

City of Troy, Michigan

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2024





City of Troy, Michigan

Annual Comprehensive Financial Report

Year Ended June 30, 2024

City Council

**Mayor
Mayor Pro Tem
Council Members**

**Ethan Baker
Ellen Hodorek
Rebecca Chamberlain-Creanga
Theresa Brooks
Mark Gunn
David Hamilton
Hirak Chanda**

Prepared by:

The Department of Financial Services

City of Troy, Michigan

Table of Contents

	Page
Introductory Section	
Letter of Transmittal	1
Organizational Chart	5
GFOA Certificate of Achievement	6
Principal Officials	7
Fund Organization Chart	8
Financial Section	
Independent Auditors' Report	9
Management's Discussion and Analysis	12
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position	21
Statement of Activities	22
Fund Financial Statements	
Governmental Funds	
Balance Sheet	23
Reconciliation of Fund Balances of Governmental Funds to Net Position of Governmental Activities	24
Statement of Revenues, Expenditures and Changes in Fund Balances	25
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	26
Budgetary Comparison Statement – General Fund	27
Proprietary Funds	
Statement of Net Position	28
Statement of Revenues, Expenses and Changes in Net Position	29
Statement of Cash Flows	30
Fiduciary Funds	
Statement of Fiduciary Net Position	31
Statement of Changes in Fiduciary Net Position	32
Component Units	
Statement of Net Position	33
Statement of Activities	34
Notes to the Financial Statements	35
Required Supplementary Information	
Employee Retirement System	
Schedule of Changes in Net Pension Asset and Related Ratios	72
Schedule of Net Pension Asset	74
Schedule of Employer Contributions	75
Schedule of Investment Returns	76

	Page
Other Postemployment Benefits	
Schedule of Changes in Net OPEB Liability and Related Ratios	77
Schedule of Net OPEB Liability	79
Schedule of Employer Contributions	80
Schedule of Investment Returns	81
Notes to the Required Supplementary Information	82
Other Supplementary Information	
Nonmajor Governmental Funds	
Combining Balance Sheet	84
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	86
Budgetary Comparison Schedules	
Major Street Fund	88
Local Street Fund	89
Refuse Fund	90
Transit Center Fund	91
Drug Forfeiture Fund	92
Library Fund	93
Community Development Block Grant Fund	94
Nonmajor Enterprise Funds	
Combining Statement of Net Position	95
Combining Statement of Revenues, Expenses and Changes in Fund Net Position	96
Combining Statement of Cash Flows	97
Internal Service Funds	
Combining Statement of Net Position	98
Combining Statement of Revenues, Expenses and Changes in Fund Net Position	99
Combining Statement of Cash Flows	100
Component Units	
Downtown Development Authority	
Statement of Net Position and Governmental Fund Balance Sheet	101
Reconciliation to Fund Balance of Governmental Fund to Net Position of Governmental Activities	102
Statement of Activities and Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance	103
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance	104
Local Development Finance Authority	
Statement of Net Position and Governmental Fund Balance Sheet	105
Statement of Activities and Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance	106
Brownfield Redevelopment Authority	
Statement of Net Position and Governmental Fund Balance Sheet	107
Statement of Activities and Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance	108

	Page
Statistical Section	
Financial Trends	
Net Position by Component	109
Changes in Net Position	111
Fund Balances – Governmental Funds	113
Changes in Fund Balances – Governmental Funds	115
General Government Tax Revenue by Source	117
Revenue Capacity	
Property Tax Levies and Collections	118
Direct and Overlapping Property Tax Rates	119
Assessed Value and Taxable Value of Property	121
Principal Property Taxpayers	123
Debt Capacity	
Ratios of Outstanding Debt by Type	125
Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt	126
Computation of Direct and Overlapping Debt	127
Computation of Legal Debt Margin	128
Legal Debt Margin Information	129
Pledged Revenue Coverage	131
Demographic and Economic Information	
Demographic Statistics	132
Principal Employers by Industry	134
Operating Information	
Operating Indicators by Function/Program	137
Capital Asset Statistics by Function/Program	141
Building Construction	143
Full and Part-Time City Government Employees by Function/Program	144
Continuing Disclosure	
State Shared Revenue	146
Gas and Weight Taxes	147
Labor Agreements	148

INTRODUCTORY SECTION



October 31, 2024

Dear Honorable Mayor, City Council Members and Citizens:

The *Annual Comprehensive Financial Report (ACFR)* for the City of Troy, Michigan for the year ended June 30, 2024 is hereby submitted. The report represents a comprehensive and detailed picture of our financial transactions during fiscal year 2023/24 and the financial condition of the various funds as of fiscal year end. This report was prepared by a team comprised of executive members, financial staff, and department leaders of the City. Troy's staff is responsible for the accuracy of data and completeness and fairness of the presentation, including all disclosures.

A *Management's Discussion and Analysis Report (MD&A)*, as well as entity-wide, full accrual financial statements are included in the front of the financial statement section. The fund statements are presented under the "Major/Nonmajor Fund" concept. Reconciliation between the two presentations is included and the note disclosures have been expanded to provide appropriate information on both the entity-wide and fund financial statements.

The information presented is accurate in all material respects. Financial data presented is designed to provide the reader with information to assist in determining both the long-term fiscal health of the City of Troy and the City of Troy's ability to meet obligations on a short-term basis.

As required by Generally Accepted Accounting Principles (GAAP), these financial statements present the City of Troy and related component units. The individual component units are included in the City of Troy's reporting entity because of the significance of their operational or financial relationships with the City of Troy.

The financial reporting entity includes all 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 of the City are shown in the table of contents and are included in this report. We have addressed all component units.

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 four-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, including police, fire, water distribution, wastewater collection, street maintenance, public improvements, planning, zoning, recreation and general administration.

ECONOMIC OUTLOOK AND CONDITION

The economic condition of the City of Troy remains strong and the City continues to show steady improvement. Because of our efficient budgeting practices and process of obtaining grant funding from the Federal Government, we have been able to maintain our financial stability.

The City experienced growth in net taxable value for fiscal 2024 at 7.5% and was comprised of growth in residential properties of 7.3%, and growth in both commercial properties (10.5%) and industrial properties (9.9%). The assessed value of property increased by 8.3% for fiscal 2024. The assessed value is now 31.4% greater than the net taxable value. For Michigan cities, Troy ranked fourth for the largest assessed values in the state.

The City adopts a three- year budget that is nationally recognized. Our approach to funding major capital projects is to accumulate funds over a number of years to avoid the issuance of debt. The City has adopted a policy to maintain our unassigned fund balance of the general fund at a minimum 20% to 30% of general fund expenditures & transfers. Actual results outside these parameters requires a financial plan proposed by the city manager.

New Business

Listed below are some of the new businesses and/or expansions to Troy that happened over the last 12 months. It's a mixture of Insurance Agencies, Restaurants, Medical Operations, Advance Manufacturing and Mobility firms:

- Savic Technologies 2675 Bellingham
- Expleo 2380 Meijer Dr.
- Magna 750 Tower Dr.
- Sanhua 1350 Stephenson Highway

Its estimated that these firms represent about 430 jobs and have invested over \$8,000,000.

Business Retention

Business retention is the cornerstone of most economic development programs. Retention of your existing business base ensures that your tax and employment base will remain healthy. Troy will continue to call on businesses in the manufacturing, information services, medical, research/development and technical sectors. The purpose of this calling program is to provide Troy businesses with the following information:

- Workforce Assistance
- Site Selection
- Loan Programs
- Grant Programs
- Site Plan Information
- Permitting Information
- Grand-Opening Assistance

Each business retention call is different so no set formula on what type of assistance is needed. The purpose is to inform the business about what assistance is available so they can contact me at the appropriate time.

It's a team approach to this retention strategy so they City works with the State of Michigan and Oakland County when calling on Troy businesses because each level of government has something to offer.

The below are a few of the firms recently visited:

- Bontaz
- Optech
- Elijah
- Detroit Engineered Products
- Femto Technologies
- Precision Global system

Troy's TIF Boards

The economic development team participated in Board/Project meetings that promoted investment and job creation within the **DDA, BRA and LDFA**. The Brownfield pipeline for future projects includes the prior K-Mart site and several other potential projects.

FINANCIAL INFORMATION

Management of the City is responsible for establishing and maintaining internal controls 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 controls are 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.

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 and special revenue 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) are established at the activity level.

General Government Functions

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

This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Troy's MD&A can be found immediately following the Independent Auditors' Report.

Tax Rate Limitations

The City Charter provides tax rate limitations for general operations. In addition, the City of Troy may levy taxes in excess of the Charter limitation for refuse collection, library operations and debt service.

Purpose	Authority	Original Rate Per \$1,000 of Taxable Value
General operating	City Charter	\$8.10
Refuse collection and disposal	Act 298, P.A. of Michigan 1917 as Amended Article IX, Section 56 of Michigan Constitution	\$3.00
Library operations	Voter approved - 10 years	\$1.10
Debt service *	City Charter	Amount necessary for debt payment

*The debt service millage was not levied since fiscal year 2022 as the debt in which it was levied for was paid off in fiscal year 2021.

Long-Term Financial Planning

Unassigned fund balance for the General Fund at year end was \$27.3 million or 42.1% of total general fund expenditures, including transfers to other funds. This is above the general fund unassigned fund balance policy of 20%-30% of annual general fund expenditures.

The City's policy in restoring unassigned general fund balance to target levels includes using surplus unassigned fund balance for one-time purchases. The City maintains a 5-year capital improvement program. Typically, specific projects are identified and funded through transfers from the general fund to the capital projects fund for these projects during our budget process.

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 Yeo & Yeo, was selected by the City Council. The City received an "unmodified opinion" from Yeo & Yeo, which is the best opinion that an organization can receive on its financial statements. It indicates that the auditor's examination has disclosed no conditions that cause them to believe that the financial statements are not fairly stated in all material respects.

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 ACFR for the fiscal year ended June 30, 2023.

This was the twenty seventh consecutive year that the City has achieved this prestigious award. In order to be awarded a certificate, the ACFR 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 annual comprehensive 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.

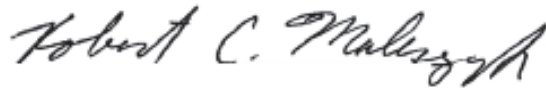
The City has also received the GFOA Award for Distinguished Budget Presentation of the City's three-year budget.

Acknowledgements

The timely preparation of the ACFR 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.

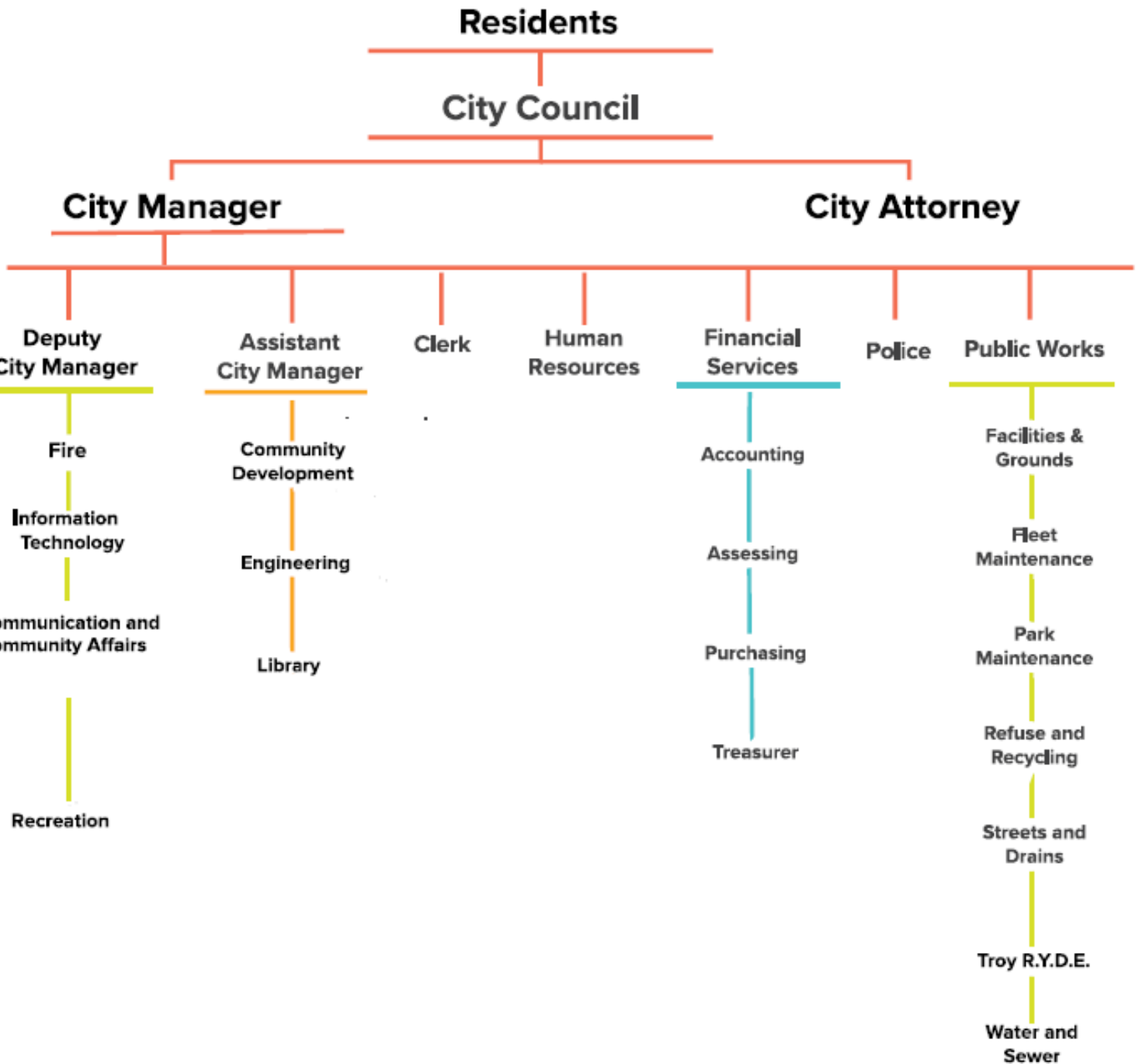


Frank Nastasi
City Manager



Robert C. Maleszyk
Chief Financial Officer

Organizational Chart





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Troy
Michigan**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO

City of Troy, Michigan
Principal Officials
June 30, 2024

City Manager	Frank Nastasi
City Attorney	Lori Grigg Bluhm
Deputy City Manager	Robert Bruner
Chief Financial Officer	Robert Maleszyk
Controller	Kyle Vieth
City Assessor	Kelly Timm
City Clerk	Aileen Dickson
City Engineer	Scott Finlay
City Treasurer	Renee Hazen
Community Affairs Director	Cynthia Stewart
Community Development Director	Brent Savidant
Fire Chief	Peter Hullinger
Human Resources Director	Jeanette Menig
Information Technology Director	Alex Bellak
Library Director	Emily Dumas
Recreation Director	Brian Goul
Police Chief (Acting)	Josh Jones
Public Works Director	Kurt Bovensiep
Purchasing Manager	Emily Frontera
Facilities and Grounds Manager	Dennis Trantham
Fleet Operations Manager	Brian Varney
Streets and Drains Operations Manager	Mike Verstraete
Water and Sewer Operations Manager	Jason Schmidt

City of Troy, Michigan
Fund Organization Chart
June 30, 2024

Governmental Funds

▪ **General Fund ***

Special Revenue Funds

- Major Street
- Local Street
- Refuse
- Transit Center
- Drug Forfeiture
- Library
- Community Development Block Grant

Debt Service Fund

- Series 2013 & 2020 *

▪ **Capital Projects Fund ***

Permanent Fund

- Cemetery Perpetual Care

Proprietary Funds

Enterprise Funds

- Water *
- Sanitary Sewer *
- Sanctuary Lake Golf Course *
- Sylvan Lake Golf Course
- Aquatic Center

Internal Service Funds

- Compensated Absences
- Unemployment Compensation
- Custodial Services
- Information Technology
- Motor Equipment
- Workers' Compensation

Fiduciary Funds

Pension and OPEB Trust

- Employee Retirement System
- Retiree Health Care Trust

Custodial Fund

- Tax Collection

Component Units

- Downtown Development Authority
- Local Development Financing Authority
- Brownfield Redevelopment Authority

* Major funds under GASB No. 34

FINANCIAL SECTION

Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Troy, Michigan (the City), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison statement for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material

misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the pension and OPEB schedules, as identified in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The other supplementary information, as identified in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States

of America by us. In our opinion, based on our audit, the other supplementary information, as identified in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Yeo & Yeo, P.C.

Auburn Hills, Michigan
October 31, 2024

MANAGEMENT'S DISCUSSION & ANALYSIS

City of Troy, Michigan
Management's Discussion and Analysis
June 30, 2024

As management of the City of Troy, Michigan (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found as listed in the table of contents of this report.

Financial Highlights

• Total net position	\$521,538,421
• Change in total net position	21,872,752
• Fund balances, governmental funds	65,538,387
• Change in fund balances, governmental funds	8,834,007
• Unassigned fund balance, general fund	27,307,266
• Change in fund balance, general fund	7,168,226
• Installment debt outstanding	12,429,399
• Change in installment debt	(1,525,617)

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements, which comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private sector business.

The *statement of net position* presents information on all of the City assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) or from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, sanitation, community and economic development, and recreation and culture. The business-type activities of the City include water and sewer services, the aquatic center and golf courses.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also the legally separate entities of the *Downtown Development Authority, Local Development Financing Authority and the Brownfield Redevelopment Authority* for which the City is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

City of Troy, Michigan
Management's Discussion and Analysis
June 30, 2024

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Following both the governmental fund balance sheet and the governmental fund statement of revenue, expenditures and changes in fund balances are reconciliations to facilitate this comparison between *governmental funds and governmental activities*.

Information for each of the City's individual governmental funds is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general fund, debt service series 2013 & 2020 fund, and capital projects fund, which are considered to be the City's major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its general and special revenue funds. Budgetary comparisons statements or schedules have been provided herein to demonstrate compliance with those budgets.

Proprietary Funds. The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water, sanitary sewer, golf courses (Sanctuary Lake and Sylvan Glen), and aquatic center operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses an internal service fund to account for its compensated absences, unemployment compensation, custodial services, information technology, motor equipment, and workers' compensation functions. Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the water, sanitary sewer, and Sanctuary Lake golf course funds, which are considered to be major funds of the City as well as the aggregate of the nonmajor enterprise funds.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

City of Troy, Michigan
Management's Discussion and Analysis
June 30, 2024

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Required supplementary information includes this management's discussion and analysis and the schedules for the City's pension and other postemployment benefits plans.

The *combining statements* referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information.

Government-wide Financial Analysis

The City's combined net position increased \$21.9 million over the course of the fiscal year to a total of \$521.5 million. Net position of governmental activities increased \$24.9 million or 7.3%, and business-type activities decreased \$3.0 million or 1.9%. Explanations for those changes are described below under the governmental activities and business-type activities sections of this Management's Discussion and Analysis.

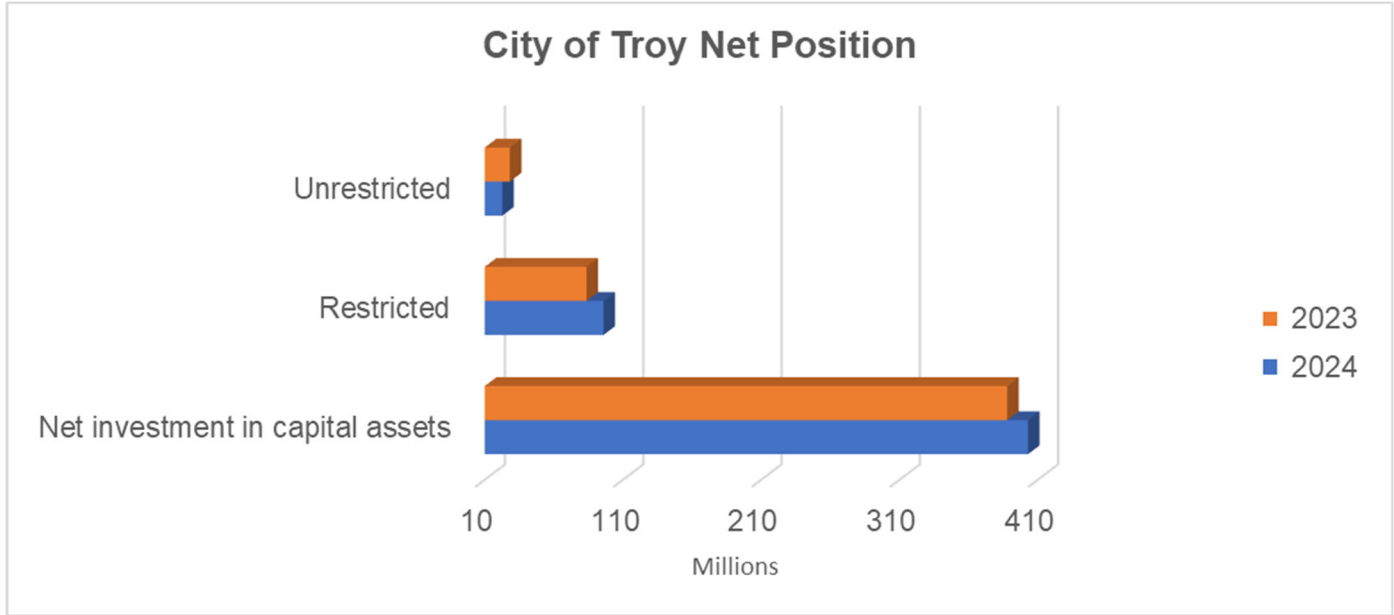
	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Assets						
Current and other assets	\$ 171,983,315	\$ 153,662,844	\$ 15,300,479	\$ 18,315,186	\$ 187,283,794	\$ 171,978,030
Capital assets, net	253,704,383	241,377,704	153,768,759	153,986,478	407,473,142	395,364,182
	<u>425,687,698</u>	<u>395,040,548</u>	<u>169,069,238</u>	<u>172,301,664</u>	<u>594,756,936</u>	<u>567,342,212</u>
Deferred outflows of resources	72,965	6,641,835	232,606	574,365	305,571	7,216,200
Liabilities						
Long-term debt	22,206,658	16,821,282	3,549,301	4,413,336	25,755,959	21,234,618
Other liabilities	31,290,253	41,503,170	7,062,465	6,846,124	38,352,718	48,349,294
	<u>53,496,911</u>	<u>58,324,452</u>	<u>10,611,766</u>	<u>11,259,460</u>	<u>64,108,677</u>	<u>69,583,912</u>
Deferred inflows of resources	<u>8,805,271</u>	<u>4,761,657</u>	<u>610,138</u>	<u>547,174</u>	<u>9,415,409</u>	<u>5,308,831</u>
Net position						
Net investment in capital assets	252,967,933	238,472,631	149,982,907	149,413,653	402,950,840	387,886,284
Restricted	93,319,004	81,478,063	2,590,963	2,137,566	95,909,967	83,615,629
Unrestricted	17,171,544	18,645,580	5,506,070	9,518,176	22,677,614	28,163,756
Total net position	<u>\$ 363,458,481</u>	<u>\$ 338,596,274</u>	<u>\$ 158,079,940</u>	<u>\$ 161,069,395</u>	<u>\$ 521,538,421</u>	<u>\$ 499,665,669</u>

The largest portion of the City's net position (77.3%) reflects its investment in capital assets of \$403.0 million (e.g., land, museum artifacts, construction in progress, infrastructure, land improvements, buildings and improvements, miscellaneous equipment, office equipment, vehicles, library books, right to use equipment, and the water and sewer system), less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide a variety of services to its residents. Accordingly, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position of \$95.9 million (18.4%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$22.7 million (4.3%) is unrestricted and may be used to meet the City's ongoing obligations to its residents and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all reported categories of net position, both for the City as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

City of Troy, Michigan
Management's Discussion and Analysis
June 30, 2024

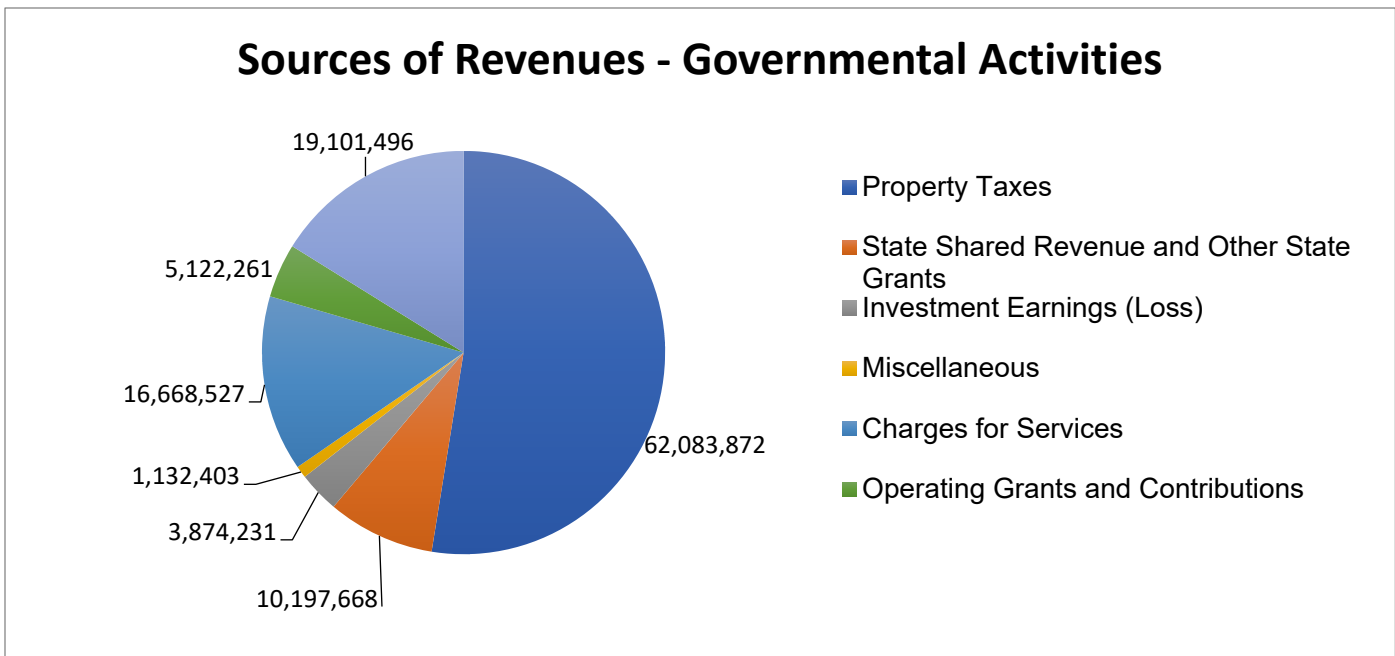
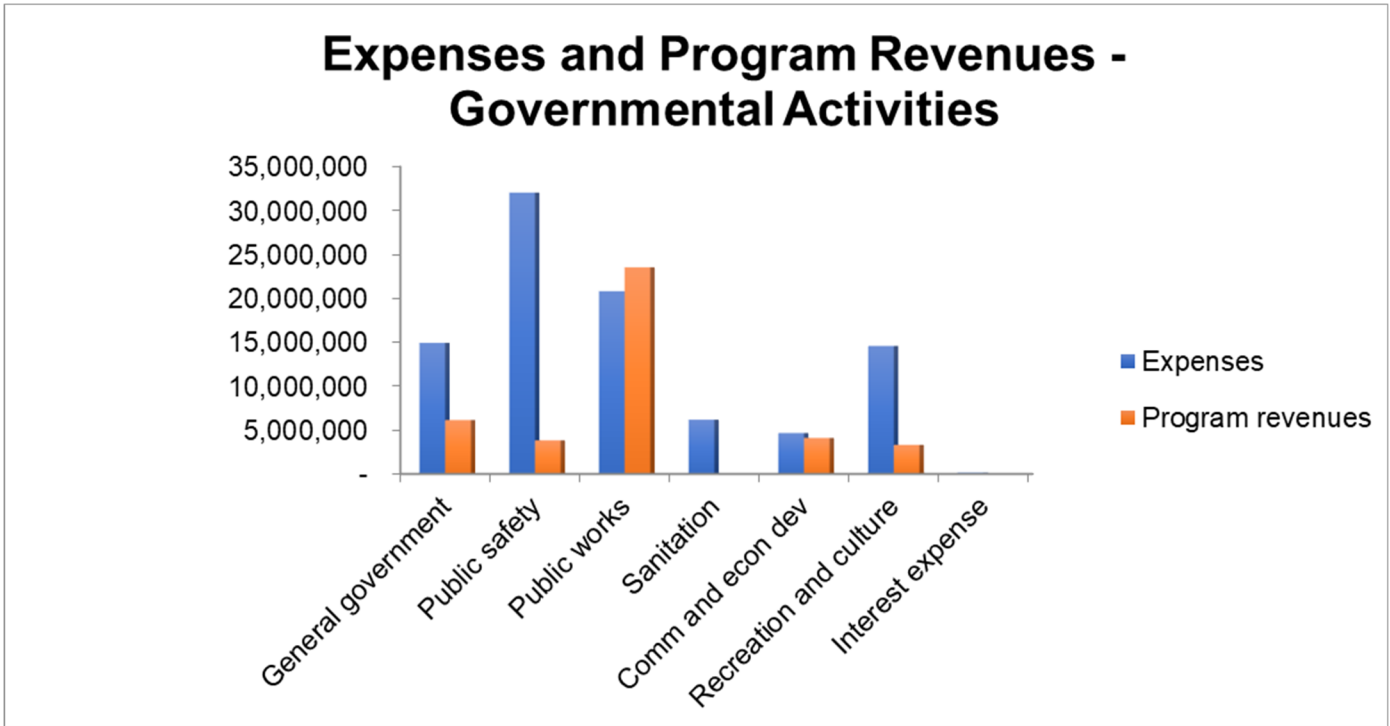


The following condensed financial information was derived from the government-wide statement of activities and reflects how the City's net position changed during the fiscal year:

	Change in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Program revenues						
Charges for services	\$ 16,668,527	\$ 14,806,925	\$ 41,079,671	\$ 40,316,887	\$ 57,748,198	\$ 55,123,812
Operating grants and contributions	5,122,261	3,421,036	-	-	5,122,261	3,421,036
Capital grants and contributions	19,101,496	12,533,045	391,205	731,734	19,492,701	13,264,779
General revenues						
Property taxes	62,083,872	57,724,838	-	-	62,083,872	57,724,838
State-shared revenues and other state grants	10,197,668	9,968,092	-	-	10,197,668	9,968,092
Investment earnings (loss)	3,874,231	(2,921,084)	341,012	304,614	4,215,243	(2,616,470)
Other revenue	1,132,403	670,534	49,848	35,361	1,182,251	705,895
Total revenues	118,180,458	96,203,386	41,861,736	41,388,596	160,042,194	137,591,982
Expenses						
General government	\$ 14,917,110	\$ 10,139,417	\$ -	\$ -	\$ 14,917,110	\$ 10,139,417
Public safety	32,035,747	30,335,955	-	-	32,035,747	30,335,955
Public works	20,804,742	17,976,458	-	-	20,804,742	17,976,458
Sanitation	6,178,716	5,950,274	-	-	6,178,716	5,950,274
Community and economic development	4,656,013	4,142,399	-	-	4,656,013	4,142,399
Recreation and culture	14,571,154	13,449,956	-	-	14,571,154	13,449,956
Interest expense	154,769	152,973	-	-	154,769	152,973
Water	-	-	24,001,713	22,129,369	24,001,713	22,129,369
Sanitary sewer	-	-	15,839,514	15,881,121	15,839,514	15,881,121
Aquatic center	-	-	677,316	589,748	677,316	589,748
Golf courses	-	-	4,332,648	4,155,707	4,332,648	4,155,707
Total expenses	93,318,251	82,147,432	44,851,191	42,755,945	138,169,442	124,903,377
Change in net position	24,862,207	14,055,954	(2,989,455)	(1,367,349)	21,872,752	12,688,605
Net position, beginning of year	338,596,274	320,881,613	161,069,395	162,436,744	499,665,669	483,318,357
Prior period adjustment	-	3,658,707	-	-	-	3,658,707
Net position - beginning of year, as restated	338,596,274	324,540,320	161,069,395	162,436,744	499,665,669	486,977,064
Net position, end of year	\$ 363,458,481	\$ 338,596,274	\$ 158,079,940	\$ 161,069,395	\$ 521,538,421	\$ 499,665,669

City of Troy, Michigan
Management's Discussion and Analysis
June 30, 2024

Governmental Activities. The following chart presents revenues and expenses of governmental activities for the fiscal year:



Total governmental revenue is reported at approximately \$118.2 million, an increase of \$22.0 million from the prior year. The increase is primarily due to investment earnings increasing by \$6.8 million from the prior year, which is consistent with the current economic trends and positive interest rates. Additionally, there were increased recognized federal revenues of approximately \$6.6 million related to the ARPA and MDOT Grant Funds. Property tax revenues also saw a significant increase of approximately \$4.4 million.

