

CITY OF TROY, MISSOURI
AUDIT OF FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

CITY OF TROY, MISSOURI

MODIFIED CASH BASIS FINANCIAL STATEMENTS

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INDEPENDENT AUDITOR'S REPORT

Board of Aldermen
City of Troy, Missouri

We have audited the accompanying modified 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 ("City"), as of and for the year ended June 30, 2019, 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 modified cash basis of accounting described in Note 1; this includes determining that the modified 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 modified cash basis financial position 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, 2019, and the respective changes in modified cash basis financial position and where applicable, cash flows, thereof for the year then ended in accordance with the modified cash 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 modified 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

Other Information

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

The budgetary comparison information on pages 42 through 47 and combining nonmajor fund financial statements on pages 48 through 54 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 the auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison information and the combining nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole on the modified cash basis of accounting described in Note 1.

The management's discussion and analysis on pages 3 through 11 is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Cragin + Cragin P.C.

Certified Public Accountants

Kirkwood, Missouri
December 11, 2019

UNAUDITED

**The City of Troy, Missouri
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019**

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, 2019. 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, 2019 include the following:

- In November of 2015 the City made application to the Missouri Department of Natural Resources for a State Revolving Fund (SRF) loan. The purpose of this loan is for upgrades to the City's wastewater treatment system. The City contracted with Woodard and Curran, an engineering firm, for assessment of its current conditions and recommendations for solutions. Based on their findings, the City went to the voters to approve the issuance of \$18,887,000.00 in revenue bonds for upgrading its sewer system. The bond issue was placed on the April 2016 ballot and passed 639-202. On June 6, 2016, the Board approved a work order with Woodard and Curran that encompassed four phases: an anti-degradation report, interceptor line assistance, environmental review and ultimately the design of the upgrades and interceptor line to divert all flow to the Southeast Plant and close the Highway 47 plant. Design was completed with the cost for FY2019 being \$132,270.00. In September of 2018 the work order was amended to include bid services, construction administration, EPA quarterly updates, SCADA integration and startup assistance. The fee for this phase of the project is \$1,903,000.00.
- The project to upgrade the storage capacity to the Whitetail Lift Station was awarded to Cannon General Contractors in December of 2017 in the amount of \$346,885.00. A change order was presented at the June 2018 board meeting and was not approved. In July of 2018 the Board voted to release Cannon from their contract and paid \$236,481.75 for the progress made to date as well as materials for the project. The Board then voted to rebid the project. In August of 2018 the project was awarded to Karrenbrock Excavating LLC in the amount of \$230,355.00. By fiscal year-end progress payments to Karrenbrock totaled \$181,921.50. The City has paid all approved amounts due, however there remains an unapproved change order which has not been paid, as the work was conducted without Board authorization and approval.

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- The City contracted with M & H Concrete for concrete slab replacement on Castlewood Drive, Bishop Drive, and Enterprise Way at a total expenditure of \$279,882.88.
- Mid-River Asphalt performed the asphalt overlay of Boone Street at a cost of \$135,012.80.
- Flynn Drilling performed repairs at Wells 8, 9, 10 & 11 at a total cost of \$111,030.00.
- Duct cleaning and mold remediation was performed at City Hall at a cost of \$84,032.50. As a result, the kitchen at City Hall needed to be gutted and remodeled. At year-end \$13,111.14 had been expended for the remodel. The HVAC system that serves the second floor of City Hall was replaced at a cost of \$17,779.00.
- The bridge at Main Street and Annie Avenue was replaced using “Cor-Slabs” which are concrete slabs that create the support structure for the bridge. These slabs were purchased from Vierbrock Sales and Service at a cost of \$48,550.00, delivered and set. The Public Works Department completed the project at a total cost of \$68,795.73.
- An Accubatch Brine Maker was purchased for the making of the salt brine used for ice control at a cost of \$36,912.26.
- Missouri Petroleum performed the aggregate seal coating of Cap Au Gris Street and Front Street at a cost of \$24,243.49.
- The SCADA system at the City’s water treatment plant was upgraded with new computers, new HMI software, and new alarm dialer software at a cost of \$20,000.00.
- Many projects pertaining to sewer collection and treatment were performed: lining of the Meadowbrook Sewer Main, \$22,583.40, pipe and pump replacement at the Hwy 47 Wastewater Treatment Facility, \$18,875.00, the lining of manholes, \$14,446.00, the lining of the Friendship Court sewer main, \$13,931.00, the repair of the influent lift station pump at the Southeast Wastewater Treatment Facility, \$10,915.37, the filming and cleaning of sewer lines, \$10,613.78.
- Projects to enhance public safety were completed. The warning siren at Third St. and Travis was upgraded with new equipment that allows for remote monitoring and testing. The cost of this upgrade was \$9,500.46. A new repeater, which increases the signal strength of police radios, was also purchased at a cost of \$9,271.00.
- Several vehicles were added to the City’s fleet in FY2019. Two 2019 Dodge Charger Police Cruisers were purchased on a 4-year lease at an annual cost of \$14,582.62. A 2018 Dodge Ram Truck for Public Works was purchased at a cost of \$27,850.00. A pre-owned 2012 Ford F450 was purchased for use by the Public Works mechanics at a cost of \$22,000.00.
- Tyler Output Processor (TOP) software was purchased at a cost of \$6,012.50. This software enhances automation by allowing for the emailing of utility bills, accounts payable remittance advice, and paycheck stubs.
- The Building Department purchased a new HP DesignJet Printer at a cost of \$9,699.00.

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- Other items purchased are as follows: A hydraulic breaker, \$7,281.20, an AP Mixer for wastewater treatment, \$6,320.00, a small storage shed for the cemetery, \$6,608.97, a 72" sweeper attachment, \$3,271.80, a Millermatic Welder, \$3,054.00, and an OTC Scan Tool, \$3,042.02.

The City's net position (cash basis) at the end of 2019 was \$12,251,923.92.

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 (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

	<u>Governmental</u>	<u>Business-Type</u>	<u>Total</u>	<u>Total</u>
	<u>Activities</u>	<u>Activities</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
<u>ASSETS</u>				
Cash and Investments	\$ 4,688,320.81	\$ 3,323,199.62	\$ 8,011,520.43	\$ 6,711,472.30
Restricted Assets:				
Cash and Investments	4,248,910.52		4,248,910.52	3,275,426.53
Total Assets	<u>8,937,231.33</u>	<u>3,323,199.62</u>	<u>12,260,430.95</u>	<u>9,986,898.83</u>
<u>LIABILITIES</u>				
Payroll Withholdings	<u>6,600.95</u>	<u>1,906.08</u>	<u>8,507.03</u>	<u>9,772.11</u>
<u>NET POSITION</u>				
Restricted	4,470,672.07		4,470,672.07	3,520,353.28
Unrestricted	<u>4,459,958.31</u>	<u>3,321,293.54</u>	<u>7,781,251.85</u>	<u>6,456,773.44</u>
 Total Net Position	 <u>\$ 8,930,630.38</u>	 <u>\$ 3,321,293.54</u>	 <u>\$ 12,251,923.92</u>	 <u>\$ 9,977,126.72</u>

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Government-wide Financial Analysis

Revenue and Expenditure Comparison for Years
Ending June 30, 2019 and 2018

	<u>2019</u>	<u>%</u>	<u>2018</u>	<u>%</u>
Revenue - All Funds:				
Taxes	\$ 6,968,234.56	50.84%	\$ 6,637,243.94	43.23%
Licenses and Permits	179,352.80	1.31%	121,666.97	0.79%
Charges for Services	5,648,481.96	41.21%	5,213,246.85	33.96%
Fines and Forfeitures	182,857.03	1.33%	161,732.76	1.05%
Sale of Assets	18,759.00	0.14%	33,480.00	0.22%
Intergovernmental	438,703.08	3.20%	853,751.12	5.56%
Interest	175,836.59	1.28%	68,812.31	0.45%
Miscellaneous	94,427.36	0.69%	153,644.66	1.00%
Refunding Certificate Proceedes		0.00%	2,108,300.00	13.73%
Total Revenues	<u>\$ 13,706,652.38</u>	<u>100.00%</u>	<u>\$ 15,351,878.61</u>	<u>100.00%</u>
Expenditures -- All Fund:				
General Government	\$ 916,301.56	8.02%	\$ 821,298.93	5.57%
Public Safety	2,651,462.68	23.19%	2,588,049.23	17.56%
Culture and Recreation	265,636.08	2.32%	351,936.89	2.39%
Cemetery	26,954.37	0.24%	45,761.42	0.31%
Public Works - Streets	1,811,336.75	15.84%	1,798,522.76	12.20%
Economic Development	90,181.30	0.79%	594,991.22	4.04%
Operating Expenses - Utilities	4,216,958.86	36.89%	4,965,063.24	33.69%
Debt Service - Principal/Interest	1,453,023.58	12.71%	1,532,670.23	10.40%
Payment to Escrow Agent		0.00%	2,040,695.09	13.85%
Total Expenditures	<u>\$ 11,431,855.18</u>	<u>100.00%</u>	<u>\$ 14,738,989.01</u>	<u>100.00%</u>

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Governmental Funds Financial Analysis

	<u>2019</u>	<u>2018</u>
Program Revenues Collected:		
Charges for Services	\$ 370,664.83	\$ 306,659.73
Operating Grants and Contributions	438,703.08	853,751.12
General Revenues Collected:		
Property Taxes	351,220.58	320,283.27
Franchise and Public Service Taxes	2,412,898.92	2,289,013.53
Sales Tax	4,204,115.06	4,027,947.14
Investment Income	132,274.01	51,347.63
Sale of Assets	10,643.00	29,680.00
Miscellaneous	94,427.36	153,644.66
Refunding Certificate Proceedes		<u>2,108,300.00</u>
Total Revenues Collected	<u>8,014,946.84</u>	<u>10,140,627.08</u>
Expenses Paid:		
General Government	890,722.59	821,298.93
Public Safety	2,670,432.68	2,588,049.23
Public Works - Streets	1,811,336.75	1,798,522.76
Culture and Recreation	265,636.08	351,936.89
Cemetery	33,563.34	45,761.42
Economic Development	90,181.30	594,991.22
Debt Service		
Principal	369,345.37	386,654.62
Interest and Fees	85,072.25	145,000.15
Payment to Escrow Fund		<u>2,040,695.09</u>
Total Expenses Paid	<u>6,216,290.36</u>	<u>8,772,910.31</u>
Transfers between funds	<u>(287,028.36)</u>	<u>(535,205.47)</u>
Change in Net Position	1,511,628.12	832,511.30
Net Position, July 1	<u>7,419,002.26</u>	<u>6,586,490.96</u>
Net Position, June 30	<u>\$ 8,930,630.38</u>	<u>\$ 7,419,002.26</u>

