

**CITY OF TROY, MISSOURI**  
**AUDIT OF FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022**

CITY OF TROY, MISSOURI

MODIFIED CASH BASIS FINANCIAL STATEMENTS

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CITY OF TROY, MISSOURI

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## INDEPENDENT AUDITOR'S REPORT

Board of Aldermen  
City of Troy, Missouri

### Report on the Audit of the Financial Statements

#### *Opinions*

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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective 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, 2022, 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 for Opinions*

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

#### *Emphasis of Matter - 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 opinions are not modified with respect to the matter.

#### *Responsibilities of Management 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, and for 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 fraud or error.

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

## ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The budgetary comparison information, combining nonmajor fund financial statements, and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison information, combining nonmajor fund financial statements, and the schedule of expenditures of federal awards 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.

***Other Information***

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 23, 2023, on our consideration of the City of Troy's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Troy's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Troy's internal control over financial reporting and compliance.

***Croghan & Croghan, P.C.***

Certified Public Accountants

Kirkwood, Missouri  
January 23, 2023

## **UNAUDITED**

### **The City of Troy, Missouri Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2022**

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, 2022. 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, 2022, include the following:

- The 2021-2022 fiscal year saw the completion of a project that spanned several years. The upgrades to the Southeast Wastewater Treatment Facility (SE WWTF) were completed, with the final payment to the contractor, Plocher Construction being issued on January 13, 2022. The final payment for the interceptor line that connects the new Hwy 47 lift station to the SE WWTF was also issued to KCI. For the fiscal year, the City expended 2,868,228.53 for the construction portion of this project and 714,856.36 to Woodard & Curran for construction oversight and SCADA integration services.
- Another project that has spanned fiscal years is the complete reconstruction of Cherry Street from Main Street to Lincoln Drive. This project was awarded to Lamke Trenching & Excavation in May of 2021 at a bid of 3,518,602.00 and work commenced in July of 2021. At the end of the 2021-2022 fiscal year 2,072,920.74 of the contract had been expended. This project is being funded by the Capital Improvements Fund and supplemented by Surface Transportation Program (STP) funds. The project was originally expected to be completed in April of 2022, but an extension was requested to August 15, 2022, citing delays caused by weather events. Cochran Engineering has provided construction oversight at a cost of 150,248.59. The City of Troy supplied sewer pipe and materials for the replacements of sewer laterals to the sewer main along Cherry Street in conjunction with this project, at a cost of 12,970.21.
- The well house for Well # 15 was put out to bid in May of 2021 and awarded to Martin General Contractors. A notice to proceed was issued on July 9, 2021, and the project was completed within the fiscal year at a cost of 458,807.00.
- American Rescue Plan Act (ARPA) funds were used to construct a water main extension along Hwy 61 to make water available to an unserved area of the City. JTL Landscaping performed this construction at a cost of 231,810.00.

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- The CIPP (cured in place pipe) lining of sewer mains on Cap Au Gris Street, Union Street & Kuhne Boulevard was performed by SAK Construction at a cost of 109,649.00.
- In FY2021 the water main on Cherry Street was relocated by Lamke Trenching. The final payment of the 554,693.00 contract was made in FY2022 in the amount of 56,479.27.
- The asphalt parking lot and trails at Avery Park were overlain by Mid-River asphalt at a cost of 53,748.62. They also crack-filled and sealed the Aquatic Center parking lot at a cost of 9,620.00.
- A pump for the Whitetail Lift Station was purchased at a cost of 49,451.00 from Cogent Inc. A pump for the Wingate Lift Station was also purchased from Cogent at a cost of 13,334.00. Trekk Design Group performed smoke-testing and CCTV services in the sewer trunkline at the Bluffview subdivision in search of infiltration and inflow. The cost of this service was 12,720.00.
- Engineering services were procured for several projects. The services of Woodard & Curran were engaged for the development of a Stormwater Management Plan (SWMP), including GIS technical support, education and outreach, and program development. The City expended 59,500.00 for these services in FY2022. The City also contracted with Woodard & Curran for the evaluation of biosolids disposal and grit removal for the Southeast Wastewater Treatment Facility at a cost of 30,000.00, respectively. A section of sewer main near the Bluffview Subdivision was discovered to be in poor condition. A contract was entered with Woodard & Curran in the amount of 30,830.00 to design, bid and oversee the replacement of this main. At the fiscal year-end 16,930.00 of this contract had been expended. Four Points Engineering was engaged to design a new well, to be known as Well # 16 for a fee of 23,000.00. The City also turned to Four Points Engineering to design the replacement of the water main on West Bonfils Street at a cost of 18,750.00, with 17,250.00 of this contract having been expended by the fiscal year-end. George Butler & Associates (GBA) were contracted at a cost of 21,496.00 to provide engineering services for the FY2022 Pavement Repair Program.
- The SCADA system at Well # 10 was upgraded at a cost of 8,965.00 by Electric Controls Company. Other noteworthy expenditures for the City's water system were as follows: fire hydrant replacement, 17,297.16, the inspection and cleaning of three (3) water towers, 7,595.00, and a chlorine analyzer, 4,206.72. An emergency water main repair had to be performed in a creek crossing near the Westhampton Woods subdivision. Lamke Trenching performed this work at a cost of 5,357.00. ACSI Construction performed the boring under a driveway near the hospital to allow the City's crew to repair a water main, at a cost of 5,500.00.
- Improvements to City properties were performed during the 2022 fiscal year. A new air conditioner for City Hall was installed at a cost of 7,985.00. The audio system in the City Hall meeting room was upgraded at a cost of 3,978.95. The reception window in the police department was replaced with bullet-resistant glass at a cost of 2,421.60. The roofs on the Fairgrounds Park restroom and maintenance shed were replaced at a cost of 5,440.00. The Kiwanis Park bathroom was completed with a sidewalk and an ADA compliant changing table at a cost of 6,078.32.
- The police department purchased thirty-five (35) Glock pistols from Kiesler Police Supply in the amount of 15,207.50. The department also purchased ten (10) Gall's Level IIIA vests at total cost of 7,668.10. One-half of this expenditure will be reimbursed through the Department of Justice's bulletproof vest program. An additional four (4) body cameras were purchased for the department from Johnson Controls Security Solutions at a cost of 4,997.45. The department was able to acquire three (3) Panasonic Toughbooks on an OSET (Officer Safety Equipment and Technology) grant in the amount of 6,042.00.



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- In March of 2021, the Board voted to contract with Evergreen Solutions LLC for a Payroll Compensation Study at a cost of 28,500.00. The study was completed in FY2022 with 7,125.00 expended in FY2021 and the remaining 21,375.00 expended in FY2022.
- Following the 2020 census, the redistricting of the City's three aldermanic wards was deemed necessary. Boonslick Regional Planning Commission completed this task at a cost of 2,400.00.
- A 2020 JCB 525-60 Compact Loadall was leased for use by Public Works for thirty-six monthly payments of 1,179.35 with an option to purchase at the end of the lease term. This expense was offset by the sale of the City's 2015 JCB 525-60 Compact Loadall in the amount of 26,000.00. A MicroTech Locator was purchased for locating utility lines at a cost of 5,364.34. A used LeeBoy 1000 Paver became available and was purchased for 3,300.00 from an individual seller. Other equipment purchased during the fiscal year is as follows: a Gravely mower for use in the cemetery, 9,678.64, a Husqvarna Walk-Behind Saw, 6,429.04, a Jetter Nozzle, 3,295.91, and a Brush Chief Brush Cutter, 1,900.00.

The City's net position (cash basis) at the end of 2022 was \$19,862,219.47.

### **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.

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**NET POSITION**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total June 30, 2022</u>	<u>Total June 30, 2021</u>
<b><u>ASSETS</u></b>				
Cash and Investments	\$ 6,308,618.95	\$ 5,154,298.70	\$ 11,462,917.65	\$ 11,394,446.54
Restricted Assets:				
Cash and Investments	<u>8,409,501.18</u>		<u>8,409,501.18</u>	<u>7,166,882.48</u>
Total Assets	<u>14,718,120.13</u>	<u>5,154,298.70</u>	<u>19,872,418.83</u>	<u>18,561,329.02</u>
<b><u>LIABILITIES</u></b>				
Payroll Withholdings	<u>8,968.81</u>	<u>1,230.55</u>	<u>10,199.36</u>	<u>9,473.19</u>
<b><u>NET POSITION</u></b>				
Restricted	8,624,677.31		8,624,677.31	7,373,721.43
Unrestricted	<u>6,084,474.01</u>	<u>5,153,068.15</u>	<u>11,237,542.16</u>	<u>11,178,134.40</u>
Total Net Position	<u>\$ 14,709,151.32</u>	<u>\$ 5,153,068.15</u>	<u>\$ 19,862,219.47</u>	<u>\$ 18,551,855.83</u>

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**Government-wide Financial Analysis**

Revenue and Expenditure Comparison for Years  
Ending June 30, 2022 and 2021

	<u>2022</u>	<u>%</u>	<u>2021</u>	<u>%</u>
<b>Revenues</b>				
Taxes	\$ 8,306,212.87	42.32%	\$ 7,638,243.90	25.50%
Intergovernmental	1,907,353.69	9.72%	1,863,404.22	6.22%
Licenses and Permits	136,137.78	0.69%	217,593.64	0.73%
Charges for Services	6,591,428.30	33.58%	6,700,699.09	22.37%
Interest	88,019.61	0.45%	203,423.26	0.68%
Fines and Forfeitures	175,279.77	0.89%	166,488.30	0.56%
Sale of Assets	18,330.00	0.09%	49,417.00	0.16%
SRF Loan Proceeds	2,306,160.20	11.75%	12,953,907.18	43.24%
Miscellaneous	100,459.35	0.51%	164,080.16	0.55%
<b>Total Revenues</b>	<b>\$ 19,629,381.57</b>	<b>100.00%</b>	<b>\$ 29,957,256.75</b>	<b>100.00%</b>
<b>Expenditures</b>				
General Government	\$ 711,499.33	3.88%	\$ 703,230.54	2.57%
Public Safety	3,442,850.66	18.79%	3,100,721.50	11.35%
Culture and Recreation	319,296.50	1.74%	368,810.18	1.35%
Cemetery	30,684.72	0.17%	27,174.97	0.10%
Public Works - Streets	1,133,948.63	6.19%	2,821,991.24	10.33%
Economic Development	111,063.15	0.61%	91,728.98	0.34%
Capital Outlay	2,961,677.62	16.17%	-	0.00%
Operating Expenses - Utilities	7,894,816.45	43.10%	19,032,709.86	69.65%
Debt Service - Principal/Interest	1,713,180.87	9.35%	1,179,099.10	4.32%
<b>Total Expenditures</b>	<b>\$ 18,319,017.93</b>	<b>100.00%</b>	<b>\$ 27,325,466.37</b>	<b>100.00%</b>
<b>Other</b>				
Bond Proceeds	\$ -	-	\$ 3,867,135.85	-2918.58%
Payment to Escrow	-	-	(3,922,337.50)	2960.24%
Bonds - Cost of Issuance	-	-	(77,299.00)	58.34%
<b>Total Other</b>	<b>\$ -</b>	<b>-</b>	<b>\$ (132,500.65)</b>	<b>100.00%</b>

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**Governmental Funds Financial Analysis**

