



CITY OF TROY, MICHIGAN | 2022/2023

Annual Comprehensive Financial Report

FOR THE FISCAL YEAR ENDED JUNE 30, 2023





City of Troy, Michigan

Annual Comprehensive Financial Report

Year Ended June 30, 2023

City Council

**Mayor
Mayor Pro Tem
Council Members**

**Ethan Baker
Rebecca Chamberlain-Creanga
Edna Abraham
Theresa Brooks
Ann Erickson Gault
David Hamilton
Ellen Hodorek**

Prepared by:

The Department of Financial Services

City of Troy, Michigan

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INTRODUCTORY SECTION



November 28, 2023

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, 2023 is hereby submitted. The report represents a comprehensive and detailed picture of our financial transactions during fiscal year 2022/23 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 reached the low point in taxable value in the 2013 fiscal year at \$4.219 billion after Michigan Tax Tribunal and Board of Review adjustments. Since then, the City has experienced modest annual growth in taxable value averaging 3.72%. The City experienced growth in net taxable value for fiscal 2023 at 6.98% and was comprised of growth in residential properties of 5.29%, and growth in both commercial properties (14.86%) and industrial properties (8.04%). For Michigan cities, Troy ranked fourth for the largest taxable 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 and 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:

- Longhorn Steakhouse 86 W. 14 Mile Rd
- Heidi Denha Beauty Club 412 W. 14 Mile Rd
- Farm Bureau Insurance 1301 W. Long Lake
- Sprout 755 W. Big Beaver
- A&G Central Music 1080 E. Maple Road
- Precise Chiropractic 4101 John R Road
- bbq Chicken 435 E. Big Beaver
- Ancar Automotive 2360 Bellingham
- Pure Forge 501 Stephenson

It's estimated that these firms represent about 110 jobs and have invested over \$1,000,000.

Business Retention

Below is a synopsis of a few businesses that Troy has called on to retain and inform about investment assistance.

iMBRANDED: They do graphic design and millwork. That giant car sign you see covering Stellantis HQ off of I-75 periodically is designed by iMBRANDED and they do furniture design/manufacturing for auto dealerships. I think it's one of Troy's hidden gems. We were able to update the firm on some economic development assistance programs and possible opportunities for their high-end graphic work.

RIIS: They do software development for Drones and outsource IT services to several different business sectors. I had the Michigan Economic Development and Oakland County representative join me on this call. This is a highly technical operation with about 50 employees. We updated the firm on some economic development assistance programs, and I provided information on site selection services just in case they look to expand in Troy.

Penske Vehicle Services: Penske Troy provides customized solutions for OEMs which includes vehicle lifecycle management, mechanical enhancements and body/paint development. Team Troy discussed economic development assistance programs and got an update on any future plans which might include expansion within Oakland County. I did a site search for an additional 100,000 sq. ft., facility within Troy. The CEO at this location mentioned that he was pleased with Troy's police department because they have several high-end automotive vehicles in their parking lot which requires security.

These firms represent about 135 jobs with an estimated investment of over \$500,000.

Trends

The transformation from Internal Combustion Engine (ICE) to Electric Vehicle (EV) production has led to a more technological base business and worker. *EV battery production is something that makes sense for Troy at the Module Assembly size which is roughly:

- Jobs: 150
- Capital Investment: \$11 M
- Building Size: 80k SF

Workforce Needs

- Engineers
- Process Operators
- Equipment Operators
- Material Handling Technicians
- High Voltage Technicians

*Cushman Wakefield 2023

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**. One 2023 highlight is the Village of Troy Brownfield Development:

- 146 residential facilities
- 1,269 construction projects
- \$68M Capital Investment

FINANCIAL INFORMATION

Management of the City is responsible for establishing and maintaining internal control 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	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 for 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 \$19.6 million or 27.3% 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.

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, 2022.

This was the twenty sixth 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.

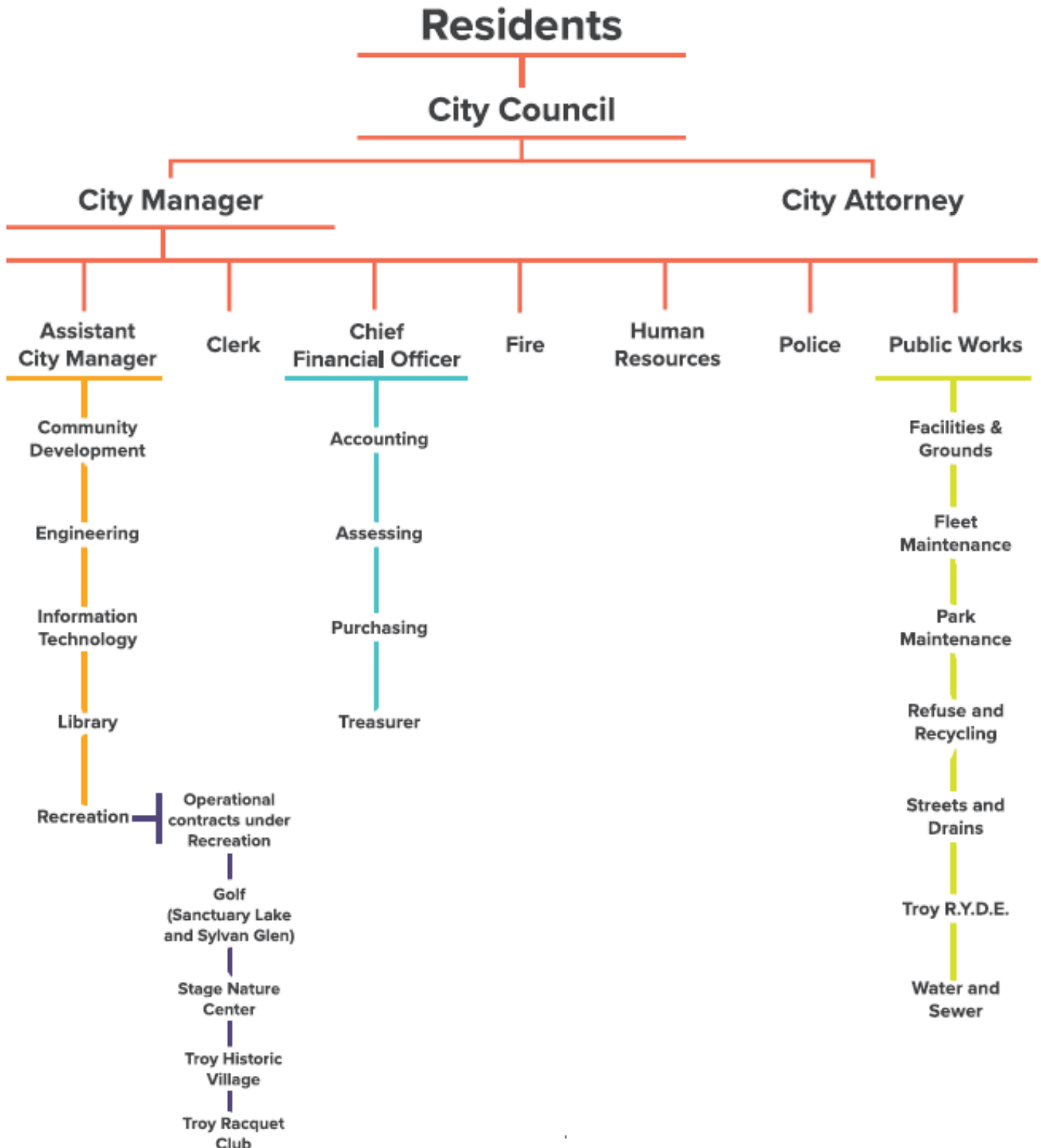


Mark F. Miller
City Manager



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, 2022

Christopher P. Morill

Executive Director/CEO

City of Troy, Michigan
Principal Officials
June 30, 2023

City Manager	Mark Miller
City Attorney	Lori Grigg Bluhm
Deputy City Manager	Robert Bruner
Assistant City Manager	Megan Schubert
Chief Financial Officer	Robert Maleszyk
Controller	Dee Ann Irby
City Assessor	Kelly Timm
City Clerk	Aileen Dickson
City Engineer	G. Scott Finlay
City Treasurer	Renee Hazen
Community Affairs Director	Cynthia Stewart
Community Development Director	Brent Savidant
Financial Compliance Manager	Kyle Vieth
Fire Chief	Peter Hullinger
Human Resources Director	Jeanette Menig
Information Technology Director	Alex Bellak
Library Director	Emily Dumas
Recreation Director	Brian Goul
Police Chief	Frank Nastasi
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	Paul Trosper

City of Troy, Michigan
Fund Organization Chart
June 30, 2023

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
- Volunteer Firefighter Incentive Plan
- 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, 2023, 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, 2023, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison schedule 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.

Prior Period Adjustment

As described in Note 20 to the financial statements, the City restated the Governmental Activities beginning net position and the General Fund's beginning fund balance to correct an error. Our opinions are not modified with respect to this matter.

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 November 28, 2023 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
November 28, 2023

MANAGEMENT'S DISCUSSION & ANALYSIS

City of Troy, Michigan
Management's Discussion and Analysis
June 30, 2023

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, 2023. 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	\$499,665,669
• Change in total net position	16,347,312
• Fund balances, governmental funds	56,704,380
• Change in fund balances, governmental funds	(6,233,567)
• Unassigned fund balance, general fund	19,650,093
• Change in fund balance, general fund	(4,016,909)
• Installment debt outstanding	13,955,016
• Change in installment debt	(1,449,766)

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, 2023

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, 2023

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 \$16.3 million over the course of the fiscal year to a total of \$499.7 million. Net position of governmental activities increased \$17.7 million or 5.5%, and business-type activities decreased \$1.4 million or 0.8%. Explanations for those changes are described below under the governmental activities and business-type activities sections of this Management's Discussion and Analysis.

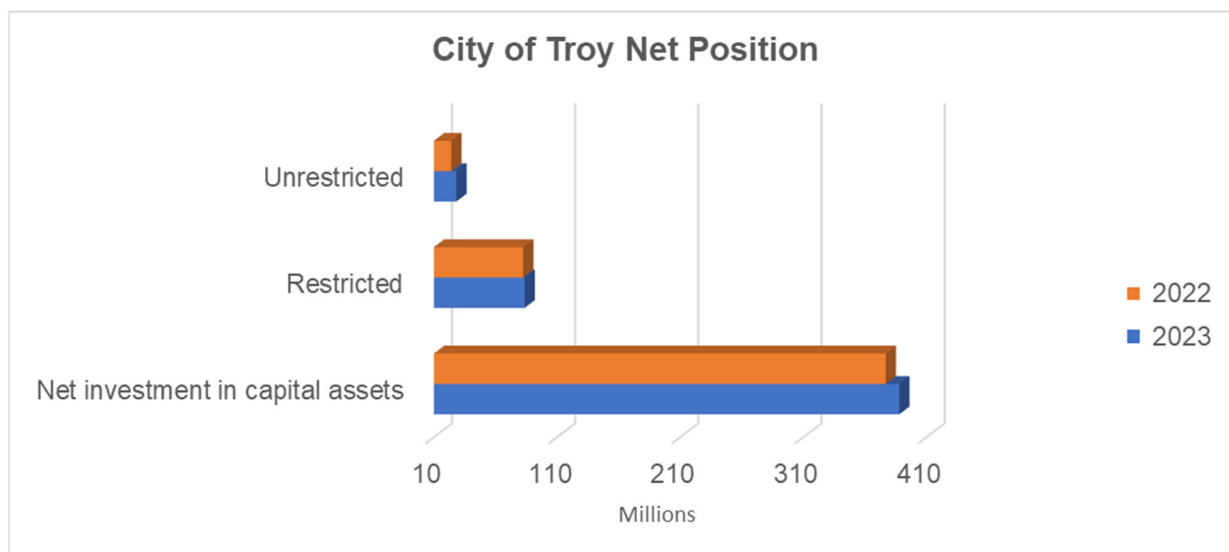
	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Assets						
Current and other assets	\$ 153,662,844	\$ 152,534,931	\$ 18,315,186	\$ 24,637,111	\$ 171,978,030	\$ 177,172,042
Capital assets, net	241,377,704	233,727,362	153,986,478	148,523,307	395,364,182	382,250,669
	<u>395,040,548</u>	<u>386,262,293</u>	<u>172,301,664</u>	<u>173,160,418</u>	<u>567,342,212</u>	<u>559,422,711</u>
Deferred outflows of resources	6,641,835	21,359,777	574,365	1,171,525	7,216,200	22,531,302
Liabilities						
Long-term debt	16,821,282	17,311,014	4,413,336	5,278,891	21,234,618	22,589,905
Other liabilities	41,503,170	67,916,219	6,846,124	6,114,837	48,349,294	74,031,056
	<u>58,324,452</u>	<u>85,227,233</u>	<u>11,259,460</u>	<u>11,393,728</u>	<u>69,583,912</u>	<u>96,620,961</u>
Deferred inflows of resources	<u>4,761,657</u>	<u>1,513,224</u>	<u>547,174</u>	<u>501,471</u>	<u>5,308,831</u>	<u>2,014,695</u>
Net position						
Net investment in capital assets	238,472,631	233,277,547	149,413,653	143,593,325	387,886,284	376,870,872
Restricted	81,478,063	80,401,648	2,137,566	1,982,936	83,615,629	82,384,584
Unrestricted	<u>18,645,580</u>	<u>7,202,418</u>	<u>9,518,176</u>	<u>16,860,483</u>	<u>28,163,756</u>	<u>24,062,901</u>
Total net position	<u>\$ 338,596,274</u>	<u>\$ 320,881,613</u>	<u>\$ 161,069,395</u>	<u>\$ 162,436,744</u>	<u>\$ 499,665,669</u>	<u>\$ 483,318,357</u>

The largest portion of the City's net position (77.6%) reflects its investment in capital assets of \$387.9 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 \$83.6 million (16.7%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$28.2 million (5.7%) 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
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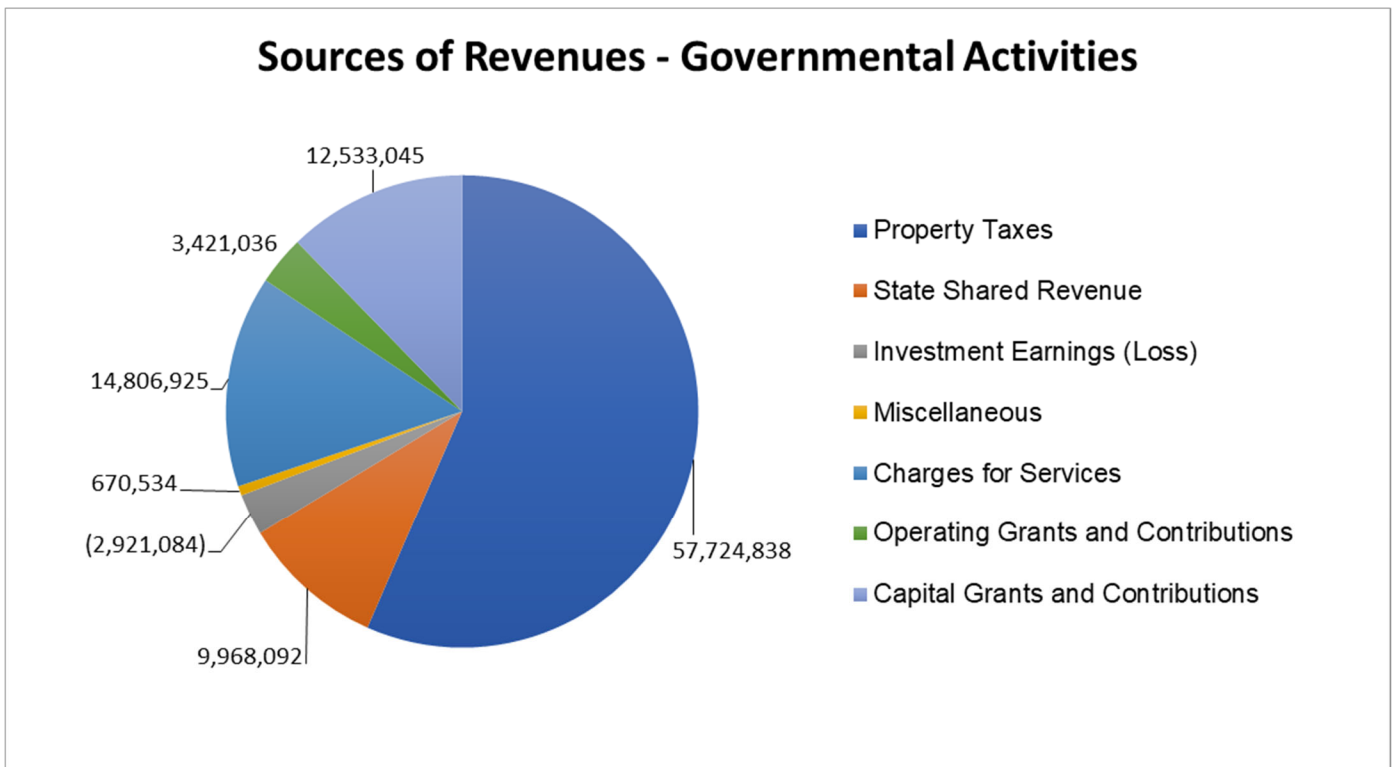
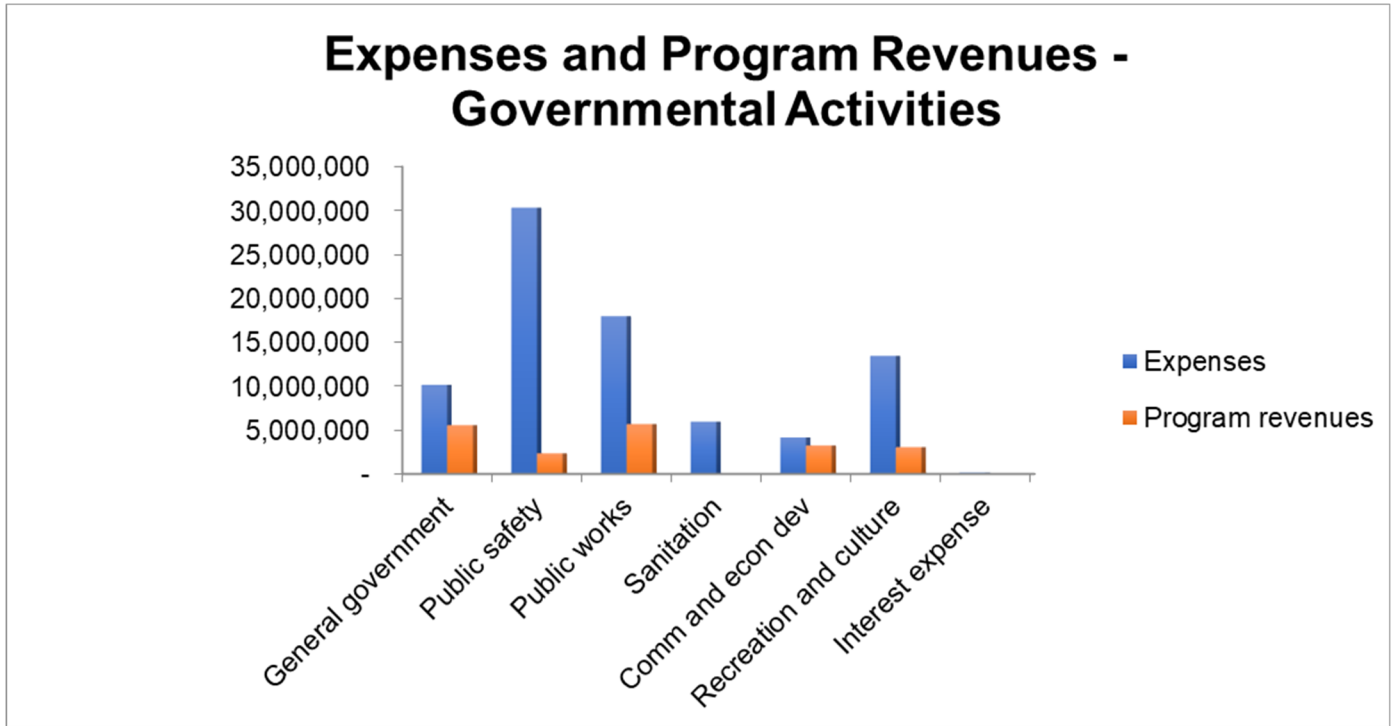


The following condensed financial information was derived from the government-wide statement of activities and reflects how the City's net position changed during the fiscal year:

	Change in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Program revenues						
Charges for services	\$ 14,806,925	\$ 13,108,000	\$ 40,316,887	\$ 36,695,051	\$ 55,123,812	\$ 49,803,051
Operating grants and contributions	3,421,036	1,573,630	-	-	3,421,036	1,573,630
Capital grants and contributions	12,533,045	10,951,311	731,734	913,952	13,264,779	11,865,263
General revenues						
Property taxes	57,724,838	54,937,941	-	-	57,724,838	54,937,941
State-shared revenues	9,968,092	12,144,090	-	-	9,968,092	12,144,090
Investment earnings (loss)	(2,921,084)	(6,244,462)	304,614	(1,504,730)	(2,616,470)	(7,749,192)
Other revenue	670,534	231,865	35,361	-	705,895	231,865
Total revenues	<u>96,203,386</u>	<u>86,702,375</u>	<u>41,388,596</u>	<u>36,104,273</u>	<u>137,591,982</u>	<u>122,806,648</u>
Expenses						
General government	\$ 10,139,417	\$ 9,992,627	\$ -	\$ -	\$ 10,139,417	\$ 9,992,627
Public safety	30,335,955	34,285,696	-	-	30,335,955	34,285,696
Public works	17,976,458	21,100,594	-	-	17,976,458	21,100,594
Sanitation	5,950,274	5,656,929	-	-	5,950,274	5,656,929
Community and economic development	4,142,399	-	-	-	4,142,399	-
Recreation and culture	13,449,956	1,009,707	-	-	13,449,956	1,009,707
Interest expense	152,973	11,944,043	-	-	152,973	11,944,043
Water	-	167,576	22,129,369	20,927,528	22,129,369	21,095,104
Sanitary sewer	-	-	15,881,121	15,371,118	15,881,121	15,371,118
Aquatic center	-	-	589,748	706,923	589,748	706,923
Golf courses	-	-	4,155,707	3,790,897	4,155,707	3,790,897
Total expenses	<u>82,147,432</u>	<u>84,157,172</u>	<u>42,755,945</u>	<u>40,796,466</u>	<u>124,903,377</u>	<u>124,953,638</u>
Change in net position	<u>14,055,954</u>	<u>2,545,203</u>	<u>(1,367,349)</u>	<u>(4,692,193)</u>	<u>12,688,605</u>	<u>(2,146,990)</u>
Net position, beginning of year	320,881,613	318,336,410	162,436,744	167,128,937	483,318,357	485,465,347
Prior period adjustment	3,658,707	-	-	-	3,658,707	-
Net position - beginning of year, as restated	<u>324,540,320</u>	<u>318,336,410</u>	<u>162,436,744</u>	<u>167,128,937</u>	<u>486,977,064</u>	<u>485,465,347</u>
Net position, end of year	<u>\$ 338,596,274</u>	<u>\$ 320,881,613</u>	<u>\$ 161,069,395</u>	<u>\$ 162,436,744</u>	<u>\$ 499,665,669</u>	<u>\$ 483,318,357</u>

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



Total governmental revenue is reported at approximately \$96.2 million, an increase of \$8.5 million from the prior year. The increase is primarily due to a reduction of investment losses from approximately \$5.7 million to \$2.3 million, which is consistent with the current economic trends. Property tax revenues also saw a significant

City of Troy, Michigan

Management's Discussion and Analysis

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increase of approximately \$2.8 million. Additionally, there were increased federal revenues of approximately \$1.5 million related to the ARPA and MDOT Grant Funds.

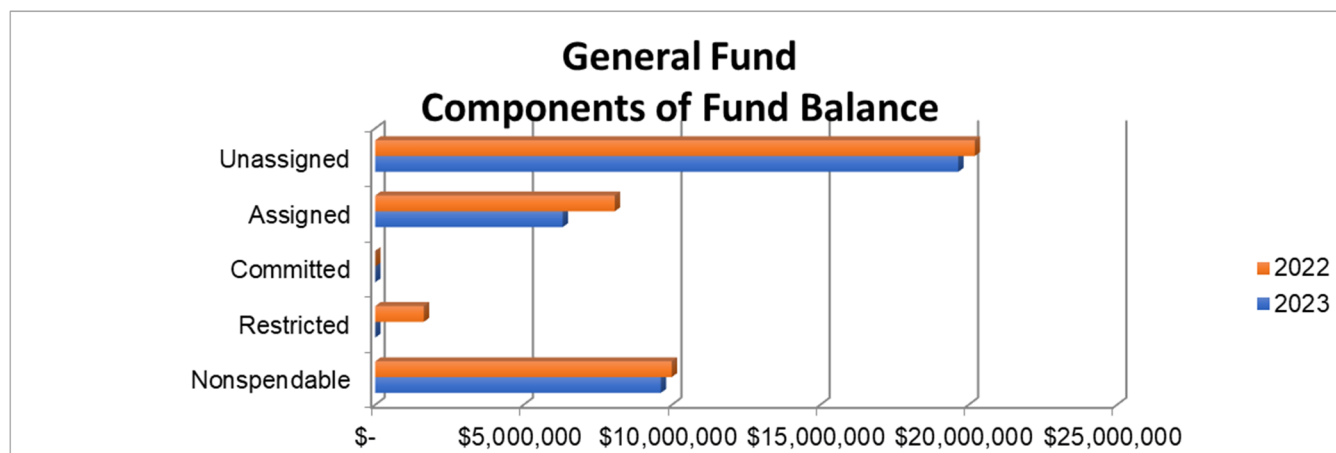
Total governmental expenses are reported at \$82.1 million, a decrease of \$2.1 million from the prior year. The decrease is primarily due to the change in investment performance related to pension and OPEB funds, offset by the VFIP payout of \$9.4 million.