Business Type Activities

	<u>2019</u>	<u>2018</u>
Water Fund:		
Operating Revenue	\$1,837,603.84	\$1,619,207.95
Operating Expenditures	<u>(1,134,548.16)</u>	<u>(1,339,389.91)</u>
Operating Income/(Loss)	703,055.68	279,818.04
Non-Operating Revenue/(Expenses)	(51,780.99)	(79,303.71)
Operating Transfer	-	-
Net Income/(Loss)	<u>\$ 651,274.69</u>	<u>\$ 200,514.33</u>

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Sewer Fund:	2019	2018
Operating Revenue	\$ 2,932,517.88	\$ 2,738,079.92
Operating Expenditures	<u>(2,131,537.25)</u>	<u>(2,707,225.03)</u>
Operating Income/(Loss)	800,980.63	30,854.89
Non-Operating Revenue/(Expenses)	(895,399.66)	(901,243.87)
Operating Transfer	<u>201,575.81</u>	<u>456,167.73</u>
Net Income/(Loss) after Transfers	<u>\$ 107,156.78</u>	<u>\$ (414,221.25)</u>
Sanitation Fund:	2019	2018
Operating Revenue	\$ 775,080.52	\$ 731,833.06
Operating Expenditures	<u>(770,596.18)</u>	<u>(733,822.22)</u>
Operating Income/(Loss)	4,484.34	(1,989.16)
Non-Operating Revenue/(Expenses)	253.27	96.80
Operating Transfer	<u>-</u>	<u>-</u>
Net Income/(Loss)	<u>\$ 4,737.61</u>	<u>\$ (1,892.36)</u>
Troy Aquatic Center	2019	2018
Operating Revenue	\$ 94,816.53	\$ 100,865.92
Operating Expenditures	<u>(180,277.27)</u>	<u>(183,926.08)</u>
Operating Income/(Loss)	(85,460.74)	(83,060.16)
Non-Operating Revenue/(Expenses)	8.19	-
Operating Transfer	<u>85,452.55</u>	<u>79,037.74</u>
Net Income/(Loss) after Transfers	<u>\$ -</u>	<u>\$ (4,022.42)</u>

The water fund experienced a net gain of \$651,274.69. User fee revenue increased by 15% over the prior year, due to the scheduled rate increase and increase in customers. Water connection fees increased by 21% and interest earned increased by over 200%. Expenditures overall decreased by 14%. Personnel expenses only increased by 3% as there were no wage increases across the board. Over \$110,000.00 was expended on well repairs, but there was little expended on capital projects for this fiscal year.

The sewer fund experienced a net gain of \$107,156.78. User fee revenues increased by 7%. Sewer connection fees were equivalent to the prior year at 78 connections. Interest earned increased by 60%. Expenditures decreased by 16%. Many factors are at play in this decrease. In December the Board of Aldermen voted to contract with Woodard & Curran for the operation and maintenance of its sewer treatment facilities. This transition resulted in an increase in sewer plant operations of nearly 30%. Capital expenditures greatly decreased due to the bulk of the costs associated with the design of the upgrades to the wastewater systems having been expended in the prior year, however, there were costly upgrades to the Whitetail Lift Station performed. These upgrades were supplemented by a transfer from the Capital Improvements Fund.

The Sanitation Fund ended the fiscal year with a net gain of \$4,737.61. User fees remained the same per the City's contract with Meridian Waste Solutions, but the contract was amended to include a fee of \$1.00 per month per household for recycling beginning January 1, 2019. Since the City contracts for trash disposal services, the Sanitation Fund has no bearing on the City's financial position.

UNAUDITED

The Aquatic Center Fund ended the fiscal year with a net income/loss of \$0. Aquatic Center revenue was down by 6% and expenditures were down by 2% as compared to the prior fiscal year. Transfers from the General Fund increased by 8%. The City once again contracted with Midwest Pool Management for the management of the Aquatic Center for the 2019 season at a 3% increase. As pool seasons run from May to September of the calendar year and the City operates on a fiscal year, it is difficult to compare “seasons”. The City continues to make strides to make the aquatic center more self-supporting.

General Fund Budgetary Highlights

General Fund revenues exceeded budgetary projections by 10.43%. Sales tax receipts exceed budgeted projections by 4.58%. Franchise tax receipts surpassed budget by 17.45%. While telecommunication taxes continue to decline and cable franchise fees increased by 4.1%, franchise fees from Ameren declined by 7.4%. A one-time fee from Ameren for non-service charges to a local manufacturer in the amount of \$112,870.22 bolstered franchise fees for the fiscal year. Real & personal property taxes came in 12.78% over budget and surtax exceeded budget by 22.36%. Cigarette tax collections were 3% short of budget. Building permits were over two times the budgeted amount, driven by commercial development. Fines and court costs were 18% ahead of budget. Interest revenues were over 4 times more than budget. Park fees fell short of budgetary projections by 11%.

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 \$ 7,066,100.00:

Series 2010A Certificates of Participation for City Hall refunding and remodeling projects	651,000.00
Series 2012 Certificates of Participation for refunding 2004 COPS for MBR Wastewater Treatment Plant	3,440,000.00
Series 2012A Certificates of Participation for refunding 2005 COPS for MBR Wastewater Treatment Plant	1,305,000.00
Series 2017 Certificates of Participation for refunding 2011 COPS for Aquatic Center and capital improvements	1,670,100.00

Budgetary Analysis

The most notable expenditure of the 2019-2020 fiscal budget is for the upgrades to the City’s wastewater treatment system. In November of 2015 the City made application to the Missouri Dept. of Natural Resources for an SRF loan (State Revolving Fund) to fund upgrades to the wastewater treatment system. The City entered into a contract with Woodard and Curran, an engineering firm, for assessment of the conditions of the City’s wastewater treatment system and recommendations for solutions. Based on their findings, the City went to the voters to approve the issuance of \$18,887,000.00 in revenue bonds for upgrading its sewer system. In June of 2016 the Board approved a work order with Woodard and Curran to create a plan and design to implement their recommendations. In September of 2018 the work order was amended to include bid-phase assistance, construction administration, EPA quarterly updates, SCADA integration and startup assistance at a fee of \$1,903,000. A total of \$18,542,000 was budgeted for these upgrades to the wastewater system, which include the closing of the Highway 47 treatment facility, the design of a pump station there, an interceptor line from the pump station to divert all flow to the Southeast Plant, and upgrades to the Southeast Plant. This project will go out to bid early in the fall of 2019.

UNAUDITED

In January of 2016 Cochran Engineering was awarded the design for the complete replacement of Cherry Street from Main Street to Lincoln Drive including sidewalks at a bid of \$223,745.00. This replacement is expected to be a multi-phase project, spanning multiple fiscal-years. It will be funded by Surface Transportation Program (STP) Funds, proceeds from the sale of the homes owned by the City as a result of the Neighborhood Stabilization Program (NSP) and the Street Fund. Easement acquisition has been an arduous process and has prevented the project from going forward. As a result, in September of 2018 the City contracted with Bill Hampton Enterprises LLC to negotiate on the City's behalf with the 16 property owners from whom easements had not been obtained. At the end of the 2018-2019 fiscal year only 7 unsecured easements remained. If easements are secured, the first phase of the project will commence in the 2019-2020 fiscal year at a budgeted cost of \$853,100.00.

The City of Troy, in conjunction with Witte Bros. Trucking, applied for and received a CDBG Industrial Infrastructure Grant for improvements to Mennemeyer Road. Currently, Mennemeyer Road has asphalt pavement with no shoulders, curbs or gutters. With approximately 250 trucks per day traveling on the asphalt road, the City is planning on making concrete improvements to the road. This grant was secured due to the expansion and subsequent job creation at Witte Bros. The estimated project cost is \$1,155,000.00. The grant award is \$800,000.00

Concrete slab replacement will be performed on Third Street at a budgeted cost of \$362,000.00. Asphalt portions of Third Street will be resurfaced at a budgeted cost of \$93,000.00. North Main Street to Monroe Street will receive an aggregate seal coat at a cost of \$33,050.00. Other street improvements will be prioritized during the fiscal year and a budget of \$340,000.00 will be expended in those areas.

The City was awarded a 75/25 grant from the Transportation Alternatives Program (TAP) through the Missouri Department of Transportation. This project will address the pedestrian limitations and safety along Villa Drive by constructing a new sidewalk on the west side of Villa Drive between Commerce Drive and Route 47, continuing north onto the Walmart property. This project is estimated to cost \$389,163.75, with the City's portion being \$97,290.94.

Preliminary planning for a new well (Well # 15) has been budgeted at a cost of \$100,000. Water line replacement will be performed at a budgeted cost of \$300,000.00.

In May of 2019, Wehmeyer Farms was awarded the bid for the replacement of the water main on Third Street at a bid price of \$243,599.00. At budget time no pay estimates had been submitted, so the entire project was entered into the FY2020 budget.

The cleaning of the sanitary sewer line at Highway 47 and Frenchman Bluff Road is budgeted at a cost of \$222,695.00. CIPP (cured-in-place pipe) lining of sewer lines will be contracted at a cost of \$100,000.00, to abate inflow & infiltration.

Stormwater repair at the Wingate Subdivision has been budgeted at a cost of \$70,000.00.

Many improvements to the City's parks system will be made in FY2020. The City has earmarked funds from the Goldie Brown Park endowment for the construction of bathrooms at the new Kiwanis Park off Trojan Circle at a cost of \$89,000.00. Crooked Creek Development Project (2016 Land and Water Conservation grant) will continue with the construction of backstops, fencing, seed and gravel for the road and parking lots. The City's portion of these costs is \$68,989.00. The parking lots in Fairgrounds Park will be seal-coated at a cost of \$12,000.00.

UNAUDITED

The City will be adding to its fleet in FY2020. Two 2019 Dodge Police Chargers will be secured through a 4-year lease at budgeted annual cost of \$15,255.00. The City will seek to acquire a single-axle dump truck through a lease-purchase, at an annual budget amount of \$36,000.00. A one-ton truck equipped for snow removal has been budgeted at \$85,500.00. A new 4X4 crew cab pickup truck is budgeted for use in the sewer department at a cost of \$31,000.00. A new 3/4 -ton crew cab pickup truck for the parks department has been budgeted for \$28,900.00.

The SCADA system that serves the water distribution system will be upgraded at a cost of \$14,000.00.

The remodeling of the kitchen at City Hall will be completed at a cost for FY2020 of \$11,750.00.

The City will upgrade the second of its 5 warning sirens in FY2020 at a cost of \$9,500.00.

Investment in technology will be made. The Police Department will purchase Datto Backup software to provide off-site backup of all police records. This is estimated to cost \$5,200.00 the first year. Applicant tracking software will be purchased for Human Resources at a cost of \$4,070.00. A new printer will be purchased for utility billing at a cost of \$2,300.00. Surveillance camera systems will be purchased for the Police Department as well as the Aquatic Center at a total cost of \$1,962.00.

