



CITY OF TROY, MICHIGAN

# ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2025





## **City of Troy, Michigan**

**Annual Comprehensive Financial Report**

**Year Ended June 30, 2025**

### **City Council**

**Mayor  
Mayor Pro Tem  
Council Members**

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

**Prepared by:**

**The Department of Financial Services**

**City of Troy, Michigan**

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# **INTRODUCTORY SECTION**



October 31, 2025

**Dear Honorable Mayor, City Council Members and Residents:**

The *Annual Comprehensive Financial Report (ACFR)* for the City of Troy, Michigan for the year ended June 30, 2025 is hereby submitted. The report represents a comprehensive and detailed picture of our financial transactions during fiscal year 2024/25 and the financial condition of the various funds as of fiscal year end. This report was prepared by a team comprised of executive members, financial staff, and department leaders of the City. Troy’s staff is responsible for the accuracy of data and completeness and fairness of the presentation, including all disclosures.

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

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

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

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

The City of Troy was incorporated in 1955 and has always operated under the Council-Manager form of government. The Mayor and six members of the City Council are elected to staggered four-year terms.

The City Manager is appointed by a majority vote of the City Council and is responsible for all administrative functions. The City provides a full range of municipal services, including police, fire, water distribution, wastewater collection, street maintenance, public improvements, planning, zoning, recreation and general administration.

**ECONOMIC OUTLOOK AND CONDITION**

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

The City experienced growth in net taxable value for fiscal year 2025 at 6.5% and was comprised of growth in residential properties of 7.5%, and growth in both commercial properties (5.0%) and industrial properties (8.4%). The assessed value of property increased by 8.4% for fiscal year 2025. The assessed value is now 33.6% greater than the net taxable value. For Michigan cities, Troy ranked fourth for the largest assessed values in the state.

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

### **New Business**

Listed below are some of the new businesses and/or expansions to Troy that happened over the last 12 months.

- Lindsey Center 2690 Crooks Road
- Forum Flats 295 Kirts Blvd
- Village of Troy Long Lake west of Rochester
- Hyatt Place Hotel 801 West Big Beaver

### **Business Retention**

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

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

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

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

The below are a few of the firms recently visited:

- Nayan
- ISM
- Hextra

### **Troy's TIF Boards**

The economic development team participated in Board/Project meetings that promoted investment and job creation within the **DDA, BRA and LDFA**. The Brownfield pipeline for future projects includes the prior K-Mart site (Somerset West) and several other potential projects. It is estimated that the Somerset West project may have a potential value of \$250 million.

## FINANCIAL INFORMATION

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

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

### Budgeting Controls

The object of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council.

Activities of the general and special revenue funds are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) are established at the activity level.

### General Government Functions

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

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

### Tax Rate Limitations

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

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

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

### Long-Term Financial Planning

Unassigned fund balance for the General Fund at year end was \$34.3 million or 50.3% 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 during our budget process.

## OTHER INFORMATION

### Independent Audit

The City Charter and State statutes require an annual audit of all accounts of the City by certified public accountants. The accounting firm of Yeo & Yeo, was selected by the City Council. The City received an “unmodified opinion” from Yeo & Yeo, which is the best opinion that an organization can receive on its financial statements. It indicates that the auditor’s examination has disclosed no conditions that cause them to believe that the financial statements are not fairly stated in all material respects.

### Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Troy, Michigan for its ACFR for the fiscal year ended June 30, 2024.

This was the twenty eighth 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.



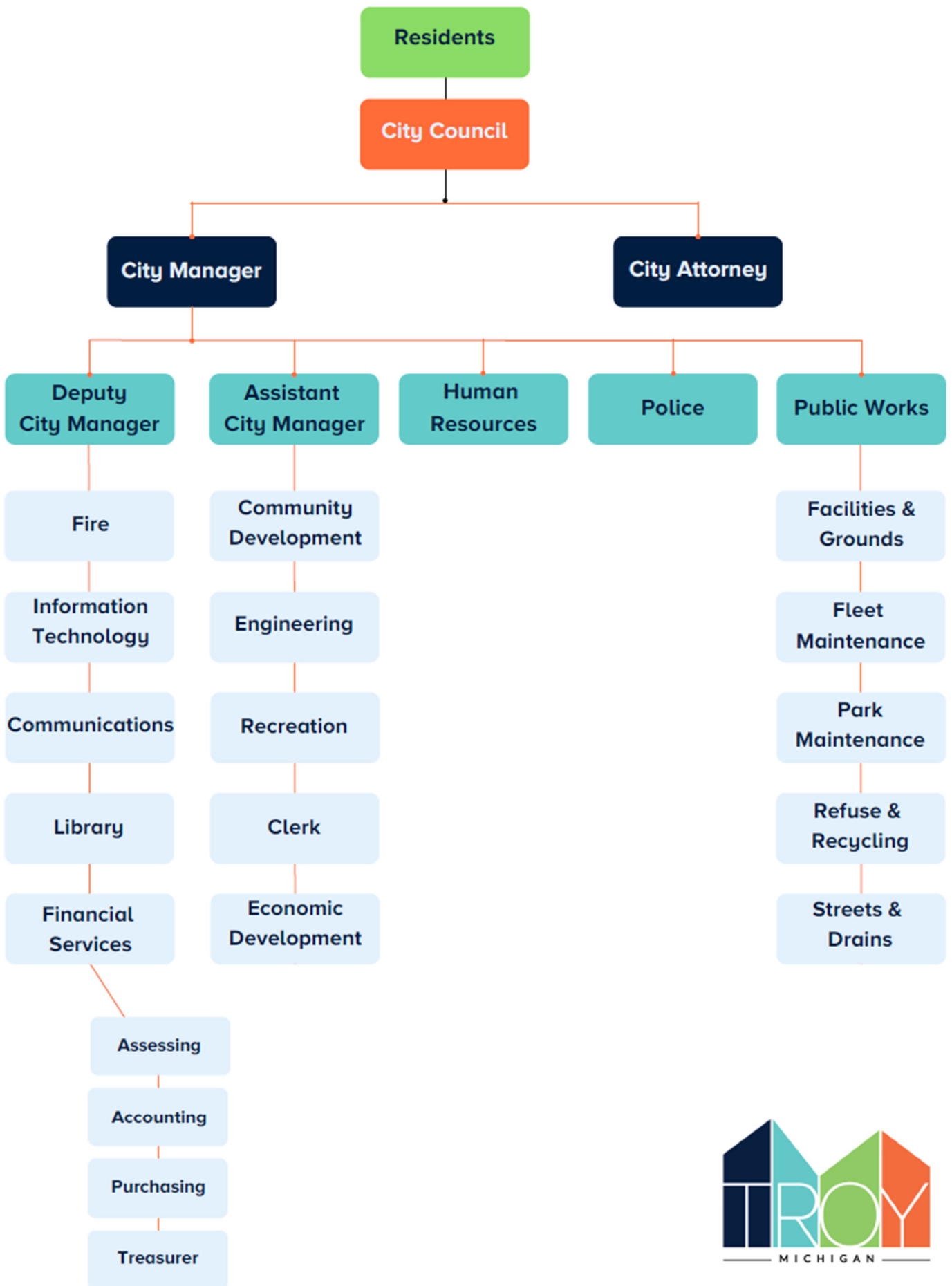
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Frank Nastasi  
City Manager



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Robert C. Maleszyk  
Chief Financial Officer





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, 2024

*Christopher P. Morrill*

Executive Director/CEO

**City of Troy, Michigan  
Principal Officials  
June 30, 2025**

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

**City of Troy, Michigan**  
**Fund Organization Chart**  
**June 30, 2025**

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**Governmental Funds**

▪ **General Fund \***

**Special Revenue Funds**

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

**Debt Service Fund**

- Series 2013 & 2020 \*

▪ **Capital Projects Fund \***

**Permanent Fund**

- Cemetery Perpetual Care

**Proprietary Funds**

**Enterprise Funds**

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

**Internal Service Funds**

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

**Fiduciary Funds**

**Pension and OPEB Trust**

- Employee Retirement System
- Retiree Health Care Trust

**Custodial Fund**

- Tax Collection

**Component Units**

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

\* Major funds under GASB No. 34

# **FINANCIAL SECTION**

## Independent Auditors' Report

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

### Report on the Audit of the Financial Statements

#### Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Troy, Michigan (the City), as of and for the year ended June 30, 2025, 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, 2025, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison statement for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinions

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

#### Responsibilities of Management for the Financial Statements

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

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

#### Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

### **Required Supplementary Information**

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

### **Supplementary Information**

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

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

### **Other Information**

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

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

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2025, 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.

Troy, Michigan  
October 31, 2025

# **MANAGEMENT'S DISCUSSION & ANALYSIS**

**City of Troy, Michigan**  
**Management's Discussion and Analysis**  
**June 30, 2025**

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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, 2025. 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	\$548,649,877
• Change in total net position	27,111,456
• Fund balances, governmental funds	79,144,590
• Change in fund balances, governmental funds	13,606,203
• Unassigned fund balance, general fund	34,331,985
• Change in fund balance, general fund	10,711,354
• Installment debt outstanding	10,875,286
• Change in installment debt	(1,554,113)

**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, 2025**

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**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.

**City of Troy, Michigan**  
**Management's Discussion and Analysis**  
**June 30, 2025**

**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.

*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 \$27.1 million over the course of the fiscal year to a total of \$548.6 million. Net position of governmental activities increased \$28.2 million or 7.8%, and business-type activities decreased \$1.1 million or 0.7%. Explanations for those changes are described below under the governmental activities and business-type activities sections of this Management's Discussion and Analysis.

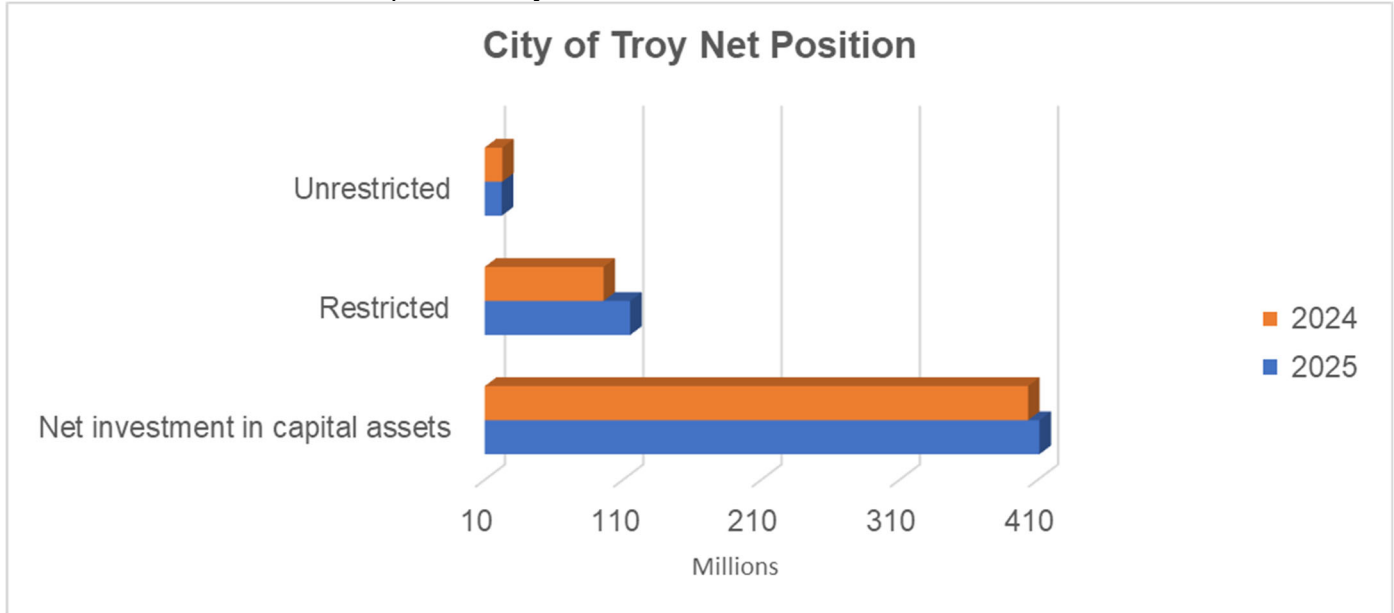
	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
<b>Assets</b>						
Current and other assets	\$ 202,807,387	\$ 171,983,315	\$ 17,804,794	\$ 15,300,479	\$ 220,612,181	\$ 187,283,794
Capital assets, net	263,195,449	253,704,383	151,358,028	153,768,759	414,553,477	407,473,142
	<u>466,002,836</u>	<u>425,687,698</u>	<u>169,162,822</u>	<u>169,069,238</u>	<u>635,165,658</u>	<u>594,756,936</u>
Deferred outflows of resources	65,668	72,965	174,455	232,606	240,123	305,571
<b>Liabilities</b>						
Long-term debt	26,593,378	22,206,658	3,479,799	3,549,301	30,073,177	25,755,959
Other liabilities	28,074,183	31,290,253	7,306,471	7,062,465	35,380,654	38,352,718
	<u>54,667,561</u>	<u>53,496,911</u>	<u>10,786,270</u>	<u>10,611,766</u>	<u>65,453,831</u>	<u>64,108,677</u>
<b>Deferred inflows of resources</b>	<u>19,703,896</u>	<u>8,805,271</u>	<u>1,598,177</u>	<u>610,138</u>	<u>21,302,073</u>	<u>9,415,409</u>
<b>Net position</b>						
Net investment in capital assets	263,130,761	252,967,933	148,052,684	149,982,907	411,183,445	402,950,840
Restricted	111,886,480	93,319,004	3,281,268	2,590,963	115,167,748	95,909,967
Unrestricted	16,679,806	17,171,544	5,618,878	5,506,070	22,298,684	22,677,614
<b>Total net position</b>	<u>\$ 391,697,047</u>	<u>\$ 363,458,481</u>	<u>\$ 156,952,830</u>	<u>\$ 158,079,940</u>	<u>\$ 548,649,877</u>	<u>\$ 521,538,421</u>

The largest portion of the City's net position (74.9%) reflects its investment in capital assets of \$411.2 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 \$115.2 million (21.0%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$22.3 million (4.1%) is unrestricted and may be used to meet the City's ongoing obligations to its residents and creditors.

**City of Troy, Michigan**  
**Management's Discussion and Analysis**  
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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.

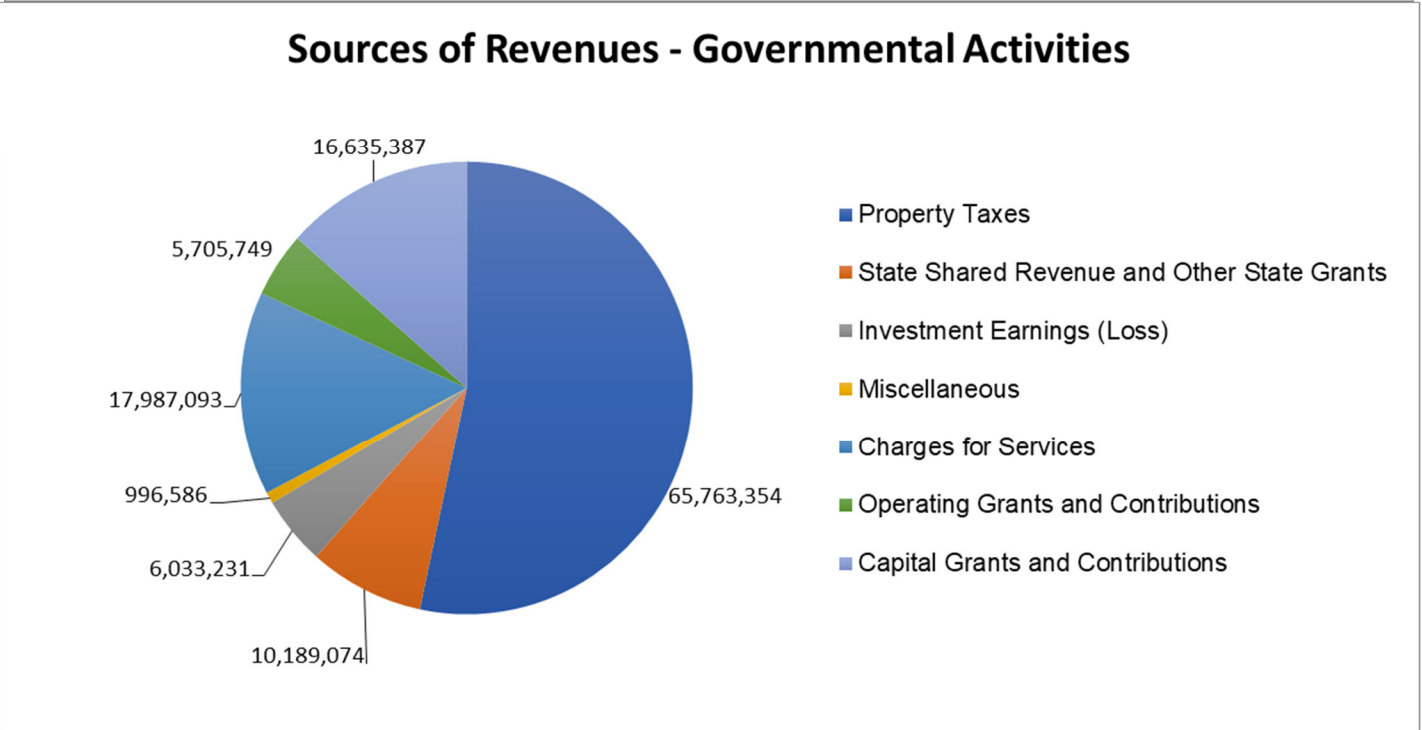
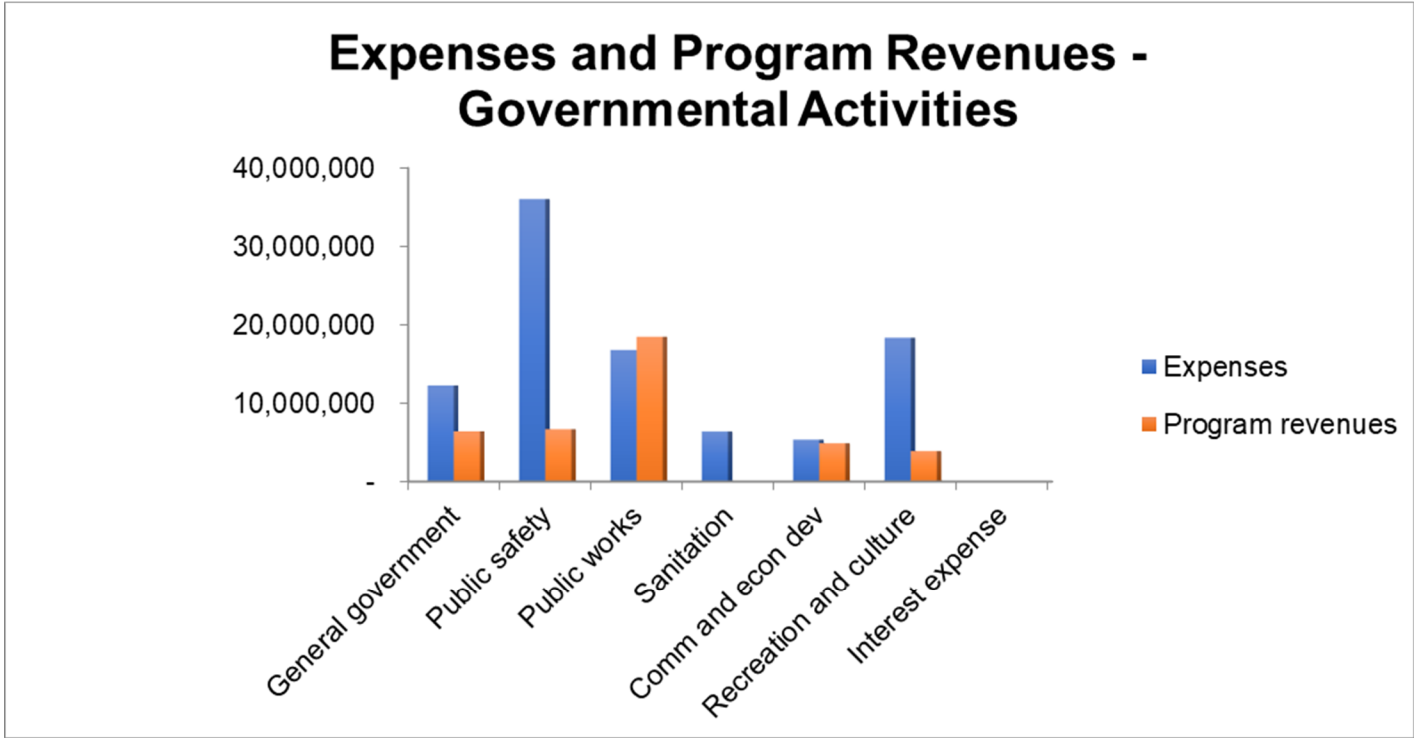


The following condensed financial information was derived from the government-wide statement of activities and reflects how the City's net position changed during the fiscal year:

	Change in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
<b>Program revenues</b>						
Charges for services	\$ 17,987,093	\$ 16,668,527	\$ 43,046,054	\$ 41,079,671	\$ 61,033,147	\$ 57,748,198
Operating grants and contributions	5,705,749	5,122,261	-	-	5,705,749	5,122,261
Capital grants and contributions	16,635,387	19,101,496	776,506	391,205	17,411,893	19,492,701
<b>General revenues</b>						
Property taxes	65,763,354	62,083,872	-	-	65,763,354	62,083,872
State-shared revenues and other state grants	10,189,074	10,197,668	-	-	10,189,074	10,197,668
Investment earnings (loss)	6,033,231	3,874,231	446,465	341,012	6,479,696	4,215,243
Other revenue	1,249,119	1,132,403	98,134	49,848	1,347,253	1,182,251
<b>Total revenues</b>	<u>123,563,007</u>	<u>118,180,458</u>	<u>44,367,159</u>	<u>41,861,736</u>	<u>167,930,166</u>	<u>160,042,194</u>
<b>Expenses</b>						
General government	\$ 12,273,711	\$ 14,917,110	\$ -	\$ -	\$ 12,273,711	\$ 14,917,110
Public safety	36,031,514	32,035,747	-	-	36,031,514	32,035,747
Public works	16,778,432	20,804,742	-	-	16,778,432	20,804,742
Sanitation	6,390,986	6,178,716	-	-	6,390,986	6,178,716
Community and economic development	5,347,388	4,656,013	-	-	5,347,388	4,656,013
Recreation and culture	18,354,463	14,571,154	-	-	18,354,463	14,571,154
Interest expense	147,947	154,769	-	-	147,947	154,769
Water	-	-	24,130,186	24,001,713	24,130,186	24,001,713
Sanitary sewer	-	-	15,668,014	15,839,514	15,668,014	15,839,514
Aquatic center	-	-	924,787	677,316	924,787	677,316
Golf courses	-	-	4,771,282	4,332,648	4,771,282	4,332,648
<b>Total expenses</b>	<u>95,324,441</u>	<u>93,318,251</u>	<u>45,494,269</u>	<u>44,851,191</u>	<u>140,818,710</u>	<u>138,169,442</u>
<b>Change in net position</b>	28,238,566	24,862,207	(1,127,110)	(2,989,455)	27,111,456	21,872,752
Net position, beginning of year	363,458,481	338,596,274	158,079,940	161,069,395	521,538,421	499,665,669
<b>Net position, end of year</b>	<u>\$ 391,697,047</u>	<u>\$ 363,458,481</u>	<u>\$ 156,952,830</u>	<u>\$ 158,079,940</u>	<u>\$ 548,649,877</u>	<u>\$ 521,538,421</u>

**City of Troy, Michigan**  
**Management's Discussion and Analysis**  
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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 \$123.6 million, an increase of \$5.4 million from the prior year. The increase is primarily due to an increase in property tax revenues of \$3.7 million. Property taxes increased due to the inflation factor in accordance with State law. Additionally, investment earnings increased by \$2.1 million from the prior year, which is consistent with the current economic trends and positive interest rates.

**City of Troy, Michigan**  
**Management’s Discussion and Analysis**  
**June 30, 2025**

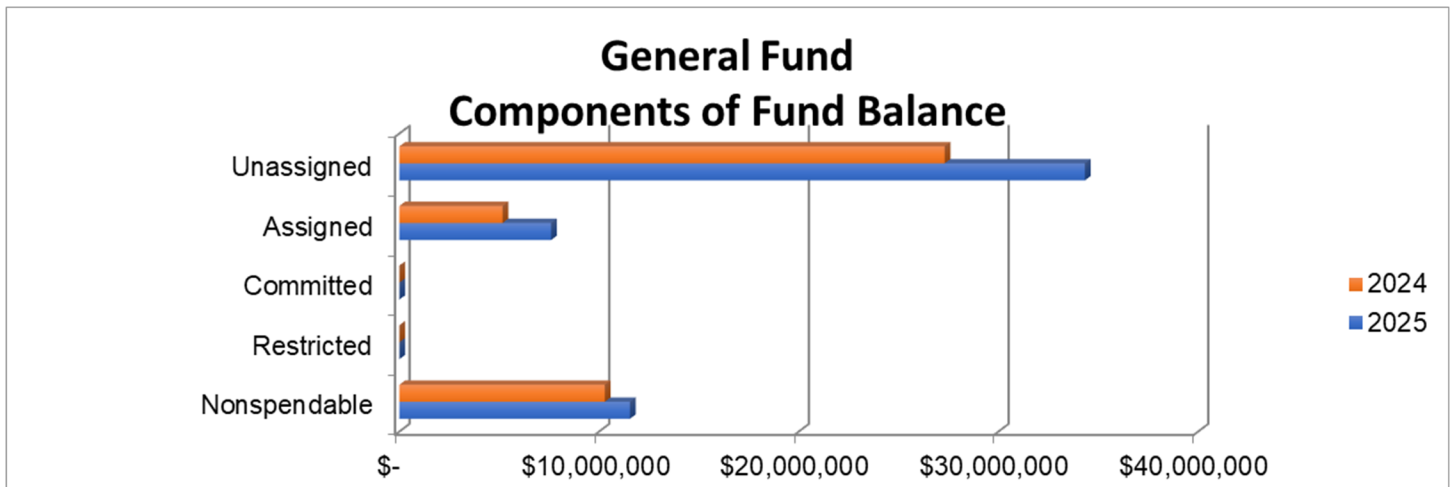
Total governmental expenses are reported at \$95.3 million, an increase of \$2.0 million from the prior year. The increase is primarily due to increases for normal inflation and the change in investment performance related to pension and OPEB funds. The increase was also offset by a reduction in capital expenses.

**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 \$1.1 million. This change is primarily due to increased costs of providing water and sewer services to our residents which outpaced the rate increases charged to our residents, therefore resulting in rate increases for 2026.

**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 \$79.1 million, an increase of \$13.6 million compared to the prior year. Approximately 43.4% of this amount (\$34.3 million) constitutes *unassigned fund balance*, which is available for spending at the City's discretion. The remainder of the fund balance is either *nonspendable, restricted, committed, or assigned* to indicate that it is 1) not in spendable form, 2) legally required to be maintained intact/restricted for particular purposes, 3) committed for particular purposes, or 4) assigned for particular purposes.

