000
Street Improvement - Dorset Rd. - \$779,000	12/1/09	7.35%	120,000	0	(40,000)	80,000	40,000
Street Improvement - Exp. Farm Rd. - \$140,000	12/1/11	3.35-5.00%	50,000	0	(10,000)	40,000	10,000
Total Special Assessment Bonds			<u>198,000</u>	<u>0</u>	<u>(64,000)</u>	<u>134,000</u>	<u>64,000</u>
Total Long-Term Liabilities - Bonds			11,723,000	0	(534,000)	11,189,000	554,000
Compensated Absences			<u>1,355,451</u>	<u>622,427</u>	<u>(546,321)</u>	<u>1,431,557</u>	<u>462,319</u>
Total Governmental Activities			<u>\$13,078,451</u>	<u>\$622,427</u>	<u>(\$1,080,321)</u>	<u>\$12,620,557</u>	<u>\$1,016,319</u>

	Maturity Date	Interest Rate	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Business Type Activities							
General Obligation Bonds							
Water Improvement Towers - \$2,585,000	12/1/11	3.35-5.00%	\$1,170,000	\$0	(\$215,000)	\$955,000	\$220,000
Waterplant Expansion I - \$1,580,000	12/1/11	4.75-6.25%	1,355,000	0	(240,000)	1,115,000	255,000
Waterplant Expansion II - \$620,000	12/1/07	4.50%	320,000	0	(320,000)	0	0
Wastewater System Improvement - \$3,500,000	12/1/19	3.35-5.30%	2,470,000	0	(140,000)	2,330,000	145,000
Wastewater Improvement IIC&VA - \$500,000	12/31/20	0.00%	350,000	0	(25,000)	325,000	25,000
Water Line Extension - \$1,020,000	12/1/12	2.50-4.00%	665,000	0	(100,000)	565,000	105,000
Southeast Area Sewer - \$1,310,000	12/1/24	2.00-4.75%	1,225,000	0	(50,000)	1,175,000	50,000
Generators - \$1,210,000	12/1/24	2.00-4.75%	1,130,000	0	(45,000)	1,085,000	45,000
Refunding Wastewater System Improvement - \$2,550,000	12/1/15	4.00-5.00%	2,535,000	0	(235,000)	2,300,000	240,000
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%	4,310,000	0	(20,000)	4,290,000	335,000
Total General Obligation Bonds			17,235,000	0	(1,390,000)	15,845,000	1,420,000
Golf Cart Note - \$60,154	4/1/10	4.50%	0	60,154	(9,290)	50,864	14,468
Total Long Term Liabilities - Bonds and Note			17,235,000	60,154	(1,399,290)	15,895,864	1,434,468
Compensated Absences			682,529	60,722	(193,599)	549,652	177,573
Total Business-Type Activities			\$17,917,529	\$120,876	(\$1,592,889)	\$16,445,516	\$1,612,041

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

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

Year Ending December 31	Governmental Activities				Business Type Activities			
	General Obligation Bonds		Special Assessment Bonds		General Obligation Bonds		Notes Payable	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2008	\$490,000	\$501,692	\$64,000	\$8,833	\$1,420,000	\$756,424	\$14,468	\$1,993
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
2013-2017	2,860,000	1,866,720	0	0	6,570,000	1,278,176	0	0
2018-2022	3,610,000	1,134,583	0	0	1,335,000	237,350	0	0
2023-2027	1,445,000	363,924	0	0	360,000	25,886	0	0
2028-2032	485,000	163,200	0	0	0	0	0	0
2033-2034	240,000	21,900	0	0	0	0	0	0
Total	\$11,055,000	\$5,900,429	\$134,000	\$14,748	\$15,845,000	\$4,611,516	\$50,864	\$4,006

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

9. PRIOR YEAR DEFEASANCE OF DEBT

In prior years, the City defeased certain general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included on the City's financial statements. On December 31, 2007, \$8,745,000 of bonds outstanding are considered defeased.

10. PENSION PLANS

Ohio Public Employees Retirement System

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

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

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

Plan members are required to contribute 9.5 percent of their annual covered salary to fund pension obligations. The employer pension contribution rate for the City is 13.85 percent of covered payroll. Contributions are authorized by State statute. The contribution rates are determined actuarially. The City's required contributions to OPERS for the years ended December 31, 2007, 2006 and 2005 were \$940,437, \$916,454, and \$938,267, respectively. The full amount has been contributed for 2006 and 2005 and 100% has been contributed for 2007.

Ohio Police and Fire Pension Fund

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

Police and firefighters are required to contribute 10 percent of their annual covered salary to fund pension obligations and the City is required to contribute 19.5 percent for police and 24.0 percent for firefighters. Contributions are authorized by State statute. The City's contributions to the OP&F for the years ending December 31, 2007, 2006 and 2005 were \$1,139,893, \$1,133,385, and \$1,136,612, respectively. The full amount has been contributed for 2006 and 2005 and 70% has been contributed for 2007.

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, attention: Finance Director, 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 2007, the City contributed at 13.85% 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 2007, the employer contribution allocated to the health care plan from January 1 through June 30, 2007 and July 1 through December 31, 2007 was 5.0% and 6.0% of covered payroll, respectively. 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 \$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, \$301,025 for December 31, 2006 and \$276,979 for December 31, 2005.

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, will be 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, 2007, the number of active contributing participants in the Traditional and Combined Plans totaled 374,979. The number of active contributing participants for both plans used in the December 31, 2006 actuarial valuation was 362,130.

The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2006, (the latest information available) were \$12.0 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$30.7 billion and \$18.7 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, 19.50% and 24.00% of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.50% of the covered payroll for police employer units and 24.00% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

OP&F's post employment healthcare plan was established and is administered as an Internal Revenue Code 401(h) account 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 401h account as the employer contribution for retiree healthcare benefits. 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 also is limited by the provisions of Section 401h.

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, 2007 were \$183,071 for police and \$171,631 for fire; for the year ending December 31, 2006 were \$207,265 for police and \$197,452 for fire; and for the year ending December 31, 2005 were \$204,383 for police and \$200,839 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, 2006, the date of the last actuarial valuation available, are 14,120 for Police and 10,563 for Firefighters. OP&F's total health care expense for the year ending December 31, 2006, the date of the last actuarial valuation available, was \$120,373,722, which was net of member contributions of \$58,532,848.

12. CONSTRUCTION AND OTHER COMMITMENTS

The City had the following outstanding commitments at year end:

<u>Projects</u>	<u>Amount</u>
Sewer Plant	\$22,932
Water Treatment Plant	177,002
Street Improvements	373,296
Tennis Court Improvements	35,200
Asset Management System	108,970
Refuse Collection	32,325
Automated Fingerprint ID System	<u>21,284</u>
Total	<u><u>\$771,009</u></u>

13. INTERFUND TRANSFERS

Interfund transfers for the year ended December 31, 2007 consisted of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$1,000,000	\$4,086,874
Capital Improvement Fund	1,000,000	0
Other Governmental Funds	2,511,874	1,000,000
Other Enterprise Funds	<u>575,000</u>	<u>0</u>
Total All Funds	<u><u>\$5,086,874</u></u>	<u><u>\$5,086,874</u></u>

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

14. DONOR-RESTRICTED ENDOWMENT

The City administers an endowment fund, which is restricted by the donor for the purposes of cemetery maintenance and improvement. Donor-restricted endowments are reported at fair value. The amount of net appreciation on investments of donor-restricted endowments that is available for authorization for expenditure by the City is \$169,304. The City authorizes expenditures from donor-restricted endowment in compliance with the wishes expressed by the donor and the Ohio Revised Code.

15. CHANGE IN ACCOUNTING PRINCIPLE

For the year ended December 31, 2007, the City has implemented GASB Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions."

Statement No. 45 addresses how state and local governments should account for and report their costs and obligations related to postemployment healthcare and other non-pension benefits. This also establishes disclosure requirements for information about the plans in which an employer participates, the funding policy followed, the actuarial valuation process and assumptions, and for certain employers, the extent to which the plan has been funded over time. Collectively, these benefits are commonly referred to as "other postemployment benefits (OPEB)."

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

REQUIRED SUPPLEMENTARY INFORMATION

City of Troy, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2007

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$12,898,451	\$13,964,000	\$14,527,380	\$563,380
Fines, Licenses & Permits	81,927	85,300	92,274	6,974
Intergovernmental	1,493,525	1,655,550	1,682,140	26,590
Special Assessments	10,398	0	11,711	11,711
Charges for Services	1,669,278	1,749,900	1,880,089	130,189
Investment Earnings	1,760,591	1,873,000	1,982,934	109,934
Other Revenues	349,674	273,925	393,834	119,909
Total Revenues	18,263,844	19,601,675	20,570,362	968,687
Expenditures:				
Current:				
General Government	4,860,905	4,920,056	4,759,771	160,285
Public Safety	9,418,089	9,493,544	9,222,140	271,404
Leisure Time Activities	1,359,268	1,395,187	1,330,988	64,199
Community Development	609,287	622,438	596,610	25,828
Basic Utility Service	1,296,874	1,405,910	1,269,892	136,018
Total Expenditures	17,544,423	17,837,135	17,179,401	657,734
Excess of Revenues Over (Under) Expenditures	719,421	1,764,540	3,390,961	1,626,421
Other financing sources (uses):				
Transfers In	888,251	1,000,426	1,000,427	1
Transfers (Out)	(4,173,711)	(5,587,000)	(4,086,874)	1,500,126
Total Other Financing Sources (Uses)	(3,285,460)	(4,586,574)	(3,086,447)	1,500,127
Net Change in Fund Balance	(2,566,039)	(2,822,034)	304,514	3,126,548
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	36,054,412	36,054,412	36,054,412	0
Fund Balance End of Year	\$33,488,373	\$33,232,378	\$36,358,926	\$3,126,548

See accompanying notes to the required supplementary information.