Capital equipment purchases have been budgeted for the 2019-2020 fiscal year as follows:

Mini-Excavator, leased for 3-years (annual cost)	\$ 13,200.00	Streets, Water, Sewer
Track Loader, leased for 3-years (annual cost)	\$ 11,880.00	Streets, Water, Sewer
Zero-Turn 60" Mower	\$ 13,000.00	Parks
Zero-Turn Mower	\$ 9,200.00	Cemetery
18-Foot Trailer	\$ 5,000.00	Parks
Portable Metal Detector-City Hall Entrance	\$ 4,100.00	City Hall Maintenance

Sales tax revenues have been budgeted essentially flat. FY2019 saw a 4% increase in sales tax receipts over the previous fiscal year, so the Board chose to budget sales tax revenues conservatively. Right-to-connect fees have been budgeted very conservatively at 50 connections.

The City's health insurance plan is now renewable on January 1st. With cost increases being unknown at the fiscal year-end, the health insurance renewal was budgeted at a 20% increase. The contribution rate for the Missouri Local Government Employees Retirement (MO LAGERS) decreased for general employees from 10.2% to 10% and the rate for police remained the same at 9.6%.

A one-step pay increase of 3% was budgeted for the 2019-2020 fiscal year.

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 - MODIFIED CASH BASIS
JUNE 30, 2019

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and Investments	\$ 4,688,320.81	\$ 3,323,199.62	\$ 8,011,520.43
Restricted Assets:			
Cash and Investments	<u>4,248,910.52</u>	<u> </u>	<u>4,248,910.52</u>
Total Assets	<u>8,937,231.33</u>	<u>3,323,199.62</u>	<u>12,260,430.95</u>
<u>LIABILITIES</u>			
Payroll Withholdings	<u>6,600.95</u>	<u>1,906.08</u>	<u>8,507.03</u>
Total Liabilities	<u>6,600.95</u>	<u>1,906.08</u>	<u>8,507.03</u>
<u>NET POSITION</u>			
Restricted for:			
Nonexpendable Permanent Funds	250,000.00	-	250,000.00
Capital Projects	2,957,258.61		2,957,258.61
Debt Service	137,216.21		137,216.21
Parks	127,019.64		127,019.64
Roads	718,920.64		718,920.64
Tourism	27,741.70		27,741.70
Cemetery	204,087.37		204,087.37
Other Purposes	48,427.90		48,427.90
Unrestricted	<u>4,459,958.31</u>	<u>3,321,293.54</u>	<u>7,781,251.85</u>
Total Net Position	<u>\$ 8,930,630.38</u>	<u>\$ 3,321,293.54</u>	<u>\$ 12,251,923.92</u>

See accompanying notes to basic financial statements.

CITY OF TROY, MISSOURI
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
YEAR ENDED JUNE 30, 2019

Functions/Programs	Expenses	Program Revenues Received			Net (Expense) Revenue and Changes in Net Assets		
		Changes for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Government Activities	Business-type Activities	Total
Governmental Activities:							
General Government	\$ 890,722.59	\$ 179,352.80	\$ -	\$ -	\$ (711,369.79)	\$ -	\$ (711,369.79)
Public Safety	2,670,432.68	182,857.03	16,496.73	-	(2,471,078.92)	-	(2,471,078.92)
Culture and Recreation	265,636.08				(265,636.08)		(265,636.08)
Cemetery	33,563.34	8,455.00			(25,108.34)		(25,108.34)
Public Works - Streets	1,811,336.75		422,206.35		(1,389,130.40)		(1,389,130.40)
Economic Development	90,181.30				(90,181.30)		(90,181.30)
Debt Service							
Principal	369,345.37				(369,345.37)		(369,345.37)
Interest and Fees	85,072.25				(85,072.25)		(85,072.25)
Total governmental activities:	<u>6,216,290.36</u>	<u>370,664.83</u>	<u>438,703.08</u>	<u>-</u>	<u>(5,406,922.45)</u>	<u>-</u>	<u>(5,406,922.45)</u>
Business-type Activities:							
Water	1,224,463.14	1,837,603.84			-	613,140.70	613,140.70
Sewer	3,040,228.23	2,932,517.88				(107,710.35)	(107,710.35)
Sanitation	770,596.18	775,080.52				4,484.34	4,484.34
Troy Aquatic Center	180,277.27	94,816.53				(85,460.74)	(85,460.74)
Total business-type activities:	<u>5,215,564.82</u>	<u>5,640,018.77</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>424,453.95</u>	<u>424,453.95</u>
Total City	\$ <u>11,431,855.18</u>	\$ <u>6,010,683.60</u>	\$ <u>438,703.08</u>	\$ <u>-</u>	\$ <u>(5,406,922.45)</u>	\$ <u>424,453.95</u>	\$ <u>(4,982,468.50)</u>
General Revenues:							
Taxes							
Property Taxes					351,220.58		351,220.58
Franchise and Public Service Taxes					2,412,898.92		2,412,898.92
Sales Tax					4,204,115.06		4,204,115.06
Investment Income					132,274.01	43,570.77	175,844.78
Miscellaneous					94,427.36		94,427.36
Sale of Assets					10,643.00	8,116.00	18,759.00
Transfers between funds					(287,028.36)	287,028.36	-
Total General Revenues					<u>6,918,550.57</u>	<u>338,715.13</u>	<u>7,257,265.70</u>
Change in Net Position					1,511,628.12	763,169.08	2,274,797.20
Net Position - beginning					7,419,002.26	2,558,124.46	9,977,126.72
Net Position - ending					<u>\$ 8,930,630.38</u>	<u>\$ 3,321,293.54</u>	<u>\$ 12,251,923.92</u>

See accompanying notes to basic financial statements.

CITY OF TROY, MISSOURI
BALANCE SHEET- MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
JUNE 30, 2019

	<u>Major Funds</u>				Total Governmental Funds
	<u>General</u>	<u>Street Maintenance</u>	<u>Capital Improvement</u>	<u>Non-Major Funds</u>	
<u>ASSETS</u>					
Cash and Investments	\$ 4,465,208.47	\$ -	\$ -	\$ 223,112.34	\$ 4,688,320.81
Restricted Assets:					
Cash and Investments		720,261.71	2,945,587.95	583,060.86	4,248,910.52
Total Assets	\$ 4,465,208.47	\$ 720,261.71	\$ 2,945,587.95	\$ 806,173.20	\$ 8,937,231.33
<u>LIABILITIES AND FUND EQUITY</u>					
Liabilities					
Payroll Liabilities	\$ 5,250.16	\$ 1,341.07	\$ -	\$ 9.72	\$ 6,600.95
Total Liabilities	5,250.16	1,341.07	-	9.72	6,600.95
Fund Equity:					
Fund Balance:					
Nonspendable	-	-	-	250,000.00	250,000.00
Restricted for:					
Capital Projects			2,945,587.95	11,670.66	2,957,258.61
Debt Service				137,216.21	137,216.21
Parks				127,019.64	127,019.64
Roads		718,920.64			718,920.64
Tourism				27,741.70	27,741.70
Cemetery				204,087.37	204,087.37
Other purposes				48,427.90	48,427.90
Unassigned	4,459,958.31				4,459,958.31
Total Fund Equity	4,459,958.31	718,920.64	2,945,587.95	806,163.48	8,930,630.38
Total Liabilities and Fund Equity	\$ 4,465,208.47	\$ 720,261.71	\$ 2,945,587.95	\$ 806,173.20	

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 \$ 8,930,630.38

CITY OF TROY, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019

	Major Funds				Total Governmental Funds
	General	Street Maintenance	Capital Improvements	Non-Major Funds	
REVENUES:					
Taxes	\$ 4,113,680.51	\$ 1,353,366.43	\$ 1,401,283.78	\$ 99,903.84	\$ 6,968,234.56
Intergovernmental	16,496.73	422,206.35			438,703.08
Licenses, Permits and Fees	179,352.80				179,352.80
Charges for Services				8,455.00	8,455.00
Interest	66,084.62	11,473.22	41,751.82	12,964.35	132,274.01
Fines and Forfeitures	182,857.03				182,857.03
Sale of Assets	4,475.00	6,168.00			10,643.00
Miscellaneous	88,416.05	592.31		5,419.00	94,427.36
Total Revenues	<u>4,651,362.74</u>	<u>1,793,806.31</u>	<u>1,443,035.60</u>	<u>126,742.19</u>	<u>8,014,946.84</u>
EXPENDITURES:					
Current:					
General Government	757,197.22	-	-	-	757,197.22
Public Safety	2,640,032.90			11,429.78	2,651,462.68
Culture and Recreation	265,636.08				265,636.08
Cemetery				26,954.37	26,954.37
Public Works - Streets		1,186,391.61			1,186,391.61
Economic Development				90,181.30	90,181.30
Capital Outlay	152,495.37	624,945.14		6,608.97	784,049.48
Debt Service:					
Principal	157,045.37		212,300.00		369,345.37
Interest and Fees	32,193.92		52,878.33		85,072.25
Total Expenditures	<u>4,004,600.86</u>	<u>1,811,336.75</u>	<u>265,178.33</u>	<u>135,174.42</u>	<u>6,216,290.36</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>646,761.88</u>	<u>(17,530.44)</u>	<u>1,177,857.27</u>	<u>(8,432.23)</u>	<u>1,798,656.48</u>
OTHER FINANCING SOURCES (USES):					
Operating Transfers	(85,452.55)	-	(200,000.51)	(1,575.30)	(287,028.36)
Total Other Financing Sources (Uses):	<u>(85,452.55)</u>	<u>-</u>	<u>(200,000.51)</u>	<u>(1,575.30)</u>	<u>(287,028.36)</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES	561,309.33	(17,530.44)	977,856.76	(10,007.53)	1,511,628.12
FUND BALANCE, JULY 1, 2018	<u>3,898,648.98</u>	<u>736,451.08</u>	<u>1,967,731.19</u>	<u>816,171.01</u>	<u>7,419,002.26</u>
FUND BALANCE, JUNE 30, 2019	<u>\$ 4,459,958.31</u>	<u>\$ 718,920.64</u>	<u>\$ 2,945,587.95</u>	<u>\$ 806,163.48</u>	<u>\$ 8,930,630.38</u>

See accompanying notes to basic financial statements.

CITY OF TROY, MISSOURI
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS
 TO THE STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
 YEAR ENDED JUNE 30, 2019

Net change in fund balances - total governmental funds	\$	1,511,628.12
There are no adjustments		_____
Change in Net Position of Governmental Activities	\$	1,511,628.12

See accompanying notes to basic financial statements.

CITY OF TROY, MISSOURI
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
PROPRIETARY FUNDS
JUNE 30, 2019

	Major Enterprise Funds			Non-major Enterprise Funds	Total Enterprise Funds
	Water	Sewer	Sanitation		
ASSETS					
Cash and Cash Equivalents	\$ 2,197,510.44	\$ 1,105,394.07	\$ 19,795.11	\$ 500.00	\$ 3,323,199.62
Total Assets	<u>\$ 2,197,510.44</u>	<u>\$ 1,105,394.07</u>	<u>\$ 19,795.11</u>	<u>\$ 500.00</u>	<u>\$ 3,323,199.62</u>
LIABILITIES					
Payroll Withholdings	\$ 1,090.93	\$ 764.94	\$ 50.21	\$ -	\$ 1,906.08
NET POSITION					
Unrestricted	<u>2,196,419.51</u>	<u>1,104,629.13</u>	<u>19,744.90</u>	<u>500.00</u>	<u>3,321,293.54</u>
Total Net Position	<u>\$ 2,196,419.51</u>	<u>\$ 1,104,629.13</u>	<u>\$ 19,744.90</u>	<u>\$ 500.00</u>	<u>\$ 3,321,293.54</u>

See accompanying notes to basic financial statements.