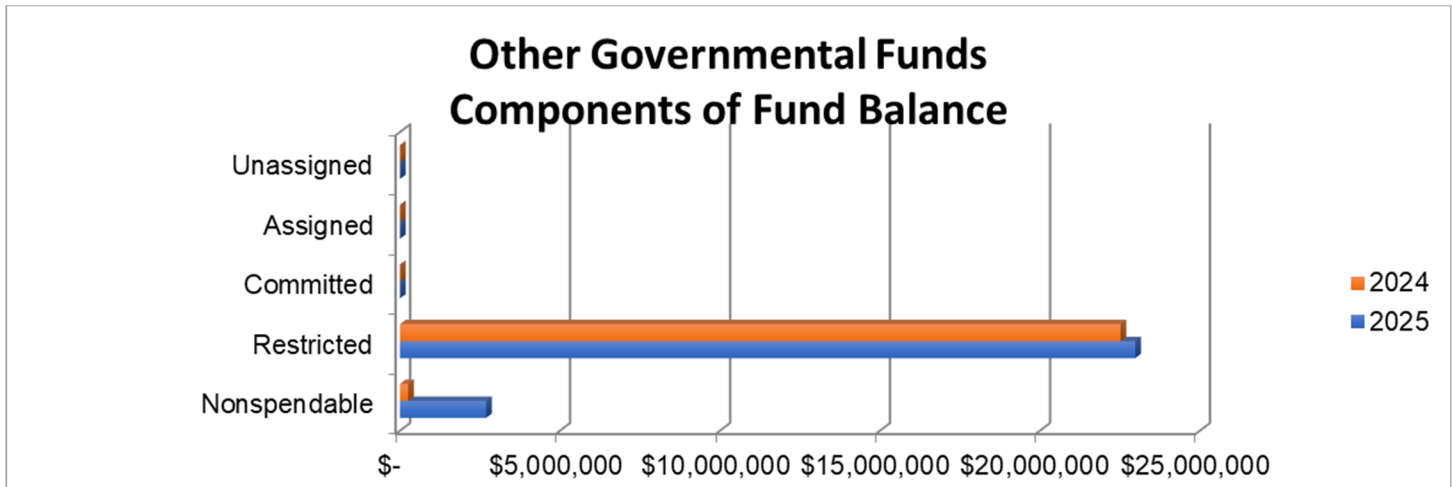


The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$34.3 million, while total general fund balance increased \$10.7 million to \$53.5 million. The general fund fund balance was budgeted to decrease by \$1.6 million, however favorable results for revenues of \$7.1 million and expenditures of \$5.3 million resulted in a net increase of \$12.3 million to the fund balance compared to budget. The general fund unassigned fund balance has a target limit of 20% to 30% of annual expenditures. As a measure of the general fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents approximately 50.8% of total general fund expenditures, while total general fund balance represents approximately 79.2% of the same amount.

**City of Troy, Michigan**  
**Management’s Discussion and Analysis**  
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In the current fiscal year, revenues were approximately \$10.7 million greater than total expenditures and transfers. Overall revenues increased by \$6.8 million primarily due to an increase in property tax revenues of \$2.6 million. Property taxes increased due to the inflation factor in accordance with State law. Additionally, there was an increase in investment gains and charges for services of \$1.4 million each from the prior year. These increases are consistent with the current economic trends.

General fund expenditures (before transfers) of \$67.6 million increased \$4.7 million or 7.5%. The increase in general fund expenditures was primarily due to the \$2.6 million increase in public safety and \$0.9 million increase in recreation and culture. These increases continue to show the priorities of public safety and recreation for our community.



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

The capital projects fund, a major fund, had an increase in fund balance of \$1.0 million during the current year for a total ending fund balance of \$11.8 million. Major capital projects included major street improvements of \$9.8 million and local street improvements of \$ 3.6 million. It should be noted that the general fund contributed \$0.6 million towards improvements to pickleball courts at Firefighter’s Park and the library fund contributed \$1.2 million towards materials, renovations, and maintenance. The major streets fund contributed \$4.0 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 \$4.1 million, and the sanitary sewer fund was \$8.7 million at the end of the current fiscal year. The Sanctuary Lake Golf Course had an unrestricted net deficit of \$11.3 million. The water fund total net position decreased by \$827 thousand while the sanitary sewer fund decreased by \$49 thousand, and the Sanctuary Lake Golf Course increased by \$107 thousand. This change is primarily due to increased costs of providing water and sewer services to our residents which outpaced the rate increases charged to our residents.

**City of Troy, Michigan**  
**Management's Discussion and Analysis**  
**June 30, 2025**

**General Fund Budgetary Highlights**

Over the course of the year, City Council amended the budget to take into account events during the year. The most significant amendments to the fund were for \$625 thousand for the addition of pickleball courts at Firefighter's Park.

Actual revenues of \$78.9 million were \$7.1 million more than amended budget amounts. The variance was primarily due to the increase in investment earnings of \$2.9 million, an increase in state shared revenue of \$1.2 million, and an increase of \$0.9 million in charges for services.

Actual expenditures of \$68.2 million were \$5.3 million under amended budget amounts. Public safety was under budget by \$3.4 million and general government was under budget by approximately \$1.1 million.

**Capital Assets and Debt Administration**

**Capital Assets.** At June 30, 2025, the City had invested \$414.6 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.

	<b>Capital Assets (Net of Accumulated Depreciation/Amortization)</b>					
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Land	\$ 37,815,194	\$ 37,815,194	\$ 6,738,504	\$ 6,738,504	\$ 44,553,698	\$ 44,553,698
Museum artifacts	2,082,845	2,082,845	-	-	2,082,845	2,082,845
Construction in progress	19,849,960	8,557,619	3,913,353	13,855,450	23,763,313	22,413,069
Infrastructure	125,151,366	130,784,506	-	-	125,151,366	130,784,506
Land improvements	19,230,758	15,966,287	4,348,569	4,586,162	23,579,327	20,552,449
Buildings and improvements	38,372,281	39,471,515	892,906	943,653	39,265,187	40,415,168
Miscellaneous equipment	5,404,243	5,078,583	2,091,624	1,776,046	7,495,867	6,854,629
Office equipment	321,882	393,025	-	-	321,882	393,025
Vehicles	13,081,532	11,762,205	-	444,036	13,081,532	12,206,241
Library books/audio visual	1,876,794	1,769,686	-	-	1,876,794	1,769,686
Water and sewer transmission and distribution system	-	-	132,528,112	125,424,908	132,528,112	125,424,908
Right to use assets	8,594	22,918	844,960	-	853,554	22,918
<b>Total capital assets, net</b>	<b>\$ 263,195,449</b>	<b>\$ 253,704,383</b>	<b>\$ 151,358,028</b>	<b>\$ 153,768,759</b>	<b>\$ 414,553,477</b>	<b>\$ 407,473,142</b>

**Debt Administration.** At the end of the current fiscal year, the City had total bonded debt outstanding of \$10.8 million, which is backed by the full faith and credit of the government. Additional information on the City's long-term debt can be found in Note 8 to the financial statements.

	<b>Long-term Debt</b>					
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
General obligation bonds	\$ 8,380,000	\$ 9,060,000	\$ 2,440,000	\$ 3,225,000	\$ 10,820,000	\$ 12,285,000
Public drains	55,286	71,397	-	-	55,286	71,397
Notes from direct borrowings and placements	-	-	-	73,002	-	73,002
Leases	9,402	24,309	851,324	-	860,726	24,309
Deferred amounts for issuance premiums	-	-	188,475	251,299	188,475	251,299
Compensated absences	15,964,466	11,360,836	-	-	15,964,466	11,360,836
Estimated self-insurance claims	2,184,224	1,690,116	-	-	2,184,224	1,690,116
<b>Total long-term debt, net</b>	<b>\$ 26,593,378</b>	<b>\$ 22,206,658</b>	<b>\$ 3,479,799</b>	<b>\$ 3,549,301</b>	<b>\$ 30,073,177</b>	<b>\$ 25,755,959</b>

**City of Troy, Michigan**  
**Management's Discussion and Analysis**  
**June 30, 2025**

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**Economic Condition and Outlook**

The following economic factors currently affect the City and were considered in developing the 2025/2026 through 2027/2028 three-year fiscal budget.

- The millage rate for the 2025/2026 fiscal year decreased to 9.7919 mills compared to the 9.8640 for the 2024/2025 fiscal year. This is due to a decrease in the Capital and Library millage due to the Headlee millage reduction fraction. The total millage of 9.7919 mills includes general operating millage of 6.500 mills, capital projects of 1.1352 mills, refuse of 1.0900 mills, and library operations of 1.0667 mills.
- Total general fund revenues and other sources are expected to generate approximately \$75.6 million. This is an increase of \$3.8 million or 5.3% compared to the fiscal 2024/2025 budget of \$71.8 million. Property tax revenues which account for approximately 60.2% of total general fund revenues is expected to generate \$45.5 million. This is an increase of \$2.0 million or 4.7%.
- General fund expenditures and other uses are budgeted at \$78.0 million. This is an increase of \$4.5 million or 6.1% compared to fiscal 2024/2025 budget. The budget increase is primarily due to increases in staffing in the general fund to provide additional services to our residents and normal cost of living adjustments.
- 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 2025/2026 budget recognizes a lowered sales volume of approximately 424,100 mcf. This is a continuing trend of sales volume decreases over the last several years. Rates for the systems are developed based on estimated sales volume to cover estimated costs and capital requirements. Water rates were established at \$57.50 per mcf. Sanitary sewer rates increased to \$37.10 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](http://www.troymi.gov).

# **BASIC FINANCIAL STATEMENTS**

**City of Troy, Michigan**  
**Statement of Net Position**  
**June 30, 2025**

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>Assets</b>				
Cash and investments	\$ 94,114,628	\$ 10,199,946	\$ 104,314,574	\$ 5,699,027
Receivables				
Accounts	1,859,349	10,746,277	12,605,626	-
Taxes	405,681	-	405,681	149,402
Interest	17,335	-	17,335	-
Leases receivable	325,524	780,226	1,105,750	-
Due from other units of government	5,666,366	-	5,666,366	-
Due from component unit	8,380,000	-	8,380,000	-
Internal balances	8,755,682	(8,755,682)	-	-
Inventories	1,009,111	1,090,151	2,099,262	-
Prepaid items	4,536,034	222,660	4,758,694	-
Long-term contracts receivable	-	239,948	239,948	-
Capital assets not being depreciated	59,747,999	10,651,857	70,399,856	-
Capital assets, net of accumulated depreciation	203,447,450	140,706,171	344,153,621	-
Net pension asset	<u>77,737,677</u>	<u>3,281,268</u>	<u>81,018,945</u>	<u>-</u>
Total assets	<u>466,002,836</u>	<u>169,162,822</u>	<u>635,165,658</u>	<u>5,848,429</u>
<b>Deferred Outflows of Resources</b>				
Bond refundings	<u>65,668</u>	<u>174,455</u>	<u>240,123</u>	<u>-</u>
<b>Liabilities</b>				
Accounts payable	7,902,346	5,751,368	13,653,714	728,002
Contracts payable - retainage	-	24,016	24,016	-
Payroll and other liabilities	1,184,555	1,215,408	2,399,963	-
Other liabilities	11,449,402	-	11,449,402	-
Interest payable	22,455	-	22,455	22,214
Unearned revenue	36,579	-	36,579	1,895
Noncurrent liabilities due in one year				
Debt due within one year	7,316,576	1,010,371	8,326,947	805,000
Noncurrent liabilities due in more than one year				
Debt due in more than one year	19,276,802	2,469,428	21,746,230	7,575,000
Net OPEB liability	<u>7,478,846</u>	<u>315,679</u>	<u>7,794,525</u>	<u>-</u>
Total liabilities	<u>54,667,561</u>	<u>10,786,270</u>	<u>65,453,831</u>	<u>9,132,111</u>
<b>Deferred Inflows of Resources</b>				
Lease related	325,524	780,226	1,105,750	-
Pension related	11,968,101	505,167	12,473,268	-
OPEB related	<u>7,410,271</u>	<u>312,784</u>	<u>7,723,055</u>	<u>-</u>
Total deferred inflows of resources	<u>19,703,896</u>	<u>1,598,177</u>	<u>21,302,073</u>	<u>-</u>
<b>Net Position</b>				
Net investment in capital assets	263,130,761	148,052,684	411,183,445	-
Restricted for				
Debt service	8,357,545	-	8,357,545	-
Capital projects	11,885,527	-	11,885,527	-
Highways and streets	5,294,964	-	5,294,964	-
Sanitation services	2,613,715	-	2,613,715	-
Library services	4,246,529	-	4,246,529	-
Other services	1,502,208	-	1,502,208	-
Perpetual care				
Nonexpendable	164,000	-	164,000	-
Expendable	84,315	-	84,315	-
Pension	77,737,677	3,281,268	81,018,945	-
Unrestricted (deficit)	<u>16,679,806</u>	<u>5,618,878</u>	<u>22,298,684</u>	<u>(3,283,682)</u>
Total net position (deficit)	<u>\$ 391,697,047</u>	<u>\$ 156,952,830</u>	<u>\$ 548,649,877</u>	<u>\$ (3,283,682)</u>

See Accompanying Notes to the Financial Statements

**City of Troy, Michigan**  
**Statement of Activities**  
**For the Year Ended June 30, 2025**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
<b>Primary government</b>								
<b>Governmental activities</b>								
General government	\$ 12,273,711	\$ 4,341,367	\$ 2,059,134	\$ -	\$ (5,873,210)	\$ -	\$ (5,873,210)	\$ -
Public safety	36,031,514	2,641,879	2,150,970	1,893,684	(29,344,981)	-	(29,344,981)	-
Public works	16,778,432	4,168,439	255,053	14,047,386	1,692,446	-	1,692,446	-
Sanitation	6,390,986	-	-	-	(6,390,986)	-	(6,390,986)	-
Community and economic development	5,347,388	3,846,386	345,540	694,317	(461,145)	-	(461,145)	-
Recreation and culture	18,354,463	2,989,022	895,052	-	(14,470,389)	-	(14,470,389)	-
Interest and fiscal charges on long-term debt	147,947	-	-	-	(147,947)	-	(147,947)	-
Total governmental activities	95,324,441	17,987,093	5,705,749	16,635,387	(54,996,212)	-	(54,996,212)	-
<b>Business-type activities</b>								
Sanctuary Lake Golf Course	2,888,225	2,989,889	-	-	-	101,664	101,664	-
Sylvan Glen Golf Course	1,883,057	1,847,984	-	-	-	(35,073)	(35,073)	-
Aquatic Center	924,787	585,656	-	-	-	(339,131)	(339,131)	-
Sewer	15,668,014	14,841,136	-	314,337	-	(512,541)	(512,541)	-
Water	24,130,186	22,781,389	-	462,169	-	(886,628)	(886,628)	-
Total business-type activities	45,494,269	43,046,054	-	776,506	-	(1,671,709)	(1,671,709)	-
Total primary government	\$ 140,818,710	\$ 61,033,147	\$ 5,705,749	\$ 17,411,893	(54,996,212)	(1,671,709)	(56,667,921)	-
<b>Component units</b>								
Brownfield Redevelopment Authority	\$ 394,580	\$ -	\$ -	\$ -	-	-	-	(394,580)
Downtown Development Authority	3,793,849	-	-	-	-	-	-	(3,793,849)
Local Development Finance Authority	166,098	-	-	-	-	-	-	(166,098)
Total component units	\$ 4,354,527	\$ -	\$ -	\$ -	-	-	-	(4,354,527)
<b>General revenues</b>								
Property taxes					65,763,354	-	65,763,354	3,368,027
Unrestricted state-shared revenue and other state grants					10,189,074	-	10,189,074	28,399
Unrestricted investment earnings (loss)					6,033,231	446,465	6,479,696	345,018
Gain (loss) on sale of capital assets					279,572	-	279,572	-
Miscellaneous					996,586	71,095	1,067,681	-
Transfers					(27,039)	27,039	-	-
Total general revenues and transfers					83,234,778	544,599	83,779,377	3,741,444
Change in net position					28,238,566	(1,127,110)	27,111,456	(613,083)
Net position (deficit) - beginning of year					363,458,481	158,079,940	521,538,421	(2,670,599)
Net position (deficit) - end of year					\$ 391,697,047	\$ 156,952,830	\$ 548,649,877	\$ (3,283,682)

See Accompanying Notes to the Financial Statements

**City of Troy, Michigan**  
**Governmental Funds**  
**Balance Sheet**  
**June 30, 2025**

	General	Debt Service Series 2013 & 2020	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash and investments	\$ 54,002,147	\$ -	\$ 11,175,942	\$ 13,134,011	\$ 78,312,100
Receivables:					
Accounts receivable, net	1,568,933	-	92,902	176,406	1,838,241
Taxes - delinquent, net	318,870	-	28,491	58,320	405,681
Interest	17,335	-	-	-	17,335
Leases receivable	325,524	-	-	-	325,524
Due from other governments	1,781,851	-	2,000,336	1,884,179	5,666,366
Due from component units	-	8,380,000	-	-	8,380,000
Inventories	541,215	-	-	-	541,215
Prepaid items	1,825,122	-	2,524,434	2,472	4,352,028
Advances to other funds	9,178,384	-	-	-	9,178,384
Total assets	<u>\$ 69,559,381</u>	<u>\$ 8,380,000</u>	<u>\$ 15,822,105</u>	<u>\$ 15,255,388</u>	<u>\$ 109,016,874</u>
<b>Liabilities</b>					
Accounts payable	\$ 2,789,090	\$ -	\$ 2,983,326	\$ 1,251,228	\$ 7,023,644
Accrued payroll	1,184,555	-	-	-	1,184,555
Other liabilities	10,412,411	-	938,562	98,429	11,449,402
Unearned revenue	21,889	-	14,690	-	36,579
Total liabilities	<u>14,407,945</u>	<u>-</u>	<u>3,936,578</u>	<u>1,349,657</u>	<u>19,694,180</u>
<b>Deferred Inflows of Resources</b>					
Unavailable revenue	1,350,012	8,380,000	64,248	58,320	9,852,580
Deferred lease amounts	325,524	-	-	-	325,524
Total deferred inflows of resources	<u>1,675,536</u>	<u>8,380,000</u>	<u>64,248</u>	<u>58,320</u>	<u>10,178,104</u>
<b>Fund Balances</b>					
Non-spendable	11,544,721	-	2,524,434	166,472	14,235,627
Restricted	-	-	9,296,845	13,680,939	22,977,784
Assigned	7,599,194	-	-	-	7,599,194
Unassigned	34,331,985	-	-	-	34,331,985
Total fund balances	<u>53,475,900</u>	<u>-</u>	<u>11,821,279</u>	<u>13,847,411</u>	<u>79,144,590</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 69,559,381</u>	<u>\$ 8,380,000</u>	<u>\$ 15,822,105</u>	<u>\$ 15,255,388</u>	<u>\$ 109,016,874</u>

See Accompanying Notes to the Financial Statements

**City of Troy, Michigan**  
**Governmental Funds**  
**Reconciliation of Fund Balances of Governmental Funds**  
**to Net Position of Governmental Activities**  
**June 30, 2025**

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<b>Total fund balances for governmental funds</b>	<b>\$ 79,144,590</b>
Total net position for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Capital assets not being depreciated	59,400,641
Capital assets, net of accumulated depreciation	190,827,815
Certain receivables are not available to pay for current period expenditures and, therefore are deferred in the funds.	
	9,852,580
Net pension asset not reported in the funds	77,737,677
Deferred outflows (inflows) of resources.	
Deferred outflows of resources resulting from debt refunding	65,668
Deferred inflows of resources resulting from net pension asset	(11,968,101)
Deferred inflows of resources resulting from net OPEB liability	(7,410,271)
Long-term liabilities that are not due and payable in the current period, and therefore, are not reported in the funds.	
Accrued interest	(22,455)
Compensated absences and fire incentive plan	(8,144,631)
Claims and judgments	(2,184,224)
Bonds, notes, premiums and discounts	(8,435,286)
Lease liabilities	(9,402)
Net OPEB liability	(7,478,846)
Internal service funds are included as part of governmental activities.	20,321,292
<b>Net position of governmental activities</b>	<b>\$ 391,697,047</b>

**City of Troy, Michigan**  
**Governmental Funds**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the Year Ended June 30, 2025**

	General	Debt Service Series 2013 & 2020	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Property taxes	\$ 44,155,828	\$ -	\$ 7,633,542	\$ 13,999,868	\$ 65,789,238
Licenses and permits	4,331,647	-	-	-	4,331,647
Intergovernmental:					
Federal sources	232,846	-	4,154,729	694,317	5,081,892
State sources	12,144,964	-	2,346,487	12,100,198	26,591,649
Local sources	490,617	-	194,090	-	684,707
Charges for services	9,416,897	-	206,443	520,471	10,143,811
Fines and forfeitures	1,104,426	-	-	209,984	1,314,410
Rental income	45,735	-	-	-	45,735
Investment earnings (loss)	3,896,500	-	645,287	873,650	5,415,437
Other	3,074,178	819,607	394,729	10,155	4,298,669
Total revenues	<u>78,893,638</u>	<u>819,607</u>	<u>15,575,307</u>	<u>28,408,643</u>	<u>123,697,195</u>
<b>Expenditures</b>					
Current					
General government	11,091,627	-	-	143,348	11,234,975
Public safety	39,287,214	-	-	419,002	39,706,216
Public works	2,458,799	-	7,915	5,681,872	8,148,586
Sanitation	-	-	-	6,390,986	6,390,986
Community and economic development	5,195,593	-	-	63,568	5,259,161
Recreation and culture	9,510,049	-	-	6,067,487	15,577,536
Capital outlay	-	-	22,978,795	-	22,978,795
Debt service					
Principal	14,907	680,000	16,111	-	711,018
Interest and fiscal charges	379	139,607	1,725	-	141,711
Total expenditures	<u>67,558,568</u>	<u>819,607</u>	<u>23,004,546</u>	<u>18,766,263</u>	<u>110,148,984</u>
Excess (deficiency) of revenues over expenditures	<u>11,335,070</u>	<u>-</u>	<u>(7,429,239)</u>	<u>9,642,380</u>	<u>13,548,211</u>
<b>Other financing sources (uses)</b>					
Transfers in	1,284	-	8,415,088	1,500,000	9,916,372
Transfers out	(625,000)	-	-	(9,291,372)	(9,916,372)
Proceeds from the sale of capital assets	-	-	17,652	40,340	57,992
Total other financing sources and (uses)	<u>(623,716)</u>	<u>-</u>	<u>8,432,740</u>	<u>(7,751,032)</u>	<u>57,992</u>
Net change in fund balances	10,711,354	-	1,003,501	1,891,348	13,606,203
Fund balances - beginning of year	<u>42,764,546</u>	<u>-</u>	<u>10,817,778</u>	<u>11,956,063</u>	<u>65,538,387</u>
Fund balances - end of year	<u>\$ 53,475,900</u>	<u>\$ -</u>	<u>\$ 11,821,279</u>	<u>\$ 13,847,411</u>	<u>\$ 79,144,590</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, 2025**

<b>Net change in fund balances - total governmental funds</b>	<b>\$ 13,606,203</b>
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	(16,402,441)
Capital outlay	24,403,048
Sale of capital assets (net book value)	(40,377)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	
	(1,205,737)
Long-term assets and related transactions applicable to governmental activities are not due and payable in the current period and, accordingly, are not reported as fund assets.	
Net pension asset	16,354,263
Expenses are recorded when incurred in the statement of activities.	
Accrued interest	1,061
Compensated absences and fire incentive plan	(2,727,637)
Claims and judgments	(494,108)
Deferred charge on bond refunding	(7,297)
The statement of net position reports the net pension asset and deferred outflows of resources and deferred inflows related to the net pension asset and pension expense. However, the amount recorded on the governmental funds equals actual pension contributions.	
Net change in the deferred inflow of resources related to the net pension asset	(6,273,903)
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	5,252,435
Net change in the deferred inflow of resources related to the net OPEB liability	(4,772,190)
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	711,018
Internal service funds are also included as governmental activities	(165,772)
<b>Change in net position of governmental activities</b>	<b>\$ 28,238,566</b>

**City of Troy, Michigan**  
**General Fund**  
**Budgetary Comparison Statement**  
**For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual	Actual Over (Under)
	Original	Final		Final Budget
<b>Revenues</b>				
Taxes				
Property taxes	\$ 43,492,450	\$ 43,492,450	\$ 44,155,828	\$ 663,378
Licenses and permits	3,533,470	3,533,470	4,331,647	798,177
Intergovernmental:				
Federal sources	46,100	46,100	232,846	186,746
State sources	10,954,016	10,954,016	12,144,964	1,190,948
Local sources	954,905	954,905	490,617	(464,288)
Charges for services	8,503,400	8,503,400	9,416,897	913,497
Fines and forfeitures	665,800	665,800	1,104,426	438,626
Rental income	20,000	20,000	45,735	25,735
Investment earnings (loss)	1,010,000	1,010,000	3,896,500	2,886,500
Other	2,664,076	2,664,076	3,074,178	410,102
Transfers in	1,284	1,284	1,284	-
Total revenues	<u>71,845,501</u>	<u>71,845,501</u>	<u>78,894,922</u>	<u>7,049,421</u>
<b>Expenditures</b>				
General government				
Council and executive administration	6,237,002	6,237,002	5,733,434	(503,568)
Finance	4,136,579	4,136,579	3,610,008	(526,571)
Other	1,690,814	1,840,814	1,748,185	(92,629)
Total general government	<u>12,064,395</u>	<u>12,214,395</u>	<u>11,091,627</u>	<u>(1,122,768)</u>
Public safety				
Police	33,054,694	33,054,694	30,905,127	(2,149,567)
Fire	7,160,380	7,068,206	6,017,274	(1,050,932)
Building inspection	2,368,895	2,518,895	2,364,813	(154,082)
Total public safety	<u>42,583,969</u>	<u>42,641,795</u>	<u>39,287,214</u>	<u>(3,354,581)</u>
Public works				
Roads and streets	<u>2,581,424</u>	<u>2,581,424</u>	<u>2,458,799</u>	<u>(122,625)</u>
Community and economic development				
Engineering	3,688,908	3,838,908	3,925,113	86,205
Planning	1,438,128	1,438,128	1,270,480	(167,648)
Total community and economic development	<u>5,127,036</u>	<u>5,277,036</u>	<u>5,195,593</u>	<u>(81,443)</u>
Recreation and culture				
Parks	3,869,299	3,869,299	3,462,530	(406,769)
Recreation	5,605,988	5,658,988	5,536,264	(122,724)
Historical village and nature center	574,432	574,432	511,255	(63,177)
Total recreation and culture	<u>10,049,719</u>	<u>10,102,719</u>	<u>9,510,049</u>	<u>(592,670)</u>
Debt service				
Principal retirement	8,741	8,741	14,907	6,166
Interest and fiscal charges	979	979	379	(600)
Total debt service	<u>9,720</u>	<u>9,720</u>	<u>15,286</u>	<u>5,566</u>
Transfers out	<u>10,700</u>	<u>635,700</u>	<u>625,000</u>	<u>(10,700)</u>
Total expenditures	<u>72,426,963</u>	<u>73,462,789</u>	<u>68,183,568</u>	<u>(5,279,221)</u>
Excess (deficiency) of revenues over expenditures	(581,462)	(1,617,288)	10,711,354	12,328,642
Fund balance - beginning of year	<u>42,764,546</u>	<u>42,764,546</u>	<u>42,764,546</u>	<u>-</u>
Fund balance - end of year	<u>\$ 42,183,084</u>	<u>\$ 41,147,258</u>	<u>\$ 53,475,900</u>	<u>\$ 12,328,642</u>

