

CITY OF TROY, MISSOURI
AUDIT OF FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

CITY OF TROY, MISSOURI

CASH BASIS FINANCIAL STATEMENTS

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CITY OF TROY, MISSOURI

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INDEPENDENT AUDITOR'S REPORT

Board of Aldermen
City of Troy, Missouri

We have audited the accompanying cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Troy, Missouri, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to error or fraud.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position-cash basis of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Troy, Missouri, as of June 30, 2014, and the respective changes in financial position-cash basis and where applicable, cash flows-cash basis, thereof for the year then ended in accordance with the basis of accounting as described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to the matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 12 and 42 through 47 be presented to supplement the basic financial statements. Such information, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Troy, Missouri's basic financial statements. The combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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. In our opinion, the combining nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Croghan + Croghan P.C.
Certified Public Accountants

Kirkwood, Missouri
December 10, 2014

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**City of Troy, Missouri
Management's Discussion and Analysis
For The Fiscal Year Ended June 30, 2014**

The discussion and analysis of the City of Troy's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2014. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the notes to the financial statements to enhance their understanding of the City's financial performance.

The financial statements of the City have been prepared on the pure cash basis of accounting, as applied to local governmental units, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Differences in the cash basis of accounting and accounting principles generally accepted in the United States of America arise in the recognition of revenue when received, rather than when earned, and the presentation of expenditures/expenses when paid rather than when incurred.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement 34 Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments issued in June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

Financial Highlights

Key financial highlights for the fiscal year ended June 30, 2014 include the following:

- The most notable budgeted expenditure for the 2013-2014 City of Troy fiscal budget was the complete reconstruction of Cherry Blossom Way. This project is a cooperative effort between the Missouri Department of Economic Development, the Community Development Block Grant and the City of Troy. The DED grant of \$756,894 and the CDBG grant of \$350,000.00 were secured by the City due to the expansion and subsequent job creation at Bodine Aluminum. The balance of this project will be funded by the City of Troy from Capital Improvements Tax revenue. At the June 30, 2014 fiscal year-end, easements were being acquired and plans were ready for submittal to EDA. As of June 30, 2014, \$74,592.20 had been expended for engineering. This project is expected to be completed by September of 2015.
- Bluffview Drive was reconstructed at a cost of \$287,942.80. This project was completed by M & H Concrete Contractors.
- The City entered into a cooperative purchasing agreement with Lincoln County for the aggregate seal coating of the following streets at a cost of \$91,788.83: Boone Street, Cap Au Gris, Mennemeyer Road, North Lincoln Drive, and Old Moscow Mills Road. Missouri Petroleum Products of St. Louis was the contractor for this project.
- The sanitary sewer main at Hwy 47 and Lincoln Drive was replaced. The contract was awarded to Mick Mehler and Sons Inc. at a bid price of \$73,000.00.

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- The City purchased land on Elm Tree Road for the drilling of an additional well, known as Well # 13 in the amount of \$12,464.00. Cochran Engineering has been retained for the design and management of this project. The drilling of the well was awarded to t. Drury Contracting in February of 2014 at a bid price of \$677,531.00. At fiscal year-end this project was well underway, but no construction pay estimates had been submitted. Engineering costs for FY2014 were \$43,438.80.
- The Lincoln County R-III School District and the City of Troy entered into an agreement with the Missouri Highways and Transportation Commission for cost apportionment for a pedestrian bridge on the Old Cap Au Gris overpass. The City's share of this project was \$36,000.00.
- The Missouri Department of Natural Resources offered grant funds for the plugging and abandonment of wells. The City received \$8,500.00 for the abandonment of the well at the Whitcomb Woods Subdivision and contracted with Flynn Drilling to perform this project.
- The remaining balance due on the Old Cap Au Gris Sidewalk Project was paid to Karrenbrock Construction in the amount of \$22,532.70. The City also contracted with Henry Concrete to replace the sidewalk along Monroe Street to connect with the Old Cap Au Gris sidewalk at a bid price of \$33,902.50. The initial pay estimate for this project was paid in February of 2014, in the amount of \$30,512.25.
- The City of Troy entered into an agreement with the Missouri Department of Economic Development for a grant referred to as the Neighborhood Stabilization Program (NSP) in FY2010. This program provided funding for the purchase and rehabilitation of homes in foreclosure. These homes were then made available for purchase to qualified individuals. The proceeds from the sale of these homes will be retained by the City and may be used for improvements to the City within the scope of Community Development Block Grant guidelines. This program was approved in May of 2009 and the purchase of homes began in December of 2009. At fiscal year-end the following homes remained in the program: 338 Lyons, 125 Excalibur Blvd, 1380 Sleepy Hollow Drive, and 20 Saxony Drive. This grant is being administered by the Boonslick Regional Planning Commission.
- The City of Troy became a Certified Local Government on July 24, 2009. In April of 2012, the City was successful in obtaining a 60/40 Historic Preservation Fund Grant for a Downtown Historic District National Register of Historic Places Nomination. On October 30, 2013, the Downtown Troy Historic District was officially listed in the National Register of Historic Places. The Troy Historic Preservation Commission is currently working with the Troy Convention and Visitors' Bureau to better promote this honor. In September of 2013, the City received \$6,000.00 in grant funds from the Missouri Department of Natural Resources to reimburse a portion of the costs associated with achieving this designation.
- The City engaged contractors to bring electricity and irrigation to the flagpole at the South Lincoln Drive roundabout at a total cost of \$12,100.00.

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- Bin blocks were purchased to build a retaining wall between the Fairgrounds Park and the Bread for Life Food Pantry lot, at a cost of \$6,250.00. The Public Works Department will be constructing this wall.
- Pipe was purchased for the replacement of the water main along Kuhne Heights, at a cost of \$5,565.50. This project will also be performed by the Public Works Department.
- Several new vehicles were added to the City's fleet in FY2014: three (3) 2014 Ford F350 Trucks equipped with snow removal equipment at a total cost of \$145,784.63, a 2013 Toyota Tundra 4 X 4 Pickup Truck for use by the Public Works Superintendent at a cost of \$29,065.00, and two (2) 2013 Chevrolet Impala Police Cruisers, \$20,740.00 each.
- The City purchased the following capital equipment in FY2014: a Bobcat E50 Compact Excavator, \$34,642.84, a Bobcat T650 Skid Loader, \$32,284.48, a Kubota ED326P Mower, \$11,885.00, two (2) Scag Tiger Cat Mowers, \$7,260.00 each, and a 12' Trailerman Trailer, \$1,495.00.
- In FY2014 the City began the process of migrating to Tyler Technology's Incode Financial Suite for its accounting software. The total estimated cost for this software is \$50,832.00. At year-end, \$13,977.75 had been expended, with the "go-live" date scheduled for September 2014. The administration and building departments shared in the cost of purchasing the Incode Business License Module at a total cost of \$ 5,200.00.
- In cooperation with Lincoln County Emergency Services Agencies, the City purchased the license for Nixle's citizen alert system. The City's share of this cost for FY2014 was \$1,944.00 and enables the City to put out alerts via text, email and telephone. This service is offered to citizens free of charge.
- Other items purchased in FY2014 were as follows: carpet for the second floor of City Hall, \$13,314.76, LED Christmas decorations for street light poles, \$16,758,(supplemented by the TCVB in the amount of \$1,500.00), a Neptune Mobile Data Collector for meter reading, \$12,690.00, a 2014 Bobcat Brushcat Rotary Cutter, \$6,000.00, a Bobcat 82" Root Grapple, \$3,880.50, salt brine storage tanks, \$3,137.00, a water leak locator, \$3,145.50, Tasers and cartridges, \$2,947.17.

The City's net position (cash basis) at the end of 2014 was \$ 7,284,696.30. This represents a 12.68% increase over the fiscal year ending June 30, 2013.

Using the Basic Financial Statements

The City's basic financial statements consist of a series of financial statements and the associated notes to those statements. The statements are organized so the reader can understand the cash basis operations of the City as a whole. The "Basic Financial Statements" section includes government- wide financial statements, fund financial statements and notes to financial statements. The government-wide financial statements, consisting of the Statement of Net Position (Cash Basis) and the Statement of Activities

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(Cash Basis), provide highly consolidated cash basis financial information and render a government-wide perspective of the City's cash basis financial condition.

By showing the change in net position (cash basis) for the year, the reader may ascertain whether the City's cash basis financial condition has improved or deteriorated. The changes which are discussed in this MD&A may be financial or non-financial in nature. Non-financial factors, which may have an impact on the City's financial condition, include increases in or erosion of the property tax base, current property tax laws in Missouri restricting revenue growth, facility conditions, and other factors.

NET POSITION

The following table presents the condensed Statement of Net Position for the City as of June 30, 2013 and June 30, 2014.

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total June 30, 2014</u>	<u>Total June 30, 2013</u>
ASSETS				
Cash and Investments	\$ 2,288,648.97	\$ 2,941,109.89	\$ 5,229,758.86	\$ 4,563,985.63
Restricted Assets:				
Cash and Investments	<u>2,062,996.15</u>		<u>2,062,996.15</u>	<u>1,906,611.84</u>
Total Assets	<u>4,351,645.12</u>	<u>2,941,109.89</u>	<u>7,292,755.01</u>	<u>6,470,597.47</u>
LIABILITIES				
Payroll Withholdings	<u>6,738.47</u>	<u>1,320.24</u>	<u>8,058.71</u>	<u>5,636.11</u>
NET POSITION				
Restricted	2,061,525.29	-	2,061,525.29	1,905,611.84
Unrestricted	<u>2,283,381.36</u>	<u>2,939,789.65</u>	<u>5,223,171.01</u>	<u>4,559,349.52</u>
Total Net Position	<u><u>4,344,906.65</u></u>	<u><u>2,939,789.65</u></u>	<u><u>7,284,696.30</u></u>	<u><u>6,464,961.36</u></u>

Total net position of the City increased by \$819,734.94 for the year due to current year activity. Total liabilities for the City have increased by \$2,422.60. Restricted net position of the City totaled \$2,061,525.29 as of June 30, 2014.