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 \$1.4 million. This change is primarily due to increased costs of providing water and sewer services to our residents which out paced the rate increases charged to our residents, therefore resulting in rate increases for 2024.

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 \$56.7 million, a decrease of \$6.2 million compared to the prior year. Approximately 35% of this amount (\$19.7 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.

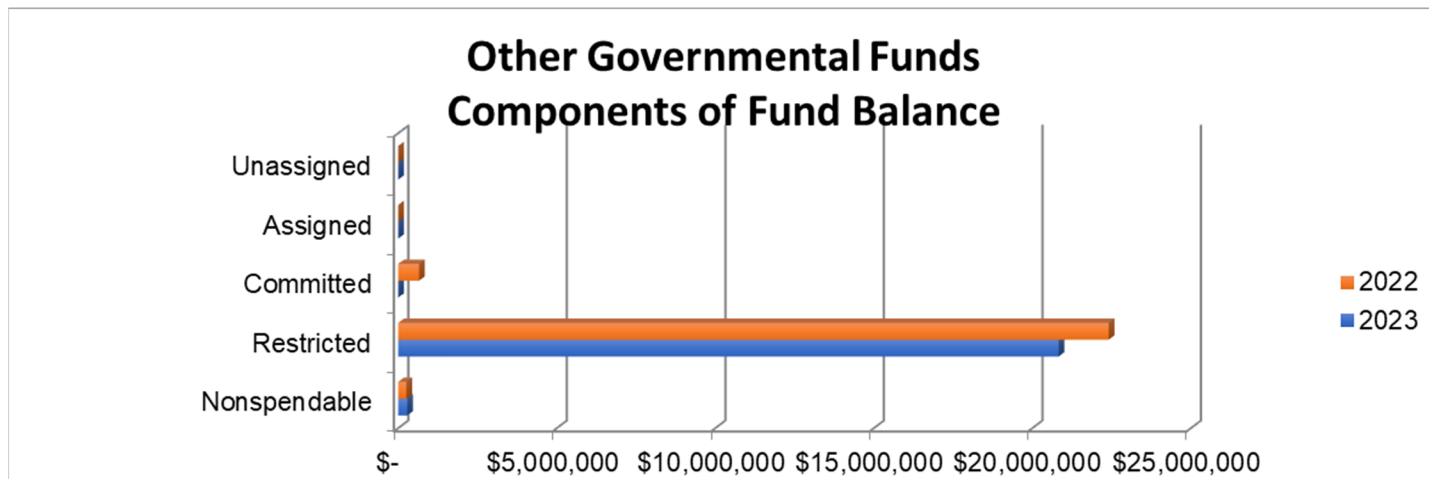


The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$19.7 million, while total general fund balance decreased \$4.0 million to \$35.6 million. The general fund fund balance was budgeted to decrease by \$14.5 million, however favorable results for expenditures coupled with a prior period adjustment resulted in a net decrease of \$4.0 million to the fund balance. 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 27.3% of total general fund expenditures, while total general fund balance represents approximately 49.4% of the same amount.

City of Troy, Michigan
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In the current fiscal year, revenues were approximately \$7.7 million less than total expenditures and transfers. Overall revenues increased by \$5.4 million primarily due to an increase in property tax revenues of \$2.3 million as well as a reduction in our investment losses of \$1.7 million from the prior year.

General fund expenditures (before transfers) of \$70.1 million increased \$12.0 million or 20.6%. The increase in general fund expenditures was primarily due to an increase of \$10.4 million in public safety expenses, of which \$9.4 million is related to the VFIP payout. Additionally, general government expenses increased by \$1.4 million primarily due to payment of insurance claims.



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 a decrease in fund balance of \$4.6 million during the current year for a total ending fund balance of \$8.3 million. Major capital projects included major street improvements of \$4.8 million and local street improvements of \$3.3 million. It should be noted that the general fund contributed \$2.0 million towards improvements to City Hall and the library fund contributed \$0.9 million towards renovations and maintenance. The major streets fund contributed \$2.5 million, and the local streets fund contributed \$2.0 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 \$6.4 million, and the sanitary sewer fund was \$9.1 million at the end of the current fiscal year. The Sanctuary Lake Golf Course had an unrestricted net deficit of \$10.3 million. The water fund total net position increased by \$0.3 million while the sanitary sewer fund decreased by \$2.0 million, and the Sanctuary Lake Golf Course increased by \$56K. This was due to an increase in our continued investment in our water and sewer infrastructure.

City of Troy, Michigan
Management's Discussion and Analysis
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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 revenue in the current year were to increase State-Shared revenue by \$850K. The most significant amendments to expenditures were \$9.4 million for the VFIP payout, \$300K for street island maintenance, \$120K for First Responder contract services, and \$20K for the transfer to the Transit Center.

Actual revenues of \$64.4 million were \$1.0 million more than amended budget amounts. The variance was primarily due to the increase in the Local Community Stabilization Payment.

Actual expenditures of \$72.1 million were \$5.7 million under amended budget amounts. Public safety was under budget by \$2.9 million and general government was under budget by \$1.3 million.

Capital Assets and Debt Administration

Capital Assets. At June 30, 2023, the City had invested \$395.4 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	
	2023	2022	2023	2022	2023	2022
Land	\$ 37,815,194	\$ 37,462,124	\$ 6,738,504	\$ 6,738,504	\$ 44,553,698	\$ 44,200,628
Museum artifacts	2,082,845	2,082,845	-	-	2,082,845	2,082,845
Construction in progress	12,210,210	4,497,247	13,439,922	11,248,553	25,650,132	15,745,800
Infrastructure	132,790,550	137,446,250	-	-	132,790,550	137,446,250
Land improvements	5,111,650	4,708,209	4,830,840	5,091,919	9,942,490	9,800,128
Buildings and improvements	34,068,367	33,070,554	1,128,612	1,018,277	35,196,979	34,088,831
Miscellaneous equipment	5,021,821	4,536,638	1,201,696	1,188,448	6,223,517	5,725,086
Office equipment	506,561	537,047	504,043	-	1,010,604	537,047
Vehicles	9,969,194	6,712,916	-	588,049	9,969,194	7,300,965
Library books/audio visual	1,764,069	2,621,965	-	-	1,764,069	2,621,965
Water and sewer transmission and distribution system	-	-	126,142,861	122,649,557	126,142,861	122,649,557
Right to use assets	37,243	51,567	-	-	37,243	51,567
Total capital assets, net	\$ 241,377,704	\$ 233,727,362	\$ 153,986,478	\$ 148,523,307	\$ 395,364,182	\$ 382,250,669

Debt Administration. At the end of the current fiscal year, the City had total bonded debt outstanding of \$13.8 million. Of this amount, \$13.5 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	
	2023	2022	2023	2022	2023	2022
General obligation bonds	\$ 9,620,000	\$ 10,105,000	\$ 3,920,000	\$ 4,620,000	\$ 13,540,000	\$ 14,725,000
Public drains	235,804	397,840	-	-	235,804	397,840
Leases	-	51,975	179,212	281,942	179,212	333,917
Deferred amounts for issuance premiums	38,488	-	-	376,949	38,488	376,949
Compensated absences	5,529,578	5,331,374	314,124	-	5,843,702	5,331,374
Estimated self-insurance claims	1,397,412	1,424,825	-	-	1,397,412	1,424,825
Total capital assets, net	\$ 16,821,282	\$ 17,311,014	\$ 4,413,336	\$ 5,278,891	\$ 21,234,618	\$ 22,589,905

City of Troy, Michigan
Management's Discussion and Analysis
June 30, 2023

Economic Condition and Outlook

The following economic factors currently affect the City and were considered in developing the 2023/2024 through 2025/2026 three-year fiscal budget.

- The millage rate for the 2023/2024 fiscal year is 9.8966 mills which is unchanged from the 2022/2023 fiscal year. The total millage of 9.8966 mills includes general operating millage of 6.500 mills, capital projects of 1.2270 mills, refuse of 1.0900 mills, and library operations of 1.0796 mills.
- Total general fund revenues and other sources are expected to generate approximately \$66.7 million. This is an increase of \$3.4 million or 5.2% compared to the fiscal 2022/2023 budget of \$63.3 million. Property tax revenues which accounts for approximately 69.8% of total general fund revenues is expected to generate \$40.7 million. This is an increase of \$2.1 million or 5.3%.
- General fund expenditures and other uses are budgeted at \$69.8 million. This is an increase of \$2.6 million or 3.7% compared to fiscal 2022/2023 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 2023/2024 budget recognizes a stabilized sales volume of approximately 460,000 mcf. This is a leveling of sales volume compared to a steady decrease 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 \$48.40 per mcf. Sanitary sewer rates increased to \$32.70 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, 2023

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and investments	\$ 79,261,954	\$ 12,409,298	\$ 91,671,252	\$ 4,616,317
Receivables				
Accounts	1,282,679	9,696,105	10,978,784	-
Taxes	224,289	-	224,289	118,702
Leases receivable	623,929	372,523	996,452	-
Due from other units of government	3,696,908	-	3,696,908	-
Due from component unit	9,620,000	-	9,620,000	-
Internal balances	7,395,377	(7,395,377)	-	-
Inventories	883,476	775,391	1,658,867	-
Prepaid items	1,432,528	93,931	1,526,459	-
Long-term contracts receivable	-	284,848	284,848	-
Capital assets				
Right to use assets, net of amortization	37,243	-	37,243	-
Capital assets not being depreciated	52,108,249	20,178,426	72,286,675	-
Capital assets, net of accumulated depreciation	189,232,212	133,808,052	323,040,264	-
Net pension asset	49,241,704	2,078,467	51,320,171	-
Total assets	<u>395,040,548</u>	<u>172,301,664</u>	<u>567,342,212</u>	<u>4,735,019</u>
Deferred Outflows of Resources				
Bond refundings	80,262	290,758	371,020	-
Pension related	1,400,147	59,099	1,459,246	-
OPEB related	<u>5,161,426</u>	<u>224,508</u>	<u>5,385,934</u>	-
Total deferred outflows of resources	<u>6,641,835</u>	<u>574,365</u>	<u>7,216,200</u>	-
Liabilities				
Accounts payable	5,464,139	4,849,535	10,313,674	-
Payroll and other liabilities	1,485,283	1,171,283	2,656,566	-
Other liabilities	8,016,548	-	8,016,548	-
Interest payable	25,141	-	25,141	23,810
Unearned revenue	6,959,456	-	6,959,456	4,012
Noncurrent liabilities				
Debt due within one year	5,054,470	864,035	5,918,505	560,000
Debt due in more than one year	11,766,812	3,549,301	15,316,113	9,060,000
Net OPEB liability	<u>19,552,603</u>	<u>825,306</u>	<u>20,377,909</u>	-
Total liabilities	<u>58,324,452</u>	<u>11,259,460</u>	<u>69,583,912</u>	<u>9,647,822</u>
Deferred Inflows of Resources				
Lease related	623,929	372,523	996,452	-
OPEB related	<u>4,137,728</u>	<u>174,651</u>	<u>4,312,379</u>	-
Total deferred inflows of resources	<u>4,761,657</u>	<u>547,174</u>	<u>5,308,831</u>	-
Net Position				
Net investment in capital assets	238,472,631	149,413,653	387,886,284	-
Restricted for				
Debt service	9,594,859	-	9,594,859	-
Capital projects	8,363,800	-	8,363,800	-
Highways and streets	7,322,832	-	7,322,832	-
Sanitation services	1,130,046	-	1,130,046	-
Library services	2,832,267	-	2,832,267	-
Other services	1,371,063	-	1,371,063	-
Perpetual care:				
Nonexpendable	164,000	-	164,000	-
Expendable	57,345	-	57,345	-
Pension	50,641,851	2,137,566	52,779,417	-
Unrestricted (deficit)	<u>18,645,580</u>	<u>9,518,176</u>	<u>28,163,756</u>	<u>(4,912,803)</u>
Total net position (deficit)	<u>\$ 338,596,274</u>	<u>\$ 161,069,395</u>	<u>\$ 499,665,669</u>	<u>\$ (4,912,803)</u>

See Accompanying Notes to the Financial Statements

City of Troy, Michigan
Statement of Activities
For the Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units
					Governmental Activities	Business-type Activities	Total	
Primary government								
Governmental activities								
General government	\$ 10,139,417	\$ 3,317,610	\$ 2,227,367	\$ -	\$ (4,594,440)	\$ -	\$ (4,594,440)	\$ -
Public safety	30,335,955	2,235,361	108,470	-	(27,992,124)	-	(27,992,124)	-
Public works	17,976,458	4,021,104	78,985	12,479,671	(1,396,698)	-	(1,396,698)	-
Sanitation	5,950,274	-	-	-	(5,950,274)	-	(5,950,274)	-
Community and economic development	4,142,399	2,534,219	645,444	53,374	(909,362)	-	(909,362)	-
Recreation and culture	13,449,956	2,698,631	360,770	-	(10,390,555)	-	(10,390,555)	-
Interest and fiscal charges on long-term debt	152,973	-	-	-	(152,973)	-	(152,973)	-
Total governmental activities	<u>82,147,432</u>	<u>14,806,925</u>	<u>3,421,036</u>	<u>12,533,045</u>	<u>(51,386,426)</u>	<u>-</u>	<u>(51,386,426)</u>	<u>-</u>
Business-type activities								
Sanctuary Lake Golf Course	2,546,170	2,601,183	-	-	-	55,013	55,013	-
Sylvan Glen Golf Course	1,609,537	1,932,909	-	-	-	323,372	323,372	-
Aquatic Center	589,748	587,452	-	-	-	(2,296)	(2,296)	-
Sewer	15,881,121	13,839,768	-	300,938	-	(1,740,415)	(1,740,415)	-
Water	22,129,369	21,355,575	-	430,796	-	(342,998)	(342,998)	-
Total business-type activities	<u>42,755,945</u>	<u>40,316,887</u>	<u>-</u>	<u>731,734</u>	<u>-</u>	<u>(1,707,324)</u>	<u>(1,707,324)</u>	<u>-</u>
Total primary government	<u>\$ 124,903,377</u>	<u>\$ 55,123,812</u>	<u>\$ 3,421,036</u>	<u>\$ 13,264,779</u>	<u>(51,386,426)</u>	<u>(1,707,324)</u>	<u>(53,093,750)</u>	<u>-</u>
Component units								
Brownfield Redevelopment Authority	\$ 394,088	\$ -	\$ -	\$ -	-	-	-	(394,088)
Downtown Development Authority	1,011,767	-	-	-	-	-	-	(1,011,767)
Local Development Finance Authority	177,161	-	-	-	-	-	-	(177,161)
Total component units	<u>\$ 1,583,016</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>				<u>(1,583,016)</u>
General revenues								
Property taxes					57,724,838	-	57,724,838	2,641,064
Unrestricted state-shared revenue and other state grants					9,968,092	-	9,968,092	74,375
Unrestricted investment earnings (loss)					(2,921,084)	304,614	(2,616,470)	(169,641)
Gain on sale of capital assets					177,983	10,250	188,233	-
Miscellaneous					492,551	25,111	517,662	-
Total general revenues					<u>65,442,380</u>	<u>339,975</u>	<u>65,782,355</u>	<u>2,545,798</u>
Change in net position					<u>14,055,954</u>	<u>(1,367,349)</u>	<u>12,688,605</u>	<u>962,782</u>
Net position (deficit) - beginning of year					320,881,613	162,436,744	483,318,357	(5,875,585)
Prior period adjustment					<u>3,658,707</u>	<u>-</u>	<u>3,658,707</u>	<u>-</u>
Net position (deficit) - beginning of year, as restated					<u>324,540,320</u>	<u>162,436,744</u>	<u>486,977,064</u>	<u>(5,875,585)</u>
Net position (deficit) - end of year					<u>\$ 338,596,274</u>	<u>\$ 161,069,395</u>	<u>\$ 499,665,669</u>	<u>\$ (4,912,803)</u>

See Accompanying Notes to the Financial Statements

City of Troy, Michigan
Governmental Funds
Balance Sheet
June 30, 2023

	General	Debt Service Series 2013 & 2020	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and investments	\$ 35,036,152	\$ -	\$ 17,725,508	\$ 11,366,815	\$ 64,128,475
Receivables:					
Accounts receivable, net	995,057	-	82,493	167,459	1,245,009
Taxes - delinquent, net	187,924	-	10,974	25,391	224,289
Leases receivable	606,588	-	17,341	-	623,929
Due from other governments	1,744,895	-	83,465	1,868,548	3,696,908
Due from component units	-	9,620,000	-	-	9,620,000
Inventories	537,300	-	-	-	537,300
Prepaid items	1,310,347	-	-	116,635	1,426,982
Advances to other funds	7,778,384	-	-	-	7,778,384
Total assets	<u>\$ 48,196,647</u>	<u>\$ 9,620,000</u>	<u>\$ 17,919,781</u>	<u>\$ 13,544,848</u>	<u>\$ 89,281,276</u>
Liabilities					
Accounts payable	\$ 1,839,771	\$ -	\$ 2,351,041	\$ 611,323	\$ 4,802,135
Accrued payroll	1,485,283	-	-	-	1,485,283
Other liabilities	7,611,939	-	348,637	55,972	8,016,548
Unearned revenue	120,494	-	6,838,962	-	6,959,456
Total liabilities	<u>11,057,487</u>	<u>-</u>	<u>9,538,640</u>	<u>667,295</u>	<u>21,263,422</u>
Deferred Inflows of Resources					
Unavailable revenue	936,252	9,620,000	107,902	25,391	10,689,545
Deferred lease amounts	606,588	-	17,341	-	623,929
Total deferred inflows of resources	<u>1,542,840</u>	<u>9,620,000</u>	<u>125,243</u>	<u>25,391</u>	<u>11,313,474</u>
Fund Balances					
Non-spendable	9,626,031	-	-	280,635	9,906,666
Restricted	-	-	8,255,898	12,571,527	20,827,425
Assigned	6,320,196	-	-	-	6,320,196
Unassigned	19,650,093	-	-	-	19,650,093
Total fund balances	<u>35,596,320</u>	<u>-</u>	<u>8,255,898</u>	<u>12,852,162</u>	<u>56,704,380</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 48,196,647</u>	<u>\$ 9,620,000</u>	<u>\$ 17,919,781</u>	<u>\$ 13,544,848</u>	<u>\$ 89,281,276</u>

City of Troy, Michigan
Governmental Funds
Reconciliation of Fund Balances of Governmental Funds
to Net Position of Governmental Activities
June 30, 2023

Total fund balances for governmental funds	\$ 56,704,380
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.	
Right to use assets, net of amortization	37,243
Capital assets not being depreciated	50,858,009
Capital assets, net of accumulated depreciation	180,672,338
Certain receivables are not available to pay for current period expenditures and, therefore are deferred in the funds.	
	10,689,545
Net pension asset not reported in the funds	49,241,704
Deferred outflows (inflows) of resources.	
Deferred outflows of resources resulting from net pension liability/asset	1,400,147
Deferred outflows of resources resulting from net OPEB liability	5,161,426
Deferred outflows of resources resulting from debt refunding	80,262
Deferred inflows of resources resulting from net OPEB liability	(4,137,728)
Long-term liabilities that are not due and payable in the current period, and therefore, are not reported in the funds.	
Accrued interest	(25,141)
Claims and judgments	(1,397,412)
Bonds, notes, premiums and discounts	(9,855,804)
Lease liabilities	(38,488)
Net OPEB liability	(19,552,603)
Internal service funds are included as part of governmental activities.	<u>18,758,396</u>
Net position of governmental activities	<u>\$ 338,596,274</u>

City of Troy, Michigan
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2023

	General	Debt Service Series 2013 & 2020	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Property taxes	\$ 38,623,852	\$ -	\$ 6,852,592	\$ 12,269,440	\$ 57,745,884
Licenses and permits	2,778,942	-	-	-	2,778,942
Intergovernmental:					
Federal sources	94,389	-	1,504,384	53,374	1,652,147
State sources	11,728,889	-	105,101	11,282,448	23,116,438
Local sources	967,945	-	59,132	-	1,027,077
Charges for services	8,211,522	-	248,427	115,989	8,575,938
Fines and forfeitures	660,427	-	-	88,348	748,775
Investment loss	(1,187,036)	-	(672,587)	(465,302)	(2,324,925)
Other	2,559,106	630,395	15,383	148,831	3,353,715
Total revenues	<u>64,438,036</u>	<u>630,395</u>	<u>8,112,432</u>	<u>23,493,128</u>	<u>96,673,991</u>
Expenditures					
Current					
General government	10,235,463	-	-	114,101	10,349,564
Public safety	45,749,530	-	-	22,324	45,771,854
Public works	2,057,021	-	-	5,128,769	7,185,790
Sanitation	-	-	-	5,950,274	5,950,274
Community and economic development	4,092,723	-	-	53,374	4,146,097
Recreation and culture	7,964,705	-	-	4,432,739	12,397,444
Capital outlay	-	-	19,982,606	-	19,982,606
Debt service					
Principal	4,496	485,000	171,027	-	660,523
Interest and fiscal charges	914	145,395	689	-	146,998
Total expenditures	<u>70,104,852</u>	<u>630,395</u>	<u>20,154,322</u>	<u>15,701,581</u>	<u>106,591,150</u>
Excess (deficiency) of revenues over expenditures	<u>(5,666,816)</u>	<u>-</u>	<u>(12,041,890)</u>	<u>7,791,547</u>	<u>(9,917,159)</u>
Other financing sources (uses)					
Transfers in	1,200	-	7,404,545	1,510,000	8,915,745
Transfers out	(2,010,000)	-	-	(6,905,745)	(8,915,745)
Proceeds from the sale of capital assets	-	-	5,000	19,885	24,885
Total other financing sources and (uses)	<u>(2,008,800)</u>	<u>-</u>	<u>7,409,545</u>	<u>(5,375,860)</u>	<u>24,885</u>
Net change in fund balances	<u>(7,675,616)</u>	<u>-</u>	<u>(4,632,345)</u>	<u>2,415,687</u>	<u>(9,892,274)</u>
Fund balances - beginning of year	39,613,229	-	12,888,243	10,436,475	62,937,947
Prior period adjustment	<u>3,658,707</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,658,707</u>
Fund balances - beginning of year (restated)	<u>43,271,936</u>	<u>-</u>	<u>12,888,243</u>	<u>10,436,475</u>	<u>66,596,654</u>
Fund balances - end of year	<u>\$ 35,596,320</u>	<u>\$ -</u>	<u>\$ 8,255,898</u>	<u>\$ 12,852,162</u>	<u>\$ 56,704,380</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, 2023

Net change in fund balances - total governmental funds	\$ (9,892,274)
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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	(14,219,779)
Capital outlay	18,992,896
Sale of capital assets (net book value)	(148,962)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	(153,978)
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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 liabilities.

Net pension asset	12,584,864
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Expenses are recorded when incurred in the statement of activities.

Accrued interest	1,322
Claims and judgments	27,413
Deferred charge on bond refunding	(7,297)

The statement of net position reports the net pension liability and deferred outflows of resources and deferred inflows related to the net pension liability and pension expense. However, the amount recorded on the governmental funds equals actual pension contributions.

