

TROY CITIZENS UNITED

WHERE DID YOU FIND THAT TROY INFORMATION? The attached pages all come from Troy's Annual Financial Reports for 2008, 2009 or 2010 and the 2010/2011 budget

1. The mayor and the pro-tax crowd opposed the 2008 Charter Amendment (which requires a vote to increase any tax), their argument was that the Amendment would destroy the City's AAA bond rating. Page 2 shows that Troy's bond rating has stayed at AAA and that the mayor's comments were unwarranted (at best).
2. Page 3 – the box indicates that some of Troy pension money is invested in bonds commonly referred to as "Junk" bonds. If these bonds default, Troy taxpayers will have to make up the difference.
3. Page 4- this is the source of the information that Troy employees, those not in the defined benefit plan, receive contributions of 10 – 13 % of their pay. The second box states the specific for the year, employees put in 4.5% of pay and the City put in 11.3%. What private employer matches its employees' 401-K contributions 3 to 1?
4. Pages 5, 6 and 7 are pages from the 2008, 2009 and 2010 financial reports, respectively. They show that the undesignated fund balance, the City's "rainy day" fund, is growing, not declining. The amounts increase each year and the fund's percent of general fund revenues increases from 13.5% to 17% to 18.5%, even beyond the City's goal of 10% to 17%. A reduction of the fund to 15.5%, back to \$9,000,000 as it was in 2008, produces \$1,700,000 which can be used to fund the library.
5. Pages 8 and 9 are the details of the designated and undesignated fund balances for 2009 and 2010. In addition to the increase in the undesignated fund balance, the City increased its 'committed' reserve for property tax appeals from \$900,000 to \$2,000,000. This is an increase of 122%. However the tax appeal information on pages 10 and 11 shows that the amount under appeal only increased by 35%. And furthermore, \$2,000,000 represents 70% of the tax under appeal. This is an indication that the reserves may be overstated. Had the reserve only been increased by 35%, the undesignated reserve would have skyrocketed to almost 20%!
6. Pages 12, 13 and 14. The purpose of including these is to illustrate that the budgets are just numbers on a piece of paper. They are not forecasts and they are not projections. The total expenditure lines are circled in each year. Note that in each year the actual amount spent is significantly below the budgeted amount (again indicating that the budgets are padded with amounts that will never be spent).
7. Page 15 is meant to be compared with page 14. Compare the actual expenditures for 2010 \$58.5 million with the budgeted expenditures for 2011 \$57.7 million. This is only a decrease of 1.2%. Where is the big financial crisis if spending is only being cut by 1.2%?
8. Page 16 and 17. Page 16 is the personnel portion of the 2011 budget. This page would appear to indicate that the position of the community affairs director has been eliminated. The total cost of this position is \$170,000 per year. In a period of financial distress it would seem that this position would be deemed "non-critical", similarly to the Big 3 Autos eliminating their advertising and public relations while in financial trouble. But.....on page 17 we find that the position has just been shuffled around. One half of the position is now in the city manager's office and the other half in the police department. City council just can't make the hard decisions.

**MANAGEMENT'S DISCUSSION
AND ANALYSIS, CONTINUED**

Fund balance in the capital projects fund decreased by \$5.0 million due to the timing and completion of various projects.

**GENERAL FUND
BUDGETARY HIGHLIGHTS**

Over the course of the year, City Council amended the budget to take into account events during the year. The most significant was to recognize the receipt of a federal grant and a private donation from the Kresge Foundation.

Overall expenses for the City were 5.9% or \$3.7 million less than the budgeted amount due to a conservative spending policy, delays in filling vacant positions, reduction of twenty four full-time positions, reduction in benefit levels for new hires and five percent wage reductions in the form of furlough days for several employee groups.

**REFUSE FUND
BUDGETARY HIGHLIGHTS**

The Refuse Fund had revenues of \$3.9 million and expenditures of \$4.0 million. There was a need to draw down \$69,223 from fund balance leaving \$121,239 of fund balance at June 30, 2010. The 2010/11 Budget calls for an increase in the tax rate from .75 mills to .87 mills. Future budgets will require a tax increase in order to cover expenditures because of increased costs and lower taxable value.

**CAPITAL ASSET AND
DEBT ADMINISTRATION**

At the end of 2010, the City of Troy had \$287.7 million invested in a broad range of capital assets including land, buildings, police and fire equipment, water and sewer lines, roads, sidewalks, and other infrastructure, net of debt. The increase in capital assets during the year was attributable to the excess of additions in relation to the recognition of depreciation. Additional information about the City's capital assets is presented in Note 1 and Note 5 to the financial statements.