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Government-wide Financial Analysis

Revenue and Expenditure Comparison for Years
Ending June 30, 2013 and 2014

	<u>2014</u>	<u>%</u>	<u>2013</u>	<u>%</u>
Revenue - All Funds:				
Taxes	\$ 5,524,735.84	52.92%	\$ 5,739,003.01	43.27%
Licenses and Permits	54,096.27	0.52%	65,216.66	0.49%
Charges for Services	4,022,936.52	38.53%	4,238,974.91	31.96%
Fines and Forfeitures	262,855.49	2.52%	272,163.88	2.05%
Sale of Assets	8,450.56	0.08%	471.75	0.00%
Grants	462,923.77	4.43%	110,744.76	0.83%
Interest	27,078.99	0.26%	27,352.59	0.21%
Bond Proceeds	-	0.00%	2,605,000.00	19.64%
Miscellaneous	76,720.35	0.73%	205,259.72	1.55%
Total Revenues	<u>\$ 10,439,797.79</u>	<u>100.00%</u>	<u>\$ 13,264,187.28</u>	<u>100.00%</u>
Expenditures -- All Fund:				
General Government	\$ 654,924.96	6.81%	\$ 644,647.29	5.38%
Public Safety	2,194,378.25	22.81%	2,140,737.08	17.87%
Culture and Recreation	175,109.40	1.82%	147,732.92	1.23%
Cemetery	24,681.59	0.26%	32,977.04	0.28%
Public Works - Streets	1,712,386.13	17.80%	1,733,221.68	14.47%
Economic Development	464,627.71	4.83%	845,985.75	7.06%
Operating Expenses - Utilities	2,895,910.81	30.10%	3,018,104.85	25.20%
Debt Service - Principal/Interest	1,498,044.00	15.57%	699,661.98	5.84%
Bond Payments to Escrow	-	0.00%	2,715,655.03	22.67%
Total Expenditures	<u>\$ 9,620,062.85</u>	<u>100.00%</u>	<u>\$ 11,978,723.62</u>	<u>100.00%</u>

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Governmental Funds Financial Analysis

	<u>2014</u>	<u>2013</u>
Program Revenues Collected:		
Charges for Services	\$ 327,746.76	\$ 359,056.68
Operating Grants and Contributions	454,423.77	110,744.76
General Revenues Collected:		
Property Taxes	282,371.33	285,176.69
Franchise and Public Service Taxes	1,930,456.86	2,199,539.62
Sales Tax	3,311,907.65	3,254,286.70
Investment Income	17,477.84	20,424.57
Sale of Assets	8,450.56	471.75
Bond Lease Proceeds		34,501.56
Miscellaneous	76,720.35	205,259.72
Total Revenues Collected	<u>6,409,555.12</u>	<u>6,469,462.05</u>
Expenses Paid:		
General Government	654,924.96	644,647.29
Public Safety	2,194,378.25	2,140,737.08
Public Works - Streets	1,712,386.13	1,733,221.68
Culture and Recreation	175,109.40	147,732.92
Cemetery	24,681.59	32,977.04
Economic Development	464,627.71	845,985.75
Debt	397,000.00	220,000.00
Debt Interest and Fees	168,455.00	63,875.00
Total Expenses Paid	<u>5,791,563.04</u>	<u>5,829,176.76</u>
Transfers between funds	<u>(102,880.97)</u>	<u>(219,733.19)</u>
Change in Net Position	515,111.11	420,552.10
Net Position, July 1	<u>3,829,795.54</u>	<u>3,409,243.44</u>
Net Position, June 30	<u>\$ 4,344,906.65</u>	<u>\$ 3,829,795.54</u>

Business Type Activities

	<u>2014</u>	<u>2013</u>
Water Fund:		
Operating Revenue	\$ 1,155,944.87	\$ 1,236,157.07
Operating Expenditures	<u>(953,073.94)</u>	<u>(1,141,443.49)</u>
Operating Income/(Loss)	202,870.93	94,713.58
Non-Operating Revenue/(Expenses)	(43,551.19)	(53,885.31)
Operating Transfer	-	-
Net Income/(Loss)	<u>\$ 159,319.74</u>	<u>\$ 40,828.27</u>

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Sewer Fund:	<u>2014</u>	<u>2013</u>
Operating Revenue	\$ 2,134,311.86	\$ 2,142,485.77
Operating Expenditures	<u>(1,119,184.30)</u>	<u>(898,572.68)</u>
Operating Income/(Loss)	1,015,127.56	1,243,913.09
Non-Operating Revenue/(Expenses)	(870,985.02)	(500,188.42)
Operating Transfer	<u>611.58</u>	<u>100,560.94</u>
Net Income/(Loss) after Transfers	<u><u>\$ 144,754.12</u></u>	<u><u>\$ 844,285.61</u></u>

Sanitation Fund:	<u>2014</u>	<u>2013</u>
Operating Revenue	\$ 630,658.02	\$ 734,285.62
Operating Expenditures	<u>(630,125.56)</u>	<u>(754,894.60)</u>
Operating Income/(Loss)	532.46	(20,608.98)
Non-Operating Revenue/(Expenses)	17.51	56.66
Operating Transfer	<u>-</u>	<u>-</u>
Net Income/(Loss)	<u><u>\$ 549.97</u></u>	<u><u>\$ (20,552.32)</u></u>

Troy Aquatic Center	<u>2014</u>	<u>2013</u>
Operating Revenue	\$ 91,226.77	\$ 104,370.31
Operating Expenditures	<u>(193,527.01)</u>	<u>(223,194.08)</u>
Operating Income/(Loss)	(102,300.24)	(118,823.77)
Non-Operating Revenue/(Expenses)	30.85	1.52
Operating Transfer	<u>102,269.39</u>	<u>119,172.25</u>
Net Income/(Loss) after Transfers	<u><u>\$ -</u></u>	<u><u>\$ 350.00</u></u>

The Water Fund experienced a net income of \$159,319.74. A new rate structure for water was implemented in July of 2013. While water usage rates were not increased, new base rates were established tied to meter size according to AWWA standards. The discounted rate for usage in excess of 50,000 gallons was discontinued. These changes resulted in an increase of 5% in water revenues, even though usage was down as compared to FY2013. Right-to-connect fees were virtually equivalent to FY2013 and interest revenue was up by 13%. There was a significant decrease in capital expenditures for the 2014 fiscal year as compared to the prior year. The Water Fund maintains a strong fund balance.

The Sewer Fund experienced a net gain of \$144,754.12. A new rate structure was also put in place for sewer usage in July of 2013. The base rate was increased from \$13.70 to \$15.00 and the usage charge was increased from \$3.85 per 1,000 gallons to \$4.00 per 1,000 gallons water used. Billing sewer usage based on winter averaging was discontinued. These changes led to a 5.8% increase in sewer revenue over the prior year. While the Sewer Fund did experience a net gain, it did not compare to the net gain shown for FY2013. In FY2013, the City refunded its 2004 and 2005 Certificates of Participation (COPS). Debt service was paid from the reserve funds, netting a cash flow savings. The City's wastewater treatment facilities became more fully staffed, increasing personnel costs, and many repairs were performed with this increase in staffing.

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The Sanitation Fund ended the fiscal year with a net gain of \$549.97. Early in 2013, the City solicited bids for residential solid waste collection services. Several bids were received and the City once again awarded the bid to Christian Environmental. The new contract was significantly lower than the previous contract, largely due to reducing trash pickup from twice per week to once per week. More emphasis has been put on recycling and the once per week pickup netted a savings to the citizens. The discount the City receives for the sanitation billing was reduced from 7% to 5%. This is a 3-year contract with the option for a 2-year extension. As the City contracts for trash disposal services, the Sanitation Fund has no bearing on the City's financial position.

The Troy Aquatic Center began its second season in May of 2013. The Board chose to contract with Midwest Pool Management for the management and maintenance of the center for the 2013 swim season, and in December of 2013 opted to extend the contract for the 2014 swim season. The center's costs of operations are being supplemented by transfers from the Capital Improvements Fund. At the 2014 fiscal year-end, revenues were down, but so were expenditures, decreasing the amounts for transfers from Capital Improvements. The City continues to strive to make the center more self-supporting.

General Fund Budgetary Highlights

The General Fund once again exceeded budgetary projections. Sales tax revenues exceeded projections by .5%. Franchise tax receipts were over budget by 22.96%. Real and personal property tax revenues were 2.68% over budget and building permits were 35% above expectations. Cigarette tax receipts were 10% over budget. Interest revenues exceeded budgetary figures by 67% and fines and court costs were 1% over budget.

Capital Assets and Debt Administration

The City operates under the cash basis of accounting, therefore, capital asset purchases are recorded as expenditures and depreciation is not recognized. Capital assets are not reflected in the financial statements.

At the year end the City had debt in the amount of \$ 12,411,000.00.

Certificates of Participation for the Industrial Development Property	\$ 300,000.00
Certificates of Participation for City Hall refunding and remodeling projects	1,137,000.00
Certificates of Participation for MBR Wastewater Treatment Plant	2,265,000.00
Lease Purchase of EDA Well and Tower	279,000.00
Certificates of Participation for Aquatic Center and capital improvements	2,490,000.00
Certificates of Participation for refunding 2004 COP – MBR Wastewater Treatment Plant	5,940,000.00

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Budgetary Analysis

The Cherry Blossom Way reconstruction project continues for the 2014-2015 fiscal year. This project is a cooperative effort between the Missouri Department of Economic Development (DED), the Community Development Block Grant (CDBG) and the City of Troy. The DED grant of \$756,894 and the CDBG grant of \$350,000.00 were secured by the City due to the expansion and subsequent job creation at Bodine Aluminum. The balance of this project will be funded by the City from Capital Improvements Tax revenue. The total budget for this reconstruction is \$1,554,620.83. This project is expected to be completed in September of 2015.

The City entered into a Performance Development Agreement with Johnson Controls in March of 2014 to address upgrades to the City's wastewater treatment facilities. The PDA provides for payment if certain conditions are met under the Agreement including financial ability of the City to undertake the size and scope of the project recommended by Johnson Controls. The amount budgeted for the Agreement is \$775,000.00, subject to the contractual terms.

Asphalt improvements to Creech Street, Alden Street, Friendship Court, Elm Tree Road and Prospect Circle, originally planned for FY2014, were rolled into the new budget year at a projected cost of \$150,000.00. The concrete reconstruction of Judy Lane is also planned for the new budget year at a cost of \$165,000.00. These projects will be funded from the revenues of the Street Fund.

The complete replacement of Blair Avenue, Trail Avenue and Buchanan Court has been slated for the new budget year at a cost of \$594,000.00, funded by the Capital Improvements Tax. Also being funded from Capital Improvements will be the resurfacing of the basketball court and parking lot at Fairgrounds Park, as well as the parking lot at Weinand Park, at a total budgeted cost of \$166,860.00. The drainage issues at Weinand Park will also be addressed in FY2015, at projected cost of \$50,000.00.

Other public works projects planned include the replacement of the water main at Lincoln Drive and Cherry Street, and the extension of the sewer main on Frenchman Bluff Drive. Cost projections for these projects total \$57,000.00.

The drilling of a new well, (Well #13) that began in FY2014 continues into the new budget year. In the 2014 fiscal year, most of the engineering had been completed and the bid awarded to t. Drury Contracting. The test well was drilled and at the fiscal year-end, the City was awaiting the test results. The budget for this project in the new fiscal year is \$639,334.00.

The Police Department will be entering into a 4-year lease/purchase agreement for three (3) 2014 Dodge Chargers at a cost of \$21,230.00 per year. The Public Works department is planning a 5-year lease/purchase of a new Vactor Truck at a cost of \$75,930.00 per year. The purchase of a new sewer camera has also been entered into the new budget at a projected cost of \$90,000.00. A 30' X 60' shed will be erected at the Public Works Maintenance Facility at a budgeted cost of \$28,000.00. The Public Works Department will also be seeking to purchase a used front loader, not to exceed \$25,000.00 and a new salt spreader, \$10,500.00.

The Building Department has requested the purchase of a plotter in the amount of \$10,100.00. The Police Department will be purchasing a refurbished copier at a cost of \$2,750.00 and new desk

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telephones, \$600.00. The Police Department will also be purchasing new ballistic vests at a cost of \$4,794.00 and new radar units, \$ 4,185.00. Other items entered into the FY2015 budget are as follows: a hydraulic saw, \$ 5,650.00, a trash pump, \$ 3,750.00, a utility line locator, \$4,800.00, picnic tables, \$5,500.00, a brush hog, \$3,400.00, a concrete saw, \$2,500.00 and pet waste receptacles, \$2,450.00.