See Accompanying Notes to the Financial Statements

**City of Troy, Michigan**  
**Proprietary Funds**  
**Statement of Net Position**  
**June 30, 2025**

	Enterprise Funds					Internal Service Funds
	Water	Sewer	Sanctuary Lake Golf Course	Nonmajor Enterprise Funds	Total	
<b>Assets</b>						
<b>Current assets</b>						
Cash and investments	\$ -	\$ 8,317,756	\$ 573,995	\$ 1,308,195	\$ 10,199,946	\$ 15,802,528
Accounts receivable, net:						
Billed	4,431,211	-	40,169	28,691	4,500,071	21,108
Unbilled	3,796,584	2,449,622	-	-	6,246,206	-
Leases receivable, current	-	-	-	71,265	71,265	-
Inventories	859,772	28,198	89,122	113,059	1,090,151	467,896
Prepaid items	-	-	108,978	113,682	222,660	184,006
Total current assets	<u>9,087,567</u>	<u>10,795,576</u>	<u>812,264</u>	<u>1,634,892</u>	<u>22,330,299</u>	<u>16,475,538</u>
<b>Noncurrent assets</b>						
Long-term contracts receivable	5,423	220,899	13,626	-	239,948	-
Advances to other funds	-	-	-	3,344,230	3,344,230	-
Leases receivable, net of current portion	-	-	-	708,961	708,961	-
Capital assets not being depreciated	3,445,125	2,706,577	2,496,900	2,003,255	10,651,857	347,358
Capital assets, net of accumulated depreciation	86,723,533	46,598,639	4,946,330	2,437,669	140,706,171	12,619,635
Net pension asset	2,730,339	550,929	-	-	3,281,268	-
Total noncurrent assets	<u>92,904,420</u>	<u>50,077,044</u>	<u>7,456,856</u>	<u>8,494,115</u>	<u>158,932,435</u>	<u>12,966,993</u>
Total assets	<u>101,991,987</u>	<u>60,872,620</u>	<u>8,269,120</u>	<u>10,129,007</u>	<u>181,262,734</u>	<u>29,442,531</u>
<b>Deferred Outflows of Resources</b>						
Bond refundings	-	-	174,455	-	174,455	-
<b>Liabilities</b>						
<b>Current liabilities</b>						
Accounts payable	3,489,954	2,111,676	74,008	75,730	5,751,368	878,702
Contracts payable - retainage	-	-	13,430	10,586	24,016	-
Accrued liabilities	543,731	46,293	379,107	246,277	1,215,408	-
Compensated absences	-	-	-	-	-	4,839,054
Current portion of long-term liabilities	-	-	924,098	86,273	1,010,371	-
Total current liabilities	<u>4,033,685</u>	<u>2,157,969</u>	<u>1,390,643</u>	<u>418,866</u>	<u>8,001,163</u>	<u>5,717,756</u>
<b>Noncurrent liabilities</b>						
Compensated absences	-	-	-	-	-	2,980,781
Long-term liabilities	-	-	2,130,039	339,389	2,469,428	-
Advances from other funds	-	-	11,642,312	880,302	12,522,614	-
Net OPEB liability	262,676	53,003	-	-	315,679	-
Total noncurrent liabilities	<u>262,676</u>	<u>53,003</u>	<u>13,772,351</u>	<u>1,219,691</u>	<u>15,307,721</u>	<u>2,980,781</u>
Total liabilities	<u>4,296,361</u>	<u>2,210,972</u>	<u>15,162,994</u>	<u>1,638,557</u>	<u>23,308,884</u>	<u>8,698,537</u>
<b>Deferred Inflows of Resources</b>						
Deferred lease amounts	-	-	-	780,226	780,226	-
Pension related	420,349	84,818	-	-	505,167	-
Deferred other postemployment benefit amounts	260,267	52,517	-	-	312,784	-
Total deferred inflows of resources	<u>680,616</u>	<u>137,335</u>	<u>-</u>	<u>780,226</u>	<u>1,598,177</u>	<u>-</u>
<b>Net Position</b>						
Net investment in capital assets	90,168,658	49,305,216	4,563,548	4,015,262	148,052,684	12,966,993
Restricted for						
Pension	2,730,339	550,929	-	-	3,281,268	-
Unrestricted (deficit)	4,116,013	8,668,168	(11,282,967)	3,694,962	5,196,176	7,777,001
Total net position (deficit)	<u>\$ 97,015,010</u>	<u>\$ 58,524,313</u>	<u>\$ (6,719,419)</u>	<u>\$ 7,710,224</u>	<u>156,530,128</u>	<u>\$ 20,743,994</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>422,702</u>	
Net position of business-type activities					<u>\$ 156,952,830</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, 2025**

	Enterprise Funds					Internal Service Funds
	Water	Sewer	Sanctuary Lake Golf Course	Nonmajor Enterprise Funds	Total	
<b>Operating revenue</b>						
Charges for services	\$ 21,732,902	\$ 14,841,136	\$ 2,989,889	\$ 2,038,602	\$ 41,602,529	\$ 10,905,797
Rental:						
Golf course	-	-	1,583	230,474	232,057	-
Restaurant	-	-	-	74,128	74,128	-
Hydrant	8,200	-	-	-	8,200	-
Building	-	-	-	-	-	314,229
Equipment	-	-	-	-	-	4,788,116
Tap and connection fees	445,606	-	-	-	445,606	-
Penalties	602,881	-	-	-	602,881	-
Other services	38,928	-	-	121,020	159,948	-
Other services to City Funds	-	-	-	-	-	536,673
Total operating revenue	<u>22,828,517</u>	<u>14,841,136</u>	<u>2,991,472</u>	<u>2,464,224</u>	<u>43,125,349</u>	<u>16,544,815</u>
<b>Operating expenses</b>						
Cost of sales and services	15,660,704	11,756,638	-	-	27,417,342	12,187,037
General and administrative	1,000,690	974,655	-	-	1,975,345	818,026
Operations	3,743,632	775,248	2,311,680	2,217,969	9,048,529	3,019,210
Depreciation	3,713,485	2,131,580	255,843	341,653	6,442,561	1,803,498
Total operating expenses	<u>24,118,511</u>	<u>15,638,121</u>	<u>2,567,523</u>	<u>2,559,622</u>	<u>44,883,777</u>	<u>17,827,771</u>
Operating income (loss)	<u>(1,289,994)</u>	<u>(796,985)</u>	<u>423,949</u>	<u>(95,398)</u>	<u>(1,758,428)</u>	<u>(1,282,956)</u>
<b>Nonoperating revenue (expenses)</b>						
Investment earnings (loss)	-	434,100	-	4,165	438,265	819,016
Gain on sale of capital assets	-	-	-	-	-	261,957
Loss on disposal of capital assets	-	-	(210,017)	(210,017)	(420,034)	-
Interest expense	-	-	(106,836)	(20,372)	(127,208)	-
Total nonoperating revenues (expenses)	<u>-</u>	<u>434,100</u>	<u>(316,853)</u>	<u>(226,224)</u>	<u>(108,977)</u>	<u>1,080,973</u>
Income (loss) before contributions	<u>(1,289,994)</u>	<u>(362,885)</u>	<u>107,096</u>	<u>(321,622)</u>	<u>(1,867,405)</u>	<u>(201,983)</u>
Capital contributions	462,169	314,337	-	-	776,506	-
Transfers in	-	-	-	27,039	27,039	1,000,000
Transfers out	-	-	-	-	-	(1,027,039)
Change in net position	<u>(827,825)</u>	<u>(48,548)</u>	<u>107,096</u>	<u>(294,583)</u>	<u>(1,063,860)</u>	<u>(229,022)</u>
Net position (deficit) - beginning of year	<u>97,842,835</u>	<u>58,572,861</u>	<u>(6,826,515)</u>	<u>8,004,807</u>	<u>157,593,988</u>	<u>20,973,016</u>
Net position (deficit) - end of year	<u>\$ 97,015,010</u>	<u>\$ 58,524,313</u>	<u>\$ (6,719,419)</u>	<u>\$ 7,710,224</u>	<u>156,530,128</u>	<u>\$ 20,743,994</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>(63,250)</u>	
Change in net position of business-type activities					<u>\$ (1,127,110)</u>	

See Accompanying Notes to the Financial Statements

**City of Troy, Michigan**  
**Proprietary Funds**  
**Statement of Cash Flows**  
**For the Year Ended June 30, 2025**

	Enterprise Funds					
	Water	Sewer	Sanctuary Lake Golf Course	Nonmajor Enterprise Funds	Total	Internal Service Funds
<b>Cash flows from operating activities</b>						
Receipts from customers	\$ 22,401,679	\$ 14,819,415	\$ 2,972,879	\$ 2,492,420	\$ 42,686,393	\$ -
Receipts from interfund users	-	-	-	-	-	16,531,687
Payments to suppliers	(21,292,952)	(12,755,687)	(2,266,045)	(2,426,022)	(38,740,706)	(13,750,422)
Net cash provided (used) by operating activities	<u>1,108,727</u>	<u>2,063,728</u>	<u>706,834</u>	<u>66,398</u>	<u>3,945,687</u>	<u>2,781,265</u>
<b>Cash flows from noncapital financing activities</b>						
Transfer from other funds	-	-	-	27,039	27,039	1,000,000
Transfers to other funds	-	-	-	-	-	(1,027,039)
Advances from (to) other funds	-	-	600,000	200,000	800,000	-
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>-</u>	<u>600,000</u>	<u>227,039</u>	<u>827,039</u>	<u>(27,039)</u>
<b>Cash flows from capital and related financing activities</b>						
Capital contributions	462,169	314,337	-	-	776,506	-
Purchases/construction of capital assets	(1,570,896)	(1,165,416)	(359,003)	(463,763)	(3,559,078)	(3,385,575)
Principal and interest paid on long-term debt	-	-	(953,741)	(77,604)	(1,031,345)	-
Proceeds from sale of capital assets	-	-	-	-	-	313,198
Net cash provided (used) by capital and related financing activities	<u>(1,108,727)</u>	<u>(851,079)</u>	<u>(1,312,744)</u>	<u>(541,367)</u>	<u>(3,813,917)</u>	<u>(3,072,377)</u>
<b>Cash flows from investing activities</b>						
Interest received (paid)	-	434,100	-	4,165	438,265	819,016
Net change in cash and investments	-	1,646,749	(5,910)	(243,765)	1,397,074	500,865
Cash and investments - beginning of year	-	6,671,007	579,905	1,551,960	8,802,872	15,301,663
Cash and investments - end of year	<u>\$ -</u>	<u>\$ 8,317,756</u>	<u>\$ 573,995</u>	<u>\$ 1,308,195</u>	<u>\$ 10,199,946</u>	<u>\$ 15,802,528</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</b>						
Operating income (loss)	\$ (1,289,994)	\$ (796,985)	\$ 423,949	\$ (95,398)	\$ (1,758,428)	\$ (1,282,956)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities						
Depreciation and amortization expense	3,713,485	2,131,580	255,843	341,653	6,442,561	1,803,498
Changes in assets and liabilities						
Receivables (net)	(426,838)	(21,721)	(18,593)	(493,593)	(960,745)	(13,128)
Inventories	(128,252)	6,189	2,571	(27,828)	(147,320)	(56,915)
Prepaid items	-	-	(81,707)	(90,414)	(172,121)	(54,418)
Net pension asset	(574,402)	(115,903)	-	-	(690,305)	-
Accounts payable	(356,698)	1,020,875	71,497	(69,813)	665,861	544,583
Accrued and other liabilities	(32,062)	(201,366)	53,274	(19,998)	(200,152)	(35,392)
Compensated absences	-	-	-	-	-	1,875,993
Net OPEB liability	(184,478)	(37,225)	-	-	(221,703)	-
Lease related deferred inflows of resources	-	-	-	521,789	521,789	-
Pension related deferred inflows of resources	220,355	44,463	-	-	264,818	-
OPEB related deferred inflows of resources	167,611	33,821	-	-	201,432	-
Net cash provided (used) by operating activities	<u>\$ 1,108,727</u>	<u>\$ 2,063,728</u>	<u>\$ 706,834</u>	<u>\$ 66,398</u>	<u>\$ 3,945,687</u>	<u>\$ 2,781,265</u>

See Accompanying Notes to the Financial Statements

**City of Troy, Michigan**  
**Fiduciary Funds**  
**Statement of Fiduciary Net Position**  
**June 30, 2025**

	Pension and Other Employee Benefit Trust Funds	Tax Collection Custodial Fund
<b>Assets</b>		
Cash and cash equivalents	\$ 8,583,970	\$ 2,241
Investments:		
U.S. government securities and agencies	15,002,682	-
Asset backed securities	1,802,129	-
Corporate bonds and fixed income commingled funds	95,153,163	-
Common stocks and equity mutual funds	223,740,196	-
Private equity partnerships	17,738,073	-
Real estate	6,949,862	-
Interest receivable	583,193	-
Due from other units of government	235,082	-
Total assets	<u>369,788,350</u>	<u>2,241</u>
<b>Liabilities</b>		
Accounts payable	42,601	-
Accrued liabilities	-	2,241
Total liabilities	<u>42,601</u>	<u>2,241</u>
<b>Net Position</b>		
Restricted for pension benefits	236,746,044	-
Restricted for other postemployment healthcare benefits	132,999,705	-
Total net position	<u>\$ 369,745,749</u>	<u>\$ -</u>

**City of Troy, Michigan**  
**Fiduciary Funds**  
**Statement of Changes in Fiduciary Net Position**  
**For the Year Ended June 30, 2025**

	Pension and Other Employee Benefit Trust Funds	Tax Collection Custodial Fund
<b>Additions</b>		
Contributions		
Employer contributions	\$ 1,674,465	\$ -
Employee contributions	744,624	-
Total contributions	<u>2,419,089</u>	<u>-</u>
Investment earnings		
Interest	2,426,696	-
Dividends	8,981,971	-
Net adjustment in fair value of investments	33,670,649	-
Less: investment expense	<u>(899,497)</u>	<u>-</u>
Net investment earnings	<u>44,179,819</u>	<u>-</u>
Property tax collections for other governments	<u>-</u>	<u>274,124,792</u>
Total additions	<u>46,598,908</u>	<u>274,124,792</u>
<b>Deductions</b>		
Benefits	19,933,902	-
Administrative expenses	267,155	-
Payments of taxes to other governments	<u>-</u>	<u>274,124,792</u>
Total deductions	<u>20,201,057</u>	<u>274,124,792</u>
Change in net position	26,397,851	-
Net position - beginning of year	<u>343,347,898</u>	<u>-</u>
Net position - end of year	<u>\$ 369,745,749</u>	<u>\$ -</u>

See Accompanying Notes to the Financial Statements

**City of Troy, Michigan**  
**Component Units**  
**Statement of Net Position**  
**June 30, 2025**

	Brownfield Redevelopment Authority	Downtown Development Authority	Local Development Finance Authority	Total
<b>Assets</b>				
Current assets				
Cash and cash equivalents	\$ 761,158	\$ 4,615,773	\$ 322,096	\$ 5,699,027
Receivables				
Taxes	537	147,507	1,358	149,402
Total current assets	<u>761,695</u>	<u>4,763,280</u>	<u>323,454</u>	<u>5,848,429</u>
<b>Liabilities</b>				
Current liabilities				
Accounts payable	-	728,002	-	728,002
Interest payable	-	22,214	-	22,214
Unearned revenue	537	-	1,358	1,895
Current portion of long-term liabilities	-	805,000	-	805,000
Total current liabilities	<u>537</u>	<u>1,555,216</u>	<u>1,358</u>	<u>1,557,111</u>
Noncurrent liabilities				
Long-term liabilities	-	7,575,000	-	7,575,000
Total liabilities	<u>537</u>	<u>9,130,216</u>	<u>1,358</u>	<u>9,132,111</u>
<b>Net Position</b>				
Unrestricted (deficit)	<u>\$ 761,158</u>	<u>\$ (4,366,936)</u>	<u>\$ 322,096</u>	<u>\$ (3,283,682)</u>

See Accompanying Notes to the Financial Statements

**City of Troy, Michigan**  
**Component Units**  
**Statement of Activities**  
**For the Year Ended June 30, 2025**

	Brownfield Redevelopment Authority	Downtown Development Authority	Local Development Finance Authority	Total
<b>General revenues</b>				
Property taxes	\$ 201,532	\$ 2,925,036	\$ 241,459	\$ 3,368,027
State grants	-	-	28,399	28,399
Unrestricted investment income	56,801	268,400	19,817	345,018
Total general revenues	<u>258,333</u>	<u>3,193,436</u>	<u>289,675</u>	<u>3,741,444</u>
<b>Expenses</b>				
Community and economic development	394,580	3,655,713	166,098	4,216,391
Interest and fiscal charges on long-term debt	-	138,136	-	138,136
Total expenses	<u>394,580</u>	<u>3,793,849</u>	<u>166,098</u>	<u>4,354,527</u>
Change in net position	(136,247)	(600,413)	123,577	(613,083)
Net position (deficit) - beginning of year	<u>897,405</u>	<u>(3,766,523)</u>	<u>198,519</u>	<u>(2,670,599)</u>
Net position (deficit) - end of year	<u>\$ 761,158</u>	<u>\$ (4,366,936)</u>	<u>\$ 322,096</u>	<u>\$ (3,283,682)</u>

See Accompanying Notes to the Financial Statements

# **NOTES TO THE FINANCIAL STATEMENTS**

**City of Troy, Michigan**  
**Notes to the Financial Statements**  
**June 30, 2025**

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**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, 2025**

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

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

**Basis of Presentation – Government-wide Financial Statements**

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

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

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

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

**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

**City of Troy, Michigan**  
**Notes to the Financial Statements**  
**June 30, 2025**

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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.

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

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

The City reports the following nonmajor governmental fund types:

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

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

**Proprietary Funds**

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

Enterprise Funds

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

The City reports the following major enterprise funds:

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

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

**City of Troy, Michigan**  
**Notes to the Financial Statements**  
**June 30, 2025**

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

Internal Service Funds

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

Custodial Fund

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

**Measurement Focus and Basis of Accounting**

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

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

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

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

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

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

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

All proprietary funds and fiduciary funds (custodial funds and pension and retiree healthcare trust funds) are accounted for on a cost of services or "*economic resources*" measurement focus. This means that all assets and

**City of Troy, Michigan**  
**Notes to the Financial Statements**  
**June 30, 2025**

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all liabilities (whether current or noncurrent) associated with their activity are included on their statements of net position. Revenues are recognized when they are earned, and their expenses are recognized when they are incurred. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position. Unbilled water and sewer fund utility service receivables are recorded at year-end.

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

Cash and Investments

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

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

Investments are stated at fair value.

Statutory Authority

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

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

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

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

**City of Troy, Michigan**  
**Notes to the Financial Statements**  
**June 30, 2025**

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

Leases

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

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

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

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

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

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

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

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

Inventories and Prepaid Items

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

**City of Troy, Michigan**  
**Notes to the Financial Statements**  
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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 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.

The City also reports a liability for the Fire Incentive Plan in the governmental activities, which represents future payouts to fire fighters based on years of service. The City has an assigned fund balance to set aside funds for future payments.

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

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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 may also report deferred outflows of resources related to the net pension asset and the other postemployment benefit liability.

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

Net Position Flow Assumption

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

Fund Balance Flow Assumption

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

Fund Balance Policies

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

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

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

**Use of Estimates**

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

**Adoption of New Accounting Standard**

Statement No. 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.

Statement No. 102, *Certain Risk Disclosures*, requires organizations to provide users of the financial statements with essential information about risks related to the organization's vulnerabilities due to certain concentrations or constraints.

**Upcoming Accounting and Reporting Changes**

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

Statement No. 104, *Disclosure of Certain Capital Assets*, requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale. This statement is effective for the year ending June 30, 2026.

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

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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 and component unit as of June 30, 2025:

Sanctuary Lake Golf Course Fund	\$ (11,282,967)
Downtown Development Authority Component Unit	(4,366,936)
Aquatic Center Fund	(856,578)

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

**State Construction Code Act**

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

Cumulative shortfall at July 1, 2024	\$ <u>(5,619,393)</u>
Current year building permit revenue	<u>3,971,581</u>
Related expenses:	
Direct costs	2,367,274
Estimated indirect costs	<u>1,713,006</u>
Total construction code expenses	<u>4,080,280</u>
Net deficit for the year ended June 30, 2025	<u>(108,699)</u>
Cumulative shortfall at June 30, 2025	<u>\$ (5,728,092)</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, 2025:

	Primary Government	Component Units	Fiduciary Funds	Totals
<b>Statement of net position</b>				
Cash and investments	\$ 104,314,574	\$ 5,699,027	\$ 2,241	\$ 110,015,842
<b>Statement of fiduciary net position</b>				
Pension and OPEB trust funds:				
Cash and cash equivalents	-	-	8,583,970	8,583,970
Investments	-	-	<u>360,386,105</u>	<u>360,386,105</u>
<b>Total</b>	<u>\$ 104,314,574</u>	<u>\$ 5,699,027</u>	<u>\$ 368,972,316</u>	<u>\$ 478,985,917</u>

**Deposits and investments**

Bank deposits:	
Checking / savings accounts	\$ 37,081,808
Investment in securities and mutual funds:	
Pooled investments	81,504,004
Pension and OPEB investments	360,386,105
Cash on hand	<u>14,000</u>
<b>Total</b>	<u>\$ 478,985,917</u>

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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, \$35,174,623 of the City’s bank deposits (certificates of deposit, checking, and cash) of \$37,292,924 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:

<u>Investment</u>	<u>Fair Value</u>	<u>Weighted Average Maturity</u>
<b>Pooled investments</b>		
U.S. Government or agency bond/note	\$ 69,690,585	6.4 years
Municipal bonds	11,813,419	9.6 years
<b>Pension and OPEB investments</b>		
U.S. Government or agency bond/note	16,801,812	12.2 years
Corporate bonds	45,874,028	5.1 years
Mutual funds - fixed income	45,060,798	6.4 years

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

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

	Pooled	Pension and OPEB	Total
	Investments	Investments	
AAA	\$ 45,576,805	\$ 16,257,754	\$ 61,834,559
AA to AA-	33,666,468	15,798,698	49,465,166
A to A-	6,687,262	35,521,773	42,209,035
BBB to BBB-	956,370	30,066,842	31,023,212
B to B-	-	7,951,593	7,951,593
CCC or below	-	235,854	235,854
Not rated	9,513,674	1,954,030	11,467,704
	<u>\$ 96,400,579</u>	<u>\$ 107,786,544</u>	<u>\$ 204,187,123</u>

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

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

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

**Note 4 - Fair Value Measurements**

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

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The City had the following recurring fair value measurements as of June 30, 2025:

	Level 1	Level 2	Total
U.S. government obligations	\$ 14,299,893	\$ 28,801,231	\$ 43,101,124
State and municipal bonds	-	11,813,149	11,813,149
Corporate bonds and fixed income commingled funds	88,338,153	6,815,011	95,153,164
Common stocks and equity mutual funds	223,191,985	-	223,191,985
Asset backed securities	1,802,129	40,946,942	42,749,071
Private equity partnerships	-	17,738,073	17,738,073
Real estate	2,176,602	4,773,260	6,949,862
<b>Total investments at fair value</b>	<u>\$ 329,808,762</u>	<u>\$ 110,887,666</u>	440,696,428

**Investments carried at net asset value (NAV)**

Pooled investments	14,904,848
<b>Total investments</b>	<u>\$ 455,601,276</u>

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

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

At year end, the net asset value of the City's investment in Michigan CLASS was \$9,515,412 and the net asset value of the City's investment in Comerica Bank's J Fund was \$5,389,436. The investment pools have no unfunded commitments, specific redemption frequency or redemption notice period required. The investment pools invest in U.S. treasury obligations, federal agency obligations of the U.S. government, high grade commercial paper (rated 'A-1' or better) collateralized bank deposits, repurchase agreements (collateralized at 102% by Treasuries and agencies), and approved money-market funds. The programs seek to provide safety, liquidity, convenience, and competitive rates of return, and is designed to meet the needs of Michigan public sector investors. They purchase securities that are legally permissible under state statutes and are available for investment by Michigan counties, cities, townships, school districts, authorities and other public agencies.

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

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

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

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

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**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.

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**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
<b>Governmental activities</b>				
Capital assets not being depreciated/amortized				
Land	\$ 37,815,194	\$ -	\$ -	\$ 37,815,194
Museum artifacts	2,082,845	-	-	2,082,845
Construction-in-progress	8,557,619	12,637,202	1,344,861	19,849,960
Total capital assets not being depreciated/amortized	<u>48,455,658</u>	<u>12,637,202</u>	<u>1,344,861</u>	<u>59,747,999</u>
Capital assets being depreciated/amortized				
Infrastructure				
Major/county/local roads	298,804,644	3,827,215	-	302,631,859
Local donated roads	33,551,524	-	-	33,551,524
Sidewalks	37,686,219	943,198	-	38,629,417
Drains	11,288,228	-	-	11,288,228
Land improvements	25,363,308	4,950,393	1,401,040	28,912,661
Buildings and improvements	98,093,491	1,027,346	916,479	98,204,358
Miscellaneous equipment	12,374,846	1,681,116	636,659	13,419,303
Office equipment	3,239,558	71,373	514,781	2,796,150
Vehicles	26,904,952	3,300,423	1,074,838	29,130,537
Library books/audio visual	5,911,280	695,218	592,546	6,013,952
Right to use asset - machinery and equipment	57,297	-	-	57,297
Total capital assets being depreciated/amortized	<u>553,275,347</u>	<u>16,496,282</u>	<u>5,136,343</u>	<u>564,635,286</u>
Less accumulated depreciation/amortization for				
Infrastructure				
Major/county/local roads	183,030,474	9,532,868	-	192,563,342
Local donated roads	32,630,985	149,547	-	32,780,532
Sidewalks	32,304,533	482,383	-	32,786,916
Drains	2,580,117	238,755	-	2,818,872
Land improvements	9,397,021	1,685,922	1,401,040	9,681,903
Buildings and improvements	58,621,976	2,086,203	876,102	59,832,077
Miscellaneous equipment	7,296,263	1,355,456	636,659	8,015,060
Office equipment	2,846,533	142,516	514,781	2,474,268
Vehicles	15,142,747	1,929,855	1,023,597	16,049,005
Library books/audio visual	4,141,594	588,110	592,546	4,137,158
Right to use asset - machinery and equipment	34,379	14,324	-	48,703
Total accumulated depreciation/amortization	<u>348,026,622</u>	<u>18,205,939</u>	<u>5,044,725</u>	<u>361,187,836</u>
Net capital assets being depreciated/amortized	<u>205,248,725</u>	<u>(1,709,657)</u>	<u>91,618</u>	<u>203,447,450</u>
Governmental activities capital assets, net	<u>\$ 253,704,383</u>	<u>\$ 10,927,545</u>	<u>\$ 1,436,479</u>	<u>\$ 263,195,449</u>

**City of Troy, Michigan**  
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	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type activities</b>				
Capital assets not being depreciated/amortized				
Land	\$ 6,738,504	\$ -	\$ -	\$ 6,738,504
Construction-in-progress	<u>13,855,450</u>	<u>2,131,733</u>	<u>12,073,830</u>	<u>3,913,353</u>
Total capital assets not being depreciated/amortized	<u>20,593,954</u>	<u>2,131,733</u>	<u>12,073,830</u>	<u>10,651,857</u>
Capital assets being depreciated/amortized				
Water and sewer transmission and distribution system	244,156,362	12,850,337	-	257,006,699
Service connections	750,121	-	-	750,121
Land improvements	9,614,090	-	-	9,614,090
Buildings and improvements	8,204,194	20,388	-	8,224,582
Miscellaneous equipment	3,877,749	630,450	71,930	4,436,269
Vehicles	1,171,768	-	1,171,768	-
Furniture, fixtures and others	24,500	-	-	24,500
Right to use asset - vehicles	-	892,788	-	892,788
Total capital assets being depreciated/amortized	<u>267,798,784</u>	<u>14,393,963</u>	<u>1,243,698</u>	<u>280,949,049</u>
Less accumulated depreciation/amortization for				
Water and sewer transmission and distribution system	118,731,454	5,747,133	-	124,478,587
Service connections	750,121	-	-	750,121
Land improvements	5,027,928	237,593	-	5,265,521
Buildings and improvements	7,260,541	71,135	-	7,331,676
Miscellaneous equipment	2,101,703	338,872	95,930	2,344,645
Vehicles	727,732	-	727,732	-
Furniture, fixtures and others	24,500	-	-	24,500
Right to use asset - vehicles	-	47,828	-	47,828
Total accumulated depreciation/amortization	<u>134,623,979</u>	<u>6,442,561</u>	<u>823,662</u>	<u>140,242,878</u>
Net capital assets being depreciated/amortized	<u>133,174,805</u>	<u>7,951,402</u>	<u>420,036</u>	<u>140,706,171</u>
Business-type capital assets, net	<u>\$ 153,768,759</u>	<u>\$ 10,083,135</u>	<u>\$ 12,493,866</u>	<u>\$ 151,358,028</u>

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

<b>Governmental activities</b>	
General government	\$ 1,204,395
Public safety	1,490,829
Public works	10,719,965
Community and economic development	83,903
Recreation and culture	2,903,349
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of the assets	<u>1,803,498</u>
Total governmental activities	<u>18,205,939</u>
<b>Business-type activities</b>	
Sylvan Glen Golf Course Fund	227,543
Aquatic Center Fund	114,110
Sanctuary Lake Golf Course Fund	255,843
Sewer Fund	2,131,580
Water Fund	<u>3,713,485</u>
Total business-type activities	<u>6,442,561</u>
Total primary government	<u>\$ 24,648,500</u>

**Construction Commitments**

As of June 30, 2025, the City had \$3,439,931 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 Advances and Transfers**

The amounts of interfund advances are as follows as of June 30, 2025:

Receivable Fund	Payable Fund	Amount
General Fund	Sanctuary Lake Golf Course Fund	\$ 8,298,082
Nonmajor Enterprise Funds in the Aggregate	Sanctuary Lake Golf Course Fund	3,344,230
General Fund	Nonmajor Enterprise Funds in the Aggregate	<u>880,302</u>
		<u>\$ 12,522,614</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 is not expected to be reduced in the subsequent year. The aquatic center advance is expected to be eliminated in the subsequent year as the fund will be absorbed by the General Fund. Additional details on this event are described in Note 20.