	<u>2022</u>	<u>2021</u>
Program Revenues Collected:		
Charges for Services	\$ 340,007.55	\$ 407,101.94
Operating Grants and Contributions	504,637.35	1,863,404.22
Capital Grants and Contributions	101,807.03	-
General Revenues Collected:		
Property Taxes	376,958.95	360,749.32
Franchise and Public Service Taxes	2,671,971.02	2,450,979.19
Sales Tax	5,257,282.90	4,826,515.39
Grant not restricted to specific program	1,305,909.31	-
Investment Income	67,280.07	138,543.96
Sale of Assets	18,330.00	43,084.00
Miscellaneous	95,459.35	164,080.16
Total Revenues Collected	<u>10,739,643.53</u>	<u>10,254,458.18</u>
Expenses Paid:		
General Government	711,499.33	703,230.54
Public Safety	3,442,850.66	3,100,721.50
Culture and Recreation	319,296.50	368,810.18
Cemetery	30,684.72	27,174.97
Public Works - Streets	1,133,948.63	2,821,991.24
Economic Development	111,063.15	91,728.98
Capital Outlay	2,961,677.62	-
Debt Service		
Principal	409,328.54	370,847.16
Interest and Fees	40,891.26	64,998.83
Total Expenses Paid	<u>9,161,240.41</u>	<u>7,549,503.40</u>
Other Financing Sources:		
Transfers between funds	(64,898.55)	(186,287.54)
Bond Proceeds	-	443,478.95
Payment to Escrow	-	(443,478.95)
Total Other Financing Sources	<u>(64,898.55)</u>	<u>(186,287.54)</u>
Change in Net Position	1,513,504.57	2,518,667.24
Net Position, July 1	<u>13,195,646.75</u>	<u>10,676,979.51</u>
Net Position, June 30	<u>\$ 14,709,151.32</u>	<u>\$ 13,195,646.75</u>

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**Business-Type Activities**

Water Fund:	<u>2022</u>	<u>2021</u>
Operating Revenue	\$ 2,173,495.04	\$ 2,145,284.27
Operating Expenditures	<u>(1,683,064.33)</u>	<u>(2,097,626.10)</u>
Operating Income/(Loss)	490,430.71	47,658.17
Non-Operating Revenue/(Expenses)	4,146.51	31,144.61
Operating Transfer	-	-
Net Income/(Loss)	<u>\$ 494,577.22</u>	<u>\$ 78,802.78</u>

Sewer Fund:	<u>2022</u>	<u>2021</u>
Operating Revenue	\$ 3,411,214.30	\$ 3,642,895.12
Operating Expenditures	<u>(5,191,374.32)</u>	<u>(16,011,244.05)</u>
Operating Income/(Loss)	(1,780,160.02)	(12,368,348.93)
Non-Operating Revenue/(Expenses)	1,059,756.36	12,250,380.44
Operating Transfer	-	136,659.43
Bond Proceeds	-	3,423,656.90
Payment to Escrow	-	(3,478,858.55)
Bonds - Cost of Issuance	-	(77,299.00)
Net Income/(Loss)	<u>\$ (720,403.66)</u>	<u>\$ (113,809.71)</u>

Sanitation Fund:	<u>2022</u>	<u>2021</u>
Operating Revenue	\$ 838,861.94	\$ 835,462.57
Operating Expenditures	<u>(838,459.79)</u>	<u>(821,459.97)</u>
Operating Income/(Loss)	402.15	14,002.60
Non-Operating Revenue/(Expenses)	169.90	341.32
Operating Transfer	-	-
Net Income/(Loss)	<u>\$ 572.05</u>	<u>\$ 14,343.92</u>

Troy Aquatic Center:	<u>2022</u>	<u>2021</u>
Operating Revenue	\$ 139,097.12	\$ 54,037.13
Operating Expenditures	<u>(181,918.01)</u>	<u>(102,379.74)</u>
Operating Income/(Loss)	(42,820.89)	(48,342.61)
Non-Operating Revenue/(Expenses)	35.80	-
Operating Transfer	64,898.55	49,628.11
Net Income/(Loss) after Transfers	<u>\$ 22,113.46</u>	<u>\$ 1,285.50</u>

The water fund experienced a net gain of 494,577.22. Income for FY2022 was essentially the same as income for FY2021. User fee revenue increased slightly but both connection fees and interest income decreased dramatically. Operations personnel decreased over the prior year and less was expended on repairs. The most significant difference was the amount expended for capital projects, which was 314,292.82 less than the prior year.

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The sewer fund ended the fiscal year with a net loss of 720,403.66. On June 30, 2021, the City received a deposit from the Missouri DNR in payment of a requisition from the City's SRF loan in the amount of 656,845.07. The vendors associated with this requisition were paid on July 1, 2021. As the City is on the cash basis of accounting, this payment was essentially pulled from "reserves." While user fee revenue was up by 4%, connection fees and interest earned decreased dramatically. FY2022 was also the first full year of debt service for the 2020 refinancing of the sewer debt and the first two principal payments on the SRF loan.

The sanitation fund ended the fiscal year with a net gain of 572.05. User fees remained the same per the City's contract with Meridian Waste Solutions. Since the City contracts for trash disposal services, the Sanitation Fund has no bearing on the City's financial position.

The Aquatic Center Fund ended the fiscal year with a net gain of 22,113.46. The Aquatic Center was open for both the 2021 and 2022 swim season, so this net gain represents both July through September of 2021 and May through June of 2022. The aquatic center was extremely popular for the 2022 swim season and revenues were robust. The Board of Aldermen also voted to increase admission fees for the 2022 swim season.

**General Fund Budgetary Highlights**

General Fund revenues exceeded budgetary projections by 9.79%. With the Covid-19 pandemic not having the economic impact that was expected in FY2021, the City chose to budget revenues a little less conservatively for the 2021-2022 fiscal year. Despite this adjustment, many of the City's revenues still exceeded the budgeted projections. Sales tax revenues were nearly 7% over budget. Property tax revenues were 2% over budget. Franchise taxes, which fell short of budget in the prior fiscal year, exceeded budget by 11%. While telecommunication tax revenues continue to decline, and cable franchise fees remain relatively static, the revenues from the commercial electricity and gas franchise fees increased over the prior year, which had been impacted by the shutdown of some manufacturing and businesses. Fine and forfeiture income exceeded budget by 22% and interest income exceeded budget by 62%. The only area of general fund revenues to fall short of projections was cigarette tax, which was 6% below target.

**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 22,812,831.46:

State of Missouri-Direct Loan Program Series 2020 Wastewater Treatment Upgrades-Combined Waterworks & Sewerage System Revenue Bonds	18,639,000.00
2020 Lease Purchase Agreement (This lease was issued for the purpose of refinancing the City's Series 2010A Certificates of Participation, Series 2012 Refunding Certificates of Participation and Series 2012A Refunding Certificates of Participation	2,960,000.00
Series 2017 Certificates of Participation for refunding 2011 COPS for Aquatic Center and Capital Improvements	995,100.00
MTFC Direct Loan Agreement for the Route 61 Outer Road	66,471.92
Capital Leases	152,259.54

## **UNAUDITED**

### **Budgetary Analysis**

Fiscal year 2022-2023 will see the completion of a project that has been years in the planning; the complete replacement of Cherry Street from Main Street to Lincoln Drive, including sidewalks. The project went out to bid in March of 2021 and was awarded to Lamke Trenching & Excavating at a bid of 3,518,602.00. The project commenced on July 29, 2021, with a completion date of April 24, 2022. At budget time, the project completion date had been extended to August 15, 2022, due to "weather events encountered during construction". The contract had increased to 3,619,803.00 following four change orders. This project is being funded in part by the Capital Improvements Fund and supplemented by Surface Transportation Program (STP) funds.

Street projects budgeted for FY2022 were bid out late in the fiscal year. M & H Concrete was awarded the bid for the 2022 Concrete Slab Replacement on May 12, 2022, at a bid price of 619,988.00. This project will replace slabs on Excalibur Boulevard, Huntington Drive, Creekwood, Saxony and the entrance to the Hamptons. The notice to proceed was issued to M & H on June 1, 2022, with a completion date of August 30, 2022.

The 2022 Asphalt Mill & Overlay Project was awarded to Mid-River Asphalt on May 12, 2022, at a bid price of 456,567.71. Streets included in this project are Old Moscow Mills Road, Mennemeyer Road, Thompson Drive, Monroe Street (Main St. to Fair Court) and Main Street (Main Street Elementary to Kemper Street). The notice to proceed was issued to Mid-River on June 1, 2022, with a completion date of July 1, 2022.

The FY2023 Asphalt Mill & Overlay Project will include Annie Avenue, Harris Street, Market Place, N. Lincoln Drive, Oak Forest, Sleepy Hollow, Trojan Circle and Trojan Drive. The estimated cost for this project is 760,000.00

Concrete Slab Replacement for FY2023 will be performed on West Bonfils at an estimated cost of 274,000.00. South Lincoln Drive and Old Moscow Mills Road will be improved with aggregated seal coating at an estimated cost of 192,692.00

Other improvements related to transportation will include a sidewalk along South Main from Monroe Street, estimated at 32,000.00 and the sealing and striping of the parking lots at City Hall, estimated to cost 30,000.00.

In May of 2021, the City entered a Memorandum of Agreement with Lincoln County and the City of Moscow Mills to share the costs of an outer road on the east side of Highway 61 from Troy to Moscow Mills. The anticipated cost of this project is 4,070,480.00, with MoDOT providing 50% of the funding, and the remaining 50% to be divided equally among the City of Troy, the City of Moscow Mills and Lincoln County. Lincoln County secured a loan for 2,000,000.00 from the Missouri Transportation Finance Corp. (MTFC) at an interest rate of 1.09%. The City's obligation will be approximately 77,313.00 annually. At budget time this project had not commenced.

The drilling of a new well, to be known as Well # 16 has been planned for FY2022-2023 at a cost of 800,000.00. The preliminary plan is to drill on City-owned property. A new water main will be installed along Elm Tree Road at an estimated cost of 450,000.00. A water main extension along Hwy 61 from the South Lincoln roundabout to Old Cap Au Gris Road will be constructed and is estimated to cost 400,000.00.

In February of 2022, the City went out to bid for the replacement of the water line along West Bonfils Street. The bid was awarded to Lamke Trenching at a bid price of 272,230.50 and the notice to proceed was dated May 16, 2022. No pay applications were submitted prior to the end of the fiscal year, so this contract was entered in the FY2023 budget.

## *UNAUDITED*

Upgrades to sludge storage at the Southeast Wastewater Treatment Facility (SE WWTF) are planned. The proposal includes the furnishing and installation of aeration, mixing and decant equipment to the City's sludge storage tank at the SE WWTF at a cost of 810,000.00.

A new gravity sewer line from the Hamptons subdivision is planned at a cost of 350,000.00. The installation of a sewer main extension from South Lincoln Drive to the Lincoln County Farmer's Cooperative has been budgeted at a cost of 250,000. A comprehensive study of the City's sewer collections system will be performed at a cost of 250,000.00.

Two projects awarded in FY2022 will be performed in the new fiscal year. The repair of the sewer main near the Bluffview subdivision went out to bid in May of 2022 and was awarded to Wehmeyer Farms at a bid price of 174,500.00. The CIPP lining of a sewer main on Cherry Street was awarded to SAK Construction in June of 2022 at a bid of 63,825.00.

Other improvements to sewer collection and treatment are planned as follows: lift station monitoring upgrades, 90,000.00, the demolition of the blower building at the old Hwy 47 wastewater treatment facility, 57,400.00, the rehabilitation of manholes, 40,500.00, a new bar screen at the Hwy 47 lift station, 35,400.00, and a new gravel road to the clarifiers at the SE WWTF, 10,000.00.

Additions to personnel are planned for FY2023. Both Public Works and the Parks Dept. are planning to increase their staffing by one full-time employee each. The Municipal Court has budgeted for a part-time employee to assist with the court 20 hours per week.

At the March 21, 2022, Board of Aldermen meeting, the Board voted unanimously to allocate 500,000.00 in ARPA funding to the police department. The police department's proposal included six equipped police vehicles, six (6) new Stalker Radars, twenty-one (21) new patrol car radios, thirty-five (35) handheld radios, twenty-five (25) basic bundle tasers, five (5) desktop computers and four (4) laptop computers. At the fiscal year-end none of these purchases had been made, so they were entered in the FY2023 budget.

