

COMPREHENSIVE ANNUAL FINANCIAL REPORT



For the year ended June 30, 2000



COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF TROY, MICHIGAN

FOR THE FISCAL YEAR ENDED JUNE 30, 2000

CITY COUNCIL

Jeanne M. Stine, Mayor

Anthony N. Pallotta - Mayor Pro-Tem

Henry W. Allemon

John R. Stevens

Martin F. Howrylak

Louise E. Schilling

Thomas S. Kaszubski

John Szerlag - City Manager

John M. Lamerato - Assistant City Manager/Finance and Administration

James A. Nash - Financial Services Director

Prepared by the Finance Department

INTRODUCTORY SECTION

CITY OF TROY, MICHIGAN

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INTRODUCTORY SECTION

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Area code (248)

Assessing
524-3311

Bldg. Inspections
524-3344

Bldg. Maintenance
524-3368

City Clerk
524-3316

City Manager
524-3330

Community Affairs
524-1147

Engineering
524-3383

Finance
524-3411

Fire-Administration
524-3419

Human Resources
524-3339

Information Services
619-7279

Law
524-3320

Library
524-3545

Parks & Recreation
524-3484

Planning
524-3364

Police-Administration
524-3443

Public Works
524-3370

Purchasing
524-3338

Real Estate & Development
524-3498

Treasurer
524-3334

General Information
524-3300

November 6, 2000

Dear Mayor Stine and Members of the City Council:

The Comprehensive Annual Financial Report for the City of Troy, Michigan for the year ended June 30, 2000 is hereby submitted. The report represents a comprehensive and detailed picture of our financial transactions during FY 1999-00 and the financial condition of the various funds as of June 30, 2000. This report has been prepared by a team of City staff led by the Assistant City Manager for Finance and Administration. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections: Introductory, Financial, Statistical, and Single Audit. The introductory section includes this transmittal letter, the City's organizational chart, and a list of principal officials. The financial section includes the general purpose financial statements; the combining, individual fund and account group financial statements and schedules; as well as the auditor's report on the financial statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

The City of Troy is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget's Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Information related to this single audit, including a schedule of expenditures of federal awards, the independent auditor's reports on internal controls and compliance with applicable laws and regulations, and a schedule of findings and questioned costs are included in the single audit section of this report.

The financial reporting entity includes all of the funds and account groups of the primary government (the City of Troy as legally defined). The criteria used in determining the reporting entity are consistent with current GAAP guidelines. Based on these criteria, the various funds and account groups (all funds and account groups of the City) shown in the Table of Contents are included in this report. We have addressed all component units.

Mayor Stine and Members of the City Council
November 6, 2000

The Downtown Development Authority and the Troy Municipal Building Authority have been included within this report, as they fit the definition of a blended component unit. Blended component units, although legally separate entities, are, in substance, a part of the government's operations and so data from these units are combined with data of the primary government.

The City of Troy was incorporated in 1955 and has always operated under the Council-Manager form of government. The Mayor and six members of the City Council are elected to staggered, three-year terms. The City Manager is appointed by a majority vote of the City Council and is responsible for all administrative functions. The City provides a full range of municipal services. These services include police, fire, water distribution, wastewater collection, street maintenance, public improvements, planning, zoning, and general administrative services.

ECONOMIC CONDITION AND OUTLOOK

The economic condition of the City has improved steadily during this decade. Our unemployment rate is well below the national and state average.

	<u>1990</u>	<u>1995</u>	<u>July 2000</u>
Troy	3.5%	2.2%	1.6%
Metro Area*	7.6%	5.1%	4.3%
Michigan	7.6%	5.3%	3.6%
National	5.5%	5.6%	4.0%

*Metro Area includes: Lapeer, Macomb, Monroe, Oakland, St. Clair, and Wayne Counties

The community's growth is further dramatized by the significant gains in the growth in, and size of, Troy's taxable valuation. In 1990, our taxable value was \$2,931,850,960. By December 31, 1999, that value had grown to \$4,183,560,453, an increase of 42.7 per cent. In Michigan, only the City of Detroit has a higher taxable value than the City of Troy. The Southeast Michigan Council of Governments (SEMCOG) estimates that Troy will experience employment and population increases well into the next century. Our economic future looks bright indeed.

Other significant economic events occurring during the fiscal year included the following activities:

Major Initiatives

Major initiatives more often than not span several years. And ours are no exception.

The City of Troy continues its culture of providing a high level of service. This culture will be enhanced by implementation of the \$47 million bonding proposals approved by Troy residents. Bonds have already begun to be issued for road improvements; facility replacement and expansion; park land acquisition for open space and active recreation.

Our Civic Center campus site of roughly 128 acres will be the focus of much activity. A \$24.5 million Community Center will be constructed having a building footprint of 136,000 square feet.

Mayor Stine and Members of the City Council
November 6, 2000

Major Initiatives, continued

This facility will be a state-of-the-art center offering an aquatic element, cardiovascular fitness area, dance/aerobics area, meeting rooms, banquet facilities, gymnasium, and Parks and Recreation Department administration. Projected opening of the Community Center is the fall of 2002. We also anticipate incorporating an IMAX theater and Michigan Youth Museum on site. In addition, plans are currently being developed for a master plan of the Civic Center site. This plan contains the following Goals and Objectives:

- 1) Allow the Community Center to proceed on schedule
- 2) Maintain open space
- 3) Create a sense of public space, or spaces for outdoor programming, i.e., plaza, skating rink, amphitheater, water features (active and passive), landscaped open space
- 4) Create a pedestrian-friendly environment that encourages people to walk from building to building
- 5) Enhance the Community Center focus through the adjacency of the Community Center, Michigan Youth Museum and IMAX theater
- 6) Maximize opportunities for shared parking
- 7) Minimize infrastructure costs

The fiscal year saw the continuation of strong financial management policies within our City government. Our tax base also continues to grow with the addition of new development. This will enhance our fiscal strength not only for the Troy City government, but also for the Troy Downtown Development Authority.

Department Feature – Information Services (IS)

In 1995 the City of Troy commissioned Plante Moran to develop a Computer Implementation and Utilization Strategic Plan. One of the key recommendations in that plan was to establish an Information Systems (IS) Department. Hence, the department was established, with the primary focus of implementing the Strategic Plan and continuing to update it as the City progressed in the area of technology.

Today that department has eight (8) employees supporting approximately 450 networked computers, sixteen (16) servers, and a variety of peripherals over a wide area network connecting all City of Troy administrative buildings. The network utilizes state-of-the-art technology which provides a sound infrastructure to support the various applications used by the employees of the City of Troy.

Since its inception the IS Department has been involved in the implementation of, and provides support to, a variety of applications. These include a citywide email system, a comprehensive financial package, an integrated Assessing, tax and permit system, a recreation package, and a fleet maintenance system. The most recent application currently being implemented is a complete document management and imaging system that will be made available to all departments. Future plans include expansion of the Geographical Information System (GIS) and integrating that with a new infrastructure management system.

Department Feature – Information Services (IS), continued

Part of the support for these applications is ensuring that the City has the latest software releases and hardware to accommodate the software. To that end the department has a commitment to replace equipment every three to five years to avoid obsolescence. Computer replacement began in the 1999-2000 fiscal year budget and will continue each year to include workstations, notebooks, servers, printers and network equipment.

Although Information Services is an internal support group, it also provides services to the public. Examples of this include access to computer resources at the Library, development and support of the City's web page, and converting the City Code and Charter to electronic format to offer on CD or via the Internet.

FINANCIAL INFORMATION

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met.

The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Single Audit

As a recipient of Federal, State, and local financial assistance, the City is also responsible for ensuring that an adequate internal control structure is in place to ensure and document compliance with applicable laws and regulations related to these programs. This internal control structure is subject to periodic evaluation by management and the independent auditors of the City. As a part of the single audit process, tests are made by the auditors to determine the adequacy of the internal control structure, including that portion related to Federal financial assistance programs, as well as to determine that the City has complied with the applicable laws and regulations.

Budgeting Controls

The object of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of the General, Special Revenue, Debt Service, and Capital Projects Funds are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by function within an individual fund.

Budgeting Controls, continued

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 a reservation of 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

The following schedule presents a summary of all General, Special Revenue, and Debt Service Funds' revenues for the fiscal year ended June 30, 2000 and the amount of percentage of increases and decreases in relation to prior year revenues.

REVENUE SOURCE	AMOUNT	PERCENT OF TOTAL	INCREASE (DECREASE) FROM 1999	PERCENT OF INCREASE (DECREASE)
Property Taxes & Special Assessments	\$36,311,795	59.20%	\$3,225,440	64.05%
Licenses and Permits	2,221,451	3.62	(33,312)	(.66)
Federal	157,469	.26	(260,584)	(5.17)
State	12,052,322	19.65	320,150	6.36
County	107,585	.18	7,804	.15
Charges for Sales and Services	2,811,601	4.58	314,959	6.25
Fines and Forfeits	836,035	1.36	29,292	.58
Interest Income	3,556,854	5.80	1,187,981	23.59
Miscellaneous	3,279,143	5.35	244,229	4.85
	\$61,334,255	100.00%	\$5,035,959	

The increase in property taxes and special assessments was attributable to the increase in the debt service millage rate of .27 that was offset by a .27 decrease in the capital operating tax rate.

The increase in revenue from interest income was attributable to a favorable interest rate climate.

Mayor Stine and Members of the City Council
November 6, 2000

General Government Functions, continued

The following schedule presents a summary of the General, Special Revenue, and Debt Service Funds' expenditures for the Fiscal Year ended June 30, 2000 and the percentage of increase and decrease in relation to prior year amounts.

EXPENDITURES	AMOUNT	PERCENT OF TOTAL	INCREASE (DECREASE) FROM 1999	PERCENT OF INCREASE (DECREASE)
General Government	\$6,520,286	12.88%	\$148,484	28.63%
Public Safety	21,609,992	42.68	18,364	3.54
Roads and Streets	2,955,145	5.84	(164,105)	31.64
Sanitation	3,523,772	6.96	7,086	1.37
Other Public Works	3,015,089	5.96	272,814	52.60
Parks, Recreations & Cemeteries	5,621,048	11.10	135,722	26.17
Library	2,782,020	5.49	196,862	37.96
Debt Service	3,822,450	7.55	(98,828)	(19.06)
Downtown Development Authority	684,666	1.35	251,489	48.49
Economic & Physical Development	97,627	.19	(249,263)	(48.06)
	\$50,632,095	100.00%	\$518,625	

The City was able to keep the overall increase in expenditures to only 1.03% over 1999. This was made possible by the reduction in pension contributions due to the funded position of the plan.

The reduction in expenditures for Roads and Streets is tied to a very mild winter and reduced cost for snow and ice removal.

The increase in Other Public Works was attributable to increased cost associated with storm drain and retention pond maintenance.

General Fund Balance

The fund balance of the General Fund increased by \$3,341,299 to a balance of \$21,211,770. Of the \$21,211,770 fund balance, \$1,926,331 is reserved for such items as tax appeals, insurance, inventory, and prepaid items; \$4,486,603 is unreserved but designated for improvements and maintenance; \$3,278,360 is unreserved but designated for the 2000-01 budget, leaving \$11,520,476 as unreserved and undesignated.

This amount represents 23% of our 2000-01 General Fund Budget. This amount surpasses the City Council's goal of 17.00% and is considered adequate to provide a cushion against unforeseen future negative events.

Mayor Stine and Members of the City Council
November 6, 2000

Enterprise Operations

The City operates four separate enterprise operations: Water, Sanitary Sewer, Aquatic Center, and Golf Course. The Water Fund reported a net income of \$1,510,055 as compared to \$741,640 last Fiscal Year. Operating revenues amounted to \$8,402,948 resulting in a decrease of \$42,010 from last year, and operating expenses totaled \$8,093,539, a decrease of \$79,623 from last Fiscal Year.

The Sanitary Sewer Fund ended the year with net income of \$153,151. This compared to net income of \$726,667 last Fiscal Year. During the 1999-00 budget, the rates were reviewed by City Council and were re-apportioned between the water and sewer utility, generating a positive net income for the year.

The Aquatic Center operations continue to result in a net loss, however, lower than last year. The net loss of \$167,128 compares to a net loss of \$240,994 last Fiscal Year. The City Council has taken measures to increase usage and continues to look at ways to reduce the net loss.

The Golf Course Fund ended the year with a net income of \$232,565. This amount compares to a net income of \$305,940 last Fiscal Year.

Pension Trust Fund Operations

The Employees Retirement Fund reported end-of-the-year net assets held in trust for pension benefits of \$172,931,427 compared to the beginning amount of \$162,989,254. The Fund continues to be very well funded. As of December 31, 1999, the Fund is 120.9% funded.

Debt Administration

At June 30, 2000, the City had a number of debt issues outstanding. These issues included \$28,953,273 being serviced by Governmental Funds and \$3,150,000 by Proprietary Fund types. The City maintains the following bond ratings which have recently been upgraded by Moody's Investors Service to Aa2 for both Unlimited General Obligation and Limited Tax General Obligation Bonds, respectively. Standard & Poor's Rating Services upgraded our rating to AA for Unlimited General Obligation and AA- for Limited Tax General Obligation Bonds.

Cash Management

Cash temporarily idle during the year was invested in demand deposits, certificates of deposit, commercial paper, obligations of the U.S. Treasury and government pooled investment accounts. The Pension Trust Fund investment portfolio also includes corporate bonds, stocks and mutual funds.

The City administers an aggressive cash management and investment program. The following investment objectives are utilized in the management of City funds: the primary objective is the preservation of capital and the protection of investment principal; provide sufficient liquidity to meet the City's projected operating and capital requirements; control risk by diversifying investments and maximize the return of the portfolio while avoiding unreasonable investment risk.

Mayor Stine and Members of the City Council
November 6, 2000

Risk Management

The City has entered into a public entity risk pool with other Michigan units of government by joining the Michigan Municipal Risk Management Authority for its general liability insurance, including auto and public official liability as well as property damage insurance. The City has also entered into a joint agreement with other Michigan units of government by joining the Michigan Municipal Workers' Compensation Fund for its workers' compensation insurance.

OTHER INFORMATION

Independent Audit

The City Charter and State statutes require an annual audit of all accounts of the City by certified public accountants. The accounting firm of Doeren Mayhew, CPAs, was selected by the City Council. The auditor's report on the general purpose financial statements and combining and individual fund financial statements is included in the financial section of this report.

Awards

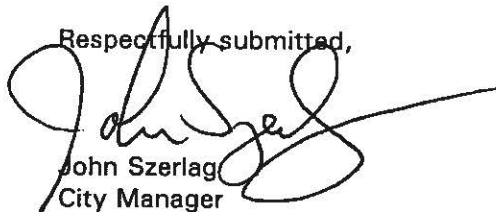
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Troy, Michigan for its comprehensive annual financial report for the fiscal year ended June 30, 1999. This was the third consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report 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 that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

The preparation of the Comprehensive Annual Financial Report on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department. Each member of the Department has our sincere appreciation for the contributions made in preparation of this report.

Respectfully submitted,


John Szerlag
City Manager


John M. Lamerato
Assistant City Manager/Finance &
Administration

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Troy,
Michigan

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 1999

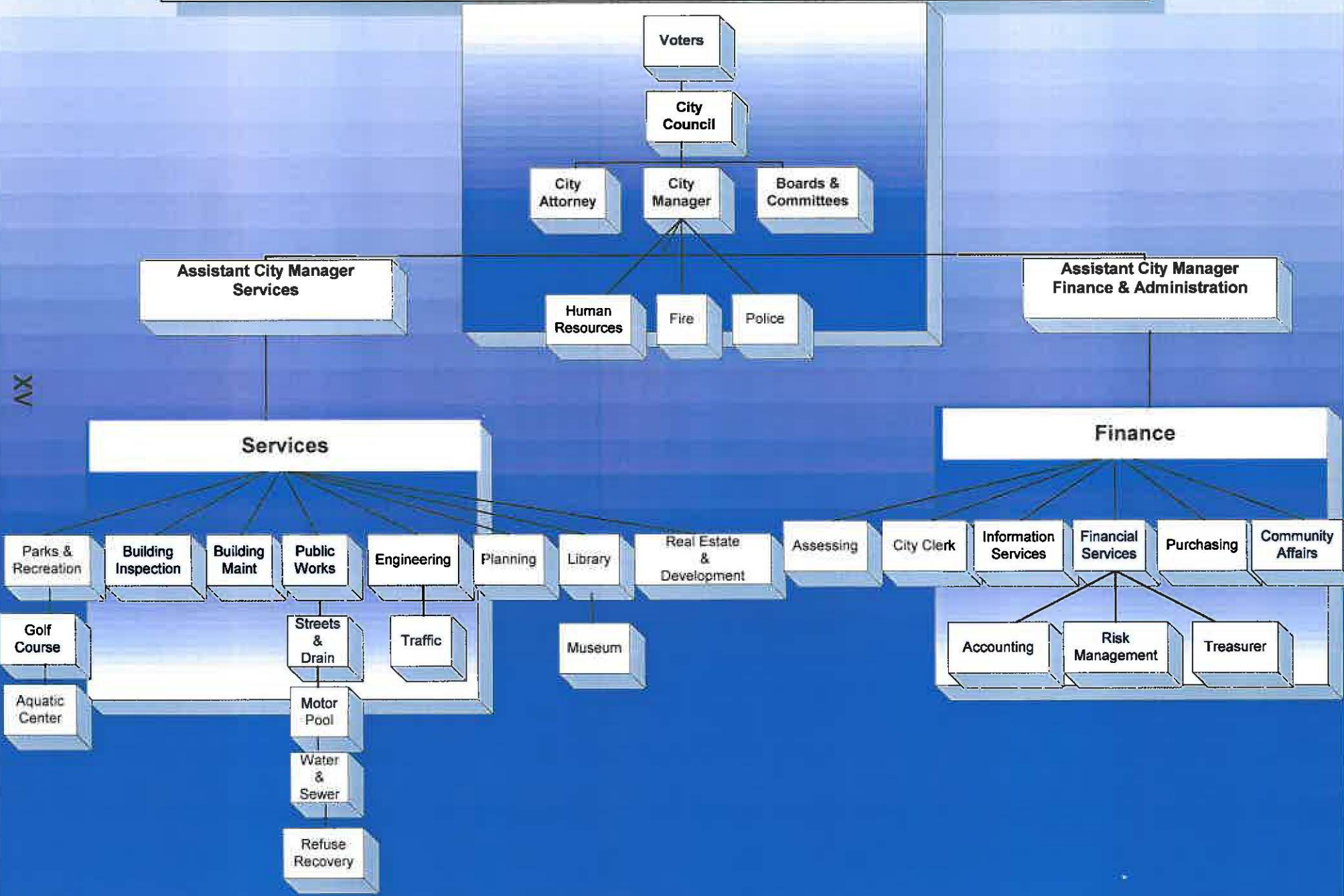
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



Cary Brubaker
President

Jeffrey L. Esler
Executive Director

CITY OF TROY ORGANIZATIONAL CHART 1999-2000



XX

LIST OF PRINCIPAL OFFICIALS

<u>TITLE</u>	<u>NAME</u>
CITY MANAGER	<i>John Szerlag</i>
CITY ATTORNEY	<i>John J. Martin III</i>
ASSISTANT CITY MANAGER – FINANCE & ADMINISTRATION	<i>John M. Lamerato</i>
ASSISTANT CITY MANAGER – SERVICES	<i>Gary A. Shripka</i>
BUILDING AND ZONING DIRECTOR	<i>Mark S. Stimac</i>
CITY ASSESSOR	<i>Leger A. Licari</i>
CITY CLERK	<i>Tonni Bartholomew</i>
CITY ENGINEER	<i>C. Neall Schroeder</i>
CITY TREASURER	<i>Nancy L. Aguinaga</i>
COMMUNITY AFFAIRS DIRECTOR	<i>Cynthia A. Stewart</i>
FINANCIAL SERVICE DIRECTOR	<i>James A. Nash</i>
FIRE CHIEF	<i>William S. Nelson</i>
HUMAN RESOURCES DIRECTOR	<i>Peggy E. Clifton</i>
INFORMATION SERVICES DIRECTOR	<i>Gertrude M. Paraskevin</i>
LIBRARY DIRECTOR	<i>Brian H. Stoutenburg</i>
PARKS AND RECREATION DIRECTOR	<i>Carol K. Anderson</i>
PLANNING DIRECTOR	<i>Laurence G. Keisling</i>
POLICE CHIEF	<i>Charles T. Craft</i>
PUBLIC WORKS DIRECTOR	<i>William R. Need</i>
PURCHASING DIRECTOR	<i>Jeanette Bennett</i>
REAL ESTATE AND DEVELOPMENT DIRECTOR	<i>Douglas J. Smith</i>
SUPERINTENDENT OF BUILDING MAINTENANCE	<i>Steven A. Pallotta</i>

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FINANCIAL SECTION

DOEREN MAYHEW
Certified Public Accountants

Joseph A. Amine, C.P.A.
Michael J. Berry, C.P.A.
Frank A. Borschke, C.P.A.
Mark A. Crawford, C.P.A.
Jonathan D. Dean, C.P.A.
Joseph C. DeGennaro, C.P.A.
Michael J. DePoli, C.P.A.
Thomas J. Hinsberg, C.P.A.
Robin D. Hoag, C.P.A.
James A. Koepke, C.P.A.

M. Jackson Morris, C.P.A.
John E. Nantais, C.P.A.
James L. Noteman, C.P.A.
James P. O'Rilley, C.P.A.
Peter Prychodko
Peter J. Roehl, C.P.A.
Benedict P. Rybicki, C.P.A.
Lawrence A. Simon, C.P.A.
Leonard J. Sznawajs, C.P.A.
Peter J. Treboldi, C.P.A.

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Internationally
MOORE STEPHENS DOEREN MAYHEW

Independent Auditor's Report

To the Honorable Mayor and City Council
of the City of Troy, Michigan

We have audited the accompanying general purpose financial statements of the City of Troy, Michigan as of June 30, 2000, and for the year then ended as listed in the table of contents. These general purpose financial statements are the responsibility of the City of Troy, Michigan's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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 that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Troy, Michigan as of June 30, 2000, and the results of its operations and cash flows of its Proprietary and Fiduciary Fund Types for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 15, 2000, on our consideration of the City of Troy, Michigan's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of the City of Troy, Michigan taken as a whole. The combining and individual fund and account group financial statements and the accompanying financial information listed as supporting schedules in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the City of Troy, Michigan. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole. The statistical section on pages 130 through 147 is not a required part of the basic financial statements, and we did not audit and do not express an opinion on such information.


DOEREN MAYHEW

September 15, 2000
Troy, Michigan

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CITY OF TROY, MICHIGAN

COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 2000

ASSETS AND OTHER DEBITS

	<u>Governmental Fund Types</u>			
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Cash and certificates of deposit (note 2)	\$ 12,089,331	\$ 2,985,739	\$ 3,629,154	\$ 13,792,527
Investments (note 2)	5,078,292	4,970,179	6,041,236	18,253,623
Accrued interest receivable	111,882	102,711	124,844	250,938
Receivables (net of allowance where applicable, for uncollectible accounts)				
Contract receivables	-	-	-	-
Taxes - net of \$150,000 allowance	261,158	119,081	-	-
Accounts receivable - net of \$76,878 allowance	2,479,140	798,023	-	515,231
Special assessments receivable	-	-	1,611,405	528,856
Due from other City of Troy funds (note 5)	8,331,181	-	109,000	32,614
Inventory	214,335	-	-	-
Prepaid items	111,996	-	-	-
Restricted assets				
Cash (note 2)	-	-	-	-
Investments (note 2)	-	-	-	-
Accrued interest receivable	-	-	-	-
Receivable from Oakland County	-	-	-	-
Property, plant and equipment - net of accumulated depreciation (note 4)	-	-	-	-
Other Debits				
Amount available for retirement of long-term debt Debt Service Funds	-	-	-	-
Amount to be provided for retirement of general long-term debt	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets and other debits	<u>\$ 28,677,315</u>	<u>\$ 8,975,733</u>	<u>\$ 11,515,639</u>	<u>\$ 33,373,789</u>

See accompanying notes to financial statements

<u>Proprietary Fund Types</u>		<u>Fiduciary Fund Type</u>	<u>Account Groups</u>		<u>Totals (Memorandum Only)</u>	
<u>Enterprise</u>	<u>Internal Service</u>	<u>Trust and Agency</u>	<u>General Fixed Assets</u>	<u>General Long-Term Debt</u>	<u>June 30,</u>	
					<u>2000</u>	<u>1999</u>
\$ 22,777,338	\$ 3,770,213	\$ 6,459,766	\$ -	\$ -	\$ 65,504,068	\$ 34,548,862
21,555,893	6,276,045	177,335,632	-	-	239,510,900	267,502,883
496,509	129,698	2,551,613	-	-	3,768,195	3,968,071
1,085,838	-	-	-	-	1,085,838	1,173,858
-	-	351,831	-	-	732,070	789,935
4,218,835	-	-	-	-	8,011,229	8,745,595
-	-	-	-	-	2,140,261	3,464,750
-	-	-	-	-	8,472,795	4,187,602
461,997	112,384	-	-	-	788,716	689,147
-	-	-	-	-	111,996	120,871
-	-	-	-	-	-	1,021
-	-	-	-	-	-	411,532
-	-	-	-	-	-	5,727
1,610,461	-	-	-	-	1,610,461	2,424,554
83,967,118	3,973,968	-	71,254,313	-	159,195,399	130,909,391
-	-	-	-	9,786,206	9,786,206	6,918,142
-	-	-	-	19,167,067	19,167,067	19,939,409
<u>\$ 136,173,989</u>	<u>\$ 14,262,308</u>	<u>\$ 186,698,842</u>	<u>\$ 71,254,313</u>	<u>\$ 28,953,273</u>	<u>\$ 519,885,201</u>	<u>\$ 485,801,350</u>

CITY OF TROY, MICHIGAN

COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 2000
(CONTINUED)

LIABILITIES, FUND EQUITY AND OTHER CREDITS

	<u>Governmental Fund Types</u>			
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Accounts payable and contract retainage	\$ 5,548,068	\$ -	\$ -	\$ 249,195
Accrued interest payable	-	-	34,224	-
Accrued payroll and withholdings	1,103,529	-	-	-
Accrued compensated absences payable	-	-	-	-
Other accrued liabilities	431,133	-	-	-
Due to other City of Troy funds (note 5)	-	68,334	10,215	3,776,190
Deposits	-	-	-	-
Deferred revenue	382,815	-	1,575,796	561,531
Long-term debt and bonds payable (note 7)	-	-	-	-
Total liabilities	\$ 7,465,545	\$ 68,334	\$ 1,620,235	\$ 4,586,916
Fund Equity and Other Credits				
Contributed capital (note 8)	\$ -	\$ -	\$ -	\$ -
Investment in general fixed assets (note 4)	-	-	-	-
Retained earnings (note 10)				
Reserved for debt service	-	-	-	-
Reserved for replacements and extensions	-	-	-	-
Reserved for employee benefits	-	-	-	-
Unreserved	-	-	-	-
Fund balance (note 10)				
Reserved for insurance	700,000	-	-	-
Reserved for inventory and prepaid items	326,331	-	-	-
Reserved for debt service	-	-	9,895,404	-
Reserved for encumbrances	-	-	-	1,207,064
Reserved for construction and improvements	-	2,440,034	-	19,358,833
Reserved for employee benefits	-	-	-	-
Reserved for tax appeals	900,000	500,000	-	-
Unreserved, designated	3,278,360	1,195,000	-	6,208,364
Unreserved, designated for improvements and maintenance	4,486,603	700,000	-	-
Unreserved, undesignated	<u>11,520,476</u>	<u>4,072,365</u>	<u>-</u>	<u>2,012,612</u>
Total fund equity and other credits	\$ 21,211,770	\$ 8,907,399	\$ 9,895,404	\$ 28,786,873
Total liabilities, fund equity and other credits	\$ 28,677,315	\$ 8,975,733	\$ 11,515,639	\$ 33,373,789