**City of Troy, Michigan**  
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Interfund transfers reported in the fund statements are as follows as of June 30, 2025:

Funds Transferred From	Funds Transferred To	Amount
General Fund	Capital Projects Fund	\$ 625,000
Nonmajor Governmental Funds in the Aggregate	General Fund	1,284
Nonmajor Governmental Funds in the Aggregate	Nonmajor Governmental Funds in the Aggregate	1,500,000
Nonmajor Governmental Funds in the Aggregate	Capital Projects Fund	7,790,088
Internal Service Funds in the Aggregate	Internal Service Funds in the Aggregate	1,000,000
Internal Service Funds in the Aggregate	Nonmajor Enterprise Funds in the Aggregate	27,039
		<u>\$ 10,943,411</u>

**General Fund**

Transfers to the capital projects fund of \$625,000 are for new pickleball courts at Firefighters Park.

**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 \$4,000,000 and \$2,000,000, respectively, representing partial funding for capital street improvements. In addition, the library fund transferred \$1,159,339 to the capital projects fund for library capital purchases including collections and the CDBG fund transferred \$630,749 for an inclusive park at Boulan Park. The major streets fund transfer to the local streets fund of \$1,500,000 represents an allowable redirection of state funding. The cemetery perpetual care fund transferred \$1,284 to the general fund for administration charges. The information technology internal service fund transferred \$27,039 to the aquatic center fund for information technology expenditures. The worker's comp reserve internal service fund transferred \$1,000,000 to the compensated absences internal service fund for its portion of compensated absences costs.

**Note 7 - Leases**

**Lease Receivable**

Leases receivable agreements are summarized as follows:

Description	Agreement Date	Payment Terms	Payment Amount	Interest Rate	Total Lease Receivable
AT&T Cell Tower	7/1/2022	5 years	\$ 39,996	3.00%	\$ 74,203
AT&T Cell Tower - Sylvan Glen Golf Course	7/1/2024	25 years	40,000	3.00%	634,815
T-Mobile Cell Tower	10/8/2003	6 years	22,800	2.00%	42,937
Verizon Cell Tower	7/1/2022	5 years	27,360	2.00%	43,360
DMC Community Center	10/24/2022	5 years	32,700	3.00%	70,771
Gun Range	5/1/2021	5 years	9,264	1.01%	8,730
Flynn Park Roadway	11/7/2006	20 years	15,000	2.00%	21,290
Tennis Grounds	5/21/2018	10 years	51,996	1.01%	150,530
Camp Ticonderoga	5/1/2021	5 years	72,720	1.01%	59,114
					<u>\$ 1,105,750</u>

The City collected \$314,474 from the lessees for the year ended June 30, 2025, which includes \$283,306 in lease revenue and \$31,168 in lease interest revenue.

**City of Troy, Michigan**  
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**Lease Liability**

Lease liability agreements are summarized as follows:

Description	Remaining Term	Payment Amount	Interest Rate	Total Lease Liability
Copiers	1 year	\$ 15,850	Various	\$ 9,402
Golf carts	5 years	191,312	Various	851,324
				<u>\$ 860,726</u>

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

Year Ending June 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2026	\$ 9,402	\$ 218	\$ 172,546	\$ 48,862
2027	-	-	183,773	37,636
2028	-	-	195,729	25,679
2029	-	-	208,460	12,949
2030	-	-	90,816	1,437
	<u>\$ 9,402</u>	<u>\$ 218</u>	<u>\$ 851,324</u>	<u>\$ 126,563</u>

**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.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10% of its total assessed valuation. The current debt limitation for the City is \$882.6 million, which significantly exceeds the City's outstanding general obligation debt subject to limitation of \$10.82 million.

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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
<b>Governmental activities</b>									
Bonds and notes payable									
General obligation bonds									
Series 2013 & 2020 DDA Refunding	\$ 10,105,000	2034	0.83 - 2.17%	\$805,000 - \$1,075,000	\$ 9,060,000	\$ -	\$ 680,000	\$ 8,380,000	\$ 805,000
Notes from direct borrowings and direct placements									
GWK Series 2005	41,440	2026	1.63%	2,315	4,524	-	2,209	2,315	2,315
GWK Series 2007G	46,242	2028	1.63%	2,318 - 2,598	10,112	-	2,598	7,514	2,598
GWK Series 2008H	196,953	2029	2.50%	9,727 - 12,213	56,761	-	11,304	45,457	11,564
Total notes from direct borrowings and direct placements					71,397	-	16,111	55,286	16,477
Total bonds and notes payable					9,131,397	-	696,111	8,435,286	821,477
Leases					24,309	-	14,907	9,402	9,402
Estimated self-insurance claims					1,690,116	13,942,181	13,448,073	2,184,224	1,051,141
Fire incentive plan					5,416,993	3,353,014	625,378	8,144,629	595,502
Compensated absences					5,943,843	1,875,994	-	7,819,837	4,839,054
Total governmental activities					\$ 22,206,658	\$ 19,171,189	\$ 14,784,469	\$ 26,593,378	\$ 7,316,576
<b>Business-type activities</b>									
Bonds and notes payable									
General obligation bonds									
Golf Course Series 2022	\$ 4,620,000	2028	4.00%	\$775,000 - \$855,000	\$ 3,225,000	\$ -	\$ 785,000	\$ 2,440,000	\$ 775,000
Notes from direct borrowings and direct placements									
Sanctuary Lake Golf Course Note Payable	301,909	2025	-	-	36,501	-	36,501	-	-
Sylvan Glen Golf Course Note Payable	301,909	2025	-	-	36,501	-	36,501	-	-
Total notes from direct borrowings and direct placements					73,002	-	73,002	-	-
Issuance premiums					251,299	-	62,824	188,475	62,825
Total bonds and notes payable					3,549,301	-	920,826	2,628,475	837,825
Leases					-	892,788	41,464	851,324	172,546
Total business-type activities					\$ 3,549,301	\$ 892,788	\$ 962,290	\$ 3,479,799	\$ 1,010,371

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	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 805,000	\$ 133,284	\$ 16,477	\$ 950	\$ 775,000	\$ 82,100
2027	840,000	125,135	14,551	590	810,000	50,400
2028	1,075,000	113,472	14,531	250	855,000	17,100
2029	1,040,000	98,180	9,727	-	-	-
2030	1,000,000	81,125	-	-	-	-
2031-2035	3,620,000	145,522	-	-	-	-
	<u>\$ 8,380,000</u>	<u>\$ 696,718</u>	<u>\$ 55,286</u>	<u>\$ 1,790</u>	<u>\$ 2,440,000</u>	<u>\$ 149,600</u>

**Component Units**

The following is a summary of long-term liability transactions of the City's component units for the year ended June 30, 2025:

	Amount of Issue	Maturity Date	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Component units</b>									
Downtown Development Authority									
Obligated tax captures									
City issued 2020 DDA Refinancing Debt	\$ 10,105,000	2034	0.83 - 2.17%	\$805,000 - \$1,075,000	\$ 9,060,000	\$ -	\$ 680,000	\$ 8,380,000	\$ 805,000

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.

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The annual debt requirements to maturity for all component unit long-term obligations as of June 30, 2025 are as follows:

Year Ending June 30,	Component Unit - Downtown Development Authority Obligated	
	Tax Captures	
	Principal	Interest
2026	\$ 805,000	\$ 133,284
2027	840,000	125,135
2028	1,075,000	113,472
2029	1,040,000	98,180
2030	1,000,000	81,125
2031-2034	3,620,000	145,522
	\$ 8,380,000	\$ 696,718

**Note 9 - Net Investment in Capital Assets**

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

	Governmental Activities	Business-type Activities
Capital assets		
Capital assets not being depreciated	\$ 59,747,999	\$ 10,651,857
Capital assets, net of accumulated depreciation	203,447,450	140,706,171
Total capital assets	263,195,449	151,358,028
Less related debt		
General obligation bonds	(8,380,000)	(2,440,000)
Notes from direct borrowing and direct placements	(55,286)	-
Leases	(9,402)	(851,324)
Unamortized bond premiums	-	(188,475)
Deferred charge on bond refunding	65,668	174,455
Add back debt not related to capital assets	8,314,332	-
Total related debt	(64,688)	(3,305,344)
Net investment in capital assets	\$ 263,130,761	\$ 148,052,684

**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

**City of Troy, Michigan**  
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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, 2025.

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

Year Ended June 30,	Beginning Balance	Additions	Deductions	Ending Balance
2023	\$ 1,424,825	\$ 9,288,699	\$ (9,316,112)	\$ 1,397,412
2024	1,397,412	11,975,842	(11,683,138)	1,690,116
2025	1,690,116	13,942,181	(13,448,073)	2,184,224

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 \$101,030,000 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 40.77% of the contested value may be refunded to that effect. As a result, the City has recorded a total liability of \$266,203 in the General Fund, \$44,640 in the Refuse Fund, \$44,050 in the Library Fund and \$49,080 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 1<sup>st</sup> on the taxable valuation of the property located within its boundaries as of the preceding December 31<sup>st</sup>. 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 2024-2025 levy was \$6,602,980,320. 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, 1.0756 for library operations, and 1.1984 for capital preservation and improvements.

**City of Troy, Michigan**  
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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 already collected through use of an allowance for doubtful taxes receivable and as assigned general fund balance.

**Note 13 - Tax Abatements**

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

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

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

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

Tax Abatement Program	Amount of Taxes Abated During Fiscal Year
Industrial Facility Tax - Half Rate	\$ 5,623
Payment in Lieu of Taxes (PILOT)	173,418
Brownfield Redevelopment	176,869
Total tax abatements	\$ 355,910

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**Note 14 - Defined Benefit Pension Plan**

**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, 2024, pension plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	344
Inactive employees entitled to, but not yet receiving benefits	3
Active employees	<u>12</u>
	<u><u>359</u></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.

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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, 2025, 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, 2025 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>
<b>Investment rate of return</b>			<u><b>6.50%</b></u>

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Rate of return. For the year ended June 30, 2025, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 13.18%. 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, 2024	\$ 157,939,222	\$ 221,913,599	\$ (63,974,377)
Changes for the year:			
Service cost	359,547	-	359,547
Interest	9,859,880	-	9,859,880
Differences between expected and actual experience	625,392	-	625,392
Employee contributions	-	53,138	(53,138)
Net investment income	-	28,053,419	(28,053,419)
Benefit payments, including refunds of employee contributions	(13,056,942)	(13,056,942)	-
Administrative expense	-	(217,170)	217,170
Net changes	(2,212,123)	14,832,445	(17,044,568)
Balances as of June 30, 2025	\$ 155,727,099	\$ 236,746,044	\$ (81,018,945)

*Pension Plan Fiduciary Net Position.* The plan's fiduciary net position as a percentage of the total pension liability was 152.03% at June 30, 2025.

*Actuarial assumptions.* The total pension liability was determined by an actuarial valuation as of December 31, 2024 with a measurement and reporting date of June 30, 2025. 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	5.20%
Retirement age	Age-based table of rates that are specific to the type of eligibility condition. First used for the 2023 valuation.
Mortality rates	PubG-2010 Amount-weighted, Employee, Healthy Retiree and Disabled Retiree Mortality tables for males and females with fully generational projection with the MP-2021 mortality improvement scale.

*Actuarial assumption changes.* 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 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

**City of Troy, Michigan**  
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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
\$ (66,334,293)	\$ (81,018,945)	\$ (93,544,424)

*Pension Expense and Deferred Inflows of Resources Related to Pensions.* For the year ended June 30, 2025, the City recognized pension expense of \$(9,705,847). At June 30, 2025, the City reported pension-related deferred inflows of resources from the following sources:

	Deferred Inflows of Resources	Total to Amortize
Net difference between projected and actual earning on plan investments	\$ (12,473,268)	\$ (12,473,268)

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

Year ended June 30,	
2026	\$ 2,411,935
2027	(7,134,790)
2028	(4,938,668)
2029	(2,811,745)
	<u>\$ (12,473,268)</u>

**Note 15 - Retiree Healthcare Trust (OPEB) Plan**

**Plan Description**

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

Management of the OPEB plan is vested in the RHC Board, which consists of five voting members and one nonvoting ex-officio member. 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 as selected by the Council and one voting citizen, who is an elector of the City and who is not a member of the

**City of Troy, Michigan**  
**Notes to the Financial Statements**  
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system and who is not a member of City Council, as appointed by City Council.

*Plan Membership.* At December 31, 2024, plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	392
Active employees	<u>105</u>
	<u>497</u>

The defined benefit OPEB plan is closed to new members.

*Benefits Provided.* The City provides certain healthcare benefits in accordance with the bargaining group agreements and other requirements as established at the time of retirement. All bargaining group agreements vested 4% 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, 2025, the City's average contribution rate was 13.92% 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.

**City of Troy, Michigan**  
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*Long-term expected rate of return.* The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2025 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>
<b>Investment rate of return</b>			<u><u>6.50%</u></u>

*Rate of return.* For the year ended June 30, 2025, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expenses, was 13.42%. 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, 2024	\$ 134,702,962	\$ 121,434,299	\$ 13,268,663
Changes for the year:			
Service cost	1,034,846	-	1,034,846
Interest	8,579,461	16,126,400	(7,546,939)
Differences between expected and actual experience	(5,993,922)	-	(5,993,922)
Changes of assumptions	8,303,681	-	8,303,681
Employer contributions	-	1,674,465	(1,674,465)
Benefit payments, including refunds of employee contributions	(6,457,370)	(6,457,370)	-
Administrative expense	-	(37,416)	37,416
Other changes	624,572	259,327	365,245
Net changes	<u>6,091,268</u>	<u>11,565,406</u>	<u>(5,474,138)</u>
Balances as of June 30, 2025	<u>\$ 140,794,230</u>	<u>\$ 132,999,705</u>	<u>\$ 7,794,525</u>

**City of Troy, Michigan**  
**Notes to the Financial Statements**  
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*OPEB Plan Fiduciary Net Position.* The plan's fiduciary net position as a percentage of the total OPEB liability was 94.46% at June 30, 2025.

*Actuarial assumptions.* The total OPEB plan liability was determined by an actuarial valuation as of December 31, 2024 with a measurement and reporting date of June 30, 2025. The following actuarial assumptions were applied to all periods included in the measurement.

Actuarial cost method	Entry age normal
Inflation	2.50%
Salary increases	3.50% to 7.50%, 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 7.25% and gradually decreasing to an ultimate trend rate of 3.50%. Medicare Trend starting at 6.50% 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:

1% Decrease	Current Discount Rate	1% Increase
\$ 25,674,501	\$ 7,794,525	\$ (5,961,684)

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

1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
\$ (7,025,324)	\$ 7,794,525	\$ 26,872,196

**City of Troy, Michigan**  
**Notes to the Financial Statements**  
**June 30, 2025**

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*OPEB Expense and Deferred Inflows of Resources Related to OPEB.* For the year ended June 30, 2025, the City recognized OPEB expense of \$1,692,603. At June 30, 2025, the City reported deferred inflows of resources related to OPEB from the following sources:

	Deferred Inflows of Resources	Total to Amortize
Net difference between projected and actual earning on plan investments	<u>\$ (7,723,055)</u>	<u>\$ (7,723,055)</u>

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

Year ended June 30,	
2026	\$ 1,128,111
2027	(4,410,695)
2028	(2,762,504)
2029	<u>(1,677,967)</u>
	<u>\$ (7,723,055)</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, 2025**

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

**Statement of Fiduciary Net Position**

	Employee Retirement System	Retiree Healthcare Trust Fund	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 5,045,017	\$ 3,538,953	\$ 8,583,970
Investments, at fair value			
U.S. government securities and agencies	11,566,237	3,436,445	15,002,682
Asset backed securities	929,865	872,264	1,802,129
Corporate bonds and fixed income commingled funds	60,169,758	34,983,405	95,153,163
Common stocks and equity mutual funds	140,843,825	82,896,371	223,740,196
Private equity partnerships	10,992,905	6,745,168	17,738,073
Real estate	6,949,862	-	6,949,862
Interest receivable	290,571	292,622	583,193
Due from other units of government	-	235,082	235,082
Total assets	236,788,040	133,000,310	369,788,350
<b>Liabilities</b>			
Accounts payable	41,996	605	42,601
<b>Net Position</b>			
Restricted for			
Pension benefits	236,746,044	-	236,746,044
Retiree healthcare benefits	-	132,999,705	132,999,705
Total net position	\$ 236,746,044	\$ 132,999,705	\$ 369,745,749

**City of Troy, Michigan**  
**Notes to the Financial Statements**  
**June 30, 2025**

**Statement of Changes in Fiduciary Net Position**

	Employee Retirement System	Retiree Healthcare Trust Fund	Total
<b>Additions</b>			
Contributions			
Employer	\$ -	\$ 1,674,465	\$ 1,674,465
Plan members	53,138	691,486	744,624
Total contributions	<u>53,138</u>	<u>2,365,951</u>	<u>2,419,089</u>
Investment earnings (loss)			
Interest	1,413,325	1,013,371	2,426,696
Dividends	5,821,739	3,160,232	8,981,971
Net adjustment in fair value of investments	21,439,130	12,231,519	33,670,649
Investment expense	(620,775)	(278,722)	(899,497)
Net investment earnings	<u>28,053,419</u>	<u>16,126,400</u>	<u>44,179,819</u>
Total additions	<u>28,106,557</u>	<u>18,492,351</u>	<u>46,598,908</u>
<b>Deductions</b>			
Benefits - pension	13,056,942	-	13,056,942
Benefits - retiree healthcare	-	6,876,960	6,876,960
Administrative expenses	217,170	49,985	267,155
Total deductions	<u>13,274,112</u>	<u>6,926,945</u>	<u>20,201,057</u>
<b>Change in net position</b>	<u>14,832,445</u>	<u>11,565,406</u>	<u>26,397,851</u>
Restricted net position, beginning			
Pension benefits	221,913,599	-	221,913,599
Retiree healthcare benefits	-	121,434,299	121,434,299
Total restricted net position, beginning	<u>221,913,599</u>	<u>121,434,299</u>	<u>343,347,898</u>
Restricted net position, ending			
Pension benefits	236,746,044	-	236,746,044
Retiree healthcare benefits	-	132,999,705	132,999,705
<b>Total restricted net position, ending</b>	<u>\$ 236,746,044</u>	<u>\$ 132,999,705</u>	<u>\$ 369,745,749</u>

**Note 17 - Defined Contribution Pension Plan**

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

**City of Troy, Michigan**  
**Notes to the Financial Statements**  
**June 30, 2025**

The DCP is also in effect for all new full-time employees. Total membership in the DCP as of June 30, 2025 was 413.

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, 2025, was \$33,933,099. The required contributions, which matched those actually made, were \$1,585,540 by employees and \$3,474,267 by the City, representing 5.0 percent and 10.0 percent of covered payroll, respectively.

**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
<b>Nonspendable</b>				
Inventories	\$ 541,215	\$ -	\$ -	\$ 541,215
Prepaid items	1,825,122	2,524,434	2,472	4,352,028
Permanent fund corpus	-	-	164,000	164,000
Advance to Sanctuary Lake Golf Course	8,298,082	-	-	8,298,082
Advance to Aquatic Center	880,302	-	-	880,302
<b>Total nonspendable</b>	<u>11,544,721</u>	<u>2,524,434</u>	<u>166,472</u>	<u>14,235,627</u>
<b>Restricted</b>				
Special revenue funding source restrictions:				
Public safety	-	-	1,489,487	1,489,487
Highways and streets	-	-	5,294,964	5,294,964
Sanitation	-	-	2,588,187	2,588,187
Library	-	-	4,213,737	4,213,737
Other	-	-	10,249	10,249
Cemetery perpetual care	-	-	84,315	84,315
Capital improvements	-	9,296,845	-	9,296,845
<b>Total restricted</b>	<u>-</u>	<u>9,296,845</u>	<u>13,680,939</u>	<u>22,977,784</u>
<b>Assigned</b>				
Insurance claims	3,000,000	-	-	3,000,000
Tax appeals	270,000	-	-	270,000
Subsequent years budget	2,329,194	-	-	2,329,194
Firefighter Incentive Plan	2,000,000	-	-	2,000,000
<b>Total assigned</b>	<u>7,599,194</u>	<u>-</u>	<u>-</u>	<u>7,599,194</u>
<b>Unassigned</b>	<u>34,331,985</u>	<u>-</u>	<u>-</u>	<u>34,331,985</u>
<b>Total fund balances</b>	<u>\$ 53,475,900</u>	<u>\$ 11,821,279</u>	<u>\$ 13,847,411</u>	<u>\$ 79,144,590</u>

**City of Troy, Michigan**  
**Notes to the Financial Statements**  
**June 30, 2025**

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**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.

**Note 20 - Subsequent Event**

Subsequent to year-end, the Aquatic Center Fund will be closed, and all operations will be integrated into the General Fund. The advance to the Aquatic Center Fund from the General Fund will be eliminated. This will be reflected in the financial statements for the fiscal year ending June 30, 2026.

**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, 2025**

Fiscal year ended June 30,	2025	2024	2023	2022	2021
<b>Total Pension Liability</b>					
Service cost	\$ 359,547	\$ 366,144	\$ 516,493	\$ 713,220	\$ 832,121
Interest	9,859,880	9,983,086	10,146,576	10,248,059	10,081,514
Changes of benefit terms	-	-	-	-	-
Experience differences	625,392	71,533	(295,313)	(60,178)	1,144,561
Changes in assumptions	-	707,057	-	-	2,445,899
Benefit payments and refunds	<u>(13,056,942)</u>	<u>(12,984,283)</u>	<u>(12,639,161)</u>	<u>(12,100,440)</u>	<u>(11,672,985)</u>
Net change in total pension liability	(2,212,123)	(1,856,463)	(2,271,405)	(1,199,339)	2,831,110
Total pension liability - beginning	<u>157,939,222</u>	<u>159,795,685</u>	<u>162,067,090</u>	<u>163,266,429</u>	<u>160,435,319</u>
Total pension liability - ending (a)	<u>\$ 155,727,099</u>	<u>\$ 157,939,222</u>	<u>\$ 159,795,685</u>	<u>\$ 162,067,090</u>	<u>\$ 163,266,429</u>
<b>Plan Fiduciary Net Position</b>					
Employer contributions	\$ -	\$ -	\$ -	\$ -	\$ -
Employee contributions	53,138	60,995	90,425	116,939	157,698
Net investment income (loss)	28,053,419	23,930,338	23,584,208	(30,347,862)	58,046,577
Benefit payments and refunds	(13,056,942)	(12,984,283)	(12,639,161)	(12,100,440)	(11,672,985)
Administrative expense	<u>(217,170)</u>	<u>(209,307)</u>	<u>(190,812)</u>	<u>(186,316)</u>	<u>(136,183)</u>
Net change in plan fiduciary net position	14,832,445	10,797,743	10,844,660	(42,517,679)	46,395,107
Plan fiduciary net position - beginning	<u>221,913,599</u>	<u>211,115,856</u>	<u>200,271,196</u>	<u>242,788,875</u>	<u>196,393,768</u>
Plan fiduciary net position - ending (b)	<u>\$ 236,746,044</u>	<u>\$ 221,913,599</u>	<u>\$ 211,115,856</u>	<u>\$ 200,271,196</u>	<u>\$ 242,788,875</u>
Net pension asset (a-b)	<u>\$ (81,018,945)</u>	<u>\$ (63,974,377)</u>	<u>\$ (51,320,171)</u>	<u>\$ (38,204,106)</u>	<u>\$ (79,522,446)</u>
Plan fiduciary net position as a percentage of total pension liability	152.03%	140.51%	132.12%	123.57%	148.71%
Covered payroll	\$ 1,628,709	\$ 1,870,748	\$ 2,688,816	\$ 3,461,432	\$ 4,429,886
Net pension asset as a percentage of covered employee payroll	(4,974.43%)	(3,419.72%)	(1,908.65%)	(1,103.71%)	(1,795.14%)

See Accompanying Notes to the Required Supplementary Information

**City of Troy, Michigan**  
**Required Supplementary Information**  
**Employee Retirement System**  
**Schedule of Changes in Net Pension Asset and Related Ratios**  
**For the Year Ended June 30, 2025**

Fiscal year ended June 30,	2020	2019	2018	2017	2016
<b>Total Pension Liability</b>					
Service cost	\$ 892,618	\$ 919,922	\$ 915,316	\$ 951,388	\$ 993,515
Interest	10,166,772	10,145,675	10,153,512	10,180,968	10,251,205
Changes of benefit terms	-	-	-	-	(10,477)
Experience differences	(827,202)	1,345,828	176,027	(238,774)	(1,118,247)
Changes in assumptions	-	(701,730)	-	-	-
Benefit payments and refunds	<u>(11,360,090)</u>	<u>(11,382,935)</u>	<u>(11,352,909)</u>	<u>(11,245,246)</u>	<u>(11,108,572)</u>
Net change in total pension liability	(1,127,902)	326,760	(108,054)	(351,664)	(992,576)
Total pension liability - beginning	<u>161,563,221</u>	<u>161,236,461</u>	<u>161,344,515</u>	<u>161,696,179</u>	<u>162,688,755</u>
Total pension liability - ending (a)	<u>\$ 160,435,319</u>	<u>\$ 161,563,221</u>	<u>\$ 161,236,461</u>	<u>\$ 161,344,515</u>	<u>\$ 161,696,179</u>
<b>Plan Fiduciary Net Position</b>					
Employer contributions	\$ -	\$ -	\$ -	\$ 658,557	\$ 314,025
Employee contributions	157,335	164,311	159,830	163,907	166,434
Net investment income (loss)	7,323,662	15,253,371	19,495,709	23,674,177	(330,035)
Benefit payments and refunds	(11,360,090)	(11,382,935)	(11,352,909)	(11,245,246)	(11,108,572)
Administrative expense	<u>(220,079)</u>	<u>(147,374)</u>	<u>(137,054)</u>	<u>(136,279)</u>	<u>(133,867)</u>
Net change in plan fiduciary net position	(4,099,172)	3,887,373	8,165,576	13,115,116	(11,092,015)
Plan fiduciary net position - beginning	<u>200,492,940</u>	<u>196,605,567</u>	<u>188,439,991</u>	<u>175,324,875</u>	<u>186,416,890</u>
Plan fiduciary net position - ending (b)	<u>\$ 196,393,768</u>	<u>\$ 200,492,940</u>	<u>\$ 196,605,567</u>	<u>\$ 188,439,991</u>	<u>\$ 175,324,875</u>
Net pension asset (a-b)	<u>\$ (35,958,449)</u>	<u>\$ (38,929,719)</u>	<u>\$ (35,369,106)</u>	<u>\$ (27,095,476)</u>	<u>\$ (13,628,696)</u>
Plan fiduciary net position as a percentage of total pension liability	122.41%	124.10%	121.94%	116.79%	108.43%
Covered payroll	\$ 4,714,838	\$ 4,695,195	\$ 4,428,407	\$ 4,532,372	\$ 4,910,089
Net pension asset as a percentage of covered employee payroll	(762.67%)	(829.14%)	(798.69%)	(597.82%)	(277.57%)

See Accompanying Notes to the Required Supplementary Information

**City of Troy, Michigan**  
**Required Supplementary Information**  
**Employee Retirement System**  
**Schedule of Net Pension Asset**  
**For the Year Ended June 30, 2025**