To facilitate the creation of a storm water maintenance database, the City will be purchasing Permi-Track software at a cost of \$6,000.00. The Public Works Department will be purchasing vehicle maintenance software and new computer hardware at a total cost of \$5,100.00.

Sales tax revenues have been budgeted essentially flat. The Board once again indicated that they would be offering a property tax rollback of .15 per \$100 assessed valuation, so those revenues have been budgeted flat as well. Right-to-connect fees have been budgeted conservatively at 30 connections.

A 3% pay increase for all City employees has been approved for FY2015. The Board voted to change the City's health insurance provider for the new fiscal year. United Health Care offered comparable benefits to the City's former provider at a substantial savings. The rate for Missouri Local Government Employees Retirement (MO LAGERS) decreased for general employees from 10.3% to 10.2% and the rate for police decreased from 10.1% to 9.3%.

Contacting the City's Financial Management

While this Management's Discussion & Analysis is designed to provide a general overview of the cash basis financial condition and operations of the City, citizens, tax payers and creditors may want further details. To obtain such details, please contact Mark A. Cross, Mayor, Jodi L. Schneider, City Clerk or Linda Flinn, Treasurer at the Troy City Hall, 800 Cap Au Gris, Troy, Missouri 63379 or call 636-528-4712 during regular office hours, Monday through Friday, 8:00 a.m. to 4:30 p.m.

CITY OF TROY, MISSOURI
STATEMENT OF NET POSITION - CASH BASIS
JUNE 30, 2014

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and Investments	\$ 2,288,648.97	\$ 2,941,109.89	\$ 5,229,758.86
Restricted Assets:			
Cash and Investments	<u>2,062,996.15</u>	<u> </u>	<u>2,062,996.15</u>
Total Assets	<u>4,351,645.12</u>	<u>2,941,109.89</u>	<u>7,292,755.01</u>
 <u>LIABILITIES</u>			
Payroll Withholdings	<u>6,738.47</u>	<u>1,320.24</u>	<u>8,058.71</u>
 <u>NET POSITION</u>			
Restricted for:			
Capital Projects	1,030,686.60	-	1,030,686.60
Debt Service	134,685.66		134,685.66
Parks	351,563.77		351,563.77
Roads	499,395.23		499,395.23
Tourism	22,718.66		22,718.66
Other purposes	22,475.37		22,475.37
Unrestricted	<u>2,283,381.36</u>	<u>2,939,789.65</u>	<u>5,223,171.01</u>
Total Net Position	<u>\$ 4,344,906.65</u>	<u>\$ 2,939,789.65</u>	<u>\$ 7,284,696.30</u>

See accompanying notes to basic financial statements.

CITY OF TROY, MISSOURI
STATEMENT OF ACTIVITIES - CASH BASIS
YEAR ENDED JUNE 30, 2014

Functions/Programs	Expenses	Program Revenues Received			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Government Activities	Business-type Activities	Total
Governmental Activities:							
General Government	\$ 654,924.96	\$ 54,096.27	\$ -	\$ -	\$ (600,828.69)	\$ -	\$ (600,828.69)
Public Safety	2,194,378.25	262,855.49	42,024.58	-	(1,889,498.18)	-	(1,889,498.18)
Culture and Recreation	175,109.40				(175,109.40)		(175,109.40)
Cemetery	24,681.59	10,795.00			(13,886.59)		(13,886.59)
Public Works - Streets	1,712,386.13		412,399.19		(1,299,986.94)		(1,299,986.94)
Economic Development	464,627.71				(464,627.71)		(464,627.71)
Certificate Principal	397,000.00				(397,000.00)		(397,000.00)
Certificate Interest and Fees	168,455.00				(168,455.00)		(168,455.00)
Total governmental activities:	5,791,563.04	327,746.76	454,423.77	-	(5,009,392.51)	-	(5,009,392.51)
Business-type Activities:							
Water	1,011,049.94	1,155,944.87	8,500.00	-	153,394.93		153,394.93
Sewer	1,993,797.30	2,134,311.86			140,514.56		140,514.56
Sanitation	630,125.56	630,658.02			532.46		532.46
Troy Aquatic Center	193,527.01	91,226.77			(102,300.24)		(102,300.24)
Total business-type activities:	3,828,499.81	4,012,141.52	8,500.00	-	192,141.71		192,141.71
Total City	\$ 9,620,062.85	\$ 4,339,888.28	\$ 462,923.77	\$ -	\$ (5,009,392.51)	\$ 192,141.71	\$ (4,817,250.80)
General Revenues:							
Taxes							
Property Taxes					282,371.33		282,371.33
Franchise and Public Service Taxes					1,930,456.86		1,930,456.86
Sales Tax					3,311,907.65		3,311,907.65
Investment Income					17,477.84	9,601.15	27,078.99
Miscellaneous					76,720.35		76,720.35
Sale of Assets					8,450.56		8,450.56
Transfers between funds					(102,880.97)	102,880.97	
Total General Revenues					5,524,503.62	112,482.12	5,636,985.74
Change in Net Position					515,111.11	304,623.83	819,734.94
Net Position - beginning					3,829,795.54	2,635,165.82	6,464,961.36
Net Position - ending					4,344,906.65	2,939,789.65	7,284,696.30

See accompanying notes to basic financial statements.

CITY OF TROY, MISSOURI
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES ARISING FROM CASH TRANSACTIONS
GOVERNMENTAL FUNDS
JUNE 30, 2014

	Major Funds				Total Governmental Funds
	General	Street Maintenance	Capital Improvement	Non-Major Funds	
<u>ASSETS</u>					
Cash and Investments	\$ 2,082,675.90	\$ -	\$ -	\$ 205,973.07	\$ 2,288,648.97
Restricted Assets:					
Cash and Investments		500,866.09	1,030,023.63	532,106.43	2,062,996.15
Total Assets	<u>\$ 2,082,675.90</u>	<u>\$ 500,866.09</u>	<u>\$ 1,030,023.63</u>	<u>\$ 738,079.50</u>	<u>\$ 4,351,645.12</u>
<u>LIABILITIES AND FUND EQUITY</u>					
Liabilities					
Payroll Liabilities	\$ 5,264.49	\$ 1,470.86	\$ -	\$ 3.12	\$ 6,738.47
Fund Equity:					
Fund Balance:					
Nonspendable	-	-	-	250,000.00	250,000.00
Restricted for:					
Capital Projects			1,030,023.63	662.97	1,030,686.60
Debt Service				134,685.66	134,685.66
Parks				101,563.77	101,563.77
Roads		499,395.23			499,395.23
Tourism				22,718.66	22,718.66
Other purposes				22,475.37	22,475.37
Assigned for:					
Capital Projects				10,756.84	10,756.84
Cemetery				192,706.44	192,706.44
Other purposes				2,506.67	2,506.67
Unassigned	2,077,411.41				2,077,411.41
Total Fund Equity	<u>2,077,411.41</u>	<u>499,395.23</u>	<u>1,030,023.63</u>	<u>738,076.38</u>	<u>4,344,906.65</u>
Total Liabilities and Fund Equity	<u>\$ 2,082,675.90</u>	<u>\$ 500,866.09</u>	<u>\$ 1,030,023.63</u>	<u>\$ 738,079.50</u>	

Reconciliation to Statement of Net Position:

Amounts reported for governmental activities in the statement of net position are different because:

There are no adjustments

Net position of governmental activities

\$ 4,344,906.65

See accompanying notes to financial basic statements.

CITY OF TROY, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - CASH BASIS - GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2014

	Major Funds				Total
	General	Street Maintenance	Capital Improvements	Non-Major Funds	Governmental Funds
REVENUES:					
Taxes	\$ 3,252,556.04	\$ 1,065,148.80	\$ 1,100,739.81	\$ 106,291.19	\$ 5,524,735.84
Intergovernmental	42,024.58	412,399.19			454,423.77
Licenses, Permits and Fees	54,096.27				54,096.27
Charges for Services				10,795.00	10,795.00
Interest	5,927.37	1,563.55	3,007.69	6,979.23	17,477.84
Fines and Forfeitures	262,855.49				262,855.49
Sale of Assets		8,330.56	120.00		8,450.56
Miscellaneous	59,058.27	7,512.28		10,149.80	76,720.35
Total Revenues	<u>3,676,518.02</u>	<u>1,494,954.38</u>	<u>1,103,867.50</u>	<u>134,215.22</u>	<u>6,409,555.12</u>
EXPENDITURES:					
Current:					
General Government	654,924.96	-	-	-	654,924.96
Public Safety	2,185,533.80			8,844.45	2,194,378.25
Culture and Recreation	175,109.40				175,109.40
Cemetery				24,681.59	24,681.59
Public Works - Streets		1,712,386.13			1,712,386.13
Economic Development			294,053.91	170,573.80	464,627.71
Debt Service					
Principal and Interest	289,740.00		275,715.00		565,455.00
Total Expenditures	<u>3,305,308.16</u>	<u>1,712,386.13</u>	<u>569,768.91</u>	<u>204,099.84</u>	<u>5,791,563.04</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>371,209.86</u>	<u>(217,431.75)</u>	<u>534,098.59</u>	<u>(69,884.62)</u>	<u>617,992.08</u>
OTHER FINANCING SOURCES (USES):					
Operating Transfers	-	-	(176,861.59)	73,980.62	(102,880.97)
Total Other Financing Sources (Uses):	<u>-</u>	<u>-</u>	<u>(176,861.59)</u>	<u>73,980.62</u>	<u>(102,880.97)</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES	<u>371,209.86</u>	<u>(217,431.75)</u>	<u>357,237.00</u>	<u>4,096.00</u>	<u>515,111.11</u>
FUND BALANCE, JULY 1, 2013	<u>1,706,201.55</u>	<u>716,826.98</u>	<u>672,786.63</u>	<u>733,980.38</u>	<u>3,829,795.54</u>
FUND BALANCE, JUNE 30, 2014	<u>\$ 2,077,411.41</u>	<u>\$ 499,395.23</u>	<u>\$ 1,030,023.63</u>	<u>\$ 738,076.38</u>	<u>\$ 4,344,906.65</u>

See accompanying notes to basic financial statements.

CITY OF TROY, MISSOURI
STATEMENT OF NET POSITION - CASH BASIS
PROPRIETARY FUNDS
JUNE 30, 2014

	Major Enterprise Funds			Non-major Enterprise Funds	Total Enterprise Funds
	Water	Sewer	Sanitation		
ASSETS					
Cash and Investments	\$ 1,839,151.29	\$ 1,094,725.30	\$ 6,883.30	\$ 350.00	\$ 2,941,109.89
Restricted Assets:					
Cash and Investments					
Total Assets	<u>\$ 1,839,151.29</u>	<u>\$ 1,094,725.30</u>	<u>\$ 6,883.30</u>	<u>\$ 350.00</u>	<u>\$ 2,941,109.89</u>
LIABILITIES					
Payroll Withholdings	<u>\$ 873.49</u>	<u>\$ 429.80</u>	<u>\$ 16.95</u>	<u>\$ -</u>	<u>\$ 1,320.24</u>
NET POSITION					
Unrestricted	<u>1,838,277.80</u>	<u>1,094,295.50</u>	<u>6,866.35</u>	<u>350.00</u>	<u>2,939,789.65</u>
Total Net Position	<u>\$ 1,838,277.80</u>	<u>\$ 1,094,295.50</u>	<u>\$ 6,866.35</u>	<u>\$ 350.00</u>	<u>\$ 2,939,789.65</u>

See accompanying notes to basic financial statements.