See accompanying notes to financial statements

<u>Proprietary Fund Types</u>		<u>Fiduciary Fund Type</u>	<u>Account Groups</u>		<u>Totals (Memorandum Only)</u>	
<u>Enterprise</u>	<u>Internal Service</u>	<u>Trust and Agency</u>	<u>General Fixed Assets</u>	<u>General Long-Term Debt</u>	<u>June 30,</u>	
					<u>2000</u>	<u>1999</u>
\$ 366,643	\$ 203,009	\$ -	\$ -	\$ -	\$ 6,366,915	\$ 4,528,409
42,563	-	-	-	-	76,787	53,949
-	-	-	-	-	1,103,529	2,164,357
-	4,613,346	-	-	-	4,613,346	4,311,604
-	-	-	-	-	431,133	355,137
227,236	-	4,390,820	-	-	8,472,795	4,187,602
78,578	-	4,622,554	-	-	4,701,132	4,724,916
-	-	67,534	-	-	2,587,676	3,769,544
<u>3,150,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,953,273</u>	<u>32,103,273</u>	<u>30,749,852</u>
\$ 3,865,020	\$ 4,816,355	\$ 9,080,908	\$ -	\$ 28,953,273	\$ 60,456,586	\$ 54,845,370
\$ 73,687,913	\$ -	\$ -	\$ -	\$ -	\$ 73,687,913	\$ 73,029,533
-	-	-	71,254,313	-	71,254,313	50,158,614
6,180,402	-	-	-	-	6,180,402	6,381,110
757,345	174,742	-	-	-	932,087	1,746,968
-	2,244,601	-	-	-	2,244,601	2,888,270
51,683,309	7,026,610	-	-	-	58,709,919	54,431,352
-	-	-	-	-	700,000	195,191
-	-	-	-	-	326,331	292,704
-	-	-	-	-	9,895,404	6,918,142
-	-	-	-	-	1,207,064	1,632,086
-	-	136,609	-	-	21,935,476	36,859,511
-	-	177,481,325	-	-	177,481,325	167,537,154
-	-	-	-	-	1,400,000	1,400,000
-	-	-	-	-	10,681,724	8,254,211
-	-	-	-	-	5,186,603	2,179,956
-	-	-	-	-	<u>17,605,453</u>	<u>17,051,178</u>
<u>\$ 132,308,969</u>	<u>\$ 9,445,953</u>	<u>\$ 177,617,934</u>	<u>\$ 71,254,313</u>	<u>\$ -</u>	<u>\$ 459,428,615</u>	<u>430,955,980</u>
<u>\$ 136,173,989</u>	<u>\$ 14,262,308</u>	<u>\$ 186,698,842</u>	<u>\$ 71,254,313</u>	<u>\$ 28,953,273</u>	<u>\$ 519,885,201</u>	<u>\$ 485,801,350</u>

CITY OF TROY, MICHIGAN

**COMBINED STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2000**

	<u>Governmental Fund Types</u>			
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Revenues				
Property taxes and special assessments	\$ 25,073,487	\$ 7,136,185	\$ 4,102,123	\$ 6,460,426
Licenses and permits	2,221,451	-	-	-
Intergovernmental				
Federal	59,842	97,627	-	48,170
State	7,624,575	4,427,747	-	3,408,428
County	107,585	-	-	-
Charges for sales and services	2,810,496	1,105	-	198,178
Fines and forfeits	836,035	-	-	-
Investment income	2,441,405	428,478	686,971	1,583,834
Sale of land and fixed assets	-	-	-	1,279,121
Miscellaneous	3,279,143	-	-	-
	<u>\$ 44,454,019</u>	<u>\$ 12,091,142</u>	<u>\$ 4,789,094</u>	<u>\$ 12,978,157</u>
Total revenues				
Expenditures				
Current				
General government	\$ 6,485,646	\$ -	\$ 34,640	\$ -
Public safety	21,609,992	-	-	-
Roads and streets	2,955,145	-	-	-
Sanitation	-	3,523,772	-	-
Other public works	3,015,089	-	-	-
Parks, recreation and cemeteries	5,621,048	-	-	-
Library	2,782,020	-	-	-
Downtown Development Authority	-	684,666	-	-
Economic and physical development	-	97,627	-	-
Debt service				
Principal	-	-	2,314,514	-
Interest and agent fees	-	-	1,507,936	-
Capital outlay				
Construction and other capital outlay	-	-	-	35,102,539
	<u>\$ 42,468,940</u>	<u>\$ 4,306,065</u>	<u>\$ 3,857,090</u>	<u>\$ 35,102,539</u>
Total expenditures				
Excess (deficiency) of revenues over (under) expenditures	\$ 1,985,079	\$ 7,785,077	\$ 932,004	\$ (22,124,382)

See accompanying notes to financial statements

Totals (Memorandum Only)
Year Ended June 30,
2000 1999

\$ 42,772,221	\$ 40,335,494
2,221,451	2,254,763
205,639	418,053
15,460,750	11,883,491
107,585	99,781
3,009,779	2,856,612
836,035	806,743
5,140,688	4,428,158
1,279,121	98,509
<u>3,279,143</u>	<u>3,034,914</u>

\$ 74,312,412 \$ 66,216,518

\$ 6,520,286	\$ 6,371,802
21,609,992	21,591,628
2,955,145	3,119,250
3,523,772	3,516,686
3,015,089	2,742,275
5,621,048	5,485,326
2,782,020	2,585,158
684,666	433,177
97,627	346,890

2,314,514 2,249,282
1,507,936 1,671,996

35,102,539 10,466,255

\$ 85,734,634 \$ 60,579,725

\$ (11,422,222) \$ 5,636,793

CITY OF TROY, MICHIGAN

**COMBINED STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2000
(CONTINUED)**

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Total - from previous page	\$ 1,985,079	\$ 7,785,077	\$ 932,004	\$(22,124,382)
Other Financing Sources (Uses)				
Operating transfers - in	\$ 3,156,220	\$ -	\$ 2,045,258	\$ 3,323,400
Operating transfers - out	(1,800,000)	(4,966,108)	-	(1,758,770)
Bond proceeds	-	-	-	5,571,300
Total other financing sources (uses) - net	<u>\$ 1,356,220</u>	<u>\$ (4,966,108)</u>	<u>\$ 2,045,258</u>	<u>\$ 7,135,930</u>
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	\$ 3,341,299	\$ 2,818,969	\$ 2,977,262	\$(14,988,452)
Fund Balance - July 1, 1999	<u>17,870,471</u>	<u>6,088,430</u>	<u>6,918,142</u>	<u>43,775,325</u>
Fund Balance - June 30, 2000	<u>\$ 21,211,770</u>	<u>\$ 8,907,399</u>	<u>\$ 9,895,404</u>	<u>\$ 28,786,873</u>

See accompanying notes to financial statements

Totals (Memorandum Only)
Year Ended June 30,
2000 1999

\$ (11,422,222) \$ 5,636,793

\$ 8,524,878 \$ 8,109,657
 (8,524,878) (7,709,657)
5,571,300 -

\$ 5,571,300 \$ 400,000

\$ (5,850,922) \$ 6,036,793

74,652,368 68,615,575

\$ 68,801,446 \$ 74,652,368

CITY OF TROY, MICHIGAN

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2000**

	<u>General Fund</u>		
	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
Revenues			
Property taxes and special assessments	\$ 25,086,680	\$ 25,073,487	\$ (13,193)
Licenses and permits	1,523,200	2,221,451	698,251
Intergovernmental			
Federal	58,000	59,842	1,842
State	7,052,000	7,624,575	572,575
County	90,800	107,585	16,785
Charges for sales and services	2,008,300	2,810,496	802,196
Fines and forfeits	681,000	836,035	155,035
Investment income	1,000,000	2,441,405	1,441,405
Miscellaneous	3,071,535	3,279,143	207,608
Total revenues	\$ 40,571,515	\$ 44,454,019	\$ 3,882,504
Expenditures			
Current			
General government	\$ 7,304,125	\$ 6,485,646	\$ 818,479
Public safety	22,715,175	21,609,992	1,105,183
Roads and streets	3,226,050	2,955,145	270,905
Other public works	3,288,550	3,015,089	273,461
Parks, recreation and cemeteries	6,080,285	5,621,048	459,237
Library	3,005,500	2,782,020	223,480
Downtown Development Authority	-	-	-
Economic and physical development	-	-	-
Total expenditures	\$ 45,619,685	\$ 42,468,940	\$ 3,150,745
Excess (deficiency) of revenues over (under) expenditures	\$ (5,048,170)	\$ 1,985,079	\$ 7,033,249
Other Financing Sources (Uses)			
Operating transfers - in	\$ 3,193,240	\$ 3,156,220	\$ (37,020)
Operating transfers - out	(1,800,000)	(1,800,000)	-
Total other financing sources (uses) - net	\$ 1,393,240	\$ 1,356,220	\$ (37,020)
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	\$ (3,654,930)	\$ 3,341,299	\$ 6,996,229
Fund Balance - July 1, 1999	<u>17,870,471</u>	<u>17,870,471</u>	<u>-</u>
Fund Balance - June 30, 2000	<u>\$ 14,215,541</u>	<u>\$ 21,211,770</u>	<u>\$ 6,996,229</u>

See accompanying notes to financial statements

Special Revenue Funds		
Amended Budget	Actual	Variance- Favorable (Unfavorable)
\$ 7,106,000	\$ 7,136,185	\$ 30,185
-	-	-
208,750	97,627	(111,123)
3,900,000	4,427,747	527,747
-	-	-
1,000	1,105	105
-	-	-
280,500	428,478	147,978
-	-	-
<u>\$ 11,496,250</u>	<u>\$ 12,091,142</u>	<u>\$ 594,892</u>
\$ -	\$ -	\$ -
-	-	-
-	-	-
3,654,500	3,523,772	130,728
-	-	-
-	-	-
1,448,760	684,666	764,094
<u>208,750</u>	<u>97,627</u>	<u>111,123</u>
<u>\$ 5,312,010</u>	<u>\$ 4,306,065</u>	<u>\$ 1,005,945</u>
\$ 6,184,240	\$ 7,785,077	\$ 1,600,837
\$ -	\$ -	\$ -
<u>(6,216,240)</u>	<u>(4,966,108)</u>	<u>1,250,132</u>
<u>\$ (6,216,240)</u>	<u>\$ (4,966,108)</u>	<u>\$ 1,250,132</u>
\$ (32,000)	\$ 2,818,969	\$ 2,850,969
<u>6,088,430</u>	<u>6,088,430</u>	<u>-</u>
<u>\$ 6,056,430</u>	<u>\$ 8,907,399</u>	<u>\$ 2,850,969</u>

CITY OF TROY, MICHIGAN

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2000
(CONTINUED)**

	<u>Debt Service Funds</u>		
	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
Revenues			
Property taxes and special assessments	\$ 2,969,000	\$ 4,102,123	\$ 1,133,123
Intergovernmental			
Federal	-	-	-
State	-	-	-
Charges for sales and services	-	-	-
Investment income	300,250	686,971	386,721
Sale of land and fixed assets	-	-	-
	<hr/>	<hr/>	<hr/>
Total revenues	\$ 3,269,250	\$ 4,789,094	\$ 1,519,844
Expenditures			
Current			
General government	\$ 34,640	\$ 34,640	\$ -
Tax refunds	20,000	-	20,000
Debt service costs			
Principal	3,328,760	2,314,514	1,014,246
Interest and agent fees	1,936,350	1,507,936	428,414
Capital outlay			
Construction and other capital outlay	-	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	\$ 5,319,750	\$ 3,857,090	\$ 1,462,660
Excess (deficiency) of revenues over (under) expenditures	\$ (2,050,500)	\$ 932,004	\$ 2,982,504
Other Financing Sources (Uses)			
Operating transfers - in	\$ 2,050,500	\$ 2,045,258	\$ (5,242)
Operating transfers - out	-	-	-
Bond proceeds	-	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses) - net	\$ 2,050,500	\$ 2,045,258	\$ (5,242)
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	\$ -	\$ 2,977,262	\$ 2,977,262
Fund Balance - July 1, 1999	<hr/>	<hr/>	<hr/>
	6,918,142	6,918,142	-
Fund Balance - June 30, 2000	<hr/>	<hr/>	<hr/>
	\$ 6,918,142	\$ 9,895,404	\$ 2,977,262

See accompanying notes to financial statements

Capital Projects Fund

<u>Amended Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
\$ 6,655,000	\$ 6,460,426	\$ (194,574)
-	48,170	48,170
400,000	3,408,428	3,008,428
71,000	198,178	127,178
1,400,000	1,583,834	183,834
<u>275,000</u>	<u>1,279,121</u>	<u>1,004,121</u>
\$ 8,801,000	\$ 12,978,157	\$ 4,177,157
\$ -	\$ -	\$ -
-	-	-
-	-	-
<u>44,067,852</u>	<u>35,102,539</u>	<u>8,965,313</u>
\$ <u>44,067,852</u>	\$ <u>35,102,539</u>	\$ <u>8,965,313</u>
\$ (35,266,852)	\$ (22,124,382)	\$ 13,142,470
\$ 4,542,000	\$ 3,323,400	\$ (1,218,600)
(1,764,000)	(1,758,770)	5,230
<u>9,500,000</u>	<u>5,571,300</u>	<u>(3,928,700)</u>
\$ <u>12,278,000</u>	\$ <u>7,135,930</u>	\$ <u>(5,142,070)</u>
\$ (22,988,852)	\$ (14,988,452)	\$ 8,000,400
<u>43,775,325</u>	<u>43,775,325</u>	<u>-</u>
\$ <u>20,786,473</u>	\$ <u>28,786,873</u>	\$ <u>8,000,400</u>

CITY OF TROY, MICHIGAN

COMBINED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS/FUND BALANCE ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS FOR THE YEAR ENDED JUNE 30, 2000

	Proprietary Fund Types	
	Enterprise	Internal Service
Operating Revenues		
Charges for sales and services	\$ 15,347,752	\$ 7,807,641
Interest and dividends	-	-
Miscellaneous	1,043,547	-
Total operating revenues	\$ 16,391,299	\$ 7,807,641
Operating Expenses		
Payments to employees for compensated time off	\$ -	\$ 3,501,095
Cost of water and sewage disposal	10,685,566	-
Maintenance, operation, meters and taps	3,026,019	1,077,204
Cost of unemployment and workers' compensation against which other funds were insured	-	176,585
Computer services	-	931,312
Motor vehicle and garage expenses	-	1,977,407
Depreciation	2,214,742	978,830
General, administration and customer service	921,450	-
Miscellaneous	2,153	-
Total operating expenses	\$ 16,849,930	\$ 8,642,433
Operating income (loss)	\$ (458,631)	\$ (834,792)
Nonoperating Revenues (Expenses)		
Earnings on revenue held by County	\$ 154,919	\$ -
Gain on disposal of property	-	456,865
Investment income	2,214,165	124,157
Interest expense	(181,810)	-
Total nonoperating revenues (expenses) - net	\$ 2,187,274	\$ 581,022
Income (loss) before operating transfers	\$ 1,728,643	\$ (253,770)

See accompanying notes to financial statements

Fiduciary Fund Type Nonexpendable Trust	Totals (Memorandum Only)	
	Year Ended June 30, 2000	1999
\$ 200	\$ 23,155,593	\$ 23,083,129
5,799	5,799	5,465
-	<u>1,043,547</u>	<u>1,234,883</u>
\$ 5,999	\$ 24,204,939	\$ 24,323,477
\$ -	\$ 3,501,095	\$ 3,142,508
-	10,685,566	10,538,804
-	4,103,223	4,237,937
-	176,585	233,726
-	931,312	449,051
-	1,977,407	1,993,818
-	3,193,572	3,101,970
-	921,450	903,473
-	<u>2,153</u>	<u>480</u>
\$ -	\$ 25,492,363	\$ 24,601,767
\$ 5,999	\$ (1,287,424)	\$ (278,290)
\$ -	\$ 154,919	\$ (560,645)
-	456,865	445,477
-	2,338,322	2,274,441
-	<u>(181,810)</u>	<u>(227,631)</u>
\$ -	\$ 2,768,296	\$ 1,931,642
\$ 5,999	\$ 1,480,872	\$ 1,653,352

CITY OF TROY, MICHIGAN

COMBINED STATEMENTS OF REVENUES, EXPENSES AND CHANGES
IN RETAINED EARNINGS/FUND BALANCE
ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2000
(CONTINUED)

	<u>Proprietary Fund Types</u>	
	<u>Enterprise</u>	<u>Internal Service</u>
Total - from previous page	\$ 1,728,643	\$ (253,770)
Operating Transfers		
Transfers to other funds	\$ -	\$ -
Net income (loss)	\$ 1,728,643	\$ (253,770)
Add Depreciation on Fixed Assets Acquired by Capital Grants that Reduces Contributed Capital from Capital Grants	<u>\$ 1,144,436</u>	<u>\$ -</u>
Net Increase (Decrease) in Retained Earnings/Fund Balance	\$ 2,873,079	\$ (253,770)
Retained Earnings/Fund Balance - July 1, 1999	<u>55,747,977</u>	<u>9,699,723</u>
Retained Earnings/Fund Balance - June 30, 2000	<u>\$ 58,621,056</u>	<u>\$ 9,445,953</u>

See accompanying notes to financial statements

<u>Fiduciary Fund Type</u> Nonexpendable Trust	<u>Totals (Memorandum Only)</u> Year Ended June 30,	
	<u>2000</u>	<u>1999</u>
\$ 5,999	\$ 1,480,872	\$ 1,653,352
\$ -	\$ -	\$ (400,000)
\$ 5,999	\$ 1,480,872	\$ 1,253,352
\$ -	\$ 1,144,436	\$ 1,129,580
\$ 5,999	\$ 2,625,308	\$ 2,382,932
<u>130,610</u>	<u>65,578,310</u>	<u>63,195,378</u>
<u>\$ 136,609</u>	<u>\$ 68,203,618</u>	<u>\$ 65,578,310</u>

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CITY OF TROY, MICHIGAN

**COMBINED STATEMENT OF CHANGES IN PLAN NET ASSETS
ALL PENSION TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2000**

Additions

Contributions

Employer	\$ 1,417,255
Plan members	<u>379,418</u>

Total contributions	\$ <u>1,796,673</u>
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Investment income

Realized and unrealized gains on investments	\$ 6,262,533
Interest	3,963,715
Dividends	<u>2,585,879</u>

Net investment income	<u>12,812,127</u>
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Total additions	\$ 14,608,800
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Deductions

Benefits	\$ 4,122,333
Refunds of contributions	508,526
Administrative expenses	<u>33,770</u>

Total deductions	\$ <u>4,664,629</u>
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Net Increase	\$ 9,944,171
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Net Assets Held in Trust for Pension Benefits - July 1, 1999	<u>167,537,154</u>
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Net Assets Held in Trust for Pension Benefits - June 30, 2000	\$ <u>177,481,325</u>
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Net Assets

Reserved for pension benefits	\$ 157,577,705
Reserved for health benefits	<u>19,903,620</u>

Net Assets Held in Trust for Pension Benefits - June 30, 2000	\$ <u>177,481,325</u>
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See accompanying notes to financial statements

CITY OF TROY, MICHIGAN

COMBINED STATEMENTS OF CASH FLOWS ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS FOR THE YEAR ENDED JUNE 30, 2000

	Proprietary Fund Types	
	Enterprise	Internal Service
Cash Flows From Operating Activities:		
Operating income (loss)	\$ (458,631)	\$ (834,792)
Adjustments:		
Depreciation	\$ 2,214,742	\$ 978,830
Tap in fees reflected as contributions in aid of construction	1,802,816	-
Loss (gain) on disposal of property	-	124,157
Changes in assets and liabilities:		
Decrease (increase) in accrued interest receivable	29,062	(10,852)
Increase in accounts receivable	415,488	-
Increase in inventory	(53,998)	(4,137)
Decrease in due from other funds	-	-
Decrease in restricted assets	814,093	-
Decrease (increase) in other current assets	-	1,440
Increase (decrease) in accounts payable	(67,946)	203,009
Increase in due to other funds	73,054	-
Increase (decrease) in accrued liabilities	(11,386)	301,742
Increase (decrease) in deposits and other liabilities	13,866	-
Total adjustments	\$ 5,229,791	\$ 1,594,189
Net cash provided from operating activities	\$ 4,771,160	\$ 759,397
Cash Flows From Noncapital Financing Activities:		
Transfer to general fund	\$ -	\$ -
Cash Flows From Capital and Related Financing Activities:		
Acquisition of property, plant and equipment	\$ (8,954,415)	\$ (1,474,948)
Proceeds from sale of equipment	-	68,982
Repayment of debt	(742,301)	-
Interest paid	(170,424)	-
Net cash used in capital and related financing activities	\$ (9,867,140)	\$ (1,405,966)
Cash Flows From Investing Activities:		
Purchase of investment securities	\$ (4,901,141)	\$ (4,064,987)
Proceeds from sale and maturities of investment securities	18,762,625	6,309,534
Interest received	2,243,227	454,824
Net cash provided from investing activities	\$ 16,104,711	\$ 2,699,371
Net Increase in Cash and Cash Equivalents	\$ 11,008,731	\$ 2,052,802
Cash and Cash Equivalents - July 1, 1999	11,768,607	1,717,411
Cash and Cash Equivalents - June 30, 2000	\$ 22,777,338	\$ 3,770,213

Supplemental Schedule of Noncash Activities

Net increase (decrease) in fair value of investments	\$ 30,423	\$ 8,858
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See accompanying notes to financial statements

Fiduciary Fund Type	Totals (Memorandum Only)	
	Year Ended June 30,	
Nonexpendable Trust	2000	1999 (Restated)
\$ 5,998	\$ (1,287,425)	\$ (278,289)
\$ -	\$ 3,193,572	\$ 3,101,970
-	1,802,816	2,038,496
-	124,157	(134,188)
(245)	17,965	186,582
-	415,488	(257,435)
-	(58,135)	20,043
-	-	8,483
-	814,093	1,639,883
-	1,440	(1,440)
-	135,063	21,970
-	73,054	61,578
-	290,356	155,572
-	13,866	(211,986)
<u>\$ (245)</u>	<u>\$ 6,823,735</u>	<u>\$ 6,629,528</u>
\$ 5,753	\$ 5,536,310	\$ 6,351,239
\$ -	\$ -	\$ (400,000)
\$ -	\$ (10,429,363)	\$ (3,474,685)
-	68,982	134,188
-	(742,301)	(852,301)
-	(170,424)	(215,610)
\$ -	\$ (11,273,106)	\$ (4,408,408)
\$ (6,119)	\$ (8,972,247)	\$ (10,856,861)
29,377	25,101,536	9,984,354
-	2,698,051	2,771,804
<u>\$ 23,258</u>	<u>\$ 18,827,340</u>	<u>\$ 1,899,297</u>
\$ 29,011	\$ 13,090,544	\$ 3,442,128
<u>21,603</u>	<u>13,507,621</u>	<u>10,065,493</u>
<u>\$ 50,614</u>	<u>\$ 26,598,165</u>	<u>\$ 13,507,621</u>
<u>\$ 119</u>	<u>\$ 39,400</u>	<u>\$ (238,687)</u>

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CITY OF TROY

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2000

Note 1 - Summary of Significant Accounting Policies

The financial statements of the City of Troy, Michigan have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The following is a summary of the significant accounting policies:

Reporting Entity

The City of Troy, Michigan was incorporated in 1955, and was formerly known as Troy Township since it was organized in 1821. The City is governed by an elected mayor and six-member council.

As required by generally accepted accounting principles, these financial statements present the City of Troy and its component units, entities for which the government is considered to be financially accountable.

Blended component units, although legally separate entities, are in substance, part of the government's operations and so data from these units are combined with data of the primary government. Discretely presented component units are also legally separate entities, but are not in substance part of the government operation. The City of Troy has no component units which meet the criteria for discretely presented component units. Each blended component unit reported herein has a June 30th year end.

Included within the reporting entity are the Troy Municipal Building Authority and the Downtown Development Authority. The City feels that the authorities meet the minimum requirements to be considered a blended component unit. The governing body of these authorities are appointed by City Council. Their budgets and any bond issuance authorizations also are approved by the City Council and the legal liability for any general obligation debt remains with the City. The purpose of the Downtown Development Authority is to issue bonds and use tax increment financing in the accomplishment of specific Downtown Development improvements to City-owned facilities and infrastructure, which are contained in the locally adopted development plan. A separate audit report for the Downtown Development Authority is prepared annually and available at the Finance Department of the City of Troy located at 500 West Big Beaver Road, Troy, Michigan 48084.

Fund Accounting

The accounts of the City are organized on the basis of funds and account groups in order to report on its financial position and results of its operations. Fund accounting is designated to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

CITY OF TROY

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2000

Note 1 - Summary of Significant Accounting Policies - Continued

Fund Accounting - Continued

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

The various funds are grouped, in the combined financial statements in this report, into generic fund types in three broad fund categories as follows:

Governmental Funds

General Fund

The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. General Fund activities are financed by revenues from general property taxes, state shared revenues and other sources.

Special Revenue Funds

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

Debt Service Funds

The Debt Service Funds are used to account for the accumulation of resources for the annual payment of principal, interest and expenditures in connection with certain long-term debt other than debt payable from the operations of a proprietary fund.

Capital Projects Fund

Capital Projects Fund is used to account for financial resources for the acquisition or construction of major capital facilities other than those financed by the operations of a proprietary or nonexpendable trust funds.

CITY OF TROY

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2000

Note 1 - Summary of Significant Accounting Policies - Continued

Proprietary Funds

Enterprise Funds

Enterprise Funds are used to account for City operations which are similar to those often found in the private sector, where the determination of net income is necessary or useful to sound financial administration.

Internal Service Funds

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City or other governments, on a cost-reimbursement basis.

Fiduciary Funds

Trust and Agency Funds

Trust and Agency Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds of the City of Troy. These include Pension Trust, Nonexpendable Trust Funds and an Agency Fund. Nonexpendable and Pension Trust Funds are accounted for in essentially the same manner as Proprietary Funds, since capital maintenance is critical. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Account Groups

Account groups are used to establish accounting control and accountability for the City's general fixed assets and general long-term obligations. The City's account groups consist of the following:

CITY OF TROY

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2000

Note 1 - Summary of Significant Accounting Policies - Continued

Account Groups - Continued

General Fixed Assets Account Group

This account group is used to account for fixed assets that are not recorded in the Proprietary Funds. Public domain ("infrastructure") general fixed assets, consisting of roads, bridges, curbs, sidewalks and drainage systems, that are immovable and of value only to the City, have historically been excluded from the general fixed assets account group. Depreciation is not charged against general fixed assets.

General Long-Term Debt Account Group

This account group is used to record unmatured long-term liabilities not recorded in the Proprietary Funds.

Account groups are not funds and do not reflect available financial resources and related liabilities or the measurement of results of operations.

Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All Governmental Funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All Proprietary, Pension Trust Funds and Nonexpendable Trust Funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity, for proprietary funds (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

CITY OF TROY

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2000

Note 1 - Summary of Significant Accounting Policies - Continued

Basis of Accounting - Continued

The modified accrual basis of accounting is used by the Governmental and Agency Funds. Under this method of accounting, the City recognizes revenue when it becomes both measurable and available to finance current City operations. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the Debt Service Funds for payments to be made early in the following year.

Significant revenues susceptible to accrual are property taxes, intergovernmental revenues, interest revenue and charges for services.

