TOWN of TROY
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Administrators Report – Thursday, May 21, 2026

Coming Attractions

May 26 – Park Board
June 4 - Plan Commission
June 18 – Regular Town Board Meeting

I have had two good meetings with Disposal Center employees about operations of the disposal center at our new location, and we discussed how we can better collect information that we need to report to the County for our Recycling Grant. Very positive, very focused on optimizing operations.

I have started meeting (ok, one meeting) with property owners in the Utility Corridor of the draft Boundary Agreement. Good meeting and discussion.

We have received our bond rating from Moody's – Aa3, which is an excellent rating for a town in Wisconsin. The money quote is "The Aa3 issuer rating reflects the town's strong financial performance supported by growing property tax revenues and prudent budget management". I have attached the press release and their credit analysis.

Status Updates

Fire Sub-Station – Recommended bids are in the packet, along with a short summary of where we are financially.

Town Hall Renovation/Expansion – We are getting ready to present at the Electors Meeting.

Disposal Center Relocation – Bids will be opened on May 18th, with a recommendation presented at the Town Board next week.

Security/Camera system at Town facilities – You will see more action as we proceed with the Fire Station project.

Zoning and Subdivision in the Town. Things are quiet with a few discussions, but nothing major.

Comprehensive Plan. Separate agenda item. Doug is leading the effort. Plan Commission was very positive about some of the preliminary discussions regarding land use.

MOODY'S
RATINGS

Rating Action: Moody's Ratings assigns initial Aa3 issuer rating to the Town of Troy, WI; assigns Aa3 to GO Notes, Series 2026A

14 May 2026

New York, May 14, 2026 -- Moody's Ratings (Moody's) has assigned an initial Aa3 issuer rating to the Town of Troy, WI and a Aa3 rating to the town's General Obligation Promissory Notes, Series 2026A, which have a proposed par value of about $6 million. Following the sale, the town will have about $6 million of debt outstanding.

RATINGS RATIONALE

The Aa3 issuer rating reflects the town's strong financial performance supported by growing property tax revenues and prudent budget management, balanced by its comparatively small operating size that trails similarly rated peers. The available fund balance ratio was around 80% or higher since fiscal 2021 before a decline to $784,000, representing 35% in fiscal 2025. The decline is because of capital projects that will be reimbursed by the current bonds and grants. Reserves will likely recover to around 70% of revenue in fiscal 2026. The town is well positioned to maintain its financial position with no plans to spend down reserves.

The town benefits from a growing local economy near Hudson, WI and the Twin Cities as residential development has been ongoing for several years. Resident incomes (190% of the US) and full value per capita ($271,611) are higher than peers. The town's current bond issuance will increase the long-term liabilities ratio to around 250% but will moderate over time because of no additional debt plans. Governance is a key driver for this rating action and reflects the town's sound financial management and maintenance of a long-term capital plan. It also incorporates the town's cash-basis audits that prohibits analysis of accruals, depreciation of capital assets and other disclosures typical of local government financial statements.

The Aa3 rating on the town's general obligation unlimited tax (GOULT) bonds is at the same level as the issuer rating. The GOULT bonds are backed by the town's full faith and credit pledge and authority to levy dedicated property tax that is not limited by rate or amount and is levied on all taxable property within the town.

RATING OUTLOOK

We do not assign outlooks to local governments with this amount of debt.

FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATINGS

- Material growth and diversification of tax base that leads to a larger scale of operations on a nominal basis

- More robust disclosure of financial position, including GAAP-compliant audited financial statements

FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATINGS

- An available fund balance ratio consistently under 50%

- A long-term liabilities ratio above 300%

PROFILE

The Town of Troy is located just south of the City of Hudson in St. Croix County, roughly 25 miles east of the Twin Cities. The town comprises an area of 36.2 square miles and provides services to over 5,500 residents.

METHODOLOGY

The principal methodology used in these ratings was US Cities and Counties published in December 2025 and available at https://ratings.moodys.com/rmc-documents/455983. Alternatively, please see the Rating Methodologies page on https://ratings.moodys.com for a copy of this methodology.

REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found on https://ratings.moodys.com/rating-definitions.

For any affected securities or rated entities receiving direct credit support/credit substitution from another entity or entities subject to a credit rating action (the supporting entity), and whose ratings may change as a result of a credit rating action as to the supporting entity, the associated regulatory disclosures will relate to the supporting entity. Exceptions to this approach may be applicable in certain jurisdictions.

For ratings issued on a program, series, category/class of debt or security, certain regulatory disclosures applicable to each rating of a subsequently issued bond or note of the same series, category/class of debt, or security, or pursuant to a program for which the ratings are derived exclusively from existing ratings, in accordance with Moody's rating practices, can be found in the most recent Credit Rating Announcement related to the same class of Credit Rating.

For provisional ratings, the Credit Rating Announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating.

Moody's does not always publish a separate Credit Rating Announcement for each Credit Rating assigned in the Anticipated Ratings Process or Subsequent Ratings Process.

Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

At least one ESG consideration was material to the credit rating action(s) announced and described above. Moody's general principles for assessing environmental, social and governance (ESG) risks in our credit analysis can be found at https://ratings.moodys.com/documents/PBC_1462204.

Please see https://ratings.moodys.com for any updates on changes to the lead rating analyst and to the Moody's legal entity that has issued the rating.

Please see the issuer/deal page on https://ratings.moodys.com for additional regulatory disclosures for each credit rating.

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CREDIT OPINION
14 May 2026

Send Your Feedback

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Troy (Town of) WI

Initial credit analysis

Summary

Troy (Town of) WI's (Aa3) credit profile is characterized by its growing local economy, strong financial performance on a limited scale nominally, and slightly elevated long-term leverage that will moderate over time.

Credit strengths

» High economic metrics tied to a larger growing local economy

» Strong financial position

Credit challenges

» Nominally limited scale of operations compared to peers

» Limited revenue-raising flexibility because of state-imposed levy limits

Rating outlook

We do not assign outlooks to local governments with this amount of debt.

Factors that could lead to an upgrade

» Material growth and diversification of tax base that leads to a larger scale of operations on a nominal basis

» More robust disclosure of financial position, including GAAP-compliant audited financial statements

Factors that could lead to a downgrade

» An available fund balance ratio consistently under 50%

» A long-term liabilities ratio above 300%

Key indicators

Exhibit 1
Troy (town Of) Wi

	2022	2023	2024	2025	Aa Medians
Economy					
Resident income ratio (%)	190.3%	187.3%	190.4%	N/A	114.1%
Full Value ($000)	$1,203,118	$1,321,659	$1,371,864	$1,510,971	$3,130,196
Population	5,479	5,508	5,563	N/A	22,330
Full value per capita ($)	$219,587	$239,953	$246,605	N/A	$140,110
Annual Growth in Real GDP	2.3%	1.2%	N/A	N/A	1.9%
Financial Performance					
Revenue ($000)	$2,065	$1,874	$2,303	$2,217	$57,424
Available fund balance ($000)	$1,709	$1,901	$2,032	$784	$31,108
Net unrestricted cash ($000)	$2,107	$2,328	$2,699	$1,548	$43,921
Available fund balance ratio (%)	82.8%	101.4%	88.2%	35.3%	56.8%
Liquidity ratio (%)	102.0%	124.2%	117.2%	69.8%	80.3%
Leverage					
Debt ($000)	$0	$0	$0	$0	$38,979
Adjusted net pension liabilities ($000)	$0	$0	$369	$243	$36,275
Adjusted net OPEB liabilities ($000)	$0	$0	$0	$0	$3,698
Other long-term liabilities ($000)	$0	$0	$0	$0	$1,773
Long-term liabilities ratio (%)	0.0%	0.0%	16.0%	11.0%	175.0%
Fixed costs					
Implied debt service ($000)	$0	$0	$0	$0	$2,605
Pension tread water contribution ($000)	$0	$0	$12	N/A	$1,547
OPEB contributions ($000)	$0	$0	$0	$0	$167
Implied cost of other long-term liabilities ($000)	$0	$0	$0	$0	$122
Fixed-costs ratio (%)	0.0%	0.0%	0.5%	0.5%	9.6%

For definitions of the metrics in the table above please refer to the US Cities and Counties Methodology or see the Glossary in the Appendix below. Metrics represented as N/A indicate the data were not available at the time of publication. The medians come from our most recently published US Cities and Counties Median Report. The real GDP annual growth metric cited above is for the Minneapolis-St. Paul-Bloomington, MN-WI.