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
2016	\$ 161,696,179	\$ 175,324,875	\$ (13,628,696)	108.4%	\$ 4,910,089	-277.6%
2017	161,344,515	188,439,991	(27,095,476)	116.8%	4,532,372	-597.8%
2018	161,236,461	196,605,567	(35,369,106)	121.9%	4,428,407	-798.7%
2019	161,563,221	200,492,940	(38,929,719)	124.1%	4,695,195	-829.1%
2020	160,435,319	196,393,768	(35,958,449)	122.4%	4,714,838	-762.7%
2021	163,266,429	242,788,875	(79,522,446)	148.7%	4,429,886	-1795.1%
2022	162,067,090	200,271,196	(38,204,106)	123.6%	3,461,432	-1103.7%
2023	159,795,685	211,115,856	(51,320,171)	132.1%	2,688,816	-1908.7%
2024	157,939,222	221,913,599	(63,974,377)	140.5%	1,870,748	-3419.7%
2025	155,727,099	236,746,044	(81,018,945)	152.0%	1,628,709	-4974.4%

See Accompanying Notes to the Required Supplementary Information

**City of Troy, Michigan**  
**Required Supplementary Information**  
**Employee Retirement System**  
**Schedule of Employer Contributions**  
**For the Year Ended June 30, 2025**

Fiscal Year Ended	Actuarially Determined		Contribution Deficiency		Actual Contribution as	
	Contribution	Actual Contribution	(Excess)	Covered Payroll	Percentage of Covered Payroll	
2016	\$ 314,025	\$ 314,025	\$ -	\$ 4,910,089	6.4%	
2017	658,557	658,557	-	4,532,372	14.5%	
2018	-	-	-	4,428,407	0.0%	
2019	-	-	-	4,695,195	0.0%	
2020	-	-	-	4,714,838	0.0%	
2021	-	-	-	4,429,886	0.0%	
2022	-	-	-	3,461,432	0.0%	
2023	-	-	-	2,688,816	0.0%	
2024	-	-	-	1,870,748	0.0%	
2025	-	-	-	1,628,709	0.0%	

See Accompanying Notes to the Required Supplementary Information

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

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Fiscal Year Ended June 30,	Annual Return % *
2016	-0.23%
2017	13.79%
2018	10.56%
2019	8.12%
2020	3.86%
2021	30.32%
2022	-12.34%
2023	12.55%
2024	12.39%
2025	13.18%

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

**City of Troy, Michigan**  
**Required Supplementary Information**  
**Other Postemployment Benefits - Retiree Healthcare**  
**Schedule of Changes in Net OPEB Liability and Related Ratios**  
**For the Year Ended June 30, 2025**

Fiscal year ended June 30,	2025	2024	2023	2022
<b>Total OPEB Liability</b>				
Service cost	\$ 1,034,846	\$ 876,355	\$ 957,813	\$ 932,797
Interest	8,579,461	8,430,699	8,348,417	8,219,713
Changes of benefit terms	-	-	-	-
Experience differences	(5,993,922)	(781,401)	(16,398,643)	(961,146)
Changes in assumptions	8,303,681	-	14,641,866	-
Benefit payments and refunds	(6,457,370)	(6,175,160)	(6,310,530)	(6,137,081)
Other	624,572	-	-	-
Net change in total OPEB liability	6,091,268	2,350,493	1,238,923	2,054,283
Total OPEB liability - beginning	134,702,962	132,352,469	131,113,546	129,059,263
Total OPEB liability - ending (a)	<u>\$ 140,794,230</u>	<u>\$ 134,702,962</u>	<u>\$ 132,352,469</u>	<u>\$ 131,113,546</u>
<b>Plan Fiduciary Net Position</b>				
Employer contributions	\$ 1,674,465	\$ 2,902,017	\$ 3,005,672	\$ 3,891,675
On-behalf contributions	-	-	217,922	167,526
Net investment income (loss)	16,126,400	12,593,963	14,666,779	(19,811,720)
Benefit payments and refunds	(6,457,370)	(6,175,160)	(6,310,530)	(6,137,081)
Administrative expense	(37,416)	(21,184)	(14,735)	(12,555)
Other	259,327	160,103	-	-
Net change in plan fiduciary net position	11,565,406	9,459,739	11,565,108	(21,902,155)
Plan fiduciary net position - beginning	121,434,299	111,974,560	100,409,452	122,311,607
Plan fiduciary net position - ending (b)	<u>\$ 132,999,705</u>	<u>\$ 121,434,299</u>	<u>\$ 111,974,560</u>	<u>\$ 100,409,452</u>
Net OPEB liability (a-b)	<u>\$ 7,794,525</u>	<u>\$ 13,268,663</u>	<u>\$ 20,377,909</u>	<u>\$ 30,704,094</u>
Plan fiduciary net position as a percentage of total OPEB liability	94.46%	90.15%	84.60%	76.58%
Covered payroll	\$ 12,030,565	\$ 14,357,783	\$ 14,357,783	\$ 16,924,155
Net OPEB liability as a percentage of covered employee payroll	64.79%	92.41%	141.93%	181.42%

See Accompanying Notes to the Required Supplementary Information

**City of Troy, Michigan**  
**Required Supplementary Information**  
**Other Postemployment Benefits - Retiree Healthcare**  
**Schedule of Changes in Net OPEB Liability and Related Ratios**  
**For the Year Ended June 30, 2025**

Fiscal year ended June 30,	2021	2020	2019	2018	2017
<b>Total OPEB Liability</b>					
Service cost	\$ 746,215	\$ 785,891	\$ 838,659	\$ 1,166,226	\$ 1,285,223
Interest	7,293,289	7,611,207	8,918,237	8,761,601	8,476,587
Changes of benefit terms	1,038,759	-	-	-	-
Experience differences	9,872,511	(1,033,980)	(22,311,315)	(1,499,301)	-
Changes in assumptions	931,956	(6,841,243)	(1,719,651)	-	-
Benefit payments and refunds	(5,309,605)	(5,476,571)	(6,138,831)	(5,571,068)	(5,063,891)
Other	-	-	-	-	-
Net change in total OPEB liability	14,573,125	(4,954,696)	(20,412,901)	2,857,458	4,697,919
Total OPEB liability - beginning	114,486,138	119,440,834	139,853,735	136,996,277	132,298,358
Total OPEB liability - ending (a)	<u>\$ 129,059,263</u>	<u>\$ 114,486,138</u>	<u>\$ 119,440,834</u>	<u>\$ 139,853,735</u>	<u>\$ 136,996,277</u>
<b>Plan Fiduciary Net Position</b>					
Employer contributions	\$ 5,061,539	\$ 5,914,107	\$ 6,000,551	\$ 4,812,375	\$ 4,668,805
On-behalf contributions	147,156	164,491	136,413	149,655	36,244
Net investment income (loss)	27,834,920	4,130,941	6,829,397	6,403,187	7,980,021
Benefit payments and refunds	(5,309,605)	(5,476,571)	(6,138,831)	(5,571,068)	(5,063,891)
Administrative expense	(56,032)	(32,654)	(43,298)	(39,518)	(4,214)
Other	-	-	-	-	-
Net change in plan fiduciary net position	27,677,978	4,700,314	6,784,232	5,754,631	7,616,965
Plan fiduciary net position - beginning	94,633,629	89,933,315	83,149,083	77,394,452	69,777,487
Plan fiduciary net position - ending (b)	<u>\$ 122,311,607</u>	<u>\$ 94,633,629</u>	<u>\$ 89,933,315</u>	<u>\$ 83,149,083</u>	<u>\$ 77,394,452</u>
Net OPEB liability (a-b)	<u>\$ 6,747,656</u>	<u>\$ 19,852,509</u>	<u>\$ 29,507,519</u>	<u>\$ 56,704,652</u>	<u>\$ 59,601,825</u>
Plan fiduciary net position as a percentage of total OPEB liability	94.77%	82.66%	75.30%	59.45%	56.49%
Covered payroll	\$ 16,924,155	\$ 16,962,271	\$ 16,962,271	\$ 17,101,107	\$ 17,101,107
Net OPEB liability as a percentage of covered employee payroll	39.87%	117.04%	173.96%	331.58%	348.53%

See Accompanying Notes to the Required Supplementary Information

**City of Troy, Michigan**  
**Required Supplementary Information**  
**Other Postemployment Benefits - Retiree Healthcare**  
**Schedule of Net OPEB Liability**  
**For the Year Ended June 30, 2025**

Fiscal Year Ended	Total OPEB Liability	Plan Net Position	Net OPEB Liability	Plan Net Position as		Net OPEB Liability as	
				Percentage of Total	OPEB Liability	Covered Payroll	Percentage of Covered Payroll
2017	\$ 136,996,277	\$ 77,394,452	\$ 59,601,825	56.49%	\$ 17,101,107	348.53%	
2018	139,853,735	83,149,083	56,704,652	59.45%	17,101,107	331.58%	
2019	119,440,834	89,933,315	29,507,519	75.30%	16,962,271	173.96%	
2020	114,486,138	94,633,629	19,852,509	82.66%	16,962,271	117.04%	
2021	129,059,263	122,311,607	6,747,656	94.77%	16,924,155	39.87%	
2022	131,113,546	100,409,452	30,704,094	76.58%	16,924,155	181.42%	
2023	132,352,469	111,974,560	20,377,909	84.60%	14,357,783	141.9%	
2024	134,702,962	121,434,299	13,268,663	90.15%	14,357,783	92.4%	
2025	140,794,230	132,999,705	7,794,525	94.46%	12,030,565	64.8%	

See Accompanying Notes to the Required Supplementary Information

**City of Troy, Michigan**  
**Required Supplementary Information**  
**Other Postemployment Benefits - Retiree Healthcare**  
**Schedule of Employer Contributions**  
**For the Year Ended June 30, 2025**

Fiscal Year Ending June 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2017	\$ 4,668,805	\$ 4,668,805	\$ -	\$ 17,101,107	27.30%
2018	4,654,492	4,812,375	(157,883)	17,101,107	28.14%
2019	5,646,672	6,000,551	(353,879)	16,962,271	35.38%
2020	5,579,325	5,914,107	(334,782)	16,962,271	34.87%
2021	3,231,801	5,061,539	(1,829,738)	16,924,155	29.91%
2022	3,180,761	3,891,675	(710,914)	16,924,155	22.99%
2023	2,706,702	3,005,672	(298,970)	14,357,783	20.93%
2024	2,652,832	2,902,017	(249,185)	14,357,783	20.21%
2025	1,262,086	1,674,465	(412,379)	12,030,565	13.92%

See Accompanying Notes to the Required Supplementary Information

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

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Fiscal Year Ended June 30,	Annual Return % *
2017	11.53%
2018	8.53%
2019	8.39%
2020	4.69%
2021	29.55%
2022	-16.20%
2023	14.41%
2024	11.49%
2025	13.42%

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

**City of Troy**  
**Notes to the Required Supplementary Information**  
**June 30, 2025**

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**RSI Pension Information**

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

There were no changes in assumptions for the fiscal year ended June 30, 2025.

**Notes to the Schedule of Employer Contributions – Employee Retirement System**

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

Methods and assumptions used to determine contribution rates:

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

**OPEB Information**

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

Changes in assumptions reflected in the total OPEB liability as of June 30, 2025 include the following:

- Resetting the health care trend cost rates. Based on the trend assumption used for the December 31, 2022 valuation, the first-year trend for the 2024 valuation would have been 6.75% for pre-65 costs and 6.00% for post-65 costs, and was scheduled to reach the ultimate trend sooner. The pre-65/post-65 first-year trend was reset to 7.75%/6.50%, declining to an ultimate rate of 3.50% over a 15-year period.
- Updating coverage election assumptions to reflect recent experience. For both groups (General and Public Safety), the assumption for retirees electing one-person coverage decreased from 20% to 15% and the assumption for retirees electing two-person coverage increased from 70% to 75%.
- Updating the mortality improvement scale from MP-2020 to MP-2021 to reflect the most recent table published by the Society of Actuaries (SOA).

**City of Troy**  
**Notes to the Required Supplementary Information**  
**June 30, 2025**

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**Notes to the Schedule of Employer Contributions – Retiree Healthcare**

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

Methods and assumptions used to determine contribution rates:

- Actuarial cost method: Entry age normal
- Amortization method: Level dollar, closed
- Remaining amortization period: 19 years for fiscal year beginning July 1, 2024
- Asset valuation method: Market value
- Inflation: 2.50%
- Salary increases: 3.50% - 7.50%, including inflation
- Retirement age: Experience-based table of rates that are specific to the type of eligibility condition
- Mortality:
  - Healthy Pre-Retirement: The fully generational PubG-2010 Amount-weighted, General Employee, Male and Female tables, with a base year of 2010 and future mortality improvements projected using scale MP-2020. This assumption was used to measure the probabilities of members dying before retirement. Twenty percent of pre-retirement deaths were assumed to be duty related.
  - Healthy Post-Retirement: The fully generational PubG-2010 Amount-Weighted, General Healthy Retiree, Male and Female tables, with a base year of 2010 and future mortality improvements projected using scale MP-2020. This assumption is used to measure the probabilities of each benefit payment being made after retirement.
  - Disability Retirement: The fully generational PubG-2010 Amount-Weighted, General Disabled Retiree, Male and Female tables, with a base year of 2010 and future mortality improvements projected using scale MP-2020. This assumption was used to measure the probabilities of each benefit payment being made after disability retirements.
- Health care trend rates: Pre-Medicare Trend starting at 7.25% and gradually decreasing to an ultimate trend rate of 3.50%. Medicare Trend starting at 6.50% and gradually decreasing to an ultimate trend rate of 3.50%.
- Aging factors: The tables used in developing the retiree premium are based on a recent Society of Actuaries study of health costs.
- Expenses: Investment and administrative expenses are net of the investment returns.

# COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

## SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

## PERMANENT FUND

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

## ENTERPRISE FUNDS

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

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

# COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

## INTERNAL SERVICE FUNDS

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

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

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

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

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

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

**City of Troy, Michigan**  
**Other Supplementary Information**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2025**

Special Revenue Funds

	Major Street	Local Street	Refuse	Transit Center	Drug Forfeiture	Library
<b>Assets</b>						
Cash and investments	\$ 1,687,544	\$ 2,163,793	\$ 3,168,791	\$ -	\$ 1,559,525	\$ 4,306,043
Accounts receivable	-	-	133	44,932	-	131,341
Taxes receivable	-	-	25,528	-	-	32,792
Due from other governments	1,339,167	526,528	-	-	-	-
Prepaid items	-	-	-	2,472	-	-
Total assets	<u>\$ 3,026,711</u>	<u>\$ 2,690,321</u>	<u>\$ 3,194,452</u>	<u>\$ 47,404</u>	<u>\$ 1,559,525</u>	<u>\$ 4,470,176</u>
<b>Liabilities</b>						
Accounts payable	\$ 232,986	\$ 189,082	\$ 536,096	\$ 34,683	\$ 70,038	\$ 169,859
Other liabilities	-	-	44,641	-	-	53,788
Total liabilities	<u>232,986</u>	<u>189,082</u>	<u>580,737</u>	<u>34,683</u>	<u>70,038</u>	<u>223,647</u>
<b>Deferred inflows of resources</b>						
Unavailable revenue - property taxes and long-term receivables	-	-	25,528	-	-	32,792
<b>Fund Balances</b>						
Non-spendable	-	-	-	2,472	-	-
Restricted	<u>2,793,725</u>	<u>2,501,239</u>	<u>2,588,187</u>	<u>10,249</u>	<u>1,489,487</u>	<u>4,213,737</u>
Total fund balances	<u>2,793,725</u>	<u>2,501,239</u>	<u>2,588,187</u>	<u>12,721</u>	<u>1,489,487</u>	<u>4,213,737</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,026,711</u>	<u>\$ 2,690,321</u>	<u>\$ 3,194,452</u>	<u>\$ 47,404</u>	<u>\$ 1,559,525</u>	<u>\$ 4,470,176</u>

**City of Troy, Michigan**  
**Other Supplementary Information**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2025**

	Special Revenue Fund	Permanent Fund	
	Community Development Block Grant	Cemetery Perpetual Care	Total Nonmajor Governmental Funds
<b>Assets</b>			
Cash and investments	\$ -	\$ 248,315	\$ 13,134,011
Accounts receivable	-	-	176,406
Taxes receivable	-	-	58,320
Due from other governments	18,484	-	1,884,179
Prepaid items	-	-	2,472
Total assets	<u>\$ 18,484</u>	<u>\$ 248,315</u>	<u>\$ 15,255,388</u>
<b>Liabilities</b>			
Accounts payable	\$ 18,484	\$ -	\$ 1,251,228
Other liabilities	-	-	98,429
Total liabilities	<u>18,484</u>	<u>-</u>	<u>1,349,657</u>
<b>Deferred inflows of resources</b>			
Unavailable revenue - property taxes and long-term receivables	-	-	58,320
<b>Fund Balances</b>			
Non-spendable	-	164,000	166,472
Restricted	-	84,315	13,680,939
Total fund balances	<u>-</u>	<u>248,315</u>	<u>13,847,411</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 18,484</u>	<u>\$ 248,315</u>	<u>\$ 15,255,388</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, 2025**

	Special Revenue Funds					
	Major Street	Local Street	Refuse	Transit Center	Drug Forfeiture	Library
<b>Revenues</b>						
Property taxes	\$ -	\$ -	\$ 6,942,644	\$ -	\$ -	\$ 7,057,224
Intergovernmental						
Federal sources	-	-	-	-	-	-
State sources	8,401,426	3,303,239	86,852	-	-	308,681
Charges for services	341,316	-	909	146,078	-	24,218
Fines and forfeitures	-	-	-	-	191,274	18,710
Investment earnings (loss)	76,958	109,263	259,920	-	80,698	334,552
Other	-	-	-	-	-	10,155
Total revenues	<u>8,819,700</u>	<u>3,412,502</u>	<u>7,290,325</u>	<u>146,078</u>	<u>271,972</u>	<u>7,753,540</u>
<b>Expenditures</b>						
Current						
General government	-	-	-	143,348	-	-
Public safety	-	-	-	-	419,002	-
Sanitation	-	-	6,390,986	-	-	-
Public works	2,756,938	2,924,934	-	-	-	-
Community and economic development	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	6,067,487
Total expenditures	<u>2,756,938</u>	<u>2,924,934</u>	<u>6,390,986</u>	<u>143,348</u>	<u>419,002</u>	<u>6,067,487</u>
Excess (deficiency) of revenues over expenditures	<u>6,062,762</u>	<u>487,568</u>	<u>899,339</u>	<u>2,730</u>	<u>(147,030)</u>	<u>1,686,053</u>
<b>Other financing sources (uses)</b>						
Transfers in	-	1,500,000	-	-	-	-
Transfers out	(5,500,000)	(2,000,000)	-	-	-	(1,159,339)
Sale of capital assets	-	-	-	-	40,340	-
Total other financing sources and (uses)	<u>(5,500,000)</u>	<u>(500,000)</u>	<u>-</u>	<u>-</u>	<u>40,340</u>	<u>(1,159,339)</u>
Net change in fund balances	562,762	(12,432)	899,339	2,730	(106,690)	526,714
Fund balances - beginning of year	<u>2,230,963</u>	<u>2,513,671</u>	<u>1,688,848</u>	<u>9,991</u>	<u>1,596,177</u>	<u>3,687,023</u>
Fund balances - end of year	<u>\$ 2,793,725</u>	<u>\$ 2,501,239</u>	<u>\$ 2,588,187</u>	<u>\$ 12,721</u>	<u>\$ 1,489,487</u>	<u>\$ 4,213,737</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, 2025**

	Special Revenue Fund	Permanent Fund	
	Community Development Block Grant	Cemetery Perpetual Care	Total Nonmajor Governmental Funds
<b>Revenues</b>			
Property taxes	\$ -	\$ -	\$ 13,999,868
Intergovernmental			
Federal sources	694,317	-	694,317
State sources	-	-	12,100,198
Charges for services	-	7,950	520,471
Fines and forfeitures	-	-	209,984
Investment earnings (loss)	-	12,259	873,650
Other	-	-	10,155
Total revenues	<u>694,317</u>	<u>20,209</u>	<u>28,408,643</u>
<b>Expenditures</b>			
Current			
General government	-	-	143,348
Public safety	-	-	419,002
Sanitation	-	-	6,390,986
Public works	-	-	5,681,872
Community and economic development	63,568	-	63,568
Recreation and culture	-	-	6,067,487
Total expenditures	<u>63,568</u>	<u>-</u>	<u>18,766,263</u>
Excess (deficiency) of revenues over expenditures	<u>630,749</u>	<u>20,209</u>	<u>9,642,380</u>
<b>Other financing sources (uses)</b>			
Transfers in	-	-	1,500,000
Transfers out	(630,749)	(1,284)	(9,291,372)
Sale of capital assets	-	-	40,340
Total other financing sources and (uses)	<u>(630,749)</u>	<u>(1,284)</u>	<u>(7,751,032)</u>
Net change in fund balances	-	18,925	1,891,348
Fund balances - beginning of year	<u>-</u>	<u>229,390</u>	<u>11,956,063</u>
Fund balances - end of year	<u>\$ -</u>	<u>\$ 248,315</u>	<u>\$ 13,847,411</u>

**City of Troy, Michigan**  
**Other Supplementary Information**  
**Budgetary Comparison Schedule**  
**Major Street Fund**  
**For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual	Actual
	Original	Final		Over (Under)
				Final Budget
<b>Revenues</b>				
Intergovernmental				
State sources	\$ 8,150,000	\$ 8,150,000	\$ 8,401,426	\$ 251,426
Charges for services	-	-	341,316	341,316
Investment earnings (loss)	75,000	75,000	76,958	1,958
Total revenues	<u>8,225,000</u>	<u>8,225,000</u>	<u>8,819,700</u>	<u>594,700</u>
<b>Expenditures</b>				
Current				
Public works	3,794,129	3,794,129	2,756,938	(1,037,191)
Transfers out	<u>5,500,000</u>	<u>5,500,000</u>	<u>5,500,000</u>	<u>-</u>
Total expenditures	<u>9,294,129</u>	<u>9,294,129</u>	<u>8,256,938</u>	<u>(1,037,191)</u>
Net change in fund balance	(1,069,129)	(1,069,129)	562,762	1,631,891
Fund balance - beginning of year	<u>2,230,963</u>	<u>2,230,963</u>	<u>2,230,963</u>	<u>-</u>
Fund balance - end of year	<u>\$ 1,161,834</u>	<u>\$ 1,161,834</u>	<u>\$ 2,793,725</u>	<u>\$ 1,631,891</u>

**City of Troy, Michigan**  
**Other Supplementary Information**  
**Budgetary Comparison Schedule**  
**Local Street Fund**  
**For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual	Actual
	Original	Final		Over (Under)
				Final Budget
<b>Revenues</b>				
Intergovernmental				
State sources	\$ 3,250,000	\$ 3,250,000	\$ 3,303,239	\$ 53,239
Investment earnings (loss)	45,000	45,000	109,263	64,263
Transfers in	1,500,000	1,500,000	1,500,000	-
Total revenues	<u>4,795,000</u>	<u>4,795,000</u>	<u>4,912,502</u>	<u>117,502</u>
<b>Expenditures</b>				
Current				
Public works	4,086,513	4,086,513	2,924,934	(1,161,579)
Transfers out	2,000,000	2,000,000	2,000,000	-
Total expenditures	<u>6,086,513</u>	<u>6,086,513</u>	<u>4,924,934</u>	<u>(1,161,579)</u>
Net change in fund balance	(1,291,513)	(1,291,513)	(12,432)	1,279,081
Fund balance - beginning of year	2,513,671	2,513,671	2,513,671	-
Fund balance - end of year	<u>\$ 1,222,158</u>	<u>\$ 1,222,158</u>	<u>\$ 2,501,239</u>	<u>\$ 1,279,081</u>

**City of Troy, Michigan**  
**Other Supplementary Information**  
**Budgetary Comparison Schedule**  
**Refuse Fund**  
**For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual	Actual
	Original	Final		Over (Under)
				Final
				Budget
<b>Revenues</b>				
Property taxes	\$ 6,810,700	\$ 6,810,700	\$ 6,942,644	\$ 131,944
Intergovernmental				
State sources	92,082	92,082	86,852	(5,230)
Charges for services	800	800	909	109
Investment earnings (loss)	45,000	45,000	259,920	214,920
Total revenues	<u>6,948,582</u>	<u>6,948,582</u>	<u>7,290,325</u>	<u>341,743</u>
<b>Expenditures</b>				
Current				
Sanitation	<u>6,965,940</u>	<u>6,965,940</u>	<u>6,390,986</u>	<u>(574,954)</u>
Net change in fund balance	(17,358)	(17,358)	899,339	916,697
Fund balance - beginning of year	<u>1,688,848</u>	<u>1,688,848</u>	<u>1,688,848</u>	<u>-</u>
Fund balance - end of year	<u>\$ 1,671,490</u>	<u>\$ 1,671,490</u>	<u>\$ 2,588,187</u>	<u>\$ 916,697</u>

**City of Troy, Michigan**  
**Other Supplementary Information**  
**Budgetary Comparison Schedule**  
**Transit Center Fund**  
**For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual	Actual
	Original	Final		Over (Under)
				Final Budget
<b>Revenues</b>				
Charges for services	\$ 150,000	\$ 150,000	\$ 146,078	\$ (3,922)
Transfers in	10,700	10,700	-	(10,700)
Total revenues	<u>160,700</u>	<u>160,700</u>	<u>146,078</u>	<u>(14,622)</u>
<b>Expenditures</b>				
Current				
General government	<u>156,120</u>	<u>156,120</u>	<u>143,348</u>	<u>(12,772)</u>
Net change in fund balance	4,580	4,580	2,730	(1,850)
Fund balance - beginning of year	<u>9,991</u>	<u>9,991</u>	<u>9,991</u>	<u>-</u>
Fund balance - end of year	<u>\$ 14,571</u>	<u>\$ 14,571</u>	<u>\$ 12,721</u>	<u>\$ (1,850)</u>

**City of Troy, Michigan**  
**Other Supplementary Information**  
**Budgetary Comparison Schedule**  
**Drug Forfeiture Fund**  
**For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual	Actual Over (Under)
	Original	Final		Final Budget
<b>Revenues</b>				
Fines and forfeitures	\$ 131,000	\$ 131,000	\$ 191,274	\$ 60,274
Investment earnings (loss)	20,000	20,000	80,698	60,698
Sale of capital assets	-	-	40,340	40,340
Total revenues	<u>151,000</u>	<u>151,000</u>	<u>312,312</u>	<u>161,312</u>
<b>Expenditures</b>				
Current				
Public safety	<u>803,370</u>	<u>823,370</u>	<u>419,002</u>	<u>(404,368)</u>
Net change in fund balance	(652,370)	(672,370)	(106,690)	565,680
Fund balance - beginning of year	<u>1,596,177</u>	<u>1,596,177</u>	<u>1,596,177</u>	<u>-</u>
Fund balance - end of year	<u>\$ 943,807</u>	<u>\$ 923,807</u>	<u>\$ 1,489,487</u>	<u>\$ 565,680</u>

**City of Troy, Michigan**  
**Other Supplementary Information**  
**Budgetary Comparison Schedule**  
**Library Fund**  
**For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual	Actual Over (Under)
	Original	Final		Final Budget
<b>Revenues</b>				
Property taxes	\$ 6,960,540	\$ 6,960,540	\$ 7,057,224	\$ 96,684
Intergovernmental				
State grants	235,300	235,300	308,681	73,381
Charges for services	9,200	9,200	24,218	15,018
Fines and forfeitures	13,000	13,000	18,710	5,710
Investments earnings (loss)	40,000	40,000	334,552	294,552
Other	13,000	13,000	10,155	(2,845)
Total revenues	<u>7,271,040</u>	<u>7,271,040</u>	<u>7,753,540</u>	<u>482,500</u>
<b>Expenditures</b>				
Current				
Recreation and culture	5,964,204	6,186,204	6,067,487	(118,717)
Transfers out	<u>1,730,000</u>	<u>1,730,000</u>	<u>1,159,339</u>	<u>(570,661)</u>
Total expenditures	<u>7,694,204</u>	<u>7,916,204</u>	<u>7,226,826</u>	<u>(689,378)</u>
Net change in fund balance	(423,164)	(645,164)	526,714	1,171,878
Fund balance - beginning of year	<u>3,687,023</u>	<u>3,687,023</u>	<u>3,687,023</u>	<u>-</u>
Fund balance - end of year	<u>\$ 3,263,859</u>	<u>\$ 3,041,859</u>	<u>\$ 4,213,737</u>	<u>\$ 1,171,878</u>