Net change in the net pension liability	13,483,864
Net change in the deferred outflow of resources related to the net pension liability/asset	(10,704,800)
Net change in the deferred inflow of resources related to the net pension liability	733,525

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	9,907,975
Net change in the deferred outflow of resources related to the net OPEB liability	(4,005,845)
Net change in the deferred inflow of resources related to the net OPEB liability	(3,785,624)

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	660,523
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Internal service funds are also included as governmental activities	582,131
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Change in net position of governmental activities	\$ 14,055,954
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City of Troy, Michigan
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Actual Over (Under)
	Original	Final		Final Budget
Revenues				
Taxes				
Property taxes	\$ 38,239,200	\$ 38,239,200	\$ 38,623,852	\$ 384,652
Licenses and permits	3,336,610	3,336,610	2,778,942	(557,668)
Intergovernmental:				
Federal sources	11,000	11,000	94,389	83,389
State sources	9,263,100	10,113,100	11,728,889	1,615,789
Local sources	557,860	857,860	967,945	110,085
Charges for services	7,457,050	7,457,050	8,211,522	754,472
Fines and forfeitures	706,000	706,000	660,427	(45,573)
Rental income	15,000	15,000	-	(15,000)
Investment earnings (loss)	436,000	436,000	(1,187,036)	(1,623,036)
Other	2,221,980	2,221,980	2,559,106	337,126
Transfers in	1,200	1,200	1,200	-
Total revenues	<u>62,245,000</u>	<u>63,395,000</u>	<u>64,439,236</u>	<u>1,044,236</u>
Expenditures				
General government				
Council and executive administration	5,786,198	6,286,198	5,828,839	(457,359)
Finance	3,655,082	3,655,082	3,006,873	(648,209)
Other	1,631,124	1,631,124	1,399,751	(231,373)
Total general government	<u>11,072,404</u>	<u>11,572,404</u>	<u>10,235,463</u>	<u>(1,336,941)</u>
Public safety				
Police	30,348,970	30,698,970	28,247,082	(2,451,888)
Fire	6,427,546	15,897,546	15,624,180	(273,366)
Building inspection	2,092,514	2,092,514	1,878,268	(214,246)
Total public safety	<u>38,869,030</u>	<u>48,689,030</u>	<u>45,749,530</u>	<u>(2,939,500)</u>
Public works				
Roads and streets	2,319,121	2,319,121	2,057,021	(262,100)
Community and economic development				
Engineering	3,406,284	3,406,284	3,057,859	(348,425)
Planning	1,244,260	1,244,260	1,034,864	(209,396)
Total community and economic development	<u>4,650,544</u>	<u>4,650,544</u>	<u>4,092,723</u>	<u>(557,821)</u>
Recreation and culture				
Parks	3,265,183	3,565,183	3,100,657	(464,526)
Recreation	4,549,668	4,549,668	4,445,482	(104,186)
Historical village and nature center	514,077	514,077	418,566	(95,511)
Total recreation and culture	<u>8,328,928</u>	<u>8,628,928</u>	<u>7,964,705</u>	<u>(664,223)</u>
Debt service				
Principal retirement	-	-	4,496	4,496
Interest and fiscal charges	-	-	914	914
Total debt service	<u>-</u>	<u>-</u>	<u>5,410</u>	<u>5,410</u>
Transfers out	2,000,000	2,020,000	2,010,000	(10,000)
Total expenditures	<u>67,240,027</u>	<u>77,880,027</u>	<u>72,114,852</u>	<u>(5,765,175)</u>
Excess (deficiency) of revenues over expenditures	<u>(4,995,027)</u>	<u>(14,485,027)</u>	<u>(7,675,616)</u>	<u>6,809,411</u>
Fund balance - beginning of year	39,613,229	39,613,229	39,613,229	-
Prior period adjustment	3,658,707	3,658,707	3,658,707	-
Fund balance - beginning of year (restated)	<u>43,271,936</u>	<u>43,271,936</u>	<u>43,271,936</u>	<u>-</u>
Fund balance - end of year	<u>\$ 38,276,909</u>	<u>\$ 28,786,909</u>	<u>\$ 35,596,320</u>	<u>\$ 6,809,411</u>

See Accompanying Notes to the Financial Statements

City of Troy, Michigan
Proprietary Funds
Statement of Net Position
June 30, 2023

	Water	Sewer	Sanctuary Lake Golf Course	Nonmajor Enterprise Funds	Total	Internal Service Funds
Assets						
Current assets						
Cash and investments	\$ 2,969,861	\$ 7,601,157	\$ 312,101	\$ 1,526,179	\$ 12,409,298	\$ 15,133,479
Accounts receivable, net:						
Billed	3,400,369	-	12,832	104,392	3,517,593	37,670
Unbilled	3,687,299	2,491,213	-	-	6,178,512	-
Leases receivable, current	-	-	-	114,085	114,085	-
Inventories	577,202	26,831	102,020	69,338	775,391	346,176
Prepaid items	-	-	48,010	45,921	93,931	5,546
Total current assets	<u>10,634,731</u>	<u>10,119,201</u>	<u>474,963</u>	<u>1,859,915</u>	<u>23,088,810</u>	<u>15,522,871</u>
Noncurrent assets						
Long-term contracts receivable	10,031	270,623	4,194	-	284,848	-
Advances to other funds	-	-	-	3,344,230	3,344,230	-
Leases receivable, net of current portion	-	-	-	258,438	258,438	-
Capital assets not being depreciated	5,184,400	10,673,218	2,213,463	2,107,345	20,178,426	1,250,240
Capital assets, net of accumulated depreciation	86,628,874	40,005,339	5,248,139	1,925,700	133,808,052	8,559,874
Net pension asset	1,729,490	348,977	-	-	2,078,467	-
Total noncurrent assets	<u>93,552,795</u>	<u>51,298,157</u>	<u>7,465,796</u>	<u>7,635,713</u>	<u>159,952,461</u>	<u>9,810,114</u>
Total assets	<u>104,187,526</u>	<u>61,417,358</u>	<u>7,940,759</u>	<u>9,495,628</u>	<u>183,041,271</u>	<u>25,332,985</u>
Deferred Outflows of Resources						
Bond refundings	-	-	290,758	-	290,758	-
Pension related	49,176	9,923	-	-	59,099	-
OPEB related	186,813	37,695	-	-	224,508	-
Total deferred outflows of resources	<u>235,989</u>	<u>47,618</u>	<u>290,758</u>	<u>-</u>	<u>574,365</u>	<u>-</u>
Liabilities						
Current liabilities						
Accounts payable	3,405,378	1,197,178	23,277	223,702	4,849,535	662,004
Accrued liabilities	450,446	175,010	307,866	237,961	1,171,283	-
Compensated absences	-	-	-	-	-	3,417,560
Current portion of long-term liabilities	-	-	810,930	53,105	864,035	-
Total current liabilities	<u>3,855,824</u>	<u>1,372,188</u>	<u>1,142,073</u>	<u>514,768</u>	<u>6,884,853</u>	<u>4,079,564</u>
Noncurrent liabilities						
Compensated absences	-	-	-	-	-	2,112,018
Long-term liabilities	-	-	3,512,800	36,501	3,549,301	-
Advances from other funds	-	-	10,442,312	680,302	11,122,614	-
Net OPEB liability	686,736	138,570	-	-	825,306	-
Total noncurrent liabilities	<u>686,736</u>	<u>138,570</u>	<u>13,955,112</u>	<u>716,803</u>	<u>15,497,221</u>	<u>2,112,018</u>
Total liabilities	<u>4,542,560</u>	<u>1,510,758</u>	<u>15,097,185</u>	<u>1,231,571</u>	<u>22,382,074</u>	<u>6,191,582</u>
Deferred Inflows of Resources						
Deferred lease amounts	-	-	-	372,523	372,523	-
Deferred other postemployment benefit amounts	145,327	29,324	-	-	174,651	-
Total deferred inflows of resources	<u>145,327</u>	<u>29,324</u>	<u>-</u>	<u>372,523</u>	<u>547,174</u>	<u>-</u>
Net Position						
Net investment in capital assets	91,538,037	50,503,547	3,428,630	3,943,439	149,413,653	9,810,114
Restricted for						
Pension	1,778,666	358,900	-	-	2,137,566	-
Unrestricted (deficit)	6,418,925	9,062,447	(10,294,298)	3,948,095	9,135,169	9,331,289
Total net position (deficit)	<u>\$ 99,735,628</u>	<u>\$ 59,924,894</u>	<u>\$ (6,865,668)</u>	<u>\$ 7,891,534</u>	<u>160,686,388</u>	<u>\$ 19,141,403</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>383,007</u>	
Net position of business-type activities					<u>\$ 161,069,395</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, 2023

	Water	Sewer	Sanctuary Lake Golf Course	Nonmajor Enterprise Funds	Total	Internal Service Funds
Operating revenue						
Charges for services	\$ 20,385,364	\$ 13,839,768	\$ 2,601,183	\$ 2,068,878	\$ 38,895,193	\$ 10,468,089
Rental:						
Golf course	-	-	890	292,613	293,503	-
Restaurant	-	-	-	70,120	70,120	-
Hydrant	8,100	-	-	-	8,100	-
Building	-	-	-	-	-	268,285
Equipment	-	-	-	-	-	3,932,008
Tap and connection fees	472,820	-	-	-	472,820	-
Penalties	497,391	-	-	-	497,391	-
Other services	13,416	-	-	99,555	112,971	-
Other services to City Funds	-	-	-	-	-	463,964
Total operating revenue	<u>21,377,091</u>	<u>13,839,768</u>	<u>2,602,073</u>	<u>2,531,166</u>	<u>40,350,098</u>	<u>15,132,346</u>
Operating expenses						
Cost of sales and services	14,538,261	11,984,119	-	-	26,522,380	9,331,954
General and administrative	944,698	898,440	-	-	1,843,138	745,188
Operations	3,230,993	1,066,730	2,003,853	1,910,100	8,211,676	2,996,604
Depreciation	3,415,417	1,931,832	385,482	290,573	6,023,304	1,263,240
Total operating expenses	<u>22,129,369</u>	<u>15,881,121</u>	<u>2,389,335</u>	<u>2,200,673</u>	<u>42,600,498</u>	<u>14,336,986</u>
Operating income (loss)	<u>(752,278)</u>	<u>(2,041,353)</u>	<u>212,738</u>	<u>330,493</u>	<u>(2,250,400)</u>	<u>795,360</u>
Nonoperating revenue (expenses)						
Investment earnings (loss)	594,855	(277,051)	-	(21,290)	296,514	(494,610)
Gain on sale of capital assets	-	-	6,750	3,500	10,250	302,060
Interest expense	-	-	(163,436)	(12,690)	(176,126)	-
Total nonoperating revenues (expenses)	<u>594,855</u>	<u>(277,051)</u>	<u>(156,686)</u>	<u>(30,480)</u>	<u>130,638</u>	<u>(192,550)</u>
Income (loss) before contributions and transfers out	<u>(157,423)</u>	<u>(2,318,404)</u>	<u>56,052</u>	<u>300,013</u>	<u>(2,119,762)</u>	<u>602,810</u>
Capital contributions	<u>430,796</u>	<u>300,938</u>	<u>-</u>	<u>-</u>	<u>731,734</u>	<u>-</u>
Change in net position	<u>273,373</u>	<u>(2,017,466)</u>	<u>56,052</u>	<u>300,013</u>	<u>(1,388,028)</u>	<u>602,810</u>
Net position (deficit) - beginning of year	<u>99,462,255</u>	<u>61,942,360</u>	<u>(6,921,720)</u>	<u>7,591,521</u>		<u>18,538,593</u>
Net position (deficit) - end 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>
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>20,679</u>	
Change in net position of business-type activities					<u>\$ (1,367,349)</u>	

See Accompanying Notes to the Financial Statements

City of Troy, Michigan
Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2023

	Water	Sewer	Sanctuary Lake Golf Course	Nonmajor Enterprise Funds	Total	Internal Service Funds
Cash flows from operating activities						
Receipts from customers	\$ 20,562,112	\$ 13,462,998	\$ 2,650,868	\$ 2,655,891	\$ 39,331,869	\$ -
Receipts from interfund users	-	-	-	-	-	15,117,158
Payments to suppliers	(18,108,013)	(13,952,325)	(2,087,334)	(1,788,296)	(35,935,968)	(12,783,698)
Net cash provided (used) by operating activities	<u>2,454,099</u>	<u>(489,327)</u>	<u>563,534</u>	<u>867,595</u>	<u>3,395,901</u>	<u>2,333,460</u>
Cash flows from noncapital financing activities						
Advances from (to) other funds	-	-	500,000	(500,000)	-	-
Cash flows from capital and related financing activities						
Capital contributions	430,796	300,938	-	-	731,734	-
Purchases/construction of capital assets	(6,205,892)	(4,701,464)	(267,662)	(311,457)	(11,486,475)	(4,293,770)
Principal and interest paid on long-term debt	-	-	(919,475)	(64,055)	(983,530)	-
Proceeds from sale of capital assets	-	-	6,750	3,500	10,250	306,403
Net cash used by capital and related financing activities	<u>(5,775,096)</u>	<u>(4,400,526)</u>	<u>(1,180,387)</u>	<u>(372,012)</u>	<u>(11,728,021)</u>	<u>(3,987,367)</u>
Cash flows from investing activities						
Interest received (paid)	<u>594,855</u>	<u>(277,051)</u>	<u>-</u>	<u>(21,290)</u>	<u>296,514</u>	<u>(494,610)</u>
Net change in cash and investments	(2,726,142)	(5,166,904)	(116,853)	(25,707)	(8,035,606)	(2,148,517)
Cash and investments - beginning of year	<u>5,696,003</u>	<u>12,768,061</u>	<u>428,954</u>	<u>1,551,886</u>	<u>20,444,904</u>	<u>17,281,996</u>
Cash and investments - end 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>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities						
Operating income (loss)	\$ (752,278)	\$ (2,041,353)	\$ 212,738	\$ 330,493	\$ (2,250,400)	\$ 795,360
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities						
Depreciation and amortization expense	3,415,417	1,931,832	385,482	290,573	6,023,304	1,263,240
Changes in assets and liabilities						
Receivables (net)	(814,979)	(376,770)	48,795	238,811	(904,143)	(15,188)
Inventories	(92,184)	(4,139)	(45,639)	(24,378)	(166,340)	97,615
Prepaid items	935	-	11,352	437	12,724	130,311
Net pension asset	(442,012)	(89,189)	-	-	(531,201)	-
Pension related deferred outflows of resources	313,344	63,227	-	-	376,571	-
OPEB related deferred outflows of resources	135,164	27,274	-	-	162,438	-
Accounts payable	870,236	183,049	22,257	188,792	1,264,334	(65,715)
Accrued and other liabilities	35,488	(139,869)	(71,451)	(43,047)	(218,879)	(70,367)
Compensated absences	-	-	-	-	-	198,204
Net OPEB liability	(347,992)	(70,218)	-	-	(418,210)	-
Lease related deferred inflows of resources	-	-	-	(114,086)	(114,086)	-
OPEB related deferred inflows of resources	<u>132,960</u>	<u>26,829</u>	<u>-</u>	<u>-</u>	<u>159,789</u>	<u>-</u>
Net cash provided (used) by operating activities	<u>\$ 2,454,099</u>	<u>\$ (489,327)</u>	<u>\$ 563,534</u>	<u>\$ 867,595</u>	<u>\$ 3,395,901</u>	<u>\$ 2,333,460</u>

See Accompanying Notes to the Financial Statements

City of Troy, Michigan
Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2023

	Pension and Other Employee Benefit Trust Funds	Tax Collection Custodial Fund
Assets		
Cash and cash equivalents	\$ 4,832,849	\$ -
Investments:		
U.S. government securities and agencies	9,906,912	-
Asset backed securities	1,125,721	-
Corporate bonds and fixed income commingled funds	68,515,213	-
Common stocks and equity mutual funds	233,257,844	-
Real estate	5,139,192	-
Interest receivable	385,523	-
Total assets	<u>323,163,254</u>	<u>-</u>
Liabilities		
Accounts payable	76,159	-
Accrued liabilities	17,929	-
Total liabilities	<u>94,088</u>	<u>-</u>
Net Position		
Restricted for pension benefits	211,115,856	-
Restricted for other postemployment healthcare benefits	111,953,310	-
Total net position	<u>\$ 323,069,166</u>	<u>\$ -</u>

City of Troy, Michigan
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2023

	Pension and Other Employee Benefit Trust Funds	Tax Collection Custodial Fund
Additions		
Contributions		
Employer contributions	\$ 14,008,385	\$ -
Employee contributions	308,348	-
Total contributions	<u>14,316,733</u>	<u>-</u>
Investment earnings		
Interest	1,577,126	-
Dividends	7,810,662	-
Net adjustment in fair value of investments	30,642,380	-
Less: investment expense	<u>(769,340)</u>	<u>-</u>
Net investment earnings	<u>39,260,828</u>	<u>-</u>
Property tax collections for other governments	<u>-</u>	<u>227,696,018</u>
Total additions	<u>53,577,561</u>	<u>227,696,018</u>
Deductions		
Benefits	44,738,072	-
Administrative expenses	265,851	-
Payments of taxes to other governments	<u>-</u>	<u>227,696,018</u>
Total deductions	<u>45,003,923</u>	<u>227,696,018</u>
Change in net position	8,573,638	-
Net position - beginning of year	<u>314,495,528</u>	<u>-</u>
Net position - end of year	<u>\$ 323,069,166</u>	<u>\$ -</u>

See Accompanying Notes to the Financial Statements

City of Troy, Michigan
Component Units
Statement of Net Position
June 30, 2023

	Brownfield Redevelopment Authority	Downtown Development Authority	Local Development Finance Authority	Total
Assets				
Current assets				
Cash and cash equivalents	\$ 710,608	\$ 3,810,128	\$ 95,581	\$ 4,616,317
Receivables				
Taxes	543	114,690	3,469	118,702
Total current assets	<u>711,151</u>	<u>3,924,818</u>	<u>99,050</u>	<u>4,735,019</u>
Liabilities				
Current liabilities				
Interest payable	-	23,810	-	23,810
Unearned revenue	543	-	3,469	4,012
Current portion of long-term liabilities	-	560,000	-	560,000
Total current liabilities	<u>543</u>	<u>583,810</u>	<u>3,469</u>	<u>587,822</u>
Noncurrent liabilities				
Long-term liabilities	<u>-</u>	<u>9,060,000</u>	<u>-</u>	<u>9,060,000</u>
Total liabilities	<u>543</u>	<u>9,643,810</u>	<u>3,469</u>	<u>9,647,822</u>
Net Position				
Unrestricted (deficit)	<u>\$ 710,608</u>	<u>\$ (5,718,992)</u>	<u>\$ 95,581</u>	<u>\$ (4,912,803)</u>

See Accompanying Notes to the Financial Statements

City of Troy, Michigan
Component Units
Statement of Activities
For the Year Ended June 30, 2023

	Brownfield Redevelopment Authority	Downtown Development Authority	Local Development Finance Authority	Total
General revenues				
Property taxes	\$ 215,702	\$ 2,278,828	\$ 146,534	\$ 2,641,064
State grants	-	-	74,375	74,375
Unrestricted investment loss	(31,240)	(132,930)	(5,471)	(169,641)
Total general revenues	<u>184,462</u>	<u>2,145,898</u>	<u>215,438</u>	<u>2,545,798</u>
Expenses				
Community and economic development	\$ 394,088	\$ 867,211	\$ 177,161	\$ 1,438,460
Interest and fiscal charges on long-term debt	-	144,556	-	144,556
Total expenses	<u>394,088</u>	<u>1,011,767</u>	<u>177,161</u>	<u>1,583,016</u>
Change in net position	(209,626)	1,134,131	38,277	962,782
Net position (deficit) - beginning of year	<u>920,234</u>	<u>(6,853,123)</u>	<u>57,304</u>	<u>(5,875,585)</u>
Net position (deficit) - end of year	<u>\$ 710,608</u>	<u>\$ (5,718,992)</u>	<u>\$ 95,581</u>	<u>\$ (4,912,803)</u>

See Accompanying Notes to the Financial Statements

NOTES TO THE FINANCIAL STATEMENTS

City of Troy, Michigan
Notes to the Financial Statements
June 30, 2023

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, 2023

and manages pension investments. The Board consists of eight members including the City Manager and Assistant City Manager/Finance and a non-voting retiree from the Defined Benefit Plan. Six members serve for three-year terms, three of which are appointed by City Council and three 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 Volunteer Firefighter Incentive Plan (VFIP) was a noncontributory incentive plan and trust established by resolution of the City Council covering its volunteer firefighters. The single-employer plan benefits were determined based on annual contribution amounts for each year of incentive service. The City Council approved the revised City of Troy Incentive Plan for Volunteer Firefighters and established the City of Troy Volunteer Firefighter Incentive Plan Board on April 4, 2016. The Volunteer Firefighter Incentive Plan Board served as general administration, management and responsibility for the proper operation of the Trust, consistent with applicable state and federal laws and regulations. The Volunteer Firefighter Incentive Plan Board consisted of seven members including the City Manager, the City Financial Services Director, two active volunteer firefighters and one retiree representative (appointed by the Volunteer Incentive Committee), one member of the Troy City Council (appointed by City Council), and one citizen of the City of Troy (appointed by the Mayor). Each member served a three-year term. As the City had a voting majority on the Board and VFIP was 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. The plan was terminated as of April 30, 2023.

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 eight 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

City of Troy, Michigan
Notes to the Financial Statements
June 30, 2023

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*.

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

City of Troy, Michigan
Notes to the Financial Statements
June 30, 2023

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.

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. 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.

City of Troy, Michigan
Notes to the Financial Statements
June 30, 2023

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.

All proprietary funds, 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

City of Troy, Michigan
Notes to the Financial Statements
June 30, 2023

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, 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. The City recognizes lease liabilities with an initial, individual value of \$10,000 or more.

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.

City of Troy, Michigan
Notes to the Financial Statements
June 30, 2023

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".

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.

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

City of Troy, Michigan
Notes to the Financial Statements
June 30, 2023

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 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 also reports deferred outflows of resources related to the net pension and other postemployment benefit liabilities.

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 reports deferred inflows of resources related to the net pension and other postemployment benefit liabilities. 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 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

City of Troy, Michigan
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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 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/liability, 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.

Upcoming Accounting and Reporting Changes

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. This statement is effective for the year ending June 30, 2024.

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.

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
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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 as of June 30, 2023:

Sanctuary Lake Golf Course Fund	\$ (10,294,298)
Aquatic Center Fund	(192,147)

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.

City of Troy, Michigan
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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, 2022	\$ (5,314,527)
Current year building permit revenue	<u>2,543,976</u>
Related expenses:	
Direct costs	1,878,268
Estimated indirect costs	<u>906,559</u>
Total construction code expenses	<u>2,784,827</u>
Net deficit for the year ended June 30, 2023	<u>(240,851)</u>
Cumulative shortfall at June 30, 2023	<u>\$ (5,555,378)</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, 2023:

	Primary Government	Component Units	Fiduciary Funds	Totals
Statement of net position				
Cash and investments	\$ 91,671,252	\$ 4,616,317	\$ -	\$ 96,287,569
Statement of fiduciary net position				
Pension and OPEB trust funds:				
Cash and cash equivalents	-	-	4,832,849	4,832,849
Investments	<u>-</u>	<u>-</u>	<u>317,944,882</u>	<u>317,944,882</u>
Total	<u>\$ 91,671,252</u>	<u>\$ 4,616,317</u>	<u>\$ 322,777,731</u>	<u>\$ 419,065,300</u>

Deposits and investments

Bank deposits:

Checking / savings accounts	\$ 10,255,349
Certificates of deposit (due in less than 1 year)	11,948,998

Investment in securities and mutual funds:

Pooled investments	78,843,158
Pension and OPEB investments	317,944,882
Cash on hand	<u>14,181</u>

Total \$ 419,006,568

City of Troy, Michigan
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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, \$24,708,369 of the City's bank deposits (certificates of deposit, checking, and cash) of \$26,682,528 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	\$ 59,877,672	8.1 years
Municipal bonds	11,740,075	7 years
Pension and OPEB investments		
U.S. Government or agency bond/note	11,032,633	16.9 years
Corporate bonds	35,506,595	4.4 years
Mutual funds - fixed income	33,008,618	7.1 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. As of year-end, the credit quality ratings of fixed income securities are as follows:

	Pooled	Pension and OPEB	
	Investments	Investments	Total
AAA	\$ 60,082,677	\$ 19,862,193	\$ 79,944,870
AA to AA-	6,393,604	5,563,604	11,957,208
A to A-	13,878,185	13,037,176	26,915,361
BBB to BBB-	-	32,512,971	32,512,971
B to B-	-	5,571,245	5,571,245
CCC or below	-	97,559	97,559
Not rated	785,866	3,247,691	4,033,557
	<u>\$ 81,140,332</u>	<u>\$ 79,892,439</u>	<u>\$ 161,032,771</u>

City of Troy, Michigan
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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.