CITY OF TROY, MISSOURI
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND
NET POSITION - CASH BASIS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2014

	Major Enterprise Funds			Non-major Enterprise Funds	Total Enterprise Funds
	Water	Sewer	Sanitation		
OPERATING REVENUES:					
Charges for Services	\$ 1,155,944.87	\$ 2,134,311.86	\$ 630,658.02	\$ 91,226.77	\$ 4,012,141.52
OPERATING EXPENSES:					
Cost of Sales and Services	780,000.16	1,059,511.33	605,759.73	193,527.01	2,638,798.23
Administration	173,073.78	59,672.97	24,365.83		257,112.58
Total Operating Expenses	953,073.94	1,119,184.30	630,125.56	193,527.01	2,895,910.81
OPERATING INCOME (LOSS)	202,870.93	1,015,127.56	532.46	(102,300.24)	1,116,230.71
NON-OPERATING REVENUES (EXPENSES):					
Federal Grant	8,500.00	-	-	-	8,500.00
Interest	5,924.81	3,627.98	17.51	30.85	9,601.15
Debt Service:					
Certificate Principal	(50,000.00)	(650,000.00)			(700,000.00)
Certificate Interest and Fees	(7,976.00)	(224,613.00)			(232,589.00)
Total Non-Operating Revenues (Expenses)	(43,551.19)	(870,985.02)	17.51	30.85	(914,487.85)
INCOME (LOSS) BEFORE TRANSFERS	159,319.74	144,142.54	549.97	(102,269.39)	201,742.86
OPERATING TRANSFERS	-	611.58	-	102,269.39	102,880.97
NET INCOME (LOSS) AFTER OPERATING TRANSFER	159,319.74	144,754.12	549.97	-	304,623.83
TOTAL NET POSITION, JULY 1, 2013	1,678,958.06	949,541.38	6,316.38	350.00	2,635,165.82
TOTAL NET POSITION, JUNE 30, 2014	\$ 1,838,277.80	\$ 1,094,295.50	\$ 6,866.35	\$ 350.00	\$ 2,939,789.65

See accompanying notes to basic financial statements.

CITY OF TROY, MISSOURI
STATEMENT OF CASH FLOWS - CASH BASIS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2014

	Major Enterprise Funds			Non-major Enterprise Funds	Total Enterprise Funds
	Water	Sewer	Sanitation		
Cash Flows from Operating Activities:					
Cash Received from Customers	\$ 1,155,944.87	\$ 2,134,311.86	\$ 630,658.02	\$ 91,226.77	\$ 4,012,141.52
Cash Payments to Suppliers for Goods and Services	(667,543.75)	(811,078.44)	(608,906.70)	(193,527.01)	(2,281,055.90)
Cash Payments to Employees for Services	(285,136.70)	(307,926.06)	(21,201.91)	-	(614,264.67)
Net Cash Provided (Used) by Operating Activities	<u>203,264.42</u>	<u>1,015,307.36</u>	<u>549.41</u>	<u>(102,300.24)</u>	<u>1,116,820.95</u>
Cash Flows from Noncapital Financing Activities:					
Operating Transfers	-	611.58	-	102,269.39	102,880.97
Federal Grant	<u>8,500.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,500.00</u>
Net Cash Used Provided by Noncapital Financing Activities	<u>8,500.00</u>	<u>611.58</u>	<u>-</u>	<u>102,269.39</u>	<u>111,380.97</u>
Cash Flows from Capital and Related Financing Activities:					
Principal Paid on Bonds/Certificates	(50,000.00)	(650,000.00)	-	-	(700,000.00)
Interest and Fees Paid on Certificates	<u>(7,976.00)</u>	<u>(224,613.00)</u>	<u>-</u>	<u>-</u>	<u>(232,589.00)</u>
Net Cash Used for Capital and Related Financial Activities	<u>(57,976.00)</u>	<u>(874,613.00)</u>	<u>-</u>	<u>-</u>	<u>(932,589.00)</u>
Cash Flows from Investing Activities:					
Interest Earned	<u>5,924.81</u>	<u>3,627.98</u>	<u>17.51</u>	<u>30.85</u>	<u>9,601.15</u>
Cash, Beginning of Year	<u>1,679,438.06</u>	<u>949,791.38</u>	<u>6,316.38</u>	<u>350.00</u>	<u>2,635,895.82</u>
Cash, End of Year	<u>\$ 1,839,151.29</u>	<u>\$ 1,094,725.30</u>	<u>\$ 6,883.30</u>	<u>\$ 350.00</u>	<u>\$ 2,941,109.89</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Operating Income(Loss)	\$ 202,870.93	\$ 1,015,127.56	\$ 532.46	\$ (102,300.24)	\$ 1,116,230.71
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities					
Changes in assets and liabilities:					
Payroll Withholdings	<u>393.49</u>	<u>179.80</u>	<u>16.95</u>	<u>-</u>	<u>590.24</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 203,264.42</u>	<u>\$ 1,015,307.36</u>	<u>\$ 549.41</u>	<u>\$ (102,300.24)</u>	<u>\$ 1,116,820.95</u>

See accompanying notes to basic financial statements.

CITY OF TROY, MISSOURI
 STATEMENT OF NET POSITION - MODIFIED CASH BASIS
 FIDUCIARY FUNDS
 JUNE 30, 2014

<u>ASSETS</u>	<u>Agency Funds</u>
Restricted Assets:	
Cash and Investments	\$ <u>5,218.00</u>
<u>LIABILITIES</u>	
Due to Others - Court Bonds	\$ <u>5,218.00</u>

See accompanying notes to basic financial statements.

CITY OF TROY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

1. Summary of Significant Accounting Policies

The City of Troy, Missouri, was incorporated in 1819. The City operates under a Mayor-Board of Alderman form of government. The City's major operations include police, parks and recreation, public works, and general administrative services. In addition, the City owns and operates water, sewer, and sanitation systems.

The City's financial statements are prepared in accordance with the cash basis of accounting. The Governmental Accounting Standards Board (GASB) is responsible for establishing generally accepted accounting principles (GAAP) for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the City are discussed below.

A. Principals Used to Determine Scope of Entity

The City's reporting entity includes the City's governing board and all related organizations for which the City exercises oversight responsibility.

GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, which amended GASB No. 14, provides specific criteria which must be met in order for an organization to be included in the City's financial statements. The City has determined that no outside agency meets the criteria set forth in GASB Statement No. 39 and, therefore, no other agency has been included as a component unit in the City's financial statements. In addition, the City is not aware of any entity which would exercise such oversight which would result in the City being considered a component unit of the entity.

B. Basis of Presentation

Government-wide Financial Statements

The Statement of Net Position – Cash Basis and the Statement of Activities – Cash Basis present financial information about the City's government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The Statement of Activities-Cash Basis presents a comparison between direct expenses and program revenue for each functional program. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients for goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including taxes, are presented as general revenues.

General Government	Licenses, permits and fees
Public Safety	Fine revenue; operating grants
Cemetery	Lot sales
Publics Works-Streets	Vehicle fees and sales tax and gasoline excise tax shared by the State; operating grants

Fund Financial Statements

During the year, the City segregates transactions related to certain functions or activities into separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of the governmental and proprietary fund financial statements is on major funds. Each major fund is presented in a separate column. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets, liabilities, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

Fund Accounting

The City uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds; governmental, proprietary, and fiduciary.

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. The following are the City's governmental funds:

Governmental Funds

General Fund

The General Fund is the primary operating fund of the City and always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

Special Revenue Funds

Street Maintenance Fund – to account for transportation, gasoline, and road tax revenues received by the City and those expenditures for the construction and maintenance of streets.

Cemetery Investment Fund – to account for cemetery revenues and expenditures.

Tourism Fund – to account for revenues received by the City for the purpose of promoting the City as a convention, visitor and tourist center.

Protested Franchise Tax Fund – to account for protested franchise tax revenues received.

Police Explorers Fund – to account for police explorer revenues and expenditures.

Police Forfeiture Fund – to account for funds received from the Equitable Sharing Program of the Department of Justice Asset Forfeiture Program.

Police Canine Unit- to account for donations received to fund a canine unit for the Troy Police Department.

Debt Service Funds

SRS 2012 Debt Service Reserve Fund – to account for an amount from proceeds of the Certificates of Participation (Series 2012) applied in accordance with the provisions of the lease purchase agreement.

SRS 2012 Debt Service – to account for the accumulation of resources and payment of interest and principal of the Certificates of Participation (Series 2012).

SRS 2012A Debt Service – to account for the accumulation of resources and payment of interest and principal of the Certificates of Participation (Series 2012A).

SRS 2012A Debt Reserve – to account for an amount from proceeds of the Certificates of Participation (Series 2012A) applied in accordance with the provisions of the lease purchase agreement.

Capital Project Funds

Sewer Bonds Fund – to account for the costs of extending and improving the sewerage system of the City. Financing was provided by General Obligation Bonds proceeds.

Capital Improvement Fund – to account for the costs associated with capital improvements. Financing provided by sales tax and donations.

Industrial Development Fund – to account for costs of property acquisition for industrial development. Financing provided by Certificates of Participation and operating transfers.

CDBG Fund – to account for revenues and expenditures for a community development block grant.

EDA/CDBG Cherry Blossom Way Project – to account for the revenues and expenditures for the reconstruction of Cherry Blossom Way, funded in part with grant funds from the Missouri Department of Economic Development and the U.S. Department of Commerce's Economic Development Administration, awarded as a result of the expansion of Bodine Aluminum.

Permanent Funds

Park Endowment (Brown) Fund – to account for contributions and investment earnings from private sources restricted to equipment and maintenance of the children's playground at Troy City Park.

Park Endowment (Avery) Fund – to account for contributions and investment earnings from private sources restricted to the purchase and maintenance of a public park.

Proprietary Funds

Proprietary funds are used to account for activities similar to those found in the private sector, where the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The following are the proprietary funds:

Enterprise Funds

Water Fund – to account for all water sales revenues and expenses pertaining thereto including payments for interest and principal of Certificates of Participation.

Sewer Fund – to account for the revenues and expenses of the operation of the sewage system including payments for interest and principal of Certificates of Participation.

Sanitation Fund – to account for the revenues and expenses arising from the charges to patrons of the sanitation system.

Troy Aquatic Center – to account for the revenues and expenses arising from the patrons of the aquatic center.

Proprietary funds distinguish operating revenues and expenses from non-operating 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. Operating expenses for the proprietary funds include the cost of personnel and contractual services, supplies and other operating expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Fiduciary Fund

Agency Fund

Municipal Court - represents monies that are held by the City's municipal court in a fiduciary capacity on behalf of various individuals and entities. This fund is not considered an operating fund of the City.