1. BUDGETARY PROCESS

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

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

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

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

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

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

Net Change in Fund Balance

	<u>General</u>
GAAP Basis	\$1,421,243
Net Adjustment for Revenue Accruals	(1,006,618)
Net Adjustment for Expenditure Accruals	97,947
Transfers	427
Encumbrances	<u>(208,485)</u>
Budget Basis	<u><u>\$304,514</u></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.

City of Troy, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2007

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in Pooled Cash and Investments	\$4,108,444	\$13,806	\$639,092	\$4,761,342
Restricted Cash and Investments	2,286	0	43,153	45,439
Receivables:				
Taxes	242,672	0	0	242,672
Accounts	24,653	0	0	24,653
Interest	11,572	0	0	11,572
Intergovernmental	559,323	0	421,360	980,683
Notes	2,041,560	0	0	2,041,560
Special Assessments	7,041	141,148	0	148,189
Total Assets	6,997,551	154,954	1,103,605	8,256,110
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	45,607	0	11,810	57,417
Accrued Wages and Benefits	80,843	0	0	80,843
Retainage Payable	2,286	0	43,153	45,439
Deferred Revenue	512,849	141,148	421,360	1,075,357
Total Liabilities	641,585	141,148	476,323	1,259,056
Fund Balances:				
Reserved for Encumbrances	107,374	0	68,447	175,821
Reserved for Property Tax Advances	4,130	0	0	4,130
Reserved for Notes Receivable	2,041,560	0	0	2,041,560
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	4,202,902	0	0	4,202,902
Debt Service Funds	0	13,806	0	13,806
Capital Projects Funds	0	0	558,835	558,835
Total Fund Balances	6,355,966	13,806	627,282	6,997,054
Total Liabilities and Fund Balances	\$6,997,551	\$154,954	\$1,103,605	\$8,256,110

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City of Troy, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2007

	Street Construction, Maintenance and Repair	State Highway Improvement	Cemetery	Safety - Income Tax
Assets:				
Equity in Pooled Cash and Investments	\$531,050	\$98,394	\$43,782	\$782,703
Restricted Cash and Investments	0	0	0	0
Receivables:				
Taxes	0	0	0	177,679
Accounts	8,066	0	9,825	0
Interest	0	483	0	0
Intergovernmental	483,602	39,210	0	0
Notes	0	0	0	0
Special Assessments	7,041	0	0	0
Total Assets	1,029,759	138,087	53,607	960,382
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	26,843	14,306	3,072	0
Accrued Wages and Benefits	61,971	0	18,872	0
Retainage Payable	0	0	0	0
Deferred Revenue	408,482	32,548	0	0
Total Liabilities	497,296	46,854	21,944	0
Fund Balances:				
Reserved for Encumbrances	1,835	2,027	1,346	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	530,628	89,206	30,317	960,382
Total Fund Balances	532,463	91,233	31,663	960,382
Total Liabilities and Fund Balances	\$1,029,759	\$138,087	\$53,607	\$960,382

Municipal Real Property	Miami Conservancy District	Recreational Programs	Parks and Recreation Improvement	Community Development Block Grant	Parking Improvement	Drug Law Enforcement
\$442,680	\$126,688	\$199,488	\$84,219	\$569,913	\$210,351	\$9,614
0	0	0	2,286	0	0	0
0	64,993	0	0	0	0	0
0	0	2,271	1,808	0	1,475	0
2,175	0	980	425	2,800	1,033	0
34,073	2,438	0	0	0	0	0
0	0	0	0	2,016,560	0	0
0	0	0	0	0	0	0
<u>478,928</u>	<u>194,119</u>	<u>202,739</u>	<u>88,738</u>	<u>2,589,273</u>	<u>212,859</u>	<u>9,614</u>
1,386	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	2,286	0	0	0
8,518	63,301	0	0	0	0	0
<u>9,904</u>	<u>63,301</u>	<u>0</u>	<u>2,286</u>	<u>0</u>	<u>0</u>	<u>0</u>
1,516	0	21,349	17,000	59,801	2,500	0
0	4,130	0	0	0	0	0
0	0	0	0	2,016,560	0	0
<u>467,508</u>	<u>126,688</u>	<u>181,390</u>	<u>69,452</u>	<u>512,912</u>	<u>210,359</u>	<u>9,614</u>
<u>469,024</u>	<u>130,818</u>	<u>202,739</u>	<u>86,452</u>	<u>2,589,273</u>	<u>212,859</u>	<u>9,614</u>
<u>\$478,928</u>	<u>\$194,119</u>	<u>\$202,739</u>	<u>\$88,738</u>	<u>\$2,589,273</u>	<u>\$212,859</u>	<u>\$9,614</u>

Continued

City of Troy, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2007

	Law Enforcement	Cemetery Endowment	Small Business Development R-Loan	Total Nonmajor Special Revenue Funds
Assets:				
Equity in Pooled Cash and Investments	\$22,464	\$748,288	\$238,810	\$4,108,444
Restricted Cash and Investments	0	0	0	2,286
Receivables:				
Taxes	0	0	0	242,672
Accounts	283	925	0	24,653
Interest	0	3,676	0	11,572
Intergovernmental	0	0	0	559,323
Notes	0	0	25,000	2,041,560
Special Assessments	0	0	0	7,041
Total Assets	22,747	752,889	263,810	6,997,551
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	0	0	0	45,607
Accrued Wages and Benefits	0	0	0	80,843
Retainage Payable	0	0	0	2,286
Deferred Revenue	0	0	0	512,849
Total Liabilities	0	0	0	641,585
Fund Balances:				
Reserved for Encumbrances	0	0	0	107,374
Reserved for Property Tax Advances	0	0	0	4,130
Reserved for Notes Receivable	0	0	25,000	2,041,560
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	22,747	752,889	238,810	4,202,902
Total Fund Balances	22,747	752,889	263,810	6,355,966
Total Liabilities and Fund Balances	\$22,747	\$752,889	\$263,810	\$6,997,551

City of Troy, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2007

	OPWC Project Fund	TIF 2003 Fund	Total Nonmajor Capital Projects Funds
Assets:			
Equity in Pooled Cash and Investments	\$542,637	\$96,455	\$639,092
Restricted Cash and Investments	43,153	0	43,153
Receivables:			
Intergovernmental	421,360	0	421,360
Total Assets	1,007,150	96,455	1,103,605
Liabilities and Fund Balances:			
Liabilities:			
Accounts Payable	11,810	0	11,810
Retainage Payable	43,153	0	43,153
Deferred Revenue	421,360	0	421,360
Total Liabilities	476,323	0	476,323
Fund Balances:			
Reserved for Encumbrances	68,447	0	68,447
Unreserved, Undesignated, Reported in: Capital Projects Funds	462,380	96,455	558,835
Total Fund Balances	530,827	96,455	627,282
Total Liabilities and Fund Balances	\$1,007,150	\$96,455	\$1,103,605

City of Troy, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Governmental Funds
For the Fiscal Year Ended December 31, 2007

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$821,890	\$0	\$0	\$821,890
Fines, Licenses & Permits	17,150	0	0	17,150
Charges for Services	339,770	0	0	339,770
Investment Earnings	109,141	6,518	0	115,659
Intergovernmental	1,195,237	0	0	1,195,237
Special Assessments	0	78,301	0	78,301
Payments in Lieu of Taxes	0	0	162,376	162,376
Other Revenues	95,074	0	0	95,074
Total Revenues	2,578,262	84,819	162,376	2,825,457
Expenditures:				
Current:				
General Government	60,376	0	0	60,376
Leisure Time Activities	231,994	0	0	231,994
Community Development	146,000	0	0	146,000
Transportation and Street Repair	2,263,423	0	0	2,263,423
Public Health and Welfare	494,383	0	0	494,383
Capital Outlay	3,497	0	926,147	929,644
Debt Service:				
Principal Retirement	0	509,000	25,000	534,000
Interest and Fiscal Charges	0	423,781	105,000	528,781
Other	0	3,865	0	3,865
Total Expenditures	3,199,673	936,646	1,056,147	5,192,466
Excess of Revenues Over (Under) Expe	(621,411)	(851,827)	(893,771)	(2,367,009)
Other Financing Sources (Uses):				
Transfers In	1,611,874	750,000	150,000	2,511,874
Transfers (Out)	(1,000,000)	0	0	(1,000,000)
Total Other Financing Sources (Uses)	611,874	750,000	150,000	1,511,874
Net Change in Fund Balance	(9,537)	(101,827)	(743,771)	(855,135)
Fund Balance Beginning of Year	6,365,503	115,633	1,371,053	7,852,189
Fund Balance End of Year	\$6,355,966	\$13,806	\$627,282	\$6,997,054

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City of Troy, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended December 31, 2007

	Street Construction, Maintenance and Repair	State Highway Improvement	Cemetery	Safety - Income Tax
Revenues:				
Taxes	\$0	\$0	\$0	\$746,490
Fines, Licenses & Permits	0	0	0	0
Charges for Services	13,903	0	131,280	0
Investment Earnings	0	2,202	0	0
Intergovernmental	1,050,806	85,201	0	0
Other Revenues	2,241	44	3,683	0
Total Revenues	<u>1,066,950</u>	<u>87,447</u>	<u>134,963</u>	<u>746,490</u>
Expenditures:				
Current:				
General Government	0	0	0	0
Leisure Time Activities	0	0	0	0
Community Development	0	0	0	0
Transportation and Street Repair	2,088,771	74,505	0	0
Public Health and Welfare	0	0	475,413	0
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>2,088,771</u>	<u>74,505</u>	<u>475,413</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,021,821)</u>	<u>12,942</u>	<u>(340,450)</u>	<u>746,490</u>
Other Financing Sources (Uses):				
Transfers In	1,000,000	0	350,000	0
Transfers (Out)	<u>0</u>	<u>0</u>	<u>0</u>	<u>(1,000,000)</u>
Total Other Financing Sources (Uses)	<u>1,000,000</u>	<u>0</u>	<u>350,000</u>	<u>(1,000,000)</u>
Net Change in Fund Balance	(21,821)	12,942	9,550	(253,510)
Fund Balance Beginning of Year	<u>554,284</u>	<u>78,291</u>	<u>22,113</u>	<u>1,213,892</u>
Fund Balance End of Year	<u><u>\$532,463</u></u>	<u><u>\$91,233</u></u>	<u><u>\$31,663</u></u>	<u><u>\$960,382</u></u>