The City had the following recurring fair value measurements as of June 30, 2023:

	Level 1	Level 2	Total
U.S. government obligations	\$ 9,906,911	\$ 9,660,621	\$ 19,567,532
State and municipal bonds	-	10,387,510	10,387,510
Corporate bonds and fixed income commingled funds	68,515,213	-	68,515,213
Common stocks and equity mutual funds	233,230,264	-	233,230,264
Asset backed securities	1,125,722	46,773,052	47,898,774
Total investments at fair value	\$ 312,778,110	\$ 66,821,183	379,599,293

Investments carried at net asset value (NAV)

Alternative investments	344,591
Pooled investments	9,522,584
Total investments	\$ 389,466,468

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

The City holds shares in Michigan CLASS 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 \$139,973. The investment pool had no unfunded commitments, specific redemption frequency or redemption notice period required. The

City of Troy, Michigan
Notes to the Financial Statements
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Michigan CLASS investment pool invests 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 program seeks to provide safety, liquidity, convenience, and competitive rates of return, and is designed to meet the needs of Michigan public sector investors. It purchases 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 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
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June 30, 2023

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	\$ 37,462,124	\$ 353,070	\$ -	\$ 37,815,194
Museum artifacts	2,082,845	-	-	2,082,845
Construction-in-progress	4,497,247	10,874,335	3,161,372	12,210,210
Total capital assets not being depreciated/amortized	<u>44,042,216</u>	<u>11,227,405</u>	<u>3,161,372</u>	<u>52,108,249</u>
Capital assets being depreciated/amortized				
Infrastructure				
Major/county/local roads	286,160,022	4,917,956	-	291,077,978
Local donated roads	33,551,524	-	-	33,551,524
Sidewalks	36,296,348	747,756	-	37,044,104
Drains	11,271,874	16,354	-	11,288,228
Land improvements	13,510,984	913,407	123,178	14,301,213
Buildings and improvements	89,354,005	2,648,641	657,325	91,345,321
Miscellaneous equipment	11,095,095	1,451,677	1,047,073	11,499,699
Office equipment	3,412,810	125,630	125,260	3,413,180
Vehicles	21,669,408	3,804,143	1,033,169	24,440,382
Library books/audio visual	5,890,386	595,069	560,431	5,925,024
Right to use asset - machinery and equipment	57,297	-	-	57,297
Total capital assets being depreciated/amortized	<u>512,269,753</u>	<u>15,220,633</u>	<u>3,546,436</u>	<u>523,943,950</u>
Less accumulated depreciation/amortization for				
Infrastructure				
Major/county/local roads	164,156,618	9,394,468	-	173,551,086
Local donated roads	32,231,716	228,513	-	32,460,229
Sidewalks	31,342,508	476,099	-	31,818,607
Drains	2,102,676	238,686	-	2,341,362
Land improvements	8,802,775	509,966	123,178	9,189,563
Buildings and improvements	56,283,451	1,603,104	609,601	57,276,954
Miscellaneous equipment	6,558,457	865,236	945,815	6,477,878
Office equipment	2,875,763	156,116	125,260	2,906,619
Vehicles	14,092,869	1,407,145	1,028,826	14,471,188
Library books/audio visual	4,132,044	589,362	560,451	4,160,955
Right to use asset - machinery and equipment	5,730	14,324	-	20,054
Total accumulated depreciation/amortization	<u>322,584,607</u>	<u>15,483,019</u>	<u>3,393,131</u>	<u>334,674,495</u>
Net capital assets being depreciated/amortized	<u>189,685,146</u>	<u>(262,386)</u>	<u>153,305</u>	<u>189,269,455</u>
Governmental activities net capital assets	<u>\$ 233,727,362</u>	<u>\$ 10,965,019</u>	<u>\$ 3,314,677</u>	<u>\$ 241,377,704</u>
Right to use leased assets				
Right to use assets, net of amortization	\$ 51,567	\$ (14,324)	\$ -	\$ 37,243
Capital assets				
Capital assets not being depreciated	44,042,216	11,227,405	3,161,372	52,108,249
Capital assets, net of depreciation	<u>189,633,579</u>	<u>(248,062)</u>	<u>153,305</u>	<u>189,232,212</u>
Net capital assets	<u>\$ 233,727,362</u>	<u>\$ 10,965,019</u>	<u>\$ 3,314,677</u>	<u>\$ 241,377,704</u>

City of Troy, Michigan
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	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities				
Capital assets not being depreciated				
Land	\$ 6,738,504	\$ -	\$ -	\$ 6,738,504
Construction-in-progress	11,248,553	10,232,191	8,040,822	13,439,922
Total capital assets not being depreciated	17,987,057	10,232,191	8,040,822	20,178,426
Capital assets being depreciated				
Water and sewer transmission and distribution system	230,497,097	8,772,556	-	239,269,653
Service connections	750,121	-	-	750,121
Land improvements	9,728,678	-	130,989	9,597,689
Buildings and improvements	8,007,053	288,526	91,385	8,204,194
Miscellaneous equipment	2,944,185	234,024	108,985	3,069,224
Vehicles	1,147,768	-	-	1,147,768
Furniture, fixtures and others	24,500	-	-	24,500
Total capital assets being depreciated	253,099,402	9,295,106	331,359	262,063,149
Less accumulated depreciation for				
Water and sewer transmission and distribution system	107,847,541	5,279,251	-	113,126,792
Service connections	750,121	-	-	750,121
Land improvements	4,636,759	261,079	130,989	4,766,849
Buildings and improvements	6,988,775	178,192	91,385	7,075,582
Miscellaneous equipment	1,755,737	220,776	108,985	1,867,528
Vehicles	559,719	84,006	-	643,725
Furniture, fixtures and others	24,500	-	-	24,500
Total accumulated depreciation	122,563,152	6,023,304	331,359	128,255,097
Net capital assets being depreciated	130,536,250	3,271,802	-	133,808,052
Business-type capital assets, net	<u>\$ 148,523,307</u>	<u>\$ 13,503,993</u>	<u>\$ 8,040,822</u>	<u>\$ 153,986,478</u>

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

Governmental activities

General government	\$ 1,227,564
Public safety	968,755
Public works	10,577,917
Community and economic development	83,903
Recreation and culture	1,361,640
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of the assets	1,263,240
Total governmental activities	<u>15,483,019</u>

Business-type activities

Sylvan Glen Golf Course Fund	215,445
Aquatic Center Fund	75,128
Sanctuary Lake Golf Course Fund	385,482
Sewer Fund	1,931,832
Water Fund	3,415,417
Total business-type activities	<u>6,023,304</u>

Total primary government \$ 21,506,323

City of Troy, Michigan
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Construction Commitments

As of June 30, 2023, the City had \$13,099,203 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, 2023:

Receivable Fund	Payable Fund	Amount
General Fund	Sanctuary Lake Golf Course Fund	\$ 7,098,082
Nonmajor Enterprise Funds in the Aggregate	Sanctuary Lake Golf Course Fund	3,344,230
General Fund	Nonmajor Enterprise Funds in the Aggregate	680,302
		<u>\$ 11,122,614</u>

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, 2023:

Funds Transferred From	Funds Transferred To	Amount
General Fund	Capital Projects Fund	\$ 2,000,000
General Fund	Nonmajor Governmental Funds in the Aggregate	10,000
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	5,404,545
		<u>\$ 8,915,745</u>

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 \$2,500,000 and \$2,000,000, respectively, representing partial funding for capital street improvements. In addition, the library fund transferred \$904,545 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
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June 30, 2023

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%	\$ 17,341
AT&T Cell Tower	7/1/2022	5 years	39,996	3.00%	150,596
T-Mobile Cell Tower	10/8/2003	6 years	22,800	2.00%	85,873
Verizon Cell Tower	7/1/2022	5 years	27,360	2.00%	86,720
DMC Community Center	10/24/2022	5 years	32,700	3.00%	131,432
Gun Range	5/1/2021	5 years	9,264	1.01%	26,190
Flynn Park Roadway	11/7/2006	20 years	15,000	2.00%	49,676
Tennis Grounds	5/21/2018	10 years	51,996	1.01%	248,694
Camp Ticonderoga	5/1/2021	5 years	72,720	1.01%	199,930
					<u>\$ 996,452</u>

The City collected \$267,178 from the lessees for the year ended June 30, 2023, which includes \$248,022 in lease revenue and \$19,156 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
2024	\$ 149,811	\$ 114,085	\$ 263,896
2025	147,430	114,085	261,515
2026	141,627	102,262	243,889
2027	126,963	42,091	169,054
2028	58,098	-	58,098
Total	<u>\$ 623,929</u>	<u>\$ 372,523</u>	<u>\$ 996,452</u>

Lease Liability

Lease liability agreements are summarized as follows:

Description	Remaining Term	Payment Amount	Interest Rate	Total Lease Liability
Copiers	3 years	\$ 15,850	Various	<u>\$ 38,488</u>

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

Year Ending June 30,	Governmental Activities	
	Principal	Interest
2024	\$ 14,179	\$ 1,670
2025	14,907	942
2026	9,402	218
	<u>\$ 38,488</u>	<u>\$ 2,830</u>

City of Troy, Michigan
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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 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 \$749.8 million, which significantly exceeds the City's outstanding general obligation debt subject to limitation of \$13.5 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	0.32 - 2.17%	\$560,000 - \$1,075,000	\$ 10,105,000	\$ -	\$ 485,000	\$ 9,620,000	\$ 560,000
Notes from direct borrowings and direct placements									
GWK Series 2001C	2,102,682	2024	2.50%	131,609	260,021	-	128,412	131,609	131,609
GWK Series 2001D	81,089	2024	2.50%	3,392	6,845	-	3,453	3,392	3,392
GWK Series 2005	41,440	2026	1.63%	2,209 - 2,315	8,942	-	2,209	6,733	2,209
GWK Series 2007G	46,242	2028	1.63%	2,318 - 2,468	15,049	-	2,469	12,580	2,468
GWK Series 2008H	196,953	2029	2.50%	9,727 - 11,044	78,589	-	10,784	67,805	11,044
GWK Series 2016	190,572	2024	2.33%	13,685	28,394	-	14,709	13,685	13,685
Total notes from direct borrowings and direct placements					397,840	-	162,036	235,804	164,407
Total bonds and notes payable					10,502,840	-	647,036	9,855,804	724,407
Leases					51,975	-	13,487	38,488	14,179
Estimated self-insurance claims					1,424,825	9,288,699	9,316,112	1,397,412	898,324
Compensated absences					5,331,374	5,396,194	5,197,990	5,529,578	3,417,560
Total governmental activities					\$ 17,311,014	\$ 14,684,893	\$ 15,174,625	\$ 16,821,282	\$ 5,054,470
Business-type activities									
Bonds and notes payable									
General obligation bonds									
Golf Course Series 2022	\$ 4,620,000	2028	3.00 - 4.00%	\$695,000 - \$855,000	\$ 4,620,000	\$ -	\$ 700,000	\$ 3,920,000	\$ 695,000
Notes from direct borrowings and direct placements									
Sanctuary Lake Golf Course Note Payable	301,909	2025	2.72%	53,105 - 36,501	140,971	-	51,365	89,606	53,105
Sylvan Glen Golf Course Note Payable	301,909	2025	2.72%	53,105 - 36,501	140,971	-	51,365	89,606	53,105
Total notes from direct borrowings and direct placements					281,942	-	102,730	179,212	106,210
Issuance premiums					376,949	-	62,825	314,124	62,825
Total business-type activities					\$ 5,278,891	\$ -	\$ 865,555	\$ 4,413,336	\$ 864,035

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
2024	\$ 560,000	\$ 142,857	\$ 164,407	\$ 5,320	\$ 695,000	\$ 138,400	\$ 106,210	\$ 4,055
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	-	-
2029-2033	4,825,000	315,755	9,727	-	-	-	-	-
2034	835,000	9,072	-	-	-	-	-	-
	<u>\$ 9,620,000</u>	<u>\$ 978,682</u>	<u>\$ 235,804</u>	<u>\$ 8,440</u>	<u>\$ 3,920,000</u>	<u>\$ 399,050</u>	<u>\$ 179,212</u>	<u>\$ 4,563</u>

City of Troy, Michigan
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Component Units

The following is a summary of long-term liability transactions of the City's component units for the year ended June 30, 2023:

	Amount of Issue	Maturity Date	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Component units									
Downtown Development Authority									
Obligated tax captures									
City issued 2020 DDA Refinancing Debt	\$ 10,105,000	2034	0.32 - 2.17%	\$560,000 - \$1,075,000	\$ 10,105,000	\$ -	\$ 485,000	\$ 9,620,000	\$ 560,000

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, 2023 are as follows:

Year Ending June 30,	Component Unit - Downtown Development Authority Obligated Tax Captures	
	Principal	Interest
2024	\$ 560,000	\$ 142,857
2025	680,000	139,107
2026	805,000	133,284
2027	840,000	125,135
2028	1,075,000	113,472
2029-2033	4,825,000	315,755
2034	835,000	9,072
	<u>\$ 9,620,000</u>	<u>\$ 978,682</u>

City of Troy, Michigan
Notes to the Financial Statements
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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		
Right to use assets, net of amortization	\$ 37,243	\$ -
Capital assets not being depreciated	52,108,249	20,178,426
Capital assets, net of accumulated depreciation	<u>189,232,212</u>	<u>133,808,052</u>
Total capital assets	<u>241,377,704</u>	<u>153,986,478</u>
Less related debt		
General obligation bonds	(9,620,000)	(3,920,000)
Notes from direct borrowing and direct placements	(235,804)	(179,212)
Leases	(38,488)	-
Unamortized bond premiums	-	(314,124)
Deferred charge on bond refunding	80,262	290,758
Add back debt not related to capital assets	9,539,738	-
Retainage payable	<u>(2,668,024)</u>	<u>(450,247)</u>
Total related debt	<u>(2,942,316)</u>	<u>(4,572,825)</u>
Net investment in capital assets	<u>\$ 238,435,388</u>	<u>\$ 149,413,653</u>

Note 10 - Risk Management

The City has entered into a public entity risk pool with other Michigan units of government as an individual member for its general liability, property damage insurance including auto and public officials' liability and contractors equipment. The City's maximum deductible for property coverage is \$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, 2023.

City of Troy, Michigan
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The following are the changes in incurred but not reported (IBNR) estimates:

Year Ended June 30,	Beginning Balance	Additions	Deductions	Ending Balance
2021	\$ 1,182,030	\$ 9,412,368	\$ (9,182,093)	\$ 1,412,305
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

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 \$60,000,000 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 42.94% of the contested value may be refunded to that effect. As a result, the City has recorded a total liability of \$167,689 in the General Fund, \$28,120 in the Refuse Fund, \$27,852 in the Library Fund and \$31,655 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 2022-2023 levy was \$5,750,252,490. 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.

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

City of Troy, Michigan
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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 four programs: The Industrial Facility Tax - Full Rate Program, the Industrial Facility Tax Half Rate Program, the Payment in Lieu of Taxes (PILOT) Program and the Brownfield Redevelopment Program. The Industrial Facility Tax - Full Rate Program provides tax abatements on real property to encourage investment in industrial property that is otherwise obsolete and/or requires rehabilitation. The Program is established under Michigan P.A. 198 of 1974 empowering local governments to establish such programs and/or districts. The Program qualifications are further defined under City Council Resolution 2002-05-273. The abatements equal 100 percent of the additional property tax resulting from the increase in taxable value as a result of the improvements, are administered as a reduction in the tax bill, and can last for up to 12 years after completion of the project. Abatements are obtained through application by the property owner prior to commencing the improvements and require subsequent provision by the owner of proof that the improvements have been made. There are no provisions for recapturing abated taxes. No other commitments were made by the City as part of those agreements.

The Industrial Facility Tax - Half Rate Program is much like the Full-Rate Program discussed above. It 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 - Full Rate	\$ 6,329
Industrial Facility Tax - Half Rate	16,818
Payment in Lieu of Taxes (PILOT)	169,106
Brownfield Redevelopment	61,022
Total tax abatements	<u>\$ 253,275</u>

City of Troy, Michigan
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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, 2022, pension plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	343
Inactive employees entitled to, but not yet receiving benefits	4
Active employees	<u>24</u>
	<u>371</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
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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, 2023, 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, 2023 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
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Rate of return. For the year ended June 30, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 12.55%. 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, 2022	\$ 162,067,090	\$ 200,271,196	\$ (38,204,106)
Changes for the year:			
Service cost	516,493	-	516,493
Interest	10,146,576	-	10,146,576
Differences between expected and actual experience	(295,313)	-	(295,313)
Employee contributions	-	90,425	(90,425)
Net investment income	-	23,584,208	(23,584,208)
Benefit payments, including refunds of employee contributions	(12,639,161)	(12,639,161)	-
Administrative expense	-	(190,812)	190,812
Net changes	(2,271,405)	10,844,660	(13,116,065)
Balances as of June 30, 2023	\$ 159,795,685	\$ 211,115,856	\$ (51,320,171)

Pension Plan Fiduciary Net Position. The plan's fiduciary net position as a percentage of the total pension liability was 132.12% at June 30, 2023.

Actuarial assumptions. The total pension liability was determined by an actuarial valuation as of December 31, 2022 with a measurement and reporting date of June 30, 2023. 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	3.86%
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.

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

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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:

	Current Discount	
1% Decrease	Rate	1% Increase
\$ (35,719,493)	\$ (51,320,171)	\$ (64,600,396)

Pension Expense and Deferred Inflows of Resources Related to Pensions. For the year ended June 30, 2023, the City recognized pension expense of \$(3,818,032). At June 30, 2023, the City reported pension-related deferred outflows of resources from the following sources:

	Deferred Outflows of Resources	Total to Amortize
Net difference between projected and actual earning on plan investments	\$ 1,459,246	\$ 1,459,246

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

Year ended June 30,	
2024	\$ (1,113,901)
2025	(2,181,330)
2026	6,950,601
2027	(2,196,124)
	<u>\$ 1,459,246</u>

Volunteer Firefighter Incentive Plan (VFIP)

The City of Troy has a noncontributory incentive plan and trust established by resolution of the City Council covering its volunteer firefighters. The single employer plan benefits are determined based on annual contribution amounts for each year of incentive service. The normal cost and amortization payment for the year ended June 30, 2023 was determined using an individual entry age funding method. The plan was terminated as of April 30, 2023. The City paid out the balances of all members, regardless of vesting, with contributions from the General Fund in addition to liquidation of plan assets.

City of Troy, Michigan
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Contributions. The City made contributions to the plan through actuarially determined and recommended amounts by an independent actuary. Funding is established through City Council resolution during the budget process. The City's contribution to the plan for the year ended June 30, 2023 was \$11,002,713 and the actuarially determined contribution was \$1,652,713. The City also made contributions in excess of the ADC due to the final benefits payments related to the plan closure of \$9,350,000.

Investment allocation policy. The VFIP plan's policy for fiscal year ended June 30, 2023 in regard to the allocation of invested assets was established by city management until the formal VFIP Board was established. The Board has been dissolved as the plan was terminated as of April 30, 2023.

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Expected Money-Weighted Rate of Return
Global equities (domestic 40% and international 19%)	62.00%	5.70%	3.54%
Fixed income	26.00%	1.20%	0.31%
Real estate	7.00%	6.00%	0.42%
Cash	5.00%	1.00%	0.05%
	<u>100.00%</u>		<u>4.32%</u>
Inflation expectation			<u>2.18%</u>
Investment rate of return			<u><u>6.50%</u></u>

Rate of return. For the year ended June 30, 2023, the annual money-weighted rate of return on volunteer firefighter incentive plan investments, net of investment expenses, was 0.00%, as the plan was terminated as of year end. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. The long-term estimated rate of return was 6.50%.

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

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2022	\$ 27,298,744	\$ 13,814,880	\$ 13,483,864
Changes for the year:			
Service cost	723,968	-	723,968
Interest	1,763,624	-	1,763,624
Differences between expected and actual experience	313,897	-	313,897
Employer contributions	-	11,002,713	(11,002,713)
Net investment income	-	1,024,022	(1,024,022)
Benefit payments, including refunds of employee contributions	(30,100,233)	(25,788,380)	(4,311,853)
Administrative expense	-	(53,235)	53,235
Net changes	<u>(27,298,744)</u>	<u>(13,814,880)</u>	<u>(13,483,864)</u>
Balances as of June 30, 2023	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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Pension Plan Fiduciary Net Position. The plan's fiduciary net position as a percentage of the total pension liability was 0.00% at June 30, 2023, as the plan was terminated as of April 30, 2023.

Actuarial assumptions. The total plan liability was determined by an actuarial valuation as of December 31, 2021 with a measurement and reporting date of June 30, 2023. The following actuarial assumptions were applied to all periods included in the measurement.

Actuarial cost method	Individual entry-age normal
Remaining amortization period	N/A - plan has been terminated
Inflation	N/A - plan has been terminated
Investment rate of return	6.50%
Mortality rates	PubG-2010 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 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 employer contributions will be made at rates equal to the actuarially determined contribution rates. Based on these assumptions, the fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2072.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the year ended June 30, 2023, the City recognized pension expense of (\$24,502,600). At June 30, 2023, the City reported no pension-related deferred outflows of resources and deferred inflows of resources as the plan was terminated as of June 30, 2023 and the remaining deferrals were fully expensed in the current year.

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 seven 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>512</u>

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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.

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, 2023, 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

City of Troy, Michigan
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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, 2023 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, 2023, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expenses, was 14.41%. 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 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, 2022	<u>\$ 131,113,546</u>	<u>\$ 100,409,452</u>	<u>\$ 30,704,094</u>
Changes for the year:			
Service cost	957,813	-	957,813
Interest	8,348,417	-	8,348,417
Differences between expected and actual experience	(16,398,643)	-	(16,398,643)
Changes of assumptions	14,641,866	-	14,641,866
Employer contributions	-	3,005,672	(3,005,672)
On-behalf contributions	-	217,922	(217,922)
Net investment income	-	14,666,779	(14,666,779)
Benefit payments, including refunds of employee contributions	(6,310,530)	(6,310,530)	-
Administrative expense	-	(14,735)	14,735
Net changes	<u>1,238,923</u>	<u>11,565,108</u>	<u>(10,326,185)</u>
Balances as of June 30, 2023	<u><u>\$ 132,352,469</u></u>	<u><u>\$ 111,974,560</u></u>	<u><u>\$ 20,377,909</u></u>

OPEB Plan Fiduciary Net Position. The plan's fiduciary net position as a percentage of the total OPEB liability was 84.60% at June 30, 2023.

City of Troy, Michigan
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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, 2023. 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.

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:

Current Discount		
1% Decrease	Rate	1% Increase
<u>\$ 36,560,231</u>	<u>\$ 20,377,909</u>	<u>\$ 6,901,372</u>

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:

Current Healthcare		
Cost Trend Rate		
1% Decrease	Assumption	1% Increase
<u>\$ 5,861,280</u>	<u>\$ 20,377,909</u>	<u>\$ 37,750,555</u>

City of Troy, Michigan
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June 30, 2023

OPEB Expense Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. For the year ended June 30, 2023, the City recognized OPEB expense of \$555,777. At June 30, 2023, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total to Amortize
Differences in experience	\$ -	\$ (4,312,379)	\$ (4,312,379)
Differences in assumptions	3,850,396	-	3,850,396
Net difference between projected and actual earning on plan investments	<u>1,535,538</u>	<u>-</u>	<u>1,535,538</u>
Total	<u>\$ 5,385,934</u>	<u>\$ (4,312,379)</u>	<u>\$ 1,073,555</u>

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

<u>Year ended June 30,</u>	
2024	\$ (643,214)
2025	(525,651)
2026	3,890,613
2027	<u>(1,648,193)</u>
	<u>\$ 1,073,555</u>

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, 2023

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

Statements of Fiduciary Net Position

	Employee Retirement System	Volunteer Firefighter Incentive Plan	Retiree Healthcare Trust Fund	Total
Assets				
Cash and cash equivalents	\$ 4,309,153	\$ (326,490)	\$ 850,186	\$ 4,832,849
Investments, at fair value:				
U.S. government securities and agencies	8,243,559	-	1,663,353	9,906,912
Asset backed securities	780,075	-	345,646	1,125,721
Corporate bonds and fixed income commingled funds	44,983,433	-	23,531,780	68,515,213
Common stocks and equity mutual funds	147,843,423	-	85,414,421	233,257,844
Real estate	4,794,601	344,591	-	5,139,192
Interest receivable	216,349	-	169,174	385,523
Total assets	<u>211,170,593</u>	<u>18,101</u>	<u>111,974,560</u>	<u>323,163,254</u>
Liabilities				
Accounts payable	54,737	172	21,250	76,159
Accrued liabilities	-	17,929	-	17,929
Total liabilities	<u>54,737</u>	<u>18,101</u>	<u>21,250</u>	<u>94,088</u>
Net Position				
Restricted for:				
Pension benefits	211,115,856	-	-	211,115,856
Retiree healthcare benefits	-	-	111,953,310	111,953,310
Total net position	<u>\$ 211,115,856</u>	<u>\$ -</u>	<u>\$ 111,953,310</u>	<u>\$ 323,069,166</u>

City of Troy, Michigan
Notes to the Financial Statements
June 30, 2023

Statements of Changes in Fiduciary Net Position

	Employee Retirement System	Volunteer Firefighter Incentive Plan	Retiree Healthcare Trust Fund	Total
Additions				
Contributions:				
Employer	\$ -	\$ 11,002,713	\$ 3,005,672	\$ 14,008,385
Plan members	90,426	-	217,922	308,348
Total contributions	90,426	11,002,713	3,223,594	14,316,733
Investment earnings (loss)				
Interest	899,445	170,443	507,238	1,577,126
Dividends	5,033,329	247,128	2,530,205	7,810,662
Net adjustment in fair value of investments	18,201,177	606,452	11,834,751	30,642,380
Investment expense	(549,727)	(31,160)	(188,453)	(769,340)
Net investment earnings	23,584,224	992,863	14,683,741	39,260,828
Total additions	23,674,650	11,995,576	17,907,335	53,577,561
Deductions				
Benefits - pension	12,639,161	25,788,381	-	38,427,542
Benefits - retiree healthcare	-	-	6,310,530	6,310,530
Administrative expenses	190,829	22,075	52,947	265,851
Total deductions	12,829,990	25,810,456	6,363,477	45,003,923
Change in net position	10,844,660	(13,814,880)	11,543,858	8,573,638
Restricted net position, beginning				
Pension benefits	200,271,196	13,814,880	-	214,086,076
Retiree healthcare benefits	-	-	100,409,452	100,409,452
Total restricted net position, beginning	200,271,196	13,814,880	100,409,452	314,495,528
Restricted net position, ending				
Pension benefits	211,115,856	-	-	211,115,856
Retiree healthcare benefits	-	-	111,953,310	111,953,310
Total restricted net position, ending	\$ 211,115,856	\$ -	\$ 111,953,310	\$ 323,069,166

City of Troy, Michigan
Notes to the Financial Statements
June 30, 2023

Note 17 - Defined Contribution Pension Plan

The City maintains a defined contribution plan (DCP) administered by MissionSquare 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, 2023 was 388.

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, 2023, was \$29,927,718. The required contributions, which matched those actually made, were \$1,423,736 by employees and \$3,158,810 by the City, representing 5.0 percent and 11.0 percent of covered payroll, respectively.

City of Troy, Michigan
Notes to the Financial Statements
June 30, 2023

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	\$ 537,300	\$ -	\$ -	\$ 537,300
Prepaid items	1,310,347	-	116,635	1,426,982
Permanent fund corpus	-	-	164,000	164,000
Advance to Sanctuary Lake Golf Course	7,098,082	-	-	7,098,082
Advance to Aquatic Center	680,302	-	-	680,302
Total nonspendable	<u>9,626,031</u>	<u>-</u>	<u>280,635</u>	<u>9,906,666</u>
Restricted				
Special revenue funding source restrictions:				
Public safety	-	-	1,368,756	1,368,756
Highways and streets	-	-	7,322,832	7,322,832
Sanitation	-	-	1,120,591	1,120,591
Library	-	-	2,701,815	2,701,815
Other	-	-	188	188
Cemetery perpetual care	-	-	57,345	57,345
Capital improvements	-	7,897,957	-	7,897,957
Federal transportation	-	357,941	-	357,941
Total restricted	<u>-</u>	<u>8,255,898</u>	<u>12,571,527</u>	<u>20,827,425</u>
Assigned				
Insurance claims	3,000,000	-	-	3,000,000
Tax appeals	170,000	-	-	170,000
Subsequent years budget	3,150,196	-	-	3,150,196
Total assigned	<u>6,320,196</u>	<u>-</u>	<u>-</u>	<u>6,320,196</u>
Unassigned	<u>19,650,093</u>	<u>-</u>	<u>-</u>	<u>19,650,093</u>
Total fund balances	<u>\$ 35,596,320</u>	<u>\$ 8,255,898</u>	<u>\$ 12,852,162</u>	<u>\$ 56,704,380</u>

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.

City of Troy, Michigan
Notes to the Financial Statements
June 30, 2023

Note 20 - Prior Period Adjustment

The City reports a prior period adjustment in the General Fund and Governmental Activities of \$3,658,707. The prior period adjustment consists of an investment balance that was improperly omitted from the City's financial statements many years ago due to turnover of finance department staff. The investment balance was identified by the City in the current year and the fund balance/net position was properly restated. The City liquidated the entire investment balance as of June 30, 2023. The affect on fund balance/net position is described below.