Major and Non-major Funds

The funds are classified as major or non-major as follows:

Major Funds:

General Fund

Special Revenue Fund:

Street Maintenance

Capital Projects Funds:

Capital Improvement

Proprietary Funds:

Water

Sewer

Sanitation

Non-Major Funds:

Special Revenue Funds:

Cemetery Investment

Tourism

Protested Franchise Tax

Police Explorers

Police Forfeiture Fund

Police Canine Unit

Debt Services Funds:

SRS 2012 Debt Service Reserve

SRS 2012 Debt Service

SRS 2012A Debt Service

SRS 2012A Debt Reserve

Capital Projects Funds:

Sewer Bonds

Industrial Development

CDBG

EDA/CDBG Cherry Blossom Way Project

Permanent Funds:

Park Endowment (Brown)

Park Endowment (Avery)

Proprietary

Troy Aquatic Center

C. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe “how” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

In the government-wide Statement of Net Position-Cash Basis and the Statement of Activities-Cash Basis, both governmental and business-like activities are presented using the “economic resources” measurement focus, within the limitations of the cash basis of accounting, as defined in item b below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus, as applied to the cash basis of accounting, is used as appropriate:

- a. All government funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary funds utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent, financial, or nonfinancial) associated with their activities are reported. Proprietary fund equity is classified as net position.

When both restricted and unrestricted resources are available for use, it is the City’s policy to use restricted resources first, and then unrestricted resources as they are needed.

Basis of Accounting

The government-wide financial statements and the fund financial statements, governmental and business-like activities, are presented using a cash basis of accounting. This basis recognizes assets, liabilities, net position/fund equity, revenues, and expenditures/expenses when they result from cash transactions. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods and services received but not yet paid, and accrued expenses and liabilities) *are not recorded* in these financial statements.

D. Budgets and Budgetary Accounting

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The City Treasurer submits to the Mayor and the Board of Aldermen a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year.
2. Public hearings are conducted to obtain taxpayer comments. Prior to its approval by the Board of Aldermen, the budget document is available for public inspection.
3. The budget was formally adopted on June 27, 2013.
4. Budgets for City funds are prepared and adopted on the cash basis (budget basis), recognizing revenues when collected and expenditures when paid.
5. Budgeted amounts are as originally adopted, or as amended by the Board of Aldermen.

For the year ended June 30, 2014, the City compiled, in all material respects, with applicable budget laws, except as noted below:

1. Excesses of expenditures and transfers over appropriations in individual funds. The following is a summary:

<u>Fund</u>	<u>Appropriations</u>	<u>Expenditures/ Transfers</u>	<u>Expenditures/ Transfers over Appropriations</u>
Police Explorers	\$ 1,830.00	\$ 2,063.64	\$ (233.64)

E. Pooled Cash and Temporary Investments

Cash resources of the individual funds are combined to form a pool of cash and temporary investments which is managed by the City Treasurer. Investments of the pooled accounts consist of money market and certificates of deposit. Interest income earned is allocated to contributing funds based on cash and temporary investment balances.

For the purpose of the Statement of Net Position-Cash Basis, "cash and investments" includes all demand, savings accounts, and certificates of deposits of the City. For the purpose of the proprietary fund Statement of Cash Flows-Cash Basis, "cash" includes all demand, savings accounts, and certificates of deposits.

F. Capital Assets

Capital outlays of the various funds are recorded as expenditures when incurred. These capital outlays represent the cost of land, buildings and improvements, and furniture and equipment. The City does not maintain a record of its capital assets.

G. Restricted Assets

Assets are reported as restricted when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation. The nature of the restrictions are:

Restricted for Capital Projects: The City has restricted \$1,030,686.60 for purposes of capital improvements and community development block grant expenditures.

Restricted for Debt Service: The City has restricted \$134,685.66 for amounts set aside for certificates of participation debt service.

Restricted for Park Endowments: The City has restricted \$351,563.77 for grantor's park donations; of this amount, \$250,000.00 is considered nonexpendable.

Restricted for Roads: The City has restricted \$500,866.09 for the construction and maintenance of streets.

Restricted for Tourism: The City has restricted \$22,718.66 for the purposes of promoting the City as a convention, visitor, and tourist center.

Restricted for Other Purposes: The City has restricted \$22,475.37 for other purposes.

H. Governmental Fund Balances

The difference among assets, deferred outflows, liabilities, and deferred inflows of governmental funds is reported as fund balance and classified as nonspendable, restricted, committed, assigned, and unassigned based on the respective level of constraint. These constraints are defined as follows:

Nonspendable- Amounts that cannot be spent because they either are not in spendable form or are legally or contractually required to be maintained intact.

Restricted- Amounts constrained regarding use from restrictions externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or by restrictions imposed by law through constitutional provisions or enabling legislation.

Committed- Amounts constrained regarding use for specific purposes pursuant to requirements imposed by formal action of the City's highest level of decision-making authority.

Assigned- Amounts constrained by the City's intent to be used for specific purposes but that are neither restricted nor committed.

Unassigned- The residual classification of the General Fund for spendable amounts that have not been restricted, committed, or assigned to specific purposes.

It is the City's policy to first use restricted fund balances prior to the use of unrestricted fund balances when an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available. It is also City policy to use committed fund balances before assigned fund balances and assigned fund balances before unassigned amounts when an expenditure is incurred for purposes for which amounts in those classifications are available to be used.

The city has no formal minimum fund balance policies or any formal stabilization arrangement in place.

I. Net Position

Net position represents the difference between assets and liabilities.

Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Restricted for Capital Projects: The City has restricted \$1,030,686.60 for purposes of capital improvements and community development block grant expenditures.

Restricted for Debt Service: The City has restricted \$134,685.66 for amounts set aside for certificates of participation in debt service.

Restricted for Park Endowments: The City has restricted \$351,563.77 for grantor's park donations.

Restricted for Roads: The City has restricted \$499,395.23 for the construction and maintenance of streets.

Restricted for Tourism: The City has restricted \$22,718.66 for the purposes of promoting the City as a convention, visitor, and tourist center.

Restricted for Other Purposes: The City has restricted \$22,475.37 for other purposes.

J. Interfund Activity

In the process of aggregating the financial information for the government-wide Statement of Net Position- Cash Basis and Statement of Activities- Cash Basis, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

Interfund activity resulting from cash transactions or events, if any, within and among the governmental and proprietary fund categories is reported as follows in the fund financial statements:

- a. *Interfund loans.* Amounts provided with a requirement for repayment are reported as interfund receivables and payables.
- b. *Interfund services.* Sales or purchases of goods and services between funds are reported as revenues and expenditures or expenses.
- c. *Interfund reimbursement.* Repayments from funds responsible for certain expenditures or expenses to the funds that initially paid for them are not reported as reimbursements but as adjustments to expenditures or expenses in the respective funds.
- d. *Interfund transfers.* Flow of assets from one fund to another when repayment is not expected and reported as transfers in and out.

Interfund activity and balances resulting from cash transaction or events, if any, are eliminated or reclassified in the government-wide financial statement as follows:

- a. *Interfund balances.* Amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the "Governmental" and "Business-Type Activities" columns of the Statement of Net Position- Cash Basis, except for the net residual amounts due between governmental and business-type activities, which are reported as Internal Balances.
- b. *Internal activities.* Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities, except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers- Internal Activities. The effects of interfund services between funds, if any, are not eliminated in the Statement of Activities.

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of both governmental and proprietary funds. See Note 5 for details of interfund transactions.

K. Fines and Court Costs

Fines and court costs included in general operating revenue were 7.1% of general operating revenues.

L. Estimates

The preparation of the financial statements in conformity with the cash basis of accounting requires management to make estimates and assumptions that affect the amounts reported in the final statements and accompanying notes. Actual results may differ from those estimates.

M. Adoption of New Accounting Standards

The City adopted GASB Statement 65, *Items Previously Reported as Assets and Liabilities*. The Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

This Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term *deferred* in financial statement presentations.

The City also adopted GASB Statement 66, *Technical Corrections - 2012 - on Amendment of GASB Statements No. 10 and No. 62*. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.

The City adopted GASB Statement 70, *Accounting and Financial Reporting and Nonexchange Financial Guarantees*. This Statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee.

2. Cash and Investments

The City is governed by the deposit and investment limitations of City Policy and state law. The depository banks are to pledge securities in addition to Federal Deposit Insurance Corporation (FDIC) insurance at least equal to the amount on deposit at all times in accordance with sections 110.010 and 110.020 of the Missouri Revised Statutes.

The City may invest the funds in bonds or any instrument permitted by law for the investment of State monies in accordance with section 165.051 of the Missouri Revised Statutes.

The deposits and investments held at June 30, 2014, and reported at cost are as follows:

Type	Maturities	Carrying Value
Deposits:		
Demand deposits		\$ 392,558.88
Money market deposits		6,267,455.42
Certificate of deposits	Various	497,405.05
Total deposits		7,157,419.35
Investments:		
Mutual fund money market		134,685.66
Petty Cash		650.00
Total deposits, investments, and petty cash		\$ 7,292,755.01
Reconciliation to financial statements:		
Current:		
Cash and investments		\$ 5,229,758.86
Cash and investments - restricted		2,062,996.15
Total		\$ 7,292,755.01

Custodial Credit Risk – Deposits – Custodial credit is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. As of June 30, 2014, the City’s bank balances of \$7,189,503.33 were covered by the Federal Deposit Insurance Corporation (FDIC), letter of credit from the financial institution, or were collateralized by the pledging financial institution or its agent in the City’s name.

Investment Rate Risk – The City has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Investment Credit Risk – The City has no formal investment policy that limits its investment choices documented above. At June 30, 2014 the City’s investments were rated as follows:

Description	Financial Institution	Amount	Rating
Federated Government Obligation Fund	1 st Bank of MO/SBKC	\$134,685.66	AAAm

3. Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1 and payable by December 31.

The assessed valuation of the tangible taxable property for the calendar year 2013 for purposes of local taxation was:

<u>Lincoln County</u>	
Real Estate	\$ 117,016,188.00
Personal Property	42,749,540.00
Railroad and Utilities	5,932,257.00
Total	<u>\$ 165,697,985.00</u>

The tax levy per \$100 of the assessed valuation of tangible taxable property for the calendar year 2013 for purposes of local taxation was:

General Revenue	<u>\$ 0.1889</u>
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4. Long-Term Debt

The City's long-term debt arising from cash transactions is segmented between the amounts to be repaid from governmental activities and amounts to be repaid from business-type activities.

