

## General Revenues by Source - 10-Year History General, Special Revenue and Debt Service Funds

Description	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Property Taxes and Special Assessments	\$ 28,032,705	\$ 30,357,167	\$ 32,654,465	\$ 33,086,355	\$ 36,311,795	\$ 38,222,093	\$ 40,214,010	\$ 42,028,382	\$ 42,142,992	\$ 42,419,041
Licenses and Permits	1,538,734	1,722,198	1,679,479	2,254,763	2,221,451	2,048,206	1,522,133	1,449,003	1,649,985	1,607,445
Federal Sources	158,524	174,500	167,079	418,053	157,469	273,882	538,346	358,256	413,644	186,080
State Sources	9,663,037	10,070,393	11,177,238	11,732,172	12,052,322	12,779,101	14,530,595	12,616,025	17,232,751	12,168,751
County Sources	82,291	85,781	100,202	99,781	107,585	118,646	159,268	142,450	162,365	165,154
Charges for Services	2,204,066	2,177,481	2,020,564	2,496,642	2,811,601	3,418,763	3,085,039	5,870,215	6,128,702	6,556,228
Fines and Forfeits	847,476	556,706	782,345	806,743	836,035	1,061,310	1,171,749	896,833	960,250	973,527
Interest Income	1,669,571	1,932,601	2,615,103	2,368,873	3,556,854	2,851,959	1,630,865	804,910	606,662	1,167,086
Miscellaneous	2,584,415	2,829,967	2,930,880	3,034,914	3,279,143	2,170,644	3,721,754	975,380	2,393,482	2,738,164
<b>Total</b>	<b>\$ 46,780,819</b>	<b>\$ 49,906,794</b>	<b>\$ 54,127,355</b>	<b>\$ 56,298,296</b>	<b>\$ 61,334,255</b>	<b>\$ 62,944,604</b>	<b>\$ 66,573,759</b>	<b>\$ 65,141,454</b>	<b>\$ 71,690,833</b>	<b>\$ 67,981,476</b>

## General Expenditures by Function - 10-Year History General, Special Revenue and Debt Service Funds

Description	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
General Government	\$ 4,810,160	\$ 5,213,126	\$ 5,365,312	\$ 6,371,802	\$ 6,520,286	\$ 7,134,820	\$ 7,605,215	\$ 8,217,477	\$ 8,657,335	\$ 8,978,687
Public Safety	19,324,566	19,945,705	20,824,076	21,591,628	21,609,992	22,787,828	24,721,059	25,229,356	26,313,278	27,203,034
Roads and Streets	2,817,973	2,929,284	2,790,409	3,119,250	2,955,145	3,458,730	3,321,820	3,822,154	3,944,998	5,074,870
Sanitation	3,861,616	3,957,455	3,396,282	3,516,686	3,523,772	3,477,389	3,671,275	3,708,860	3,500,055	2,780,643
Other Public Works	3,072,656	3,428,877	2,832,966	2,742,275	3,015,089	3,359,645	3,808,488	4,198,140	4,432,201	4,432,841
Parks & Rec. & Cemeteries	3,792,456	4,288,277	4,584,181	5,485,326	5,621,048	5,794,366	6,245,061	7,419,478	7,976,960	8,504,982
Library/Museum	2,360,872	2,436,536	2,696,414	2,585,158	2,782,020	3,196,809	4,042,658	4,474,276	4,547,590	4,758,578
Debt Service	4,416,113	4,608,001	4,544,281	3,921,278	3,822,450	5,132,067	12,819,195	7,214,312	17,283,219	6,071,718
DDA	47,347	385,731	17,005	433,177	684,666	235,929	145,039	640,824	479,272	288,986
Economic & Physical Devel.	-	56,594	470,861	346,890	97,627	161,945	530,118	442,397	168,630	185,605
<b>Total</b>	<b>\$ 44,503,759</b>	<b>\$ 47,249,586</b>	<b>\$ 47,521,787</b>	<b>\$ 50,113,470</b>	<b>\$ 50,632,095</b>	<b>\$ 54,739,528</b>	<b>\$ 66,909,928</b>	<b>\$ 65,367,274</b>	<b>\$ 77,303,538</b>	<b>\$ 68,279,944</b>