The accrual basis of accounting is utilized by Proprietary Funds, Pension Trust Funds and Nonexpendable Trust Funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

The City reports deferred revenue on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the government before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures.

In subsequent periods, when both revenue recognition criteria are met or when the government has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

The City applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

Budget Information

The City is legally subject to the budgetary control requirements of the State of Michigan P.A. 621 of 1978 (the Uniform Budgeting Act). The following is a summary of the requirements of this Act according to the State Treasurer's "Bulletin for Audits of Local Units of Government in Michigan" dated April 1984:

CITY OF TROY

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2000

Note 1 - Summary of Significant Accounting Policies - Continued

Budget Information - Continued

1. Budgets must be adopted for the General Fund, Special Revenue Funds, and Debt Service Funds.
2. The budgets must be balanced.
3. The budgets must be amended when necessary.
4. Public hearings must be held before budget adoptions.
5. Expenditures cannot exceed budget appropriations.
6. Expenditures must be authorized by a budget before being incurred.

The City adopts its budget by function, which is in accordance with the State's legal requirement and is the level of classification detail at which expenditures may not legally exceed appropriations.

The City follows these procedures in establishing the budgetary data reflected in the financial statements.

1. On or before the third Monday in April, the City Manager submits to the City Council a proposed budget for the fiscal year commencing the following July 1st. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing on the budget is held before its final adoption.
3. As provided for by the City Charter, on or before the third Monday in May, the budget is legally adopted and by resolution designates the sum to be raised by taxation.
4. The City Manager is authorized to transfer budgeted amounts within budgetary functions; however, any revisions that alter the total expenditure of any budgetary function must be approved by the City Council.

CITY OF TROY

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2000

Note 1 - Summary of Significant Accounting Policies - Continued

Budget Information - Continued

Budget amounts of the revenues and expenditures presented for the Governmental Funds are a summarization of the budgeted amounts as originally adopted or as amended by the City Council. Individual amendments were not material in relation to the original appropriations that were adopted, for the General, Special Revenue, or Debt Service Funds. During the current year, the budget was amended in a legally permissible manner. Budgets have been prepared on a basis consistent with generally accepted accounting principles (GAAP).

The City Council adopts an annual budget for the Capital Projects Fund, even though it is not required under the Uniform Budgeting Act and adheres to the same requirements for Governmental Funds.

Encumbrance Accounting

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation is utilized in the Capital Projects Fund. Encumbrances outstanding at year end are reported as reservations of fund balances since they do not constitute expenditures or liabilities.

CITY OF TROY

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2000

Note 1 - Summary of Significant Accounting Policies - Continued

Cash and Investments

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the City.

The City is authorized by Michigan Public Act 20 of 1943 (as amended) to invest surplus monies (of nonpension funds) in U.S. bonds and notes, domestic certificates of deposit, certain commercial paper, U.S. government repurchase agreements, bankers acceptances, mutual funds and investment pools that are composed of authorized investment vehicles.

The Pension Trust Fund investments are authorized by Michigan Public Act 485 of 1996 to invest in certain reverse repurchase agreements, real estate leased to public agencies, stocks, diversified investment companies, annuity investment contracts, mortgages, certain state and local government obligations, and certain other specified investment vehicles.

Investments are stated at fair value.

Inventory

Inventory is stated at cost determined on a first-in, first-out basis which approximates market value. Inventories in the Governmental Funds are recorded as an expenditure when the inventory item is consumed. Inventories are equally offset by a fund balance reserve which indicates that such amounts do not constitute "available spendable resources".

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2000, are recorded as prepaid items.

CITY OF TROY

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2000

Note 1 - Summary of Significant Accounting Policies - Continued

Fixed Assets

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in Governmental Funds. Public domain (infrastructure) general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, are not capitalized.

All fixed assets are valued at historical costs or estimated historical cost, if actual cost is not available.

The General Fixed Assets Account Group is not a "fund". The account group is concerned only with the measurement of financial position and is not involved with the measurement of results of operations. Assets are recorded when placed in service. No depreciation is recorded in the General Fixed Assets Account Group.

All Proprietary Funds, Nonexpendable Trust Funds and Pension Funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and liabilities (whether current or noncurrent) associated with its activity are included on the respective balance sheet. Reported fund equity (net total assets) is segregated into contributed capital and retained earnings components.

Depreciation of all exhaustible fixed assets used by Proprietary Funds is charged as an expense against operations. Accumulated depreciation is recorded on the Proprietary Fund balance sheets for all assets that are placed in service, accordingly, no depreciation has been taken on construction in progress. Depreciation has been provided over the estimated useful lives using the straight-line method as follows:

CITY OF TROY

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2000

Note 1 - Summary of Significant Accounting Policies - Continued

Fixed Assets - Continued

<u>Assets Classification</u>	<u>Estimated Useful Life</u>
Water and sewer transmission and distribution system	50 years
Service connections	20 years
Land improvements	10 years
Buildings and improvements	20 years
Golf course equipment	3 - 10 years
Furniture and fixtures	3 - 10 years
Vehicles and miscellaneous equipment	2 - 20 years

Accrued Vacation and Other Compensated Absences

The City maintains an Internal Service Fund to account for the accumulation of resources for, and the payment of, vacation, compensatory time, holiday and sick pay. Earned but unpaid vacation pay is fully accrued in the Compensated Absences Fund, as it is due during the fiscal year subsequent to the balance sheet date.

The City charges departments incurring payroll costs for vacation pay benefits as they are earned on a percent of payroll basis and transfers related proceeds into the Compensated Absences Fund to pay for eventual benefits to employees. Accumulated unpaid vacation pay due to the employees of the City at June 30, 2000, was \$1,883,768.

All other compensated absences which are currently due are also accrued in the Compensated Absences Fund since it has been earned by the employee as of the balance sheet date.

The Compensated Absences Fund also includes compensatory holiday and sick pay.

CITY OF TROY

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2000

Note 1 - Summary of Significant Accounting Policies - Continued

Long-Term Obligations

Long-term debt is recognized as a liability of a Governmental Fund when due or when resources have been accumulated in the Debt Service Funds for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a Governmental Fund. The remaining portion of such obligations is reported in the General Long-Term Debt Account Group. Long-term liabilities expected to be financed from Proprietary Fund operations are accounted for in these funds.

Fund Balance/Equity

Reservations of fund balance indicate that a portion of the fund balance that is not appropriable for expenditures or is legally restricted for specific future use. Designations of fund balance indicate plans for future financial resources utilization.

Contributed capital is recorded in Proprietary Funds that have received capital grants or contributions from developers, other governments or other funds.

Contributed capital associated with property and equipment acquired from grants and similar sources is being credited to retained earnings as the related depreciation is being charged to operations.

"Memorandum Only" Total Columns

Total columns on the general purpose financial statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or cash flows in conformity with generally accepted accounting principles. Neither are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

CITY OF TROY

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2000

Note 1 - Summary of Significant Accounting Policies - Continued

Comparative Data

Comparative total data for the prior year have been presented in the accompanying financial statements to provide an understanding of changes in the government's financial position and operations. Additionally, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

Residual Equity Transfer

During the year ended June 30, 2000, the Vacation Pay Fund was merged with the Compensated Absence Fund, and the Municipal Building Bond Fund was closed into the General Debt Service Fund. Residual equity transfers of \$348,020 and \$64,518, respectively, were made as a result of these actions.

Restatement of Historical Data

In accordance with GASB Statement 25, information on cash flows for the Pension Trust Funds is no longer presented as a basic financial statement. The prior year comparative data has been revised to include only information relating to the Nonexpendable Trust Fund.

Note 2 - Deposits and Investments

The City Council has authorized those responsible to invest City monies to purchase any type of prudent investments, within the guidelines set forth by the Michigan Department of Treasury. However, no more than fifty percent of the City's total monies, with the exception of the Employee Retirement, and Fire Incentive may be invested in commercial paper at any given time. The City has not been involved in any reverse-repurchase agreements during the year.

CITY OF TROY

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2000**

Note 2 - Deposits and Investments - Continued

The City's deposits and investments at June 30, 2000 are included in the financial statements under the following classifications:

	Financial Statement Classification		
	Cash and Cash Equivalents	Investments	Total
Deposits	\$ 65,492,136	\$ -	\$ 65,492,136
Investments	-	239,510,900	239,510,900
Petty cash and cash on hand	11,932	-	11,932
Total	\$ 65,504,068	\$ 239,510,900	\$ 305,014,968

Deposits

The above deposits were reflected in the accounts of the bank (without recognition of checks written but not yet cleared or of deposits in transit) at \$71,657,639. Of that amount, \$5,316,671 was covered by federal depository insurance and \$66,340,968 was 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 bank deposits. As a result, the City evaluates each financial institution it deposits City funds with and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Investments

The City's investments are categorized to give an indication of the level of risk assumed by the entity at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counter party trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counter party, or its trust department or agent but not in the City's name.

CITY OF TROY

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2000

Note 2 - Deposits and Investments - Continued

Investments - Continued

	Category			Carrying Amount	Fair Value
	1	2	3		
Common stock	\$ -	\$ -	\$ 89,022,195	\$ 89,022,195	\$ 89,022,195
Corporate bonds	-	-	42,560,687	42,560,687	42,560,687
U.S. Government Securities	-	-	27,058,961	27,058,961	27,058,961
U.S. Treasury Bills	-	-	62,259,522	62,259,522	62,259,522
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 220,901,365</u>	220,901,365	220,901,365
Investment in Mutual Funds				18,532,148	18,532,148
Investment in Real Estate Partnerships				<u>77,387</u>	<u>77,387</u>
Total investments				<u>\$ 239,510,900</u>	<u>\$ 239,510,900</u>

The City did not invest in any other types of investments other than those listed above during the fiscal year.

Investments (included in the schedule above) totaling \$177,251,378 are held by the Employees' Retirement Fund and Discretionary Fire Incentive Reserve Fund (Fiduciary Funds). The amounts reflected in the balance sheet at June 30, 2000, are recorded at fair value and are comprised as follows:

	Fair Value
Employees' Retirement Fund:	
Common stock	\$ 89,022,195
Corporate bonds	42,560,687
U.S. Government Securities	22,448,440
Mutual funds	18,532,148
Real estate partnerships	<u>77,387</u>
	<u>\$ 172,640,857</u>
Discretionary Fire Incentive Reserve Funds:	
U.S. Government Securities	<u>\$ 4,610,521</u>

A summary of realized and unrealized gains on investments included in the combined statement of changes in plan net assets for the year ended June 30, 2000 is as follows:

Net appreciation in fair value of investments	\$ 2,057,391
Realized gain on sale of investments	<u>4,205,142</u>
Total	<u>\$ 6,262,533</u>

A reconciliation of cash and certificates of deposit as shown on the combined balance sheet for the Fiduciary Fund Type are as follows:

Balance - Fiduciary Fund Types:	
Trust and Agency	<u>\$ 6,459,766</u>
Balance - Fiduciary Fund Types:	
Pension Trust	\$ 1,590,987
Nonexpendable Trust	50,614
Agency Fund	<u>4,818,165</u>
Total	<u>\$ 6,459,766</u>

CITY OF TROY

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2000

Note 3 - Receivables

Receivables which includes amounts due from other governments at June 30, 2000, are summarized as follows:

	<u>Governments</u>	<u>Other</u>
General Fund		
Due from Federal Government	\$ 27,935	\$ -
Due from Oakland County	96,904	-
Due from State of Michigan	1,150,256	-
Invoices and advances	-	1,280,923
Less allowance for doubtful accounts	-	(76,878)
Total General Fund	1,275,095	1,204,045
Special Revenue Funds		
Due from Federal Government	68,134	-
Due from State of Michigan	729,772	-
Billed accounts receivable	-	117
Total Special Revenue Funds	797,906	117
Capital Projects Fund		
Due from State of Michigan	515,231	-
Enterprise Funds		
Billed accounts receivable	-	955,086
Unbilled accounts receivable	-	3,263,749
Due from Oakland County	1,610,461	-
Total Enterprise Funds	1,610,461	4,218,835
Total Receivables	\$ 4,198,693	\$ 5,422,997

CITY OF TROY

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2000

Note 4 - Property, Plant and Equipment

The following is a summary of changes in general fixed assets capitalized in the City's General Fixed Assets Account Group and Proprietary Funds as of June 30, 2000:

	<u>Balance</u> <u>July 1, 1999</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2000</u>
General Fixed Assets Account Group				
Buildings and improvements	\$ 19,342,087	\$ 17,647,952	\$ 571,007	\$ 36,419,032
Miscellaneous equipment	4,785,949	936,481	73,702	5,648,728
Vehicles	4,666,264	416,003	121,174	4,961,093
Office equipment	262,850	46,524	7,478	301,896
Furniture	1,634,012	54,098	36,305	1,651,805
Books and audiovisual aids	4,773,976	275,795	10,571	5,039,200
Land and land improvements	11,865,861	2,512,173	93,443	14,284,591
Computer software	309,865	-	-	309,865
Computer hardware	<u>2,517,750</u>	<u>129,577</u>	<u>9,224</u>	<u>2,638,103</u>
Total General Fixed Assets	<u>\$ 50,158,614</u>	<u>\$ 22,018,603</u>	<u>\$ 922,904</u>	<u>\$ 71,254,313</u>

The source of funds used in the acquisition of the current years additions to the General Fixed Assets Account Group is summarized as follows:

Capital Projects Fund	<u>\$ 50,158,614</u>	<u>\$ 22,018,603</u>	<u>\$ 922,904</u>	<u>\$ 71,254,313</u>
Enterprise Funds				
Water and sewer transmission and distribution system	\$ 91,981,799	\$ 5,766,559	\$ 3,615,032	\$ 94,133,326
Service connections	750,121	-	-	750,121
Land, buildings and improvements	10,029,441	151,726	-	10,181,167
Miscellaneous equipment	1,299,597	181,199	7,949	1,472,847
Furniture, fixtures and other	285,445	-	-	285,445
Construction-in-progress	<u>12,728,206</u>	<u>6,472,131</u>	<u>-</u>	<u>19,200,337</u>
Undepreciated cost	117,074,609	12,571,615	3,622,981	126,023,243
Less accumulated depreciation	<u>39,847,164</u>	<u>2,214,742</u>	<u>5,781</u>	<u>42,056,125</u>
Total Enterprise Funds	<u>\$ 77,227,445</u>	<u>\$ 10,356,873</u>	<u>\$ 3,617,200</u>	<u>\$ 83,967,118</u>

CITY OF TROY

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2000

Note 4 - Property, Plant and Equipment - Continued

	<u>Balance</u> <u>July 1, 1999</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2000</u>
Internal Service Funds				
Land, buildings and improvements	\$ 1,663,193	\$ -	\$ -	\$ 1,663,193
Motor vehicles	8,447,726	1,453,259	735,956	9,165,029
Miscellaneous equipment	240,927	18,561	-	259,488
Construction-in-progress	<u>45,526</u>	<u>2,038</u>	<u>-</u>	<u>47,564</u>
Undepreciated cost	10,397,372	1,473,858	735,956	11,135,274
Less accumulated depreciation	<u>6,874,040</u>	<u>1,023,222</u>	<u>735,956</u>	<u>7,161,306</u>
Total Internal Service Funds	<u>\$ 3,523,332</u>	<u>\$ 450,636</u>	<u>\$ -</u>	<u>\$ 3,973,968</u>

CITY OF TROY

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2000

Note 5 - Interfund Transactions

The amounts of interfund transactions are as follows as of June 30, 2000:

	<u>Due From Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 8,331,181	\$ -
Special Revenue Funds		
Downtown Development Authority Fund	-	200
Community Development Block Grant Fund	-	68,134
Debt Service Funds		
Community Center Bond Fund	109,000	10,215
Capital Projects Fund	32,614	3,776,190
Enterprise Funds		
Aquatic Center Fund	-	227,236
Fiduciary Funds		
Employees' Retirement Fund	-	3,745,470
Discretionary Fire Incentive Reserve Fund	-	165,442
Agency Fund	-	479,908
	<u>\$ 8,472,795</u>	<u>\$ 8,472,795</u>

CITY OF TROY

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2000

Note 6 - Operating Leases

The City leases copy machines and telephones which are being treated as operating leases. The leases have various terms of three to four years and the future minimum lease payments remaining on these leases are as follows:

Year Ending June 30th:

2001	\$ 238,000
2002	238,000
2003	52,858
2004	52,858

Lease costs for the year ended June 30, 2000, are \$103,188.

Note 7 - Long-Term Debt

The following is a summary of long-term debt transactions of the City for the year ended June 30, 2000:

	Served by Governmental Fund Types				Served by Proprietary Fund Types		Total Long-Term Debt
	Special Assess-ment	Storm - Drains and Other	Downtown Development Authority		Enterprise	Internal Service	
			Streets Bonds	Series A and B Bonds			
Long-term debt payable at July 1, 1999	\$ 1,900,000	\$ 5,952,551	\$ 2,700,000	\$ 16,305,000	\$ 3,892,301	\$ 2,041,000	\$32,790,852
Addition of accumulated unpaid sick pay	-	-	-	-	-	109,000	109,000
Addition of new debt	-	-	5,600,000	-	-	-	5,600,000
Long-term debt retired	(575,000)	(2,224,278)	(150,000)	(555,000)	(742,301)	-	(4,246,579)
Total long-term debt payable at June 30, 2000	\$ 1,325,000	\$ 3,728,273	\$ 8,150,000	\$ 15,750,000	\$ 3,150,000	\$ 2,150,000	\$34,253,273

CITY OF TROY

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2000

Note 7 - Long-Term Debt - Continued

General Long-Term Debt

	<u>Balance</u> <u>July 1, 1999</u>	<u>Additions</u> <u>(Deductions)</u>	<u>Balance</u> <u>June 30, 2000</u>
Henry Graham Drain assessment dated 11/1/71; original issuance amount \$13,000,000; bearing interest at 7.0%; principal due in annual installments of \$570,576 through April 1, 2002	\$ 1,711,727	\$ (570,576)	\$ 1,141,151
Mastin Drain assessment dated 11/1/73; original issuance amount \$2,732,264; bearing interest at 7.0%; principal due in annual installments of \$97,601 through April 1, 2002	292,802	(97,601)	195,201

CITY OF TROY

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2000

Note 7 - Long-Term Debt - Continued

General Long-Term Debt - Continued

	<u>Balance</u> <u>July 1, 1999</u>	<u>Additions</u> <u>(Deductions)</u>	<u>Balance</u> <u>June 30, 2000</u>
<p>McDonald Drain assessment dated 11/1/78; original issuance amount \$1,610,000; bearing interest at 6.875%; principal due in annual installments of \$100,000 to \$125,000 through April 1, 2001</p>	\$ 225,000	\$ (100,000)	\$ 125,000
<p>Moxley Drain assessment dated 11/1/78; original issuance amount \$3,100,000; bearing interest at 6.733%; principal due in annual installments of \$200,000 through April 1, 2000</p>	200,000	(200,000)	-
<p>Roth Drain assessment dated 11/1/78; original issuance amount \$5,091,323; bearing interest at 6.781%; principal due in annual installments of \$367,163 to \$391,639 through April 1, 2000</p>	391,639	(391,639)	-
<p>King Drain assessment dated 11/1/93; original issuance amount \$1,675,000; bearing interest at 3.4% to 5.0%; principal due in annual installments of \$68,463 to \$182,568 through April 1, 2008</p>	1,163,871	(68,463)	1,095,408

CITY OF TROY

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2000

Note 7 - Long-Term Debt - Continued

General Long-Term Debt - Continued

	<u>Balance</u> <u>July 1, 1999</u>	<u>Additions</u> <u>(Deductions)</u>	<u>Balance</u> <u>June 30, 2000</u>
Lanni Drain assessment dated 11/1/78; original issuance amount \$1,265,110; bearing interest at 6.8934%; principal due in annual installments of \$95,480 through April 1, 2001	\$ 190,960	\$ (95,480)	\$ 95,480
Community Center Construction Bonds serviced by the City Capital Projects Fund, dated 8/1/77; original issuance amount \$1,400,000; bearing interest at 5.65% to 5.9%; principal due in annual installments of \$100,000 through September 1, 2000	200,000	(100,000)	100,000
Michigan Transportation Fund Bonds serviced by the Downtown Development Authority Fund, dated 2/1/2000; original issuance amount \$5,600,000; bearing interest at 4.75% to 5.45%; principal due in annual installments of \$125,000 to \$1,300,000 through May 1, 2013	-	5,600,000	5,600,000

CITY OF TROY

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2000

Note 7 - Long-Term Debt - Continued

General Long-Term Debt - Continued

	<u>Balance</u> <u>July 1, 1999</u>	<u>Additions</u> <u>(Deductions)</u>	<u>Balance</u> <u>June 30, 2000</u>
<p>Street Storm Sewer Sidewalk General Obligation Bonds, dated 5/1/87; original issuance amount \$2,500,000; bearing interest at 5.75% to 7.00%; principal due in annual installments of \$250,000 through August 1, 2001</p>	\$ 750,000	\$ (250,000)	\$ 500,000
<p>Land contract payable to Troy School District for acquisition of building and property, dated 1/24/96; original amount \$2,304,990; noninterest bearing; principal due in annual installments of \$45,375 to \$350,519 through October 1, 2003</p>	826,552	(350,519)	476,033
<p>Michigan Transportation Fund Bonds serviced by the Downtown Development Authority Fund, dated 4/1/95; original issuance amount \$3,125,000; bearing interest at 4.40% to 5.50%; principal due in annual installments of \$150,000 to \$350,000 through July 1, 2010</p>	2,700,000	(150,000)	2,550,000

CITY OF TROY

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2000

Note 7 - Long-Term Debt - Continued

General Long-Term Debt - Continued

	<u>Balance</u> <u>July 1, 1999</u>	<u>Additions</u> <u>(Deductions)</u>	<u>Balance</u> <u>June 30, 2000</u>
<p>1995 Development Bonds Series A Parking Structure Bonds serviced by the Downtown Development Authority Fund, dated 5/1/95; original issuance amount \$10,100,000; bearing interest at 5.00% to 6.375%; principal due in annual installments of \$270,000 to \$820,000 through May 1, 2019</p>	\$ 9,590,000	\$ (270,000)	\$ 9,320,000
<p>1995 Development Bonds Series B Parking Structure Bonds serviced by the Downtown Development Authority Fund, dated 5/1/95; original issuance amount \$6,955,000; bearing interest at 7.00% to 8.00%; principal due in annual installments of \$240,000 to \$1,050,000 through May 1, 2010</p>	6,715,000	(285,000)	6,430,000
<p>1986 Special Assessment Bonds, date of issue 8/1/86; original issuance amount \$930,000; bearing interest at 6.65% to 6.85%; principal due in annual installments of \$25,000 to \$50,000 through August 1, 2006</p>	250,000	(25,000)	225,000

CITY OF TROY

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2000

Note 7 - Long-Term Debt - Continued

General Long-Term Debt - Continued

	<u>Balance</u> <u>July 1, 1999</u>	<u>Additions</u> <u>(Deductions)</u>	<u>Balance</u> <u>June 30, 2000</u>
1987 Special Assessment Bonds, date of issue 5/1/87; original issuance amount \$2,500,000; bearing interest at 7.0%; principal due in annual installments of \$175,000 through August 1, 2001	\$ 525,000	\$ (175,000)	\$ 350,000
1988 Special Assessment Bonds, date of issue 5/16/88; original issuance amount \$5,000,000; bearing interest at 6.25% to 6.85%; principal due in annual installments of \$375,000 through August 1, 2001	<u>1,125,000</u>	<u>(375,000)</u>	<u>750,000</u>
Total General Long-Term Debt	<u>\$ 26,857,551</u>	<u>\$ 2,095,722</u>	<u>\$ 28,953,273</u>

CITY OF TROY

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2000

Note 7 - Long-Term Debt - Continued

Internal Service Funds

	<u>Balance</u> <u>July 1, 1999</u>	<u>Additions</u> <u>(Deductions)</u>	<u>Balance</u> <u>June 30, 2000</u>
Accumulated sick pay	\$ 2,041,000	\$ 109,000	\$ 2,150,000

Enterprise Funds

Series I Water Supply System, dated 11/1/73; original issuance amount \$9,750,000; bearing interest at 4.0% to 5.8%; principal due in annual installments of \$550,000 to \$600,000 through October 1, 2003	\$ 2,925,000	\$ (550,000)	\$ 2,375,000
Series II Water Supply System, dated 11/1/74; original issuance amount \$2,500,000; bearing interest at 5.0% to 7.7%; principal due in annual installments of \$175,000 to \$200,000 through October 1, 2003	950,000	(175,000)	775,000
Southeastern Oakland County Sewage Disposal System contractual obligation, dated 4/1/70; original issuance amount \$287,937; bearing interest at 4.0%; principal due in annual installments of \$17,300 through April 1, 2000	<u>17,301</u>	<u>(17,301)</u>	<u>-</u>
Total Enterprise Funds	\$ 3,892,301	\$ (742,301)	\$ 3,150,000

CITY OF TROY

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2000

Note 7 - Long-Term Debt - Continued

It is the intent of the City that all payments relating to these obligations will be made from revenues generated from operations of the respective funds. The City has pledged its full faith and credit for the debt if revenues are insufficient to meet the obligations, of all general obligation bonds.

At a general election held on April 5, 1999, the electors of the City of Troy authorized the issuance of Unlimited General Obligation Bonds in the amount of \$47,000,000 over the next five years. As of June 30, 2000, none of the bonds have been issued. The \$47,000,000 will be used for the following projects: \$11,000,000 for streets, roads and streetscape improvements; \$18,000,000 for public safety and city hall facilities; and \$18,000,000 for the community center and recreational facilities.

The annual debt requirements to maturity for all long-term debts outstanding as of June 30, 2000, exclusive of earned but unpaid sick pay, are as follows:

Year Ending June 30.	General Obligation Debt Serviced by		Special Assessment Bonds	Downtown Development Authority	Street Bonds	Amount of Annual Interest	Total
	Governmental Fund Types	Proprietary Fund Types					
2001	\$ 1,525,780	\$ 750,000	\$ 575,000	\$ 615,000	\$ 1,275,000	\$ 1,881,004	\$ 6,621,784
2002	1,195,813	800,000	575,000	680,000	1,400,000	1,539,724	6,190,537
2003	139,749	800,000	25,000	755,000	1,500,000	1,305,299	4,525,048
2004	182,301	800,000	25,000	840,000	350,000	1,142,228	3,339,529
2005	136,926	-	25,000	930,000	400,000	1,044,549	2,536,475
2006	182,568	-	50,000	1,025,000	425,000	1,001,512	2,684,080
2007	182,568	-	50,000	1,090,000	450,000	851,684	2,624,252
2008	182,568	-	-	1,210,000	475,000	739,392	2,606,960
2009	-	-	-	1,340,000	500,000	619,374	2,459,374
2010	-	-	-	1,480,000	525,000	517,181	2,522,181
2011	-	-	-	460,000	175,000	399,399	1,034,399
2012	-	-	-	530,000	200,000	359,287	1,089,287
2013	-	-	-	565,000	225,000	313,684	1,103,684
2014	-	-	-	600,000	250,000	264,288	1,114,288
2015	-	-	-	640,000	-	211,012	851,012
2016	-	-	-	680,000	-	168,938	848,938
2017	-	-	-	720,000	-	124,312	844,312
2018	-	-	-	770,000	-	76,819	846,819
2019	-	-	-	820,000	-	26,138	846,138
Total	\$ 3,728,273	\$ 3,150,000	\$ 1,325,000	\$ 15,750,000	\$ 8,150,000	\$ 12,585,824	\$ 44,689,097

Special Assessment Bonds

In the event that special assessment collections are insufficient to meet debt service costs of such issues, the City has pledged its full faith and credit as additional security for payment of related principal and interest.