The City of Troy's debt rating is excellent. We maintain a "AAA" rating on unlimited tax general obligation bonds by Standard and Poor's. The City of Troy's bond indebtedness totaled \$41.4 million at June 30, 2010. Additional information about the City's long-term debt can be found in Note 8 to the financial statements.

CITY OF TROY, MICHIGAN

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

<u>Investment</u>	<u>Fair Value</u>	<u>Average Maturity</u>
Government-wide		
US Government or agency bond/note	\$22,090,283	270 days
Pooled investments	3,652,497	120 days
Employees' Retirement System		
Corporate Bonds	21,896,995	3.5 years
US Government or agency bond/note	16,415,144	5 years
Discretionary Fire Incentive Reserve		
US Government or agency bond/note	4,988,944	5 years
Retiree Health Care Trust Fund		
Other	764,793	120 days

Credit Risk. State law limits investments to specific government securities, certificates of deposits and bank accounts with qualified financial institutions, commercial paper with specific maximum maturities and ratings when purchased, bankers acceptances of specific financial institutions, qualified mutual funds and qualified external investment pools. The City of Troy investment policy does not have specific limits in excess of state law on investment credit risk. As of year-end, the credit quality ratings of debt securities (other than the U.S. Government) are as follows:

<u>Investment</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Organization</u>
General Employees' Retirement System			
Corporate Bonds	\$ 3,512,565	AA to AA-	S&P
Corporate Bonds	8,169,374	A to A-	S&P
Corporate Bonds	4,638,399	BBB to BBB-	S&P
Corporate Bonds	199,750	BB to BB-	S&P
Corporate Bonds	3,319,476	B to B-	S&P
Corporate Bonds	201,000	CCC to CCC-	S&P
Corporate Bonds	1,856,431	Not Rated	
Total	<u>\$21,896,995</u>		

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the City of Troy deposits may not be returned. State law does not require and the City's investment policy does not directly address a deposit policy for custodial credit risk. At year end, \$31,401,297 of the City of Troy's bank deposits (certificates of deposit, checking, and cash) was exposed to custodial credit risk because they were uninsured and uncollateralized. The City believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the City evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

CITY OF TROY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

Note 14 - Defined Contribution Plan

The City maintains a defined contribution plan (DCP) administered by the International City Manager's Association Retirement Corporation (ICMARC), which qualifies under the Internal Revenue Code Section 401(a). Classified, Exempt and Fire Staff Officers in the City's Employees Retirement System were given the option to transfer to the DCP by December 31, 1997. Employees who elected to transfer to the DCP had their individually actuarially determined earned retirement benefits in the Employees Retirement System determined as of the date of election to transfer to the DCP. In 1998, the City afforded the option to AFSCME members of the Employees Retirement System to elect a transfer to the DCP, of which 41 employees elected such transfer. In 1999, the City afforded the option to MAP members of the Employees Retirement System to elect a transfer to the DCP, of which 29 employees elected such transfer. In 2000, the City afforded the option to TCOA members of the Employees Retirement System to elect a transfer to the DCP, of which 20 employees elected such transfer. In 2002, the City afforded the option to TPOA members of the Employees Retirement System to elect a transfer to the DCP of which 19 employees elected such transfer. The DCP is also in effect for all new full-time employees. Total membership in the DCP as of June 30, 2010 was 294.

The DCP maintains a schedule of vesting as follows: participants who transferred from the Employees Retirement System are fully vested. For new hires the following schedule applies: 50% vested after 3 years, 75% vested after 4 years and 100% vested after 5 years. Employees contribute 3 to 6 percent of their salary, while the employer contributes 10 to 13 percent. All employees are able to contribute up to 10 percent of their salary on a voluntary after-tax basis. All contributions are remitted to a third-party plan administrator.

The DCP was established by City Council resolution and any amendments to the plan would require City Council approval.

The City's payroll for employees covered by the DCP for the year ended June 30, 2010, was \$19,643,900, and the City's total payroll was \$33,675,624. The required contributions, which matched those actually made, were \$888,685 by employees and \$2,229,055 by the City, representing 4.5 percent and 11.3 percent of covered payroll, respectively.