## General Fund Balance Compared to Annual Expenditures 10-Year History

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Fiscal Year Ended 30-Jun	Reserved Fund Balance	Unreserved Fund Balance	Unreserved/ Undesignated Fund Balance	Annual Expenditures	Unreserved Balance as Percent of Expenditures
1996	\$ 2,987,972	\$ 1,445,073	\$ 5,378,140	\$ 36,147,883	15%
1997	\$ 2,850,854	\$ 2,658,564	\$ 5,944,594	\$ 39,012,105	15%
1998	\$ 1,463,558	\$ 3,960,226	\$ 9,055,918	\$ 39,422,332	23%
1999	\$ 1,387,895	\$ 5,134,886	\$ 11,347,690	\$ 41,861,809	27%
2000	\$ 1,926,331	\$ 7,764,963	\$ 11,520,476	\$ 44,268,940	26%
2001	\$ 3,177,624	\$ 10,206,139	\$ 9,994,133	\$ 45,696,518	22%
2002	\$ 3,383,974	\$ 8,826,224	\$ 9,749,911	\$ 49,707,371	20%
2003	\$ 3,524,927	\$ 8,934,088	\$ 8,967,715	\$ 52,833,401	17%
2004	\$ 3,597,139	\$ 8,679,658	\$ 8,175,958	\$ 55,568,486	15%
2005	\$ 708,988	\$ 10,061,573	\$ 13,036,631	\$ 57,300,794	23%

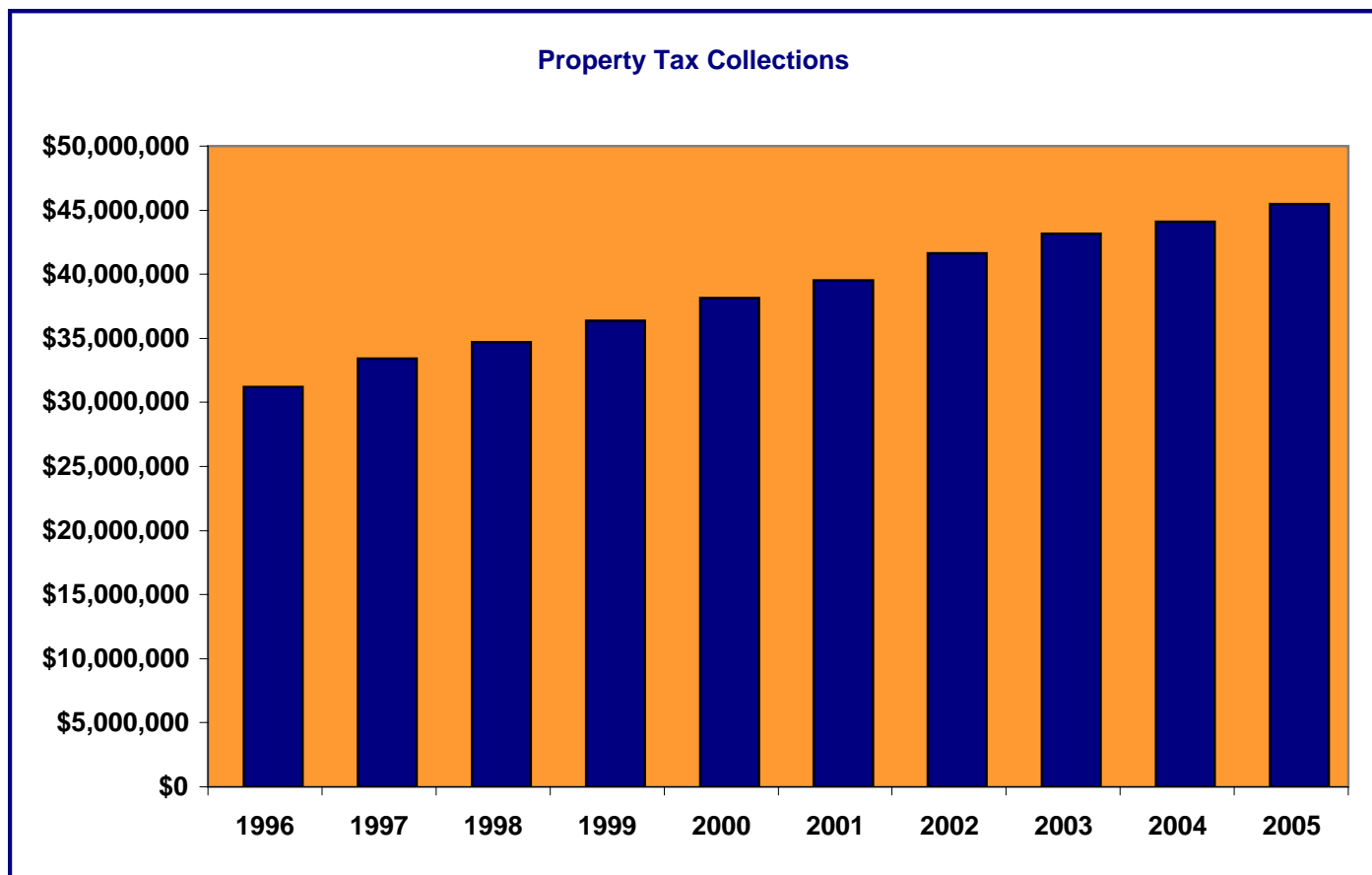
## Value of Taxable Property - 10-Year History