City of Troy, Michigan
Management’s Discussion and Analysis
June 30, 2024

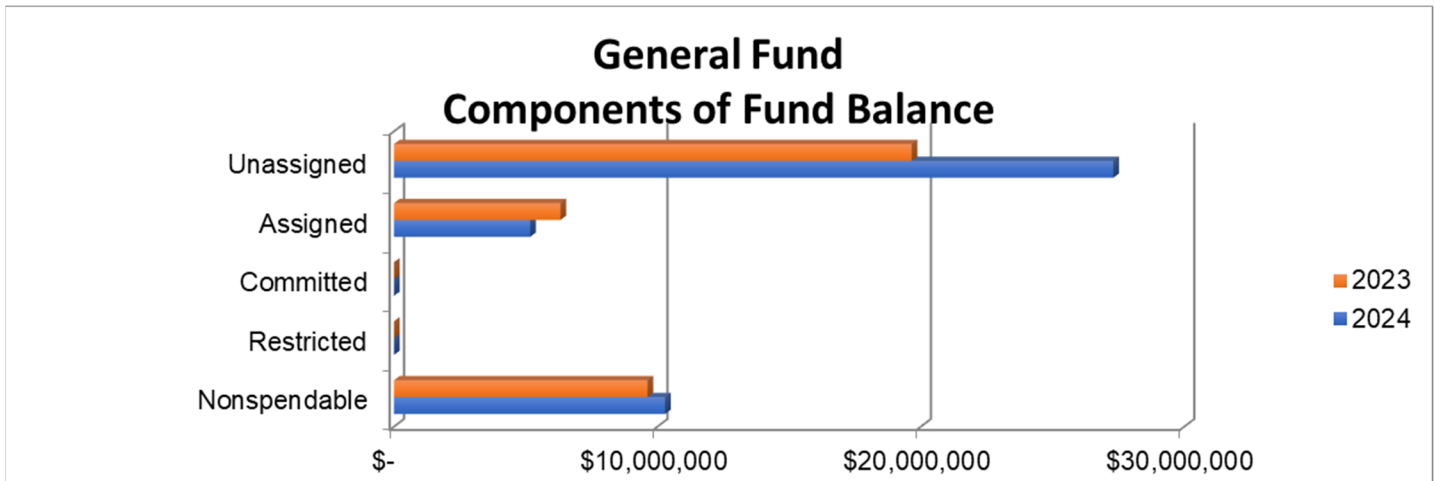
Total governmental expenses are reported at \$93.3 million, an increase of \$11.2 million from the prior year. The increase is primarily due to increased capital expenses of approximately \$7.5 million, the change in investment performance related to pension and OPEB funds, and normal increases for inflation.

Business-type Activities. The City’s business-type activities consist of water supply, sanitary sewer, aquatic center, and two municipal golf courses. Water and sanitary sewer services, classified as major funds, are provided to City residents through the Great Lakes Water Authority (GLWA) and Oakland County Water Resource Commission (OCWRC), respectively. The net position for business-type activities decreased by \$3.0 million. This change is primarily due to increased costs of providing water and sewer services to our residents which outpaced the rate increases charged to our residents, therefore resulting in rate increases for 2025.

Financial Analysis of the City’s Governmental Funds

The focus of the City’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City’s financing requirements. In particular, unassigned fund balance may serve as a useful measure of the City’s net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City Council or management.

The City’s governmental funds reported combined fund balances of \$65.5 million, an increase of \$8.8 million compared to the prior year. Approximately 41.7% of this amount (\$27.3 million) constitutes *unassigned fund balance*, which is available for spending at the City’s discretion. The remainder of the fund balance is either *nonspendable, restricted, committed, or assigned* to indicate that it is 1) not in spendable form, 2) legally required to be maintained intact/restricted for particular purposes, 3) committed for particular purposes, or 4) assigned for particular purposes.



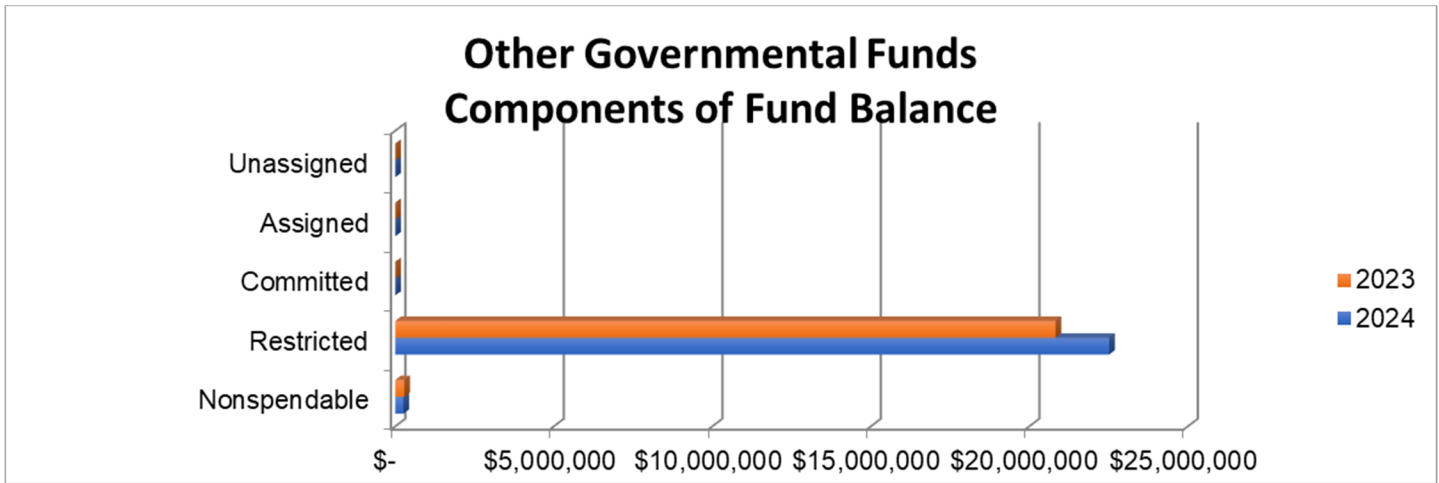
The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$27.3 million, while total general fund balance increased \$7.2 million to \$42.8 million. The general fund fund balance was budgeted to decrease by \$3.2 million, however favorable results for revenues of \$5.4 million and expenditures of \$5.0 million resulted in a net increase of \$10.4 million to the fund balance compared to budget. The general fund unassigned fund balance has a target limit of 20% to 30% of annual expenditures. As a measure of the general fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents approximately 42.1% of total general fund expenditures, while total general fund balance represents approximately 66.0% of the same amount.

In the current fiscal year, revenues were approximately \$7.2 million greater than total expenditures and transfers.

City of Troy, Michigan
Management’s Discussion and Analysis
June 30, 2024

Overall revenues increased by \$7.7 million primarily due to an increase in property tax revenues of \$3.0 million as well as an increase in investment gains of \$3.7 million from the prior year. These increases are consistent with the current economic trends.

General fund expenditures (before transfers) of \$62.9 million decreased \$7.2 million or 10.3%. The decrease in general fund expenditures was primarily due to the VFIP payout from the prior year of \$9.4 million offset by normal increases of expenditures.



The Series 2013 & 2020 debt service fund, a major fund, was issued by the City to advance refund prior debt issuance of the Troy Downtown Development Authority (DDA), a discrete component unit of the City. The debt was issued by the City to mitigate the financial impact of debt burden on the DDA that was facing decreased tax capture from the district due to the 2008 recession and to take advantage of the City's AAA bond rating to receive favorable rates. Restructure of the DDA district provides funding for debt service payments that are derived through charges from the City to the DDA for reimbursement purposes. The fund maintains a zero-fund balance.

The capital projects fund, a major fund, had an increase in fund balance of \$2.6 million during the current year for a total ending fund balance of \$10.8 million. Major capital projects included \$8.9 million for park development including the ice rink amenity of \$7.9 million and major street improvements of \$6.3 million and local street improvements of \$3.0 million. It should be noted that the general fund contributed \$2.0 million towards improvements to City Hall and streets and the library fund contributed \$1.1 million towards renovations and maintenance. The major streets fund contributed \$5.7 million, and the local streets fund contributed \$3.0 million.

Financial Analysis of the City’s Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The unrestricted net position of the water fund was \$3.6 million, and the sanitary sewer fund was \$8.1 million at the end of the current fiscal year. The Sanctuary Lake Golf Course had an unrestricted net deficit of \$10.7 million. The water fund total net position decreased by \$1.9 million while the sanitary sewer fund decreased by \$1.4 million, and the Sanctuary Lake Golf Course increased by \$39 thousand. This change is primarily due to increased costs of providing water and sewer services to our residents which outpaced the rate increases charged to our residents.

City of Troy, Michigan
Management's Discussion and Analysis
June 30, 2024

General Fund Budgetary Highlights

Over the course of the year, City Council amended the budget to take into account events during the year. The most significant amendments to the fund were for \$80 thousand to the Parks department for increased costs for the new ice rink amenity.

Actual revenues of \$72.1 million were \$5.4 million more than amended budget amounts. The variance was primarily due to the increase in investment earnings of \$2.0 million, an increase in state shared revenue of \$1.4 million, and an increase of \$1.1 million in license and permits after insourcing that service.

Actual expenditures of \$64.9 million were \$5.0 million under amended budget amounts. Public safety was under budget by \$3.6 million and general government was under budget by approximately \$1.0 million.

Capital Assets and Debt Administration

Capital Assets. At June 30, 2024, the City had invested \$407.5 million, net of accumulated depreciation/amortization, in a broad range of capital assets (see the table below). Additional information regarding the City's capital assets can be found in Note 5 to the financial statements.

	Capital Assets (Net of Accumulated Depreciation/Amortization)					
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 37,815,194	\$ 37,815,194	\$ 6,738,504	\$ 6,738,504	\$ 44,553,698	\$ 44,553,698
Museum artifacts	2,082,845	2,082,845	-	-	2,082,845	2,082,845
Construction in progress	8,557,619	12,210,210	13,855,450	13,439,922	22,413,069	25,650,132
Infrastructure	130,784,506	132,790,550	-	-	130,784,506	132,790,550
Land improvements	15,966,287	5,111,650	4,586,162	4,830,840	20,552,449	9,942,490
Buildings and improvements	39,471,515	34,068,367	943,653	1,128,612	40,415,168	35,196,979
Miscellaneous equipment	5,078,583	5,021,821	1,776,046	1,201,696	6,854,629	6,223,517
Office equipment	393,025	506,561	-	-	393,025	506,561
Vehicles	11,762,205	9,969,194	444,036	504,043	12,206,241	10,473,237
Library books/audio visual	1,769,686	1,764,069	-	-	1,769,686	1,764,069
Water and sewer transmission and distribution system	-	-	125,424,908	126,142,861	125,424,908	126,142,861
Right to use assets	22,918	37,243	-	-	22,918	37,243
Total capital assets, net	\$ 253,704,383	\$ 241,377,704	\$ 153,768,759	\$ 153,986,478	\$ 407,473,142	\$ 395,364,182

Debt Administration. At the end of the current fiscal year, the City had total bonded debt outstanding of \$12.3 million. Of this amount, \$12.2 million is comprised of debt backed by the full faith and credit of the government. The remainder of the City's bonded debt represents bonds secured solely by specified revenue sources. Additional information on the City's long-term debt can be found in Note 8 to the financial statements.

	Long-term Debt					
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
General obligation bonds	\$ 9,060,000	\$ 9,620,000	\$ 3,225,000	\$ 3,920,000	\$ 12,285,000	\$ 13,540,000
Public drains	71,397	235,804	-	-	71,397	235,804
Notes from direct borrowings and placements	-	-	73,002	179,212	73,002	179,212
Leases	24,309	38,488	-	-	24,309	38,488
Deferred amounts for issuance premiums	-	-	251,299	314,124	251,299	314,124
Compensated absences	11,360,836	5,529,578	-	-	11,360,836	5,529,578
Estimated self-insurance claims	1,690,116	1,397,412	-	-	1,690,116	1,397,412
Total long-term debt, net	\$ 22,206,658	\$ 16,821,282	\$ 3,549,301	\$ 4,413,336	\$ 25,755,959	\$ 21,234,618

City of Troy, Michigan
Management's Discussion and Analysis
June 30, 2024

Economic Condition and Outlook

The following economic factors currently affect the City and were considered in developing the 2024/2025 through 2026/2027 three-year fiscal budget.

- The millage rate for the 2024/2025 fiscal year decreased to 9.8640 mills compared to the 9.8966 for the 2023/2024 fiscal year. This is due to a decrease in the Capital and Library millage due to the Headlee millage reduction fraction. The total millage of 9.8640 mills includes general operating millage of 6.500 mills, capital projects of 1.1984 mills, refuse of 1.0900 mills, and library operations of 1.0756 mills.
- Total general fund revenues and other sources are expected to generate approximately \$71.8 million. This is an increase of \$5.2 million or 7.7% compared to the fiscal 2023/2024 budget of \$66.7 million. Property tax revenues which accounts for approximately 61.1% of total general fund revenues is expected to generate \$43.5 million. This is an increase of \$2.8 million or 6.8%.
- General fund expenditures and other uses are budgeted at \$72.4 million. This is an increase of \$2.5 million or 3.6% compared to fiscal 2023/2024 budget. The budget increase is primarily due to increases in staffing in the general fund to provide additional services to our residents.
- The City purchases its water and sanitary sewer services from the Great Lakes Water Authority (GLWA) and Oakland County Water Resource Commission (OCWRC), respectively. The 2024/2025 budget recognizes a lowered sales volume of approximately 450,000 mcf. This is a continuing trend of sales volume decreases over the last several years. Rates for the systems are developed based on estimated sales volume to cover estimated costs and capital requirements. Water rates were established at \$51.30 per mcf. Sanitary sewer rates increased to \$35.30 per mcf. The City prides itself on having one of the lowest combined water and sewer rates of any Southeastern Michigan community.
- The City maintains a long and established practice of using a conservative approach in developing its three-year budget.

Requests for Information

This financial report is intended to provide our citizens, taxpayers, customers and investors with a general overview of the City's financial condition.

If you have questions about this report or need additional information, we welcome you to contact the administrative offices at City Hall, 500 W. Big Beaver, Troy, MI. 48084. Additional information can be obtained at the City of Troy's web site, www.troymi.gov.

BASIC FINANCIAL STATEMENTS

City of Troy, Michigan

Statement of Net Position

June 30, 2024

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and investments	\$ 84,437,630	\$ 8,802,872	\$ 93,240,502	\$ 6,611,623
Receivables				
Accounts	2,146,435	10,291,141	12,437,576	-
Taxes	285,074	-	285,074	133,472
Interest	25,857	-	25,857	-
Leases receivable	472,992	258,437	731,429	-
Due from other units of government	3,737,351	-	3,737,351	-
Due from component unit	9,060,000	-	9,060,000	-
Internal balances	7,892,432	(7,892,432)	-	-
Inventories	977,177	942,831	1,920,008	-
Prepaid items	1,564,953	50,539	1,615,492	-
Long-term contracts receivable	-	256,128	256,128	-
Capital assets not being depreciated	48,455,658	20,593,954	69,049,612	-
Capital assets, net of accumulated depreciation	205,248,725	133,174,805	338,423,530	-
Net pension asset	61,383,414	2,590,963	63,974,377	-
Total assets	<u>425,687,698</u>	<u>169,069,238</u>	<u>594,756,936</u>	<u>6,745,095</u>
Deferred Outflows of Resources				
Bond refundings	72,965	232,606	305,571	-
Liabilities				
Accounts payable	6,812,473	5,085,507	11,897,980	330,019
Payroll and other liabilities	1,005,062	1,439,576	2,444,638	-
Other liabilities	9,989,478	-	9,989,478	-
Interest payable	23,516	-	23,516	23,185
Unearned revenue	728,443	-	728,443	2,490
Noncurrent liabilities				
Debt due within one year	5,980,552	920,827	6,901,379	680,000
Debt due in more than one year	16,226,106	2,628,474	18,854,580	8,380,000
Net OPEB liability	12,731,281	537,382	13,268,663	-
Total liabilities	<u>53,496,911</u>	<u>10,611,766</u>	<u>64,108,677</u>	<u>9,415,694</u>
Deferred Inflows of Resources				
Lease related	472,992	258,437	731,429	-
Pension related	5,694,198	240,349	5,934,547	-
OPEB related	2,638,081	111,352	2,749,433	-
Total deferred inflows of resources	<u>8,805,271</u>	<u>610,138</u>	<u>9,415,409</u>	<u>-</u>
Net Position				
Net investment in capital assets	252,967,933	149,982,907	402,950,840	-
Restricted for				
Debt service	9,036,484	-	9,036,484	-
Capital projects	10,906,290	-	10,906,290	-
Highways and streets	4,744,634	-	4,744,634	-
Sanitation services	1,703,845	-	1,703,845	-
Library services	3,708,779	-	3,708,779	-
Other services	1,606,168	-	1,606,168	-
Perpetual care				
Nonexpendable	164,000	-	164,000	-
Expendable	65,390	-	65,390	-
Pension	61,383,414	2,590,963	63,974,377	-
Unrestricted (deficit)	17,171,544	5,506,070	22,677,614	(2,670,599)
Total net position (deficit)	<u>\$ 363,458,481</u>	<u>\$ 158,079,940</u>	<u>\$ 521,538,421</u>	<u>\$ (2,670,599)</u>

See Accompanying Notes to the Financial Statements

City of Troy, Michigan
Statement of Activities
For the Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
Primary government								
Governmental activities								
General government	\$ 14,917,110	\$ 4,098,030	\$ 2,042,041	\$ -	\$ (8,777,039)	\$ -	\$ (8,777,039)	\$ -
Public safety	32,035,747	2,167,204	1,660,089	-	(28,208,454)	-	(28,208,454)	-
Public works	20,804,742	4,001,769	477,876	19,042,053	2,716,956	-	2,716,956	-
Sanitation	6,178,716	-	-	-	(6,178,716)	-	(6,178,716)	-
Community and economic development	4,656,013	3,655,302	372,439	59,443	(568,829)	-	(568,829)	-
Recreation and culture	14,571,154	2,746,222	569,816	-	(11,255,116)	-	(11,255,116)	-
Interest and fiscal charges on long-term debt	154,769	-	-	-	(154,769)	-	(154,769)	-
Total governmental activities	<u>93,318,251</u>	<u>16,668,527</u>	<u>5,122,261</u>	<u>19,101,496</u>	<u>(52,425,967)</u>	<u>-</u>	<u>(52,425,967)</u>	<u>-</u>
Business-type activities								
Sanctuary Lake Golf Course	2,609,494	2,656,053	-	-	-	46,559	46,559	-
Sylvan Glen Golf Course	1,723,154	1,925,927	-	-	-	202,773	202,773	-
Aquatic Center	677,316	572,028	-	-	-	(105,288)	(105,288)	-
Sewer	15,839,514	14,236,340	-	15,053	-	(1,588,121)	(1,588,121)	-
Water	24,001,713	21,689,323	-	376,152	-	(1,936,238)	(1,936,238)	-
Total business-type activities	<u>44,851,191</u>	<u>41,079,671</u>	<u>-</u>	<u>391,205</u>	<u>-</u>	<u>(3,380,315)</u>	<u>(3,380,315)</u>	<u>-</u>
Total primary government	<u>\$ 138,169,442</u>	<u>\$ 57,748,198</u>	<u>\$ 5,122,261</u>	<u>\$ 19,492,701</u>	<u>(52,425,967)</u>	<u>(3,380,315)</u>	<u>(55,806,282)</u>	<u>-</u>
Component units								
Brownfield Redevelopment Authority	\$ 519,873	\$ -	\$ -	\$ -	-	-	-	(519,873)
Downtown Development Authority	965,483	-	-	-	-	-	-	(965,483)
Local Development Finance Authority	134,401	-	-	-	-	-	-	(134,401)
Total component units	<u>\$ 1,619,757</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,619,757)</u>
General revenues								
Property taxes					62,083,872	-	62,083,872	3,563,654
Unrestricted state-shared revenue and other state grants					10,197,668	-	10,197,668	52,935
Unrestricted investment earnings (loss)					3,874,231	341,012	4,215,243	245,372
Gain on sale of capital assets					304,053	4,500	308,553	-
Miscellaneous					828,350	45,348	873,698	-
Total general revenues					<u>77,288,174</u>	<u>390,860</u>	<u>77,679,034</u>	<u>3,861,961</u>
Change in net position					24,862,207	(2,989,455)	21,872,752	2,242,204
Net position (deficit) - beginning of year					<u>338,596,274</u>	<u>161,069,395</u>	<u>499,665,669</u>	<u>(4,912,803)</u>
Net position (deficit) - end of year					<u>\$ 363,458,481</u>	<u>\$ 158,079,940</u>	<u>\$ 521,538,421</u>	<u>\$ (2,670,599)</u>

See Accompanying Notes to the Financial Statements

City of Troy, Michigan
Governmental Funds
Balance Sheet
June 30, 2024

	General	Debt Service Series 2013 & 2020	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and investments	\$ 42,970,470	\$ -	\$ 15,230,402	\$ 10,935,095	\$ 69,135,967
Receivables:					
Accounts receivable, net	1,722,089	-	263,527	152,839	2,138,455
Taxes - delinquent, net	231,119	-	17,201	36,754	285,074
Interest	25,857	-	-	-	25,857
Leases receivable	466,056	-	6,936	-	472,992
Due from other governments	1,923,851	-	-	1,813,500	3,737,351
Due from component units	-	9,060,000	-	-	9,060,000
Inventories	566,196	-	-	-	566,196
Prepaid items	1,344,238	-	-	91,127	1,435,365
Advances to other funds	8,378,384	-	-	-	8,378,384
Total assets	<u>\$ 57,628,260</u>	<u>\$ 9,060,000</u>	<u>\$ 15,518,066</u>	<u>\$ 13,029,315</u>	<u>\$ 95,235,641</u>
Liabilities					
Accounts payable	\$ 2,159,864	\$ -	\$ 3,342,622	\$ 975,868	\$ 6,478,354
Accrued payroll	969,670	-	-	-	969,670
Other liabilities	9,255,447	-	673,400	60,631	9,989,478
Unearned revenue	139,625	-	588,818	-	728,443
Total liabilities	<u>12,524,606</u>	<u>-</u>	<u>4,604,840</u>	<u>1,036,499</u>	<u>18,165,945</u>
Deferred Inflows of Resources					
Unavailable revenue	1,873,052	9,060,000	88,512	36,753	11,058,317
Deferred lease amounts	466,056	-	6,936	-	472,992
Total deferred inflows of resources	<u>2,339,108</u>	<u>9,060,000</u>	<u>95,448</u>	<u>36,753</u>	<u>11,531,309</u>
Fund Balances					
Non-spendable	10,288,818	-	-	255,127	10,543,945
Restricted	-	-	10,817,778	11,700,936	22,518,714
Assigned	5,168,462	-	-	-	5,168,462
Unassigned	27,307,266	-	-	-	27,307,266
Total fund balances	<u>42,764,546</u>	<u>-</u>	<u>10,817,778</u>	<u>11,956,063</u>	<u>65,538,387</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 57,628,260</u>	<u>\$ 9,060,000</u>	<u>\$ 15,518,066</u>	<u>\$ 13,029,315</u>	<u>\$ 95,235,641</u>

City of Troy, Michigan
Governmental Funds
Reconciliation of Fund Balances of Governmental Funds
to Net Position of Governmental Activities
June 30, 2024

Total fund balances for governmental funds	\$ 65,538,387
Total net position for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Capital assets not being depreciated	48,291,211
Capital assets, net of accumulated depreciation	193,977,015
Certain receivables are not available to pay for current period expenditures and, therefore are deferred in the funds.	
	11,058,317
Net pension asset not reported in the funds	61,383,414
Deferred outflows (inflows) of resources.	
Deferred outflows of resources resulting from debt refunding	72,965
Deferred inflows of resources resulting from net pension asset	(5,694,198)
Deferred inflows of resources resulting from net OPEB liability	(2,638,081)
Long-term liabilities that are not due and payable in the current period, and therefore, are not reported in the funds.	
Accrued interest	(23,516)
Compensated absences	(5,416,994)
Claims and judgments	(1,690,116)
Bonds, notes, premiums and discounts	(9,131,397)
Lease liabilities	(24,309)
Net OPEB liability	(12,731,281)
Internal service funds are included as part of governmental activities.	20,487,064
Net position of governmental activities	\$ 363,458,481

City of Troy, Michigan
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2024

	General	Debt Service Series 2013 & 2020	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Property taxes	\$ 41,579,350	\$ -	\$ 7,345,672	\$ 13,182,219	\$ 62,107,241
Licenses and permits	4,011,295	-	-	-	4,011,295
Intergovernmental:					
Federal sources	292,748	-	9,399,220	59,443	9,751,411
State sources	11,818,851	-	195,055	11,564,052	23,577,958
Local sources	423,632	-	537,010	-	960,642
Charges for services	8,060,356	-	302,852	122,827	8,486,035
Fines and forfeitures	716,200	-	-	256,238	972,438
Investment earnings (loss)	2,470,207	-	564,032	539,218	3,573,457
Other	2,685,287	703,357	152,440	35,758	3,576,842
Total revenues	<u>72,057,926</u>	<u>703,357</u>	<u>18,496,281</u>	<u>25,759,755</u>	<u>117,017,319</u>
Expenditures					
Current					
General government	10,530,420	-	-	110,361	10,640,781
Public safety	36,689,487	-	-	81,705	36,771,192
Public works	2,443,865	-	-	5,259,583	7,703,448
Sanitation	-	-	-	6,178,716	6,178,716
Community and economic development	4,636,987	-	-	59,443	4,696,430
Recreation and culture	8,580,141	-	-	5,247,367	13,827,508
Capital outlay	-	-	27,499,454	-	27,499,454
Debt service					
Principal	-	560,000	178,586	-	738,586
Interest and fiscal charges	-	143,357	5,740	-	149,097
Total expenditures	<u>62,880,900</u>	<u>703,357</u>	<u>27,683,780</u>	<u>16,937,175</u>	<u>108,205,212</u>
Excess (deficiency) of revenues over expenditures	<u>9,177,026</u>	<u>-</u>	<u>(9,187,499)</u>	<u>8,822,580</u>	<u>8,812,107</u>
Other financing sources (uses)					
Transfers in	1,200	-	11,747,529	1,510,000	13,258,729
Transfers out	(2,010,000)	-	-	(11,248,729)	(13,258,729)
Proceeds from the sale of capital assets	-	-	1,850	20,050	21,900
Total other financing sources and (uses)	<u>(2,008,800)</u>	<u>-</u>	<u>11,749,379</u>	<u>(9,718,679)</u>	<u>21,900</u>
Net change in fund balances	7,168,226	-	2,561,880	(896,099)	8,834,007
Fund balances - beginning of year	<u>35,596,320</u>	<u>-</u>	<u>8,255,898</u>	<u>12,852,162</u>	<u>56,704,380</u>
Fund balances - end of year	<u>\$ 42,764,546</u>	<u>\$ -</u>	<u>\$ 10,817,778</u>	<u>\$ 11,956,063</u>	<u>\$ 65,538,387</u>

See Accompanying Notes to the Financial Statements

City of Troy, Michigan
Governmental Funds
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2024

Net change in fund balances - total governmental funds	\$ 8,834,007
Total change in net position reported for governmental activities in the statement of activities is different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense.	
Depreciation and amortization expense	(14,960,091)
Capital outlay	25,687,325
Sale of capital assets (net book value)	(26,598)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	
	368,772
Long-term assets and related transactions applicable to governmental activities are not due and payable in the current period and, accordingly, are not reported as fund assets.	
Net pension asset	12,141,710
Expenses are recorded when incurred in the statement of activities.	
Accrued interest	1,625
Compensated absences	(5,416,994)
Claims and judgments	(292,704)
Deferred charge on bond refunding	(7,297)
The statement of net position reports the net pension asset and deferred outflows of resources and deferred inflows related to the net pension asset and pension expense. However, the amount recorded on the governmental funds equals actual pension contributions.	
Net change in the deferred outflow of resources related to the net pension asset	(1,400,147)
Net change in the deferred inflow of resources related to the net pension asset	(5,694,198)
The statement of net position reports the net OPEB liability and deferred outflows of resources and deferred inflows related to the net OPEB liability and pension expense. However, the amount recorded on the governmental funds equals actual OPEB contributions.	
Net change in the net OPEB liability	6,821,322
Net change in the deferred outflow of resources related to the net OPEB liability	(5,161,426)
Net change in the deferred inflow of resources related to the net OPEB liability	1,499,647
Long-term liabilities and related transactions applicable to governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities.	
Repayments of long-term debt	738,586
Internal service funds are also included as governmental activities	1,728,668
Change in net position of governmental activities	\$ 24,862,207

City of Troy, Michigan
General Fund
Budgetary Comparison Statement
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Actual Over (Under)
	Original	Final		Final Budget
Revenues				
Property taxes	\$ 40,715,450	\$ 40,715,450	\$ 41,579,350	\$ 863,900
Licenses and permits	2,895,060	2,895,060	4,011,295	1,116,235
Intergovernmental:				
Federal sources	22,000	22,000	292,748	270,748
State sources	10,386,603	10,386,603	11,818,851	1,432,248
Local sources	904,630	904,630	423,632	(480,998)
Charges for services	8,286,400	8,286,400	8,060,356	(226,044)
Fines and forfeitures	736,750	736,750	716,200	(20,550)
Rental income	15,000	15,000	-	(15,000)
Investment earnings (loss)	436,000	436,000	2,470,207	2,034,207
Other	2,295,200	2,295,200	2,685,287	390,087
Transfers in	1,200	1,200	1,200	-
Total revenues	<u>66,694,293</u>	<u>66,694,293</u>	<u>72,059,126</u>	<u>5,364,833</u>
Expenditures				
General government				
Council and executive administration	5,848,002	5,848,002	5,321,560	(526,442)
Finance	3,815,121	3,815,121	3,443,257	(371,864)
Other	1,800,408	1,800,408	1,765,603	(34,805)
Total general government	<u>11,463,531</u>	<u>11,463,531</u>	<u>10,530,420</u>	<u>(933,111)</u>
Public safety				
Police	31,288,936	31,288,936	29,038,906	(2,250,030)
Fire	6,652,213	6,632,662	5,351,850	(1,280,812)
Building inspection	2,389,478	2,389,478	2,298,731	(90,747)
Total public safety	<u>40,330,627</u>	<u>40,311,076</u>	<u>36,689,487</u>	<u>(3,621,589)</u>
Public works				
Roads and streets	<u>2,448,877</u>	<u>2,448,877</u>	<u>2,443,865</u>	<u>(5,012)</u>
Community and economic development				
Engineering	3,378,752	3,378,752	3,480,648	101,896
Planning	1,255,530	1,255,530	1,156,339	(99,191)
Total community and economic development	<u>4,634,282</u>	<u>4,634,282</u>	<u>4,636,987</u>	<u>2,705</u>
Recreation and culture				
Parks	3,725,550	3,805,550	3,248,193	(557,357)
Recreation	4,736,123	4,736,123	4,919,935	183,812
Historical village and nature center	495,499	495,499	412,013	(83,486)
Total recreation and culture	<u>8,957,172</u>	<u>9,037,172</u>	<u>8,580,141</u>	<u>(457,031)</u>
Transfers out	<u>2,000,000</u>	<u>2,020,000</u>	<u>2,010,000</u>	<u>(10,000)</u>
Total expenditures	<u>69,834,489</u>	<u>69,914,938</u>	<u>64,890,900</u>	<u>(5,024,038)</u>
Excess (deficiency) of revenues over expenditures	(3,140,196)	(3,220,645)	7,168,226	10,388,871
Fund balance - beginning of year	<u>35,596,320</u>	<u>35,596,320</u>	<u>35,596,320</u>	<u>-</u>
Fund balance - end of year	<u>\$ 32,456,124</u>	<u>\$ 32,375,675</u>	<u>\$ 42,764,546</u>	<u>\$ 10,388,871</u>

See Accompanying Notes to the Financial Statements

City of Troy, Michigan
Proprietary Funds
Statement of Net Position
June 30, 2024

	Enterprise Funds					Internal Service Funds
	Water	Sewer	Sanctuary Lake Golf Course	Nonmajor Enterprise Funds	Total	
Assets						
Current assets						
Cash and investments	\$ -	\$ 6,671,007	\$ 579,905	\$ 1,551,960	\$ 8,802,872	\$ 15,301,663
Accounts receivable, net:						
Billed	4,302,605	-	28,040	56,887	4,387,532	7,980
Unbilled	3,497,172	2,406,437	-	-	5,903,609	-
Leases receivable, current	-	-	-	114,085	114,085	-
Inventories	731,520	34,387	91,693	85,231	942,831	410,981
Prepaid items	-	-	27,271	23,268	50,539	129,588
Total current assets	<u>8,531,297</u>	<u>9,111,831</u>	<u>726,909</u>	<u>1,831,431</u>	<u>20,201,468</u>	<u>15,850,212</u>
Noncurrent assets						
Long-term contracts receivable	6,603	242,363	7,162	-	256,128	-
Advances to other funds	-	-	-	3,344,230	3,344,230	-
Leases receivable, net of current portion	-	-	-	144,352	144,352	-
Capital assets not being depreciated	4,925,219	11,560,720	2,213,463	1,894,552	20,593,954	164,447
Capital assets, net of accumulated depreciation	87,386,028	38,710,660	4,890,231	2,187,886	133,174,805	11,271,710
Net pension asset	2,155,937	435,026	-	-	2,590,963	-
Total noncurrent assets	<u>94,473,787</u>	<u>50,948,769</u>	<u>7,110,856</u>	<u>7,571,020</u>	<u>160,104,432</u>	<u>11,436,157</u>
Total assets	<u>103,005,084</u>	<u>60,060,600</u>	<u>7,837,765</u>	<u>9,402,451</u>	<u>180,305,900</u>	<u>27,286,369</u>
Deferred Outflows of Resources						
Bond refundings	-	-	232,606	-	232,606	-
Liabilities						
Current liabilities						
Accounts payable	3,846,652	1,090,801	2,511	145,543	5,085,507	334,119
Accrued liabilities	575,793	247,659	339,263	276,861	1,439,576	35,392
Compensated absences	-	-	-	-	-	3,647,036
Current portion of long-term liabilities	-	-	884,326	36,501	920,827	-
Total current liabilities	<u>4,422,445</u>	<u>1,338,460</u>	<u>1,226,100</u>	<u>458,905</u>	<u>7,445,910</u>	<u>4,016,547</u>
Noncurrent liabilities						
Compensated absences	-	-	-	-	-	2,296,806
Long-term liabilities	-	-	2,628,474	-	2,628,474	-
Advances from other funds	-	-	11,042,312	680,302	11,722,614	-
Net OPEB liability	447,154	90,228	-	-	537,382	-
Total noncurrent liabilities	<u>447,154</u>	<u>90,228</u>	<u>13,670,786</u>	<u>680,302</u>	<u>14,888,470</u>	<u>2,296,806</u>
Total liabilities	<u>4,869,599</u>	<u>1,428,688</u>	<u>14,896,886</u>	<u>1,139,207</u>	<u>22,334,380</u>	<u>6,313,353</u>
Deferred Inflows of Resources						
Deferred lease amounts	-	-	-	258,437	258,437	-
Pension related	199,994	40,355	-	-	240,349	-
Deferred other postemployment benefit amounts	92,656	18,696	-	-	111,352	-
Total deferred inflows of resources	<u>292,650</u>	<u>59,051</u>	<u>-</u>	<u>258,437</u>	<u>610,138</u>	<u>-</u>
Net Position						
Net investment in capital assets	92,089,749	50,023,721	3,823,500	4,045,937	149,982,907	11,436,157
Restricted for						
Pension	2,155,937	435,026	-	-	2,590,963	-
Unrestricted (deficit)	3,597,149	8,114,114	(10,650,015)	3,958,870	5,020,118	9,536,859
Total net position (deficit)	<u>\$ 97,842,835</u>	<u>\$ 58,572,861</u>	<u>\$ (6,826,515)</u>	<u>\$ 8,004,807</u>	<u>157,593,988</u>	<u>\$ 20,973,016</u>
Some amounts reported for business-type activities in the statement of net position are different because certain internal service funds assets and liabilities are reported with business-type activities					<u>485,952</u>	
Net position of business-type activities					<u>\$ 158,079,940</u>	