Note 15 - Retiree Health Care Trust Fund

Plan Description

The City provides certain healthcare benefits for retired employees in accordance with the bargaining groups agreements and other requirements. Substantially all of the City's full-time employees may become eligible for those benefits if they reach normal retirement age while working for the City. The City's contribution for healthcare benefits is accounted for in the

This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Troy's MD&A can be found immediately following the report of the independent auditors. Since the MD&A focuses on the government-wide financial statements, the balance of this letter will be directed at the fund or activity level.

The General Fund receives all City of Troy revenues not designated for special uses by statutes or the City Charter and accounts for most of the services provided to residents. Overall General Fund revenues increased 0.7% from the prior year. Property taxes in the General Fund increased by 2.8%.

State sources increased slightly this year by \$14,570; \$6,814,813 from \$6,800,243. State shared revenue is the major source of this revenue, which is a return to local governments of a portion of state sales tax and is not restricted to use.

Licenses and permits were down 6.6% due to a decrease in the issuance and value of building permits and right-of-way permits. Fines and forfeitures were down 28.7%. Charges for services revenue decreased by 3.6% due primarily to reduced engineering fees for chargeable projects. Investment income was down 50% due to the corresponding decrease in interest rates.

Total General Fund operating expenditures decreased by 0.6%. All bargaining units received contractual increases in wages this past year. Full-time employment was reduced by four positions through attrition, bringing our total reduction to 19 positions over the last four years. The frequency of snow and ice removal events accounted for the large increase in road and streets expenditures.

General Fund Balance 2008

The fund balance of the General Fund decreased by \$1.2 million to a balance of \$23,632,762. Of the \$23,632,762 fund balance, \$617,505 is reserved for such items as inventory and prepaid items; \$9,171,895 is unreserved but designated for tax appeals, insurance claims and improvements and maintenance; \$4,136,980 is unreserved but designated for the 2008/09 budget; and \$1,000,000 is designated for the Volunteer Firefighters Incentive Plan, leaving \$8,706,382 as unreserved and undesignated. The \$8,706,382 represents 13.5% of our 2008/09 General Fund budget. This amount is within our 10-17% goal and is considered adequate to provide funds for unforeseen future negative events, and any upcoming budget shortfalls.

Special Revenue Funds

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes. The Special Revenue Funds of the City include:

Major Street Fund – Gas and weight tax revenues received in this fund from the State of Michigan are used for repairs, maintenance, snow and ice removal, and construction of all streets classified as "major" within the city. The gas and weight taxes generated \$3,529,518 compared to \$3,587,980 last fiscal year.

Local Street Fund – Gas and weight taxes as well as a transfer of funds from the Major Street Fund finance the repairs, maintenance, snow and ice removal, and construction of all streets classified as "local" within the city.

General Fund Balance

2009

The fund balance of the General Fund decreased by \$2.3 million to a balance of \$21,314,476. The City had re-appropriated \$4,136,980 of the Fund Balance to balance the 2008/09 Budget. A little over half of that amount was needed. Of the \$21,314,476 fund balance, \$623,544 is reserved for such items as inventory and prepaid items; \$9,171,895 is unreserved but designated for tax appeals, insurance claims and improvements and maintenance; \$1,000,000 is designated for the Volunteer Firefighters Incentive Plan, leaving \$10,519,037 as unreserved and undesignated. The \$10,519,037 represents 17.0% of our 2009/10 General Fund budget. This amount is within our 10-17% goal and is considered adequate to provide funds for unforeseen future negative events, and any upcoming budget shortfalls.

Special Revenue Funds

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes. The Special Revenue Funds of the City include:

Major Streets Fund – Gas and weight tax revenues received in this fund from the State of Michigan are used for repairs, maintenance, snow and ice removal, and construction of all streets classified as "major" within the city. The gas and weight taxes generated \$3,396,979 compared to \$3,529,518 last fiscal year. This marks the fifth year in a row of a decrease in this revenue source. The price of gas and more fuel efficient vehicles has caused this reduction.

Local Streets Fund – Gas and weight taxes as well as a transfer of funds from the Major Street Fund finance the repairs, maintenance, snow and ice removal, and construction of all streets classified as "local" within the city.

Refuse Fund - This fund has been established to account for property tax revenues restricted for rubbish and garbage collection and service charges for recycling.

Community Development Block Grant – This fund accounts for grant revenues from the Department of Housing and Urban Development to be used for residential and other capital improvements. Major activities in this fund include minor home chore program for seniors and infrastructure improvements.