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Fiscal Year Ended 30-Jun	Real Property	Personal Property	Total Taxable Property	Real Property As Percent of Total Taxable Property
1996	2,918,385,360	507,025,520	3,425,410,880	85%
1997	3,051,120,348	522,531,950	3,573,652,298	85%
1998	3,195,831,127	579,417,710	3,775,248,837	85%
1999	3,379,498,283	626,129,990	4,005,628,273	84%
2000	3,517,064,100	666,496,353	4,183,560,453	84%
2001	3,730,001,390	643,070,690	4,373,072,080	85%
2002	4,036,688,730	649,562,212	4,686,250,942	86%
2003	4,241,676,110	619,964,538	4,861,640,648	87%
2004	4,394,026,741	584,236,696	4,978,263,437	88%
2005	4,558,664,800	536,093,423	5,094,758,223	89%

## Property Tax Levies and Collections - 10-Year History

Fiscal Year Ended 30-Jun	Total Tax Levy	Current Tax Collections	% of Taxes Collected	Delinquent Tax Collections	Total Tax Collection	% of Total Collection to Tax Levy
1996	\$ 31,342,457	\$ 30,288,581	96.64%	\$ 921,266	\$ 31,209,847	99.58%
1997	\$ 33,511,137	\$ 32,630,061	97.37%	\$ 766,644	\$ 33,396,705	99.66%
1998	\$ 34,834,939	\$ 33,978,096	97.54%	\$ 737,431	\$ 34,715,527	99.66%
1999	\$ 36,316,680	\$ 35,645,833	98.15%	\$ 732,372	\$ 36,378,205	100.17%
2000	\$ 37,904,870	\$ 37,391,650	98.65%	\$ 736,580	\$ 38,128,230	100.59%
2001	\$ 39,434,080	\$ 38,848,160	98.51%	\$ 693,813	\$ 39,541,973	100.27%
2002	\$ 41,803,788	\$ 41,016,410	98.12%	\$ 632,486	\$ 41,648,896	99.63%
2003	\$ 43,497,146	\$ 42,574,532	97.88%	\$ 582,323	\$ 43,156,855	99.22%
2004	\$ 44,251,910	\$ 43,440,583	98.17%	\$ 672,473	\$ 44,113,056	99.69%
2005	\$ 45,666,420	\$ 44,814,456	98.13%	\$ 637,527	\$ 45,451,983	99.53%



# Demographic Statics - 10-Year History

Fiscal Year Ended 30-Jun	Estimated Population (1)	# of Households	Median Household Effective Buying Income (2)	School Enrollments (3)	Median Age	Unempl. Rate (4)
1996	81,770	29,793	\$ 58,798	11,987	*	1.8%
1997	82,560	29,896	\$ *	12,064	37	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	1.6%
2001	80,959 (5)	30,872	\$ 65,642	12,101	38.1	2.3%
2002	84,531	31,371	\$ 70,342	12,043	38.1	3.2%
2003	84,841	31,504	\$ 65,625	12,092	38.1	3.2%
2004	85,956	31,944	\$ 62,862	12,059	38.1	3.2%
2005	86,740	32,281	\$ 64,630	12,005	38	4.7%

