

**CITY OF TROY, MISSOURI**  
**AUDIT OF FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

CITY OF TROY, MISSOURI

MODIFIED CASH BASIS FINANCIAL STATEMENTS

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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, 2023, 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, 2023, 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. 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 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, 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 and combining nonmajor fund financial statements 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 and combining nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole on the modified cash basis of accounting described in Note 1.

***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.

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

Kirkwood, Missouri  
February 8, 2024

**UNAUDITED**

**The City of Troy, Missouri  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2023**

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, 2023. 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, 2023, include the following:

- The most notable project of the 2022-2023 fiscal year was the improvements to Cherry Street. This project was awarded to Lamke Trenching & Excavation at a bid of 3,518,602.00 and commenced in July of 2021. At the 2023 fiscal year-end, the project contract had increased to 3,625,203.00 with 1,321,976.93 of that expended in FY2023. As the fiscal year closed, tasks were being completed to close out this project.
- The City solicited bids for concrete street replacement to Huntington Drive, Hampton Drive, Saxony Drive, Creekwood Boulevard and Excalibur Boulevard. The project was awarded to M & H Contractors, Inc. at a bid of 619,988.00. They were given notice to proceed on June 1, 2022. In August, their contract was amended to include Judy Lane for an additional 299,000.00. A change order was approved in June of 2023 that decreased the project cost to 846,446.00. The total expended in FY2023 for these improvements was 804,123.70.
- In April of 2022 bids were solicited for asphalt street improvements to Mennemeyer Road, Main Street, Monroe Street, Thompson Drive and Old Moscow Mills Road. The bid was awarded to Mid-River Asphalt at a price of 456,567.71. The project was completed in the 2023 fiscal year at a decreased price of 420,581.60 due to a reduction in asphalt quantities.
- Bids for asphalt improvements to Trojan Circle, Trojan Drive, West Bonfils, Sleepy Hollow Drive, Oak Forest Drive, Sommerset Drive, Marketplace Drive, North Lincoln Drive and Annie

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Avenue were solicited in September of 2022. Mid-River Asphalt once again was awarded the project at a bid price of 733,990.40. After a reduction in quantities and the addition of Harris Street the final project cost was 739,534.27.

- Missouri Petroleum was awarded the contract for chip and seal improvements to South Lincoln Drive and Old Moscow Mills Road in July of 2022. The total cost of this project was 167,141.46.
- The waterline was replaced along Bonfils Street by Lamke Trenching & Excavating at a cost of 292,230.50. This project was amended to include a sewer extension on Cherry Street at an additional cost of 206,820.00. Engineering oversight for both projects was provided by Four Points Engineering at a total cost of 13,771.67.
- The City entered into an agreement with Woodard & Curran to furnish and install aeration, mixing and decant equipment for the sludge storage tank at the Southeast Wastewater Treatment Facility. This was a bid alternative to the WWTP Upgrades Project. The total cost of this project is 810,000.00 of which 213,188.76 was expended in FY2023.
- The replacement of the sanitary sewer main at the intersection of Highway 47 and Town Branch Creek (near Bluffview Estates) was performed by Wehmeyer Farms at a cost of 174,500.00. Woodard & Curran provided the engineering for this project at a cost of 13,900.00.
- The CIPP (cured in place pipe) lining of the sewer main on Cherry Street, near the Service & Supply Cooperative was performed by SAK Construction at a cost of 64,791.00.
- As part of the WWTF Upgrade Project, a building at the Highway 47 lift station (formerly a wastewater treatment facility) was subject to demolition. Heartland Restoration performed this project at a cost of 57,400.00. A bar screen was installed by Fab Tech at a cost of 35,400.00, also at the Highway 47 lift station.
- Engineering services were procured for several projects. The City contracted with Woodard & Curran to create a capital improvement plan for the City's sewer collection system that includes investigation, inspection, data analysis, and an assessment with project recommendations. The total cost of these services is 247,720.00, of which 99,147.00 was expended in FY2023. The services of Woodard & Curran were also engaged for MS4 compliance support at a cost of 60,000.00. In December of 2022, the City looked to Four Points Engineering to provide engineering services to design two new 10-inch water main extensions along Elm Tree Road and Highway 61. Their fee for these services is 27,300.00, of which 4,368.00 was expended in FY2023. Four Points Engineering is also providing engineering services for the construction of Well # 16. There was 15,070.91 expended of that contract in FY2023. The final payments to Cochran Engineering for the construction oversight on the Cherry Street Improvements Project were issued in the amount of 15,022.89 at the beginning of the 2022-2023 fiscal year.



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- Improvements to City properties were performed during the 2023 fiscal year. The fencing and backstop were replaced at Fairgrounds Park Diamond # 1 by St. Louis Fenceworks, at a cost of 39,463.00. A new 42' by 80' fabric-covered building to house equipment was constructed at the City's maintenance facility at a cost of 40,186.20. The pool at the Troy Aquatic Center was given a new coat of paint at a cost of 38,712.00. A new diving board was installed as well, at a cost of 6,633.70. Twelve new park benches from Miracle Recreation were purchased at a cost of 5,993.50.
- Several vehicles were added to the City's fleet in this fiscal year. A 900 ECO 12-Yard Truck-Mounted Combination Sewer Cleaner was acquired on a 5-year lease-purchase at a total cost of 503,588.35. A Ford F-350 truck equipped for snow plowing was purchased for 72,769.00. Two (2) used 2015 Ford F-350 service trucks were acquired at a price of 23,500.00 each. Two (2) vehicles were purchased for use by the Woodard & Curran wastewater management team: a 2022 Ford F-550 crane truck, 99,305.00 and a 2022 Chevrolet Silverado, 38,840.00. Six vehicles were acquired for use by the Troy Police Department: three (3) 2023 Chevrolet Police Tahoes on a 4-year lease purchase at a total cost of 153,361.61 and three (3) 2023 Chevrolet Police Tahoes at a total cost of 122,109.00, purchased with ARPA funds.
- ARPA funds were used for the purchase of several items for public safety: thirty-five (35) VHF Handheld radios, 62,533.10, twenty-one (21) VHF car radios, 65,551.34, equipment to upfit three (3) patrol vehicles, 29,983.44, six (6) tasers with cartridges, 12,490.44, seven (7) Stalker Radar units, 11,725.00, three (3) VHF radio decks, 4,770.00, four (4) laptop computers, 4,559.96.
- The Troy Police Canine Unit acquired a new K-9 named James at a cost of 4,500.00.
- A new Poweredge Server was purchased for the administrative offices at City Hall at a cost of 17,033.28. The police department purchased mobile printers and docking stations at a cost of 10,469.56. Eight (8) Panasonic Toughbooks were purchased through the Missouri Dept. of Public Safety with LLEBG grant funds at a total cost of 18,953.00.
- The Public Works Department converted the City's meter reading system to "Neptune 360". This will allow for the reading of water meters more efficiently and provide data in real time to identify potential leaks, excessive consumption, and reverse flow. The cost for the AMI antenna, subscription and setup was 69,597.80. Installation will occur in the new fiscal year at a bid price of 16,454.50.
- The following equipment was purchased for use by the Public Works Department: a Wachs Valve Turner, 40,291.69, pumps for the Oaks, the Crooked Creek, and the Woods Fort lift stations, 37,322.00, a used Terragator for applying biosolids, 12,500.00, a 20' Rice Trailer, 10,325.50, and a Hustler lawn mower, 10,000.00.

The City's net position (cash basis) at the end of 2023 was \$20,047,366.26.

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**Using the Basic Financial Statements**

The City’s basic financial statements consist of a series of financial statements and the associated notes to those statements. The statements are organized so the reader can understand the cash basis operations of the City as a whole. The “Basic Financial Statements” section includes government- wide financial statements, fund financial statements and notes to financial statements. The government-wide financial statements, consisting of the Statement of Net Position (Cash Basis) and the Statement of Activities (Cash Basis), provide highly consolidated cash basis financial information and render a government-wide perspective of the City’s cash basis financial condition.