Municipal Real Property	Miami Conservancy District	Recreational Programs	Parks and Recreation Improvement	Community Development Block Grant	Parking Improvement	Drug Law Enforcement
\$0	\$75,400	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	13,025	1,262
0	0	173,049	0	0	0	0
22,819	0	10,300	6,266	17,534	11,313	0
54,425	4,805	0	0	0	0	0
0	0	17,644	7,278	63,242	79	0
<u>77,244</u>	<u>80,205</u>	<u>200,993</u>	<u>13,544</u>	<u>80,776</u>	<u>24,417</u>	<u>1,262</u>
0	60,376	0	0	0	0	0
0	0	168,030	63,964	0	0	0
0	0	0	0	146,000	0	0
72,594	0	0	0	0	27,553	0
0	0	0	0	0	0	0
1,211	0	0	2,286	0	0	0
<u>73,805</u>	<u>60,376</u>	<u>168,030</u>	<u>66,250</u>	<u>146,000</u>	<u>27,553</u>	<u>0</u>
<u>3,439</u>	<u>19,829</u>	<u>32,963</u>	<u>(52,706)</u>	<u>(65,224)</u>	<u>(3,136)</u>	<u>1,262</u>
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
3,439	19,829	32,963	(52,706)	(65,224)	(3,136)	1,262
465,585	110,989	169,776	139,158	2,654,497	215,995	8,352
<u>\$469,024</u>	<u>\$130,818</u>	<u>\$202,739</u>	<u>\$86,452</u>	<u>\$2,589,273</u>	<u>\$212,859</u>	<u>\$9,614</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, 2007

	Law Enforcement	Cemetery Endowment	Small Business Development R-Loan	Total Nonmajor Special Revenue Funds
Revenues:				
Taxes	\$0	\$0	\$0	\$821,890
Fines, Licenses & Permits	2,863	0	0	17,150
Charges for Services	0	21,538	0	339,770
Investment Earnings	0	37,377	1,330	109,141
Intergovernmental	0	0	0	1,195,237
Other Revenues	0	257	606	95,074
Total Revenues	2,863	59,172	1,936	2,578,262
Expenditures:				
Current:				
General Government	0	0	0	60,376
Leisure Time Activities	0	0	0	231,994
Community Development	0	0	0	146,000
Transportation and Street Repair	0	0	0	2,263,423
Public Health and Welfare	0	18,970	0	494,383
Capital Outlay	0	0	0	3,497
Total Expenditures	0	18,970	0	3,199,673
Excess of Revenues Over (Under) Expenditures	2,863	40,202	1,936	(621,411)
Other Financing Sources (Uses):				
Transfers In	0	0	261,874	1,611,874
Transfers (Out)	0	0	0	(1,000,000)
Total Other Financing Sources (Uses)	0	0	261,874	611,874
Net Change in Fund Balance	2,863	40,202	263,810	(9,537)
Fund Balance Beginning of Year	19,884	712,687	0	6,365,503
Fund Balance End of Year	\$22,747	\$752,889	\$263,810	\$6,355,966

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, 2007

	OPWC Project Fund	TIF 2003 Fund	Total Nonmajor Capital Projects Funds
Revenues:			
Payments in Lieu of Taxes	\$0	\$162,376	\$162,376
Total Revenues	0	162,376	162,376
Expenditures:			
Current:			
Capital Outlay	914,855	11,292	926,147
Debt Service:			
Principal Retirement	0	25,000	25,000
Interest and Fiscal Charges	0	105,000	105,000
Total Expenditures	914,855	141,292	1,056,147
Excess of Revenues Over (Under) Expenditures	(914,855)	21,084	(893,771)
Other Financing Sources (Uses):			
Transfers In	150,000	0	150,000
Total Other Financing Sources (Uses)	150,000	0	150,000
Net Change in Fund Balance	(764,855)	21,084	(743,771)
Fund Balance Beginning of Year	1,295,682	75,371	1,371,053
Fund Balance End of Year	\$530,827	\$96,455	\$627,282

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, 2007

	Street Construction. Maintenance and Repair Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$1,002,000	\$1,052,399	\$50,399
Charges for Services	4,000	9,748	5,748
Other Revenues	1,000	2,241	1,241
Total Revenues	<u>1,007,000</u>	<u>1,064,388</u>	<u>57,388</u>
Expenditures:			
Current:			
Transportation & Street Repair	2,310,638	2,099,061	211,577
Total Expenditures	<u>2,310,638</u>	<u>2,099,061</u>	<u>211,577</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,303,638)</u>	<u>(1,034,673)</u>	<u>268,965</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	(303,638)	(34,673)	268,965
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>560,101</u>	<u>560,101</u>	<u>0</u>
Fund Balance End of Year	<u>\$256,463</u>	<u>\$525,428</u>	<u>\$268,965</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, 2007

	State Highway Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$80,000	\$85,330	\$5,330
Investment Earnings	900	1,517	617
Other Revenues	0	44	44
Total Revenues	<u>80,900</u>	<u>86,891</u>	<u>5,991</u>
Expenditures:			
Current:			
Transportation & Street Repair	93,340	71,606	21,734
Total Expenditures	<u>93,340</u>	<u>71,606</u>	<u>21,734</u>
Net Change in Fund Balance	(12,440)	15,285	27,725
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>80,577</u>	<u>80,577</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$68,137</u></u>	<u><u>\$95,862</u></u>	<u><u>\$27,725</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, 2007

	Cemetery Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Charges for Services	\$118,000	\$132,420	\$14,420
Other Revenues	0	1,968	1,968
Total Revenues	118,000	134,388	16,388
Expenditures:			
Current:			
Public Health and Welfare	497,299	477,592	19,707
Total Expenditures	497,299	477,592	19,707
Excess of Revenues Over (Under) Expenditures	(379,299)	(343,204)	36,095
Other financing sources (uses):			
Transfers In	350,000	350,000	0
Total Other Financing Sources (Uses)	350,000	350,000	0
Net Change in Fund Balance	(29,299)	6,796	36,095
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	35,640	35,640	0
Fund Balance End of Year	\$6,341	\$42,436	\$36,095

City of Troy, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2007

	Safety - Income Tax Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$595,000	\$723,514	\$128,514
Total Revenues	595,000	723,514	128,514
Expenditures:			
Current:			
General Government	0	0	0
Total Expenditures	0	0	0
Excess of Revenues Over (Under) Expenditures	595,000	723,514	128,514
Other financing sources (uses):			
Transfers (Out)	(1,000,000)	(1,000,000)	0
Total Other Financing Sources (Uses)	(1,000,000)	(1,000,000)	0
Net Change in Fund Balance	(405,000)	(276,486)	128,514
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,059,189	1,059,189	0
Fund Balance End of Year	\$654,189	\$782,703	\$128,514

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, 2007

	Municipal Real Property Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$25,000	\$50,159	\$25,159
Investment Earnings	13,000	19,648	6,648
Total Revenues	38,000	69,807	31,807
Expenditures:			
Current:			
Capital Outlay	253,750	75,496	178,254
Total Expenditures	253,750	75,496	178,254
Net Change in Fund Balance	(215,750)	(5,689)	210,061
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	442,807	442,807	0
Fund Balance End of Year	\$227,057	\$437,118	\$210,061

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, 2007

	Miami Conservancy District Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$61,500	\$72,253	\$10,753
Intergovernmental	4,000	4,805	805
Total Revenues	65,500	77,058	11,558
Expenditures:			
Current:			
General Government	65,500	60,376	5,124
Total Expenditures	65,500	60,376	5,124
Net Change in Fund Balance	0	16,682	16,682
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	110,006	110,006	0
Fund Balance End of Year	\$110,006	\$126,688	\$16,682

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, 2007

	Recreational Programs Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Charges for Services	\$166,550	\$173,365	\$6,815
Investment Earnings	5,150	8,907	3,757
Other Revenues	17,000	17,644	644
Total Revenues	<u>188,700</u>	<u>199,916</u>	<u>11,216</u>
Expenditures:			
Current:			
Leisure Time Activities	207,877	189,409	18,468
Total Expenditures	<u>207,877</u>	<u>189,409</u>	<u>18,468</u>
Net Change in Fund Balance	(19,177)	10,507	29,684
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>166,593</u>	<u>166,593</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$147,416</u></u>	<u><u>\$177,100</u></u>	<u><u>\$29,684</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, 2007

	Parks and Recreation Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$4,000	\$5,593	\$1,593
Other Revenues	4,000	7,397	3,397
Total Revenues	8,000	12,990	4,990
Expenditures:			
Current:			
Leisure Time Activities	91,940	80,964	10,976
Total Expenditures	91,940	80,964	10,976
Net Change in Fund Balance	(83,940)	(67,974)	15,966
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	136,717	136,717	0
Fund Balance End of Year	\$52,777	\$68,743	\$15,966

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, 2007

	Community Development Block Grant Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$13,275	\$13,316	\$41
Other Revenues	487,100	497,772	10,672
Total Revenues	500,375	511,088	10,713
Expenditures:			
Current:			
Community Development	920,000	701,000	219,000
Total Expenditures	920,000	701,000	219,000
Net Change in Fund Balance	(419,625)	(189,912)	229,713
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	695,991	695,991	0
Fund Balance End of Year	\$276,366	\$506,079	\$229,713