(1) Estimates provided by the City of Troy Planning Department

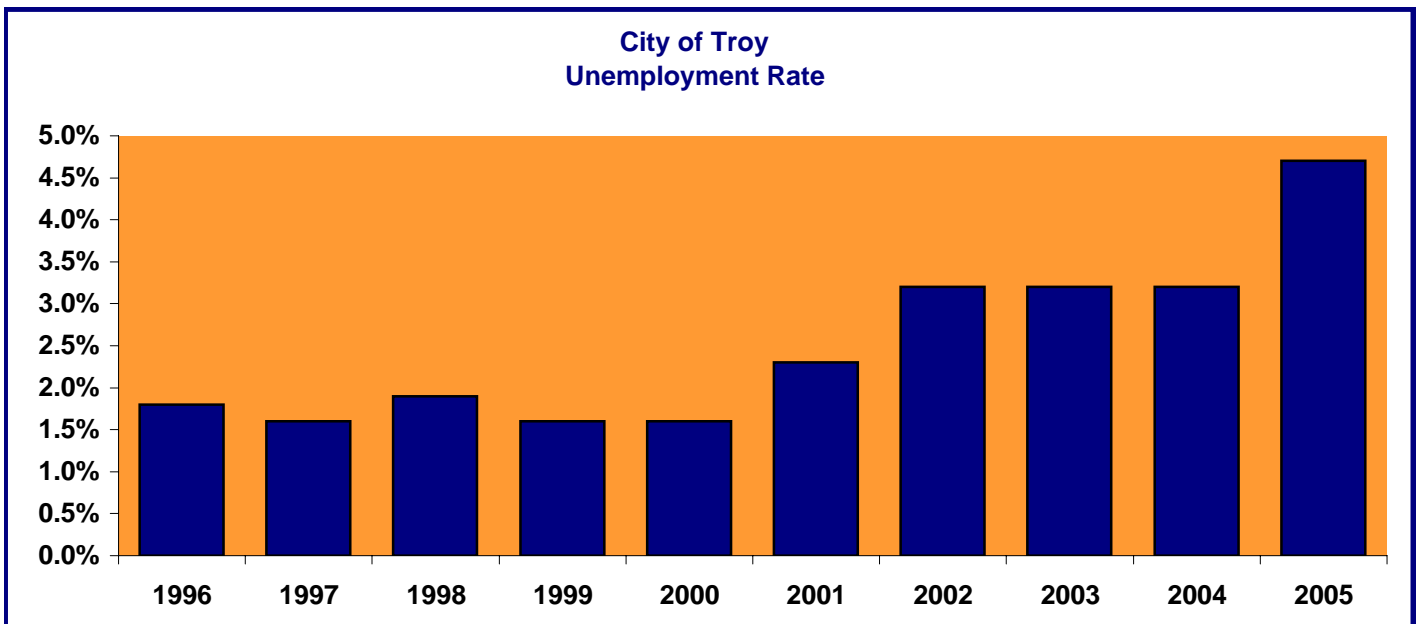
(2) Development by *Sales and Marketing Management* in New York, NY

(3) Troy School District

(4) Michigan Employment Security Commission

(5) U.S. Bureau of the Censes

\* Information not available



# Computation of Legal Debt Margin



Equalization Valuation at December 31, 2003:

\$6,337,222,973

	City of Troy Annual Net Debt	% of State Equalized Valuation	Legal Maximum Debt	Legal Debt Margin
General Obligation Debt	\$50,987,271	10%	\$633,722,297	\$582,735,026
Emergency Bonds	0	3/8%	23,764,586	23,764,586
Special Assessment Bonds	100,000	12%	760,466,757	760,366,757
<b>Total Debt</b>	<b>\$51,087,271</b>		<b>\$1,417,953,640</b>	<b>\$1,366,866,369</b>

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 (\$6,337,222,973), except that this limit may be exceeded by 3/8ths of 1% in case of fire, flood or any 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 sewerage or garbage disposal systems.

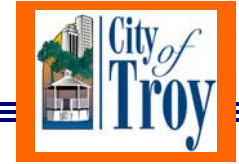
The Michigan State Bond Act provides that the total debt in special assessment bonds, which would require that the City pledge its faith and credit, shall not exceed 12% of assessed valuation of taxable property of the City, nor shall such bonds be issued in any calendar year in excess of 3% unless voted.