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

**NET POSITION**

	Governmental Activities	Business-Type Activities	Total June 30, 2023	Total June 30, 2022
<b><u>ASSETS</u></b>				
Cash and Investments	\$ 6,351,958.80	\$ 5,711,916.56	\$ 12,063,875.36	\$ 11,462,917.65
Restricted Assets:				
Cash and Investments	8,001,460.16		8,001,460.16	8,409,501.18
Total Assets	14,353,418.96	5,711,916.56	20,065,335.52	19,872,418.83
<b><u>LIABILITIES</u></b>				
Payroll Withholdings	13,902.99	4,066.27	17,969.26	10,199.36
<b><u>NET POSITION</u></b>				
Restricted	8,214,695.18		8,214,695.18	8,624,677.31
Unrestricted	6,124,820.79	5,707,850.29	11,832,671.08	11,237,542.16
Total Net Position	\$ 14,339,515.97	\$ 5,707,850.29	\$ 20,047,366.26	\$ 19,862,219.47

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**Government-wide Financial Analysis**

Revenue and Expenditure Comparison for Years  
Ending June 30, 2023 and 2022

	<u>2023</u>	<u>%</u>	<u>2022</u>	<u>%</u>
<b>Revenues</b>				
Taxes	\$ 8,694,767.36	46.71%	\$ 8,306,212.87	42.32%
Intergovernmental	1,999,969.78	10.74%	1,907,353.69	9.72%
Licenses and Permits	181,990.64	0.98%	136,137.78	0.69%
Charges for Services	6,738,142.04	36.20%	6,591,428.30	33.58%
Interest	454,467.92	2.44%	88,019.61	0.45%
Fines and Forfeitures	149,347.62	0.80%	175,279.77	0.89%
Sale of Assets	122,400.00	0.66%	18,330.00	0.09%
SRF Loan Proceeds	-	0.00%	2,306,160.20	11.75%
Miscellaneous	272,574.91	1.46%	100,459.35	0.51%
<b>Total Revenues</b>	<b><u>\$ 18,613,660.27</u></b>	<b><u>100.00%</u></b>	<b><u>\$ 19,629,381.57</u></b>	<b><u>100.00%</u></b>
<b>Expenditures</b>				
General Government	\$ 838,245.08	4.55%	\$ 711,499.33	3.88%
Public Safety	3,901,920.91	21.17%	3,442,850.66	18.79%
Culture and Recreation	375,674.99	2.04%	319,296.50	1.74%
Cemetery	30,822.37	0.17%	30,684.72	0.17%
Public Works - Streets	1,327,201.74	7.20%	1,133,948.63	6.19%
Economic Development	115,265.73	0.63%	111,063.15	0.61%
Capital Outlay	5,658,576.12	30.71%	2,961,677.62	16.17%
Operating Expenses - Utilities	4,112,286.21	22.31%	7,894,816.45	43.10%
Debt Service - Principal/Interest	2,068,520.33	11.22%	1,713,180.87	9.35%
<b>Total Expenditures</b>	<b><u>\$ 18,428,513.48</u></b>	<b><u>100.00%</u></b>	<b><u>\$ 18,319,017.93</u></b>	<b><u>100.00%</u></b>

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**Governmental Funds Financial Analysis**

	<u>2023</u>	<u>2022</u>
Program Revenues Collected:		
Charges for Services	\$ 348,813.26	\$ 340,007.55
Operating Grants and Contributions	598,540.65	504,637.35
Capital Grants and Contributions	95,519.82	101,807.03
General Revenues Collected:		
Property Taxes	414,821.84	376,958.95
Franchise and Public Service Taxes	2,787,862.64	2,671,971.02
Sales Tax	5,492,082.88	5,257,282.90
Grant not restricted to specific program	1,305,909.31	1,305,909.31
Investment Income	326,467.40	67,280.07
Sale of Assets	4,350.00	18,330.00
Miscellaneous	272,574.91	95,459.35
Total Revenues Collected	<u>11,646,942.71</u>	<u>10,739,643.53</u>
Expenses Paid:		
General Government	838,245.08	711,499.33
Public Safety	3,901,920.91	3,442,850.66
Culture and Recreation	375,674.99	319,296.50
Cemetery	30,822.37	30,684.72
Public Works - Streets	1,327,201.74	1,133,948.63
Economic Development	115,265.73	111,063.15
Capital Outlay	4,782,542.38	2,961,677.62
Debt Service:		
Principal	433,286.45	409,328.54
Interest and Fees	32,582.15	40,891.26
Total Expenses Paid	<u>11,837,541.80</u>	<u>9,161,240.41</u>
Other Financing Sources:		
Transfers between funds	<u>(179,036.26)</u>	<u>(64,898.55)</u>
Total Other Financing Sources	<u>(179,036.26)</u>	<u>(64,898.55)</u>
Change in Net Position	(369,635.35)	1,513,504.57
Net Position, July 1	<u>14,709,151.32</u>	<u>13,195,646.75</u>
Net Position, June 30	<u>\$ 14,339,515.97</u>	<u>\$ 14,709,151.32</u>

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**Business Type Activities**

Water Fund:	<u>2023</u>	<u>2022</u>
Operating Revenue	\$ 2,287,459.70	\$ 2,173,495.04
Operating Expenditures	<u>(1,695,089.03)</u>	<u>(1,683,064.33)</u>
Operating Income/(Loss)	592,370.67	490,430.71
Non-Operating Revenue/(Expenses)	135,645.80	4,146.51
Operating Transfer	-	-
Net Income/(Loss)	<u>\$ 728,016.47</u>	<u>\$ 494,577.22</u>
Sewer Fund:	<u>2023</u>	<u>2022</u>
Operating Revenue	\$ 3,436,239.92	\$ 3,411,214.30
Operating Expenditures	<u>(2,091,057.17)</u>	<u>(5,191,374.32)</u>
Operating Income/(Loss)	1,345,182.75	(1,780,160.02)
Non-Operating Revenue/(Expenses)	(1,493,115.58)	1,059,756.36
Operating Transfer	-	-
Net Income/(Loss)	<u>\$ (147,932.83)</u>	<u>\$ (720,403.66)</u>
Sanitation Fund:	<u>2023</u>	<u>2022</u>
Operating Revenue	\$ 861,183.91	\$ 838,861.94
Operating Expenditures	<u>(864,359.89)</u>	<u>(838,459.79)</u>
Operating Income/(Loss)	(3,175.98)	402.15
Non-Operating Revenue/(Expenses)	773.44	169.90
Operating Transfer	-	-
Net Income/(Loss)	<u>\$ (2,402.54)</u>	<u>\$ 572.05</u>
Troy Aquatic Center:	<u>2023</u>	<u>2022</u>
Operating Revenue	\$ 135,783.51	\$ 139,097.12
Operating Expenditures	<u>(337,813.86)</u>	<u>(181,918.01)</u>
Operating Income/(Loss)	(202,030.35)	(42,820.89)
Non-Operating Revenue/(Expenses)	95.13	35.80
Operating Transfer	179,036.26	64,898.55
Net Income/(Loss) after Transfers	<u>\$ (22,898.96)</u>	<u>\$ 22,113.46</u>

## **UNAUDITED**

The water fund experienced a net gain of 728,016.47. User fee income was 3% more than income for FY2022. Right-to-connect fees increased by 11%. With interest rates rising, interest income was dramatically more than FY2022. Expenditures for FY2023 were essentially the same as FY2022. Operations and administration expenses increased over FY2022, but less was expended on capital projects.

The sewer fund ended the fiscal year with a net loss of 147,932.83. While user fee income was up by 3%, connections fees decreased from seventy-nine connections to sixty-two connections. The 2022-2023 fiscal year was the first full year of debt service for the SRF loan. Less was spent on capital projects in FY2023, but more was expended on the acquisition of vehicles, equipment, and capital leases.

The sanitation fund ended the fiscal year with a net loss of 2,402.54. 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 loss of 22,898.96. User fees were down 10% as compared to FY2022. Overall expenses increased. Additionally, there were costly improvements to the pool. Timing of billing for management also contributed to the loss. These factors resulted in an increase in transfers from the General Fund for FY2023. As the fiscal year does not align with the swim season, comparison of fiscal years does not really tell the whole story.

### **General Fund Budgetary Highlights**

General Fund revenues exceeded budgetary projections by 12%. Sales tax revenues were 4% over budget. Property tax revenues were 9% over budget. Franchise tax revenues exceeded the budget by 3%. Licenses & permit revenue was 329% of budget, due to building permit fees for commercial development. Surtax was 14% over budget. Interest income was 600% of budget. Fine and forfeiture income fell short of budget by 15%. The only other area of general fund revenues to fall short of projections was cigarette tax and financial institution tax (F.I.T.).

### **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.

**UNAUDITED**

At the year-end, the City had debt in the amount of 21,578,298.76:

State of Missouri-Direct Loan Program Series 2020 Wastewater Treatment Upgrades-Combined Waterworks & Sewerage System Revenue Bonds	18,137,000.00
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)	2,055,000.00
Series 2017 Certificates of Participation for refunding 2011 COPS for Aquatic Center and Capital Improvements	756,900.00
MTFC Direct Loan Agreement for the Route 61 Outer Road	66,471.92
Capital Leases	562,926.84

**Budgetary Analysis**

In the 2023-2024 budget year, the City of Troy will begin a multi-phase project that will span three years. The construction of a grit removal system at the City's Southeast Wastewater Treatment Facility will begin with design, MDNR coordination, permitting, bid phase services and equipment procurement in FY2024. The first phase of this project is estimated to cost 1,950,000.00 and will be funded with American Rescue Plan Act (ARPA) funds. The entire project is estimated to cost 5,000,000.00.

Bids were solicited for the construction of a new well late in the 2023 fiscal year. The project was awarded to Martin General Contractors at a bid price of 1,546,300.00. This project will commence in the 2024 fiscal year.

The million-gallon water tower on West Highway 47 will get a new coat of paint, at an estimated cost of 915,000.00. The water main that runs from Lincoln Drive to Fair Court will be replaced at a cost of 655,000.00. Two water main projects budgeted for FY2023 will be rolled into the 2024 budget: a 10-inch water main extension along Elm Tree Road and a 10-inch water main extension along Highway 61 at a projected cost of 950,000.00.

The following streets are slated for concrete replacement in FY2024: Bluffview Drive, Castlewood Drive, Cottonwood Court, Creekwood Boulevard, Huntington Drive, Oak Bluff Court, South Main Street and Whitetail Crossing Drive. The following streets will receive new asphalt: East Collier Street, East Wood Street, Kuhne Heights, West Cherry Street and the public parking lot in the 400 block of Main Street. Asphalt improvements will also be made in Fairgrounds Park. The total cost budgeted for these improvements is 1,178,405.00.