See Accompanying Notes to the Financial Statements

City of Troy, Michigan
Proprietary Funds
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Year Ended June 30, 2024

	Enterprise Funds					Internal Service Funds
	Water	Sewer	Sanctuary Lake Golf Course	Nonmajor Enterprise Funds	Total	
Operating revenue						
Charges for services	\$ 20,875,836	\$ 14,236,340	\$ 2,656,053	\$ 2,084,370	\$ 39,852,599	\$ 10,660,953
Rental:						
Golf course	-	-	2,300	253,322	255,622	-
Restaurant	-	-	-	75,863	75,863	-
Hydrant	5,790	-	-	-	5,790	-
Building	-	-	-	-	-	269,588
Equipment	-	-	-	-	-	4,684,068
Tap and connection fees	319,896	-	-	-	319,896	-
Penalties	493,591	-	-	-	493,591	-
Other services	33,753	-	-	93,695	127,448	-
Other services to City Funds	-	-	-	-	-	721,345
Total operating revenue	<u>21,728,866</u>	<u>14,236,340</u>	<u>2,658,353</u>	<u>2,507,250</u>	<u>41,130,809</u>	<u>16,335,954</u>
Operating expenses						
Cost of sales and services	14,999,893	11,949,384	-	-	26,949,277	9,864,749
General and administrative	1,174,324	993,484	-	-	2,167,808	791,524
Operations	4,314,676	795,601	2,083,085	2,086,520	9,279,882	3,068,484
Depreciation	3,560,117	2,135,023	402,306	313,243	6,410,689	1,578,649
Total operating expenses	<u>24,049,010</u>	<u>15,873,492</u>	<u>2,485,391</u>	<u>2,399,763</u>	<u>44,807,656</u>	<u>15,303,406</u>
Operating income (loss)	<u>(2,320,144)</u>	<u>(1,637,152)</u>	<u>172,962</u>	<u>107,487</u>	<u>(3,676,847)</u>	<u>1,032,548</u>
Nonoperating revenue (expenses)						
Investment earnings (loss)	51,915	270,782	-	12,525	335,222	490,314
Gain on sale of capital assets	-	-	-	4,500	4,500	308,751
Loss on disposal of capital assets	(716)	(716)	-	(9,340)	(10,772)	-
Interest expense	-	-	(133,809)	(1,899)	(135,708)	-
Total nonoperating revenues (expenses)	<u>51,199</u>	<u>270,066</u>	<u>(133,809)</u>	<u>5,786</u>	<u>193,242</u>	<u>799,065</u>
Income (loss) before contributions	(2,268,945)	(1,367,086)	39,153	113,273	(3,483,605)	1,831,613
Capital contributions	<u>376,152</u>	<u>15,053</u>	<u>-</u>	<u>-</u>	<u>391,205</u>	<u>-</u>
Change in net position	(1,892,793)	(1,352,033)	39,153	113,273	(3,092,400)	1,831,613
Net position (deficit) - beginning of year	<u>99,735,628</u>	<u>59,924,894</u>	<u>(6,865,668)</u>	<u>7,891,534</u>		<u>19,141,403</u>
Net position (deficit) - end of year	<u>\$ 97,842,835</u>	<u>\$ 58,572,861</u>	<u>\$ (6,826,515)</u>	<u>\$ 8,004,807</u>		<u>\$ 20,973,016</u>
Some amounts reported for business-type activities in the statement of activities are different because the net revenue (expense) of certain internal service funds is reported with business-type activities					<u>102,945</u>	
Change in net position of business-type activities					<u>\$ (2,989,455)</u>	

City of Troy, Michigan
Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2024

	Enterprise Funds					Internal Service Funds
	Water	Sewer	Sanctuary Lake Golf Course	Nonmajor Enterprise Funds	Total	
Cash flows from operating activities						
Receipts from customers	\$ 21,020,185	\$ 14,349,376	\$ 2,640,177	\$ 2,554,755	\$ 40,564,493	\$ -
Receipts from interfund users	-	-	-	-	-	16,365,644
Payments to suppliers	(20,876,107)	(13,836,799)	(2,041,388)	(2,119,019)	(38,873,313)	(13,791,833)
Net cash provided (used) by operating activities	<u>144,078</u>	<u>512,577</u>	<u>598,789</u>	<u>435,736</u>	<u>1,691,180</u>	<u>2,573,811</u>
Cash flows from noncapital financing activities						
Advances from (to) other funds	-	-	600,000	-	600,000	-
Cash flows from capital and related financing activities						
Capital contributions	376,152	15,053	-	-	391,205	-
Purchases/construction of capital assets	(3,542,006)	(1,728,562)	(44,399)	(371,976)	(5,686,943)	(3,122,084)
Principal and interest paid on long-term debt	-	-	(886,586)	(55,004)	(941,590)	-
Proceeds from sale of capital assets	-	-	-	4,500	4,500	226,143
Net cash provided (used) by capital and related financing activities	<u>(3,165,854)</u>	<u>(1,713,509)</u>	<u>(930,985)</u>	<u>(422,480)</u>	<u>(6,232,828)</u>	<u>(2,895,941)</u>
Cash flows from investing activities						
Interest received (paid)	<u>51,915</u>	<u>270,782</u>	<u>-</u>	<u>12,525</u>	<u>335,222</u>	<u>490,314</u>
Net change in cash and investments	(2,969,861)	(930,150)	267,804	25,781	(3,606,426)	168,184
Cash and investments - beginning of year	<u>2,969,861</u>	<u>7,601,157</u>	<u>312,101</u>	<u>1,526,179</u>	<u>12,409,298</u>	<u>15,133,479</u>
Cash and investments - end of year	<u>\$ -</u>	<u>\$ 6,671,007</u>	<u>\$ 579,905</u>	<u>\$ 1,551,960</u>	<u>\$ 8,802,872</u>	<u>\$ 15,301,663</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities						
Operating income (loss)	\$ (2,320,144)	\$ (1,637,152)	\$ 172,962	\$ 107,487	\$ (3,676,847)	\$ 1,032,548
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities						
Depreciation and amortization expense	3,560,117	2,135,023	402,306	313,243	6,410,689	1,578,649
Changes in assets and liabilities						
Receivables (net)	(708,681)	113,036	(18,176)	161,591	(452,230)	29,690
Inventories	(154,318)	(7,556)	10,327	(15,893)	(167,440)	(64,805)
Prepaid items	-	-	20,739	22,653	43,392	(124,042)
Net pension asset	(426,447)	(86,049)	-	-	(512,496)	-
Pension related deferred outflows of resources	49,176	9,923	-	-	59,099	-
OPEB related deferred outflows of resources	186,813	37,695	-	-	224,508	-
Accounts payable	(75,526)	(106,377)	(20,766)	(78,159)	(280,828)	(327,885)
Accrued and other liabilities	125,347	72,649	31,397	38,900	268,293	35,392
Compensated absences	-	-	-	-	-	414,264
Net OPEB liability	(239,582)	(48,342)	-	-	(287,924)	-
Lease related deferred inflows of resources	-	-	-	(114,086)	(114,086)	-
Pension related deferred inflows of resources	199,994	40,355	-	-	240,349	-
OPEB related deferred inflows of resources	(52,671)	(10,628)	-	-	(63,299)	-
Net cash provided (used) by operating activities	<u>\$ 144,078</u>	<u>\$ 512,577</u>	<u>\$ 598,789</u>	<u>\$ 435,736</u>	<u>\$ 1,691,180</u>	<u>\$ 2,573,811</u>

City of Troy, Michigan
Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2024

	Pension and Other Employee Benefit Trust Funds	Tax Collection Custodial Fund
Assets		
Cash and cash equivalents	\$ 14,406,459	\$ 12
Investments:		
U.S. government securities and agencies	13,534,178	-
Asset backed securities	1,531,663	-
Corporate bonds and fixed income commingled funds	87,897,352	-
Common stocks and equity mutual funds	202,876,097	-
Private equity partnerships	15,919,258	-
Real estate	6,673,017	-
Interest receivable	547,471	-
Total assets	<u>343,385,495</u>	<u>12</u>
Liabilities		
Accounts payable	37,597	-
Accrued liabilities	-	12
Total liabilities	<u>37,597</u>	<u>12</u>
Net Position		
Restricted for pension benefits	221,913,599	-
Restricted for other postemployment healthcare benefits	121,434,299	-
Total net position	<u>\$ 343,347,898</u>	<u>\$ -</u>

City of Troy, Michigan
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2024

	Pension and Other Employee Benefit Trust Funds	Tax Collection Custodial Fund
Additions		
Contributions		
Employer contributions	\$ 2,902,017	\$ -
Employee contributions	593,912	-
Total contributions	<u>3,495,929</u>	<u>-</u>
Investment earnings		
Interest	2,168,005	-
Dividends	7,087,039	-
Net adjustment in fair value of investments	28,134,141	-
Less: investment expense	<u>(864,886)</u>	<u>-</u>
Net investment earnings	<u>36,524,299</u>	<u>-</u>
Property tax collections for other governments	<u>-</u>	<u>254,003,269</u>
Total additions	<u>40,020,228</u>	<u>254,003,269</u>
Deductions		
Benefits	19,511,005	-
Administrative expenses	230,491	-
Payments of taxes to other governments	<u>-</u>	<u>254,003,269</u>
Total deductions	<u>19,741,496</u>	<u>254,003,269</u>
Change in net position	20,278,732	-
Net position - beginning of year	<u>323,069,166</u>	<u>-</u>
Net position - end of year	<u>\$ 343,347,898</u>	<u>\$ -</u>

See Accompanying Notes to the Financial Statements

City of Troy, Michigan
Component Units
Statement of Net Position
June 30, 2024

	Brownfield Redevelopment Authority	Downtown Development Authority	Local Development Finance Authority	Total
Assets				
Current assets				
Cash and cash equivalents	\$ 897,405	\$ 5,515,699	\$ 198,519	\$ 6,611,623
Receivables				
Taxes	537	130,982	1,953	133,472
Total current assets	<u>897,942</u>	<u>5,646,681</u>	<u>200,472</u>	<u>6,745,095</u>
Liabilities				
Current liabilities				
Accounts payable	-	330,019	-	330,019
Interest payable	-	23,185	-	23,185
Unearned revenue	537	-	1,953	2,490
Current portion of long-term liabilities	<u>-</u>	<u>680,000</u>	<u>-</u>	<u>680,000</u>
Total current liabilities	537	1,033,204	1,953	1,035,694
Noncurrent liabilities				
Long-term liabilities	<u>-</u>	<u>8,380,000</u>	<u>-</u>	<u>8,380,000</u>
Total liabilities	<u>537</u>	<u>9,413,204</u>	<u>1,953</u>	<u>9,415,694</u>
Net Position				
Unrestricted (deficit)	<u>\$ 897,405</u>	<u>\$ (3,766,523)</u>	<u>\$ 198,519</u>	<u>\$ (2,670,599)</u>

See Accompanying Notes to the Financial Statements

City of Troy, Michigan
Component Units
Statement of Activities
For the Year Ended June 30, 2024

	Brownfield Redevelopment Authority	Downtown Development Authority	Local Development Finance Authority	Total
General revenues				
Property taxes	\$ 653,164	\$ 2,734,034	\$ 176,456	\$ 3,563,654
State grants	-	-	52,935	52,935
Unrestricted investment income	53,506	183,918	7,948	245,372
Total general revenues	<u>706,670</u>	<u>2,917,952</u>	<u>237,339</u>	<u>3,861,961</u>
Expenses				
Community and economic development	519,873	823,251	134,401	1,477,525
Interest and fiscal charges on long-term debt	-	142,232	-	142,232
Total expenses	<u>519,873</u>	<u>965,483</u>	<u>134,401</u>	<u>1,619,757</u>
Change in net position	186,797	1,952,469	102,938	2,242,204
Net position (deficit) - beginning of year	<u>710,608</u>	<u>(5,718,992)</u>	<u>95,581</u>	<u>(4,912,803)</u>
Net position (deficit) - end of year	<u>\$ 897,405</u>	<u>\$ (3,766,523)</u>	<u>\$ 198,519</u>	<u>\$ (2,670,599)</u>

NOTES TO THE FINANCIAL STATEMENTS

City of Troy, Michigan
Notes to the Financial Statements
June 30, 2024

Note 1 - Summary of Significant Accounting Policies

The financial statements of the City of Troy, Michigan (the City) 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:

Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City and its component units. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

Reporting Entity

The City 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 and its component units, entities for which the government is considered to be financially accountable.

Component Units

Discretely presented component units are legally separate entities but are not in substance part of the government operation. The City has three component units, the Downtown Development Authority, Brownfield Redevelopment Authority and the Local Development Financing Authority, which meet the criteria for discretely presented component units. The Authorities are also reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the City. Financial statements for each of the individual component units are included in the other supplementary information section as listed in the table of contents of this report. Separately issued audited financial statements are not available.

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. The Downtown Development Authority may participate in projects for private development as long as it is for a public purpose. The Authority's governing body, which consists of thirteen individuals, is selected by the City Council. In addition, the City Council sets the annual budget.

The purpose of the Brownfield Redevelopment Authority is to provide assistance for the redevelopment of abandoned, idled, or under-utilized industrial or commercial properties, which are complicated by real or perceived environmental contamination. The Authority's governing body, which consists of seven individuals, is selected by the City Council. In addition, the City Council sets the annual budget for the Authority.

The Local Development Financing Authority is a multi-jurisdictional authority that was established to encourage local development in order to prevent conditions of unemployment and to promote economic growth. The Authority's governing body, which consists of five individuals, is selected by the City Council. In addition, the City Council sets the annual budget.

Fiduciary Component Units

The City of Troy Employee Retirement System (ERS) is a single employer defined benefit retirement plan which provides retirement benefits based on credited service time and average compensation with death and disability benefits, and under some circumstances, payments to dependents. Pursuant to Chapter 10 of the Troy City Code, the Board of Trustees approves employee retirement requests, oversees retirement health care coverage,

City of Troy, Michigan
Notes to the Financial Statements
June 30, 2024

and manages pension investments. The Board consists of six members including the City Manager or designee and a non-voting retiree from the Defined Benefit Plan. Four members serve for three-year terms, two of which are appointed by City Council and two are appointed by the membership. As the City has voting majority on the Board of Trustees and ERS is administered by the City; accordingly, it is included as a fiduciary component unit in the City's financial statements. Plan amendments are under the authority of City Ordinances. Changes in required contributions are subject to collective bargaining agreements and approval by the City Council.

The City of Troy Retiree Healthcare Trust (RHC), under authorization of the Public Employee Health Care Act, Public Act 149 of 1999 (MCL 38.1211 et seq.) and constituting a governmental trust pursuant to Section 115 of the Internal Revenue Code of 1986, as amended, administers the City's employee retiree healthcare plan covering all fulltime general and public safety employees of the City. The single employer defined benefit OPEB plan provides retirement healthcare based on credited service time with death and disability benefits, and under some circumstances, payments for dependents. Eligible participants include any retirees who receive pension benefits under one of the City's pension plans. Pursuant to the Retiree Healthcare Plan & Trust, the Board of Trustees shall consist of six trustees which shall be the same elected and appointed individuals that serve on the City of Troy Employees Retirement System Board of Trustees. The general administration, management and responsibility for the proper operation of the Trust and for making effective and construing the provisions of the Trust shall be vested in the Board of Trustees. The term of the appointed and elected Trustees are identical to and coincide respectively with the term of each Trustee serving as a trustee of the City of Troy Employees Retirement System Board of Trustees. As the City has voting majority on the Board of Trustees and RHC is administered by the City; accordingly, it is included as a fiduciary component unit in the City's financial statements. Association provisions are established and may be amended by the City Council, subject to the City's various collective bargaining agreements.

Basis of Presentation – Government-wide Financial Statements

The statement of net position and the statement of activities are prepared using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from non-exchange transactions are recognized in accordance with the Governmental Accounting Standards Board Statement No. 33.

The statement of net position and the statement of activities display information about the City as a whole. The statements include all funds of the primary government and its component units, except for its fiduciary funds. Those funds are reported in the statements of fiduciary net position and changes in fiduciary net position.

The statement of net position and the statement of activities are presented to distinguish between governmental and business-type activities of the City. Governmental activities are financed through taxes, intergovernmental revenues and other non-exchange revenues. These activities are reported in governmental and internal service funds. Business-type activities are financed by fees charged to external parties for goods or services. These activities are reported in the City's enterprise funds.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by *program revenues*. Direct expenses are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

City of Troy, Michigan
Notes to the Financial Statements
June 30, 2024

Basis of Presentation – Fund Accounting

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred inflow of resources, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Governmental Funds

The City reports the following major governmental funds:

The General Fund is the general operating fund of the City. It is used to account for all financial resources except those accounted for and reported in another fund.

This Debt Service Series 2013 & 2020 Fund is used to account for proceeds received by the City from the Troy Downtown Development Authority (DDA). The proceeds are to reimburse the City for principal and interest payments on City issued debt to refinance debt originally issued by the DDA.

The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

The City reports the following nonmajor governmental fund types:

Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

Permanent funds are used to account for the resources that are legally restricted to the extent that only earnings, and not principal, may be used for the benefit of the government or its residents. The City has one permanent fund for cemetery perpetual care.

Proprietary Funds

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water and sewer funds, Aquatic Center, golf course funds and the City's internal service funds are charges to customers for sales and services. Operating expenses for the enterprise funds and internal service funds include the cost of sales and service, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Proprietary funds focus on limitations on the use of net position, rather than on the source of those assets.

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.

The City reports the following major enterprise funds:

The Water Fund accounts for the operation and maintenance of the City's water supply system, capital additions and improvements.

City of Troy, Michigan
Notes to the Financial Statements
June 30, 2024

The Sewer Fund accounts for the operation and maintenance of the City's sewage disposal system, capital additions and improvements.

The Sanctuary Lake Golf Course Fund accounts for the operations of the new 18-hole links style course with practice facility.

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.

Custodial Fund

The custodial fund is used to account for assets held by the City as a fiduciary for individuals, private organizations, and/or other governments. They primarily hold tax remittances due to schools and other governmental units.

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the *full accrual* basis of accounting, as are the proprietary fund and fiduciary fund statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

All governmental fund financial statements are reported using the *current financial resources* measurement focus and the *modified accrual* basis of accounting. Their revenues are recognized when they become measurable and available.

Revenues are generally considered available when they are received in cash (unless legally restricted to some future period) or when earned and expected to be collected soon enough after year end to pay liabilities of the current period. For this purpose, the City generally considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The exception to this is state shared revenues and expenditure driven grants in which revenues are recognized if received within 90 days and one year of the end of the fiscal period, respectively. Significant revenues susceptible to accrual include reimbursement grants, state shared revenues and charges for services.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred provided the liability normally would be liquidated with expendable available financial resources. The major exception to this general rule is principal and interest on general long-term debt which is recognized when due.

Certain indirect expenditures are included in the program expense reported for individual functions and activities.

All governmental funds are accounted for on a spending or "*current financial resources*" measurement focus. This means that generally only current assets and current liabilities are included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financial uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

City of Troy, Michigan
Notes to the Financial Statements
June 30, 2024

All proprietary funds and fiduciary funds (custodial funds and pension and retiree healthcare trust funds) are accounted for on a cost of services or "*economic resources*" measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their statements of net position. Revenues are recognized when they are earned, and their expenses are recognized when they are incurred. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position. Unbilled water and sewer fund utility service receivables are recorded at year-end.

Assets, Liabilities, Deferred Outflows and Inflows of Resources and Net Position or Fund Balance

Cash and Investments

The City maintains an investment pool for all City funds. Each fund's portion of the investment pool along with any individual fund investments are displayed on the statements of net position or balance sheet as cash and investments.

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity date of three months or less at the date acquired by the City.

Investments are stated at fair value.

Statutory Authority

State statutes authorize the City to make limited investments of non-pension surplus funds authorized by Michigan Public Act 20 of 1943, as amended, and may invest in the following:

- Bonds, securities, other obligations and repurchase agreements of the United States, or an agency or instrumentality of the United States.
- Certificates of deposit, savings accounts, deposit accounts or depository receipts of a qualified financial institution
- Commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and that matures not more than 270 days after the date of purchase. Not more than fifty percent of any fund may be invested in commercial paper at any time.
- Bankers acceptances of United States banks.
- Obligations of the State of Michigan or any of its political subdivisions that, at the time of purchase are rated as investment grade by at least one standard rating service.
- Mutual funds registered under the Investment Company Act of 1940 with the authority to purchase only investment vehicles that are legal for direct investment by a public corporation.
- External investment pools as authorized by Public Act 20, as amended.

The investment policy adopted by the Troy City Council, in accordance with Public Act 201 of 1943, as amended, authorizes investments in all of the investment vehicles noted above with the provision that authorized depositories shall be designated by the Troy City Council.

The pension and retiree healthcare trust funds are authorized by Michigan Public Acts 314 of 1965, Public Act 485 of 1996 and Public Act 149 of 1999 to invest in certain reverse repurchase agreements, real estate leased to public agencies, stocks, diversified investment companies, annuity investment contracts,

City of Troy, Michigan
Notes to the Financial Statements
June 30, 2024

mortgages, certain state and local government obligations, and certain other specified investment vehicles.

Leases

The City is a lessee for noncancellable leases of equipment. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments. The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price (if applicable) that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

The City is a lessor for a noncancellable leases of related to communication towers, a tennis practice facility, Flynn Park, and space for a public safety gun range, community center and camp. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide, proprietary fund and governmental fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for prepaid lease payments received at lease inception. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts. The City uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Inventories and Prepaid Items

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 expenditures when the inventory item is consumed. Inventories are equally offset by a nonspendable fund balance designation which indicates that such amounts do not constitute "available spendable resources".

City of Troy, Michigan
Notes to the Financial Statements
June 30, 2024

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than purchased.

Capital Assets

Capital assets, which include property, buildings, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$10,000 (\$5,000 for federally funded projects) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition cost at the date of donation and infrastructure acquired prior to fiscal year ended June 30, 1980 is not reported in capital assets.

Capital assets are depreciated/amortized using the straight-line method over the following useful lives:

Buildings	50 years
Water and sewer transmission and distribution system	50 years
Service connections	20 years
Infrastructure	20 - 25 years
Land improvements	10 years
Building 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. These amounts along with the associated benefit costs are fully accrued in the compensated absences fund. Departments are charged by the internal service fund when the benefits are earned and a liability incurred. The City also reports a liability for the Fire Incentive Program in the governmental activities, which represents future payouts to fire fighters based on years of service. This liability is reported with the accrued vacation and other compensated absences.

Long-term Obligations

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund-type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts and issuance costs are reported as debt service expenditures.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure/expense) until then. The City reports deferred outflows of resources for the deferred charge on refundings. A deferred refunding charge results from the difference in the carrying value of refunded

City of Troy, Michigan
Notes to the Financial Statements
June 30, 2024

debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The City may also report deferred outflows of resources related to the net pension asset and the other postemployment benefit liability.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City may report deferred inflows of resources related to the net pension asset and the other postemployment benefit liability. A deferred pension or OPEB inflow results when there is a change in total pension or OPEB liability due to benefit changes, differences between expected and actual experience, changes in actuarial assumptions, or differences between expected and actual investment returns. The amount is deferred and amortized over the average expected remaining service lives of all employees. The governmental funds report unavailable revenues from delinquent personal property taxes and long-term receivables, which arise only under a modified accrual basis of accounting, that are reported as deferred inflows of resources. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City also reports a deferred inflow related to leases receivable.

Net Position Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Balance Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (i.e. committed, assigned and unassigned). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies

Governmental funds report nonspendable fund balance for amounts that cannot be spent because they are either (a) not in spendable form (i.e. inventory or prepaid expenditures) or (b) legally or contractually required to be maintained intact (i.e. corpus of permanent funds). Restricted fund balance is reported when externally imposed constraints are placed on the use of resources by grantors, contributors, or laws or regulations of other governments. Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the City Council. A formal resolution of the City Council is required to establish, modify, or rescind a fund balance commitment. The City reports assigned fund balance for amounts that are constrained by the government's intent to be used for specific purposes but are neither restricted nor committed. The City Manager is authorized to assign fund balance under the current fund balance policy adopted by resolution by City Council. Unassigned fund balance is the residual classification for the general fund. The general fund is the only fund that reports unassigned fund balance.

The City has established a policy to maintain a minimum unassigned fund balance for the general fund at a level of 20% to 30% of annual expenditures. This is to provide stability and flexibility to respond to unexpected adversity and/or opportunities. The use of fund balance is appropriate as part of a financial plan and one-time expenditures. If unassigned fund balance falls below or grows above the established policy range, the City

City of Troy, Michigan
Notes to the Financial Statements
June 30, 2024

Manager will present a financial plan, typically as part of the fiscal budgeting process, to address the deficiency or surplus of unassigned fund balance.

Pension and Other Postemployment Benefits

For purposes of measuring the net pension asset, net other postemployment benefit liability, deferred outflows of resources and deferred inflows of resources related to pension and other postemployment benefit plans, and pension and other postemployment benefit expenses, information about the fiduciary net position of the Plans and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities, deferred inflows and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

Adoption of New Accounting Standard

Statement No. 100, *Accounting Changes and Error Corrections*, improves the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. More understandable, reliable, relevant, consistent and comparable information will be provided to financial statement users for making decisions or assessing accountability. Additionally, the display and note disclosure requirements will result in more consistent, decision useful, understandable and comprehensive information for users about accounting changes and error corrections.

Upcoming Accounting and Reporting Changes

Statement No. 101, *Compensated Absences*, updates the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This statement is effective for the year ending June 30, 2025.

Statement No. 102, *Certain Risk Disclosures*, requires organizations to provide users of the financial statements with essential information about risks related to the organization's vulnerabilities due to certain concentrations or constraints. This statement is effective for the year ending June 30, 2025.

Statement No. 103, *Financial Reporting Model Improvements*, improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing an organization's accountability while also addressing certain application issues. This statement includes changes to management's discussion and analysis, unusual or infrequent items, presentation of the proprietary fund statements of revenues, expenses, and changes in fund net position, major component unit information, and budgetary comparison information. This statement is effective for the year ending June 30, 2026.

The City is evaluating the impact that the above GASB statements will have on its financial reporting.

City of Troy, Michigan
Notes to the Financial Statements
June 30, 2024

Note 2 - Stewardship, Compliance, and Accountability

Budgetary Information

The City is subject to the budgetary control requirements of the Uniform Budgeting and Accounting Act (P.A. 2 of 1968, as amended). 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:

- Budgets must be adopted for the general fund and special revenue funds.
- The budgets must be balanced.
- The budgets must be amended when necessary.
- Public hearings must be held before budget adoptions.
- Expenditures cannot exceed budget appropriations.
- Expenditures must be authorized by a budget before being incurred.

The City adopts its budget by activity level, 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.

- 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.
- A public hearing on the budget is held before its final adoption.
- 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.
- 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.

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 and special revenue funds. Budget appropriations lapse at year end. 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).

Fund Deficits

The City has an unrestricted net position deficit in the following funds and component unit as of June 30, 2024:

Sanctuary Lake Golf Course Fund	\$ (10,650,015)
Downtown Development Authority Component Unit	(3,766,523)
Aquatic Center Fund	(509,437)

City of Troy, Michigan
Notes to the Financial Statements
June 30, 2024

None of the deficits above require deficit elimination plans to be filed with the State of Michigan as current assets are greater than current liabilities.

State Construction Code Act

The City oversees building construction, in accordance with the State Construction Code Act, including inspection of building construction and renovation to ensure compliance with the building codes. The City charges fees for these services. The law requires that collection of these fees be used only for construction code costs, including an allocation of estimated overhead costs. A summary of the current year activity and the cumulative surplus or shortfall generated since January 1, 2000 is as follows:

Cumulative shortfall at July 1, 2023	\$ <u>(5,555,378)</u>
Current year building permit revenue	<u>3,707,796</u>
Related expenses:	
Direct costs	2,298,732
Estimated indirect costs	<u>1,473,079</u>
Total construction code expenses	<u>3,771,811</u>
Net deficit for the year ended June 30, 2024	<u>(64,015)</u>
Cumulative shortfall at June 30, 2024	<u>\$ (5,619,393)</u>

Note 3 - Deposits and Investments

The following is a reconciliation of deposit and investment balances segregated by cash and cash equivalents and investments as of June 30, 2024:

	<u>Primary Government</u>	<u>Component Units</u>	<u>Fiduciary Funds</u>	<u>Totals</u>
Statement of net position				
Cash and investments	\$ 93,240,502	\$ 6,611,623	\$ -	\$ 99,852,125
Statement of fiduciary net position				
Pension and OPEB trust funds:				
Cash and cash equivalents	-	-	14,406,471	14,406,471
Investments	<u>-</u>	<u>-</u>	<u>328,431,565</u>	<u>328,431,565</u>
Total	<u>\$ 93,240,502</u>	<u>\$ 6,611,623</u>	<u>\$ 342,838,036</u>	<u>\$ 442,690,161</u>

City of Troy, Michigan
Notes to the Financial Statements
June 30, 2024

Deposits and investments

Bank deposits:

Checking / savings accounts	\$ 36,201,343
Certificates of deposit (due in less than 1 year)	21,529

Investment in securities and mutual funds:

Pooled investments	78,021,624
Pension and OPEB investments	328,431,565
Cash on hand	14,100

Total	\$ 442,690,161
--------------	-----------------------

Deposit and Investment Risk

Deposits

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the City deposits may not be returned. State law does not require and the City’s investment policy does not directly address a deposit policy for custodial credit risk. At year end, \$43,300,071 of the City’s bank deposits (certificates of deposit, checking, and cash) of \$45,401,570 were exposed to custodial credit risk because they were uninsured and uncollateralized. The City believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the City evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Investments

Interest Rate Risk. Interest rate risk is the risk that the value of fixed income investments will decrease as a result of a rise in interest rates. State law limits the allowable investments and the maturities of some of the allowable investments. The City’s investment policy does not have specific limits in excess of state law on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

At year end, the weighted average maturities of fixed income security investments are as follows:

Investment	Fair Value	Weighted Average Maturity
Pooled investments		
U.S. Government or agency bond/note	\$ 59,138,041	7.0 years
Municipal bonds	11,408,816	9.9 years
Pension and OPEB investments		
U.S. Government or agency bond/note	15,065,841	14.5 years
Corporate bonds	45,886,813	5.3 years
Mutual funds - fixed income	38,144,611	7.4 years

Credit Risk. State law limits investments to specific government securities, certificates of deposits and bank accounts with qualified financial institutions, commercial paper with specific maximum maturities and ratings when purchased, bankers acceptances of specific financial institutions, qualified mutual funds and qualified external investment pools. The City investment policy does not have specific limits in excess of state law on investment credit risk.

City of Troy, Michigan
Notes to the Financial Statements
June 30, 2024

As of year-end, the credit quality ratings of fixed income securities are as follows:

	Pooled	Pension and OPEB	Total
	Investments	Investments	
AAA	\$ 48,937,276	\$ 7,192,942	\$ 56,130,218
AA to AA-	18,315,247	23,920,089	42,235,336
A to A-	9,041,203	18,060,379	27,101,582
BBB to BBB-	1,034,910	40,678,048	41,712,958
B to B-	-	5,964,853	5,964,853
CCC or below	-	435,781	435,781
Not rated	13,853,827	2,845,143	16,698,970
	<u>\$ 91,182,463</u>	<u>\$ 99,097,235</u>	<u>\$ 190,279,698</u>

Custodial Credit Risk – Investments. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State law does not require and the City does not have a policy for investment custodial credit risk. At year end none of the City’s investments were subject to custodial credit risk due to one of the following:

- Investments were part of an insured pool
- Investments were book-entry only in the name of the City and were fully insured
- Investments were part of a mutual fund
- Investments were held by an agent in the City’s name

Concentration of Credit Risk. In compliance with State law, the City’s investment policy limits investments to the top two ratings issued by nationally recognized statistical rating organizations. Through its investment policy, the City places a five percent limit on the amount the City may invest in any one issuer.

Note 4 - Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs - other than quoted prices - included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include: a) quoted prices for similar assets or liabilities in active markets; b) quoted prices for identical or similar assets or liabilities in markets that are not active; and c) inputs other than quoted prices that are observable for the asset or liability, such as: (1) interest rates and yield curves observable at commonly quoted intervals; (2) implied volatilities and (3) credit spreads. Finally, Level 3 inputs are unobservable and are based on estimates and assumptions. These levels are determined by the City’s investment managers. These are determined at the fund level based on a review of the investment’s class, structure, and what kind of securities are held in funds. The investment managers will request the information from the fund manager if necessary.

City of Troy, Michigan
Notes to the Financial Statements
June 30, 2024

The City had the following recurring fair value measurements as of June 30, 2024:

	Level 1	Level 2	Total
U.S. government obligations	\$ 23,024,838	\$ 11,160,767	\$ 34,185,605
State and municipal bonds	-	11,408,822	11,408,822
Corporate bonds and fixed income commingled funds	81,816,465	6,080,886	87,897,351
Common stocks and equity mutual funds	202,846,863	-	202,846,863
Asset backed securities	1,531,663	38,385,118	39,916,781
Private equity partnerships	-	15,919,168	15,919,168
Real estate	2,068,630	4,604,387	6,673,017
Total investments at fair value	\$ 311,288,459	\$ 87,559,148	398,847,607

Investments carried at net asset value (NAV)

Pooled investments	20,635,607
Total investments	\$ 419,483,214

Fund Investments - Investments in Entities that Calculate Net Asset Value per Share

The City holds shares in Michigan CLASS and Comerica Bank J Fund, whereby the fair value of the investment is measured on a recurring basis using net asset value per share (or its equivalent) of the investment pool as a practical expedient.