# Top 20 Taxpayers



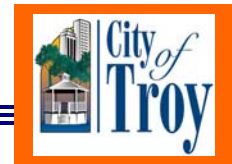
Rank	Name	2006 Assessed Value	2006 Taxable Value	# of Parcels	Business Activity	% of Total Taxable Value
1	Frankel Forbes Cohen	\$73,898,660	\$64,659,870	3	Somerset Collection	1.19%
2	Liberty Property	64,268,550	44,522,510	26	Office Leasing	0.82
3	Nykel	40,726,630	40,726,630	24	Somerset Apts.	0.75
4	Detroit Edison	33,499,410	33,492,740	16	Utility	0.62
5	888 W. Big Beaver Assoc.	34,073,130	33,211,240	2	Office Leasing	0.61
6	Kelly Services	40,239,380	32,362,130	12	Temp. Help & Corporate HQ	0.60
7	Rigg's & Co.	42,206,590	29,623,050	2	Office Leasing	0.55
8	Oakland Mall	35,597,250	29,151,420	9	Retail	0.54
9	LaSalle Bank	32,726,920	27,965,270	2	Banking & HQ	0.51
10	Teachers Insurance	55,619,970	27,812,420	2	Office Leasing	0.51
11	Nemer Troy Place	49,185,600	25,719,770	5	Office Leasing	0.47
12	Top of Troy	27,142,110	25,580,430	1	Office Leasing	0.47
13	Sheffield Office	24,014,210	24,014,210	4	Office Leasing	0.44
14	E A & S	25,836,220	21,187,270	6	Office Leasing	0.39
15	First Industrial	26,996,770	21,181,280	33	Industrial Leasing	0.39
16	Diamond Troy	20,506,670	20,506,670	2	Former Kmart Site	0.38
17	Flagstar Bank	24,743,610	19,368,730	2	Banking & HQ	0.36
18	Sunstone Big Beaver	16,611,520	16,611,520	1	Hotel (Marriott)	0.31
19	E I DuPont	17,852,810	16,238,420	7	Automotive Finishes	0.30
20	Delphi	20,192,950	16,081,640	2	Corporate HQ	0.30
		<b>\$705,938,960</b>	<b>\$570,017,220</b>			<b>10.49%</b>
2006	Total Assessed Value	\$6,608,804,750				
2006	Total Taxable Value	\$5,435,035,442				

# Property Values and Construction - Last 10 Fiscal Years

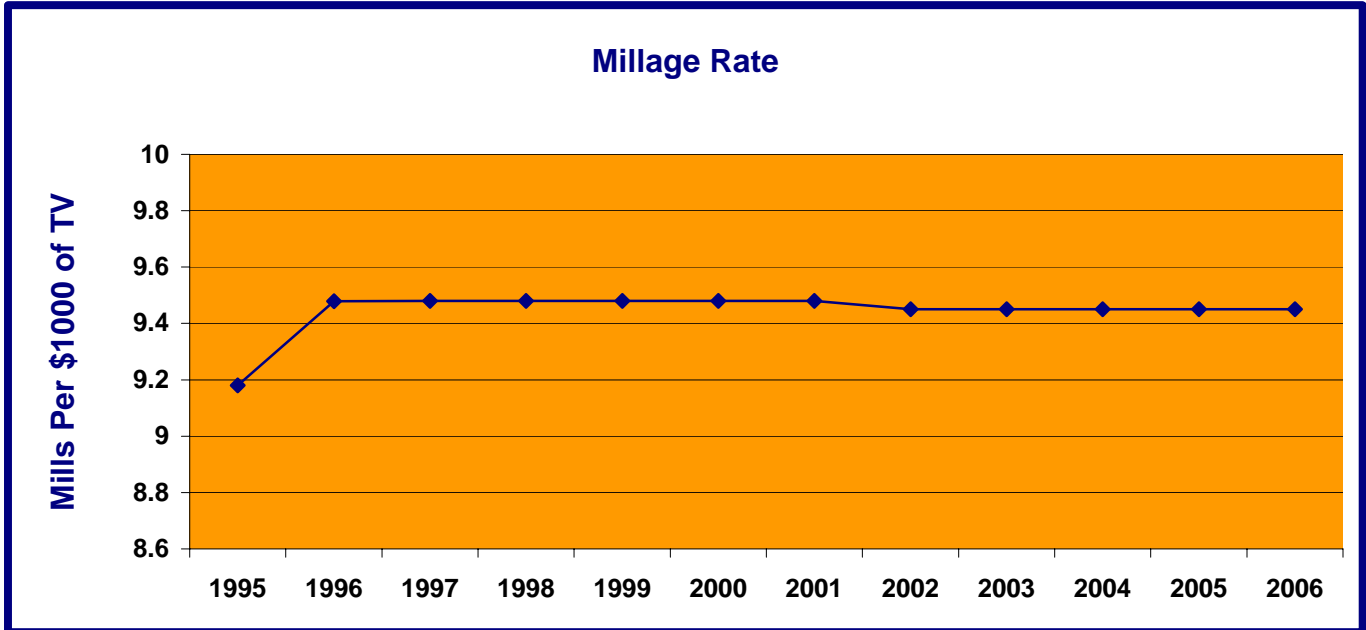


<b>Fiscal Year Ended June 30 of the Following Years:</b>	<b>Property Values</b>	<b>Construction</b>
1996	\$6,926,347,820	\$140,939,440
1997	\$7,345,993,740	\$173,458,968
1998	\$7,909,327,920	\$190,550,736
1999	\$8,569,921,628	\$260,729,204
2000	\$9,393,852,366	\$255,604,926
2001	\$10,437,194,600	\$230,713,492
2002	\$11,305,127,884	\$143,908,032
2003	\$11,911,394,796	\$141,941,808
2004	\$12,376,168,512	\$140,823,926
2005	\$12,674,445,946	\$143,697,564

