



Dave Yost • Auditor of State

**TROY CITY SCHOOL DISTRICT
MIAMI COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Schedule of Federal Awards Receipts and Disbursements.....	1
Notes to the Schedule of Federal Awards Receipts and Disbursements	2
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required By <i>Governmental Auditing Standards</i>	3
Independent Accountants' Report on Compliance with Requirements Applicable to Each Major Federal Program and Internal Control Over Compliance Required by OMB Circular A-133	5
Schedule of Findings.....	9
Corrective Action Plan.....	11

This page intentionally left blank.

**TROY CITY SCHOOL DISTRICT
MIAMI COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

Federal Grantor/ Pass Through Grantor Program Title	Federal CFDA Number	Pass Through Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
U.S. Department of Agriculture						
<i>Passed through Ohio Department of Education</i>						
Child Nutrition Cluster:						
<i>Non Cash Assistance (Food Distribution)</i>						
National School Lunch Program	10.555	N/A		\$162,359		\$162,359
<i>Cash Assistance:</i>						
School Breakfast Program	10.553	N/A	\$193,226		\$193,226	
National School Lunch Program	10.555	N/A	712,968		712,968	
Cash Assistance Subtotal			<u>906,194</u>		<u>906,194</u>	
Total Child Nutrition Cluster			<u>906,194</u>	<u>162,359</u>	<u>906,194</u>	<u>162,359</u>
Total U.S. Department of Agriculture			906,194	162,359	906,194	162,359
U.S. Department of Education						
<i>Passed through Ohio Department of Education</i>						
Title I Grants to Local Educational Agencies Cluster:						
Title I Grants to Local Educational Agencies	84.010	C1-S1-11	35,922		68,716	
		C1-S1-12	585,019		582,574	
		C1-SD-11	9,646		16,766	
		C1-SD-12	236,509		242,352	
Total Title I Grants to Local Educational Agencies			<u>867,096</u>		<u>910,408</u>	
Title I Grants to Local Educational Agencies, Recovery Act	84.389	2011	<u>2,372</u>		<u>35,662</u>	
Total Title I Grants to Local Educational Agencies Cluster			869,468		946,070	
Special Education Grants to States	84.027	6B-SF-12	1,009,798		1,009,798	
Education Technology State Grants	84.318	TJ-S1-12	4,708		4,708	
English Language Acquisition Grants	84.365	T3-S1-11	1,735		1,709	
		T3-S1-12	<u>20,762</u>		<u>20,455</u>	
Total English Language Acquisition Grants			22,497		22,164	
Improving Teacher Quality State Grants	84.367	TR-S1-11	1,545		5,726	
		TR-S1-12	<u>130,111</u>		<u>129,483</u>	
Total Improving Teacher Quality State Grants			131,656		135,209	
State Fiscal Stabilization Fund, Recovery Act	84.394	2011			100,664	
Race to the Top, Recovery Act	84.395	2011	1,500			
		2012	<u>53,300</u>		<u>54,891</u>	
			54,800		54,891	
Education Jobs Fund	84.410	2012	<u>120,844</u>		<u>125,299</u>	
Total U.S. Department of Education			<u>2,213,771</u>		<u>2,398,803</u>	
Total Federal Financial Assistance			<u>\$3,119,965</u>	<u>\$162,359</u>	<u>\$3,304,997</u>	<u>\$162,359</u>

See accompanying notes to the Federal Awards Expenditures Schedule.

**TROY CITY SCHOOL DISTRICT
MIAMI COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND DISBURSEMENTS
FISCAL YEAR ENDED JUNE 30, 2012**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Receipts and Disbursements (the Schedule) reports the Troy City School District's (the School District's) federal award programs' receipts and disbursements. The Schedule has been prepared on the cash basis of accounting.

NOTE B - CHILD NUTRITION CLUSTER

The School District commingles cash receipts from the U.S. Department of Agriculture with similar State grants. When reporting expenditures on this Schedule, the School District assumes it expends federal monies first.

NOTE C – FOOD DONATION PROGRAM

The School District reports commodities consumed on the Schedule at the fair value. The School District allocated donated food commodities to the respective program that benefitted from the use of those donated food commodities.



Dave Yost • Auditor of State

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

Troy City School District
Miami County
500 North Market Street
Troy, Ohio 45373

To the Board of Education

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Troy City School District, Miami County, Ohio (the School District) as of and for the year ended June 30, 2012, which collectively comprise the School District's basic financial statements and have issued our report thereon dated December 14, 2012. 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 School District's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the School District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the School District's internal control over financial reporting.

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

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

Compliance and Other Matters

As part of reasonably assuring whether the School District'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*.

Troy City School District
Miami County
Independent Accountants' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*
Page 2

We did note certain matters not requiring inclusion in this report that we reported to the School District's management in a separate letter dated December 14, 2012.

We intend this report solely for the information and use of management, the audit committee, Board of Education, and federal awarding agencies and pass-through and others within the School District. We intend it for no one other than these specified parties.

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

Dave Yost
Auditor of State

December 14, 2012



Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Troy City School District
Miami County
500 North Market Street
Troy, Ohio 45373

To the Board of Education:

Compliance

We have audited the compliance of Troy City School District, Miami County, Ohio (the School District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect each of the Troy City School District's major federal programs for the year ended June 30, 2012. The *summary of auditor's results* section of the accompanying schedule of findings identifies the School District's major federal programs. The School District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to opine on the School District's compliance based on our audit.

Our compliance audit followed auditing standards generally accepted in the United States of America; the standards applicable to financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the School District's compliance with these requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the School District's compliance with these requirements.

In our opinion, the Troy City School District complied, in all material respects, with the requirements referred to above that could directly and materially affect each of its major federal programs for the year ended June 30, 2012. However, the results of our auditing procedures disclosed an instance of noncompliance with these requirements that, while not affecting our opinion on compliance, OMB Circular A-133 requires us to report. The accompanying schedule of findings lists this instance as Finding 2012-001.

Internal Control over Compliance

The School District's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the School District's internal control over compliance with the requirements that could directly and materially affect a major federal program, to determine our auditing procedures for the purpose of expressing our opinion on compliance, and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of opining on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the School District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program compliance requirement. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency, described in the accompanying schedule of findings as item 2012-001. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a federal program compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The School District's response to the finding we identified is described in the accompanying schedule of findings. We did not audit the School District's response and, accordingly, we express no opinion on it.

Federal Awards Receipts and Disbursements Schedule

We have also audited and issued our unqualified opinion on the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Troy City School District, Miami County, Ohio (the School District) as of and for the year ended June 30, 2012, and have issued our report thereon dated December 14, 2012. Our audit was performed to form an opinion on the financial statements that collectively comprise the School District's basic financial statements taken as a whole. The accompanying schedule of federal awards receipts and disbursements provides additional information required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This schedule was subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Troy City School District
Miami County
Independent Accountants' Report on Compliance with Requirements
Applicable to Each Major Federal Program and on Internal Control Over
Compliance Required by OMB Circular A-133
Page 2

We intend this report solely for the information and use of the audit committee, management, Board of Education, others within the entity, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.

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

Dave Yost
Auditor of State

December 14, 2012

This page intentionally left blank.

**TROY CITY SCHOOL DISTRICT
MIAMI COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2012**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	Yes
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510(a)?	Yes
(d)(1)(vii)	Major Programs (list):	Nutrition Cluster: School Breakfast Program CFDA #10.553 National School Lunch program CFD A#10.555 State Fiscal Stabilization Fund – Education State Grant, Recovery Act CFDA #84.394
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

1. Nutrition Cluster Free and Reduced Eligibility

Finding Number	2012-001
CFDA Title and Number	Nutrition Cluster: School Breakfast Program CFDA #10.553 and National School Lunch Program CFDA #10.555
Federal Award Number / Year	2012
Federal Agency	U.S. Department of Agriculture
Pass-Through Agency	Ohio Department of Education

Noncompliance/Significant Deficiency-Eligibility

7 CFR Section 245.6 (c)(1) states in part that eligibility for free or reduced price meals, as determined through an approved application or by direct certification, must remain in effect for the entire school year and for up to 30 operating days into the subsequent school year. The local educational agency must determine household eligibility for free or reduced price meals either through direct certification or the application process at or about the beginning of the school year. The local educational agency must determine eligibility for free or reduced price meals when a household submits an application or, if feasible, through direct certification, at any time during the school year.

7 CFR Section 245.6(c)(4) states that the local educational agency must use the income information provided by the household on the application to calculate the household's total current income. When a household submits an application containing complete documentation, as defined in Section 245.2, and the household's total current income is at or below the eligibility limits specified in the Income Eligibility Guidelines as defined in Section 245.2, the children in that household must be approved for free or reduced price benefits, as applicable.

It was noted that 1 application out of 25 tested was incorrectly approved as being at the reduced price. The application should have been denied based on the number of individuals within the household and the income being reported on the Free and Reduced Application. Failure to accurately approve applications in accordance with the Income Eligibility Guidelines could result in loss of federal funds for the District.

The District should implement policies and procedures to ensure that all students are being included at the proper price points for free and reduced lunches. Applications should be reviewed for accuracy when not relying on a computer system for eligibility.

Official's Response:

The District will carefully review applications for accuracy and completeness to determine eligibility for free and reduced lunches.

**TROY CITY SCHOOL DISTRICT
MIAMI COUNTY**

**CORRECTIVE ACTION PLAN
OMB CIRCULAR A -133 § .315 (c)
DECEMBER 31, 2011**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2012-001	See official's response on page 10	Immediately	Craig Jones, School District Treasurer

This page intentionally left blank.

TROY

CITY SCHOOL DISTRICT

Troy, Ohio



COMPREHENSIVE ANNUAL FINANCIAL REPORT

for the fiscal year ended June 30, 2012

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

of the

TROY CITY SCHOOL DISTRICT

for the

FISCAL YEAR ENDED JUNE 30, 2012

prepared by

TREASURER'S OFFICE

Craig A. Jones

Treasurer and Chief Financial Officer



*"In Pursuit
of Excellence"*

500 N Market Street
Troy, Ohio 45373

TROY
Trojans

The logo consists of a red five-pointed star outline. The word "TROY" is written in a grey, blocky, sans-serif font with a thin black outline, positioned above the top point of the star. The word "Trojans" is written in a red, cursive script font, positioned across the middle of the star.

INTRODUCTORY SECTION

**TROY CITY SCHOOL DISTRICT
MIAMI COUNTY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

TABLE OF CONTENTS

INTRODUCTORY SECTION

Table of Contents	i-iv
Letter of Transmittal.....	v-xiv
GFOA Certificate of Achievement.....	xv
ASBO Certificate of Excellence.....	xvi
List of Principal Officials	xvii
Organizational Chart	xviii

FINANCIAL SECTION

Independent Accountant’s Report	1-2
Management Discussion and Analysis	3-10
Basic Financial Statements	
Government-Wide Financial Statements:	
Statement of Net Assets	11
Statement of Activities.....	13
Fund Financial Statements	
Balance Sheet – Governmental Funds	14
Reconciliation of Total Governmental Fund Balance to Net Assets of Governmental Activities	15
Statement of Revenue, Expenditures and Changes in Fund Balances – Governmental Funds	16
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	17
Statement of Fund Net Assets – Internal Service Fund	18
Statement of Revenues, Expenses and Changes in Fund Net Assets – Internal Service Fund	19
Statement of Cash Flows – Internal Service Fund.....	21
Statement of Fiduciary Net Assets – Fiduciary Funds	22
Statement of Changes in Fiduciary Net Assets – Fiduciary Funds.....	23
Notes to the Basic Financial Statements	24-45

**TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

TABLE OF CONTENTS

Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual (Non-GAAP Basis) – General Fund..... 47

Notes to the Required Supplementary Information48-50

Supplementary Information:

Combining Statements and Individual Fund Schedules:

Major Governmental Funds:

Fund Description..... 51

Combining Statements – Nonmajor Governmental Funds:

Fund Descriptions52-54

Combining Balance Sheet – Nonmajor Governmental Funds 55

Combining Balance Sheet – Nonmajor Special Revenue Funds56-59

Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances – Nonmajor Governmental Funds 61

Combining Statement of Revenues, Expenditures and Changes in
Fund Balances – Nonmajor Special Revenue Funds62-65

Individual Fund Schedules of Revenues, Expenditures and Changes in
Fund Balance – Budget to Actual (Budget Basis):

Food Service Special Revenue Fund..... 66

Uniform School Supplies Special Revenue Fund 67

Hayner Special Revenue Fund 68

Public School Support Special Revenue Fund..... 69

District Managed Activities Special Revenue Fund..... 70

Auxiliary Services Special Revenue Fund 71

Data Communications Special Revenue Fund 72

Education Jobs Special Revenue Fund..... 73

Race to the Top Special Revenue Fund..... 74

IDEA B Grant Special Revenue Fund..... 75

Education Stabilization Grant Special Revenue Fund 76

**TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

TABLE OF CONTENTS

Title II-D Grant Special Revenue Fund	77
Title III Grant Special Revenue Fund	78
Title I Grant Special Revenue Fund	79
Reducing Class Size Grant Special Revenue Fund	80
Permanent Improvement Capital Projects Fund.....	81
Debt Service Fund.....	82
 Internal Service Fund:	
Fund Description	83
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budget Basis) – Internal Service Fund	84
 Fiduciary Funds:	
Fund Descriptions	85
Statement of Changes in Assets and Liabilities – Agency Fund.....	86
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budget Basis) – Scholarship Trust Fund	87
 <u>STATISTICAL SECTION</u>	
Statistical Section Description.....	89
Net Assets by Component – Last Ten Fiscal Years	90-91
Expenses, Program Revenues and Net Expense – Last Ten Fiscal Years.....	92-93
General Revenues and Total Changes in Net Assets – Last Ten Fiscal Years.....	94-95
Fund Balance of Governmental Funds – Last Ten Fiscal Years	96-97
Revenues, Expenditures and Debt Service Ratio of Governmental Funds – Last Ten Years	98-99
Other Financing Sources (Uses) and Change in Fund Balances for Governmental Funds – Last Ten Years.....	100-101
Assessed and Estimated Actual Value of Taxable Property – Last Ten Calendar Years.....	102-103
Property Tax Rates – Direct and Overlapping Governments (per \$1,000 assessed valuation) – Last Ten Calendar Years	104-105
Principal Property Tax Payers – Current Fiscal Year and Nine Years Ago.....	107
Property Tax Levies and Collections – Last Ten Calendar Years.....	108-109
Ratios of Outstanding Debt by Type – Last Ten Fiscal Years	110-111
Legal Debt Margin Information – Last Ten Fiscal Years.....	112-113
Direct and Overlapping Governmental Activities Debt – As of June 30, 2012	114
Demographic Statistics – Last Ten Calendar Years	115
Principal Area Employers – Current Year and Nine Years Ago	117

**TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

TABLE OF CONTENTS

Operating Statistics – Last Ten Fiscal Years.....	118-119
Full-Time Equivalent District Employees by Type – Last Ten Fiscal Years.....	120-123
Teacher Education and Experience – June 30, 2012.....	125
Capital Asset Information – Last Ten Fiscal Years.....	126-127



TROY CITY SCHOOL DISTRICT
500 N. MARKET STREET
TROY, OHIO 45373

ADMINISTRATIVE OFFICES

937-332-6700

937-332-6771 Fax

December 31, 2012

To The Board of Education and Citizens of the
Troy City School District, Miami County, Ohio:

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the Troy City School District, Miami County, Ohio (District) for the fiscal year ended June 30, 2012. Responsibility for both the accuracy of the presented data, and the completeness and fairness of the presentation, including all disclosures, rests with the District. This report is prepared in conformance with generally accepted accounting principles (GAAP) as set forth by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources. We believe the enclosed data is fairly presented in all material aspects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. We further believe all disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included. This report has been prepared by the Chief Fiscal Officer's Office and includes an opinion from the Auditor of the State of Ohio.

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 provides an assessment of key financial highlights and performance taken as a whole. The MD&A can be found immediately following the Independent Accountants' Report.

This report includes all funds for which the District is financially accountable based on the criteria of financial accountability set forth in GASB Statement 14. The District is, however, affiliated with the Metropolitan Dayton Educational Cooperative Association and the Southwestern Ohio Educational Purchasing Council, which are jointly governed organizations. These organizations do not meet the criteria of GASB Statement 14 and, therefore, are not included in the district's financial statements. The District included no component unit reports in the financial statements.

This report will be made available via the World Wide Web at <http://www.troy.k12.oh.us/>.

THE DISTRICT AND ITS FACILITIES

Located in Troy, Ohio USA just 20 miles north of Dayton, the Troy City School District serves a population of approximately 27,335 people in the City of Troy and Concord Township and covers an area of approximately 37 square miles. In addition, it also serves pupils from Monroe, Newton, Staunton, Union and Washington townships.

The District now houses students in one high school, one junior school, six kindergarten to grade five elementary schools, and one grade six elementary school.

Name of Bldg. Address	Grades Housed	Date Building Acquired	Enrollment
Concord Elementary 3145 W. State Route 718	K-5	1919	612
Cookson Elementary 921 Mystic Lane	K-5	1964	363
Forest Elementary 413 E. Canal Street	K-5	1949	292
Heywood Elementary 260 S. Ridge Avenue	K-5	1930	338
Hook Elementary 729 Trade Square West	K-5	1966	320
Kyle Elementary 501 S. Plum Street	K-5	1950	228
Van Cleve Elementary 617 E. Main Street	6	1914	350
Troy Junior High 556 N. Adams Street	7-8	1973	708
Troy High 151 W. Staunton Road	9-12	1958	1,428
Administrative Office 500 N. Market Street	Offices	1974	NA
Troy Hayner Center 301 W. Main Street	Cultural Center	1976	NA
Troy Memorial Stadium 255 N. Market Street	Stadium	2010	NA

Transportation Center 556 N. Adams Street	Bus Garage	1974	NA
Warehouse 523 E. Water Street	Warehouse	1973	NA

In August 2009, the City of Troy transferred ownership of the Troy Memorial Stadium to the District, subject to the terms and conditions included in the deed transfer. The transfer allows the City use of the premises for special events, such as the Troy Strawberry Festival, the Fourth of July Celebration and other community functions. While the City has owned the Stadium since being built in the 1950's, the District has been the primary user of this asset and paid for all of its on-going operating costs through a lease. In the past capital improvements have been funded by both the City and the District. Transferring ownership will not result in additional costs to the taxpayers, the City or the District but will help clarify ownership responsibility.

ECONOMIC CONDITION AND OUTLOOK

The City of Troy was selected as the county seat for Miami County in 1807. Troy is a very friendly small city where farming and industry go hand-in-hand. Employment opportunities exist in the agriculture, manufacturing, high technology, and healthcare industries. Troy is ideally situated along I-75 ten minutes north of the "Freedom Veterans Crossroads" interchange of Interstates I-75 and I-70.

The economic outlook for the next few years is very uncertain. The past three years have been characterized by high unemployment, major corporate bankruptcies, falling home prices, and a credit crisis. At the end of calendar year 2008, the nation officially entered a recession which can simply be defined as two consecutive quarters of negative growth in Gross Domestic Product (GDP). The economic downturn has continued thru 2012. A combination of the recession and tax reform enacted in 2005 has caused state income taxes, sales taxes and investment revenues to suffer the sharpest decline in more than a half century. The national and state economy continued to show slow progress in emerging from the national recession over the summer of 2012. The Federal Open Market Committee (FOMC), at their August 2012 meeting, indicated that economic conditions warrant exceptionally low interest rates until mid-2015. The target for the fed funds rate is zero to 0.25 percent. The latest economic indicators continue to give mixed results making it difficult to project recovery timing.

Long-term Financial Planning

As required by Ohio law, the District approved a five-year financial forecast of operational revenues and expenditures along with assumptions in October 2012. Expenditures are projected to exceed revenues for each of the forecasted fiscal years. However, the general fund unreserved fund balance is expected to offset the excesses for the first three years of the forecast. A new state biennium budget is due by July 1, 2013. Given the uncertainty of future state budgets, as well as local, state and national economic factors, years beyond fiscal year 2013 may deviate significantly from the forecast. Expenditure reductions are occurring annually. The timing and size of an additional revenue request is in the planning stages.

ORGANIZATION OF THE SCHOOL DISTRICT

The Board of Education is comprised of five members who are elected for overlapping four-year terms. The Board members on June 30, 2012 were as follows:

Board Member	Term Expires	Years as a Member	Profession
Douglas D. Trostle President	12/31/2015	12	Manufacturers Representative
Joyce A. Reives Vice President	12/31/2013	6	Vice President
David Heffner	12/31/2015	New	Manager, Export Compliance
Stephen G. Lucas	12/31/2013	10	Human Resource Manager
William Lutz	12/31/2013	New	Development Program Manager

At the November 8, 2011 general election, Douglas Trostle was re-elected for a fourth four-year term. David Heffner was elected to a four-year term. In addition, William Lutz won the two-year unexpired term of Rev. James C. Wilson as a write-in candidate. Each of these terms began in January 2012.

Effective March 14, 2011, the Troy City Board of Education unanimously appointed Eric J. Herman Superintendent. He had served as Interim Superintendent since August 1, 2010. He replaced Tom Dunn who resigned after serving as Superintendent since 2005 to assume a similar position at Miami County ESC. Mr. Herman has worked in the education field for over 30 years with the last 14 years being with Troy. During his time in Troy, Eric has been a building principal at Hook Elementary, Troy Junior High, and Troy High School. Most recently, he served as Assistant Superintendent and prior to that as Director of Curriculum and Instruction and as Director of Technology. Mr. Herman received his administrative certification from Wright State University.