In addition to the vehicles purchased with ARPA funds, the City will be increasing its fleet in both the police department and public works. The police department has budgeted 41,500.00 for the acquisition of three (3) Dodge Durango's on a lease purchase agreement. They are also planning to acquire two (2) Used 2021 Dodge Chargers for the K-9 officers at an estimated cost of 54,000.00. Our Public Works department is planning to lease purchase a new sewer jetter combo truck and has allocated an annual payment of 95,000.00 for that purpose. Public Works has also budgeted 40,000.00 for the purchase of a new pickup truck, as well as 50,000.00 for the purchase of two (2) used pickup trucks. A new pickup truck was budgeted in the amount of 40,000.00 for use by the City's wastewater management firm, Woodard & Curran.

Improvements to City-owned facilities are planned for FY2023. A guardrail along the Fairgrounds Park parking lot is to be installed for safety, at a cost of 55,000.00. Also at Fairgrounds Park, the fencing will be replaced, and roofs will be installed over the dugouts at an estimated cost of 45,000.00. The painting of the City pool will be outsourced at a cost of 36,000.00. The Public Works maintenance facility at 336 Excalibur Blvd. will be adding a fabric-covered 50' X 80' building at a budgeted cost of 43,500.00.

There are several pieces of equipment budgeted for the 2022-2023 fiscal year. A valve exercising machine has been budgeted at a cost of 60,000.00. A lawn mower has been budgeted at a cost of 10,000.00 for use at the SE WWTF. A budget of 12,600.00 has been allocated for an equipment trailer. The acquisition of spare pumps for the Crooked Creek, Oaks and Woods Fort lift stations has been budgeted in the amount of 37,325.00



## **UNAUDITED**

A new skid loader will be leased at a budgeted annual cost of 13,440.00 and a new mini excavator will also be leased, at an annual cost of 11,880.00. Both will be operating leases for three (3) years, with options to purchase at the end of the term.

Various professional services were budgeted for FY2023. Engineering services for MS4 compliance were budgeted at 50,000.00. The mandated inventory of lead and copper water lines was budgeted at 15,000.00. The inspection of lift stations was budgeted at 10,803.00 and 6,000.00 was budgeted for draft building plans to replace the Fairgrounds Park pavilion.

Investment in technology that will enhance safety and efficiency has been budgeted. A new water meter reading system will be purchased at a cost of 90,000.00. Software to track FOG (fats, oil & grease) inspections will be purchased for 2,500.00. The City's warning sirens will be upgraded at a cost of 10,000.00. The police department will be acquiring a mobile ticketing system, mobile printers, upgrades to their server & new monitoring and AXIS Case Evidence storage, at a total cost of 48,799.00. The City's website will also get an upgrade for 2,500.00.

Sales tax revenues were budgeted essentially flat for the 2022-2023 fiscal year.

As the City's health insurance renews on January 1<sup>st</sup>, it is difficult to predict rate increases at budget time. For the 2022-2023 fiscal year, an increase of 15% in health insurance premiums was budgeted.

In March of 2021, the City entered a contract with Evergreen Solutions LLC for a payroll compensation study. Evergreen presented their findings at the August 2021 Board of Alderman meeting, and it was voted to table any decision on implementation until the FY2023 budget workshops. At budget time Evergreen's findings were reviewed, and the Board chose to increase wages to the mid-range option at an estimated cost of 166,443.06 and add an additional step due to the delay in the implementation of Evergreen's plan.

The contribution rate for the Missouri Local Government Employees Retirement (MO LAGERS) decreased from 9.8% to 9.1% for general employees and decreased from 9.1% to 8.4 % for police for FY2023.

### **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, taxpayers, and creditors may want further details. To obtain such details, please contact Ron Sconce, Mayor, Tonya Hawkins, 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, 2022

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and Investments	\$ 6,308,618.95	\$ 5,154,298.70	\$ 11,462,917.65
Restricted Assets:			
Cash and Investments	<u>8,409,501.18</u>	<u>                    </u>	<u>8,409,501.18</u>
Total Assets	<u>14,718,120.13</u>	<u>5,154,298.70</u>	<u>19,872,418.83</u>
<u>LIABILITIES</u>			
Payroll Withholdings	<u>8,968.81</u>	<u>1,230.55</u>	<u>10,199.36</u>
Total Liabilities	<u>8,968.81</u>	<u>1,230.55</u>	<u>10,199.36</u>
<u>NET POSITION</u>			
Restricted for:			
Nonexpendable Permanent Funds	250,000.00	-	250,000.00
Capital Projects	4,759,886.68		4,759,886.68
Parks	59,095.14		59,095.14
Roads	2,179,829.64		2,179,829.64
Tourism	32,585.64		32,585.64
Cemetery	175,993.54		175,993.54
Other Purposes	1,167,286.67		1,167,286.67
Unrestricted	<u>6,084,474.01</u>	<u>5,153,068.15</u>	<u>11,237,542.16</u>
Total Net Position	<u>\$ 14,709,151.32</u>	<u>\$ 5,153,068.15</u>	<u>\$ 19,862,219.47</u>

See accompanying notes to basic financial statements.

CITY OF TROY, MISSOURI  
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS  
YEAR ENDED JUNE 30, 2022

Functions/Programs	Expenses	Program Revenues Received			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Government Activities	Business-type Activities	Total
<b>Governmental Activities:</b>							
General Government	\$ 711,499.33	\$ 136,137.78	\$ -	\$ -	\$ (575,361.55)	\$ -	\$ (575,361.55)
Public Safety	3,442,850.66	175,279.77	34,083.41		(3,233,487.48)		(3,233,487.48)
Culture and Recreation	319,296.50				(319,296.50)		(319,296.50)
Cemetery	30,684.72	28,590.00			(2,094.72)		(2,094.72)
Public Works - Streets	1,133,948.63		470,553.94	101,807.03	(663,394.69)		(663,394.69)
Economic Development	111,063.15				(9,256.12)		(9,256.12)
Capital Outlay	2,961,677.62				(2,961,677.62)		(2,961,677.62)
Debt Service							
Principal	409,328.54				(409,328.54)		(409,328.54)
Interest and Fees	40,891.26				(40,891.26)		(40,891.26)
Total governmental activities:	9,161,240.41	340,007.55	504,637.35	101,807.03	(8,214,788.48)	-	(8,214,788.48)
<b>Business-type Activities:</b>							
Water	1,692,436.78	2,173,495.04			-	481,058.26	481,058.26
Sewer	6,444,962.94	3,411,214.30			(3,033,748.64)	(3,033,748.64)	(3,033,748.64)
Sanitation	838,459.79	839,031.84			572.05	572.05	572.05
Troy Aquatic Center	181,918.01	139,097.12			(42,820.89)	(42,820.89)	(42,820.89)
Total business-type activities:	9,157,777.52	6,562,838.30	-	-	(2,594,939.22)	(2,594,939.22)	(2,594,939.22)
Total City	18,319,017.93	6,902,845.85	504,637.35	101,807.03	(8,214,788.48)	(2,594,939.22)	(10,809,727.70)
<b>General Revenues:</b>							
Taxes							
Property Taxes					376,958.95	-	376,958.95
Franchise and Public Service Taxes					2,671,971.02		2,671,971.02
Sales Tax					5,257,282.90		5,257,282.90
Grant not restricted to specific program					1,305,909.31		1,305,909.31
Investment Income					67,280.07	20,739.54	88,019.61
Sale of Assets					18,330.00		18,330.00
SRF Loan Proceeds					95,459.35	2,306,160.20	2,306,160.20
Miscellaneous					(64,898.55)	64,898.55	
Transfers between funds					9,728,293.05	2,391,798.29	12,120,091.34
Total General Revenues					1,513,504.57	(203,140.93)	1,310,363.64
Change in Net Position					13,195,646.75	5,356,209.08	18,551,855.83
Net Position - beginning					14,709,151.32	5,153,068.15	19,862,219.47
Net Position - ending					\$	\$	\$

See accompanying notes to basic financial statements.

CITY OF TROY, MISSOURI  
BALANCE SHEET- MODIFIED CASH BASIS  
GOVERNMENTAL FUNDS  
JUNE 30, 2022

	Major Funds					Total Governmental Funds
	General	Street Maintenance	Capital Improvement	ARPA Grant	Non-Major Funds	
<b>ASSETS</b>						
Cash and Investments	\$ 6,091,738.94	\$ -	\$ -	\$ -	\$ 216,880.01	\$ 6,308,618.95
Restricted Assets:						
Cash and Investments		2,181,518.64	4,747,826.36	1,078,259.32	401,896.86	8,409,501.18
<b>Total Assets</b>	<b>\$ 6,091,738.94</b>	<b>\$ 2,181,518.64</b>	<b>\$ 4,747,826.36</b>	<b>\$ 1,078,259.32</b>	<b>\$ 618,776.87</b>	<b>\$ 14,718,120.13</b>
<b>LIABILITIES AND FUND EQUITY</b>						
<b>Liabilities</b>						
Payroll Liabilities	\$ 7,264.93	\$ 1,689.00	\$ -	\$ -	\$ 14.88	\$ 8,968.81
<b>Total Liabilities</b>	<b>7,264.93</b>	<b>1,689.00</b>	<b>-</b>	<b>-</b>	<b>14.88</b>	<b>8,968.81</b>
<b>Fund Equity:</b>						
<b>Fund Balance:</b>						
Nonspendable	-	-	-	-	250,000.00	250,000.00
<b>Restricted for:</b>						
Capital Projects			4,747,826.36		12,060.32	4,759,886.68
Parks					59,095.14	59,095.14
Roads		2,179,829.64				2,179,829.64
Tourism					32,585.64	32,585.64
Cemetery					175,993.54	175,993.54
Other purposes				1,078,259.32	89,027.35	1,167,286.67
Unassigned	6,084,474.01					6,084,474.01
<b>Total Fund Equity</b>	<b>6,084,474.01</b>	<b>2,179,829.64</b>	<b>4,747,826.36</b>	<b>1,078,259.32</b>	<b>618,761.99</b>	<b>14,709,151.32</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$ 6,091,738.94</b>	<b>\$ 2,181,518.64</b>	<b>\$ 4,747,826.36</b>	<b>\$ 1,078,259.32</b>	<b>\$ 618,776.87</b>	

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 \$ 14,709,151.32

See accompanying notes to financial basic statements.