**UNAUDITED**

Improvements to sewer collection are planned for FY2024. Old clay tile sewer lines will be lined with a hardening sleeve to abate I & I (inflow and infiltration) at a budget of 275,000.00. The Eastbrook Subdivision Lift Station will be rehabilitated at a cost of 80,000.00. A budget of 22,000.00 has been set for manhole rehabilitation as well. SCADA (supervisory control and data acquisition) equipment will be installed at both the Wingate & Whitetail lift stations, costing 200,000.00. Another building at the old Highway 47 wastewater treatment plant will be demolished, as part of the decommissioning of wastewater treatment there, at a cost of 57,400.00.

Several vehicles will be added to the City's fleet in FY2024. Two (2) one-ton trucks equipped for snow removal will be purchased at a budgeted cost of 195,000.00. A ¾-ton truck will be acquired for use by the management team at the SE WWTF at a cost of 56,000.00. The following vehicles will be acquired by lease-purchase: a sewer van with a CCTV system, 51,720.00 annually, three (3) 2024 Chevrolet Police Patrol Tahoes, 44,300.00 annually, and three (3) 2023 Ford Escapes for the building department, 23,550.00 annually.

Public Works will acquire a 4WD backhoe at a net cost after trade-in of 80,000.00. A skid-steer loader with bucket attachment will be purchased at a cost of 76,500.00. Equipment for use at the City's mechanic shop will be purchased: a tire-changing machine, 11,500.00, and a tire & wheel balancer, 7,500.00.

Spare pumps for the Crooked Creek, Wingate, and Oaks Lift stations will be purchased at a total cost of 50,800.00.

The City will contract for the update of its comprehensive plan and planning and zoning ordinance at a cost of 22,500.00. Engineering services for MS4 compliance will be engaged at a cost of 25,000.00. The police will begin an accreditation process with the Missouri Police Chief's Association at a cost of 6,000.00 that will be spread over three years.

The parks department will acquire a new zero-turn mower at a cost of 17,605.00.

SAM (surveying and mapping) Web GIS access will be acquired in FY2024 at a cost of 10,100.00.

Sales tax revenue was budgeted flat for the 2023-2024 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 2023-2024 fiscal year, an increase of 10% in health insurance premiums was budgeted.

The Board of Aldermen granted pay increases to police department staff over the course of the 2022-2023 fiscal year. For the 2023-2024 fiscal year wages were adjusted for police and non-police personnel to narrow that disparity.

The 2023-2024 contribution rate for the Missouri Local Government Employees Retirement (MO LAGERS) remained the same at 9.1% for general employees and increased from 8.4% to 9.4% for police.



***UNAUDITED***

**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, 2023

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and Investments	\$ 6,351,958.80	\$ 5,711,916.56	\$ 12,063,875.36
Restricted Assets:			
Cash and Investments	<u>8,001,460.16</u>	<u>                    </u>	<u>8,001,460.16</u>
Total Assets	<u>14,353,418.96</u>	<u>5,711,916.56</u>	<u>20,065,335.52</u>
<u>LIABILITIES</u>			
Payroll Withholdings	<u>13,902.99</u>	<u>4,066.27</u>	<u>17,969.26</u>
Total Liabilities	<u>13,902.99</u>	<u>4,066.27</u>	<u>17,969.26</u>
<u>NET POSITION</u>			
Restricted for:			
Nonexpendable Permanent Funds	250,000.00	-	250,000.00
Capital Projects	4,377,604.86		4,377,604.86
Parks	62,735.16		62,735.16
Roads	1,061,882.92		1,061,882.92
Tourism	29,415.84		29,415.84
Cemetery	176,134.68		176,134.68
Other Purposes	2,256,921.72		2,256,921.72
Unrestricted	<u>6,124,820.79</u>	<u>5,707,850.29</u>	<u>11,832,671.08</u>
Total Net Position	<u>\$ 14,339,515.97</u>	<u>\$ 5,707,850.29</u>	<u>\$ 20,047,366.26</u>

See accompanying notes to basic financial statements.

CITY OF TROY, MISSOURI  
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS  
YEAR ENDED JUNE 30, 2023

EXHIBIT B

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
<b>Governmental Activities:</b>						
General Government	\$ 838,245.08	\$ 181,990.64	\$ -	\$ -	\$ (656,254.44)	\$ (656,254.44)
Public Safety	3,901,920.91	149,347.62	17,431.05	(3,735,142.24)	(3,735,142.24)	(3,735,142.24)
Culture and Recreation	375,674.99			(375,674.99)	(375,674.99)	(375,674.99)
Cemetery	30,822.37	17,475.00		(13,347.37)	(13,347.37)	(13,347.37)
Public Works - Streets	1,327,201.74		581,109.60	(746,092.14)	(746,092.14)	(746,092.14)
Economic Development	115,265.73			(19,745.91)	(19,745.91)	(19,745.91)
Capital Outlay	4,782,542.38			(4,782,542.38)	(4,782,542.38)	(4,782,542.38)
Debt Service						
Principal	433,286.45			(433,286.45)	(433,286.45)	(433,286.45)
Interest and Fees	32,582.15			(32,582.15)	(32,582.15)	(32,582.15)
Total governmental activities:	\$ 11,837,541.80	\$ 348,813.26	\$ 598,540.65	\$ 95,519.82	\$ (10,794,668.07)	\$ (10,794,668.07)
<b>Business-type Activities:</b>						
Water	1,704,461.49	2,287,459.70	-	-	582,998.21	582,998.21
Sewer	3,684,336.44	3,436,239.92	-	-	(248,096.52)	(248,096.52)
Sanitation	864,359.89	861,183.91	-	-	(3,175.98)	(3,175.98)
Troy Aquatic Center	337,813.86	135,783.51	-	-	(202,030.35)	(202,030.35)
Total business-type activities:	\$ 6,590,971.68	\$ 6,720,667.04	\$ -	\$ -	\$ 129,695.36	\$ 129,695.36
Total City	\$ 18,428,513.48	\$ 7,069,480.30	\$ 598,540.65	\$ 95,519.82	\$ (10,794,668.07)	\$ (10,664,972.71)
<b>General Revenues:</b>						
Taxes						
Property Taxes					414,821.84	414,821.84
Franchise and Public Service Taxes					2,787,862.64	2,787,862.64
Sales Tax					5,492,082.88	5,492,082.88
Grant not restricted to specific program					1,305,909.31	1,305,909.31
Investment Income					326,467.40	128,000.52
Sale of Assets					4,350.00	454,467.92
Miscellaneous					272,574.91	122,400.00
Transfers between funds					(179,036.26)	272,574.91
Total General Revenues					10,425,032.72	10,850,119.50
Change in Net Position					(369,635.35)	185,146.79
Net Position - beginning					14,709,151.32	19,862,219.47
Net Position - ending					\$ 14,339,515.97	\$ 20,047,366.26

See accompanying notes to basic financial statements.

CITY OF TROY, MISSOURI  
 BALANCE SHEET- MODIFIED CASH BASIS  
 GOVERNMENTAL FUNDS  
 JUNE 30, 2023

	Major Funds					Total Governmental Funds
	General	Street Maintenance	Capital Improvement	ARPA Grant	Non-Major Funds	
<b>ASSETS</b>						
Cash and Investments	\$ 6,137,103.22	\$ -	\$ -	\$ -	\$ 214,855.58	\$ 6,351,958.80
Restricted Assets:						
Cash and Investments		1,063,488.32	4,365,288.62	2,119,757.33	452,925.89	8,001,460.16
<b>Total Assets</b>	<b>\$ 6,137,103.22</b>	<b>\$ 1,063,488.32</b>	<b>\$ 4,365,288.62</b>	<b>\$ 2,119,757.33</b>	<b>\$ 667,781.47</b>	<b>\$ 14,353,418.96</b>
<b>LIABILITIES AND FUND EQUITY</b>						
<b>Liabilities</b>						
Payroll Liabilities	\$ 12,282.43	\$ 1,605.40	\$ -	\$ -	\$ 15.16	\$ 13,902.99
<b>Total Liabilities</b>	<b>12,282.43</b>	<b>1,605.40</b>	<b>-</b>	<b>-</b>	<b>15.16</b>	<b>13,902.99</b>
<b>Fund Equity:</b>						
<b>Fund Balance:</b>						
Nonspendable	-	-	-	-	250,000.00	250,000.00
<b>Restricted for:</b>						
Capital Projects			4,365,288.62		12,316.24	4,377,604.86
Parks					62,735.16	62,735.16
Roads		1,061,882.92				1,061,882.92
Tourism					29,415.84	29,415.84
Cemetery					176,134.68	176,134.68
Other purposes				2,119,757.33	137,164.39	2,256,921.72
Unassigned	6,124,820.79					6,124,820.79
<b>Total Fund Equity</b>	<b>6,124,820.79</b>	<b>1,061,882.92</b>	<b>4,365,288.62</b>	<b>2,119,757.33</b>	<b>667,766.31</b>	<b>14,339,515.97</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$ 6,137,103.22</b>	<b>\$ 1,063,488.32</b>	<b>\$ 4,365,288.62</b>	<b>\$ 2,119,757.33</b>	<b>\$ 667,781.47</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 \$ 14,339,515.97