The Treasurer/CFO of the District is Craig A. Jones. He also has management responsibility for the District's buildings and grounds. Mr. Jones became treasurer of the District in July, 2010 after serving Lakota Local Schools in Butler County for over 9 years, both as Assistant Treasurer and Treasurer/CFO. He replaced Don Pence who retired from the district after eighteen years of dedicated service. Mr. Jones holds a Bachelor of Science degree in Business Administration, with a dual major in accounting and finance, from Ohio Northern University. He is a Certified Public Finance Officer as well as a Certified Government Financial Manager. Mr. Jones has been in school finance for over 25 years. Prior to joining Lakota, he served as Assistant Treasurer for Dayton City Schools and Treasurer/CFO for Jefferson Township Local Schools. He has produced a Comprehensive Annual Financial Report (CAFR) for the school districts which he has served since 1992.

Duties and responsibilities of the Board of Education are found in the laws governing public education in Ohio. The Board of Education directly employs the Superintendent and Treasurer/CFO and serves as the legislative body of the District. Board duties include:

- Informing the public concerning the progress and needs of the schools, and to solicit and weigh public opinion as it affects the schools.
- Considering and passing upon the recommendations of the Superintendent and Treasurer/CFO in all matters of policy, appointment or dismissal of employees, salary schedules or other personnel regulations, course of study, selection of textbooks, or other matters pertaining to the welfare of schools.
- Exercising its taxing power to provide funds for the operation of the District.
- Adopting an annual tax budget and appropriation measure.
- Approval of a five-year financial forecast as a tool in long-range planning.

The Superintendent is the chief executive officer of the School District and is responsible for administering policies adopted by the Board of Education. The Superintendent is expected to provide leadership in all phases of policy formulation and is the chief advisor to the Board on all aspects of the educational program and total operation of the School District.

The Treasurer serves as the chief fiscal officer of the School District and, with the president, executes all conveyances made by the Board of Education.

EMPLOYEE RELATIONS

The District currently employs over 500 full-time and part-time employees.

The District's teachers are represented for collective bargaining purposes by the Troy City Education Association (TCEA), which is a labor organization affiliated with the Ohio Education Association. The District has a three-year collective bargaining agreement with TCEA which expires July 31, 2014.

The District's support staff is represented by the Troy City Support Staff Association (TCSSA), which is a labor organization affiliated with the Ohio Education Association. The District has a three year collective bargaining agreement which expires June 30, 2014.

In April 2011, the Board and both associations approved Memorandum of Understanding's which freeze steps and base salary increases at 0% for FY 2013 and FY 2014. In addition, both unions gave up a previously negotiated step and base salary increases of 1.95% in FY 2012. These measures are projected to save \$6.4 million over the term of the agreements.

The Board of Education employs all certified and classified employees only upon the nomination of the Superintendent.

SERVICES PROVIDED

The District offers regular instructional programs daily to students in grades K-12. About 282 students participated in the specific trades through the Upper Valley Career Center. Nearly 500 students receive special services, due to physical or mental handicapping conditions. The preliminary fiscal year 2013 October enrollment is 4,518.

The District provides a wide variety of education and support services, as mandated by the Ohio Revised Code or board directives.

The accounting department processes purchase orders, handles invoices and issues checks for goods and/or services for the District. Those goods and services include utilities, computers, software, instructional materials, maintenance and tuition.

The payroll department issues checks to employees entitled to remuneration for services rendered and for payroll-associated costs such as taxes, retirement and insurance.

In addition to accounting and payroll support services, the District also provides guidance, psychological, transportation, and limited health services free of charge to its students. The guidance services are designed to help students match their natural skills with vocational and/or academic programs to help them achieve their full potential in life. Psychological services include the testing and identification of students for special education programs.

MAJOR CURRENT AND FUTURE INITIATIVES

For the first time, Troy's 2010-2011 annual report card received an "EXCELLENT WITH DISTINCTION" rating from the Ohio Department of Education (ODE). The district earned 26 out of 26 indicators. Additionally, six out of nine district buildings were individually deemed "EXCELLENT" or above with two schools earning "EXCELLENT WITH DISTINCTION". Final Local Report Cards for 2011-2012 have not been released by ODE.

Common Core State Standards is a national initiative to help ensure that all students, from school to school and state to state, are prepared for success in postsecondary education and the workforce. Ohio schools are gearing up to fully implement new College and Career Ready education standards by the 2014-2015 school year. These standards will help our students thrive in a 21st-century global economy and society. In June 2010, the State Board of Education joined 44 other states and 3 territories in adopting Common Core State Standards in English language arts and mathematics. The board also adopted more rigorous versions of Ohio's academic content standards in science and social studies. In less than two years all four sets of standards will be the foundation of teaching in Ohio classrooms.

A statewide initiative was passed in recent legislation which strengthened the Third Grade Reading Guarantee to give greater emphasis to reading instruction and intervention in the early grades. Schools will diagnose reading deficiencies in students at grades kindergarten through three, create individualized reading improvement and monitoring plans and provide intensive reading interventions. In addition, in 2013-2014 new educator evaluation systems for teachers and principals will go into effect. Teacher final ratings will either be

accomplished, proficient, developing or ineffective based upon student growth measures (50%) and teacher performance on standards (50%).

Current school year and future initiatives include continuing implementation of the Race to the Top (RttT) transformation plan designed to accelerate student success throughout the state over the next two years. Ohio's RttT strategy demonstrates a commitment to bold and innovative education reforms. The areas involved in the plan are training in the new academic standards, staff development for new assessments, defining an instructional improvement system, use of data, value added/growth measures, and teacher evaluations. Troy will be emphasizing staff training in value added information to improve instruction as well as staff development in research based instructional techniques aimed at improving our Average Yearly Progress (AYP) scores.

By 2014, Ohio's Race to the Top Plan will...

1. Increase high school graduation rates by 0.5% annually
2. Reduce graduation rate gaps by 50% between underrepresented and majority students
3. Reduce the performance gaps by 50% on national and statewide assessments
4. Reduce the gap between Ohio and the best-performing states by 50% on NAEP reading and mathematics
5. Double the projected increase in college enrollment of students ages 19 and younger

As further evidence of our continued fiscal stewardship a bond advance refunding was completed in August 2012. The result of the transaction is that we realized a net present value savings of over \$800,000 or 10.08% of the refunding bonds. The savings does not impact the general fund but does reduce taxes for the community. To take advantage of historically low interest rates another advance refunding is planned in January 2013 with projected savings of nearly \$1 million or over 12% of the refunding bonds.

RELEVANT FINANCIAL POLICIES

The 129th General Assembly adopted the FY 2012-2013 biennium budget in June 2011 as Amended Substitute House Bill 153. The new funding model known as Ohio Evidence Based Model (OEBM), created in the previous biennial budget, has been repealed. A transitional approach to fund school districts in FY 2013 uses a temporary Bridge formula which allocates foundation funding based on a FY 2011 per-pupil amount multiplied by the FY 2013 formula ADM. A charge-off valuation index is used to equalize the fund distribution and keep the total statewide funding within the appropriated limits. A permanent formula is being developed with implementation expected in FY 2014.

School districts, community schools, and STEM schools shall begin reporting data in accordance with new expenditure standards on July 1, 2013. Expenditures shall be classified by operating and non-operating expenses. Operating expenditures will be further classified as classroom and non-classroom. Classroom expenditures shall be categorized as instruction, pupil support services and instructional support services. Non-classroom expenditures shall be categorized as general administration, school administration, operation and maintenance, pupil transportation, other support services and food service.

FINANCIAL INFORMATION

The District's accounting system is organized on a "fund" basis. Each fund is a distinct, self-balancing entity. Records for general governmental operations are maintained on a budgetary basis system of accounting as prescribed by State statute. Cash basis accounting differs from generally accepted accounting principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB).

INTERNAL ACCOUNTING AND BUDGETARY CONTROL

In developing the District's accounting system, much consideration was given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance is based on the assumption that the cost of internal accounting controls should not exceed the benefits expected to be derived from their implementation.

The District utilizes a fully automated accounting system as well as an automated system of control for fixed assets and payroll. These systems, coupled with the manual auditing of each voucher prior to payment, ensures that the financial information generated is both accurate and reliable.

At the beginning of each fiscal year, the Board adopts either a temporary appropriation measure or a permanent appropriation measure for that fiscal year. If a temporary appropriation is first adopted, the permanent appropriation measure must be adopted within three months.

Annual appropriations may not exceed the County Budget Commission's official estimate of resources. The County Auditor must certify that the Board's appropriation measures, including any supplements or amendments, do not exceed the amount set forth in the latest of those official estimates.

All disbursements and transfers of cash between funds require appropriation authority from the Board. Budgets are controlled at the fund level. All purchase order requests must be approved by the individual program managers and certified by the Treasurer; necessary funds are then encumbered and purchase orders are released to vendors.

The accounting system used by the District provides financial reports, which detail year-to-date expenditures and encumbrances versus the original appropriation plus any additional appropriations made to date. In addition to the financial statements retained in the Treasurer's Office, each program manager can monitor their budgets by running interim financial reports.

As an additional safeguard, a blanket bond covers all employees involved with receiving and depositing funds and a separate, higher bond covers certain individuals in policy-making roles.

The basis of accounting and the various funds utilized by the District are fully described in the notes to the basic financial statements. Additional information on the District's budgetary accounts can also be found in the notes to the basic financial statements.

FINANCIAL CONDITION

The District has prepared financial statements following GASB Statement 34, "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments." GASB 34 creates new basic financial statements for reporting on the school district's financial activities as follows:

Government-wide financial statements. These statements are prepared on an accrual basis of accounting which is similar to the basis of accounting followed by businesses. The government-wide statements distinguish between those activities of the District that are governmental and those that are considered business-type activities.

Fund financial statements. These statements present information for individual major funds rather than by fund type. Non-major funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include a reconciliation to the governmental activities accrual information presented in the government-wide financial statements. Proprietary and fiduciary funds use the accrual basis of accounting.

Statement of budgetary comparisons. These statements present comparisons of actual information to the legally adopted budget. The budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances.

INDEPENDENT AUDIT

Provisions of State statute require that the District's financial statements be subjected to an annual examination by an independent auditor. The unqualified opinion rendered by Dave Yost, Ohio Auditor of State on the District's basic financial statements, combining statements and individual fund schedules, is included in the financial section of this Comprehensive Annual Financial Report. Pursuant to statute, the State prescribes a uniform accounting system to standardize accounting classification and financial reporting for all units of local education agencies in Ohio. The District adopted and has been in conformance with that system effective with its annual financial report since the 1992 fiscal year.

AWARDS

GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement to District's that meet its program standards and criteria. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose

contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report conforms to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

ASBO Certificate

The Association of School Business Officials International (ASBO) awards a Certificate of Excellence in Financial Reporting to school districts that publish Comprehensive Annual Financial Reports which substantially conform to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials. The award is granted only after an intensive review of the financial report by an expert panel of certified public accountants and practicing school business officials.

The District believes that the current report which will be submitted to ASBO for review will conform to ASBO's principles and standards.

Auditor of State Award with Distinction

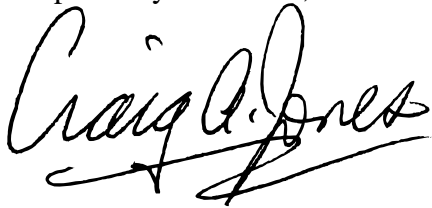
Ohio Auditor of State Dave Yost recognized District officials for their commitment to strong financial accountability and transparency with his presentation of the Auditor of State Award with Distinction for the FY 2011 audit. Fewer than five percent of all Ohio government agencies are eligible for this award. To receive it, entities must complete and submit a comprehensive annual financial report and receive an audit report with no findings or issues.

ACKNOWLEDGEMENT

The preparation of the 2012 Comprehensive Annual Financial Report of the Troy City School District was made possible by the combined efforts of the District's Treasurer's Office and Clark Schaefer Hackett & Company. The publication of this report is a major step in reinforcing the accountability and transparency of the District to the taxpayers of the community.

In closing, without the leadership and support of the Board of Education, preparation of this report would not have been possible.

Respectfully submitted,



Craig A. Jones
Treasurer/CFO



Eric J. Herman
Superintendent

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Troy City School District
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Linda C. Dandson

President

Jeffrey R. Emer

Executive Director

Association of School Business Officials International

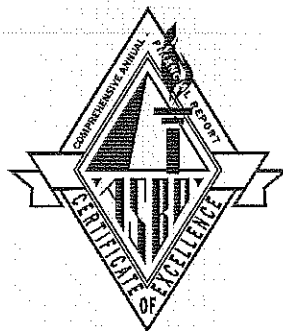


*The Certificate of Excellence in Financial Reporting Award
is presented to*

Troy City School District

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2011*

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards



A handwritten signature in cursive script, reading 'Brian L. Mee'.

Brian L. Mee, SFO, RSBA
President

A handwritten signature in cursive script, reading 'John D. Musso'.

John D. Musso, CAE, RSBA
Executive Director

**Troy City School District
Miami County, Ohio
List of Principal Officials
June 30, 2012**

ELECTED OFFICIALS

President, Board of Education
Vice President, Board of Education
Board of Education Member
Board of Education Member
Board of Education Member

David D. Trostle
Joyce A. Reives
David Heffner
Stephen G. Lucas
William Lutz

ADMINISTRATIVE OFFICIALS

Superintendent
Treasurer/CFO
Business Manger/Director of Human Resources
Director of Pupil Services
Director of Curriculum & Instruction
Director of Athletics
Director of Facilities and Maintenance
Director of Food Service
Director of Technology
Director of Transporation

Eric Herman
Craig A. Jones
Marion Stout
Paul Gibboney
Michael Moore
Jeff Sakal
Tytus Jacobs
Sharon Babcock
Eric Sweetman
Brian Koopman

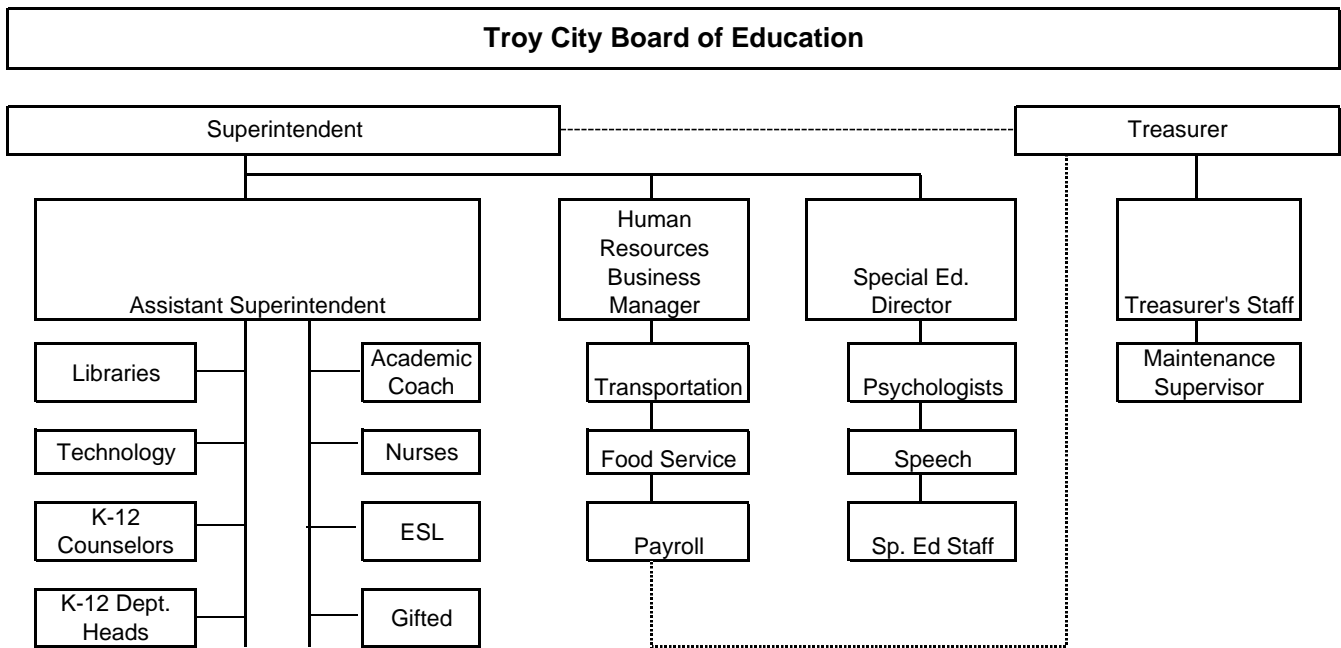
OFFICE OF THE TREASURER

Treasurer/CFO
Assistant Treasurer
Treasurer Assistant
Treasurer Assistant

Craig A. Jones
Susan Denlinger
Becky Pappas
Brenda Alvarez

TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO

ORGANIZATIONAL CHART
JUNE 30, 2012



FINANCIAL SECTION



Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Troy City School District
Miami County
500 North Market Street
Troy, Ohio 45373

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Troy City School District, Miami County, Ohio (the School District), as of and for the year ended June 30, 2012, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School District'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, each major fund, and the aggregate remaining fund information of Troy City Schools, Miami County, Ohio, as of June 30, 2012, 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 December 14, 2012, on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

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



Dave Yost
Auditor of State

December 14, 2012

TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012
Unaudited

The discussion and analysis of the Troy City School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2012. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2012 are as follows:

Overall:

- Total net assets decreased by \$2,926,851, which represents a 14.51% decrease from fiscal year 2011.
- Total assets of governmental activities decreased by \$543,992, attributed primarily to a decrease in cash and investments and increase in accumulated depreciation that was not completely offset by an increase in taxes receivable.
- General revenues accounted for \$42.4 million or 86.03% of total revenue. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$6.9 million or 13.97% of total revenues of \$49.3 million.
- Of the School District's \$52.2 million in expenses, only \$6.9 million were offset by program specific charges for services, grants or contributions. General revenues (primarily grants and entitlements, income taxes and property taxes) were used to cover the net expense of \$45.3 million.
- The General Fund had \$40.6 million in revenues and \$41.6 million in expenditures representing 82.43% and 83.00% of the total governmental funds revenues and expenditures, respectively.
- The School District's only major fund is the General Fund. The General Fund's balance decreased \$1.1 million from the prior year.

Using the Basic Financial Statements

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Troy City School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Assets and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregated view of the School District's finances and a longer-term view of those statements. 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 what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other non-major funds presented in total in one column. In the case of Troy City School District, the General Fund is by far the most significant fund.

TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012
Unaudited

Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains a large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2012?" The Statement of Net Assets and the Statement of Activities answers this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the School District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

In the Statement of Net Assets and the Statement of Activities, the School District reports governmental activities. Governmental activities are the activities where most of the School District's programs and services are including, but not limited to, instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities. The School District does not have any business-type activities.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds, and therefore only the General Fund is presented separate from the other governmental funds.

Governmental Funds

The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual, 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 School District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. 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.

TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012
Unaudited

The School District as a Whole

Recall that the Statement of Net Assets provides the perspective of the School District as a whole.

Table 1 provides a summary of the School District's net assets for 2012 and 2011:

TABLE 1
NET ASSETS, JUNE 30

	2012	2011
ASSETS:		
Current and Other Assets	\$ 35,454,064	34,873,670
Capital Assets	27,517,483	28,641,869
Total Assets	62,971,547	63,515,539
 LIABILITIES		
Current Liabilities	21,610,871	20,225,177
Noncurrent Liabilities	24,121,018	23,123,853
Total Liabilities	45,731,889	43,349,030
 NET ASSETS:		
Invested in Capital Assets, Net of Debt	8,417,929	9,181,361
Restricted	2,222,304	1,955,114
Unrestricted	6,599,425	9,030,034
Total Net Assets	\$ 17,239,658	20,166,509

The amount by which the School District's assets exceeded its liabilities is called net assets. As of June 30, 2012, the School District's net assets were \$17.2 million. Of that amount, approximately \$8.4 million was invested in capital assets, net of debt related to those assets. Another \$2.2 million was subject to external restrictions upon its use. The remaining \$6.6 million was unrestricted and available for future use as directed by the Board of Education and the School District's Administration.

TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012
Unaudited

Table 2 shows the changes in net assets for fiscal year 2012, as compared to fiscal year 2011:

TABLE 2
CHANGE IN NET ASSETS, JUNE 30

	2012	2011
REVENUES:		
Program Revenues:		
Charges for Services	\$ 2,983,458	3,110,577
Operating Grants and Contributions	3,875,182	5,813,192
Capital Grants and Contributions	21,060	25,714
General Revenues:		
Property Taxes	16,577,276	17,607,005
Income Taxes	9,501,186	9,074,106
Grants and Entitlements	15,767,975	17,068,449
Investment Earnings	79,563	28,709
Other	441,848	329,241
Total Revenues	49,247,548	53,056,993
PROGRAM EXPENSES:		
Instruction	33,175,571	33,035,603
Support Services:		
Pupils and Instructional Staff	3,391,200	3,231,155
Board of Education, Administration		
Fiscal and Business	5,358,714	4,975,080
Operation and Maintenance of Plant	3,568,807	3,600,867
Pupil Transportation	1,948,816	1,914,312
Central	203,979	57,220
Operation of Non-Instructional Services	2,626,127	2,503,815
Extracurricular Activities	509,864	487,113
Interest and Fiscal Charges	785,432	965,569
Depreciation Expense	605,889	605,889
Total Expenses	52,174,399	51,376,623
Change in Net Assets	\$ (2,926,851)	1,680,370

TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012
Unaudited

Governmental Activities

The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenue generated by a voted levy does not increase solely as a result of inflation. Property taxes made up 33.66% of revenues for governmental activities for the Troy City School District for fiscal year 2012. The School District is extremely dependent upon intergovernmental revenues provided by the State of Ohio and the federal government; approximately 39.93% of the School District's total revenue was received from intergovernmental sources during fiscal year 2012.

Despite not having sought new operating funds through a property tax levy in the past six years, the School District has been able to regain stable financial footing after struggling through financial difficulties in the late 1990's. Careful management of expenses has allowed the School District to maintain a stable fund balance.

Instruction comprises 63.59% of the School District's expenses for fiscal year 2012. Support services expenses make up 27.74% of the expenses.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted state entitlements.