At year end, the net asset value of the City's investment in Michigan CLASS was \$13,853,827 and the net asset value of the City's investment in Comerica Bank's J Fund was \$6,781,780. The investment pools have no unfunded commitments, specific redemption frequency or redemption notice period required. The investment pools invest in U.S. treasury obligations, federal agency obligations of the U.S. government, high grade commercial paper (rated 'A-1' or better) collateralized bank deposits, repurchase agreements (collateralized at 102% by Treasuries and agencies), and approved money-market funds. The programs seek to provide safety, liquidity, convenience, and competitive rates of return, and is designed to meet the needs of Michigan public sector investors. They purchase securities that are legally permissible under state statutes and are available for investment by Michigan counties, cities, townships, school districts, authorities and other public agencies.

Fund Investments - Mutual Funds and Separately Managed Accounts (SMAs)

An open-ended mutual fund, a registered investment company, produces a daily NAV that is validated with a sufficient level of observable activity (i.e., purchases and sales at NAV) to support classification of the fair value measurement as Level 1 in the fair value hierarchy. In this case, the NAV represents the exit value of the security at the measurement date.

The primary rationale to support the classification of Mutual Funds as Level 1 in the fair value hierarchy are: 1) the investments in the funds are required to be measured at fair value (SEC regulated), 2) the NAV is unadjusted and is in all cases the transaction price for purchases and sales (the NAV represents the exit value of the security at the measurement date), 3) there are no restrictions on redemptions and 4) the NAV is made publicly available daily.

The City's investment consultants also typically view SMAs as being reasonably considered Level 1 in the fair value hierarchy. The Fund Investment provides look-through capability to the underlying holdings, which can then be valued at fair market prices with strong liquidity.

Fund Investments - Commingled Funds and Trusts

Commingled Funds and Common Trust Funds do not all meet these criteria listed above for mutual funds. A fund administrator typically does not have the transparency into valuation methodology and valuation frequency

City of Troy, Michigan
Notes to the Financial Statements
June 30, 2024

of each of these pooled investment vehicles to make an accurate appraisal of whether the NAV does represent the exit value of the fund at each measurement date.

For this reason, the City's investment consultant takes a conservative approach with the default position being to consider these investments as Level 2 in the fair value hierarchy.

The net asset value (NAV) of an open-ended fund, whether a registered investment company fund, such as a mutual fund, or certain alternative investment funds, such as a hedge fund, serves as the basis for subscription and redemption transactions for investors in such funds. For investments in funds for which the underlying asset and liabilities are required to be measured at fair value, and where NAV is available, the NAV is generally the most appropriate starting point when determining the fair value measurement for an interest in such fund. However, when valuing such an investment, the holder must estimate the fair value of the interest held, which at times may be different from a value based solely on the NAV of the fund. The holder should also consider various factors including, but not limited to, the attributes of the interest held, including any restrictions or illiquidity on the disposition of the interest, and the holder's requirements to understand and accept the valuations provided by the fund (or modify them if appropriate), to determine the fair value of the interest itself. Depending on the facts and circumstances, the NAV may need to be adjusted depending upon the rights and obligations of the ownership interest and/or other factors. Furthermore, any adjustments to NAV based on unobservable inputs may result in the fair value measurement being categorized as a Level 3 measurement if those inputs are significant to the overall fair value measurement.

City of Troy, Michigan
Notes to the Financial Statements
June 30, 2024

Note 5 - Capital Assets

The capital asset activity of the primary government's governmental and business-type activities is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated/amortized				
Land	\$ 37,815,194	\$ -	\$ -	\$ 37,815,194
Museum artifacts	2,082,845	-	-	2,082,845
Construction-in-progress	<u>12,210,210</u>	<u>7,797,959</u>	<u>11,450,550</u>	<u>8,557,619</u>
Total capital assets not being depreciated/amortized	<u>52,108,249</u>	<u>7,797,959</u>	<u>11,450,550</u>	<u>48,455,658</u>
Capital assets being depreciated/amortized				
Infrastructure				
Major/county/local roads	291,077,978	7,726,666	-	298,804,644
Local donated roads	33,551,524	-	-	33,551,524
Sidewalks	37,044,104	642,115	-	37,686,219
Drains	11,288,228	-	-	11,288,228
Land improvements	14,301,213	11,466,183	404,088	25,363,308
Buildings and improvements	91,345,321	7,356,423	608,253	98,093,491
Miscellaneous equipment	11,499,699	1,260,515	385,368	12,374,846
Office equipment	3,413,180	37,194	210,816	3,239,558
Vehicles	24,440,382	3,840,653	1,376,083	26,904,952
Library books/audio visual	5,925,024	593,646	607,390	5,911,280
Right to use asset - machinery and equipment	<u>57,297</u>	<u>-</u>	<u>-</u>	<u>57,297</u>
Total capital assets being depreciated/amortized	<u>523,943,950</u>	<u>32,923,395</u>	<u>3,591,998</u>	<u>553,275,347</u>
Less accumulated depreciation/amortization for				
Infrastructure				
Major/county/local roads	173,551,086	9,479,388	-	183,030,474
Local donated roads	32,460,229	170,756	-	32,630,985
Sidewalks	31,818,607	485,926	-	32,304,533
Drains	2,341,362	238,755	-	2,580,117
Land improvements	9,189,563	611,546	404,088	9,397,021
Buildings and improvements	57,276,954	1,857,071	512,049	58,621,976
Miscellaneous equipment	6,477,878	1,182,931	364,546	7,296,263
Office equipment	2,906,619	150,730	210,816	2,846,533
Vehicles	14,471,188	1,759,283	1,087,724	15,142,747
Library books/audio visual	4,160,955	588,029	607,390	4,141,594
Right to use asset - machinery and equipment	<u>20,054</u>	<u>14,325</u>	<u>-</u>	<u>34,379</u>
Total accumulated depreciation/amortization	<u>334,674,495</u>	<u>16,538,740</u>	<u>3,186,613</u>	<u>348,026,622</u>
Net capital assets being depreciated/amortized	<u>189,269,455</u>	<u>16,384,655</u>	<u>405,385</u>	<u>205,248,725</u>
Governmental activities net capital assets	<u>\$ 241,377,704</u>	<u>\$ 24,182,614</u>	<u>\$ 11,855,935</u>	<u>\$ 253,704,383</u>

City of Troy, Michigan
Notes to the Financial Statements
June 30, 2024

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities				
Capital assets not being depreciated				
Land	\$ 6,738,504	\$ -	\$ -	\$ 6,738,504
Construction-in-progress	<u>13,439,922</u>	<u>5,123,826</u>	<u>4,708,298</u>	<u>13,855,450</u>
Total capital assets not being depreciated	<u>20,178,426</u>	<u>5,123,826</u>	<u>4,708,298</u>	<u>20,593,954</u>
Capital assets being depreciated				
Water and sewer transmission and distribution system	239,269,653	4,886,709	-	244,156,362
Service connections	750,121	-	-	750,121
Land improvements	9,597,689	16,401	-	9,614,090
Buildings and improvements	8,204,194	-	-	8,204,194
Miscellaneous equipment	3,069,224	885,266	76,741	3,877,749
Vehicles	1,147,768	24,000	-	1,171,768
Furniture, fixtures and others	<u>24,500</u>	<u>-</u>	<u>-</u>	<u>24,500</u>
Total capital assets being depreciated	<u>262,063,149</u>	<u>5,812,376</u>	<u>76,741</u>	<u>267,798,784</u>
Less accumulated depreciation for				
Water and sewer transmission and distribution system	113,126,792	5,604,662	-	118,731,454
Service connections	750,121	-	-	750,121
Land improvements	4,766,849	261,079	-	5,027,928
Buildings and improvements	7,075,582	184,959	-	7,260,541
Miscellaneous equipment	1,867,528	275,982	41,807	2,101,703
Vehicles	643,725	84,007	-	727,732
Furniture, fixtures and others	<u>24,500</u>	<u>-</u>	<u>-</u>	<u>24,500</u>
Total accumulated depreciation	<u>128,255,097</u>	<u>6,410,689</u>	<u>41,807</u>	<u>134,623,979</u>
Net capital assets being depreciated	<u>133,808,052</u>	<u>(598,313)</u>	<u>34,934</u>	<u>133,174,805</u>
Business-type capital assets, net	<u>\$ 153,986,478</u>	<u>\$ 4,525,513</u>	<u>\$ 4,743,232</u>	<u>\$ 153,768,759</u>

Depreciation/amortization expense was charged to functions/programs of the primary government as follows:

Governmental activities

General government	\$ 1,241,071
Public safety	1,268,735
Public works	10,664,686
Community and economic development	83,903
Recreation and culture	1,701,696
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of the assets	<u>1,578,649</u>
Total governmental activities	<u>16,538,740</u>

Business-type activities

Sylvan Glen Golf Course Fund	234,696
Aquatic Center Fund	78,547
Sanctuary Lake Golf Course Fund	402,306
Sewer Fund	2,135,023
Water Fund	<u>3,560,117</u>
Total business-type activities	<u>6,410,689</u>

Total primary government \$ 22,949,429

City of Troy, Michigan
Notes to the Financial Statements
June 30, 2024

Construction Commitments

As of June 30, 2024, the City had \$8,395,952 in construction commitments outstanding for various projects including street improvements, park renovations, water system improvements and sanitary sewer improvements. The commitments will be satisfied using grant funding, millage proceeds and fund balance.

Note 6 - Interfund Receivables, Payables, and Transfers

The amounts of interfund advances are as follows as of June 30, 2024:

Receivable Fund	Payable Fund	Amount
General Fund	Sanctuary Lake Golf Course Fund	\$ 7,698,082
Nonmajor Enterprise Funds in the Aggregate	Sanctuary Lake Golf Course Fund	3,344,230
General Fund	Nonmajor Enterprise Funds in the Aggregate	680,302
		\$ 11,722,614

Advances represent cash flow assistance from mainly the General Fund and Sylvan Glen Golf Course to meet operating and/or debt service requirements of the sanctuary lake golf course and aquatic center. The advances to the Sanctuary Lake golf course and the aquatic center are not expected to be reduced in the subsequent year.

Interfund transfers reported in the fund statements are as follows as of June 30, 2024:

Funds Transferred From	Funds Transferred To	Amount
General Fund	Nonmajor Governmental Funds in the Aggregate	\$ 10,000
General Fund	Capital Projects Fund	2,000,000
Nonmajor Governmental Funds in the Aggregate	General Fund	1,200
Nonmajor Governmental Funds in the Aggregate	Nonmajor Governmental Funds in the Aggregate	1,500,000
Nonmajor Governmental Funds in the Aggregate	Capital Projects Fund	9,747,529
		\$ 13,258,729

General Fund

Transfers to the capital projects fund of \$2,000,000 are for building improvements at City Hall. The transfer to the nonmajor governmental funds was for transit center operations.

Nonmajor Governmental Funds

The capital projects fund is responsible for all governmental activity type capital projects with the exception of internal service funds. Funding sources include major streets fund and local streets fund transfers to the capital projects fund in the amounts of \$5,654,000 and \$3,000,000, respectively, representing partial funding for capital street improvements. In addition, the library fund transferred \$1,093,529 to the capital projects fund for library capital purchases including collections. The major streets fund transfer to the local streets fund of \$1,500,000 represents allowable redirection of state funding. The cemetery perpetual care fund transferred \$1,200 to the general fund for administration charges.

City of Troy, Michigan
Notes to the Financial Statements
June 30, 2024

Note 7 - Leases

Lease Receivable

Leases receivable agreements are summarized as follows:

Description	Agreement Date	Payment Terms	Payment Amount	Interest Rate	Total Lease Receivable
MDOT Lowry Street Cell Tower	3/1/1999	3.6 years	\$ 10,800	2.00%	\$ 6,936
AT&T Cell Tower	7/1/2022	5 years	39,996	3.00%	111,304
T-Mobile Cell Tower	10/8/2003	6 years	22,800	2.00%	64,405
Verizon Cell Tower	7/1/2022	5 years	27,360	2.00%	65,040
DMC Community Center	10/24/2022	5 years	32,700	3.00%	101,102
Gun Range	5/1/2021	5 years	9,264	1.01%	17,460
Flynn Park Roadway	11/7/2006	20 years	15,000	2.00%	35,483
Tennis Grounds	5/21/2018	10 years	51,996	1.01%	200,707
Camp Ticonderoga	5/1/2021	5 years	72,720	1.01%	128,992
					<u>\$ 731,429</u>

The City collected \$278,080 from the lessees for the year ended June 30, 2024, which includes \$261,907 in lease revenue and \$16,173 in lease interest revenue.

A lease receivable and deferred inflows have been recorded to reflect future expected payments. Future minimum lease payments are as follows:

Year Ending June 30,	Governmental Activities	Business-type Activities	Total Primary Government
2025	\$ 147,469	\$ 114,085	\$ 261,554
2026	140,532	102,263	242,795
2027	124,706	42,089	166,795
2028	60,285	-	60,285
Total	<u>\$ 472,992</u>	<u>\$ 258,437</u>	<u>\$ 731,429</u>

Lease Liability

Lease liability agreements are summarized as follows:

Description	Remaining Term	Payment Amount	Interest Rate	Total Lease Liability
Copiers	2 years	\$ 15,850	Various	<u>\$ 24,309</u>

Annual requirements to amortize the long-term obligations and related interest are as follows:

Year Ending June 30,	Governmental Activities	
	Principal	Interest
2025	\$ 14,907	\$ 942
2026	9,402	218
	<u>\$ 24,309</u>	<u>\$ 1,160</u>

City of Troy, Michigan
Notes to the Financial Statements
June 30, 2024

Note 8 - Long-Term Debt

The City issues bonds to provide for the acquisition and construction of major capital projects. General obligation bonds are direct obligations and pledge the full faith and credit of the City. Notes from direct borrowing and placements are also general obligations of the City, as well as leases. Other long-term obligations include compensated absences. Compensated absences are liquidated with funds from the internal service fund and general fund and incurred but not reported insurance claims are liquidated from the general fund.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10% of its total assessed valuation. The current debt limitation for the City is \$882.6 million, which significantly exceeds the City's outstanding general obligation debt subject to limitation of \$12.3 million.

Long-term obligation activity is summarized as follows:

	Amount of Issue	Maturity Date	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities									
Bonds and notes payable									
General obligation bonds									
Series 2013 & 2020 DDA Refunding	\$ 10,105,000	2034	0.73 - 2.17%	\$680,000 - \$1,075,000	\$ 9,620,000	\$ -	\$ 560,000	\$ 9,060,000	\$ 680,000
Notes from direct borrowings and direct placements									
GWK Series 2001C	2,102,682	2024	-	-	131,609	-	131,609	-	-
GWK Series 2001D	81,089	2024	-	-	3,392	-	3,392	-	-
GWK Series 2005	41,440	2026	1.63%	2,209 - 2,315	6,733	-	2,209	4,524	2,209
GWK Series 2007G	46,242	2028	1.63%	2,318 - 2,598	12,580	-	2,468	10,112	2,598
GWK Series 2008H	196,953	2029	2.50%	9,727 - 12,213	67,805	-	11,044	56,761	11,304
GWK Series 2016	190,572	2024	-	-	13,685	-	13,685	-	-
Total notes from direct borrowings and direct placements					235,804	-	164,407	71,397	16,111
Total bonds and notes payable					9,855,804	-	724,407	9,131,397	696,111
Leases					38,488	-	14,179	24,309	14,907
Estimated self-insurance claims					1,397,412	11,975,842	11,683,138	1,690,116	964,084
Compensated absences					5,529,578	11,144,441	5,313,183	11,360,836	4,305,450
Total governmental activities					\$ 16,821,282	\$ 23,120,283	\$ 17,734,907	\$ 22,206,658	\$ 5,980,552
Business-type activities									
Bonds and notes payable									
General obligation bonds									
Golf Course Series 2022	\$ 4,620,000	2028	4.00%	\$775,000 - \$855,000	\$ 3,920,000	\$ -	\$ 695,000	\$ 3,225,000	\$ 785,000
Notes from direct borrowings and direct placements									
Sanctuary Lake Golf Course Note Payable	301,909	2025	2.72%	36,501	89,606	-	53,105	36,501	36,501
Sylvan Glen Golf Course Note Payable	301,909	2025	2.72%	36,501	89,606	-	53,105	36,501	36,501
Total notes from direct borrowings and direct placements					179,212	-	106,210	73,002	73,002
Issuance premiums					314,124	-	62,825	251,299	62,825
Total business-type activities					\$ 4,413,336	\$ -	\$ 864,035	\$ 3,549,301	\$ 920,827

Annual debt service requirements to maturity for the above obligations are as follows:

Year Ending June 30,	Governmental Activities				Business-type Activities			
	Bonds		Notes from Direct Borrowings and Direct Placements		Bonds		Notes from Direct Borrowings and Direct Placements	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 680,000	\$ 139,107	\$ 16,111	\$ 1,320	\$ 785,000	\$ 111,050	\$ 73,002	\$ 508
2026	805,000	133,284	16,477	960	775,000	82,100	-	-
2027	840,000	125,135	14,551	590	810,000	50,400	-	-
2028	1,075,000	113,472	14,531	250	855,000	17,100	-	-
2029	1,040,000	98,180	9,727	-	-	-	-	-
2030-2034	4,620,000	226,648	-	-	-	-	-	-
	\$ 9,060,000	\$ 835,826	\$ 71,397	\$ 3,120	\$ 3,225,000	\$ 260,650	\$ 73,002	\$ 508

City of Troy, Michigan
Notes to the Financial Statements
June 30, 2024

Component Units

The following is a summary of long-term liability transactions of the City's component units for the year ended June 30, 2024:

Component units	Amount of Issue	Maturity Date	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Downtown Development Authority									
Obligated tax captures									
City issued 2020 DDA Refinancing Debt	\$ 10,105,000	2034	0.73 - 2.17%	\$680,000 - \$1,075,000	\$ 9,620,000	\$ -	\$ 560,000	\$ 9,060,000	\$ 680,000

The Troy Downtown Development Authority (DDA) has pledged future tax captures to reimburse the City for principal and interest payments for debt issued by the City in the Series 2013 & 2020 general obligation bonds to refinance DDA general obligation debt.

The annual debt requirements to maturity for all component unit long-term obligations as of June 30, 2024 are as follows:

Year Ending	Component Unit - Downtown Development Authority Obligated	
	Tax Captures	
	Principal	Interest
June 30,		
2025	\$ 680,000	\$ 139,107
2026	805,000	133,284
2027	840,000	125,135
2028	1,075,000	113,472
2029	1,040,000	98,180
2030-2034	4,620,000	226,648
	<u>\$ 9,060,000</u>	<u>\$ 835,826</u>

City of Troy, Michigan
Notes to the Financial Statements
June 30, 2024

Note 9 - Net Investment in Capital Assets

The composition of net investment in capital assets as of year end, was as follows:

	Governmental Activities	Business-type Activities
Capital assets		
Capital assets not being depreciated	\$ 48,455,658	\$ 20,593,954
Capital assets, net of accumulated depreciation	205,248,725	133,174,805
Total capital assets	253,704,383	153,768,759
Less related debt		
General obligation bonds	(9,060,000)	(3,225,000)
Notes from direct borrowing and direct placements	(71,397)	(73,002)
Leases	(24,309)	-
Unamortized bond premiums	-	(251,299)
Deferred charge on bond refunding	72,965	232,606
Add back debt not related to capital assets	8,987,035	-
Retainage payable	(640,744)	(469,157)
Total related debt	(736,450)	(3,785,852)
Net investment in capital assets	\$ 252,967,933	\$ 149,982,907

Note 10 - Risk Management

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

The City accounts for transactions related to these risks in accordance with GASB No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, which states that a liability for claims must be reported if information prior to the issuance of the financial statements indicates it is probable that a liability has been incurred at the date of the financial statements, and the amount of the loss 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, 2024.

City of Troy, Michigan
Notes to the Financial Statements
June 30, 2024

The following are the changes in incurred but not reported (IBNR) estimates:

Year Ended June 30,	Beginning Balance	Additions	Deductions	Ending Balance
2022	\$ 1,412,305	\$ 11,597,157	\$ (11,584,637)	\$ 1,424,825
2023	1,424,825	9,288,699	(9,316,112)	1,397,412
2024	1,397,412	11,975,842	(11,683,138)	1,690,116

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

Note 11 - Litigation and Contingent Liabilities

Litigation

The City is a defendant to various claims, legal actions and complaints arising in the ordinary course of business. The City denies the allegations and plans a vigorous defense. In the opinion of legal counsel, all such matter 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.

Tax Appeals to the Michigan Tax Tribunal

The City has outstanding property tax assessment appeals totaling approximately \$27,700,000 in contended taxable values to the Michigan Tax Tribunal. If the City is not successful with a portion of these appeals, the City's share of the tax to be refunded would be the levied millage rate (approximately \$10 per thousand of taxable value) plus interest. Due to historical losses, the assessor has estimated that approximately 39.34% of the contested value may be refunded to that effect. As a result, the City has recorded a total liability of \$172,993 in the General Fund, \$29,010 in the Refuse Fund, \$28,733 in the Library Fund and \$32,656 in the Capital Projects Fund.

Note 12 - Property Taxes

Property taxes are recorded on the modified accrual basis of accounting and are levied and become a lien on July 1st on the taxable valuation of the property located within its boundaries as of the preceding December 31st. Taxable value is determined by the prior year's taxable value plus 5% or the Consumer Price Index whichever is less, starting with the 1994 state equalized value as the base taxable value. Assessed values are equalized by the State, to closely approximate fifty percent of estimated current market value. The final taxable value of real and personal property subject to property tax within the City for the fiscal 2023-2024 levy was \$6,190,976,980. The City's operating tax rate was 6.50 mills for the same year with additional mills of 1.09 for refuse removal and disposal, 1.0796 for library operations, and 1.2270 for capital preservation and improvements.

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, collectible from July 1st to September 1st. 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.

City of Troy, Michigan
Notes to the Financial Statements
June 30, 2024

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 assigned general fund balance.

Note 13 - Tax Abatements

The City provides tax abatements under three programs: The Industrial Facility Tax Half Rate Program, the Payment in Lieu of Taxes (PILOT) Program and the Brownfield Redevelopment Program.

The Industrial Facility Tax - Half Rate Program is intended to reduce economic obsolescence, provide homogenous industrial areas and increase employment opportunities. The Program is established under Michigan P.A. 198 of 1974. The Program qualifications are further defined under City Council Resolution 2010-08-173. The abatements equal 50% of the millage applied to 100% of the taxable value of the real and personal property, are administered as a reduction in the tax bill, and can last for up to six years. Abatements are obtained through application by the property owner or leasee and require subsequent provision by the applicant of proof that the qualifications have been met. There are no provisions for recapturing abated taxes. No other commitments were made by the City as part of those agreements.

The Payment in Lieu of Taxes (PILOT) Program is designed to provide tax abatements for owners of multi-family residential units that provide housing to low income residents. There are only two such properties that qualify for the Program in the City and is established by local ordinances. The Program qualifications include providing a percentage of low income housing units in the development and the property owner must have an outstanding mortgage. The abatements are obtained through an application process by the property owner prior to leasing to prospective tenants. The payments in lieu of taxes are calculated on a formula that takes into account the Potential Gross Income of the property less vacancies and applies a rate as determined by the State of Michigan.

The Brownfield Redevelopment Program is designed to implement Brownfield Plans, create Brownfield Redevelopment Zones, promote revitalization, and the redevelopment and reuse of distressed properties within the City using a tax abatement incentive. The program is established under the Brownfield Redevelopment Financing Act, Act 381 of 1996. Tax abatements are equal to 100% of the tax revenues captured on the taxable value and are administered as refunds to eligible participants. Refunds are further limited to the total approved and expended redevelopment costs by the taxpayer as authorized under the Act.

Tax Abatement Program	Amount of Taxes Abated During Fiscal Year
Industrial Facility Tax - Half Rate	\$ 5,650
Payment in Lieu of Taxes (PILOT)	172,412
Brownfield Redevelopment	370,744
Total tax abatements	\$ 548,806

City of Troy, Michigan
Notes to the Financial Statements
June 30, 2024

Note 14 - Defined Benefit Pension Plans

Employee Retirement System

Plan Administration. The City of Troy Employee Retirement System (ERS), under the authorization of the City Code chapter 10, administers the City's employee pension plan covering all full-time general and public safety employees of the City. The single employer defined benefit plan provides retirement benefits based on credited service time and average compensation with death and disability benefits, and under some circumstances, payments to dependents. Separate financial statements are not issued for the Plan.

Management of the pension plan is vested in the ERS Board, which consists of five voting members and one nonvoting ex-officio member. One of the voting members is designated by their position which is the City Manager. Two of the voting members are elected by plan members. One voting member of City Council is selected by the Council and one voting citizen, who is an elector of the City and who is not a member of the system and who is not a member of City Council, as appointed by City Council.

Plan Membership. At December 31, 2023, pension plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	344
Inactive employees entitled to, but not yet receiving benefits	3
Active employees	16
	<hr/>
	<u>363</u>

The defined benefit pension plan is closed to new members.

General plan members. Retirement benefits are calculated as 2.25% of the average of the member's best 3-year eligible wages over the last ten years times the member's years, and fractions thereof, of service. Members between the ages of 50 and 62 will receive an additional benefit equal to the amount if the calculation used a multiplier .25% greater. A member who has 27 or more years of service may retire on or after attainment of age 50. A member who has 25 years of service may retire on or after attainment of age 55. Members of the Troy Fire Staff Officers Association may retire at any age with 25 years of service.

General plan members are eligible for non-duty disability benefits after 10 years of service (AFSCME and MAP members 5 years of service) and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately and shall not be less than the amount it would be if they had attained 10 years of credited service.

General plan member surviving spouses and dependent children are eligible for non-duty death benefits if the member has 10 or more years of credited service. Benefits are calculated as if the member retired the preceding day of death using the pension calculation above. Duty death benefits are calculated in the same manner as non-duty death benefits with the exception that pension benefits cannot be less than 25% of the members final average compensation. Duty death benefits for members of the Troy Fire Staff Officers Association cannot be less than 50% of the members final average compensation.

Public safety members which include Troy Police Officers Association and Troy Command Officers Association. Retirement benefits are calculated as 2.8% for the first 25 years and 1% per year thereafter of the average of the member's best 3-year eligible wages over the last ten years times the member's years, and fractions thereof, of service. The pension benefit is capped at 75% of final average compensation. A member may retire at any age with 25 or more years of service.

City of Troy, Michigan
Notes to the Financial Statements
June 30, 2024

Public safety members are eligible for non-duty disability benefits after 5 years of service and for duty-related disability benefits upon hire. Non-duty disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately and shall not be less than the amount it would be if they had attained 10 years of credited service. Duty disability benefits shall not be less than two-thirds of final average compensation during the period they are in receipt of worker's compensation.

Public safety members' surviving spouses and dependent children are eligible for non-duty death benefits if the member has 10 or more years of credited service. Benefits are calculated as if the member retired the preceding day of death using the pension calculation above. Duty death benefits are calculated in the same manner as non-duty death benefits with the exception that pension benefits cannot be less than 50% of the members final average compensation.

Contributions. Employee contributions for classified and exempt employees is 5% of eligible wages. Members of collective bargaining groups contribution are directed by contract. The Board establishes rates based on an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of plan members. For the year ended June 30, 2024, the active member contribution rate was between 1.5% and 4.5% of their annual covered salary, depending on bargaining unit, and the City's average contribution rate was 0.0% of annual eligible wages.

Investment allocation policy. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the ERS Board by a majority vote of its members. It is the policy of the ERS Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

Long-term expected rate of return. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Expected Money-Weighted Rate of Return
Global equities (domestic 40% and international 19%)	59.00%	5.70%	3.37%
Fixed income	29.00%	1.20%	0.35%
Real estate	7.00%	6.00%	0.42%
Cash	5.00%	1.00%	0.05%
	<u>100.00%</u>		<u>4.19%</u>
Inflation expectation			2.50%
Risk adjustments			<u>-0.19%</u>
Investment rate of return			<u><u>6.50%</u></u>

City of Troy, Michigan
Notes to the Financial Statements
June 30, 2024

Rate of return. For the year ended June 30, 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 12.39%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. The long-term rate of return is estimated at 6.50%.

Changes in the net pension asset. The components of the change in the net pension asset are summarized as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Asset (a) - (b)
Balances at June 30, 2023	<u>\$ 159,795,685</u>	<u>\$ 211,115,856</u>	<u>\$ (51,320,171)</u>
Changes for the year:			
Service cost	366,144	-	366,144
Interest	9,983,086	-	9,983,086
Differences between expected and actual experience	71,533	-	71,533
Employee contributions	707,057	60,995	646,062
Net investment income	-	23,930,338	(23,930,338)
Benefit payments, including refunds of employee contributions	(12,984,283)	(12,984,283)	-
Administrative expense	-	(209,307)	209,307
Net changes	<u>(1,856,463)</u>	<u>10,797,743</u>	<u>(12,654,206)</u>
Balances as of June 30, 2024	<u>\$ 157,939,222</u>	<u>\$ 221,913,599</u>	<u>\$ (63,974,377)</u>

Pension Plan Fiduciary Net Position. The plan's fiduciary net position as a percentage of the total pension liability was 140.51% at June 30, 2024.

Actuarial assumptions. The total pension liability was determined by an actuarial valuation as of December 31, 2023 with a measurement and reporting date of June 30, 2024. The following actuarial assumptions were applied to all periods included in the measurement:

Actuarial cost method	Entry-age normal
Inflation	2.50%; no explicit price inflation assumption is used in this valuation
Salary increases (including inflation)	3.50% to 7.50%, including inflation
Investment rate of return	6.50%
Long-term municipal bond rate	3.97%
Retirement age	Age-based table of rates that are specific to the type of eligibility condition. First used for the 2023 valuation.
Mortality rates	PubG-2010 Amount-weighted, Employee, Healthy Retiree and Disabled Retiree Mortality tables for males and females with fully generational projection with the MP-2021 mortality improvement scale.

Actuarial assumption changes. The following actuarial assumptions were updated in accordance with the five-year experience study performed for the period January 1, 2018 – December 31, 2022:

- Rates used for future mortality improvements were updated from Scale MP-2020 to MP-2021.
- Normal retirement rates were adjusted using separate tables for General and Public Safety employees.

City of Troy, Michigan
Notes to the Financial Statements
June 30, 2024

- No withdrawals or disability retirements from active membership are assumed going forward.
- The Asset Valuation Method (AVM) was changed to smooth investment gains and losses over a period of three years instead of five years beginning with this valuation.

Single discount rate. A single discount rate of 6.50% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on investments of 6.50%. The projection of cash flows used to determine this single discount rate assumed that member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on the Retirement System's investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension asset to changes in the discount rate. The following presents the net pension asset, calculated using a single discount rate of 6.50%, as well as what the net pension asset would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher:

<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
\$ (48,796,227)	\$ (63,974,377)	\$ (76,895,416)

Pension Expense and Deferred Inflows of Resources Related to Pensions. For the year ended June 30, 2023, the City recognized pension expense of \$(5,260,413). At June 30, 2024, the City reported pension-related deferred inflows of resources from the following sources:

	<u>Deferred Inflows of Resources</u>	<u>Total to Amortize</u>
Net difference between projected and actual earning on plan investments	\$ (5,934,547)	\$ (5,934,547)

Amounts reported as pension-related deferred inflows of resources will be recognized in pension expense as follows:

<u>Year ended June 30,</u>		
2025	\$	(4,308,253)
2026		4,823,678
2027		(4,323,047)
2028		<u>(2,126,925)</u>
	\$	<u>(5,934,547)</u>

City of Troy, Michigan
Notes to the Financial Statements
June 30, 2024

Note 15 - Retiree Healthcare Trust (OPEB) Plan

Plan Description

Plan Administration. The City of Troy Retiree Healthcare Trust (RHC), under authorization of the Public Employee Health Care Act, Public Act 149 of 1999 (MCL 38.1211 et seq.) and constituting a governmental trust pursuant to Section 115 of the Internal Revenue Code of 1986, as amended, administers the City's employee retiree healthcare plan covering all full-time general and public safety employees of the City. The single employer defined benefit OPEB plan provides retirement healthcare based on credited service time with death and disability benefits, and under some circumstances, payments for dependents. The plan does not issue separate stand-alone financial statements and administrative costs are paid by the plan through employer contributions.

Management of the OPEB plan is vested in the RHC Board, which consists of five voting members and one nonvoting ex-officio member. Two of the voting members are designated by their position which includes the City Manager and City Director of Financial Services. Three of the voting members are elected by plan members. One voting member of City Council as selected by the Council and one voting citizen, who is an elector of the City and who is not a member of the system and who is not a member of City Council as appointed by the Mayor. Of the five employee members, two must be members of the defined benefit plan.

Plan Membership. At December 31, 2022, plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	379
Active employees	<u>133</u>
	<u><u>512</u></u>

The defined benefit OPEB plan is closed to new members.

Benefits Provided. The City provides certain healthcare benefits in accordance with the bargaining group agreements and other requirements as established at the time of retirement. Most bargaining group agreements vested 4% of retiree healthcare insurance premiums per year of active service with a maximum vesting percentage of 100% until June 30, 2013. Subsequently, the agreements establish a 3% vesting of retiree healthcare insurance premiums per year of active service with a maximum vesting percentage of 90%. The exception to these agreements are with the Troy Police Officers Association (TPOA) and classified/exempt groups. These groups remain at 4% vesting of retiree healthcare insurance premiums per year of active service with a maximum vesting percentage of 100%. All groups have an age and years of service requirement before benefits will be provided. These age and service requirements are the same as established in the defined benefit pension plan (ERS).

Spouses of living retirees are eligible for retiree healthcare coverage through the City. Only the spouse named at the time of retirement is eligible. Surviving spouses of deceased retirees are eligible for retiree healthcare coverage through the City if the surviving spouse is receiving a survivor's defined benefit pension or is the spouse of a defined contribution member. The surviving spouse's benefit amount is equal to a retiree's one person coverage.

Members and spouse are required to enroll in Medicare Parts A & B, unless required by their insurance carrier. Premium for Medicare Part B, if elected, is the responsibility of the retiree or spouse.