**City of Troy, Michigan**  
**Other Supplementary Information**  
**Budgetary Comparison Schedule**  
**Community Development Block Grant Fund**  
**For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual	Actual Over (Under)
	Original	Final		Final Budget
<b>Revenues</b>				
Intergovernmental				
Federal grants	\$ 179,662	\$ 199,662	\$ 694,317	\$ 494,655
<b>Expenditures</b>				
Current				
Community and economic development	54,662	74,662	63,568	(11,094)
Transfers out	125,000	755,750	630,749	(125,001)
Total expenditures	179,662	830,412	694,317	(136,095)
Net change in fund balance	-	(630,750)	-	630,750
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year	\$ -	\$ (630,750)	\$ -	\$ 630,750

**City of Troy, Michigan**  
**Other Supplementary Information**  
**Combining Statement of Net Position**  
**Nonmajor Enterprise Funds**  
**June 30, 2025**

	Sylvan Glen Golf Course	Aquatic Center	Total
<b>Assets</b>			
Current assets			
Cash and investments	\$ 1,213,861	\$ 94,334	\$ 1,308,195
Receivables			
Accounts receivable	28,691	-	28,691
Leases receivable	71,265	-	71,265
Inventories	113,059	-	113,059
Prepaid items	113,682	-	113,682
Total current assets	<u>1,540,558</u>	<u>94,334</u>	<u>1,634,892</u>
Noncurrent assets			
Advances to other funds	3,344,230	-	3,344,230
Leases receivable	708,961	-	708,961
Capital assets not being depreciated	2,003,255	-	2,003,255
Capital assets being depreciated, net	1,606,203	831,466	2,437,669
Total noncurrent assets	<u>7,662,649</u>	<u>831,466</u>	<u>8,494,115</u>
Total assets	<u>9,203,207</u>	<u>925,800</u>	<u>10,129,007</u>
<b>Liabilities</b>			
Current liabilities			
Accounts payable	6,290	69,440	75,730
Contracts payable - retainage	10,586	-	10,586
Accrued liabilities	245,107	1,170	246,277
Current portion of notes payable	86,273	-	86,273
Total current liabilities	<u>348,256</u>	<u>70,610</u>	<u>418,866</u>
Noncurrent liabilities			
Notes payable	339,389	-	339,389
Advances from other funds	-	880,302	880,302
Total noncurrent liabilities	<u>339,389</u>	<u>880,302</u>	<u>1,219,691</u>
Total liabilities	<u>687,645</u>	<u>950,912</u>	<u>1,638,557</u>
<b>Deferred Inflows of Resources</b>			
Deferred lease amounts	<u>780,226</u>	<u>-</u>	<u>780,226</u>
<b>Net Position</b>			
Net investment in capital assets	3,183,796	831,466	4,015,262
Unrestricted (deficit)	4,551,540	(856,578)	3,694,962
Total net position	<u>\$ 7,735,336</u>	<u>\$ (25,112)</u>	<u>\$ 7,710,224</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, 2025**

	Sylvan Glen Golf Course	Aquatic Center	Total
<b>Operating revenues</b>			
Charges for services			
Customer fees	\$ 1,452,946	\$ 585,656	\$ 2,038,602
Rental			
Golf course	230,474	-	230,474
Restaurant	74,128	-	74,128
Other	90,436	-	90,436
Other services	-	30,584	30,584
Total operating revenues	<u>1,847,984</u>	<u>616,240</u>	<u>2,464,224</u>
<b>Operating expenses</b>			
Operations	1,425,125	792,844	2,217,969
Depreciation	<u>227,543</u>	<u>114,110</u>	<u>341,653</u>
Total operating expenses	<u>1,652,668</u>	<u>906,954</u>	<u>2,559,622</u>
Operating income (loss)	<u>195,316</u>	<u>(290,714)</u>	<u>(95,398)</u>
<b>Nonoperating revenue (expenses)</b>			
Investment earnings (loss)	-	4,165	4,165
Loss on disposal of capital assets	(210,017)	-	(210,017)
Interest expense	<u>(20,372)</u>	<u>-</u>	<u>(20,372)</u>
Total nonoperating revenues (expenses)	<u>(230,389)</u>	<u>4,165</u>	<u>(226,224)</u>
Income (loss) before transfers in	(35,073)	(286,549)	(321,622)
Transfers in	<u>-</u>	<u>27,039</u>	<u>27,039</u>
Change in net position	(35,073)	(259,510)	(294,583)
Net position - beginning of year	<u>7,770,409</u>	<u>234,398</u>	<u>8,004,807</u>
Net position - end of year	<u>\$ 7,735,336</u>	<u>\$ (25,112)</u>	<u>\$ 7,710,224</u>

**City of Troy, Michigan**  
**Other Supplementary Information**  
**Combining Statement of Cash Flows**  
**Nonmajor Enterprise Funds**  
**For the Year Ended June 30, 2025**

	Sylvan Glen Golf		Total
	Course	Aquatic Center	
<b>Cash flows from operating activities</b>			
Receipts from customers	\$ 1,851,748	\$ 640,672	\$ 2,492,420
Payments to suppliers	(1,554,075)	(871,947)	(2,426,022)
Net cash provided (used) by operating activities	<u>297,673</u>	<u>(231,275)</u>	<u>66,398</u>
<b>Cash flows from noncapital financing activities</b>			
Transfer from other funds	-	27,039	27,039
Advances from other funds	-	200,000	200,000
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>227,039</u>	<u>227,039</u>
<b>Cash flows from capital and related financing activities</b>			
Purchases/construction of capital assets	(262,022)	(201,741)	(463,763)
Principal and interest paid on long-term debt	(77,604)	-	(77,604)
Net cash provided (used) by capital and related financing activities	<u>(339,626)</u>	<u>(201,741)</u>	<u>(541,367)</u>
<b>Cash flows from investing activities</b>			
Investment income (loss)	-	4,165	4,165
Net change in cash and investments	(41,953)	(201,812)	(243,765)
Cash and investments - beginning of year	<u>1,255,814</u>	<u>296,146</u>	<u>1,551,960</u>
Cash and investments - end of year	<u>\$ 1,213,861</u>	<u>\$ 94,334</u>	<u>\$ 1,308,195</u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities</b>			
Operating income (loss)	\$ 195,316	\$ (290,714)	\$ (95,398)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities			
Depreciation and amortization expense	227,543	114,110	341,653
Changes in assets and liabilities			
Receivables (net)	(518,025)	24,432	(493,593)
Inventories	(27,828)	-	(27,828)
Prepaid items	(90,414)	-	(90,414)
Accounts payable	3,705	(73,518)	(69,813)
Accrued and other liabilities	(14,413)	(5,585)	(19,998)
Lease related deferred inflows of resources	521,789	-	521,789
Net cash provided (used) by operating activities	<u>\$ 297,673</u>	<u>\$ (231,275)</u>	<u>\$ 66,398</u>

**City of Troy, Michigan**  
**Other Supplementary Information**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**June 30, 2025**

	Compensated Absences	Unemployment Compensation	Custodial Services	Information Technology	Motor Equipment	Workers' Compensation	Total
<b>Assets</b>							
<b>Current assets</b>							
Cash and investments	\$ 8,226,655	\$ 37,960	\$ 1,955,907	\$ 2,509,358	\$ 2,000,304	\$ 1,072,344	\$ 15,802,528
Accounts receivable	-	-	-	-	21,105	3	21,108
Inventories	-	-	-	-	467,896	-	467,896
Prepaid items	-	-	-	90,328	-	93,678	184,006
Total current assets	<u>8,226,655</u>	<u>37,960</u>	<u>1,955,907</u>	<u>2,599,686</u>	<u>2,489,305</u>	<u>1,166,025</u>	<u>16,475,538</u>
<b>Noncurrent assets</b>							
Capital assets not being depreciated	-	-	-	-	347,358	-	347,358
Capital assets, net of accumulated depreciation	-	-	-	275,071	12,344,564	-	12,619,635
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>275,071</u>	<u>12,691,922</u>	<u>-</u>	<u>12,966,993</u>
Total assets	<u>8,226,655</u>	<u>37,960</u>	<u>1,955,907</u>	<u>2,874,757</u>	<u>15,181,227</u>	<u>1,166,025</u>	<u>29,442,531</u>
<b>Liabilities</b>							
<b>Current liabilities</b>							
Accounts payable	-	532	208,090	98,137	571,943	-	878,702
Compensated absences	4,839,054	-	-	-	-	-	4,839,054
Total current liabilities	<u>4,839,054</u>	<u>532</u>	<u>208,090</u>	<u>98,137</u>	<u>571,943</u>	<u>-</u>	<u>5,717,756</u>
<b>Noncurrent liabilities</b>							
Compensated absences	2,980,781	-	-	-	-	-	2,980,781
Total liabilities	<u>7,819,835</u>	<u>532</u>	<u>208,090</u>	<u>98,137</u>	<u>571,943</u>	<u>-</u>	<u>8,698,537</u>
<b>Net Position</b>							
Net investment in capital assets	-	-	-	275,071	12,691,922	-	12,966,993
Unrestricted	406,820	37,428	1,747,817	2,501,549	1,917,362	1,166,025	7,777,001
Total net position	<u>\$ 406,820</u>	<u>\$ 37,428</u>	<u>\$ 1,747,817</u>	<u>\$ 2,776,620</u>	<u>\$ 14,609,284</u>	<u>\$ 1,166,025</u>	<u>\$ 20,743,994</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, 2025**

	Compensated Absences	Unemployment Compensation	Custodial Services	Information Technology	Motor Pool	Workers' Compensation	Total
<b>Operating revenues</b>							
Charges for services	\$ 6,131,267	\$ -	\$ 1,727,770	\$ 2,681,092	\$ 11,957	\$ 353,711	\$ 10,905,797
Rental:							
Building	-	-	-	-	314,229	-	314,229
Equipment	-	-	-	-	4,788,116	-	4,788,116
Other services to City funds	-	3,699	-	-	532,974	-	536,673
Total operating revenues	<u>6,131,267</u>	<u>3,699</u>	<u>1,727,770</u>	<u>2,681,092</u>	<u>5,647,276</u>	<u>353,711</u>	<u>16,544,815</u>
<b>Operating expenses</b>							
Cost of sales and services	7,346,699	4,020	1,810,890	2,559,292	-	466,136	12,187,037
General and administrative	-	-	-	-	818,026	-	818,026
Operations	-	-	-	-	3,019,210	-	3,019,210
Depreciation	-	-	-	119,391	1,684,107	-	1,803,498
Total operating expenses	<u>7,346,699</u>	<u>4,020</u>	<u>1,810,890</u>	<u>2,678,683</u>	<u>5,521,343</u>	<u>466,136</u>	<u>17,827,771</u>
Operating income (loss)	<u>(1,215,432)</u>	<u>(321)</u>	<u>(83,120)</u>	<u>2,409</u>	<u>125,933</u>	<u>(112,425)</u>	<u>(1,282,956)</u>
<b>Nonoperating revenue (expenses)</b>							
Investment earnings (loss)	346,028	1,819	96,625	128,428	128,720	117,396	819,016
Gain on sale of capital assets	-	-	-	-	261,957	-	261,957
Total nonoperating revenues (expenses)	<u>346,028</u>	<u>1,819</u>	<u>96,625</u>	<u>128,428</u>	<u>390,677</u>	<u>117,396</u>	<u>1,080,973</u>
Income (loss) before contributions and transfers out	(869,404)	1,498	13,505	130,837	516,610	4,971	(201,983)
Transfers in	1,000,000	-	-	-	-	-	1,000,000
Transfers out	-	-	-	(27,039)	-	(1,000,000)	(1,027,039)
Change in net position	130,596	1,498	13,505	103,798	516,610	(995,029)	(229,022)
Net position - beginning of year	<u>276,224</u>	<u>35,930</u>	<u>1,734,312</u>	<u>2,672,822</u>	<u>14,092,674</u>	<u>2,161,054</u>	<u>20,973,016</u>
Net position - end of year	<u>\$ 406,820</u>	<u>\$ 37,428</u>	<u>\$ 1,747,817</u>	<u>\$ 2,776,620</u>	<u>\$ 14,609,284</u>	<u>\$ 1,166,025</u>	<u>\$ 20,743,994</u>

**City of Troy, Michigan**  
**Other Supplementary Information**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended June 30, 2025**

	Compensated Absences	Unemployment Compensation	Custodial Services	Information Technology	Motor Equipment	Workers' Compensation	Total
<b>Cash flows from operating activities</b>							
Receipts from interfund users	\$ 6,131,267	\$ 3,699	\$ 1,727,770	\$ 2,681,241	\$ 5,634,002	\$ 353,708	\$ 16,531,687
Payments to suppliers	(5,470,706)	(3,976)	(1,625,675)	(2,628,868)	(3,573,149)	(448,048)	(13,750,422)
Net cash provided (used) by operating activities	<u>660,561</u>	<u>(277)</u>	<u>102,095</u>	<u>52,373</u>	<u>2,060,853</u>	<u>(94,340)</u>	<u>2,781,265</u>
<b>Cash flows from noncapital financing activities</b>							
Transfer from other funds	1,000,000	-	-	-	-	-	1,000,000
Transfers to other funds	-	-	-	(27,039)	-	(1,000,000)	(1,027,039)
Net cash provided (used) by noncapital financing activities	<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>(27,039)</u>	<u>-</u>	<u>(1,000,000)</u>	<u>(27,039)</u>
<b>Cash flows from capital and related financing activities</b>							
Purchases/construction of capital assets	-	-	-	(71,373)	(3,314,202)	-	(3,385,575)
Proceeds from sale of capital assets	-	-	-	-	313,198	-	313,198
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(71,373)</u>	<u>(3,001,004)</u>	<u>-</u>	<u>(3,072,377)</u>
<b>Cash flows from investing activities</b>							
Investment income (loss)	<u>346,028</u>	<u>1,819</u>	<u>96,625</u>	<u>128,428</u>	<u>128,720</u>	<u>117,396</u>	<u>819,016</u>
Net change in cash and investments	2,006,589	1,542	198,720	82,389	(811,431)	(976,944)	500,865
Cash and investments - beginning of year	<u>6,220,066</u>	<u>36,418</u>	<u>1,757,187</u>	<u>2,426,969</u>	<u>2,811,735</u>	<u>2,049,288</u>	<u>15,301,663</u>
Cash and investments - end of year	<u>\$ 8,226,655</u>	<u>\$ 37,960</u>	<u>\$ 1,955,907</u>	<u>\$ 2,509,358</u>	<u>\$ 2,000,304</u>	<u>\$ 1,072,344</u>	<u>\$ 15,802,528</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</b>							
Operating income (loss)	\$ (1,215,432)	\$ (321)	\$ (83,120)	\$ 2,409	\$ 125,933	\$ (112,425)	\$ (1,282,956)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities							
Depreciation and amortization expense	-	-	-	119,391	1,684,107	-	1,803,498
Changes in assets and liabilities							
Receivables (net)	-	-	-	149	(13,274)	(3)	(13,128)
Inventories	-	-	-	-	(56,915)	-	(56,915)
Prepaid items	-	-	-	(72,506)	-	18,088	(54,418)
Accounts payable	-	44	185,215	2,930	356,394	-	544,583
Accrued and other liabilities	-	-	-	-	(35,392)	-	(35,392)
Compensated absences	<u>1,875,993</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,875,993</u>
Net cash provided (used) by operating activities	<u>\$ 660,561</u>	<u>\$ (277)</u>	<u>\$ 102,095</u>	<u>\$ 52,373</u>	<u>\$ 2,060,853</u>	<u>\$ (94,340)</u>	<u>\$ 2,781,265</u>

**City of Troy, Michigan**  
**Other Supplementary Information**  
**Statement of Net Position and Governmental Fund Balance Sheet**  
**Component Unit - Downtown Development Authority**  
**June 30, 2025**

	Operating	Adjustments	Statement of Net Position
<b>Assets</b>			
Current assets			
Cash and investments	\$ 4,615,773	\$ -	\$ 4,615,773
Receivables			
Taxes receivable	147,507	-	147,507
Total current assets	<u>\$ 4,763,280</u>	<u>-</u>	<u>4,763,280</u>
<b>Liabilities</b>			
Current liabilities			
Accounts payable	\$ 728,002	-	728,002
Interest payable	-	22,214	22,214
Current portion of long-term liabilities	-	805,000	805,000
Total current liabilities	728,002	827,214	1,555,216
Noncurrent liabilities			
Long-term liabilities	-	7,575,000	7,575,000
Total liabilities	<u>728,002</u>	<u>8,402,214</u>	<u>9,130,216</u>
<b>Deferred Inflows of Resources</b>			
Unavailable property taxes	147,507	(147,507)	-
<b>Fund Balance</b>			
Unassigned	3,887,771	(3,887,771)	-
<b>Total liabilities and fund balance</b>	<u>\$ 4,763,280</u>		
<b>Net Position</b>			
Unrestricted (deficit)		<u>\$ (4,366,936)</u>	<u>\$ (4,366,936)</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, 2025**

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<b>Fund balance - governmental fund</b>	\$ 3,887,771
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.	147,507
Long-term liabilities that are not due and payable in the current period, and therefore, are not reported in the funds.	
Accrued interest	(22,214)
Bonds, notes, premiums and discounts	<u>(8,380,000)</u>
<b>Net position of governmental activities</b>	<b><u>\$ (4,366,936)</u></b>

**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, 2025**

	<u>Operating</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
<b>Revenues</b>			
Taxes	\$ 2,908,510	\$ 16,526	\$ 2,925,036
Investment earnings (loss)	268,400	-	268,400
Total revenues	<u>3,176,910</u>	<u>16,526</u>	<u>3,193,436</u>
<b>Expenditures / expense</b>			
Current			
Community and economic development	3,655,713	-	3,655,713
Debt service			
Principal retirement	680,000	(680,000)	-
Interest and fiscal charges	139,107	(971)	138,136
Total expenditures / expense	<u>4,474,820</u>	<u>(680,971)</u>	<u>3,793,849</u>
Net change in fund balance / net position	(1,297,910)	697,497	(600,413)
Fund balance / net position (deficit) - beginning of year	<u>5,185,681</u>	<u>(8,952,204)</u>	<u>(3,766,523)</u>
Fund balance / net position (deficit) - end of year	<u>\$ 3,887,771</u>	<u>\$ (8,254,707)</u>	<u>\$ (4,366,936)</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, 2025**

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<b>Net change in fund balances - total governmental fund</b>	<b>\$ (1,297,910)</b>
Total change in net position reported for governmental activities in the statement of activities is different because:	
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	
Property taxes	16,526
Expenses are recorded when incurred in the statement of activities.	
Accrued interest	971
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>680,000</u>
<b>Change in net position of governmental activities</b>	<b><u>\$ (600,413)</u></b>

**City of Troy, Michigan**  
**Other Supplementary Information**  
**Statement of Net Position and Governmental Fund Balance Sheet**  
**Component Unit - Local Development Financing Authority**  
**June 30, 2025**

	Operating	Adjustments	Statement of Net Position
<b>Assets</b>			
Current assets			
Cash and investments	\$ 322,096	\$ -	\$ 322,096
Taxes receivable	1,358	-	1,358
Total current assets	\$ 323,454	-	323,454
<b>Liabilities</b>			
Unearned revenue	\$ 1,358	-	1,358
<b>Fund Balance</b>			
Unassigned	322,096	(322,096)	-
<b>Total liabilities and fund balance</b>	\$ 323,454		
<b>Net Position</b>			
Unrestricted		\$ 322,096	\$ 322,096

**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, 2025**

	<u>Operating</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
<b>Revenues</b>			
Taxes	\$ 241,459	\$ -	\$ 241,459
State grants	28,399	-	28,399
Investment earnings (loss)	19,817	-	19,817
Total revenues	<u>289,675</u>	<u>-</u>	<u>289,675</u>
<b>Expenditures / expense</b>			
Current			
Community and economic development	<u>166,098</u>	<u>-</u>	<u>166,098</u>
Net change in fund balance / net position	123,577	-	123,577
Fund balance / net position - beginning of year	<u>198,519</u>	<u>-</u>	<u>198,519</u>
Fund balance / net position - end of year	<u>\$ 322,096</u>	<u>\$ -</u>	<u>\$ 322,096</u>

**City of Troy, Michigan**  
**Other Supplementary Information**  
**Statement of Net Position and Governmental Fund Balance Sheet**  
**Component Unit - Brownfield Redevelopment Authority**  
**June 30, 2025**

	<u>Operating</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
<b>Assets</b>			
Current assets			
Cash and investments	\$ 761,158	\$ -	\$ 761,158
Taxes receivable	537	-	537
Total current assets	<u>\$ 761,695</u>	<u>-</u>	<u>761,695</u>
<b>Liabilities</b>			
Current liabilities			
Unearned revenue	\$ 537	-	537
<b>Fund Balance</b>			
Unassigned	<u>761,158</u>	<u>(761,158)</u>	<u>-</u>
<b>Total liabilities, deferred inflows of resources and fund balance</b>	<u>\$ 761,695</u>		
<b>Net Position</b>			
Unrestricted		<u>\$ 761,158</u>	<u>\$ 761,158</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, 2025**

	<u>Operating</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
<b>Revenues</b>			
Taxes	\$ 201,532	\$ -	\$ 201,532
Investment earnings (loss)	56,801	-	56,801
Total revenues	<u>258,333</u>	-	<u>258,333</u>
<b>Expenditures / expense</b>			
Current			
Community and economic development	<u>394,580</u>	-	<u>394,580</u>
Net change in fund balance / net position	(136,247)	-	(136,247)
Fund balance / net position - beginning of year	<u>897,405</u>	-	<u>897,405</u>
Fund balance / net position - end of year	<u>\$ 761,158</u>	<u>\$ -</u>	<u>\$ 761,158</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.

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<b>Revenue Capacity</b>	These schedules contain information to help the reader assess the City's most significant local revenue source, property tax.	117
<b>Debt Capacity</b>	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.	124
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<b>Continuing Disclosures</b>	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.	145

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

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

	2016	2017	2018	2019	2020
<b>Governmental activities</b>					
Net investment in capital assets	\$ 194,299,483	\$ 202,939,709	\$ 209,330,214	\$ 211,012,892	\$ 211,643,485
Restricted	19,460,570	19,429,092	17,995,682	49,675,789	71,427,127
Unrestricted	79,865,292	13,264,407	17,351,506	5,617,794	6,622,679
<b>Total governmental activities</b>	<u>\$ 293,625,345</u>	<u>\$ 235,633,208</u>	<u>\$ 244,677,402</u>	<u>\$ 266,306,475</u>	<u>\$ 289,693,291</u>
<b>Business-type activities</b>					
Net investment in capital assets	\$ 127,611,126	\$ 129,220,049	\$ 128,565,431	\$ 128,316,680	\$ 132,389,502
Restricted	-	-	-	1,194,908	1,334,545
Unrestricted	38,593,816	39,342,785	39,035,755	38,588,206	32,607,856
<b>Total business-type activities</b>	<u>\$ 166,204,942</u>	<u>\$ 168,562,834</u>	<u>\$ 167,601,186</u>	<u>\$ 168,099,794</u>	<u>\$ 166,331,903</u>
<b>Primary government</b>					
Net investment in capital assets	\$ 321,910,609	\$ 332,159,758	\$ 337,895,645	\$ 339,329,572	\$ 344,032,987
Restricted	19,460,570	19,429,092	17,995,682	50,870,697	72,761,672
Unrestricted	118,459,108	52,607,192	56,387,261	44,206,000	39,230,535
<b>Total primary government</b>	<u>\$ 459,830,287</u>	<u>\$ 404,196,042</u>	<u>\$ 412,278,588</u>	<u>\$ 434,406,269</u>	<u>\$ 456,025,194</u>

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

	2021	2022	2023	2024	2025
<b>Governmental activities</b>					
Net investment in capital assets	\$ 230,145,408	\$ 233,277,547	\$ 238,472,631	\$ 252,967,933	\$ 263,130,761
Restricted	77,713,480	80,401,648	81,478,063	93,319,004	111,886,480
Unrestricted	10,477,522	7,202,418	18,645,580	17,171,544	16,679,806
<b>Total governmental activities</b>	<u>\$ 318,336,410</u>	<u>\$ 320,881,613</u>	<u>\$ 338,596,274</u>	<u>\$ 363,458,481</u>	<u>\$ 391,697,047</u>
<b>Business-type activities</b>					
Net investment in capital assets	\$ 142,141,489	\$ 143,593,325	\$ 149,413,653	\$ 149,982,907	\$ 148,052,684
Restricted	1,763,231	1,982,936	2,137,566	2,590,963	3,281,268
Unrestricted	23,224,217	16,860,483	9,518,176	5,506,070	5,618,878
<b>Total business-type activities</b>	<u>\$ 167,128,937</u>	<u>\$ 162,436,744</u>	<u>\$ 161,069,395</u>	<u>\$ 158,079,940</u>	<u>\$ 156,952,830</u>
<b>Primary government</b>					
Net investment in capital assets	\$ 372,286,897	\$ 376,870,872	\$ 387,886,284	\$ 402,950,840	\$ 411,183,445
Restricted	79,476,711	82,384,584	83,615,629	95,909,967	115,167,748
Unrestricted	33,701,739	24,062,901	28,163,756	22,677,614	22,298,684
<b>Total primary government</b>	<u>\$ 485,465,347</u>	<u>\$ 483,318,357</u>	<u>\$ 499,665,669</u>	<u>\$ 521,538,421</u>	<u>\$ 548,649,877</u>