CITY OF TROY, MISSOURI
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION - MODIFIED CASH BASIS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2019

	Major Enterprise Funds			Non-major Enterprise Funds	Total Enterprise Funds
	Water	Sewer	Sanitation		
OPERATING REVENUES:					
Charges for Services	\$ 1,837,603.84	\$ 2,932,517.88	\$ 775,080.52	\$ 94,816.53	\$ 5,640,018.77
OPERATING EXPENSES:					
Cost of Sales and Services	844,885.04	1,373,327.89	738,302.15	180,277.27	3,136,792.35
Administration	132,373.40	76,418.13	32,294.03		241,085.56
Capital Outlay	157,289.72	681,791.23			839,080.95
Total Operating Expenses	<u>1,134,548.16</u>	<u>2,131,537.25</u>	<u>770,596.18</u>	<u>180,277.27</u>	<u>4,216,958.86</u>
OPERATING INCOME (LOSS)	<u>703,055.68</u>	<u>800,980.63</u>	<u>4,484.34</u>	<u>(85,460.74)</u>	<u>1,423,059.91</u>
NON-OPERATING REVENUES (EXPENSES):					
Interest	30,017.99	13,291.32	253.27	8.19	43,570.77
Sale of Assets	8,116.00				8,116.00
Debt Service:					
Principal	(87,727.88)	(748,727.88)			(836,455.76)
Interest and Fees	<u>(2,187.10)</u>	<u>(159,963.10)</u>			<u>(162,150.20)</u>
Total Non-Operating Revenues (Expenses)	<u>(51,780.99)</u>	<u>(895,399.66)</u>	<u>253.27</u>	<u>8.19</u>	<u>(946,919.19)</u>
INCOME (LOSS) BEFORE TRANSFERS	651,274.69	(94,419.03)	4,737.61	(85,452.55)	476,140.72
OPERATING TRANSFERS	<u>-</u>	<u>201,575.81</u>	<u>-</u>	<u>85,452.55</u>	<u>287,028.36</u>
NET INCOME (LOSS) AFTER OPERATING TRANSFER	651,274.69	107,156.78	4,737.61	-	763,169.08
TOTAL NET POSITION, JULY 1, 2018	<u>1,545,144.82</u>	<u>997,472.35</u>	<u>15,007.29</u>	<u>500.00</u>	<u>2,558,124.46</u>
TOTAL NET POSITION, JUNE 30, 2019	<u>\$ 2,196,419.51</u>	<u>\$ 1,104,629.13</u>	<u>\$ 19,744.90</u>	<u>\$ 500.00</u>	<u>\$ 3,321,293.54</u>

See accompanying notes to basic financial statements.

CITY OF TROY, MISSOURI
STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2019

	Major Enterprise Funds			Non-major Enterprise Funds	Total Enterprise Funds
	Water	Sewer	Sanitation		
Cash Flows from Operating Activities:					
Cash Received from Customers	\$ 1,837,603.84	\$ 2,932,517.88	\$ 775,080.52	\$ 94,816.53	\$ 5,640,018.77
Cash Payments to Suppliers for Goods and Services	(672,636.62)	(1,822,766.11)	(748,961.96)	(180,277.27)	(3,424,641.96)
Cash Payments to Employees for Services	(461,620.42)	(309,714.31)	(21,664.70)		(792,999.43)
Net Cash Provided (Used) by Operating Activities	<u>703,346.80</u>	<u>800,037.46</u>	<u>4,453.86</u>	<u>(85,460.74)</u>	<u>1,422,377.38</u>
Cash Flows from Noncapital Financing Activities:					
Operating Transfers	-	201,575.81	-	85,452.55	287,028.36
Net Cash Used Provided by Noncapital Financing Activities	<u>-</u>	<u>201,575.81</u>	<u>-</u>	<u>85,452.55</u>	<u>287,028.36</u>
Cash Flows from Capital and Related Financing Activities:					
Sale of Assets	8,116.00	-			8,116.00
Principal Paid on Bonds/Certificates	(87,727.88)	(748,727.88)			(836,455.76)
Interest and Fees Paid on Certificates	(2,187.10)	(159,963.10)			(162,150.20)
Net Cash Used for Capital and Related Financial Activities	<u>(81,798.98)</u>	<u>(908,690.98)</u>	<u>-</u>	<u>-</u>	<u>(990,489.96)</u>
Cash Flows from Investing Activities:					
Interest Earned	30,017.99	13,291.32	253.27	8.19	43,570.77
Cash and Cash Equivalents, Beginning of Year	1,545,944.63	999,180.46	15,087.98	500.00	2,560,713.07
Cash and Cash Equivalents, End of Year	<u>\$ 2,197,510.44</u>	<u>\$ 1,105,394.07</u>	<u>\$ 19,795.11</u>	<u>\$ 500.00</u>	<u>\$ 3,323,199.62</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Operating Income(Loss)	\$ 703,055.68	\$ 800,980.63	\$ 4,484.34	\$ (85,460.74)	\$ 1,423,059.91
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities					
Changes in assets and liabilities:					
Payroll Withholdings	291.12	(943.17)	30.48	-	(621.57)
Net Cash Provided (Used) by Operating Activities	<u>\$ 703,346.80</u>	<u>\$ 800,037.46</u>	<u>\$ 4,514.82</u>	<u>\$ (85,460.74)</u>	<u>\$ 1,422,438.34</u>

See accompanying notes to basic financial statements.

CITY OF TROY, MISSOURI
 STATEMENT OF NET POSITION - MODIFIED CASH BASIS
 FIDUCIARY FUND
 JUNE 30, 2019

<u>ASSETS</u>	<u>Agency Funds</u>
Restricted Assets:	
Cash and Investments	\$ <u>7,429.49</u>
<u>LIABILITIES</u>	
Due to Others - Court Bonds	\$ <u>7,429.49</u>

See accompanying notes to basic financial statements.

CITY OF TROY, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

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 operates water, sewer, and sanitation systems.

The City's financial statements are prepared in accordance with the modified 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. The criteria used in determining the scope of the reporting entity are based on the provisions of GASB Statement No. 14, *The Financial Reporting Entity* (GASB 14), as amended by both GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units* and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*. The City has determined that no other outside agency meets the criteria set forth 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-Modified Cash Basis and the Statement of Activities-Modified 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-Modified 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
Economic Development	Capital grants
Sewer	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, the City chooses the fund 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

Special Revenue Funds are used to account for and report the proceeds of the specific revenue sources that are either restricted or committed to expenditures for specified purposes other than debt service or capital projects.

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.

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.

Debt Service Funds

Debt Service Funds are used to account for the accumulation of resources for, and the repayment of, long-term debt principal, interest and related costs.

SRS 2012 Debt Service Reserve-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 Service 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

Capital project funds are used to account for and report financial resources restricted, committed, or assigned for capital outlays, including the acquisition or construction of specific capital facilities or other capital items.

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 primarily by sales tax.

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.

Permanent Fund

Permanent Funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the parks as described.

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

Enterprise Funds

Enterprise funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges, and the measurement of financial activity focuses on net income measurement similar to the private sector.

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 sewerage 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

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government.

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 Fund:

Capital Improvement

Proprietary Funds:

Water

Sewer

Sanitation

Non-Major Funds:

Special Revenue Funds:

Cemetery Investment

Tourism

Protested Franchise Tax

Police Explorers

Police Forfeiture

Police Canine Unit

Park Endowment (Brown)

Debt Services Funds:

SRS 2012 Debt Service Reserve

SRS 2012 Debt Service

SRS 2012A Debt Service

SRS 2012A Debt Service Reserve

Capital Projects Funds:
Sewer Bonds
Industrial Development
CDBG

Permanent Fund:
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-Modified Cash Basis and the Statement of Activities-Modified Cash Basis, both governmental and business-like activities are presented using the “economic resources” measurement focus, within the limitations of the modified 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 modified 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 modified 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 modified 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 26, 2018.
4. Budgets for City funds are prepared and adopted on the modified 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, 2019, the City complied, in all material respects, with applicable budget laws.

E. Cash and Cash Equivalents and Investments

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

For the purpose of the Statement of Net Position-Modified Cash Basis, “cash and investments” includes all cash on hand, demand deposits, money market accounts, non-negotiable certificates of

deposit and open-ended money market mutual funds of the City. For the purpose of the proprietary fund Statement of Cash Flows-Modified Cash Basis, “cash and cash equivalents” includes all cash on hand, demand deposits and money market accounts.

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 restricted assets at June 30, 2019, are as follows:

Street Maintenance	\$ 720,261.71
Capital Improvement	2,945,587.95
Tourism	27,741.70
Protested Franchise Tax	40,045.62
Police Forfeiture	374.72
Park Endowment (Brown)	89,083.34
CDBG	662.97
SRS 2012 Debt Service Reserve	100,000.00
SRS 2012 Debt Service	2,031.75
SRS 2012A Debt Service	682.90
SRS 2012A Debt Service Reserve	34,501.56
Park Endowment (Avery)	287,936.30
	\$ 4,248,910.52

H. Due From Other Funds or Governments

Receivables and payables to other funds or governments arising from cash transactions or events are recorded in the financial statements as a modification to the cash basis of accounting.

I. 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.

Fund balances of the City's governmental funds at June 30, 2019, are classified as follows regarding level of constraint:

	General Fund	Special Revenue Funds	Capital Projects	Debt Service Funds	Permanent Funds
Fund Balances:					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ 250,000.00
Restricted for:					
Capital Projects			2,957,258.61		
Debt Service				137,216.21	
Parks		89,083.34			37,936.30
Roads		718,920.64			
Tourism		27,741.70			
Cemetery		204,087.37			
Other purposes		48,427.90			
Unassigned	4,459,958.31				
Total Fund Balances	\$ 4,459,958.31	\$ 1,088,260.95	\$ 2,957,258.61	\$ 137,216.21	\$ 287,936.30

J. Net Position/Fund Balance Classifications

Government-Wide Statements

Net position is classified and displayed in three components:

1. *Net investment in capital assets.* Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets and adjusted for any deferred inflows and outflows of resources attributable to capital assets and related debt.
2. *Restricted.* Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets, with restriction constraints placed on the use either by external groups, such as creditors, grantors, contributors, or laws and regulations of other governments, or law through constitutional provisions or enabling legislation.
3. *Unrestricted.* Net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

It is the City's policy to first use restricted net resources prior to the use of unrestricted net resources when an expense is incurred for purposes for which both restricted and unrestricted net resources are available.