CITY OF TROY, MISSOURI  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2022

	Major Funds				Non-Major Funds	Total Governmental Funds
	General	Street Maintenance	Capital Improvements	APRA Grant		
<b>REVENUES:</b>						
Taxes	\$ 4,736,975.99	\$ 1,698,419.59	\$ 1,752,482.69	\$ -	\$ 118,334.60	\$ 8,306,212.87
Intergovernmental	29,083.41	470,553.94	99,504.40	1,305,909.31	2,302.63	1,907,353.69
Licenses, Permits and Fees	136,137.78					136,137.78
Charges for Services					28,590.00	28,590.00
Interest	26,139.28	7,716.51	24,137.25	4,160.01	5,127.02	67,280.07
Fines and Forfeitures	175,279.77					175,279.77
Sale of Assets	17,980.00	350.00				18,330.00
Miscellaneous	70,156.46	1,024.24			29,278.65	100,459.35
<b>Total Revenues</b>	<b>5,191,752.69</b>	<b>2,178,064.28</b>	<b>1,876,124.34</b>	<b>1,310,069.32</b>	<b>183,632.90</b>	<b>10,739,643.53</b>
<b>EXPENDITURES:</b>						
Current:						
General Government	711,499.33	-	-	-	-	711,499.33
Public Safety	3,433,246.16				9,604.50	3,442,850.66
Culture and Recreation	319,296.50					319,296.50
Cemetery					30,684.72	30,684.72
Public Works - Streets		1,133,948.63				1,133,948.63
Economic Development					111,063.15	111,063.15
Capital Outlay	223,126.21	30,490.85	2,460,727.66	231,810.00	15,522.90	2,961,677.62
Debt Service:						
Principal	170,800.46	7,028.08	231,500.00			409,328.54
Interest and Fees	6,336.79	766.03	33,788.44			40,891.26
<b>Total Expenditures</b>	<b>4,864,305.45</b>	<b>1,172,233.59</b>	<b>2,726,016.10</b>	<b>231,810.00</b>	<b>166,875.27</b>	<b>9,161,240.41</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>327,447.24</b>	<b>1,005,830.69</b>	<b>(849,891.76)</b>	<b>1,078,259.32</b>	<b>16,757.63</b>	<b>1,578,403.12</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Operating Transfers	(64,898.55)	-	-	-	-	(64,898.55)
<b>Total Other Financing Sources (Uses):</b>	<b>(64,898.55)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(64,898.55)</b>
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES</b>	<b>262,548.69</b>	<b>1,005,830.69</b>	<b>(849,891.76)</b>	<b>1,078,259.32</b>	<b>16,757.63</b>	<b>1,513,504.57</b>
FUND BALANCE, JULY 1, 2021	5,821,925.32	1,173,998.95	5,597,718.12	-	602,004.36	13,195,646.75
FUND BALANCE, JUNE 30, 2022	\$ 6,084,474.01	\$ 2,179,829.64	\$ 4,747,826.36	\$ 1,078,259.32	\$ 618,761.99	\$ 14,709,151.32

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, 2022

Net change in fund balances - total governmental funds	\$ 1,513,504.57
There are no adjustments	<u>-</u>
Change in Net Position of Governmental Activities	<u><u>\$ 1,513,504.57</u></u>

See accompanying notes to basic financial statements.

CITY OF TROY, MISSOURI  
STATEMENT OF NET POSITION - MODIFIED CASH BASIS  
PROPRIETARY FUNDS  
JUNE 30, 2022

	Major Enterprise Funds			Non-major Enterprise Funds	Total Enterprise Funds
	Water	Sewer	Sanitation		
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 3,326,039.22	\$ 1,764,252.43	\$ 40,608.09	\$ 23,398.96	\$ 5,154,298.70
Total Assets	<u>\$ 3,326,039.22</u>	<u>\$ 1,764,252.43</u>	<u>\$ 40,608.09</u>	<u>\$ 23,398.96</u>	<u>\$ 5,154,298.70</u>
<b>LIABILITIES</b>					
Payroll Withholdings	\$ 1,166.79	\$ 26.45	\$ 37.31	\$ -	\$ 1,230.55
<b>NET POSITION</b>					
Unrestricted	<u>3,324,872.43</u>	<u>1,764,225.98</u>	<u>40,570.78</u>	<u>23,398.96</u>	<u>5,153,068.15</u>
Total Net Position	<u>\$ 3,324,872.43</u>	<u>\$ 1,764,225.98</u>	<u>\$ 40,570.78</u>	<u>\$ 23,398.96</u>	<u>\$ 5,153,068.15</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, 2022

	Major Enterprise Funds			Non-major Enterprise Funds	Total Enterprise Funds
	Water	Sewer	Sanitation		
<b>OPERATING REVENUES:</b>					
Charges for Services	\$ 2,173,495.04	\$ 3,411,214.30	\$ 839,031.84	\$ 139,097.12	\$ 6,562,838.30
<b>OPERATING EXPENSES:</b>					
Cost of Sales and Services	924,914.82	1,473,921.24	801,330.38	178,108.47	3,378,274.91
Administration	155,047.89	85,825.37	37,129.41		278,002.67
Capital Outlay	603,101.62	3,631,627.71		3,809.54	4,238,538.87
Total Operating Expenses	1,683,064.33	5,191,374.32	838,459.79	181,918.01	7,894,816.45
OPERATING INCOME (LOSS)	490,430.71	(1,780,160.02)	572.05	(42,820.89)	(1,331,978.15)
<b>NON-OPERATING REVENUES (EXPENSES):</b>					
Interest	13,518.96	7,184.78	-	35.80	20,739.54
Debt Service:					
Principal	(8,897.13)	(1,046,897.13)			(1,055,794.26)
Interest and Fees	(475.32)	(206,691.49)			(207,166.81)
SRF Loan Proceeds		2,306,160.20			2,306,160.20
Total Non-Operating Revenues (Expenses)	4,146.51	1,059,756.36	-	35.80	1,063,938.67
INCOME (LOSS) BEFORE TRANSFERS	494,577.22	(720,403.66)	572.05	(42,785.09)	(268,039.48)
<b>OTHER FINANCING SOURCES (USES):</b>					
Operating Transfers	-	-	-	64,898.55	64,898.55
Total Other Financing Sources (Uses)	-	-	-	64,898.55	64,898.55
NET INCOME (LOSS) AFTER OPERATING TRANSFER	494,577.22	(720,403.66)	572.05	22,113.46	(203,140.93)
TOTAL NET POSITION, JULY 1, 2021	2,830,295.21	2,484,629.64	39,998.73	1,285.50	5,356,209.08
TOTAL NET POSITION, JUNE 30, 2022	\$ 3,324,872.43	\$ 1,764,225.98	\$ 40,570.78	\$ 23,398.96	\$ 5,153,068.15

See accompanying notes to basic financial statements.



CITY OF TROY, MISSOURI  
STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2022

	Major Enterprise Funds			Non-major Enterprise Funds	Total Enterprise Funds
	Water	Sewer	Sanitation		
<b>Cash Flows from Operating Activities:</b>					
Cash Received from Customers	\$ 2,173,495.04	\$ 3,411,214.30	\$ 839,031.84	\$ 139,097.12	\$ 6,562,838.30
Cash Payments to Suppliers for Goods and Services	(1,171,544.61)	(4,854,146.45)	(816,457.47)	(181,918.01)	(7,024,066.54)
Cash Payments to Employees for Services	(511,267.56)	(337,905.16)	(21,982.09)		(871,154.81)
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>490,682.87</u>	<u>(1,780,837.31)</u>	<u>592.28</u>	<u>(42,820.89)</u>	<u>(1,332,383.05)</u>
<b>Cash Flows from Noncapital Financing Activities:</b>					
Operating Transfers	-	-	-	64,898.55	64,898.55
<b>Net Cash Used Provided by Noncapital Financing Activities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>64,898.55</u>	<u>64,898.55</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>					
Principal Paid on Bonds/Certificates	(8,897.13)	(1,046,897.13)	-	-	(1,055,794.26)
Interest and Fees Paid on Certificates	(475.32)	(206,691.49)			(207,166.81)
SRF Loan Proceeds		2,306,160.20			2,306,160.20
<b>Net Cash Used for Capital and Related Financial Activities</b>	<u>(9,372.45)</u>	<u>1,052,571.58</u>	<u>-</u>	<u>-</u>	<u>1,043,199.13</u>
<b>Cash Flows from Investing Activities:</b>					
Interest Earned	13,518.96	7,184.78	-	35.80	20,739.54
Cash and Cash Equivalents, Beginning of Year	<u>2,831,209.84</u>	<u>2,485,333.38</u>	<u>40,015.81</u>	<u>1,285.50</u>	<u>5,357,844.53</u>
Cash and Cash Equivalents, End of Year	<u>\$ 3,326,039.22</u>	<u>\$ 1,764,252.43</u>	<u>\$ 40,608.09</u>	<u>\$ 23,398.96</u>	<u>\$ 5,154,298.70</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>					
Operating Income(Loss)	\$ 490,430.71	\$ (1,780,160.02)	\$ 572.05	\$ (42,820.89)	\$ (1,331,978.15)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities					
Changes in assets and liabilities:					
Payroll Withholdings	252.16	(677.29)	20.23	-	(404.90)
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>\$ 490,682.87</u>	<u>\$ (1,780,837.31)</u>	<u>\$ 592.28</u>	<u>\$ (42,820.89)</u>	<u>\$ (1,332,383.05)</u>

See accompanying notes to basic financial statements.

CITY OF TROY, MISSOURI  
STATEMENT OF NET POSITION - MODIFIED CASH BASIS  
FIDUCIARY FUND  
JUNE 30, 2022

<u>ASSETS</u>	<u>Agency Funds</u>
Restricted Assets:	
Cash and Investments	\$ <u>8,519.00</u>
<u>LIABILITIES</u>	
Due to Others - Court Bonds	\$ <u>8,519.00</u>

See accompanying notes to basic financial statements.

CITY OF TROY, MISSOURI  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022

**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

### 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 Fund* – 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.

*ARPA Grant Fund* – to account for funds received from the American Rescue Plan Act grant.

*Police Grant and Donation Fund* – to account for police donation revenues and expenditures.

### 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, and the revenues and expenses of SRF Direct Loan Project.

*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  
ARPA Grant

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  
Police Grant & Donation  
Park Endowment (Brown)

Capital Projects Funds:

Sewer Bonds  
Industrial Development  
CDBG

Permanent Fund:

Park Endowment (Avery)

Proprietary Fund:

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 29, 2021.
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, 2022, 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, 2022, are as follows:

Street Maintenance	\$ 2,181,518.64
Capital Improvement	4,747,826.36
Tourism	32,585.64
Protested Franchise Tax	57,246.02
Police Forfeiture	2,307.09
Park Endowment (Brown)	8,522.27
CDBG	662.97
ARPA Grant	1,078,259.32
Park Endowment (Avery)	300,572.87
	<u>\$ 8,409,501.18</u>

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.

An Annual Budget Reserve has been established by ordinance to accumulate a fund balance of the City's General Fund to provide stability and flexibility to respond to unexpected adversity and/or opportunities. The City has a stabilization target of maintaining at least 50% of the incoming budget year's annual operating expenses (excluding debt service and capital outlay). This amount includes \$2,854,800.00 at June 30, 2022.

Fund balances of the City’s governmental funds at June 30, 2022, are classified as follows regarding level of constraint:

	General Fund	Special Revenue	Capital Projects	Permanent Funds
Fund Balances:				
Nonspendable	\$ -	\$ -	\$ -	\$ 250,000.00
Restricted for:				
Capital Projects			4,759,886.68	
Debt Service				
Parks		8,522.27		50,572.87
Roads		2,179,829.64		
Tourism		32,585.64		
Cemetery		175,993.54		
Other purposes		1,167,286.67		
Unassigned	6,084,474.01			
Total Fund Balances	<u>\$ 6,084,474.01</u>	<u>\$ 3,564,217.76</u>	<u>\$ 4,759,886.68</u>	<u>\$ 300,572.87</u>

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 7 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 \$91,650.48 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 \$5,162,669.28. The City's fines and court costs for minor traffic violations are 1.78% "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. 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, 2022, and reported at cost are as follows:

<u>Type</u>	<u>Maturities</u>	<u>Carrying Value</u>
Cash on hand		\$ 700.00
Deposits:		
Demand deposits		4,962,035.85
Money market deposits		8,530,116.58
Non-negotiable certificates of deposit	Various	3,449,126.98
Total deposits		<u>16,941,279.41</u>
Investments:		
MOSIP Liquid series	Demand	930,439.42
MOSIP Term series	Various	2,000,000.00
Total investments		<u>2,930,439.42</u>
Total cash and investments		<u>\$ 19,872,418.83</u>
Reconciliation to financial statements:		
Current:		
Cash and investments		\$ 11,462,917.65
Cash and investments - restricted		8,409,501.18
Total		<u>\$ 19,872,418.83</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, 2022, the City's bank balances of \$17,301,388.24 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 Statutes. At June 30, 2022, the City’s investments were rated as follows:

Investment Type	Investment Maturities			Credit Rating
	<1 year	1-3 years	4-5 years	
MOSIP Liquid Series	\$ 930,439.42	\$ -	\$ -	AAAm
MOSIP Term Series	2,000,000.00			AAAf

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, 2022, 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:

		Percent of City’s Total Investments
MOSIP Liquid Series	\$ 930,439.42	31.75%
MOSIP Term Series	2,000,000.00	68.25%

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>Investment Type</u>	<u>Fair Value Measurement Using</u>			<u>Cost</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Measurements</u>
				<u>Using</u>
MOSIP Liquid Series	\$ -	\$ 930,439.42	\$ -	Not Measured
MOSIP Term Series		2,000,000.00		at Fair Value
				\$ 930,439.42
				2,000,000.00

### 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 2021 for purposes of local taxation was:

<u>Lincoln County</u>	
Real Estate	\$ 174,546,182
Personal Property	63,170,148
Railroad and Utilities	7,096,118
Total	<u>\$ 244,812,448</u>

The tax levy per \$100 of the assessed valuation of tangible taxable property for the calendar year 2021 for purposes of local taxation was:

General Revenue	<u>\$ 0.1648</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, 2022, 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:

\$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, declare all rent payable by the City hereunder to the end of then-current Original Term or Renewal Term to be due; the Trustee may take possession of the Leased Property and, subject to Permitted Encumbrances, sell the Trustee’s interest in the Leased Property or lease the Leased Property or, for the account of the City, sublease the Leased Property; the Trustee may terminate any rights the City may have in any moneys held by the Trustee under the Declaration of Trust; the Trustee may take whatever action at law or in equity necessary or desirable to enforce its rights in the Leased Property and under this Lease.