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

	2016	2017	2018	2019	2020
<b>Expenses</b>					
Governmental activities					
General government	\$ 11,305,100	\$ 10,925,546	\$ 10,527,094	\$ 9,161,093	\$ 6,511,152
Public safety	31,023,545	29,403,916	29,357,164	23,995,136	23,297,176
Public works	16,269,932	16,553,537	18,123,198	17,532,358	17,216,100
Sanitation	4,517,499	4,889,569	5,007,584	5,250,265	5,358,719
Community and economic development	955,880	794,535	851,314	305,789	275,784
Recreation and culture	10,248,458	10,442,184	11,320,591	11,114,884	9,982,617
Interest on long-term debt	1,344,219	1,206,243	1,095,894	975,567	843,586
Total governmental activities	<u>75,664,633</u>	<u>74,215,530</u>	<u>76,282,839</u>	<u>68,335,092</u>	<u>63,485,134</u>
Business-type activities					
Water	18,508,493	18,992,183	20,809,872	20,163,346	19,914,841
Sewer	12,584,209	12,401,390	14,441,047	14,545,633	14,590,131
Sanctuary Lake golf course	1,900,990	1,917,677	1,930,551	1,960,575	1,908,982
Sylvan Glen golf course	1,143,351	1,114,618	1,082,544	1,111,941	1,206,036
Aquatic center	700,430	717,905	655,821	699,130	515,238
Total business-type activities	<u>34,837,473</u>	<u>35,143,773</u>	<u>38,919,835</u>	<u>38,480,625</u>	<u>38,135,228</u>
<b>Total primary government expenses</b>	<u>110,502,106</u>	<u>109,359,303</u>	<u>115,202,674</u>	<u>106,815,717</u>	<u>101,620,362</u>
<b>Program revenues</b>					
Governmental activities					
Charges for services					
General government	3,766,949	3,983,385	3,862,669	3,953,495	3,792,227
Public safety	4,451,076	4,612,475	4,975,806	5,243,086	4,370,991
Public works	3,335,490	2,916,921	3,082,359	2,046,635	2,077,937
Sanitation	8,630	8,199	25,923	1,118	940
Community and economic development	-	-	-	-	-
Recreation and culture	3,587,481	3,683,297	3,698,180	3,756,819	2,183,119
Operating grants and contributions	760,549	951,275	1,134,640	810,436	964,952
Capital grants and contributions	11,466,690	9,304,781	10,501,834	11,438,685	9,903,857
Total governmental activities	<u>27,376,865</u>	<u>25,460,333</u>	<u>27,281,411</u>	<u>27,250,274</u>	<u>23,294,023</u>
Business-type activities					
Charges for services					
Water	17,465,511	20,699,381	20,154,112	19,679,644	19,189,709
Sewer	12,470,724	13,513,930	13,335,048	13,125,364	12,702,238
Sanctuary Lake golf course	1,809,386	1,739,789	1,781,278	1,782,237	1,684,938
Sylvan Glen golf course	1,291,367	1,363,358	1,298,319	1,269,017	1,339,293
Aquatic center	728,589	591,389	578,108	552,340	305,292
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	1,104,132	2,681,660	738,252	1,064,065	196,436
Total business-type activities	<u>34,869,709</u>	<u>40,589,507</u>	<u>37,885,117</u>	<u>37,472,667</u>	<u>35,417,906</u>
<b>Total primary government program revenues</b>	<u>62,246,574</u>	<u>66,049,840</u>	<u>65,166,528</u>	<u>64,722,941</u>	<u>58,711,929</u>
<b>Net (expense)/revenue</b>					
Governmental activities	(48,287,768)	(48,755,197)	(49,001,428)	(41,084,818)	(40,191,111)
Business-type activities	32,236	5,445,734	(1,034,718)	(1,007,958)	(2,717,322)
<b>Total primary government net expense</b>	<u>(48,255,532)</u>	<u>(43,309,463)</u>	<u>(50,036,146)</u>	<u>(42,092,776)</u>	<u>(42,908,433)</u>
<b>General revenues</b>					
Governmental activities					
General revenues					
Property taxes	48,369,185	48,184,737	49,396,636	51,108,963	52,975,285
State-shared revenue and other state grants	6,535,632	8,091,385	8,378,417	8,535,476	8,346,267
Grants and contributions not restricted	24,472	14,619	20,070	18,188	18,210
Unrestricted investment earnings (loss)	1,079,714	12,506	93,835	2,635,494	2,003,122
Miscellaneous	131,968	-	156,664	415,770	235,043
Total governmental activities	<u>56,140,971</u>	<u>56,303,247</u>	<u>58,045,622</u>	<u>62,713,891</u>	<u>63,577,927</u>
Business-type activities					
General revenues					
Unrestricted investment earnings (loss)	681,643	29,858	73,070	1,466,100	949,431
Miscellaneous	6,946	-	-	40,466	-
Total business-type activities	<u>688,589</u>	<u>29,858</u>	<u>73,070</u>	<u>1,506,566</u>	<u>949,431</u>
<b>Total primary government</b>	<u>56,829,560</u>	<u>56,333,105</u>	<u>58,118,692</u>	<u>64,220,457</u>	<u>64,527,358</u>
<b>Change in net position</b>					
Governmental activities	7,853,203	7,548,050	9,044,194	21,629,073	23,386,816
Business-type activities	720,825	5,475,592	(961,648)	498,608	(1,767,891)
<b>Total primary government</b>	<u>\$ 8,574,028</u>	<u>\$ 13,023,642</u>	<u>\$ 8,082,546</u>	<u>\$ 22,127,681</u>	<u>\$ 21,618,925</u>

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

	2021	2022	2023	2024	2025
<b>Expenses</b>					
Governmental activities					
General government	\$ 7,630,092	\$ 9,992,627	\$ 10,139,417	\$ 14,917,110	\$ 12,273,711
Public safety	23,743,952	34,285,696	30,335,955	32,035,747	36,031,514
Public works	17,217,363	21,100,594	17,976,458	20,804,742	16,778,432
Sanitation	5,534,606	5,656,929	5,950,274	6,178,716	6,390,986
Community and economic development	805,526	1,009,707	4,142,399	4,656,013	5,347,388
Recreation and culture	8,396,449	11,944,043	13,449,956	14,571,154	18,354,463
Interest on long-term debt	637,086	167,576	152,973	154,769	147,947
Total governmental activities	<u>63,965,074</u>	<u>84,157,172</u>	<u>82,147,432</u>	<u>93,318,251</u>	<u>95,324,441</u>
Business-type activities					
Water	20,639,128	20,927,528	22,129,369	24,001,713	24,130,186
Sewer	15,063,368	15,371,118	15,881,121	15,839,514	15,668,014
Sanctuary Lake golf course	2,202,815	2,381,697	2,546,170	2,609,494	2,888,225
Sylvan Glen golf course	1,258,376	1,409,200	1,609,537	1,723,154	1,883,057
Aquatic center	473,997	706,923	589,748	677,316	924,787
Total business-type activities	<u>39,637,684</u>	<u>40,796,466</u>	<u>42,755,945</u>	<u>44,851,191</u>	<u>45,494,269</u>
<b>Total primary government expenses</b>	<u>103,602,758</u>	<u>124,953,638</u>	<u>124,903,377</u>	<u>138,169,442</u>	<u>140,818,710</u>
<b>Program revenues</b>					
Governmental activities					
Charges for services					
General government	4,115,452	3,445,352	3,317,610	4,098,030	4,341,367
Public safety	4,563,533	4,279,158	2,235,361	2,167,204	2,641,879
Public works	2,888,371	2,933,503	4,021,104	4,001,769	4,168,439
Sanitation	422	575	-	-	-
Community and economic development	-	-	2,534,219	3,655,302	3,846,386
Recreation and culture	1,054,435	2,449,412	2,698,631	2,746,222	2,989,022
Operating grants and contributions	6,042,781	1,573,630	3,421,036	5,122,261	5,705,749
Capital grants and contributions	11,003,755	10,951,311	12,533,045	19,101,496	16,635,387
Total governmental activities	<u>29,668,749</u>	<u>25,632,941</u>	<u>30,761,006</u>	<u>40,892,284</u>	<u>40,328,229</u>
Business-type activities					
Charges for services					
Water	20,488,367	19,088,120	21,355,575	21,689,323	22,781,389
Sewer	13,759,793	12,953,666	13,839,768	14,236,340	14,841,136
Sanctuary Lake golf course	2,310,026	2,253,407	2,601,183	2,656,053	2,989,889
Sylvan Glen golf course	1,800,034	1,614,615	1,932,909	1,925,927	1,847,984
Aquatic center	247,343	785,243	587,452	572,028	585,656
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	2,077,664	913,952	731,734	391,205	776,506
Total business-type activities	<u>40,683,227</u>	<u>37,609,003</u>	<u>41,048,621</u>	<u>41,470,876</u>	<u>43,822,560</u>
<b>Total primary government program revenues</b>	<u>70,351,976</u>	<u>63,241,944</u>	<u>71,809,627</u>	<u>82,363,160</u>	<u>84,150,789</u>
<b>Net (expense)/revenue</b>					
Governmental activities	(34,296,325)	(58,524,231)	(51,386,426)	(52,425,967)	(54,996,212)
Business-type activities	1,045,543	(3,187,463)	(1,707,324)	(3,380,315)	(1,671,709)
<b>Total primary government net expense</b>	<u>(33,250,782)</u>	<u>(61,711,694)</u>	<u>(53,093,750)</u>	<u>(55,806,282)</u>	<u>(56,667,921)</u>
<b>General revenues</b>					
Governmental activities					
General revenues					
Property taxes	53,623,652	54,937,941	57,724,838	62,083,872	65,763,354
State-shared revenue and other state grants	9,601,689	12,144,090	9,968,092	10,197,668	10,189,074
Grants and contributions not restricted	27,884	25,153	-	-	-
Unrestricted investment earnings (loss)	(526,158)	(6,244,462)	(2,921,084)	3,874,231	6,033,231
Miscellaneous	212,377	206,712	670,534	1,132,403	1,249,119
Total governmental activities	<u>62,939,444</u>	<u>61,069,434</u>	<u>65,442,380</u>	<u>77,288,174</u>	<u>83,234,778</u>
Business-type activities					
General revenues					
Unrestricted investment earnings (loss)	(248,509)	(1,504,730)	304,614	341,012	446,465
Miscellaneous	-	-	35,361	49,848	98,134
Total business-type activities	<u>(248,509)</u>	<u>(1,504,730)</u>	<u>339,975</u>	<u>390,860</u>	<u>544,599</u>
<b>Total primary government</b>	<u>62,690,935</u>	<u>59,564,704</u>	<u>65,782,355</u>	<u>77,679,034</u>	<u>83,779,377</u>
<b>Change in net position</b>					
Governmental activities	28,643,119	2,545,203	14,055,954	24,862,207	28,238,566
Business-type activities	797,034	(4,692,193)	(1,367,349)	(2,989,455)	(1,127,110)
<b>Total primary government</b>	<u>\$ 29,440,153</u>	<u>\$ (2,146,990)</u>	<u>\$ 12,688,605</u>	<u>\$ 21,872,752</u>	<u>\$ 27,111,456</u>

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

	2016	2017	2018	2019	2020
<b>General fund</b>					
Nonspendable	\$ 5,669,290	\$ 6,260,979	\$ 6,885,751	\$ 7,215,136	\$ 8,084,436
Restricted	1,563,203	1,563,397	1,565,721	1,617,390	1,656,276
Assigned	5,312,270	4,561,613	6,326,870	5,895,860	5,801,438
Unassigned	<u>20,062,397</u>	<u>19,776,349</u>	<u>18,661,478</u>	<u>19,674,536</u>	<u>17,486,669</u>
<b>Total general fund</b>	<u>32,607,160</u>	<u>32,162,338</u>	<u>33,439,820</u>	<u>34,402,922</u>	<u>33,028,819</u>
<b>All other governmental funds</b>					
Nonspendable	196,900	293,680	187,299	268,684	249,339
Restricted	19,510,120	19,352,374	17,996,223	21,311,972	26,185,903
Committed	<u>2,720,822</u>	<u>945,425</u>	<u>132,263</u>	<u>564,900</u>	<u>304,163</u>
<b>Total all other governmental funds</b>	<u>22,427,842</u>	<u>20,591,479</u>	<u>18,315,785</u>	<u>22,145,556</u>	<u>26,739,405</u>
<b>Total governmental funds</b>	<u>\$ 55,035,002</u>	<u>\$ 52,753,817</u>	<u>\$ 51,755,605</u>	<u>\$ 56,548,478</u>	<u>\$ 59,768,224</u>

**City of Troy, Michigan**  
**Statistical Section**  
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**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
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**Unaudited**

	2021*	2022	2023	2024	2025
<b>General fund</b>					
Nonspendable	\$ 9,779,366	\$ 9,994,166	\$ 9,626,031	\$ 10,288,818	\$ 11,544,721
Restricted	-	-	-	-	-
Assigned	7,149,823	8,075,027	6,320,196	5,168,462	7,599,194
Unassigned	<u>22,737,062</u>	<u>21,544,036</u>	<u>19,650,093</u>	<u>27,307,266</u>	<u>34,331,985</u>
<b>Total general fund</b>	<u>39,666,251</u>	<u>39,613,229</u>	<u>35,596,320</u>	<u>42,764,546</u>	<u>53,475,900</u>
<b>All other governmental funds</b>					
Nonspendable	246,425	256,177	280,635	255,127	2,690,906
Restricted	25,217,102	23,068,541	20,827,425	22,518,714	22,977,784
Committed	<u>656,477</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total all other governmental funds</b>	<u>26,120,004</u>	<u>23,324,718</u>	<u>21,108,060</u>	<u>22,773,841</u>	<u>25,668,690</u>
<b>Total governmental funds</b>	<u>\$ 65,786,255</u>	<u>\$ 62,937,947</u>	<u>\$ 56,704,380</u>	<u>\$ 65,538,387</u>	<u>\$ 79,144,590</u>

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

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

	2016	2017	2018	2019	2020
<b>Revenues</b>					
Property taxes	\$ 48,181,711	\$ 48,330,909	\$ 49,449,053	\$ 51,118,782	\$ 52,847,967
Licenses and permits	2,519,342	2,755,580	2,947,987	2,930,791	2,684,369
Intergovernmental - federal	2,492,626	564,401	419,889	350,211	410,169
Intergovernmental - state	14,016,525	15,102,588	17,266,839	18,707,814	17,461,280
Intergovernmental - local	1,401,455	1,624,744	1,227,514	904,756	479,549
Charges for services	9,636,700	9,198,024	9,328,352	8,353,157	6,763,062
Fines and forfeits	1,183,571	1,415,429	1,617,607	1,557,399	1,097,965
Investment earnings (loss)	865,229	10,795	70,137	2,102,986	1,607,993
Other	2,948,266	3,167,305	3,139,232	3,261,326	3,022,060
<b>Total revenues</b>	<u>83,245,425</u>	<u>82,169,775</u>	<u>85,466,610</u>	<u>89,287,222</u>	<u>86,374,414</u>
<b>Expenditures</b>					
Current					
General government	7,338,404	7,931,122	7,557,035	8,241,232	8,436,783
Public safety	28,611,021	29,860,208	31,427,553	33,487,111	33,833,913
Public works	5,372,214	5,441,176	6,184,744	5,946,526	5,946,118
Sanitation	4,517,910	4,890,106	5,008,258	5,250,790	5,359,069
Community and economic development	3,186,003	3,364,862	3,627,340	3,977,888	3,854,144
Recreation and culture	9,457,699	9,793,755	10,771,468	11,088,389	10,193,878
Debt service					
Principal	2,922,716	2,980,066	2,910,420	3,095,470	3,136,159
Lease principal	-	-	-	-	-
Interest and other charges	1,407,944	1,274,264	1,160,095	1,042,658	910,498
Bond issuance costs	-	-	-	-	-
Capital outlay	24,973,022	18,916,700	17,818,579	12,587,681	11,596,804
<b>Total expenditures</b>	<u>87,786,933</u>	<u>84,452,259</u>	<u>86,465,492</u>	<u>84,717,745</u>	<u>83,267,366</u>
<b>Excess of revenues over (under) expenditures</b>	<u>(4,541,508)</u>	<u>(2,282,484)</u>	<u>(998,882)</u>	<u>4,569,477</u>	<u>3,107,048</u>
<b>Other financing sources (uses)</b>					
Transfers in	18,223,266	15,568,422	14,583,366	14,694,064	15,649,224
Transfers out	(18,226,266)	(15,568,422)	(14,583,366)	(14,694,064)	(15,649,224)
Issuance of debt	-	-	-	-	-
Payments to escrow agent	-	-	-	-	-
Issuance of leases payable	-	-	-	-	-
Proceeds from the sale of capital assets	172,438	1,299	670	223,396	112,698
<b>Total other financing sources (uses)</b>	<u>169,438</u>	<u>1,299</u>	<u>670</u>	<u>223,396</u>	<u>112,698</u>
<b>Net change in fund balances</b>	<u>\$ (4,372,070)</u>	<u>\$ (2,281,185)</u>	<u>\$ (998,212)</u>	<u>\$ 4,792,873</u>	<u>\$ 3,219,746</u>
Debt service as a percentage of noncapital expenditures	6.90%	6.50%	5.90%	5.70%	5.70%

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

	2021	2022	2023	2024	2025
<b>Revenues</b>					
Property taxes	\$ 53,699,190	\$ 54,891,265	\$ 57,745,884	\$ 62,107,241	\$ 65,789,238
Licenses and permits	2,575,884	2,499,549	2,778,942	4,011,295	4,331,647
Intergovernmental - federal	4,907,302	173,441	1,652,147	9,751,411	5,081,892
Intergovernmental - state	19,604,050	23,077,936	23,116,438	23,577,958	26,591,649
Intergovernmental - local	803,030	786,577	1,027,077	960,642	684,707
Charges for services	7,088,481	7,745,679	8,575,938	8,486,035	10,143,811
Fines and forfeits	943,594	858,936	748,775	972,438	1,314,410
Investment earnings (loss)	(427,806)	(5,137,848)	(2,324,925)	3,573,457	5,415,437
Other	6,106,702	2,778,135	3,353,715	3,576,842	4,344,404
<b>Total revenues</b>	<u>95,300,427</u>	<u>87,673,670</u>	<u>96,673,991</u>	<u>117,017,319</u>	<u>123,697,195</u>
<b>Expenditures</b>					
Current					
General government	8,879,688	9,012,053	10,349,564	10,640,781	11,234,975
Public safety	35,415,218	35,434,031	45,771,854	36,771,192	39,706,216
Public works	6,682,499	7,846,946	7,185,790	7,703,448	8,148,586
Sanitation	5,534,659	5,656,977	5,950,274	6,178,716	6,390,986
Community and economic development	3,610,414	4,218,892	4,146,097	4,696,430	5,259,161
Recreation and culture	8,808,681	11,004,020	12,397,444	13,827,508	15,577,536
Debt service					
Principal	3,385,338	640,145	660,523	738,586	711,018
Lease principal	-	5,322	-	-	-
Interest and other charges	568,454	172,297	146,998	149,097	141,711
Bond issuance costs	154,147	-	-	-	-
Capital outlay	13,195,645	16,603,584	19,982,606	27,499,454	22,978,795
<b>Total expenditures</b>	<u>86,234,743</u>	<u>90,594,267</u>	<u>106,591,150</u>	<u>108,205,212</u>	<u>110,148,984</u>
<b>Excess of revenues over (under) expenditures</b>	<u>9,065,684</u>	<u>(2,920,597)</u>	<u>(9,917,159)</u>	<u>8,812,107</u>	<u>13,548,211</u>
<b>Other financing sources (uses)</b>					
Transfers in	12,425,144	8,934,090	8,915,745	13,258,729	9,916,372
Transfers out	(12,425,144)	(8,934,090)	(8,915,745)	(13,258,729)	(9,916,372)
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	10,600	24,550	24,885	21,900	57,992
<b>Total other financing sources (uses)</b>	<u>(3,047,653)</u>	<u>72,289</u>	<u>24,885</u>	<u>21,900</u>	<u>57,992</u>
<b>Net change in fund balances</b>	<u>\$ 6,018,031</u>	<u>\$ (2,848,308)</u>	<u>\$ (9,892,274)</u>	<u>\$ 8,834,007</u>	<u>\$ 13,606,203</u>
Debt service as a percentage of noncapital expenditures	4.60%	1.10%	0.92%	1.08%	1.08%

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

Fiscal Year Ended June 30,	Governmental Activities				General Debt	Total All Property
	General	Refuse	Library	Capital	Service	Taxes
2016	\$ 30,673,539	\$ 4,733,992	\$ 3,083,735	\$ 6,771,668	\$ 3,106,251	\$ 48,369,185
2017	30,813,146	4,764,992	3,110,616	6,815,995	2,679,988	48,184,737
2018	31,687,325	4,909,101	3,179,008	6,861,168	2,760,034	49,396,636
2019	32,998,890	5,102,374	3,280,407	6,860,470	2,866,822	51,108,963
2020	34,363,615	5,416,656	3,397,872	6,908,413	2,888,729	52,975,285
2021	35,627,322	5,601,191	3,495,199	6,941,975	1,957,965	53,623,652
2022	36,373,432	5,721,634	5,852,034	6,990,841	-	54,937,941
2023	38,623,852	6,083,763	6,185,677	6,852,592	-	57,745,884
2024	38,838,479	6,514,407	6,645,827	7,333,241	-	59,331,954
2025	44,155,828	6,942,644	7,057,224	7,633,542	-	65,789,238

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

Fiscal Year	Total Tax Levy	Current Tax Collections	Percentage of Current Taxes Collected	Delinquent Tax Collections	Total Tax Collections to Date	Percentage of Total Tax Collections to Total Tax Levy	Outstanding Delinquent Taxes	Percentage of Delinquent Taxes to Total Tax Levy
2016	\$ 46,462,301	\$ 45,764,152	98.50%	\$ 615,231	\$ 46,379,383	99.82%	\$ 82,918	0.18%
2017	46,326,577	45,802,258	98.87%	476,191	46,278,449	99.90%	48,128	0.10%
2018	47,541,259	47,004,145	98.87%	481,373	47,485,518	99.88%	55,741	0.12%
2019	49,116,110	48,572,479	98.89%	477,132	49,049,611	99.86%	66,499	0.14%
2020	50,921,876	50,214,786	98.61%	572,577	50,787,363	99.74%	134,513	0.26%
2021	51,398,079	50,852,466	98.94%	497,734	51,350,200	99.91%	47,879	0.09%
2022	52,816,046	52,275,997	98.98%	423,823	52,699,820	99.78%	116,226	0.22%
2023	55,329,238	54,738,794	98.93%	505,578	55,244,372	99.85%	84,866	0.15%
2024	59,214,794	58,216,334	98.31%	871,825	59,088,159	99.79%	98,057	0.17%
2025	62,950,012	61,724,845	98.05%	764,219	62,489,064	99.27%	174,448	0.28%

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

Tax Year	City of Troy						Overlapping Governments	
	General	Capital	Refuse	Debt	Library	Total	Troy School District	Oakland County
2015 H	6.50	1.53	1.07	0.70	0.70	10.50	9.96	4.65
2015 NH	6.50	1.53	1.07	0.70	0.70	10.50	22.59	4.65
2016 H	6.50	1.53	1.07	0.70	0.70	10.50	9.69	4.55
2016 NH	6.50	1.53	1.07	0.70	0.70	10.50	22.58	4.55
2017 H	6.50	1.53	1.07	0.60	0.70	10.40	10.33	4.49
2017 NH	6.50	1.53	1.07	0.60	0.70	10.40	22.70	4.49
2018 H	6.50	1.44	1.07	0.60	0.69	10.30	10.33	4.49
2018 NH	6.50	1.44	1.07	0.60	0.69	10.30	22.70	4.49
2019 H	6.50	1.39	1.09	0.58	0.68	10.24	9.97	4.48
2019 NH	6.50	1.39	1.09	0.58	0.68	10.24	23.09	4.48
2020 H	6.50	1.35	1.09	0.38	0.68	10.00	9.75	4.58
2020 NH	6.50	1.35	1.09	0.38	0.68	10.00	23.08	4.58
2021 H	6.50	1.33	1.09	-	1.09	10.02	8.47	4.36
2021 NH	6.50	1.33	1.09	-	1.09	10.02	23.08	4.36
2022 H	6.50	1.23	1.09	-	1.08	9.90	8.13	4.52
2022 NH	6.50	1.23	1.09	-	1.08	9.90	23.07	4.52
2023 H	6.50	1.23	1.09	-	1.08	9.90	9.84	4.31
2023 NH	6.50	1.23	1.09	-	1.08	9.90	25.07	4.31
2024 H	6.50	1.20	1.09	-	1.08	9.86	9.79	3.95
2024 NH	6.50	1.20	1.09	-	1.08	9.86	25.06	3.95

H - Homestead

NH - Non-Homestead

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

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

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

Overlapping Governments

Tax Year	Oakland County Community College	Intermediate School District	Oakland Transit	State Education	Zoo	ParksRec	Art	HCMA*	Total
2015 H	1.58	3.37	1.00	6.00	0.10	-	0.20	-	37.36
2015 NH	1.58	3.37	1.00	6.00	0.10	-	0.20	-	49.99
2016 H	1.58	3.36	1.00	6.00	0.10	-	0.20	-	36.98
2016 NH	1.58	3.36	1.00	6.00	0.10	-	0.20	-	49.87
2017 H	1.57	3.34	0.99	6.00	0.10	-	0.20	-	37.42
2017 NH	1.57	3.34	0.99	6.00	0.10	-	0.20	-	49.80
2018 H	1.56	3.11	0.99	6.00	0.10	-	0.20	-	37.07
2018 NH	1.56	3.11	0.99	6.00	0.10	-	0.20	-	49.44
2019 H	1.53	3.25	0.99	6.00	0.10	-	0.19	-	36.74
2019 NH	1.53	3.25	0.99	6.00	0.10	-	0.20	-	49.87
2020 H	1.52	3.23	0.99	6.00	0.10	-	0.19	-	36.36
2020 NH	1.52	3.23	0.99	6.00	0.10	-	0.19	-	49.69
2021 H	1.51	3.20	0.98	6.00	0.10	-	0.19	0.21	35.02
2021 NH	1.51	3.20	0.98	6.00	0.10	-	0.19	0.21	49.63
2022 H	1.49	3.17	0.98	6.00	0.10	-	0.19	0.21	34.68
2022 NH	1.49	3.17	0.98	6.00	0.10	-	0.19	0.21	49.61
2023 H	1.49	3.17	0.95	6.00	0.10	-	0.19	0.21	36.15
2023 NH	1.49	3.17	0.95	6.00	0.10	-	0.19	0.21	51.38
2024 H	1.48	3.15	0.95	6.00	0.09	0.65	0.19	0.21	36.33
2024 NH	1.48	3.15	0.95	6.00	0.09	0.65	0.19	0.21	51.60

H - Homestead

NH - Non-Homestead

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

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

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

Assessment Date	Levy Date	Fiscal Year Ended	Residential Property	Commercial Property	Industrial Property	Personal Property
12/31/2014	7/01/2015	6/30/2016	\$ 2,894,875,560	\$ 891,581,610	\$ 281,097,400	\$ 437,230,620
12/31/2015	7/01/2016	6/30/2017	2,977,938,320	893,540,330	286,584,670	381,971,050
12/31/2016	7/01/2017	6/30/2018	3,079,437,250	917,513,840	298,329,510	384,517,840
12/31/2017	7/01/2018	6/30/2019	3,226,541,500	956,053,740	308,328,990	382,154,210
12/31/2018	7/01/2019	6/30/2020	3,385,512,720	1,002,161,500	322,138,580	386,182,310
12/31/2019	7/01/2020	6/30/2021	3,524,719,650	1,024,716,730	335,525,460	380,822,580
12/31/2020	7/01/2021	6/30/2022	3,641,174,870	1,025,559,740	346,283,520	365,554,540
12/31/2021	7/01/2022	6/30/2023	3,833,877,750	1,177,946,600	374,129,120	368,284,690
12/31/2022	7/01/2023	6/30/2024	4,113,587,760	1,301,750,390	411,040,030	364,598,800
12/31/2023	7/1/2024	6/30/2025	4,422,115,610	1,372,140,290	445,619,260	367,090,830

Source: City of Troy Assessing records

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

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

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

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

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

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

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

Total Gross Taxable Value	Michigan Tax Tribunals, Board of Reviews and TIFs	Net Taxable Value	Total Direct Tax Rate	Assessed Value	Taxable Value as a Percentage of Assessed Value
\$ 4,504,785,190	\$ (98,475,692)	\$ 4,406,309,498	10.50	\$ 5,313,611,700	84.78%
4,540,034,370	(79,428,775)	4,460,605,595	10.40	5,626,878,870	80.68%
4,679,798,440	(99,915,047)	4,579,883,393	10.36	5,894,241,720	79.40%
4,873,078,440	(109,210,295)	4,763,868,145	10.30	6,146,885,474	79.28%
5,095,995,110	(101,919,902)	4,994,075,208	10.24	6,536,364,170	77.96%
5,265,784,420	(123,056,530)	5,142,727,890	10.00	6,916,181,470	76.14%
5,378,572,670	(6,847,095)	5,371,725,575	10.01	7,156,234,730	75.16%
5,754,238,160	(7,023,910)	5,747,214,250	9.90	7,497,644,090	76.75%
6,190,976,980	(15,304,650)	6,175,672,330	9.90	8,116,370,530	76.28%
6,606,965,990	(27,820,821)	6,579,145,169	9.86	8,781,500,759	75.24%

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

Taxpayer	2016		
	Taxable Value	Rank	Percentage of Total City Taxable Value
Frankel Forbes Cohen	\$ 52,400,450	1	1.16%
DTE	33,131,780	2	0.74%
Nykel Management	25,436,450	3	0.56%
Urbanca Oakland Mall	23,040,370	4	0.51%
755-900 Tower Associates	21,086,680	5	0.47%
CC Troy	20,345,530	6	0.45%
Osprey	20,282,110	7	0.45%
Bank of America	18,046,910	8	0.40%
Kelly Services	16,811,060	9	0.37%
Macys	15,764,770	10	0.35%
	<u>\$ 246,346,110</u>		<u>5.47%</u>