CITY OF TROY

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2000

Note 8 - Contributed Capital

For the year ended June 30, 2000, the changes in contributed capital were as follows:

	<u>Balance July 1, 1999</u>	<u>Additions</u>	<u>Deletions</u>	<u>Depreciation Charged During The Year</u>	<u>Balance June 30, 2000</u>
Water Fund	\$ 33,313,383	\$ 1,171,399	\$ -	\$ 748,891	\$ 33,735,891
Sanitary Sewer Fund	<u>39,716,150</u>	<u>631,417</u>	<u>-</u>	<u>395,545</u>	<u>39,952,022</u>
Total	<u>\$ 73,029,533</u>	<u>\$ 1,802,816</u>	<u>\$ -</u>	<u>\$ 1,144,436</u>	<u>\$ 73,687,913</u>

Note 9 - Restricted Assets

Restricted assets of the Enterprise Funds consist of the following as of June 30, 2000:

	<u>Water Fund</u>
Receivables from Oakland County	<u>\$ 1,610,461</u>

Receivables from Oakland County represent the City's pro rata share of monies received by the County in excess of the financing requirements of the water system. The County holds these monies to apply against future payment obligations of the City. Oakland County has invested these monies and allocates interest earned as an increase to the amount due the City.

CITY OF TROY

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2000

Note 10 - Retained Earnings/Fund Balance Reserves and Designations

Fund balance has been reserved and designated as follows:

Reserve for Inventory and Prepaid Items

The General Fund has reserved fund balance for inventory and prepaid items in the amount of \$326,331 representing the portion of the fund balance that is not available for other future expenditures.

Reserve for Debt Service

The fund balance of \$9,895,404 in the City's Debt Service Funds, is considered reserved for debt service in accordance with City accounting policy.

Reserve for Encumbrances

The City has recorded a reserve for encumbrances of \$1,207,064 in the Capital Projects Fund. These reserves represent outstanding purchase commitments at June 30, 2000.

Reserve For Construction and Improvements

Related amounts have been reserved as a result of contractual commitments, or due to the limited purpose for which a fund has been established, as follows:

Special Revenue Fund	
Downtown Development Authority - projects	\$ 2,440,034
Capital Projects Fund	
Project Commitments	7,261,664
Cleary Landfill Site improvements	370,782
Special assessment projects	11,608,035
Bonded projects	<u>118,352</u>
Subtotal	19,358,833
Trust and Agency	
Cemetery future maintenance	<u>136,609</u>
Total	<u>\$ 21,935,476</u>

CITY OF TROY

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2000

Note 10 - Retained Earnings/Fund Balance Reserves and Designations - Continued

Reserve for Employee Benefits

The related amount reserved in the Fiduciary Fund reserve is largely comprised of equity recorded in the Pension Trust Fund. In addition, equity is set aside to pay for sick pay and vacation pay in the Internal Service Funds.

Reserved Retained Earnings/Fund Balance

Retained earnings have been reserved for (a) debt service, based upon bond indenture agreements and the City's understanding that bond proceed generated by these Proprietary Funds are only to be spent on specified construction or the retirement of related debt, (b) replacements and extensions based upon bond indenture agreements or the limited purpose for which a fund was established, (c) employee fringe benefits based upon the limited purpose for which funds have been established, and (d) outstanding purchase order for motor equipment and supplies.

Unreserved, Designated for Improvements and Maintenance

General Fund	
Retention pond maintenance	\$ 661,664
Right of way condemnation suits	3,800,000
Glass breakage	<u>24,939</u>
Subtotal	4,486,603
Special Revenue Funds	
Snow and ice control	<u>700,000</u>
Total	<u>\$ 5,186,603</u>

Unreserved, Designated

The General Fund, Special Revenue Fund (Major Road Fund) and Capital Projects Fund have designated \$3,278,360, \$1,195,000 and \$6,208,364, respectively, for subsequent years budgets.

CITY OF TROY

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2000

Note 11 - Risk Management

The City has entered into a Public Entity Risk Pool with other Michigan units of government for its general liability, property damage insurance including auto and public officials liability, contractors equipment and workers' compensation. The City's maximum deductible for property coverage is \$11,000 per occurrence. The liability maximum deductible is \$250,000 per occurrence with an aggregate stop loss of \$597,000 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.

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, 2000, and thus no liability has been recorded.

Changes in the estimated liability for the past two fiscal years are as follows:

	<u>Year Ended</u> <u>June 30, 2000</u>	<u>Year Ended</u> <u>June 30, 1999</u>
Estimated liability - beginning of year	\$ 803,632	\$ 1,121,344
Estimated claims incurred, including changes in estimates	459,098	248,674
Claim payments	<u>607,804</u>	<u>566,386</u>
Estimated liability - end of year	<u>\$ 654,926</u>	<u>\$ 803,632</u>

CITY OF TROY

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2000

Note 12 - Segment Information - Enterprise Funds

The City maintains four Enterprise Funds - Water, Sanitary Sewer, Aquatic Center and Golf Course. Segment information for the year ended June 30, 2000, is as follows:

	<u>Water Fund</u>	<u>Sanitary Sewer Fund</u>	<u>Aquatic Center Fund</u>	<u>Golf Course Fund</u>
Operating revenues	\$ 8,402,948	\$ 6,419,781	\$ 335,082	\$ 1,233,488
Depreciation expense	999,098	897,732	142,598	175,314
Operating income (loss)	309,409	(762,795)	(167,128)	161,883
Net income (loss)	1,510,055	153,151	(167,128)	232,565
Contributions received in aid of construction	447,832	294,950	-	-
Unbilled accounts receivable	1,751,863	1,500,048	-	-
Property, plant and equipment - Additions	1,708,618	499,559	48,185	228,091
Net working capital	26,364,923	20,350,388	(226,144)	1,644,385
Bonds and contracts payable from operating revenues	3,150,000	-	-	-
Total assets	78,587,352	50,071,195	3,003,064	4,512,378
Total equity	75,008,710	50,029,737	2,775,828	4,494,694

CITY OF TROY

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2000

Note 13 - 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 council, 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 has 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 \$102,612,468 (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, 2000.

CITY OF TROY

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2000

Note 14 - Property Taxes

Property taxes are recorded on the modified accrual basis of accounting and are levied by the City each 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 years taxable value plus 5% or the Consumer Price Index which ever 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 personal property subject to property tax within the City for the fiscal 1999-2000 levy was \$4,183,560,453, representing fifty percent of the estimated current market value. The City's operating tax rate was 6.25 mills for the same year with additional millages of .75, 1.58 and .90 levied to fund various types of debt service costs, capital outlay expenditures and refuse removal and disposal, respectively.

In addition to collecting their own taxes, the City also acts as collection agent for all overlapping governments and school districts within its boundaries, which includes seven school districts, two intermediate school districts, a community college, and Oakland County.

City taxes are received in one installment, collectable from July 1st to August 31st. Any real property taxes not paid by March 1st, following the due date, are reimbursed by the County. The County Treasurer takes over collection responsibility at that date, as well as delinquent personal property taxes.

The City is occasionally ordered by the Michigan Tax Tribunal to refund taxes already collected and recorded into revenue. It is, therefore, the City's policy to compensate for doubtful accounts, as well as refunds of taxes already collected through use of an allowance for doubtful taxes receivable and as a reserve of the general fund balance.

CITY OF TROY

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2000

Note 15 - Retirement System and Plan

Employee Retirement System

The City of Troy, Michigan, under the authorization of the City ordinance, maintains an employee retirement system covering all full-time employees. The single-employer plan provides retirement benefits based on credited service time and average compensation with death and disability benefits, and under some circumstances, payments to dependents. Normal retirement age is 65 with provisions for early and late retirement. Participants under such plan are required to contribute a fixed percentage of their total compensation, with the City's contribution being an amount sufficient to cover current service costs and prior service costs which are being funded and charged to operations over ten years for pension benefits and fifteen years for healthcare benefits. The percent of wages required to be contributed by all employees participating in the primary plan was 1.00 to 4.00 percent as of June 30, 2000. The City's total payroll for the year ended June 30, 2000, was \$26,281,026. Included in this total was \$15,025,573 and \$9,091,742 of covered payroll for the employee retirement system and the employee defined contribution plan, respectively. \$2,163,711 represents payroll which was not covered by the retirement system or the defined contribution plan. Current membership in the system is as follows:

<u>Group</u>	<u>December 31, 1999</u>
Retirees and beneficiaries currently receiving benefits	160
Vested terminated employees	23
Active employees:	
Fully vested	174
Nonvested	102

CITY OF TROY

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2000

Note 15 - Retirement System and Plan - Continued

The City's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are designed to accumulate sufficient assets to pay benefits when due. The normal cost and amortization payment for the year ended June 30, 2000 were determined using an individual entry-age actuarial funding method. Unfunded actuarial liabilities were amortized as a level percent of payroll over a period of ten years for pensions and fifteen years for post-retirement healthcare.

For the year ended June 30, 2000, contributions totaling \$1,466,673 (\$1,087,255 employer and \$379,418 employee) were made in accordance with contribution requirements determined by an actuarial valuation of the plan as of December 31, 1998, which was net of the amortization of assets in excess of unfunded actuarial accrued liability. Employer and employee contributions were based on 7.2 percent and 2.5 percent, respectively, of covered payroll.

Significant actuarial assumptions used include (a) a 6.5 percent investment rate of return, (b) projected salary increases of 4 percent per year compounded annually, attributable to inflation, additional projected salary increases ranging from .2 to 4 percent per year, depending on age, attributable to seniority/merit and the assumption that benefits will not increase after retirement. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility over a five year period.

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 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 within the retirement system. Of the employers contribution of \$1,087,255, \$210,448 represented the amount attributable to healthcare benefits. This contribution represented .8 percent of covered payroll during the current year. During the current year, healthcare benefits paid for retirees totaled \$552,844.

CITY OF TROY

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2000

Note 15 - Retirement System and Plan - Continued

Incentive Plan for Volunteer Firefighters

The City of Troy has a noncontributory discretionary incentive plan covering its volunteer firefighters. Plan benefits are determined based on annual contribution amounts for each year of incentive service. The normal cost and amortization payment for the year ended June 30, 2000 was determined using an individual entry age funding method. At December 31, 1999, the benefit payment amount was \$340 per year for incentive service. Participants are eligible for payments at age 55 with ten or more years of volunteer service, age 50 with 25 years of service or 30 years of incentive service regardless of age. The City's contribution to the plan for the year ended June 30, 2000, was \$330,000. The volunteer firefighters are not paid any remuneration for their service. Unfunded actuarial liabilities were amortized as a level dollar amount on a closed basis. The remaining amortization period is 21 years.

<u>Group</u>	<u>December 31, 1999</u>
Retirees and beneficiaries currently receiving benefits	58
Vested terminated employees	24
Active employees:	
Fully vested	86
Nonvested	82

Significant actuarial assumptions used include a 6.5 percent investment rate of return. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility over a four year period.

See the required supplementary information section of the financial statements for the summaries of Schedule of Funding Progress and Schedule of Employer Contributions.

CITY OF TROY

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2000

Note 16 - Defined Contribution Plan

The City maintains a defined contribution plan (DCP), 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. Total membership in the DCP as of June 30, 2000 was 186.

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 5 percent of their salary, while the employer contributes 11 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 City's payroll for employees covered by the DCP for the year ended June 30, 2000, was \$9,091,742, and the City's total payroll was \$26,281,026. The required contributions, which matched those actually made, were \$401,073 by employees and \$1,054,642 by the City, representing 4.4 percent and 11.6 percent of covered payroll, respectively.

EMPLOYEE RETIREMENT SYSTEM AND INCENTIVE PLAN

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF TROY, MICHIGAN

EMPLOYEE RETIREMENT SYSTEM REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF FUNDING PROGRESS (\$ amounts in thousands)

PENSION ONLY

Actuarial Valuation Date <u>December 31,</u>	Actuarial Value of Assets# <u>(a)</u>	Actuarial Accrued Liability (AAL) <u>(b)</u>	Unfunded AAL <u>(b)-(a)</u>	Funded Ratio <u>(a)/(b)</u>	Active Member Covered Payroll <u>(c)</u>	Unfunded AAL as a Percentage of Active Member Covered Payroll <u>(b-a)/(c)</u>
1994	\$ 84,399	\$ 75,408	\$ (8,991)	111.9%	\$ 17,599	(51.1)%
1995	94,730	85,625	(9,105)	110.6	19,040	(47.8)
1996	106,334	92,845	(13,489)	114.5	20,536	(65.7)
1997	120,718	105,689	(15,029)	114.2	16,133	(93.2)
1998	109,474	90,869	(18,605)	120.5	16,201	(114.8)
1999	118,595	94,661	(23,934)	125.3	15,057	(159.0)

HEALTH ONLY

1994	\$ 198	\$ 6,831	\$ 6,633	2.9%	\$ 17,599	37.7%
1995	784	8,668	7,884	9.0	19,040	41.4
1996	1,519	10,071	8,552	15.1	20,536	41.6
1997	2,558	13,531	10,973	18.9	16,133	68.0
1998	16,815	11,106	(5,710)	151.4	22,600	(25.3)
1999	18,462	18,692	230	98.8	22,941	1.0

Analysis of the dollar amounts of actuarial value of assets or actuarial accrued liability in isolation can be misleading. Expressing the actuarial value of assets as a percentage of the actuarial accrued liability provides one indication of the system's funded status on a going-concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the plan. The unfunded actuarial accrued liability and annual covered payroll are both affected by inflation. Expressing the unfunded actuarial accrued liability as a percentage of covered payroll approximately adjusts for the effects of inflation and aids analysis of the progress being made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the plan.

CITY OF TROY, MICHIGAN

EMPLOYEE RETIREMENT SYSTEM REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF EMPLOYER CONTRIBUTIONS (\$ amounts in thousands)

Fiscal Year Ended <u>June 30,</u>	Actuarial Valuation Date <u>December 31,</u>	Annual Required Contribution	Percent Contributed
1995	1993	\$ 3,146	100.0%
1996	1994	3,267	100.0
1997	1995	3,367	100.0
1998	1996	2,759	100.0
1999	1997	2,655	100.0
2000	1998	1,087	100.0

CITY OF TROY, MICHIGAN

INCENTIVE PLAN FOR VOLUNTEER FIREFIGHTERS REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF FUNDING PROGRESS (\$ amounts in thousands)

Actuarial Valuation Date <u>December 31,</u>	Actuarial Value of Assets# <u>(a)</u>	Actuarial Accrued Liability (AAL) <u>(b)</u>	Unfunded AAL <u>(b)-(a)</u>	Funded Ratio <u>(a)/(b)</u>
1994*	\$ 3,236	\$ 3,750	\$ 514	86.3%
1995*	3,512	4,394	882	79.9
1996*	3,816	4,936	1,120	77.3
1997*	4,211	5,635	1,424	74.7
1998*	4,681	6,034	1,353	77.6
1999*&	5,052	6,790	1,738	74.4

Prior to 1996, Book Value was used.

* After changes in benefit provisions.

& After changes in actuarial assumptions.

CITY OF TROY, MICHIGAN

**INCENTIVE PLAN FOR VOLUNTEER FIREFIGHTERS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
(\$ amounts in thousands)**

<u>Fiscal Year Ended June 30,</u>	<u>Actuarial Valuation Date December 31,</u>	<u>Annual Required Contribution</u>	<u>Percent Contributed</u>
1995	1993	\$ 139	100.0%
1996	1994	172	100.0
1997	1995	217	100.0
1998	1996	263	100.0
1999	1997	320	100.0
2000	1998	330	100.0

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GENERAL FUND

The General Fund is used to account for resources traditionally associated with government that are not required legally or by sound financial management to be accounted for in another fund.

CITY OF TROY, MICHIGAN

GENERAL FUND

BALANCE SHEET

JUNE 30, 2000

(WITH COMPARATIVE TOTALS FOR JUNE 30, 1999)

ASSETS

	June 30,	
	<u>2000</u>	<u>1999</u>
Cash and certificates of deposit	\$ 12,089,331	\$ 4,097,437
Investments - at fair value	5,078,292	12,262,830
Accrued interest receivable	111,882	179,313
Taxes and penalties receivable - net of allowance for doubtful accounts of \$150,000 in 2000 and 1999	261,158	303,558
Accounts receivable - net of allowance for doubtful accounts of \$76,878 in 2000 and \$94,608 in 1999	2,479,140	3,043,752
Due from other City of Troy funds		
Aquatic Center Fund	227,236	154,182
Agency Fund	479,908	2,237,138
Community Development Block Grant Fund	35,520	315,950
Downtown Development Authority Fund	200	-
MBA - Community Center Fund	10,215	-
Capital Projects Fund	3,667,190	-
Fire Reserve Fund	165,442	-
Employees' Retirement Fund	<u>3,745,470</u>	<u>979,390</u>
Total due from other City of Troy funds	8,331,181	4,187,602
Inventory	214,335	173,273
Prepaid items	<u>111,996</u>	<u>119,431</u>
Total assets	<u>\$ 28,677,315</u>	<u>\$ 24,367,196</u>

CITY OF TROY, MICHIGAN

GENERAL FUND

BALANCE SHEET

JUNE 30, 2000

(WITH COMPARATIVE TOTALS FOR JUNE 30, 1999)

(CONTINUED)

LIABILITIES AND FUND BALANCE

	June 30,	
	2000	1999
Liabilities		
Accounts payable	\$ 5,548,068	\$ 3,711,652
Accrued payroll and withholdings	1,103,529	2,164,357
Other accrued liabilities	431,133	355,137
Deferred revenue	382,815	265,579
Total liabilities	\$ 7,465,545	\$ 6,496,725
 Fund Balance		
Reserved for insurance	\$ 700,000	\$ 195,191
Reserved for inventory and prepaid items	326,331	292,704
Reserved for tax appeals	900,000	900,000
Unreserved, designated	3,278,360	3,654,930
Unreserved, designated for improvements and maintenance		
Unreserved for retention pond maintenance	661,664	655,017
Unreserved for condemnation suits	3,800,000	800,000
Unreserved for glass breakage	24,939	24,939
Total unreserved, designated for improvements and maintenance	4,486,603	1,479,956
Unreserved, undesignated	11,520,476	11,347,690
Total fund balance	\$ 21,211,770	\$ 17,870,471
Total liabilities and fund balance	\$ 28,677,315	\$ 24,367,196

CITY OF TROY, MICHIGAN
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2000

	Amended Budget	Actual	Variance- Favorable (Unfavorable)
Revenues			
Property taxes, penalties and interest	\$ 25,086,680	\$ 25,073,487	\$ (13,193)
Licenses and permits	1,523,200	2,221,451	698,251
Intergovernmental			
Federal	58,000	59,842	1,842
State	7,052,000	7,624,575	572,575
County	90,800	107,585	16,785
Charges for sales and services	2,008,300	2,810,496	802,196
Fines and forfeits	681,000	836,035	155,035
Investment income	1,000,000	2,441,405	1,441,405
Miscellaneous	3,071,535	3,279,143	207,608
Total revenues	\$ 40,571,515	\$ 44,454,019	\$ 3,882,504
Expenditures			
Current			
General government	\$ 7,304,125	\$ 6,485,646	\$ 818,479
Public safety	22,715,175	21,609,992	1,105,183
Roads and streets	3,226,050	2,955,145	270,905
Other public works	3,288,550	3,015,089	273,461
Parks, recreation and cemeteries	6,080,285	5,621,048	459,237
Library	3,005,500	2,782,020	223,480
Total expenditures	\$ 45,619,685	\$ 42,468,940	\$ 3,150,745
Excess (deficiency) of revenues over (under) expenditures	\$ (5,048,170)	\$ 1,985,079	\$ 7,033,249
Other Financing Sources (Uses)			
Operating transfers in (out)			
Major and Local Road Funds	\$ 2,985,000	\$ 2,985,000	\$ -
Capital Fund	(1,800,000)	(1,800,000)	-
Downtown Development Authority	208,240	171,220	(37,020)
Other financing sources (uses) - net	\$ 1,393,240	\$ 1,356,220	\$ (37,020)
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	\$ (3,654,930)	\$ 3,341,299	\$ 6,996,229
Fund Balance - July 1, 1999	17,870,471	17,870,471	-
Fund Balance - June 30, 2000	\$ 14,215,541	\$ 21,211,770	\$ 6,996,229

CITY OF TROY, MICHIGAN
GENERAL FUND

SCHEDULE OF REVENUES BY SOURCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2000

	Amended Budget	Actual	Variance- Favorable (Unfavorable)
Property taxes, penalties and interest			
Property taxes	\$ 24,756,680	\$ 24,734,998	\$ (21,682)
Penalties and interest	<u>330,000</u>	<u>338,489</u>	<u>8,489</u>
	\$ 25,086,680	\$ 25,073,487	\$ (13,193)
Licenses and permits			
Business licenses and permits	\$ 46,700	\$ 48,033	\$ 1,333
Refrigeration and air conditioning	40,000	52,801	12,801
Building	850,000	1,390,362	540,362
Electrical	150,000	193,972	43,972
Heating	90,000	110,613	20,613
Plumbing	95,000	121,158	26,158
Sewer inspection	25,000	41,143	16,143
Sidewalk	13,000	15,724	2,724
Grading	17,000	18,190	1,190
Other	<u>196,500</u>	<u>229,455</u>	<u>32,955</u>
	\$ 1,523,200	\$ 2,221,451	\$ 698,251
Intergovernmental			
Federal programs	\$ 58,000	\$ 59,842	\$ 1,842
State programs			
Library assistance	70,000	72,884	2,884
Other	55,000	87,528	32,528
State-shared revenues	6,927,000	7,464,163	537,163
County programs			
Library assistance	<u>90,800</u>	<u>107,585</u>	<u>16,785</u>
	\$ 7,200,800	\$ 7,792,002	\$ 591,202
Charges for sales and services			
Sales			
Tree planting, landscaping and greenbelts	\$ 45,000	\$ 76,411	\$ 31,411
Other	<u>96,000</u>	<u>132,888</u>	<u>36,888</u>
	\$ 141,000	\$ 209,299	\$ 68,299
Services			
County road maintenance	\$ 105,000	\$ 163,268	\$ 58,268
Engineering	600,000	795,209	195,209
Weed cutting	32,000	30,979	(1,021)
Right-of-way fees	170,000	116,380	(53,620)
Other	<u>225,500</u>	<u>283,216</u>	<u>57,716</u>
	\$ 1,132,500	\$ 1,389,052	\$ 256,552

CITY OF TROY, MICHIGAN
GENERAL FUND

SCHEDULE OF REVENUES BY SOURCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2000
(CONTINUED)

	Amended Budget	Actual	Variance- Favorable (Unfavorable)
Charges for sales and services - Continued			
Fees			
Cable TV franchise fees	\$ 550,000	\$ 775,186	\$ 225,186
Towing fees	25,000	20,240	(4,760)
Plan review fees	60,000	92,176	32,176
Other	99,800	324,543	224,743
	\$ 734,800	\$ 1,212,145	\$ 477,345
Total charges for sales and services	\$ 2,008,300	\$ 2,810,496	\$ 802,196
Fines and forfeits			
Library fines	\$ 80,000	\$ 75,949	\$ (4,051)
District court reimbursement	330,000	406,945	76,945
Other	271,000	353,141	82,141
	\$ 681,000	\$ 836,035	\$ 155,035
Investment income			
General	\$ 1,000,000	\$ 2,441,405	\$ 1,441,405
Miscellaneous			
Administrative fees	\$ 1,488,390	\$ 1,590,530	\$ 102,140
Other	272,145	368,628	96,483
Recreation			
Summer program	640,000	731,646	91,646
Winter program	590,000	501,769	(88,231)
Tennis bubble rent	30,000	25,675	(4,325)
Outdoor educational center	40,000	49,621	9,621
Other recreation	11,000	11,274	274
	\$ 3,071,535	\$ 3,279,143	\$ 207,608
Total revenues	\$ 40,571,515	\$ 44,454,019	\$ 3,882,504

CITY OF TROY, MICHIGAN
GENERAL FUND

SCHEDULE OF EXPENDITURES BY FUNCTION - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2000

	Amended Budget	Actual	Variance- Favorable (Unfavorable)
General government			
Council/Executive administration			
Council	\$ 84,860	\$ 79,294	\$ 5,566
Minutes	3,590	385	3,205
City Manager	651,970	594,884	57,086
Attorney	916,150	680,327	235,823
	\$ 1,656,570	\$ 1,354,890	\$ 301,680
Finance			
Assessing	\$ 724,480	\$ 722,086	\$ 2,394
Clerk	357,490	317,165	40,325
Elections	100,360	70,244	30,116
Accounting	746,020	710,061	35,959
Independent audit	42,000	41,560	440
Human resources	516,280	480,420	35,860
Purchasing	245,810	204,521	41,289
Board of review	3,170	1,065	2,105
Treasurer	581,680	586,710	(5,030)
Community Affairs	577,105	422,982	154,123
	\$ 3,894,395	\$ 3,556,814	\$ 337,581
Other general government			
City Hall	\$ 648,010	\$ 691,707	\$ (43,697)
District Court	84,220	80,073	4,147
Planning	464,670	345,765	118,905
Real estate and development	556,260	456,397	99,863
	\$ 1,753,160	\$ 1,573,942	\$ 179,218
Total general government	\$ 7,304,125	\$ 6,485,646	\$ 818,479
Public safety			
Police			
Administrative	\$ 995,020	\$ 998,464	\$ (3,444)
Support services	4,895,220	4,675,005	220,215
Investigations	2,481,635	2,433,481	48,154
Juvenile Units	524,040	589,053	(65,013)
Uniform Patrol	9,460,510	8,806,821	653,689
	\$ 18,356,425	\$ 17,502,824	\$ 853,601

CITY OF TROY, MICHIGAN
GENERAL FUND

SCHEDULE OF EXPENDITURES BY FUNCTION - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2000
(CONTINUED)

	Amended Budget	Actual	Variance- Favorable (Unfavorable)
Public safety - continued			
Fire			
Administration	\$ 1,518,600	\$ 1,402,705	\$ 115,895
Communications	166,980	165,054	1,926
Volunteer companies	698,060	676,749	21,311
Fire halls	<u>508,520</u>	<u>480,373</u>	<u>28,147</u>
	\$ 2,892,160	\$ 2,724,881	\$ 167,279
Building inspection	<u>1,466,590</u>	<u>1,382,287</u>	<u>84,303</u>
Total public safety	\$ 22,715,175	\$ 21,609,992	\$ 1,105,183
Roads and streets			
Major roads			
Repair - surface maintenance	\$ 472,770	\$ 473,931	\$ (1,161)
Drain structures and ditches	100,630	99,933	697
Signs	51,940	47,262	4,678
Snow and ice removal	309,840	201,096	108,744
Administrative	400,170	481,502	(81,332)
Other	<u>228,280</u>	<u>211,955</u>	<u>16,325</u>
	\$ 1,563,630	\$ 1,515,679	\$ 47,951
Local roads			
Repair - surface maintenance	\$ 295,180	\$ 301,878	\$ (6,698)
Sweeping	147,950	119,154	28,796
Drain structures and ditches	249,860	228,352	21,508
Grass and weed control	6,410	3,260	3,150
Dust control	18,190	17,355	835
Signs	128,760	110,368	18,392
Snow and ice removal	279,090	215,335	63,755
Administration	260,710	177,668	83,042
Other	<u>35,940</u>	<u>25,221</u>	<u>10,719</u>
	\$ 1,422,090	\$ 1,198,591	\$ 223,499
County roads			
Snow and ice removal	\$ 173,050	\$ 126,606	\$ 46,444
Administration	17,820	13,617	4,203
Other	<u>49,460</u>	<u>100,652</u>	<u>(51,192)</u>
	\$ 240,330	\$ 240,875	\$ (545)
Total roads and streets	\$ 3,226,050	\$ 2,955,145	\$ 270,905

CITY OF TROY, MICHIGAN
GENERAL FUND

SCHEDULE OF EXPENDITURES BY FUNCTION - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2000
(CONTINUED)

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
Other public works			
Street lighting	\$ 339,640	\$ 362,525	\$ (22,885)
Sidewalk maintenance	94,490	106,504	(12,014)
Weed cutting and other	<u>54,210</u>	<u>38,289</u>	<u>15,921</u>
	\$ 488,340	\$ 507,318	\$ (18,978)
General services			
Engineering	\$ 2,368,840	\$ 2,060,719	\$ 308,121
Storm drain and retention pond maintenance			
Storm drains	\$ 195,180	\$ 186,457	\$ 8,723
Retention ponds	201,250	234,032	(32,782)
Administration	<u>34,940</u>	<u>26,563</u>	<u>8,377</u>
	\$ 431,370	\$ 447,052	\$ (15,682)
Total other public works	\$ 3,288,550	\$ 3,015,089	\$ 273,461
Parks, recreation and cemeteries			
City grounds	\$ 368,800	\$ 223,176	\$ 145,624
Athletic fields	245,770	227,471	18,299
Administration	782,830	876,735	(93,905)
Summer program	627,200	629,395	(2,195)
Winter program	591,400	570,519	20,881
Community Center	981,700	855,386	126,314
Community Fair	113,225	118,030	(4,805)
Park maintenance and development	1,214,580	1,098,482	116,098
Tree and street island maintenance	748,790	684,479	64,311
Cemeteries	35,110	41,366	(6,256)
Museum	<u>370,880</u>	<u>296,009</u>	<u>74,871</u>
Total parks, recreation and cemeteries	\$ 6,080,285	\$ 5,621,048	\$ 459,237
Library	\$ 3,005,500	\$ 2,782,020	\$ 223,480
Total expenditures	<u>\$ 45,619,685</u>	<u>\$ 42,468,940</u>	<u>\$ 3,150,745</u>

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SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Downtown Development Authority Fund

This fund represents an authority established for the purpose of providing for the construction and financing of necessary improvements to prevent further deterioration of the development area while preserving and promoting economic growth for the benefit of all taxing units within and benefited by the development area.