K. Interfund Activity

In the process of aggregating the financial information for the government-wide Statement of Net Position-Modified Cash Basis and Statement of Activities-Modified 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-Modified 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.

L. Fines and Court Costs

Missouri statute now requires municipalities to report an accounting of the percent of annual general operating revenue from fines and court costs for minor traffic violations. The City's fines, court costs and other revenues pertaining to minor traffic violations totaled \$73,539.10 for the fiscal year. "Annual general operating revenue" is defined in the statute and may or may not include various sources of the City's revenues. "General operating revenue" totaled \$4,634,792.98. The City's fines and court costs for minor traffic violations are 1.59% "annual general operating revenue."

M. Estimates

The preparation of the financial statements in conformity with the modified 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.

N. Adoption of New Accounting Standards

The City adopted GASB Statement 83, *Asset Retirement Obligations*. The objective of this Statement is to establish criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs.

The City also adopted GASB Statement 88, *Certain Disclosure Related to Debt, Including Direct Borrowing and Direct Placements*. The objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements.

O. Pensions

Because of the accounting method used, the City does not record the net pension liability, deferred outflows of resources, or deferred inflows of resources for the pension plan.

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. Debt certificate proceeds held by trustees and invested in accordance with the provisions of the trust indentures.

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 cash and investments held at June 30, 2019, and reported at cost are as follows:

<u>Type</u>	<u>Maturities</u>	<u>Carrying Value</u>
Cash on hand		<u>\$ 700.00</u>
Deposits:		
Demand deposits		2,468,604.37
Money market deposits		1,656,915.97
Non-negotiable certificates of deposit	Various	<u>7,539,000.00</u>
Total deposits		<u>11,664,520.34</u>
Investments:		
Money market deposits		134,501.56
Mutual fund money market		2,714.65
MOSIP Liquid series	Demand	<u>457,994.40</u>
Total investments		<u>595,210.61</u>
Total cash and investments		<u>\$ 12,260,430.95</u>
Reconciliation to financial statements:		
Current:		
Cash and investments		\$ 8,011,520.43
Cash and investments - restricted		<u>4,248,910.52</u>
Total		<u>\$ 12,260,430.95</u>

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, 2019, the City's bank balances of \$11,708,521.59 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. However, the City does follow the investment guidelines set forth in the Missouri State Statues. At June 30, 2019, the City's investments were rated as follows:

Investment Type	Investment Maturities			Credit Rating
	<1 year	1-3 years	4-5 years	
Mutual fund money market	\$ 2,714.65	\$ -	\$ -	Aaa-mf
MOSIP Liquid Series	457,994.40			AAA-m

Concentration of Credit Risk: The City has no formal policy to minimize the risk of loss resulting from over concentrations of assets in specific maturity, specific issuer or specific class of securities.

At June 30, 2019, excluding investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, the City had the following investments with one issuer, which represented 5% or more of total investments:

MOSIP Liquid Series	\$ 457,994.40	Percent of City's <u>Total Investments</u> 76.9%
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Investment in Investment Pool-The City is a voluntary participant in the Missouri Securities Investment Program (MOSIP) that is a cooperative investment service established by an intergovernmental cooperative agreement. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by MOSIP for the entire MOSIP portfolio (in relation to the amortized cost of the portfolio).

The Missouri Securities Investment Program (MOSIP) was established on October 3, 1991, as an instrumentality of Missouri Public School Districts, municipalities and other political subdivisions pursuant to an intergovernmental cooperation agreement executed under the laws of the State of Missouri. MOSIP is governed by a board of directors elected by members. The objective of MOSIP is to enable eligible organizations to pool their available funds for investment in instruments permitted by Missouri Law. The City's participation currently is through investment in the MOSIP Liquid Series, MOSIP Term Series and MOSIP CD Program.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

	<u>Fair Value Measurements Using</u>			<u>Cost Measurement Using</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Not Measured at Fair Value</u>
MOSIP Liquid Series	\$ -	\$ 457,994.40	\$ -	\$ 457,994.40

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 2018 for purposes of local taxation was:

<u>Lincoln County</u>	
Real Estate	\$ 146,721,425.00
Personal Property	55,432,307.00
Railroad and Utilities	5,680,606.00
Total	<u>\$ 207,834,338.00</u>

The tax levy per \$100 of the assessed valuation of tangible taxable property for the calendar year 2018 for purposes of local taxation was:

General Revenue	<u>\$ 0.1753</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, 2019, the long-term debt outstanding, arising from cash transactions, to be repaid from governmental funds consisted of the following:

Certificates of Participation from direct placement:

\$1,494,000.00 certificates of participation from direct placement, due in varying installments through February 26, 2025; interest at 4.0%; upon the occurrence of an event of default, the Trustee may, and upon receipt of a directive will, by notice in writing delivered to the City, declare the principal portion and interest portion of basic rent represented by all certificates outstanding to the end of the then current fiscal year immediately due and payable. The trustee may exercise any remedies available under the lease and, to the extent consistent therewith, may sell, lease or sublease all or any portion of the equipment and whether or not it has done so, may pursue any other remedy available to it under the lease or at law or in equity;

\$ 651,000.00

\$2,108,300.00 certificates of participation from direct placement, due in varying annual installments through June 1, 2026; interest at 2.89%; upon the occurrence of an event of default, the Trustee may, and upon receipt of a directive will, by notice in writing delivered to the City, declare the principal portion and interest portion of basic rent represented by all certificates outstanding to the end of the then current fiscal year immediately due and payable. The trustee may exercise any remedies available under the lease and, to the extent consistent therewith, may sell, lease or sublease all or any portion of the equipment and whether or not it has done so, may pursue any other remedy available to it under the lease or at law or in equity;

1,670,100.00

Total certificates of participation

\$ 2,321,100.00

Capital Lease Obligations:

2016 capital lease with Commerce Bank for vehicles (cost \$56,192.12), payable in annual installments of \$14,541.22 including principal and interest at 2.35%, final payment due September 21, 2019; title passes to the City at the end of the lease term;

\$ 14,207.34

2017 capital lease with US Bank for vehicles (cost \$54,154.84), payable in annual installments of \$14,113.92 including principal and interest at 2.81%, final payment due August 25, 2020; title passes to the City at the end of the lease term;

27,066.76

2018 capital lease with Peoples Bank & Trust, Co. for vehicles (cost \$55,049.52), payable in annual installments of \$14,582.62, including principal and interest at 4.00%, final payment due December 18, 2021; title passes to the City at the end of the lease term;

40,466.90

Total capital lease obligations

\$ 81,741.00

Business-Type Activities

As of June 30, 2019, the long-term debt, arising from cash transactions, payable from proprietary fund resources consisted of the following:

Certificates of Participation:

\$6,410,000.00 certificates of participation, due in varying installments through December 1, 2024; interest at 2.0% - 3.5%; upon the occurrence of an event of default or an event of nonappropriation, the Trustee (a) may and (b) shall, upon receipt of written instruction from owners of certificates representing not less than 25% of the aggregate principal component represented by the certificates then outstanding, by notice in writing delivered to the City. Declare the principal component and interest component of base rentals represented by all certificates outstanding to the end of the then current fiscal year immediately due and payable. The trustee may exercise any remedies available under the lease and the base lease and, to the extent consistent therewith, may sell, lease or manage any portion of the leased property or the trustee's interest in the leased property and apply the net proceeds thereof in accordance with the indenture and, whether or not it has done so, may pursue any other remedy available to it under the lease or at law or in equity;

\$ 3,440,000.00

\$2,605,000.00 certificates of participation, due in varying annual installments through July 1, 2025; interest at 0.75% - 3.3%; upon the occurrence of an event of default or an event of nonappropriation, the Trustee (a) may and (b) shall, upon receipt of written instruction from owners of certificates representing not less than 25% of the aggregate principal component represented by the certificates then outstanding, by notice in writing delivered to the City. Declare the principal component and interest component of base rentals represented by all certificates outstanding to the end of the then current fiscal year immediately due and payable. The trustee may exercise any remedies available under the lease and the base lease and, to the extent consistent therewith, may sell, lease or manage any portion of the leased property or the trustee's interest in the leased property and apply the net proceeds thereof in accordance with the indenture and, whether or not it has done so, may pursue any other remedy available to it under the lease or at law or in equity;

1,305,000.00

Total certificates of participation

\$ 4,745,000.00

Changes in Long-Term Debt

The following is a summary of changes in long-term debt for the year ended June 30, 2019:

Type of Debt	Balance July 1, 2018	Additions	Reductions	Balance June 30, 2019	Amount due within one year
Governmental Activities:					
Certificates of Participation from direct placement	\$ 2,634,400.00	\$ -	\$ 313,300.00	\$ 2,321,100.00	\$ 321,600.00
Capital Lease Obligations	82,736.85	55,049.52	56,045.37	81,741.00	40,514.75
Total	\$ 2,717,136.85	\$ 55,049.52	\$ 369,345.37	\$ 2,402,841.00	\$ 362,114.75
Business-Type Activities:					
Certificates of Participation	\$ 5,524,000.00	\$ -	\$ 779,000.00	\$ 4,745,000.00	\$ 530,000.00
Capital Lease Obligations	57,445.76	-	57,445.76	-	-
Total	\$ 5,581,445.76	\$ -	\$ 836,445.76	\$ 4,745,000.00	\$ 530,000.00

Annual Debt Service Requirements

The annual debt service requirements to maturity, including principal and interest, for long-term debt as of June 30, 2019, are as follows:

Year Ended June 30,	Governmental Activities			
	Certificates of Participation from Direct Placement		Capital Leases	
	Principal	Interest	Principal	Interest
2020	\$ 321,600.00	\$ 72,738.07	\$ 40,514.75	\$ 2,723.01
2021	329,900.00	62,255.74	27,205.79	1,490.75
2022	338,500.00	51,508.41	14,020.46	560.82
2023	348,200.00	40,490.41		
2024	357,100.00	29,155.85		
2025-2027	625,800.00	23,181.72		
Total	\$ 2,321,100.00	\$ 279,330.20	\$ 81,741.00	\$ 4,774.58
Year Ended June 30,	Business-Type Activities		Total Debt Service Requirements to Maturity	
	Certificates of Participation		Principal	Interest
	Principal	Interest		
2020	\$ 530,000.00	\$ 119,910.00	\$ 892,114.75	\$ 195,371.08
2021	750,000.00	121,625.00	1,107,105.79	185,371.49
2022	775,000.00	99,436.25	1,127,520.46	151,505.48
2023	795,000.00	75,587.50	1,143,200.00	116,077.91
2024	820,000.00	49,840.00	1,177,100.00	78,995.85
2025-2027	1,075,000.00	25,835.00	1,700,800.00	49,016.72
Total	\$ 4,745,000.00	\$ 492,233.75	\$ 7,147,841.00	\$ 776,338.53

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

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); Capital lease is paid from Water and Sewer funds.