CITY OF TROY, MISSOURI  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS  
 YEAR ENDED JUNE 30, 2023

	Major Funds				Non-Major Funds	Total Governmental Funds
	General	Street Maintenance	Capital Improvements	APRA Grant		
<b>REVENUES:</b>						
Taxes	\$ 4,921,765.20	\$ 1,781,655.31	\$ 1,830,694.44	\$ -	\$ 160,652.41	\$ 8,694,767.36
Intergovernmental	17,431.05	581,109.60	75,082.81	1,305,909.31	20,437.01	1,999,969.78
Licenses, Permits and Fees	181,990.64					181,990.64
Charges for Services					17,475.00	17,475.00
Interest	134,718.79	34,064.75	98,553.67	49,310.98	9,819.21	326,467.40
Fines and Forfeitures	149,347.62					149,347.62
Sale of Assets	2,300.00	2,050.00				4,350.00
Miscellaneous	240,870.32	1,115.60			30,588.99	272,574.91
<b>Total Revenues</b>	<b>5,648,423.62</b>	<b>2,399,995.26</b>	<b>2,004,330.92</b>	<b>1,355,220.29</b>	<b>238,972.62</b>	<b>11,646,942.71</b>
<b>EXPENDITURES:</b>						
Current:						
General Government	838,245.08	-	-	-	-	838,245.08
Public Safety	3,881,493.71				20,427.20	3,901,920.91
Culture and Recreation	375,674.99					375,674.99
Cemetery					30,822.37	30,822.37
Public Works - Streets		1,327,201.74				1,327,201.74
Economic Development					115,265.73	115,265.73
Capital Outlay	133,405.62	2,190,343.23	2,121,618.25	313,722.28	23,453.00	4,782,542.38
Debt Service:						
Principal	195,086.45		238,200.00			433,286.45
Interest and Fees	5,134.73	397.01	27,050.41			32,582.15
<b>Total Expenditures</b>	<b>5,429,040.58</b>	<b>3,517,941.98</b>	<b>2,386,868.66</b>	<b>313,722.28</b>	<b>189,968.30</b>	<b>11,837,541.80</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>219,383.04</b>	<b>(1,117,946.72)</b>	<b>(382,537.74)</b>	<b>1,041,498.01</b>	<b>49,004.32</b>	<b>(190,599.09)</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Operating Transfers	(179,036.26)	-	-	-	-	(179,036.26)
<b>Total Other Financing Sources (Uses):</b>	<b>(179,036.26)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(179,036.26)</b>
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES</b>	<b>40,346.78</b>	<b>(1,117,946.72)</b>	<b>(382,537.74)</b>	<b>1,041,498.01</b>	<b>49,004.32</b>	<b>(369,635.35)</b>
<b>FUND BALANCE, JULY 1, 2022</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>FUND BALANCE, JUNE 30, 2023</b>	<b>\$ 6,124,820.79</b>	<b>\$ 1,061,882.92</b>	<b>\$ 4,365,288.62</b>	<b>\$ 2,119,757.33</b>	<b>\$ 667,766.31</b>	<b>\$ 14,339,515.97</b>

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, 2023

Net change in fund balances - total governmental funds	\$ (369,635.35)
There are no adjustments	<u>                    -</u>
Change in Net Position of Governmental Activities	<u><u>\$ (369,635.35)</u></u>

See accompanying notes to basic financial statements.

CITY OF TROY, MISSOURI  
STATEMENT OF NET POSITION - MODIFIED CASH BASIS  
PROPRIETARY FUNDS  
JUNE 30, 2023

	Major Enterprise Funds			Non-major Enterprise Funds	Total Enterprise Funds
	Water	Sewer	Sanitation		
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 4,054,502.96	\$ 1,618,736.63	\$ 38,176.97	\$ 500.00	\$ 5,711,916.56
Total Assets	<u>\$ 4,054,502.96</u>	<u>\$ 1,618,736.63</u>	<u>\$ 38,176.97</u>	<u>\$ 500.00</u>	<u>\$ 5,711,916.56</u>
<b>LIABILITIES</b>					
Payroll Withholdings	\$ 1,614.06	\$ 2,443.48	\$ 8.73	\$ -	\$ 4,066.27
<b>NET POSITION</b>					
Unrestricted	<u>4,052,888.90</u>	<u>1,616,293.15</u>	<u>38,168.24</u>	<u>500.00</u>	<u>5,707,850.29</u>
Total Net Position	<u>\$ 4,052,888.90</u>	<u>\$ 1,616,293.15</u>	<u>\$ 38,168.24</u>	<u>\$ 500.00</u>	<u>\$ 5,707,850.29</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, 2023

	Major Enterprise Funds			Non-major Enterprise Funds	Total Enterprise Funds
	Water	Sewer	Sanitation		
<b>OPERATING REVENUES:</b>					
Charges for Services	\$ 2,287,459.70	\$ 3,436,239.92	\$ 861,183.91	\$ 135,783.51	\$ 6,720,667.04
<b>OPERATING EXPENSES:</b>					
Cost of Sales and Services	1,036,100.55	1,646,626.85	823,275.63	292,468.16	3,798,471.19
Administration	179,168.58	93,562.18	41,084.26		313,815.02
Capital Outlay	479,819.90	350,868.14		45,345.70	876,033.74
Total Operating Expenses	1,695,089.03	2,091,057.17	864,359.89	337,813.86	4,988,319.95
OPERATING INCOME (LOSS)	592,370.67	1,345,182.75	(3,175.98)	(202,030.35)	1,732,347.09
<b>NON-OPERATING REVENUES (EXPENSES):</b>					
Interest	84,968.26	42,163.69	773.44	95.13	128,000.52
Sale of Assets	60,050.00	58,000.00			118,050.00
Debt Service:					
Principal	(9,052.83)	(1,301,052.83)			(1,310,105.66)
Interest and Fees	(319.63)	(292,226.44)			(292,546.07)
Total Non-Operating Revenues (Expenses)	135,645.80	(1,493,115.58)	773.44	95.13	(1,356,601.21)
INCOME (LOSS) BEFORE TRANSFERS	728,016.47	(147,932.83)	(2,402.54)	(201,935.22)	375,745.88
<b>OTHER FINANCING SOURCES (USES):</b>					
Operating Transfers	-	-	-	179,036.26	179,036.26
Total Other Financing Sources (Uses)	-	-	-	179,036.26	179,036.26
NET INCOME (LOSS) AFTER OPERATING TRANSFER	728,016.47	(147,932.83)	(2,402.54)	(22,898.96)	554,782.14
TOTAL NET POSITION, JULY 1, 2022	3,324,872.43	1,764,225.98	40,570.78	23,398.96	5,153,068.15
TOTAL NET POSITION, JUNE 30, 2023	\$ 4,052,888.90	\$ 1,616,293.15	\$ 38,168.24	\$ 500.00	\$ 5,707,850.29

See accompanying notes to basic financial statements.



CITY OF TROY, MISSOURI  
STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2023

	Major Enterprise Funds			Non-major Enterprise Funds	Total Enterprise Funds
	Water	Sewer	Sanitation		
<b>Cash Flows from Operating Activities:</b>					
Cash Received from Customers	\$ 2,287,459.70	\$ 3,436,239.92	\$ 861,183.91	\$ 135,783.51	\$ 6,720,667.04
Cash Payments to Suppliers for Goods and Services	(1,197,157.06)	(1,702,089.71)	(842,834.12)	(337,813.86)	(4,079,894.75)
Cash Payments to Employees for Services	(497,484.70)	(386,550.43)	(21,554.35)		(905,589.48)
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>592,817.94</u>	<u>1,347,599.78</u>	<u>(3,204.56)</u>	<u>(202,030.35)</u>	<u>1,735,182.81</u>
<b>Cash Flows from Noncapital Financing Activities:</b>					
Operating Transfers	-	-	-	179,036.26	179,036.26
<b>Net Cash Used Provided by Noncapital Financing Activities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>179,036.26</u>	<u>179,036.26</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>					
Sale of Assets	60,050.00	58,000.00	-	-	118,050.00
Principal Paid on Bonds/Certificates	(9,052.83)	(1,301,052.83)			(1,310,105.66)
Interest and Fees Paid on Certificates	(319.63)	(292,226.44)			(292,546.07)
<b>Net Cash Used for Capital and Related Financial Activities</b>	<u>50,677.54</u>	<u>(1,535,279.27)</u>	<u>-</u>	<u>-</u>	<u>(1,484,601.73)</u>
<b>Cash Flows from Investing Activities:</b>					
Interest Earned	84,968.26	42,163.69	773.44	95.13	128,000.52
Cash and Cash Equivalents, Beginning 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>
Cash and Cash Equivalents, End of Year	<u>\$ 4,054,502.96</u>	<u>\$ 1,618,736.63</u>	<u>\$ 38,176.97</u>	<u>\$ 500.00</u>	<u>\$ 5,711,916.56</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>					
Operating Income(Loss)	\$ 592,370.67	\$ 1,345,182.75	\$ (3,175.98)	\$ (202,030.35)	\$ 1,732,347.09
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities					
Changes in assets and liabilities:					
Payroll Withholdings	447.27	2,417.03	(28.58)	-	2,835.72
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>\$ 592,817.94</u>	<u>\$ 1,347,599.78</u>	<u>\$ (3,204.56)</u>	<u>\$ (202,030.35)</u>	<u>\$ 1,735,182.81</u>

See accompanying notes to basic financial statements.