Members retiring under deferred retirement conditions are not eligible for retiree healthcare through the City. The plan provides duty disability benefits with no age or service requirements and benefits commence immediately. Nonduty disability are provided to members with five years of service (ten years for Classified/Exempt and MAP employees) and benefits commence immediately.

City of Troy, Michigan
Notes to the Financial Statements
June 30, 2024

The plan provides duty death benefits with no age or service requirements and benefits commence immediately. The plan also provides non-duty death benefits for members with ten or more years of service. These benefits also commence immediately.

Contributions. There are no required employee contributions to the plan. Employer contributions are established based on an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability over a twenty-five-year period. The City is not required to contribute the actuarially determined rate but has an established and long history of making the contribution. For the year ended June 30, 2024, the City's average contribution rate was 20.93% of eligible wages.

Investments

Investment allocation policy. The OPEB plan's policy in regard to the allocation of invested assets is established and may be amended by the RHC Board by a majority vote of its members. It is the policy of the RHC Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The OPEB plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

Long-term expected rate of return. The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Expected Money-Weighted Rate of Return
Global equities (domestic 40% and international 19%)	59.00%	5.70%	3.37%
Fixed income	29.00%	1.20%	0.35%
Real estate	7.00%	6.00%	0.42%
Cash	5.00%	1.00%	0.05%
	<u>100.00%</u>		<u>4.19%</u>
Inflation expectation			2.50%
Risk adjustments			<u>-0.19%</u>
Investment rate of return			<u><u>6.50%</u></u>

Rate of return. For the year ended June 30, 2024, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expenses, was 11.49%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. The long-term rate of return is estimated at 6.50%.

City of Troy, Michigan
Notes to the Financial Statements
June 30, 2024

Changes in the net OPEB liability. The components of the change in the net OPEB liability are summarized as follows:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2023	<u>\$ 132,352,469</u>	<u>\$ 111,974,560</u>	<u>\$ 20,377,909</u>
Changes for the year:			
Service cost	876,355	-	876,355
Interest	8,430,699	-	8,430,699
Differences between expected and actual experience	(781,401)	-	(781,401)
Employer contributions	-	2,902,017	(2,902,017)
Net investment income	-	12,593,963	(12,593,963)
Benefit payments, including refunds of employee contributions	(6,175,160)	(6,175,160)	-
Administrative expense	-	(21,184)	21,184
Other changes	-	160,103	(160,103)
Net changes	<u>2,350,493</u>	<u>9,459,739</u>	<u>(7,109,246)</u>
Balances as of June 30, 2024	<u>\$ 134,702,962</u>	<u>\$ 121,434,299</u>	<u>\$ 13,268,663</u>

OPEB Plan Fiduciary Net Position. The plan's fiduciary net position as a percentage of the total OPEB liability was 90.15% at June 30, 2024.

Actuarial assumptions. The total OPEB plan liability was determined by an actuarial valuation as of December 31, 2022 with a measurement and reporting date of June 30, 2024. The following actuarial assumptions were applied to all periods included in the measurement.

Actuarial cost method	Entry Age Normal
Inflation	2.60%
Salary increases	3.50% to 8.00%, including inflation
Investment rate of return	6.5%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	Pre-Medicare Trend starting at 7.50% and gradually decreasing to an ultimate trend rate of 3.50%. Medicare Trend starting at 6.25% and gradually decreasing to an ultimate trend rate of 3.50%.
Mortality rates	PubG2010 amount-weighted

Actuarial assumption changes. There were no assumption changes since the last measurement period.

Single discount rate. A single discount rate of 6.50% was used to measure the total OPEB plan liability. This single discount rate was based on the expected rate of return on investments of 6.50%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rates. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

City of Troy, Michigan
Notes to the Financial Statements
June 30, 2024

Sensitivity of the net OPEB liability to changes in the discount rate. The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current discount rate:

1% Decrease	Current Discount Rate	1% Increase
\$ 29,738,372	\$ 13,268,663	\$ (447,208)

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The following presents the net OPEB liability of the City, calculated using the healthcare cost trend rates of 7.50 percent decreasing to 3.50 percent, as well as what the City's net OPEB liability would be if it were calculated using the healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rates:

1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
\$ (1,505,773)	\$ 13,268,663	\$ 30,949,836

OPEB Expense Deferred Inflows of Resources Related to OPEB. For the year ended June 30, 2024, the City recognized OPEB expense of \$(388,404). At June 30, 2024, the City reported deferred inflows of resources related to OPEB from the following sources:

	Deferred Inflows of Resources	Total to Amortize
Differences in experience	\$ (128,056)	\$ (128,056)
Net difference between projected and actual earning on plan investments	(2,621,377)	(2,621,377)
Total	\$ (2,749,433)	\$ (2,749,433)

Amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30,	
2025	\$ (1,738,243)
2026	2,806,077
2027	(2,732,729)
2028	(1,084,538)
	\$ (2,749,433)

For governmental activities, the net OPEB liability for the retiree healthcare trust plan is generally liquidated by the general fund.

City of Troy, Michigan
Notes to the Financial Statements
June 30, 2024

Note 16 - Combining Financial Information – Pension and Other Postemployment Trust Funds

Statement of Fiduciary Net Position

	Employee Retirement System	Retiree Healthcare Trust Fund	Total
Assets			
Cash and cash equivalents	\$ 8,290,673	\$ 6,115,786	\$ 14,406,459
Investments, at fair value			
U.S. government securities and agencies	10,502,529	3,031,649	13,534,178
Asset backed securities	781,378	750,285	1,531,663
Corporate bonds and fixed income commingled funds	55,885,988	32,011,364	87,897,352
Common stocks and equity mutual funds	129,657,798	73,218,299	202,876,097
Private equity partnerships	9,857,621	6,061,637	15,919,258
Exchange traded funds	-	-	-
Real estate	6,673,017	-	6,673,017
Interest receivable	302,192	245,279	547,471
Total assets	221,951,196	121,434,299	343,385,495
Liabilities			
Accounts payable	37,597	-	37,597
Net Position			
Restricted for			
Pension benefits	221,913,599	-	221,913,599
Retiree healthcare benefits	-	121,434,299	121,434,299
Total net position	\$ 221,913,599	\$ 121,434,299	\$ 343,347,898

City of Troy, Michigan
Notes to the Financial Statements
June 30, 2024

Statement of Changes in Fiduciary Net Position

	Employee Retirement System	Retiree Healthcare Trust Fund	Total
Additions			
Contributions			
Employer	\$ -	\$ 2,902,017	\$ 2,902,017
Plan members	60,995	532,917	593,912
Total contributions	<u>60,995</u>	<u>3,434,934</u>	<u>3,495,929</u>
Investment earnings (loss)			
Interest	1,349,145	818,860	2,168,005
Dividends	4,548,729	2,538,310	7,087,039
Net adjustment in fair value of investments	18,641,533	9,492,608	28,134,141
Investment expense	(609,069)	(255,817)	(864,886)
Net investment earnings	<u>23,930,338</u>	<u>12,593,961</u>	<u>36,524,299</u>
Total additions	<u>23,991,333</u>	<u>16,028,895</u>	<u>40,020,228</u>
Deductions			
Benefits - pension	12,984,283	-	12,984,283
Benefits - retiree healthcare	-	6,526,722	6,526,722
Administrative expenses	209,307	21,184	230,491
Total deductions	<u>13,193,590</u>	<u>6,547,906</u>	<u>19,741,496</u>
Change in net position	<u>10,797,743</u>	<u>9,480,989</u>	<u>20,278,732</u>
Restricted net position, beginning			
Pension benefits	211,115,856	-	211,115,856
Retiree healthcare benefits	-	111,953,310	111,953,310
Total restricted net position, beginning	<u>211,115,856</u>	<u>111,953,310</u>	<u>323,069,166</u>
Restricted net position, ending			
Pension benefits	221,913,599	-	221,913,599
Retiree healthcare benefits	-	121,434,299	121,434,299
Total restricted net position, ending	<u>\$ 221,913,599</u>	<u>\$ 121,434,299</u>	<u>\$ 343,347,898</u>

City of Troy, Michigan
Notes to the Financial Statements
June 30, 2024

Note 17 - Defined Contribution Pension Plan

The City maintains a defined contribution plan (DCP) administered by Mission Square Retirement, which qualifies under the Internal Revenue Code Section 401(a). Classified, Exempt and Fire Staff Officers in the City's Employees Retirement System were given the option to transfer to the DCP by December 31, 1997. Employees who elected to transfer to the DCP had their individually actuarially determined earned retirement benefits in the Employees Retirement System determined as of the date of election to transfer to the DCP. In 1998, the City afforded the option to AFSCME members of the Employees Retirement System to elect a transfer to the DCP, of which 41 employees elected such transfer. In 1999, the City afforded the option to MAP members of the Employees Retirement System to elect a transfer to the DCP, of which 29 employees elected such transfer. In 2000, the City afforded the option to TCOA members of the Employees Retirement System to elect a transfer to the DCP, of which 20 employees elected such transfer. In 2002, the City afforded the option to TPOA members of the Employees Retirement System to elect a transfer to the DCP of which 19 employees elected such transfer. The DCP is also in effect for all new full-time employees. Total membership in the DCP as of June 30, 2024 was 394.

The DCP maintains a schedule of vesting as follows: participants who transferred from the Employees Retirement System are fully vested. For new hires the following schedule applies: 50% vested after 3 years, 75% vested after 4 years and 100% vested after 5 years. Employees contribute 3 to 6 percent of their salary, while the employer contributes 8 to 13 percent. All contributions are remitted to a third-party plan administrator.

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

The City's payroll for employees covered by the DCP for the year ended June 30, 2024, was \$32,127,328. The required contributions, which matched those actually made, were \$1,498,407 by employees and \$3,298,238 by the City, representing 5.0 percent and 10.0 percent of covered payroll, respectively.

City of Troy, Michigan
Notes to the Financial Statements
June 30, 2024

Note 18 - Fund Balances - Governmental Funds

In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the City classifies fund balances based primarily on the extent to which it is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Detailed information on fund balances of governmental funds is as follows:

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total
Nonspendable				
Inventories	\$ 566,196	\$ -	\$ -	\$ 566,196
Prepaid items	1,344,238	-	91,127	1,435,365
Permanent fund corpus	-	-	164,000	164,000
Advance to Sanctuary Lake Golf Course	7,698,082	-	-	7,698,082
Advance to Aquatic Center	<u>680,302</u>	<u>-</u>	<u>-</u>	<u>680,302</u>
Total nonspendable	<u>10,288,818</u>	<u>-</u>	<u>255,127</u>	<u>10,543,945</u>
Restricted				
Special revenue funding source restrictions:				
Public safety	-	-	1,596,177	1,596,177
Highways and streets	-	-	4,744,634	4,744,634
Sanitation	-	-	1,688,848	1,688,848
Library	-	-	3,598,185	3,598,185
Other	-	-	7,702	7,702
Cemetery perpetual care	-	-	65,390	65,390
Capital improvements	<u>-</u>	<u>10,817,778</u>	<u>-</u>	<u>10,817,778</u>
Total restricted	<u>-</u>	<u>10,817,778</u>	<u>11,700,936</u>	<u>22,518,714</u>
Assigned				
Insurance claims	3,000,000	-	-	3,000,000
Tax appeals	175,000	-	-	175,000
Subsequent years budget	591,462	-	-	591,462
Firefighter Incentive Plan	<u>1,402,000</u>	<u>-</u>	<u>-</u>	<u>1,402,000</u>
Total assigned	<u>5,168,462</u>	<u>-</u>	<u>-</u>	<u>5,168,462</u>
Unassigned	<u>27,307,266</u>	<u>-</u>	<u>-</u>	<u>27,307,266</u>
Total fund balances	<u>\$ 42,764,546</u>	<u>\$ 10,817,778</u>	<u>\$ 11,956,063</u>	<u>\$ 65,538,387</u>

City of Troy, Michigan
Notes to the Financial Statements
June 30, 2024

Note 19 - Budget Stabilization Fund

The City has established a budget stabilization fund by adopting a City ordinance in accordance with PA 30 of 1978 - MCL 144.441. The City Council may appropriate all or part of a surplus in the general fund to the Budget Stabilization Fund. The amount in the Budget Stabilization Fund shall not exceed 15% of the City's most recent general fund budget as originally adopted or 15% of the average of the City's five most recent general fund budgets, as amended, whichever is less. Appropriations from the Budget Stabilization Fund may be used to cover any general fund deficit, prevent a reduction in the level of services when revenues are not being collected in a sufficient manner or when the subsequent year budget indicates a shortfall, and to cover expenses arising from a natural disaster unless federal or state funds are received to offset the appropriation. In accordance with Governmental Accounting Standards Board (GASB) Statement number 54, the Budget Stabilization Fund has been included as part of the general fund for reporting purposes. Any residual fund balance is reported as unassigned in the general fund.

**REQUIRED SUPPLEMENTARY
INFORMATION**

City of Troy, Michigan
Required Supplementary Information
Employee Retirement System
Schedule of Changes in Net Pension Asset and Related Ratios
For the Year Ended June 30, 2024

Fiscal year ended June 30,	2024	2023	2022	2021	2020
Total Pension Liability					
Service cost	\$ 366,144	\$ 516,493	\$ 713,220	\$ 832,121	\$ 892,618
Interest	9,983,086	10,146,576	10,248,059	10,081,514	10,166,772
Changes of benefit terms	-	-	-	-	-
Experience differences	71,533	(295,313)	(60,178)	1,144,561	(827,202)
Changes in assumptions	707,057	-	-	2,445,899	-
Benefit payments and refunds	<u>(12,984,283)</u>	<u>(12,639,161)</u>	<u>(12,100,440)</u>	<u>(11,672,985)</u>	<u>(11,360,090)</u>
Net change in total pension liability	(1,856,463)	(2,271,405)	(1,199,339)	2,831,110	(1,127,902)
Total pension liability - beginning	<u>159,795,685</u>	<u>162,067,090</u>	<u>163,266,429</u>	<u>160,435,319</u>	<u>161,563,221</u>
Total pension liability - ending (a)	<u>\$ 157,939,222</u>	<u>\$ 159,795,685</u>	<u>\$ 162,067,090</u>	<u>\$ 163,266,429</u>	<u>\$ 160,435,319</u>
Plan Fiduciary Net Position					
Employer contributions	\$ -	\$ -	\$ -	\$ -	\$ -
Employee contributions	60,995	90,425	116,939	157,698	157,335
Net investment income (loss)	23,930,338	23,584,208	(30,347,862)	58,046,577	7,323,662
Benefit payments and refunds	(12,984,283)	(12,639,161)	(12,100,440)	(11,672,985)	(11,360,090)
Administrative expense	<u>(209,307)</u>	<u>(190,812)</u>	<u>(186,316)</u>	<u>(136,183)</u>	<u>(220,079)</u>
Net change in plan fiduciary net position	10,797,743	10,844,660	(42,517,679)	46,395,107	(4,099,172)
Plan fiduciary net position - beginning	<u>211,115,856</u>	<u>200,271,196</u>	<u>242,788,875</u>	<u>196,393,768</u>	<u>200,492,940</u>
Plan fiduciary net position - ending (b)	<u>\$ 221,913,599</u>	<u>\$ 211,115,856</u>	<u>\$ 200,271,196</u>	<u>\$ 242,788,875</u>	<u>\$ 196,393,768</u>
Net pension asset (a-b)	<u>\$ (63,974,377)</u>	<u>\$ (51,320,171)</u>	<u>\$ (38,204,106)</u>	<u>\$ (79,522,446)</u>	<u>\$ (35,958,449)</u>
Plan fiduciary net position as a percentage of total pension liability	140.51%	132.12%	123.57%	148.71%	122.41%
Covered payroll	\$ 1,870,748	\$ 2,688,816	\$ 3,461,432	\$ 4,429,886	\$ 4,714,838
Net pension asset as a percentage of covered employee payroll	(3,419.72%)	(1,908.65%)	(1,103.71%)	(1,795.14%)	(762.67%)

See Accompanying Notes to the Required Supplementary Information

City of Troy, Michigan
Required Supplementary Information
Employee Retirement System
Schedule of Changes in Net Pension Asset and Related Ratios
For the Year Ended June 30, 2024

Fiscal year ended June 30,	2019	2018	2017	2016	2015
Total Pension Liability					
Service cost	\$ 919,922	\$ 915,316	\$ 951,388	\$ 993,515	\$ 966,066
Interest	10,145,675	10,153,512	10,180,968	10,251,205	9,626,619
Changes of benefit terms	-	-	-	(10,477)	-
Experience differences	1,345,828	176,027	(238,774)	(1,118,247)	1,874,178
Changes in assumptions	(701,730)	-	-	-	8,167,150
Benefit payments and refunds	<u>(11,382,935)</u>	<u>(11,352,909)</u>	<u>(11,245,246)</u>	<u>(11,108,572)</u>	<u>(11,128,133)</u>
Net change in total pension liability	326,760	(108,054)	(351,664)	(992,576)	9,505,880
Total pension liability - beginning	<u>161,236,461</u>	<u>161,344,515</u>	<u>161,696,179</u>	<u>162,688,755</u>	<u>153,182,875</u>
Total pension liability - ending (a)	<u>\$ 161,563,221</u>	<u>\$ 161,236,461</u>	<u>\$ 161,344,515</u>	<u>\$ 161,696,179</u>	<u>\$ 162,688,755</u>
Plan Fiduciary Net Position					
Employer contributions	\$ -	\$ -	\$ 658,557	\$ 314,025	\$ 1,451,198
Employee contributions	164,311	159,830	163,907	166,434	165,624
Net investment income (loss)	15,253,371	19,495,709	23,674,177	(330,035)	6,229,392
Benefit payments and refunds	(11,382,935)	(11,352,909)	(11,245,246)	(11,108,572)	(11,128,133)
Administrative expense	<u>(147,374)</u>	<u>(137,054)</u>	<u>(136,279)</u>	<u>(133,867)</u>	<u>(129,870)</u>
Net change in plan fiduciary net position	3,887,373	8,165,576	13,115,116	(11,092,015)	(3,411,789)
Plan fiduciary net position - beginning	<u>196,605,567</u>	<u>188,439,991</u>	<u>175,324,875</u>	<u>186,416,890</u>	<u>189,828,679</u>
Plan fiduciary net position - ending (b)	<u>\$ 200,492,940</u>	<u>\$ 196,605,567</u>	<u>\$ 188,439,991</u>	<u>\$ 175,324,875</u>	<u>\$ 186,416,890</u>
Net pension asset (a-b)	<u>\$ (38,929,719)</u>	<u>\$ (35,369,106)</u>	<u>\$ (27,095,476)</u>	<u>\$ (13,628,696)</u>	<u>\$ (23,728,135)</u>
Plan fiduciary net position as a percentage of total pension liability	124.10%	121.94%	116.79%	108.43%	114.58%
Covered payroll	\$ 4,695,195	\$ 4,428,407	\$ 4,532,372	\$ 4,910,089	\$ 4,902,224
Net pension asset as a percentage of covered employee payroll	(829.14%)	(798.69%)	(597.82%)	(277.57%)	(484.03%)

See Accompanying Notes to the Required Supplementary Information

City of Troy, Michigan
Required Supplementary Information
Employee Retirement System
Schedule of Net Pension Asset
For the Year Ended June 30, 2024

Fiscal Year Ended	Total Pension Liability	Plan Net Position	Net Pension Asset	Plan Net Position as Percentage of Total Pension Liability	Covered Payroll	Net Pension Asset as Percentage of Covered Payroll
2015	\$ 162,688,755	\$ 186,416,890	\$ (23,728,135)	114.6%	\$ 4,902,224	-484.0%
2016	161,696,179	175,324,875	(13,628,696)	108.4%	4,910,089	-277.6%
2017	161,344,515	188,439,991	(27,095,476)	116.8%	4,532,372	-597.8%
2018	161,236,461	196,605,567	(35,369,106)	121.9%	4,428,407	-798.7%
2019	161,563,221	200,492,940	(38,929,719)	124.1%	4,695,195	-829.1%
2020	160,435,319	196,393,768	(35,958,449)	122.4%	4,714,838	-762.7%
2021	163,266,429	242,788,875	(79,522,446)	148.7%	4,429,886	-1795.1%
2022	162,067,090	200,271,196	(38,204,106)	123.6%	3,461,432	-1103.7%
2023	159,795,685	211,115,856	(51,320,171)	132.1%	2,688,816	-1908.7%
2024	157,939,222	221,913,599	(63,974,377)	140.5%	1,870,748	-3419.7%

See Accompanying Notes to the Required Supplementary Information

City of Troy, Michigan
Required Supplementary Information
Employee Retirement System
Schedule of Employer Contributions
For the Year Ended June 30, 2024

Fiscal Year Ended	Actuarially Determined		Contribution		Covered Payroll	Actual Contribution as
	Contribution	Actual Contribution	Deficiency (Excess)	Percentage of		
2015	\$ 1,451,198	\$ 1,451,198	\$ -	\$ 4,902,224	29.6%	
2016	314,025	314,025	-	4,910,089	6.4%	
2017	658,557	658,557	-	4,532,372	14.5%	
2018	-	-	-	4,428,407	0.0%	
2019	-	-	-	4,695,195	0.0%	
2020	-	-	-	4,714,838	0.0%	
2021	-	-	-	4,429,886	0.0%	
2022	-	-	-	3,461,432	0.0%	
2023	-	-	-	2,688,816	0.0%	
2024	-	-	-	1,870,748	0.0%	

See Accompanying Notes to the Required Supplementary Information

City of Troy, Michigan
Required Supplementary Information
Employee Retirement System
Schedule of Investment Returns

Fiscal Year Ended June 30,	Annual Return % *
2015	3.29%
2016	-0.23%
2017	13.79%
2018	10.56%
2019	8.12%
2020	3.86%
2021	30.32%
2022	-12.34%
2023	12.55%
2024	12.39%

* Annual money-weighted rate of return, net of investment expenses

City of Troy, Michigan
Required Supplementary Information
Other Postemployment Benefits - Retiree Healthcare
Schedule of Changes in Net OPEB Liability and Related Ratios
For the Year Ended June 30, 2024

Fiscal year ended June 30,	2024	2023	2022	2021	2020
Total OPEB Liability					
Service cost	\$ 876,355	\$ 957,813	\$ 932,797	\$ 746,215	\$ 785,891
Interest	8,430,699	8,348,417	8,219,713	7,293,289	7,611,207
Changes of benefit terms	-	-	-	1,038,759	-
Experience differences	(781,401)	(16,398,643)	(961,146)	9,872,511	(1,033,980)
Changes in assumptions	-	14,641,866	-	931,956	(6,841,243)
Benefit payments and refunds	(6,175,160)	(6,310,530)	(6,137,081)	(5,309,605)	(5,476,571)
Net change in total OPEB liability	2,350,493	1,238,923	2,054,283	14,573,125	(4,954,696)
Total OPEB liability - beginning	132,352,469	131,113,546	129,059,263	114,486,138	119,440,834
Total OPEB liability - ending (a)	<u>\$ 134,702,962</u>	<u>\$ 132,352,469</u>	<u>\$ 131,113,546</u>	<u>\$ 129,059,263</u>	<u>\$ 114,486,138</u>
Plan Fiduciary Net Position					
Employer contributions	\$ 2,902,017	\$ 3,005,672	\$ 3,891,675	\$ 5,061,539	\$ 5,914,107
On-behalf contributions	-	217,922	167,526	147,156	164,491
Net investment income (loss)	12,593,963	14,666,779	(19,811,720)	27,834,920	4,130,941
Benefit payments and refunds	(6,175,160)	(6,310,530)	(6,137,081)	(5,309,605)	(5,476,571)
Administrative expense	(21,184)	(14,735)	(12,555)	(56,032)	(32,654)
Other	160,103	-	-	-	-
Net change in plan fiduciary net position	9,459,739	11,565,108	(21,902,155)	27,677,978	4,700,314
Plan fiduciary net position - beginning	111,974,560	100,409,452	122,311,607	94,633,629	89,933,315
Plan fiduciary net position - ending (b)	<u>\$ 121,434,299</u>	<u>\$ 111,974,560</u>	<u>\$ 100,409,452</u>	<u>\$ 122,311,607</u>	<u>\$ 94,633,629</u>
Net OPEB liability (a-b)	<u>\$ 13,268,663</u>	<u>\$ 20,377,909</u>	<u>\$ 30,704,094</u>	<u>\$ 6,747,656</u>	<u>\$ 19,852,509</u>
Plan fiduciary net position as a percentage of total OPEB liability	90.15%	84.60%	76.58%	94.77%	82.66%
Covered payroll	\$ 14,357,783	\$ 14,357,783	\$ 16,924,155	\$ 16,924,155	\$ 16,962,271
Net OPEB liability as a percentage of covered employee payroll	92.41%	141.93%	181.42%	39.87%	117.04%

See Accompanying Notes to the Required Supplementary Information

City of Troy, Michigan
Required Supplementary Information
Other Postemployment Benefits - Retiree Healthcare
Schedule of Changes in Net OPEB Liability and Related Ratios
For the Year Ended June 30, 2024

Fiscal year ended June 30,	2019	2018	2017
Total OPEB Liability			
Service cost	\$ 838,659	\$ 1,166,226	\$ 1,285,223
Interest	8,918,237	8,761,601	8,476,587
Changes of benefit terms	-	-	-
Experience differences	(22,311,315)	(1,499,301)	-
Changes in assumptions	(1,719,651)	-	-
Benefit payments and refunds	<u>(6,138,831)</u>	<u>(5,571,068)</u>	<u>(5,063,891)</u>
Net change in total OPEB liability	(20,412,901)	2,857,458	4,697,919
Total OPEB liability - beginning	<u>139,853,735</u>	<u>136,996,277</u>	<u>132,298,358</u>
Total OPEB liability - ending (a)	<u>\$ 119,440,834</u>	<u>\$ 139,853,735</u>	<u>\$ 136,996,277</u>
Plan Fiduciary Net Position			
Employer contributions	\$ 6,000,551	\$ 4,812,375	\$ 4,668,805
On-behalf contributions	136,413	149,655	36,244
Net investment income (loss)	6,829,397	6,403,187	7,980,021
Benefit payments and refunds	(6,138,831)	(5,571,068)	(5,063,891)
Administrative expense	(43,298)	(39,518)	(4,214)
Other	-	-	-
Net change in plan fiduciary net position	<u>6,784,232</u>	<u>5,754,631</u>	<u>7,616,965</u>
Plan fiduciary net position - beginning	<u>83,149,083</u>	<u>77,394,452</u>	<u>69,777,487</u>
Plan fiduciary net position - ending (b)	<u>\$ 89,933,315</u>	<u>\$ 83,149,083</u>	<u>\$ 77,394,452</u>
Net OPEB liability (a-b)	<u>\$ 29,507,519</u>	<u>\$ 56,704,652</u>	<u>\$ 59,601,825</u>
Plan fiduciary net position as a percentage of total OPEB liability	75.30%	59.45%	56.49%
Covered payroll	\$ 16,962,271	\$ 17,101,107	\$ 17,101,107
Net OPEB liability as a percentage of covered employee payroll	173.96%	331.58%	348.53%

See Accompanying Notes to the Required Supplementary Information

City of Troy, Michigan
Required Supplementary Information
Other Postemployment Benefits - Retiree Healthcare
Schedule of Net OPEB Liability
For the Year Ended June 30, 2024

Fiscal Year Ended	Total OPEB Liability	Plan Net Position	Net OPEB Liability	Plan Net Position as		Net OPEB Liability as	
				Percentage of Total	OPEB Liability	Covered Payroll	Percentage of Covered Payroll
2017	\$ 136,996,277	\$ 77,394,452	\$ 59,601,825	56.49%	\$ 17,101,107	348.53%	
2018	139,853,735	83,149,083	56,704,652	59.45%	17,101,107	331.58%	
2019	119,440,834	89,933,315	29,507,519	75.30%	16,962,271	173.96%	
2020	114,486,138	94,633,629	19,852,509	82.66%	16,962,271	117.04%	
2021	129,059,263	122,311,607	6,747,656	94.77%	16,924,155	39.87%	
2022	131,113,546	100,409,452	30,704,094	76.58%	16,924,155	181.42%	
2023	132,352,469	111,974,560	20,377,909	84.60%	14,357,783	141.9%	
2024	134,702,962	121,434,299	13,268,663	90.15%	14,357,783	92.4%	

See Accompanying Notes to the Required Supplementary Information

City of Troy, Michigan
Required Supplementary Information
Other Postemployment Benefits - Retiree Healthcare
Schedule of Employer Contributions
For the Year Ended June 30, 2024

Fiscal Year Ending June 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2017	\$ 4,668,805	\$ 4,668,805	\$ -	\$ 17,101,107	27.30%
2018	4,654,492	4,812,375	(157,883)	17,101,107	28.14%
2019	5,646,672	6,000,551	(353,879)	16,962,271	35.38%
2020	5,579,325	5,914,107	(334,782)	16,962,271	34.87%
2021	3,231,801	5,061,539	(1,829,738)	16,924,155	29.91%
2022	3,180,761	3,891,675	(710,914)	16,924,155	22.99%
2023	2,706,702	3,005,672	(298,970)	14,357,783	20.93%
2024	2,652,832	2,902,017	(249,185)	14,357,783	20.21%

City of Troy, Michigan
Required Supplementary Information
Other Postemployment Benefits
Schedule of Investment Returns

Fiscal Year Ended June 30,	Annual Return % *
2017	11.53%
2018	8.53%
2019	8.39%
2020	4.69%
2021	29.55%
2022	-16.20%
2023	14.41%
2024	11.49%

* Annual money-weighted rate of return, net of investment expenses

City of Troy
Notes to the Required Supplementary Information
June 30, 2024

Pension Information

Notes to the Schedule of Changes in Net Pension Liability and Related Ratios – Employee Retirement System

The following actuarial assumptions were updated in accordance with the five-year experience study performed for the period January 1, 2018 – December 31, 2022:

- Rates used for future mortality improvements were updated from Scale MP-2020 to MP-2021.
- Normal retirement rates were adjusted using separate tables for General and Public Safety employees.
- No withdrawals or disability retirements from active membership are assumed going forward.
- The Asset Valuation Method (AVM) was changed to smooth investment gains and losses over a period of three years instead of five years beginning with this valuation.

These changes increased the total pension liability by approximately \$700,000.

Notes to the Schedule of Employer Contributions – Employee Retirement System

- Valuation date: December 31, 2023
- Actuarially determined contribution rates are calculated as of December 31, which is 18 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

- Actuarial cost method: Aggregate
- Amortization method: N/A
- Remaining amortization period: N/A
- Asset valuation method: 5-year smoothed market
- Inflation: 2.50%; no explicit price inflation assumption is used in this valuation
- Salary increase: 3.50% to 7.50% including inflation
- Investment rate of return: 6.50%
- Retirement age: Age-based table of rates that are specific to the type of eligibility condition. First used for the 1973 valuation; Classified, Exempt and Command Officers first used for the 1981 valuation; Non-Classified/Exempt General members first used for the 1986 valuation.
- Mortality rates: PubG-2010 Amount-weighted, Employee, Healthy Retiree and Disabled Retiree Mortality tables for males and females with fully generational projection with the MP-2020 mortality improvement scale.

OPEB Information

Notes to the Schedule of Changes in Net OPEB and Related Ratios – Retiree Healthcare

There were no changes in assumptions for the fiscal year ended June 30, 2024.

Notes to the Schedule of Employer Contributions – Retiree Healthcare

- Valuation date: December 31, 2022
Actuarially determined contribution rates are calculated as of December 31 of even numbered years, which is 18 months prior to the beginning of the fiscal year biennium in which contributions are reported.

City of Troy
Notes to the Required Supplementary Information
June 30, 2024

Methods and assumptions used to determine contribution rates:

- Actuarial cost method: Entry age normal
- Amortization method: Level dollar, closed
- Remaining amortization period: 20 years for fiscal year beginning July 1, 2023
- Asset valuation method: Market value
- Inflation: 2.60%
- Salary increases: 3.50% - 8.00%, including inflation
- Retirement age: Experience-based table of rates that are specific to the type of eligibility condition
- Mortality:
 - Healthy Pre-Retirement: The fully generational PubG-2010 Amount-weighted, General Employee, Male and Female tables, with a base year of 2010 and future mortality improvements projected using scale MP-2020. This assumption was used to measure the probabilities of members dying before retirement. Twenty percent of pre-retirement deaths were assumed to be duty related.
 - Healthy Post-Retirement: The fully generational PubG-2010 Amount-Weighted, General Healthy Retiree, Male and Female tables, with a base year of 2010 and future mortality improvements projected using scale MP-2020. This assumption is used to measure the probabilities of each benefit payment being made after retirement.
 - Disability Retirement: The fully generational PubG-2010 Amount-Weighted, General Disabled Retiree, Male and Female tables, with a base year of 2010 and future mortality improvements projected using scale MP-2020. This assumption was used to measure the probabilities of each benefit payment being made after disability retirements.
- Health care trend rates: Pre-Medicare Trend starting at 7.50% and gradually decreasing to an ultimate trend rate of 3.50%. Medicare Trend starting at 6.25% and gradually decreasing to an ultimate trend rate of 3.50%.
- Aging factors: The tables used in developing the retiree premium are based on a recent Society of Actuaries study of health costs.
- Expenses: Investment and administrative expenses are net of the investment returns.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

SPECIAL REVENUE FUNDS

Major Streets Fund - Accumulates resources from state funding sources for the maintenance and construction of the City's major streets system.

Local Streets Fund - Accumulates resources from state funding sources for the maintenance and construction of the City's local streets system.

Refuse Fund - Accumulates resources from a dedicated tax millage for sanitation collection and disposal services.

Transit Center Fund - Accumulates resources from Amtrak and sponsorships for operations, maintenance and capital needs of the Transit Center.

Drug Forfeiture Fund - Accumulates resources from a federal and state drug forfeiture court rulings which can only be expended on specific supplies and services that support drug enforcement.

Library Fund - Accumulates resources from a dedicated tax millage for providing public library services to the community.

Community Development Block Grant Fund - Accumulates resources for the administration of federal funded projects designed to address a wide-range of community needs in low-income areas.

PERMANENT FUND

Cemetery Perpetual Care - Accumulates resources from plot and burial fees for the perpetual care of cemetery grounds.

ENTERPRISE FUNDS

Sylvan Glen Golf Course - Accumulates resources from user fees to the operation and maintenance of a municipal golf course.