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, 2007

	Parking Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses & Permits	\$10,900	\$12,025	\$1,125
Investment Earnings	8,200	9,802	1,602
Other Revenues	0	79	79
Total Revenues	19,100	21,906	2,806
Expenditures:			
Current:			
Transportation & Street Repair	100,000	30,053	69,947
Total Expenditures	100,000	30,053	69,947
Net Change in Fund Balance	(80,900)	(8,147)	72,753
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	214,713	214,713	0
Fund Balance End of Year	\$133,813	\$206,566	\$72,753

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, 2007

	Drug Law Enforcement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses & Permits	\$100	\$1,262	\$1,162
Total Revenues	100	1,262	1,162
Expenditures:			
Current:			
Public Safety	3,000	0	3,000
Total Expenditures	3,000	0	3,000
Net Change in Fund Balance	(2,900)	1,262	4,162
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	8,352	8,352	0
Fund Balance End of Year	\$5,452	\$9,614	\$4,162

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, 2007

	Law Enforcement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses & Permits	\$1,500	\$2,909	\$1,409
Total Revenues	1,500	2,909	1,409
Expenditures:			
Current:			
Public Safety	3,000	0	3,000
Total Expenditures	3,000	0	3,000
Net Change in Fund Balance	(1,500)	2,909	4,409
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	19,555	19,555	0
Fund Balance End of Year	\$18,055	\$22,464	\$4,409

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, 2007

	Cemetery Endowment Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Charges for Services	\$20,000	\$22,248	\$2,248
Investment Earnings	27,000	32,060	5,060
Other Revenues	0	257	257
Total Revenues	<u>47,000</u>	<u>54,565</u>	<u>7,565</u>
Expenditures:			
Current:			
Public Health and Welfare	19,600	18,970	630
Total Expenditures	<u>19,600</u>	<u>18,970</u>	<u>630</u>
Net Change in Fund Balance	27,400	35,595	8,195
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>708,390</u>	<u>708,390</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$735,790</u></u>	<u><u>\$743,985</u></u>	<u><u>\$8,195</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, 2007

	Small Business Development R-Loan Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$0	\$1,330	\$1,330
Other Revenues	0	606	606
Total Revenues	0	1,936	1,936
Expenditures:			
Current:			
Community Development	50,000	25,000	25,000
Total Expenditures	50,000	25,000	25,000
Excess of Revenues Over (Under) Expenditures	(50,000)	(23,064)	26,936
Other financing sources (uses):			
Transfers In	261,000	261,874	874
Total Other Financing Sources (Uses)	261,000	261,874	874
Net Change in Fund Balance	211,000	238,810	27,810
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	\$211,000	\$238,810	\$27,810

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, 2007

	Bond Retirement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Special Assessments	\$78,000	\$78,301	\$301
Investment Earnings	6,500	6,518	18
Total Revenues	84,500	84,819	319
Expenditures:			
Current:			
Debt Service:			
Principal Retirement	509,000	509,000	0
Interest and Fiscal Charges	423,790	423,790	0
Other	4,000	3,865	135
Total Expenditures	936,790	936,655	135
Excess of Revenues Over (Under) Expenditures	(852,290)	(851,836)	454
Other financing sources (uses):			
Transfers In	750,000	750,000	0
Total Other Financing Sources (Uses)	750,000	750,000	0
Net Change in Fund Balance	(102,290)	(101,836)	454
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	115,633	115,633	0
Fund Balance End of Year	\$13,343	\$13,797	\$454

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, 2007

	Capital Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$216,000	\$216,000	\$0
Special Assessments	149,000	149,087	87
Other Revenues	5,000	30,068	25,068
Total Revenues	<u>370,000</u>	<u>395,155</u>	<u>25,155</u>
Expenditures:			
Current:			
Community Development	319,442	264,168	55,274
Capital Outlay	1,969,405	1,789,218	180,187
Debt Service:			
Other	10,000	0	10,000
Total Expenditures	<u>2,298,847</u>	<u>2,053,386</u>	<u>245,461</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,928,847)</u>	<u>(1,658,231)</u>	<u>270,616</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	(928,847)	(658,231)	270,616
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>1,018,216</u>	<u>1,018,216</u>	<u>0</u>
Fund Balance End of Year	<u>\$89,369</u>	<u>\$359,985</u>	<u>\$270,616</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, 2007

	OPWC Project Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Capital Outlay	965,489	936,574	28,915
Total Expenditures	965,489	936,574	28,915
Excess of Revenues Over (Under) Expenditures	(965,489)	(936,574)	28,915
Other financing sources (uses):			
Transfers In	150,000	150,000	0
Total Other Financing Sources (Uses)	150,000	150,000	0
Net Change in Fund Balance	(815,489)	(786,574)	28,915
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,295,682	1,295,682	0
Fund Balance End of Year	\$480,193	\$509,108	\$28,915

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, 2007

	TIF 2003 Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Payments in Lieu of Taxes	\$160,000	\$162,376	\$2,376
Total Revenues	160,000	162,376	2,376
Expenditures:			
Current:			
Capital Outlay	37,800	9,170	28,630
Debt Service:			
Principal Retirement	50,000	25,000	25,000
Interest and Fiscal Charges	210,000	105,000	105,000
Other	4,322	2,122	2,200
Total Expenditures	302,122	141,292	160,830
Net Change in Fund Balance	(142,122)	21,084	163,206
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	75,371	75,371	0
Fund Balance End of Year	(\$66,751)	\$96,455	\$163,206

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NONMAJOR ENTERPRISE FUNDS

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

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

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

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

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

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

City of Troy, Ohio
Combining Statement of Net Assets
Nonmajor Enterprise Funds
December 31, 2007

	Hobart Arena	Swimming Pool	Parking Meter	Miami Shores
Assets:				
Equity in Pooled Cash and Investments	\$386,319	\$214,730	\$34,332	\$113,603
Receivables:				
Accounts	68,343	1,722	0	0
Interest	0	0	169	558
Total Current Assets	454,662	216,452	34,501	114,161
Nondepreciable Capital Assets	20,900	10,450	189,961	46,997
Depreciable Capital Assets, Net	2,115,885	3,861,244	2,100	381,732
Total Noncurrent Assets	2,136,785	3,871,694	192,061	428,729
Total Assets	2,591,447	4,088,146	226,562	542,890
Liabilities:				
Current Liabilities:				
Accounts Payable	14,994	688	0	2,412
Accrued Wages and Benefits	24,393	0	2,287	16,966
Compensated Absences	18,728	0	410	10,032
Accrued Interest Payable	0	0	0	191
Long-Term Liabilities Due Within One Year	0	0	0	14,468
Total Current Liabilities	58,115	688	2,697	44,069
Long-Term Liabilities:				
Compensated Absences	11,814	0	259	31,749
Bonds, Notes & Loans Payable	0	0	0	36,396
Total Noncurrent Liabilities	11,814	0	259	68,145
Total Liabilities	69,929	688	2,956	112,214
Net Assets:				
Invested in Capital Assets, Net of Related Debt	2,136,785	3,871,694	192,061	428,729
Unrestricted	384,733	215,764	31,545	1,947
Total Net Assets	\$2,521,518	\$4,087,458	\$223,606	\$430,676

Stadium	Total Nonmajor Enterprise Funds
\$75,147	\$824,131
0	70,065
0	727
<u>75,147</u>	<u>894,923</u>
49,638	317,946
<u>2,948,124</u>	<u>9,309,085</u>
<u>2,997,762</u>	<u>9,627,031</u>
<u>3,072,909</u>	<u>10,521,954</u>
0	18,094
0	43,646
0	29,170
0	191
<u>0</u>	<u>14,468</u>
<u>0</u>	<u>105,569</u>
0	43,822
<u>0</u>	<u>36,396</u>
<u>0</u>	<u>80,218</u>
<u>0</u>	<u>185,787</u>
2,997,762	9,627,031
<u>75,147</u>	<u>709,136</u>
<u>\$3,072,909</u>	<u>\$10,336,167</u>

City of Troy, Ohio
Combining Statement of Revenues, Expenses
and Changes in Fund Net Assets
Nonmajor Enterprise Funds
For the Fiscal Year Ended December 31, 2007

	Hobart Arena	Swimming Pool	Parking Meter	Miami Shores
Operating Revenues:				
Fines, Licenses & Permits	\$0	\$0	\$3,675	\$0
Charges for Services	104,661	223,289	15,643	690,093
Other Revenues	307,595	7,918	48	16,241
Total Operating Revenues	412,256	231,207	19,366	706,334
Operating Expenses:				
Personal Services	376,142	97,605	27,144	306,226
Contractual Services	214,055	56,699	0	226,735
Materials and Supplies	92,221	72,561	2,279	196,051
Depreciation	125,084	111,791	4,200	60,488
Other Expenses	104,702	4,418	4,581	58,740
Total Operating Expenses	912,204	343,074	38,204	848,240
Operating Income (Loss)	(499,948)	(111,867)	(18,838)	(141,906)
Non-Operating Revenues (Expenses):				
Investment Earnings	0	0	1,396	9,759
Interest (Expense)	0	0	(150)	(17,998)
Total Non-Operating Revenues (Expenses)	0	0	1,246	(8,239)
Income (Loss) Before Contributions and Transfers	(499,948)	(111,867)	(17,592)	(150,145)
Transfers In	500,000	0	25,000	50,000
Change in Net Assets	52	(111,867)	7,408	(100,145)
Net Assets Beginning of Year	2,521,466	4,199,325	216,198	530,821
Net Assets End of Year	\$2,521,518	\$4,087,458	\$223,606	\$430,676