\$ 995,100.00

\$455,000.00 certificates of participation from direct placement, due in varying annual installments through December 1, 2025; interest at 1.240%; upon the occurrence of an event of default, the Bank may, declare all rental payments and other amounts payable by the City hereunder to the end of the then current Original Term or Renewal Term to be due; take possession of the Leased Property, sell the Bank’s interest in the Base Lease, or lease the Leased Property and collect the rentals therefor for all or any portion of the remainder of its leasehold term; take whatever action at law or in equity may appear necessary or desirable to collect the Rental Payments then due.

340,000.00

Total certificates of participation from direct placement: \$ 1,335,100.00



Lease Obligations:

2019 capital lease with Clayton Holdings, LLC, for vehicles (cost: \$57,445.90), payable in annual installments of \$14,993.71, including principal and interest at 2.95%, final payment due October 24, 2022; title passes to the City at the end of the lease term;	\$ 14,564.08
2020 capital lease with US Bancorp Government Leasing and Finance, Inc for vehicle (cost: \$45,277.78), payable in annual installments of \$9,372.45, including principal and interest at 1.75%, final payment due June 19, 2024; title passes to the City at the end of the lease term;	18,264.08
2021 capital lease with Peoples Bank & Trust, Co. for vehicles (cost: \$110,537.47), payable in annual installments of \$28,439.30, including principal and interest at 1.45%, final payment due July 20, 2024; title passes to the City at the end of the lease term;	<u>82,902.19</u>
Total lease obligations	<u>\$ 115,730.35</u>

Business-Type Activities

As of June 30, 2022, the long-term debt, arising from cash transactions, payable from proprietary fund resources consisted of the following:

Certificates of Participation from direct placement:

\$3,410,000.00 certificates of participation from direct placement, due in varying annual installments through December 1, 2025; interest at 1.240%; upon the occurrence of an event of default, the Bank may, declare all rental payments and other amounts payable by the City hereunder to the end of the then current Original Term or Renewal Term to be due; take possession of the Leased Property, sell the Bank's interest in the Base Lease, or lease the Leased Property and collect the rentals therefor for all or any portion of the remainder of its leasehold term; take whatever action at law or in equity may appear necessary or desirable to collect the Rental Payments then due.	<u>\$ 2,620,000.00</u>
Total certificates of participation	<u>\$ 2,620,000.00</u>

Revenue Bonds:

\$18,887,000.00 (not to exceed) revenue bonds due in varying annual installments through July 1, 2051; interest at 0.90%; whenever an event of default has occurred and is continuing, DNR will have the right to take whatever action or law in equity as provided in Section 901 and 902 of the Ordinance, subject to the provisions of Section 202 of the Ordinance, and as otherwise provided by law, including, to the extent permitted by law, pursuant to Section 644.125 of the Revised Statutes of Missouri, as amended.

\$ 18,639,000.00

Total revenue bonds

\$ 18,639,000.00

Lease Obligations:

2020 capital lease with US Bancorp Government Leasing and Finance, Inc for vehicle (cost: \$90,555.56), payable in annual installments of \$18,744.91, including principal and interest at 1.75%, final payment due June 19, 2024; title passes to the City at the end of the lease term;

\$ 36,528.18

Total lease obligations

\$ 36,528.18

Changes in Long-Term Debt

The following is a summary of changes in long-term debt for the year ended June 30, 2022:

<u>Type of Debt</u>	<u>Balance July 1, 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2022</u>	<u>Amount Due within one year</u>
<b>Governmental Activities:</b>					
Certificates of Participation	\$ 1,681,600.00	\$ -	\$ 346,500.00	\$ 1,335,100.00	\$ 353,200.00
Lease Obligations	69,892.50	110,537.47	64,698.60	115,731.37	50,854.11
	<u>\$ 1,751,492.50</u>	<u>\$ 110,537.47</u>	<u>\$ 411,198.60</u>	<u>\$ 1,450,831.37</u>	<u>\$ 404,054.11</u>
<b>Business Type Activities</b>					
Certificates of Participation	\$ 3,410,000.00	\$ -	\$ 790,000.00	\$ 2,620,000.00	\$ 790,000.00
Revenue Bonds	16,580,839.80	2,306,160.20	248,000.00	18,639,000.00	250,000.00
Lease Obligations	54,322.43		17,794.26	36,528.17	18,105.66
	<u>\$ 20,045,162.23</u>	<u>\$ 2,306,160.20</u>	<u>\$ 1,055,794.26</u>	<u>\$ 21,295,528.17</u>	<u>\$ 1,058,105.66</u>

## Annual Debt Service Requirements

The annual debt service requirements to maturity, including principal and interest, for long-term debt as of June 30, 2022, are as follows:

Year Ended June 30,	Governmental Activities			
	Certificates of Participation		Lease Obligations	
	Principal	Interest	Principal	Interest
2023	\$ 353,200.00	\$ 30,553.41	\$ 50,854.11	\$ 1,951.35
2024	360,100.00	22,192.85	36,843.39	968.36
2025	362,200.00	13,663.88	28,032.85	406.49
2026	259,600.00	5,639.84		
	<u>\$ 1,335,100.00</u>	<u>\$ 72,049.98</u>	<u>\$ 115,730.35</u>	<u>\$ 3,326.20</u>

  

Year Ended June 30,	Business Type Activities			
	Certificates of Participation		Revenue Bonds	
	Principal	Interest	Principal	Interest
2023	\$ 790,000.00	\$ 27,590.00	\$ 250,000.00	\$ 83,875.50
2024	805,000.00	17,701.00	506,000.00	164,367.00
2025	805,000.00	7,719.00	515,000.00	159,795.00
2026	220,000.00	1,364.00	524,000.00	155,137.50
2027			532,000.00	150,403.50
2028-2032			2,803,000.00	678,159.00
2033-2037			3,052,000.00	547,056.00
2038-2042			3,321,000.00	404,352.00
2043-2047			3,615,000.00	249,030.00
2048-2052			3,521,000.00	80,055.00
	<u>\$ 2,620,000.00</u>	<u>\$ 54,374.00</u>	<u>\$ 18,639,000.00</u>	<u>\$ 2,672,230.50</u>

  

Year Ended June 30,	Business Type Activities		Total Debt Service	
	Lease Obligations		Principal	Interest
	Principal	Interest	Principal	Interest
2023	\$ 18,105.66	\$ 639.25	\$ 1,462,159.77	\$ 144,609.51
2024	18,422.51	322.39	1,726,365.90	205,551.60
2025			1,710,232.85	181,584.37
2026			1,003,600.00	162,141.34
2027			532,000.00	150,403.50
2028-2032			2,803,000.00	678,159.00
2033-2037			3,052,000.00	547,056.00
2038-2042			3,321,000.00	404,352.00
2043-2047			3,615,000.00	249,030.00
2048-2052			3,521,000.00	80,055.00
	<u>\$ 36,528.17</u>	<u>\$ 961.64</u>	<u>\$ 22,746,358.52</u>	<u>\$ 2,802,942.32</u>

Payments on Governmental Activities - Certificates of Participation are paid from the Capital Improvements Fund (\$2,108,300.00 issue) and from the General Fund (\$455,000.00 issue); Lease Obligations are paid from the General and Street Funds.

Payments on Business-Type Activities - Certificates of Participation are paid from the Sewer Fund; Revenue bonds are paid by the Sewer Fund; Lease Obligations are paid from the Water and Sewer funds.

**5. Cost Share Agreement**

The City has entered into Memorandum of Agreement with Lincoln County and the City of Moscow Mills. Its purpose is to identify the contribution of respective costs of the shared project – Route 61 Outer Road. Missouri Department of Transportation agreed to pay for 50% of the project, up to \$2,050,240.00 with the remaining 50% to be shared by Lincoln County, City of Moscow Mills, and the City of Troy equally. A direct loan agreement and promissory note has been executed between the Missouri Transportation Finance Corporation, Missouri Highway and Transportation Commission, and Lincoln County on July 1, 2021, totaling \$2,000,000.00, with interest at 1.09%, maturing June 15, 2031. The City’s share of payment due on June 15, 2022 was \$7,794.11, paid by the Street Fund. The City’s share of outstanding note as of June 30, 2022 is \$66,471.92.

**6. Operating Leases**

As of June 30, 2022, the City had the following lease obligations outstanding:

- a) In 2019, the City entered into a 5-year operating lease for equipment. Under the lease, the City pays \$72.85 per month.
- b) In 2019, the City entered into a 5-year operating lease for equipment. Under the lease, the City pays \$196.77 per quarter.
- c) In 2020, the City entered into a 5-year operating lease for equipment. Under the lease, the City pays \$199.93 per month.
- d) In 2020, the City entered into a 3-year operating lease for equipment. Under the lease, the City pays \$1,179.35 per month.

These obligations under leases are paid by the General, Street, Water, Sewer, and Sanitation funds. Lease expenditures for the year ended June 30, 2022, amounted to \$42,971.71.

Future Operating Lease Payments:

<u>Year Ending</u>	<u>Governmental</u>	<u>Business Type</u>	<u>Total</u>
2023	\$ 16,876.99	\$ 336.00	\$ 17,212.99
2024	6,930.63	336.00	7,266.63
	<u>\$ 23,807.62</u>	<u>\$ 672.00</u>	<u>\$ 24,479.62</u>

**7. Interfund Transfers and Balances**

Interfund Transfers

Transfers between funds for the year ended June 30, 2022, were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
<u>Major Funds:</u>		
General Funds	\$ -	\$ 64,898.55
 <u>Non-Major Funds:</u>		
<u>Enterprise Funds:</u>		
Troy Aquatic Center	64,898.55	-
 Total	 <u>\$ 64,898.55</u>	 <u>\$ 64,898.55</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.

**8. 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](http://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.

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 9.8% (General) and 9.1% (Police) of annual covered payroll. For the year ended June 30, 2022, the City contributed \$280,749.33.

## **9. 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.

## **10. Employee Benefit Plans**

The City offers its employees a Section 457 Deferred Compensation Plan ("Plan"). The Plan, available to all City employees, permits them to defer a portion of their salary for investment purposes. The City has engaged a private contractor to administer the Plan and there are trust provisions so that Plan assets are held in trust for the exclusive benefit of participants and their beneficiaries. The City makes no contribution to the Plan.

The City also offers Section 125 cafeteria plan to all employees. Under this plan, the deferred portion can be used to purchase health insurance benefits.