Aquatic Center - Accumulates resources from user fees for the operation and maintenance of the City's municipal water park.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

INTERNAL SERVICE FUNDS

Compensated Absences Fund - Accumulates resources from interdepartmental charges for funding employee earned vacation and sick pay benefits.

Unemployment Compensation Fund - Accumulates resources from interdepartmental charges for City unemployment insurance premiums and obligations.

Custodial Services Fund - Accumulates resources from interdepartmental charges for the custodial services to city buildings.

Information Technology Fund - Accumulates resources from interdepartmental charges for the maintenance and improvements of the City's computer and software requirements.

Motor Equipment Fund - Accumulates resources from interdepartmental charges for the maintenance and capital investment of City owned vehicles.

Workers' Compensation Fund - Accumulates resources from interdepartmental charges for insurance premium and City obligations for worker's compensation claims.

City of Troy, Michigan
Other Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

Special Revenue Funds

	Major Street	Local Street	Refuse	Transit Center	Drug Forfeiture	Library
Assets						
Cash and investments	\$ 1,170,610	\$ 2,060,926	\$ 2,209,974	\$ -	\$ 1,596,177	\$ 3,668,018
Accounts receivable	-	-	1,302	29,356	-	122,181
Taxes receivable	-	-	14,997	-	-	21,757
Due from other governments	1,286,748	505,480	-	-	-	-
Prepaid items	-	-	-	2,289	-	88,838
Total assets	<u>\$ 2,457,358</u>	<u>\$ 2,566,406</u>	<u>\$ 2,226,273</u>	<u>\$ 31,645</u>	<u>\$ 1,596,177</u>	<u>\$ 3,900,794</u>
Liabilities						
Accounts payable	\$ 226,395	\$ 52,735	\$ 493,418	\$ 21,654	\$ -	\$ 160,394
Other liabilities	-	-	29,010	-	-	31,621
Total liabilities	<u>226,395</u>	<u>52,735</u>	<u>522,428</u>	<u>21,654</u>	<u>-</u>	<u>192,015</u>
Deferred inflows of resources						
Unavailable revenue - property taxes and long-term receivables	-	-	14,997	-	-	21,756
Fund Balances						
Non-spendable	-	-	-	2,289	-	88,838
Restricted	2,230,963	2,513,671	1,688,848	7,702	1,596,177	3,598,185
Total fund balances	<u>2,230,963</u>	<u>2,513,671</u>	<u>1,688,848</u>	<u>9,991</u>	<u>1,596,177</u>	<u>3,687,023</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,457,358</u>	<u>\$ 2,566,406</u>	<u>\$ 2,226,273</u>	<u>\$ 31,645</u>	<u>\$ 1,596,177</u>	<u>\$ 3,900,794</u>

City of Troy, Michigan
Other Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	Special Revenue Fund	Permanent Fund	
	Community Development Block Grant	Cemetery Perpetual Care	Total Nonmajor Governmental Funds
Assets			
Cash and investments	\$ -	\$ 229,390	\$ 10,935,095
Accounts receivable	-	-	152,839
Taxes receivable	-	-	36,754
Due from other governments	21,272	-	1,813,500
Prepaid items	-	-	91,127
Total assets	<u>\$ 21,272</u>	<u>\$ 229,390</u>	<u>\$ 13,029,315</u>
Liabilities			
Accounts payable	\$ 21,272	\$ -	\$ 975,868
Other liabilities	-	-	60,631
Total liabilities	<u>21,272</u>	<u>-</u>	<u>1,036,499</u>
Deferred inflows of resources			
Unavailable revenue - property taxes and long-term receivables	<u>-</u>	<u>-</u>	<u>36,753</u>
Fund Balances			
Non-spendable	-	164,000	255,127
Restricted	-	65,390	11,700,936
Total fund balances	<u>-</u>	<u>229,390</u>	<u>11,956,063</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 21,272</u>	<u>\$ 229,390</u>	<u>\$ 13,029,315</u>

City of Troy, Michigan
Other Supplementary Information
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

Special Revenue Funds

	Major Street	Local Street	Refuse	Transit Center	Drug Forfeiture	Library
Revenues						
Property taxes	\$ -	\$ -	\$ 6,525,454	\$ -	\$ -	\$ 6,656,765
Intergovernmental						
Federal sources	-	-	-	-	-	-
State sources	8,025,817	3,152,724	88,914	-	-	296,597
Charges for services	-	-	1,106	108,045	-	11,951
Fines and forfeitures	-	-	-	-	240,090	16,148
Investment earnings (loss)	72,071	84,773	131,499	-	48,986	194,369
Other	-	-	-	-	-	35,758
Total revenues	<u>8,097,888</u>	<u>3,237,497</u>	<u>6,746,973</u>	<u>108,045</u>	<u>289,076</u>	<u>7,211,588</u>
Expenditures						
Current						
General government	-	-	-	110,361	-	-
Public safety	-	-	-	-	81,705	-
Sanitation	-	-	6,178,716	-	-	-
Public works	2,532,469	2,727,114	-	-	-	-
Community and economic development	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	5,247,367
Total expenditures	<u>2,532,469</u>	<u>2,727,114</u>	<u>6,178,716</u>	<u>110,361</u>	<u>81,705</u>	<u>5,247,367</u>
Excess (deficiency) of revenues over expenditures	<u>5,565,419</u>	<u>510,383</u>	<u>568,257</u>	<u>(2,316)</u>	<u>207,371</u>	<u>1,964,221</u>
Other financing sources (uses)						
Transfers in	-	1,500,000	-	10,000	-	-
Transfers out	(7,154,000)	(3,000,000)	-	-	-	(1,093,529)
Sale of capital assets	-	-	-	-	20,050	-
Total other financing sources and (uses)	<u>(7,154,000)</u>	<u>(1,500,000)</u>	<u>-</u>	<u>10,000</u>	<u>20,050</u>	<u>(1,093,529)</u>
Net change in fund balances	(1,588,581)	(989,617)	568,257	7,684	227,421	870,692
Fund balances - beginning of year	<u>3,819,544</u>	<u>3,503,288</u>	<u>1,120,591</u>	<u>2,307</u>	<u>1,368,756</u>	<u>2,816,331</u>
Fund balances - end of year	<u>\$ 2,230,963</u>	<u>\$ 2,513,671</u>	<u>\$ 1,688,848</u>	<u>\$ 9,991</u>	<u>\$ 1,596,177</u>	<u>\$ 3,687,023</u>

City of Troy, Michigan
Other Supplementary Information
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue Fund	Permanent Fund	
	Community Development Block Grant	Cemetery Perpetual Care	Total Nonmajor Governmental Funds
Revenues			
Property taxes	\$ -	\$ -	\$ 13,182,219
Intergovernmental			
Federal sources	59,443	-	59,443
State sources	-	-	11,564,052
Charges for services	-	1,725	122,827
Fines and forfeitures	-	-	256,238
Investment earnings (loss)	-	7,520	539,218
Other	-	-	35,758
Total revenues	<u>59,443</u>	<u>9,245</u>	<u>25,759,755</u>
Expenditures			
Current			
General government	-	-	110,361
Public safety	-	-	81,705
Sanitation	-	-	6,178,716
Public works	-	-	5,259,583
Community and economic development	59,443	-	59,443
Recreation and culture	-	-	5,247,367
Total expenditures	<u>59,443</u>	<u>-</u>	<u>16,937,175</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>9,245</u>	<u>8,822,580</u>
Other financing sources (uses)			
Transfers in	-	-	1,510,000
Transfers out	-	(1,200)	(11,248,729)
Sale of capital assets	-	-	20,050
Total other financing sources and (uses)	<u>-</u>	<u>(1,200)</u>	<u>(9,718,679)</u>
Net change in fund balances	-	8,045	(896,099)
Fund balances - beginning of year	<u>-</u>	<u>221,345</u>	<u>12,852,162</u>
Fund balances - end of year	<u>\$ -</u>	<u>\$ 229,390</u>	<u>\$ 11,956,063</u>

City of Troy, Michigan
Other Supplementary Information
Budgetary Comparison Schedule
Major Street Fund
For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	Actual Over (Under)
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
Revenues				
Intergovernmental				
State sources	\$ 7,700,000	\$ 7,700,000	\$ 8,025,817	\$ 325,817
Investment earnings (loss)	35,000	35,000	72,071	37,071
Total revenues	<u>7,735,000</u>	<u>7,735,000</u>	<u>8,097,888</u>	<u>362,888</u>
Expenditures				
Current				
Public works	3,701,638	3,701,638	2,532,469	(1,169,169)
Transfers out	6,500,000	7,154,000	7,154,000	-
Total expenditures	<u>10,201,638</u>	<u>10,855,638</u>	<u>9,686,469</u>	<u>(1,169,169)</u>
Net change in fund balance	(2,466,638)	(3,120,638)	(1,588,581)	1,532,057
Fund balance - beginning of year	<u>3,819,544</u>	<u>3,819,544</u>	<u>3,819,544</u>	<u>-</u>
Fund balance - end of year	<u>\$ 1,352,906</u>	<u>\$ 698,906</u>	<u>\$ 2,230,963</u>	<u>\$ 1,532,057</u>

City of Troy, Michigan
Other Supplementary Information
Budgetary Comparison Schedule
Local Street Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Actual
	Original	Final		Over (Under)
				Final Budget
Revenues				
Intergovernmental				
State sources	\$ 3,000,000	\$ 3,000,000	\$ 3,152,724	\$ 152,724
Investment earnings (loss)	32,000	32,000	84,773	52,773
Transfers in	1,500,000	1,500,000	1,500,000	-
Total revenues	<u>4,532,000</u>	<u>4,532,000</u>	<u>4,737,497</u>	<u>205,497</u>
Expenditures				
Current				
Public works	3,737,597	3,737,597	2,727,114	(1,010,483)
Transfers out	3,000,000	3,000,000	3,000,000	-
Total expenditures	<u>6,737,597</u>	<u>6,737,597</u>	<u>5,727,114</u>	<u>(1,010,483)</u>
Net change in fund balance	(2,205,597)	(2,205,597)	(989,617)	1,215,980
Fund balance - beginning of year	<u>3,503,288</u>	<u>3,503,288</u>	<u>3,503,288</u>	<u>-</u>
Fund balance - end of year	<u>\$ 1,297,691</u>	<u>\$ 1,297,691</u>	<u>\$ 2,513,671</u>	<u>\$ 1,215,980</u>

City of Troy, Michigan
Other Supplementary Information
Budgetary Comparison Schedule
Refuse Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Actual
	Original	Final		Over (Under)
				Final Budget
Revenues				
Property taxes	\$ 6,425,000	\$ 6,425,000	\$ 6,525,454	\$ 100,454
Intergovernmental				
State sources	60,000	60,000	88,914	28,914
Charges for services	500	500	1,106	606
Investment earnings (loss)	20,000	20,000	131,499	111,499
Total revenues	<u>6,505,500</u>	<u>6,505,500</u>	<u>6,746,973</u>	<u>241,473</u>
Expenditures				
Current				
Sanitation	<u>6,473,350</u>	<u>6,473,350</u>	<u>6,178,716</u>	<u>(294,634)</u>
Net change in fund balance	32,150	32,150	568,257	536,107
Fund balance - beginning of year	<u>1,120,591</u>	<u>1,120,591</u>	<u>1,120,591</u>	<u>-</u>
Fund balance - end of year	<u>\$ 1,152,741</u>	<u>\$ 1,152,741</u>	<u>\$ 1,688,848</u>	<u>\$ 536,107</u>

City of Troy, Michigan
Other Supplementary Information
Budgetary Comparison Schedule
Transit Center Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Actual
	Original	Final		Over (Under)
				Final Budget
Revenues				
Charges for services	\$ 150,000	\$ 150,000	\$ 108,045	\$ (41,955)
Transfers in	-	20,000	10,000	(10,000)
Total revenues	<u>150,000</u>	<u>170,000</u>	<u>118,045</u>	<u>(51,955)</u>
Expenditures				
Current				
General government	<u>144,864</u>	<u>144,864</u>	<u>110,361</u>	<u>(34,503)</u>
Net change in fund balance	5,136	25,136	7,684	(17,452)
Fund balance - beginning of year	<u>2,307</u>	<u>2,307</u>	<u>2,307</u>	<u>-</u>
Fund balance - end of year	<u>\$ 7,443</u>	<u>\$ 27,443</u>	<u>\$ 9,991</u>	<u>\$ (17,452)</u>

City of Troy, Michigan
Other Supplementary Information
Budgetary Comparison Schedule
Drug Forfeiture Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Actual Over (Under)
	Original	Final		Final Budget
Revenues				
Fines and forfeitures	\$ 131,000	\$ 131,000	\$ 240,090	\$ 109,090
Investment earnings (loss)	10,000	10,000	48,986	38,986
Sale of capital assets	-	-	20,050	20,050
Total revenues	<u>141,000</u>	<u>141,000</u>	<u>309,126</u>	<u>168,126</u>
Expenditures				
Current				
Public safety	144,040	144,040	81,705	(62,335)
Transfers out	340,000	340,000	-	(340,000)
Total expenditures	<u>484,040</u>	<u>484,040</u>	<u>81,705</u>	<u>(402,335)</u>
Net change in fund balance	(343,040)	(343,040)	227,421	570,461
Fund balance - beginning of year	<u>1,368,756</u>	<u>1,368,756</u>	<u>1,368,756</u>	<u>-</u>
Fund balance - end of year	<u>\$ 1,025,716</u>	<u>\$ 1,025,716</u>	<u>\$ 1,596,177</u>	<u>\$ 570,461</u>

City of Troy, Michigan
Other Supplementary Information
Budgetary Comparison Schedule
Library Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Actual Over (Under)
	Original	Final		Final Budget
Revenues				
Property taxes	\$ 6,550,000	\$ 6,550,000	\$ 6,656,765	\$ 106,765
Intergovernmental				
State grants	261,600	261,600	296,597	34,997
Charges for services	4,100	4,100	11,951	7,851
Fines and forfeitures	10,000	10,000	16,148	6,148
Investments earnings (loss)	40,000	40,000	194,369	154,369
Other	10,000	10,000	35,758	25,758
Total revenues	6,875,700	6,875,700	7,211,588	335,888
Expenditures				
Current				
Recreation and culture	5,163,574	5,198,574	5,247,367	48,793
Transfers out	1,260,000	2,124,577	1,093,529	(1,031,048)
Total expenditures	6,423,574	7,323,151	6,340,896	(982,255)
Net change in fund balance	452,126	(447,451)	870,692	1,318,143
Fund balance - beginning of year	2,816,331	2,816,331	2,816,331	-
Fund balance - end of year	\$ 3,268,457	\$ 2,368,880	\$ 3,687,023	\$ 1,318,143

City of Troy, Michigan
Other Supplementary Information
Budgetary Comparison Schedule
Community Development Block Grant Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Actual Over (Under)
	Original	Final		Final Budget
Revenues				
Intergovernmental				
Federal grants	\$ 170,000	\$ 190,000	\$ 59,443	\$ (130,557)
Expenditures				
Current				
Community and economic development	45,000	65,000	59,443	(5,557)
Transfers out	125,000	125,000	-	(125,000)
Total expenditures	170,000	190,000	59,443	(130,557)
Net change in fund balance	-	-	-	-
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year	\$ -	\$ -	\$ -	\$ -

City of Troy, Michigan
Other Supplementary Information
Combining Statement of Net Position
Nonmajor Enterprise Funds
June 30, 2024

	Sylvan Glen Golf Course	Aquatic Center	Total
Assets			
Current assets			
Cash and investments	\$ 1,255,814	\$ 296,146	\$ 1,551,960
Receivables			
Accounts receivable	32,455	24,432	56,887
Leases receivable	114,085	-	114,085
Inventories	85,231	-	85,231
Prepaid items	23,268	-	23,268
Total current assets	<u>1,510,853</u>	<u>320,578</u>	<u>1,831,431</u>
Noncurrent assets			
Advances to other funds	3,344,230	-	3,344,230
Leases receivable	144,352	-	144,352
Capital assets not being depreciated	1,894,552	-	1,894,552
Capital assets being depreciated, net	1,444,051	743,835	2,187,886
Total noncurrent assets	<u>6,827,185</u>	<u>743,835</u>	<u>7,571,020</u>
Total assets	<u>8,338,038</u>	<u>1,064,413</u>	<u>9,402,451</u>
Liabilities			
Current liabilities			
Accounts payable	2,585	142,958	145,543
Accrued liabilities	270,106	6,755	276,861
Current portion of notes payable	36,501	-	36,501
Total current liabilities	<u>309,192</u>	<u>149,713</u>	<u>458,905</u>
Noncurrent liabilities			
Advances from other funds	-	680,302	680,302
Total liabilities	<u>309,192</u>	<u>830,015</u>	<u>1,139,207</u>
Deferred Inflows of Resources			
Deferred lease amounts	<u>258,437</u>	<u>-</u>	<u>258,437</u>
Net Position			
Net investment in capital assets	3,302,102	743,835	4,045,937
Unrestricted (deficit)	4,468,307	(509,437)	3,958,870
Total net position	<u>\$ 7,770,409</u>	<u>\$ 234,398</u>	<u>\$ 8,004,807</u>

City of Troy, Michigan
Other Supplementary Information
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Nonmajor Enterprise Funds
For the Year Ended June 30, 2024

	Sylvan Glen Golf Course	Aquatic Center	Total
Operating revenues			
Charges for services			
Customer fees	\$ 1,512,342	\$ 572,028	\$ 2,084,370
Rental			
Golf course	253,322	-	253,322
Restaurant	75,863	-	75,863
Other	84,400	-	84,400
Other services	-	9,295	9,295
Total operating revenues	<u>1,925,927</u>	<u>581,323</u>	<u>2,507,250</u>
Operating expenses			
Operations	1,486,559	599,961	2,086,520
Depreciation	234,696	78,547	313,243
Total operating expenses	<u>1,721,255</u>	<u>678,508</u>	<u>2,399,763</u>
Operating income (loss)	<u>204,672</u>	<u>(97,185)</u>	<u>107,487</u>
Nonoperating revenue (expenses)			
Investment earnings (loss)	-	12,525	12,525
Gain on sale of capital assets	4,500	-	4,500
Loss on disposal of capital assets	-	(9,340)	(9,340)
Interest expense	(1,899)	-	(1,899)
Total nonoperating revenues (expenses)	<u>2,601</u>	<u>3,185</u>	<u>5,786</u>
Change in net position	207,273	(94,000)	113,273
Net position - beginning of year	<u>7,563,136</u>	<u>328,398</u>	<u>7,891,534</u>
Net position - end of year	<u>\$ 7,770,409</u>	<u>\$ 234,398</u>	<u>\$ 8,004,807</u>

City of Troy, Michigan
Other Supplementary Information
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2024

	Sylvan Glen Golf Course	Aquatic Center	Total
Cash flows from operating activities			
Receipts from customers	\$ 1,987,409	\$ 567,346	\$ 2,554,755
Payments to suppliers	(1,461,830)	(657,189)	(2,119,019)
Net cash provided (used) by operating activities	<u>525,579</u>	<u>(89,843)</u>	<u>435,736</u>
Cash flows from capital and related financing activities			
Purchases/construction of capital assets	(60,799)	(311,177)	(371,976)
Principal and interest paid on long-term debt	(55,004)	-	(55,004)
Proceeds from sale of capital assets	4,500	-	4,500
Net cash provided (used) by capital and related financing activities	<u>(111,303)</u>	<u>(311,177)</u>	<u>(422,480)</u>
Cash flows from investing activities			
Investment income (loss)	-	12,525	12,525
Net change in cash and investments	414,276	(388,495)	25,781
Cash and investments - beginning of year	<u>841,538</u>	<u>684,641</u>	<u>1,526,179</u>
Cash and investments - end of year	<u>\$ 1,255,814</u>	<u>\$ 296,146</u>	<u>\$ 1,551,960</u>
Reconciliation of operating income (loss) to net cash provided by operating activities			
Operating income (loss)	\$ 204,672	\$ (97,185)	\$ 107,487
Adjustments to reconcile operating income (loss) to net cash provided by operating activities			
Depreciation and amortization expense	234,696	78,547	313,243
Changes in assets and liabilities			
Receivables (net)	175,568	(13,977)	161,591
Inventories	(15,893)	-	(15,893)
Prepaid items	22,653	-	22,653
Accounts payable	(15,146)	(63,013)	(78,159)
Accrued and other liabilities	33,115	5,785	38,900
Lease related deferred inflows of resources	(114,086)	-	(114,086)
Net cash provided (used) by operating activities	<u>\$ 525,579</u>	<u>\$ (89,843)</u>	<u>\$ 435,736</u>

City of Troy, Michigan
Other Supplementary Information
Combining Statement of Net Position
Internal Service Funds
June 30, 2024

	Compensated Absences	Unemployment Compensation	Custodial Services	Information Technology	Motor Equipment	Workers' Compensation	Total
Assets							
Current assets							
Cash and investments	\$ 6,220,066	\$ 36,418	\$ 1,757,187	\$ 2,426,969	\$ 2,811,735	\$ 2,049,288	\$ 15,301,663
Receivables							
Accounts receivable	-	-	-	149	7,831	-	7,980
Inventories	-	-	-	-	410,981	-	410,981
Prepaid items	-	-	-	17,822	-	111,766	129,588
Total current assets	<u>6,220,066</u>	<u>36,418</u>	<u>1,757,187</u>	<u>2,444,940</u>	<u>3,230,547</u>	<u>2,161,054</u>	<u>15,850,212</u>
Noncurrent assets							
Capital assets not being depreciated	-	-	-	-	164,447	-	164,447
Capital assets, net of accumulated depreciation	-	-	-	323,089	10,948,621	-	11,271,710
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>323,089</u>	<u>11,113,068</u>	<u>-</u>	<u>11,436,157</u>
Total assets	<u>6,220,066</u>	<u>36,418</u>	<u>1,757,187</u>	<u>2,768,029</u>	<u>14,343,615</u>	<u>2,161,054</u>	<u>27,286,369</u>
Liabilities							
Current liabilities							
Accounts payable	-	488	22,875	95,207	215,549	-	334,119
Payroll and other liabilities	-	-	-	-	35,392	-	35,392
Compensated absences	3,647,036	-	-	-	-	-	3,647,036
Total current liabilities	<u>3,647,036</u>	<u>488</u>	<u>22,875</u>	<u>95,207</u>	<u>250,941</u>	<u>-</u>	<u>4,016,547</u>
Noncurrent liabilities							
Compensated absences	2,296,806	-	-	-	-	-	2,296,806
Total liabilities	<u>5,943,842</u>	<u>488</u>	<u>22,875</u>	<u>95,207</u>	<u>250,941</u>	<u>-</u>	<u>6,313,353</u>
Net Position							
Net investment in capital assets	-	-	-	323,089	11,113,068	-	11,436,157
Unrestricted	276,224	35,930	1,734,312	2,349,733	2,979,606	2,161,054	9,536,859
Total net position	<u>\$ 276,224</u>	<u>\$ 35,930</u>	<u>\$ 1,734,312</u>	<u>\$ 2,672,822</u>	<u>\$ 14,092,674</u>	<u>\$ 2,161,054</u>	<u>\$ 20,973,016</u>

City of Troy, Michigan
Other Supplementary Information
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For the Year Ended June 30, 2024

	Compensated Absences	Unemployment Compensation	Custodial Services	Information Technology	Motor Pool	Workers' Compensation	Total
Operating revenues							
Charges for services	\$ 5,589,416	\$ -	\$ 1,669,210	\$ 2,620,404	\$ 12,529	\$ 769,394	\$ 10,660,953
Rental:							
Building	-	-	-	-	269,588	-	269,588
Equipment	-	-	-	-	4,684,068	-	4,684,068
Other services to City funds	-	3,558	-	-	701,133	16,654	721,345
Total operating revenues	<u>5,589,416</u>	<u>3,558</u>	<u>1,669,210</u>	<u>2,620,404</u>	<u>5,667,318</u>	<u>786,048</u>	<u>16,335,954</u>
Operating expenses							
Cost of sales and services	5,632,715	3,655	1,466,251	2,268,243	-	493,885	9,864,749
General and administrative	-	-	-	-	791,524	-	791,524
Operations	-	-	-	-	3,068,484	-	3,068,484
Depreciation	-	-	-	115,591	1,463,058	-	1,578,649
Total operating expenses	<u>5,632,715</u>	<u>3,655</u>	<u>1,466,251</u>	<u>2,383,834</u>	<u>5,323,066</u>	<u>493,885</u>	<u>15,303,406</u>
Operating income (loss)	<u>(43,299)</u>	<u>(97)</u>	<u>202,959</u>	<u>236,570</u>	<u>344,252</u>	<u>292,163</u>	<u>1,032,548</u>
Nonoperating revenue (expenses)							
Investment earnings (loss)	199,539	1,145	55,598	77,890	92,761	63,381	490,314
Gain on sale of capital assets	-	-	-	-	308,751	-	308,751
Total nonoperating revenues (expenses)	<u>199,539</u>	<u>1,145</u>	<u>55,598</u>	<u>77,890</u>	<u>401,512</u>	<u>63,381</u>	<u>799,065</u>
Change in net position	156,240	1,048	258,557	314,460	745,764	355,544	1,831,613
Net position - beginning of year	<u>119,984</u>	<u>34,882</u>	<u>1,475,755</u>	<u>2,358,362</u>	<u>13,346,910</u>	<u>1,805,510</u>	<u>19,141,403</u>
Net position - end of year	<u>\$ 276,224</u>	<u>\$ 35,930</u>	<u>\$ 1,734,312</u>	<u>\$ 2,672,822</u>	<u>\$ 14,092,674</u>	<u>\$ 2,161,054</u>	<u>\$ 20,973,016</u>

City of Troy, Michigan
Other Supplementary Information
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2024

	Compensated Absences	Unemployment Compensation	Custodial Services	Information Technology	Motor Equipment	Workers' Compensation	Total
Cash flows from operating activities							
Receipts from interfund users	\$ 5,589,416	\$ 3,558	\$ 1,669,210	\$ 2,649,907	\$ 5,667,505	\$ 786,048	\$ 16,365,644
Payments to suppliers	(5,218,451)	(3,640)	(1,455,077)	(2,223,500)	(4,285,514)	(605,651)	(13,791,833)
Net cash provided (used) by operating activities	<u>370,965</u>	<u>(82)</u>	<u>214,133</u>	<u>426,407</u>	<u>1,381,991</u>	<u>180,397</u>	<u>2,573,811</u>
Cash flows from capital and related financing activities							
Purchases/construction of capital assets	-	-	-	(37,194)	(3,084,890)	-	(3,122,084)
Proceeds from sale of capital assets	-	-	-	-	226,143	-	226,143
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(37,194)</u>	<u>(2,858,747)</u>	<u>-</u>	<u>(2,895,941)</u>
Cash flows from investing activities							
Investment income (loss)	199,539	1,145	55,598	77,890	92,761	63,381	490,314
Net change in cash and investments	570,504	1,063	269,731	467,103	(1,383,995)	243,778	168,184
Cash and investments - beginning of year	5,649,562	35,355	1,487,456	1,959,866	4,195,730	1,805,510	15,133,479
Cash and investments - end of year	<u>\$ 6,220,066</u>	<u>\$ 36,418</u>	<u>\$ 1,757,187</u>	<u>\$ 2,426,969</u>	<u>\$ 2,811,735</u>	<u>\$ 2,049,288</u>	<u>\$ 15,301,663</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities							
Operating income (loss)	\$ (43,299)	\$ (97)	\$ 202,959	\$ 236,570	\$ 344,252	\$ 292,163	\$ 1,032,548
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities							
Depreciation and amortization expense	-	-	-	115,591	1,463,058	-	1,578,649
Changes in assets and liabilities							
Receivables (net)	-	-	-	29,503	187	-	29,690
Inventories	-	-	-	-	(64,805)	-	(64,805)
Prepaid items	-	-	-	(12,276)	-	(111,766)	(124,042)
Accounts payable	-	15	11,174	57,019	(396,093)	-	(327,885)
Accrued and other liabilities	-	-	-	-	35,392	-	35,392
Compensated absences	414,264	-	-	-	-	-	414,264
Net cash provided (used) by operating activities	<u>\$ 370,965</u>	<u>\$ (82)</u>	<u>\$ 214,133</u>	<u>\$ 426,407</u>	<u>\$ 1,381,991</u>	<u>\$ 180,397</u>	<u>\$ 2,573,811</u>

City of Troy, Michigan
Other Supplementary Information
Statement of Net Position and Governmental Fund Balance Sheet
Component Unit - Downtown Development Authority
June 30, 2024

	Operating	Adjustments	Statement of Net Position
Assets			
Current assets			
Cash and investments	\$ 5,515,699	\$ -	\$ 5,515,699
Receivables			
Taxes receivable	<u>130,982</u>	<u>-</u>	<u>130,982</u>
Total current assets	<u>\$ 5,646,681</u>	<u>-</u>	<u>5,646,681</u>
Liabilities			
Current liabilities			
Accounts payable	330,019	-	330,019
Interest payable	-	23,185	23,185
Current portion of long-term liabilities	<u>-</u>	<u>680,000</u>	<u>680,000</u>
Total current liabilities	330,019	703,185	1,033,204
Noncurrent liabilities			
Long-term liabilities	<u>-</u>	<u>8,380,000</u>	<u>8,380,000</u>
Total liabilities	<u>330,019</u>	<u>9,083,185</u>	<u>9,413,204</u>
Deferred Inflows of Resources			
Unavailable property taxes	<u>130,981</u>	<u>(130,981)</u>	<u>-</u>
Fund Balance			
Unassigned	<u>5,185,681</u>	<u>(5,185,681)</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 5,646,681</u>		
Net Position			
Unrestricted (deficit)		<u>\$ (3,766,523)</u>	<u>\$ (3,766,523)</u>

City of Troy, Michigan
Other Supplementary Information
Reconciliation of Fund Balance of the Governmental Fund
to Net Position of Governmental Activities
Component Unit - Downtown Development Authority
June 30, 2024

Fund balance - governmental fund	\$ 5,185,681
Total net position for governmental activities in the statement of net position is different because:	
Certain receivables are not available to pay for current period expenditures and, therefore are deferred in the funds.	130,981
Long-term liabilities that are not due and payable in the current period, and therefore, are not reported in the funds.	
Accrued interest	(23,185)
Bonds, notes, premiums and discounts	<u>(9,060,000)</u>
Net position of governmental activities	<u>\$ (3,766,523)</u>

City of Troy, Michigan
Other Supplementary Information

Statement of Activities and Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance
Component Unit - Downtown Development Authority
For the Year Ended June 30, 2024

	<u>Operating</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Revenues			
Taxes	\$ 2,717,743	\$ 16,291	\$ 2,734,034
Investment earnings (loss)	183,918	-	183,918
Total revenues	<u>2,901,661</u>	<u>16,291</u>	<u>2,917,952</u>
Expenditures / expense			
Current			
Community and economic development	823,251	-	823,251
Debt service			
Principal retirement	560,000	(560,000)	-
Interest and fiscal charges	142,857	(625)	142,232
Total expenditures / expense	<u>1,526,108</u>	<u>(560,625)</u>	<u>965,483</u>
Net change in fund balance / net position	1,375,553	576,916	1,952,469
Fund balance / net position (deficit) - beginning of year	<u>3,810,128</u>	<u>(9,529,120)</u>	<u>(5,718,992)</u>
Fund balance / net position (deficit) - end of year	<u>\$ 5,185,681</u>	<u>\$ (8,952,204)</u>	<u>\$ (3,766,523)</u>

City of Troy, Michigan
Other Supplementary Information
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance
of the Governmental Fund to the Statement of Activities
Component Unit - Downtown Development Authority
For the Year Ended June 30, 2024

Net change in fund balances - total governmental fund	\$ 1,375,553
Total change in net position reported for governmental activities in the statement of activities is different because:	
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	
Property taxes	16,291
Expenses are recorded when incurred in the statement of activities.	
Accrued interest	625
Long-term liabilities and related transactions applicable to governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities.	
Repayments of long-term debt	<u>560,000</u>
Change in net position of governmental activities	<u>\$ 1,952,469</u>

City of Troy, Michigan
Other Supplementary Information
Statement of Net Position and Governmental Fund Balance Sheet
Component Unit - Local Development Financing Authority
June 30, 2024

	<u>Operating</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
Assets			
Current assets			
Cash and investments	\$ 198,519	\$ -	\$ 198,519
Taxes receivable	<u>1,953</u>	<u>-</u>	<u>1,953</u>
Total current assets	<u>\$ 200,472</u>	<u>-</u>	<u>200,472</u>
Liabilities			
Unearned revenue	\$ 1,953	<u>-</u>	<u>1,953</u>
Fund Balance			
Unassigned	<u>198,519</u>	<u>(198,519)</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 200,472</u>		
Net Position			
Unrestricted		<u>\$ 198,519</u>	<u>\$ 198,519</u>

City of Troy, Michigan
Other Supplementary Information

Statement of Activities and Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance
Component Unit - Local Development Financing Authority
For the Year Ended June 30, 2024

	<u>Operating</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Revenues			
Taxes	\$ 176,456	\$ -	\$ 176,456
State grants	52,935	-	52,935
Investment earnings (loss)	7,948	-	7,948
Total revenues	<u>237,339</u>	-	<u>237,339</u>
Expenditures / expense			
Current			
Community and economic development	<u>134,401</u>	-	<u>134,401</u>
Net change in fund balance / net position	102,938	-	102,938
Fund balance / net position - beginning of year	<u>95,581</u>	-	<u>95,581</u>
Fund balance / net position - end of year	<u>\$ 198,519</u>	<u>\$ -</u>	<u>\$ 198,519</u>

City of Troy, Michigan
Other Supplementary Information
Statement of Net Position and Governmental Fund Balance Sheet
Component Unit - Brownfield Redevelopment Authority
June 30, 2024

	<u>Operating</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
Assets			
Current assets			
Cash and investments	\$ 897,405	\$ -	\$ 897,405
Taxes receivable	537	-	537
Total current assets	<u>\$ 897,942</u>	<u>-</u>	<u>897,942</u>
Liabilities			
Current liabilities			
Unearned revenue	\$ 537	-	537
Fund Balance			
Unassigned	<u>897,405</u>	<u>(897,405)</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 897,942</u>		
Net Position			
Unrestricted		<u>\$ 897,405</u>	<u>\$ 897,405</u>

City of Troy, Michigan
Other Supplementary Information
Statement of Activities and Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance
Component Unit - Brownfield Redevelopment Authority
For the Year Ended June 30, 2024

	<u>Operating</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Revenues			
Taxes	\$ 653,164	\$ -	\$ 653,164
Investment earnings (loss)	53,506	-	53,506
Total revenues	<u>706,670</u>	-	<u>706,670</u>
Expenditures / expense			
Current			
Community and economic development	<u>519,873</u>	-	<u>519,873</u>
Net change in fund balance / net position	186,797	-	186,797
Fund balance / net position - beginning of year	<u>710,608</u>	-	<u>710,608</u>
Fund balance / net position - end of year	<u>\$ 897,405</u>	<u>\$ -</u>	<u>\$ 897,405</u>

STATISTICAL SECTION TABLE OF CONTENTS

This part of the City's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

		Page
Financial Trends	These schedules contain trend information to help the reader understand how the City's financial performance and well being have changed over time.	109
Revenue Capacity	These schedules contain information to help the reader assess the City's most significant local revenue source, property tax.	118
Debt Capacity	These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	125
Demographic and Economic Information	These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	132
Operating Information	These schedules contain serve and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	137
Continuing Disclosures	Information contained herein complies with Rule 15c2-12, a federal regulation promulgated by the Securities and Exchange Commission, designed to improve disclosure practices in the municipal bond market.	146

Sources: Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Report for the relevant year.