<u>Stadium</u>	<u>Total Nonmajor Enterprise Funds</u>
\$0	\$3,675
0	1,033,686
<u>12,000</u>	<u>343,802</u>
<u>12,000</u>	<u>1,381,163</u>
0	807,117
0	497,489
4,800	367,912
168,464	470,027
<u>0</u>	<u>172,441</u>
<u>173,264</u>	<u>2,314,986</u>
<u>(161,264)</u>	<u>(933,823)</u>
0	11,155
<u>0</u>	<u>(18,148)</u>
<u>0</u>	<u>(6,993)</u>
(161,264)	(940,816)
<u>0</u>	<u>575,000</u>
(161,264)	(365,816)
<u>3,234,173</u>	<u>10,701,983</u>
<u>\$3,072,909</u>	<u>\$10,336,167</u>

City of Troy, Ohio
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Fiscal Year Ended December 31, 2007

	Hobart Arena	Swimming Pool	Parking Meter	Miami Shores
Cash Flows from Operating Activities:				
Cash Received from Customers	\$404,754	\$229,485	\$19,366	\$710,645
Cash Payments to Employees	(368,872)	(97,605)	(24,188)	(301,963)
Cash Payments to Suppliers	(413,199)	(133,620)	(6,860)	(481,322)
Net Cash Provided (Used) by Operating Activities	(377,317)	(1,740)	(11,682)	(72,640)
Cash Flows from Noncapital Financing Activities:				
Payments from Other Funds	500,000	0	25,000	50,000
Net Cash Provided (Used) by Noncapital Financing Activities	500,000	0	25,000	50,000
Cash Flows from Capital and Related Financing Activities:				
Payments for Capital Acquisitions	0	0	0	(17,764)
Debt Proceeds	0	0	0	60,154
Debt Principal Payments	0	0	0	(9,290)
Debt Interest Payments	0	0	(150)	(17,807)
Net Cash Provided (Used) by Capital and Related Financing Activities	0	0	(150)	15,293
Cash Flows from Investing Activities:				
Earnings on Investments	0	0	1,302	9,619
Net Cash Provided (Used) by Cash Flows from Investing Activities	0	0	1,302	9,619
Net Increase (Decrease) in Cash and Cash Equivalents	122,683	(1,740)	14,470	2,272
Cash and Cash Equivalents Beginning of Year	263,636	216,470	19,862	111,331
Cash and Cash Equivalents End of Year	386,319	214,730	34,332	113,603
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	(499,948)	(111,867)	(18,838)	(141,906)
Adjustments:				
Depreciation	125,084	111,791	4,200	60,488
Changes in Assets & Liabilities:				
(Increase) Decrease in Receivables	(7,502)	(1,722)	0	4,311
Increase (Decrease) in Payables	(2,221)	58	0	204
Increase (Decrease) in Accrued Liabilities	7,270	0	2,956	4,263
Net Cash Provided (Used) by Operating Activities	(\$377,317)	(\$1,740)	(\$11,682)	(\$72,640)

Stadium	Total Nonmajor Enterprise Funds
\$12,000	\$1,376,250
0	(792,628)
(4,800)	(1,039,801)
7,200	(456,179)
0	575,000
0	575,000
0	(17,764)
0	60,154
0	(9,290)
0	(17,957)
0	15,143
0	10,921
0	10,921
7,200	144,885
67,947	679,246
75,147	824,131
(161,264)	(933,823)
168,464	470,027
0	(4,913)
0	(1,959)
0	14,489
\$7,200	(\$456,179)

City of Troy, Ohio
Statement of Changes In Assets and Liabilities
Agency Funds
For the Fiscal Year Ended December 31, 2007

	Stouder Playground			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$17,279	\$703	\$0	\$17,982
Receivables:				
Interest	65	89	65	89
Total Assets	<u>17,344</u>	<u>792</u>	<u>65</u>	<u>18,071</u>
Liabilities:				
Other Liabilities	17,344	792	65	18,071
Total Liabilities	<u>\$17,344</u>	<u>\$792</u>	<u>\$65</u>	<u>\$18,071</u>

	Paul G. Duke			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$11,453	\$233	\$0	\$11,686
Receivables:				
Interest	43	58	43	58
Total Assets	<u>11,496</u>	<u>291</u>	<u>43</u>	<u>11,744</u>
Liabilities:				
Other Liabilities	11,496	291	43	11,744
Total Liabilities	<u>\$11,496</u>	<u>\$291</u>	<u>\$43</u>	<u>\$11,744</u>

	Unclaimed Funds			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$2,767	\$578	\$427	\$2,918
Total Assets	<u>2,767</u>	<u>578</u>	<u>427</u>	<u>2,918</u>
Liabilities:				
Other Liabilities	2,767	578	427	2,918
Total Liabilities	<u>\$2,767</u>	<u>\$578</u>	<u>\$427</u>	<u>\$2,918</u>

Continued

City of Troy, Ohio
Statement of Changes In Assets and Liabilities
Agency Funds
For the Fiscal Year Ended December 31, 2007

	Tri-Centennial			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$957	\$38	\$0	\$995
Total Assets	<u>957</u>	<u>38</u>	<u>0</u>	<u>995</u>
Liabilities:				
Other Liabilities	957	38	0	995
Total Liabilities	<u>\$957</u>	<u>\$38</u>	<u>\$0</u>	<u>\$995</u>

	Imprest Cash			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$1,350	\$1,000	\$1,050	\$1,300
Total Assets	<u>1,350</u>	<u>1,000</u>	<u>1,050</u>	<u>1,300</u>
Liabilities:				
Other Liabilities	1,350	1,000	1,050	1,300
Total Liabilities	<u>\$1,350</u>	<u>\$1,000</u>	<u>\$1,050</u>	<u>\$1,300</u>

	Enterprise Zone			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$152,791	\$26,220	\$128,549	\$50,462
Receivables:				
Accounts	18,720	14,000	18,720	14,000
Total Assets	<u>171,511</u>	<u>40,220</u>	<u>147,269</u>	<u>64,462</u>
Liabilities:				
Other Liabilities	171,511	40,220	147,269	64,462
Total Liabilities	<u>\$171,511</u>	<u>\$40,220</u>	<u>\$147,269</u>	<u>\$64,462</u>

Continued

City of Troy, Ohio
Statement of Changes In Assets and Liabilities
Agency Funds
For the Fiscal Year Ended December 31, 2007

	Total All Agency Funds			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$186,597	\$28,772	\$130,026	\$85,343
Receivables:				
Accounts	18,720	14,000	18,720	14,000
Interest	108	147	108	147
Total Assets	<u>205,425</u>	<u>42,919</u>	<u>148,854</u>	<u>99,490</u>
Liabilities:				
Other Liabilities	<u>205,425</u>	<u>42,919</u>	<u>148,854</u>	<u>99,490</u>
Total Liabilities	<u>\$205,425</u>	<u>\$42,919</u>	<u>\$148,854</u>	<u>\$99,490</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
 Net Assets by Component
 Last Five Calendar Years (1)
 (accrual basis of accounting)
 Schedule 1

	Calendar Year				
	2003	2004	2005	2006	2007
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
Restricted	12,489,638	17,059,880	12,517,653	9,735,905	8,547,364
Unrestricted	35,213,861	35,336,072	35,335,482	36,658,401	38,068,043
Total governmental activities net assets	\$75,945,853	\$76,868,524	\$77,415,321	\$74,540,132	\$77,319,923
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
Unrestricted	16,893,247	19,030,520	19,041,135	17,091,607	16,504,889
Total business-type activities net assets	\$44,875,218	\$46,429,692	\$48,618,712	\$52,100,110	\$51,957,726

Source: City Records

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

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

	Calendar Year				
	2003	2004	2005	2006	2007
Expenses					
Governmental Activities:					
General Government	\$3,786,639	\$5,033,894	\$5,660,201	\$5,180,111	\$5,345,922
Public Safety	8,321,750	8,169,075	8,787,052	8,842,678	9,501,076
Leisure Time Activities	2,203,202	1,859,158	1,884,611	1,820,227	1,821,894
Community Development	1,374,320	952,247	836,887	688,806	959,438
Basic Utility Service	1,975,881	1,624,988	1,852,260	1,493,639	1,229,838
Transportation and Street Repair	6,761,973	2,544,171	2,392,805	3,681,464	2,473,911
Public Health and Welfare	400,308	404,448	500,215	428,505	533,385
Interest and Fiscal Charges	154,684	425,988	589,068	550,755	526,885
Other	8,122	163,284	11,135	9,536	3,865
Total Governmental Activities Expenses	24,986,879	21,177,253	22,514,234	22,695,721	22,396,214
Business-Type Activities:					
Water Utility	5,797,672	5,216,113	4,574,926	4,962,223	4,718,693
Sewer Utility	3,622,033	3,690,842	3,776,760	4,614,815	4,082,607
Arena Facilities	748,989	755,000	683,886	771,549	912,204
Pool	102,640	85,855	323,370	293,478	343,074
Parking	40,896	44,077	44,624	44,946	38,354
Golf Course	787,547	784,551	814,751	763,612	866,238
Stadium Facilities	0	0	84,232	168,464	173,264
Total Business-Type Activities Expenses	11,099,777	10,576,438	10,302,549	11,619,087	11,134,434
Total Primary Government Expenses	\$36,086,656	\$31,753,691	\$32,816,783	\$34,314,808	\$33,530,648
Program Revenues					
Governmental Activities:					
Charges for Services:					
General Government	\$138,020	\$102,950	\$160,545	\$109,659	\$141,270
Public Safety	853,784	957,683	1,132,278	1,103,563	1,123,179
Leisure Time Activities	121,394	246,134	178,506	177,180	181,784
Community Development	0	0	0	0	261,874
Basic Utility Service	280,127	288,224	302,450	305,678	618,812
Transportation and Street Repair	25,514	47,280	9,636	7,922	14,605
Public Health and Welfare	45,457	8,601	142,834	220,964	219,022
Operating Grants and Contributions	819,796	1,316,515	1,207,394	1,247,032	1,180,525
Capital Grants and Contributions	543,680	2,502,281	2,650,155	2,311,020	1,401,939
Total Governmental Activities Program Revenues	2,827,772	5,469,668	5,783,798	5,483,018	5,143,010
Business-Type Activities:					
Charges for Services:					
Water Utility	4,437,826	4,769,917	4,795,403	4,129,742	4,244,932
Sewer Utility	3,985,418	3,804,824	3,784,736	3,414,879	3,332,482
Arena Facilities	71,472	62,179	71,053	80,893	104,661
Pool	35,145	31,651	224,303	222,913	223,289
Parking	19,145	20,403	19,521	18,085	19,318
Golf Course	572,205	623,157	695,849	679,688	690,093
Operating Grants and Contributions	0	50,770	79,150	0	0
Capital Grants and Contributions	2,766,026	1,244,147	1,354,320	1,224,803	583,485
Total business-Type Activities Program Revenues	11,887,237	10,607,048	11,024,335	9,771,003	9,198,260
Total Primary Government Program Revenues	\$14,715,009	\$16,076,716	\$16,808,133	\$15,254,021	\$14,341,270