Major Street Fund

This fund has been established to account for state-shared revenues related to the repairs, maintenance and construction of all streets classified as "major" within the City.

Local Street Fund

This fund has been established to account for various revenue and state-shared revenues related to the repairs, maintenance 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.

CITY OF TROY, MICHIGAN
SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET
JUNE 30, 2000
(WITH COMPARATIVE TOTALS FOR JUNE 30, 1999)

ASSETS

	Downtown Develop- ment Authority	Major Street Fund	Local Street Fund	Refuse Fund	Community Develop- ment Block Grant	June 30,	
						2000	1999
Cash and certificates of deposit	\$ 1,045,243	\$ 1,032,608	\$ 435,142	\$ 472,746	\$ -	\$ 2,985,739	\$ 875,580
Investment - at fair value	1,739,953	1,718,921	724,354	786,951	-	4,970,179	4,357,545
Accounts receivable	-	-	-	117	-	117	21,972
Accrued interest receivable	35,957	35,522	14,969	16,263	-	102,711	60,627
Delinquent taxes receivable	119,081	-	-	-	-	119,081	72,135
Receivable from State government	-	518,308	211,464	-	-	729,772	700,571
Due from Federal government	-	-	-	-	68,134	68,134	315,950
Total assets	<u>\$ 2,940,234</u>	<u>\$ 3,305,359</u>	<u>\$ 1,385,929</u>	<u>\$ 1,276,077</u>	<u>\$ 68,134</u>	<u>\$ 8,975,733</u>	<u>\$ 6,404,380</u>

LIABILITIES AND FUND EQUITY

Liabilities

Due to other City of Troy funds	\$ 200	\$ -	\$ -	\$ -	\$ 68,134	\$ 68,334	\$ 315,950
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Fund Equity

Reserved for projects	\$ 2,440,034	\$ -	\$ -	\$ -	\$ -	\$ 2,440,034	\$ 321,584
Reserved for tax appeals	500,000	-	-	-	-	500,000	500,000
Unreserved, designated for snow and ice control	-	300,000	400,000	-	-	700,000	700,000
Unreserved, undesignated	-	1,810,359	985,929	1,276,077	-	4,072,365	4,566,846
Unreserved, designated	-	1,195,000	-	-	-	1,195,000	-
Total fund equity	<u>\$ 2,940,034</u>	<u>\$ 3,305,359</u>	<u>\$ 1,385,929</u>	<u>\$ 1,276,077</u>	<u>\$ -</u>	<u>\$ 8,907,399</u>	<u>\$ 6,088,430</u>
Total liabilities and fund equity	<u>\$ 2,940,234</u>	<u>\$ 3,305,359</u>	<u>\$ 1,385,929</u>	<u>\$ 1,276,077</u>	<u>\$ 68,134</u>	<u>\$ 8,975,733</u>	<u>\$ 6,404,380</u>

CITY OF TROY, MICHIGAN
SPECIAL REVENUE FUNDS

COMBINING STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2000
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 1999)

	Downtown Develop- ment Authority	Major Street Fund	Local Street Fund	Refuse Fund	Community Develop- ment Block Grant	Year Ended June 30,	
						2000	1999
Revenues							
Property taxes	\$ 3,570,629	\$ -	\$ -	\$ 3,565,556	\$ -	\$ 7,136,185	\$ 6,677,041
Intergovernmental - Community Development Block Grant	-	-	-	-	97,627	97,627	346,890
State-shared gas and weight taxes	-	3,144,944	1,282,803	-	-	4,427,747	4,205,498
Charges for sales and services	-	-	-	1,105	-	1,105	1,374
Investment income	126,595	112,198	64,744	124,941	-	428,478	344,928
Total revenues	\$ 3,697,224	\$ 3,257,142	\$ 1,347,547	\$ 3,691,602	\$ 97,627	\$ 12,091,142	\$ 11,575,731
Expenditures - Current							
Sanitation							
Contracted disposal service	\$ -	\$ -	\$ -	\$ 1,778,440	\$ -	\$ 1,778,440	\$ 1,888,005
Incinerator fees	-	-	-	1,580,664	-	1,580,664	1,467,202
Resource recovery	-	-	-	120,747	-	120,747	119,880
Other refuse expenditures	-	-	-	43,921	-	43,921	41,599
Downtown Development Authority	684,666	-	-	-	-	684,666	433,177
Economic and Physical Development	-	-	-	-	97,627	97,627	346,890
Total expenditures	\$ 684,666	\$ -	\$ -	\$ 3,523,772	\$ 97,627	\$ 4,306,065	\$ 4,296,753
Excess (deficiency) of revenues over (under) expenditures	\$ 3,012,558	\$ 3,257,142	\$ 1,347,547	\$ 167,830	\$ -	\$ 7,785,077	\$ 7,278,978
Other Financing Sources (Uses)							
Operating transfers - in (out)							
General Fund	\$ (171,220)	\$ (1,563,000)	\$ (1,422,000)	\$ -	\$ -	\$ (3,156,220)	\$ (2,959,805)
Capital Projects Fund	(436,402)	(1,087,000)	-	-	-	(1,523,402)	(2,719,289)
Major Streets Debt Fund	(286,486)	-	-	-	-	(286,486)	(293,538)
Local Street Fund	-	(250,000)	-	-	-	(250,000)	(250,000)
Major Street Fund	-	-	250,000	-	-	250,000	250,000
Total other financing sources (uses) - net	\$ (894,108)	\$ (2,900,000)	\$ (1,172,000)	\$ -	\$ -	\$ (4,966,108)	\$ (5,972,632)
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	\$ 2,118,450	\$ 357,142	\$ 175,547	\$ 167,830	\$ -	\$ 2,818,969	\$ 1,306,346
Fund Balance - July 1, 1999	821,584	2,948,217	1,210,382	1,108,247	-	6,088,430	4,782,084
Fund Balance - June 30, 2000	\$ 2,940,034	\$ 3,305,359	\$ 1,385,929	\$ 1,276,077	\$ -	\$ 8,907,399	\$ 6,088,430

CITY OF TROY, MICHIGAN
SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE OF INDIVIDUAL FUNDS - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2000

	Downtown Development Authority		
	Amended Budget	Actual	Variance- Favorable (Unfavorable)
Revenues			
Property taxes	\$ 3,543,000	\$ 3,570,629	\$ 27,629
State-shared gas and weight taxes	-	-	-
Investment income	50,000	126,595	76,595
Total revenues	\$ 3,593,000	\$ 3,697,224	\$ 104,224
Expenditures			
Current	\$ 1,448,760	\$ 684,666	\$ 764,094
Other Financing Sources (Uses)			
Operating transfers - in (out)			
General Fund	\$ (208,240)	\$ (171,220)	\$ 37,020
Capital Projects Fund	(1,649,500)	(436,402)	1,213,098
Major Streets Debt Fund	(286,500)	(286,486)	14
Local Street Fund	-	-	-
Major Street Fund	-	-	-
Other financing sources (uses) - net	\$ (2,144,240)	\$ (894,108)	\$ 1,250,132
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	\$ -	\$ 2,118,450	\$ 2,118,450
Fund Balance - July 1, 1999	821,584	821,584	-
Fund Balance - June 30, 2000	\$ 821,584	\$ 2,940,034	\$ 2,118,450

Major Street Fund			Local Street Fund		
Amended Budget	Actual	Variance-Favorable (Unfavorable)	Amended Budget	Actual	Variance-Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2,800,000	3,144,944	344,944	1,100,000	1,282,803	182,803
<u>100,000</u>	<u>112,198</u>	<u>12,198</u>	<u>40,000</u>	<u>64,744</u>	<u>24,744</u>
\$ 2,900,000	\$ 3,257,142	\$ 357,142	\$ 1,140,000	\$ 1,347,547	\$ 207,547
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ (1,563,000)	\$ (1,563,000)	\$ -	\$ (1,422,000)	\$ (1,422,000)	\$ -
(1,087,000)	(1,087,000)	-	-	-	-
-	-	-	-	-	-
(250,000)	(250,000)	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>250,000</u>	<u>250,000</u>	<u>-</u>
\$ (2,900,000)	\$ (2,900,000)	\$ -	\$ (1,172,000)	\$ (1,172,000)	\$ -
\$ -	\$ 357,142	\$ 357,142	\$ (32,000)	\$ 175,547	\$ 207,547
<u>2,948,217</u>	<u>2,948,217</u>	<u>-</u>	<u>1,210,382</u>	<u>1,210,382</u>	<u>-</u>
<u>\$ 2,948,217</u>	<u>\$ 3,305,359</u>	<u>\$ 357,142</u>	<u>\$ 1,178,382</u>	<u>\$ 1,385,929</u>	<u>\$ 207,547</u>

CITY OF TROY, MICHIGAN
SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE OF INDIVIDUAL FUNDS - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2000
 (CONTINUED)

	Refuse Fund		
	Amended Budget	Actual	Variance- Favorable (Unfavorable)
Revenues			
Property taxes	\$ 3,563,000	\$ 3,565,556	\$ 2,556
Intergovernmental - Community Development Block Grant	-	-	-
Charges for sales and services	1,000	1,105	105
Investment income	90,500	124,941	34,441
Total revenues	\$ 3,654,500	\$ 3,691,602	\$ 37,102
 Expenditures			
Sanitation			
Contracted disposal service	\$ 1,950,000	\$ 1,778,440	\$ 171,560
Incinerator fees	1,525,000	1,580,664	(55,664)
Resource recovery	132,120	120,747	11,373
Other refuse expenditures	47,380	43,921	3,459
Economic and Physical Development	-	-	-
Total expenditures	\$ 3,654,500	\$ 3,523,772	\$ 130,728
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ 167,830	\$ 167,830
 Fund Balance - July 1, 1999	1,108,247	1,108,247	-
 Fund Balance - June 30, 2000	\$ 1,108,247	\$ 1,276,077	\$ 167,830

<u>Community Development Block Grant</u>		
<u>Amended</u>		<u>Variance-</u>
<u>Budget</u>	<u>Actual</u>	<u>Favorable</u>
		<u>(Unfavorable)</u>
\$ -	\$ -	\$ -
208,750	97,627	(111,123)
-	-	-
<u>-</u>	<u>-</u>	<u>-</u>
\$ 208,750	\$ 97,627	\$ (111,123)

\$ -	\$ -	\$ -
-	-	-
-	-	-
-	-	-
<u>208,750</u>	<u>97,627</u>	<u>111,123</u>
\$ 208,750	\$ 97,627	\$ 111,123

\$ -	\$ -	\$ -
-	-	-
<u>-</u>	<u>-</u>	<u>-</u>
\$ -	\$ -	\$ -

CITY OF TROY, MICHIGAN
SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE OF INDIVIDUAL FUNDS - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2000
 (CONTINUED)

	Totals		
	Amended Budget	Actual	Variance- Favorable (Unfavorable)
Revenues			
Property taxes	\$ 7,106,000	\$ 7,136,185	\$ 30,185
Intergovernment - Community Development Block Grant	208,750	97,627	(111,123)
State-shared gas and weight taxes	3,900,000	4,427,747	527,747
Sales and services	1,000	1,105	105
Investment income	280,500	428,478	147,978
Total revenues	\$ 11,496,250	\$ 12,091,142	\$ 594,892
Expenditures			
Sanitation			
Contracted disposal service	\$ 1,950,000	\$ 1,778,440	\$ 171,560
Incinerator fees	1,525,000	1,580,664	(55,664)
Resource recovery	132,120	120,747	11,373
Other refuse expense	47,380	43,921	3,459
Economic and Physical Development Downtown Development Authority	208,750	97,627	111,123
	1,448,760	684,666	764,094
Total expenditures	\$ 5,312,010	\$ 4,306,065	\$ 1,005,945
Excess (deficiency) of revenues over (under) expenditures	\$ 6,184,240	\$ 7,785,077	\$ 1,600,837
Other Financing Sources (Uses)			
Operating transfer - out			
General Fund	\$ (3,193,240)	\$ (3,156,220)	\$ 37,020
Capital Projects Fund	(2,736,500)	(1,523,402)	1,213,098
Major Streets Debt Fund	(286,500)	(286,486)	14
Local Street Fund	250,000	250,000	-
Major Street Fund	(250,000)	(250,000)	-
Total other financing sources (uses)	\$ (6,216,240)	\$ (4,966,108)	\$ 1,250,132
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	\$ (32,000)	\$ 2,818,969	\$ 2,850,969
Fund Balance - July 1, 1999	6,088,430	6,088,430	-
Fund Balance - June 30, 2000	6,056,430	8,907,399	2,850,969

DEBT SERVICE FUNDS

Debt Service Funds are used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources when the government is obligated in some manner for the payment.

CITY OF TROY, MICHIGAN
DEBT SERVICE FUNDS

COMBINING BALANCE SHEET
JUNE 30, 2000
(WITH COMPARATIVE TOTALS FOR JUNE 30, 1999)

ASSETS

	<u>Municipal Building Bond Fund</u>	<u>Community Center Bond Fund</u>	<u>General Debt Service Fund</u>	<u>Downtown Develop- ment Authority Debt Fund</u>	<u>Major Streets Debt Fund</u>	<u>2000 MTF Bond Fund</u>	<u>June 30, 2000</u>	<u>1999</u>
Cash and certificates of deposit	\$ -	\$ -	\$ 3,616,291	\$ -	\$ -	\$ 12,863	\$ 3,629,154	\$ 1,144,252
Investments - at fair value	-	-	6,019,823	-	-	21,413	6,041,236	5,694,659
Accrued interest receivable	-	-	124,401	-	-	443	124,844	79,231
Special assessment receivable	-	-	1,611,405	-	-	-	1,611,405	2,705,999
Due from other City of Troy funds	-	109,000	-	-	-	-	109,000	-
Total assets	<u>\$ -</u>	<u>\$ 109,000</u>	<u>\$ 11,371,920</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,719</u>	<u>\$ 11,515,639</u>	<u>\$ 9,624,141</u>

LIABILITIES AND FUND EQUITY

Liabilities

Accrued interest payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34,224	\$ 34,224	\$ -
Due to other City of Troy funds	-	10,215	-	-	-	-	10,215	-
Deferred revenue	-	-	1,575,796	-	-	-	1,575,796	2,705,999
Total liabilities	<u>\$ -</u>	<u>\$ 10,215</u>	<u>\$ 1,575,796</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,224</u>	<u>\$ 1,620,235</u>	<u>\$ 2,705,999</u>

Fund Equity

Reserved for

General debt service	\$ -	\$ 98,785	\$ 42,000	\$ -	\$ -	\$ 495	\$ 141,280	\$ 160,497
Special assessment debt	-	-	9,754,124	-	-	-	9,754,124	6,757,645
Total fund equity	<u>\$ -</u>	<u>\$ 98,785</u>	<u>\$ 9,796,124</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 495</u>	<u>\$ 9,895,404</u>	<u>\$ 6,918,142</u>
Total liabilities and fund equity	<u>\$ -</u>	<u>\$ 109,000</u>	<u>\$ 11,371,920</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,719</u>	<u>\$ 11,515,639</u>	<u>\$ 9,624,141</u>

CITY OF TROY, MICHIGAN

DEBT SERVICE FUNDS

**COMBINING STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2000
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 1999)**

	<u>Municipal Building Bond Fund</u>	<u>Community Center Bond Fund</u>	<u>General Debt Service Fund</u>	<u>Downtown Develop- ment Authority Debt Fund</u>	<u>Major Streets Debt Fund</u>	<u>2000 MTF Bond Fund</u>	<u>Year Ended June 30,</u>	
							<u>2000</u>	<u>1999</u>
Revenues								
Property taxes	\$ -	\$ -	\$ 2,971,920	\$ -	\$ -	\$ -	\$ 2,971,920	\$ 1,840,163
Special assessments	-	-	1,130,203	-	-	-	1,130,203	438,748
Income earned on special assessments	-	-	281,134	-	-	-	281,134	246,443
Investments	<u>2,793</u>	<u>171</u>	<u>402,378</u>	<u>-</u>	<u>-</u>	<u>495</u>	<u>405,837</u>	<u>304,438</u>
Total revenues	\$ 2,793	\$ 171	\$ 4,785,635	\$ -	\$ -	\$ 495	\$ 4,789,094	\$ 2,829,792
Expenditures								
Administration charge by the City of Troy - General Fund	\$ -	\$ -	\$ 34,640	\$ -	\$ -	\$ -	\$ 34,640	\$ 33,630
Debt services								
Principal	-	100,000	1,509,514	555,000	150,000	-	2,314,514	2,249,282
Interest	-	8,850	266,887	1,090,445	136,088	-	1,502,270	1,670,221
Paying agent fees	<u>-</u>	<u>308</u>	<u>633</u>	<u>4,325</u>	<u>400</u>	<u>-</u>	<u>5,666</u>	<u>1,775</u>
Total expenditures	\$ -	\$ 109,158	\$ 1,811,674	\$ 1,649,770	\$ 286,488	\$ -	\$ 3,857,090	\$ 3,954,908
Excess (deficiency) of revenues over (under) expenditures	\$ 2,793	\$ (108,987)	\$ 2,973,961	\$ (1,649,770)	\$ (286,488)	\$ 495	\$ 932,004	\$ (1,125,116)
Other Financing Sources								
Operating transfers - in Capital Projects Fund	\$ -	\$ 109,000	\$ -	\$ 1,649,770	\$ -	\$ -	\$ 1,758,770	\$ 1,737,024
Downtown Development Authority Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>286,488</u>	<u>-</u>	<u>286,488</u>	<u>293,538</u>
Total other financing sources	\$ -	\$ 109,000	\$ -	\$ 1,649,770	\$ 286,488	\$ -	\$ 2,045,258	\$ 2,030,562
Excess (deficiency) of revenues over (under) expenditures and other financing sources	\$ 2,793	\$ 13	\$ 2,973,961	\$ -	\$ -	\$ 495	\$ 2,977,262	\$ 905,446
Fund Balance - July 1, 1999	61,725	98,772	6,757,645	-	-	-	6,918,142	6,012,696
Residual Equity Transfer	<u>(64,518)</u>	<u>-</u>	<u>64,518</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - June 30, 2000	\$ -	\$ 98,785	\$ 9,796,124	\$ -	\$ -	\$ 495	\$ 9,895,404	\$ 6,918,142

CITY OF TROY, MICHIGAN
DEBT SERVICE FUNDS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2000**

	<u>Municipal Building Bond Fund</u>			<u>Community Center Bond Fund</u>		
	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
Revenues						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Income from special assessments	-	-	-	-	-	-
Investments	-	2,793	2,793	250	171	(79)
Total revenues	\$ -	\$ 2,793	\$ 2,793	\$ 250	\$ 171	\$ (79)
Expenditures						
Administration charge by the City of Troy - General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tax refunds	-	-	-	-	-	-
Debt service						
Principal	-	-	-	100,000	100,000	-
Interest	-	-	-	8,850	8,850	-
Paying agent fees	-	-	-	400	308	92
Total expenditures	\$ -	\$ -	\$ -	\$ 109,250	\$ 109,158	\$ 92
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ 2,793	\$ 2,793	\$ (109,000)	\$ (108,987)	\$ 13
Other Financing Sources						
Operating transfers - in Capital Projects Fund	\$ -	\$ -	\$ -	\$ 109,000	\$ 109,000	\$ -
Excess (deficiency) of revenues over (under) expenditures and other financing sources	\$ -	\$ 2,793	\$ 2,793	\$ -	\$ 13	\$ 13
Fund Balance - July 1, 1999	61,725	61,725	-	98,772	98,772	-
Residual Equity Transfer	-	(64,518)	(64,518)	-	-	-
Fund Balance - June 30, 2000	\$ 61,725	\$ -	\$ (61,725)	\$ 98,772	\$ 98,785	\$ 13

<u>General Debt Service Fund</u>			<u>Downtown Development Authority Debt Fund</u>		
<u>Amended Budget</u>	<u>Actual</u>	<u>Variance-Favorable (Unfavorable)</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance-Favorable (Unfavorable)</u>
\$ 2,969,000	\$ 2,971,920	\$ 2,920	\$ -	\$ -	\$ -
-	1,130,203	1,130,203	-	-	-
-	281,134	281,134	-	-	-
<u>300,000</u>	<u>402,378</u>	<u>102,378</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ 3,269,000	\$ 4,785,635	\$ 1,516,635	\$ -	\$ -	\$ -
\$ 34,640	\$ 34,640	\$ -	\$ -	\$ -	\$ -
20,000	-	20,000	-	-	-
2,523,760	1,509,514	1,014,246	555,000	555,000	-
680,600	266,887	413,713	1,095,000	1,090,445	4,555
10,000	633	9,367	<u>5,000</u>	<u>4,325</u>	<u>675</u>
<u>\$ 3,269,000</u>	<u>\$ 1,811,674</u>	<u>\$ 1,457,326</u>	<u>\$ 1,655,000</u>	<u>\$ 1,649,770</u>	<u>\$ 5,230</u>
\$ -	\$ 2,973,961	\$ 2,973,961	\$ (1,655,000)	\$ (1,649,770)	\$ 5,230
\$ -	\$ -	\$ -	\$ 1,655,000	\$ 1,649,770	\$ (5,230)
\$ -	\$ 2,973,961	\$ 2,973,961	\$ -	\$ -	\$ -
6,757,645	6,757,645	-	-	-	-
-	64,518	64,518	-	-	-
<u>\$ 6,757,645</u>	<u>\$ 9,796,124</u>	<u>\$ 3,038,479</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF TROY, MICHIGAN
DEBT SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2000
(CONTINUED)

	Major Streets Debt Fund			2000 MTF Bond Fund		
	Amended Budget	Actual	Variance- Favorable (Unfavorable)	Amended Budget	Actual	Variance- Favorable (Unfavorable)
Revenues						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Income earned on special assessments	-	-	-	-	-	-
Investments	-	-	-	-	495	495
Total revenues	\$ -	\$ -	\$ -	\$ -	\$ 495	\$ 495
Expenditures						
Administration charge by the City of Troy - General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt service						
Principal	150,000	150,000	-	-	-	-
Interest	136,100	136,088	12	-	-	-
Paying agent fees	400	400	-	-	-	-
Total expenditures	\$ 286,500	\$ 286,488	\$ 12	\$ -	\$ -	\$ -
Excess (deficiency) of revenues over (under) expenditures	\$ (286,500)	\$ (286,488)	\$ 12	\$ -	\$ 495	\$ 495
Other Financing Sources						
Operating transfers - in Downtown Development Authority Fund	\$ 286,500	\$ 286,488	\$ (12)	\$ -	\$ -	\$ -
Capital Projects Fund	-	-	-	-	-	-
Total other financing sources	\$ 286,500	\$ 286,488	\$ (12)	\$ -	\$ -	\$ -
Excess (deficiency) of revenues over (under) expenditures and other financing sources	\$ -	\$ -	\$ -	\$ -	\$ 495	\$ 495
Fund Balance - July 1, 1999	-	-	-	-	-	-
Fund Balance - June 30, 2000	\$ -	\$ -	\$ -	\$ -	\$ 495	\$ 495

CITY OF TROY, MICHIGAN
DEBT SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2000
(CONTINUED)

	Totals		
	Amended Budget	Actual	Variance- Favorable (Unfavorable)
Revenues			
Property taxes and special assessments	\$ 2,969,000	\$ 4,102,123	\$ 1,133,123
Income from investments	<u>300,250</u>	<u>686,971</u>	<u>386,721</u>
Total revenues	\$ 3,269,250	\$ 4,789,094	\$ 1,519,844
Expenditures			
Administration charge by the City of Troy - General Fund	\$ 34,640	\$ 34,640	\$ -
Tax refunds	20,000	-	20,000
Debt service			
Principal	3,328,760	2,314,514	1,014,246
Interest	1,920,550	1,502,270	418,280
Paying agent fees	<u>15,800</u>	<u>5,666</u>	<u>10,134</u>
Total expenditures	\$ 5,319,750	\$ 3,857,090	\$ 1,462,660
Excess (deficiency) of revenues over (under) expenditures	\$ (2,050,500)	\$ 932,004	\$ 2,982,504
Other Financing Sources			
Operating transfers - in			
Capital Projects Fund	\$ 1,764,000	\$ 1,758,770	\$ (5,230)
Downtown Development Authority Fund	<u>286,500</u>	<u>286,488</u>	<u>(12)</u>
Total other financing sources	\$ 2,050,500	\$ 2,045,258	\$ (5,242)
Excess (deficiency) of revenues over (under) expenditures and other financing sources	\$ -	\$ 2,977,262	\$ 2,977,262
Fund Balance - July 1, 1999	<u>6,918,142</u>	<u>6,918,142</u>	<u>-</u>
Fund Balance - June 30, 2000	<u>\$ 6,918,142</u>	<u>\$ 9,895,404</u>	<u>\$ 2,977,262</u>

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CAPITAL PROJECTS FUND

Capital Projects Fund is used to account for the acquisition and construction of major capital facilities and equipment.