CITY OF TROY, MISSOURI  
STATEMENT OF NET POSITION - MODIFIED CASH BASIS  
FIDUCIARY FUND  
JUNE 30, 2023

<u>ASSETS</u>	<u>Agency Funds</u>
Restricted Assets:	
Cash and Investments	\$ <u>10,101.50</u>
 <u>LIABILITIES</u>	
Due to Others - Court Bonds	\$ <u>10,101.50</u>

See accompanying notes to basic financial statements.

CITY OF TROY, MISSOURI  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023

**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 30, 2022.
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, 2023, 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, 2023, are as follows:

Street Maintenance	\$ 1,063,488.32
Capital Improvement	4,365,288.62
Tourism	29,415.84
Protested Franchise Tax	107,753.01
Police Forfeiture	2,358.91
Park Endowment (Brown)	8,713.60
CDBG	662.97
ARPA Grant	2,119,757.33
Park Endowment (Avery)	304,021.56
	<u>\$ 8,001,460.16</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 \$3,040,667.50 at June 30, 2023.

Fund balances of the City’s governmental funds at June 30, 2023, 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			4,377,604.86	
Debt Service				
Parks		8,713.60		54,021.56
Roads		1,061,882.92		
Tourism		29,415.84		
Cemetery		176,134.68		
Other Purposes		2,256,922.72		
Unassigned	6,124,820.79			
Total Fund Balances	<u>\$ 6,124,820.79</u>	<u>\$ 3,533,069.76</u>	<u>\$ 4,377,604.86</u>	<u>\$ 304,021.56</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 \$57,187.29 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 \$5,630,992.57. The City's fines and court costs for minor traffic violations are 1.02% "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, 2023, and reported at cost are as follows:

<u>Type</u>	<u>Maturities</u>	<u>Carrying Value</u>
Cash on Hand		<u>\$ 700.00</u>
Deposits:		
Demand deposits		3,824,747.27
Money market deposits		896,595.04
Non-negotiable certificates of deposit	Various	<u>9,587,575.67</u>
Total deposits		<u>14,308,917.98</u>
Investments:		
MOSIP Liquid series	Demand	1,755,717.54
MOSIP Term series	Various	<u>4,000,000.00</u>
Total investments		<u>5,755,717.54</u>
Total cash and investments		<u>\$ 20,065,335.52</u>
Reconciliation to financial statements:		
Current:		
Cash and investments		12,063,875.36
Cash and investments - restricted		<u>8,001,460.16</u>
Total		<u>\$ 20,065,335.52</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, 2023, the City's bank balances of \$14,487,254.07 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, 2023, 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	\$ 1,755,717.54	\$ -	\$ -	AAAm
MOSIP Term Series	4,000,000.00			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, 2023, 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	\$ 1,755,717.54	30.05%
MOSIP Term Series	4,000,000.00	69.50%

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.

Investment Type	Fair Value Measurement Using			Cost Measurements Using
	Level 1	Level 2	Level 3	Not Measured at Fair Value
MOSIP Liquid Series	\$ -	\$ 1,755,717.54	\$ -	\$ 1,755,717.54
MOSIP Term Series		4,000,000.00		4,000,000.00

### 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 2022 for purposes of local taxation was:

<u>Lincoln County</u>	
Real Estate	\$ 178,118,230
Personal Property	82,930,800
Railroad and Utilities	6,446,045
Total	<u>\$ 267,495,075</u>

The tax levy per \$100 of the assessed valuation of tangible taxable property for the calendar year 2022 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, 2023, 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.

\$ 756,900.00

\$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.

225,000.00

Total certificates of participation from direct placement: \$ 981,900.00



Lease Obligations:

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;	\$ 9,211.25
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;	55,664.99
2022 capital lease with Peoples Bank & Trust, Co. for vehicles (cost: \$145,140.66), payable in annual installments of \$38,359.15, including principal and interest at 3.8%, final payment due November 22, 2025; title passes to the City at the end of the lease term;	<u>106,855.49</u>
Total lease obligations	<u>\$ 171,731.73</u>

Business-Type Activities

As of June 30, 2023, 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>\$ 1,830,000.00</u>
Total certificates of participation	<u>\$ 1,830,000.00</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.

\$ 18,137,000.00

Total revenue bonds

\$ 18,137,000.00

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;

\$ 18,422.52

2022 capital lease with Clayton Holdings, LLC for equipment (cost: \$473,489.25), payable in annual installments of \$100,717.67, including principal and interest at 3.18%, final payment due August 16, 2026; title passes to the City at the end of the lease term;

372,771.58

Total lease obligations

\$ 391,194.10

Changes in Long-Term Debt

The following is a summary of changes in long-term debt for the year ended June 30, 2023:

Type of Debt	Balance July 1, 2022	Additions	Reductions	Balance June 30, 2023	Amount Due within one year
<b>Governmental Activities:</b>					
Certificates of Participation	\$ 1,335,100.00	\$ -	\$ 353,200.00	\$ 981,900.00	\$ 360,100.00
Lease Obligations	<u>115,730.35</u>	<u>145,140.66</u>	<u>89,139.28</u>	<u>171,731.73</u>	<u>71,142.03</u>
	<u>\$ 1,450,830.35</u>	<u>\$ 145,140.66</u>	<u>\$ 442,339.28</u>	<u>\$ 1,153,631.73</u>	<u>\$ 431,242.03</u>
<b>Business Type Activities</b>					
Certificates of Participation	\$ 2,620,000.00	\$ -	\$ 790,000.00	\$ 1,830,000.00	\$ 805,000.00
Revenue Bonds	18,639,000.00		502,000.00	18,137,000.00	254,000.00
Lease Obligations	<u>36,528.18</u>	<u>473,489.25</u>	<u>118,823.33</u>	<u>391,194.10</u>	<u>107,286.05</u>
	<u>\$ 21,295,528.18</u>	<u>\$ 473,489.25</u>	<u>\$ 1,410,823.33</u>	<u>\$ 20,358,194.10</u>	<u>\$ 1,166,286.05</u>

Annual Debt Service Requirements

The annual debt service requirements to maturity, including principal and interest, for long-term debt as of June 30, 2023, are as follows:

Year Ended June 30,	Governmental Activities			
	Certificates of Participation		Lease Obligations	
	Principal	Interest	Principal	Interest
2024	\$ 360,100.00	\$ 22,192.85	\$ 71,142.03	\$ 5,028.87
2025	362,200.00	13,663.88	63,634.84	3,163.65
2026	259,600.00	5,639.84	36,954.86	1,404.28
	<u>\$ 981,900.00</u>	<u>\$ 41,496.57</u>	<u>\$ 171,731.73</u>	<u>\$ 9,596.80</u>

  

Year Ended June 30,	Business Type Activities			
	Certificates of Participation		Revenue Bonds	
	Principal	Interest	Principal	Interest
2024	\$ 805,000.00	\$ 17,701.00	\$ 254,000.00	\$ 81,616.50
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			542,000.00	145,593.00
2029-2033			2,851,000.00	652,824.00
2034-2038			3,104,000.00	519,471.00
2039-2043			3,378,000.00	374,337.00
2044-2048			3,676,000.00	216,360.00
2049-2052			2,761,000.00	50,067.00
	<u>\$ 1,830,000.00</u>	<u>\$ 26,784.00</u>	<u>\$ 18,137,000.00</u>	<u>\$ 2,505,604.50</u>

  

Year Ended June 30,	Business Type Activities		Total Debt Service	
	Lease Obligations		Principal	Interest
	Principal	Interest	Principal	Interest
2024	\$ 107,286.05	\$ 12,176.53	\$ 1,597,528.08	\$ 138,715.75
2025	91,689.39	9,028.28	1,837,524.23	193,369.81
2026	94,605.12	6,112.55	1,135,159.98	169,658.17
2027	97,613.54	3,104.13	629,613.54	153,507.63
2028			542,000.00	145,593.00
2029-2033			2,851,000.00	652,824.00
2034-2038			3,104,000.00	519,471.00
2039-2043			3,378,000.00	374,337.00
2044-2048			3,676,000.00	216,360.00
2049-2052			2,761,000.00	50,067.00
	<u>\$ 391,194.10</u>	<u>\$ 30,421.49</u>	<u>\$ 21,511,825.83</u>	<u>\$ 2,613,903.36</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 outstanding note as of June 30, 2023 is unknown.

**6. Operating Leases**

As of June 30, 2023, 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.
- e) In 2022, the City entered into a 3-year operating lease for equipment. Under the lease, the City pays \$1,200.00 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, 2023, amounted to \$27,812.64.