	<u>General Fund</u>	<u>Governmental Activities</u>
Net position / fund balance at June 30, 2022	\$ 39,613,229	\$ 320,881,613
Adjustments		
Investments omitted from financial statements	<u>3,658,707</u>	<u>3,658,707</u>
Restated net position / fund balance at June 30, 2023	<u>\$ 43,271,936</u>	<u>\$ 324,540,320</u>

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, 2023

Fiscal year ended June 30,	2023	2022	2021	2020	2019
Total Pension Liability					
Service cost	\$ 516,493	\$ 713,220	\$ 832,121	\$ 892,618	\$ 919,922
Interest	10,146,576	10,248,059	10,081,514	10,166,772	10,145,675
Changes of benefit terms	-	-	-	-	-
Experience differences	(295,313)	(60,178)	1,144,561	(827,202)	1,345,828
Changes in assumptions	-	-	2,445,899	-	(701,730)
Benefit payments and refunds	(12,639,161)	(12,100,440)	(11,672,985)	(11,360,090)	(11,382,935)
Net change in total pension liability	(2,271,405)	(1,199,339)	2,831,110	(1,127,902)	326,760
Total pension liability - beginning	162,067,090	163,266,429	160,435,319	161,563,221	161,236,461
Total pension liability - ending (a)	<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>
Plan Fiduciary Net Position					
Employer contributions	\$ -	\$ -	\$ -	\$ -	\$ -
Employee contributions	90,425	116,939	157,698	157,335	164,311
Net investment income (loss)	23,584,208	(30,347,862)	58,046,577	7,323,662	15,253,371
Benefit payments and refunds	(12,639,161)	(12,100,440)	(11,672,985)	(11,360,090)	(11,382,935)
Administrative expense	(190,812)	(186,316)	(136,183)	(220,079)	(147,374)
Net change in plan fiduciary net position	10,844,660	(42,517,679)	46,395,107	(4,099,172)	3,887,373
Plan fiduciary net position - beginning	200,271,196	242,788,875	196,393,768	200,492,940	196,605,567
Plan fiduciary net position - ending (b)	<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>
Net pension asset (a-b)	<u>\$ (51,320,171)</u>	<u>\$ (38,204,106)</u>	<u>\$ (79,522,446)</u>	<u>\$ (35,958,449)</u>	<u>\$ (38,929,719)</u>
Plan fiduciary net position as a percentage of total pension liability	132.12%	123.57%	148.71%	122.41%	124.10%
Covered payroll	\$ 2,688,816	\$ 3,461,432	\$ 4,429,886	\$ 4,714,838	\$ 4,695,195
Net pension asset as a percentage of covered employee payroll	(1,908.65%)	(1,103.71%)	(1,795.14%)	(762.67%)	(829.14%)

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, 2023

Fiscal year ended June 30,	2018	2017	2016	2015	2014
Total Pension Liability					
Service cost	\$ 915,316	\$ 951,388	\$ 993,515	\$ 966,066	\$ 985,140
Interest	10,153,512	10,180,968	10,251,205	9,626,619	9,635,941
Changes of benefit terms	-	-	(10,477)	-	-
Experience differences	176,027	(238,774)	(1,118,247)	1,874,178	286,868
Changes in assumptions	-	-	-	8,167,150	-
Benefit payments and refunds	(11,352,909)	(11,245,246)	(11,108,572)	(11,128,133)	(10,955,507)
Net change in total pension liability	(108,054)	(351,664)	(992,576)	9,505,880	(47,558)
Total pension liability - beginning	161,344,515	161,696,179	162,688,755	153,182,875	153,230,433
Total pension liability - ending (a)	<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>
Plan Fiduciary Net Position					
Employer contributions	\$ -	\$ 658,557	\$ 314,025	\$ 1,451,198	\$ 1,867,473
Employee contributions	159,830	163,907	166,434	165,624	174,214
Net investment income (loss)	19,495,709	23,674,177	(330,035)	6,229,392	35,667,991
Benefit payments and refunds	(11,352,909)	(11,245,246)	(11,108,572)	(11,128,133)	(10,955,507)
Administrative expense	(137,054)	(136,279)	(133,867)	(129,870)	(242,023)
Net change in plan fiduciary net position	8,165,576	13,115,116	(11,092,015)	(3,411,789)	26,512,148
Plan fiduciary net position - beginning	188,439,991	175,324,875	186,416,890	189,828,679	163,316,531
Plan fiduciary net position - ending (b)	<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>
Net pension asset (a-b)	<u>\$ (35,369,106)</u>	<u>\$ (27,095,476)</u>	<u>\$ (13,628,696)</u>	<u>\$ (23,728,135)</u>	<u>\$ (36,645,804)</u>
Plan fiduciary net position as a percentage of total pension liability	121.94%	116.79%	108.43%	114.58%	123.92%
Covered payroll	\$ 4,428,407	\$ 4,532,372	\$ 4,910,089	\$ 4,902,224	\$ 4,768,908
Net pension asset as a percentage of covered employee payroll	(798.69%)	(597.82%)	(277.57%)	(484.03%)	(768.43%)

City of Troy, Michigan
Required Supplementary Information
Employee Retirement System
Schedule of Net Pension Asset
For the Year Ended June 30, 2023

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
2014	\$ 153,182,875	\$ 189,828,679	\$ (36,645,804)	123.9%	\$ 4,768,908	-768.4%
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%

City of Troy, Michigan
Required Supplementary Information
Employee Retirement System
Schedule of Employer Contributions
For the Year Ended June 30, 2023

	Actuarially Determined		Contribution		Actual Contribution as	
Fiscal Year Ended	Contribution	Actual Contribution	Deficiency (Excess)	Covered Payroll	Percentage of Covered Payroll	
2014	\$ 1,845,880	1,867,473	(21,593)	\$ 4,768,908	39.2%	
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%	

Notes to Schedule of Contributions

Valuation Date: December 31, 2022

Notes: Actuarially determined contributions rates are calculated as of December 31st, 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 fair value
Inflation	2.5%; No explicit price inflation assumption is used in this valuation
Salary increases	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, Command Officers first used for the 1981 valuation; Non-Classified/Exempt General members first used for the 1986 valuation
Mortality	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.

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

Fiscal Year Ended June 30,	Annual Return % *
2014	22.20%
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%

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

City of Troy, Michigan
Required Supplementary Information
Volunteer Firefighter Incentive Plan
Schedule of Changes in Net Pension Liability and Related Ratios
For the Year Ended June 30, 2023

Fiscal year ended June 30,	2023	2022	2021	2020	2019
Total Pension Liability					
Service cost	\$ 723,968	\$ 686,005	\$ 734,992	\$ 570,840	\$ 545,049
Interest	1,763,624	1,667,518	1,588,789	1,336,338	1,272,457
Changes of benefit terms	(29,044,140)	-	-	2,924,680	-
Experience differences	313,897	154,125	(507,609)	34,319	(64,876)
Changes in assumptions	-	-	(369,007)	299,159	155,633
Benefit payments and refunds	(1,056,093)	(1,040,055)	(1,014,979)	(919,149)	(854,863)
Net change in total pension liability	(27,298,744)	1,467,593	432,186	4,246,187	1,053,400
Total pension liability - beginning	27,298,744	25,831,151	25,398,965	21,152,778	20,099,378
Total pension liability - ending (a)	<u>\$ -</u>	<u>\$ 27,298,744</u>	<u>\$ 25,831,151</u>	<u>\$ 25,398,965</u>	<u>\$ 21,152,778</u>
Plan Fiduciary Net Position					
Employer contributions	\$ 11,002,713	\$ 1,759,708	\$ 1,734,594	\$ 1,260,920	\$ 1,285,300
Net investment income (loss)	1,024,022	(1,846,100)	3,027,047	70,581	518,466
Benefit payments and refunds	(24,127,356)	(1,040,055)	(1,014,979)	(919,149)	(854,863)
Administrative expense	(53,235)	(15,015)	(14,495)	(18,165)	(12,180)
Other	(1,661,024)	-	-	-	-
Net change in plan fiduciary net position	(13,814,880)	(1,141,462)	3,732,167	394,187	936,723
Plan fiduciary net position - beginning	13,814,880	14,956,342	11,224,175	10,829,988	9,893,265
Plan fiduciary net position - ending (b)	<u>\$ -</u>	<u>\$ 13,814,880</u>	<u>\$ 14,956,342</u>	<u>\$ 11,224,175</u>	<u>\$ 10,829,988</u>
Net pension liability (a-b)	<u>\$ -</u>	<u>\$ 13,483,864</u>	<u>\$ 10,874,809</u>	<u>\$ 14,174,790</u>	<u>\$ 10,322,790</u>
Plan fiduciary net position as a percentage of total pension liability	N/A *	50.61%	57.90%	44.19%	51.20%
Covered payroll		N/A *	N/A *	N/A *	N/A *
Net pension liability as a percentage of covered employee payroll	N/A *	N/A *	N/A *	N/A *	N/A *

* Payroll is not a factor in this calculation. Further, the plan was terminated as of April 30, 2023.

City of Troy, Michigan
Required Supplementary Information
Volunteer Firefighter Incentive Plan
Schedule of Changes in Net Pension Liability and Related Ratios
For the Year Ended June 30, 2023

Fiscal year ended June 30,	2018	2017	2016	2015	2014
Total Pension Liability					
Service cost	\$ 549,611	\$ 512,549	\$ 464,863	\$ 463,508	\$ 447,479
Interest	1,191,740	1,124,731	1,077,246	1,033,632	819,211
Changes of benefit terms	-	-	-	-	1,727,859
Experience differences	353,853	126,281	(93,449)	270,606	-
Changes in assumptions	(27,953)	(238,964)	424,977	120,951	1,703,002
Benefit payments and refunds	(803,388)	(685,085)	(1,166,059)	(987,639)	(1,379,391)
Net change in total pension liability	1,263,863	839,512	707,578	901,058	3,318,160
Total pension liability - beginning	18,835,515	17,996,003	17,288,425	16,387,367	13,069,207
Total pension liability - ending (a)	<u>\$ 20,099,378</u>	<u>\$ 18,835,515</u>	<u>\$ 17,996,003</u>	<u>\$ 17,288,425</u>	<u>\$ 16,387,367</u>
Plan Fiduciary Net Position					
Employer contributions	\$ 1,712,500	\$ 1,113,496	\$ 1,100,632	\$ 3,078,500	\$ 1,078,500
Net investment income (loss)	628,552	399,329	152,770	100,516	286,663
Benefit payments and refunds	(803,388)	(685,085)	(1,166,059)	(987,639)	(1,379,391)
Administrative expense	(13,227)	(54,948)	(14,428)	(19,748)	(12,420)
Other	-	-	-	-	-
Net change in plan fiduciary net position	1,524,437	772,792	72,915	2,171,629	(26,648)
Plan fiduciary net position - beginning	8,368,828	7,596,036	7,523,121	5,351,492	5,378,140
Plan fiduciary net position - ending (b)	<u>\$ 9,893,265</u>	<u>\$ 8,368,828</u>	<u>\$ 7,596,036</u>	<u>\$ 7,523,121</u>	<u>\$ 5,351,492</u>
Net pension liability (a-b)	<u>\$ 10,206,113</u>	<u>\$ 10,466,687</u>	<u>\$ 10,399,967</u>	<u>\$ 9,765,304</u>	<u>\$ 11,035,875</u>
Plan fiduciary net position as a percentage of total pension liability	49.22%	44.43%	42.21%	43.52%	32.66%
Covered payroll	N/A *	N/A *	N/A *	N/A *	N/A *
Net pension liability as a percentage of covered employee payroll	N/A *	N/A *	N/A *	N/A *	N/A *

City of Troy, Michigan
Required Supplementary Information
Volunteer Firefighter Incentive Plan
Schedule of Net Pension Liability
For the Year Ended June 30, 2023

Fiscal Year Ended	Total Pension Liability	Plan Net Position	Net Pension (Asset) Liability	Plan Net Position as Percentage of Total Pension Liability	Covered Payroll	Net Pension Liability as Percentage of Covered Payroll
2014	\$ 16,387,367	\$ 5,351,492	\$ 11,035,875	32.7%	N/A *	N/A *
2015	17,288,425	7,523,121	9,765,304	43.5%	N/A *	N/A *
2016	17,996,003	7,596,036	10,399,967	42.2%	N/A *	N/A *
2017	18,835,515	8,368,828	10,466,687	44.4%	N/A *	N/A *
2018	20,099,378	9,893,265	10,206,113	49.2%	N/A *	N/A *
2019	21,152,778	10,829,988	10,322,790	51.2%	N/A *	N/A *
2020	25,398,965	11,224,175	14,174,790	44.2%	N/A *	N/A *
2021	25,831,151	14,956,342	10,874,809	57.9%	N/A *	N/A *
2022	27,298,744	13,814,880	13,483,864	50.6%	N/A *	N/A *
2023	-	-	-	N/A *	N/A *	N/A *

* Payroll is not a factor in this calculation. Further, the plan was terminated as of April 30, 2023.

City of Troy, Michigan
Required Supplementary Information
Volunteer Firefighter Incentive Plan
Schedule of Employer Contributions
For the Year Ended June 30, 2023

	Actuarially Determined		Contribution		Actual Contribution as	
Fiscal Year Ended	Contribution	Actual Contribution	Deficiency (Excess)	Covered Payroll	Percentage of Covered Payroll	
2014	\$ 858,472	\$ 1,078,500	\$ (220,028)	N/A *	N/A *	
2015	843,872	3,078,500	(2,234,628)	N/A *	N/A *	
2016	1,100,632	1,100,632	-	N/A *	N/A *	
2017	1,113,496	1,113,496	-	N/A *	N/A *	
2018	1,112,471	1,712,500	(600,029)	N/A *	N/A *	
2019	1,285,259	1,285,300	(41)	N/A *	N/A *	
2020	1,260,916	1,260,920	(4)	N/A *	N/A *	
2021	1,319,272	1,734,594	(415,322)	N/A *	N/A *	
2022	1,759,708	1,759,708	-	N/A *	N/A *	
2023	1,652,713	11,002,713	(9,350,000)	N/A *	N/A *	

* Payroll is not a factor in this calculation. Further, the plan was terminated as of April 30, 2023. The excess \$9,350,000 in fiscal year 2023 was in connection with the plan termination.

Notes to Schedule of Contributions

Valuation Date: December 31, 2022

Notes: Actuarially determined contributions rates are calculated as of December 31st, 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	Individual Entry-Age Normal
Amortization method	Level dollar, closed
Remaining amortization period	25 years
Asset valuation method	4-year smoothed fair value
Investment rate of return	6.50%
Retirement age	Age and experienced-based table of rates that are specific to the type of eligibility condition
Mortality	PubG-2010 Amount-weighted, General Employee, Healthy Retiree and Disabled Retiree Mortality tables for males and females with fully generational projection with the MP-2020 mortality improvement scale.

City of Troy, Michigan
Required Supplementary Information
Volunteer Firefighter Incentive Plan
Schedule of Investment Returns

Fiscal Year Ended June 30,	Annual Return % *
2014	4.79%
2015	1.04%
2016	1.79%
2017	4.14%
2018	6.42%
2019	5.54%
2020	0.98%
2021	27.19%
2022	-11.64%
2023	N/A *

* Annual money-weighted rate of return, net of investment expenses. Plan was terminated as of April 30, 2023.

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, 2023

Fiscal year ended June 30,	2023	2022	2021	2020	2019
Total OPEB Liability					
Service cost	\$ 957,813	\$ 932,797	\$ 746,215	\$ 785,891	\$ 838,659
Interest	8,348,417	8,219,713	7,293,289	7,611,207	8,918,237
Changes of benefit terms	-	-	1,038,759	-	-
Experience differences	(16,398,643)	(961,146)	9,872,511	(1,033,980)	(22,311,315)
Changes in assumptions	14,641,866	-	931,956	(6,841,243)	(1,719,651)
Benefit payments and refunds	(6,310,530)	(6,137,081)	(5,309,605)	(5,476,571)	(6,138,831)
Net change in total OPEB liability	1,238,923	2,054,283	14,573,125	(4,954,696)	(20,412,901)
Total OPEB liability - beginning	131,113,546	129,059,263	114,486,138	119,440,834	139,853,735
Total OPEB liability - ending (a)	<u>\$ 132,352,469</u>	<u>\$ 131,113,546</u>	<u>\$ 129,059,263</u>	<u>\$ 114,486,138</u>	<u>\$ 119,440,834</u>
Plan Fiduciary Net Position					
Employer contributions	\$ 3,005,672	\$ 3,891,675	\$ 5,061,539	\$ 5,914,107	\$ 6,000,551
On-behalf contributions	217,922	167,526	147,156	164,491	136,413
Net investment income (loss)	14,666,779	(19,811,720)	27,834,920	4,130,941	6,829,397
Benefit payments and refunds	(6,310,530)	(6,137,081)	(5,309,605)	(5,476,571)	(6,138,831)
Administrative expense	(14,735)	(12,555)	(56,032)	(32,654)	(43,298)
Net change in plan fiduciary net position	11,565,108	(21,902,155)	27,677,978	4,700,314	6,784,232
Plan fiduciary net position - beginning	100,409,452	122,311,607	94,633,629	89,933,315	83,149,083
Plan fiduciary net position - ending (b)	<u>\$ 111,974,560</u>	<u>\$ 100,409,452</u>	<u>\$ 122,311,607</u>	<u>\$ 94,633,629</u>	<u>\$ 89,933,315</u>
Net OPEB liability (a-b)	<u>\$ 20,377,909</u>	<u>\$ 30,704,094</u>	<u>\$ 6,747,656</u>	<u>\$ 19,852,509</u>	<u>\$ 29,507,519</u>
Plan fiduciary net position as a percentage of total OPEB liability	84.60%	76.58%	94.77%	82.66%	75.30%
Covered payroll	\$ 14,357,783	\$ 16,924,155	\$ 16,924,155	\$ 16,962,271	\$ 16,962,271
Net OPEB liability as a percentage of covered employee payroll	141.93%	181.42%	39.87%	117.04%	173.96%

Note: GASB Statement No. 75 was implemented for the fiscal year ended June 30, 2017 and does not require retroactive implementation. Data will be added as information is available until 10 years of such data is available.

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, 2023

Fiscal year ended June 30,	2018	2017
Total OPEB Liability		
Service cost	\$ 1,166,226	\$ 1,285,223
Interest	8,761,601	8,476,587
Changes of benefit terms	-	-
Experience differences	(1,499,301)	-
Changes in assumptions	-	-
Benefit payments and refunds	(5,571,068)	(5,063,891)
Net change in total OPEB liability	2,857,458	4,697,919
Total OPEB liability - beginning	136,996,277	132,298,358
Total OPEB liability - ending (a)	<u>\$ 139,853,735</u>	<u>\$ 136,996,277</u>
Plan Fiduciary Net Position		
Employer contributions	\$ 4,812,375	\$ 4,668,805
On-behalf contributions	149,655	36,244
Net investment income (loss)	6,403,187	7,980,021
Benefit payments and refunds	(5,571,068)	(5,063,891)
Administrative expense	(39,518)	(4,214)
Net change in plan fiduciary net position	5,754,631	7,616,965
Plan fiduciary net position - beginning	77,394,452	69,777,487
Plan fiduciary net position - ending (b)	<u>\$ 83,149,083</u>	<u>\$ 77,394,452</u>
Net OPEB liability (a-b)	<u>\$ 56,704,652</u>	<u>\$ 59,601,825</u>
Plan fiduciary net position as a percentage of total OPEB liability	59.45%	56.49%
Covered payroll	\$ 17,101,107	\$ 17,101,107
Net OPEB liability as a percentage of covered employee payroll	331.58%	348.53%

City of Troy, Michigan
Required Supplementary Information
Other Postemployment Benefits - Retiree Healthcare
Schedule of Net OPEB Liability
For the Year Ended June 30, 2023

Fiscal Year Ended	Total OPEB Liability	Plan Net Position	Net OPEB Liability	Plan Net Position as Percentage of Total OPEB Liability	Covered Payroll	Net OPEB Liability as 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%

City of Troy, Michigan
Required Supplementary Information
Other Postemployment Benefits - Retiree Healthcare
Schedule of Employer Contributions
For the Year Ended June 30, 2023

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%

Notes to Schedule of Contributions

Valuation Date: December 31, 2020

Notes: 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.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar, Closed
Remaining amortization period	21 years for FY beginning July 1, 2022
Asset valuation method	Fair Value
Inflation	2.60%
Salary increases	3.50 - 8.00% including inflation
Investment rate of return	6.50%, net OPEB plan investment expense, including inflation
Retirement age	Experience-based table of rates that are specific to 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.

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%

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

GASB Statement No. 75 was implemented for the fiscal year ended June 30, 2017 and does not require retroactive implementation.

Data will be added as information is available until 10 years of such data is available.

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, 2023

Special Revenue Funds

	Major Street	Local Street	Refuse	Transit Center	Drug Forfeiture	Library
Assets						
Cash and investments	\$ 2,566,202	\$ 3,013,254	\$ 1,434,294	\$ -	\$ 1,368,756	\$ 2,762,964
Accounts receivable	-	-	1,454	48,465	-	117,540
Taxes receivable	-	-	9,455	-	-	15,936
Due from other governments	1,328,506	521,392	-	-	-	-
Prepaid items	-	-	-	2,119	-	114,516
Total assets	<u>\$ 3,894,708</u>	<u>\$ 3,534,646</u>	<u>\$ 1,445,203</u>	<u>\$ 50,584</u>	<u>\$ 1,368,756</u>	<u>\$ 3,010,956</u>
Liabilities						
Accounts payable	\$ 75,164	\$ 31,358	\$ 287,037	\$ 48,277	\$ -	\$ 150,837
Other liabilities	-	-	28,120	-	-	27,852
Total liabilities	<u>75,164</u>	<u>31,358</u>	<u>315,157</u>	<u>48,277</u>	<u>-</u>	<u>178,689</u>
Deferred inflows of resources						
Unavailable revenue - property taxes and long-term receivables	-	-	9,455	-	-	15,936
Fund Balances						
Non-spendable	-	-	-	2,119	-	114,516
Restricted	<u>3,819,544</u>	<u>3,503,288</u>	<u>1,120,591</u>	<u>188</u>	<u>1,368,756</u>	<u>2,701,815</u>
Total fund balances	<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>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,894,708</u>	<u>\$ 3,534,646</u>	<u>\$ 1,445,203</u>	<u>\$ 50,584</u>	<u>\$ 1,368,756</u>	<u>\$ 3,010,956</u>

City of Troy, Michigan
Other Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Fund	Permanent Fund	
	Community Development Block Grant	Cemetery Perpetual Care	Total Nonmajor Governmental Funds
Assets			
Cash and investments	\$ -	\$ 221,345	\$ 11,366,815
Accounts receivable	-	-	167,459
Taxes receivable	-	-	25,391
Due from other governments	18,650	-	1,868,548
Prepaid items	-	-	116,635
Total assets	<u>\$ 18,650</u>	<u>\$ 221,345</u>	<u>\$ 13,544,848</u>
Liabilities			
Accounts payable	\$ 18,650	\$ -	\$ 611,323
Other liabilities	-	-	55,972
Total liabilities	<u>18,650</u>	<u>-</u>	<u>667,295</u>
Deferred inflows of resources			
Unavailable revenue - property taxes and long-term receivables	<u>-</u>	<u>-</u>	<u>25,391</u>
Fund Balances			
Non-spendable	-	164,000	280,635
Restricted	-	57,345	12,571,527
Total fund balances	<u>-</u>	<u>221,345</u>	<u>12,852,162</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 18,650</u>	<u>\$ 221,345</u>	<u>\$ 13,544,848</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, 2023

Special Revenue Funds

	Major Street	Local Street	Refuse	Transit Center	Drug Forfeiture	Library
Revenues						
Property taxes	\$ -	\$ -	\$ 6,083,763	\$ -	\$ -	\$ 6,185,677
Intergovernmental						
Federal sources	-	-	-	-	-	-
State sources	7,832,511	3,072,448	86,058	-	-	291,431
Charges for services	-	-	404	105,465	-	7,745
Fines and forfeitures	-	-	-	-	72,763	15,585
Investment loss	(75,009)	(99,381)	(99,863)	-	(44,154)	(139,699)
Other	-	-	-	-	-	148,831
Total revenues	<u>7,757,502</u>	<u>2,973,067</u>	<u>6,070,362</u>	<u>105,465</u>	<u>28,609</u>	<u>6,509,570</u>
Expenditures						
Current						
General government	-	-	-	114,101	-	-
Public safety	-	-	-	-	22,324	-
Sanitation	-	-	5,950,274	-	-	-
Public works	2,705,796	2,422,973	-	-	-	-
Community and economic development	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	4,432,739
Total expenditures	<u>2,705,796</u>	<u>2,422,973</u>	<u>5,950,274</u>	<u>114,101</u>	<u>22,324</u>	<u>4,432,739</u>
Excess (deficiency) of revenues over expenditures	<u>5,051,706</u>	<u>550,094</u>	<u>120,088</u>	<u>(8,636)</u>	<u>6,285</u>	<u>2,076,831</u>
Other financing sources (uses)						
Transfers in	-	1,500,000	-	10,000	-	-
Transfers out	(4,000,000)	(2,000,000)	-	-	-	(904,545)
Sale of capital assets	-	-	-	-	19,885	-
Total other financing sources and (uses)	<u>(4,000,000)</u>	<u>(500,000)</u>	<u>-</u>	<u>10,000</u>	<u>19,885</u>	<u>(904,545)</u>
Net change in fund balances	1,051,706	50,094	120,088	1,364	26,170	1,172,286
Fund balances - beginning of year	<u>2,767,838</u>	<u>3,453,194</u>	<u>1,000,503</u>	<u>943</u>	<u>1,342,586</u>	<u>1,644,045</u>
Fund balances - end 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>