Sources: US Census Bureau, Troy (town Of) Wi s financial statements and Moody s Ratings

Profile

The Town of Troy is located just south of the City of Hudson in St. Croix County, roughly 25 miles east of the Twin Cities. The town comprises an area of 36.2 square miles and provides services to over 5,500 residents.

Detailed credit considerations

The Town of Troy will continue to benefit from its location near Hudson, WI which has been growing in residential development over the past few years. Resident incomes (190% of the US) and full value per capita ($271,611) are higher than peers. While the town is primarily residential, there is commercial/industrial presence in Hudson and even more in the Twin Cities which is at a commutable distance for residents.

The town currently does not have any long-term debt but is in the process of issuing around $6 million for fire department and town hall projects. The long-term liabilities ratio will be around 250% and will moderate over time because of no additional debt plans.

The available fund balance ratio will likely increase to around 70% in fiscal 2026 (year-end Dec. 31) primarily because of over $1 million in reimbursements from the bonds and grants for projects that caused the spend down of reserves to $784,000 in fiscal 2025. The town has historically held very strong reserve and liquidity levels because of growing property tax revenues and prudent budget management.

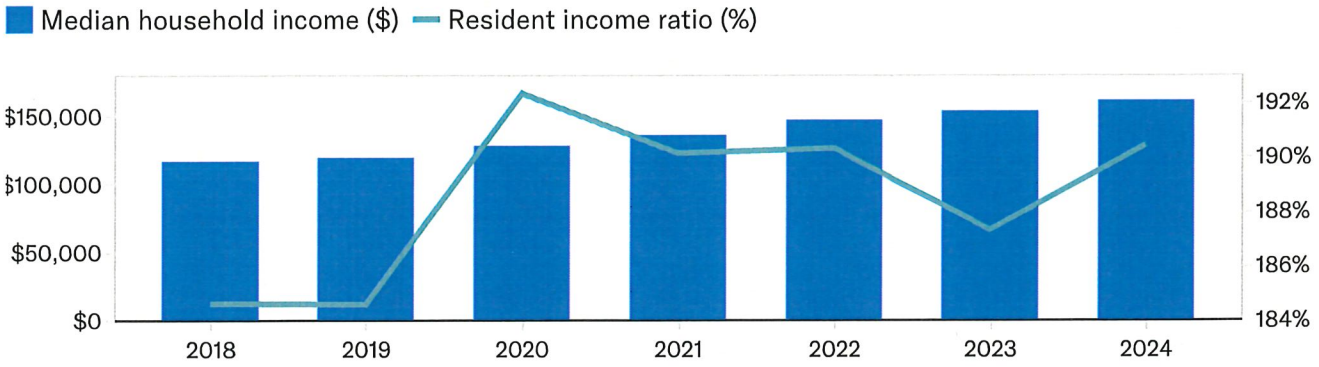
The town has a small number of full-time employees and rely more on other entities for various services as a cost effectiveness measure. While the financial ratios are strong, the town's limited scale of operations on a nominal scale which exposes the town

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the issuer/deal page on https://ratings.moodys.com for the most updated credit rating action information and rating history.

to event risk because a single event could have a material impact on the credit profile. Additionally, the town reports its year-end financials on a cash basis which prohibits analysis of accruals, depreciation of capital assets and other disclosures typical of local government financial statements.