CITY OF TROY, MICHIGAN
CAPITAL PROJECTS FUND

BALANCE SHEET
JUNE 30, 2000
(WITH COMPARATIVE TOTALS FOR JUNE 30, 1999)

ASSETS

	June 30,	
	2000	1999
Cash and certificates of deposit	\$ 13,792,527	\$ 4,541,852
Investments - at fair value	18,253,623	39,756,187
Accrued interest receivable	250,938	249,910
Accounts receivable grants	515,231	116,675
Accounts receivable - from special assessments	528,856	758,751
Due from other City of Troy Funds	32,614	-
Total assets	\$ 33,373,789	\$ 45,423,375

LIABILITIES AND FUND EQUITY

Liabilities		
Accounts payable	\$ 134,960	\$ 6,998
Contract retainage	114,235	381,359
Due to other City of Troy funds	3,776,190	500,942
Deferred revenue	561,531	758,751
Total liabilities	\$ 4,586,916	\$ 1,648,050
Fund Equity		
Reserved for		
Encumbrances	\$ 1,207,064	\$ 1,632,086
Construction, improvements and maintenance		
Construction	118,352	21,699,023
Project commitments	7,261,664	2,782,606
Clearly site improvements	370,782	370,782
Special assessment projects	11,608,035	11,554,905
Total reserve for construction, improvements and maintenance	19,358,833	36,407,316
Unreserved, designated	6,208,364	4,599,281
Unreserved, undesignated	2,012,612	1,136,642
Total fund equity	\$ 28,786,873	\$ 43,775,325
Total liabilities and fund equity	\$ 33,373,789	\$ 45,423,375

CITY OF TROY, MICHIGAN
CAPITAL PROJECTS FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2000**

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
Revenues			
Property taxes and special assessments	\$ 6,655,000	\$ 6,460,426	\$ (194,574)
Intergovernmental			
Federal	-	48,170	48,170
State	400,000	3,408,428	3,008,428
Fees charged for construction	71,000	198,178	127,178
Interest income	1,400,000	1,583,834	183,834
Sale of land and fixed assets	<u>275,000</u>	<u>1,279,121</u>	<u>1,004,121</u>
Total revenues	\$ 8,801,000	\$ 12,978,157	\$ 4,177,157
Expenditures			
Capital			
Streets and drains	\$ 15,626,293	\$ 11,650,998	\$ 3,975,295
Special assessment projects	550,000	54,269	495,731
Police and criminal justice	550,964	368,535	182,429
Recreation and Civic Center	6,400,556	4,205,902	2,194,654
Fire	814,442	427,727	386,715
Library and museum	976,856	533,940	442,916
Computer	1,322,507	665,574	656,933
Other	17,089,709	16,508,730	580,979
Debt requirements	<u>736,525</u>	<u>686,864</u>	<u>49,661</u>
Total capital expenditures	\$ <u>44,067,852</u>	\$ <u>35,102,539</u>	\$ <u>8,965,313</u>
Excess (deficiency) of revenues over (under) expenditures	\$ (35,266,852)	\$ (22,124,382)	\$ 13,142,470
Other Financing Sources (Uses)			
Operating transfers - in			
General Fund	\$ 1,800,000	\$ 1,800,000	\$ -
Major Street Fund	1,087,000	1,087,000	-
Downtown Development Authority Fund	1,655,000	436,400	(1,218,600)
Bond proceeds	9,500,000	5,571,300	(3,928,700)
Operating transfers - out			
Community Center Bond Fund	(109,000)	(109,000)	-
Downtown Development Authority Debt Fund	<u>(1,655,000)</u>	<u>(1,649,770)</u>	<u>5,230</u>
Total other financing sources (uses) - net	\$ <u>12,278,000</u>	\$ <u>7,135,930</u>	\$ <u>(5,142,070)</u>
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	\$ (22,988,852)	\$ (14,988,452)	\$ 8,000,400
Fund Balance - July 1, 1999	<u>43,775,325</u>	<u>43,775,325</u>	<u>-</u>
Fund Balance - June 30, 2000	<u>\$ 20,786,473</u>	<u>\$ 28,786,873</u>	<u>\$ 8,000,400</u>

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ENTERPRISE FUNDS

Enterprise Funds are used to account for services provided to citizens financed primarily by user charges and operated in a manner similar to private business enterprises, where the periodic measurement of net income is deemed appropriate for capital maintenance, public policy, accountability or other purposes.

Water Fund

This fund is used to account for the provision of water to the residents of the City.

Sanitary Sewer Fund

This fund is used to account for the provision of sanitary sewer services to the residents of the City.

Aquatic Center Fund

The operation of the City's Aquatic Center is accounted for in this fund.

Golf Course Fund

This fund accounts for the operations of the Sylvan Glen Municipal Golf Course.

CITY OF TROY, MICHIGAN
ENTERPRISE FUNDS

COMBINING BALANCE SHEET
JUNE 30, 2000
(WITH COMPARATIVE TOTALS FOR JUNE 30, 1999)

ASSETS

	Water Fund	Sanitary Sewer Fund	Aquatic Center Fund
Current Assets			
Cash and certificates of deposit	\$ 14,910,398	\$ 7,272,622	\$ -
Investments - at fair value	9,274,744	11,292,657	-
Accrued interest receivable	233,374	242,707	-
Accounts receivables			
Billed	955,086	-	-
Unbilled	1,751,863	1,500,048	-
Contracts receivable - current portion	60,000	53,000	-
Miscellaneous receivables	-	-	1,092
Inventory	383,100	30,812	-
Total current assets	\$ 27,568,565	\$ 20,391,846	\$ 1,092
Restricted Assets			
Investments - at fair value	\$ -	\$ -	\$ -
Accrued interest	-	-	-
Receivable from Oakland County	1,610,461	-	-
Total restricted assets	\$ 1,610,461	\$ -	\$ -
Property, Plant and Equipment			
Land and improvements	\$ -	\$ -	\$ -
Building and improvements	-	2,630,489	4,026,883
Sewer and water system	49,265,973	44,867,353	-
Service connections	750,121	-	-
Miscellaneous	266,182	285,022	217,815
Furniture, fixtures and other	285,445	-	-
Construction in progress	17,962,311	1,159,195	-
	\$ 68,530,032	\$ 48,942,059	\$ 4,244,698
Less accumulated depreciation	(19,491,982)	(19,865,272)	(1,242,726)
Undepreciated cost	\$ 49,038,050	\$ 29,076,787	\$ 3,001,972
Other Assets			
Contracts receivable - noncurrent	370,276	602,562	-
Total assets	\$ 78,587,352	\$ 50,071,195	\$ 3,003,064

Golf Course Fund	June 30,	
	2000	1999
\$ 594,318	\$ 22,777,338	\$ 11,768,607
988,492	21,555,893	34,891,374
20,428	496,509	519,844
-	955,086	986,442
-	3,251,911	3,542,174
-	113,000	122,000
10,746	11,838	18,059
<u>48,085</u>	<u>461,997</u>	<u>407,627</u>
\$ 1,662,069	\$ 49,623,572	\$ 52,256,127
\$ -	\$ -	\$ 411,532
-	-	5,727
<u>-</u>	<u>1,610,461</u>	<u>2,424,554</u>
\$ -	\$ 1,610,461	\$ 2,841,813
\$ 2,810,912	\$ 2,810,912	\$ 2,757,501
712,883	7,370,255	7,271,940
-	94,133,326	91,981,799
-	750,121	750,121
703,828	1,472,847	1,299,597
-	285,445	285,445
<u>78,831</u>	<u>19,200,337</u>	<u>12,728,206</u>
\$ 4,306,454	\$ 126,023,243	\$ 117,074,609
<u>(1,456,145)</u>	<u>(42,056,125)</u>	<u>(39,847,164)</u>
\$ 2,850,309	\$ 83,967,118	\$ 77,227,445
-	972,838	1,051,858
<u>\$ 4,512,378</u>	<u>\$ 136,173,989</u>	<u>\$ 133,377,243</u>

CITY OF TROY, MICHIGAN
ENTERPRISE FUNDS

COMBINING BALANCE SHEET
 JUNE 30, 2000
 (WITH COMPARATIVE TOTALS FOR JUNE 30, 1999)
 (CONTINUED)

LIABILITIES AND FUND EQUITY

	Water Fund	Sanitary Sewer Fund	Aquatic Center Fund
Current Liabilities			
Current portion of long-term debt	\$ 775,000	\$ -	\$ -
Accounts payable	-	-	-
Contract retainage	307,501	41,458	-
Accrued interest	42,563	-	-
Deposits and other	78,578	-	-
Due to other City of Troy funds	-	-	227,236
Total liabilities	\$ 1,203,642	\$ 41,458	\$ 227,236
Long-Term Debt			
Contractual obligations payable to Oakland County	\$ 2,375,000	\$ -	\$ -
Total liabilities	\$ 3,578,642	\$ 41,458	\$ 227,236
Fund Equity			
Contributions in aid of construction	\$ 33,735,891	\$ 39,952,022	\$ -
Retained Earnings			
Reserved			
Debt service	\$ 5,729,884	\$ 294,518	\$ -
System replacements and extensions	656,809	100,536	-
Unreserved	34,886,126	9,682,661	2,775,828
Total retained earnings	\$ 41,272,819	\$ 10,077,715	\$ 2,775,828
Total fund equity	75,008,710	50,029,737	2,775,828
Total liabilities and fund equity	\$ 78,587,352	\$ 50,071,195	\$ 3,003,064

Golf Course Fund	June 30,	
	2000	1999
\$ -	\$ 775,000	\$ 742,301
17,684	17,684	85,630
-	348,959	342,770
-	42,563	53,949
-	78,578	70,901
-	<u>227,236</u>	<u>154,182</u>
\$ 17,684	\$ 1,490,020	\$ 1,449,733
<u>\$ -</u>	<u>\$ 2,375,000</u>	<u>\$ 3,150,000</u>
\$ 17,684	\$ 3,865,020	\$ 4,599,733
\$ -	\$ 73,687,913	\$ 73,029,533
\$ 156,000	\$ 6,180,402	\$ 6,380,089
-	757,345	1,572,226
<u>4,338,694</u>	<u>51,683,309</u>	<u>47,795,662</u>
\$ 4,494,694	\$ 58,621,056	\$ 55,747,977
<u>4,494,694</u>	<u>132,308,969</u>	<u>128,777,510</u>
<u>\$ 4,512,378</u>	<u>\$ 136,173,989</u>	<u>\$ 133,377,243</u>

CITY OF TROY, MICHIGAN
ENTERPRISE FUNDS

COMBINING STATEMENTS OF OPERATIONS AND CHANGES
IN RETAINED EARNINGS
FOR THE YEAR ENDED JUNE 30, 2000
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 1999)

	<u>Water Fund</u>	<u>Sanitary Sewer Fund</u>	<u>Aquatic Center Fund</u>
Operating Revenues			
Charges for sales and services			
Water, sewage disposal, aquatic park receipts and golf fees	\$ 7,638,828	\$ 6,415,592	\$ 335,082
Rental			
Golf equipment	-	-	-
Restaurant	-	-	-
Hydrant	100,800	-	-
Communication tower	-	-	-
Tap-in inspection and connection fees	365,913	-	-
Miscellaneous			
Penalties and other	<u>297,407</u>	<u>4,189</u>	<u>-</u>
Total operating revenues	\$ 8,402,948	\$ 6,419,781	\$ 335,082
Operating Expenses			
Cost of water and sewage disposal	\$ 5,094,913	\$ 5,590,653	\$ -
Maintenance and operation	1,172,560	319,444	359,612
Meters and tap costs	280,265	-	-
Depreciation	999,098	897,732	142,598
General, administrative and customer service	546,703	374,747	-
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>
Total operating expenses	\$ 8,093,539	\$ 7,182,576	\$ 502,210
Operating income (loss)	\$ 309,409	\$ (762,795)	\$ (167,128)
Nonoperating Revenues (Expenses)			
Earnings on revenues held by County	\$ 106,647	\$ 48,272	\$ -
Interest income	1,275,549	867,934	-
Interest expense	<u>(181,550)</u>	<u>(260)</u>	<u>-</u>
Total nonoperating revenues (expenses)	\$ 1,200,646	\$ 915,946	\$ -
Net Income (Loss)	\$ 1,510,055	\$ 153,151	\$ (167,128)
Add Depreciation on Fixed Assets Acquired by Capital Grants that Reduces Contributed Capital From Capital Grants	<u>748,891</u>	<u>395,545</u>	<u>-</u>
Net Increase (Decrease) in Retained Earnings	\$ 2,258,946	\$ 548,696	\$ (167,128)
Retained Earnings - July 1, 1999	<u>39,013,873</u>	<u>9,529,019</u>	<u>2,942,956</u>
Retained Earnings - June 30, 2000	<u>\$ 41,272,819</u>	<u>\$ 10,077,715</u>	<u>\$ 2,775,828</u>

Golf Course Fund	Year Ended June 30,	
	2000	1999
\$ 958,250	\$ 15,347,752	\$ 15,791,312
230,238	230,238	211,071
45,000	45,000	45,000
-	100,800	100,000
-	-	120,000
-	365,913	458,684
-	<u>301,596</u>	<u>300,128</u>
\$ 1,233,488	\$ 16,391,299	\$ 17,026,195
\$ -	\$ 10,685,566	\$ 10,538,804
894,138	2,745,754	2,985,430
-	280,265	254,066
175,314	2,214,742	2,162,946
-	921,450	903,473
<u>2,153</u>	<u>2,153</u>	<u>200</u>
\$ 1,071,605	\$ 16,849,930	\$ 16,844,919
\$ 161,883	\$ (458,631)	\$ 181,276
\$ -	\$ 154,919	\$ (560,645)
70,682	2,214,165	2,140,253
-	<u>(181,810)</u>	<u>(227,631)</u>
\$ 70,682	\$ 2,187,274	\$ 1,351,977
\$ 232,565	\$ 1,728,643	\$ 1,533,253
-	<u>1,144,436</u>	<u>1,129,580</u>
\$ 232,565	\$ 2,873,079	\$ 2,662,833
<u>4,262,129</u>	<u>55,747,977</u>	<u>53,085,144</u>
\$ 4,494,694	\$ 58,621,056	\$ 55,747,977

CITY OF TROY, MICHIGAN
ENTERPRISE FUNDS

COMBINING STATEMENTS OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2000
 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 1999)

	Water Fund	Sanitary Sewer Fund	Aquatic Center Fund
Cash Flows From Operating Activities:			
Operating income (loss)	\$ 309,409	\$ (762,795)	\$ (167,128)
Adjustments:			
Depreciation	\$ 999,098	\$ 897,732	\$ 142,598
Tap-in fees and receipts from other funds reflected as contributions in aid of construction	1,171,399	631,417	-
Changes in assets and liabilities:			
(Increase) decrease in interest receivable	65,811	(33,259)	-
(Increase) decrease in accounts receivable	213,761	195,878	(338)
(Increase) decrease in inventory	(58,352)	4,354	-
Decrease in restricted assets	814,093	-	-
Increase (decrease) in accounts payable	(46,726)	-	-
Increase in due to other funds	-	-	73,054
Decrease in accrued interest	(11,300)	(86)	-
Increase (decrease) in deposits and other liabilities	(13,295)	27,161	-
Total adjustments	\$ 3,134,489	\$ 1,723,197	\$ 215,314
Net cash provided from operating activities	\$ 3,443,898	\$ 960,402	\$ 48,186
Cash Flows From Capital and Related Financing Activities:			
Acquisition of property, plant and equipment	\$ (7,809,464)	\$ (827,776)	\$ (48,186)
Repayment of debt	(725,000)	(17,301)	-
Interest paid	(170,250)	(174)	-
Net cash used in capital and related financing activities	(8,704,714)	(845,251)	(48,186)
Cash Flows From Investing Activities:			
Purchase of investment securities	\$ (2,500,000)	\$ (2,038,834)	\$ -
Proceeds from sale and maturities of investment securities	13,011,583	5,156,399	-
Interest received	1,341,360	834,675	-
Net cash provided from investing activities	\$ 11,852,943	\$ 3,952,240	\$ -
Net Increase in Cash and Cash Equivalents	\$ 6,592,127	\$ 4,067,391	\$ -
Cash and Cash Equivalents - July 1, 1999	8,318,271	3,205,231	-
Cash and Cash Equivalents - June 30, 2000	\$ 14,910,398	\$ 7,272,622	\$ -

Supplemental Schedule of Noncash Activities

Net increase (decrease) in fair value of investments	\$ 13,090	\$ 15,938	\$ -
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Golf Course Fund	Year Ended June 30,	
	2000	1999
\$ 161,883	\$ (458,631)	\$ 181,276
\$ 175,314	\$ 2,214,742	\$ 2,162,946
-	1,802,816	2,038,496
(3,490)	29,062	136,238
6,187	415,488	(257,435)
-	(53,998)	16,016
-	814,093	1,639,883
(21,220)	(67,946)	21,970
-	73,054	61,578
-	(11,386)	(12,020)
-	13,866	(211,986)
<u>\$ 156,791</u>	<u>\$ 5,229,791</u>	<u>\$ 5,595,686</u>
\$ 318,674	\$ 4,771,160	\$ 5,776,962
\$ (268,989)	\$ (8,954,415)	\$ (2,498,819)
-	(742,301)	(852,301)
-	(170,424)	(215,610)
(268,989)	(9,867,140)	(3,566,730)
\$ (362,307)	\$ (4,901,141)	\$ (8,648,237)
594,643	18,762,625	7,153,474
<u>67,192</u>	<u>2,243,227</u>	<u>2,276,491</u>
<u>\$ 299,528</u>	<u>\$ 16,104,711</u>	<u>\$ 781,728</u>
\$ 349,213	\$ 11,008,731	\$ 2,991,960
<u>245,105</u>	<u>11,768,607</u>	<u>8,776,647</u>
<u>\$ 594,318</u>	<u>\$ 22,777,338</u>	<u>\$ 11,768,607</u>
<u>\$ 1,395</u>	<u>\$ 30,423</u>	<u>\$ (186,934)</u>

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INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments of the government, on a cost reimbursement basis.

Compensated Absences Fund

The expenses of accumulated sick pay are recorded in this fund.

Vacation Pay Fund

The expenses of accumulated vacation pay are recorded in this fund.

Unemployment Compensation Fund

This fund accounts for the charges to other departments and the expenses to provide unemployment compensation insurance.

Custodial Services Fund

This fund accounts for the custodial services provided to all City owned buildings.

Information Services Fund

This fund accounts for the charges to other departments and the expenses to provide computer services.

Motor Equipment Fund

The rental charges of City-owned equipment to other City departments are accounted for in this fund.

Workers' Compensation Fund

The Workers' Compensation Fund was established to account for pooled insurance expenses.

CITY OF TROY, MICHIGAN
INTERNAL SERVICE FUNDS

COMBINING BALANCE SHEET
JUNE 30, 2000
(WITH COMPARATIVE TOTALS FOR JUNE 30, 1999)

	ASSETS			
	<u>Compensated Absences Fund</u>	<u>Vacation Pay Fund</u>	<u>Unemployment Compensation Fund</u>	<u>Custodial Services Fund</u>
Current Assets				
Cash and certificates of deposit	\$ 1,815,955	\$ -	\$ 152,140	\$ -
Investments - at fair value	3,022,910	-	253,258	-
Accrued interest receivable	62,470	-	5,234	-
Inventory	-	-	-	-
Prepaid items and other current assets	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total current assets	\$ 4,901,335	\$ -	\$ 410,632	\$ -
Restricted Assets				
Cash	\$ -	\$ -	\$ -	\$ -
Property, Plant and Equipment				
Land, building and improvements	\$ -	\$ -	\$ -	\$ -
Motor vehicle	-	-	-	-
Miscellaneous equipment	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total property, plant and equipment	\$ -	\$ -	\$ -	\$ -
Less accumulated depreciation	<hr/>	<hr/>	<hr/>	<hr/>
Undepreciated cost	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 4,901,335</u>	<u>\$ -</u>	<u>\$ 410,632</u>	<u>\$ -</u>

Information Services Fund	Motor Equipment Fund	Workers' Compensation Fund	June 30,	
			2000	1999
\$ 262,051	\$ 967,278	\$ 572,789	\$ 3,770,213	\$ 1,716,390
436,221	1,610,169	953,487	6,276,045	8,542,051
9,015	33,275	19,704	129,698	118,846
-	112,384	-	112,384	108,247
-	-	-	-	1,440
<u>\$ 707,287</u>	<u>\$ 2,723,106</u>	<u>\$ 1,545,980</u>	<u>\$ 10,288,340</u>	<u>\$ 10,486,974</u>
\$ -	\$ -	\$ -	\$ -	\$ 1,021
\$ -	\$ 1,710,757	\$ -	\$ 1,710,757	\$ 1,708,719
-	9,165,029	-	9,165,029	8,447,726
-	259,488	-	259,488	240,927
<u>\$ -</u>	<u>\$ 11,135,274</u>	<u>\$ -</u>	<u>\$ 11,135,274</u>	<u>\$ 10,397,372</u>
-	7,161,306	-	7,161,306	6,874,040
-	3,973,968	-	3,973,968	3,523,332
<u>\$ 707,287</u>	<u>\$ 6,697,074</u>	<u>\$ 1,545,980</u>	<u>\$ 14,262,308</u>	<u>\$ 14,011,327</u>

CITY OF TROY, MICHIGAN
INTERNAL SERVICE FUNDS

COMBINING BALANCE SHEET
JUNE 30, 2000
(WITH COMPARATIVE TOTALS FOR JUNE 30, 1999)
(CONTINUED)

LIABILITIES AND RETAINED EARNINGS

	Compensated Absences Fund	Vacation Pay Fund	Unemployment Compensation Fund	Custodial Services Fund
Current Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued compensated absences payable	<u>2,463,346</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total current liabilities	\$ 2,463,346	\$ -	\$ -	\$ -
 Long-Term Liabilities				
Accrued compensated absences payable	<u>\$ 2,150,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total liabilities	\$ 4,613,346	\$ -	\$ -	\$ -
 Retained Earnings				
Reserved for debt service	\$ -	\$ -	\$ -	\$ -
Reserved for employee benefits	287,989	-	410,632	-
Reserved for collision losses	-	-	-	-
Unreserved	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total retained earnings	\$ 287,989	\$ -	\$ 410,632	\$ -
 Total liabilities and retained earnings	\$ 4,901,335	\$ -	\$ 410,632	\$ -

Information Services Fund	Motor Equipment Fund	Workers' Compensation Fund	June 30,	
			2000	1999
\$ 203,009	\$ -	\$ -	\$ 203,009	\$ -
<u>-</u>	<u>-</u>	<u>-</u>	<u>2,463,346</u>	<u>2,270,604</u>
\$ 203,009	\$ -	\$ -	\$ 2,666,355	\$ 2,270,604
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,150,000</u>	<u>\$ 2,041,000</u>
\$ 203,009	\$ -	\$ -	\$ 4,816,355	\$ 4,311,604
\$ -	\$ -	\$ -	\$ -	\$ 1,021
-	-	1,545,980	2,244,601	2,888,270
-	174,742	-	174,742	174,742
<u>504,278</u>	<u>6,522,332</u>	<u>-</u>	<u>7,026,610</u>	<u>6,635,690</u>
\$ 504,278	\$ 6,697,074	\$ 1,545,980	\$ 9,445,953	\$ 9,699,723
<u>\$ 707,287</u>	<u>\$ 6,697,074</u>	<u>\$ 1,545,980</u>	<u>\$ 14,262,308</u>	<u>\$ 14,011,327</u>

CITY OF TROY, MICHIGAN
INTERNAL SERVICE FUNDS

COMBINING STATEMENTS OF OPERATIONS AND
CHANGES IN RETAINED EARNINGS
FOR THE YEAR ENDED JUNE 30, 2000
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 1999)

	Compensated Absences Fund	Vacation Pay Fund	Unemployment Compensation Fund	Custodial Services Fund
Operating Revenues				
Charges to other funds of the City	\$ 917,415	\$ 1,503,533	\$ -	\$ 1,077,204
Equipment rental	-	-	-	-
Building rental	-	-	-	-
Workers' compensation	-	-	-	-
Other	-	-	-	-
	\$ 917,415	\$ 1,503,533	\$ -	\$ 1,077,204
Total operating revenues	\$ 917,415	\$ 1,503,533	\$ -	\$ 1,077,204
Operating Expenses				
Payments to employees for compensated time off	\$ 1,444,066	\$ 2,057,029	\$ -	\$ -
Unemployment and workers' compensation coverage	-	-	29,714	-
Custodial labor, supplies and equipment rental	-	-	-	1,077,204
Computer services	-	-	-	-
Motor vehicle and garage expenses	-	-	-	-
Administration	-	-	-	-
Equipment maintenance and operation	-	-	-	-
Garage maintenance	-	-	-	-
Depreciation	-	-	-	-
	\$ 1,444,066	\$ 2,057,029	\$ 29,714	\$ 1,077,204
Total operating expenses	\$ 1,444,066	\$ 2,057,029	\$ 29,714	\$ 1,077,204
Operating income (loss)	\$ (526,651)	\$ (553,496)	\$ (29,714)	\$ -
Nonoperating Revenues (Expense)				
Investment income	\$ 146,991	\$ 68,155	\$ 18,494	\$ -
Gain on disposal of property	-	-	-	-
	\$ 146,991	\$ 68,155	\$ 18,494	\$ -
Total nonoperating revenues (expense), net	\$ 146,991	\$ 68,155	\$ 18,494	\$ -
Operating Transfer In (Out)				
	-	-	-	-
Net income (loss)	\$ (379,660)	\$ (485,341)	\$ (11,220)	\$ -
Retained Earnings - July 1, 1999	1,015,669	137,321	421,852	-
Residual Equity Transfer	(348,020)	348,020	-	-
Retained Earnings - June 30, 2000	\$ 287,989	\$ -	\$ 410,632	\$ -

Information Services Fund	Motor Equipment Fund	Workers' Compensation Fund	Year Ended June 30,	
			2000	1999
\$ 769,350	\$ -	\$ -	\$ 4,267,502	\$ 3,791,517
-	3,047,773	-	3,047,773	2,974,667
-	144,742	-	144,742	165,631
-	-	161,205	161,205	216,920
-	<u>26,961</u>	<u>159,458</u>	<u>186,419</u>	<u>142,682</u>
\$ 769,350	\$ 3,219,476	\$ 320,663	\$ 7,807,641	\$ 7,291,417
\$ -	\$ -	\$ -	\$ 3,501,095	\$ 3,142,508
-	-	146,871	176,585	233,726
-	-	-	1,077,204	998,441
931,312	-	-	931,312	449,051
-	375,233	-	375,233	371,528
-	1,321,224	-	1,321,224	1,316,883
-	280,950	-	280,950	305,407
-	<u>978,830</u>	<u>-</u>	<u>978,830</u>	<u>939,024</u>
\$ 931,312	\$ 2,956,237	\$ 146,871	\$ 8,642,433	\$ 7,756,568
\$ (161,962)	\$ 263,239	\$ 173,792	\$ (834,792)	\$ (465,151)
\$ 28,266	\$ 136,199	\$ 58,760	\$ 456,865	\$ 445,477
-	<u>124,157</u>	<u>-</u>	<u>124,157</u>	<u>134,188</u>
\$ 28,266	\$ 260,356	\$ 58,760	\$ 581,022	\$ 579,665
-	-	-	-	(400,000)
\$ (133,696)	\$ 523,595	\$ 232,552	\$ (253,770)	\$ (285,486)
637,974	6,173,479	1,313,428	9,699,723	9,985,209
-	-	-	-	-
<u>\$ 504,278</u>	<u>\$ 6,697,074</u>	<u>\$ 1,545,980</u>	<u>\$ 9,445,953</u>	<u>\$ 9,699,723</u>

CITY OF TROY, MICHIGAN
INTERNAL SERVICE FUNDS

COMBINING STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2000
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 1999)