City of Troy, Michigan
Statistical Section
Financial Trends
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)
Unaudited

	2015	2016	2017	2018	2019
Governmental activities					
Net investment in capital assets	\$ 178,865,098	\$ 194,299,483	\$ 202,939,709	\$ 209,330,214	\$ 211,012,892
Restricted	24,785,605	19,460,570	19,429,092	17,995,682	49,675,789
Unrestricted	<u>82,121,441</u>	<u>79,865,292</u>	<u>13,264,407</u>	<u>17,351,506</u>	<u>5,617,794</u>
Total governmental activities	<u>\$ 285,772,144</u>	<u>\$ 293,625,345</u>	<u>\$ 235,633,208</u>	<u>\$ 244,677,402</u>	<u>\$ 266,306,475</u>
Business-type activities					
Net investment in capital assets	\$ 119,825,109	\$ 127,611,126	\$ 129,220,049	\$ 128,565,431	\$ 128,316,680
Restricted	-	-	-	-	1,194,908
Unrestricted	<u>45,659,008</u>	<u>38,593,816</u>	<u>39,342,785</u>	<u>39,035,755</u>	<u>38,588,206</u>
Total business-type activities	<u>\$ 165,484,117</u>	<u>\$ 166,204,942</u>	<u>\$ 168,562,834</u>	<u>\$ 167,601,186</u>	<u>\$ 168,099,794</u>
Primary government					
Net investment in capital assets	\$ 298,690,207	\$ 321,910,609	\$ 332,159,758	\$ 337,895,645	\$ 339,329,572
Restricted	24,785,605	19,460,570	19,429,092	17,995,682	50,870,697
Unrestricted	<u>127,780,449</u>	<u>118,459,108</u>	<u>52,607,192</u>	<u>56,387,261</u>	<u>44,206,000</u>
Total primary government	<u>\$ 451,256,261</u>	<u>\$ 459,830,287</u>	<u>\$ 404,196,042</u>	<u>\$ 412,278,588</u>	<u>\$ 434,406,269</u>

City of Troy, Michigan
Statistical Section
Financial Trends
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)
Unaudited

	2020	2021	2022	2023	2024
Governmental activities					
Net investment in capital assets	\$ 211,643,485	\$ 230,145,408	\$ 233,277,547	\$ 238,472,631	\$ 252,967,933
Restricted	71,427,127	77,713,480	80,401,648	81,478,063	93,319,004
Unrestricted	<u>6,622,679</u>	<u>10,477,522</u>	<u>7,202,418</u>	<u>18,645,580</u>	<u>17,171,544</u>
Total governmental activities	<u>\$ 289,693,291</u>	<u>\$ 318,336,410</u>	<u>\$ 320,881,613</u>	<u>\$ 338,596,274</u>	<u>\$ 363,458,481</u>
Business-type activities					
Net investment in capital assets	\$ 132,389,502	\$ 142,141,489	\$ 143,593,325	\$ 149,413,653	\$ 149,982,907
Restricted	1,334,545	1,763,231	1,982,936	2,137,566	2,590,963
Unrestricted	<u>32,607,856</u>	<u>23,224,217</u>	<u>16,860,483</u>	<u>9,518,176</u>	<u>5,506,070</u>
Total business-type activities	<u>\$ 166,331,903</u>	<u>\$ 167,128,937</u>	<u>\$ 162,436,744</u>	<u>\$ 161,069,395</u>	<u>\$ 158,079,940</u>
Primary government					
Net investment in capital assets	\$ 344,032,987	\$ 372,286,897	\$ 376,870,872	\$ 387,886,284	\$ 402,950,840
Restricted	72,761,672	79,476,711	82,384,584	83,615,629	95,909,967
Unrestricted	<u>39,230,535</u>	<u>33,701,739</u>	<u>24,062,901</u>	<u>28,163,756</u>	<u>22,677,614</u>
Total primary government	<u>\$ 456,025,194</u>	<u>\$ 485,465,347</u>	<u>\$ 483,318,357</u>	<u>\$ 499,665,669</u>	<u>\$ 521,538,421</u>

City of Troy, Michigan
Statistical Section
Financial Trends
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)
Unaudited

	2015	2016	2017	2018	2019
Expenses					
Governmental activities					
General government	\$ 10,449,379	\$ 11,305,100	\$ 10,925,546	\$ 10,527,094	\$ 9,161,093
Public safety	35,744,673	31,023,545	29,403,916	29,357,164	23,995,136
Public works	17,224,145	16,269,932	16,553,537	18,123,198	17,532,358
Sanitation	4,606,627	4,517,499	4,889,569	5,007,584	5,250,265
Community and economic development	1,018,643	955,880	794,535	851,314	305,789
Recreation and culture	10,091,847	10,248,458	10,442,184	11,320,591	11,114,884
Interest on long-term debt	1,444,384	1,344,219	1,206,243	1,095,894	975,567
Total governmental activities	<u>80,579,698</u>	<u>75,664,633</u>	<u>74,215,530</u>	<u>76,282,839</u>	<u>68,335,092</u>
Business-type activities					
Water	15,767,708	18,508,493	18,992,183	20,809,872	20,163,346
Sewer	12,807,380	12,584,209	12,401,390	14,441,047	14,545,633
Sanctuary Lake golf course	1,733,846	1,900,990	1,917,677	1,930,551	1,960,575
Sylvan Glen golf course	1,130,082	1,143,351	1,114,618	1,082,544	1,111,941
Aquatic center	583,709	700,430	717,905	655,821	699,130
Total business-type activities	<u>32,022,725</u>	<u>34,837,473</u>	<u>35,143,773</u>	<u>38,919,835</u>	<u>38,480,625</u>
Total primary government expenses	<u>112,602,423</u>	<u>110,502,106</u>	<u>109,359,303</u>	<u>115,202,674</u>	<u>106,815,717</u>
Program revenues					
Governmental activities					
Charges for services					
General government	3,783,480	3,766,949	3,983,385	3,862,669	3,953,495
Public safety	4,691,450	4,451,076	4,612,475	4,975,806	5,243,086
Public works	3,364,953	3,335,490	2,916,921	3,082,359	2,046,635
Sanitation	6,590	8,630	8,199	25,923	1,118
Community and economic development	-	-	-	-	-
Recreation and culture	3,589,925	3,587,481	3,683,297	3,698,180	3,756,819
Operating grants and contributions	1,097,166	760,549	951,275	1,134,640	810,436
Capital grants and contributions	10,447,244	11,466,690	9,304,781	10,501,834	11,438,685
Total governmental activities	<u>26,980,808</u>	<u>27,376,865</u>	<u>25,460,333</u>	<u>27,281,411</u>	<u>27,250,274</u>
Business-type activities					
Charges for services					
Water	14,626,110	17,465,511	20,699,381	20,154,112	19,679,644
Sewer	11,900,157	12,470,724	13,513,930	13,335,048	13,125,364
Sanctuary Lake golf course	1,375,137	1,809,386	1,739,789	1,781,278	1,782,237
Sylvan Glen golf course	1,128,968	1,291,367	1,363,358	1,298,319	1,269,017
Aquatic center	431,141	728,589	591,389	578,108	552,340
Operating grants and contributions	19,153	-	-	-	-
Capital grants and contributions	285,963	1,104,132	2,681,660	738,252	1,064,065
Total business-type activities	<u>29,766,629</u>	<u>34,869,709</u>	<u>40,589,507</u>	<u>37,885,117</u>	<u>37,472,667</u>
Total primary government program revenues	<u>56,747,437</u>	<u>62,246,574</u>	<u>66,049,840</u>	<u>65,166,528</u>	<u>64,722,941</u>
Net (expense)/revenue					
Governmental activities	(53,598,890)	(48,287,768)	(48,755,197)	(49,001,428)	(41,084,818)
Business-type activities	(2,256,096)	32,236	5,445,734	(1,034,718)	(1,007,958)
Total primary government net expense	<u>(55,854,986)</u>	<u>(48,255,532)</u>	<u>(43,309,463)</u>	<u>(50,036,146)</u>	<u>(42,092,776)</u>
General revenues					
Governmental activities					
General revenues					
Property taxes	46,993,478	48,369,185	48,184,737	49,396,636	51,108,963
State-shared revenue and other state grants	6,541,560	6,535,632	8,091,385	8,378,417	8,535,476
Grants and contributions not restricted	22,848	24,472	14,619	20,070	18,188
Unrestricted investment earnings (loss)	258,208	1,079,714	12,506	93,835	2,635,494
Miscellaneous	523,636	131,968	-	156,664	415,770
Total governmental activities	<u>54,339,730</u>	<u>56,140,971</u>	<u>56,303,247</u>	<u>58,045,622</u>	<u>62,713,891</u>
Business-type activities					
General revenues					
Unrestricted investment earnings (loss)	131,526	681,643	29,858	73,070	1,466,100
Miscellaneous	-	6,946	-	-	40,466
Total business-type activities	<u>131,526</u>	<u>688,589</u>	<u>29,858</u>	<u>73,070</u>	<u>1,506,566</u>
Total primary government	<u>54,471,256</u>	<u>56,829,560</u>	<u>56,333,105</u>	<u>58,118,692</u>	<u>64,220,457</u>
Change in net position					
Governmental activities	740,840	7,853,203	7,548,050	9,044,194	21,629,073
Business-type activities	(2,124,570)	720,825	5,475,592	(961,648)	498,608
Total primary government	<u>\$ (1,383,730)</u>	<u>\$ 8,574,028</u>	<u>\$ 13,023,642</u>	<u>\$ 8,082,546</u>	<u>\$ 22,127,681</u>

City of Troy, Michigan
Statistical Section
Financial Trends
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)
Unaudited

	2020	2021	2022	2023	2024
Expenses					
Governmental activities					
General government	\$ 6,511,152	\$ 7,630,092	\$ 9,992,627	\$ 10,139,417	\$ 14,917,110
Public safety	23,297,176	23,743,952	34,285,696	30,335,955	32,035,747
Public works	17,216,100	17,217,363	21,100,594	17,976,458	20,804,742
Sanitation	5,358,719	5,534,606	5,656,929	5,950,274	6,178,716
Community and economic development	275,784	805,526	1,009,707	4,142,399	4,656,013
Recreation and culture	9,982,617	8,396,449	11,944,043	13,449,956	14,571,154
Interest on long-term debt	843,586	637,086	167,576	152,973	154,769
Total governmental activities	<u>63,485,134</u>	<u>63,965,074</u>	<u>84,157,172</u>	<u>82,147,432</u>	<u>93,318,251</u>
Business-type activities					
Water	19,914,841	20,639,128	20,927,528	22,129,369	24,001,713
Sewer	14,590,131	15,063,368	15,371,118	15,881,121	15,839,514
Sanctuary Lake golf course	1,908,982	2,202,815	2,381,697	2,546,170	2,609,494
Sylvan Glen golf course	1,206,036	1,258,376	1,409,200	1,609,537	1,723,154
Aquatic center	515,238	473,997	706,923	589,748	677,316
Total business-type activities	<u>38,135,228</u>	<u>39,637,684</u>	<u>40,796,466</u>	<u>42,755,945</u>	<u>44,851,191</u>
Total primary government expenses	<u>101,620,362</u>	<u>103,602,758</u>	<u>124,953,638</u>	<u>124,903,377</u>	<u>138,169,442</u>
Program revenues					
Governmental activities					
Charges for services					
General government	3,792,227	4,115,452	3,445,352	3,317,610	4,098,030
Public safety	4,370,991	4,563,533	4,279,158	2,235,361	2,167,204
Public works	2,077,937	2,888,371	2,933,503	4,021,104	4,001,769
Sanitation	940	422	575	-	-
Community and economic development	-	-	-	2,534,219	3,655,302
Recreation and culture	2,183,119	1,054,435	2,449,412	2,698,631	2,746,222
Operating grants and contributions	964,952	6,042,781	1,573,630	3,421,036	5,122,261
Capital grants and contributions	9,903,857	11,003,755	10,951,311	12,533,045	19,101,496
Total governmental activities	<u>23,294,023</u>	<u>29,668,749</u>	<u>25,632,941</u>	<u>30,761,006</u>	<u>40,892,284</u>
Business-type activities					
Charges for services					
Water	19,189,709	20,488,367	19,088,120	21,355,575	21,689,323
Sewer	12,702,238	13,759,793	12,953,666	13,839,768	14,236,340
Sanctuary Lake golf course	1,684,938	2,310,026	2,253,407	2,601,183	2,656,053
Sylvan Glen golf course	1,339,293	1,800,034	1,614,615	1,932,909	1,925,927
Aquatic center	305,292	247,343	785,243	587,452	572,028
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	196,436	2,077,664	913,952	731,734	391,205
Total business-type activities	<u>35,417,906</u>	<u>40,683,227</u>	<u>37,609,003</u>	<u>41,048,621</u>	<u>41,470,876</u>
Total primary government program revenues	<u>58,711,929</u>	<u>70,351,976</u>	<u>63,241,944</u>	<u>71,809,627</u>	<u>82,363,160</u>
Net (expense)/revenue					
Governmental activities	(40,191,111)	(34,296,325)	(58,524,231)	(51,386,426)	(52,425,967)
Business-type activities	<u>(2,717,322)</u>	<u>1,045,543</u>	<u>(3,187,463)</u>	<u>(1,707,324)</u>	<u>(3,380,315)</u>
Total primary government net expense	<u>(42,908,433)</u>	<u>(33,250,782)</u>	<u>(61,711,694)</u>	<u>(53,093,750)</u>	<u>(55,806,282)</u>
General revenues					
Governmental activities					
General revenues					
Property taxes	52,975,285	53,623,652	54,937,941	57,724,838	62,083,872
State-shared revenue and other state grants	8,346,267	9,601,689	12,144,090	9,968,092	10,197,668
Grants and contributions not restricted	18,210	27,884	25,153	-	-
Unrestricted investment earnings (loss)	2,003,122	(526,158)	(6,244,462)	(2,921,084)	3,874,231
Miscellaneous	235,043	212,377	206,712	670,534	1,132,403
Total governmental activities	<u>63,577,927</u>	<u>62,939,444</u>	<u>61,069,434</u>	<u>65,442,380</u>	<u>77,288,174</u>
Business-type activities					
General revenues					
Unrestricted investment earnings (loss)	949,431	(248,509)	(1,504,730)	304,614	341,012
Miscellaneous	-	-	-	35,361	49,848
Total business-type activities	<u>949,431</u>	<u>(248,509)</u>	<u>(1,504,730)</u>	<u>339,975</u>	<u>390,860</u>
Total primary government	<u>64,527,358</u>	<u>62,690,935</u>	<u>59,564,704</u>	<u>65,782,355</u>	<u>77,679,034</u>
Change in net position					
Governmental activities	23,386,816	28,643,119	2,545,203	14,055,954	24,862,207
Business-type activities	<u>(1,767,891)</u>	<u>797,034</u>	<u>(4,692,193)</u>	<u>(1,367,349)</u>	<u>(2,989,455)</u>
Total primary government	<u>\$ 21,618,925</u>	<u>\$ 29,440,153</u>	<u>\$ (2,146,990)</u>	<u>\$ 12,688,605</u>	<u>\$ 21,872,752</u>

City of Troy, Michigan
Statistical Section
Financial Trends
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
Unaudited

	2015	2016	2017	2018	2019
General fund					
Nonspendable	\$ 5,287,206	\$ 5,669,290	\$ 6,260,979	\$ 6,885,751	\$ 7,215,136
Restricted	1,538,879	1,563,203	1,563,397	1,565,721	1,617,390
Assigned	8,075,520	5,312,270	4,561,613	6,326,870	5,895,860
Unassigned	<u>19,716,862</u>	<u>20,062,397</u>	<u>19,776,349</u>	<u>18,661,478</u>	<u>19,674,536</u>
Total general fund	<u>34,618,467</u>	<u>32,607,160</u>	<u>32,162,338</u>	<u>33,439,820</u>	<u>34,402,922</u>
All other governmental funds					
Nonspendable	200,512	196,900	293,680	187,299	268,684
Restricted	23,781,735	19,510,120	19,352,374	17,996,223	21,311,972
Committed	<u>803,358</u>	<u>2,720,822</u>	<u>945,425</u>	<u>132,263</u>	<u>564,900</u>
Total all other governmental funds	<u>24,785,605</u>	<u>22,427,842</u>	<u>20,591,479</u>	<u>18,315,785</u>	<u>22,145,556</u>
Total governmental funds	<u>\$ 59,404,072</u>	<u>\$ 55,035,002</u>	<u>\$ 52,753,817</u>	<u>\$ 51,755,605</u>	<u>\$ 56,548,478</u>

City of Troy, Michigan
Statistical Section
Financial Trends
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
Unaudited

	2020	2021*	2022	2023	2024
General fund					
Nonspendable	\$ 8,084,436	\$ 9,779,366	\$ 9,994,166	\$ 9,626,031	\$ 10,288,818
Restricted	1,656,276	-	-	-	-
Assigned	5,801,438	7,149,823	8,075,027	6,320,196	5,168,462
Unassigned	17,486,669	22,737,062	21,544,036	19,650,093	27,307,266
Total general fund	<u>33,028,819</u>	<u>39,666,251</u>	<u>39,613,229</u>	<u>35,596,320</u>	<u>42,764,546</u>
All other governmental funds					
Nonspendable	249,339	246,425	256,177	280,635	255,127
Restricted	26,185,903	25,217,102	23,068,541	20,827,425	22,518,714
Committed	304,163	656,477	-	-	-
Total all other governmental funds	<u>26,739,405</u>	<u>26,120,004</u>	<u>23,324,718</u>	<u>21,108,060</u>	<u>22,773,841</u>
Total governmental funds	<u>\$ 59,768,224</u>	<u>\$ 65,786,255</u>	<u>\$ 62,937,947</u>	<u>\$ 56,704,380</u>	<u>\$ 65,538,387</u>

* Beginning with fiscal year 2021, the budget stabilization portion of fund balance is reported as unassigned.

City of Troy, Michigan
Statistical Section
Financial Trends
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
Unaudited

	2015	2016	2017	2018	2019
Revenues					
Property taxes	\$ 47,032,046	\$ 48,181,711	\$ 48,330,909	\$ 49,449,053	\$ 51,118,782
Licenses and permits	2,896,533	2,519,342	2,755,580	2,947,987	2,930,791
Intergovernmental - federal	1,909,795	2,492,626	564,401	419,889	350,211
Intergovernmental - state	14,532,201	14,016,525	15,102,588	17,266,839	18,707,814
Intergovernmental - local	587,902	1,401,455	1,624,744	1,227,514	904,756
Charges for services	9,375,710	9,636,700	9,198,024	9,328,352	8,353,157
Fines and forfeits	1,418,354	1,183,571	1,415,429	1,617,607	1,557,399
Investment earnings (loss)	224,322	865,229	10,795	70,137	2,102,986
Other	3,086,024	2,948,266	3,167,305	3,139,232	3,261,326
Total revenues	<u>81,062,887</u>	<u>83,245,425</u>	<u>82,169,775</u>	<u>85,466,610</u>	<u>89,287,222</u>
Expenditures					
Current					
General government	6,992,997	7,338,404	7,931,122	7,557,035	8,241,232
Public safety	31,108,472	28,611,021	29,860,208	31,427,553	33,487,111
Public works	5,638,918	5,372,214	5,441,176	6,184,744	5,946,526
Sanitation	4,606,610	4,517,910	4,890,106	5,008,258	5,250,790
Community and economic development	3,207,237	3,186,003	3,364,862	3,627,340	3,977,888
Recreation and culture	9,186,959	9,457,699	9,793,755	10,771,468	11,088,389
Debt service					
Principal	2,832,182	2,922,716	2,980,066	2,910,420	3,095,470
Lease principal	-	-	-	-	-
Interest and other charges	1,505,715	1,407,944	1,274,264	1,160,095	1,042,658
Bond issuance costs	-	-	-	-	-
Capital outlay	19,554,175	24,973,022	18,916,700	17,818,579	12,587,681
Total expenditures	<u>84,633,265</u>	<u>87,786,933</u>	<u>84,452,259</u>	<u>86,465,492</u>	<u>84,717,745</u>
Excess of revenues over (under) expenditures	<u>(3,570,378)</u>	<u>(4,541,508)</u>	<u>(2,282,484)</u>	<u>(998,882)</u>	<u>4,569,477</u>
Other financing sources (uses)					
Transfers in	15,247,847	18,223,266	15,568,422	14,583,366	14,694,064
Transfers out	(15,306,857)	(18,226,266)	(15,568,422)	(14,583,366)	(14,694,064)
Issuance of debt	-	-	-	-	-
Payments to escrow agent	-	-	-	-	-
Issuance of leases payable	-	-	-	-	-
Proceeds from the sale of capital assets	415,717	172,438	1,299	670	223,396
Total other financing sources (uses)	<u>356,707</u>	<u>169,438</u>	<u>1,299</u>	<u>670</u>	<u>223,396</u>
Net change in fund balances	<u>\$ (3,213,671)</u>	<u>\$ (4,372,070)</u>	<u>\$ (2,281,185)</u>	<u>\$ (998,212)</u>	<u>\$ 4,792,873</u>
Debt service as a percentage of noncapital expenditures	6.70%	6.90%	6.50%	5.90%	5.70%

City of Troy, Michigan
Statistical Section
Financial Trends
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
Unaudited

	2020	2021	2022	2023	2024
Revenues					
Property taxes	\$ 52,847,967	\$ 53,699,190	\$ 54,891,265	\$ 57,745,884	\$ 62,107,241
Licenses and permits	2,684,369	2,575,884	2,499,549	2,778,942	4,011,295
Intergovernmental - federal	410,169	4,907,302	173,441	1,652,147	9,751,411
Intergovernmental - state	17,461,280	19,604,050	23,077,936	23,116,438	23,577,958
Intergovernmental - local	479,549	803,030	786,577	1,027,077	960,642
Charges for services	6,763,062	7,088,481	7,745,679	8,575,938	8,486,035
Fines and forfeits	1,097,965	943,594	858,936	748,775	972,438
Investment earnings (loss)	1,607,993	(427,806)	(5,137,848)	(2,324,925)	3,573,457
Other	3,022,060	6,106,702	2,778,135	3,353,715	3,576,842
Total revenues	<u>86,374,414</u>	<u>95,300,427</u>	<u>87,673,670</u>	<u>96,673,991</u>	<u>117,017,319</u>
Expenditures					
Current					
General government	8,436,783	8,879,688	9,012,053	10,349,564	10,640,781
Public safety	33,833,913	35,415,218	35,434,031	45,771,854	36,771,192
Public works	5,946,118	6,682,499	7,846,946	7,185,790	7,703,448
Sanitation	5,359,069	5,534,659	5,656,977	5,950,274	6,178,716
Community and economic development	3,854,144	3,610,414	4,218,892	4,146,097	4,696,430
Recreation and culture	10,193,878	8,808,681	11,004,020	12,397,444	13,827,508
Debt service					
Principal	3,136,159	3,385,338	640,145	660,523	738,586
Lease principal	-	-	5,322	-	-
Interest and other charges	910,498	568,454	172,297	146,998	149,097
Bond issuance costs	-	154,147	-	-	-
Capital outlay	11,596,804	13,195,645	16,603,584	19,982,606	27,499,454
Total expenditures	<u>83,267,366</u>	<u>86,234,743</u>	<u>90,594,267</u>	<u>106,591,150</u>	<u>108,205,212</u>
Excess of revenues over (under) expenditures	<u>3,107,048</u>	<u>9,065,684</u>	<u>(2,920,597)</u>	<u>(9,917,159)</u>	<u>8,812,107</u>
Other financing sources (uses)					
Transfers in	15,649,224	12,425,144	8,934,090	8,915,745	13,258,729
Transfers out	(15,649,224)	(12,425,144)	(8,934,090)	(8,915,745)	(13,258,729)
Issuance of debt	-	10,105,000	-	-	-
Payments to escrow agent	-	(13,163,253)	-	-	-
Issuance of leases payable	-	-	47,739	-	-
Proceeds from the sale of capital assets	112,698	10,600	24,550	24,885	21,900
Total other financing sources (uses)	<u>112,698</u>	<u>(3,047,653)</u>	<u>72,289</u>	<u>24,885</u>	<u>21,900</u>
Net change in fund balances	<u>\$ 3,219,746</u>	<u>\$ 6,018,031</u>	<u>\$ (2,848,308)</u>	<u>\$ (9,892,274)</u>	<u>\$ 8,834,007</u>
Debt service as a percentage of noncapital expenditures	5.70%	4.60%	1.10%	0.92%	1.08%

City of Troy, Michigan
Statistical Section
Financial Trends
General Governmental Tax Revenue by Source
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Governmental Activities				General Debt	Total All
	General	Refuse	Library	Capital	Service	Property Taxes
2015	\$ 29,844,976	\$ 4,595,925	\$ 3,004,907	\$ 6,574,245	\$ 2,973,425	\$ 46,993,478
2016	30,673,539	4,733,992	3,083,735	6,771,668	3,106,251	48,369,185
2017	30,813,146	4,764,992	3,110,616	6,815,995	2,679,988	48,184,737
2018	31,687,325	4,909,101	3,179,008	6,861,168	2,760,034	49,396,636
2019	32,998,890	5,102,374	3,280,407	6,860,470	2,866,822	51,108,963
2020	34,363,615	5,416,656	3,397,872	6,908,413	2,888,729	52,975,285
2021	35,627,322	5,601,191	3,495,199	6,941,975	1,957,965	53,623,652
2022	36,373,432	5,721,634	5,852,034	6,990,841	-	54,937,941
2023	38,623,852	6,083,763	6,185,677	6,852,592	-	57,745,884
2024	38,838,479	6,514,407	6,645,827	7,333,241	-	59,331,954

City of Troy, Michigan
Statistical Section
Revenue Capacity
Property Tax Levies and Collections
Last Ten Fiscal Years
Unaudited

Fiscal Year	Total Tax Levy	Current Tax Collections	Percentage of Current Taxes Collected	Delinquent Tax Collections	Total Tax Collections to Date	Percentage of Total Tax Collections to Total Tax Levy	Outstanding Delinquent Taxes	Percentage of Delinquent Taxes to Total Tax Levy
2015	\$ 45,097,245	\$ 44,545,996	98.78%	\$ 483,614	\$ 45,029,610	99.85%	\$ 67,635	0.15%
2016	46,462,301	45,764,152	98.50%	615,231	46,379,383	99.82%	82,918	0.18%
2017	46,326,577	45,802,258	98.87%	476,191	46,278,449	99.90%	48,128	0.10%
2018	47,541,259	47,004,145	98.87%	481,373	47,485,518	99.88%	55,741	0.12%
2019	49,116,110	48,572,479	98.89%	477,132	49,049,611	99.86%	66,499	0.14%
2020	50,921,876	50,214,786	98.61%	572,577	50,787,363	99.74%	134,513	0.26%
2021	51,398,079	50,852,466	98.94%	497,734	51,350,200	99.91%	47,879	0.09%
2022	52,816,046	52,275,997	98.98%	423,823	52,699,820	99.78%	116,226	0.22%
2023	55,329,238	54,738,794	98.93%	505,578	55,244,372	99.85%	84,866	0.15%
2024	59,214,794	58,216,334	98.31%	871,825	59,088,159	99.79%	98,057	0.17%

City of Troy, Michigan
Statistical Section
Revenue Capacity
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(Per \$1,000 of Assessed Valuation)
Unaudited

Tax Year	City of Troy						Overlapping Governments	
	General	Capital	Refuse	Debt	Library	Total	Troy School District	Oakland County
2014 H	6.50	1.53	1.09	0.70	0.70	10.52	10.07	4.65
2014 NH	6.50	1.53	1.09	0.70	0.70	10.52	22.95	4.65
2015 H	6.50	1.53	1.07	0.70	0.70	10.50	9.96	4.65
2015 NH	6.50	1.53	1.07	0.70	0.70	10.50	22.59	4.65
2016 H	6.50	1.53	1.07	0.70	0.70	10.50	9.69	4.55
2016 NH	6.50	1.53	1.07	0.70	0.70	10.50	22.58	4.55
2017 H	6.50	1.53	1.07	0.60	0.70	10.40	10.33	4.49
2017 NH	6.50	1.53	1.07	0.60	0.70	10.40	22.70	4.49
2018 H	6.50	1.44	1.07	0.60	0.69	10.30	10.33	4.49
2018 NH	6.50	1.44	1.07	0.60	0.69	10.30	22.70	4.49
2019 H	6.50	1.39	1.09	0.58	0.68	10.24	9.97	4.48
2019 NH	6.50	1.39	1.09	0.58	0.68	10.24	23.09	4.48
2020 H	6.50	1.35	1.09	0.38	0.68	10.00	9.75	4.58
2020 NH	6.50	1.35	1.09	0.38	0.68	10.00	23.08	4.58
2021 H	6.50	1.33	1.09	-	1.09	10.02	8.47	4.36
2021 NH	6.50	1.33	1.09	-	1.09	10.02	23.08	4.36
2022 H	6.50	1.23	1.09	-	1.08	9.90	8.13	4.52
2022 NH	6.50	1.23	1.09	-	1.08	9.90	23.07	4.52
2023 H	6.50	1.23	1.09	-	1.08	9.90	9.84	4.31
2023 NH	6.50	1.23	1.09	-	1.08	9.90	25.07	4.31

H - Homestead

NH - Non-Homestead

* Not a new millage - For Tax Year 2021, the City has chosen to report this millage separately.

Note: The tax year reflects the July 1 and December 1 levy dates.

City of Troy, Michigan
Statistical Section
Revenue Capacity
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(Per \$1,000 of Assessed Valuation)
Unaudited

Overlapping Governments

Tax Year	Oakland County		Oakland Transit	State Education	Zoo	Art	HCMA*	Total
	Community College	Intermediate School District						
2014 H	1.58	3.37	0.59	6.00	0.10	0.20	-	37.08
2014 NH	1.58	3.37	0.59	6.00	0.10	0.20	-	49.96
2015 H	1.58	3.37	1.00	6.00	0.10	0.20	-	37.36
2015 NH	1.58	3.37	1.00	6.00	0.10	0.20	-	49.99
2016 H	1.58	3.36	1.00	6.00	0.10	0.20	-	36.98
2016 NH	1.58	3.36	1.00	6.00	0.10	0.20	-	49.87
2017 H	1.57	3.34	0.99	6.00	0.10	0.20	-	37.42
2017 NH	1.57	3.34	0.99	6.00	0.10	0.20	-	49.80
2018 H	1.56	3.11	0.99	6.00	0.10	0.20	-	37.07
2018 NH	1.56	3.11	0.99	6.00	0.10	0.20	-	49.44
2019 H	1.53	3.25	0.99	6.00	0.10	0.19	-	36.74
2019 NH	1.53	3.25	0.99	6.00	0.10	0.20	-	49.87
2020 H	1.52	3.23	0.99	6.00	0.10	0.19	-	36.36
2020 NH	1.52	3.23	0.99	6.00	0.10	0.19	-	49.69
2021 H	1.51	3.20	0.98	6.00	0.10	0.19	0.21	35.02
2021 NH	1.51	3.20	0.98	6.00	0.10	0.19	0.21	49.63
2022 H	1.49	3.17	0.98	6.00	0.10	0.19	0.21	34.68
2022 NH	1.49	3.17	0.98	6.00	0.10	0.19	0.21	49.61
2023 H	1.49	3.17	0.95	6.00	0.10	0.19	0.21	36.15
2023 NH	1.49	3.17	0.95	6.00	0.10	0.19	0.21	51.38

H - Homestead

NH - Non-Homestead

* Not a new millage - For Tax Year 2021, the City has chosen to report this millage separately.

Note: The tax year reflects the July 1 and December 1 levy dates.

City of Troy, Michigan
Statistical Section
Revenue Capacity
Assessed Value and Taxable Value of Property
Last Ten Fiscal Years
Unaudited

Assessment Date	Levy Date	Fiscal Year Ended	Residential Property	Commercial Property	Industrial Property	Personal Property
12/31/2013	7/01/2014	6/30/2015	\$ 2,790,011,280	\$ 878,242,440	\$ 277,484,950	\$ 425,887,200
12/31/2014	7/01/2015	6/30/2016	2,894,875,560	891,581,610	281,097,400	437,230,620
12/31/2015	7/01/2016	6/30/2017	2,977,938,320	893,540,330	286,584,670	381,971,050
12/31/2016	7/01/2017	6/30/2018	3,079,437,250	917,513,840	298,329,510	384,517,840
12/31/2017	7/01/2018	6/30/2019	3,226,541,500	956,053,740	308,328,990	382,154,210
12/31/2018	7/01/2019	6/30/2020	3,385,512,720	1,002,161,500	322,138,580	386,182,310
12/31/2019	7/01/2020	6/30/2021	3,524,719,650	1,024,716,730	335,525,460	380,822,580
12/31/2020	7/01/2021	6/30/2022	3,641,174,870	1,025,559,740	346,283,520	365,554,540
12/31/2021	7/01/2022	6/30/2023	3,833,877,750	1,177,946,600	374,129,120	368,284,690
12/31/2022	7/01/2023	6/30/2024	4,113,587,760	1,301,750,390	411,040,030	364,598,800

Source: City of Troy Assessing records

Note: The estimated assessed value is calculated using a 12-month sales study updated annually.