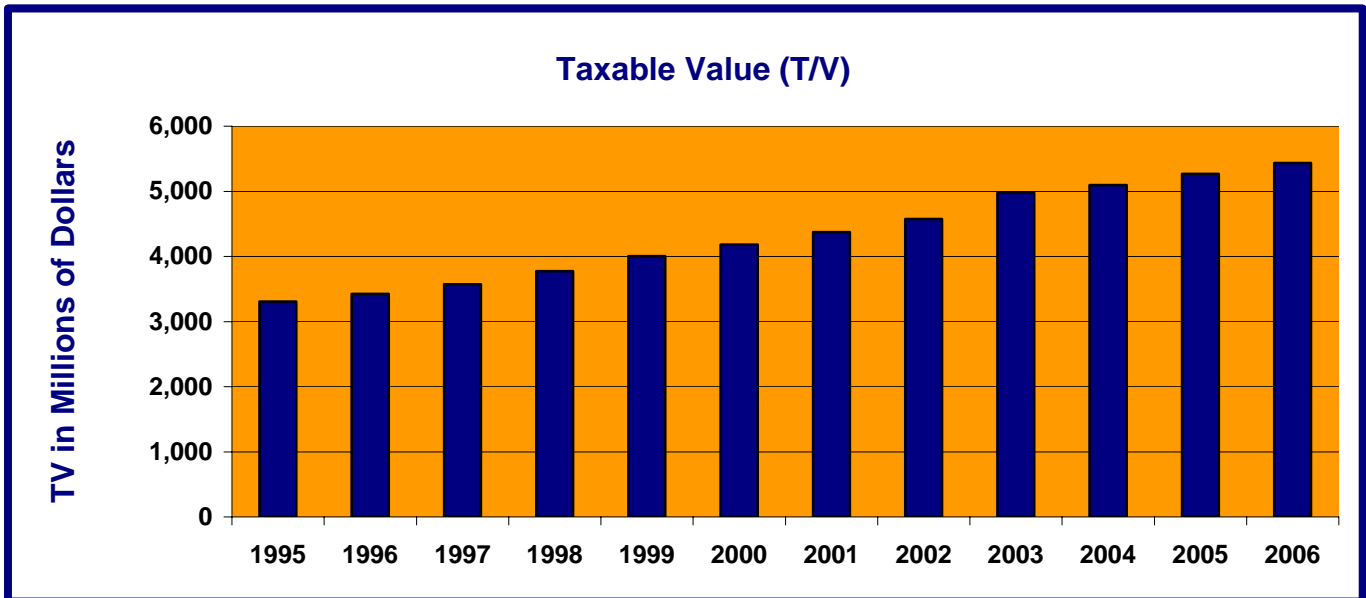
# Collective Bargaining Agreements



Bargaining Unit	Expiration Date	# of Employees Covered
American Federation of State, County and Municipal Employees ( <b>AFSCME</b> ) - Public Works Employees	6/30/09	82
Michigan Association of Police ( <b>MAP</b> ) - Clerical Employees, Police Service Aides	6/30/07	69
Troy Command Officers Association ( <b>TCOA</b> ) - Command Police Officers	6/30/08	36
Troy Police Officers Association ( <b>TPOA</b> ) - Police Officers	6/30/08	102
Troy Fire Staff Officers Association ( <b>TFSOA</b> ) - Career Fire Professionals	6/30/09	12

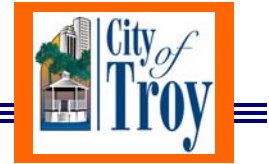


The City of Troy has maintained one of the lowest tax rates of surrounding cities.



In Michigan the assessed value is approximately 50% of the market value of a home. If the home sells for \$200,000 the assessed value would be \$100,000. Each mill levied on this property would cost \$100 annually (before any applicable state or federal tax credits). Under the state school funding system (Proposal A) the annual increase in the taxable value of your property is capped at the rate of inflation or 5%, whichever is less.