5. Interfund Transfers and Balances

Interfund Transfers

Transfers between funds for the year ended June 30, 2019, were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
<u>Major Funds:</u>		
General Funds	\$ -	\$ 85,514.98
<u>Capital Projects Fund:</u>		
Capital Improvements	-	200,000.51
<u>Enterprise Funds:</u>		
Sewer	201,575.81	-
<u>Debt Servic Funds:</u>		
SRS 2012A Debt Service	682.86	352.64
SRS 2012A Debt Reserve		682.86
SRS 2012 Debt Service	1,980.16	1,223.17
SRS 2012 Debt Reserve		1,979.65
Total Debt Service Funds	<u>2,663.02</u>	<u>4,238.32</u>
<u>Enterprise Funds:</u>		
Troy Aquatic Center	<u>85,514.98</u>	-
Total	<u>\$ 289,753.81</u>	<u>\$ 289,753.81</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, 2019, amounted to \$4,355.00.

<u>Year Ending</u>	<u>Amount</u>
2020	\$ 3,317.28
2021	1,661.28
2022	1,661.28
2023	1,661.28
2024	1,369.88
Total	<u>\$ 9,671.00</u>

7. Retirement Plans

General Information about the Pension Plan

Plan description. The City of Troy defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The City of Troy participates in the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multiple-employer, statewide public employee pension plan established in 1967 and administered in accordance with RSMo. 70.600-70.755. As such, it is LAGERS 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 is tax exempt. The responsibility for the operations and administration of LAGERS is vested in the LAGERS Board of Trustees consisting of seven persons. LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the LAGERS website at www.molagers.org.

Benefits provided. LAGERS provides retirement, death and disability benefits. Benefit provisions are adopted by the governing body of the employer, within the options available in the state statutes governing LAGERS. All benefits vest after 5 years of credited service. Employees who retire on or after age 60 (55 for police) with 5 or more years of service are entitled to an allowance for life based upon the benefit program information provided below. Employees may retire with an early retirement benefit with a minimum of 5 years of credited service and after attaining age 55 (50 for police) and receive a reduced allowance.

	<u>2018 Valuation</u>
Benefit Multiplier:	1.25% for life
Final Average Salary:	5 years
Member Contributions:	0%

Benefit terms provide for annual post retirement adjustments to each member's retirement allowance subsequent to the member's retirement date. The annual adjustment is based on the increase in the Consumer Price Index and is limited to 4% per year.

Contributions. The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the employer do not contribute to the pension plan. Employer contribution rates are 10.0% (General) and 9.6% (Police) of annual covered payroll. For the year ended June 30, 2019 the City contributed \$274,735.07.

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 2021 with payments required monthly, based upon a rate schedule. Payments are approximately \$61,500.00 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 \$90,181.30 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.

On April 5, 2016 the City voters approved a proposed issuance of combined waterworks and sewerage system revenue bonds, in the amount of \$18,887,000.00 for the purpose of acquiring, constructing, repairing, improving, furnishing and equipping waterworks and sewerage systems of the City.

Also, as of June 30, 2019, 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. Accordingly, and as a result of the City's use of the modified cash basis of accounting, the financial statements do not include accrual or provisions for loss contingencies that may result from these proceedings. Also, the City entered into a Consent Agreement/Final Order and

Compliance on Consent (Docket No. CWA-07-2016-0047) with the United States Environmental Protection Agency under which the City paid a mitigated civil penalty of \$100,000.00, agreed to improve its wastewater treatment plants and completed a Supplemental Environmental Project improving some of the City’s lighting to LED lighting with a value of \$60,000.00. The City is currently working with an engineering firm on the design and approval of improvements to comply with the scheduling accepted by the EPA for the improvements to the City’s wastewater treatment plants. Funding for the project has been approved by the voters and the City is working with the State Revolving Fund to finalize financing for the improvements.

The City participates in various federal and state grant programs that are governed by various rules and regulations of the grantor agencies. Amounts received or receivable from grantor agencies are subject to audit and adjustment by the grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, which may be disallowed by the grantor, cannot be determined at this time, although the City is not aware of any noncompliance 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.

11. Tax Abatements

Tax abatements, as defined by GASB Statement No. 77 *Tax Abatement Disclosures*, are agreements between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. This Statement requires disclosure of tax abatement information about (1) a reporting government’s own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government’s tax revenues.

Since the City does not and has not entered into tax abatement agreements directly with any individuals or entities, the following estimates are from tax abatements entered into by other governments, specifically the county, that has reduced the City’s tax revenues.

	Real Estate Tax
Enhanced enterprise zones	
Lincoln County	\$ 1,621.14

SUPPLEMENTARY INFORMATION

CITY OF TROY, MISSOURI
 SUPPLEMENTARY INFORMATION
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 MODIFIED CASH BASIS - BUDGET AND ACTUAL -
 GENERAL FUND
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Taxes				
Real Property	\$ 230,000.00	\$ 230,000.00	\$ 253,418.41	\$ 23,418.41
Personal Property Tax	80,000.00	80,000.00	97,802.17	17,802.17
Financial Institution Tax	2,000.00	2,000.00	1,281.50	(718.50)
Railroad and Utilities Tax	10,000.00	10,000.00	9,687.62	(312.38)
Surtax	36,000.00	36,000.00	44,047.96	8,047.96
Sales Tax	2,680,000.00	2,680,000.00	2,802,831.28	122,831.28
Cigarette Tax	58,000.00	58,000.00	56,159.25	(1,840.75)
Franchise Tax	720,000.00	720,000.00	845,622.13	125,622.13
Penalties and Interest on Taxes	2,600.00	2,600.00	2,830.19	230.19
	<u>3,818,600.00</u>	<u>3,818,600.00</u>	<u>4,113,680.51</u>	<u>295,080.51</u>
Intergovernmental				
Federal Grants	35,240.00	35,240.00	3,084.85	(32,155.15)
Other Grants			13,411.88	13,411.88
	<u>35,240.00</u>	<u>35,240.00</u>	<u>16,496.73</u>	<u>(18,743.27)</u>
Licenses, Permits, and Fees				
Merchants and Liquor Licenses	19,500.00	19,500.00	18,331.65	(1,168.35)
Building Permits	69,590.00	69,590.00	143,842.76	74,252.76
Dog Licenses	150.00	150.00	177.00	27.00
Occupational Licenses			3,082.50	3,082.50
Planning Fees	1,950.00	1,950.00	3,500.00	1,550.00
Reproduced Publication Fees	50.00	50.00	150.00	100.00
Other	5,400.00	5,400.00	10,268.89	4,868.89
	<u>96,640.00</u>	<u>96,640.00</u>	<u>179,352.80</u>	<u>82,712.80</u>
Interest				
	<u>15,015.00</u>	<u>15,080.00</u>	<u>66,084.62</u>	<u>51,004.62</u>
Fines and Forfeitures				
Fines	125,000.00	125,000.00	134,450.45	9,450.45
Court Costs	12,000.00	12,000.00	13,133.07	1,133.07
Police Fines and Charges	1,200.00	1,200.00	1,334.24	134.24
Training	2,000.00	2,000.00	2,186.31	186.31
DWI	1,500.00	1,500.00	1,796.00	296.00
CVCF Receipts	350.00	350.00	404.55	54.55
POST Reimbursement	1,000.00	1,000.00	1,005.66	5.66
Jail Reimbursement	5,500.00	5,500.00	9,034.80	3,534.80
Restitution			1,693.95	1,693.95
Bond Forfeiture	8,000.00	8,000.00	17,758.00	9,758.00
Warrants	20.00	20.00	60.00	40.00
	<u>156,570.00</u>	<u>156,570.00</u>	<u>182,857.03</u>	<u>26,287.03</u>
Sale of Assets				
	<u>-</u>	<u>-</u>	<u>4,475.00</u>	<u>4,475.00</u>
Miscellaneous				
Park Rental Fees	16,820.00	16,820.00	18,284.43	1,464.43
Cell Site Lease	42,880.00	42,880.00	41,270.99	(1,609.01)
Donations			4,184.00	4,184.00
Other	2,200.00	32,340.00	24,676.63	(7,663.37)
	<u>61,900.00</u>	<u>92,040.00</u>	<u>88,416.05</u>	<u>(3,623.95)</u>
Total Revenues	<u>4,183,965.00</u>	<u>4,214,170.00</u>	<u>4,651,362.74</u>	<u>437,192.74</u>

CITY OF TROY, MISSOURI
SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
MODIFIED CASH BASIS - BUDGET AND ACTUAL -
GENERAL FUND
YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
EXPENDITURES:				
General Government:				
Judicial				
Salaries and Wages	\$ 55,870.00	\$ 55,870.00	\$ 51,457.86	\$ 4,412.14
Employee Benefits	30,285.00	30,485.00	28,098.41	2,386.59
Purchased Services	31,000.00	30,800.00	27,838.57	2,961.43
Property Services	825.00	825.00	489.00	336.00
Other Purchased Services	29,495.00	29,495.00	28,467.15	1,027.85
Supplies	3,070.00	3,070.00	2,567.06	502.94
Property	500.00	500.00		500.00
Capital Outlay	4,000.00	4,000.00		4,000.00
Other	100.00	100.00	73.00	27.00
	<u>155,145.00</u>	<u>155,145.00</u>	<u>138,991.05</u>	<u>16,153.95</u>
Executive				
Salaries and Wages	26,400.00	26,400.00	26,400.00	-
Employee Benefits	2,020.00	2,020.00	2,089.60	(69.60)
Purchased Services	350.00	350.00	224.50	125.50
Property Services	500.00	500.00	392.58	107.42
Other Purchased Services	2,350.00	2,350.00	1,818.59	531.41
Supplies	650.00	650.00	150.08	499.92
	<u>32,270.00</u>	<u>32,270.00</u>	<u>31,075.35</u>	<u>1,194.65</u>
Administration				
Salaries and Wages	213,975.00	213,975.00	213,543.84	431.16
Employee Benefits	95,185.00	95,185.00	85,534.69	9,650.31
Purchased Services	104,370.00	104,370.00	97,071.22	7,298.78
Property Services	6,800.00	6,800.00	5,232.67	1,567.33
Other Purchased Services	32,285.00	32,285.00	24,866.31	7,418.69
Supplies	7,550.00	7,550.00	6,072.87	1,477.13
Property	4,600.00	4,600.00	3,474.75	1,125.25
Capital Outlay			3,006.25	(3,006.25)
Other	4,600.00	4,600.00	545.08	4,054.92
	<u>469,365.00</u>	<u>469,365.00</u>	<u>439,347.68</u>	<u>30,017.32</u>
Maintenance Facility				
Purchased Services	20,200.00	20,200.00	17,182.29	3,017.71
Property Services	13,000.00	13,000.00	6,327.91	6,672.09
Other Purchased Services	6,000.00	6,000.00	5,924.08	75.92
Supplies	33,950.00	33,950.00	30,779.79	3,170.21
Property	4,000.00	4,000.00	1,791.94	2,208.06
Capital Outlay	8,950.00	8,950.00	6,096.02	2,853.98
	<u>86,100.00</u>	<u>86,100.00</u>	<u>68,102.03</u>	<u>17,997.97</u>
Administration Building Maintenance				
Property Services	40,100.00	6,000.00	26,126.59	(20,126.59)
Other Purchased Services	6,000.00	119,600.00	25,455.12	94,144.88
Supplies	25,700.00	25,700.00	22,338.13	3,361.87
Capital Outlay		47,940.00	114,922.64	(66,982.64)
Other	18,975.00	19,475.00	25.00	19,450.00
	<u>90,775.00</u>	<u>218,715.00</u>	<u>188,867.48</u>	<u>29,847.52</u>