Future Operating Lease Payments:

<u>Year Ending</u>	<u>Governmental</u>	<u>Business Type</u>	<u>Total</u>
6/30/24	\$ 14,129.79	\$ 9,936.00	\$ 24,065.79
6/30/25	6,199.51	9,600.00	15,799.51
6/30/26	1,600.00	3,200.00	4,800.00
	<u>\$ 21,929.30</u>	<u>\$ 22,736.00</u>	<u>\$ 44,665.30</u>

**7. Interfund Transfers and Balances**

Interfund Transfers

Transfers between funds for the year ended June 30, 2023, were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
<u>Major Funds:</u>		
General Funds	\$ -	\$ 179,036.26
<u>Non-Major Funds:</u>		
<u>Enterprise Funds:</u>		
Troy Aquatic Center	179,036.26	-
Total	<u>\$ 179,036.26</u>	<u>\$ 179,036.26</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 9.1% (General) and 8.4% (Police) of annual covered payroll. For the year ended June 30, 2023, the City contributed \$299,210.86.

## **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, 2023, 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 \$2,149.29 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, 2023, the City received \$69,880.79 in lease revenue.

Future Lease Agreement Revenues:

<u>Year Ending</u>	<u>Total</u>
2024	68,280.75
2025	61,837.88
2026	33,646.46
2027	29,582.63
2028	6,629.04
2029-2033	33,145.20
2034-2037	17,125.02
	<u>\$ 250,246.98</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 \$115,265.73 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, 2023, 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 (EPA). The City has received funding and wastewater treatment plant upgrades have been completed. On January 23, 2024, the City was notified by the EPA that the Order was terminated.

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>\$ 1,685.46</u>

### **15. Subsequent Events**

Subsequent events were evaluated through February 8, 2024, 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 entered into a 3-year equipment lease agreement for equipment on October 17, 2023 with monthly payments of \$1,810.41.

The City entered into a 3-year capital lease agreement for vehicles on September 19, 2023 with initial and three additional annual payments of \$16,379.25 and \$17,871.35, respectively.

The City entered into a 3-year capital lease agreement for vehicles on October 7, 2023 with initial and three additional annual payments of \$11,186.50 and \$12,205.75.



## **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, 2023

	Budget Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
<b>REVENUES:</b>				
<b>Taxes</b>				
Real Property	\$ 270,000.00	\$ 270,000.00	\$ 277,184.53	\$ 7,184.53
Personal Property Tax	109,000.00	109,000.00	137,637.31	28,637.31
Financial Institution Tax	2,000.00	2,000.00	879.85	(1,120.15)
Railroad and Utilities Tax	11,000.00	11,000.00	10,302.77	(697.23)
Surtax	40,000.00	40,000.00	45,495.60	5,495.60
Sales Tax	3,520,000.00	3,520,000.00	3,661,388.44	141,388.44
Cigarette Tax	52,000.00	52,000.00	44,944.65	(7,055.35)
Franchise Tax	720,000.00	720,000.00	740,822.66	20,822.66
Penalties and Interest on Taxes	2,800.00	2,800.00	3,109.39	309.39
	<u>4,726,800.00</u>	<u>4,726,800.00</u>	<u>4,921,765.20</u>	<u>194,965.20</u>
<b>Intergovernmental</b>				
Federal Grants	-	-	1,962.50	1,962.50
Other Grants	-	-	15,468.55	15,468.55
	<u>-</u>	<u>-</u>	<u>17,431.05</u>	<u>17,431.05</u>
<b>Licenses, Permits, and Fees</b>				
Merchants and Liquor Licenses	21,000.00	21,000.00	23,325.00	2,325.00
Building Permits	23,750.00	23,750.00	142,271.52	118,521.52
Dog Licenses	150.00	150.00	109.00	(41.00)
Occupational Licenses	3,000.00	3,000.00	3,510.00	510.00
Planning Fees	1,400.00	1,400.00	5,006.82	3,606.82
Floodplain Permit				
Reproduced Publication Fees	50.00	50.00	25.00	(25.00)
Copying	50.00	50.00		(50.00)
Other	5,905.00	5,905.00	7,743.30	1,838.30
	<u>55,305.00</u>	<u>55,305.00</u>	<u>181,990.64</u>	<u>126,685.64</u>
<b>Interest</b>				
	<u>20,500.00</u>	<u>20,500.00</u>	<u>134,718.79</u>	<u>114,218.79</u>
<b>Fines and Forfeitures</b>				
Fines	134,000.00	134,000.00	112,868.34	(21,131.66)
Court Costs	13,200.00	13,200.00	10,247.08	(2,952.92)
Police Fines and Charges	1,550.00	1,550.00	1,268.27	(281.73)
Training	2,200.00	2,200.00	1,902.88	(297.12)
DWI	1,500.00	1,500.00	2,627.56	1,127.56
CVCF Receipts	375.00	375.00	316.00	(59.00)
Domestic Abuse	1,500.00	1,500.00	1,306.00	(194.00)
POST Reimbursement	800.00	800.00	824.30	24.30
Jail Reimbursement	3,500.00	3,500.00	1,911.73	(1,588.27)
Restitution	1,100.00	1,100.00	530.96	(569.04)
Bond Forfeiture	15,000.00	15,000.00	15,524.50	524.50
Warrants	20.00	20.00	20.00	
	<u>174,745.00</u>	<u>174,745.00</u>	<u>149,347.62</u>	<u>(25,397.38)</u>
<b>Sale of Assets</b>				
	<u>-</u>	<u>-</u>	<u>2,300.00</u>	<u>2,300.00</u>
<b>Miscellaneous</b>				
Park Rental Fees	17,230.00	17,230.00	15,498.52	(1,731.48)
Cell Site Lease	48,770.00	48,770.00	50,868.42	2,098.42
Settlements			171,570.63	171,570.63
Donations			2,425.00	2,425.00
Other			507.75	507.75
	<u>66,000.00</u>	<u>66,000.00</u>	<u>240,870.32</u>	<u>174,870.32</u>
<b>Total Revenues</b>	<u>5,043,350.00</u>	<u>5,043,350.00</u>	<u>5,648,423.62</u>	<u>605,073.62</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, 2023

	Budget Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
<b>EXPENDITURES:</b>				
General Government:				
Judicial				
Employee Benefits	\$ 300.00	\$ 275.00	\$ 246.03	\$ 28.97
Legal	36,000.00	36,000.00	36,000.00	
	<u>36,300.00</u>	<u>36,275.00</u>	<u>36,246.03</u>	<u>28.97</u>
Executive				
Salaries and Wages	46,400.00	46,400.00	46,200.04	199.96
Employee Benefits	3,700.00	3,700.00	3,659.30	40.70
Purchased Services	400.00	400.00	601.40	(201.40)
Other Purchased Services	900.00	900.00	798.53	101.47
Supplies	150.00	150.00	53.34	96.66
	<u>51,550.00</u>	<u>51,550.00</u>	<u>51,312.61</u>	<u>237.39</u>
Administration				
Salaries and Wages	263,055.00	263,055.00	269,771.08	(6,716.08)
Employee Benefits	129,330.00	129,330.00	122,700.42	6,629.58
Purchased Services	137,400.00	182,440.00	176,530.44	5,909.56
Property Services	4,900.00	4,900.00	3,985.79	914.21
Other Purchased Services	30,400.00	30,400.00	26,098.34	4,301.66
Supplies	7,700.00	7,700.00	5,631.96	2,068.04
Property	3,000.00	3,000.00	742.60	2,257.40
Other	1,400.00	2,400.00	1,611.19	788.81
	<u>577,185.00</u>	<u>623,225.00</u>	<u>607,071.82</u>	<u>16,153.18</u>
Maintenance Facility				
Purchased Services	6,500.00	6,500.00	4,612.12	1,887.88
Property Services	3,500.00	3,500.00	2,166.02	1,333.98
Other Purchased Services	7,275.00	7,275.00	6,569.73	705.27
Supplies	29,300.00	29,300.00	27,221.22	2,078.78
Property	500.00	500.00		500.00
	<u>47,075.00</u>	<u>47,075.00</u>	<u>40,569.09</u>	<u>6,505.91</u>
Administration Building Maintenance				
Purchased Services	6,500.00	30,000.00	29,788.60	211.40
Property Services	30,200.00	30,200.00	23,406.56	6,793.44
Other Purchased Services	21,900.00	21,900.00	22,494.72	(594.72)
Supplies	23,500.00	23,500.00	22,713.59	786.41
Capital Outlay	17,500.00	17,500.00	17,033.28	466.72
Other	50.00	50.00	52.00	(2.00)
	<u>99,650.00</u>	<u>123,150.00</u>	<u>115,488.75</u>	<u>7,661.25</u>
Safety				
Purchased Services	1,500.00	1,500.00	1,500.00	-
Property Services	2,000.00	2,000.00	1,515.00	485.00
Supplies	1,250.00	1,250.00	1,575.06	(325.06)
	<u>4,750.00</u>	<u>4,750.00</u>	<u>4,590.06</u>	<u>159.94</u>
Other				
Purchased Services	6,000.00	6,000.00	-	6,000.00
Capital Outlay	179,000.00	179,000.00	45,902.78	133,097.22
	<u>185,000.00</u>	<u>185,000.00</u>	<u>45,902.78</u>	<u>139,097.22</u>
Total General Government	<u>1,001,510.00</u>	<u>1,071,025.00</u>	<u>901,181.14</u>	<u>169,843.86</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, 2023