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

	Calendar Year				
	2003	2004	2005	2006	2007
Net (Expense)/Revenue					
Governmental Activities	(\$22,159,107)	(\$15,707,585)	(\$16,730,436)	(\$17,212,703)	(\$17,253,204)
Business-Type Activities	787,460	30,610	721,786	(1,848,084)	(1,936,174)
Total Primary Government Net Expenses	<u>(\$21,371,647)</u>	<u>(\$15,676,975)</u>	<u>(\$16,008,650)</u>	<u>(\$19,060,787)</u>	<u>(\$19,189,378)</u>
General Revenues and Other Changes in Net Assets					
Governmental Activities:					
Income Taxes	\$11,467,066	\$13,989,707	\$12,681,511	\$12,542,400	\$12,882,229
Property Taxes Levied for:					
General Purposes	1,442,545	2,157,693	1,927,756	2,592,328	1,858,851
Special Revenue Purposes	3,637	985	2,096	0	822,177
Grants and Entitlements not Restricted	1,406,330	1,926,126	2,193,117	1,131,293	1,673,098
Payments in Lieu of Taxes	0	0	0	0	162,376
Unrestricted Contributions	200,730	32,800	44,600	56,900	97,535
Investment Earnings	1,028,663	910,902	1,143,110	2,160,055	2,826,639
Refunds & Reimbursements	117,697	40,094	44,338	61,219	139,808
Other Revenues	304,989	205,935	65,705	133,385	145,282
Transfers-Internal Activities	(286,800)	(765,158)	(825,000)	(4,340,066)	(575,000)
Total Governmental Activities	<u>15,684,857</u>	<u>18,499,084</u>	<u>17,277,233</u>	<u>14,337,514</u>	<u>20,032,995</u>
Business-Type Activities:					
Investment Earnings	213,236	323,723	416,709	674,201	848,742
Other Revenues	1,318,708	358,337	288,991	315,215	370,048
Transfers-Internal Activities	286,800	765,158	825,000	4,340,066	575,000
Total Business-Type Activities	<u>1,818,744</u>	<u>1,447,218</u>	<u>1,530,700</u>	<u>5,329,482</u>	<u>1,793,790</u>
Total Primary Government	<u>\$17,503,601</u>	<u>\$19,946,302</u>	<u>\$18,807,933</u>	<u>\$19,666,996</u>	<u>\$21,826,785</u>
Change in Net Assets					
Governmental Activities	(\$6,474,250)	\$2,791,499	\$546,797	(\$2,875,189)	\$2,779,791
Business-Type Activities	2,606,204	1,477,828	2,252,486	3,481,398	(142,384)
Total Primary Government	<u>(\$3,868,046)</u>	<u>\$4,269,327</u>	<u>\$2,799,283</u>	<u>\$606,209</u>	<u>\$2,637,407</u>

Source: City Records

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

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

	Calendar Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General Fund										
Reserved	\$410,038	\$476,369	\$436,564	\$467,371	\$707,676	\$404,749	\$532,272	\$352,871	\$189,868	\$223,214
Unreserved	1,526,815	1,462,387	1,168,316	1,638,397	1,818,686	35,090,007	35,090,247	35,424,413	36,832,346	38,220,243
Total General Fund	1,936,853	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
All Other Governmental Funds										
Reserved	1,687,137	2,687,068	3,541,473	2,619,617	5,806,801	3,423,005	6,740,400	2,765,365	3,611,392	2,371,022
Unreserved, Reported in:										
Special Revenue Funds	10,121,689	11,523,186	11,087,483	9,596,112	8,508,812	5,452,931	5,578,574	3,983,478	4,192,666	4,202,902
Debt Service Funds	0	0	0	0	0	376,327	19,104	135,285	115,633	13,806
Capital Project Funds	3,161,996	1,209,083	1,450,013	3,876,752	3,071,320	2,016,221	3,891,736	4,307,945	441,568	856,770
Total all Other Governmental Funds	\$14,970,822	\$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

Source: City Records

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

	Calendar Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Revenues										
Taxes	\$12,637,567	\$13,216,082	\$13,482,834	\$13,951,179	\$13,177,653	\$13,078,788	\$16,137,437	\$14,670,531	\$15,141,702	\$15,556,609
Fines, Licenses & Permits	230,147	245,446	136,958	137,493	149,571	127,364	111,916	112,296	113,676	110,183
Charges for Services	667,696	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
Investment Earnings	870,717	889,962	1,067,784	882,904	775,349	1,028,664	910,902	1,143,111	2,160,056	2,826,639
Intergovernmental	3,289,510	3,392,742	3,376,165	3,034,424	3,029,309	2,704,034	3,980,977	3,547,439	3,560,341	3,125,811
Special Assessments	157,210	134,304	129,157	160,886	118,905	174,237	190,672	195,049	261,521	239,099
Payments in Lieu of Taxes	0	0	0	0	0	0	0	0	0	162,376
Other Revenues	626,584	281,161	323,372	527,080	1,358,936	690,462	476,614	389,713	418,722	525,371
Total Revenues	18,479,431	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
Expenditures										
Current:										
General Government	2,830,755	3,079,040	3,322,874	3,758,271	3,780,885	4,085,269	4,594,783	4,053,075	4,332,665	4,772,246
Public Safety	6,295,009	6,628,054	6,836,977	6,971,369	7,330,132	8,025,594	7,924,826	8,369,858	8,396,677	9,234,356
Leisure Time Activities	1,435,693	1,563,357	1,647,315	1,718,024	1,631,182	1,824,597	1,493,876	1,510,229	1,400,691	1,546,806
Community Development	780,870	830,693	640,757	630,685	726,078	1,130,705	921,465	832,057	645,149	918,513
Basic Utility Service	1,135,629	1,092,524	1,182,245	1,408,231	1,281,122	1,888,840	1,595,015	1,559,172	1,264,828	1,224,791
Transportation and Street Repair	1,783,185	1,555,358	1,738,595	1,770,247	2,227,376	2,065,992	2,379,777	2,066,280	1,949,294	2,263,423
Public Health and Welfare	270,160	304,258	464,164	409,096	407,651	405,234	403,470	467,916	426,129	494,383
Capital Outlay	2,144,847	2,372,536	3,643,263	2,818,886	3,560,043	5,322,710	4,407,434	5,288,381	4,876,998	2,196,944
Debt Service:										
Principal Retirement	523,000	533,000	548,000	558,000	568,000	643,000	678,000	918,000	634,000	534,000
Interest and Fiscal Charges	277,077	247,013	218,006	188,986	214,172	201,597	287,498	673,225	553,162	528,781
Other	7,718	9,020	6,999	6,505	6,395	8,122	163,284	11,135	9,536	3,865
Total Expenditures	\$17,483,943	\$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

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

	Calendar Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Excess of revenues over (under) expenditures	\$995,488	\$634,631	(\$751,828)	(\$392,785)	(\$1,906,646)	(\$6,509,443)	(\$1,655,752)	(\$4,057,973)	(\$1,255,884)	\$1,079,484
Other Financing Sources (Uses)										
Issuance of Long-Term Capital-Related Debt	\$0	\$0	\$0	\$0	\$0	\$0	\$7,510,000	\$0	\$0	\$0
Proceeds of Long-Term Capital-Related Debt Transfers In	11,700,251	9,986,706	14,125,690	15,671,354	12,896,692	2,477,353	9,217,435	3,889,006	3,465,000	4,511,874
Transfers (Out)	(10,719,984)	(10,162,575)	(13,066,106)	(14,764,169)	(12,330,000)	(2,764,153)	(9,982,593)	(4,714,006)	(3,795,000)	(5,086,874)
Proceeds Of Notes and Bonds	0	9,656	0	0	3,055,000	0	0	0	0	0
Proceeds Of Refunded Bonds	0	130,000	0	0	0	0	0	0	0	0
Payments to Refunded Bond Escrow Agent	0	(130,000)	0	0	0	0	0	0	0	0
Total Other Financing Sources (Uses)	980,267	(166,213)	1,059,584	907,185	3,621,692	1,513,200	6,744,842	(825,000)	(330,000)	(575,000)
Net Change in Fund Balances	\$1,975,755	\$468,418	\$307,756	\$514,400	\$1,715,046	(\$4,996,243)	\$5,089,090	(\$4,882,973)	(\$1,585,884)	\$504,484
Debt service as a percentage of noncapital expenditures (1)	5.0%	4.6%	4.2%	3.7%	4.0%	3.5%	6.1%	7.0%	5.0%	5.3%