Budget Stabilization Fund – This fund was established in 2004 for the purpose of: 1) Covering any General Fund deficit; 2) Preventing a reduction in the level of public services; and 3) Covering expenses arising because of a natural disaster.

Enterprise Operations

The City operates five separate enterprise operations: Water Fund, Sanitary Sewer Fund, Aquatic Center Fund, Sylvan Glen and Sanctuary Lake Golf Course Funds.

Water Fund - Operating revenues amounted to \$13.2 million, resulting in a decrease of \$2.5 million from last year. Operating expenses totaled \$12.7 million, a decrease of \$1.1 million from last fiscal year. The economy and weather conditions had a significant effect on our water consumption.

The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Outstanding encumbrances at year-end for the capital projects fund are recorded as restricted fund balance and are re-appropriated as part of the following year's budget. As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

General Government Functions

Generally accepted accounting standards require that management provide a narrative introduction, overview and analysis to accompany these basic financial statements in the form of the MD&A letter.

This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Troy's MD&A can be found immediately following the report of the independent auditors. Since the MD&A focuses on the government-wide financial statements, the balance of this letter will be directed at the fund or activity level.

The general fund receives all City of Troy revenues not designated for special uses by statutes or the City Charter and accounts for most of the services provided to residents. Overall general fund revenues increased 1.8% from the prior year. Property taxes in the general fund decreased by .3%.

State sources decreased this year by \$733,784 or 11.3%; \$5,755,214 from \$6,488,998. State shared revenue is the major source of this revenue, which is a return to local governments of a portion of state sales tax and is not restricted to use. The State of Michigan budget problems resulted in a reduction of the statutory portion of this allocation.

Licenses and permits were down 10.0% due to a decrease in the issuance and value of building permits and right-of-way permits. Fines and forfeitures were up 16.5%. Charges for services revenue increased by 6.8% due primarily to engineering fees for chargeable projects, and right of way use charges. Investment income was down 62.8% due to the corresponding decrease in interest rates.

Total general fund operating expenditures decreased by 5.9%. Full-time employment was reduced by twenty four positions through attrition and lay-offs bringing our total reduction to 48 positions over the last six years.

General Fund Balance

2010

The fund balance of the general fund increased by \$2.4 million to a balance of \$23,741,886. The city refrained from re-appropriating fund balance to balance the 2009/10 Budget. Of the \$23,741,886 fund balance, \$447,720 is non spendable for such items as inventory and prepaid items; \$9,171,895 is assigned for tax appeals, insurance claims and improvements and maintenance; \$1,000,000 is committed for the Volunteer Firefighters Incentive Plan, and \$2,400,000 for the 2010/11 Budget, leaving \$10,722,271 as unassigned. The \$10,722,271 represents 18.5% of our 2010/11 general fund budget. This amount slightly exceeds our 10-17% goal and is considered adequate to provide funds for unforeseen future negative events, and any upcoming budget shortfalls.

CITY OF TROY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Unreserved Fund Balance

The following is a summary of the unreserved fund balances of the Governmental Funds with management's designations:

	<u>Funds</u>			
	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor</u>	<u>Permanent</u>
Designated For:				
Improvement and maintenance	\$ 4,929,067	\$ -	\$ -	\$ 213,302
Insurance claims	3,342,828	-	-	-
Volunteer Firefighters Incentive Reserve	1,000,000	-	-	-
Snow and ice control	-	-	700,000	-
Subsequent years budgets	-	12,597,460	410,240	-
Tax appeals	900,000	-	-	-
Total designated	<u>\$ 10,171,895</u>	<u>\$ 12,597,460</u>	<u>\$ 1,110,240</u>	<u>\$ 213,302</u>
Undesignated	<u>\$ 10,519,037</u>	<u>\$ 9,395,321</u>	<u>\$ 4,185,503</u>	<u>\$ -</u>
Total unreserved fund balance	<u>\$ 20,690,932</u>	<u>\$ 21,992,781</u>	<u>\$ 5,295,743</u>	<u>\$ 213,302</u>

Note 10 - Risk Management

The City has entered into a Public Entity Risk Pool with other Michigan units of government as an individual member for its general liability, property damage insurance including auto and public officials liability and contractors equipment. The City's maximum deductible for property coverage is \$11,000 per occurrence. The liability maximum self-insured retention is \$500,000 per occurrence with an aggregate stop loss of \$1,000,000 per policy year for both property and liability.