EXPENDITURES (CONTINUED):	Budget Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Public Safety:				
Police				
Salaries and Wages	\$ 1,920,640.00	\$ 1,991,330.00	\$ 1,988,353.04	\$ 2,976.96
Employee Benefits	1,165,280.00	1,095,740.00	1,022,138.49	73,601.51
Purchased Services	75,300.00	75,300.00	67,979.18	7,320.82
Property Services	57,500.00	57,500.00	52,731.07	4,768.93
Other Purchased Services	159,080.00	159,080.00	176,675.62	(17,595.62)
Supplies	142,200.00	142,200.00	128,626.62	13,573.38
Property	24,000.00	24,000.00	11,517.75	12,482.25
Capital Outlay	54,000.00		10,469.56	(10,469.56)
Other	1,000.00	1,000.00	1,364.35	(364.35)
Debt Service:				
Principal	83,305.00	83,305.00	80,086.45	3,218.55
Interest	1,635.00	1,635.00	1,631.73	3.27
	<u>3,683,940.00</u>	<u>3,631,090.00</u>	<u>3,541,573.86</u>	<u>89,516.14</u>
Municipal Court				
Salaries and Wages	82,885.00	82,885.00	65,321.50	17,563.50
Employee Benefits	42,795.00	42,795.00	30,418.03	12,376.97
Purchased Services	30,800.00	30,800.00	27,490.62	3,309.38
Property Services	815.00	815.00	307.85	507.15
Other Purchased Services	30,375.00	30,375.00	23,730.51	6,644.49
Supplies	3,175.00	3,175.00	2,684.52	490.48
Property	2,500.00	2,500.00	76.48	2,423.52
Other	1,600.00	1,600.00	1,364.00	236.00
	<u>194,945.00</u>	<u>194,945.00</u>	<u>151,393.51</u>	<u>43,551.49</u>
Inspections				
Salaries and Wages	56,195.00	56,195.00	56,884.37	(689.37)
Employee Benefits	35,480.00	35,480.00	33,719.84	1,760.16
Purchased Services	30,900.00	30,900.00	30,052.15	847.85
Property Services	1,125.00	1,325.00	1,758.74	(433.74)
Other Purchased Services	21,400.00	21,200.00	9,315.16	11,884.84
Supplies	8,100.00	8,100.00	5,840.51	2,259.49
Property	3,600.00	3,600.00	1,750.22	1,849.78
Other	400.00	400.00		400.00
	<u>157,200.00</u>	<u>157,200.00</u>	<u>139,320.99</u>	<u>17,879.01</u>
Stormwater Management				
Salaries and Wages	63,230.00	63,230.00	64,008.77	(778.77)
Employee Benefits	49,475.00	49,475.00	46,891.47	2,583.53
Purchased Services	5,000.00	9,300.00	3,793.92	5,506.08
Property Services	2,500.00	2,900.00	3,190.46	(290.46)
Other Purchased Services	11,600.00	6,900.00	3,321.78	3,578.22
Supplies	2,000.00	2,000.00	824.95	1,175.05
Property	450.00	450.00	268.00	182.00
Capital Outlay	60,000.00	60,000.00	60,000.00	
Other	350.00	350.00	322.50	27.50
	<u>194,605.00</u>	<u>194,605.00</u>	<u>182,621.85</u>	<u>11,983.15</u>
Animal Control				
Salaries and Wages	10,520.00	10,540.00	10,612.44	(72.44)
Employee Benefits	6,605.00	6,585.00	5,187.38	1,397.62
Purchased Services	100.00	100.00		100.00
Property Services	250.00	250.00		250.00
Other Purchased Services	2,150.00	2,150.00	1,994.37	155.63
Supplies	800.00	800.00	977.05	(177.05)
	<u>20,425.00</u>	<u>20,425.00</u>	<u>18,771.24</u>	<u>1,653.76</u>
Total Public Safety	<u>4,251,115.00</u>	<u>4,198,265.00</u>	<u>4,033,681.45</u>	<u>164,583.55</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, 2023

EXPENDITURES (CONTINUED):	Budget Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Culture - Recreation:				
Parks				
Salaries and Wages	\$ 222,610.00	\$ 222,610.00	\$ 205,408.13	\$ 17,201.87
Employee Benefits	125,390.00	125,390.00	94,234.19	31,155.81
Purchased Services	3,700.00	3,700.00	2,006.11	1,693.89
Property Services	29,300.00	29,300.00	27,225.03	2,074.97
Other Purchased Services	19,800.00	19,800.00	16,669.97	3,130.03
Supplies	34,025.00	34,025.00	27,525.58	6,499.42
Property	5,000.00	5,000.00	1,917.01	3,082.99
Capital Outlay	15,000.00	15,000.00		15,000.00
Other	150.00	150.00	129.00	21.00
	<u>454,975.00</u>	<u>454,975.00</u>	<u>375,115.02</u>	<u>79,859.98</u>
Historical Preservation				
Other Purchased Services	1,500.00	1,500.00	559.97	940.03
Supplies	500.00	500.00		500.00
	<u>2,000.00</u>	<u>2,000.00</u>	<u>559.97</u>	<u>1,440.03</u>
Total Culture - Recreation	<u>456,975.00</u>	<u>456,975.00</u>	<u>375,674.99</u>	<u>81,300.01</u>
Debt Service:				
Bond Principal	115,000.00	115,000.00	115,000.00	-
Bond Interest	3,505.00	3,505.00	3,503.00	2.00
Total Debt Service	<u>118,505.00</u>	<u>118,505.00</u>	<u>118,503.00</u>	<u>2.00</u>
Total Expenditures	<u>5,828,105.00</u>	<u>5,844,770.00</u>	<u>5,429,040.58</u>	<u>415,729.42</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(784,755.00)	(801,420.00)	219,383.04	1,020,803.04
OTHER FINANCING SOURCES (USES):				
Operating Transfers-Out	(162,300.00)	(198,350.00)	(179,036.26)	19,313.74
Total Other Financing Sources (Uses)	<u>(162,300.00)</u>	<u>(198,350.00)</u>	<u>(179,036.26)</u>	<u>19,313.74</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER(UNDER) EXPENDITURES AND OTHER FINANCING USES	(947,055.00)	(999,770.00)	40,346.78	1,040,116.78
FUND BALANCE, JULY 1, 2022	<u>6,084,474.01</u>	<u>6,084,474.01</u>	<u>6,084,474.01</u>	-
FUND BALANCE, JUNE 30, 2023	\$ <u>5,137,419.01</u>	\$ <u>5,084,704.01</u>	\$ <u>6,124,820.79</u>	\$ <u>1,040,116.78</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, 2023

	Budget Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
<b>REVENUES:</b>				
Taxes				
Transportation	\$ 1,700,425.00	\$ 1,700,425.00	\$ 1,781,655.31	\$ 81,230.31
Intergovernmental				
Gasoline	465,000.00	465,000.00	578,109.60	113,109.60
State Grants			3,000.00	3,000.00
	<u>465,000.00</u>	<u>465,000.00</u>	<u>581,109.60</u>	<u>116,109.60</u>
Sale of Assets	-	-	2,050.00	2,050.00
Interest	5,000.00	5,000.00	34,064.75	29,064.75
Miscellaneous	-	-	1,115.60	1,115.60
Total Revenues	<u>2,170,425.00</u>	<u>2,170,425.00</u>	<u>2,399,995.26</u>	<u>229,570.26</u>
<b>EXPENDITURES:</b>				
Public Works - Streets				
Salaries and Wages	492,800.00	492,800.00	464,313.77	28,486.23
Employee Benefits	362,155.00	362,155.00	320,202.48	41,952.52
Purchased Services	31,500.00	31,500.00	10,560.55	20,939.45
Property Services	52,600.00	52,600.00	56,200.87	(3,600.87)
Other Purchased Services	43,400.00	43,400.00	36,062.18	7,337.82
Supplies	397,500.00	397,500.00	409,342.84	(11,842.84)
Property	65,875.00	65,875.00	29,291.55	36,583.45
Capital Outlay	2,460,630.00	2,460,630.00	2,190,343.23	270,286.77
Debt Service:				
Principal	70,410.00	70,410.00		70,410.00
Interest and Fees	6,910.00	6,910.00	397.01	6,512.99
Other	700.00	700.00	1,227.50	(527.50)
Total Expenditures	<u>3,984,480.00</u>	<u>3,984,480.00</u>	<u>3,517,941.98</u>	<u>466,538.02</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,814,055.00)	(1,814,055.00)	(1,117,946.72)	696,108.28
FUND BALANCE, JULY 1, 2022	<u>2,179,829.64</u>	<u>2,179,829.64</u>	<u>2,179,829.64</u>	-
FUND BALANCE, JUNE 30, 2023	<u>\$ 365,774.64</u>	<u>\$ 365,774.64</u>	<u>\$ 1,061,882.92</u>	<u>\$ 696,108.28</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, 2023