## **11. Lease Revenue**

As of June 30, 2022, the City had the following lease agreements outstanding:

- a) In 2004, the City entered into a 5-year ground lease agreement. Under the lease, the lessee pays the City \$1,977.14 per month, with nine 5-year renewals.
- b) In 1997, the City entered into a 25-year site lease agreement. Under the lease, the lessee pays the City \$2,086.70 per month, with six 5-year renewals.
- c) In 2011, the City entered into a 25-year lot lease agreement. Under the lease, the lessee pays the City \$552.42 per month.
- d) In 2022, the City entered into a 3-year agricultural lease agreement. Under the lease, the lessee pays the City \$12,885.75 per year.

For the year ended June 30, 2022, the City received \$70,631.86 in lease revenue.

Future Lease Agreement Revenues:

<u>Year Ending</u>	<u>Total</u>
2023	\$ 68,280.75
2024	68,280.75
2025	61,837.88
2026	33,646.46
2027	29,582.63
2028-2032	33,145.20
2033-2037	23,754.06
	<u>\$ 318,527.73</u>

**12. Commitments and Contingencies**

Commitments

The City contracts for the collection, removal and disposal of solid waste in the City. The contract terminates in June 2023 with payments required monthly, based upon a rate schedule. Payments are approximately \$66,000.00 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 \$111,063.15 of such charges to the TCVB. There are covenants concerning annual budgeting, marketing, insurance, accounting and financial reporting which are to be provided to the City on a timely basis.

Also, as of June 30, 2022, 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. The City has received funding and wastewater treatment plant upgrades have been completed.

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.

### **13. 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.

### **14. 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.

Enhanced enterprise zones	<u>Real Estate Tax</u>
Lincoln County	<u>\$ 1,641.82</u>

### **15. Subsequent Events**

Subsequent events were evaluated through January 23, 2023, which is the date the financial statements were available to be issued. As of that date, the City has entered into various agreements with other public and private corporations for the planning, development, construction, acquisition, or operation of various capital improvements.

The City received \$1,305,909.31 State of Missouri American Rescue Plan Act Coronavirus Local Fiscal Recovery Fund aid in August 2022.

The City entered into a 3-year operating lease agreement for equipment on October 18, 2022 with monthly payments of \$1,200.00.

The City entered into a 4-year capital lease agreement for equipment on August 16, 2022 with initial and four additional annual payments of \$100,717.67.

The City entered into a 3-year capital lease agreement for vehicles on November 22, 2022 with initial and three additional annual payments of \$38,359.15.



## **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, 2022

	Budget Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
<b>REVENUES:</b>				
Taxes				
Real Property	\$ 251,000.00	\$ 251,000.00	\$ 270,420.82	\$ 19,420.82
Personal Property Tax	120,000.00	120,000.00	106,538.13	(13,461.87)
Financial Institution Tax	600.00	600.00	2,147.88	1,547.88
Railroad and Utilities Tax	10,000.00	10,000.00	11,370.11	1,370.11
Surtax	40,000.00	40,000.00	42,324.95	2,324.95
Sales Tax	3,282,100.00	3,282,100.00	3,504,800.21	222,700.21
Cigarette Tax	55,000.00	55,000.00	51,501.99	(3,498.01)
Franchise Tax	671,500.00	671,500.00	744,987.96	73,487.96
Penalties and Interest on Taxes	3,000.00	3,000.00	2,883.94	(116.06)
	<u>4,433,200.00</u>	<u>4,433,200.00</u>	<u>4,736,975.99</u>	<u>303,775.99</u>
Intergovernmental				
Federal Grants	-	-	10,524.73	10,524.73
Other Grants	-	-	18,558.68	18,558.68
	<u>-</u>	<u>-</u>	<u>29,083.41</u>	<u>29,083.41</u>
Licenses, Permits, and Fees				
Merchants and Liquor Licenses	20,000.00	20,000.00	23,696.25	3,696.25
Building Permits	39,500.00	39,500.00	92,622.67	53,122.67
Dog Licenses	150.00	150.00	114.00	(36.00)
Occupational Licenses	3,000.00	3,000.00	3,000.00	-
Planning Fees	1,500.00	1,500.00	8,988.13	7,488.13
Reproduced Publication Fees	50.00	50.00	50.00	-
Copying	50.00	50.00	-	(50.00)
Other	5,905.00	5,905.00	7,666.73	1,761.73
	<u>70,155.00</u>	<u>70,155.00</u>	<u>136,137.78</u>	<u>65,982.78</u>
Interest				
	<u>16,000.00</u>	<u>16,000.00</u>	<u>26,139.28</u>	<u>10,139.28</u>
Fines and Forfeitures				
Fines	115,000.00	115,000.00	131,285.62	16,285.62
Court Costs	10,000.00	10,000.00	12,964.21	2,964.21
Police Fines and Charges	1,300.00	1,300.00	1,556.88	256.88
Training	1,500.00	1,500.00	2,156.00	656.00
DWI	1,000.00	1,000.00	1,313.60	313.60
CVCF Receipts	300.00	300.00	366.86	66.86
Domestic Abuse	50.00	50.00	1,412.50	1,362.50
POST Reimbursement	900.00	900.00	735.32	(164.68)
Jail Reimbursement	3,000.00	3,000.00	3,113.18	113.18
Restitution	-	-	1,792.10	1,792.10
Bond Forfeiture	10,000.00	10,000.00	18,483.50	8,483.50
Warrants	-	-	100.00	100.00
	<u>143,050.00</u>	<u>143,050.00</u>	<u>175,279.77</u>	<u>32,229.77</u>
Sale of Assets				
	<u>-</u>	<u>-</u>	<u>17,980.00</u>	<u>17,980.00</u>
Miscellaneous				
Park Rental Fees	17,630.00	17,630.00	18,903.91	1,273.91
Cell Site Lease	48,040.00	48,040.00	48,158.28	118.28
Donations	-	-	200.00	200.00
Other	-	-	2,894.27	2,894.27
	<u>65,670.00</u>	<u>65,670.00</u>	<u>70,156.46</u>	<u>4,486.46</u>
Total Revenues	<u>4,728,075.00</u>	<u>4,728,075.00</u>	<u>5,191,752.69</u>	<u>463,677.69</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, 2022

	Budget Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>EXPENDITURES:</b>				
General Government:				
Judicial				
Employee Benefits	\$ 225.00	\$ 275.00	\$ 275.00	\$ -
Legal	36,000.00	36,000.00	36,000.00	
	<u>36,225.00</u>	<u>36,275.00</u>	<u>36,275.00</u>	<u>-</u>
Executive				
Salaries and Wages	26,400.00	29,735.00	29,733.34	1.66
Employee Benefits	2,095.00	2,095.00	2,344.60	(249.60)
Purchased Services	400.00	400.00	196.00	204.00
Property Services	200.00	200.00		200.00
Other Purchased Services	1,700.00	1,700.00	732.45	967.55
Supplies	150.00	150.00	60.00	90.00
	<u>30,945.00</u>	<u>34,280.00</u>	<u>33,066.39</u>	<u>1,213.61</u>
Administration				
Salaries and Wages	251,430.00	251,430.00	254,288.31	(2,858.31)
Employee Benefits	120,225.00	116,890.00	107,479.46	9,410.54
Purchased Services	147,800.00	147,800.00	114,009.61	33,790.39
Property Services	4,850.00	4,850.00	3,543.82	1,306.18
Other Purchased Services	27,000.00	27,000.00	23,985.15	3,014.85
Supplies	7,700.00	7,700.00	6,735.43	964.57
Property	3,700.00	3,700.00	2,549.02	1,150.98
Capital Outlay			23,775.00	(23,775.00)
Other	800.00	800.00	1,172.41	(372.41)
	<u>563,505.00</u>	<u>560,170.00</u>	<u>537,538.21</u>	<u>22,631.79</u>
Maintenance Facility				
Purchased Services	22,700.00	22,700.00	10,986.03	11,713.97
Property Services	5,000.00	5,000.00	3,435.48	1,564.52
Other Purchased Services	6,750.00	6,750.00	6,900.36	(150.36)
Supplies	29,050.00	29,050.00	26,981.77	2,068.23
Property	2,000.00	2,000.00	367.63	1,632.37
	<u>65,500.00</u>	<u>65,500.00</u>	<u>48,671.27</u>	<u>16,828.73</u>
Administration Building Maintenance				
Purchased Services	8,150.00	8,150.00	8,046.40	103.60
Property Services	29,800.00	29,800.00	21,448.92	8,351.08
Other Purchased Services	21,900.00	21,900.00	21,253.77	646.23
Supplies	22,700.00	22,700.00	21,884.57	815.43
Property	500.00	500.00		500.00
Capital Outlay	2,500.00	2,500.00	2,421.60	78.40
Other	30.00	30.00		30.00
	<u>85,580.00</u>	<u>85,580.00</u>	<u>75,055.26</u>	<u>10,524.74</u>
Safety				
Purchased Services	1,500.00	1,500.00	1,500.00	-
Property Services	5,000.00	5,000.00	4,549.83	450.17
Other Purchased Services	500.00	500.00		500.00
Supplies	1,180.00	1,180.00	1,039.97	140.03
	<u>8,180.00</u>	<u>8,180.00</u>	<u>7,089.80</u>	<u>1,090.20</u>
Other				
Capital Outlay	166,000.00	166,000.00	77,232.57	88,767.43
<b>Total General Government</b>	<u>955,935.00</u>	<u>955,985.00</u>	<u>814,928.50</u>	<u>141,056.50</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, 2022

EXPENDITURES (CONTINUED):	Budget Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Public Safety:				
Police				
Salaries and Wages	\$ 1,771,565.00	\$ 1,777,440.00	\$ 1,657,931.20	\$ 119,508.80
Employee Benefits	1,204,985.00	1,204,985.00	991,707.57	213,277.43
Purchased Services	60,000.00	60,000.00	49,670.11	10,329.89
Property Services	44,415.00	44,415.00	44,657.54	(242.54)
Other Purchased Services	138,580.00	139,770.00	139,963.04	(193.04)
Supplies	113,900.00	133,415.00	125,269.85	8,145.15
Property	13,500.00	13,500.00	13,450.37	49.63
Capital Outlay			37,536.79	(37,536.79)
Other	1,000.00	1,000.00	1,613.25	(613.25)
Debt Service:				
Principal	56,850.00	56,850.00	55,800.46	1,049.54
Interest	1,410.00	1,410.00	1,407.79	2.21
	<u>3,406,205.00</u>	<u>3,432,785.00</u>	<u>3,119,007.97</u>	<u>313,777.03</u>
Municipal Court				
Salaries and Wages	61,725.00	61,725.00	60,507.75	1,217.25
Employee Benefits	41,115.00	41,115.00	38,399.20	2,715.80
Purchased Services	30,800.00	29,500.00	28,286.49	1,213.51
Property Services	815.00	765.00	468.27	296.73
Other Purchased Services	29,695.00	29,695.00	25,374.67	4,320.33
Supplies	3,175.00	3,175.00	2,168.50	1,006.50
Property	2,500.00	2,500.00		2,500.00
Other	100.00	1,400.00	1,236.50	163.50
	<u>169,925.00</u>	<u>169,875.00</u>	<u>156,441.38</u>	<u>13,433.62</u>
Inspections				
Salaries and Wages	58,180.00	58,180.00	59,001.41	(821.41)
Employee Benefits	33,845.00	33,845.00	30,619.85	3,225.15
Purchased Services	13,150.00	13,150.00	13,157.95	(7.95)
Property Services	1,125.00	1,125.00	768.14	356.86
Other Purchased Services	11,000.00	10,150.00	9,008.65	1,141.35
Supplies	9,200.00	6,890.00	6,924.93	(34.93)
Property	1,250.00	1,250.00	2,424.80	(1,174.80)
Capital Outlay	8,510.00	11,670.00	11,666.00	4.00
Other	500.00	500.00	66.25	433.75
	<u>136,760.00</u>	<u>136,760.00</u>	<u>133,637.98</u>	<u>3,122.02</u>
Stormwater Management				
Salaries and Wages	60,700.00	60,700.00	60,997.18	(297.18)
Employee Benefits	48,860.00	48,860.00	45,515.01	3,344.99
Purchased Services	5,000.00	5,000.00	185.50	4,814.50
Property Services	10,500.00	10,500.00	4,149.08	6,350.92
Other Purchased Services	5,860.00	5,860.00	2,754.90	3,105.10
Supplies	2,050.00	2,050.00	602.81	1,447.19
Capital Outlay	69,500.00	69,500.00	59,500.00	10,000.00
Other	350.00	350.00	250.00	100.00
	<u>202,820.00</u>	<u>202,820.00</u>	<u>173,954.48</u>	<u>28,865.52</u>
Animal Control				
Salaries and Wages	10,055.00	10,105.00	10,153.16	(48.16)
Employee Benefits	5,265.00	4,715.00	3,290.50	1,424.50
Purchased Services	100.00	100.00		100.00
Property Services	250.00	250.00	23.99	226.01
Other Purchased Services	1,400.00	1,400.00	1,829.37	(429.37)
Supplies	600.00	1,100.00	818.37	281.63
	<u>17,670.00</u>	<u>17,670.00</u>	<u>16,115.39</u>	<u>1,554.61</u>
Total Public Safety	<u>3,933,380.00</u>	<u>3,959,910.00</u>	<u>3,599,157.20</u>	<u>360,752.80</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, 2022