The City accounts for transactions related to these risks in accordance with GASB No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", which states that a liability for claims must be reported if information prior to the issuance of the financial statements indicates it is probable that a liability has been incurred at the date of the financial statements, and the amount of the loss that can be reasonably estimated.

CITY OF TROY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

	Funds			
	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor</u>	<u>Permanent</u>
Restricted:				
Debt Service, Road Maintenance, Capital Improvements and Budget Stabilization	\$ -	\$ 130,842	\$ 7,944,896	\$ 218,367
Committed:				
Volunteer Firefighters Incentive Reserve	\$ 1,000,000	\$ -	\$ -	\$ -
Subsequent years budgets	2,400,000	-	89,400	-
Total committed	<u>\$ 3,400,000</u>	<u>\$ -</u>	<u>\$ 89,400</u>	<u>\$ -</u>
Assigned:				
Improvement and maintenance	3,829,067	17,209,784	-	-
Insurance Claims	3,342,828	-	-	-
Snow and ice control	-	-	700,000	-
Tax appeals	2,000,000	-	-	-
Total assigned	<u>\$ 9,171,895</u>	<u>\$ 17,209,784</u>	<u>\$ 700,000</u>	<u>\$ -</u>
Unassigned:	<u>\$ 10,722,271</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total spendable fund balance	<u><u>\$ 23,294,166</u></u>	<u><u>\$ 17,340,626</u></u>	<u><u>\$ 8,734,296</u></u>	<u><u>\$ 218,367</u></u>

Note 10 - Risk Management

The City has entered into a Public Entity Risk Pool with other Michigan units of government as an individual member for its general liability, property damage insurance including auto and public officials liability and contractors equipment. The City's maximum deductible for property coverage is \$11,000 per occurrence. The liability maximum self-insured retention is \$500,000 per occurrence with an aggregate stop loss of \$1,000,000 per policy year for both property and liability.

The City accounts for transactions related to these risks in accordance with GASB No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", which states that a liability for claims must be reported if information prior to the issuance of the

CITY OF TROY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

financial statements indicates it is probable that a liability has been incurred at the date of the financial statements, and the amount of the loss that can be reasonably estimated.

No settlements have exceeded insurance coverage during the last three years. The City has made no significant reductions in insurance coverage during the year. The City has received no indication that any significant losses exist at June 30, 2010.

The City has also entered into a public entity risk pool with other Michigan units of government for its workers compensation insurance.

Note 11 - Litigation and Contingent Liabilities

Litigation

The City is a defendant to various claims, legal actions and complaints arising in the ordinary course of business. The City of Troy denies the allegations and plans a vigorous defense. In the opinion of legal counsel, all such matters as indicated above are adequately covered by insurance, or if not so covered, are without merit or of such kind, or involve such amounts that an unfavorable disposition would not have a material effect on the financial position of the City.

Condemnations

The City of Troy has exercised its condemnation rights under Michigan law and has awarded the affected property owners a monetary settlement for their property. Certain of these property owners have contested the settlement amount and have subsequently filed suit. The amount of final settlements cannot be determined and have not been recorded in the financial statements.

Tax Appeals to the Michigan Tax Tribunal

The City has several outstanding property tax assessment appeals totaling approximately \$290,808,735 (taxable values) to the Michigan Tax Tribunal. If the City is not successful with a portion of these appeals, the City of Troy's share of the tax to be refunded would be the levied rate (approximately \$10 per thousand of assessed value) plus interest. The amount of refund (if any) cannot be determined as of June 30, 2010.

Note 12 - Property Taxes

Property taxes are recorded on the modified accrual basis of accounting and are levied, and become a lien on July 1st on the taxable valuation of the property located within its boundaries as of the preceding December 31st. Taxable value is determined by the prior year's taxable value

CITY OF TROY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

No settlements have exceeded insurance coverage during the last three years. The City has made no significant reductions in insurance coverage during the year. The City has received no indication that any significant losses exist at June 30, 2009.

The City has also entered into a public entity risk pool with other Michigan units of government for its workers compensation insurance.

Note 11 - Litigation and Contingent Liabilities

Litigation

The City is a defendant to various claims, legal actions and complaints arising in the ordinary course of business. The City of Troy denies the allegations and plans a vigorous defense. In the opinion of legal counsel, all such matters as indicated above are adequately covered by insurance, or if not so covered, are without merit or of such kind, or involve such amounts that an unfavorable disposition would not have a material effect on the financial position of the City.