	Compensated Absences Fund	Vacation Pay Fund	Unemployment Compensation Fund	Custodial Services Fund
Cash Flows From Operating Activities:				
Operating income (loss)	\$ (526,651)	\$ (553,496)	\$ (29,714)	\$ -
Adjustments:				
Depreciation	\$ -	\$ -	\$ -	\$ -
Gain (loss) on disposal of property	-	-	-	-
Changes in assets and liabilities:				
Decrease (increase) in interest receivable	(21,449)	21,564	(403)	-
Decrease (increase) in inventory	-	-	-	-
Decrease in due from other funds	-	-	-	-
Decrease (increase) in other current assets	-	-	-	-
Decrease in accounts payable	-	-	-	-
Increase (decrease) in accrued liabilities	2,047,265	(1,745,523)	-	-
Total adjustments	\$ 2,025,816	\$ (1,723,959)	\$ (403)	\$ -
Net cash provided from (used in) operating activities	\$ 1,499,165	\$ (2,277,455)	\$ (30,117)	\$ -
Cash Flows From Capital and Related Financing Activities:				
Acquisition of property, plant and equipment	\$ -	\$ -	\$ -	\$ -
Proceeds from sale of equipment	-	-	-	-
Net cash used in capital and related financing activities	\$ -	\$ -	\$ -	\$ -
Cash Flows From Noncapital Financing Activities:				
Transfer to Other Government Funds	\$ (348,020)	\$ 348,020	\$ -	\$ -
Cash Flows From Investing Activities:				
Purchase of investment securities	\$ (559,324)	\$ (2,042,538)	\$ (29,952)	\$ -
Proceeds from sale and maturities of investment securities	501,909	3,570,834	123,987	-
Interest received	129,808	89,719	18,448	-
Net cash provided from investing activities	\$ 72,393	\$ 1,618,015	\$ 112,483	\$ -
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 1,223,538	\$ (311,420)	\$ 82,366	\$ -
Cash and Cash Equivalents - July 1, 1999	592,417	311,420	69,774	-
Cash and Cash Equivalents - June 30, 2000	\$ 1,815,955	\$ -	\$ 152,140	\$ -

Supplemental Schedule of Noncash Activities

Net increase (decrease) in fair value of investments	\$ 4,267	\$ -	\$ 357	\$ -
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Information Services Fund	Motor Equipment Fund	Workers' Compensation Fund	Year Ended June 30,	
			2000	1999
\$ (161,962)	\$ 263,239	\$ 173,792	\$ (834,792)	\$ (465,151)
\$ -	\$ 978,830	\$ -	\$ 978,830	\$ 939,024
-	124,157	-	124,157	(134,188)
(1,709)	(4,193)	(4,662)	(10,852)	49,836
-	(4,137)	-	(4,137)	4,027
-	-	-	-	8,483
-	1,440	-	1,440	(1,440)
203,009	-	-	203,009	-
-	-	-	301,742	167,592
<u>\$ 201,300</u>	<u>\$ 1,096,097</u>	<u>\$ (4,662)</u>	<u>\$ 1,594,189</u>	<u>\$ 1,033,334</u>
\$ 39,338	\$ 1,359,336	\$ 169,130	\$ 759,397	\$ 568,183
\$ -	\$ (1,474,948)	\$ -	\$ (1,474,948)	\$ (975,866)
-	68,982	-	68,982	134,188
\$ -	\$ (1,405,966)	\$ -	\$ (1,405,966)	\$ (841,678)
\$ -	\$ -	\$ -	\$ -	\$ (400,000)
\$ (455,913)	\$ (883,909)	\$ (93,351)	\$ (4,064,987)	\$ (2,202,550)
545,933	1,342,543	224,328	6,309,534	2,824,432
<u>27,173</u>	<u>134,233</u>	<u>55,443</u>	<u>454,824</u>	<u>495,313</u>
<u>\$ 117,193</u>	<u>\$ 592,867</u>	<u>\$ 186,420</u>	<u>\$ 2,699,371</u>	<u>\$ 1,117,195</u>
\$ 156,531	\$ 546,237	\$ 355,550	\$ 2,052,802	\$ 443,700
<u>105,520</u>	<u>421,041</u>	<u>217,239</u>	<u>1,717,411</u>	<u>1,273,711</u>
<u>\$ 262,051</u>	<u>\$ 967,278</u>	<u>\$ 572,789</u>	<u>\$ 3,770,213</u>	<u>\$ 1,717,411</u>
<u>\$ 616</u>	<u>\$ 2,272</u>	<u>\$ 1,346</u>	<u>\$ 8,858</u>	<u>\$ (46,288)</u>

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FIDUCIARY FUNDS

Trust Funds are used to account for the assets held by the City in a Trustee capacity. Agency Funds are used to account for assets held by the City as an agent for individuals, organizations or other governments.

Employees' Retirement Fund

This fund is used to account for the accumulation of resources for pension benefit payments to qualified general and public safety employees.

Discretionary Fire Incentive Reserve Fund

This fund is used to account for the accumulation of resources for incentive payments to qualified volunteer firefighters.

Agency Fund

This fund is used to account for taxes collected on behalf of other governmental units.

Cemetery Perpetual Care Fund

This fund was established to invest the proceeds from the sale of burial plots and utilize their investment income in the operations of the City-owned cemeteries.

CITY OF TROY, MICHIGAN
FIDUCIARY FUNDS

COMBINING BALANCE SHEET
 JUNE 30, 2000
 (WITH COMPARATIVE TOTALS FOR JUNE 30, 1999)

ASSETS

	Pension Trust Funds		Agency Fund
	Employees'	Discretionary	
	Retirement	Fire	
	Fund	Incentive	Agency
		Reserve	Fund
		Fund	
Cash and certificates of deposit	\$ 1,576,703	\$ 14,284	\$ 4,818,165
Investments - at fair value			
Government securities	22,448,440	4,610,521	-
Corporate bonds	42,560,687	-	-
Preferred stock	-	-	-
Common stock	89,022,195	-	-
Other	18,609,535	-	-
Accrued interest receivable	2,459,337	90,535	-
Taxes receivable	-	-	351,831
	-	-	-
Total assets	\$ 176,676,897	\$ 4,715,340	\$ 5,169,996

LIABILITIES AND FUND BALANCE

Liabilities			
Advances on property taxes	\$ -	\$ -	\$ 67,534
Due to City of Troy - General Fund	3,745,470	165,442	479,908
Performance deposits	-	-	4,622,554
	-	-	-
Total liabilities	\$ 3,745,470	\$ 165,442	\$ 5,169,996
Fund Balance			
Reserved for cemetery perpetual care	\$ -	\$ -	\$ -
Reserved for employees' benefits	172,931,427	4,549,898	-
	-	-	-
Total fund balance	\$ 172,931,427	\$ 4,549,898	\$ -
Total liabilities and fund balance	\$ 176,676,897	\$ 4,715,340	\$ 5,169,996

Non-Expendable Trust Fund Cemetery Perpetual Care Fund	June 30,	
	2000	1999
\$ 50,614	\$ 6,459,766	\$ 10,404,744
84,254	27,143,215	26,827,245
-	42,560,687	41,713,620
-	-	999,380
-	89,022,195	77,733,672
-	18,609,535	14,724,320
1,741	2,551,613	2,760,300
-	351,831	414,242
<u>\$ 136,609</u>	<u>\$ 186,698,842</u>	<u>\$ 175,577,523</u>
\$ -	\$ 67,534	\$ 39,215
-	4,390,820	3,216,528
-	4,622,554	4,654,015
\$ -	\$ 9,080,908	\$ 7,909,758
\$ 136,609	\$ 136,609	\$ 130,611
-	177,481,325	167,537,154
<u>\$ 136,609</u>	<u>\$ 177,617,934</u>	<u>\$ 167,667,765</u>
<u>\$ 136,609</u>	<u>\$ 186,698,842</u>	<u>\$ 175,577,523</u>

CITY OF TROY, MICHIGAN
PENSION TRUST FUNDS

COMBINING STATEMENT OF PLAN NET ASSETS
JUNE 30, 2000

	Employees' Retirement Fund	Discretionary Fire Incentive Reserve Fund	Totals
Assets			
Cash and certificates of deposit	\$ 1,576,703	\$ 14,284	\$ 1,590,987
Investments - at fair value			
Government securities	22,448,440	4,610,521	27,058,961
Corporate bonds	42,560,687	-	42,560,687
Common stock	89,022,195	-	89,022,195
Other	18,609,535	-	18,609,535
Total investments	\$ 174,217,560	\$ 4,624,805	\$ 178,842,365
Accrued interest receivable	2,459,337	90,535	2,549,872
Total assets	\$ 176,676,897	\$ 4,715,340	\$ 181,392,237
Liabilities			
Due to City of Troy - General Fund	\$ 3,745,470	\$ 165,442	\$ 3,910,912
Net Assets Held in Trust for Pension Benefits	\$ 172,931,427	\$ 4,549,898	\$ 177,481,325

CITY OF TROY, MICHIGAN
PENSION TRUST FUNDS

COMBINING STATEMENT OF CHANGES IN PLAN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2000

	Employees' Retirement Fund	Discretionary Fire Incentive Reserve Fund	Totals
Additions			
Contributions			
Employer	\$ 1,087,255	\$ 330,000	\$ 1,417,255
Plan members	379,418	-	379,418
Total contributions	\$ 1,466,673	\$ 330,000	\$ 1,796,673
Investment income			
Net appreciation (depreciation) in fair value of investments	\$ 2,131,131	\$ (73,740)	\$ 2,057,391
Interest	3,678,774	284,941	3,963,715
Dividends	2,585,879	-	2,585,879
Gain on sale of investments	4,205,142	-	4,205,142
Net investment income	12,600,926	211,201	12,812,127
Total additions	14,067,599	541,201	14,608,800
Deductions			
Benefits	\$ 3,588,030	\$ 534,303	\$ 4,122,333
Refunds of contributions	508,526	-	508,526
Administrative expenses	28,870	4,900	33,770
Total deductions	\$ 4,125,426	\$ 539,203	\$ 4,664,629
Net Increase	9,942,173	1,998	9,944,171
Net Assets Held in Trust for Pension Benefits - July 1, 1999	\$ 162,989,254	\$ 4,547,900	\$ 167,537,154
Net Assets Held in Trust for Pension Benefits - June 30, 2000	\$ 172,931,427	\$ 4,549,898	\$ 177,481,325

CITY OF TROY, MICHIGAN
CEMETERY PERPETUAL CARE FUND, NONEXPENDABLE TRUST FUND

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2000
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 1999)

	Year Ended June 30,	
	2000	1999
Cash Flows From Operating Activities:		
Operating income	\$ 5,998	\$ 5,586
Adjustments:		
Changes in assets:		
Decrease (increase) in interest receivable	(245)	508
Net cash provided from operating activities	\$ 5,753	\$ 6,094
Cash Flows From Investing Activities:		
Purchase of investment securities	(6,119)	(6,074)
Proceeds from sale and maturity of investment securities	29,377	6,448
Net cash provided from investing activities	\$ 23,258	\$ 374
Net Increase in Cash and Cash Equivalents	\$ 29,011	\$ 6,468
Cash and Cash Equivalents - July 1, 1999	21,603	15,135
Cash and Cash Equivalents - June 30, 2000	\$ 50,614	\$ 21,603
<u>Supplemental Schedule of Noncash Activity</u>		
Unrealized gain (loss) on investment income	\$ 119	\$ (5,465)

CITY OF TROY, MICHIGAN
AGENCY FUND

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
JUNE 30, 2000

	AGENCY FUND			
	<u>Balance July 1, 1999</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2000</u>
Assets				
Cash	\$ 6,516,126	\$ 173,414,643	\$ 175,112,604	\$ 4,818,165
Taxes receivable	<u>414,242</u>	<u>174,181,412</u>	<u>174,243,823</u>	<u>351,831</u>
Total assets	<u>\$ 6,930,368</u>	<u>\$ 347,596,055</u>	<u>\$ 349,356,427</u>	<u>\$ 5,169,996</u>
 Liabilities				
Advances on property taxes	\$ 39,215	\$ 67,534	\$ 39,215	\$ 67,534
Due to City of Troy - General Fund	2,237,138	2,779,908	4,537,138	479,908
Deposits	<u>4,654,015</u>	<u>2,442,241</u>	<u>2,473,702</u>	<u>4,622,554</u>
Total liabilities	<u>\$ 6,930,368</u>	<u>\$ 5,289,683</u>	<u>\$ 7,050,055</u>	<u>\$ 5,169,996</u>

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ACCOUNTS GROUPS

GENERAL FIXED ASSETS

GENERAL LONG-TERM DEBT

CITY OF TROY, MICHIGAN

**SCHEDULE OF GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY
JUNE 30, 2000**

<u>Function</u>	<u>Buildings and Improvements</u>	<u>Equipment and Furniture</u>	<u>Vehicles</u>	<u>Other</u>	<u>Total</u>
General Government	\$ 29,334,908	\$ 2,897,976	\$ 75,231	\$ 220,410	\$ 32,528,525
Public Safety	4,560,935	4,339,988	4,762,161	45,378	13,708,462
Public Works	1,615,187	137,927	20,732	-	1,773,846
Parks and Recreation	7,664,485	1,349,574	100,543	-	9,114,602
Library	5,893,369	1,479,088	2,426	4,599,938	11,974,821
Other Functions	<u>1,634,739</u>	<u>345,844</u>	<u>-</u>	<u>173,474</u>	<u>2,154,057</u>
	<u>\$ 50,703,623</u>	<u>\$ 10,550,397</u>	<u>\$ 4,961,093</u>	<u>\$ 5,039,200</u>	<u>\$ 71,254,313</u>

CITY OF TROY, MICHIGAN

**SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED JUNE 30, 2000**

<u>Function</u>	<u>Balance July 1, 1999</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2000</u>
General Government	\$ 12,811,955	\$ 20,093,715	\$ 377,145	\$ 32,528,525
Public Safety	13,644,922	537,567	474,027	13,708,462
Public Works	1,768,159	23,500	17,813	1,773,846
Parks and Recreation	8,079,452	1,050,950	15,800	9,114,602
Library	11,708,485	302,478	36,142	11,974,821
Other Functions	<u>2,145,641</u>	<u>10,393</u>	<u>1,977</u>	<u>2,154,057</u>
	<u>\$ 50,158,614</u>	<u>\$ 22,018,603</u>	<u>\$ 922,904</u>	<u>\$ 71,254,313</u>

CITY OF TROY, MICHIGAN

**SCHEDULE OF GENERAL FIXED ASSETS BY SOURCE
JUNE 30, 2000**

General Fixed Assets

Buildings and improvements	\$ 50,703,623
Equipment and furniture	10,550,397
Vehicles	4,961,093
Other	<u>5,039,200</u>
Investment in General Fixed Assets From Capital Projects Fund	<u>\$ 71,254,313</u>

CITY OF TROY, MICHIGAN

**SCHEDULE OF INDEBTEDNESS
JUNE 30, 2000**

General Storm Drain Assessments - Payable to Oakland County

Serviced by the City General Debt Service Fund

	<u>Maturity Date</u>	<u>Principal Amount</u>	
		<u>Annual Maturity</u>	<u>Outstanding June 30, 2000</u>
Henry Graham Drain assessment dated 11/1/71; original issuance amount \$13,000,000; bearing interest at 7.0%	4/1/01-2002	\$ 570,576	\$ 1,141,151
Mastin Drain assessment dated 11/1/73; original issuance amount \$2,732,264; bearing interest at 7.0%	4/1/01-2002	97,601	195,201
McDonald Drain assessment dated 11/1/78; original issuance amount \$1,610,000; bearing interest at 6.875%	4/1/2001	125,000	125,000

CITY OF TROY, MICHIGAN

SCHEDULE OF INDEBTEDNESS
 JUNE 30, 2000
 (CONTINUED)

General Storm Drain Assessments - Payable to Oakland County

Serviced by the City General Debt Service Fund - Continued

	<u>Maturity Date</u>	<u>Principal Amount</u>	
		<u>Annual Maturity</u>	<u>Outstanding June 30, 2000</u>
King Drain assessment dated 11/1/93; original issuance amount \$1,675,000; bearing interest at 3.4% to 5.0%	4/1/01-03	\$ 91,284	\$ 273,852
	4/1/04-05	136,926	273,852
	4/1/06-08	182,568	<u>547,704</u>
			1,095,408
Lanni Drain assessment dated 11/1/78; original issuance amount \$1,265,110; bearing interest at 6.8934%	4/1/00-2001	95,480	<u>95,480</u>
Total general storm drain assessments payable to Oakland County, being serviced by the City General Debt Service Fund			<u>\$ 2,652,240</u>

CITY OF TROY, MICHIGAN

SCHEDULE OF INDEBTEDNESS
 JUNE 30, 2000
 (CONTINUED)

General Obligation Bonds

	<u>Maturity Date</u>	<u>Principal Amount</u>	
		<u>Annual Maturity</u>	<u>Outstanding June 30, 2000</u>
Community Center Construction Bonds serviced by the City Capital Projects Fund, dated 8/1/77; original issuance amount \$1,400,000; bearing interest at 5.65% to 5.9%	9/1/00	\$ 100,000	\$ 100,000
General obligation bonds payable serviced by the City General Fund, dated 5/1/87; original issuance amount \$2,500,000; bearing interest at 5.75% to 7.0%	8/1/00-01	250,000	500,000
Land Contract payable to Troy School District, serviced by the City Capital Projects Fund, dated 1/24/96; original amount \$2,304,990; non-interest bearing	10/1/00	195,841	195,841
	10/1/01	186,352	186,352
	10/1/02	48,465	48,465
	10/1/03	45,375	<u>45,375</u>
			476,033
Total storm drains and other debt serviced by Governmental Funds			<u>\$ 3,728,273</u>

CITY OF TROY, MICHIGAN

SCHEDULE OF INDEBTEDNESS
 JUNE 30, 2000
 (CONTINUED)

General Obligation Bonds - Continued

	<u>Maturity Date</u>	<u>Principal Amount</u>	
		<u>Annual Maturity</u>	<u>Outstanding June 30, 2000</u>
Michigan Transportation Fund Bonds serviced by the Downtown Development Authority Fund, dated 4/1/95; original issuance amount \$3,125,000; bearing interest at 4.40% to 5.50%	7/1/01	\$ 175,000	\$ 175,000
	7/1/02-03	200,000	400,000
	7/1/04	225,000	225,000
	7/1/05-06	250,000	500,000
	7/1/07	275,000	275,000
	7/1/08	300,000	300,000
	7/1/09	325,000	325,000
	7/1/10	350,000	<u>350,000</u>
			2,550,000
Michigan Transportation Fund Bonds serviced by the Downtown Development Authority Fund, dated 2/1/00; original issuance amount \$5,600,000; bearing interest at 4.75% to 5.45%	5/1/01	1,100,000	1,100,000
	5/1/02	1,200,000	1,200,000
	5/1/03	1,300,000	1,300,000
	5/1/04	125,000	125,000
	5/1/05	150,000	150,000
	5/1/06-11	175,000	1,050,000
	5/1/12	200,000	200,000
	5/1/13	225,000	225,000
	5/1/14	250,000	<u>250,000</u>
			<u>5,600,000</u>
Total street bonds serviced by Governmental Funds			<u>8,150,000</u>
Total debt serviced by Governmental Funds			<u>\$ 11,878,273</u>

CITY OF TROY, MICHIGAN

SCHEDULE OF INDEBTEDNESS
JUNE 30, 2000
(CONTINUED)

General Contractual Obligations Payable to Oakland County

Serviced by the City Water Fund

	<u>Maturity Date</u>	<u>Principal Amount</u>	
		<u>Annual Maturity</u>	<u>Outstanding June 30, 2000</u>
Series I: Troy Water Supply System			
Dated 11/1/73;			
original issue amount \$9,750,000;	10/1/2000	\$ 575,000	\$ 575,000
bearing interest at 4.0% to 5.8%	10/1/2001	600,000	600,000
	10/1/2002-03	600,000	<u>1,200,000</u>
			2,375,000
Series II: Troy Water Supply System			
Dated 11/1/74;			
original issue amount \$2,500,000;	10/1/99-2000	\$ 175,000	\$ 175,000
bearing interest at 5.0% to 7.7%	10/1/2001-02	200,000	400,000
	10/1/2003	200,000	<u>200,000</u>
			<u>775,000</u>
Total general obligation long-term debt, being serviced by the City Water Fund			<u>\$ 3,150,000</u>
Total general obligation long-term debt, being serviced by the City Enterprise Funds			<u>\$ 3,150,000</u>

CITY OF TROY, MICHIGAN

SCHEDULE OF INDEBTEDNESS
JUNE 30, 2000
(CONTINUED)

Serviced by the Downtown Development Authority Fund

	<u>Maturity Date</u>	<u>Principal Amount</u>	
		<u>Annual Maturity</u>	<u>Outstanding June 30, 2000</u>
Series A: 1995 Development Bonds			
Date of issue 5/1/95;	5/1/01	\$ 285,000	\$ 285,000
original issuance amount \$10,100,000;	5/1/02	300,000	300,000
bearing interest at 4.80% to 6.375%	5/1/03	315,000	315,000
	5/1/04	335,000	335,000
	5/1/05	355,000	355,000
	5/1/06	375,000	375,000
	5/1/07	355,000	355,000
	5/1/08	380,000	380,000
	5/1/09	405,000	405,000
	5/1/10	430,000	430,000
	5/1/11	460,000	460,000
	5/1/12	530,000	530,000
	5/1/13	565,000	565,000
	5/1/14	600,000	600,000
	5/1/15	640,000	640,000
	5/1/16	680,000	680,000
	5/1/17	720,000	720,000
	5/1/18	770,000	770,000
	5/1/19	820,000	820,000
			<u>\$ 9,320,000</u>
Series B: 1995 Development Bonds			
Date of issue 5/1/95;	5/1/01	\$ 330,000	\$ 330,000
original issuance amount \$6,955,000;	5/1/02	380,000	380,000
bearing interest at 7.00% to 8.00%	5/1/03	440,000	440,000
	5/1/04	505,000	505,000
	5/1/05	575,000	575,000
	5/1/06	650,000	650,000
	5/1/07	735,000	735,000
	5/1/08	830,000	830,000
	5/1/09	935,000	935,000
	5/1/10	1,050,000	1,050,000
			<u>\$ 6,430,000</u>
Total general obligation long-term debt, being serviced by the Downtown Development Authority Fund			<u>\$ 15,750,000</u>

CITY OF TROY, MICHIGAN

SCHEDULE OF INDEBTEDNESS
JUNE 30, 2000
(CONTINUED)

Special Assessment Bonds, Serviced by Governmental Funds

Backed by Full Faith and Credit of the City

	<u>Maturity Date</u>	<u>Principal Amount</u>	
		<u>Annual Maturity</u>	<u>Outstanding June 30, 2000</u>
1986 Special Assessment Bonds:			
Bonds are subject to redemption prior to maturity at City's option. Date of issue 8/1/86; amount of issue \$930,000; interest payable 8/1 and 2/1; interest rates from 6.65% to 6.85%			
	8/1/00-04	\$ 25,000	\$ 125,000
	8/1/05-06	50,000	<u>100,000</u>
			\$ 225,000
1987 Special Assessment Bonds:			
Bonds are subject to redemption prior to maturity at City's option. Date of issue 5/1/87; amount of issue \$2,500,000; interest payable 8/1 and 2/1; interest rates from 6.6% to 7.0%			
	8/1/00-01	175,000	350,000
1988 Special Assessment Bonds:			
Bonds are subject to redemption prior to maturity at City's option. Date of issue 5/16/88; amount of issue \$5,000,000; interest payable 8/1 and 2/1; interest rates from 6.25% to 6.85%			
	8/1/00-01	375,000	<u>750,000</u>
Total special assessment bonds outstanding			<u>\$ 1,325,000</u>
Total of long-term storm drain assessments, general obligation, revenue, and special assessment bonds, land and other contracts payable			\$ 32,103,273
Long-term portion of earned but unpaid sick pay, expected to be ultimately paid, being serviced by the City Internal Service Fund			<u>2,150,000</u>
Total long-term and current portion of long-term debt			<u>\$ 34,253,273</u>

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STATISTICAL SECTION

The statistical section presents comparative data for expenditures, revenues, property tax levies and collections, assessed and equalized valuation of taxable property, property tax rates and levies, special assessment collections, ratio of net bonded debt, legal debt margin, direct and overlapping debt, ratio of debt service to general governmental expenditures, tax information, economic development corporation, economic and statistical data and the principal tax payers.

All economic and statistical data was obtained from records of the City of Troy, unless otherwise noted.