	Budget Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>EXPENDITURES (CONTINUED):</b>				
Culture - Recreation:				
Parks				
Salaries and Wages	\$ 193,465.00	\$ 193,465.00	\$ 171,497.93	\$ 21,967.07
Employee Benefits	90,480.00	90,480.00	83,339.80	7,140.20
Purchased Services	3,625.00	3,625.00	3,095.26	529.74
Property Services	29,300.00	29,300.00	13,934.57	15,365.43
Other Purchased Services	18,200.00	18,200.00	16,855.23	1,344.77
Supplies	30,825.00	30,825.00	25,991.36	4,833.64
Property	5,050.00	5,050.00	2,766.00	2,284.00
Leased Property			1,439.35	(1,439.35)
Capital Outlay	15,000.00	15,000.00	10,994.25	4,005.75
Other	350.00	350.00	128.00	222.00
	<u>386,295.00</u>	<u>386,295.00</u>	<u>330,041.75</u>	<u>56,253.25</u>
Historical Preservation				
Other Purchased Services	1,000.00	1,000.00	249.00	751.00
	<u>1,000.00</u>	<u>1,000.00</u>	<u>249.00</u>	<u>751.00</u>
Total Culture - Recreation	<u>387,295.00</u>	<u>387,295.00</u>	<u>330,290.75</u>	<u>57,004.25</u>
Debt Service:				
Bond Principal	115,000.00	115,000.00	115,000.00	-
Bond Interest	4,930.00	4,930.00	4,929.00	1.00
Total Debt Service	<u>119,930.00</u>	<u>119,930.00</u>	<u>119,929.00</u>	<u>1.00</u>
Total Expenditures	<u>5,396,540.00</u>	<u>5,423,120.00</u>	<u>4,864,305.45</u>	<u>558,814.55</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(668,465.00)	(695,045.00)	327,447.24	1,022,492.24
OTHER FINANCING SOURCES (USES):				
Operating Transfers-Out	(144,590.00)	(144,590.00)	(64,898.55)	79,691.45
Total Other Financing Sources (Uses)	<u>(144,590.00)</u>	<u>(144,590.00)</u>	<u>(64,898.55)</u>	<u>79,691.45</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER(UNDER) EXPENDITURES AND OTHER FINANCING USES	(813,055.00)	(839,635.00)	262,548.69	1,102,183.69
FUND BALANCE, JULY 1, 2021	<u>5,821,925.32</u>	<u>5,821,925.32</u>	<u>5,821,925.32</u>	<u>-</u>
FUND BALANCE, JUNE 30, 2022	<u>\$ 5,008,870.32</u>	<u>\$ 4,982,290.32</u>	<u>\$ 6,084,474.01</u>	<u>\$ 1,102,183.69</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, 2022

	Budget Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
<b>REVENUES:</b>				
Taxes				
Transportation	\$ 1,590,255.00	\$ 1,590,255.00	\$ 1,698,419.59	\$ 108,164.59
Intergovernmental				
Federal Grants	8,400.00	8,400.00	8,385.70	(14.30)
Gasoline	430,000.00	430,000.00	462,168.24	32,168.24
State Grants	3,000.00	3,000.00		(3,000.00)
	<u>441,400.00</u>	<u>441,400.00</u>	<u>470,553.94</u>	<u>29,153.94</u>
Sale of Assets	-	-	350.00	350.00
Interest	5,000.00	5,000.00	7,716.51	2,716.51
Miscellaneous	-	-	1,024.24	1,024.24
Total Revenues	<u>2,036,655.00</u>	<u>2,036,655.00</u>	<u>2,178,064.28</u>	<u>141,409.28</u>
<b>EXPENDITURES:</b>				
Public Works - Streets				
Salaries and Wages	479,010.00	479,010.00	417,035.48	61,974.52
Employee Benefits	383,295.00	383,295.00	302,440.96	80,854.04
Purchased Services	90,300.00	90,000.00	6,587.47	83,412.53
Property Services	1,043,075.00	1,035,435.00	37,298.73	998,136.27
Other Purchased Services	39,300.00	39,340.00	41,599.36	(2,259.36)
Supplies	485,000.00	485,000.00	294,696.07	190,303.93
Property	58,795.00	58,795.00	33,439.56	25,355.44
Capital Outlay	92,880.00	92,880.00	30,490.85	62,389.15
Debt Service:				
Principal		7,100.00	7,028.08	71.92
Interest and Fees		800.00	766.03	33.97
Other	700.00	700.00	851.00	(151.00)
Total Expenditures	<u>2,672,355.00</u>	<u>2,672,355.00</u>	<u>1,172,233.59</u>	<u>1,500,121.41</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(635,700.00)	(635,700.00)	1,005,830.69	1,641,530.69
FUND BALANCE, JULY 1, 2021	<u>1,173,998.95</u>	<u>1,173,998.95</u>	<u>1,173,998.95</u>	<u>-</u>
FUND BALANCE, JUNE 30, 2022	<u>\$ 538,298.95</u>	<u>\$ 538,298.95</u>	<u>\$ 2,179,829.64</u>	<u>\$ 1,641,530.69</u>

CITY OF TROY, MISSOURI  
 SUPPLEMENTARY INFORMATION  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 MODIFIED CASH BASIS - BUDGET AND ACTUAL -  
 ARPA GRANT FUND  
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Intergovernmental				
Federal Grants	\$ -	\$ 1,293,450.00	\$ 1,305,909.31	\$ 12,459.31
	-	1,293,450.00	1,305,909.31	12,459.31
Interest	-	-	4,160.01	4,160.01
Total Revenues	-	1,293,450.00	1,310,069.32	16,619.32
EXPENDITURES:				
Capital Outlay	-	235,000.00	231,810.00	3,190.00
Total Expenditures	-	235,000.00	231,810.00	3,190.00
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	1,058,450.00	1,078,259.32	19,809.32
FUND BALANCE, JULY 1, 2021	-	-	-	-
FUND BALANCE, JUNE 30, 2022	\$ -	\$ 1,058,450.00	\$ 1,078,259.32	\$ 19,809.32

CITY OF TROY, MISSOURI  
SUPPLEMENTARY INFORMATION  
NOTES TO BUDGETARY COMPARISON SCHEDULES  
JUNE 30, 2022

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 29, 2021.
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, 2022, 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, 2022

	Special Revenue Funds						Capital Projects Funds				Permanent Fund	Total	
	Cemetery Investment	Tourism	Protested Franchise Tax	Police Explorers	Police Forfeiture	Police Canine Unit	Police Grant & Donation	Park Endowment Brown	Industrial Development	Sewer Bonds	CDBG	Park Endowment Avey	Non-Major Governmental Funds
Cash and Investments	\$ 176,008.42	\$ -	\$ -	\$ 508.71	\$ -	\$ 23,965.53	\$ 5,000.00	\$ -	\$ 4,843.75	\$ 6,553.60	\$ -	\$ -	\$ 216,880.01
Restricted Assets:													
Cash and Investments		32,585.64	57,246.02		2,307.09			8,522.27			662.97	300,572.87	401,896.86
Total Assets	\$ 176,008.42	\$ 32,585.64	\$ 57,246.02	\$ 508.71	\$ 2,307.09	\$ 23,965.53	\$ 5,000.00	\$ 8,522.27	\$ 4,843.75	\$ 6,553.60	\$ 662.97	\$ 300,572.87	\$ 618,776.87

**LIABILITIES AND FUND EQUITY**

Liabilities:	\$ 14.88	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14.88
Payroll Liabilities													
Fund Balances													
Nonspendable													
Restricted for:													
Capital Projects													
Parks													
Tourism		32,585.64						8,522.27					
Cemetery	175,993.54			508.71	2,307.09	23,965.53	5,000.00						
Other purposes			57,246.02	508.71	2,307.09	23,965.53	5,000.00						
Total Fund Balance	\$ 175,993.54	\$ 32,585.64	\$ 57,246.02	\$ 508.71	\$ 2,307.09	\$ 23,965.53	\$ 5,000.00	\$ 8,522.27	\$ 4,843.75	\$ 6,553.60	\$ 662.97	\$ 300,572.87	\$ 618,761.99
Total Liabilities and Fund Equity	\$ 176,008.42	\$ 32,585.64	\$ 57,246.02	\$ 508.71	\$ 2,307.09	\$ 23,965.53	\$ 5,000.00	\$ 8,522.27	\$ 4,843.75	\$ 6,553.60	\$ 662.97	\$ 300,572.87	\$ 618,776.87

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, 2022

	Special Revenue Funds							Capital Projects Funds				Permanent Fund		Total Non-Major Governmental Funds
	Cemetery Investment	Tourism	Protested Franchise Tax	Police Explorers	Police Forfeiture	Police Cannine Unit	Police Grant & Donation	Park Endowment Brown	Industrial Development	Sewer Bonds	CDBG	Park Endowment Avery		
<b>REVENUES:</b>														
Taxes	\$ -	\$ 113,567.46	\$ 4,767.14	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 118,334.60
Intergovernmental Charges for Services	21,090.00				2,302.63									2,302.63
Interest	804.13	79.75	240.76		0.12			39.89	28.79			3,912.29		28,590.00
Miscellaneous						24,278.65	5,000.00							5,127.02
														29,278.65
<b>Total Revenues</b>	<b>21,894.13</b>	<b>113,647.21</b>	<b>5,007.90</b>	<b>-</b>	<b>9,802.75</b>	<b>24,278.65</b>	<b>5,000.00</b>	<b>39.89</b>	<b>28.79</b>	<b>-</b>	<b>-</b>	<b>3,912.29</b>	<b>-</b>	<b>183,632.90</b>
<b>EXPENDITURES:</b>														
Current:														
Cemetery	30,684.72													30,684.72
Economic Development		111,063.15												111,063.15
Public Safety					2,946.34	6,658.16								9,604.50
Capital Outlay	4,839.32				4,605.26			6,078.32						15,522.90
<b>Total Expenditures</b>	<b>35,524.04</b>	<b>111,063.15</b>	<b>-</b>	<b>-</b>	<b>7,551.60</b>	<b>6,658.16</b>	<b>-</b>	<b>6,078.32</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>166,875.27</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(13,629.91)</b>	<b>2,584.06</b>	<b>5,007.90</b>	<b>-</b>	<b>2,251.15</b>	<b>17,620.49</b>	<b>5,000.00</b>	<b>(6,038.43)</b>	<b>28.79</b>	<b>-</b>	<b>-</b>	<b>3,912.29</b>	<b>-</b>	<b>16,757.63</b>
<b>FUND BALANCE, JULY 1, 2021</b>	<b>189,623.45</b>	<b>30,001.58</b>	<b>52,238.12</b>	<b>508.71</b>	<b>55.94</b>	<b>6,345.04</b>	<b>-</b>	<b>14,560.70</b>	<b>6,524.81</b>	<b>662.97</b>	<b>296,660.58</b>	<b>-</b>	<b>-</b>	<b>602,004.36</b>
<b>FUND BALANCE, JUNE 30, 2022</b>	<b>\$ 175,993.54</b>	<b>\$ 32,585.64</b>	<b>\$ 57,246.02</b>	<b>\$ 508.71</b>	<b>\$ 2,307.09</b>	<b>\$ 23,965.53</b>	<b>\$ 5,000.00</b>	<b>\$ 8,522.27</b>	<b>\$ 6,553.60</b>	<b>\$ 662.97</b>	<b>\$ 300,572.87</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 618,761.99</b>