Proposal "A", as passed by the citizens of Michigan, took effect in 1994. This Proposal created two new categories for tax and assessment purposes (taxable value and capped value). Assessed value was unchanged by the Proposal, and remains at 50% of the market value of a property.

Taxable value is the amount upon which millage rate (taxes) are now levied. Taxable value is defined as the lesser of assessed value or capped value.

Capped value is calculated by taking the previous year's taxable value, minus any losses in value, multiplied by the inflation rate or 5% (whichever is less) plus any new construction.

This Proposal also mandated that the taxable value and assessed value were to be equal for the year following a transfer of ownership (as defined by the statutes), and then the capping process would begin anew.

The taxable and assessed valuation of taxable property is determined as of December 31st of each year.

City of Troy, Michigan
Statistical Section
Revenue Capacity
Assessed Value and Taxable Value of Property
Last Ten Fiscal Years
Unaudited

Total Gross Taxable Value	Michigan Tax Tribunals, Board of Reviews and TIFs	Net Taxable Value	Total Direct Tax Rate	Assessed Value	Taxable Value as a Percentage of Assessed Value
\$ 4,371,625,870	\$ (93,053,718)	\$ 4,278,572,152	10.50	\$ 4,827,541,740	90.56%
4,504,785,190	(98,475,692)	4,406,309,498	10.50	5,313,611,700	84.78%
4,540,034,370	(79,428,775)	4,460,605,595	10.40	5,626,878,870	80.68%
4,679,798,440	(99,915,047)	4,579,883,393	10.36	5,894,241,720	79.40%
4,873,078,440	(109,210,295)	4,763,868,145	10.30	6,146,885,474	79.28%
5,095,995,110	(101,919,902)	4,994,075,208	10.24	6,536,364,170	77.96%
5,265,784,420	(123,056,530)	5,142,727,890	10.00	6,916,181,470	76.14%
5,378,572,670	(6,847,095)	5,371,725,575	10.01	7,156,234,730	75.16%
5,754,238,160	(7,023,910)	5,747,214,250	9.90	7,497,644,090	76.75%
6,190,976,980	(15,304,650)	6,175,672,330	9.90	8,116,370,530	76.28%

City of Troy, Michigan
Statistical Section
Revenue Capacity
Principal Property Taxpayers
Current Year and Ten Years Ago
Unaudited

Taxpayer	2015		
	Taxable Value	Rank	Percentage of Total City Taxable Value
Frankel Forbes Cohen	\$ 52,400,450	1	1.16%
DTE	33,131,780	2	0.74%
Nykel Management	25,436,450	3	0.56%
Urbanca	23,040,370	4	0.51%
755-900 Tower	21,086,680	5	0.47%
CC Troy	20,345,530	6	0.45%
Osprey	20,282,110	7	0.45%
Bank of America	18,046,910	8	0.40%
Kelly Services	16,811,060	9	0.37%
Macys	15,764,770	10	0.35%
	<u>\$ 246,346,110</u>		<u>5.47%</u>

City of Troy, Michigan
Statistical Section
Revenue Capacity
Principal Property Taxpayers
Current Year and Ten Years Ago
Unaudited

Taxpayer	2024		
	Taxable Value	Rank	Percentage of Total City Taxable Value
Somerset Collections	\$ 67,116,110	1	1.02%
DTE Electric Co	51,339,510	2	0.78%
Lithia Real Estate Inc	46,054,000	3	0.70%
Troy Apts I-IV LLC	35,555,440	4	0.54%
Zen Troy LLC	32,286,660	5	0.49%
Midtown Place Troy LLC	30,070,050	6	0.46%
Pentrecentre LLC	27,222,180	7	0.41%
Consumers Energy	23,794,460	8	0.36%
GLF Troy Office LLC	20,595,470	9	0.31%
Wilshire Plaza MI LP	19,077,200	10	0.29%
	<u>\$ 353,111,080</u>		<u>5.34%</u>

City of Troy, Michigan
Statistical Section
Debt Capacity
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Governmental Activities		Business-type Activities		Total Outstanding Debt	Less: Amounts Restricted to		Net Outstanding Debt	Percentage of Personal Income	Debt Per Capita	Debt Per Taxable Value
	General and Obligation County Issued Bonds *	Notes from Direct Borrowing and Direct Placements	General Obligation Bonds and Notes	Notes from Direct Borrowing and Direct Placements		Repaying Principal					
2015	\$ 32,708,103	\$ -	\$ 10,092,661	\$ -	\$ 42,800,764	\$ -	\$ -	\$ 42,800,764	1.25%	\$ 514	0.98%
2016	29,750,308	-	9,334,334	-	39,084,642	-	-	39,084,642	1.14%	470	0.87%
2017	26,731,709	-	8,583,041	-	35,314,750	-	-	35,314,750	1.03%	425	0.78%
2018	23,786,210	-	7,869,668	-	31,655,878	-	-	31,655,878	0.92%	363	0.68%
2019	19,561,179	1,094,482	7,132,201	570,374	28,358,236	(14,417,642)	-	13,940,594	0.85%	165	0.61%
2020	16,636,100	848,323	6,404,734	477,414	24,366,571	(14,278,604)	-	10,087,967	0.63%	120	0.52%
2021	10,545,000	597,985	5,692,267	381,306	17,216,558	(10,446,904)	-	6,769,654	0.41%	78	0.37%
2022	10,105,000	397,840	4,996,949	281,942	15,781,731	(10,011,625)	-	5,770,106	0.36%	65	0.34%
2023	9,658,488	235,804	4,234,124	179,212	14,307,628	(9,594,859)	-	4,712,769	1.05%	54	0.08%
2024	9,084,309	71,397	3,476,299	73,002	12,705,007	(9,036,484)	-	3,668,523	0.76%	42	0.06%

* Includes lease liability amount of \$24,309 for fiscal year ended June 30, 2024.

City of Troy, Michigan
Statistical Section
Debt Capacity
Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt
To Total General Governmental Expenditures
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Principal	Interest and Fiscal Charges	Total Debt Service	Total General Governmental Expenditures	Percentage of Debt Service to General Government Expenditures
2015	\$ 2,615,000	\$ 1,447,174	\$ 4,062,174	\$ 64,791,748	6.27%
2016	2,700,000	1,355,075	4,055,075	62,507,401	6.49%
2017	2,750,000	1,231,176	3,981,176	65,257,482	6.10%
2018	2,675,000	1,123,112	3,798,112	68,371,926	5.56%
2019	2,855,000	1,012,502	3,867,502	71,851,248	5.38%
2020	2,890,000	883,588	3,773,588	71,397,493	5.29%
2021	3,135,000	548,623	3,683,623	72,768,929	5.06%
2022	440,000	157,288	597,288	73,824,173	0.81%
2023	485,000	145,395	630,395	86,436,828	0.73%
2024	560,000	143,357	703,357	80,521,432	0.87%

City of Troy, Michigan
Statistical Section
Debt Capacity
Computation of Direct and Overlapping Debt
June 30, 2024
Unaudited

Jurisdiction	Net General Bonded Debt Outstanding	Percentage Applicable to Troy	Amount Applicable to Troy
City of Troy - Direct debt	\$ 9,155,706	100%	\$ 9,155,706
City of Troy - Overlapping Debt			
Avondale School District	88,427,427	19.17%	16,951,538
Birmingham School District	281,695,000	3.57%	10,056,512
Bloomfield Hills School District	201,770,000	2.35%	4,741,595
Royal Oak School District	29,235,000	1.84%	537,924
Troy School District	252,170,000	100.00%	252,170,000
Warren School District	210,250,000	7.49%	15,747,725
Oakland County	144,919,913	8.27%	11,984,877
Macomb Intermediate School District	92,145,000	0.95%	875,378
Oakland Intermediate School District	38,215,000	7.85%	2,999,878
Total overlapping debt	<u>1,338,827,340</u>		<u>316,065,425</u>
Total direct and overlapping debt	<u>\$ 1,347,983,046</u>		<u>\$ 325,221,131</u>

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

City of Troy, Michigan
Statistical Section
Debt Capacity
Computation of Legal Debt Margin
June 30, 2024
Unaudited

	Annual Net Debt	Legal Margin		
		Percentage of State Equalized Valuation	Amount	Legal Debt Margin
General obligation debt	\$ 12,285,000	10.0%	\$ 882,595,161	\$ 870,310,161
Emergency bonds	-	37.5%	33,097,319	33,097,319
Special assessment bonds	-	12.0%	<u>1,059,114,193</u>	<u>1,059,114,193</u>
Total debt	<u>\$ 12,285,000</u>		<u>\$ 1,974,806,673</u>	<u>\$ 1,962,521,673</u>

The statutory debt limits of net bonded indebtedness incurred for all public purposes shall not at any one time exceed 10% of the assessed valuation of taxable property in the City (\$8,825,951,610), 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

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
Statistical Section
Debt Capacity
Legal Debt Margin Information
Last Ten Fiscal Years
Unaudited

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Debt Limit	\$ 482,754,174	\$ 531,361,170	\$ 562,687,887	\$ 589,424,172	\$ 614,688,547
Total net debt applicable to limit	<u>(39,670,000)</u>	<u>(36,325,000)</u>	<u>(32,940,000)</u>	<u>(29,635,000)</u>	<u>(26,055,000)</u>
Legal debt margin	<u>\$ 443,084,174</u>	<u>\$ 495,036,170</u>	<u>\$ 529,747,887</u>	<u>\$ 559,789,172</u>	<u>\$ 588,633,547</u>
Total net debt applicable to the limit as a percentage of debt limit	8.22%	6.84%	5.85%	5.03%	4.24%

City of Troy, Michigan
Statistical Section
Debt Capacity
Legal Debt Margin Information
Last Ten Fiscal Years
Unaudited

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Debt Limit	\$ 653,636,417	\$ 675,468,147	\$ 715,623,473	\$ 749,764,409	\$ 882,595,161
Total net debt applicable to limit	<u>(22,450,000)</u>	<u>(16,150,000)</u>	<u>(14,725,000)</u>	<u>(13,540,000)</u>	<u>(12,285,000)</u>
Legal debt margin	<u>\$ 631,186,417</u>	<u>\$ 659,318,147</u>	<u>\$ 700,898,473</u>	<u>\$ 736,224,409</u>	<u>\$ 870,310,161</u>
Total net debt applicable to the limit as a percentage of debt limit	3.43%	2.39%	2.06%	1.81%	1.39%

City of Troy, Michigan
Statistical Section
Debt Capacity
Pledged Revenue Coverage
To Total General Governmental Expenditures
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended	Collections	Golf Course Bonds		Total	Coverage
		Principal	Debt Service		
2015	\$ 1,375,137	\$ 450,000	\$ 298,686	\$ 748,686	2
2016	1,809,386	645,000	289,881	934,881	2
2017	1,739,789	635,000	273,648	908,648	2
2018	1,781,278	630,000	253,545	883,545	2
2019	1,782,237	725,000	238,756	963,756	2
2020	1,684,938	715,000	227,293	942,293	2
2021	2,310,026	700,000	212,840	912,840	3
2022	2,253,407	685,000	243,433	928,433	2
2023	2,602,073	700,000	163,436	863,436	2
2024	2,658,353	695,000	133,809	828,809	2

City of Troy, Michigan
Statistical Section
Demographic and Economic Information
Demographic Statistics
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Population (1)	Median Age (1)	Number of Households (1)	Average Household Size (1)	Income Per Capita (1)
2015	83,319	41.8	33,233	2.60	\$ 41,209
2016	83,181	41.8	32,002	2.59	41,209
2017	83,181	41.8	32,002	2.59	41,209
2018	87,177	41.5	30,812	2.71	39,545
2019	84,547	42.2	31,674	2.63	39,545
2020	83,881	43.0	31,368	2.66	45,888
2021	87,294	42.4	32,961	2.63	47,871
2022	88,239	42.1	33,311	2.47	49,211
2023	86,912	42.0	32,749	2.64	51,086
2024	87,170	42.0	33,000	2.63	54,721

Source:

(1) Southeast Michigan Council of Governments (SEMCOG)

(2) U.S. Bureau of Labor Statistics

City of Troy, Michigan
Statistical Section
Demographic and Economic Information
Demographic Statistics
Last Ten Fiscal Years
Unaudited

Median Income per Household (1)	Personal Income (millions)	Unemployment Rate (%) (2)	Education Age 25 and Older		
			High School (1)	Bachelor Degree (1)	Graduate or Professional Degree (1)
\$ 85,797	\$ 3,433	4.4	95	57	27
87,269	3,428	3.5	95	57	27
87,269	3,428	2.5	95	57	27
85,027	3,447	2.8	95	58	28
93,017	3,343	2.8	95	59	29
97,048	3,849	4.0	95	60	28
101,882	4,179	2.9	96	60	29
104,132	4,342	3.8	96	63	29
107,550	4,440	3.9	96	62	30
115,639	4,770	3.9	96	63	30

City of Troy, Michigan
Statistical Section
Demographic and Economic Information
Principal Employers by Industry
Current and Previous Four Years
Unaudited

Industry	2020			2021		
	Number of Parcels	Rank	Percent of Total Parcels	Number of Parcels	Rank	Percent of Total Parcels
Industrial, Light Manufacturing	633	1	39.15%	676	1	39.10%
Office	258	2	15.96%	259	2	14.98%
Retail Store (Mall, Plaza, Market, Whse, Discount)	139	3	8.60%	148	3	8.56%
Medical Office	85	4	5.26%	93	5	5.38%
Restaurant and Fast Food	75	6	4.64%	82	6	4.74%
Apartments	74	7	4.58%	74	8	4.28%
All other	82	5	5.07%	97	4	5.61%
Engineering	67	8	4.14%	71	9	4.11%
Service (Station, Garage, Booth, Convenience)	49	10	3.03%	55	10	3.18%
Loft (Multi Tenant Industrial)	38	11	2.35%	43	11	2.49%
Bank	33	12	2.04%	32	12	1.85%
Warehouse (Storage, Distribution, Transit)	66	9	4.08%	81	7	4.68%
Auto Dealership	18	13	1.11%	18	13	1.04%
Total commercial/industrial parcels	<u>1,617</u>		<u>100.00%</u>	<u>1,729</u>		<u>100.00%</u>

Source: City Assessor

City of Troy, Michigan
Statistical Section
Demographic and Economic Information
Principal Employers by Industry
Current and Previous Four Years
Unaudited

Industry	2022			2023		
	Number of Parcels	Rank	Percent of Total Parcels	Number of Parcels	Rank	Percent of Total Parcels
Industrial, Light Manufacturing	685	1	40.75%	685	1	40.94%
Office	254	2	15.11%	256	2	15.30%
Retail Store (Mall, Plaza, Market, Whse, Discount)	170	3	10.11%	169	3	10.10%
Medical Office	94	4	5.59%	93	4	5.56%
Restaurant and Fast Food	80	5	4.76%	80	5	4.78%
Apartments	74	6	4.40%	75	6	4.48%
All other	74	8	4.40%	74	7	4.42%
Engineering	67	9	3.99%	67	8	4.00%
Service (Station, Garage, Booth, Convenience)	74	7	4.40%	64	9	3.83%
Loft (Multi Tenant Industrial)	38	10	2.26%	38	10	2.27%
Bank	30	11	1.78%	30	11	1.79%
Warehouse (Storage, Distribution, Transit)	23	12	1.37%	24	12	1.43%
Auto Dealership	18	13	1.07%	18	13	1.73%
Total commercial/industrial parcels	<u>1,681</u>		<u>100.00%</u>	<u>1,673</u>		<u>100.00%</u>

City of Troy, Michigan
Statistical Section
Demographic and Economic Information
Principal Employers by Industry
Current and Previous Four Years
Unaudited

Industry	2024		
	Number of Parcels	Rank	Percent of Total Parcels
Industrial, Light Manufacturing	672	1	39.48%
Office	256	2	15.04%
Retail Store (Mall, Plaza, Market, Whse, Discount)	177	3	10.40%
Medical Office	93	4	5.46%
Restaurant and Fast Food	81	5	4.76%
Apartments	79	6	4.64%
All other	88	7	5.17%
Engineering	72	8	4.23%
Service (Station, Garage, Booth, Convenience)	67	9	3.94%
Loft (Multi Tenant Industrial)	39	10	2.29%
Bank	30	11	1.76%
Warehouse (Storage, Distribution, Transit)	30	12	1.76%
Auto Dealership	18	13	1.06%
Total commercial/industrial parcels	<u>1,702</u>		<u>100.00%</u>

City of Troy, Michigan
Statistical Section
Operating Information
Operating Indicators by Function/Program
Last Ten Fiscal Years
Unaudited

Function / Program	2015	2016	2017	2018	2019
Building Inspection					
Permits issued	2,369	2,404	3,197	2,988	2,711
Plans reviewed	3,051	3,301	3,817	3,750	3,335
Executive Administration					
City Manager's Office -					
GFOA awards/submittals	3	3	3	3	3
City Attorney's Office -					
District court appearances	8,289	8,059	8,241	8,357	9,994
Community Affairs:					
New resident packets distributed	801	940	790	801	525
Press releases sent	495	500	460	468	475
City Clerk's Office:					
Registered voters	57,400	57,163	58,333	57,619	59,440
Voter turnout% (November)	51%	21%	80%	29%	66%
Human Resources:					
Applications processed	1,120	809	1,261	1,044	1,052
Job postings	45	51	59	61	67
Labor contracts settled	2	4	0	0	1
Engineering					
Soil erosion inspections	1,089	640	744	779	878
Machine traffic counts	25	25	15	18	14
PASER ratings	5.7	5.5	5.3	5.2	5.2
Finance					
Accounting/Risk Management:					
Payroll checks processed	26,497	26,822	27,665	27,692	27,814
Invoices issued	10,121	10,119	10,307	10,193	10,157
Liability claims processed	344	84	41	55	74
Insurance certificates approved	385	619	693	730	759
Assessing:					
Residential appraisals	362	390	400	324	375
Reinspections	1,156	1,400	1,000	1,300	1,500
Purchasing:					
Value of goods/services purchased	\$34.5 mil	\$37.8 mil	\$43.6 mil	\$45.8 mil	\$48 mil
% of awards without dispute	100%	100%	100%	100%	100%
City Treasurer's Office:					
Tax bills processed	62,685	62,854	62,345	62,669	62,572
Water bills processed	102,807	103,118	104,418	107,054	104,890
Fire					
Fire Department responses	1,077	1,174	1,216	1,206	1,175
Inspections performed	2,398	2,815	2,348	2,096	1,721

City of Troy, Michigan
Statistical Section
Operating Information
Operating Indicators by Function/Program
Last Ten Fiscal Years
Unaudited

Function / Program	2020	2021	2022	2023	2024
Building Inspection					
Permits issued	2,200	2,490	2,717	2,699	2,659
Plans reviewed	2,763	3,139	2,971	2,841	2,684
Executive Administration					
City Manager's Office -					
GFOA awards/submittals	3	3	3	2	2
City Attorney's Office -					
District court appearances	6,660	5,360	5,134	5,267	5,512
Community Affairs:					
New resident packets distributed	460	325	275	597	500
Press releases sent	480	400	385	398	300
City Clerk's Office:					
Registered voters	60,274	64,590	64,482	66,094	66,140
Voter turnout% (November)	26%	77%	18%	62%	20%
Human Resources:					
Applications processed	727	3,048	2,914	1,986	2,250
Job postings	31	89	119	122	130
Labor contracts settled	2	2	1	0	2
Engineering					
Soil erosion inspections	791	621	569	1,182	1,092
Machine traffic counts	20	23	25	16	17
PASER ratings	5.2	5.1	5.2	5.1	4.9
Finance					
Accounting/Risk Management:					
Payroll checks processed	27,215	25,645	26,057	27,432	25,371
Invoices issued	9,678	9,135	8,423	8,524	9,784
Liability claims processed	80	80	79	85	77
Insurance certificates approved	750	558	638	644	541
Assessing:					
Residential appraisals	450	485	600	750	800
Reinspections	1,000	1,000	1,200	1,100	1,050
Purchasing:					
Value of goods/services purchased	\$51.4 mil	\$50 mil	\$53.1 mil	\$60 mil	\$51.3 mil
% of awards without dispute	100%	100%	100%	100%	100%
City Treasurer's Office:					
Tax bills processed	62,900	62,772	62,127	62,316	61,647
Water bills processed	105,710	106,892	106,274	106,244	106,480
Fire					
Fire Department responses	1,111	1,045	1,158	1,403	1,539
Inspections performed	1,070	1,910	2,119	3,597	4,958

City of Troy, Michigan
Statistical Section
Operating Information
Operating Indicators by Function/Program
Last Ten Fiscal Years
Unaudited

Function / Program	2015	2016	2017	2018	2019
Other General Government					
Building Operations -					
Requests for service	16,280	18,150	18,630	18,240	6,958
Planning:					
Site plan reviews	17	15	18	17	13
Special use requests	2	6	5	6	15
Parks, Recreation and Culture					
ROW trees trimmed	3,976	2,611	4,323	1,849	3,358
Recreation programs	485	485	492	518	520
Library cards	49,656	56,961	61,362	58,598	52,282
Police					
Group A Crimes	1,419	1,451	1,358	1,288	1,227
Operate while impaired	419	350	392	352	372
Hazardous traffic citations	5,283	4,796	4,510	5,094	9,551
Non-hazardous traffic citations	4,750	3,736	3,315	3,722	4,946
Traffic crashes:					
Property damage	3,163	1,937	1,949	2,155	2,212
Personal injury	468	275	260	307	275
Fatal crash	5	3	4	2	2
Public Works					
Streets and Drains Division					
Requests for service	1,747	1,509	1,636	1,956	1,594
Water and Sewer Division					
Requests for service	4,140	2,482	2,776	2,627	2,301
Sanitary sewers cleaned in feet	1,250,000	1,151,056	835,683	350,269	398,000
Fleet Maintenance					
Work orders	2,165	2,443	2,477	2,380	2,945
Vehicle tires replaced	487	332	349	458	344
Refuse/Resource Recovery					
Tons of refuse collected	28,462	28,068	28,475	26,957	26,453
Tons of compost collected	9,174	9,104	9,580	8,806	10,033
Information Technology					
Help desk requests	3,018	2,811	3,136	3,389	3,048
Golf Course					
Sylvan Glen rounds of golf	42,887	49,988	49,044	45,848	44,112
Sanctuary Lake rounds of golf	31,840	43,416	41,459	41,700	40,315
Aquatic Center					
Admissions	36,021	42,481	34,741	36,492	41,681

City of Troy, Michigan
Statistical Section
Operating Information
Operating Indicators by Function/Program
Last Ten Fiscal Years
Unaudited

Function / Program	2020	2021	2022	2023	2024
Other General Government					
Building Operations -					
Requests for service	6,089	5,640	5,751	5,890	6,219
Planning:					
Site plan reviews	10	9	12	11	10
Special use requests	8	2	5	2	5
Parks, Recreation and Culture					
ROW trees trimmed	2,500	2,931	2,750	2,694	3,216
Recreation programs	392	190	214	243	193
Library cards	57,144	60,135	65,650	60,190	71,681
Police					
Group A Crimes	790	955	807	2,606	781
Operate while impaired	291	219	197	228	238
Hazardous traffic citations	5,330	2,471	3,848	5,051	5,371
Non-hazardous traffic citations	2,799	2,476	1,856	1,119	N/A
Traffic crashes:					
Property damage	2,330	2,046	1,719	1,724	1,864
Personal injury	312	224	231	270	291
Fatal crash	5	4	3	0	0
Public Works					
Streets and Drains Division					
Requests for service	1,401	1,320	2,296	1,658	1,922
Water and Sewer Division					
Requests for service	2,490	1,655	2,521	2,348	2,500
Sanitary sewers cleaned in feet	593,505	853,737	1,249,895	594,580	1,350,000
Fleet Maintenance					
Work orders	2,322	2,256	2,270	2,452	2,455
Vehicle tires replaced	332	337	343	338	242
Refuse/Resource Recovery					
Tons of refuse collected	27,302	28,304	27,820	27,043	27,703
Tons of compost collected	10,654	9,955	9,981	10,355	10,843
Information Technology					
Help desk requests	2,836	2,302	2,252	2,368	2,206
Golf Course					
Sylvan Glen rounds of golf	46,043	58,017	49,295	52,757	50,927
Sanctuary Lake rounds of golf	40,293	51,720	43,002	46,081	45,723
Aquatic Center					
Admissions	31,146	12,859	46,908	33,748	34,484

City of Troy, Michigan
Statistical Section
Operating Information
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years
Unaudited

Function / Program	2015	2016	2017	2018	2019
Fire					
Stations	6	6	6	6	6
Police					
Stations	1	1	1	1	1
Streets					
Miles of improved	408	408	409	409	410
Miles of unimproved	4	4	4	4	4
Sewers					
Miles of combination storm/sanitary	6	6	6	6	6
Miles of sanitary	393	395	396	397	399
Miles of storm	529	519	535	540	546
Street Lights					
Detroit Edison owned poles	562	562	562	562	564
City owned poles	1,010	1,010	1,010	1,010	1,008
Water					
Annual distribution in million cubic feet	420	450	495	489	437
Miles of watermains	542	543	544	545	548
Number of hydrants	5,962	5,979	6,001	6,025	6,064
Parks and Recreation					
Number of developed parks	15	15	15	16	16
Acres of public parks	1,000	1,000	1,000	1,000	1,000
Number of tennis courts	18	18	18	18	18
Outdoor education center/farm	1	1	1	1	1
18-hole golf course	2	2	2	2	2
Community center	1	1	1	1	1
Aquatic center	1	1	1	1	1

Source: City Departments

City of Troy, Michigan
Statistical Section
Operating Information
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years
Unaudited

Function / Program	2020	2021	2022	2023	2024
Fire					
Stations	6	6	6	6	6
Police					
Stations	1	1	1	1	1
Streets					
Miles of improved	342	343	343	343	343
Miles of unimproved	3	3	3	3	3
Sewers					
Miles of combination storm/sanitary	6	6	6	6	6
Miles of sanitary	401	401	402	403	403
Miles of storm	548	547	550	551	554
Street Lights					
Detroit Edison owned poles	544	533	533	534	533
City owned poles	1,100	1,104	1,104	1,116	1,099
Water					
Annual distribution in million cubic feet	386	461	422	546	430
Miles of watermains	549	549	550	548	553
Number of hydrants	6,111	6,123	6,133	6,152	6,160
Parks and Recreation					
Number of developed parks	16	16	16	16	16
Acres of public parks	1,000	1,000	1,000	1,000	1,000
Number of tennis courts	18	18	18	18	18
Outdoor education center/farm	1	1	1	1	1
18-hole golf course	2	2	2	2	2
Community center	1	1	1	1	1
Aquatic center	1	1	1	1	1

City of Troy, Michigan
Statistical Section
Operating Information
Building Construction
Last Ten Fiscal Years
Unaudited

2014 - 2015	2,369	permits	212,761,431	estimated value
2015 - 2016	2,404	permits	154,161,117	estimated value
2016 - 2017	3,042	permits	166,876,878	estimated value
2017 - 2018	2,988	permits	180,411,536	estimated value
2018 - 2019	2,711	permits	195,324,067	estimated value
2019 - 2020	2,200	permits	167,292,976	estimated value
2020 - 2021	2,490	permits	151,617,417	estimated value
2021 - 2022	2,717	permits	210,129,472	estimated value
2022 - 2023	2,699	permits	265,370,755	estimated value
2023 - 2024	2,728	permits	265,375,255	estimated value

City of Troy, Michigan
Statistical Section
Operating Information
Full and Part-Time City Government Employees By Function/Program
Last Ten Fiscal Years
Unaudited

Function / Program	2015		2016		2017		2018		2019	
	Full Time	PartTime	Full Time	PartTime	Full Time	PartTime	Full Time	PartTime	Full Time	PartTime
Building Inspection										
Building Inspection	-	-	-	-	-	-	-	-	-	-
Executive Administration										
City Manager's Office	9	6	9	5	9	4	7	5	7	3
City Attorney's Office	7	-	6	-	7	-	7	1	7	-
City Clerk's Office	4	3	4	3	5	1	5	1	4	2
Human Resources	4	-	4	1	4	1	3	-	4	1
Community Affairs	-	-	-	-	-	-	1	-	1	-
Engineering										
Engineering	11	2	11	2	13	2	12	1	11	1
Finance										
Accounting/Risk Management	6	2	6	1	6	2	6	2	5	3
Assessing	6	1	7	-	6	-	6	-	7	-
Purchasing	2	1	2	1	2	1	3	-	2	1
City Treasurer's Office	4	-	4	-	4	-	4	1	4	-
Fire										
Fire	12	6	12	4	12	5	11	3	13	5
Library										
Library	9	83	9	75	11	75	11	78	12	73
Other General Government										
Building Operations	7	3	7	4	8	2	9	2	11	1
Planning	4	2	4	3	4	4	5	2	6	2
Police										
Sworn Police Officers	79	-	78	-	79	-	82	-	90	-
Command	23	-	23	-	22	-	24	-	24	-
Other	47	35	48	29	48	24	49	27	51	30
Parks and Recreation										
Parks	6	14	6	15	6	16	6	15	6	20
Recreation	6	185	6	183	5	181	7	166	7	214
Public Works										
Streets and Drains Division	25	11	24	9	25	10	24	6	24	7
Water and Sewer Division	32	6	31	7	34	6	31	7	33	6
Fleet Maintenance	14	6	15	2	16	-	16	2	15	1
Refuse/Resource Recovery	1	-	-	-	-	-	-	-	-	-
Information Technology										
Information technology	10	-	11	-	11	-	10	-	10	-
Aquatic Center										
Aquatic center	-	52	-	66	-	60	-	66	-	33
Total Employees	<u>327</u>	<u>418</u>	<u>327</u>	<u>410</u>	<u>337</u>	<u>394</u>	<u>339</u>	<u>385</u>	<u>354</u>	<u>403</u>

Source: City Department of Human Resources

City of Troy, Michigan
Statistical Section
Operating Information
Full and Part-Time City Government Employees By Function/Program
Last Ten Fiscal Years
Unaudited

Function / Program	2020		2021		2022		2023		2024	
	Full Time	PartTime	Full Time	PartTime	Full Time	PartTime	Full Time	PartTime	Full Time	PartTime
Building Inspection										
Building Inspection	1	-	1	-	2	-	11	-	9	-
Executive Administration										
City Manager's Office	8	4	7	3	7	4	7	2	8	2
City Attorney's Office	7	-	7	-	7	-	7	1	7	1
City Clerk's Office	5	1	5	5	5	5	6	2	6	5
Human Resources	4	1	5	-	5	-	6	-	6	1
Community Affairs	1	1	1	1	1	-	-	-	-	-
Engineering										
Engineering	11	2	11	1	12	1	11	1	13	1
Finance										
Accounting/Risk Management	6	3	6	3	6	3	6	2	7	1
Assessing	7	-	7	-	7	-	7	1	8	-
Purchasing	2	1	2	1	2	1	2	2	2	2
City Treasurer's Office	4	-	4	-	4	-	4	1	4	1
Fire										
Fire	12	5	12	4	12	4	13	4	14	5
Library										
Library	11	69	18	62	21	60	26	64	44	48
Other General Government										
Building Operations	12	-	12	-	12	-	10	-	11	-
Planning	5	2	5	1	6	1	6	1	7	-
Police										
Sworn Police Officers	81	-	80	-	82	-	83	-	82	-
Command	23	-	26	-	24	-	25	-	25	-
Other	48	33	47	23	47	21	43	25	45	23
Parks and Recreation										
Parks	5	15	7	9	8	19	8	24	8	22
Recreation	8	204	7	182	8	157	11	177	13	163
Public Works										
Streets and Drains Division	23	-	22	-	23	1	23	4	24	6
Water and Sewer Division	34	-	30	1	33	2	27	2	32	5
Fleet Maintenance	16	1	15	1	14	1	16	2	16	2
Refuse/Resource Recovery	-	-	-	-	-	-	-	-	2	15
Information Technology										
Information technology	11	-	11	-	9	-	11	-	11	1
Aquatic Center										
Aquatic center	-	7	-	21	-	25	-	17	-	28
Total Employees	<u>345</u>	<u>349</u>	<u>348</u>	<u>318</u>	<u>357</u>	<u>305</u>	<u>369</u>	<u>332</u>	<u>404</u>	<u>332</u>

City of Troy, Michigan
Statistical Section
Continuing Disclosure
State Shared Revenues
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30	State Shared Revenue
2015	\$ 6,541,560
2016	6,535,632
2017	8,091,385
2018	8,378,417
2019	8,535,476
2020	8,346,267
2021	9,601,689
2022	12,144,090
2023	11,529,116
2024	12,011,829

Source: City of Troy

* Beginning in fiscal year 2017 the State of Michigan began a reimbursement program for lost manufacturing personal property that was exempted through

City of Troy, Michigan
Statistical Section
Continuing Disclosure
Gas and Weight Taxes
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30	Type of Street		Total Gas and Weight Tax (Act 51) Receipts
	Major Road	Local Road	
2015	\$ 4,278,155	\$ 1,499,530	\$ 5,777,685
2016	4,855,713	1,581,594	6,437,307
2017	4,618,597	1,822,201	6,440,798
2018	6,098,323	2,184,860	8,283,183
2019	6,871,404	2,331,116	9,202,520
2020	6,167,975	2,435,872	8,603,847
2021	6,785,651	2,683,567	9,469,218
2022	7,459,460	2,931,402	10,390,862
2023	7,832,511	3,072,448	10,904,959
2024	8,025,817	3,152,724	11,178,541

Source: City of Troy

City of Troy, Michigan
Statistical Section
Continuing Disclosure
Labor Agreements
Unaudited

Name	Expiration Date	Number of Employees Covered
American Federation of State, County, and Municipal Employees	6/30/2025	65
Michigan Association of Police	6/30/2025	40
Troy Command Officers Association	6/30/2027	24
Troy Police Officers Association	6/30/2026	82
Troy Firestaff Officers Association	6/30/2029	12
Troy Communication Supervisors Association	6/30/2026	9

Source: City Department of Human Resources