	Budget Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental				
Federal Grants	\$ 1,293,450.00	\$ 1,293,450.00	\$ 1,305,909.31	\$ 12,459.31
	<u>1,293,450.00</u>	<u>1,293,450.00</u>	<u>1,305,909.31</u>	<u>12,459.31</u>
Interest	<u>2,000.00</u>	<u>2,000.00</u>	<u>49,310.98</u>	<u>47,310.98</u>
Total Revenues	<u>1,295,450.00</u>	<u>1,295,450.00</u>	<u>1,355,220.29</u>	<u>59,770.29</u>
<b>EXPENDITURES:</b>				
Other Purchased Services	2,290.00	2,290.00	-	2,290.00
Property	161,440.00	154,050.00		154,050.00
Capital Outlay	<u>336,340.00</u>	<u>336,340.00</u>	<u>313,722.28</u>	<u>22,617.72</u>
Total Expenditures	<u>500,070.00</u>	<u>492,680.00</u>	<u>313,722.28</u>	<u>178,957.72</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	795,380.00	802,770.00	1,041,498.01	238,728.01
FUND BALANCE, JULY 1, 2022	<u>1,078,259.32</u>	<u>1,078,259.32</u>	<u>1,078,259.32</u>	<u>-</u>
FUND BALANCE, JUNE 30, 2023	<u>\$ 1,873,639.32</u>	<u>\$ 1,881,029.32</u>	<u>\$ 2,119,757.33</u>	<u>\$ 238,728.01</u>

CITY OF TROY, MISSOURI  
SUPPLEMENTARY INFORMATION  
NOTES TO BUDGETARY COMPARISON SCHEDULES  
JUNE 30, 2023

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 30, 2022.
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, 2023, 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, 2023

	Special Revenue Funds							Capital Projects Funds			Permanent Fund	Total Non-Major Governmental Funds	
	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 Avery
Cash and Investments	\$ 176,149.84	\$ -	\$ -	\$ 508.71	\$ -	\$ 26,478.27	\$ 65.49	\$ -	\$ 4,952.51	\$ 6,700.76	\$ -	\$ -	\$ 214,855.58
Restricted Assets:													
Cash and Investments	29,415.84	107,753.01	2,358.91	8,713.60									452,925.89
Total Assets	\$ 176,149.84	\$ 29,415.84	\$ 107,753.01	\$ 508.71	\$ 2,358.91	\$ 26,478.27	\$ 65.49	\$ 8,713.60	\$ 4,952.51	\$ 6,700.76	\$ 662.97	\$ 304,021.56	\$ 667,781.47
<b>LIABILITIES AND FUND EQUITY</b>													
Liabilities:	\$ 15.16	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15.16
Fund Balances													
Nonspendable													
Restricted for:													
Capital Projects									4,952.51	6,700.76	662.97	250,000.00	250,000.00
Parks								8,713.60				54,021.56	12,316.24
Tourism	176,134.68	29,415.84		508.71	2,358.91	26,478.27	65.49						62,735.16
Cemetery				508.71	2,358.91	26,478.27	65.49	8,713.60	4,952.51	6,700.76	662.97	304,021.56	29,415.84
Other purposes				508.71	2,358.91	26,478.27	65.49	8,713.60	4,952.51	6,700.76	662.97	304,021.56	176,134.68
Total Fund Balance	\$ 176,134.68	\$ 29,415.84	\$ 107,753.01	\$ 508.71	\$ 2,358.91	\$ 26,478.27	\$ 65.49	\$ 8,713.60	\$ 4,952.51	\$ 6,700.76	\$ 662.97	\$ 304,021.56	\$ 667,766.31
Total Liabilities and Fund Equity	\$ 176,149.84	\$ 29,415.84	\$ 107,753.01	\$ 508.71	\$ 2,358.91	\$ 26,478.27	\$ 65.49	\$ 8,713.60	\$ 4,952.51	\$ 6,700.76	\$ 662.97	\$ 304,021.56	\$ 667,781.47

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, 2023

	Special Revenue Funds							Capital Projects Funds				Permanent Fund Park Endowment Avery	Total Non-Major Governmental Funds
	Cemetery Investment	Tourism	Protested Franchise Tax	Police Explorers	Police Forfeiture	Police Cannuc Unit	Police Grant & Donation	Park Endowment Brown	Industrial Development	Sewer Bonds	CDBG		
<b>REVENUES:</b>													
Taxes	\$ -	\$ 111,720.87	\$ 48,931.54	\$ -	\$ -	\$ -	\$ 20,437.01	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 160,652.41
Intergovernmental Charges for Services	17,475.00												20,437.01
Interest	3,919.52	375.06	1,575.45		51.82	21,020.00	1.42	191.33	108.76	147.16		3,448.69	17,475.00
Miscellaneous	9,568.99												9,819.21
<b>Total Revenues</b>	<b>30,963.51</b>	<b>112,095.93</b>	<b>50,506.99</b>	<b>-</b>	<b>51.82</b>	<b>21,020.00</b>	<b>20,438.43</b>	<b>191.33</b>	<b>108.76</b>	<b>147.16</b>	<b>-</b>	<b>3,448.69</b>	<b>238,972.62</b>
<b>EXPENDITURES:</b>													
Current:													
Cemetery	30,822.37												30,822.37
Economic Development		115,265.73											115,265.73
Public Safety						14,007.26	6,419.94						20,427.20
Capital Outlay						4,500.00	18,953.00						23,453.00
<b>Total Expenditures</b>	<b>30,822.37</b>	<b>115,265.73</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,507.26</b>	<b>25,372.94</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>189,968.30</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>141.14</b>	<b>(3,169.80)</b>	<b>50,506.99</b>	<b>-</b>	<b>51.82</b>	<b>2,512.74</b>	<b>(4,934.51)</b>	<b>191.33</b>	<b>108.76</b>	<b>147.16</b>	<b>-</b>	<b>3,448.69</b>	<b>49,004.32</b>
<b>FUND BALANCE, JULY 1, 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>4,843.75</b>	<b>6,553.60</b>	<b>662.97</b>	<b>300,572.87</b>	<b>618,761.99</b>
<b>FUND BALANCE, JUNE 30, 2023</b>	<b>\$ 176,134.68</b>	<b>\$ 29,415.84</b>	<b>\$ 107,753.01</b>	<b>\$ 508.71</b>	<b>\$ 2,358.91</b>	<b>\$ 26,478.27</b>	<b>\$ 65.49</b>	<b>\$ 8,713.60</b>	<b>\$ 4,952.51</b>	<b>\$ 6,700.76</b>	<b>\$ 662.97</b>	<b>\$ 304,021.56</b>	<b>\$ 667,766.31</b>

CITY OF TROY, MISSOURI  
 SUPPLEMENTARY INFORMATION  
 COMBINING STATEMENT OF NET POSITION - MODIFIED CASH BASIS  
 NON-MAJOR PROPRIETARY FUNDS  
 YEAR ENDED JUNE 30, 2023

	Troy Aquatic Center	Total Non Major Funds
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 500.00	\$ 500.00
Total Assets	\$ 500.00	\$ 500.00
 <u>NET POSITION</u>		
Unrestricted	500.00	500.00
Total Net Position	\$ 500.00	\$ 500.00

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, 2023

	<u>Troy Aquatic Center</u>	<u>Total Non Major Funds</u>
OPERATING REVENUES:		
Charges for Service	\$ 135,783.51	\$ 135,783.51
OPERATING EXPENSES:		
Salaries and Wages	22,871.67	22,871.67
Employee Benefits	2,821.98	2,821.98
Purchased Services	2,884.47	2,884.47
Property Services	4,689.56	4,689.56
Other Purchased Services	211,196.90	211,196.90
Supplies	40,756.23	40,756.23
Property	4,380.87	4,380.87
Capital Outlay	45,345.70	45,345.70
Other	2,866.48	2,866.48
Total Operating Expenses	<u>337,813.86</u>	<u>337,813.86</u>
NON-OPERATING REVENUES (EXPENSES):		
Interest	<u>95.13</u>	<u>95.13</u>
NET INCOME (LOSS) BEFORE TRANSFERS	(201,935.22)	(201,935.22)
OPERATING TRANSFERS	<u>179,036.26</u>	<u>179,036.26</u>
NET INCOME (LOSS) AFTER TRANSFERS	(22,898.96)	(22,898.96)
TOTAL NET POSITION, JULY 1, 2022	<u>23,398.96</u>	<u>23,398.96</u>
TOTAL NET POSITION, JUNE 30, 2023	<u>\$ 500.00</u>	<u>\$ 500.00</u>

CITY OF TROY, MISSOURI  
 SUPPLEMENTARY INFORMATION  
 COMBINING STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS  
 NON- MAJOR PROPRIETARY FUNDS  
 YEAR ENDED JUNE 30, 2023

	Troy Aquatic Center	Total Non Major Funds
Cash Flows from Operating Activities:		
Cash Received from Customers	\$ 135,783.51	\$ 135,783.51
Cash Payments to Suppliers for Goods and Services	(312,120.21)	(312,120.21)
Cash Payments to Employees for Services	(25,693.65)	(25,693.65)
Net Cash Provided (Used) by Operating Activities	(202,030.35)	(202,030.35)
Cash Flows from Noncapital Financing Activities:		
Operating Transfers	179,036.26	179,036.26
Cash Flows from Investing Activities:		
Interest Earned	95.13	95.13
Cash and Cash Equivalents, Beginning of Year	23,398.96	23,398.96
Cash and Cash Equivalents, End of Year	\$ 500.00	\$ 500.00

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

Operating Income(Loss)	\$ (202,030.35)	\$ (202,030.35)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities		
Changes in assets and liabilities:		
None	-	-
Net Cash Provided (Used) by Operating Activities	\$ (202,030.35)	\$ (202,030.35)