Condemnations

The City of Troy has exercised its condemnation rights under Michigan law and has awarded the affected property owners a monetary settlement for their property. Certain of these property owners have contested the settlement amount and have subsequently filed suit. The amount of final settlements cannot be determined and have not been recorded in the financial statements.

Tax Appeals to the Michigan Tax Tribunal

The City has several outstanding property tax assessment appeals totaling approximately \$222,814,705 (taxable values) to the Michigan Tax Tribunal. If the City is not successful with a portion of these appeals, the City of Troy's share of the tax to be refunded would be the levied rate (approximately \$10 per thousand of assessed value) plus interest. The amount of refund (if any) cannot be determined as of June 30, 2009.

Note 12 - Property Taxes

Property taxes are recorded on the modified accrual basis of accounting and are levied, and become a lien on July 1st on the taxable valuation of the property located within its boundaries as of the preceding December 31st. Taxable value is determined by the prior year's taxable value plus 5% or the Consumer Price Index whichever is less, starting with the 1994 state equalized value as the base taxable value. Assessed values are equalized by the State, to closely approximate fifty percent of estimated current market value. The final taxable value of real and

City of Troy, Michigan
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
General Fund
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property taxes	\$ 36,308,690	\$ 36,308,690	\$ 36,667,821	\$ 359,131
Licenses and permits	1,747,500	1,747,500	1,393,635	(353,865)
Intergovernmental				
Federal sources	50,300	50,300	14,577	(35,723)
State sources	6,789,600	6,789,600	6,814,813	25,213
Local sources	582,590	582,590	450,491	(132,099)
Charges for services	6,776,800	6,916,800	7,592,357	675,557
Fines and forfeitures	1,027,000	1,127,000	886,174	(240,826)
Investment earnings	1,300,000	1,300,000	766,073	(533,927)
Other	1,302,150	1,302,150	1,451,064	148,914
Total revenues	55,884,630	56,124,630	56,037,005	(87,625)
Expenditures				
General government				
Council and executive administration	2,033,040	2,033,040	1,845,052	187,988
Finance	5,054,990	5,054,990	4,908,561	146,429
Other	2,700,750	2,740,750	2,428,144	312,606
Total general government	9,788,780	9,828,780	9,181,757	647,023
Public safety				
Police	24,060,510	24,280,510	24,269,905	10,605
Fire	4,317,390	4,417,390	4,373,016	44,374
Building inspection	2,243,190	2,243,190	2,121,746	121,444
Total public safety	30,621,090	30,941,090	30,764,667	176,423
Public works				
Roads and streets	5,606,460	5,606,460	5,600,748	5,712
Engineering	3,136,960	3,136,960	2,676,845	460,115
Total public works	8,743,420	8,743,420	8,277,593	465,827
Culture and recreation				
Parks and recreation	9,413,260	10,013,260	9,599,827	413,433
Library and museum	5,066,530	5,066,530	4,831,440	235,090
Total culture and recreation	14,479,790	15,079,790	14,431,267	648,523
Total expenditures	63,633,080	64,593,080	62,655,284	1,937,796
Revenues over (under) expenditures	(7,748,450)	(8,468,450)	(6,618,279)	1,850,171
Other financing sources				
Transfers in	4,538,610	5,258,610	5,385,454	126,844
Net change in fund balances	(3,209,840)	(3,209,840)	(1,232,825)	1,977,015
Fund balance, beginning of year	24,865,587	24,865,587	24,865,587	-
Fund balance, end of year	\$ 21,655,747	\$ 21,655,747	\$ 23,632,762	\$ 1,977,015

The accompanying notes are an integral part of these financial statements.