TABLE 3
TOTAL AND COST OF PROGRAM SERVICES
FOR THE FISCAL YEAR ENDED JUNE 30,

	2012		2011	
	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service
Instruction	\$ 33,175,571	29,270,323	33,035,603	27,171,152
Support Services:				
Pupils and Instructional Staff	3,391,200	3,191,492	3,231,155	3,069,712
Board of Education, Administration, Fiscal and Business	5,358,714	5,190,615	4,975,080	4,813,070
Operation and Maintenance of Plant	3,568,807	3,521,505	3,600,867	3,549,806
Pupil Transportation	1,948,816	1,948,816	1,914,312	1,709,774
Central	203,979	203,979	57,220	57,220
Operation of Non-Instructional Services	2,626,127	462,121	2,503,815	474,754
Extracurricular Activities	509,864	114,527	487,113	10,194
Interest and Fiscal Charges	785,432	785,432	965,569	965,569
Depreciation Expense	605,889	605,889	605,889	605,889
Total Expenses	\$ 52,174,399	45,294,699	51,376,623	42,427,140

TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012
Unaudited

The School District's Funds

On the modified accrual basis of accounting, the School District's major governmental fund, the General Fund, had an ending fund balance totaling \$11.6 million, or 84.12% of the total fund balance for all governmental funds.

The School District's primary operating fund, the General Fund, ended the year with expenditures exceeding revenues by \$1.1 million. The unassigned ending fund balance of the General Fund (\$11.0 million) represents approximately 26.53% of the total expenditures reported in the General Fund.

General Fund Budgeting Highlights

The School District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

For the General Fund, original and final budget basis revenue was \$40.2 million compared to actual revenue of \$40 million. Most significant difference was noted in intergovernmental revenue with a difference from the final budget of approximately \$280,000.

Total actual expenditures on the budget basis (cash outlays plus encumbrances) were \$42.2 million, \$2.2 million higher than budget basis actual revenue, and \$341,870 below final budget estimates.

As the budget for the General Fund is amended throughout the fiscal year for unanticipated revenues and expenditures, the final amended budget amounts approximate the actual budgetary results realized by the School District.

Capital Assets

At the end of fiscal year 2012, the School District had \$27.5 million invested in land, buildings, furniture, textbooks and equipment, and vehicles in governmental activities.

TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012
Unaudited

Table 4 shows fiscal year 2012 balances compared to 2011:

	2012	2011
Land	\$ 530,131	530,131
Buildings	17,829,222	18,435,111
Improvements	6,776,937	6,959,394
Furniture and Equipment	632,623	698,999
Textbooks	371,146	504,575
Vehicles	1,377,424	1,513,659
	\$ 27,517,483	28,641,869

Overall, net capital assets decreased approximately \$1.1 million from fiscal year 2011. The decrease in capital assets results from the amount of depreciation during the year and asset disposals being a larger amount than the amount of capital outlay.

During fiscal year 2012, primary capital additions included various improvements to buildings totaling \$490,000 and purchase of miscellaneous equipment totaling \$112,000. Current year depreciation expense totaled \$1.82 million.

Costs associated with repair and maintenance of the School District's facilities and other assets that do not extend the useful life of the capitalized item is included within the operation and maintenance of plant function.

For more detailed disclosures regarding the School District's capital assets readers should refer to Note 7 to the basic financial statements.

Capital Lease/Debt Administration

At June 30, 2012, the School District had two separate debt issues. The first debt issue of the School District that was outstanding was the School Improvement Bonds in the amount of \$18,150,000. These bonds were issued during 2005 and were used to finance the cost of improvements, renovations, additions, and site improvements to Concord Elementary School, Forest Elementary School, Van Cleve Elementary School, and Troy High School. For the fiscal year ending June 30, 2012 the District made payments on the capital appreciation bonds of \$690,000 and \$705,000 of outstanding principal is due within one year.

The second debt issue was issued on September 24, 2009 for an original amount of \$1,103,964 for the purpose of upgrading select HVAC and lighting in the District to reduce the cost of energy consumption. Principal payments made during the fiscal year were \$75,964 resulting in an outstanding balance of \$949,554 at year end.

At June 30, 2012, the School District's overall legal debt margin was \$41.6 million and the unvoted debt margin was \$656,856.

For more detailed disclosures regarding the School District's long-term debt obligations readers should refer to Note 13 to the basic financial statements.

TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012
Unaudited

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information contact the Treasurer's Office at Troy City School District, 500 North Market Street, Troy, Ohio 45373 or call (937) 332-6700.

TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO

Statement of Net Assets
June 30, 2012

	Governmental Activities
ASSETS:	
Pooled Cash and Investments	\$ 12,330,463
Receivables:	
Taxes	22,749,162
Accounts	12,395
Intergovernmental	173,743
Accrued Interest	2,885
Materials and Supplies Inventory	145,500
Prepaid Items	39,916
Capital Assets:	
Capital assets not subject to depreciation:	
Land	530,131
Capital assets, net of accumulated depreciation	26,987,352
Total Assets	62,971,547
LIABILITIES:	
Accounts Payable	436,501
Accrued Wages and Benefits	2,689,585
Compensated Absences	60,650
Intergovernmental Payable	1,074,169
Claims Payable	788,667
Accrued Interest Payable	67,390
Unearned Revenue	16,493,909
Noncurrent Liabilities:	
Due Within One Year	1,597,743
Due In More Than One Year	22,523,275
Total Liabilities	45,731,889
NET ASSETS:	
Invested in capital assets, net of related debt	8,417,929
Restricted for:	
Hayner Cultural Center	433,011
Student Activities	274,779
Auxiliary Services	64,924
Special Education	45,157
Capital Projects	750,700
Debt Service	653,733
Unrestricted	6,599,425
Total Net Assets	\$ 17,239,658

See accompanying notes to the basic financial statements.



TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO
Statement of Activities
For the Fiscal Year Ended June 30, 2012

<u>Functions/Programs:</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Capital Grants and Contributions</u>	<u>Net (Expense)/ Revenue and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>		<u>Governmental Activities</u>
Governmental Activities:					
Instruction:					
Regular	\$ 23,339,103	1,459,981	1,467,811	-	(20,411,311)
Special	5,979,908	-	977,456	-	(5,002,452)
Vocational	19,682	-	-	-	(19,682)
Other	3,836,878	-	-	-	(3,836,878)
Support Services:					
Pupils	2,118,955	-	175,974	-	(1,942,981)
Instructional Staff	1,272,245	-	23,734	-	(1,248,511)
Board of Education	653,928	-	-	-	(653,928)
Administration	3,647,967	81,212	68,049	-	(3,498,706)
Fiscal	541,404	-	-	-	(541,404)
Business	515,415	2,638	-	16,200	(496,577)
Operation and Maintenance of Plant	3,568,807	-	42,442	4,860	(3,521,505)
Pupil Transportation	1,948,816	-	-	-	(1,948,816)
Central	203,979	-	-	-	(203,979)
Operation of Non-Instructional Services	2,626,127	1,044,290	1,119,716	-	(462,121)
Extracurricular Activities	509,864	395,337	-	-	(114,527)
Interest and Fiscal Charges	785,432	-	-	-	(785,432)
Unallocated Depreciation *	605,889	-	-	-	(605,889)
Total	\$ <u>52,174,399</u>	<u>2,983,458</u>	<u>3,875,182</u>	<u>21,060</u>	<u>(45,294,699)</u>
General Revenues:					
Property Taxes Levied for:					
General Purposes					14,160,593
Hayner Cultural Center					454,395
Debt Service					1,357,849
Capital Outlay					604,439
Income Taxes Levied for General Purposes					9,501,186
Grants, Entitlements and Contributions not Restricted to					
Specific Programs					15,767,975
Investment Earnings					79,563
Other Revenue					441,848
					<u>42,367,848</u>
					Change in Net Assets (2,926,851)
					<u>20,166,509</u>
					\$ <u>17,239,658</u>

* - This amount excludes the depreciation that is included in the direct expense of the various functions.

See accompanying notes to the basic financial statements.

TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO

Balance Sheet
Governmental Funds
June 30, 2012

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS:			
Pooled Cash and Investments	\$ 9,949,817	2,017,458	11,967,275
Receivables:			
Taxes	19,790,099	2,959,063	22,749,162
Accounts	12,395	-	12,395
Intergovernmental	-	173,743	173,743
Accrued Interest	2,885	-	2,885
Due from Other Funds	8,764	-	8,764
Materials and Supplies Inventory	106,210	39,290	145,500
Prepaid Items	39,466	450	39,916
	<u>29,909,636</u>	<u>5,190,004</u>	<u>35,099,640</u>
Total Assets	\$ 29,909,636	5,190,004	35,099,640
LIABILITIES:			
Accounts Payable	\$ 260,114	176,387	436,501
Accrued Wages and Benefits	2,534,828	154,757	2,689,585
Intergovernmental Payable	954,011	120,158	1,074,169
Compensated Absences Payable	60,650	-	60,650
Due to Other Funds	-	8,764	8,764
Deferred Revenue	14,508,803	2,541,452	17,050,255
	<u>18,318,406</u>	<u>3,001,518</u>	<u>21,319,924</u>
Total Liabilities	18,318,406	3,001,518	21,319,924
FUND BALANCES:			
Nonspendable			
Inventory	106,210	39,290	145,500
Prepaid Items	39,466	450	39,916
Restricted for:			
Debt Service	-	682,349	682,349
Facilities Construction and Maintenance	-	732,847	732,847
Hayner Cultural Center	-	460,128	460,128
Extracurricular Activities	-	274,329	274,329
Nonpublic Schools	-	64,924	64,924
Special Education	-	13,213	13,213
Student and Staff Support	-	19,411	19,411
Assigned to:			
Student and Staff Support	234,629	-	234,629
Unpaid Obligations	167,719	-	167,719
Student Instruction	19,266	-	19,266
Unassigned	11,023,940	(98,455)	10,925,485
	<u>11,591,230</u>	<u>2,188,486</u>	<u>13,779,716</u>
Total Fund Balances	11,591,230	2,188,486	13,779,716
	<u>\$ 29,909,636</u>	<u>5,190,004</u>	<u>35,099,640</u>
Total Liabilities and Fund Balances	\$ 29,909,636	5,190,004	35,099,640

See accompanying notes to the basic financial statements.

TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO
Reconciliation of Total Governmental Fund Balances
to Net Assets of Governmental Activities
June 30, 2012

Total Governmental Fund Balances	\$	13,779,716
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.		27,517,483
Some revenues will not be available to pay for current period expenditures and therefore are deferred in the funds.		556,346
The Internal Service fund is used by management to charge the cost of providing medical insurance to the individual funds. The assets and liabilities of the internal service fund are included in the governmental activities in the statement of net assets.		(425,479)
Long-term liabilities, which are not due and payable in the current period and therefore are not reported in the funds		
Accrued Interest Payable		(67,390)
Compensated Absences		(3,102,887)
Early Retirement Incentive		(1,918,577)
Bonds Payable		<u>(19,099,554)</u>
Net Assets of Governmental Activities	\$	<u>17,239,658</u>

See accompanying notes to the basic financial statements.

TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO
Statement of Revenues, Expenditures and
Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2012

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:			
Taxes	\$ 23,689,446	2,417,008	26,106,454
Intergovernmental	15,415,414	4,279,651	19,695,065
Investment Earnings	79,563	-	79,563
Tuition and Fees	1,023,253	16,048	1,039,301
Charges for Services	-	1,044,290	1,044,290
Extracurricular Activities	189,207	710,660	899,867
Miscellaneous	240,281	195,884	436,165
	<u>40,637,164</u>	<u>8,663,541</u>	<u>49,300,705</u>
EXPENDITURES:			
Current:			
Instruction:			
Regular	20,802,447	1,820,893	22,623,340
Special	5,009,626	977,456	5,987,082
Vocational	19,682	-	19,682
Other	2,345,371	3,675	2,349,046
Support Services:			
Pupils	2,111,645	-	2,111,645
Instructional Staff	1,040,662	208,896	1,249,558
Board of Education	653,928	-	653,928
Administration	3,114,993	259,486	3,374,479
Fiscal	503,833	38,356	542,189
Business	529,215	6,794	536,009
Operation and Maintenance of Plant	3,354,552	160,147	3,514,699
Pupil Transportation	1,750,323	-	1,750,323
Central	57,636	-	57,636
Operation of Non-Instructional Services	-	2,595,616	2,595,616
Extracurricular Activities	16,288	422,289	438,577
Capital Outlay	171,817	521,299	693,116
Debt Service:			
Principal	75,964	645,745	721,709
Interest	-	852,933	852,933
	<u>41,557,982</u>	<u>8,513,585</u>	<u>50,071,567</u>
Excess (Deficiency) of Revenues Over/ (Under) Expenditures	<u>(920,818)</u>	<u>149,956</u>	<u>(770,862)</u>
OTHER FINANCING SOURCES (USES):			
Proceeds from Sale of Assets	5,683	-	5,683
Transfers In	-	150,000	150,000
Transfers Out	<u>(150,000)</u>	<u>-</u>	<u>(150,000)</u>
	<u>(144,317)</u>	<u>150,000</u>	<u>5,683</u>
Net Change in Fund Balances	(1,065,135)	299,956	(765,179)
Fund Balance, Beginning of Year	<u>12,656,365</u>	<u>1,888,530</u>	<u>14,544,895</u>
Fund Balance, End of Year	<u>\$ 11,591,230</u>	<u>2,188,486</u>	<u>13,779,716</u>

See accompanying notes to the basic financial statements.

TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO

Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2012

Total Net Change in Fund Balances - Total Governmental Funds \$ (765,179)

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

Governmental funds report capital outlays 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 by which depreciation
expense exceeded capital outlay in the current period.

Capital Asset Additions	693,116
Current Year Depreciation	(1,816,964)

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. This
is the amount of the loss on the disposal of fixed assets.

Loss on the disposal of capital assets	(538)
--	-------

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

(58,842)

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

765,964

Some expenses reported in the statement of activities, such as
compensated absences and accrued interest, do
not require the use of current financial resources and therefore
are not reported as expenditures in governmental funds.

Compensated Absences	199,705
Early Retirement Incentive	(1,918,577)
Accrued Interest Payable	67,501
Interest Accrued on Capital Appreciation Bonds	(44,256)

The Internal Service fund is used by management to charge the
cost of providing medical insurance to the individual funds is
not reported in the district-wide statement of activities.
Governmental fund expenditures and the related internal service
fund revenue is eliminated. The net loss of the internal
service fund is allocated among the governmental activities.

(48,781)

Change in Net Assets of Governmental Activities \$ (2,926,851)

See accompanying notes to the basic financial statements.

TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO
Statement of Fund Net Assets
Internal Service Fund
June 30, 2012

	<u>Governmental Activities</u>
	<u>Internal Service Fund</u>
ASSETS:	
Pooled Cash and Investments	\$ <u>363,188</u>
LIABILITIES:	
Claims Payable	<u>788,667</u>
NET ASSETS:	
Unrestricted	\$ <u><u>(425,479)</u></u>

See accompanying notes to the basic financial statements.

TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO
Statement of Revenues, Expenses and
Changes in Fund Net Assets
Internal Service Fund
For the Fiscal Year Ended June 30, 2012

	Governmental Activities
	Internal Service Fund
OPERATING REVENUES:	
Charges for Services	\$ <u>5,183,659</u>
Total Operating Revenues	<u>5,183,659</u>
OPERATING EXPENSES:	
Claims	<u>5,232,440</u>
Total Operating Expenses	<u>5,232,440</u>
Operating Income	(48,781)
Net Assets, Beginning of Year	<u>(376,698)</u>
Net Assets, End of Year	\$ <u>(425,479)</u>

See accompanying notes to the basic financial statements.



TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO
Statement of Cash Flows
Internal Service Fund
For the Fiscal Year Ended June 30, 2012

	Governmental Activities
	Internal Service Fund
Increase in Pooled Cash and Investments	
Cash Flows from Operating Activities:	
Cash Received from Quasi-External Transactions with Other Funds	\$ 5,183,659
Cash Payments for Claims	<u>(5,183,659)</u>
Net Cash Provided by Operating Activities	<u>-</u>
Pooled Cash and Investments, Beginning of Year	<u>363,188</u>
Pooled Cash and Investments, End of Year	\$ <u><u>363,188</u></u>
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities:	
Operating Income	\$ (48,781)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:	
Changes in assets and liabilities:	
Increase in Claims Payable	<u>48,781</u>
Total Adjustments	<u>48,781</u>
Net Cash Provided by Operating Activities	\$ <u><u>-</u></u>

See accompanying notes to the basic financial statements.

TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2012

	Scholarship Private- Purpose Trust Funds	Agency Fund
ASSETS:		
Pooled Cash and Investments	\$ 287,934	85,378
Receivables:		
Accrued Interest	58	-
Total Assets	287,992	85,378
LIABILITIES:		
Accounts Payable	-	222
Due to Students	-	85,156
Total Liabilities	-	85,378
NET ASSETS:		
Held in Trust for Scholarships	\$ 287,992	-

See accompanying notes to the basic financial statements.

TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Fiscal Year Ended June 30, 2012

		Scholarship Private- Purpose Trust Funds
ADDITIONS:		
Other Revenue	\$	46,981
Investment Earnings		718
Total Additions		47,699
DEDUCTIONS:		
Educational Outreach		53,299
Total Deductions		53,299
Change in Net Assets		(5,600)
Net Assets, Beginning of Year		293,592
Net Assets, End of Year	\$	287,992

See accompanying notes to the basic financial statements.

TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 1 – DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

Troy City School District (the "School District") is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution of the State of Ohio. The School District operates under a locally elected, five-member Board of Education (Board) to provide educational and other services as required and permitted by the laws and regulations of the State of Ohio and United States of America. The School District is not a part of, or under the control of, the City of Troy, Ohio.

Reporting Entity: A reporting entity is comprised of the primary government, component units and other organizations that are included to insure that the financial statements are not misleading. The primary government of the School District consists of all funds, departments, boards, and agencies that are not legally separate from the School District. For Troy City School District, this includes general operations, food service, student guidance, extracurricular activities, educational media, care and upkeep of grounds and buildings, preschool and student related activities of the School District. The following activities are included within the reporting entity:

Hayner Cultural Center: About fifty years ago, title to the real and personal property which presently comprises the bulk of Hayner Cultural Center passed from the estate of Mary Jane Hayner to the School District under Mrs. Hayner's will. This facility is now being operated as a fine arts center to provide fine arts exhibits, educational opportunities, and meeting facilities for the citizens of Troy and its surrounding communities. The School District has provided for a Governing Board whose responsibility in part is to preserve, maintain, and operate the Center. The School District has the authority to reject the recommendations of the Governing Board. Likewise, there is a financial benefit and financial burden relationship between the School District and the Center. Accordingly, the Hayner Cultural Center's financial statements are included within the special revenue funds.

Parochial Schools: Within the School District boundaries are four parochial schools, which are operated as private schools. Current State legislation provides funding to these parochial schools. These monies are received and disbursed on behalf of the parochial schools by the Treasurer of the School District, as directed by the parochial schools. The activity of these State monies is reflected in a special revenue fund for financial reporting purposes.

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization's resources; the School District is legally obligated or has assumed responsibility to finance the deficits of, or provide financial support to, the organization; or the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the levying of taxes or the issuance of debt for the organization. The School District has no component units.

The School District is associated with two jointly governed organizations. These organizations are presented in Note 15 to the basic financial statements. These organizations are:

Jointly Governed Organizations:
Southwestern Ohio Educational Purchasing Council
Metropolitan Dayton Educational Cooperative Association

TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Troy City School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its government-wide and proprietary activities provided they do not conflict with or contradict GASB pronouncements. The more significant of the School District's accounting policies are described below.

A. Basis of Presentation

The School District'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 School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund was eliminated to avoid the "doubling up" of revenues and expenses.

The statement of net assets presents the financial condition of the governmental activities of the School District at year-end. The government-wide statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities. 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 and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School District.

Fund Financial Statements

During the year, the School District segregated transactions related to certain School District 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 School District at this more detailed level. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service fund is presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by fund type.

TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Fund Accounting

The School District uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain School District functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The various funds of the School District are grouped into the categories governmental, proprietary, and fiduciary.

Governmental Funds

Governmental funds focus 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 General Fund is the only major fund of the School District:

General Fund – The General Fund is used to account for all financial resources, except those required to be accounted for in another fund. The general fund is available to the School District for any purpose provided it is expended or transferred according to the general laws of Ohio.

The other governmental funds of the School District account for grants and other resources and capital projects of the School District whose uses are restricted to a particular purpose.

Proprietary Fund

The proprietary fund focuses on the determination of the changes in net assets, financial position, and cash flows. Proprietary funds are classified as enterprise or internal service; the School District has no enterprise funds.

Internal Service Fund – The internal service fund accounts for the financing of services provided by one department or agency to other department or agencies of the School District on a cost reimbursement basis. The School District has one internal service fund, which accounts for the self-insurance program which provides medical benefits to employees.

TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District has various funds established to provide scholarships to its students that are classified as private-purpose trust funds. Funds used to account for the activity of the numerous student-managed activities within the School District are classified as agency funds.

C. 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 School District are included on the Statement of Net Assets.

Fund Financial Statements

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 fund types 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 net total assets. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its proprietary activities.

Fiduciary funds, with the exception of agency funds, are reported using the economic resources measurement focus. Agency funds have no measurement focus.

D. 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. 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.

TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. “Measurable” means the amount of the transaction can be determined, and “available” means collectible within the current fiscal year or soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within ninety days of fiscal year end for all revenues except property tax. For property tax revenue, available means expected to be received within sixty days of fiscal year end.

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District 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 fiscal year end: property taxes available as an advance, grants, investment earnings, tuition, and student fees.

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 June 30, 2012, but which were levied to finance fiscal year 2013 operations, have been recorded as deferred revenue. 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.

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported on the operating statement as an expense with a like amount reported as donated commodities revenue.

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.

TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budget Data

All funds, other than agency funds and the Auxiliary Services special revenue fund, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation 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 the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at a level of control selected by the Board. The Board has established the legal level of control at the function level within the individual funds, with the exception of the grant funds, which are at the special cost center level.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue, are identified by the School District. The amounts reported as the original budgeted amounts in the budgetary statement reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statement reflect the amounts in the final amended certificate issued during fiscal year 2012.

The appropriation resolution is subject to amendment by the Board throughout the school year with the restriction that appropriations may not exceed estimated revenues. The amounts reported as the original budgeted amounts reflect the first appropriation for that fund that covered the entire fiscal year, including amounts automatically carried over from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the year.

F. Pooled Cash and Investments

To improve cash management, cash received by the School District is pooled. Monies for all funds, including proprietary and fiduciary funds, are maintained in this pool. Individual fund integrity is maintained through the School District's records. Each fund's interest in the pool is presented as "pooled cash and investments" on the financial statements.

During fiscal year 2012, investments included federal government agency bonds, money market funds, STAROhio, negotiable certificates of deposit and non-negotiable certificates of deposit.

Except for nonparticipating investment contracts, investments are reported at fair value that is based on quoted market prices. Nonparticipating investment contracts such as repurchase agreements are reported at cost.

The School District has invested funds in the State Treasury Assets Reserve of Ohio (STAROhio) during fiscal year 2012. STAROhio is an investment pool managed by the State Treasurer's Office that allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on June 30, 2012.

TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2012 amounted to \$79,563, which includes the general fund allocation as well as the allocations of all funds not specified in the Board's resolution.

For purposes of the statement of cash flows and for presentation of the balance sheet, investments of the cash management pool are reported as pooled cash and investments.

G. Materials and Supplies Inventory

On government-wide financial statements, inventories are presented at the lower 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. For all funds, cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption, donated food, and purchased food. The cost of inventory items is recorded as an expenditure in the governmental fund types when purchased. Reported material and supplies inventory is equally offset by a fund balance reserve in the governmental funds, which indicates that it does not constitute available expendable resources even though it is a component of net current assets.

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2012, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure is reported in the year in which services are consumed.

I. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

J. Capital Assets and Depreciation

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 within the governmental activities on the government-wide statement of net assets but are not reported in the fund statements.

TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements throughout the year. Donated fixed assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of two thousand five hundred dollars. The School District does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets except for land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives.

Description	Estimated Lives
Buildings	40 years
Improvements	10 – 40 years
Furniture and Equipment	5 – 20 years
Textbooks	7 years
Vehicles	7 – 12 years

K. Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures or 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 and uses in governmental funds. Repayments from funds responsible for particular expenditures or expenses to the funds that initially paid for them are not presented on the financial statement.

L. 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 School District will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave is accrued using the vesting method, whereby the liability is recorded on the basis of leave accumulated by employees eligible to receive termination payments as of the balance sheet date and on leave balances accumulated by other employees expected to become eligible in the future to receive payments.

The entire compensated absence liability is reported on the government-wide financial statements. For governmental fund financial statements, 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.

TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide 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 special termination benefits 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. Long-term notes, general obligation bonds, and capital leases are recognized as a liability on the governmental fund financial statements when due.

N. 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 borrowings 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 School District or through external restrictions imposed by creditors, grantors or laws, or regulations of other governments. The School District did not have any net assets restricted by enabling legislation.

The School District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

O. Fund Balance

The School District reports classifications of fund equity based on the purpose for which resources were received and the level of constraint placed on the resources. Nonspendable fund balance indicates resources that are not expected to be converted to cash because they are not in a spendable form. Resources that have purpose constraints placed upon them by laws, regulations, creditors, grantors, or other external parties are considered available only for the purpose for which they were received and are reported as a restricted fund balance. The School District may limit the use of unreserved resources and may they may be reported as committed or assigned fund balance depending on at what level of governance the constraints were placed. With an affirmative vote of its members, the Board of Education may create funds for which resources are committed to the established purpose of that fund. Through the School District's purchasing policy the Board has given the Treasurer the authority to constrain monies for intended purposes, which are reported as assigned fund balances. All other funds in spendable form not restricted, committed or assigned are reported as an unassigned fund balance.

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

TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

P. Compounded Interest on Capital Appreciation Bonds

Capital appreciation bonds are accreted each year for the compounded interest accrued during the year. The compounded interest on the capital appreciation bonds are presented as an addition to the face amount of the bonds payable.

NOTE 3 – ACCOUNTABILITY

The following funds have fund equity deficits as of June 30, 2012:

	<u>Deficit Fund Equity</u>
Special Revenue Funds:	
Food Service Fund	\$ 58,894
Title III	\$ 270

The deficits in the special revenue funds were created by the application of generally accepted accounting principles. The general fund is liable for any deficit in these funds and provides operating transfers when cash is required, not when accruals occur.

NOTE 4 – DEPOSITS AND INVESTMENTS

State statutes require the classification of monies held by the School District into three categories.

Active Monies – Those monies required to be kept in “cash” or “near-cash” statuses for the immediate use of the district. Such monies must be maintained either as cash in the treasury, in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive Monies – Those monies not required for use within the current five-year period of designation of depositories. Inactive monies may be deposited or invested as certificate of deposit maturing no later than the end of the current period of designation of 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 in legal securities (see Note 2F).

Deposits

Custodial credit risk is the risk that in the event of bank failure, the School District’s deposits may not be returned to it. Protection of the School District’s deposits is provided by the federal deposit insurance corporation as well as qualified securities pledged by the institution holding the assets. By Ohio law, financial institutions must collateralize all public deposits. The face value of the pooled collateral must equal at least 105 percent of public funds on deposit with that specific institution. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions. The District has no deposit policy for custodial credit risk beyond the requirements of State statute.

TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 4 – DEPOSITS AND INVESTMENTS (Continued)

At year end, the carrying amount of the School District’s cash and deposits was \$2,410,288 and the bank balance was \$2,724,075. Of the bank balance, \$425,938 was covered by federal depository insurance and \$2,298,137 was uninsured. The uninsured bank balance was collateralized with securities held by the pledging institution’s trust department but not in the School District’s name.

Investments

Investments are reported at fair value. As of June 30, 2012, the School District had the following investments:

	Fair Value	Maturity (in years)		Percent of Total Portfolio	Credit Rating*
		less than 1	1-2		
FHLB	3,298,416	3,298,416	-	32.04%	AA+
FHLMC	3,339,807	2,584,337	755,470	32.45%	AA+
FNMA	2,047,942	1,327,223	720,719	19.90%	AA+
Federal Farm Credit	341,644	341,644	-	3.31%	AA+
Money Market	120,126	120,126	-	1.17%	A2
STAROhio	1,145,552	1,145,552	-	11.13%	AAAm
Total Investments	\$ 10,293,487	8,817,298	1,476,189		

* - as rated by Standard & Poor's rating services

The School District’s investment policy permits the purchase of any security specifically authorized by the Ohio Revised Code and includes the following:

Interest Rate Risk – An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the School District, and must be purchased with the expectation that it will be held to maturity. Ohio Revised Code §135.14(B)(7)(a) limits commercial paper to those assigned the highest credit rating by two nationally recognized rating services.

Credit Risk – The District has no investment policy that would further limit its investment risk other than what has been approved by State statute.

Concentration of Credit Risk – The School District should normally seek to diversify its holdings of other investments by avoiding concentrations of specific issuers.

TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 5 – PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis while the School District fiscal year runs from July through June. First half tax collections are received by the School District in the second half of the fiscal year. Second half tax distributions occur in the first half of the following fiscal year.

Property taxes include amounts levied against all real, public utility and tangible personal property located in the School District. Property tax revenue received during calendar 2012 for real and public utility property taxes represents collections of calendar 2011 taxes. Real property tax revenue received in calendar year 2012 are levied after April 1, 2011, on the assessed value as of January 1, 2011, the lien date. Assessed values are established by State law at thirty-five percent of appraised market value.

Public utility property tax revenue received in calendar year 2012 represents collections of calendar year 2011 taxes. Public utility real and tangible personal property taxes received in calendar year 2012 became a public lien December 31, 2010, are levied after April 1, 2011, and are collected in 2012 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property is assessed at varying percentages of value.

Tangible personal property tax revenue received during calendar year 2012 (other than public utility property) represents the collection of calendar year 2012 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, and furniture and fixtures is no longer levied or collected. The October 2008 tangible personal property tax settlement was the last property tax settlement for general personal property taxes. Tangible personal property taxes received from telephone companies in calendar year 2012 were levied after October 1, 2011, on the value as of December 31, 2011. Amounts 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. Tangible personal property taxes paid by April 30 are usually received by the District prior to June 30.

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

TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 5 – PROPERTY TAXES (Continued)

The assessed values upon which fiscal year 2012 taxes were collected are:

	2012 First Half Collections		2011 Second Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$ 639,265,810	97.32%	637,617,630	97.40%
Public Utility	17,589,970	2.68%	17,014,100	2.60%
Total Assessed Value	\$ 656,855,780	100.00%	654,631,730	100.00%
Tax rate per \$1,000 of assessed valuation	\$52.61		\$53.90	

The School District receives property taxes from Miami County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2012, are available to finance fiscal year 2012 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents delinquent taxes outstanding and real property, tangible personal property, and public utility taxes that became measurable as of June 30, 2012. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current fiscal year operations. For the governmental fund financial statements, the receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations.

The amount available as an advance was recognized as revenue. On the Statement of Activities, the delinquent taxes that were levied in previous years are recognized as revenue.

The amount available as an advance at June 30, 2012, was \$2,416,228, \$91,236, \$247,950 and \$109,201 in the General, Hayner, Debt Service, and Capital Project funds, respectively.

TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 6 – RECEIVABLES

Receivables at June 30, 2012, consisted of current and delinquent property taxes, accounts (rent and student fees), intergovernmental grants, interest and interfund transactions. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds. A summary of the principal items of intergovernmental receivables follows:

<u>Governmental Activities:</u>	<u>Amount</u>
Education Jobs	\$ 15,336
Race to the Top	17,305
Title II A	16,900
Title I	112,901
Title III	<u>11,301</u>
 Total Intergovernmental Receivables	 \$ <u>173,743</u>

NOTE 7 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2012 was as follows:

	<u>Balance</u> <u>6/30/2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>6/30/2012</u>
<u>Capital Assets, not being depreciated:</u>				
Land	\$ 530,131	-	-	530,131
 <u>Capital Assets, being depreciated:</u>				
Buildings	30,213,886	-	-	30,213,886
Improvements	13,348,328	493,299	-	13,841,627
Furniture and Equipment	4,263,222	112,369	(56,379)	4,319,212
Textbooks	1,025,939	-	-	1,025,939
Vehicles	2,860,173	87,448	(53,263)	2,894,358
	<u>51,711,548</u>	<u>693,116</u>	<u>(109,642)</u>	<u>52,295,022</u>
 <u>Less: Accumulated Depreciation:</u>				
Buildings	(11,778,775)	(605,889)	-	(12,384,664)
Improvements	(6,388,934)	(675,756)	-	(7,064,690)
Furniture and Equipment	(3,564,223)	(178,207)	55,841	(3,686,589)
Textbooks	(521,364)	(133,429)	-	(654,793)
Vehicles	(1,346,514)	(223,683)	53,263	(1,516,934)
	<u>(23,599,810)</u>	<u>(1,816,964) *</u>	<u>109,104</u>	<u>(25,307,670)</u>
 Capital Assets, being depreciated, net	 <u>28,111,738</u>	 <u>(1,123,848)</u>	 <u>(538)</u>	 <u>26,987,352</u>
 Capital Assets, net	 <u>\$ 28,641,869</u>	 <u>(1,123,848)</u>	 <u>(538)</u>	 <u>27,517,483</u>

TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 7 – CAPITAL ASSETS (Continued)

* - Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$ 832,991
Support Services:	
Instructional Staff	16,989
Administration	82,266
Operation and Maintenance of Plant	39,765
Pupil Transportation	205,728
Operation of Non-Instructional Services	23,415
Extracurricular Activities	9,921
	1,211,075
Unallocated Depreciation	605,889
Total Depreciation Expense	\$ 1,816,964

Unallocated depreciation is depreciation of the individual school buildings throughout the District that essentially serve all functions/programs, and therefore is not included as a direct expense of any function or program but disclosed as a separate expense.

NOTE 8 – RISK MANAGEMENT

A. Property and Liability

The School District covers the remainder of its risk (property, liability, etc.) through commercial insurance. There were no significant changes in coverage's, retentions or limits during the fiscal year. Settled claims have not exceeded the commercial coverage's in any of the previous three years.

B. Health Insurance

The District provides health care coverage for its employees and is self-insured up to a stop loss limit of \$75,000 per employee for the cost of providing this coverage. This activity is accounted for in the General, Special Revenue, and Proprietary Funds. Paid claims are recorded as an expenditure/expense in the respective funds based on a per employee charge. For reporting purposes, this activity has been reclassified to the Employee Health Insurance Fund within the Internal Service Fund.

Expenses for claims are recorded as other expenditures/expenses when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated. The basis for estimating the liability for unpaid claims is based on past experience and large outstanding balances. The liability at June 30, 2012, is not discounted. An actuary was used in determining its liability. A summary of changes in self-insured claims for the year ended June 30, 2012, follows:

<u>Year</u>	<u>Balance at Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>Balance at End of Year</u>
2011	\$ 586,001	5,445,679	(5,291,794)	739,886
2012	\$ 739,886	5,232,440	(5,183,659)	788,667

TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 9 – DEFINED BENEFIT PENSION PLANS

A. School Employees Retirement System

The School District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746, by calling (800) 878-5853 or by visiting the SERS website at ohsers.org.

Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2012, 12.70 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2012, 2011 and 2010 were \$956,503, \$876,954 and \$854,982, respectively; 60% has been contributed for fiscal year 2012 and 100% for fiscal years 2011 and 2010.

B. State Teachers Retirement System

The School District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement system. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3371, by calling (614) 227-4090, or by visiting the STRS Ohio web site at www.strsoh.org.

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on member contributions and earned interest matched by STRS Ohio funds times an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment.

The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.

TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

A DB or Combined Plan member with five or more years of credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

For the fiscal year ended June 30, 2012, plan members were required to contribute 10 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The School District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2012, 2011, and 2010, were \$2,488,088, \$2,562,651 and \$2,512,230, respectively; 83% has been contributed for fiscal year 2012 and 100 percent for fiscal years 2011 and 2010.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System of Ohio have an option to choose Social Security or the School Retirement System. As of June 30, 2012, one member of the Board of Education has elected Social Security. The Board's liability is 6.2 percent of wages paid.

NOTE 10 – POSTEMPLOYMENT BENEFITS

A. School Employees Retirement System

The District participates in two cost-sharing multiple employer defined benefit OPEB plans administered by the School Employees Retirement System (SERS) for non certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's and traditional indemnity plans as well as a prescription drug program. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries up to a statutory limit. Benefit provisions and the obligations to contribute are established by SERS based on authority granted by State statute. The financial reports of both plans are included in the SERS Comprehensive Annual Financial Report which is available by contacting SERS at 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746, by calling (800) 878-5853 or by visiting the SERS website at ohsers.org.

State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 401h. For 2012, .55 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning

TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 10 – POSTEMPLOYMENT BENEFITS (Continued)

less than an actuarially determined amount; for 2012, this amount was \$35,800.

Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility and retirement status.

The District's contributions for health care for the fiscal years ended June 30, 2012, 2011 and 2010 were \$122,186, \$203,099 and \$123,476, respectively; 60 percent has been contributed for fiscal year 2012 and 100 percent for fiscal years 2011 and 2010.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For 2012, this actuarially required allocation was .75 percent of covered payroll. The District's contributions for Medicare Part B for the fiscal years ended June 30, 2012, 2011 and 2010 were \$56,486, \$56,434 and \$50,844, respectively; 60 percent has been contributed for fiscal year 2012 and 100 percent for fiscal years 2011 and 2010.

B. State Teachers Retirement System

The District contributes to the cost-sharing multiple employer defined benefit Health Plan administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS Ohio which may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3371, by calling (614) 227-4090, or by visiting the STRS Ohio web site at www.strsoh.org.

Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2012, STRS Ohio allocated employer contributions equal to one percent of covered payroll to the Health Care Stabilization Fund. The District's contributions for Health care for the fiscal years ended June 30, 2012, 2011 and 2010 were \$191,391, \$197,127 and \$193,248, respectively; 83 percent has been contributed for fiscal year 2012 and 100 percent for fiscal years 2011 and 2010.

NOTE 11 – OTHER EMPLOYEE BENEFITS

A. Compensated Absences

Administrators and classified staff who work twelve-month contracts are granted vacation leave. The leave amount is based on length of service and position. Accrued vacation leave may, in some cases, be carried over from one contract year to another, for up to three years. The School District accrues vacation leave benefits as earned.

District employees earn sick leave at fifteen days per year. Upon retirement or termination an employee is paid 25% of the accrued sick leave days, not to exceed a total of 50 days' severance pay. Sick leave benefits are accrued as a liability using the vesting method.

TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 12 – TERMINATION BENEFITS

During fiscal year 2012, the District entered into an Employee Service Plan (ESP) which offered full time certified and classified staff who had a minimum of ten years of service with the District an early retirement incentive. Eligible certified staff would receive \$45,000 plus an amount equivalent to applicable contractual severance pay. Eligible classified staff would receive 100% of his/her fiscal year 2012 base salary, not to exceed \$20,000 plus an amount equivalent to applicable contractual severance pay. As of June 30, 2012, the District's liability for the ESP was \$1,918,577 payable to the plan sponsor in three annual installments through fiscal year 2015.

NOTE 13 – LONG-TERM OBLIGATIONS

Changes in long-term obligations of the School District during fiscal year 2012 were as follows:

	Amount Outstanding 6/30/11	Increase	Decrease	Amount Outstanding 6/30/12	Amount Due Within One Year
Long-Term Obligations:					
General Obligation Bonds:					
2005 School Improvement Bonds:					
Serial - 3.00% - 5.00%	\$ 8,170,000	-	-	8,170,000	705,000
Term - 4.50% - 5.00%	9,980,000	-	-	9,980,000	-
Capital Appreciation - 13.707%	645,744	44,256	(690,000)	-	-
Energy Conservation Bonds 0.0%	1,025,518	-	(75,964)	949,554	75,964
Early Retirement Incentive	-	1,918,577	-	1,918,577	520,525
Compensated Absences	<u>3,302,592</u>	<u>277,010</u>	<u>(476,715)</u>	<u>3,102,887</u>	<u>296,254</u>
Total Governmental Activities	\$ <u>23,123,854</u>	<u>2,239,843</u>	<u>(1,242,679)</u>	<u>24,121,018</u>	<u>1,597,743</u>

Compensated absences will be paid from the fund from which the employees' salaries are paid. Early retirement incentive payments will be made from the general fund and food service fund.

Annual debt service requirements to maturity for the general obligation bonds are as follows:

Year	Principal	Interest	Total
2013	780,964	796,340	1,577,304
2014	820,964	769,103	1,590,067
2015	925,964	737,203	1,663,167
2016	965,964	702,403	1,668,367
2017	1,010,964	665,903	1,676,867
2018-2022	4,424,823	2,744,036	7,168,859
2023-2027	4,099,911	1,894,525	5,994,436
2028-2032	4,940,000	840,213	5,780,213
2033	<u>1,130,000</u>	<u>25,425</u>	<u>1,155,425</u>
	\$ <u>19,099,554</u>	<u>9,175,151</u>	<u>28,274,705</u>

As of June 30, 2012, the overall legal debt margin was \$41,649,369 with an unvoted debt margin of \$656,856.

TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 14 - INTERFUND ACTIVITY

Interfund transfers for the year ended June 30, 2012, consisted of the following:

	Transfer In	Transfer Out	
General Fund	\$ -	150,000	
Non-Major Governmental Funds	150,000	-	
	\$ 150,000	150,000	

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.

The School District had no transfers that either do not occur on a regular basis or were inconsistent with the purpose of the fund making the transfer.

As of June 30, 2012, principal components of interfund balances were as follows:

Fund Due To	Fund Due From		Amount
General Fund	Race to the Top	\$	7,114
	Title I		1,650
		\$	8,764

The due to represents cash advances to grant funds for cash flow purposes by the General fund.

NOTE 15 – JOINTLY GOVERNED ORGANIZATIONS

Southwestern Ohio Educational Purchasing Council – The Southwestern Ohio Educational Purchasing Council (SOEPC) is a purchasing council made up of nearly 100 school districts in 12 counties. The purpose of the council is to obtain prices for quality merchandise and services commonly used by schools. All member districts are obligated to pay all fees, charges, or other assessments as established by the SOEPC.

Each member district has one voting representative. Title to any and all equipment, furniture and supplies purchased by the SOEPC is held in trust. Any district withdrawing from the SOEPC forfeits its claim to any and all SOEPC assets. One year prior notice is necessary for withdrawal from the group. During this time, the withdrawing member is liable for all member obligations. Payments to SOEPC are made from the general fund. During fiscal year 2012, the School District contributed \$402,217 to SOEPC. To obtain financial information, write to the Southwestern Ohio Educational Purchasing Council, Ken Swink, who serves as Director, at 303 Corporate Drive, Suite 208, Vandalia, Ohio 45377.

TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 15 – JOINTLY GOVERNED ORGANIZATIONS (Continued)

Metropolitan Dayton Educational Cooperative Association – The School District is a participant in the Metropolitan Dayton Educational Cooperative Association (MDECA), which is a data acquisition site used by the School District. MDECA is an association of public school districts in a geographic area determined by the Ohio Department of Education. MDECA was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative instructional functions among member districts. During fiscal year 2012, the District contributed \$124,772 to MDECA. The Board of MDECA consists of one representative from each of the participating members. Complete financial information can be obtained from MDECA located in Dayton, Ohio.

NOTE 16 - CONTINGENCIES

A. Grants

The Auditor of State is currently performing a statewide review of supporting documentation for student attendance data reported to the Ohio Department of Education. The results of this review are still pending and will be reported separately to the Ohio Department of Education at a later date.