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, 2023

	Special Revenue Fund	Permanent Fund	
	Community Development Block Grant	Cemetery Perpetual Care	Total Nonmajor Governmental Funds
Revenues			
Property taxes	\$ -	\$ -	\$ 12,269,440
Intergovernmental			
Federal sources	53,374	-	53,374
State sources	-	-	11,282,448
Charges for services	-	2,375	115,989
Fines and forfeitures	-	-	88,348
Investment loss	-	(7,196)	(465,302)
Other	-	-	148,831
Total revenues	<u>53,374</u>	<u>(4,821)</u>	<u>23,493,128</u>
Expenditures			
Current			
General government	-	-	114,101
Public safety	-	-	22,324
Sanitation	-	-	5,950,274
Public works	-	-	5,128,769
Community and economic development	53,374	-	53,374
Recreation and culture	-	-	4,432,739
Total expenditures	<u>53,374</u>	<u>-</u>	<u>15,701,581</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(4,821)</u>	<u>7,791,547</u>
Other financing sources (uses)			
Transfers in	-	-	1,510,000
Transfers out	-	(1,200)	(6,905,745)
Sale of capital assets	-	-	19,885
Total other financing sources and (uses)	<u>-</u>	<u>(1,200)</u>	<u>(5,375,860)</u>
Net change in fund balances	-	(6,021)	2,415,687
Fund balances - beginning of year	<u>-</u>	<u>227,366</u>	<u>10,436,475</u>
Fund balances - end of year	<u>\$ -</u>	<u>\$ 221,345</u>	<u>\$ 12,852,162</u>

City of Troy, Michigan
Other Supplementary Information
Budgetary Comparison Schedule
Major Street Fund
For the Year Ended June 30, 2023

	Budgeted Amounts			Actual Over (Under) Final Budget
	Original	Final	Actual	
Revenues				
Intergovernmental:				
State sources	\$ 7,500,000	\$ 7,500,000	\$ 7,832,511	\$ 332,511
Investment earnings (loss)	35,000	35,000	(75,009)	(110,009)
Total revenues	<u>7,535,000</u>	<u>7,535,000</u>	<u>7,757,502</u>	<u>222,502</u>
Expenditures				
Current				
Public works	3,409,002	3,409,002	2,705,796	(703,206)
Transfers out	<u>4,000,000</u>	<u>4,000,000</u>	<u>4,000,000</u>	<u>-</u>
Total expenditures	<u>7,409,002</u>	<u>7,409,002</u>	<u>6,705,796</u>	<u>(703,206)</u>
Net change in fund balance	125,998	125,998	1,051,706	925,708
Fund balance - beginning of year	<u>2,767,838</u>	<u>2,767,838</u>	<u>2,767,838</u>	<u>-</u>
Fund balance - end of year	<u>\$ 2,893,836</u>	<u>\$ 2,893,836</u>	<u>\$ 3,819,544</u>	<u>\$ 925,708</u>

City of Troy, Michigan
Other Supplementary Information
Budgetary Comparison Schedule
Local Street Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Actual Over (Under)
	Original	Final		Final Budget
Revenues				
Intergovernmental:				
State sources	\$ 2,900,000	\$ 2,900,000	\$ 3,072,448	\$ 172,448
Investment earnings (loss)	32,000	32,000	(99,381)	(131,381)
Transfers in	1,500,000	1,500,000	1,500,000	-
Total revenues	<u>4,432,000</u>	<u>4,432,000</u>	<u>4,473,067</u>	<u>41,067</u>
Expenditures				
Current				
Public works	3,360,522	3,360,522	2,422,973	(937,549)
Transfers out	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>-</u>
Total expenditures	<u>5,360,522</u>	<u>5,360,522</u>	<u>4,422,973</u>	<u>(937,549)</u>
Net change in fund balance	(928,522)	(928,522)	50,094	978,616
Fund balance - beginning of year	<u>3,453,194</u>	<u>3,453,194</u>	<u>3,453,194</u>	<u>-</u>
Fund balance - end of year	<u>\$ 2,524,672</u>	<u>\$ 2,524,672</u>	<u>\$ 3,503,288</u>	<u>\$ 978,616</u>

City of Troy, Michigan
Other Supplementary Information
Budgetary Comparison Schedule
Refuse Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Actual Over (Under)
	Original	Final		Final Budget
Revenues				
Property taxes	\$ 6,050,000	\$ 6,050,000	\$ 6,083,763	\$ 33,763
Intergovernmental:				
State sources	30,000	30,000	86,058	56,058
Charges for services	500	500	404	(96)
Investment earnings (loss)	10,000	10,000	(99,863)	(109,863)
Total revenues	6,090,500	6,090,500	6,070,362	(20,138)
Expenditures				
Current				
Sanitation	6,006,570	6,006,570	5,950,274	(56,296)
Net change in fund balance	83,930	83,930	120,088	36,158
Fund balance - beginning of year	1,000,503	1,000,503	1,000,503	-
Fund balance - end of year	<u>\$ 1,084,433</u>	<u>\$ 1,084,433</u>	<u>\$ 1,120,591</u>	<u>\$ 36,158</u>

City of Troy, Michigan
Other Supplementary Information
Budgetary Comparison Schedule
Transit Center Fund
For the Year Ended June 30, 2023

	Budgeted Amounts			Actual Over (Under) Final Budget
	Original	Final	Actual	
Revenues				
Charges for services	\$ 125,590	\$ 125,590	\$ 105,465	\$ (20,125)
Transfers in	-	20,000	10,000	(10,000)
Total revenues	125,590	145,590	115,465	(30,125)
Expenditures				
Current				
General government	125,590	125,590	114,101	(11,489)
Net change in fund balance	-	20,000	1,364	(18,636)
Fund balance - beginning of year	943	943	943	-
Fund balance - end of year	\$ 943	\$ 20,943	\$ 2,307	\$ (18,636)

City of Troy, Michigan
Other Supplementary Information
Budgetary Comparison Schedule
Drug Forfeiture Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Actual Over (Under)
	Original	Final		Final Budget
Revenues				
Fines and forfeitures	\$ 131,000	\$ 131,000	\$ 72,763	\$ (58,237)
Investment earnings (loss)	10,000	10,000	(44,154)	(54,154)
Sale of capital assets	-	-	19,885	19,885
Total revenues	<u>141,000</u>	<u>141,000</u>	<u>48,494</u>	<u>(92,506)</u>
Expenditures				
Current				
Public safety	144,040	144,040	22,324	(121,716)
Transfers out	<u>500,000</u>	<u>500,000</u>	-	<u>(500,000)</u>
Total expenditures	<u>644,040</u>	<u>644,040</u>	<u>22,324</u>	<u>(621,716)</u>
Net change in fund balance	(503,040)	(503,040)	26,170	529,210
Fund balance - beginning of year	<u>1,342,586</u>	<u>1,342,586</u>	<u>1,342,586</u>	<u>-</u>
Fund balance - end of year	<u>\$ 839,546</u>	<u>\$ 839,546</u>	<u>\$ 1,368,756</u>	<u>\$ 529,210</u>

City of Troy, Michigan
Other Supplementary Information
Budgetary Comparison Schedule
Library Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Actual Over (Under)
	Original	Final		Final Budget
Revenues				
Property taxes	\$ 6,100,000	\$ 6,100,000	\$ 6,185,677	\$ 85,677
Intergovernmental:				
State grants	194,000	194,000	291,431	97,431
Charges for services	1,250	1,250	7,745	6,495
Fines and forfeitures	2,000	2,000	15,585	13,585
Investments earnings (loss)	2,000	2,000	(139,699)	(141,699)
Other	8,000	8,000	148,831	140,831
Total revenues	<u>6,307,250</u>	<u>6,307,250</u>	<u>6,509,570</u>	<u>202,320</u>
Expenditures				
Current				
Recreation and culture	4,623,220	4,623,220	4,432,739	(190,481)
Transfers out	<u>2,593,000</u>	<u>2,593,000</u>	<u>904,545</u>	<u>(1,688,455)</u>
Total expenditures	<u>7,216,220</u>	<u>7,216,220</u>	<u>5,337,284</u>	<u>(1,878,936)</u>
Net change in fund balance	(908,970)	(908,970)	1,172,286	2,081,256
Fund balance - beginning of year	<u>1,644,045</u>	<u>1,644,045</u>	<u>1,644,045</u>	<u>-</u>
Fund balance - end of year	<u>\$ 735,075</u>	<u>\$ 735,075</u>	<u>\$ 2,816,331</u>	<u>\$ 2,081,256</u>

City of Troy, Michigan
Other Supplementary Information
Budgetary Comparison Schedule
Community Development Block Grant Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Actual Over (Under) Final Budget
	Original	Final		
Revenues				
Intergovernmental:				
Federal grants	\$ 150,000	\$ 165,000	\$ 53,374	\$ (111,626)
Expenditures				
Current				
Community and economic development	45,000	60,000	53,374	(6,626)
Transfers out	105,000	105,000	-	(105,000)
Total expenditures	150,000	165,000	53,374	(111,626)
				-
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, 2023

	Sylvan Glen Golf Course	Aquatic Center	Total
Assets			
Current assets			
Cash and investments	\$ 841,538	\$ 684,641	\$ 1,526,179
Receivables			
Accounts receivable	93,937	10,455	104,392
Leases receivable	114,085	-	114,085
Inventories	69,338	-	69,338
Prepaid items	45,921	-	45,921
Total current assets	<u>1,164,819</u>	<u>695,096</u>	<u>1,859,915</u>
Noncurrent assets			
Advances to other funds	3,344,230	-	3,344,230
Leases receivable	258,438	-	258,438
Capital assets not being depreciated	1,894,552	212,793	2,107,345
Capital assets being depreciated, net	<u>1,617,948</u>	<u>307,752</u>	<u>1,925,700</u>
Total noncurrent assets	<u>7,115,168</u>	<u>520,545</u>	<u>7,635,713</u>
Total assets	<u>8,279,987</u>	<u>1,215,641</u>	<u>9,495,628</u>
Liabilities			
Current liabilities			
Accounts payable	17,731	205,971	223,702
Accrued liabilities	236,991	970	237,961
Current portion of notes payable	<u>53,105</u>	<u>-</u>	<u>53,105</u>
Total current liabilities	<u>307,827</u>	<u>206,941</u>	<u>514,768</u>
Noncurrent liabilities			
Notes payable	36,501	-	36,501
Advances from other funds	<u>-</u>	<u>680,302</u>	<u>680,302</u>
Total noncurrent liabilities	<u>36,501</u>	<u>680,302</u>	<u>716,803</u>
Total liabilities	<u>344,328</u>	<u>887,243</u>	<u>1,231,571</u>
Deferred Inflows of Resources			
Deferred lease amounts	<u>372,523</u>	<u>-</u>	<u>372,523</u>
Net Position			
Net investment in capital assets	3,422,894	520,545	3,943,439
Unrestricted (deficit)	<u>4,140,242</u>	<u>(192,147)</u>	<u>3,948,095</u>
Total net position	<u>\$ 7,563,136</u>	<u>\$ 328,398</u>	<u>\$ 7,891,534</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, 2023

	Sylvan Glen Golf Course	Aquatic Center	Total
Operating revenues			
Charges for services			
Customer fees	\$ 1,481,426	\$ 587,452	\$ 2,068,878
Rental:			
Golf course	292,613	-	292,613
Restaurant	70,120	-	70,120
Other	83,200	-	83,200
Other services	5,550	10,805	16,355
Total operating revenues	<u>1,932,909</u>	<u>598,257</u>	<u>2,531,166</u>
Operating expenses			
Operations	1,381,402	528,698	1,910,100
Depreciation	215,445	75,128	290,573
Total operating expenses	<u>1,596,847</u>	<u>603,826</u>	<u>2,200,673</u>
 Operating income (loss)	 <u>336,062</u>	 <u>(5,569)</u>	 <u>330,493</u>
Nonoperating revenue (expenses)			
Investment loss	-	(21,290)	(21,290)
Gain on sale of capital assets	3,500	-	3,500
Interest expense	(12,690)	-	(12,690)
Total nonoperating revenues (expenses)	<u>(9,190)</u>	<u>(21,290)</u>	<u>(30,480)</u>
 Change in net position	 326,872	 (26,859)	 300,013
 Net position - beginning of year	 <u>7,236,264</u>	 <u>355,257</u>	 <u>7,591,521</u>
 Net position - end of year	 <u><u>\$ 7,563,136</u></u>	 <u><u>\$ 328,398</u></u>	 <u><u>\$ 7,891,534</u></u>

City of Troy, Michigan
Other Supplementary Information
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2023

	Sylvan Glen Golf Course	Aquatic Center	Total
Cash flows from operating activities			
Receipts from customers	\$ 2,027,084	\$ 628,807	\$ 2,655,891
Payments to suppliers	(1,430,242)	(358,054)	(1,788,296)
Net cash provided by operating activities	<u>596,842</u>	<u>270,753</u>	<u>867,595</u>
Cash flows from noncapital financing activities			
Advances to other funds	<u>(500,000)</u>	<u>-</u>	<u>(500,000)</u>
Cash flows from capital and related financing activities			
Purchases/construction of capital assets	(98,664)	(212,793)	(311,457)
Principal and interest paid on long-term debt	(64,055)	-	(64,055)
Proceeds from sale of capital assets	3,500	-	3,500
Net cash used by capital and related financing activities	<u>(159,219)</u>	<u>(212,793)</u>	<u>(372,012)</u>
Cash flows from investing activities			
Investment loss	<u>-</u>	<u>(21,290)</u>	<u>(21,290)</u>
Net change in cash and investments	(62,377)	36,670	(25,707)
Cash and investments - beginning of year	<u>903,915</u>	<u>647,971</u>	<u>1,551,886</u>
Cash and investments - end of year	<u><u>\$ 841,538</u></u>	<u><u>\$ 684,641</u></u>	<u><u>\$ 1,526,179</u></u>
Reconciliation of operating income (loss) to net cash provided by operating activities			
Operating income (loss)	\$ 336,062	\$ (5,569)	\$ 330,493
Adjustments to reconcile operating income (loss) to net cash provided by operating activities			
Depreciation and amortization expense	215,445	75,128	290,573
Changes in assets and liabilities			
Receivables (net)	208,261	30,550	238,811
Inventories	(24,378)	-	(24,378)
Prepaid items	226	211	437
Accounts payable	16,811	171,981	188,792
Accrued and other liabilities	(41,499)	(1,548)	(43,047)
Lease related deferred inflows of resources	(114,086)	-	(114,086)
Net cash provided by operating activities	<u><u>\$ 596,842</u></u>	<u><u>\$ 270,753</u></u>	<u><u>\$ 867,595</u></u>

City of Troy, Michigan
Other Supplementary Information
Combining Statement of Net Position
Internal Service Funds
June 30, 2023

	Compensated Absences	Unemployment Compensation	Custodial Services	Information Technology	Motor Equipment	Workers' Compensation	Total
Assets							
Current assets							
Cash and investments	\$ 5,649,562	\$ 35,355	\$ 1,487,456	\$ 1,959,866	\$ 4,195,730	\$ 1,805,510	\$ 15,133,479
Receivables							
Accounts receivable	-	-	-	29,652	8,018	-	37,670
Inventories	-	-	-	-	346,176	-	346,176
Prepaid items	-	-	-	5,546	-	-	5,546
Total current assets	<u>5,649,562</u>	<u>35,355</u>	<u>1,487,456</u>	<u>1,995,064</u>	<u>4,549,924</u>	<u>1,805,510</u>	<u>15,522,871</u>
Noncurrent assets							
Capital assets not being depreciated	-	-	-	-	1,250,240	-	1,250,240
Capital assets, net of accumulated depreciation	-	-	-	401,486	8,158,388	-	8,559,874
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>401,486</u>	<u>9,408,628</u>	<u>-</u>	<u>9,810,114</u>
Total assets	<u>5,649,562</u>	<u>35,355</u>	<u>1,487,456</u>	<u>2,396,550</u>	<u>13,958,552</u>	<u>1,805,510</u>	<u>25,332,985</u>
Liabilities							
Current liabilities							
Accounts payable	-	473	11,701	38,188	611,642	-	662,004
Compensated absences	<u>3,417,560</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,417,560</u>
Total current liabilities	<u>3,417,560</u>	<u>473</u>	<u>11,701</u>	<u>38,188</u>	<u>611,642</u>	<u>-</u>	<u>4,079,564</u>
Noncurrent liabilities							
Compensated absences	<u>2,112,018</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,112,018</u>
Total liabilities	<u>5,529,578</u>	<u>473</u>	<u>11,701</u>	<u>38,188</u>	<u>611,642</u>	<u>-</u>	<u>6,191,582</u>
Net Position							
Net investment in capital assets	-	-	-	401,486	9,408,628	-	9,810,114
Unrestricted	<u>119,984</u>	<u>34,882</u>	<u>1,475,755</u>	<u>1,956,876</u>	<u>3,938,282</u>	<u>1,805,510</u>	<u>9,331,289</u>
Total net position	<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>

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, 2023

	Compensated Absences	Unemployment Compensation	Custodial Services	Information Technology	Motor Pool	Workers' Compensation	Total
Operating revenues							
Charges for services	\$ 5,581,722	\$ -	\$ 1,602,820	\$ 2,517,508	\$ 27,550	\$ 738,489	\$ 10,468,089
Rental:							
Building	-	-	-	-	268,285	-	268,285
Equipment	-	-	-	-	3,932,008	-	3,932,008
Other services to City funds	-	3,639	-	-	458,709	1,616	463,964
Total operating revenues	<u>5,581,722</u>	<u>3,639</u>	<u>1,602,820</u>	<u>2,517,508</u>	<u>4,686,552</u>	<u>740,105</u>	<u>15,132,346</u>
Operating expenses							
Cost of sales and services	5,396,195	3,760	1,463,479	2,022,535	-	445,985	9,331,954
General and administrative	-	-	-	-	745,188	-	745,188
Operations	-	-	-	-	2,996,604	-	2,996,604
Depreciation	-	-	-	108,574	1,154,666	-	1,263,240
Total operating expenses	<u>5,396,195</u>	<u>3,760</u>	<u>1,463,479</u>	<u>2,131,109</u>	<u>4,896,458</u>	<u>445,985</u>	<u>14,336,986</u>
Operating income (loss)	<u>185,527</u>	<u>(121)</u>	<u>139,341</u>	<u>386,399</u>	<u>(209,906)</u>	<u>294,120</u>	<u>795,360</u>
Nonoperating revenue (expenses)							
Investment loss	(172,648)	(1,092)	(48,363)	(61,384)	(158,270)	(52,853)	(494,610)
Gain on sale of capital assets	-	-	-	-	302,060	-	302,060
Total nonoperating revenues (expenses)	<u>(172,648)</u>	<u>(1,092)</u>	<u>(48,363)</u>	<u>(61,384)</u>	<u>143,790</u>	<u>(52,853)</u>	<u>(192,550)</u>
Change in net position	12,879	(1,213)	90,978	325,015	(66,116)	241,267	602,810
Net position - beginning of year	<u>107,105</u>	<u>36,095</u>	<u>1,384,777</u>	<u>2,033,347</u>	<u>13,413,026</u>	<u>1,564,243</u>	<u>18,538,593</u>
Net position - end 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>

City of Troy, Michigan
Other Supplementary Information
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2023

	Compensated Absences	Unemployment Compensation	Custodial Services	Information Technology	Motor Equipment	Workers' Compensation	Total
Cash flows from operating activities							
Receipts from interfund users	\$ 5,581,722	\$ 3,639	\$ 1,602,820	\$ 2,502,610	\$ 4,686,262	\$ 740,105	\$ 15,117,158
Payments to suppliers	(5,197,991)	(3,725)	(1,472,578)	(2,044,053)	(3,730,862)	(334,489)	(12,783,698)
Net cash provided (used) by operating activities	<u>383,731</u>	<u>(86)</u>	<u>130,242</u>	<u>458,557</u>	<u>955,400</u>	<u>405,616</u>	<u>2,333,460</u>
Cash flows from capital and related financing activities							
Purchases/construction of capital assets	-	-	-	(125,630)	(4,168,140)	-	(4,293,770)
Proceeds from sale of capital assets	-	-	-	-	306,403	-	306,403
Net cash used by capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(125,630)</u>	<u>(3,861,737)</u>	<u>-</u>	<u>(3,987,367)</u>
Cash flows from investing activities							
Investment loss	(172,648)	(1,092)	(48,363)	(61,384)	(158,270)	(52,853)	(494,610)
Net change in cash and investments	211,083	(1,178)	81,879	271,543	(3,064,607)	352,763	(2,148,517)
Cash and investments - beginning of year	<u>5,438,479</u>	<u>36,533</u>	<u>1,405,577</u>	<u>1,688,323</u>	<u>7,260,337</u>	<u>1,452,747</u>	<u>17,281,996</u>
Cash and investments - end of year	<u>\$ 5,649,562</u>	<u>\$ 35,355</u>	<u>\$ 1,487,456</u>	<u>\$ 1,959,866</u>	<u>\$ 4,195,730</u>	<u>\$ 1,805,510</u>	<u>\$ 15,133,479</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities							
Operating income (loss)	\$ 185,527	\$ (121)	\$ 139,341	\$ 386,399	\$ (209,906)	\$ 294,120	\$ 795,360
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities							
Depreciation and amortization expense	-	-	-	108,574	1,154,666	-	1,263,240
Changes in assets and liabilities							
Receivables (net)	-	-	-	(14,898)	(290)	-	(15,188)
Inventories	-	-	-	-	97,615	-	97,615
Prepaid items	-	-	-	18,815	-	111,496	130,311
Accounts payable	-	35	(9,099)	(40,333)	(16,318)	-	(65,715)
Accrued and other liabilities	-	-	-	-	(70,367)	-	(70,367)
Compensated absences	<u>198,204</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>198,204</u>
Net cash provided (used) by operating activities	<u>\$ 383,731</u>	<u>\$ (86)</u>	<u>\$ 130,242</u>	<u>\$ 458,557</u>	<u>\$ 955,400</u>	<u>\$ 405,616</u>	<u>\$ 2,333,460</u>

City of Troy, Michigan
Other Supplementary Information
Statement of Net Position and Governmental Fund Balance Sheet
Component Unit - Downtown Development Authority
June 30, 2023

	Operating	Adjustments	Statement of Net Position
Assets			
Current assets			
Cash and investments	\$ 3,810,128	\$ -	\$ 3,810,128
Receivables			
Taxes receivable	114,690	-	114,690
Total current assets	<u>\$ 3,924,818</u>	<u>-</u>	<u>3,924,818</u>
Liabilities			
Current liabilities			
Interest payable	-	23,810	23,810
Current portion of long-term liabilities	-	560,000	560,000
Total current liabilities	-	583,810	583,810
Noncurrent liabilities			
Long-term liabilities	-	9,060,000	9,060,000
Total liabilities	-	9,643,810	9,643,810
Deferred Inflows of Resources			
Unavailable property taxes	114,690	(114,690)	-
Fund Balance			
Unassigned	3,810,128	(3,810,128)	-
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 3,924,818</u>		
Net Position			
Unrestricted (deficit)		<u>\$ (5,718,992)</u>	<u>\$ (5,718,992)</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, 2023

Fund balance - governmental fund	\$ 3,810,128
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.	114,690
Long-term liabilities that are not due and payable in the current period, and therefore, are not reported in the funds.	
Accrued interest	(23,810)
Bonds, notes, premiums and discounts	<u>(9,620,000)</u>
Net position of governmental activities	<u><u>\$ (5,718,992)</u></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, 2023

	Operating	Adjustments	Statement of Activities
Revenues			
Taxes	\$ 2,251,877	\$ 26,951	\$ 2,278,828
Investment loss	(132,930)	-	(132,930)
Total revenues	<u>2,118,947</u>	<u>26,951</u>	<u>2,145,898</u>
Expenditures / expense			
Current			
Community and economic development	867,211	-	867,211
Debt service			
Principal retirement	485,000	(485,000)	-
Interest and fiscal charges	144,895	(339)	144,556
Total expenditures / expense	<u>1,497,106</u>	<u>(485,339)</u>	<u>1,011,767</u>
Net change in fund balance / net position	621,841	512,290	1,134,131
Fund balance / net position (deficit) - beginning of year	<u>3,188,287</u>	<u>(10,041,410)</u>	<u>(6,853,123)</u>
Fund balance / net position (deficit) - end of year	<u>\$ 3,810,128</u>	<u>\$ (9,529,120)</u>	<u>\$ (5,718,992)</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, 2023

Net change in fund balances - total governmental fund	\$ 621,841
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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	26,951
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Expenses are recorded when incurred in the statement of activities.