CITY OF TROY, MISSOURI
SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
MODIFIED CASH BASIS - BUDGET AND ACTUAL -
GENERAL FUND
YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
EXPENDITURES (CONTINUED):				
General Government (Continued):				
Safety				
Purchased Services	\$ 1,500.00	\$ 1,500.00	\$ 2,685.00	\$ (1,185.00)
Property Services	6,000.00	6,000.00		6,000.00
Other Purchased Services	2,000.00	2,000.00		2,000.00
Supplies	1,335.00	1,335.00	1,407.08	(72.08)
Repairs & Maintenance			1,246.00	(1,246.00)
Property	500.00	500.00		500.00
Capital Outlay	9,500.00	9,500.00	9,500.46	(0.46)
	<u>20,835.00</u>	<u>20,835.00</u>	<u>14,838.54</u>	<u>5,996.46</u>
Total General Government	<u>854,490.00</u>	<u>982,430.00</u>	<u>881,222.13</u>	<u>101,207.87</u>
Public Safety:				
Police				
Salaries and Wages	1,357,955.00	1,366,805.00	1,335,112.61	31,692.39
Employee Benefits	680,435.00	680,435.00	629,186.04	51,248.96
Purchased Services	40,900.00	40,900.00	46,732.90	(5,832.90)
Property Services	30,615.00	30,615.00	36,219.69	(5,604.69)
Other Purchased Services	310,490.00	310,490.00	296,476.22	14,013.78
Supplies	96,200.00	87,200.00	83,656.06	3,543.94
Property	74,165.00	74,165.00	5,699.51	68,465.49
Capital Outlay		9,300.00	9,271.00	29.00
Other	1,500.00	1,200.00	752.97	447.03
Debt Service				
Principal			56,045.37	(56,045.37)
Interest			2,113.92	(2,113.92)
	<u>2,592,260.00</u>	<u>2,601,110.00</u>	<u>2,501,266.29</u>	<u>99,843.71</u>
Inspections				
Salaries and Wages	63,435.00	62,445.00	61,880.00	565.00
Employee Benefits	33,715.00	33,705.00	31,686.12	2,018.88
Purchased Services	10,100.00	10,100.00	10,819.44	(719.44)
Property Services	1,800.00	800.00	229.25	570.75
Other Purchased Services	19,275.00	16,775.00	13,060.32	3,714.68
Supplies	5,950.00	4,950.00	5,545.24	(595.24)
Property	950.00	350.00		350.00
Capital Outlay	2,500.00	10,600.00	9,699.00	901.00
Other	520.00	520.00		520.00
	<u>138,245.00</u>	<u>140,245.00</u>	<u>132,919.37</u>	<u>7,325.63</u>
Stormwater Management				
Salaries and Wages	25,045.00	25,045.00	24,538.16	506.84
Employee Benefits	13,460.00	13,460.00	12,750.21	709.79
Utilities			258.21	(258.21)
Purchased Services	1,250.00	1,250.00	500.00	750.00
Other Purchased Services	3,200.00	1,200.00		1,200.00
Supplies	600.00	600.00		600.00
Other	350.00	350.00	643.73	(293.73)
	<u>43,905.00</u>	<u>41,905.00</u>	<u>38,690.31</u>	<u>3,214.69</u>

CITY OF TROY, MISSOURI
SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
MODIFIED CASH BASIS - BUDGET AND ACTUAL -
GENERAL FUND
YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
EXPENDITURES (CONTINUED):				
Public Safety (Continued):				
Legislative				
Employee Benefits	\$ -	\$ -	\$ 182.00	\$ (182.00)
Legal	36,000.00	36,000.00	36,000.00	
	<u>36,000.00</u>	<u>36,000.00</u>	<u>36,182.00</u>	<u>(182.00)</u>
Animal Control				
Salaries and Wages	8,180.00	8,180.00	8,047.04	132.96
Employee Benefits	4,305.00	4,305.00	3,912.71	392.29
Purchased Services	150.00	150.00	160.00	(10.00)
Property Services	9,000.00	9,000.00	2,535.53	6,464.47
Other Purchased Services	1,850.00	1,850.00	1,502.64	347.36
Supplies	1,700.00	1,700.00	1,446.76	253.24
	<u>25,185.00</u>	<u>25,185.00</u>	<u>17,604.68</u>	<u>7,580.32</u>
Total Public Safety	<u>2,835,595.00</u>	<u>2,844,445.00</u>	<u>2,726,662.65</u>	<u>117,782.35</u>
Culture - Recreation:				
Parks				
Salaries and Wages	157,565.00	157,565.00	151,399.24	6,165.76
Employee Benefits	66,685.00	66,685.00	63,182.66	3,502.34
Purchased Services	4,500.00	4,500.00	2,700.77	1,799.23
Property Services	36,400.00	36,400.00	12,756.73	23,643.27
Other Purchased Services	14,600.00	14,600.00	12,950.72	1,649.28
Supplies	37,125.00	37,125.00	20,253.98	16,871.02
Property	11,700.00	11,700.00	2,391.98	9,308.02
Capital Outlay	82,990.00	82,990.00		82,990.00
Other	350.00	350.00		350.00
	<u>411,915.00</u>	<u>411,915.00</u>	<u>265,636.08</u>	<u>146,278.92</u>
Total Culture - Recreation	<u>411,915.00</u>	<u>411,915.00</u>	<u>265,636.08</u>	<u>146,278.92</u>
Total Historic Preservation	<u>505.00</u>	<u>505.00</u>	<u>-</u>	<u>505.00</u>
Debt Service:				
Bond Principal	101,000.00	101,000.00	101,000.00	-
Bond Interest	30,080.00	30,080.00	30,080.00	
	<u>131,080.00</u>	<u>131,080.00</u>	<u>131,080.00</u>	<u>-</u>
Total Debt Service	<u>131,080.00</u>	<u>131,080.00</u>	<u>131,080.00</u>	<u>-</u>
Total Expenditures	<u>4,233,585.00</u>	<u>4,370,375.00</u>	<u>4,004,600.86</u>	<u>365,774.14</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers-Out	(116,575.00)	(116,575.00)	(85,452.55)	31,122.45
Total Other Financing Source:	<u>(116,575.00)</u>	<u>(116,575.00)</u>	<u>(85,452.55)</u>	<u>31,122.45</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(166,195.00)	(272,780.00)	561,309.33	834,089.33
FUND BALANCE, JULY 1, 2018	<u>3,898,648.98</u>	<u>3,898,648.98</u>	<u>3,898,648.98</u>	<u>-</u>
FUND BALANCE, JUNE 30, 2019	<u>\$ 3,732,453.98</u>	<u>\$ 3,625,868.98</u>	<u>\$ 4,459,958.31</u>	<u>\$ 834,089.33</u>

CITY OF TROY, MISSOURI
 SUPPLEMENTARY INFORMATION
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 MODIFIED CASH BASIS - BUDGET AND ACTUAL -
 STREET MAINTENANCE FUND
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Taxes				
Transportation	\$ 1,290,000.00	\$ 1,290,000.00	\$ 1,353,366.43	\$ 63,366.43
Intergovernmental				
Federal Grants	986,000.00	986,000.00	-	(986,000.00)
Gasoline	428,000.00	428,000.00	422,206.35	(5,793.65)
	<u>1,414,000.00</u>	<u>1,414,000.00</u>	<u>422,206.35</u>	<u>(991,793.65)</u>
Sale of Assets	-	-	6,168.00	6,168.00
Interest	2,000.00	2,000.00	11,473.22	9,473.22
Miscellaneous	-	-	592.31	592.31
Total Revenues	<u>2,706,000.00</u>	<u>2,706,000.00</u>	<u>1,793,806.31</u>	<u>(912,193.69)</u>
EXPENDITURES:				
Public Works - Streets				
Salaries and Wages	466,635.00	466,635.00	452,420.86	14,214.14
Employee Benefits	255,160.00	255,160.00	235,402.02	19,757.98
Purchased Services	8,800.00	8,800.00	25,570.50	(16,770.50)
Property Services	105,000.00	105,510.00	65,588.72	39,921.28
Other Purchased Services	41,950.00	41,950.00	31,484.59	10,465.41
Supplies	537,370.00	537,370.00	372,939.98	164,430.02
Property	5,650.00	5,140.00	2,479.94	2,660.06
Capital Outlay	2,805,225.00	2,811,760.00	624,945.14	2,186,814.86
Other	50.00	800.00	505.00	295.00
Total Expenditures	<u>4,225,840.00</u>	<u>4,233,125.00</u>	<u>1,811,336.75</u>	<u>2,421,788.25</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,519,840.00)	(1,527,125.00)	(17,530.44)	1,509,594.56
OTHER FINANCING SOURCES (USES):				
Operating Transfers-In	850,000.00	850,000.00	-	(850,000.00)
FUND BALANCE, JULY 1, 2018	<u>736,451.08</u>	<u>736,451.08</u>	<u>736,451.08</u>	<u>-</u>
FUND BALANCE, JUNE 30, 2019	<u>\$ 66,611.08</u>	<u>\$ 59,326.08</u>	<u>\$ 718,920.64</u>	<u>\$ 659,594.56</u>

CITY OF TROY, MISSOURI
SUPPLEMENTARY INFORMATION
NOTES TO BUDGETARY COMPARISON SCHEDULES
JUNE 30, 2019

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 26, 2018.
4. Budgets for City funds are prepared and adopted on the modified 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, 2019, the City complied, in all material respects, with applicable budget laws.