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. This also encompasses the Auditor of State's ongoing review of student attendance data. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2012.

B. Litigation

The School District is party to legal proceedings. The School District is of the opinion that ultimate disposition of claims will not have a material effect, if any, on the financial condition of the School District.

NOTE 17 - SET-ASIDE CALCULATIONS AND FUND RESERVES

The School District is required by State statute to annually set aside in the general fund an amount based on a statutory formula for the acquisition and construction of capital improvements. Amounts not spent by year-end or offset by similarly restricted resources received during the year must be held in cash at year-end and carried forward to be used for the same purposes in future years.

TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 17 - SET-ASIDE CALCULATIONS AND FUND RESERVES (Continued)

The following cash basis information describes the change in the year-end set-aside amounts for capital acquisition. Disclosure of this information is required by State statute.

		<u>Capital Acquisition</u>
Set-aside Cash Balance, As of June 30, 2011	\$	-
Current Year Set-aside Requirement		787,900
Qualifying Disbursements		(305,860)
Current Year Off-Sets		<u>(843,723)</u>
Total		<u>(361,683)</u>
Balance Carried Forward to FY 2013	\$	<u>-</u>

The School District had qualifying disbursements during the year that reduced the set-aside below zero for capital acquisition, the extra amounts may not be used to reduce the set-aside requirements of future years.

NOTE 18 – INCOME TAX

On January 1, 2007 the School District levied a voted 1.5 percent income tax on the earned income of individuals residing in the School District for the purpose of current expenses. The State makes quarterly distributions to the School District after withholding amounts for administrative fees and estimated refunds. For fiscal year 2012, this income tax generated \$9,501,186 of revenue in the General Fund.

NOTE 19 – SUBSEQUENT EVENTS

In September 2012, the District entered into an agreement to issue \$8,095,000 in general obligation bonds at a rate of 2.29%. These bonds were issued to refund a portion of the 2005 School Improvement Bonds.



TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO

Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
General Fund
For the Fiscal Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Taxes	\$ 23,126,918	23,126,918	23,280,496	153,578
Intergovernmental	15,695,137	15,695,137	15,415,414	(279,723)
Interest	125,000	125,000	50,583	(74,417)
Tuition and Fees	1,031,325	1,031,325	992,173	(39,152)
Miscellaneous	221,112	221,112	208,603	(12,509)
Total Revenues	<u>40,199,492</u>	<u>40,199,492</u>	<u>39,947,269</u>	<u>(252,223)</u>
Expenditures:				
Current:				
Instruction:				
Regular	21,300,960	20,999,860	20,949,803	50,057
Special	4,945,538	5,097,238	5,076,210	21,028
Vocational	18,500	19,700	19,682	18
Other	2,541,196	2,401,652	2,379,965	21,687
Support Services:				
Pupils	2,095,155	2,147,155	2,136,798	10,357
Instructional Staff	1,220,568	1,202,064	1,165,848	36,216
Board of Education	738,559	698,359	678,886	19,473
Administration	3,052,711	3,223,711	3,149,165	74,546
Fiscal	486,238	502,238	500,146	2,092
Business	523,742	520,842	519,509	1,333
Operation and Maintenance of Plant	3,616,886	3,643,159	3,556,537	86,622
Pupil Transportation	1,838,472	1,912,472	1,894,738	17,734
Central	56,674	57,374	56,673	701
Other	11,393	17,968	17,962	6
Debt Service				
Principal	75,964	75,964	75,964	-
Total Expenditures	<u>42,522,556</u>	<u>42,519,756</u>	<u>42,177,886</u>	<u>341,870</u>
Excess of Revenues Over (Under) Expenditures	<u>(2,323,064)</u>	<u>(2,320,264)</u>	<u>(2,230,617)</u>	<u>89,647</u>
Other Financing Sources (Uses):				
Proceeds from Sale of Fixed Assets	25,000	25,000	5,683	(19,317)
Advances In	5,415	5,415	5,415	-
Advances Out	(100,000)	(100,000)	(8,764)	91,236
Transfers In	-	900,000	903,025	3,025
Transfers Out	(150,000)	(154,700)	(154,626)	74
Total Other Financing Sources (Uses)	<u>(219,585)</u>	<u>675,715</u>	<u>750,733</u>	<u>75,018</u>
Net Change in Fund Balance	(2,542,649)	(1,644,549)	(1,479,884)	164,665
Fund Balance, Beginning of Year	10,388,892	10,388,892	10,388,892	-
Prior Year Encumbrances Appropriated	<u>603,566</u>	<u>603,566</u>	<u>603,566</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 8,449,809</u>	<u>9,347,909</u>	<u>9,512,574</u>	<u>164,665</u>

See accompanying notes to the required supplementary information.

TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO

Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2012

Basis of Budgeting

Basis of budgeting refers to when revenues and expenditures or expenses are recognized in the accounts. The Troy City School District's (the School District) budget for all legislated funds are prepared on a cash-encumbrance basis wherein transactions are recorded when cash is received or disbursed, or when a commitment has been recorded as an encumbrance against an applicable appropriation. Fund balances shown are unencumbered cash balances. This basis is utilized for all interim financial statements issued during the year.

The basis of budgeting differs from generally accepted accounting principles (GAAP) used for the School District's year-end financial statements contained in the basic financial statements. Under that basis of accounting, revenues are generally recognized when the obligation to the School District arises; the budget basis however, recognizes revenue only when cash has been received. In the basic financial statements, expenditures are generally recognized in the period in which they are incurred. Under that budget basis, expenditures are recognized when cash has been disbursed or when an encumbrance has been placed against an appropriation.

General Budget Policies

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified.

All governmental funds are subject to annual expenditure budgets except for the Auxiliary Service Fund (Special Revenue Fund), which are deemed to be appropriated. The School District follows the procedures outlined below in establishing the expenditures budget data reported in the required supplementary information.

Prior to January 20, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The express purpose of this budget document is to reflect the need for existing (or increased) tax rates. By no later than January 20, the Board-adopted budget is filed with the Miami County Budget Commission for rate determination.

By April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the County Budget Commission and receives the Commission's certificate of estimated resources, which states the projected revenue of each fund. Prior to June 30, the School District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered cash balances from the preceding year. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2012.

TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO

Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2012

Upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates or a certificate saying no new certificate is necessary, the annual appropriation resolution is legally enacted by the Board of Education at the function level of expenditures within the individual funds, with the exception of the grant funds which are at the special cost center level. The level at which the Board of Education approves the annual appropriation resolution is the School District legal level of budgetary control. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the School District. The appropriation resolution, by fund, must be within the estimated resources as certified by the County Budget Commission.

Any revisions that alter the total of any fund appropriation, or alter total function appropriations within a fund, must be approved by the Board of Education. The Board may pass supplemental fund appropriations so long as the total appropriations by fund do not exceed the amounts set forth in the most recent certificate of estimated resources. During the year, several supplemental appropriations were legally enacted; however, none of these amendments were significant.

The budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts, including all supplemental appropriations. Formal budgetary integration is employed as a management control device during the year for all funds other than agency funds, consistent with statutory provisions.

As part of formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. Encumbrances plus expenditures may not legally exceed appropriations at the legal level of control. On the GAAP basis, encumbrances outstanding at fiscal year end are reported as a reservation of fund balance for subsequent-year expenditures for governmental funds.

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriation. The encumbered appropriations balance is carried forward to the subsequent fiscal year and need not be reappropriated.

While the School District is reporting financial position, results of operations, and changes in fund balances 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 Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual – 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 basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the fund liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than as restricted, committed or assigned fund balance (GAAP basis).

TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2012

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the General Fund.

Net Change in Fund Balances	General Fund
GAAP Basis	\$ (1,065,135)
Revenue Accruals	(689,895)
Expenditure Accruals	(984,475)
Encumbrances	364,571
Other Financing Sources (Uses)	(3,349)
Perspective Difference	898,399
Budget (Non-GAAP) Basis	\$ (1,479,884)

The perspective difference noted in the above reconciliation is a result of reporting the Uniform School Supplies and Public School special revenue funds as a function of the General Fund for GAAP purposes as those funds no longer meet the definition of special revenue funds in accordance with GASB Statement No. 54.

MAJOR GOVERNMENTAL FUNDS

The focus of the fund financial statements presented in the basic financial statements is on the School District's most significant funds (major funds). Therefore these fund financial statements present the major funds separate from the other governmental funds of the School District. As required by Generally Accepted Accounting Principles for state and local governments, budgetary comparison statements in the basic financial statements are limited to the General Fund and any major special revenue funds. The School District has no major special revenue funds.

General Fund

The General fund is used to account for all financial resources, except those required to be accounted for in another fund. The General fund is available to the School District for any purpose provided it is expended or transferred according to the general laws of the State of Ohio.

Since the Statement of Revenues, Expenditures and Changes in Fund Balance presented in the basic financial statements for the General Fund presents budgetary compliance at the legal level of control established by the Board of Education, no additional schedules are necessary to demonstrate budgetary compliance.

COMBINING STATEMENTS – NONMAJOR GOVERNMENTAL FUNDS

NONMAJOR SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects or expendable trusts) that are legally restricted to expenditure for specified purposes. The following are descriptions of each Special Revenue Fund.

Food Service

To account for the financial transactions related to the food service operation of the School District.

Hayner

To account for financial transactions related to activities of the Hayner Cultural Center.

District Managed Student Activities

To account for local funds generated to assist student activities, which are managed by District personnel.

Auxiliary Services

To account for monies which provide services and materials to pupils attending non-public schools within the School District.

Data Communications

To account for revenues received from the State to be used to install and provide support costs for data communication links to connect any school to the local A-site.

Education Jobs

To account for monies received under a federal grant to provide for compensation and benefits expenses necessary to retain existing employees, to recall or rehire former employees, or to hire new employees who provide educational and related services.

Race to the Top

To account for monies received under a federal grant to provide for either a new program or expansion of an existing program to support initiatives in the areas of standards and assessments, using data to improve instruction, great teachers and leaders, and tutoring around the lowest achieving school.

IDEA B Grant

To account for monies received under a federal grant to assist schools in the identification of handicapped children, development of procedural safeguards, implementation of least restrictive alternative service patterns, and provision of full education opportunities to handicapped children at the elementary and secondary levels.

Education Stabilization Grant

To account for monies received from the American Reinvestment and Recovery Act to help stabilize state and local budgets in order to minimize and avoid reductions in education and other essential services.

NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

Title II-D Grant

To account for federal monies received for professional development to enable teachers to create technology-enabled learning environments in which students will meet or exceed the state academic content standards and develop 21st century skills.

Title III Grant

To account for monies received under a federal grant to develop and carry out elementary and secondary school programs to meet the educational needs of children of limited English proficiency.

Title I Grant

To account for monies received under a federal grant to assist schools in meeting the special needs of educationally deprived children.

Reducing Class Size Grant

To account for grant providing funding to hire additional classroom teachers in grades one through three so that the number of students per teacher will be reduced.

NONMAJOR CAPITAL PROJECT FUNDS

The Capital Projects Funds are used to account for the financing and acquisition or construction of major capital facilities, such as new school buildings and additions to existing buildings, or for major renovation projects. The following are descriptions of each Capital Projects Fund.

Permanent Improvement

To account for the monies received through the School District's permanent improvement levy that are used for the acquisition, construction or improvement of capital facilities.

NONMAJOR DEBT SERVICE FUND

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general short-term and long-term debt principal and interest.

Bond Retirement Fund

To account for revenue derived from tax levy approved to pay for debt charges associated with the 2005 School Improvement Bonds.

FUNDS WITH LEGALLY ADOPTED BUDGETS

The funds presented have been combined with the General Fund for reporting purposes but have legally adopted budgets as a nonmajor special revenue fund.

Uniform School Supplies

To account for the purchase and sale of school supplies as approved by the Board for use in the school buildings. Profit derived from such sales is to be used for school purposes or activities in connection with the school.

Public School Support

To account for specific local revenue sources (other than taxes) generated by individual school buildings (i.e. sale of pictures, profits from vending machines, etc.). Expenditures include field trips, materials, equipment and other items to supplement co-curricular and extra-curricular programs.

TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2012

	Nonmajor Special Revenue Funds	Nonmajor Capital Project Fund	Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 823,699	\$ 759,360	434,399	\$ 2,017,458
Receivables:				
Taxes	600,538	726,475	1,632,050	2,959,063
Intergovernmental	173,743	-	-	173,743
Materials and Supplies Inventory	39,290	-	-	39,290
Prepaid Items	450	-	-	450
Total Assets	\$ 1,637,720	1,485,835	\$ 2,066,449	\$ 5,190,004
Liabilities:				
Accounts Payable	\$ 40,673	135,714	\$ -	\$ 176,387
Accrued Wages and Benefits	154,757	-	-	154,757
Intergovernmental Payable	120,158	-	-	120,158
Due to Other Funds	8,764	-	-	8,764
Deferred Revenue	540,078	617,274	1,384,100	2,541,452
Total Liabilities	864,430	752,988	1,384,100	3,001,518
Fund Balances:				
Nonspendable				
Inventory	39,290	-	-	39,290
Prepaid Items	450	-	-	450
Restricted for:				
Debt Service	-	-	682,349	682,349
Facilities Construction and Maintenance	-	732,847	-	732,847
Hayner Cultural Center	460,128	-	-	460,128
Extracurricular Activities	274,329	-	-	274,329
Nonpublic Schools	64,924	-	-	64,924
Special Education	13,213	-	-	13,213
Student and Staff Support	19,411	-	-	19,411
Unassigned	(98,455)	-	-	(98,455)
Total Fund Balance	773,290	732,847	682,349	2,188,486
Total Liabilities and Fund Balance	\$ 1,637,720	\$ 1,485,835	\$ 2,066,449	\$ 5,190,004

TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2012

	FOOD SERVICE	HAYNER	DISTRICT MANAGED STUDENT ACTIVITIES	AUXILIARY SERVICES
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 46,235	\$ 411,889	\$ 282,842	\$ 78,021
Receivables:				
Taxes	-	600,538	-	-
Intergovernmental	-	-	-	-
Materials and Supplies Inventory	39,290	-	-	-
Prepaid Items	-	-	450	-
Total Assets	85,525	1,012,427	283,292	78,021
Liabilities:				
Accounts Payable	852	23,026	8,513	6,905
Accrued Wages and Benefits	67,668	360	-	2,710
Intergovernmental Payable	75,900	19,612	-	3,482
Due to Other Funds	-	-	-	-
Deferred Revenue	-	509,301	-	-
Total Liabilities	144,420	552,299	8,513	13,097
Fund Balances:				
Nonspendable				
Inventory	39,290	-	-	-
Prepaid Items	-	-	450	-
Restricted for:				
Hayner Cultural Center	-	460,128	-	-
Extracurricular Activities	-	-	274,329	-
Nonpublic Schools	-	-	-	64,924
Special Education	-	-	-	-
Student and Staff Support	-	-	-	-
Unassigned	(98,185)	-	-	-
Total Fund Balance	(58,895)	460,128	274,779	64,924
Total Liabilities and Fund Balances	\$ 85,525	\$ 1,012,427	\$ 283,292	\$ 78,021

<u>DATA COMMUNICATIONS</u>	<u>EDUCATION JOBS</u>	<u>RACE TO THE TOP</u>
\$ -	\$ 1	\$ 59
-	-	-
-	15,336	17,305
-	-	-
-	-	-
<u>-</u>	<u>15,337</u>	<u>17,364</u>
-	-	-
-	-	-
-	-	-
-	-	1,650
-	-	14,715
<u>-</u>	<u>-</u>	<u>16,365</u>
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	15,337	999
-	-	-
<u>-</u>	<u>15,337</u>	<u>999</u>
<u>\$ -</u>	<u>\$ 15,337</u>	<u>\$ 17,364</u>

TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2012
 (Continued)

	IDEA B GRANT	EDUCATION STABILIZATION GRANT	TITLE II-D GRANT	TITLE III GRANT
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ 305
Receivables:				
Taxes	-	-	-	-
Intergovernmental	-	-	-	11,301
Materials and Supplies Inventory	-	-	-	-
Prepaid Items	-	-	-	-
Total Assets	-	-	-	11,606
Liabilities:				
Accounts Payable	-	-	-	-
Accrued Wages and Benefits	-	-	-	-
Intergovernmental Payable	-	-	-	575
Due to Other Funds	-	-	-	-
Deferred Revenue	-	-	-	11,301
Total Liabilities	-	-	-	11,876
Fund Equity:				
Nonspendable				
Inventory	-	-	-	-
Prepaid Items	-	-	-	-
Restricted for:				
Hayner Cultural Center	-	-	-	-
Extracurricular Activities	-	-	-	-
Nonpublic Schools	-	-	-	-
Special Education	-	-	-	-
Student and Staff Support	-	-	-	-
Unassigned	-	-	-	(270)
Total Fund Equity	-	-	-	(270)
Total Liabilities and Fund Equity	\$ -	\$ -	\$ -	\$ 11,606

TITLE I GRANT	REDUCING CLASS SIZE GRANT	TOTAL
\$ 3,720	\$ 627	\$ 823,699
-	-	600,538
112,901	16,900	173,743
-	-	39,290
-	-	450
<u>116,621</u>	<u>17,527</u>	<u>1,637,720</u>
1,377	-	40,673
71,901	12,118	154,757
18,255	2,334	120,158
7,114	-	8,764
4,761	-	540,078
<u>103,408</u>	<u>14,452</u>	<u>864,430</u>
-	-	39,290
-	-	450
-	-	460,128
-	-	274,329
-	-	64,924
13,213	-	13,213
-	3,075	19,411
-	-	(98,455)
<u>13,213</u>	<u>3,075</u>	<u>773,290</u>
<u>\$ 116,621</u>	<u>\$ 17,527</u>	<u>\$ 1,637,720</u>



TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Nonmajor Special Revenue Funds	Nonmajor Capital Project Fund	Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$ 452,276	605,096	1,359,636	\$ 2,417,008
Intergovernmental	3,927,090	180,835	171,726	4,279,651
Tuition and Fees	16,048	-	-	16,048
Charges for Services	1,044,290	-	-	1,044,290
Extracurricular Activities	710,660	-	-	710,660
Miscellaneous	128,923	66,961	-	195,884
Total Revenues	6,279,287	852,892	1,531,362	8,663,541
Expenditures:				
Instruction:				
Regular	1,820,893	-	-	1,820,893
Special	977,456	-	-	977,456
Other	3,675	-	-	3,675
Support Services:				
Instructional Staff	208,896	-	-	208,896
Administration	259,486	-	-	259,486
Fiscal	-	11,852	26,504	38,356
Business	6,794	-	-	6,794
Operation and Maintenance of Plant	160,147	-	-	160,147
Operation of Non-Instructional Services	2,229,425	366,191	-	2,595,616
Extracurricular Activities	422,289	-	-	422,289
Capital Outlay	28,000	493,299	-	521,299
Debt Service:				
Principal	-	-	645,745	645,745
Interest	-	-	852,933	852,933
Total Expenditures	6,117,061	871,342	1,525,182	8,513,585
Excess (Deficiency) of Revenues Over(Under)				
Expenditures	162,226	(18,450)	6,180	149,956
Other Financing Sources:				
Transfers In	150,000	-	-	150,000
Total Other Financing Sources	150,000	-	-	150,000
Net Change in Fund Balance	312,226	(18,450)	6,180	299,956
Fund Balance at Beginning of Year	461,064	751,297	676,169	1,888,530
Fund Balance at End of Year	\$ 773,290	\$ 732,847	\$ 682,349	\$ 2,188,486

TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	FOOD SERVICE	HAYNER	DISTRICT MANAGED STUDENT ACTIVITIES	AUXILIARY SERVICES
Revenues:				
Taxes	\$ -	\$ 452,276	\$ -	\$ -
Intergovernmental	1,087,374	112,699	-	528,996
Tuition and Fees	-	16,048	-	-
Charges for Services	1,044,290	-	-	-
Extracurricular Activities	-	20,299	690,361	-
Miscellaneous	-	43,254	85,669	-
Total Revenues	2,131,664	644,576	776,030	528,996
Expenditures:				
Current:				
Instruction:				
Regular	-	-	316,665	438,675
Special	-	-	-	-
Other	-	-	-	-
Support Services:				
Instructional Staff	-	-	-	47,710
Administration	-	241,702	17,784	-
Business	-	6,794	-	-
Operation and Maintenance of Plant	-	157,703	-	2,444
Operation of Non-Instructional Services	2,142,376	47,815	6,422	-
Extracurricular Activities	-	59,964	362,325	-
Capital Outlay	-	28,000	-	-
Total Expenditures	2,142,376	541,978	703,196	488,829
Excess (Deficiency) of Revenues Over(Under) Expenditures	(10,712)	102,598	72,834	40,167
Other Financing Sources(Uses):				
Transfers In	150,000	-	-	-
Total Other Financing Sources (Uses)	150,000	-	-	-
Net Change in Fund Balance	139,288	102,598	72,834	40,167
Fund Balance at Beginning of Year	(198,183)	357,530	201,945	24,757
Fund Balance at End of Year	\$ (58,895)	\$ 460,128	\$ 274,779	\$ 64,924

<u>DATA COMMUNICATIONS</u>	<u>EDUCATION JOBS</u>	<u>RACE TO THE TOP</u>
\$ -	\$ -	\$ -
16,200	15,336	55,890
-	-	-
-	-	-
-	-	-
-	-	-
<u>16,200</u>	<u>15,336</u>	<u>55,890</u>
-	41,645	24,738
-	-	-
-	-	-
16,200	-	30,153
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
<u>16,200</u>	<u>41,645</u>	<u>54,891</u>
-	(26,309)	999
-	-	-
-	-	-
-	(26,309)	999
-	41,646	-
<u>\$ -</u>	<u>\$ 15,337</u>	<u>\$ 999</u>

TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

	IDEA B GRANT	EDUCATION STABILIZATION GRANT	TITLE II-D GRANT	TITLE III GRANT
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,009,798	-	4,708	20,762
Tuition and Fees	-	-	-	-
Charges for Services	-	-	-	-
Extracurricular Activities	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	<u>1,009,798</u>	<u>-</u>	<u>4,708</u>	<u>20,762</u>
Expenditures:				
Current:				
Instruction:				
Regular	-	17,703	3,379	16,960
Special	977,456	-	-	-
Other	-	3,675	-	-
Support Services:				
Instructional Staff	-	-	1,000	4,555
Administration	-	-	-	-
Business	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Operation of Non-Instructional Services	32,342	-	329	-
Extracurricular Activities	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>1,009,798</u>	<u>21,378</u>	<u>4,708</u>	<u>21,515</u>
Excess (Deficiency) of Revenues Over(Under) Expenditures	-	(21,378)	-	(753)
Other Financing Sources:				
Transfers In	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	(21,378)	-	(753)
Fund Balance at Beginning of Year	<u>-</u>	<u>21,378</u>	<u>-</u>	<u>483</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (270)</u>

TITLE I GRANT	REDUCING CLASS SIZE GRANT	TOTAL
\$ -	\$ -	\$ 452,276
928,316	147,011	3,927,090
-	-	16,048
-	-	1,044,290
-	-	710,660
-	-	128,923
<u>928,316</u>	<u>147,011</u>	<u>6,279,287</u>
832,265	128,863	1,820,893
-	-	977,456
-	-	3,675
109,278	-	208,896
-	-	259,486
-	-	6,794
-	-	160,147
7	134	2,229,425
-	-	422,289
-	-	28,000
<u>941,550</u>	<u>128,997</u>	<u>6,117,061</u>
(13,234)	18,014	162,226
-	-	150,000
-	-	150,000
(13,234)	18,014	312,226
26,447	(14,939)	461,064
<u>\$ 13,213</u>	<u>\$ 3,075</u>	<u>\$ 773,290</u>

TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
FOOD SERVICE SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Revenues:			
Charges for Services	\$ 1,121,200	\$ 1,044,290	\$ (76,910)
Intergovernmental	<u>903,300</u>	<u>925,015</u>	<u>21,715</u>
Total Revenues	<u>2,024,500</u>	<u>1,969,305</u>	<u>(55,195)</u>
Expenditures			
Non-Instructional Services	<u>2,127,024</u>	<u>2,102,180</u>	<u>24,844</u>
Total Expenditures	<u>2,127,024</u>	<u>2,102,180</u>	<u>24,844</u>
Excess of Revenues Over (Under) Expenditures	<u>(102,524)</u>	<u>(132,875)</u>	<u>(30,351)</u>
Other Financing Sources:			
Transfers-In	<u>150,000</u>	<u>150,000</u>	<u>-</u>
Total Other Financing Sources	<u>150,000</u>	<u>150,000</u>	<u>-</u>
Net Change in Fund Balance	47,476	17,125	(30,351)
Fund Balance at Beginning of Year	16,613	16,613	-
Prior Year Encumbrances Appropriated	<u>7,719</u>	<u>7,719</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 71,808</u>	<u>\$ 41,457</u>	<u>\$ (30,351)</u>

TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
 UNIFORM SCHOOL SUPPLIES SPECIAL REVENUE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Revenues:			
Tuition and Fees	\$ 30,750	\$ 31,317	\$ 567
 Total Revenues	<u>30,750</u>	<u>31,317</u>	<u>567</u>
 Expenditures:			
Instruction:			
Regular Instruction	<u>33,807</u>	<u>28,182</u>	<u>5,625</u>
 Total Expenditures	<u>33,807</u>	<u>28,182</u>	<u>5,625</u>
 Net Change in Fund Balance	(3,057)	3,135	6,192
 Fund Balance at Beginning of Year	12,700	12,700	-
Prior Year Encumbrances Appropriated	<u>3,157</u>	<u>3,157</u>	<u>-</u>
 Fund Balance at End of Year	<u>\$ 12,800</u>	<u>\$ 18,992</u>	<u>\$ 6,192</u>

TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
HAYNER SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	FINAL BUDGET	ACTUAL	VARIANCE
Revenues:			
Taxes	\$ 410,762	\$ 415,377	\$ 4,615
Intergovernmental	111,062	112,699	1,637
Tuition and Fees	15,000	16,048	1,048
Extracurricular Activities	23,500	20,299	(3,201)
Miscellaneous	<u>38,400</u>	<u>43,254</u>	<u>4,854</u>
Total Revenues	<u>598,724</u>	<u>607,677</u>	<u>8,953</u>
Expenditures:			
Support Services:			
Administration	288,780	276,474	12,306
Business	8,000	7,944	56
Plant Operation and Maintenance	164,185	162,192	1,993
Non-Instructional Services	75,600	74,692	908
Extracurricular Activities	<u>70,276</u>	<u>63,358</u>	<u>6,918</u>
Total Expenditures	<u>606,841</u>	<u>584,660</u>	<u>22,181</u>
Net Change in Fund Balance	(8,117)	23,017	31,134
Fund Balance at Beginning of Year	312,328	312,328	-
Prior Year Encumbrances Appropriated	<u>23,111</u>	<u>23,111</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 327,322</u>	<u>\$ 358,456</u>	<u>\$ 31,134</u>

TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
PUBLIC SCHOOL SUPPORT SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	FINAL BUDGET	ACTUAL	VARIANCE
Revenues:			
Tuition and Fees	\$ 11,000	\$ 9,520	\$ (1,480)
Extracurricular Activities	186,925	185,706	(1,219)
Miscellaneous	<u>29,100</u>	<u>33,580</u>	<u>4,480</u>
Total Revenues	<u>227,025</u>	<u>228,806</u>	<u>1,781</u>
Expenditures:			
Instruction:			
Regular	278,353	263,227	15,126
Special	18	18	-
Support Services:			
Administration	600	387	213
Business	<u>5,000</u>	<u>3,258</u>	<u>1,742</u>
Total Expenditures	<u>283,971</u>	<u>266,890</u>	<u>17,081</u>
Excess (Deficiency) of Revenues Over/ (Under) Expenditures	(56,946)	(38,084)	18,862
Other Financing Uses:			
Transfers-In	2,000	4,626	2,626
Transfers-Out	<u>(1,426)</u>	<u>(1,426)</u>	<u>-</u>
Total Other Financing Uses	<u>574</u>	<u>3,200</u>	<u>2,626</u>
Net Change in Fund Balance	(56,372)	(34,884)	21,488
Fund Balance at Beginning of Year	133,580	133,580	-
Prior Year Encumbrances Appropriated	<u>28,468</u>	<u>28,468</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 105,676</u>	<u>\$ 127,164</u>	<u>\$ 21,488</u>

TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
DISTRICT MANAGED ACTIVITIES SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	FINAL BUDGET	ACTUAL	VARIANCE
Revenues:			
Extracurricular Activities	\$ 680,550	\$ 690,361	\$ 9,811
Miscellaneous	<u>90,000</u>	<u>85,669</u>	<u>(4,331)</u>
Total Revenues	<u>770,550</u>	<u>776,030</u>	<u>5,480</u>
Expenditures:			
Instruction:			
Regular	316,800	316,665	135
Support Services:			
Administration	18,000	17,784	216
Non-Instructional Services	87,750	10,434	77,316
Extracurricular Activities	<u>397,978</u>	<u>379,645</u>	<u>18,333</u>
Total Expenditures	<u>820,528</u>	<u>724,528</u>	<u>96,000</u>
Net Change in Fund Balance	(49,978)	51,502	101,480
Fund Balance at Beginning of Year	187,826	187,826	-
Prior Year Encumbrances Appropriated	<u>23,257</u>	<u>23,257</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 161,105</u>	<u>\$ 262,585</u>	<u>\$ 101,480</u>

TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
AUXILIARY SERVICES SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	FINAL BUDGET	ACTUAL	VARIANCE
Revenues:			
Intergovernmental	\$ 528,693	\$ 528,693	\$ -
Interest	303	303	-
Total Revenues	<u>528,996</u>	<u>528,996</u>	<u>-</u>
Expenditures:			
St. Patricks Elementary - FY 2010	9,756	9,756	-
St. Patricks Elementary - FY 2011	9,181	9,181	-
St. Patricks Elementary - FY 2012	92,433	92,433	-
Troy Christian Elementary - FY 2011	24,572	24,572	-
Troy Christian Elementary - FY 2012	169,666	150,876	18,790
Montesorri Elementary - FY 2010	260	260	-
Montesorri Elementary - FY 2011	11,554	11,554	-
Montesorri Elementary - FY 2012	42,089	19,992	22,097
Troy Christian High School - FY 2010	284	284	-
Troy Christian High School - FY 2011	25,877	25,877	-
Troy Christian High School - FY 2012	224,808	205,712	19,096
Total Expenditures	<u>610,480</u>	<u>550,497</u>	<u>59,983</u>
Net Change in Fund Balance	(81,484)	(21,501)	59,983
Fund Balance at Beginning of Year	2,671	2,671	-
Prior Year Encumbrances Appropriated	78,815	78,815	-
Fund Balance at End of Year	<u>\$ 2</u>	<u>\$ 59,985</u>	<u>\$ 59,983</u>

TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
 DATA COMMUNICATIONS SPECIAL REVENUE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	FINAL BUDGET	ACTUAL	VARIANCE
Revenues:			
Intergovernmental	\$ 16,200	\$ 16,200	\$ -
Total Revenues	<u>16,200</u>	<u>16,200</u>	<u>-</u>
Expenditures:			
FY 2012 Grant	<u>16,200</u>	<u>16,200</u>	<u>-</u>
Total Expenditures	<u>16,200</u>	<u>16,200</u>	<u>-</u>
Net Change in Fund Balance	-	-	-
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
 EDUCATION JOBS SPECIAL REVENUE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	FINAL BUDGET	ACTUAL	VARIANCE
Revenues:			
Intergovernmental	\$ 120,843	\$ 120,843	\$ -
Total Revenues	<u>120,843</u>	<u>120,843</u>	<u>-</u>
Expenditures:			
FY 2011 Grant	<u>125,299</u>	<u>125,299</u>	<u>-</u>
Total Expenditures	<u>125,299</u>	<u>125,299</u>	<u>-</u>
Net Change in Fund Balance	(4,456)	(4,456)	-
Fund Balance at Beginning of Year	4,171	4,171	-
Prior Year Encumbrances Appropriated	<u>285</u>	<u>285</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
RACE TO THE TOP SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	FINAL BUDGET	ACTUAL	VARIANCE
Revenues:			
Intergovernmental	\$ 149,010	\$ 54,800	\$ (94,210)
Total Revenues	<u>149,010</u>	<u>54,800</u>	<u>(94,210)</u>
Expenditures:			
FY 2011 Grant	-	1,500	(1,500)
FY 2012 Grant	<u>54,891</u>	<u>54,891</u>	<u>-</u>
Total Expenditures	<u>54,891</u>	<u>56,391</u>	<u>(1,500)</u>
Excess of Revenues Over (Under) Expenditures	<u>94,119</u>	<u>(1,591)</u>	<u>(95,710)</u>
Other Financing Uses:			
Advances Out	(1,500)	-	1,500
Advances In	<u>1,650</u>	<u>1,650</u>	<u>-</u>
Total Other Financing Uses	<u>150</u>	<u>1,650</u>	<u>1,500</u>
Net Change in Fund Balance	94,269	59	(94,210)
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 94,269</u>	<u>\$ 59</u>	<u>\$ (94,210)</u>

TROY CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
IDEA B GRANT SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Revenues:			
Intergovernmental	\$ 1,009,798	\$ 1,009,798	\$ -
Total Revenues	<u>1,009,798</u>	<u>1,009,798</u>	<u>-</u>
Expenditures:			
Fiscal Year 2012 Grant	977,456	977,456	-
St. Patricks - FY 2012 Grant	3,594	3,594	-
Troy Christian Elementary - FY 2012 Grant	5,390	5,390	-
Troy Christian High School - FY 2012 Grant	<u>23,358</u>	<u>23,358</u>	<u>-</u>
Total Expenditures	<u>1,009,798</u>	<u>1,009,798</u>	<u>-</u>
Net Change in Fund Balance	-	-	-
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
 EDUCATION STABILIZATION GRANT SPECIAL REVENUE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	FINAL BUDGET	ACTUAL	VARIANCE
Revenues:			
Intergovernmental	\$ -	\$ -	\$ -
Total Revenues	-	-	-
Expenditures:			
Fiscal Year 2011 Grant	100,664	100,664	-
Total Expenditures	100,664	100,664	-
Net Change in Fund Balance	(100,664)	(100,664)	-
Fund Balance at Beginning of Year	99,137	99,137	-
Prior Year Encumbrances Appropriated	1,527	1,527	-
Fund Balance at End of Year	\$ -	\$ -	\$ -

TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
TITLE II-D GRANT SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	FINAL BUDGET	ACTUAL	VARIANCE
Revenues:			
Intergovernmental	\$ 4,708	\$ 4,708	\$ -
Total Revenues	<u>4,708</u>	<u>4,708</u>	<u>-</u>
Expenditures:			
Fiscal Year 2012 Grant	4,379	4,379	-
St. Patricks Elementary - FY 2012	113	113	-
Troy Christian Elementary - FY 2012	93	93	-
Montesorri Elementary - FY 2012	24	24	-
Troy Christian High School - FY 2012	<u>99</u>	<u>99</u>	<u>-</u>
Total Expenditures	<u>4,708</u>	<u>4,708</u>	<u>-</u>
Net Change in Fund Balance	-	-	-
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
TITLE III GRANT SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	FINAL BUDGET	ACTUAL	VARIANCE
Revenues:			
Intergovernmental	\$ 22,497	\$ 22,497	\$ -
Total Revenues	<u>22,497</u>	<u>22,497</u>	<u>-</u>
Expenditures:			
Fiscal Year 2011 Grant	1,708	1,708	-
Fiscal Year 2012 Grant	<u>20,762</u>	<u>20,456</u>	<u>306</u>
Total Expenditures	<u>22,470</u>	<u>22,164</u>	<u>306</u>
Excess of Revenues Over (Under) Expenditures	<u>27</u>	<u>333</u>	<u>306</u>
Other Financing Sources (Uses):			
Advances Out	<u>(1,377)</u>	<u>(1,377)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(1,377)</u>	<u>(1,377)</u>	<u>-</u>
Net Change in Fund Balance	(1,350)	(1,044)	306
Fund Balance at Beginning of Year	-	-	-
Prior Year Encumbrances Appropriated	<u>1,350</u>	<u>1,350</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ 306</u>	<u>\$ 306</u>

TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
TITLE I GRANT SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	FINAL BUDGET	ACTUAL	VARIANCE
Revenues:			
Intergovernmental	\$ 869,468	\$ 869,468	\$ -
Total Revenues	<u>869,468</u>	<u>869,468</u>	<u>-</u>
Expenditures:			
Elementary Fiscal Year 2011 Grant	68,709	68,709	-
Elementary Fiscal Year 2012 Grant	585,019	582,705	2,314
St. Patricks Fiscal Year 2011 Grant	7	7	-
ARRA Fiscal Year 2011	29,175	29,175	-
ARRA Delinquent Fiscal Year 2011	6,487	6,487	-
Delinquent Fiscal Year 2011	16,766	16,766	-
Delinquent Fiscal Year 2012	<u>243,624</u>	<u>243,624</u>	<u>-</u>
Total Expenditures	<u>949,787</u>	<u>947,473</u>	<u>2,314</u>
Excess of Revenues Over (Under) Expenditures	<u>(80,319)</u>	<u>(78,005)</u>	<u>2,314</u>
Other Financing Sources (Uses):			
Advances-In	7,114	7,114	-
Advances-Out	<u>(2,538)</u>	<u>(2,538)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>4,576</u>	<u>4,576</u>	<u>-</u>
Net Change in Fund Balance	(75,743)	(73,429)	2,314
Fund Balance at Beginning of Year	38,008	38,008	-
Prior Year Encumbrances Appropriated	<u>37,736</u>	<u>37,736</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 1</u>	<u>\$ 2,315</u>	<u>\$ 2,314</u>

TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
REDUCING CLASS SIZE GRANT SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	FINAL BUDGET	ACTUAL	VARIANCE
Revenues:			
Intergovernmental	\$ 148,556	\$ 131,656	\$ (16,900)
Total Revenues	<u>148,556</u>	<u>131,656</u>	<u>(16,900)</u>
Expenditures:			
Fiscal Year 2011 Grant	5,726	5,726	-
Fiscal Year 2012 Grant	129,978	129,350	628
Troy Christian Elementary Fiscal Year 2012	58	58	-
Montessori Fiscal Year 2012	15	15	-
Troy Christian High School Fiscal Year 2012	<u>61</u>	<u>61</u>	<u>-</u>
Total Expenditures	<u>135,838</u>	<u>135,210</u>	<u>628</u>
Net Change in Fund Balance	12,718	(3,554)	(16,272)
Fund Balance at Beginning of Year	3,805	3,805	-
Prior Year Encumbrances Appropriated	<u>376</u>	<u>376</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 16,899</u>	<u>\$ 627</u>	<u>\$ (16,272)</u>

TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
PERMANENT IMPROVEMENT CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	FINAL BUDGET	ACTUAL	VARIANCE
Revenues:			
Taxes	\$ 593,214	\$ 595,927	\$ 2,713
Intergovernmental	180,035	180,835	800
Miscellaneous	<u>70,474</u>	<u>66,961</u>	<u>(3,513)</u>
 Total Revenues	 <u>843,723</u>	 <u>843,723</u>	 <u>-</u>
Expenditures:			
Support Services:			
Fiscal	11,864	11,852	12
Non-Instructional Services	<u>1,413,532</u>	<u>1,212,432</u>	<u>201,100</u>
 Total Expenditures	 <u>1,425,396</u>	 <u>1,224,284</u>	 <u>201,112</u>
 Net Change in Fund Balance	 (581,673)	 (380,561)	 201,112
 Fund Balance at Beginning of Year	 213,340	 213,340	 -
Prior Year Encumbrances Appropriated	<u>461,097</u>	<u>461,097</u>	<u>-</u>
 Fund Balance at End of Year	 <u>\$ 92,764</u>	 <u>\$ 293,876</u>	 <u>\$ 201,112</u>

TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	FINAL BUDGET	ACTUAL	VARIANCE
Revenues:			
Taxes	\$ 1,336,029	\$ 1,339,696	\$ 3,667
Intergovernmental	169,624	171,726	2,102
Total Revenues	<u>1,505,653</u>	<u>1,511,422</u>	<u>5,769</u>
Expenditures:			
Support Services:			
Fiscal	26,721	26,504	217
Debt Service:			
Principal Retirement	284,991	284,991	-
Interest and Fiscal Charges	1,213,687	1,213,687	-
Total Expenditures	<u>1,525,399</u>	<u>1,525,182</u>	<u>217</u>
Net Change in Fund Balance	(19,746)	(13,760)	5,986
Fund Balance at Beginning of Year	<u>448,159</u>	<u>448,159</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 428,413</u>	<u>\$ 434,399</u>	<u>\$ 5,986</u>

INTERNAL SERVICE FUND

The internal service funds are used to account for the financing of services provided by one department to other department of the School District on a cost-reimbursement basis.

Self-Insurance

To account for the payment of all School District employees' health insurance claims.

TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
INTERNAL SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	FINAL BUDGET	ACTUAL	VARIANCE
Revenues:			
Charges for Services	\$ 5,400,000	\$ 5,183,659	\$ (216,341)
Total Revenues	<u>5,400,000</u>	<u>5,183,659</u>	<u>(216,341)</u>
Expenditures:			
Claims	<u>5,196,848</u>	<u>5,183,659</u>	<u>13,189</u>
Total Expenditures	<u>5,196,848</u>	<u>5,183,659</u>	<u>13,189</u>
Net Change in Fund Balance	203,152	-	(203,152)
Fund Balance at Beginning of Year	350,000	350,000	-
Prior Year Encumbrances Appropriated	<u>13,189</u>	<u>13,189</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 566,341</u>	<u>\$ 363,189</u>	<u>\$ (203,152)</u>

FIDUCIARY FUNDS

PRIVATE PURPOSE TRUST FUND

Private purpose trust funds are used to account for assets held by the School District, which have been restricted so that the principal and income of the fund benefit individuals, private organizations, or other governments and are not available to support the operations of the School District

Scholarship Trust Fund

To account for restricted donations, where the donations themselves may be used to provide scholarships to selected students graduating from the School District.

AGENCY FUNDS

Agency funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds.

Student Managed Activities

To account for the resources that belongs to the various student groups in the District. The funds account for sales and other revenue generating activities by student activity programs, which have students, involved in the management of the program.

TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>BEGINNING BALANCE</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>ENDING BALANCE</u>
<u>Student Managed Activities:</u>				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 119,629	\$ 78,557	\$ 112,808	\$ 85,378
Total Assets	<u>119,629</u>	<u>78,557</u>	<u>112,808</u>	<u>85,378</u>
Liabilities:				
Accounts Payable	2,092	222	2,092	222
Due to Students	<u>117,537</u>	<u>85,156</u>	<u>117,537</u>	<u>85,156</u>
Total Liabilities	<u>\$ 119,629</u>	<u>\$ 85,378</u>	<u>\$ 119,629</u>	<u>\$ 85,378</u>

TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
SCHOLARSHIP TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	FINAL BUDGET	ACTUAL	VARIANCE
Revenues:			
Other Revenue	\$ 43,550	\$ 46,981	\$ 3,431
Interest	<u>1,140</u>	<u>718</u>	<u>(422)</u>
Total Revenues	<u>44,690</u>	<u>47,699</u>	<u>3,009</u>
Expenses			
Educational Outreach	<u>104,098</u>	<u>100,208</u>	<u>3,890</u>
Total Expenses	<u>104,098</u>	<u>100,208</u>	<u>3,890</u>
Excess of Revenues Over (Under) Expenditures	(59,408)	(52,509)	6,899
Other Financing Uses:			
Transfers-Out	<u>(2,400)</u>	<u>-</u>	<u>2,400</u>
Total Other Financing Uses	<u>(2,400)</u>	<u>-</u>	<u>2,400</u>
Net Change in Fund Balance	(61,808)	(52,509)	9,299
Fund Balance at Beginning of Year	250,962	250,962	-
Prior Year Encumbrances Appropriated	<u>42,575</u>	<u>42,575</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 231,729</u>	<u>\$ 241,028</u>	<u>\$ 9,299</u>



STATISTICAL SECTION

STATISTICAL SECTION

This part of the School District'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 School District's overall financial health.