CITY OF TROY, MICHIGAN

GENERAL REVENUES BY SOURCE AND EXPENDITURES BY FUNCTION GENERAL, SPECIAL REVENUE AND DEBT SERVICE FUNDS LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Property Taxes and Special Assessments	Licenses and Permits	Federal	State	County	Charges from Sales and Services
1991	\$ 20,134,420	\$ 1,269,600	\$ 65,970	\$ 7,661,597	\$ 93,966	\$ 2,154,495
1992	21,040,202	1,438,979	22,146	8,430,182	98,476	1,746,067
1993	21,148,981	1,207,209	5,944	8,457,729	97,563	2,154,147
1994	24,246,173	1,259,862	7,359	8,926,537	97,978	1,756,363
1995	26,703,878	1,721,891	18,836	9,336,645	85,798	2,037,639
1996	28,032,705	1,538,734	158,524	9,663,037	82,291	2,204,066
1997	30,357,167	1,722,198	174,500	10,070,393	85,781	2,177,481
1998	32,654,465	1,679,479	167,079	11,177,238	100,202	2,020,564
1999	33,086,355	2,254,763	418,053	11,732,172	99,781	2,496,642
2000	36,311,795	2,221,451	157,469	12,052,322	107,585	2,811,601

Fiscal Year Ended June 30,	General Government	Public Safety	Roads and Streets	Sanitation	Other Public Works	Parks, Recreation and Cemeteries
1991	\$ 4,017,305	\$ 15,041,838	\$ 2,485,308	\$ 2,725,752	\$ 2,706,809	\$ 3,128,342
1992	4,268,768	16,636,881	2,572,501	3,074,316	2,845,674	3,186,735
1993	4,841,458	16,722,882	2,492,556	3,775,124	3,019,153	3,274,893
1994	4,800,799	17,480,182	2,475,439	3,730,641	3,076,652	3,437,251
1995	4,832,724	18,147,373	2,516,124	3,742,601	3,053,487	3,587,694
1996	4,810,160	19,324,566	2,817,973	3,861,616	3,072,656	3,792,456
1997	5,213,126	19,945,705	2,929,284	3,957,455	3,428,877	4,288,277
1998	5,365,312	20,824,076	2,790,409	3,396,282	2,832,966	4,584,181
1999	6,371,802	21,591,628	3,119,250	3,516,686	2,742,275	5,485,326
2000	6,520,286	21,609,992	2,955,145	3,523,772	3,015,089	5,621,048

<u>Fines and Forfeits</u>	<u>Interest Income</u>	<u>Miscellaneous</u>	<u>Total Revenues By Source</u>
\$ 455,810	\$ 2,513,170	\$ 2,179,038	\$ 36,528,066
482,520	1,780,823	2,358,072	37,397,467
683,986	683,638	2,514,936	36,954,133
564,645	1,351,300	2,921,185	41,131,402
642,911	1,793,389	2,629,386	44,970,373
847,476	1,669,571	2,584,415	46,780,819
556,706	1,932,601	2,829,967	49,906,794
782,345	2,615,103	2,930,880	54,127,355
806,743	2,368,873	3,034,914	56,298,296
836,035	3,556,854	3,279,143	61,334,255

<u>Library</u>	<u>Debt Service</u>	<u>Downtown Development Authority</u>	<u>Economic and Physical Development</u>	<u>Total Expenditures by Function</u>
\$ 1,810,394	\$ 3,969,308	\$ -	\$ -	\$ 35,885,056
1,975,168	3,790,364	-	-	38,350,407
2,051,135	3,756,750	-	-	39,933,951
2,129,110	3,778,765	-	-	40,908,839
2,183,004	3,549,588	8,253	-	41,620,848
2,360,872	4,416,113	47,347	-	44,503,759
2,436,536	4,608,001	385,731	56,594	47,249,586
2,696,414	4,544,281	17,005	470,861	47,521,787
2,585,158	3,921,278	433,177	346,890	50,113,470
2,782,020	3,822,450	684,666	97,627	50,632,095

CITY OF TROY, MICHIGAN

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

Fiscal Year Ended June 30,	Total Tax Levy	Current Tax Collections	Percentage of Current Taxes Collected	Delinquent Tax Collections	Ratio of Total Tax Collections To Total Tax Levy	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes To Total Tax Levy
1991	\$ 28,052,577	\$ 26,210,998	93.44%	\$ 1,616,770	99.19%	\$ 182,269	.65%
1992	29,509,968	27,567,339	93.42	1,672,936	99.08	341,857	1.16
1993	29,803,419	28,311,198	94.99	1,356,082	99.54	192,751	.65
1994	30,673,946	29,520,338	96.24	1,017,290	99.55	183,914	.60
1995	31,124,785	30,120,642	96.77	851,300	99.50	164,188	.53
1996	31,342,457	30,288,581	96.64	921,266	99.57	169,942	.54
1997	33,511,137	32,630,061	97.37	766,644	99.66	151,636	.45
1998	34,834,939	33,978,096	97.54	737,431	99.66	136,226	.39
1999	36,316,680	35,645,833	98.15	732,372	100.17	120,514	.33
2000	37,904,870	37,391,650	98.65	736,580	100.59	145,773	.38

CITY OF TROY, MICHIGAN

VALUE OF TAXABLE PROPERTY LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Real Property	Personal Property	Total
1991	\$ 2,504,950,900	\$ 426,900,060	\$ 2,931,850,960
1992	2,643,052,300	440,801,030	3,083,853,330
1993	2,692,220,800	449,792,220	3,142,013,020
1994	2,792,362,450	432,711,840	3,225,074,290
1995	2,854,720,000	453,375,110	3,308,095,110
1996	2,918,385,360	507,025,520	3,425,410,880
1997	3,051,120,348	522,531,950	3,573,652,298
1998	3,195,831,127	579,417,710	3,775,248,837
1999	3,379,498,283	626,129,990	4,005,628,273
2000	3,517,064,100	666,496,353	4,183,560,453

EQUALIZED VALUATION OF TAXABLE PROPERTY

Fiscal Year Ended June 30,	Real Property	Personal Property	Total
1991	\$ 2,504,950,900	\$ 426,900,060	\$ 2,931,850,960
1992	2,643,052,300	440,801,030	3,083,853,330
1993	2,692,220,800	449,792,220	3,142,013,020
1994	2,792,362,450	432,711,840	3,225,074,290
1995	2,854,720,000	453,375,110	3,308,095,110
1996	2,956,148,390	507,025,520	3,463,173,910
1997	3,150,464,920	522,531,950	3,672,996,870
1998	3,375,246,250	579,417,710	3,954,663,960
1999	3,658,830,824	626,129,990	4,284,960,814
2000	4,030,429,830	666,496,353	4,696,926,183

A decision of the Michigan Supreme Court of November 30, 1944, (*Cheeseman vs. Dell*, 310 Michigan 108) defined the term "assessed valuation" as used in the property tax limitation amendment to the State constitution to mean "the local assessments, as approved or changed and corrected through the statutory process of County equalization." Based upon this decision, all real and personal property taxes for the fiscal years 1945-46, through 1953-54, were levied upon County equalized valuations. Since 1954-55, pursuant to a Supreme Court decision of November 29, 1954, (*Pittsfield School District vs. Washtenaw County*, 340 Michigan 388) the State equalized valuations have been used.

Effective with the 1975-1976 fiscal year inventories were exempt from personal property assessment by the State of Michigan. The State reimburses the City of this valuation loss based upon the applicable tax rates levied.

The taxable and equalized valuation of taxable property is determined as of December 31st of each year and is the basis upon which taxes are levied during the succeeding fiscal year.

CITY OF TROY, MICHIGAN

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

Fiscal Year Ended June 30,	City of Troy	Overlapping Governments					SMART	State Education	Total
		Troy School District	Oakland County	Oakland County Community College	Intermediate School District				
1991	9.33	31.40	5.02	1.17	2.17	-	-	49.09	
1992	9.29	32.25	5.02	1.07	2.18	-	-	49.81	
1993	9.27	34.56	5.05	1.07	2.13	-	-	52.08	
1994	9.25	34.57	4.95	1.05	2.13	-	-	51.95	
1995 H	9.25	13.65	4.95	.85	2.13	-	6.00	36.83	
1995 NH	9.25	21.50	4.95	.85	2.13	-	6.00	44.68	
1996 H	9.18	12.36	4.95	1.65	2.13	.33	6.00	36.60	
1996 NH	9.18	21.50	4.95	1.65	2.13	.33	6.00	45.74	
1997 H	9.48	12.11	4.85	1.65	2.13	.33	6.00	36.55	
1997 NH	9.48	21.25	4.85	1.65	2.13	.33	6.00	45.69	
1998 H	9.48	12.41	4.82	1.65	2.13	.33	6.00	36.82	
1998 NH	9.48	21.64	4.82	1.65	2.13	.33	6.00	46.05	
1999 H	9.48	11.71	4.66	1.65	2.12	.33	6.00	35.95	
1999 NH	9.48	21.62	4.66	1.65	2.12	.33	6.00	45.86	
2000 H	9.48	11.36	4.65	1.63	2.10	.33	6.00	35.55	
2000 NH	9.48	21.61	4.65	1.63	2.10	.33	6.00	45.80	

H - Homestead
NH - Non-Homestead

CITY OF TROY, MICHIGAN

SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS LAST TEN FISCAL YEARS

<u>Fiscal Year Ended June 30,</u>	<u>Special Assessment Billings</u>	<u>Special Assessments Collected</u>
1991	\$ 1,331,035	\$ 1,701,376
1992	1,427,490	1,824,669
1993	1,500,150	1,917,545
1994	1,384,555	2,572,159
1995	1,251,645	1,506,213
1996	1,067,340	655,623
1997	943,254	1,160,717
1998	875,004	1,436,901
1999	815,141	1,224,098
2000	680,778	1,322,798

CITY OF TROY, MICHIGAN

COMPUTATION OF LEGAL DEBT MARGIN JUNE 30, 2000

Equalized Valuation at December 31, 1998 \$ 4,696,926,183

	Annual Net Debt	Percentage of State Equalized Valuation	Legal Margin	
			Amount	Legal Debt Margin
General obligation debt	\$ 3,728,273	10%	\$ 469,692,618	\$ 465,964,345
Emergency bonds	-	3/8	17,613,473	17,613,473
Special assessment bonds	<u>1,325,000</u>	12	<u>563,631,142</u>	<u>562,306,142</u>
Total debt	<u>\$ 5,053,273</u>		<u>\$ 1,050,937,233</u>	<u>\$ 1,045,883,960</u>

The statutory debt limits of net bonded indebtedness incurred for all public purposes shall not at any one time exceed 10% of the equalized valuation of taxable property in the City (\$4,696,926,183), except that this limit may be exceeded by 3/8ths of 1% in case of fire, flood or other calamity. This limitation does not include bonds issued in anticipation of the payment of special assessments, nor bonds issued pursuant to court order for sewage or garbage disposal systems.

The Michigan State Bond Act provides that the total debt in special assessment bonds, which would require that the City pledge its faith and credit, shall not exceed 12% of the assessed valuation of taxable property of the City, nor shall such bonds be issued in any calendar year in excess of 3% unless voted.

CITY OF TROY, MICHIGAN

RATIO OF NET GENERAL BONDED DEBT TO TAXABLE VALUE AND NET BONDED DEBT PER CAPITA LAST TEN FISCAL YEARS

<u>Fiscal Year Ended June 30,</u>	<u>Taxable Value</u>	<u>Estimated Population</u>	<u>Gross Bonded Debt Outstanding</u>	<u>Debt Service Fund Balance</u>	<u>Debt Payable from Other than General Resources</u>	<u>Net Bonded Debt</u>	<u>Percent of Net Bonded Debt to Taxable Value</u>	<u>Net Bonded Debt Per Capita</u>
1991	\$2,931,850,960	72,884	\$ 37,092,776	\$ 3,674,600	\$ 17,301,916	\$ 16,116,260	.55	221.12
1992	3,083,853,330	72,884	33,690,599	2,904,530	15,914,021	14,872,048	.48	204.05
1993	3,142,013,020	72,884	30,196,601	3,259,107	14,513,692	12,423,802	.40	170.46
1994	3,225,074,290	72,884	28,152,155	3,384,563	13,108,862	11,658,730	.36	159.96
1995	3,308,095,110	72,884	44,780,322	3,701,902	31,884,033	9,194,387	.28	126.15
1996	3,425,410,880	72,884	43,299,691	3,975,408	30,404,204	8,920,079	.26	122.39
1997	3,573,652,298	72,884	39,197,404	4,673,823	28,746,903	5,776,678	.16	79.26
1998	3,775,248,837	72,884	34,996,940	6,012,696	26,879,600	2,104,644	.06	28.88
1999	4,005,628,273	72,884	30,749,852	6,918,142	23,831,710	-	-	-
2000	4,183,560,453	72,884	32,103,273	9,895,404	22,207,869	-	-	-

CITY OF TROY, MICHIGAN

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL OBLIGATION BONDED DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES LAST TEN FISCAL YEARS

<u>Fiscal Year Ended June 30,</u>	<u>Principal</u>	<u>Interest and Fiscal Charges</u>	<u>Total Debt Service</u>	<u>Total General Governmental Expenditures</u>	<u>Ratio of Debt Service to General Government Expenditures</u>
1991	\$ 1,884,177	\$ 1,296,060	\$ 3,180,237	\$ 35,885,056	8.86%
1992	1,894,290	1,172,730	3,067,010	38,350,407	8.00
1993	1,943,668	1,051,120	2,994,788	39,933,951	7.50
1994	2,018,627	800,873	2,819,500	40,908,839	6.89
1995	1,972,010	680,178	2,652,188	41,620,848	6.37
1996	1,924,102	519,926	2,444,028	44,503,759	5.49
1997	2,444,985	546,210	2,991,195	47,249,586	6.33
1998	2,333,160	356,737	2,689,897	47,521,787	5.66
1999	2,164,789	441,361	2,606,150	50,113,470	5.20
2000	1,623,759	274,387	1,898,146	50,632,095	3.75

Includes General, Special Revenue and Debt Service Funds.

CITY OF TROY, MICHIGAN

COMPUTATION OF DIRECT AND OVERLAPPING DEBT JUNE 30, 2000

<u>Jurisdiction</u>	<u>Net General Bonded Debt Outstanding</u>	<u>Percent Applicable to Troy</u>	<u>Amount Applicable to Troy</u>
City of Troy	\$ 3,728,273	100.00%	\$ 3,728,273
Avondale School District	68,814,818	16.46	11,326,919
Birmingham School District	94,815,000	3.76	3,565,044
Bloomfield Hills School District	25,465,000	1.94	494,021
Lamphere School District	33,470,000	14.92	4,993,724
Royal Oak School District	34,182,000	2.87	981,023
Troy School District	111,475,000	100.00	111,475,000
Warren School District	56,922,000	9.06	5,157,133
Oakland County	30,737,854	10.02	3,079,933
Oakland Intermediate School District	795,000	9.31	74,015
Oakland County Community College	<u>14,760,000</u>	10.09	<u>1,489,284</u>
	<u>\$ 475,164,945</u>		<u>\$ 146,364,369</u>

Source: Municipal Advisory Council of Michigan; Detroit, Michigan.

CITY OF TROY, MICHIGAN

PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS LAST TEN FISCAL YEARS

<u>Fiscal Year Ended June 30,</u>	<u>Property Values</u>	<u>Construction</u>	<u>Bank Deposits</u>
1991	\$ 5,863,701,920	\$ 111,728,522	*
1992	6,167,706,660	116,226,850	*
1993	6,284,026,040	93,880,980	*
1994	6,450,148,580	91,335,191	*
1995	6,616,190,220	184,192,247	*
1996	6,926,347,820	140,939,440	*
1997	7,345,993,740	173,458,968	*
1998	7,909,327,920	190,550,736	*
1999	8,569,921,628	260,729,204	*
2000	9,393,852,366	255,604,926	*

* Information Not Available

CITY OF TROY, MICHIGAN

PRINCIPAL TAXPAYERS JUNE 30, 2000

Taxpayer	1999 Taxable Valuation	Percent of Total Taxable Valuation
Frankel Forbes/Cohen	\$ 86,410,690	2.07%
Gale & Wentworth	53,826,560	1.29
WRC Properties	52,156,950	1.25
Nykel Management	48,265,323	1.15
K-Mart	46,867,020	1.12
Detroit Edison	36,220,070	.87
E.D.S.	30,634,960	.73
J. Kogan	29,961,080	.72
Meritor Automotive	29,712,980	.71
Liberty Property Limited	27,827,470	.67
Dayton Hudsons	27,071,930	.65
Standard Federal Corporation	25,500,390	.61
Kelly Services	22,648,290	.54
Koppy-Nemer	21,836,500	.52
Ameritech	20,477,290	.49
IBM	17,514,750	.42
Riggs & Company	17,304,790	.41
Delphi	15,771,190	.38
E.I. Dupont	14,015,210	.34
Mar-Ty, L.L.C.	11,775,630	.28
Total	\$ 635,799,073	15.22%
1999 Total Taxable Valuation	\$ 4,183,560,453	

CITY OF TROY, MICHIGAN

TAX INFORMATION

Taxes Due:

July 1st

Payable:

City and fifty percent (50%) of school taxes are due and payable July 1st at the office of the City Treasurer. (County taxes and the remaining fifty percent (50%) of school taxes are due and payable December 1st).

**Penalties and Interest
for Delinquency:**

All City taxes are to be paid on or before the first day of September without additional charge. All City taxes paid after the first day of September shall be subject to a penalty of four percent (4%) and interest at the rate of one-half of one percent (.50%) per month for each and every succeeding month or fraction there of that the same remains unpaid. Commencing March 1st, taxes on real property are collected through the County Treasurer of Oakland County, who adds and retains a collection fee of four percent (4%), and in addition adds interest at the rate of one percent (1%) per month or fraction there of to the date of payment.

Lien on Property:

Unpaid taxes, together with all charges thereon, become a continuing lien on the property assessed. The General Tax Law provides for disposition at public sale of real estate delinquent for taxes as follows:

<u>Date of Sale</u>	<u>Delinquent Tax Properties to be Sold</u>
May 2001	Year 1998
May 2002	Year 1999

State Land Sale:

The State Land Office Board Act No. 155, Public Acts of 1937, as amended, created a State agency to dispose of certain land held by the State of Michigan. (The functions of this agency were taken over by the State Department of Natural Resources in 1949). Unsold taxes offered at the annual County May tax sale are deemed to be "bid in" by the State, which assumes jurisdiction over them. The taxpayer has twelve months from the date of County May tax sale in which to redeem his property by paying all unpaid taxes and assessments in full, together with all interest, penalties and collection fees at the office of the County Treasurer. "Redemption interest" at the rate of 1% per month from the date of the County May tax sale is charged on those taxes and assessments paid during this redemption period. Taxes "bid in" by the State, which remain unpaid at the expiration of the redemption period, are deeded to the State of Michigan, and outstanding taxes, special assessments, etc. are immediately canceled. Administration of this property is then transferred from the Auditor General to the Department of Natural Resources.

On the first Tuesday in February, following acquisition by the State, these properties are offered at public auction at the statutory State Land Sale (minimum bid - 25% of the assessed valuation for the year preceding vesting of title in the State). Properties offered but not sold at the State Land Sale may be appraised and again offered for sale by the Department of Natural Resources as they see fit. The proceeds from sales, together with any income from properties while under the jurisdiction of the Department of Natural Resources, are remitted to the taxing subdivisions on the basis of their equities in the properties.

CITY OF TROY, MICHIGAN

LABOR AGREEMENTS

<u>Name</u>	<u>Expiration Date</u>	<u>Number of Employees Covered</u>
American Federation of State, County, and Municipal Employees, AFL-CIO - Public Works Employees	6/30/00	79
Michigan Association of Police - Clerical, Police Services Aides	6/30/01	74
Troy Command Officers Association - Command Police Officers	6/30/01	34
Troy Police Officers Association - Police Officers	6/30/01	100
Troy Firestaff Officers Association - Fire Career Professionals	6/30/01	10

CITY OF TROY, MICHIGAN

THE ECONOMIC DEVELOPMENT CORPORATION BONDS JUNE 30, 2000

Those persons or businesses interested in locating a business in Troy with the Economic Development Corporation's (EDC) help must first submit an application fee of \$2,500. As of the issuance of these financial statements, the EDC of the City of Troy had issued nineteen different bond issues to aid in implementation of the following projects:

<u>Corporation or Project Name</u>	<u>Official Bond Issuance Date</u>	<u>Bond Issuance Amount</u>
High Performance Machine, Inc. Project	5/12/82	\$ 3,000,000
Ronald J. and Maxine Smith Project	9/01/82	1,300,000
Drury Inn - Troy Project	12/31/82	6,200,000
Jered Brown Brothers, Inc. Project	2/02/83	3,000,000
Structural Kinematics Corporation Project	1/20/84	3,000,000
Handleman Company Project	2/15/84	3,500,000
Sifco Industries, Inc.	7/17/84	3,000,000
REB Properties	7/11/84	2,000,000
Handleman - Series B	9/28/84	2,000,000
Willowgreen Building Group	11/09/84	1,800,000
High Performance Machines, Inc. (Refunding issue)	2/14/84	3,000,000
Troy SAK Associates	12/30/84	950,000
Mictron, Inc.	3/25/85	2,050,000
Creative Industries of Detroit, Inc.	6/04/85	500,000
Haden Schweitzer Corporation	12/23/85	1,100,000
Troy SAK Associates II	5/23/86	1,250,000
John Milanowski	9/12/86	1,470,000
Sandy Corporation - project refinancing	5/28/87	4,120,000
Walsh College	11/10/89	<u>2,600,000</u>
		<u>\$ 45,840,000</u>

The above summarized bond issuances of the EDC are not general obligations of the EDC nor of the City itself, and are not payable from any tax revenue, but in substance are the obligations of the companies for which the bonds are issued.

CITY OF TROY, MICHIGAN

ECONOMIC AND STATISTICAL DATA

<u>Area:</u>	34.3 square miles (21,952 acres)		
<u>Form of Government:</u>	Council-Manager (Since December 12, 1955)		
<u>Present Charter:</u>	Adopted December 12, 1955		
<u>Elections:</u>	Registered voters (General election April 3, 2000)		52,697
	Number of voters voting in General election April 3, 2000		5,723
	Percentage of registered voters voted		10.86%
	Registered voters (General election November 3, 1998)		55,592
	Number of voters voting in General election November 3, 1998		28,977
	Percentage of registered voters voted		52.13%
<u>Fiscal Year Begins:</u>	July 1st		
<u>Number of City Employees:</u>	474 regular, 420 seasonal, summer and fall programs		
<u>Fire Protection:</u>	6 stations, 180 volunteer fire fighters, 12 career personnel, ISO Class 4		
<u>Police Protection:</u>	1 station, 136 police officers, 43 non-sworn and 15 civilian employees		
<u>Building Construction:</u>	1990 - 1991	2,348 permits	\$ 111,728,522 estimated value
	1991 - 1992	2,284 permits	116,226,850 estimated value
	1992 - 1993	2,156 permits	93,880,980 estimated value
	1993 - 1994	2,398 permits	91,335,191 estimated value
	1994 - 1995	2,401 permits	184,192,247 estimated value
	1995 - 1996	2,277 permits	140,939,440 estimated value
	1996 - 1997	2,245 permits	173,458,968 estimated value
	1997 - 1998	2,091 permits	190,550,736 estimated value
	1998 - 1999	2,196 permits	260,729,204 estimated value
	1999 - 2000	2,190 permits	255,604,926 estimated value
<u>Streets:</u>	362.2 miles improved 9.9 miles unimproved		
<u>Sewers:</u>	2.27 miles (combination storm and sanitary) 300.80 miles sanitary sewer 240.30 miles storm sewer		
<u>Streets Lights:</u>	712 Detroit Edison owned 1,119 City owned		
<u>Water Plant:</u>	Accounts:		
	City-regular		25,753
	Annual Distribution		679,651,167 cubic feet
	Watermains		490.2 miles
	Hydrants		5,498

CITY OF TROY, MICHIGAN

ECONOMIC AND STATISTICAL DATA - CONTINUED

Recreation:

15 public parks (832 acres)
16 play structures
18 tennis courts
1 outdoor education center/farm
1 18-hole golf course
1 community center
1 aquatic center

Population Growth:

Official U.S. Census	1920	2,520
	1930	3,867
	1940	6,248
	1950	10,087
	1960	19,402
	1970	39,419
	1980	67,102
	1990	72,884

CITY OF TROY, MICHIGAN

DEMOGRAPHIC STATISTICS LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Population (1)	Number of Households	Median Household Effective Buying Income (3)	School Enrollment (4)	Median Age	Unemploy- ment Rate (%) (5)
1991	75,125	27,583	57,222	11,202	34.8	4.3
1992	76,077	28,250	60,338	11,223	35.2	4.4
1993	77,891	28,736	63,804	11,356	35.5	3.6
1994	79,331	29,194	69,731	11,488	35.8	2.6
1995	80,736	29,532	55,029	** 11,636	36.1	2.2
1996	81,770	29,793	58,798	11,987	*	1.8
1997	82,560	29,896	*	12,064	37.0	1.6
1998	83,787	30,274	59,601	12,050	37.3	1.9
1999	84,549	30,434	60,004	12,066	*	1.6
2000	85,124	30,721	61,806	12,079	37.0	1.6

Source:

- (1) Estimates provided by City Planning Department
- (2) U.S. Bureau of the Census
- (3) Developed by Sales and Marketing Management, New York, N.Y. and published annually
- (4) Troy School District
- (5) Michigan Employment Security Commission
- * Information not available.
- ** Change in the calculation method.

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SINGLE AUDIT SECTION

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DOEREN MAYHEW
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Internationally
MOORE STEPHENS DOEREN MAYHEW

To the Honorable Mayor and City Council of
the City of Troy, Michigan

We have audited the general purpose financial statements of the City of Troy, Michigan as of and for the year ended June 30, 2000, and have issued our report thereon dated September 15, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City of Troy, Michigan's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on 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 such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Troy, Michigan's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the City Council, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.


DOEREN MAYHEW

September 15, 2000
Troy, Michigan

DOEREN MAYHEW
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Internationally
MOORE STEPHENS DOEREN MAYHEW

To the Honorable Mayor and City Council of
the City of Troy, Michigan

Compliance

We have audited the compliance of the City of Troy, Michigan with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2000. The City of Troy, Michigan's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City of Troy, Michigan's management. Our responsibility is to express an opinion on the City of Troy, Michigan's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Troy, Michigan's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City of Troy, Michigan's compliance with those requirements.

In our opinion, the City of Troy, Michigan complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2000.

Internal Control Over Compliance

The management of the City of Troy, Michigan is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City of Troy, Michigan's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order 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.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the City Council, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.


DOEREN MAYHEW

September 15, 2000
Troy, Michigan

CITY OF TROY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS JUNE 30, 2000

SECTION I

SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of the City of Troy, Michigan.
2. No reportable conditions were noted during the general purpose financial statement audit.
3. No instances of noncompliance were noted during the general purpose financial statement audit.
4. No reportable conditions were noted during the audit of the major federal award programs.
5. The auditor's report on the compliance for the major federal award programs for the City of Troy, Michigan expresses an unqualified opinion.
6. No audit findings relative to the major federal award programs for the City of Troy, Michigan were noted.
7. The program tested as a major program was: Highway Planning and Construction CFDA No. 20.205.
8. Total federal expenditures amounted to \$3,565,946. One individual program exceeded \$300,000 in expenditures, which was considered a Type A program. The City of Troy, Michigan also had one program that expended between \$300,000 and \$100,000, which was considered a Type B program.
9. The City of Troy, Michigan does not qualify as a low-risk auditee.

CITY OF TROY

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2000**

SECTION II

FINDINGS - FINANCIAL STATEMENTS AUDIT

No findings were noted during the audit of the general purpose financial statements.

CITY OF TROY

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2000**

SECTION III

FINDINGS - FEDERAL AWARDS AUDIT

No findings were noted during the audit of federal award programs.

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CITY OF TROY, MICHIGAN

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2000**

<u>Federal Grantor/ Pass-Through Grantor Program Title/Grantor's Number</u>	<u>Federal CFDA Number</u>	<u>Program Award/ Amount</u>	<u>Revenue Recognized</u>	<u>Expenditures 7-1-99 - 6-30-00</u>
U.S. Department of Justice				
Public Safety and Community Policing Grants				
Project 95ccwx0291	16.726	\$ 225,000	\$ -	\$ -
Project 97prwx0149	16.726	76,644	-	-
Project 97ulwx0009	16.726	375,000	-	-
Project 99lbvx2613	16.726	48,170	48,170	48,170
63040-1A98	16.726	39,782	31,630	31,630
99shwx0119	16.726	<u>180,065</u>	<u>32,480</u>	<u>32,480</u>
Total U.S. Department of Justice		944,661	112,280	112,280
Amounts provided to subrecipients		<u>(425,000)</u>	<u>(28,212)</u>	<u>(28,212)</u>
Total City of Troy Share		<u>519,661</u>	<u>84,068</u>	<u>84,068</u>
U.S. Department of Housing and Urban Development				
Passed Through Oakland County, Michigan				
Community Development Block Grant				
CB-92-UC-26002	14.218	183,432	-	-
CB-94-UC-26002	14.218	227,482	-	-
CB-95-UC-26002	14.218	219,333	15,539	15,539
CB-96-UC-26002	14.218	207,186	-	-
CB-97-UC-26002	14.218	208,750	28,710	28,710
CB-98-UC-26002	14.218	208,750	13,066	13,066
CB-99-UC-26002	14.218	<u>208,750</u>	<u>40,313</u>	<u>40,313</u>
Total U.S. Department of Housing and Urban Development		<u>1,463,683</u>	<u>97,628</u>	<u>97,628</u>
U.S. Department of Transportation				
Passed Through State of Michigan Department of Transportation				
Highway Planning and Construction				
RR0643	20.205	136,000	29,279	29,279
UB2037	20.205	88,800	32,578	32,578
HJ0564	20.205	914,400	-	-
HH1551	20.205	520,000	21,026	21,026
UB2001	20.205	4,500,000	2,974,770	2,974,770
JJ0910	20.205	<u>1,127,067</u>	<u>326,597</u>	<u>326,597</u>
Total U.S. Department of Transportation		<u>7,286,267</u>	<u>3,384,250</u>	<u>3,384,250</u>
Total All Programs		<u>\$ 9,269,611</u>	<u>\$ 3,565,946</u>	<u>\$ 3,565,946</u>

See Notes to the Schedule of Expenditures of Federal Awards

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CITY OF TROY

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS JUNE 30, 2000

Note 1 - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance and federal cost-reimbursement contracts of the City of Troy, Michigan. The City of Troy, Michigan receives federal awards directly and indirectly through pass-through entities.

The federal program expenditures included in the accompanying schedule are presented on the modified accrual basis of accounting. The modified accrual basis of accounting is also used for the general purpose financial statements. The information in this schedule is presented in accordance with requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

Note 2 - Major Programs

Major programs are identified in the Summary of Auditor's Results Section of the Schedule of Findings and Questioned Costs.