Accrued interest	339
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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>485,000</u>
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Change in net position of governmental activities	<u>\$ 1,134,131</u>
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City of Troy, Michigan
Other Supplementary Information
Statement of Net Position and Governmental Fund Balance Sheet
Component Unit - Local Development Financing Authority
June 30, 2023

	Operating	Adjustments	Statement of Net Position
Assets			
Current assets			
Cash and investments	\$ 95,581	\$ -	\$ 95,581
Taxes receivable	3,469	-	3,469
Total current assets	<u>\$ 99,050</u>	<u>-</u>	<u>99,050</u>
Liabilities			
Unearned revenue	\$ 3,469	<u>-</u>	<u>3,469</u>
Fund Balance			
Unassigned	<u>95,581</u>	<u>(95,581)</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 99,050</u>		
Net Position			
Unrestricted		<u>\$ 95,581</u>	<u>\$ 95,581</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, 2023

	<u>Operating</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Revenues			
Taxes	\$ 146,534	\$ -	\$ 146,534
State grants	74,375	-	74,375
Investment loss	<u>(5,471)</u>	<u>-</u>	<u>(5,471)</u>
Total revenues	215,438	-	215,438
Expenditures / expense			
Current			
Community and economic development	<u>177,161</u>	<u>-</u>	<u>177,161</u>
Net change in fund balance / net position	38,277	-	38,277
Fund balance / net position - beginning of year	<u>57,304</u>	<u>-</u>	<u>57,304</u>
Fund balance / net position - end of year	<u>\$ 95,581</u>	<u>\$ -</u>	<u>\$ 95,581</u>

City of Troy, Michigan
Other Supplementary Information
Statement of Net Position and Governmental Fund Balance Sheet
Component Unit - Brownfield Redevelopment Authority
June 30, 2023

	Operating	Adjustments	Statement of Net Position
Assets			
Current assets			
Cash and investments	\$ 710,608	\$ -	\$ 710,608
Taxes receivable	543	-	543
Total current assets	<u>\$ 711,151</u>	<u>-</u>	<u>711,151</u>
Liabilities			
Current liabilities			
Unearned revenue	\$ 543	-	543
Fund Balance			
Unassigned	<u>710,608</u>	<u>(710,608)</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balance	<u><u>\$ 711,151</u></u>		
Net Position			
Unrestricted		<u>\$ 710,608</u>	<u>\$ 710,608</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, 2023

	<u>Operating</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Revenues			
Taxes	\$ 215,702	\$ -	\$ 215,702
Investment loss	<u>(31,240)</u>	<u>-</u>	<u>(31,240)</u>
Total revenues	184,462	-	184,462
Expenditures / expense			
Current			
Community and economic development	<u>394,088</u>	<u>-</u>	<u>394,088</u>
Net change in fund balance / net position	(209,626)	-	(209,626)
Fund balance / net position - beginning of year	<u>920,234</u>	<u>-</u>	<u>920,234</u>
Fund balance / net position - end of year	<u>\$ 710,608</u>	<u>\$ -</u>	<u>\$ 710,608</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 wellbeing have changed over time.	113
Revenue Capacity	These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	122
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.	129
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.	136
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.	141
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.	150

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
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)
Unaudited

	2014	2015	2016	2017	2018
Governmental activities					
Net investment in capital assets	\$ 168,722,287	\$ 178,865,098	\$ 194,299,483	\$ 202,939,709	\$ 209,330,214
Restricted	25,024,969	24,785,605	19,460,570	19,429,092	17,995,682
Unrestricted	<u>65,673,197</u>	<u>82,121,441</u>	<u>79,865,292</u>	<u>13,264,407</u>	<u>17,351,506</u>
Total governmental activities	<u>\$ 259,420,453</u>	<u>\$ 285,772,144</u>	<u>\$ 293,625,345</u>	<u>\$ 235,633,208</u>	<u>\$ 244,677,402</u>
Business-type activities					
Net investment in capital assets	\$ 118,730,653	\$ 119,825,109	\$ 127,611,126	\$ 129,220,049	\$ 128,565,431
Restricted	-	-	-	-	-
Unrestricted	<u>48,878,034</u>	<u>45,659,008</u>	<u>38,593,816</u>	<u>39,342,785</u>	<u>39,035,755</u>
Total business-type activities	<u>\$ 167,608,687</u>	<u>\$ 165,484,117</u>	<u>\$ 166,204,942</u>	<u>\$ 168,562,834</u>	<u>\$ 167,601,186</u>
Primary government					
Net investment in capital assets	\$ 287,452,940	\$ 298,690,207	\$ 321,910,609	\$ 332,159,758	\$ 337,895,645
Restricted	25,024,969	24,785,605	19,460,570	19,429,092	17,995,682
Unrestricted	<u>114,551,231</u>	<u>127,780,449</u>	<u>118,459,108</u>	<u>52,607,192</u>	<u>56,387,261</u>
Total primary government	<u>\$ 427,029,140</u>	<u>\$ 451,256,261</u>	<u>\$ 459,830,287</u>	<u>\$ 404,196,042</u>	<u>\$ 412,278,588</u>

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

	2019	2020	2021	2022	2023
Governmental activities					
Net investment in capital assets	\$ 211,012,892	\$ 211,643,485	\$ 230,145,408	\$ 233,277,547	\$ 238,472,631
Restricted	49,675,789	71,427,127	77,713,480	80,401,648	81,478,063
Unrestricted	5,617,794	6,622,679	10,477,522	7,202,418	18,645,580
Total governmental activities	<u>\$ 266,306,475</u>	<u>\$ 289,693,291</u>	<u>\$ 318,336,410</u>	<u>\$ 320,881,613</u>	<u>\$ 338,596,274</u>
Business-type activities					
Net investment in capital assets	\$ 128,316,680	\$ 132,389,502	\$ 142,141,489	\$ 143,593,325	\$ 149,413,653
Restricted	1,194,908	1,334,545	1,763,231	1,982,936	2,137,566
Unrestricted	38,588,206	32,607,856	23,224,217	16,860,483	9,518,176
Total business-type activities	<u>\$ 168,099,794</u>	<u>\$ 166,331,903</u>	<u>\$ 167,128,937</u>	<u>\$ 162,436,744</u>	<u>\$ 161,069,395</u>
Primary government					
Net investment in capital assets	\$ 339,329,572	\$ 344,032,987	\$ 372,286,897	\$ 376,870,872	\$ 387,886,284
Restricted	50,870,697	72,761,672	79,476,711	82,384,584	83,615,629
Unrestricted	44,206,000	39,230,535	33,701,739	24,062,901	28,163,756
Total primary government	<u>\$ 434,406,269</u>	<u>\$ 456,025,194</u>	<u>\$ 485,465,347</u>	<u>\$ 483,318,357</u>	<u>\$ 499,665,669</u>

**City of Troy, Michigan
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)
Unaudited**

	2014	2015	2016	2017	2018
Expenses					
Governmental activities					
General government	\$ 9,875,913	\$ 10,449,379	\$ 11,305,100	\$ 10,925,546	\$ 10,527,094
Public safety	28,860,117	35,744,673	31,023,545	29,403,916	29,357,164
Public works	15,478,239	17,224,145	16,269,932	16,553,537	18,123,198
Sanitation	4,267,388	4,606,627	4,517,499	4,889,569	5,007,584
Community and economic development	16,303,702	1,018,643	955,880	794,535	851,314
Recreation and culture	9,432,683	10,091,847	10,248,458	10,442,184	11,320,591
Interest on long-term debt	1,065,510	1,444,384	1,344,219	1,206,243	1,095,894
Total governmental activities	<u>85,283,552</u>	<u>80,579,698</u>	<u>75,664,633</u>	<u>74,215,530</u>	<u>76,282,839</u>
Business-type activities					
Water	15,479,500	15,767,708	18,508,493	18,992,183	20,809,872
Sewer	12,864,584	12,807,380	12,584,209	12,401,390	14,441,047
Sanctuary Lake golf course	1,735,921	1,733,846	1,900,990	1,917,677	1,930,551
Sylvan Glen golf course	1,096,974	1,130,082	1,143,351	1,114,618	1,082,544
Aquatic center	531,369	583,709	700,430	717,905	655,821
Total business-type activities	<u>31,708,348</u>	<u>32,022,725</u>	<u>34,837,473</u>	<u>35,143,773</u>	<u>38,919,835</u>
Total primary government expenses	<u>116,991,900</u>	<u>112,602,423</u>	<u>110,502,106</u>	<u>109,359,303</u>	<u>115,202,674</u>
Program revenues					
Governmental activities					
Charges for services					
General government	3,241,183	3,783,480	3,766,949	3,983,385	3,862,669
Public safety	4,076,054	4,691,450	4,451,076	4,612,475	4,975,806
Public works	2,634,542	3,364,953	3,335,490	2,916,921	3,082,359
Sanitation	6,358	6,590	8,630	8,199	25,923
Community and economic development	-	-	-	-	-
Recreation and culture	3,536,383	3,589,925	3,587,481	3,683,297	3,698,180
Operating grants and contributions	835,352	1,097,166	760,549	951,275	1,134,640
Capital grants and contributions	23,832,070	10,447,244	11,466,690	9,304,781	10,501,834
Total governmental activities	<u>38,161,942</u>	<u>26,980,808</u>	<u>27,376,865</u>	<u>25,460,333</u>	<u>27,281,411</u>
Business-type activities					
Charges for services					
Water	15,078,684	14,626,110	17,465,511	20,699,381	20,154,112
Sewer	12,451,888	11,900,157	12,470,724	13,513,930	13,335,048
Sanctuary Lake golf course	1,335,433	1,375,137	1,809,386	1,739,789	1,781,278
Sylvan Glen golf course	984,908	1,128,968	1,291,367	1,363,358	1,298,319
Aquatic center	532,293	431,141	728,589	591,389	578,108
Operating grants and contributions	-	19,153	-	-	-
Capital grants and contributions	262,237	285,963	1,104,132	2,681,660	738,252
Total business-type activities	<u>30,645,443</u>	<u>29,766,629</u>	<u>34,869,709</u>	<u>40,589,507</u>	<u>37,885,117</u>
Total primary government program revenues	<u>68,807,385</u>	<u>56,747,437</u>	<u>62,246,574</u>	<u>66,049,840</u>	<u>65,166,528</u>
Net (expense)/revenue					
Governmental activities	(47,121,610)	(53,598,890)	(48,287,768)	(48,755,197)	(49,001,428)
Business-type activities	(1,062,905)	(2,256,096)	32,236	5,445,734	(1,034,718)
Total primary government net expense	<u>(48,184,515)</u>	<u>(55,854,986)</u>	<u>(48,255,532)</u>	<u>(43,309,463)</u>	<u>(50,036,146)</u>
General revenues					
Governmental activities					
General revenues					
Property taxes	46,759,393	46,993,478	48,369,185	48,184,737	49,396,636
State-shared revenue	6,435,145	6,541,560	6,535,632	8,091,385	8,378,417
Grants and contributions not restricted	54,535	22,848	24,472	14,619	20,070
Unrestricted investment earnings (loss)	424,286	258,208	1,079,714	12,506	93,835
Miscellaneous	532,674	523,636	131,968	-	156,664
Total governmental activities	<u>54,206,033</u>	<u>54,339,730</u>	<u>56,140,971</u>	<u>56,303,247</u>	<u>58,045,622</u>
Business-type activities					
General revenues					
Unrestricted investment earnings (loss)	305,126	131,526	681,643	29,858	73,070
Miscellaneous	10,500	-	6,946	-	-
Total business-type activities	<u>315,626</u>	<u>131,526</u>	<u>688,589</u>	<u>29,858</u>	<u>73,070</u>
Total primary government	<u>54,521,659</u>	<u>54,471,256</u>	<u>56,829,560</u>	<u>56,333,105</u>	<u>58,118,692</u>
Change in net position					
Governmental activities	7,084,423	740,840	7,853,203	7,548,050	9,044,194
Business-type activities	(747,279)	(2,124,570)	720,825	5,475,592	(961,648)
Total primary government	<u>\$ 6,337,144</u>	<u>\$ (1,383,730)</u>	<u>\$ 8,574,028</u>	<u>\$ 13,023,642</u>	<u>\$ 8,082,546</u>

**City of Troy, Michigan
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)
Unaudited**

	2019	2020	2021	2022	2023
Expenses					
Governmental activities					
General government	\$ 9,161,093	\$ 6,511,152	\$ 7,630,092	\$ 9,992,627	\$ 10,139,417
Public safety	23,995,136	23,297,176	23,743,952	34,285,696	30,335,955
Public works	17,532,358	17,216,100	17,217,363	21,100,594	17,976,458
Sanitation	5,250,265	5,358,719	5,534,606	5,656,929	5,950,274
Community and economic development	305,789	275,784	805,526	1,009,707	4,142,399
Recreation and culture	11,114,884	9,982,617	8,396,449	11,944,043	13,449,956
Interest on long-term debt	975,567	843,586	637,086	167,576	152,973
Total governmental activities	<u>68,335,092</u>	<u>63,485,134</u>	<u>63,965,074</u>	<u>84,157,172</u>	<u>82,147,432</u>
Business-type activities					
Water	20,163,346	19,914,841	20,639,128	20,927,528	22,129,369
Sewer	14,545,633	14,590,131	15,063,368	15,371,118	15,881,121
Sanctuary Lake golf course	1,960,575	1,908,982	2,202,815	2,381,697	2,546,170
Sylvan Glen golf course	1,111,941	1,206,036	1,258,376	1,409,200	1,609,537
Aquatic center	699,130	515,238	473,997	706,923	589,748
Total business-type activities	<u>38,480,625</u>	<u>38,135,228</u>	<u>39,637,684</u>	<u>40,796,466</u>	<u>42,755,945</u>
Total primary government expenses	<u>106,815,717</u>	<u>101,620,362</u>	<u>103,602,758</u>	<u>124,953,638</u>	<u>124,903,377</u>
Program revenues					
Governmental activities					
Charges for services					
General government	3,953,495	3,792,227	4,115,452	3,445,352	3,317,610
Public safety	5,243,086	4,370,991	4,563,533	4,279,158	2,235,361
Public works	2,046,635	2,077,937	2,888,371	2,933,503	4,021,104
Sanitation	1,118	940	422	575	-
Community and economic development	-	-	-	-	2,534,219
Recreation and culture	3,756,819	2,183,119	1,054,435	2,449,412	2,698,631
Operating grants and contributions	810,436	964,952	6,042,781	1,573,630	3,421,036
Capital grants and contributions	11,438,685	9,903,857	11,003,755	10,951,311	12,533,045
Total governmental activities	<u>27,250,274</u>	<u>23,294,023</u>	<u>29,668,749</u>	<u>25,632,941</u>	<u>30,761,006</u>
Business-type activities					
Charges for services					
Water	19,679,644	19,189,709	20,488,367	19,088,120	21,355,575
Sewer	13,125,364	12,702,238	13,759,793	12,953,666	13,839,768
Sanctuary Lake golf course	1,782,237	1,684,938	2,310,026	2,253,407	2,601,183
Sylvan Glen golf course	1,269,017	1,339,293	1,800,034	1,614,615	1,932,909
Aquatic center	552,340	305,292	247,343	785,243	587,452
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	1,064,065	196,436	2,077,664	913,952	731,734
Total business-type activities	<u>37,472,667</u>	<u>35,417,906</u>	<u>40,683,227</u>	<u>37,609,003</u>	<u>41,048,621</u>
Total primary government program revenues	<u>64,722,941</u>	<u>58,711,929</u>	<u>70,351,976</u>	<u>63,241,944</u>	<u>71,809,627</u>
Net (expense)/revenue					
Governmental activities	(41,084,818)	(40,191,111)	(34,296,325)	(58,524,231)	(51,386,426)
Business-type activities	(1,007,958)	(2,717,322)	1,045,543	(3,187,463)	(1,707,324)
Total primary government net expense	<u>(42,092,776)</u>	<u>(42,908,433)</u>	<u>(33,250,782)</u>	<u>(61,711,694)</u>	<u>(53,093,750)</u>
General revenues					
Governmental activities					
General revenues					
Property taxes	51,108,963	52,975,285	53,623,652	54,937,941	57,724,838
State-shared revenue	8,535,476	8,346,267	9,601,689	12,144,090	9,968,092
Grants and contributions not restricted	18,188	18,210	27,884	25,153	-
Unrestricted investment earnings (loss)	2,635,494	2,003,122	(526,158)	(6,244,462)	(2,921,084)
Miscellaneous	415,770	235,043	212,377	206,712	670,534
Total governmental activities	<u>62,713,891</u>	<u>63,577,927</u>	<u>62,939,444</u>	<u>61,069,434</u>	<u>65,442,380</u>
Business-type activities					
General revenues					
Unrestricted investment earnings (loss)	1,466,100	949,431	(248,509)	(1,504,730)	304,614
Miscellaneous	40,466	-	-	-	35,361
Total business-type activities	<u>1,506,566</u>	<u>949,431</u>	<u>(248,509)</u>	<u>(1,504,730)</u>	<u>339,975</u>
Total primary government	<u>64,220,457</u>	<u>64,527,358</u>	<u>62,690,935</u>	<u>59,564,704</u>	<u>65,782,355</u>
Change in net position					
Governmental activities	21,629,073	23,386,816	28,643,119	2,545,203	14,055,954
Business-type activities	498,608	(1,767,891)	797,034	(4,692,193)	(1,367,349)
Total primary government	<u>\$ 22,127,681</u>	<u>\$ 21,618,925</u>	<u>\$ 29,440,153</u>	<u>\$ (2,146,990)</u>	<u>\$ 12,688,605</u>

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

	2014	2015	2016	2017	2018
General fund					
Nonspendable	\$ 4,417,528	\$ 5,287,206	\$ 5,669,290	\$ 6,260,979	\$ 6,885,751
Restricted	1,534,139	1,538,879	1,563,203	1,563,397	1,565,721
Committed	6,622,968	-	-	-	-
Assigned	3,162,000	8,075,520	5,312,270	4,561,613	6,326,870
Unassigned	<u>21,856,139</u>	<u>19,716,862</u>	<u>20,062,397</u>	<u>19,776,349</u>	<u>18,661,478</u>
Total general fund	<u>37,592,774</u>	<u>34,618,467</u>	<u>32,607,160</u>	<u>32,162,338</u>	<u>33,439,820</u>
All other governmental funds					
Nonspendable	224,977	200,512	196,900	293,680	187,299
Restricted	21,023,992	23,781,735	19,510,120	19,352,374	17,996,223
Committed	<u>3,776,000</u>	<u>803,358</u>	<u>2,720,822</u>	<u>945,425</u>	<u>132,263</u>
Total all other governmental funds	<u>25,024,969</u>	<u>24,785,605</u>	<u>22,427,842</u>	<u>20,591,479</u>	<u>18,315,785</u>
Total governmental funds	<u>\$ 62,617,743</u>	<u>\$ 59,404,072</u>	<u>\$ 55,035,002</u>	<u>\$ 52,753,817</u>	<u>\$ 51,755,605</u>

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

	2019	2020	2021*	2022	2023
General fund					
Nonspendable	\$ 7,215,136	\$ 8,084,436	\$ 9,779,366	\$ 9,994,166	\$ 9,626,031
Restricted	1,617,390	1,656,276	-	-	-
Committed	-	-	-	-	-
Assigned	5,895,860	5,801,438	7,149,823	8,075,027	6,320,196
Unassigned	19,674,536	17,486,669	22,737,062	21,544,036	19,650,093
Total general fund	<u>34,402,922</u>	<u>33,028,819</u>	<u>39,666,251</u>	<u>39,613,229</u>	<u>35,596,320</u>
All other governmental funds					
Nonspendable	268,684	249,339	246,425	256,177	280,635
Restricted	21,311,972	26,185,903	25,217,102	23,068,541	20,827,425
Committed	564,900	304,163	656,477	-	-
Total all other governmental funds	<u>22,145,556</u>	<u>26,739,405</u>	<u>26,120,004</u>	<u>23,324,718</u>	<u>21,108,060</u>
Total governmental funds	<u>\$ 56,548,478</u>	<u>\$ 59,768,224</u>	<u>\$ 65,786,255</u>	<u>\$ 62,937,947</u>	<u>\$ 56,704,380</u>

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

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

	2014	2015	2016	2017	2018
Revenues					
Property taxes	\$ 46,739,163	\$ 47,032,046	\$ 48,181,711	\$ 48,330,909	\$ 49,449,053
Licenses and permits	2,429,459	2,896,533	2,519,342	2,755,580	2,947,987
Intergovernmental - federal	3,189,800	1,909,795	2,492,626	564,401	419,889
Intergovernmental - state	12,238,420	14,532,201	14,016,525	15,102,588	17,266,839
Intergovernmental - local	31,209	587,902	1,401,455	1,624,744	1,227,514
Charges for services	8,378,616	9,375,710	9,636,700	9,198,024	9,328,352
Fines and forfeits	1,396,241	1,418,354	1,183,571	1,415,429	1,617,607
Investment earnings (loss)	348,625	224,322	865,229	10,795	70,137
Other	2,042,877	3,086,024	2,948,266	3,167,305	3,139,232
Total revenues	<u>76,794,410</u>	<u>81,062,887</u>	<u>83,245,425</u>	<u>82,169,775</u>	<u>85,466,610</u>
Expenditures					
Current					
General government	6,621,292	6,992,997	7,338,404	7,931,122	7,557,035
Public safety	28,082,145	31,108,472	28,611,021	29,860,208	31,427,553
Public works	5,675,847	5,638,918	5,372,214	5,441,176	6,184,744
Sanitation	4,267,898	4,606,610	4,517,910	4,890,106	5,008,258
Community and economic development	18,327,123	3,207,237	3,186,003	3,364,862	3,627,340
Recreation and culture	8,556,099	9,186,959	9,457,699	9,793,755	10,771,468
Debt service					
Principal	2,691,746	2,832,182	2,922,716	2,980,066	2,910,420
Lease principal	-	-	-	-	-
Interest and other charges	1,126,667	1,505,715	1,407,944	1,274,264	1,160,095
Bond issuance costs	-	-	-	-	-
Capital outlay	13,725,931	19,554,175	24,973,022	18,916,700	17,818,579
Total expenditures	<u>89,074,748</u>	<u>84,633,265</u>	<u>87,786,933</u>	<u>84,452,259</u>	<u>86,465,492</u>
Excess of revenues over (under) expenditures	<u>(12,280,338)</u>	<u>(3,570,378)</u>	<u>(4,541,508)</u>	<u>(2,282,484)</u>	<u>(998,882)</u>
Other financing sources (uses)					
Transfers in	13,742,158	15,247,847	18,223,266	15,568,422	14,583,366
Transfers out	(13,292,158)	(15,306,857)	(18,226,266)	(15,568,422)	(14,583,366)
Issuance of debt	14,945,000	-	-	-	-
Payments to escrow agent	-	-	-	-	-
Issuance of leases payable	-	-	-	-	-
Proceeds from the sale of capital assets	273,700	415,717	172,438	1,299	670
Total other financing sources (uses)	<u>15,668,700</u>	<u>356,707</u>	<u>169,438</u>	<u>1,299</u>	<u>670</u>
Net change in fund balances	<u>\$ 3,388,362</u>	<u>\$ (3,213,671)</u>	<u>\$ (4,372,070)</u>	<u>\$ (2,281,185)</u>	<u>\$ (998,212)</u>
Debt service as a percentage of noncapital expenditures	5.10%	6.70%	6.90%	6.50%	5.90%

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

	2019	2020	2021	2022	2023
Revenues					
Property taxes	\$ 51,118,782	\$ 52,847,967	\$ 53,699,190	\$ 54,891,265	\$ 57,745,884
Licenses and permits	2,930,791	2,684,369	2,575,884	2,499,549	2,778,942
Intergovernmental - federal	350,211	410,169	4,907,302	173,441	1,652,147
Intergovernmental - state	18,707,814	17,461,280	19,604,050	23,077,936	23,116,438
Intergovernmental - local	904,756	479,549	803,030	786,577	1,027,077
Charges for services	8,353,157	6,763,062	7,088,481	7,745,679	8,575,938
Fines and forfeits	1,557,399	1,097,965	943,594	858,936	748,775
Investment earnings (loss)	2,102,986	1,607,993	(427,806)	(5,137,848)	(2,324,925)
Other	3,261,326	3,022,060	6,106,702	2,778,135	3,353,715
Total revenues	<u>89,287,222</u>	<u>86,374,414</u>	<u>95,300,427</u>	<u>87,673,670</u>	<u>96,673,991</u>
Expenditures					
Current					
General government	8,241,232	8,436,783	8,879,688	9,012,053	10,349,564
Public safety	33,487,111	33,833,913	35,415,218	35,434,031	45,771,854
Public works	5,946,526	5,946,118	6,682,499	7,846,946	7,185,790
Sanitation	5,250,790	5,359,069	5,534,659	5,656,977	5,950,274
Community and economic development	3,977,888	3,854,144	3,610,414	4,218,892	4,146,097
Recreation and culture	11,088,389	10,193,878	8,808,681	11,004,020	12,397,444
Debt service					
Principal	3,095,470	3,136,159	3,385,338	640,145	660,523
Lease principal	-	-	-	5,322	-
Interest and other charges	1,042,658	910,498	568,454	172,297	146,998
Bond issuance costs	-	-	154,147	-	-
Capital outlay	12,587,681	11,596,804	13,195,645	16,603,584	19,982,606
Total expenditures	<u>84,717,745</u>	<u>83,267,366</u>	<u>86,234,743</u>	<u>90,594,267</u>	<u>106,591,150</u>
Excess of revenues over (under) expenditures	<u>4,569,477</u>	<u>3,107,048</u>	<u>9,065,684</u>	<u>(2,920,597)</u>	<u>(9,917,159)</u>
Other financing sources (uses)					
Transfers in	14,694,064	15,649,224	12,425,144	8,934,090	8,915,745
Transfers out	(14,694,064)	(15,649,224)	(12,425,144)	(8,934,090)	(8,915,745)
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	223,396	112,698	10,600	24,550	24,885
Total other financing sources (uses)	<u>223,396</u>	<u>112,698</u>	<u>(3,047,653)</u>	<u>72,289</u>	<u>24,885</u>
Net change in fund balances	<u>\$ 4,792,873</u>	<u>\$ 3,219,746</u>	<u>\$ 6,018,031</u>	<u>\$ (2,848,308)</u>	<u>\$ (9,892,274)</u>
Debt service as a percentage of noncapital expenditures	5.70%	5.70%	4.60%	1.10%	0.94%

City of Troy, Michigan
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
2014	\$ 29,591,708	\$ 4,647,626	\$ 2,982,973	\$ 6,526,304	\$ 3,010,782	\$ 46,759,393
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

City of Troy, Michigan
Property Tax Levies and Collections
Last Ten Fiscal Years
Unaudited

Fiscal Year			Percentage of		Total Tax	Percentage of	Outstanding	Percentage of
Ended June 30,	Total Tax Levy	Current Tax	Current Taxes	Delinquent Tax	Collections to	Total Tax	Delinquent	Delinquent
		Collections	Collected	Collections	Date	Collections to	Taxes	Taxes to Total
						Total Tax Levy		Tax Levy
2014	\$ 45,071,690	\$ 44,160,748	97.98%	\$ 609,614	\$ 44,770,362	99.33%	\$ 301,328	0.67%
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%