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

Calendar Year	Real Property	Tangible	Public	Total Assessed Value	Total Estimated Actual Value	Total Direct Rate (1)	Total Direct Rate (2)
	Assessed Value	Personal Property Assessed Value	Utilities Personal Assessed Value				
1998	\$260,936,780	\$128,637,620	\$15,464,290	\$405,038,690	\$1,157,253,400	3.10	1.10
1999	290,217,440	152,202,420	17,814,530	460,234,390	1,314,955,400	3.10	1.10
2000	305,673,670	125,248,730	17,178,640	448,101,040	1,280,288,686	3.10	1.10
2001	313,221,610	125,141,820	14,962,560	453,325,990	1,295,217,114	3.10	1.10
2002	349,997,450	129,422,940	11,007,460	490,427,850	1,401,222,429	3.10	1.10
2003	359,593,630	138,549,520	11,242,060	509,385,210	1,455,386,314	3.10	1.10
2004	370,904,790	133,736,850	11,002,640	515,644,280	1,473,269,371	3.10	1.10
2005	406,825,130	125,877,320	11,115,360	543,817,810	1,553,765,171	3.10	1.10
2006	427,342,540	119,988,710	11,197,820	558,529,070	1,595,797,343	3.10	1.10
2007	432,828,960	82,696,590	11,374,070	526,899,620	1,505,427,486	3.10	1.10

Source: County Auditor

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

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

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

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

Calendar Year	Total Direct Rate (1)	Overlapping Rates (1)			
		Miami Conservancy City (3)	Troy City School District	Upper Valley Joint Vocational	Miami County
1998	3.10	0.16	50.10	4.90	8.82
1999	3.10	0.19	50.10	4.90	8.82
2000	3.10	0.15	54.60	4.90	8.81
2001	3.10	0.15	54.60	4.90	8.83
2002	3.10	0.16	54.60	4.90	8.43
2003	3.10	0.12	54.60	4.90	9.13
2004	3.10	0.12	54.60	5.46	9.13
2005	3.10	0.14	56.59	5.45	9.11
2006	3.10	0.14	56.59	5.45	9.12
2007	3.10	0.14	56.59	5.45	8.81

Calendar Year	Total Direct Rate (2)	Overlapping Rates (2)			
		Miami Conservancy City (3)	Miami East School District	Miami Valley Career Technology Center	Miami County
1998	1.10	0.16	41.50	2.58	8.82
1999	1.10	0.19	41.50	2.58	8.82
2000	1.10	0.15	41.50	2.58	8.81
2001	1.10	0.15	41.50	2.58	8.83
2002	1.10	0.16	41.50	2.58	8.43
2003	1.10	0.12	41.50	2.58	9.13
2004	1.10	0.12	42.80	2.58	9.13
2005	1.10	0.14	45.80	2.58	9.11
2006	1.10	0.14	46.80	2.58	9.12
2007	1.10	0.14	46.80	2.58	8.81

Source: County Auditor

(1) - For Tax District D08

(2) - For Tax District D45

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

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

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

2007		
Taxpayer	Assessed Value	Percentage of Total Assessed Value
Dayton Power and Light Company	\$7,344,570	1.39%
American Honda Motor	6,408,920	1.22%
Towne Park Apartments, L.L.C.	5,175,530	0.98%
Hobart Corporation	4,103,930	0.78%
DW28 Mornoe, L.L.C.	3,655,150	0.69%
Meijer Stores Limited	2,707,220	0.51%
Ramco Properties	2,511,080	0.48%
Vectren Energy Delivery	2,497,620	0.47%
Health Care REIT, Inc.	2,471,960	0.47%
Lowe's Home Centers, Inc.	2,392,330	0.45%
	<u>\$39,268,310</u>	<u>7.44%</u>

2006		
Taxpayer	Assessed Value	Percentage of Total Assessed Value
American Honda Motor	\$8,750,000	1.57%
Dayton Power and Light Company	6,667,470	1.19%
Towne Park Apartments, L.L.C.	4,356,040	0.78%
Hobart Corporation	4,285,670	0.77%
Ramco Properties	3,113,710	0.56%
Dayton Montgomery County	2,440,950	0.44%
Hobart Brothers Company	2,423,690	0.43%
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%
	<u>\$39,047,630</u>	<u>7.00%</u>

Source: County Auditor

(1) - Current and prior year information only available

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

Calendar Year	Taxes Levied for the Calendar Year	Collected, including Delinquencies, within the Calendar Year of the Levy		Accumulated Delinquency	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1998	\$969,619	\$972,102	100.26%	\$18,200	\$990,302	102.13%
1999	1,115,663	1,112,296	99.70%	25,025	1,137,321	101.94%
2000	1,137,461	1,110,312	97.61%	51,751	1,162,063	102.16%
2001	1,147,523	1,123,667	97.92%	52,305	1,175,972	102.48%
2002	1,252,515	1,245,247	99.42%	69,539	1,314,786	104.97%
2003	1,266,916	1,270,333	100.27%	42,921	1,313,254	103.66%
2004	1,312,974	1,318,922	100.45%	40,758	1,359,680	103.56%
2005	1,445,812	1,433,860	99.17%	55,724	1,489,584	103.03%
2006	1,492,952	1,509,256	101.09%	52,873	1,562,129	104.63%
2007	1,558,388	1,554,728	99.77%	58,866	1,613,594	103.54%

Source: County Auditor

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

Calendar Year	Withholding Accounts	Business Accounts	Residential Accounts	Total	Income Tax Rate
1998	\$9,226,173	\$1,551,208	\$459,831	\$11,237,212	1.75%
1999	9,153,195	2,166,731	485,363	11,805,289	1.75%
2000	9,759,333	1,460,462	499,230	11,719,025	1.75%
2001	9,965,943	1,961,382	567,270	12,494,595	1.75%
2002	9,672,609	1,184,102	627,275	11,483,986	1.75%
2003	9,757,643	1,109,823	643,006	11,510,472	1.75%
2004	9,669,316	3,849,138	630,634	14,149,088	1.75%
2005	9,992,096	2,220,540	737,792	12,950,428	1.75%
2006	10,063,324	2,417,595	774,027	13,254,946	1.75%
2007	10,516,937	2,183,885	764,159	13,464,981	1.75%

Source: City Records

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

City of Troy
Principal Income Taxpayers
Current and Prior Year
(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
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			
1998	\$3,655,000	\$0	\$773,000	\$19,115,000	\$0	\$271,480	\$23,814,480	0.94%	\$919
1999	3,195,000	0	710,000	21,726,000	0	229,714	25,860,714	0.99%	974
2000	2,725,000	0	632,000	20,759,000	0	187,948	24,303,948	0.88%	872
2001	2,245,000	0	554,000	20,225,000	0	146,182	23,170,182	0.84%	835
2002	4,805,000	0	481,000	20,172,000	0	104,416	25,562,416	0.91%	903
2003	6,035,000	4,000,000	408,000	18,976,000	1,800,000	62,650	31,281,650	1.06%	1,060
2004	12,940,000	0	335,000	20,256,000	0	20,884	33,551,884	1.09%	1,103
2005	12,095,000	0	262,000	18,712,000	0	0	31,069,000	1.00%	1,014
2006	11,525,000	0	198,000	17,235,000	0	0	28,958,000	N/A	N/A
2007	11,055,000	0	134,000	15,845,000	0	50,864	27,084,864	N/A	N/A

Source: City Records

N/A - Information not available

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

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

<u>Calendar Year</u>	<u>General Bonded Debt Outstanding</u>	<u>Percentage of Estimated Actual Taxable Value of Property</u>	<u>Per Capita</u>
1998	\$3,655,000	0.32%	\$188
1999	3,195,000	0.24%	164
2000	2,725,000	0.21%	124
2001	2,245,000	0.17%	102
2002	4,805,000	0.34%	218
2003	6,035,000	0.41%	274
2004	12,940,000	0.88%	588
2005	12,095,000	0.78%	550
2006	11,525,000	0.72%	524
2007	11,055,000	0.73%	503

Source: City Records

City of Troy
 Direct and Overlapping Governmental Activities Debt
 As of December 31, 2007
 Schedule 13

Governmental Unit	Net Debt Outstanding	Estimated Percentage Applicable (1)	Amount Applicable to City of Troy
City of Troy	\$535,000	100.00%	\$535,000
Miami County	7,421,800	24.84%	1,843,575
Troy City School District	20,129,991	75.95%	15,288,728
Miami East Local School District	12,619,989	5.56%	701,671
Upper Valley Career Center	1,900,000	21.71%	412,490
Total Direct and Overlapping Debt	\$42,606,780		\$18,781,464

Source: Ohio Municipal Advisory Council

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

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

Legal Debt Margin Calculation for Calendar Year 2007

Assessed value	\$526,899,620	\$526,899,620
Statutory legal debt limitation (1)	10.5%	5.5%
Total debt limitation	55,324,460	28,979,479
Debt applicable to limit:		
Gross Indebtedness	27,084,864	27,084,864
Less: Debt Outside Limitations (2)	16,029,864	16,029,864
Less: Bond Retirement Fund Balance	154,954	154,954
Total net debt applicable to limit	10,900,046	10,900,046
Legal debt margin	\$44,424,414	\$18,079,433

	Calendar Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Total Debt Limit (1)										
Debt Limit (10.5%)	\$42,529,062	\$48,324,611	\$47,050,609	\$47,599,229	\$51,494,924	\$53,485,447	\$54,142,649	\$57,100,870	\$58,645,552	\$55,324,460
Total Net Debt Applicable to Limit	3,251,315	2,794,126	2,336,661	1,880,183	4,520,594	5,628,673	12,920,896	11,959,715	11,190,031	10,900,046
Legal Debt Margin	\$39,277,747	\$45,530,485	\$44,713,948	\$45,719,046	\$46,974,330	\$47,856,774	\$41,221,753	\$45,141,155	\$47,455,521	\$44,424,414

Total Net Debt Applicable to the Limit	7.6%	5.8%	5.0%	4.0%	8.8%	10.5%	23.9%	20.9%	19.1%	19.7%
as a Percentage of Debt Limit										

	Calendar Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Total Unvoted Debt Limit (1)										
Debt Limit (5.5%)	\$22,277,128	\$25,312,891	\$24,645,557	\$24,932,929	\$26,973,532	\$28,016,187	\$28,360,435	\$29,909,980	\$30,719,099	\$28,979,479
Total Net Debt Applicable to Limit	3,251,315	2,794,126	2,336,661	1,880,183	4,520,594	5,628,673	12,920,896	11,959,715	11,190,031	10,900,046
Legal Debt Margin	\$19,025,813	\$22,518,765	\$22,308,896	\$23,052,746	\$22,452,938	\$22,387,514	\$15,439,539	\$17,950,265	\$19,529,068	\$18,079,433
Total Net Debt Applicable to the Limit	14.6%	11.0%	9.5%	7.5%	16.8%	20.1%	45.6%	40.0%	36.4%	37.6%
as a Percentage of Debt Limit										

Source: City Records

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

Total unvoted debt limit should not exceed 5.5% of net assessed property value.