Governmental Activities

As of June 30, 2014, the long-term debt outstanding, arising from cash transactions, to be repaid from governmental funds consisted of the following:

Certificates of Participation

\$1,700,000.00 certificates of participation, due in varying annual installments through May 1, 2016; interest at 4.0% (reset annually)	\$ 300,000.00
\$1,494,000.00 certificates of participation, due in varying installments through February 26, 2025; interest at 4.0% (reset annually)	1,137,000.00
\$2,815,000.00 certificates of participation, due in varying annual installments through July 1, 2026; interest at 2.05% - 5.2%	<u>2,490,000.00</u>
Total certificates of participation	<u>\$ 3,927,000.00</u>

Business-Type Activities

As of June 30, 2014, the long-term debt, arising from cash transactions, payable from proprietary fund resources consisted of the following:

Certificates of Participation

\$684,000.00 certificates of participation, due in varying annual installments through May 19, 2019; interest at 1.95% (reset annually)	\$ 279,000.00
\$6,410,000.00 certificates of participation, due in varying installments through December 1, 2024; interest at 2.0% - 3.5% (reset annually)	5,940,000.00
\$2,605,000.00 certificates of participation, due in varying annual installments through July 1, 2025; interest at 0.75% - 3.3%	<u>2,265,000.00</u>
Total certificates of participation	<u>\$ 8,484,000.00</u>

Changes in Long-Term Debt

The following is a summary of changes in long-term debt for the year ended June 30, 2014:

<u>Type of Debt</u>	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2014</u>	<u>Amount due within one year</u>
Governmental Activities:					
Certificates of Participation	\$ 4,324,000.00	\$ -	\$ 397,000.00	\$ 3,927,000.00	\$ 243,500.00
Capital Lease Obligations	12,402.29		12,402.29		
Total	<u>\$ 4,336,402.29</u>	<u>\$ -</u>	<u>\$ 409,402.29</u>	<u>\$ 3,927,000.00</u>	<u>\$ 243,500.00</u>
Business-Type Activities:					
Certificates of Participation	\$ 9,184,000.00	\$ -	\$ 700,000.00	\$ 8,484,000.00	\$ 530,000.00
Total	<u>\$ 9,184,000.00</u>	<u>\$ -</u>	<u>\$ 700,000.00</u>	<u>\$ 8,484,000.00</u>	<u>\$ 530,000.00</u>

Annual Debt Service Requirements

The annual debt service requirements to maturity, including principal and interest, for long-term debt as of June 30, 2014, are as follows:

Year Ended June 30,	Governmental Activities			
	Certificates of Participation		Capital Leases	
	Principal	Interest	Principal	Interest
2015	243,500.00	104,386.25	-	-
2016	415,500.00	148,227.50		
2017	272,000.00	136,307.50		
2018	279,000.00	126,787.50		
2019	286,000.00	116,390.00		
2020-2024	1,572,000.00	395,965.00		
2025-2027	859,000.00	62,808.75		
Total	<u>\$ 3,927,000.00</u>	<u>\$ 1,090,872.50</u>	<u>\$ -</u>	<u>\$ -</u>

Year Ended June 30,	Business -Type Activities		Total Debt Service	
	Certificates of Participation		Requirements to Maturity	
	Principal	Interest	Principal	Interest
2015	530,000.00	189,079.75	773,500.00	293,466.00
2016	730,000.00	204,633.50	1,145,500.00	352,861.00
2017	740,000.00	190,823.50	1,012,000.00	327,131.00
2018	765,000.00	176,054.75	1,044,000.00	302,842.25
2019	774,000.00	159,623.50	1,060,000.00	276,013.50
2020-2024	3,870,000.00	487,808.75	5,442,000.00	883,773.75
2025-2027	1,075,000.00	25,835.00	1,934,000.00	88,643.75
Total	<u>\$ 8,484,000.00</u>	<u>\$ 1,433,858.75</u>	<u>\$ 12,411,000.00</u>	<u>\$ 2,524,731.25</u>

Payments on Governmental Activities - Certificates of Participation are paid from the General Fund (\$1,700,000.00 and \$1,494,000.00 issues) and from Capital Improvements Fund (\$2,815,000.00 issue).

Payments on Business-Type activities- certificate of participation are paid from Water Fund (\$684,000.00 issue) and Sewer Fund (\$6,410,000.00 and \$2,605,000.00 issues).

5. Interfund Transfers

Transfers between funds for the year ended for the year ended June 30, 2013, were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
<u>Major Funds:</u>		
Enterprise Funds:		
Troy Aquatic Center	\$ 102,269.39	\$ -
Sewer	611.58	
Total Enterprise Funds:	<u>102,880.97</u>	<u>-</u>
Capital Projects:		
Capital Improvements	<u>-</u>	<u>176,861.59</u>
<u>Non-major Funds:</u>		
Capital Projects:		
EDA/CDBG Cherry Blossom Way Project	<u>74,592.20</u>	<u>-</u>
Debt Service Fund:		
SRS 2012A Debt Service	103.55	122.99
SRS 2012A Debt Reserve		103.55
SRS 2012 Debt Service	300.23	488.59
SRS 2012 Debt Reserve		300.23
Total Debt Service Funds	<u>403.78</u>	<u>1,015.36</u>
Total	<u>\$ 177,876.95</u>	<u>\$ 177,876.95</u>

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to (b) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

6. Operating Leases

The City is committed under a lease for equipment. The lease for accounting purposes is considered an operating lease. Operating leases do not give rise to property rights or lease obligations. Lease expenditures for the year ended June 30, 2014, amounted to \$ 4,375.20.

<u>Year Ending</u>	<u>Amount</u>
2015	\$ 4,240.20
2016	688.80
	<u>\$ 4,929.00</u>

7. Retirement Plans

Deferred Compensation Plan

The City offers its employees a Deferred Compensation Plan created in accordance with Internal Revenue Code Section 457. The Plan, available to City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to the employees until termination, retirement, death, or unforeseeable emergency. The City does not provide a matching contribution.

Missouri Local Government Employees Retirement System (LAGERS)

A. Plan Description

The City of Troy participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries.

LAGERS was created and is governed by state statute, Section RSMo. 70.600 - 70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and it is tax exempt.

The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, MO 65102 or by calling 1-800-447-4334.

B. Funding Status

The City of Troy's full-time employees do not contribute to the pension plan. The June 30th statutorily required rates are 10.3% (General) and 10.1% (Police) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute.

C. Annual Pension Cost (APC) and Net Pension Obligation (NPO)

The subdivision's annual pension cost and net pension obligation for the current year were as follows:

Annual required contribution	\$ 249,309
Interest on net pension obligation	-
Adjustment to annual required contribution	-
Annual pension cost	<u>249,309</u>
Actual contributions	<u>249,309</u>
Increase (decrease) in NPO	-
NPO, beginning of year	-
NPO, end of year	<u><u>\$ -</u></u>

The annual required contribution (ARC) was determined as part of the February 29, 2012 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions as of February 28, 2014 included: (a) a rate of return on the investment of present and future assets of 7.25% per year, compounded annually, (b) projected salary increases of 3.5% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 6.0% per year depending on age and division, attributable to seniority/merit, (d) pre-retirement mortality based on 75% of the RP-2000 Combined Healthy table set back 0 years for men and 0 years for women and (e) post-retirement mortality based 105% of the 1994 Group Annuity Mortality table set back 0 years for men and 0 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The amortization period as of February 29, 2012 was 26 years for the General division and 26 years for the Police division.

Three-Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2012	\$ 228,073	100.0%	\$ -
2013	241,941	100.0%	-
2014	249,309	100.0%	-

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Funding Progress

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Liability	(b-a) Unfunded Liability (UAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	[(b-a)/c] UAL as a Percentage of Covered Payroll
2/29/2012	\$ 972,143	\$ 2,033,059	\$ 1,060,916	48%	\$ 2,185,091	49%
2/28/2013	1,202,400	2,195,480	993,080	55%	2,289,215	43%
2/28/2014	1,320,427	2,309,385	988,958	57%	2,579,516	38%

Note: The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and the Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2011 annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City.

8. Other Post-Employment Benefits

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City provides health care benefits to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is to be paid in full by the insured on or before the twenty-fifth (25th) day of the month for the following month's coverage. There is no associated cost to the City under this program.

9. Commitments and Contingencies

Commitments

The City contracts for the collection, removal and disposal of solid waste in the City. The contract terminates in June 2016, with payments required monthly, based upon a rate schedule. Payments are approximately \$ 50,500.00 monthly.

The City has contracted with the Troy Area Chamber of Commerce since 2005, to establish and operate a convention and visitors bureau (TCVB) funded by a charge on sleeping rooms paid by transient guests of hotels and motels in the City. This tax is collected monthly and forwarded quarterly for the prior three months' collections. During this fiscal year, the City forwarded \$95,981.60 of such charges to the TCVB. There are covenants concerning annual budgeting, marketing, insurance, accounting and financial reporting which are to be provided to the City on a timely basis.

Also, as of June 30, 2014, the City had commitments for various capital projects.

Contingencies

The City is defendant in various litigation. The aggregate liability, after insurance coverage, is not determinable at this time. No provision has been made in the accompanying statements for settlement costs, if any.

The City receives various federal or state grant/loan programs for specific purposes that are subject to review and audit. These reviews and audits could lead to requests for reimbursement or to withholding of future funding for expenditures disallowed under or other noncompliance with the terms of the grants and funding. The City is not aware of any noncompliance with federal or state provisions that might require the City to provide reimbursement.

10. Liability Insurance

The City is a member of the Missouri Public Entity Risk Management Fund (MOPERM), a protected self-insurance program of political subdivisions. The City does not pay premiums to purchase insurance policies, but pays an assessment to be a member of self-sustaining risk sharing group. Part of the assessment is used to purchase excess insurance for the group as a whole. The pooling agreement requires the pool to be self-sustaining. The City believes it is not possible to estimate the range or contingent losses to be borne by the City. Settled claims have not exceeded coverage in any of the last three years. There were no significant reductions in insurance coverage from the prior year.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF TROY, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
CASH BASIS - WITH COMPARISON TO BUDGET
GENERAL FUND
YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES:				
Taxes				
Real Property	\$ 200,000.00	\$ 200,000.00	\$ 203,177.94	\$ 3,177.94
Personal Property Tax	75,000.00	75,000.00	79,193.39	4,193.39
Financial Institution Tax	800.00	800.00	703.41	(96.59)
Railroad and Utilities Tax	16,000.00	16,000.00	10,877.72	(5,122.28)
Surtax	35,000.00	35,000.00	35,402.34	402.34
Sales Tax	2,200,000.00	2,200,000.00	2,211,167.84	11,167.84
Cigarette Tax	52,000.00	52,000.00	57,351.52	5,351.52
Franchise Tax	530,000.00	530,000.00	651,667.18	121,667.18
Penalties and Interest on Taxes	3,500.00	3,500.00	3,014.70	(485.30)
	<u>3,112,300.00</u>	<u>3,112,300.00</u>	<u>3,252,556.04</u>	<u>140,256.04</u>
Intergovernmental				
Federal Grants	10,650.00	10,650.00	42,024.58	31,374.58
Licenses, Permits, and Fees				
Merchants and Liquor Licenses	20,500.00	20,500.00	19,508.33	(991.67)
Building Permits	20,223.00	20,223.00	27,405.62	7,182.62
Dog Licenses	200.00	200.00	152.00	(48.00)
Occupational Licenses	1,500.00	1,500.00	1,500.00	
Planning Fees	650.00	650.00	2,550.00	1,900.00
Reproduced Publication Fees	500.00	500.00	555.32	55.32
Copying			25.00	25.00
Other	1,300.00	1,300.00	2,400.00	1,100.00
	<u>44,873.00</u>	<u>44,873.00</u>	<u>54,096.27</u>	<u>9,223.27</u>
Interest	3,000.00	3,000.00	5,927.37	2,927.37
Fines and Forfeitures				
Fines	200,000.00	200,000.00	210,230.51	10,230.51
Court Costs	20,000.00	20,000.00	21,822.51	1,822.51
Police Fines and Charges	2,200.00	2,200.00	2,316.56	116.56
Training	3,200.00	3,200.00	3,648.00	448.00
DWI	2,000.00	2,000.00	3,522.33	1,522.33
CVCF Receipts	650.00	650.00	677.15	27.15
POST Reimbursement	1,500.00	1,500.00	1,919.58	419.58
Jail Reimbursement	8,000.00	8,000.00	8,614.36	614.36
Restitution			1,538.99	1,538.99
Bond Forfeiture	5,000.00	5,000.00	7,541.50	2,541.50
Other	1,000.00	1,000.00	1,024.00	24.00
	<u>243,550.00</u>	<u>243,550.00</u>	<u>262,855.49</u>	<u>19,305.49</u>