City of Troy, Michigan
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
General Fund
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property taxes	\$ 36,333,690	\$ 36,413,690	\$ 36,487,455	\$ 73,765
Licenses and permits	1,834,500	1,834,500	1,237,191	(597,309)
Intergovernmental				
Federal sources	6,500	56,500	33,314	(23,186)
State sources	6,766,100	6,766,100	6,488,998	(277,102)
Local sources	645,880	645,880	403,852	(242,028)
Charges for services	7,177,260	7,177,260	7,190,759	13,499
Fines and forfeitures	996,000	1,046,000	1,053,361	7,361
Investment earnings	600,000	600,000	718,807	118,807
Other	1,363,870	1,433,870	1,540,046	106,176
Total revenues	55,723,800	55,973,800	55,153,783	(820,017)
Expenditures				
General government				
Council and executive administration	4,031,940	4,062,510	3,748,992	313,518
Finance	3,146,810	3,195,880	3,183,387	12,493
Other	2,520,740	2,530,800	2,235,370	295,430
Total general government	9,699,490	9,789,190	9,167,749	621,441
Public safety				
Police	25,020,110	25,092,630	24,482,223	610,407
Fire	4,333,920	4,535,950	4,422,110	113,840
Building inspection	2,322,790	2,342,420	2,137,944	204,476
Total public safety	31,676,820	31,971,000	31,042,277	928,723
Public works				
Roads and streets	5,765,680	5,820,460	5,687,378	133,082
Engineering	2,955,450	2,882,290	2,525,114	357,176
Total public works	8,721,130	8,702,750	8,212,492	490,258
Culture and recreation				
Parks and recreation	10,205,980	10,426,290	9,663,164	763,126
Library and museum	4,317,190	4,331,380	4,167,249	164,131
Total culture and recreation	14,523,170	14,757,670	13,830,413	927,257
Total expenditures	64,620,610	65,220,610	62,252,931	2,967,679
Revenues over (under) expenditures	(8,896,810)	(9,246,810)	(7,099,148)	2,147,662
Other financing sources				
Transfers in	4,759,830	5,109,830	4,780,862	(328,968)
Net change in fund balances	(4,136,980)	(4,136,980)	(2,318,286)	1,818,694
Fund balance, beginning of year	23,632,762	23,632,762	23,632,762	-
Fund balance, end of year	\$ 19,495,782	\$ 19,495,782	\$ 21,314,476	\$ 1,818,694

The accompanying notes are an integral part of these financial statements.

CITY OF TROY, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property taxes	\$ 35,908,540	\$ 35,908,540	\$ 36,362,516	\$ 453,976
Licenses and permits	1,579,000	1,579,000	1,113,809	(465,191)
Intergovernmental				
Federal sources	6,500	57,500	82,029	24,529
State sources	6,753,100	6,753,100	5,755,214	(997,886)
Local sources	699,900	699,900	577,953	(121,947)
Charges for services	8,067,380	8,067,380	7,681,919	(385,461)
Fines and forfeitures	1,071,000	1,071,000	1,226,729	155,729
Investment earnings	600,000	600,000	257,513	(332,487)
Other	1,586,140	1,606,140	2,711,165	1,105,025
Total revenues	56,271,560	56,342,560	55,778,847	(563,713)
Expenditures				
General government				
Council and executive administration	3,731,120	3,731,120	3,369,619	361,501
Finance	3,150,020	3,150,020	3,124,482	25,538
Other	2,292,290	2,292,290	2,068,823	223,467
Total general government	9,173,430	9,173,430	8,562,924	610,506
Public safety				
Police	25,230,580	25,230,580	24,756,774	473,806
Fire	4,451,610	4,502,610	4,263,605	239,005
Building inspection	2,019,290	2,019,290	1,882,269	137,021
Total public safety	31,701,480	31,752,480	30,902,648	849,832
Public works				
Roads and streets	5,726,110	5,726,110	4,844,712	881,398
Engineering	2,414,420	2,414,420	2,043,464	370,956
Total public works	8,140,530	8,140,530	6,888,176	1,252,354
Culture and recreation				
Parks and recreation	9,027,160	9,027,160	8,325,497	701,663
Library and museum	4,189,200	4,209,200	3,905,927	303,273
Total culture and recreation	13,216,360	13,236,360	12,231,424	1,004,936
Total expenditures	62,231,800	62,302,800	58,585,172	3,717,628
Revenues over (under) expenditures	(5,960,240)	(5,960,240)	(2,806,325)	3,153,915
Other financing sources				
Transfers in	5,960,240	5,960,240	5,233,735	(726,505)
Net change in fund balances	-	-	2,427,410	2,427,410
Fund balance, beginning of year	21,314,476	21,314,476	21,314,476	-
Fund balance, end of year	\$ 21,314,476	\$ 21,314,476	\$ 23,741,886	\$ 2,427,410

The accompanying notes are an integral part of these financial statements.