# Economic and Statistical Data



<b>Area</b>	34.3 square miles (21,952 acres)		
<b>Form of Government</b>	Council-Manager (since December 12, 1955)		
<b>Present Charter</b>	Adopted December 12, 1955		
<b>Elections</b>	Registered voters (City General Election November 8, 2005)		54,038
	Number of voters voting in City General Election November 8, 2005		13,713
	Percentage of registered voters voted		25.4%
	Registered voters (General Election November 2, 2004)		55,513
	Number of voters voting in General Election November 2, 2004		42,915
	Percentage of registered voters voted		77.3%
<b>Fiscal Year Begins</b>	July 1 <sup>st</sup>		
<b># of Employees</b>	476 regular, 449 seasonal, summer and fall programs		
<b>Fire Protection</b>	6 stations, training center, 180 volunteer firefighters, 14 career personnel, ISO Class 3		
<b>Police Protection</b>	1 station, 137 police officers, 43 non-sworn and 14 civilian employees		
<b>Building Construction</b>	1995-96	2,277 permits	\$140,939,440 estimated value
	1996-97	2,245 permits	\$173,458,968 estimated value
	1997-98	2,091 permits	\$190,550,736 estimated value
	1998-99	2,196 permits	\$260,729,204 estimated value
	1999-00	2,190 permits	\$255,604,926 estimated value
	2000-01	1,946 permits	\$230,713,492 estimated value
	2001-02	1,938 permits	\$143,908,032 estimated value
	2002-03	1,867 permits	\$141,941,808 estimated value
	2003-04	2,110 permits	\$140,823,926 estimated value
	2004-05	2,136 permits	\$143,697,564 estimated value
<b>Streets</b>	410 miles improved 4.9 miles unimproved		
<b>Sewers</b>	10 miles (combination storm and sanitary) 386 miles sanitary sewer 488 miles storm sewer		
<b>Street Lights</b>	577 Detroit Edison-owned 1,707 City-owned		
<b>Water Plant</b>	Accounts:		
	City – Regular		26,990
	Annual Distribution		595 million cubic feet
	Water Mains		547 miles
	Hydrants		5,610

# Glossary of Key Concepts



## [A]

**Accrual Basis:** Accrual basis accounting recognizes transactions when they occur, regardless of the timing of related cash flows. The application of accrual accounting techniques prevents distortions in financial statement representations due to shifts in the timing of cash flows and related underlying economic events near the end of a fiscal period.

**ACT 51:** Highway and street funds derived from gas and weight taxes, distributed to communities by the Michigan Department of Transportation based on a municipality's population and number of street miles.

**Activity:** An office within a department, to which specific expenses are allocated.

**Appropriation:** An authorization granted by a legislative body to incur obligations and to expend public funds for a stated purpose.

**Appropriation Ordinance:** The official enactment by City Council establishing legal authority for the City to incur obligations and to expend public funds for a stated purpose.

## [B]

**Balanced Budget:** A budget in which estimated revenues are equal to or greater than estimated expenditures.

**Budget Message:** A written policy and financial overview of the City as presented by the City Manager.

**Budgetary Center:** A grouping of offices' or activities' budgets that are combined to create a cost center in which actual expenditures cannot exceed budgeted appropriations.

## [C]

**Capital Outlay:** A disbursement of money, which results in the acquisition of or addition to fixed assets. The item must have a purchase price greater than \$5,000 to be a capital item.

**Capital Projects Fund:** A fund to account for development of municipal capital facilities other than those financed by the Enterprise Fund.

**CDBG (Community Development Block Grants):** A federally funded program to assist communities in the expansion and improvement of community services, to develop and improve neighborhoods, and to restore and preserve property values.

## [D]

**Debt Service Fund:** A fund to account for the accumulation of resources for and the payment of general long-term debt principal and interest.

**Deferment:** A form filed by qualifying residents allowing a postponement of the summer homestead tax, without levying interest or penalty, unless payment is made after the deferment date.

**Deficit:** An excess of liabilities and reserves of a fund over its assets.

**Departmental Mission Statement:** A mission statement provides the full range of activities that will be used in the results-oriented budget format to link the municipal purpose with the financial resources of the department.

# Glossary of Key Concepts



## [E]

**Enterprise Fund:** A fund established to account for operations that are financed and operated in a manner similar to a private business, i.e. the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. (Water & Sewer is an example of an enterprise fund)

**Equalization Factor:** A multiplier that is applied to the Assessed Value of a class of property by the County Equalization Department or State Tax Commission that will produce a sum that represents 50 percent of the true cash value of that class.

**Expenditure:** The cost of goods delivered and services rendered, whether paid or unpaid, including expenses, debt retirement not reported as liability of the fund from which retired, or capital outlay.

**Expenditure Object:** An expenditure object is a specific classification of expenditure accounts that includes a number of related accounts determined by the type of goods and services to be purchased. For example, the personnel services expenditure object includes the wages account as well as all fringe benefit accounts.