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

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

Calendar Year	Special Assessment Bonds			
	Special Assessment Collections (1)	Debt Service		Coverage
		Principal	Interest	
1998	\$148,984	\$773,000	\$62,448	0.18
1999	137,229	710,000	56,950	0.18
2000	131,146	632,000	48,675	0.19
2001	129,324	554,000	43,448	0.22
2002	121,497	481,000	38,153	0.23
2003	144,042	408,000	33,040	0.33
2004	145,432	335,000	27,923	0.40
2005	161,427	262,000	22,775	0.57
2006	215,779	198,000	17,628	1.00
2007	241,912	134,000	14,748	1.63

Source: County Auditor

(1) - Total special assessment collections including delinquencies

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

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

Calendar Year	Population (1)	Personal Income (Thousands of Dollars) (2)	Per Capita Personal Income (3)	Unemployment Rate (4)
1998	19,479	\$2,543,432	\$25,904	3.20%
1999	19,479	2,618,361	26,559	3.40%
2000	21,999	2,759,517	27,876	2.90%
2001	21,999	2,755,586	27,762	5.20%
2002	21,999	2,821,089	28,324	5.40%
2003	21,999	2,954,972	29,514	5.70%
2004	21,999	3,064,960	30,411	5.50%
2005	21,999	3,107,811	30,645	5.50%
2006	21,999	N/A	N/A	5.70%
2007	21,999	N/A	N/A	5.10%

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

N/A - Information not available

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

2006 (2)

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

Source: City Economic Development Division

(1) - Only prior fiscal year information available

(2) - Data current as of December, 2006

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

Function/Program	Full-Time Equivalent Employees as of December 31									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General Government	(1)	2	2	2	2	2	2	2	1	1
Council	(1)	1	1	1	1	1	1	1	1	1
Mayor	(1)	1	1	1	1	1	1	1	1	1
Audit	(1)	4	4	4	4	4	4	4	4	4
Law	(1)	2	2	2	2	2	2	2	2	2
Service	(1)	4	4	4	4	4	5	5	4	4
Human Resources	(1)	2	2	2	2	2	2	2	2	2
Fire	(1)	41	42	42	42	42	42	42	40	39
Police	(1)	47	45	44	44	45	45	48	46	45
Parks	(1)	8	8	8	9	8	7	9	8	9
Recreation	(1)	4	4	3	4	4	4	4	4	4
Electric	(1)	3	3	3	3	3	3	3	3	3
Development	(1)	5	6	4	6	6	6	6	7	6
Street	(1)	19	17	17	18	17	18	18	17	17
Tax	(1)	4	4	4	3	4	4	4	4	4
Cemetery	(1)	4	4	3	4	4	4	4	4	4
Refuse	(1)	6	7	6	7	7	7	7	6	6
Hobart Arena	(1)	4	4	5	5	5	5	5	5	5
Water Administration	(1)	5	5	5	5	5	5	5	5	5
Water Plant	(1)	10	10	10	9	10	10	10	10	9
Water Distribution	(1)	8	8	8	8	8	7	8	8	8
Sewer B&C	(1)	5	5	4	5	5	5	5	5	4
Sewer Plant	(1)	11	12	12	12	12	12	12	12	11
Sewer Maintenance	(1)	4	4	4	4	4	4	4	3	2
Parking	(1)	1	0	1	1	1	1	1	0	1
Miami Shores	(1)	5	5	5	5	5	5	5	5	5
Engineering	(1)	8	8	8	8	8	8	8	7	6
Total	-	218	217	212	218	219	219	225	214	208

Source: Various City Departments

(1) - Information was not available from the City

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

Function/Program	Calendar Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General government										
Commercial Construction										
Building permits issued	240	410	61	26	19	27	53	30	97	150
Value	\$12,782,644	\$20,559,141	\$7,761,322	\$11,153,834	\$4,416,399	\$8,723,883	\$13,530,000	\$31,502,490	\$42,270,987	\$25,002,977
Residential Construction										
Building permits issued	801	1,041	201	110	236	289	168	270	136	77
Value	\$19,803,213	\$21,489,651	\$11,086,202	\$15,968,738	\$23,613,370	\$32,863,289	\$28,449,654	\$33,012,180	\$28,394,390	\$16,160,962
Police										
Physical arrests	2,066	2,217	2,336	2,377	2,191	1,819	2,651	2,885	3,073	2,959
Parking violations	3,543	2,653	2,133	5,843	4,147	3,397	3,012	2,877	2,867	2,592
Traffic violations	3,046	3,794	4,185	3,742	3,445	2,853	3,465	4,210	4,657	3,956
Fire										
Emergency responses	824	853	952	1,036	1,071	934	1,143	1,249	1,181	1,371
Fires extinguished	172	155	145	127	125	96	98	134	104	106
Inspections	294	339	320	434	288	334	799	1,030	718	682
Refuse collection										
Refuse collected (tons)	5,777	5,724	5,725	6,209	6,158	6,250	6,530	6,542	6,584	6,484
Recyclables collected (tons)	2,000	2,000	1,500	1,466	1,370	1,727	1,686	1,750	1,840	1,864
Other public works										
Street resurfacing (cubic yards)	5,749	6,361	5,318	6,688	7,135	6,623	5,127	4,500	2,483	2,486
Parks and Recreation										
Community Center Admissions (1)	\$25,682	\$27,237	\$18,191	\$19,583	\$26,950	\$19,499	\$16,626	\$95,622	\$88,035	\$87,087
Community Center Attendance	21,436	21,131	11,341	9,868	14,176	10,793	10,674	46,775	43,476	40,493
Water										
New connections (each)	136	95	208	158	154	267	222	154	132	63
Water main breaks (each)	22	27	26	24	24	32	27	23	26	33
Average daily consumption (millions of gallon per day)	5.2	5.4	5.3	5.3	5.4	5.1	5.2	5.0	4.1	4.2
Peak daily consumption (millions of gallon per day)	6.3	7.8	7.0	6.8	7.4	6.8	6.6	7.4	5.4	5.8
Wastewater										
Average daily sewage treatment (millions of gallon per day)	6.17	6.18	5.88	5.66	5.73	6.59	5.73	5.96	5.73	5.79

Source: Various City Departments

(1) - Cash basis

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

Function/Program	Calendar Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	6	8	8	8	8	8	8	8	8	8
Fire Stations	3	3	3	3	3	3	3	3	3	3
Other Public Works										
Area of City (square miles)	9,062	9,062	9,245	9,698	10,697	11,696	12,151	12,164	12,167	12,345
Streets (miles)	97.86	99.45	100.88	102.35	104.45	105.05	107.49	109.60	110.50	111.84
Streetlights	2,242	2,242	2,356	2,356	2,356	2,356	2,356	2,356	2,356	2,601
Traffic signals	43	43	43	43	43	43	43	42	42	43
Parks and Recreation										
Number of Parks	24	24	24	24	24	24	25	25	26	26
Acreage	296.40	296.40	296.40	296.40	296.40	296.40	297.90	297.90	303.90	303.90
Playgrounds	15	15	16	16	17	17	17	18	18	18
Baseball/Softball Diamonds	15	15	15	15	15	15	15	15	15	15
Soccer/Football Fields	14	14	14	14	14	14	14	14	14	14
Community Centers										
Kings Chapel Community Center	1	1	1	1	1	1	1	1	1	1
Troy Aquatic Park	1	1	1	1	1	1	1	1	1	1
Municipal Water Department										
Treatment Capacity (millions of gallons per day)	8.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00
Water Mains (miles)	118.53	120.11	121.62	123.83	126.23	128.81	131.31	133.67	134.92	136.44
Fire hydrants	(2)	(2)	(2)	(2)	(2)	(2)	1,177	(2)	1,322	1,244
Sewers										
Treatment Capacity (millions of gallons per day)	(2)	(2)	(2)	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Storm Sewers (miles)	61.09	63.02	64.81	67.25	69.95	70.27	73.08	75.19	76.39	78.67
Sanitary Sewers (miles)	111.68	113.39	114.86	116.96	119.16	119.22	121.90	123.90	125.01	126.22
Hobart Arena										
Attendance	(2)	(2)	(2)	(2)	(2)	9,819	11,914	10,216	15,103	13,664
Ticket Sold (1)	(2)	(2)	(2)	(2)	(2)	6,225	7,709	6,474	8,415	7,901

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 24, 2008**