Contents:

Financial Trends

These schedules contain trend information to help the reader understand how the School District's financial performance and well-being have changed over time. These schedules can be found on pages 90-101

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the School District's most significant local revenue source, property tax. These schedules can be found on pages 102-109

Debt Capacity

These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt, as well as, the School District's ability to issue additional debt in the future. These schedules can be found on pages 110-114

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the School District's financial activities take place. These schedules can be found on pages 115-117

Operating Information

These schedules contain information about the School District's operation and resources to help the reader understand how the School District's financial information relates to the services provided and activities performed. These schedules can be found on pages 118-127

Sources: Unless otherwise noted, the information in these schedules is derived from the School District's annual financial reports for the relevant year. The School District implemented GASB Statement No. 34 in fiscal year 2003; schedules presenting government-wide information begin with that fiscal year.

**TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO**

**NET ASSETS BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)**

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Net Assets:				
Invested in capital assets, net of related debt	\$ 8,417,929	\$ 9,181,361	\$ 9,138,324	\$ 9,593,036
Restricted	2,222,304	1,955,114	1,266,332	1,186,550
Unrestricted	<u>6,599,425</u>	<u>9,030,034</u>	<u>8,081,483</u>	<u>7,923,158</u>
Total Net Assets	<u><u>\$ 17,239,658</u></u>	<u><u>\$ 20,166,509</u></u>	<u><u>\$ 18,486,139</u></u>	<u><u>\$ 18,702,744</u></u>

Notes:

- (1) The School District reports only governmental activities and has no component units

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 9,075,089	\$ 8,008,910	\$ 8,378,369	\$ 7,817,139	\$ 7,583,553	\$ 6,756,440
1,356,653	2,233,128	1,425,943	2,292,385	1,824,989	1,824,989
<u>7,685,700</u>	<u>4,879,935</u>	<u>7,607,507</u>	<u>5,427,604</u>	<u>10,635,715</u>	<u>9,880,166</u>
<u>\$ 18,117,442</u>	<u>\$ 15,121,973</u>	<u>\$ 17,411,819</u>	<u>\$ 15,537,128</u>	<u>\$ 20,044,257</u>	<u>\$ 18,461,595</u>

**TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO**

**EXPENSES, PROGRAM REVENUES, AND NET EXPENSE
LAST TEN FISCAL YEARS
(accrual basis of accounting)**

	2012	2011	2010	2009
Expenses:				
Instruction	\$ 33,175,571	\$ 33,035,603	\$ 32,041,665	\$ 31,581,336
Pupils	2,118,955	2,221,165	2,104,026	2,004,666
Instructional Staff	1,272,245	1,009,990	1,063,616	1,223,433
Board of Education	653,928	691,712	710,876	650,911
Administration	3,647,967	3,114,350	3,576,948	3,444,149
Fiscal	541,404	569,794	477,979	496,244
Busniess	515,415	599,224	618,922	652,820
Operation and mantainance of plant	3,568,807	3,600,867	3,510,717	3,580,514
Pupil transportation	1,948,816	1,914,312	1,927,733	1,858,940
Central	203,979	57,220	56,713	64,928
Non-instructional services	2,626,127	2,503,815	2,918,633	2,492,950
Extracurricular activities	509,864	487,113	169,945	181,541
Interest and fiscal charges	785,432	965,569	930,683	926,883
Unallocated depreciation	605,889	605,889	605,889	605,889
Total Expenses	<u>52,174,399</u>	<u>51,376,623</u>	<u>50,714,345</u>	<u>49,765,204</u>
Program Revenues:				
Charges for services, reported by:				
Regular instruction	1,459,981	1,452,482	1,786,711	1,625,572
Non-instructional services	1,044,290	1,118,539	1,154,505	1,194,811
Extracurricular activities	395,337	476,919	310,775	298,974
Other	83,850	62,637	13,081	14,544
Total Charges for Sevices	<u>2,983,458</u>	<u>3,110,577</u>	<u>3,265,072</u>	<u>3,133,901</u>
Operating grants and contributions	3,875,182	5,813,192	5,312,328	3,480,866
Capital grants and contributions	21,060	25,714	58,594	77,212
Total Program Revenues	<u>6,879,700</u>	<u>8,949,483</u>	<u>8,635,994</u>	<u>6,691,979</u>
Net Expense	<u>\$ (45,294,699)</u>	<u>\$ (42,427,140)</u>	<u>\$ (42,078,351)</u>	<u>\$ (43,073,225)</u>

Notes:

(1) The School District reports only governmental activities and has no component units

2008	2007	2006	2005	2004	2003
\$ 30,154,806	\$ 28,622,609	\$ 24,567,188	\$ 27,972,628	\$ 25,936,285	\$ 21,958,842
1,945,071	2,062,159	1,645,927	1,768,682	1,376,608	1,332,882
1,206,591	1,021,159	1,165,053	1,130,097	1,116,146	1,141,331
805,988	662,262	662,978	576,107	564,703	579,251
3,384,224	3,226,641	3,012,019	2,838,202	1,863,269	2,192,303
550,340	461,986	458,375	439,545	402,715	368,726
663,781	571,164	539,584	582,737	529,706	528,866
3,769,450	3,441,529	3,023,317	3,001,990	2,807,707	2,745,665
1,765,263	1,925,231	1,620,978	1,811,872	1,439,755	1,419,215
68,068	62,906	52,369	37,178	-	-
2,674,580	1,893,622	1,659,493	1,782,513	1,494,217	1,628,787
304,918	278,330	286,073	252,158	271,913	245,791
939,141	950,836	964,588	555,492	15,476	2,868
608,013	353,639	116,930	116,930	131,093	483,905
<u>48,840,234</u>	<u>45,534,073</u>	<u>39,774,872</u>	<u>42,866,131</u>	<u>37,949,593</u>	<u>34,628,432</u>
1,357,772	1,346,820	1,238,859	781,620	773,993	767,551
1,204,531	1,204,717	1,113,939	1,063,415	1,060,371	1,051,738
306,451	271,361	335,426	568,473	442,011	364,525
18,104	21,134	684	23,279	20,955	17,157
<u>2,886,858</u>	<u>2,844,032</u>	<u>2,688,908</u>	<u>2,436,787</u>	<u>2,297,330</u>	<u>2,200,971</u>
3,527,202	3,266,646	3,171,275	3,235,974	2,627,813	2,309,146
43,023	28,725	32,924	38,197	32,924	28,000
<u>6,457,083</u>	<u>6,139,403</u>	<u>5,893,107</u>	<u>5,710,958</u>	<u>4,958,067</u>	<u>4,538,117</u>
<u>\$ (42,383,151)</u>	<u>\$ (39,394,670)</u>	<u>\$ (33,881,765)</u>	<u>\$ (37,155,173)</u>	<u>\$ (32,991,526)</u>	<u>\$ (30,090,315)</u>

**TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO**

**GENERAL REVENUES AND TOTAL CHANGE IN NET ASSETS
LAST TEN FISCAL YEARS
(accrual basis of accounting)**

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Net Expense	\$ (45,294,699)	\$ (42,427,140)	\$ (42,078,351)	\$ (43,073,225)
General Revenues:				
Property taxes levied for:				
General purposes	14,160,593	15,162,978	13,670,069	15,316,471
Hayner Cultural Center	454,395	356,233	316,964	348,076
Debt Service	1,357,849	1,441,558	1,218,759	1,264,267
Capital projects	604,439	646,236	576,420	634,699
Income Taxes for General Purposes	9,501,186	9,074,106	8,507,939	8,558,120
Unrestricted grants and contributions	15,767,975	17,068,449	17,249,979	16,868,580
Investment earnings	79,563	28,709	63,976	416,284
Miscellaneous	441,848	329,241	257,640	252,030
Total General Revenues	<u>42,367,848</u>	<u>44,107,510</u>	<u>41,861,746</u>	<u>43,658,527</u>
Change in Net Assets	<u>\$ (2,926,851)</u>	<u>\$ 1,680,370</u>	<u>\$ (216,605)</u>	<u>\$ 585,302</u>

Notes:

(1) The School District reports only governmental activities and has no component units

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ (42,383,151)	\$ (39,394,670)	\$ (33,881,765)	\$ (37,155,173)	\$ (32,991,526)	\$ (30,090,315)
16,728,472	18,684,058	20,764,173	20,872,661	21,428,648	20,624,958
364,714	344,776	374,738	377,740	242,027	513,424
1,270,500	1,160,043	1,262,010	691,860	-	-
659,065	624,010	678,643	623,100	664,128	43,775
9,952,902	1,844,067	-	-	-	-
15,346,962	13,181,139	11,352,645	9,033,887	11,074,798	11,419,727
763,542	997,713	1,153,744	890,587	244,985	407,424
292,463	269,018	170,503	158,209	348,442	82,288
<u>45,378,620</u>	<u>37,104,824</u>	<u>35,756,456</u>	<u>32,648,044</u>	<u>34,003,028</u>	<u>33,091,596</u>
<u>\$ 2,995,469</u>	<u>\$ (2,289,846)</u>	<u>\$ 1,874,691</u>	<u>\$ (4,507,129)</u>	<u>\$ 1,011,502</u>	<u>\$ 3,001,281</u>

**TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO**

**FUND BALANCE OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)**

	2012	2011	2010	2009	2008
General Fund:					
Nonspendable	\$ 145,676	\$ 112,942	\$ 112,449	\$ -	\$ -
Assigned	421,614	2,381,852	304,677	-	-
Unassigned	11,023,940	10,161,571	11,122,317	-	-
Reserved	-	-	-	1,677,622	1,395,191
Unreserved	-	-	-	9,320,766	9,140,742
Total General Fund	\$ 11,591,230	\$ 12,656,365	\$ 11,539,443	\$ 10,998,388	\$ 10,535,933
All Other Governmental Funds:					
Nonspendable	\$ 39,740	\$ 29,555	\$ 49,027	\$ -	\$ -
Restricted	2,247,201	2,101,652	596,092	-	-
Unassigned	(98,455)	(242,677)	(214,102)	-	-
Reserved (a)	-	-	-	1,873,003	705,164
Unreserved, reported in:					
Capital projects funds (b)	-	-	-	(803,784)	314,180
Debt service fund (b)	-	-	-	453,124	525,254
Special revenue funds	-	-	-	279,786	442,531
Total All Other Governmental Funds	\$ 2,188,486	\$ 1,888,530	\$ 431,017	\$ 1,802,129	\$ 1,987,129

Notes:

- (1) During fiscal year 2011 the District implemented GASB Statement No. 54, therefore, the fund structure for fiscal year 2010 was restated to reflect the implementation.
- (a) The increases in the reservation of fund balance, beginning in fiscal year 2005, is attributal to outstanding encumbrances related to the school facilities construction project as well as increase in reservation of fund balance for property taxes for associated levies.
- (b) Fund balance reported for the capital projects and debt service funds increased in 2005 due to the collection of property taxes and issuance of debt to provide financing for the school facilities construction project.

<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
1,508,298	2,443,060	3,194,808	1,998,425	2,365,468
<u>5,719,849</u>	<u>6,757,709</u>	<u>7,653,433</u>	<u>8,724,670</u>	<u>7,249,167</u>
<u>\$ 7,228,147</u>	<u>\$ 9,200,769</u>	<u>\$ 10,848,241</u>	<u>\$ 10,723,095</u>	<u>\$ 9,614,635</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
851,989	8,826,582	3,158,687	412,957	475,117
968,253	1,974,793	19,123,001	1,442,591	1,359,568
522,437	552,906	360,402	-	-
<u>454,969</u>	<u>374,440</u>	<u>444,876</u>	<u>169,955</u>	<u>455,005</u>
<u>\$ 2,797,648</u>	<u>\$ 11,728,721</u>	<u>\$ 23,086,966</u>	<u>\$ 2,025,503</u>	<u>\$ 2,289,690</u>

**TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO**

REVENUES, EXPENDITURES AND DEBT SERVICE RATIO
OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	2012	2011	2010	2009	2008
Revenues:					
Taxes	\$ 26,106,454	\$ 26,254,081	\$ 24,611,646	\$ 26,095,058	\$ 29,005,609
Intergovernmental	19,695,065	22,919,473	22,557,680	20,451,541	18,895,257
Interest	79,563	28,709	63,976	416,284	763,542
Tuition and fees	1,039,301	989,427	1,143,490	983,202	874,141
All other revenues	2,380,322	2,450,391	2,379,223	2,402,627	2,303,687
Total revenue	<u>\$ 49,300,705</u>	<u>\$ 52,642,081</u>	<u>\$ 50,756,015</u>	<u>\$ 50,348,712</u>	<u>\$ 51,842,236</u>
Expenditures:					
Current:					
Instruction	\$ 30,979,150	\$ 32,136,340	\$ 31,146,493	\$ 30,721,143	\$ 29,100,566
Support Services:					
Pupils	2,111,645	2,192,102	2,097,302	2,008,083	1,899,370
Instructional staff	1,249,558	1,082,831	1,084,779	1,173,391	1,211,067
Board of education	653,928	691,712	710,876	650,911	805,988
Administration	3,374,479	3,075,508	3,414,772	3,260,817	3,198,691
Fiscal and business	1,078,198	1,159,373	1,148,149	1,122,933	1,199,135
Plant operation & maintenance	3,514,699	3,587,123	3,479,693	3,554,627	3,730,331
Pupil transportation	1,750,323	1,708,964	1,742,197	1,661,505	1,588,132
Other	57,636	55,829	56,622	64,007	66,715
Non-instructional services	2,595,616	2,510,549	2,902,272	2,454,844	2,616,364
Extracurricular activities	438,577	480,372	163,822	175,304	298,903
Capital outlay	693,116	1,223,946	1,855,034	1,699,338	2,146,520
Debt service:					
Principal retirement	721,709	695,574	712,669	657,733	598,205
Interest and fiscal charges	852,933	819,625	844,103	866,721	886,473
Total expenditures	<u>\$ 50,071,567</u>	<u>\$ 51,419,848</u>	<u>\$ 51,358,783</u>	<u>\$ 50,071,357</u>	<u>\$ 49,346,460</u>
<i>Debt Service as a Percentage of Noncapital Expenditures</i>	3.19%	3.02%	3.14%	3.15%	3.15%

2007	2006	2005	2004	2003
\$ 22,637,905	\$ 23,161,702	\$ 23,654,269	\$ 21,260,327	\$ 21,142,334
16,477,906	14,542,989	14,315,799	13,803,345	13,618,741
997,713	1,153,744	890,587	244,985	407,424
902,833	914,247	781,620	773,993	767,551
2,234,666	1,994,986	1,854,406	1,929,719	1,569,506
<u>\$ 43,251,023</u>	<u>\$ 41,767,668</u>	<u>\$ 41,496,681</u>	<u>\$ 38,012,369</u>	<u>\$ 37,505,556</u>
\$ 27,723,489	\$ 25,742,645	\$ 25,668,612	\$ 23,705,468	\$ 22,372,326
2,097,231	1,732,677	1,673,577	1,309,214	1,372,582
1,053,984	1,154,033	1,084,727	1,102,648	1,114,751
662,262	662,978	576,107	564,703	579,251
3,051,115	2,947,645	2,632,486	2,351,953	2,094,250
1,018,924	1,008,241	1,007,459	923,004	865,794
3,396,091	3,102,510	2,946,854	2,806,044	2,497,327
1,767,786	1,746,351	1,648,155	1,597,697	1,508,555
61,953	52,480	37,178	-	-
1,860,702	1,816,714	1,737,014	1,543,279	1,478,221
273,074	284,069	248,291	273,630	243,130
9,694,344	13,391,078	1,847,366	1,474,506	706,915
563,849	239,279	78,604	75,512	18,578
904,779	1,067,685	330,163	15,476	2,868
<u>\$ 54,129,583</u>	<u>\$ 54,948,385</u>	<u>\$ 41,516,593</u>	<u>\$ 37,743,134</u>	<u>\$ 34,854,548</u>
3.31%	3.14%	1.03%	0.25%	0.06%

**TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO**

OTHER FINANCING SOURCES(USES) AND CHANGE IN FUND
BALANCES FOR GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Excess of Revenues Over(Under)					
Expenditures	\$ (770,862)	\$ 1,222,233	\$ (602,768)	\$ 277,355	\$ 2,495,776
Other Financing Sources(Uses):					
Proceeds from sale of capital assets	5,683	38,084	865	100	1,491
Refund of prior year receipts	-	-	-	-	-
Inception of capital leases	-	-	-	-	-
Proceeds from sale of bonds	-	-	1,103,964	-	-
Premium on issuance of bonds	-	-	-	-	-
Bond issuance costs	-	-	(18,000)	-	-
Transfers-in	150,000	150,000	62,054	147,084	1,590,015
Transfers-out	(150,000)	(150,000)	(62,054)	(147,084)	(1,590,015)
Total Other Financing Sources (Uses)	<u>5,683</u>	<u>38,084</u>	<u>1,086,829</u>	<u>100</u>	<u>1,491</u>
Net Change in Fund Balance	<u>\$ (765,179)</u>	<u>\$ 1,260,317</u>	<u>\$ 484,061</u>	<u>\$ 277,455</u>	<u>\$ 2,497,267</u>

<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<u>\$ (10,878,560)</u>	<u>\$ (13,180,717)</u>	<u>\$ (19,912)</u>	<u>\$ 269,235</u>	<u>\$ 2,651,008</u>
-	-	-	-	10,262
(135)	-	-	-	-
-	175,000	-	575,038	-
-	-	21,204,991	-	-
-	-	1,530	-	-
-	-	-	-	-
1,314,317	71,184	2,524,462	38,518	353,378
<u>(1,339,317)</u>	<u>(71,184)</u>	<u>(2,524,462)</u>	<u>(38,518)</u>	<u>(378,378)</u>
<u>(25,135)</u>	<u>175,000</u>	<u>21,206,521</u>	<u>575,038</u>	<u>(14,738)</u>
<u><u>\$ (10,903,695)</u></u>	<u><u>\$ (13,005,717)</u></u>	<u><u>\$ 21,186,609</u></u>	<u><u>\$ 844,273</u></u>	<u><u>\$ 2,636,270</u></u>

**TROY CITY SCHOOLS
MIAMI COUNTY, OHIO**

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN CALENDAR YEARS

Year	Real Property		Public Utility Property	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2012	\$ 639,265,810	\$ 1,826,744,943	\$ 17,589,970	\$ 50,257,057
2011	637,617,630	1,821,764,657	17,014,100	48,611,714
2010	646,365,210	1,846,757,743	16,286,840	46,533,829
2009	637,388,880	1,821,111,086	16,482,000	47,091,429
2008	629,286,810	1,797,962,314	16,176,640	46,218,971
2007	575,754,080	1,645,011,657	19,072,810	54,493,743
2006	571,083,680	1,631,667,657	19,311,500	55,175,714
2005	548,407,960	1,566,879,886	19,868,040	56,765,829
2004	509,442,940	1,455,551,257	19,827,540	56,650,114
2003	496,930,210	1,419,800,600	20,340,880	58,116,800

Source: Miami County Auditor - Data is presented on a calendar year basis because that is the manner in which the information is maintained by the Auditor.

Notes:

For fiscal years 1999 to 2000, real property assessed value was 35% of the estimated actual value, public utility assessed value was 88% of estimated actual value and personal property assessed value was 25% of the estimated actual value. For fiscal years 2001 through 2008, the actual property value were estimated by the Miami County Auditor's Office due to changes percentage of property subject to taxation.

Tangible Personal Property		Total		Total Direct Tax Rate	Assessed Value Ratio
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
\$ -	\$ -	\$ 656,855,780	\$ 1,877,002,000	\$ 52.61	35.0%
-	-	654,631,730	1,870,376,371	53.90	35.0%
1,350,890	3,859,686	664,002,940	1,897,151,258	52.28	35.0%
26,146,840	74,705,257	680,017,720	1,942,907,772	52.09	35.0%
52,732,850	150,665,286	698,196,300	1,994,846,571	52.09	35.0%
87,783,690	250,810,543	682,610,580	1,950,315,943	56.59	35.0%
127,061,770	363,033,629	717,456,950	2,049,877,000	56.59	35.0%
133,313,470	380,895,629	701,589,470	2,004,541,344	56.59	35.0%
141,054,040	403,011,543	670,324,520	1,915,212,914	54.60	35.0%
145,741,630	416,404,657	663,012,720	1,894,322,057	54.60	35.0%

**TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO**

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$1,000 ASSESSED VALUATION)
LAST TEN CALENDAR YEARS

YEAR	School District Millage (b)					Total
	Operating	Debt Service	Permanent Improvement	Hayner		
2012	\$ 48.35	\$ 2.31	\$ 1.10	\$ 0.85	\$	52.61
2011	49.85	2.30	1.10	0.65		53.90
2010	48.35	2.18	1.10	0.65		52.28
2009	48.35	1.99	1.10	0.65		52.09
2008	48.35	1.99	1.10	0.65		52.09
2007	52.85	1.99	1.10	0.65		56.59
2006	52.85	1.99	1.10	0.65		56.59
2005	52.85	1.99	1.10	0.65		56.59
2004	52.85	-	1.10	0.65		54.60
2003	52.85	-	1.10	0.65		54.60

Source: Miami County Auditor - Data is presented on a Calendar Year Basis because that is the manner in which the information is maintained by the Auditor.