CITY OF TROY, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
CASH BASIS - WITH COMPARISON TO BUDGET
GENERAL FUND
YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES (Continued):				
Miscellaneous				
Sale of Assets	\$ 5,000.00	\$ 5,000.00	\$ 9,664.40	\$ 4,664.40
Donations			1,500.00	1,500.00
Park Rental Fees	19,700.00	19,700.00	21,031.96	1,331.96
Cell Site Release	26,516.00	26,516.00	25,020.32	(1,495.68)
Refunds			310.00	310.00
Other			1,531.59	1,531.59
	<u>51,216.00</u>	<u>51,216.00</u>	<u>59,058.27</u>	<u>7,842.27</u>
 Total Revenues	 <u>3,465,589.00</u>	 <u>3,465,589.00</u>	 <u>3,676,518.02</u>	 <u>210,929.02</u>
 EXPENDITURES:				
General Government:				
Judicial				
Salaries and Wages	63,195.00	61,995.00	58,597.25	3,397.75
Employee Benefits	28,133.00	28,133.00	26,750.33	1,382.67
Purchased Services	65,700.00	65,700.00	63,094.76	2,605.24
Other Purchased Services	31,925.00	32,075.00	22,591.23	9,483.77
Supplies	4,070.00	4,070.00	2,712.79	1,357.21
Property Services	444.00	494.00	470.29	23.71
Property	2,000.00	3,000.00	1,774.62	1,225.38
Other	100.00	100.00		100.00
	<u>195,567.00</u>	<u>195,567.00</u>	<u>175,991.27</u>	<u>19,575.73</u>
 Executive				
Salaries and Wages	26,400.00	26,400.00	26,400.00	-
Employee Benefits	2,120.00	2,120.00	2,080.60	39.40
Purchased Services	200.00	200.00	185.50	14.50
Other Purchased Services	1,950.00	1,950.00	790.13	1,159.87
Property Services	350.00	350.00	160.00	190.00
Supplies	150.00	150.00	25.95	124.05
Food	200.00	200.00	200.00	
Property	700.00	700.00	373.41	326.59
	<u>32,070.00</u>	<u>32,070.00</u>	<u>30,215.59</u>	<u>1,854.41</u>
 Administration				
Salaries and Wages	143,002.00	146,001.00	139,907.53	6,093.47
Employee Benefits	66,753.00	66,754.00	63,746.29	3,007.71
Purchased Services	86,575.00	83,370.00	76,200.80	7,169.20
Property Services	5,700.00	5,800.00	5,231.32	568.68
Other Purchased Services	29,350.00	28,650.00	20,439.33	8,210.67
Supplies	5,800.00	5,800.00	4,283.67	1,516.33
Property	2,000.00	2,000.00	304.99	1,695.01
Education Reimbursement	1,150.00	1,150.00	1,146.00	4.00
Capital Outlay Software	3,513.00	3,513.00	2,954.61	558.39
Other	350.00	455.00	269.20	185.80
	<u>344,193.00</u>	<u>343,493.00</u>	<u>314,483.74</u>	<u>29,009.26</u>

CITY OF TROY, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
CASH BASIS - WITH COMPARISON TO BUDGET
GENERAL FUND
YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
EXPENDITURES (CONTINUED):				
General Government (Continued):				
Building and Plant				
Property Services	\$ 10,100.00	\$ 6,100.00	\$ 5,422.91	\$ 677.09
Purchased Services	6,000.00	6,000.00	4,257.18	1,742.82
Other Purchased Services	4,200.00	4,400.00	4,153.17	246.83
Property	2,450.00	2,450.00	1,579.66	870.34
Supplies	32,625.00	36,425.00	33,676.20	2,748.80
	<u>55,375.00</u>	<u>55,375.00</u>	<u>49,089.12</u>	<u>6,285.88</u>
Administration Building Maintenance				
Property Services	18,500.00	19,000.00	17,725.43	1,274.57
Other Purchased Services	13,450.00	13,925.00	13,566.20	358.80
Supplies	31,500.00	30,500.00	24,321.21	6,178.79
Fees		25.00	25.00	
	<u>63,450.00</u>	<u>63,450.00</u>	<u>55,637.84</u>	<u>7,812.16</u>
Safety Fund				
Supplies	850.00	850.00	284.32	565.68
Other Purchased Services	12,100.00	11,600.00	10,972.08	627.92
Property Services	5,000.00	7,100.00	3,251.00	3,849.00
	<u>17,950.00</u>	<u>19,550.00</u>	<u>14,507.40</u>	<u>5,042.60</u>
Other				
Other Purchased Services	15,000.00	15,000.00	15,000.00	-
Bond Principal	232,000.00	232,000.00	232,000.00	
Bond Interest	57,740.00	57,740.00	57,740.00	
	<u>304,740.00</u>	<u>304,740.00</u>	<u>304,740.00</u>	<u>-</u>
Total General Government	<u>1,013,345.00</u>	<u>1,014,245.00</u>	<u>944,664.96</u>	<u>69,580.04</u>
Public Safety:				
Police				
Salaries and Wages	1,257,200.00	1,263,955.00	1,225,293.83	38,661.17
Employee Benefits	502,669.00	500,869.00	471,443.96	29,425.04
Purchased Services	25,700.00	26,450.00	18,975.66	7,474.34
Property Services	31,600.00	47,900.00	42,190.01	5,709.99
Other Purchased Services	194,128.00	193,828.00	185,743.98	8,084.02
Supplies	126,000.00	122,800.00	102,433.95	20,366.05
Property	23,070.00	25,070.00	21,679.42	3,390.58
Other	1,475.00	1,475.00	1,008.50	466.50
	<u>2,161,842.00</u>	<u>2,182,347.00</u>	<u>2,068,769.31</u>	<u>113,577.69</u>

CITY OF TROY, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
CASH BASIS - WITH COMPARISON TO BUDGET
GENERAL FUND
YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
EXPENDITURES (CONTINUED):				
Public Safety (Continued):				
Inspections				
Salaries and Wages	\$ 43,335.00	\$ 45,715.00	\$ 43,673.04	\$ 2,041.96
Employee Benefits	21,401.00	21,481.00	20,956.21	524.79
Purchased Services	12,500.00	12,500.00	9,057.62	3,442.38
Property Services	4,400.00	3,200.00	861.17	2,338.83
Other Purchased Services	25,000.00	21,550.00	16,556.64	4,993.36
Supplies	10,500.00	10,520.00	6,574.03	3,945.97
Property	3,000.00	3,000.00	348.93	2,651.07
Other	4,033.00	4,013.00	2,742.00	1,271.00
	<u>124,169.00</u>	<u>121,979.00</u>	<u>100,769.64</u>	<u>21,209.36</u>
Stormwater Management				
Engineering	-	2,500.00	2,013.09	486.91
Property Services		4,000.00		4,000.00
Other Purchased Services	5,000.00			
Supplies	<u>3,000.00</u>	<u>1,500.00</u>		<u>1,500.00</u>
	<u>8,000.00</u>	<u>8,000.00</u>	<u>2,013.09</u>	<u>5,986.91</u>
Animal Control				
Salaries and Wages	8,615.00	6,465.00	6,136.11	328.89
Employee Benefits	3,466.00	5,266.00	4,653.64	612.36
Purchased Services	700.00	700.00		700.00
Other Purchased Services	1,800.00	1,800.00	1,383.76	416.24
Property Services	2,810.00	2,810.00	482.26	2,327.74
Supplies	<u>2,150.00</u>	<u>2,500.00</u>	<u>1,325.99</u>	<u>1,174.01</u>
	<u>19,541.00</u>	<u>19,541.00</u>	<u>13,981.76</u>	<u>5,559.24</u>
Total Public Safety	<u>2,313,552.00</u>	<u>2,331,867.00</u>	<u>2,185,533.80</u>	<u>146,333.20</u>
Culture - Recreation:				
Parks				
Salaries and Wages	89,908.00	89,073.00	88,299.99	773.01
Employee Benefits	23,757.00	23,267.00	23,142.17	124.83
Purchased Services	1,575.00	2,175.00	2,090.13	84.87
Property Services	21,400.00	27,850.00	27,533.21	316.79
Other Purchased Services	9,300.00	8,300.00	7,769.55	530.45
Supplies	26,300.00	26,525.00	26,039.35	485.65
Property	500.00	100.00		100.00
Other	<u>500.00</u>	<u>250.00</u>	<u>235.00</u>	<u>15.00</u>
Total Culture - Recreation	<u>173,240.00</u>	<u>177,540.00</u>	<u>175,109.40</u>	<u>2,430.60</u>
Total Expenditures	<u>3,500,137.00</u>	<u>3,523,652.00</u>	<u>3,305,308.16</u>	<u>218,343.84</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(34,548.00)	(58,063.00)	371,209.86	429,272.86
FUND BALANCE, JULY 1, 2013	<u>1,706,201.55</u>	<u>1,706,201.55</u>	<u>1,706,201.55</u>	
FUND BALANCE, JUNE 30, 2014	<u>\$ 1,671,653.55</u>	<u>\$ 1,648,138.55</u>	<u>\$ 2,077,411.41</u>	<u>\$ 429,272.86</u>

CITY OF TROY, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
CASH BASIS - WITH COMPARISON TO BUDGET
STREET MAINTENANCE FUND
YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Taxes				
Transportation	\$ 1,050,000.00	\$ 1,050,000.00	\$ 1,065,148.80	\$ 15,148.80
Intergovernmental				
Gasoline	370,000.00	370,000.00	387,276.56	17,276.56
Federal Grants	370,000.00	370,000.00	412,399.19	42,399.19
Interest	2,000.00	2,000.00	1,563.55	(436.45)
Sale of Assets	-	-	8,330.56	8,330.56
Miscellaneous	15,013.00	15,013.00	7,512.28	(7,500.72)
Total Revenues	<u>1,437,013.00</u>	<u>1,437,013.00</u>	<u>1,494,954.38</u>	<u>57,941.38</u>
EXPENDITURES:				
Public Works - Streets				
Salaries and Wages	522,385.00	510,665.00	480,531.57	30,133.43
Employee Benefits	225,003.00	224,603.00	209,163.93	15,439.07
Purchased Services	60,759.00	61,159.00	29,913.76	31,245.24
Property Services	620,258.00	624,008.00	465,504.52	158,503.48
Other Purchased Services	51,600.00	53,650.00	28,506.26	25,143.74
Supplies	500,250.00	506,700.00	371,530.83	135,169.17
Property	6,500.00	6,500.00	4,049.66	2,450.34
Other	166,387.00	166,387.00	123,185.60	43,201.40
Total Expenditures	<u>2,153,142.00</u>	<u>2,153,672.00</u>	<u>1,712,386.13</u>	<u>441,285.87</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(716,129.00)	(716,659.00)	(217,431.75)	499,227.25
FUND BALANCE, JULY 1, 2013	<u>716,826.98</u>	<u>716,826.98</u>	<u>716,826.98</u>	-
FUND BALANCE, JUNE 30, 2014	<u>\$ 697.98</u>	<u>\$ 167.98</u>	<u>\$ 499,395.23</u>	<u>\$ 499,227.25</u>

CITY OF TROY, MISSOURI
 NOTES TO BUDGETARY COMPARISON SCHEDULE
 JUNE 30, 2014

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The City Treasurer submits to the Mayor and the Board of Aldermen a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year.
2. Public hearings are conducted to obtain taxpayer comments. Prior to its approval by the Board of Aldermen, the budget document is available for public inspection.
3. The budget was formally adopted on June 27, 2013.
4. Budgets for City funds are prepared and adopted on the cash basis (budget basis), recognizing revenues when collected and expenditures when paid.
5. Budgeted amounts are as originally adopted, or as amended by the Board of Aldermen.