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

City of Troy							Overlapping Governments	
Tax Year	General	Capital	Refuse	Debt	Library	Total	Troy School District	Oakland County
2013 H	6.50	1.53	1.05	0.70	0.70	10.48	10.51	4.65
2013 NH	6.50	1.53	1.05	0.70	0.70	10.48	22.95	4.65
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

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
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(Per \$1,000 of Assessed Valuation)
Unaudited

Overlapping Governments							
Oakland County							
Community	Intermediate						
College	School District	Oakland Transit	State Education	Zoo	Art	HCMA*	Total
1.58	3.37	0.59	6.00	0.10	0.20	-	37.48
1.58	3.37	0.59	6.00	0.10	0.20	-	49.92
1.58	3.37	0.59	6.00	0.10	0.20	-	37.08
1.58	3.37	0.59	6.00	0.10	0.20	-	49.96
1.58	3.37	1.00	6.00	0.10	0.20	-	37.36
1.58	3.37	1.00	6.00	0.10	0.20	-	49.99
1.58	3.36	1.00	6.00	0.10	0.20	-	36.98
1.58	3.36	1.00	6.00	0.10	0.20	-	49.87
1.57	3.34	0.99	6.00	0.10	0.20	-	37.42
1.57	3.34	0.99	6.00	0.10	0.20	-	49.80
1.56	3.11	0.99	6.00	0.10	0.20	-	37.07
1.56	3.11	0.99	6.00	0.10	0.20	-	49.44
1.53	3.25	0.99	6.00	0.10	0.19	-	36.74
1.53	3.25	0.99	6.00	0.10	0.20	-	49.87
1.52	3.23	0.99	6.00	0.10	0.19	-	36.36
1.52	3.23	0.99	6.00	0.10	0.19	-	49.69
1.51	3.20	0.98	6.00	0.10	0.19	0.21	35.02
1.51	3.20	0.98	6.00	0.10	0.19	0.21	49.63
1.49	3.17	0.98	6.00	0.10	0.19	0.21	34.68
1.49	3.17	0.98	6.00	0.10	0.19	0.21	49.61

City of Troy, Michigan
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	1,305,736,060	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
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%
6,194,962,650	(179,750)	6,194,782,900	9.90	8,138,288,970	76.12%

City of Troy, Michigan
Principal Property Taxpayers
Current Year and Ten Years Ago
Unaudited

Taxpayer	2014		
	Taxable Value	Rank	Percentage of Total City Taxable Value
Frankel Forbes Cohen	\$ 51,579,130	1	1.20%
UrbanCal - Oakland Mall	36,713,920	2	0.85%
Detroit Edison	33,483,940	3	0.78%
Nykel Management	25,039,520	4	0.58%
CC Troy Assoc.	20,025,150	5	0.46%
Osprey-Troy Officentre LLC	19,962,720	6	0.46%
Nemer Troy Place Realty	19,696,840	7	0.46%
Bank of America	17,840,330	8	0.41%
Kelly Services	17,480,210	9	0.41%
Delphi	17,010,500	10	0.39%
	<u>\$ 258,832,260</u>		<u>6.01%</u>

City of Troy, Michigan
Principal Property Taxpayers
Current Year and Ten Years Ago
Unaudited

Taxpayer	2023		
	Taxable Value	Rank	Percentage of Total City Taxable Value
Somerset Collections	\$ 63,920,120	1	1.03%
DTE Electric Co	50,052,990	2	0.81%
Lithia Real Estate Inc	44,085,040	3	0.71%
Troy Apts I-IV LLC	33,682,460	4	0.54%
Zen Troy LLC	30,730,160	5	0.50%
Midtown Place Troy LLC	28,540,680	6	0.46%
Pentrecentre LLC	25,925,890	7	0.42%
MK Oakland Mall LLC	25,352,410	8	0.41%
CC Troy Associates LLC	24,043,020	9	0.39%
Consumers Energy	23,419,270	10	0.38%
	<u>\$ 349,752,040</u>		<u>5.65%</u>

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

Fiscal Year Ended June 30,	Governmental	Business-type						
	Activities	Activities						
	General and Obligation	General	Less: Amounts					
	County Issued	Obligation	Total	Restricted to	Net Outstanding	Percentage of	Debt Per	
	Bonds and	Bonds and	Outstanding	Repaying	Debt	Personal Income	Debt Per Capita	Debt Per
	Notes	Notes	Debt	Principal				Taxable Value
2014	\$ 35,575,364	\$ 10,653,108	\$ 46,228,472	\$ -	\$ 46,228,472	1.35%	\$ 555	1.07%
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	20,655,661	7,702,575	28,358,236	(14,417,642)	13,940,594	0.85%	165	0.61%
2020	17,484,423	6,882,148	24,366,571	(14,278,604)	10,087,967	0.63%	120	0.52%
2021	11,142,985	6,073,573	17,216,558	(10,446,904)	6,769,654	0.41%	78	0.37%
2022	10,502,840	5,278,891	15,781,731	(10,011,625)	5,770,106	0.36%	65	0.34%
2023	9,855,804	4,413,336	14,269,140	(9,594,859)	4,674,281	1.05%	54	0.08%

City of Troy, Michigan
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
2014	\$ 2,480,000	\$ 1,090,225	\$ 3,570,225	\$ 75,062,875	4.76%
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%

City of Troy, Michigan
Computation of Direct and Overlapping Debt
June 30, 2023
Unaudited

Jurisdiction	Net General Bonded Debt Outstanding	Percentage Applicable to Troy	Amount Applicable to Troy
City of Troy - Direct debt	\$ 9,855,804	100%	\$ 9,855,804
City of Troy - Overlapping Debt			
Avondale School District	97,117,427	19.17%	18,617,411
Birmingham School District	251,670,000	3.57%	8,984,619
Bloomfield Hills School District	205,740,000	2.35%	4,834,890
Royal Oak School District	35,730,000	1.84%	657,432
Troy School District	271,570,000	100.00%	271,570,000
Warren School District	221,900,000	7.49%	16,620,310
Oakland County	181,894,707	8.27%	15,042,692
Oakland Intermediate School District	39,675,000	7.85%	3,114,488
Total overlapping debt	<u>1,305,297,134</u>		<u>339,441,842</u>
Total direct and overlapping debt	<u><u>\$ 1,315,152,938</u></u>		<u><u>\$ 349,297,646</u></u>

City of Troy, Michigan
Computation of Legal Debt Margin
June 30, 2023
Unaudited

	Annual Net Debt	Percentage of State Equalized Valuation	Legal Margin	
			Amount	Legal Debt Margin
General obligation debt	\$ 13,540,000	10.0%	\$ 749,764,409	\$ 736,224,409
Emergency bonds	-	37.5%	2,811,616,534	2,811,616,534
Special assessment bonds	-	12.0%	899,717,291	899,717,291
Total debt	<u>\$ 13,540,000</u>		<u>\$ 4,461,098,234</u>	<u>\$ 4,447,558,234</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 (\$7,156,234,730), 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
Legal Debt Margin Information
Last Ten Fiscal Years
Unaudited

	2014	2015	2016	2017	2018
Debt Limit	\$ 449,143,234	\$ 482,754,174	\$ 531,361,170	\$ 562,687,887	\$ 589,424,172
Total net debt applicable to limit	<u>(42,735,000)</u>	<u>(39,670,000)</u>	<u>(36,325,000)</u>	<u>(32,940,000)</u>	<u>(29,635,000)</u>
Legal debt margin	<u>\$ 406,408,234</u>	<u>\$ 443,084,174</u>	<u>\$ 495,036,170</u>	<u>\$ 529,747,887</u>	<u>\$ 559,789,172</u>
Total net debt applicable to the limit as a percentage of debt limit	9.51%	8.22%	6.84%	5.85%	5.03%

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

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Debt Limit	\$ 614,688,547	\$ 653,636,417	\$ 675,468,147	\$ 715,623,473	\$ 749,764,409
Total net debt applicable to limit	<u>(26,055,000)</u>	<u>(22,450,000)</u>	<u>(16,150,000)</u>	<u>(14,725,000)</u>	<u>(13,540,000)</u>
Legal debt margin	<u>\$ 588,633,547</u>	<u>\$ 631,186,417</u>	<u>\$ 659,318,147</u>	<u>\$ 700,898,473</u>	<u>\$ 736,224,409</u>
Total net debt applicable to the limit as a percentage of debt limit	4.24%	3.43%	2.39%	2.06%	1.81%

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

Golf Course Bonds						
Fiscal Year Ended	Collections	Debt Service			Total	Coverage
		Principal	Interest			
2014	\$ 1,335,433	\$ 400,000	\$ 328,254	\$ 728,254	2	
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	

City of Troy, Michigan
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)
2014	83,270	41.8	33,182	2.60	\$ 41,209
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

Source:

(1) Southeast Michigan Council of Governments (SEMCOG)

(2) U.S. Bureau of Labor Statistics

City of Troy, Michigan
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)
\$ 84,325	\$ 3,431	5.9	95	57	27
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

City of Troy, Michigan
Principal Employers by Industry
Current and Previous Four Years
Unaudited

Industry	2019			2020		
	Number of Parcels	Rank	Percent of Total Parcels	Number of Parcels	Rank	Percent of Total Parcels
Industrial, Light Manufacturing	637	1	39.08%	633	1	39.15%
Office	260	2	15.95%	258	2	15.96%
Retail Store (Mall, Plaza, Market, Whse, Discount)	154	3	9.45%	139	3	8.60%
Medical Office	85	4	5.21%	85	4	5.26%
Restaurant and Fast Food	76	5	4.66%	75	6	4.64%
Apartments	70	7	4.29%	74	7	4.58%
All other	72	6	4.42%	82	5	5.07%
Engineering	67	9	4.11%	67	8	4.14%
Service (Station, Garage, Booth, Convenience)	50	10	3.07%	49	10	3.03%
Loft (Multi Tenant Industrial)	40	11	2.45%	38	11	2.35%
Bank	33	12	2.02%	33	12	2.04%
Warehouse (Storage, Distribution, Transit)	68	8	4.17%	66	9	4.08%
Auto Dealership	18	13	1.10%	18	13	1.11%
Total commercial/industrial parcels	<u>1,630</u>		<u>100.00%</u>	<u>1,617</u>		<u>100.00%</u>

Source: City Assessor

City of Troy, Michigan
Principal Employers by Industry
Current and Previous Four Years
Unaudited

Industry	2021			2022		
	Number of Parcels	Rank	Percent of Total Parcels	Number of Parcels	Rank	Percent of Total Parcels
Industrial, Light Manufacturing	676	1	39.10%	685	1	40.75%
Office	259	2	14.98%	254	2	15.11%
Retail Store (Mall, Plaza, Market, Whse, Discount)	148	3	8.56%	170	3	10.11%
Medical Office	93	5	5.38%	94	4	5.59%
Restaurant and Fast Food	82	6	4.74%	80	5	4.76%
Apartments	74	8	4.28%	74	6	4.40%
All other	97	4	5.61%	74	8	4.40%
Engineering	71	9	4.11%	67	9	3.99%
Service (Station, Garage, Booth, Convenience)	55	10	3.18%	74	7	4.40%
Loft (Multi Tenant Industrial)	43	11	2.49%	38	10	2.26%
Bank	32	12	1.85%	30	11	1.78%
Warehouse (Storage, Distribution, Transit)	81	7	4.68%	23	12	1.37%
Auto Dealership	18	13	1.04%	18	13	1.07%
Total commercial/industrial parcels	<u>1,729</u>		<u>100.00%</u>	<u>1,681</u>		<u>100.00%</u>

City of Troy, Michigan
Principal Employers by Industry
Current and Previous Four Years
Unaudited

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

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

Function / Program	2014	2015	2016	2017	2018
Building Inspection					
Permits issued	2,297	2,369	2,404	3,197	2,988
Plans reviewed	2,641	3,051	3,301	3,817	3,750
Executive Administration					
City Manager's Office -					
GFOA awards/submittals	3	3	3	3	3
City Attorney's Office -					
District court appearances	7,871	8,289	8,059	8,241	8,357
Community Affairs:					
New resident packets distributed	790	801	940	790	801
Press releases sent	482	495	500	460	468
City Clerk's Office:					
Registered voters	56,630	57,400	57,163	58,333	57,619
Voter turnout% (November)	27%	51%	21%	80%	29%
Human Resources:					
Applications processed	1,274	1,120	809	1,261	1,044
Job postings	38	45	51	59	61
Labor contracts settled	3	2	4	0	0
Engineering					
Soil erosion inspections	812	1,089	640	744	779
Machine traffic counts	43	25	25	15	18
PASER ratings	6	5.7	5.5	5.3	5.2
Finance					
Accounting/Risk Management:					
Payroll checks processed	24,073	26,497	26,822	27,665	27,692
Invoices issued	10,635	10,121	10,119	10,307	10,193
Liability claims processed	103	344	84	41	55
Insurance certificates approved	365	385	619	693	730
Assessing:					
Residential appraisals	518	362	390	400	324
Reinspections	892	1,156	1,400	1,000	1,300
Purchasing:					
Value of goods/services purchased	\$34.0 mil	\$34.5 mil	\$37.8 mil	\$43.6 mil	\$45.8 mil
% of awards without dispute	100%	100%	100%	100%	100%
City Treasurer's Office:					
Tax bills processed	66,200	62,685	62,854	62,345	62,669
Water bills processed	102,510	102,807	103,118	104,418	107,054
Fire					
Fire Department responses	1,165	1,077	1,174	1,216	1,206
Inspections performed	2,988	2,398	2,815	2,348	2,096

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

Function / Program	2019	2020	2021	2022	2023
Building Inspection					
Permits issued	2,711	2,200	2,490	2,717	2,699
Plans reviewed	3,335	2,763	3,139	2,971	2,841
Executive Administration					
City Manager's Office -					
GFOA awards/submittals	3	3	3	3	2
City Attorney's Office -					
District court appearances	9,994	6,660	5,360	5,134	5,267
Community Affairs:					
New resident packets distributed	525	460	325	275	597
Press releases sent	475	480	400	385	398
City Clerk's Office:					
Registered voters	59,440	60,274	64,590	64,482	66,094
Voter turnout% (November)	66%	26%	77%	18%	62%
Human Resources:					
Applications processed	1,052	727	3,048	2,914	1,986
Job postings	67	31	89	119	122
Labor contracts settled	1	2	2	1	0
Engineering					
Soil erosion inspections	878	791	621	569	1,182
Machine traffic counts	14	20	23	25	16
PASER ratings	5.2	5.2	5.1	5.2	5.1
					continued...
Finance					
Accounting/Risk Management:					
Payroll checks processed	27,814	27,215	25,645	26,057	27,432
Invoices issued	10,157	9,678	9,135	8,423	8,524
Liability claims processed	74	80	80	79	85
Insurance certificates approved	759	750	558	638	644
Assessing:					
Residential appraisals	375	450	485	600	750
Reinspections	1,500	1,000	1,000	1,200	1,100
Purchasing:					
Value of goods/services purchased	\$48 mil	\$51.4 mil	\$50 mil	\$53.1 mil	\$60 mil
% of awards without dispute	100%	100%	100%	100%	100%
City Treasurer's Office:					
Tax bills processed	62,572	62,900	62,772	62,127	62,316
Water bills processed	104,890	105,710	106,892	106,274	106,244
Fire					
Fire Department responses	1,175	1,111	1,045	1,158	1,403
Inspections performed	1,721	1,070	1,910	2,119	3,597

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

Function / Program	2014	2015	2016	2017	2018
Other General Government					
Building Operations -					
Requests for service	18,550	16,280	18,150	18,630	18,240
Planning:					
Site plan reviews	17	17	15	18	17
Special use requests	3	2	6	5	6
Parks, Recreation and Culture					
ROW trees trimmed	3,300	3,976	2,611	4,323	1,849
Recreation programs	480	485	485	492	518
Library cards	46,400	49,656	56,961	61,362	58,598
Police					
Group A Crimes	1,512	1,419	1,451	1,358	1,288
Operate while impaired	473	419	350	392	352
Hazardous traffic citations	6,704	5,283	4,796	4,510	5,094
Non-hazardous traffic citations	3,168	4,750	3,736	3,315	3,722
Traffic crashes:					
Property damage	3,342	3,163	1,937	1,949	2,155
Personal injury	532	468	275	260	307
Fatal crash	4	5	3	4	2
Public Works					
Streets and Drains Division					
Requests for service	1,774	1,747	1,509	1,636	1,956
Water and Sewer Division					
Requests for service	4,434	4,140	2,482	2,776	2,627
Sanitary sewers cleaned in feet	1,630,417	1,250,000	1,151,056	835,683	350,269
Fleet Maintenance					
Work orders	2,532	2,165	2,443	2,477	2,380
Vehicle tires replaced	406	487	332	349	458
Refuse/Resource Recovery					
Tons of refuse collected	27,210	28,462	28,068	28,475	26,957
Tons of compost collected	9,743	9,174	9,104	9,580	8,806
Information Technology					
Help desk requests	3,079	3,018	2,811	3,136	3,389
Golf Course					
Sylvan Glen rounds of golf	37,737	42,887	49,988	49,044	45,848
Sanctuary Lake rounds of golf	30,283	31,840	43,416	41,459	41,700
Aquatic Center					
Admissions	49,066	36,021	42,481	34,741	36,492

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

Function / Program	2019	2020	2021	2022	2023
Other General Government					
Building Operations -					
Requests for service	6,958	6,089	5,640	5,751	5,890
Planning:					
Site plan reviews	13	10	9	12	11
Special use requests	15	8	2	5	2
Parks, Recreation and Culture					
ROW trees trimmed	3,358	2,500	2,931	2,750	2,694
Recreation programs	520	392	190	214	243
Library cards	52,282	57,144	60,135	65,650	60,190
Police					
Group A Crimes	1,227	790	955	807	2,606
Operate while impaired	372	291	219	197	228
Hazardous traffic citations	9,551	5,330	2,471	3,848	5,051
Non-hazardous traffic citations	4,946	2,799	2,476	1,856	1,119
Traffic crashes:					
Property damage	2,212	2,330	2,046	1,719	1,724
Personal injury	275	312	224	231	270
Fatal crash	2	5	4	3	0
Public Works					
Streets and Drains Division					
Requests for service	1,594	1,401	1,320	2,296	1,658
Water and Sewer Division					
Requests for service	2,301	2,490	1,655	2,521	2,348
Sanitary sewers cleaned in feet	398,000	593,505	853,737	1,249,895	594,580
Fleet Maintenance					
Work orders	2,945	2,322	2,256	2,270	2,452
Vehicle tires replaced	344	332	337	343	338
Refuse/Resource Recovery					
Tons of refuse collected	26,453	27,302	28,304	27,820	27,043
Tons of compost collected	10,033	10,654	9,955	9,981	10,355
Information Technology					
Help desk requests	3,048	2,836	2,302	2,252	2,368
Golf Course					
Sylvan Glen rounds of golf	44,112	46,043	58,017	49,295	52,757
Sanctuary Lake rounds of golf	40,315	40,293	51,720	43,002	46,081
Aquatic Center					
Admissions	41,681	31,146	12,859	46,908	33,748

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

Function / Program	2014	2015	2016	2017	2018
Fire					
Stations	6	6	6	6	6
Police					
Stations	1	1	1	1	1
Streets					
Miles of improved	406	408	408	409	409
Miles of unimproved	4	4	4	4	4
Sewers					
Miles of combination storm/sanitary	10	6	6	6	6
Miles of sanitary	393	393	395	396	397
Miles of storm	631	529	519	535	540
Street Lights					
Detroit Edison owned poles	562	562	562	562	562
City owned poles	539	1,010	1,010	1,010	1,010
Water					
Annual distribution in million cubic feet	450	420	450	495	489
Miles of watermain	537	542	543	544	545
Number of hydrants	5,930	5,962	5,979	6,001	6,025
Parks and Recreation					
Number of developed parks	15	15	15	15	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
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years
Unaudited

Function / Program	2019	2020	2021	2022	2023
Fire					
Stations	6	6	6	6	6
Police					
Stations	1	1	1	1	1
Streets					
Miles of improved	410	342	343	343	343
Miles of unimproved	4	3	3	3	3
Sewers					
Miles of combination storm/sanitary	6	6	6	6	6
Miles of sanitary	399	401	401	402	403
Miles of storm	546	548	547	550	551
Street Lights					
Detroit Edison owned poles	564	544	533	533	534
City owned poles	1,008	1,100	1,104	1,104	1,116
Water					
Annual distribution in million cubic feet	437	386	461	422	546
Miles of watermains	548	549	549	550	548
Number of hydrants	6,064	6,111	6,123	6,133	6,152
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
Building Construction
Last Ten Fiscal Years
Unaudited

2013 - 2014	2,297	permits	165,364,134	estimated value
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

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

Function / Program	2014		2015		2016		2017		2018	
	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	7	7	9	6	9	5	9	4	7	5
City Attorney's Office	7	-	7	-	6	-	7	-	7	1
City Clerk's Office	4	2	4	3	4	3	5	1	5	1
Human Resources	4	1	4	-	4	1	4	1	3	-
Community Affairs	-	-	-	-	-	-	-	-	1	-
Engineering										
Engineering	11	3	11	2	11	2	13	2	12	1
Finance										
Accounting/Risk Management	6	2	6	2	6	1	6	2	6	2
Assessing	7	1	6	1	7	-	6	-	6	-
Purchasing	2	1	2	1	2	1	2	1	3	-
City Treasurer's Office	3	1	4	-	4	-	4	-	4	1
Fire										
Fire	11	6	12	6	12	4	12	5	11	3
Library										
Library	9	82	9	83	9	75	11	75	11	78
Other General Government										
Building Operations	7	4	7	3	7	4	8	2	9	2
Planning	4	2	4	2	4	3	4	4	5	2
Police										
Sworn Police Officers	69	-	79	-	78	-	79	-	82	-
Command	21	-	23	-	23	-	22	-	24	-
Other	47	31	47	35	48	29	48	24	49	27
Parks and Recreation										
Parks	6	13	6	14	6	15	6	16	6	15
Recreation	5	182	6	185	6	183	5	181	7	166
Public Works										
Streets and Drains Division	23	9	25	11	24	9	25	10	24	6
Water and Sewer Division	33	6	32	6	31	7	34	6	31	7
Fleet Maintenance	12	6	14	6	15	2	16	-	16	2
Refuse/Resource Recovery	1	-	1	-	-	-	-	-	-	-
Information Technology										
Information technology	9	-	10	-	11	-	11	-	10	-
Aquatic Center										
Aquatic center	-	42	-	52	-	66	-	60	-	66
Total Employees	<u>307</u>	<u>401</u>	<u>327</u>	<u>418</u>	<u>327</u>	<u>410</u>	<u>337</u>	<u>394</u>	<u>339</u>	<u>385</u>

Source: City Department of Human Resources

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

Function / Program	2019		2020		2021		2022		2023	
	Full Time	PartTime	Full Time	PartTime	Full Time	PartTime	Full Time	PartTime	Full Time	PartTime
Building Inspection										
Building Inspection	-	-	1	-	1	-	2	-	11	-
Executive Administration										
City Manager's Office	7	3	8	4	7	3	7	4	7	2
City Attorney's Office	7	-	7	-	7	-	7	-	7	1
City Clerk's Office	4	2	5	1	5	5	5	5	6	2
Human Resources	4	1	4	1	5	-	5	-	6	-
Community Affairs	1	-	1	1	1	1	1	-	-	-
Engineering										
Engineering	11	1	11	2	11	1	12	1	11	1
Finance										
Accounting/Risk Management	5	3	6	3	6	3	6	3	6	2
Assessing	7	-	7	-	7	-	7	-	7	1
Purchasing	2	1	2	1	2	1	2	1	2	2
City Treasurer's Office	4	-	4	-	4	-	4	-	4	1
Fire										
Fire	13	5	12	5	12	4	12	4	13	4
Library										
Library	12	73	11	69	18	62	21	60	26	64
Other General Government										
Building Operations	11	1	12	-	12	-	12	-	10	-
Planning	6	2	5	2	5	1	6	1	6	1
Police										
Sworn Police Officers	90	-	81	-	80	-	82	-	83	-
Command	24	-	23	-	26	-	24	-	25	-
Other	51	30	48	33	47	23	47	21	43	25
Parks and Recreation										
Parks	6	20	5	15	7	9	8	19	8	24
Recreation	7	214	8	204	7	182	8	157	11	177
Public Works										
Streets and Drains Division	24	7	23	-	22	-	23	1	23	4
Water and Sewer Division	33	6	34	-	30	1	33	2	27	2
Fleet Maintenance	15	1	16	1	15	1	14	1	16	2
Refuse/Resource Recovery	-	-	-	-	-	-	-	-	-	-
Information Technology										
Information technology	10	-	11	-	11	-	9	-	11	-
Aquatic Center										
Aquatic center	-	33	-	7	-	21	-	25	-	17
Total Employees	<u>354</u>	<u>403</u>	<u>345</u>	<u>349</u>	<u>348</u>	<u>318</u>	<u>357</u>	<u>305</u>	<u>369</u>	<u>332</u>

City of Troy, Michigan
State Shared Revenues
Last Ten Fiscal Years
Unaudited

<u>Fiscal Year</u> <u>Ended June 30</u>	<u>State Shared</u> <u>Revenue</u>
2014	\$ 6,435,145
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

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
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	
2014	\$ 3,963,956	\$ 1,555,266	\$ 5,519,222
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

Source: City of Troy

City of Troy, Michigan
Labor Agreements
Unaudited

Name	Expiration Date	Number of Employees Covered
American Federation of State, County, and Municipal Employees, AFSCME - Public Works Employees	6/30/2025	61
Michigan Association of Police - Clerical, Police Services Aides	6/30/2023	38
Troy Command Officers Association - Command Police Officers	6/30/2024	25
Troy Police Officers Association - Police Officers	6/30/2023	83
Troy Firestaff Officers Association - Fire Career Professionals	6/30/2024	11
Troy Communication Supervisors Association - Civilian Communications Supervisors	6/30/2026	9

Source: City Department of Human Resources