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

Taxpayer	2025		
	Taxable Value	Rank	Percentage of Total City Taxable Value
Somerset Collections	\$ 67,116,100	1	1.02%
DTE Electric Co	51,339,510	2	0.78%
Lithia Real Estate Inc	46,054,000	3	0.70%
Troy Apts I-IV LLC	35,555,440	4	0.54%
Zen Troy LLC	32,286,660	5	0.49%
Midtown Place Troy LLC	30,070,050	6	0.46%
Pentrecentre LLC	27,222,180	7	0.41%
Consumers Energy	23,794,460	8	0.36%
GLF Troy Office LLC	20,595,470	9	0.31%
Wilshire Plaza MI LP	19,077,200	10	0.29%
	<u>\$ 353,111,070</u>		<u>5.34%</u>

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

Fiscal Year Ended June 30,	Governmental Activities		Business-type Activities		Total Outstanding Debt	Less: Amounts Restricted to		Net Outstanding Debt	Percentage of Personal Income	Debt Per Capita	Debt Per Taxable Value
	General and Obligation County Issued Bonds *	Notes from Direct Borrowing and Direct Placements	General Obligation Bonds and Notes	Notes from Direct Borrowing and Direct Placements		Repaying Principal					
2016	\$ 29,750,308	\$ -	\$ 9,334,334	\$ -	\$ 39,084,642	\$ -	\$ 39,084,642	1.14%	\$ 470	0.87%	
2017	26,731,709	-	8,583,041	-	35,314,750	-	35,314,750	1.03%	425	0.78%	
2018	23,786,210	-	7,869,668	-	31,655,878	-	31,655,878	0.92%	363	0.68%	
2019	19,561,179	1,094,482	7,132,201	570,374	28,358,236	(14,417,642)	13,940,594	0.85%	165	0.61%	
2020	16,636,100	848,323	6,404,734	477,414	24,366,571	(14,278,604)	10,087,967	0.63%	120	0.52%	
2021	10,545,000	597,985	5,692,267	381,306	17,216,558	(10,446,904)	6,769,654	0.41%	78	0.37%	
2022	10,105,000	397,840	4,996,949	281,942	15,781,731	(10,011,625)	5,770,106	0.36%	65	0.34%	
2023	9,658,488	235,804	4,234,124	179,212	14,307,628	(9,594,859)	4,712,769	1.05%	54	0.08%	
2024	9,084,309	71,397	3,476,299	73,002	12,705,007	(9,036,484)	3,668,523	0.76%	42	0.06%	
2025	8,380,000	64,688	2,628,474	851,324	11,924,486	(8,357,545)	3,566,941	0.72%	41	0.05%	

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

Fiscal Year Ended June 30,	Principal	Interest and Fiscal Charges	Total Debt Service	Total General Governmental Expenditures	Percentage of Debt Service to General Government Expenditures
2016	\$ 2,700,000	\$ 1,355,075	\$ 4,055,075	\$ 62,507,401	6.49%
2017	2,750,000	1,231,176	3,981,176	65,257,482	6.10%
2018	2,675,000	1,123,112	3,798,112	68,371,926	5.56%
2019	2,855,000	1,012,502	3,867,502	71,851,248	5.38%
2020	2,890,000	883,588	3,773,588	71,397,493	5.29%
2021	3,135,000	548,623	3,683,623	72,768,929	5.06%
2022	440,000	157,288	597,288	73,824,173	0.81%
2023	485,000	145,395	630,395	86,436,828	0.73%
2024	560,000	143,357	703,357	80,521,432	0.87%
2025	680,000	139,607	819,607	87,144,438	0.94%

**City of Troy, Michigan**  
**Statistical Section**  
**Debt Capacity**  
**Computation of Direct and Overlapping Debt**  
**June 30, 2025**  
**Unaudited**

Jurisdiction	Net General Bonded Debt Outstanding	Percentage Applicable to Troy	Amount Applicable to Troy
City of Troy - Direct debt	\$ 8,444,688	100%	\$ 8,444,688
City of Troy - Overlapping Debt			
Avondale School District	130,012,427	19.07%	24,793,370
Birmingham School District	259,930,000	3.52%	9,149,536
Bloomfield Hills School District	197,220,000	2.36%	4,654,392
Royal Oak School District	20,950,000	1.83%	383,385
Troy School District	230,080,000	100.00%	230,080,000
Warren School District	247,480,000	7.59%	18,783,732
Oakland County	123,902,591	8.19%	10,147,622
Macomb Intermediate School District	90,595,000	0.96%	869,712
Oakland Intermediate School District	36,680,000	7.77%	2,850,036
Total overlapping debt	<u>1,336,850,018</u>		<u>301,711,785</u>
<b>Total direct and overlapping debt</b>	<u>\$ 1,345,294,706</u>		<u>\$ 310,156,473</u>

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

**City of Troy, Michigan**  
**Statistical Section**  
**Debt Capcaity**  
**Computation of Legal Debt Margin**  
**June 30, 2025**  
**Unaudited**

	Annual Net Debt	Percentage of State Equalized Valuation	Legal Margin	
			Amount	Legal Debt Margin
General obligation debt	\$ 10,820,000	10.0%	\$ 882,595,161	\$ 869,055,161
Emergency bonds	-	37.5%	33,097,319	33,097,319
Special assessment bonds	-	12.0%	1,059,114,193	1,059,114,193
<b>Total debt</b>	<u>\$ 10,820,000</u>		<u>\$ 1,974,806,673</u>	<u>\$ 1,961,266,673</u>

The statutory debt limits of net bonded indebtedness incurred for all public purposes shall not at any one time exceed 10% of the assessed valuation of taxable property in the City (\$8,825,951,610), except that this limit may be exceeded by 3/8ths of 1% in case of fire, flood or other calamity. This limitation does not include bonds issued in anticipation of the payment of special assessments, nor bonds issued pursuant to court

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

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

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Debt Limit	\$ 531,361,170	\$ 562,687,887	\$ 589,424,172	\$ 614,688,547	\$ 653,636,417
Total net debt applicable to limit	<u>(36,325,000)</u>	<u>(32,940,000)</u>	<u>(29,635,000)</u>	<u>(26,055,000)</u>	<u>(22,450,000)</u>
<b>Legal debt margin</b>	<u>\$ 495,036,170</u>	<u>\$ 529,747,887</u>	<u>\$ 559,789,172</u>	<u>\$ 588,633,547</u>	<u>\$ 631,186,417</u>
Total net debt applicable to the limit as a percentage of debt limit	6.84%	5.85%	5.03%	4.24%	3.43%

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

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Debt Limit	\$ 675,468,147	\$ 715,623,473	\$ 749,764,409	\$ 882,595,161	\$ 882,595,161
Total net debt applicable to limit	<u>(16,150,000)</u>	<u>(14,725,000)</u>	<u>(13,540,000)</u>	<u>(12,295,000)</u>	<u>(10,820,000)</u>
<b>Legal debt margin</b>	<u>\$ 659,318,147</u>	<u>\$ 700,898,473</u>	<u>\$ 736,224,409</u>	<u>\$ 870,300,161</u>	<u>\$ 871,775,161</u>
Total net debt applicable to the limit as a percentage of debt limit	2.39%	2.06%	1.81%	1.39%	1.23%

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

Fiscal Year Ended	Collections	Golf Course Bonds Debt Service		Total	Coverage
		Principal	Interest		
2016	\$ 1,809,386	\$ 645,000	\$ 289,881	\$ 934,881	2
2017	1,739,789	635,000	273,648	908,648	2
2018	1,781,278	630,000	253,545	883,545	2
2019	1,782,237	725,000	238,756	963,756	2
2020	1,684,938	715,000	227,293	942,293	2
2021	2,310,026	700,000	212,840	912,840	3
2022	2,253,407	685,000	243,433	928,433	2
2023	2,602,073	700,000	163,436	863,436	2
2024	2,658,353	695,000	133,809	828,809	2
2025	2,781,455	785,000	106,836	891,836	2

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

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Fiscal Year Ended June 30,	Population (1)	Median Age (1)	Number of Households (1)	Average Household Size (1)	Income Per Capita (1)
2016	83,181	41.8	32,002	2.59	\$ 41,209
2017	83,181	41.8	32,002	2.59	41,209
2018	87,177	41.5	30,812	2.71	39,545
2019	84,547	42.2	31,674	2.63	39,545
2020	83,881	43.0	31,368	2.66	45,888
2021	87,294	42.4	32,961	2.63	47,871
2022	88,239	42.1	33,311	2.47	49,211
2023	86,912	42.0	32,749	2.64	51,086
2024	87,170	42.0	33,000	2.63	54,721
2025	87,307	42.2	33,369	2.61	56,542

Source:

(1) Southeast Michigan Council of Governments (SEMCOG)

(2) U.S. Bureau of Labor Statistics

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

Median Income per Household (1)	Personal Income (millions)	Unemployment Rate (%) (2)	Education Age 25 and Older		
			High School (1)	Bachelor Degree (1)	Graduate or Professional Degree (1)
\$ 87,269	\$ 3,428	3.5	95	57	27
87,269	3,428	2.5	95	57	27
85,027	3,447	2.8	95	58	28
93,017	3,343	2.8	95	59	29
97,048	3,849	4.0	95	60	28
101,882	4,179	2.9	96	60	29
104,132	4,342	3.8	96	63	29
107,550	4,440	3.9	96	62	30
115,639	4,770	3.9	96	63	30
119,299	4,937	4.0	96	64	31

**City of Troy, Michigan**  
**Statistical Section**  
**Demographic and Economic Information**  
**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>

Source: City Assessor

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

Industry	2023			2024		
	Number of Parcels	Rank	Percent of Total Parcels	Number of Parcels	Rank	Percent of Total Parcels
Industrial, Light Manufacturing	685	1	40.94%	672	1	39.48%
Office	256	2	15.30%	256	2	15.04%
Retail Store (Mall, Plaza, Market, Whse, Discount)	169	3	10.10%	177	3	10.40%
Medical Office	93	4	5.56%	93	4	5.46%
Restaurant and Fast Food	80	5	4.78%	81	5	4.76%
Apartments	75	6	4.48%	79	6	4.64%
All other	74	7	4.42%	88	7	5.17%
Engineering	67	8	4.00%	72	8	4.23%
Service (Station, Garage, Booth, Convenience)	64	9	3.83%	67	9	3.94%
Loft (Multi Tenant Industrial)	38	10	2.27%	39	10	2.29%
Bank	30	11	1.79%	30	11	1.76%
Warehouse (Storage, Distribution, Transit)	24	12	1.43%	30	12	1.76%
Auto Dealership	18	13	1.73%	18	13	1.06%
Total commercial/industrial parcels	<u>1,673</u>		<u>100.00%</u>	<u>1,702</u>		<u>100.00%</u>

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

Industry	2025		
	Number of Parcels	Rank	Percent of Total Parcels
Industrial, Light Manufacturing	672	1	39.65%
Office	256	2	15.10%
Retail Store (Mall, Plaza, Market, Whse, Discount)	170	3	10.03%
Medical Office	93	4	5.49%
Restaurant and Fast Food	81	6	4.78%
Apartments	79	7	4.66%
All other	88	5	5.19%
Engineering	72	8	4.25%
Service (Station, Garage, Booth, Convenience)	67	9	3.95%
Loft (Multi Tenant Industrial)	39	10	2.30%
Bank	30	11	1.77%
Warehouse (Storage, Distribution, Transit)	30	12	1.77%
Auto Dealership	18	13	1.06%
Total commercial/industrial parcels	1,695		100.00%

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

Function / Program	2016	2017	2018	2019	2020
<b>Building Inspection</b>					
Permits issued	2,404	3,197	2,988	2,711	2,200
Plans reviewed	3,301	3,817	3,750	3,335	2,763
<b>Executive Administration</b>					
City Manager's Office -					
GFOA awards/submittals	3	3	3	3	3
City Attorney's Office -					
District court appearances	8,059	8,241	8,357	9,994	6,660
Community Affairs:					
New resident packets distributed	940	790	801	525	460
Press releases sent	500	460	468	475	480
City Clerk's Office:					
Registered voters	57,163	58,333	57,619	59,440	60,274
Voter turnout% (November)	21%	80%	29%	66%	26%
Human Resources:					
Applications processed	809	1,261	1,044	1,052	727
Job postings	51	59	61	67	31
Labor contracts ratified	4	0	0	1	2
<b>Engineering</b>					
Soil erosion inspections	640	744	779	878	791
Machine traffic counts	25	15	18	14	20
PASER ratings	5.5	5.3	5.2	5.2	5.2
<b>Finance</b>					
Accounting/Risk Management:					
Payroll checks processed	26,822	27,665	27,692	27,814	27,215
Invoices issued	10,119	10,307	10,193	10,157	9,678
Liability claims processed	84	41	55	74	80
Insurance certificates approved	619	693	730	759	750
Assessing:					
Residential appraisals	390	400	324	375	450
Reinspections	1,400	1,000	1,300	1,500	1,000
Purchasing:					
Value of goods/services purchased	\$37.8 mil	\$43.6 mil	\$45.8 mil	\$48 mil	\$51.4 mil
% of awards without dispute	100%	100%	100%	100%	100%
City Treasurer's Office:					
Tax bills processed	62,854	62,345	62,669	62,572	62,900
Water bills processed	103,118	104,418	107,054	104,890	105,710
<b>Fire</b>					
Fire Department responses	1,174	1,216	1,206	1,175	1,111
Inspections performed	2,815	2,348	2,096	1,721	1,070

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

Function / Program	2021	2022	2023	2024	2025
<b>Building Inspection</b>					
Permits issued	2,490	2,717	2,699	2,659	2,587
Plans reviewed	3,139	2,971	2,841	2,684	2,461
<b>Executive Administration</b>					
City Manager's Office -					
GFOA awards/submittals	3	3	2	2	2
City Attorney's Office -					
District court appearances	5,360	5,134	5,267	5,512	5,733
Community Affairs:					
New resident packets distributed	325	275	597	500	470
Press releases sent	400	385	398	300	348
City Clerk's Office:					
Registered voters	64,590	64,482	66,094	66,140	64,570
Voter turnout% (November)	77%	18%	62%	20%	72%
Human Resources:					
Applications processed	3,048	2,914	1,986	2,250	3,270
Job postings	89	119	122	130	115
Labor contracts ratified	2	1	0	2	3
<b>Engineering</b>					
Soil erosion inspections	621	569	1,182	1,092	1,525
Machine traffic counts	23	25	16	17	12
PASER ratings	5.1	5.2	5.1	4.9	4.9
<b>Finance</b>					
Accounting/Risk Management:					
Payroll checks processed	25,645	26,057	27,432	25,371	27,015
Invoices issued	9,135	8,423	8,524	9,784	8,755
Liability claims processed	80	79	85	77	45
Insurance certificates approved	558	638	644	541	602
Assessing:					
Residential appraisals	485	600	750	800	1,180
Reinspections	1,000	1,200	1,100	1,050	4,003
Purchasing:					
Value of goods/services purchased	\$50 mil	\$53.1 mil	\$60 mil	\$51.3 mil	\$49.5 mil
% of awards without dispute	100%	100%	100%	100%	100%
City Treasurer's Office:					
Tax bills processed	62,772	62,127	62,316	61,647	61,940
Water bills processed	106,892	106,274	106,244	106,480	110,862
<b>Fire</b>					
Fire Department responses	1,045	1,158	1,403	1,539	1,564
Inspections performed	1,910	2,119	3,597	4,958	3,194

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

Function / Program	2016	2017	2018	2019	2020
<b>Other General Government</b>					
Building Operations -					
Requests for service	18,150	18,630	18,240	6,958	6,089
Planning:					
Site plan reviews	15	18	17	13	10
Special use requests	6	5	6	15	8
<b>Parks, Recreation and Culture</b>					
Requests for service - forestry	2,611	4,323	1,849	3,358	2,500
Recreation programs	485	492	518	520	392
Library cards	56,961	61,362	58,598	52,282	57,144
<b>Police</b>					
Group A Crimes	1,451	1,358	1,288	1,227	790
Operate while impaired	350	392	352	372	291
Traffic citations	8,532	7,825	8,816	14,497	8,129
Traffic crashes:					
Property damage	1,937	1,949	2,155	2,212	2,330
Personal injury	275	260	307	275	312
Fatal crash	3	4	2	2	5
<b>Public Works</b>					
Streets and Drains Division					
Requests for service	1,509	1,636	1,956	1,594	1,401
Water and Sewer Division					
Requests for service	2,482	2,776	2,627	2,301	2,490
Sanitary sewers cleaned in feet	1,151,056	835,683	350,269	398,000	593,505
Fleet Maintenance					
Work orders	2,443	2,477	2,380	2,945	2,322
Vehicle tires replaced	332	349	458	344	332
Refuse/Resource Recovery					
Tons of refuse collected	28,068	28,475	26,957	26,453	27,302
Tons of compost collected	9,104	9,580	8,806	10,033	10,654
<b>Information Technology</b>					
Help desk requests	2,811	3,136	3,389	3,048	2,836
<b>Golf Course</b>					
Sylvan Glen rounds of golf	49,988	49,044	45,848	44,112	46,043
Sanctuary Lake rounds of golf	43,416	41,459	41,700	40,315	40,293
<b>Aquatic Center</b>					
Admissions	42,481	34,741	36,492	41,681	31,146

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

Function / Program	2021	2022	2023	2024	2025
<b>Other General Government</b>					
Building Operations -					
Requests for service	5,640	5,751	5,890	6,219	6,527
Planning:					
Site plan reviews	9	12	11	10	14
Special use requests	2	5	2	5	6
<b>Parks, Recreation and Culture</b>					
Requests for service - forestry	2,931	2,750	2,694	3,216	1,339
Recreation programs	190	214	243	193	260
Library cards	60,135	65,650	60,190	71,681	59,388
<b>Police</b>					
Group A Crimes	955	807	877	781	814
Operate while impaired	219	197	228	238	239
Traffic citations	4,947	5,704	6,170	5,371	5,952
Traffic crashes:					
Property damage	2,046	1,719	1,724	1,864	1,872
Personal injury	224	231	270	291	300
Fatal crash	4	3	0	0	8
<b>Public Works</b>					
Streets and Drains Division					
Requests for service	1,320	2,296	1,658	1,922	2,007
Water and Sewer Division					
Requests for service	1,655	2,521	2,348	2,500	2,944
Sanitary sewers cleaned in feet	853,737	1,249,895	594,580	1,350,000	814,878
Fleet Maintenance					
Work orders	2,256	2,270	2,452	2,455	2,135
Vehicle tires replaced	337	343	338	242	313
Refuse/Resource Recovery					
Tons of refuse collected	28,304	27,820	27,043	27,703	42,850
Tons of compost collected	9,955	9,981	10,355	10,843	9,935
<b>Information Technology</b>					
Help desk requests	2,302	2,252	2,368	2,206	2,035
<b>Golf Course</b>					
Sylvan Glen rounds of golf	58,017	49,295	52,757	50,927	46,699
Sanctuary Lake rounds of golf	51,720	43,002	46,081	45,723	47,725
<b>Aquatic Center</b>					
Admissions	12,859	46,908	33,748	34,484	39,266

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

Function / Program	2016	2017	2018	2019	2020
<b>Fire</b>					
Stations	6	6	6	6	6
<b>Police</b>					
Stations	1	1	1	1	1
<b>Streets</b>					
Miles of improved	408	409	409	410	342
Miles of unimproved	4	4	4	4	3
<b>Sewers</b>					
Miles of combination storm/sanitary	6	6	6	6	6
Miles of sanitary	395	396	397	399	401
Miles of storm	519	535	540	546	548
<b>Street Lights</b>					
Detroit Edison owned poles	562	562	562	564	544
City owned poles	1,010	1,010	1,010	1,008	1,100
<b>Water</b>					
Annual distribution in million cubic feet	450	495	489	437	386
Miles of watermains	543	544	545	548	549
Number of hydrants	5,979	6,001	6,025	6,064	6,111
<b>Parks and Recreation</b>					
Number of developed parks	15	15	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

Source: City Departments

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

Function / Program	2021	2022	2023	2024	2025
<b>Fire</b>					
Stations	6	6	6	6	6
<b>Police</b>					
Stations	1	1	1	1	1
<b>Streets</b>					
Miles of improved	343	343	343	343	347
Miles of unimproved	3	3	3	3	3
<b>Sewers</b>					
Miles of combination storm/sanitary	6	6	6	6	6
Miles of sanitary	401	402	403	403	404
Miles of storm	547	550	551	554	557
<b>Street Lights</b>					
Detroit Edison owned poles	533	533	534	533	531
City owned poles	1,104	1,104	1,116	1,099	1,113
<b>Water</b>					
Annual distribution in million cubic feet	461	422	546	430	416
Miles of watermains	549	550	548	553	551
Number of hydrants	6,123	6,133	6,152	6,160	6,159
<b>Parks and Recreation</b>					
Number of developed parks	16	16	16	16	16
Acres of public parks	1,000	1,000	1,000	1,000	1,000
Number of tennis courts	18	18	18	18	18
Outdoor education center/farm	1	1	1	1	1
18-hole golf course	2	2	2	2	2
Community center	1	1	1	1	1
Aquatic center	1	1	1	1	1

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

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2015 - 2016	2,404	permits	154,161,117	estimated value
2016 - 2017	3,042	permits	166,876,878	estimated value
2017 - 2018	2,988	permits	180,411,536	estimated value
2018 - 2019	2,711	permits	195,324,067	estimated value
2019 - 2020	2,200	permits	167,292,976	estimated value
2020 - 2021	2,490	permits	151,617,417	estimated value
2021 - 2022	2,717	permits	210,129,472	estimated value
2022 - 2023	2,699	permits	265,370,755	estimated value
2023 - 2024	2,728	permits	265,375,255	estimated value
2024 - 2025	2,587	permits	210,132,011	estimated value

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

Function / Program	2016		2017		2018		2019		2020	
	Full Time	PartTime	Full Time	PartTime	Full Time	PartTime	Full Time	PartTime	Full Time	PartTime
<b>Building Inspection</b>										
Building Inspection	-	-	-	-	-	-	-	-	1	-
<b>Executive Administration</b>										
City Manager's Office	9	5	9	4	7	5	7	3	8	4
City Attorney's Office	6	-	7	-	7	1	7	-	7	-
City Clerk's Office	4	3	5	1	5	1	4	2	5	1
Human Resources	4	1	4	1	3	-	4	1	4	1
Community Affairs	-	-	-	-	1	-	1	-	1	1
<b>Engineering</b>										
Engineering	11	2	13	2	12	1	11	1	11	2
<b>Finance</b>										
Accounting/Risk Management	6	1	6	2	6	2	5	3	6	3
Assessing	7	-	6	-	6	-	7	-	7	-
Purchasing	2	1	2	1	3	-	2	1	2	1
City Treasurer's Office	4	-	4	-	4	1	4	-	4	-
<b>Fire</b>										
Fire	12	4	12	5	11	3	13	5	12	5
<b>Library</b>										
Library	9	75	11	75	11	78	12	73	11	69
<b>Other General Government</b>										
Building Operations	7	4	8	2	9	2	11	1	12	-
Planning	4	3	4	4	5	2	6	2	5	2
<b>Police</b>										
Sworn Police Officers	78	-	79	-	82	-	90	-	81	-
Command	23	-	22	-	24	-	24	-	23	-
Other	48	29	48	24	49	27	51	30	48	33
<b>Parks and Recreation</b>										
Parks	6	15	6	16	6	15	6	20	5	15
Recreation	6	183	5	181	7	166	7	214	8	204
<b>Public Works</b>										
Streets and Drains Division	24	9	25	10	24	6	24	7	23	-
Water and Sewer Division	31	7	34	6	31	7	33	6	34	-
Fleet Maintenance	15	2	16	-	16	2	15	1	16	1
Transportation	-	-	-	-	-	-	-	-	-	-
<b>Information Technology</b>										
Information technology	11	-	11	-	10	-	10	-	11	-
<b>Aquatic Center</b>										
Aquatic center	-	66	-	60	-	66	-	33	-	7
<b>Total Employees</b>	<u>327</u>	<u>410</u>	<u>337</u>	<u>394</u>	<u>339</u>	<u>385</u>	<u>354</u>	<u>403</u>	<u>345</u>	<u>349</u>

Source: City Department of Human Resources

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

Function / Program	2021		2022		2023		2024		2025	
	Full Time	PartTime	Full Time	PartTime	Full Time	PartTime	Full Time	PartTime	Full Time	PartTime
<b>Building Inspection</b>										
Building Inspection	1	-	2	-	11	-	9	-	13	-
<b>Executive Administration</b>										
City Manager's Office	7	3	7	4	7	2	8	2	9	2
City Attorney's Office	7	-	7	-	7	1	7	1	6	2
City Clerk's Office	5	5	5	5	6	2	6	5	5	2
Human Resources	5	-	5	-	6	-	6	1	6	2
Community Affairs	1	1	1	-	-	-	-	-	-	-
<b>Engineering</b>										
Engineering	11	1	12	1	11	1	13	1	13	1
<b>Finance</b>										
Accounting/Risk Management	6	3	6	3	6	2	7	1	7	1
Assessing	7	-	7	-	7	1	8	-	9	-
Purchasing	2	1	2	1	2	2	2	2	2	2
City Treasurer's Office	4	-	4	-	4	1	4	1	4	3
<b>Fire</b>										
Fire	12	4	12	4	13	4	14	5	14	5
<b>Library</b>										
Library	18	62	21	60	26	64	27	65	29	66
<b>Other General Government</b>										
Building Operations	12	-	12	-	10	-	11	-	11	-
Planning	5	1	6	1	6	1	7	-	7	-
<b>Police</b>										
Sworn Police Officers	80	-	82	-	83	-	82	-	87	-
Command	26	-	24	-	25	-	25	-	24	-
Other	47	23	47	21	43	25	45	23	49	26
<b>Parks and Recreation</b>										
Parks	7	9	8	19	8	24	8	22	7	24
Recreation	7	182	8	157	11	177	13	163	15	180
<b>Public Works</b>										
Streets and Drains Division	22	-	23	1	23	4	24	6	22	4
Water and Sewer Division	30	1	33	2	27	2	32	5	32	5
Fleet Maintenance	15	1	14	1	16	2	16	2	14	2
Transportation	-	-	-	-	-	-	2	15	2	13
<b>Information Technology</b>										
Information technology	11	-	9	-	11	-	11	1	11	-
<b>Aquatic Center</b>										
Aquatic center	-	21	-	25	-	17	-	28	-	50
<b>Total Employees</b>	<u>348</u>	<u>318</u>	<u>357</u>	<u>305</u>	<u>369</u>	<u>332</u>	<u>387</u>	<u>349</u>	<u>398</u>	<u>390</u>

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

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Fiscal Year Ended June 30	State Shared Revenue
2016	\$ 6,535,632
2017	8,091,385
2018	8,378,417
2019	8,535,476
2020	8,346,267
2021	9,601,689
2022	12,144,090
2023	11,529,116
2024	12,011,829
2025	12,140,040

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 state

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

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Fiscal Year Ended June 30	Type of Street		Total Gas and Weight Tax (Act 51) Receipts
	Major Road	Local Road	
2016	\$ 4,855,713	\$ 1,581,594	\$ 6,437,307
2017	4,618,597	1,822,201	6,440,798
2018	6,098,323	2,184,860	8,283,183
2019	6,871,404	2,331,116	9,202,520
2020	6,167,975	2,435,872	8,603,847
2021	6,785,651	2,683,567	9,469,218
2022	7,459,460	2,931,402	10,390,862
2023	7,832,511	3,072,448	10,904,959
2024	8,025,817	3,152,724	11,178,541
2025	8,401,426	3,303,239	11,704,665

Source: City of Troy

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

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<b>Name</b>	<b>Expiration Date</b>	<b>Number of Employees Covered</b>
American Federation of State, County, and Municipal Employees	6/30/2028	65
Michigan Association of Police	6/30/2029	40
Troy Command Officers Association	6/30/2027	24
Troy Police Officers Association	6/30/2026	82
Troy Firestaff Officers Association	6/30/2029	12
Troy Communication Supervisors Association	6/30/2026	9

Source: City Department of Human Resources