CITY OF TROY, MISSOURI  
 SUPPLEMENTARY INFORMATION  
 COMBINING STATEMENT OF NET POSITION - MODIFIED CASH BASIS  
 NON-MAJOR PROPRIETARY FUNDS  
 YEAR ENDED JUNE 30, 2022

	Troy Aquatic Center	Total Non Major Funds
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 23,398.96	\$ 23,398.96
Total Assets	\$ 23,398.96	\$ 23,398.96
 <u>NET POSITION</u>		
Unrestricted	23,398.96	23,398.96
Total Net Position	\$ 23,398.96	\$ 23,398.96

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, 2022

	<u>Troy Aquatic Center</u>	<u>Total Non Major Funds</u>
OPERATING REVENUES:		
Charges for Service	\$ 139,097.12	\$ 139,097.12
OPERATING EXPENSES:		
Salaries and Wages	20,222.75	20,222.75
Employee Benefits	2,593.63	2,593.63
Purchased Services	1,897.81	1,897.81
Property Services	3,924.34	3,924.34
Other Purchased Services	107,031.71	107,031.71
Supplies	32,716.50	32,716.50
Property	6,955.11	6,955.11
Capital Outlay	3,809.54	3,809.54
Other	2,766.62	2,766.62
Total Operating Expenses	<u>181,918.01</u>	<u>181,918.01</u>
NON-OPERATING REVENUES (EXPENSES):		
Interest	<u>35.80</u>	<u>35.80</u>
NET INCOME (LOSS) BEFORE TRANSFERS	(42,785.09)	(42,785.09)
OPERATING TRANSFERS	<u>64,898.55</u>	<u>64,898.55</u>
NET INCOME (LOSS) AFTER TRANSFERS	22,113.46	22,113.46
TOTAL NET POSITION, JULY 1, 2021	<u>1,285.50</u>	<u>1,285.50</u>
TOTAL NET POSITION, JUNE 30, 2022	<u>\$ 23,398.96</u>	<u>\$ 23,398.96</u>

CITY OF TROY, MISSOURI  
 SUPPLEMENTARY INFORMATION  
 COMBINING STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS  
 NON- MAJOR PROPRIETARY FUNDS  
 YEAR ENDED JUNE 30, 2022

	<u>Troy Aquatic Center</u>		<u>Total Non Major Funds</u>
Cash Flows from Operating Activities:			
Cash Received from Customers	\$ 139,097.12	\$	139,097.12
Cash Payments to Suppliers for Goods and Services	(159,101.63)		(159,101.63)
Cash Payments to Employees for Services	<u>(22,816.38)</u>		<u>(22,816.38)</u>
Net Cash Provided (Used) by Operating Activities	<u>(42,820.89)</u>		<u>(42,820.89)</u>
Cash Flows from Noncapital Financing Activities:			
Operating Transfers	<u>64,898.55</u>		<u>64,898.55</u>
Cash Flows from Investing Activities:			
Interest Earned	<u>35.80</u>		<u>35.80</u>
Cash and Cash Equivalents, Beginning of Year	<u>1,285.50</u>		<u>1,285.50</u>
Cash and Cash Equivalents, End of Year	<u>\$ 23,398.96</u>	\$	<u>23,398.96</u>

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

Operating Income(Loss)	\$ (42,820.89)	\$	(42,820.89)
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>\$ (42,820.89)</u>	\$	<u>(42,820.89)</u>

**FEDERAL COMPLIANCE SECTION**



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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Aldermen  
City of Troy, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the 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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated January 23, 2023.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Troy, Missouri's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We did consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2022-1 to be a material weakness.

*A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2022-2 to be a significant deficiency.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **City's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the City's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on the response.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Croghan & Croghan, P.C.*  
Certified Public Accountants

Kirkwood, Missouri  
January 23, 2023





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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Board of Aldermen  
City of Troy, Missouri

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the City of Troy, Missouri's ("City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2022. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Other Matters**

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2022-3. Our opinion on each major federal program is not modified with respect to these matters.

*Government Auditing Standards* requires the auditor to perform limited procedures on the City's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

## Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be a significant deficiency.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-3 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* requires the auditor to perform limited procedures on the City's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Croghan & Croghan, P.C.*

Certified Public Accountants

Kirkwood, Missouri  
January 23, 2023

CITY OF TROY, MISSOURI  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2022

Program Title	Federal CFDA Number	Pass-Through Identification Program	Expenditures
<u>U.S. Department of Justice</u>			
Direct:			
Bulletproof Vest Partnership Program	16.607	N/A	\$ <u>4,222.41</u>
<u>U.S. Department of Transportation</u>			
Passed through Missouri Department of Transportation:			
Highway Planning and Construction Cluster:			
Highway Planning and Construction	20.205	TAP9900(387)	<u>105,315.61</u>
Passed through University of Central Missouri:			
Highway Safety Cluster:			
National Priority Safety Programs	20.616	21-M2HVE-05-034	500.00
National Priority Safety Programs	20.616	22-M2HVE-05-032	<u>330.37</u>
Total National Priority Safety Programs			<u>830.37</u>
Passed through Missouri Division of Highway Safety:			
Highway Safety Cluster:			
State and Community Highway Safety	20.600	21-PT-02-131	2,279.14
State and Community Highway Safety	20.600	22-PT-02-140	6,946.22
State and Community Highway Safety	20.600	22-PT-02-015	<u>378.00</u>
Total State and Community Highway Safety			<u>9,603.36</u>
Total Highway Safety Cluster			<u>10,433.73</u>
Passed through Missouri Division of Highway Safety:			
Alcohol Open Container Requirements			
Alcohol Open Container Requirements	20.607	21-154-AL-133	496.54
Alcohol Open Container Requirements	20.607	22-154-AL-123	<u>2,776.96</u>
Total Alcohol Open Container Requirements			<u>3,273.50</u>
Total U.S. Department of Transportation			<u>119,022.84</u>
<u>U.S. Department of Treasury</u>			
Direct:			
COVID19-Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	<u>231,810.00</u>
<u>U.S. Environmental Protection Agency</u>			
Passed through Missouri Department of Natural Resources:			
Clean Water State Revolving Fund Cluster:			
Capitalization Grants for Clean Water State Revolving Funds	66.458	C295822-01	<u>2,932,205.27</u>
Total expenditures of federal awards			\$ <u><u>3,287,260.52</u></u>

CITY OF TROY, MISSOURI  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
YEAR ENDED JUNE 30, 2022

**1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the City under programs of the federal government for the year ended June 30, 2022. The information reported in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City.

**2. Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the modified cash basis of accounting, which recognizes expenditures in the period the liabilities are paid. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The City has elected not to use the 10% *de minimis* indirect cost rate as allowed under the Uniform Guidance.

**3. Subrecipients**

The City did not provide federal awards to any subrecipients during the fiscal year ended June 30, 2022.

CITY OF TROY, MISSOURI  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 YEAR ENDED JUNE 30, 2022

1. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?   X   Yes        No

Significant deficiency(ies) identified not considered to be material weaknesses?   X   Yes        None reported

Noncompliance material to financial statements noted?        Yes   X   No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?        Yes   X   No

Significant deficiency(ies) identified not considered to be material weaknesses?   X   Yes        None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?   X   Yes        No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
66.458	Capitalization Grants for Clean Water State Revolving Funds

Dollar threshold used to distinguish between Type A and Type B programs:   \$750,000  

Auditee qualified as low-risk auditee?        Yes   X   No

CITY OF TROY, MISSOURI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2022

2. FINANCIAL STATEMENT FINDINGS

2022-1

Criteria: City is responsible for establishing and maintaining internal controls.

Condition: Lack of sufficient segregation of duties in the accounting department.

Context: A review of the internal control procedures. *Internal control* is a process effected by the City's Board of Aldermen, management, and other personnel - designed to provide reasonable assurance regarding the achievement of objectives in the following categories: (a) reliability of financial reporting, (b) effectiveness and efficiency of operations, and (c) compliance with applicable laws and regulations.

Effect: The design of internal control over financial reporting that could adversely affect the ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements and the assurance that assets are safeguarded against loss from use or disposition.

Cause: Size and budget constraints limiting the number of personnel with the accounting department.

Recommendation: These areas should be reviewed periodically and consideration given to improving the segregation of duties.

Views of Responsible Officials and Planned Corrective Actions: The City of Troy acknowledges this finding. The City continues to review its processes and intends to make strides in improving this condition.

2022-2

Criteria: City is responsible for establishing and maintaining internal controls.

Condition: Components of internal control, including accounting policies and procedures, and controls pertaining to federal awards, are not in written form.

Context: A review of the internal control procedures. Internal control is a process effected by the City's Board of Aldermen, management, and other personnel - designed to provide reasonable assurance regarding the achievement of objectives in the following categories: (a) reliability of financial reporting, (b) effectiveness and efficiency of operations, and (c) compliance with applicable laws and regulations.

Effect: The design of internal control over financial reporting that could adversely affect the ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements and the assurance that assets are safeguarded against loss from use or disposition; and compliance with federal award requirements.

Cause: Formal policies or procedures have not been implemented.

Recommendation: Components of internal control, including accounting policies and procedures, and controls pertaining to federal awards, should be designed and documented.

Views of Responsible Officials and Planned Corrective Actions: The City of Troy acknowledges this finding. The City of Troy passed an ordinance amending the City's purchasing policy #1158 to include the specifics of the Uniform Guidance (2CFR Part 200) on March 7, 2022.

The City plans to have its accounting procedures and controls documented and adopted by October 31, 2023.

3. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2022-3

Criteria: The Office of Management and Budget's (OMB) Uniform Guidance requires a non-federal entity to have certain written policies and procedures in place surrounding the management of their federal awards.

Condition: The City has not adopted written policies and procedures related to federal awards as required by the Uniform Guidance.

Context: The lack of written controls pertains to all federal awards.

Cause: This condition appears to be the result of a time lag in identifying the requirement and developing a plan for compliance.

Effect: As a result of this condition, the City may not fully comply with the Uniform Guidance applicable to certain federal awards.

Questioned Costs: No costs have been questioned as a result of this finding.

Recommendation: We recommend the City adopt the required written policies and procedures required by the Uniform Guidance.

Views of Responsible Officials and Planned Corrective Actions: The City of Troy acknowledges this finding. The City of Troy passed an ordinance amending the City's purchasing policy #1158 to include the specifics of the Uniform Guidance (2CFR Part 200) on March 7, 2022.

4. FOLLOW-UP PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2021-3

This finding has been repeated as finding 2022-3. This finding was anticipated to be implemented by January 20, 2022, but due to reduced staffing levels brought on by the pandemic and other outside factors, the Corrective Action Plan was not completed by this date.

The City of Troy passed an ordinance amending the City's purchasing policy #1158 to include the specifics of the Uniform Guidance (2CFR Part 200) on March 7, 2022.