Notes:

- (a) Overlapping millage presented is total millage for subdivision
- (b) Prior to 2005 the School District had no general obligation debt.

Overlapping Millage (a)					
	Miami		City of		Upper Valley
	County		Troy		JVS
\$	8.81	\$	3.17	\$	5.32
	8.81		3.19		5.32
	8.81		3.24		5.36
	8.81		3.24		5.18
	8.80		3.24		5.35
	8.81		3.24		5.45
	9.12		3.24		5.45
	9.11		3.24		5.45
	9.13		3.22		5.46
	9.13		3.22		4.90



TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO
PRINCIPAL PROPERTY TAX PAYERS
CURRENT FISCAL YEAR AND NINE YEARS AGO

Fiscal Year 2012			
<u>Name of Taxpayer</u>	<u>Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Assessed Value</u>
Dayton Power and Light Co	\$ 13,115,390	1	2.00%
American Honda Motor	6,999,860	2	1.07%
Hobart Corporation	3,698,200	3	0.56%
Vectren Energy	3,308,250	4	0.50%
Health Care	3,185,780	5	0.49%
Towne Park	3,027,510	6	0.46%
Monroe LLC	2,962,790	7	0.45%
United Distribution Services	2,789,300	8	0.42%
F&P America Manufacturing	2,667,380	9	0.41%
Hobart Brothers Co.	<u>2,537,430</u>	10	0.39%
Subtotal	44,291,890		6.75%
All Other Taxpayers	<u>612,563,890</u>		<u>93.25%</u>
Total Assessed Valuation	<u>\$ 656,855,780</u>		<u>100.00%</u>

Fiscal Year 2003			
<u>Name of Taxpayer</u>	<u>Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Assessed Value</u>
MT Picture Display Corp	\$ 39,275,490	1	5.92%
Dayton Power & Light Co	38,748,980	2	5.84%
American Honda Motor	25,724,120	3	3.88%
Meijers Inc	22,994,700	4	3.47%
ITW/Hobart Brothers Co.	17,693,950	5	2.67%
Goodrich Corp	14,420,910	6	2.18%
Midamco	9,740,060	7	1.47%
Verizon North Inc	9,153,150	8	1.38%
Evenflow Company Inc.	8,514,030	9	1.29%
Jackson Tube Services	<u>8,446,770</u>	10	1.27%
Subtotal	194,712,160		29.37%
All Other Taxpayers	<u>468,300,560</u>		<u>70.63%</u>
Total Assessed Valuation	<u>\$ 663,012,720</u>		<u>100.00%</u>

Source: Miami County Auditor - Data is presented on a calendar year basis because that is the manner in which the information is maintained by the Auditor.

**TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO**

**PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN CALENDAR YEARS**

<u>Year (1)</u>	<u>Current Levy</u>	<u>Current Collections</u>	<u>Percent of Current Levy Collected</u>	<u>Delinquent Tax Collections</u>
2012	\$ 17,823,767	\$ 17,382,754	97.5%	\$ 441,013
2011	17,504,789	17,068,191	97.5%	436,598
2010	17,356,453	16,823,079	96.9%	418,857
2009	17,073,978	16,685,891	97.7%	388,087
2008	18,291,161	17,724,427	96.9%	566,734
2007	21,888,439	21,074,819	96.3%	813,620
2006	23,289,523	22,683,391	97.4%	606,132
2005	25,009,680	23,145,036	92.5%	975,143
2004	22,943,928	22,274,686	97.1%	669,242
2003	22,951,007	22,274,641	97.1%	676,366

Source: Miami County Auditor - Data is presented on a calendar year basis because that is the manner in which the information is maintained by the Auditor.

Notes:

(1) Represents collection year. 2012 information represents tax levies and collections through November 1, 2012.

<u>Total Tax Collections</u>	<u>Total Collection As a Percent of Current Levy</u>	<u>Accumulated Outstanding Delinquent Taxes</u>	<u>Delinquent Taxes to Current Tax Levy</u>
\$ 17,823,767	100.0%	\$ 1,872,945	10.5%
17,504,789	100.0%	954,924	5.5%
17,241,936	99.3%	1,889,839	10.9%
17,073,978	100.0%	1,328,020	7.8%
18,291,161	100.0%	2,662,380	14.6%
21,888,439	100.0%	2,792,480	12.8%
23,289,523	100.0%	1,640,878	7.0%
24,120,179	96.4%	2,374,596	9.8%
22,943,928	100.0%	2,157,607	9.4%
22,951,007	100.0%	2,141,756	9.3%

**TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO**

**RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Year	General Bonded Debt			Percentage of Total Estimated Actual Value (a)	Per Capita (b)
	General Obligation Bonds	Amount Available for Debt Service	Net Bond Indebtedness		
2012	\$ 18,150,000	\$ 653,733	\$ 17,496,267	0.93%	\$ n/a
2011	19,821,261	676,169	19,145,092	1.02%	764
2010	20,394,297	408,627	19,985,670	1.05%	798
2009	19,805,337	453,124	19,352,213	1.00%	879
2008	20,278,837	525,254	19,753,583	0.99%	897
2007	20,704,970	522,437	20,182,533	1.03%	917
2006	21,107,787	552,906	20,554,881	1.00%	931
2005	21,204,991	360,402	20,844,589	1.04%	944
2004	-	-	-	n/a	n/a
2003	-	-	-	n/a	n/a

Notes:

- (1) The School District reports only governmental activities and has no component units.
- (2) Details of the School District's outstanding debt can be found in Note 13 to in the notes to the basic financial statements.
- (a) See assessed and estimated actual value of taxable property for total assessed property value.
- (b) See demographics schedule for personal income and population data, which are reported on a calendar year basis.

<u>Capital Leases</u>	<u>Total Outstanding Debt Obligations</u>	<u>Percentage of Personal Income (b)</u>	<u>Per Capita (b)</u>
\$ -	\$ 18,150,000	\$ n/a	\$ n/a
-	19,145,092	0.50%	763
42,360	20,028,030	0.56%	799
169,798	19,522,011	0.55%	887
292,531	20,046,114	0.57%	910
410,734	20,593,267	0.62%	936
524,583	21,079,464	0.65%	955
443,862	21,288,451	0.68%	964
522,466	522,466	0.02%	24
22,941	22,941	0.00%	1

TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Total Assessed Property Value	\$ 656,855,780	\$654,631,730	\$ 664,002,940	\$ 680,017,720	\$ 698,196,300
Overall Direct Debt Limitation:					
Bond Debt Limit (a)	59,117,020	58,916,856	59,760,265	61,201,595	62,837,667
Net Bond Indebtedness	<u>(17,767,651)</u>	<u>(19,145,092)</u>	<u>(19,985,670)</u>	<u>(19,352,213)</u>	<u>(19,753,583)</u>
Overall Debt Margin	<u><u>41,349,369</u></u>	<u><u>39,771,764</u></u>	<u><u>39,774,595</u></u>	<u><u>41,849,382</u></u>	<u><u>43,084,084</u></u>
<i>Total net bonded debt applicable to the limit as a percentage of overall direct debt limitation</i>	<i>30.06%</i>	<i>32.50%</i>	<i>33.44%</i>	<i>31.62%</i>	<i>31.44%</i>
Unvoted Direct Debt Limitation:					
Unvoted Debt Limit (a)	656,856	654,632	664,003	680,018	698,196
Unvoted Debt Outstanding	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unvoted Debt Margin	<u><u>656,856</u></u>	<u><u>654,632</u></u>	<u><u>664,003</u></u>	<u><u>680,018</u></u>	<u><u>698,196</u></u>
<i>Total unvoted debt applicable to the limit as a percentage of unvoted direct debt limitation</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>

Source: Miami County Auditor and School District's financial records

Notes:

- (1) Prior to fiscal year 2005, the School District had no general bonded debt
(a) Ohio Bond Law sets a limit of 9% for voted debt, 9/10 of 1% for energy conservation and 1/10 of 1% for unvoted debt.

<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 682,610,580	\$ 717,456,950	\$ 701,589,470	\$ 670,324,520	\$ 663,012,720
61,434,952	64,571,126	63,143,052	60,329,207	59,671,145
<u>(20,182,533)</u>	<u>(20,554,881)</u>	<u>(20,844,589)</u>	<u>-</u>	<u>-</u>
<u>41,252,419</u>	<u>44,016,245</u>	<u>42,298,463</u>	<u>60,329,207</u>	<u>59,671,145</u>
32.85%	31.83%	33.01%	0.00%	0.00%
682,611	717,457	701,589	670,325	663,013
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>682,611</u>	<u>717,457</u>	<u>701,589</u>	<u>670,325</u>	<u>663,013</u>
0.00%	0.00%	0.00%	0.00%	0.00%

**TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO**

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2012

<u>Governmental Unit</u>	<u>Net Debt Outstanding</u>	<u>Estimated Percentage Applicable (a)</u>	<u>Amount Applicable to School District</u>
Miami County	\$ 10,966,095	30.30%	\$ 3,322,727
City of Troy	-	0.00%	-
Upper Valley Career Center	5,735,000	29.22%	<u>1,675,767</u>
Subtotal, Overlapping Debt			4,998,494
School District Direct Debt			<u>18,150,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 23,148,494</u></u>

Source: Ohio Municipal Advisory Council

Notes:

- (1) Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the School District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the School District. This process recognizes that, when considering the School District's ability to issue and repay long-term debt, the entire burden borne by the residents and businesses should be taken into account.
- (a) Percentages were determined by dividing the assessed valuation of the subdivision located within the boundaries of the District by the total assessed value of the subdivision.

TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO
 DEMOGRAPHIC STATISTICS
 LAST TEN CALENDAR YEARS

Year	City of Troy Population (1)	Personal Income (Thousands of Dollars) (2)	Per Capita Personal Income (2)	Unemployment Rate (3)
2011	25,058	\$ 3,807,886	\$ 37,021	7.6%
2010	25,058	3,592,525	35,052	8.1%
2009	22,013	3,535,946	34,921	12.2%
2008	22,017	3,539,795	35,003	7.0%
2007	22,011	3,347,023	33,189	5.4%
2006	22,071	3,240,388	32,097	5.7%
2005	22,077	3,107,811	30,645	5.5%
2004	22,016	3,064,960	30,411	5.5%
2003	22,029	2,954,972	29,514	5.7%
2002	22,038	2,821,089	28,324	5.4%

- Source::
- (1) U.S. Census Bureau reported on calendar year end
 - (2) Provided by Bureau of Economic Analysis: Regional Economic Accounts
 - (3) Ohio Bureau of Employment Services, reported on calendar year end



**TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO**

PRINCIPAL AREA EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

Fiscal Year 2012			
Employer	Employees (a)	Rank	Percentage of Total Employees
Upper Valley Medical Center	1,580	1	21.95%
Miami County	825	2	11.46%
Meijer Distribution	745	3	10.35%
Goodrich Corporation	718	4	9.98%
ConAgra	658	5	9.14%
Troy City School District	641	6	8.91%
F&P America Manufacturing Inc	601	7	8.35%
ITW/Hobart Brothers Company	593	8	8.24%
Hobart Corporation	547	9	7.60%
Evenflo Juvenile Furniture Co.	289	10	4.02%
Total	7,197		

Fiscal Year 2003			
Employer	Employees (a)	Rank	Percentage of Total Employees
Upper Valley Medical Center	1,811	1	20.77%
MT Picture Display Corp	1,253	2	14.37%
Miami County	1,008	3	11.56%
Meijer Distribution	859	4	9.85%
ITW/Hobart Company	853	5	9.78%
Goodrich Corporation	730	6	8.37%
ITW/Hobart Brothers	600	7	6.88%
F&P America Mfg.	600	8	6.88%
Troy City School District	571	9	6.55%
A.O. Smith Electrical Products Co.	436	10	5.00%
	8,721		

Source: Miami County Auditor

Notes:

- (1) Information is presented on a calendar year basis as no information was available at the end of the School District's fiscal year.
- (2) Data is presented for the Miami County Area which does not have the same boundaries as Troy City School District, however, this was the only data available.
- (a) Amount reported is employee headcount which differs from the "Full Time Equivalent" numbers reported elsewhere in this section.

TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO
 OPERATING STATISTICS
 LAST TEN FISCAL YEARS

Year	Average Daily Membership (2)	Operating Expenditures (a)	Cost per Pupil	Percentage Change
2012	4639	\$ 47,803,809	10,305	-1.10%
2011	4672	48,681,451	10,420	2.57%
2010	4720	47,946,977	10,158	1.98%
2009	4703	46,847,565	9,961	0.97%
2008	4,634	45,715,262	9,865	6.93%
2007	4,657	42,966,611	9,226	6.06%
2006	4,627	40,250,343	8,699	0.79%
2005	4,549	39,260,460	8,631	8.38%
2004	4,543	36,177,640	7,963	6.22%
2003	4,552	34,126,187	7,497	12.42%

Notes:

(2) EMIS Enrollment K Report

(3) EMIS Staff Summary Report

(a) Operating expenditures are total governmental fund expenditures less capital outlay and debt service

<u>Expenses</u>	<u>Cost per Pupil</u>	<u>Percentage Change</u>	<u>Number of Teaching Staff (3)</u>	<u>Pupil-Teacher Ratio</u>	<u>Percentage of Free or Reduced Price Meals</u>
\$ 50,071,567	\$ 10,794	-1.93%	276	16.81	43.40%
51,420,546	11,006	2.43%	285	16.39	35.91%
50,714,345	10,745	1.54%	285	16.56	38.94%
49,765,204	10,582	0.40%	286	16.44	35.80%
48,840,234	10,540	7.79%	279	16.61	33.11%
45,534,073	9,778	13.74%	277	16.81	28.94%
39,774,872	8,596	-8.78%	275	16.83	27.86%
42,866,131	9,423	12.81%	269	16.91	24.09%
37,949,593	8,353	9.81%	272	16.70	22.86%
34,628,432	7,607	N/A	265	17.18	21.84%

**TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO**

FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
LAST TEN FISCAL YEARS

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Official/Administrative					
Asst. Principal	3	4	4	4	5
Principals	9	8	8	8	8
Superintendent	1	1	1	1	1
Supervisor/Manager	0	3	3	1	3
Treasurer	1	1	1	1	1
Coordinator	2	2	2	2	2
Education Administrative Specialist	1	1	1	1	1
Director	7	1	1	1	1
ESC Supervisor	0	0	0	2	0
Other Official/Administrative	1	3	3	3	3
Totals	<u>25</u>	<u>24</u>	<u>24</u>	<u>24</u>	<u>25</u>
Professional - Educational/Other					
Curriculum Specialist	1	1	1	1	1
Counseling	10	10	10	10	10
Librarian/Media	1	1	1	1	2
Remedial Specialist	9	10	10	9	10
Tutor/Small Group Instructor	0	0	0	1	0
Supplemental Service Teacher (Special Education)	11	9	9	9	10
General Education	186	195	195	195	191
Gifted and Talented	2	2	2	2	0
Educational Service Personnel Teacher	0	0	0	0	18
Special Education	25	27	27	27	28
Art Education K-8	6	6	6	6	0
Music Education K-8	9	6	6	7	0
Physical Education K-8	8	7	7	7	0
Other Professional	2	2	2	3	2
Psychologist	3	4	4	4	4
Registered Nursing	2	2	2	2	2
Speech and Language Therapist	1	1	1	1	1
Mobility Therapist	0	0	0	0	0
Educational Interpreter	0	1	1	1	1
Intern Psychologist	0	1	1	0	0
Totals	<u>276</u>	<u>285</u>	<u>285</u>	<u>286</u>	<u>280</u>
Technical/Office/Clerical					
Practical Nursing	8	8	7	6	6
Library Aide	10	8	7	7	7
Instructional Paraprofessional	51	50	46	45	45
Other Technical	5	4	1	2	2
Bookkeeping	5	5	5	5	5
Clerical	25	26	26	26	25
Teaching Aide	7	9	14	14	16
Other Office/Clerical	0	2	3	4	4
Totals	<u>111</u>	<u>112</u>	<u>109</u>	<u>109</u>	<u>110</u>

Source: Troy City School District records

<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
4	3	3	3	3
8	8	8	8	8
1	1	1	1	1
3	3	3	3	3
1	1	1	1	1
2	2	2	2	2
1	1	1	1	0
1	1	1	1	0
0	0	0	0	0
3	3	3	3	3
<u>24</u>	<u>23</u>	<u>23</u>	<u>23</u>	<u>21</u>

1	1	1	1	0
10	9	9	9	8
2	2	2	2	2
11	10	9	10	5
1	1	1	1	1
6	0	0	0	0
184	188	191	194	200
0	0	0	0	0
19	19	19	15	14
33	33	26	25	29
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
2	2	4	10	0
4	4	4	2	3
2	2	2	2	2
2	3	2	2	2
0	0	0	0	0
1	0	0	0	0
0	0	0	0	0
<u>278</u>	<u>274</u>	<u>270</u>	<u>273</u>	<u>266</u>

4	4	4	0	0
7	6	6	7	8
37	9	0	0	0
2	2	2	2	2
5	5	5	5	6
24	23	24	23	22
16	47	57	58	49
5	5	3	7	6
<u>100</u>	<u>101</u>	<u>100</u>	<u>102</u>	<u>93</u>

**TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO**

FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
LAST TEN FISCAL YEARS

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Crafts and Trades/Operative					
General Maintenance	4	4	4	4	4
Mechanic	2	2	2	2	2
Vehicle Operator (other than buses)	3	2	2	3	0
Vehicle Operator (buses)	28	30	30	31	29
Totals	<u>37</u>	<u>38</u>	<u>38</u>	<u>40</u>	<u>35</u>
Extracurricular/Intracurricular Activities					
Extra/Intra - Curricular Activities	0	0	0	0	0
Service Work/Laborer					
Custodian	23	21	21	22	22
Food Service	33	36	36	36	39
Totals	<u>56</u>	<u>57</u>	<u>57</u>	<u>58</u>	<u>61</u>
Totals	<u><u>505</u></u>	<u><u>516</u></u>	<u><u>513</u></u>	<u><u>517</u></u>	<u><u>511</u></u>

Source: Troy City School District records

<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
4	4	4	4	4
2	2	2	2	2
0	0	0	0	0
<u>30</u>	<u>28</u>	<u>29</u>	<u>29</u>	<u>29</u>
<u>36</u>	<u>34</u>	<u>35</u>	<u>35</u>	<u>35</u>
0	0	0	202	0
23	19	21	20	21
<u>41</u>	<u>37</u>	<u>38</u>	<u>37</u>	<u>36</u>
<u>64</u>	<u>56</u>	<u>59</u>	<u>57</u>	<u>57</u>
<u>502</u>	<u>488</u>	<u>487</u>	<u>692</u>	<u>472</u>



TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO
TEACHER EDUCATION AND EXPERIENCE
JUNE 30, 2012

<u>Degree</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
Bachelor's Degree	20	7.49%
Bachelor's + 18 Semester Hours of Graduate Credit	30	11.24%
Master's Degree	172	64.42%
Master's Degree + 30 Semester Hours of Graduate Credit	<u>45</u>	16.85%
Total	<u><u>267</u></u>	100.00%

<u>Years of Experience</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
0 - 4	66	24.72%
5 - 9	60	22.47%
10 - 14	54	20.23%
15 - 19	27	10.11%
20 - 29	51	19.10%
30 and over	<u>9</u>	3.37%
Total	<u><u>267</u></u>	100.00%

Source: Troy City School District Records

**TROY CITY SCHOOL DISTRICT
MIAMI COUNTY, OHIO**

**CAPITAL ASSET INFORMATION
LAST TEN FISCAL YEARS**

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Concord Elementary (1919)				
Square Feet	67,598	67,598	67,598	67,598
Enrollment	612	613	603	645
Cookson Elementary (1964)				
Square Feet	41,877	41,877	41,877	41,877
Enrollment	363	383	412	406
Forest Elementary (1949)				
Square Feet	41,841	41,481	41,481	41,481
Enrollment	292	296	287	259
Heywood Elementary (1930)				
Square Feet	37,231	37,231	37,231	37,231
Enrollment	338	348	364	345
Hook Elementary (1966)				
Square Feet	31,257	31,257	31,257	31,257
Enrollment	320	324	332	323
Kyle Elementary (1950)				
Square Feet	33,620	33,620	33,620	33,620
Enrollment	228	230	233	224
Van Cleve Elementary (1914)				
Square Feet	82,253	82,253	82,253	82,253
Enrollment	350	333	326	348
Troy Junior High (1973)				
Square Feet	104,689	104,689	104,689	104,689
Enrollment	708	729	692	661
Troy High (1958)				
Square Feet	221,011	221,011	221,011	221,011
Enrollment	1,428	1,416	1,471	1,492
Total Enrollment	4,639	4,672	4,720	4,703

Source: Troy City School District records

Notes:

- (1) From fiscal year 2001-2006, all elementary buildings served grades kindergarten through 6 except Forest which served special needs and gifted students. Beginning in fiscal year 2007, Van Cleve served grade 6 with all other elementaries serving grades kindergarten through 5.

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
67,598 619	67,598 577	57,753 595	57,753 559	57,753 572	57,753 537
41,877 372	41,877 378	41,877 415	41,877 416	41,877 427	41,877 433
41,481 265	41,481 293	40,458 41	40,458 67	40,458 87	40,458 132
37,231 331	37,231 306	37,231 368	37,231 319	37,231 320	37,231 328
31,257 320	31,257 307	31,257 336	31,257 342	31,257 337	31,257 325
33,620 214	33,620 216	33,620 282	33,620 261	33,620 261	33,620 260
82,253 314	82,253 318	82,253 348	82,253 377	82,253 381	82,253 371
104,689 721	104,689 740	104,689 732	104,689 745	104,689 694	104,689 740
221,011 1,478	221,011 1522	176,012 1510	176,012 1463	176,012 1464	176,012 1426
4,634	4,657	4,627	4,549	4,543	4,552





Dave Yost • Auditor of State

TROY CITY SCHOOL DISTRICT

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
JANUARY 24, 2013**