CITY OF TROY, MISSOURI
 SUPPLEMENTARY INFORMATION
 COMBINING BALANCE SHEET- MODIFIED CASH BASIS
 NON-MAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2019

	Special Revenue Funds							Capital Projects Funds			
	Cemetery Investment	Tourism	Protested Franchise Tax	Police Explorers	Police Forfeiture	Police Canine Unit	Park Endowment Brown	Industrial Development	Sewer Bonds	CDBG	
ASSETS											
Cash and Investments	\$ 204,097.09	\$ -	\$ -	\$ 258.71	\$ -	\$ 7,748.85	\$ -	\$ 4,678.15	\$ 6,329.54	\$ -	
Restricted Assets:											
Cash and Investments	27,741.70	40,045.62	374.72	89,083.34						662.97	
Total Assets	\$ 204,097.09	\$ 27,741.70	\$ 40,045.62	\$ 258.71	\$ 374.72	\$ 7,748.85	\$ 89,083.34	\$ 4,678.15	\$ 6,329.54	\$ 662.97	
LIABILITIES AND FUND EQUITY											
Liabilities:											
Payroll Liabilities	\$ 9.72	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Liabilities	9.72										
Fund Balances											
Nonspendable											
Restricted for:											
Capital Projects								4,678.15	6,329.54	662.97	
Debt Service											
Parks							89,083.34				
Tourism		27,741.70									
Cemetery	204,087.37										
Other purposes			40,045.62	258.71	374.72	7,748.85					
Unassigned											
Total Fund Balance	204,087.37	27,741.70	40,045.62	258.71	374.72	7,748.85	89,083.34	4,678.15	6,329.54	662.97	
Total Liabilities and Fund Equity	\$ 204,097.09	\$ 27,741.70	\$ 40,045.62	\$ 258.71	\$ 374.72	\$ 7,748.85	\$ 89,083.34	\$ 4,678.15	\$ 6,329.54	\$ 662.97	

STATEMENT 3
(CONTINUED)

	Debt Service Funds				SRS 2012A Debt Service Reserve	Permanent Fund Park Endowment Avery	Total Non-Major Governmental Funds
	SRS 2012 Debt Service Reserve	SRS 2012 Debt Service	SRS 2012A Debt Service	SRS 2012A Debt Service			
ASSETS							
Cash and Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 223,112.34
Restricted Assets:							
Cash and Investments	100,000.00	2,031.75	682.90	682.90	34,501.56	287,936.30	583,060.86
Total Assets	\$ 100,000.00	\$ 2,031.75	\$ 682.90	\$ 682.90	\$ 34,501.56	\$ 287,936.30	\$ 806,173.20
LIABILITIES AND FUND EQUITY							
Liabilities:							
Payroll Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9.72
							9.72
Fund Balances							
Nonspendable	-	-	-	-	-	250,000.00	250,000.00
Restricted for:							
Capital Projects							11,670.66
Debt Service	100,000.00	2,031.75	682.90	682.90	34,501.56	37,936.30	137,216.21
Parks							127,019.64
Tourism							27,741.70
Cemetery							204,087.37
Other purposes							48,427.90
Unassigned	100,000.00	2,031.75	682.90	682.90	34,501.56	287,936.30	806,163.48
Total Fund Balance	\$ 100,000.00	\$ 2,031.75	\$ 682.90	\$ 682.90	\$ 34,501.56	\$ 287,936.30	\$ 806,173.20
Total Liabilities and Fund Equity	\$ 100,000.00	\$ 2,031.75	\$ 682.90	\$ 682.90	\$ 34,501.56	\$ 287,936.30	\$ 806,173.20

CITY OF TROY, MISSOURI
 SUPPLEMENTARY INFORMATION
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
 NON-MAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2019

	Special Revenue Funds							Capital Projects Funds			
	Cemetery Investment	Tourism	Franchise Tax	Police Explorers	Police Forfeiture	Police Canine Unit	Park Endowment Brown	Industrial Development	Sewer Bonds	CDBG	
REVENUES:											
Taxes		\$ 93,710.54	\$ 6,193.30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Intergovernmental											
Charges for Services	8,455.00										
Interest	3,285.60	205.99	574.66	219.00	26.37	5,200.00	1,370.70	71.98	97.40		
Miscellaneous											
Total Revenues	<u>11,740.60</u>	<u>93,916.53</u>	<u>6,767.96</u>	<u>219.00</u>	<u>26.37</u>	<u>5,200.00</u>	<u>1,370.70</u>	<u>71.98</u>	<u>97.40</u>	<u>-</u>	
EXPENDITURES:											
Current:											
Cemetery	26,954.37										
Economic Development		90,181.30			4,463.07	6,966.71					
Public Safety											
Capital Outlay											
Total Expenditures	<u>33,563.34</u>	<u>90,181.30</u>	<u>-</u>	<u>-</u>	<u>4,463.07</u>	<u>6,966.71</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(21,822.74)</u>	<u>3,735.23</u>	<u>6,767.96</u>	<u>219.00</u>	<u>(4,436.70)</u>	<u>(1,766.71)</u>	<u>1,370.70</u>	<u>71.98</u>	<u>97.40</u>	<u>-</u>	
OTHER FINANCING SOURCES (USES):											
Operating Transfers-In											
Operating Transfers-Out											
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>(21,822.74)</u>	<u>3,735.23</u>	<u>6,767.96</u>	<u>219.00</u>	<u>(4,436.70)</u>	<u>(1,766.71)</u>	<u>1,370.70</u>	<u>71.98</u>	<u>97.40</u>	<u>-</u>	
FUND BALANCE, JULY 1, 2018	<u>225,910.11</u>	<u>24,006.47</u>	<u>33,277.66</u>	<u>39.71</u>	<u>4,811.42</u>	<u>9,515.56</u>	<u>87,712.64</u>	<u>4,606.17</u>	<u>6,232.14</u>	<u>662.97</u>	
FUND BALANCE, JUNE 30, 2019	<u>\$ 204,087.37</u>	<u>\$ 27,741.70</u>	<u>\$ 40,045.62</u>	<u>\$ 258.71</u>	<u>\$ 374.72</u>	<u>\$ 7,748.85</u>	<u>\$ 89,083.34</u>	<u>\$ 4,678.15</u>	<u>\$ 6,329.54</u>	<u>\$ 662.97</u>	

STATEMENT 4
(CONTINUED)

	Debt Service Funds				Permanent Fund Park Endowment Avery	Total Non-Major Governmental Funds
	SRS 2012 Debt Service Reserve	SRS 2012 Debt Service	SRS 2012A Debt Service	SRS 2012A Debt Service Reserve		
REVENUES:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 99,903.84
Intergovernmental Charges for Services	1,979.65	591.55	152.76	682.86	3,924.83	8,455.00
Interest						12,964.35
Miscellaneous						5,419.00
Total Revenues	1,979.65	591.55	152.76	682.86	3,924.83	126,742.19
EXPENDITURES:						
Current:						
Cemetery	-	-	-	-	-	26,954.37
Economic Development	-	-	-	-	-	90,181.30
Public Safety	-	-	-	-	-	11,429.78
Capital Outlay	-	-	-	-	-	6,608.97
Total Expenditures	-	-	-	-	-	135,174.42
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,979.65	591.55	152.76	682.86	3,924.83	(8,432.23)
OTHER FINANCING SOURCES (USES):						
Operating Transfers-In	(1,979.65)	1,980.16	682.86	-	-	2,663.02
Operating Transfers-Out		(1,223.17)	(352.64)	(682.86)	-	(4,238.32)
Total Other Financing Sources (Uses)	(1,979.65)	756.99	330.22	(682.86)	-	(1,575.30)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER(UNDER) EXPENDITURES AND OTHER FINANCING USES	100,000.00	683.21	199.92	34,501.56	284,011.47	816,171.01
FUND BALANCE, JULY 1, 2018	100,000.00	683.21	199.92	34,501.56	284,011.47	816,171.01
FUND BALANCE, JUNE 30, 2019	\$ 100,000.00	\$ 2,031.75	\$ 682.90	\$ 34,501.56	\$ 287,936.30	\$ 806,163.48

CITY OF TROY, MISSOURI
 SUPPLEMENTARY INFORMATION
 COMBINING STATEMENT OF NET POSITION - MODIFIED CASH BASIS
 NON-MAJOR PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2019

	<u>Troy Aquatic Center</u>	<u>Total Non Major Funds</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ <u>500.00</u>	\$ <u>500.00</u>
Total Assets	\$ <u><u>500.00</u></u>	\$ <u><u>500.00</u></u>
<u>LIABILITIES</u>		
Liabilities:		
None	\$ <u>-</u>	\$ <u>-</u>
<u>NET POSITION</u>		
Unrestricted	<u>500.00</u>	<u>500.00</u>
Total Net Position	\$ <u><u>500.00</u></u>	\$ <u><u>500.00</u></u>

CITY OF TROY, MISSOURI
 SUPPLEMENTARY INFORMATION
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
 NET POSITION - MODIFIED CASH BASIS
 NON-MAJOR PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2019

	Troy Aquatic Center	Total Non Major Funds
OPERATING REVENUES:		
Charges for Service	\$ 94,816.53	\$ 94,816.53
 OPERATING EXPENSES:		
Salaries and Wages	14,224.90	14,224.90
Employee Benefits	2,016.25	2,016.25
Purchased Services	1,358.55	1,358.55
Property Services	4,141.02	4,141.02
Other Purchased Services	123,638.33	123,638.33
Supplies	30,971.59	30,971.59
Property	2,000.00	2,000.00
Other	1,926.63	1,926.63
Total Operating Expenses	180,277.27	180,277.27
 NON-OPERATING REVENUES (EXPENSES):		
Interest	8.19	8.19
NET INCOME (LOSS) BEFORE TRANSFERS	(85,452.55)	(85,452.55)
OPERATING TRANSFERS	85,452.55	85,452.55
NET INCOME (LOSS) AFTER TRANSFERS	-	-
TOTAL NET POSITION, JULY 1, 2018	500.00	500.00
TOTAL NET POSITION, JUNE 30, 2019	\$ 500.00	\$ 500.00

CITY OF TROY, MISSOURI
 SUPPLEMENTARY INFORMATION
 COMBINING STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS
 NON- MAJOR PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2019

	<u>Troy Aquatic Center</u>	<u>Total Non Major Funds</u>	
Cash Flows from Operating Activities:			
Cash Received from Customers	\$ 94,816.53	\$ 94,816.53	
Cash Payments to Suppliers for Goods and Services	(164,036.12)	(164,036.12)	
Cash Payments to Employees for Services	<u>(16,241.15)</u>	<u>(16,241.15)</u>	
Net Cash Provided (Used) by Operating Activities	<u>(85,460.74)</u>	<u>(85,460.74)</u>	
Cash Flows from Noncapital Financing Activities:			
Operating Transfers	<u>85,452.55</u>	<u>85,452.55</u>	
Cash Flows from Capital and Related Financing Activities:			
None	<u>-</u>	<u>-</u>	
Cash Flows from Investing Activities:			
Interest Earned	<u>8.19</u>	<u>8.19</u>	
Cash and Cash Equivalents, Beginning of Year	<u>500.00</u>	<u>500.00</u>	
Cash and Cash Equivalents, End of Year	<u>\$ 500.00</u>	<u>\$ 500.00</u>	
 Reconciliation of Operating Income(Loss) to Net Cash Provided (Used) by Operating Activities			
Operating Income(Loss)	\$ (85,460.74)	\$ (85,460.74)	
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities			
Changes in assets and liabilities:			
None	<u> </u>	<u> </u>	
Net Cash Provided (Used) by Operating Activities	<u>\$ (85,460.74)</u>	<u>\$ (85,460.74)</u>	