Economy

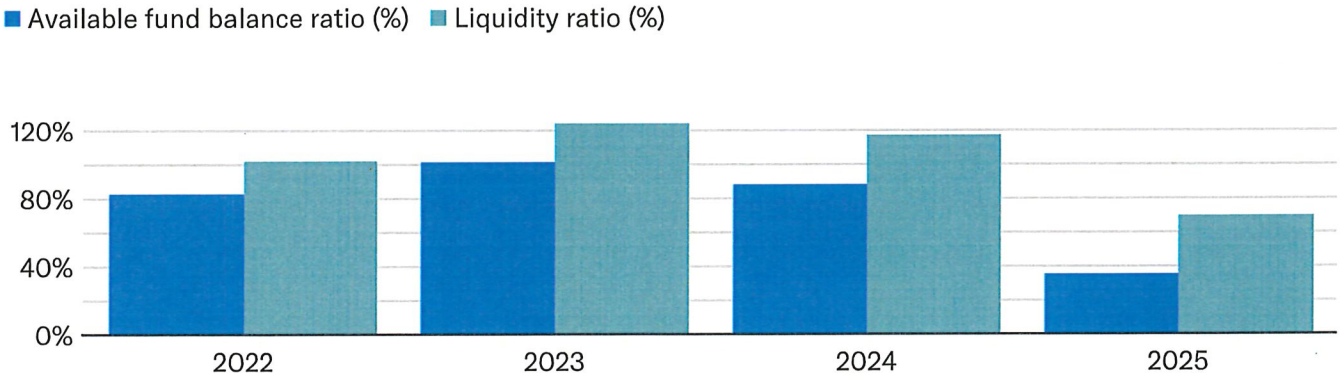
Exhibit 2
Resident incomes have gradually increased



Source: Source: US Census Bureau - American Community Survey 5-Year Estimates; US Bureau of Economic Analysis; Moody's Ratings

Financial operations

Exhibit 3
Reserves have historically been very strong; will recover in fiscal 2026 after reimbursements for capital



Source: Moody's Ratings; Troy (Town Of) WI's financial statements

ESG considerations

Environmental

Environmental considerations are not a material factor to the town's credit profile at this time.

Social

Social considerations include the town's strong resident incomes and full value per capita. Population has increased 14% over the last decade and should increase further because of ongoing residential development.

Governance

The town has a formal fund balance policy to maintain between 20% and 30% of general fund expenditures and they also maintain a five-year capital plan. Wisconsin cities have a fair ability to match revenues to expenditures. The primary revenue sources (property taxes and municipal utility fees) are generally subject to strict state-imposed caps, including a cap that limits increases in the property tax levy to the amount of net new construction. Cities can go to voters to increase property taxes above the cap. Expenditures are somewhat flexible because collective bargaining is curbed for non-public safety employees.

Rating methodology and scorecard factors

The US Cities and Counties Methodology includes a scorecard that summarizes the rating factors generally most important to city and county credit profiles. Because the scorecard is a summary and may not include every consideration in the credit analysis for a specific issuer, a scorecard-indicated outcome may or may not map closely to the actual rating assigned.

Exhibit 4
Troy (Town of) WI

	Measure	Weight	Score
Economy			
Resident income ratio	190.4%	10.0%	Aaa
Full value per capita	271,611	10.0%	Aaa
Economic growth metric	-0.9%	10.0%	Aa
Financial Performance			
Available fund balance ratio	35.3%	20.0%	Aaa
Liquidity ratio	69.8%	10.0%	Aaa
Institutional Framework			
Institutional Framework	A	10.0%	A
Leverage			
Long-term liabilities ratio	11.0%	20.0%	Aaa
Fixed-costs ratio	0.5%	10.0%	Aaa
Notching factors			
Limited scale of operations	-1.0		
Financial disclosures	-1.5		
Scorecard-Indicated Outcome			Aa3
Assigned Rating			**Aa3**

The Economic Growth metric cited above compares the five-year CAGR of real GDP for Minneapolis-St. Paul-Bloomington, MN-WI to the five-year CAGR of real GDP for the US.
Sources: US Census Bureau, Troy (town Of) Wi's financial statements and Moody's Ratings