For the year ended June 30, 2014, the City compiled, in all material respects, with applicable budget laws, except as noted below:

1. Excesses of expenditures and transfers over appropriations in individual funds. The following is a summary:

Fund	Appropriations	Expenditures/ Transfers	Expenditures/ Transfers over Appropriations
Police Explorers	\$ 1,830.00	\$ 2,063.64	\$ (233.64)

OTHER SUPPLEMENTARY INFORMATION

CITY OF TROY, MISSOURI
 COMBINING STATEMENTS OF ASSETS, LIABILITIES AND FUND BALANCES
 ARISING FROM CASH TRANSACTIONS - NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2014

	Special Revenue Funds						Capital Projects Funds			
	Cemetery Investment	Tourism	Protested Tax	Police Explorers	Police Forfeiture	Police Canine Unit	Industrial Development	Sewer Bonds	CDBG	EDA/CDBG Cherry Blossom Way Project
ASSETS										
Cash and Investments	\$ 192,709.56	\$ -	\$ -	\$ 506.67	\$ -	\$ 2,000.00	\$ 4,619.44	\$ 6,137.40	\$ -	\$ -
Restricted Assets:										
Cash and Investments		22,718.66	21,146.15		1,329.22				662.97	
Total Assets	\$ 192,709.56	\$ 22,718.66	\$ 21,146.15	\$ 506.67	\$ 1,329.22	\$ -	\$ 4,619.44	\$ 6,137.40	\$ 662.97	\$ -
LIABILITIES AND FUND EQUITY										
Liabilities:										
Payroll Liabilities	\$ 3.12	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balances										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted for:										
Capital Projects									662.97	
Debt Service										
Parks										
Tourism		22,718.66	21,146.15		1,329.22					
Other purposes										
Assigned for:										
Capital Projects							4,619.44	6,137.40		
Cemetery	192,706.44					2,000.00				
Other purposes										
Total Fund Balance	\$ 192,706.44	\$ 22,718.66	\$ 21,146.15	\$ 506.67	\$ 1,329.22	\$ 2,000.00	\$ 4,619.44	\$ 6,137.40	\$ 662.97	\$ -
Total Liabilities and Fund Equity	\$ 192,709.56	\$ 22,718.66	\$ 21,146.15	\$ 506.67	\$ 1,329.22	\$ 2,000.00	\$ 4,619.44	\$ 6,137.40	\$ 662.97	\$ -

SCHEDULE 1
(CONTINUED)

	Debt Service Funds				Permanent Fund		Total Non-Major Governmental Funds
	SRS 2012		SRS 2012A		Park Endowment Brown	Park Endowment Avery	
	Debt Reserve	Debt Service	Debt Reserve	Debt Service			
Cash and Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 205,973.07
Restricted Assets:							
Cash and Investments	100,000.00	150.06	34.04	34,501.56	86,379.64	265,184.13	532,106.43
Total Assets	\$ 100,000.00	\$ 150.06	\$ 34.04	\$ 34,501.56	\$ 86,379.64	\$ 265,184.13	\$ 738,079.50
LIABILITIES AND FUNDEQUITY							
Liabilities:							
Payroll Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3.12
Fund Balances							
Nonspendable	-	-	-	-	-	250,000.00	250,000.00
Restricted for:							
Capital Projects							662.97
Debt Service	100,000.00	150.06	34.04	34,501.56	86,379.64	15,184.13	134,685.66
Parks							101,563.77
Tourism							22,718.66
Other purposes							22,475.37
Assigned for:							
Capital Projects							10,756.84
Cemetery							192,706.44
Other purposes							2,506.67
Total Fund Balance	100,000.00	150.06	34.04	34,501.56	86,379.64	265,184.13	738,076.38
Total Liabilities and Fund Equity	\$ 100,000.00	\$ 150.06	\$ 34.04	\$ 34,501.56	\$ 86,379.64	\$ 265,184.13	\$ 738,079.50

CITY OF TROY, MISSOURI
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - CASH BASIS -
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2014

	Special Revenue Funds							Capital Projects Funds			
	Cemetery Investment	Tourism	Protested Tax	Police Explorers	Police Forfeiture	Police Canine Unit	Industrial Development	Sewer Bonds	CDBG	EDA/CDBG Cherry Blossom Way Project	
REVENUES:											
Taxes	\$ -	\$ 94,956.27	\$ 11,334.92	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Charges for Services	10,795.00		51.04		9.14		15.23	20.43			
Interest	657.71	49.76		1,194.66	5,905.14	3,000.00					
Miscellaneous	50.00										
Total Revenues	11,502.71	95,006.03	11,385.96	1,194.66	5,914.28	3,000.00	15.23	20.43	-	-	
EXPENDITURES:											
Current:											
Cemetery	24,681.59										
Economic Development		95,981.60								74,592.20	
Public Safety				2,063.64	5,780.81	1,000.00					
Total Expenditures	24,681.59	95,981.60	-	2,063.64	5,780.81	1,000.00	-	-	-	74,592.20	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(13,178.88)	(975.57)	11,385.96	(868.98)	133.47	2,000.00	15.23	20.43	-	(74,592.20)	
OTHER FINANCING SOURCES (USES):											
Operating Transfers-In											
Operating Transfers-Out											
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-	74,592.20	
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(13,178.88)	(975.57)	11,385.96	(868.98)	133.47	2,000.00	15.23	20.43	-	-	
FUND BALANCE, JULY 1, 2013	205,885.32	23,694.23	9,760.19	1,375.65	1,195.75	-	4,604.21	6,116.97	662.97	-	
FUND BALANCE, JUNE 30, 2014	\$ 192,706.44	\$ 22,718.66	\$ 21,146.15	\$ 506.67	\$ 1,329.22	\$ 2,000.00	\$ 4,619.44	\$ 6,137.40	\$ 662.97	-	

SCHEDULE 2
(CONTINUED)

	Debt Service Funds				Permanent Funds		Total Non-Major Governmental Funds
	SRS 2012 Debt Reserve	SRS 2012 Debt Service	SRS 2012A Debt Service	SRS 2012A Debt Reserve	Park Endowment Brown	Park Endowment Avery	
REVENUES:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 106,291.19
Charges for Services	300.23	3.00	0.89	103.55	286.43	5,481.82	10,795.00
Interest							6,979.23
Miscellaneous							10,149.80
Total Revenues	300.23	3.00	0.89	103.55	286.43	5,481.82	134,215.22
EXPENDITURES:							
Current:							
Cemetery	-	-	-	-	-	-	24,681.59
Economic Development							170,573.80
Public Safety							8,844.45
Total Expenditures	-	-	-	-	-	-	204,099.84
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	300.23	3.00	0.89	103.55	286.43	5,481.82	(69,884.62)
OTHER FINANCING SOURCES (USES):							
Operating Transfers-In	-	300.23	103.55	-	-	-	74,995.98
Operating Transfers-Out	(300.23)	(488.59)	(122.99)	(103.55)	-	-	(1,015.36)
Total Other Financing Sources (Uses)	(300.23)	(188.36)	(19.44)	(103.55)	-	-	73,980.62
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	-	(185.36)	(18.55)	-	286.43	5,481.82	4,096.00
FUND BALANCE, JULY 1, 2013	100,000.00	335.42	52.59	34,501.56	86,093.21	259,702.31	733,980.38
FUND BALANCE, JUNE 30, 2014	\$ 100,000.00	\$ 150.06	\$ 34.04	\$ 34,501.56	\$ 86,379.64	\$ 265,184.13	\$ 738,076.38

CITY OF TROY, MISSOURI
 COMBINING STATEMENT OF NET POSITION - CASH BASIS
 ARISING FROM CASH TRANSACTIONS- PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2014

	Troy Aquatic Center	Total Non Major Funds
<u>ASSETS</u>		
Cash and Investments	\$ <u>350.00</u>	\$ <u>350.00</u>
Total Assets	\$ <u><u>350.00</u></u>	\$ <u><u>350.00</u></u>
 <u>LIABILITIES</u>		
Liabilities:		
None	\$ <u>-</u>	\$ <u>-</u>
 <u>NET POSITION</u>		
Unrestricted	<u>350.00</u>	<u>350.00</u>
Total Net Position	\$ <u><u>350.00</u></u>	\$ <u><u>350.00</u></u>

CITY OF TROY, MISSOURI
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
 NET POSITION - CASH BASIS
 PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2014

	<u>Troy Aquatic Center</u>	<u>Total Non Major Funds</u>	
OPERATING REVENUES:			
Charges for Service	\$ 91,257.62	\$ 91,257.62	
OPERATING EXPENSES:			
Purchased Services	134.69	134.69	
Property Services	2,041.74	2,041.74	
Other Purchased Services	164,875.26	164,875.26	
Supplies	25,494.01	25,494.01	
Other	981.31	981.31	
Total Operating Expenses	<u>193,527.01</u>	<u>193,527.01</u>	
NET INCOME (LOSS) BEFORE TRANSFERS	(102,269.39)	(102,269.39)	
OPERATING TRANSFERS	<u>102,269.39</u>	<u>102,269.39</u>	
NET INCOME (LOSS) AFTER TRANSFERS	-	-	
TOTAL NET POSITION, JULY 1, 2013	<u>350.00</u>	<u>350.00</u>	
TOTAL NET POSITION, JUNE 30, 2014	<u>\$ 350.00</u>	<u>\$ 350.00</u>	

CITY OF TROY, MISSOURI
 COMBINING STATEMENT OF CASH FLOWS - CASH BASIS
 PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2014

	Troy Aquatic Center	Total Non Major Funds
Cash Flows from Operating Activities:		
Cash Received from Customers	\$ 91,257.62	\$ 91,257.62
Cash Payments to Suppliers for Goods and Services	(193,527.01)	(193,527.01)
Net Cash Provided (Used) by Operating Activities	(102,269.39)	(102,269.39)
Cash Flows from Noncapital Financing Activities:		
Operating Transfers	102,269.39	102,269.39
Cash Flows from Capital and Related Financing Activities:		
None	-	-
Cash Flows from Investing Activities:		
None	-	-
Cash, Beginning of Year	350.00	350.00
Cash, End of Year	\$ 350.00	\$ 350.00

Reconciliation of Operating Income(Loss) to Net Cash Provided (Used) by Operating Activities

Operating Income(Loss)	\$ (102,269.39)	\$ (102,269.39)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities		
Changes in assets and liabilities:		
None	-	-
Net Cash Provided (Used) by Operating Activities	\$ (102,269.39)	\$ (102,269.39)