2010/11
Budget

ALL FUNDS COMBINED SUMMARY

Description	General	Special Revenue	Debt Service	Capital Projects Special Assessment
Revenues				
Taxes	\$ 32,622,500	\$ 4,092,000	\$ 2,350,000	\$ 7,190,000
Licenses and Permits	1,080,000	-	-	-
Federal Grants	17,600	260,600	-	-
State Grants	5,242,500	4,554,000	-	9,787,500
Contributions - Local	115,000	-	-	200,000
Charges for Service	7,158,250	4,500	-	272,000
Fines and Forfeits	1,212,000	-	-	209,000
Interest and Rents	1,174,340	61,450	45,000	254,200
Other Revenues	742,500	-	-	200,000
Total - Revenues	\$ 49,364,690	\$ 8,972,550	\$ 2,395,000	\$ 18,112,700
Expenditures				
Personal Service Control	\$ 40,891,087	\$ 120,410	\$ -	\$ -
Supplies	2,501,420	104,190	-	-
Other Services/Charges	14,404,993	4,156,950	71,500	-
Capital Outlay	-	-	-	27,692,840
Debt Service	-	-	3,371,900	276,140
Total - Expenditures	\$ 57,797,500	\$ 4,381,550	\$ 3,443,400	\$ 27,968,980
Other Financing Sources				
Operating Transfer In	\$ 8,432,810	\$ 722,150	\$ 4,197,600	\$ 10,927,190
Total - Other Financing Sources	\$ 8,432,810	\$ 722,150	\$ 4,197,600	\$ 10,927,190
Other Financing Uses				
Operating Transfer Out	\$ -	\$ 5,313,150	\$ 3,149,200	\$ 1,070,910
Total - Other Financing Uses	\$ -	\$ 5,313,150	\$ 3,149,200	\$ 1,070,910
Excess of Revenues Over (Under) Expenditures				
	\$ -	\$ -	\$ -	\$ -
Beginning Fund Balance	\$ 19,800,513	\$ 4,603,926	\$ 2,572,180	\$ 6,625,897
Ending Fund Balance	\$ 19,800,513	\$ 4,603,926	\$ 2,572,180	\$ 6,625,897

15



2010/11 Budget PERSONNEL SUMMARY

EXECUTIVE ADMINISTRATION, CONTINUED

Positions	Approved 2007/08		Approved 2008/09		Approved 2009/10		Requested 2010/11	
	Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time
• City Clerk's Office								
City Clerk	1		1		1		1	
Deputy City Clerk	1		1		1		1	
Administrative Aide	1		1		1		1	
Clerk/Typist – Elections		1		1		1		1
Clerk/Typist – Clerk's Office		1		1		1		1
Office Assistant I	2		2		1		1	
Office Assistant II	1		1		1		1	
Total - City Clerk's Office	6	2	6	2	5	2	5	2

• Community Affairs	Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time
	Community Affairs Director	1		1		1		0
Cable Production Assistant		1		1		1		0
Camera Operator		3		3		3		0
Community Affairs Assistant		2		2		2		0
Community Affairs Officer	2		2		0		0	
Total - Community Affairs	3	6	3	6	1	6	0	0

• Human Resources	Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time
	Human Resources Director	1		1		1		1
Human Resources Specialist	2		2		2		1	
Office Assistant		1		1		1		1
Secretary II	1		1		1		1	
Total - Human Resources	4	1	4	1	4	1	3	1
Total - Executive Administration	25.5	10	25.5	10	22.5	10	21.5	8

16



2010/11
Budget

PERSONNEL SUMMARY

EXECUTIVE ADMINISTRATION

Positions	Approved 2007/08		Approved 2008/09		Approved 2009/10		Requested 2010/11	
	Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time
• City Manager's Office								
City Manager	1		1		1		1	
Assistant City Manager/ Finance & Administration	1		1		1		1	
Assistant City Manager/ Economic Development Services	0.5		0.5		0.5		1	
Administrative Aide	1		1		1		1	
Administration Assistant to the City Manager	1		1		1		1	
Cable Production Specialist								1
Camera Operators								2
Community Affairs Director							0.5	
Economic Development Specialist Intern							1	1
Total - City Manager's Office	4.5		4.5		4.5		6.5	4
• City Attorney's Office								
City Attorney	1		1		1		1	
Assistant City Attorney	1		1		1		1	
Attorney II	3		3		3		2	1
Clerk/Typist		1		1		1		
Legal Assistant	1		1		1		1	
Legal Assistant II	1		1		1		1	
Legal Secretary	1		1		1		1	
Total - City Attorney's Office	8	1	8	1	8	1	7	1

(17)