Expenditure objects include personnel services, supplies, other services/charges, capital outlay, debt service, and transfers out.

## [F]

**FOIA:** Freedom of Information Act.

**Fixed Assets:** Fixed assets are equipment and other capital items used in governmental

fund type operations and are accounted for in the General Fixed Assets Group of Accounts rather than in the government funds. Such assets, which are recorded as expenditures at the time of purchase, do not include certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks, and lighting systems. No depreciation has been provided on general fixed assets.

**Fund:** A fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities.

**Fund Accounting:** The City's accounts 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 designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

**Fund Balance:** The excess of a fund entity's accumulated assets over its liabilities. Typically, excess revenues over expenditures at year-end will increase a fund's fund balance.

## [G]

**GASB:** Governmental Accounting Standards Board – Ultimate authoritative accounting and financial reporting standards-setting body for state and local governments.

**General Fund:** The City's major operating fund to account for all financial resources except those required to be accounted for in another fund.

# Glossary of Key Concepts



**Generally Accepted Accounting Principals (GAAP):** The conventions, rules and procedures that define accepted accounting practice at a particular time, including both broad guidelines of general applications and detailed practices and procedures. GAAP represents the benchmark by which financial statements are measured.

**GFOA:** Government Finance Officers Association of the United States and Canada – A professional organization of public officials united to enhance and promote the professional management of governmental financial resources by identifying, developing and advancing fiscal strategies, policies and practices for public benefit.

## [I]

**Internal Service Funds:** Funds used to finance and account for services furnished by a designated department to another department within a single governmental unit. Examples of funds in this category are Building Maintenance, Motor Pool, and Information Services.

## [L]

**Line Item Budget:** A budget that emphasizes allocations of resources to given organizational units for particular expenditures, such as salaries, supplies, services, and equipment. Line item budgets may be organized to provide accountability at varying levels, such as on department, division, or agency levels.

## [M]

**Michigan Transportation Fund (MTF):** Designates bonded road projects that are financed by Motor Vehicle Highway Funds.

**Modified Accrual Basis:** The basis of accounting under which revenues are recognized in the period they become available and measurable, and expenditures are recognized at the time a liability is incurred pursuant to appropriation authority. Exceptions to the general rule of expenditure recognition occur in debt service.

## [O]

**Operating Budget:** The operating budget is the authorized revenues and expenditures for ongoing municipal services and is the primary means by which government is controlled. The life span of an operating budget typically is one year or less. Personnel costs, supplies, and other service/charges are found in an operating budget.

A capital budget typically has a long-term outlook where a project can span a several year period.

**Other Services/Charges:** An expenditure object within an activity that includes professional services, utilities, rents, and training, for example.

## [P]

**Performance Indicator:** A measurement of how a program is accomplishing its mission through the delivery of products or services.

**Performance Objectives:** Desired output oriented accomplishments which can be measured within a given time period.

**Personal Services:** An expenditure object within an activity, which includes payroll and all fringe benefits.

# Glossary of Key Concepts



## [R]

**Results-Oriented Budgeting:** A management concept, which links the annual line item budget to departmental results of operations.

**Revenue:** An addition to the assets of a fund which does not increase a liability, does not represent the recovery of an expenditure, does not represent the cancellation of a liability without a corresponding increase in any other liability or a decrease in assets, and does not represent a contribution of fund capital in enterprise or in intra-governmental service funds.

## [S]

**SAD:** Special Assessment District.

**Service Statement:** A statement of general and specific service deliveries rendered by an activity for the community.

**Special Revenue Fund:** A fund to account for the proceeds of specific revenue sources (other than special assessment, expendable trusts, or the major capital projects) that are legally restricted to expenditures for specified purposes.

**State Shared Revenue:** A portion of the \$.06 sales tax returned to local governments based on per capita taxable value, population and relative tax effort.

**Supplies:** An expenditure object within an activity, which includes all supplies that have a useful life of less than one year and/or a purchase price of less than \$500.

**Surplus:** An excess of the assets of a fund over its liabilities and reserves.

## [T]

**Transfers - In/Out:** A legally authorized funding transfer between funds in which one fund is responsible for the initial receipt and the other fund is responsible for the actual disbursement.

## [U]

**Unreserved Fund Balance:** The balance of net financial resources that are spendable or available for appreciation or the portion of fund balance that is not legally restricted.

## [W]

**Water & Sewer Fund:** The enterprise funds account for the operation of the water and sewer system. The revenues consist of charges for services from City businesses and residences that are used to pay for all water and sewer related expenses.