

**CITY OF TROY, KANSAS**  
**FINANCIAL STATEMENTS**  
**Year ended December 31, 2019**

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CITY OF TROY, KANSAS  
FINANCIAL STATEMENTS  
Year ended December 31, 2019

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INDEPENDENT AUDITOR'S REPORT

Mayor and City Council  
City of Troy, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Troy, Kansas, (the City), as of and for the year ended December 31, 2019 and the related notes to the financial statement.

*Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

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

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

*Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles*

As described in Note 1 of the financial statement, the financial statement is prepared by the City on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

*Adverse Opinion on U.S. Generally Accepted Accounting Principles*

In our opinion, because of the significance of the matter discussed in the "Basis of Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City as of December 31, 2019, or the changes in financial position and cash flows thereof for the year then ended.

### *Unmodified Opinion on Regulatory Basis of Accounting*

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City as of December 31, 2019, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

### *Other Matters Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget and individual fund schedules of regulatory basis receipts and expenditures-actual and budget (Schedules 1 and 2 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however, are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. 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 statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

### *Other Matter*

The City's basic financial statement for the year ended December 31, 2018 (not presented herein) was audited by other auditors whose report dated February 20, 2019, expressed an unmodified opinion on the basic financial statement. The 2018 basic financial statement and the other auditor's report are available in electronic form from the web site of the Kansas Department of Administration at the following link: <https://admin.ks.gov/offices/oar/municipal-services>. The report of the other auditors dated February 20, 2019, stated that the individual fund schedules of regulatory basis receipts and expenditures-actual and budget for the year ended December 31, 2018, was subjected to the auditing procedures applies in the audit of the 2018 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 2018 basic financial statements or to the 2018 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and in their opinion, was fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended December 31, 2018, on the basis of accounting described in Note 1.

*Gordon CPA LLC*

Certified Public Accountant  
Lawrence, Kansas

February 13, 2020

CITY OF TROY, KANSAS  
Summary Statement of Receipts, Expenditures and Unencumbered Cash  
Regulatory Basis  
For the Year Ended December 31, 2019

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add: Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
General Funds:							
General	\$ 164,198	\$ -	\$ 362,813	\$ 383,303	\$ 143,708	\$ 7,069	\$ 150,777
Special Purpose Funds:							
Street and Highway Fund	18,087	-	26,760	22,541	22,306	-	22,306
Ambulance District Fund	261,144	-	252,641	262,479	251,306	8,026	259,332
Employee Benefit Fund	[6,753]	-	110,913	110,948	[6,788]	6,788	-
Tort Liability Fund	60,569	-	10,121	6,130	64,560	-	64,560
Community Center Fund	225,528	-	93,737	60,267	258,998	-	258,998
Bond and Interest Funds:							
Bond and Interest Fund	106,709	-	-	-	106,709	-	106,709
Business Funds:							
Electric Fund	995,367	-	987,179	1,165,205	817,341	4,569	821,910
Water Fund	33,791	-	274,076	285,713	22,154	3,851	26,005
Sewer Fund	169,421	-	123,588	130,552	162,457	331	162,788
Total Reporting Entity	<u>\$ 2,028,061</u>	<u>\$ -</u>	<u>\$ 2,241,828</u>	<u>\$ 2,427,138</u>	<u>\$ 1,842,751</u>	<u>\$ 30,634</u>	<u>\$ 1,873,385</u>

Composition of Cash:

Pony Express Community Bank	
Checking	\$ 1,177,485
Certificates of Deposit	338,500
Exchange Bank	
Certificates of Deposit	357,000
Petty Cash	400
Total	<u>\$ 1,873,385</u>

CITY OF TROY, KANSAS  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2019

NOTE 1 - Summary of Significant Accounting Policies

Municipal Financial Reporting Entity

The City of Troy (the City) is a municipal corporation governed by a mayor and a five-member council. These financial statements present the City and its related municipal entities for which the government is considered to be financially accountable. However, the City's only related municipal entity, the Troy Public Housing Authority, is not included in these financial statements.

Basis of Accounting

*Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America.* The *Kansas Municipal Audit and Accounting Guide* (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The City has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the City to use the regulatory basis of accounting.

Regulatory Basis Fund Types

General Fund - the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose Fund - used to account for the proceeds of specific tax levies and other specific regulatory receipt sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

Bond and Interest Fund - used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

Capital Project Fund – used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

Business Fund – funds financed in whole or in part by fees charged to users of the goods or services (i.e. enterprise and internal service fund etc.)

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

CITY OF TROY, KANSAS  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2019

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Budgetary Information (Continued)

The statutes allow for the city council to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. The 2019 budget was amended for the Employee Benefit, Electric and Water funds.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for the prior year's accounts payable and encumbrances. Encumbrances are commitments by the City for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for capital project funds and trust funds.

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the City Council.

NOTE 2 - Deposits and Investments

*Deposits.* K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

*Investments.* K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices. As of December 31, 2019, the City held no such investments.

*Concentration of credit risk.* State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

*Custodial credit risk – deposits.* Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The City has no designated "peak periods."



CITY OF TROY, KANSAS  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2019

NOTE 2 - Deposits and Investments (Continued)

At December 31, 2019, the City's carrying amount of deposits was \$1,873,379 and the bank balance was \$1,917,494. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$504,156 was covered by federal depository insurance, \$ 107,000 was collateralized with securities held by the pledging financial institutions' agents in the City's name, and the balance of \$1,306,338 was unsecured, which is a violation of K.S.A. 9-1402 and 9-1405.

*Custodial credit risk – investments.* For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

NOTE 3 - Retirement Plan

*Plan Description.* The City participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing, multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at [www.kpers.org](http://www.kpers.org) by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

*Contributions.* K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.89% for the fiscal year ended December 31, 2019. Contributions to the pension plan from the City were \$39,171 for the year ended December 31, 2019.

*Net Pension Liability.* At December 31, 2019, the City's proportionate share of the collective net pension liability reported by KPERS was \$273,200. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018, which was rolled forward to June 30, 2019. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup of KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

The complete actuarial valuation report, including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publicly available on the KPERS website at [www.kpers.org](http://www.kpers.org) or can be obtained as described above.

CITY OF TROY, KANSAS  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2019

NOTE 4 - Long-Term Debt

*Changes in Long-term Debt.* During the year ended December 31, 2019, the following changes occurred in long term debt:

Type of Issue	January 1, <u>2019</u>	<u>Additions</u>	<u>Retirements</u>	December 31, <u>2019</u>	Interest <u>Paid</u>
Certificates of Participation	\$ 200,000	\$ -	\$ 25,000	\$ 175,000	\$ 9,500
Capital Lease	16,592	-	6,464	10,128	6,941
General Obligation Bonds	<u>1,985,088</u>	<u>-</u>	<u>33,232</u>	<u>1,951,856</u>	<u>49,627</u>
Totals	<u>\$2,201,680</u>	<u>\$ -</u>	<u>\$ 64,696</u>	<u>\$ 2,136,984</u>	<u>\$66,068</u>

*Certificates of Participation.* The City issued Certificates of Participation (COPS) dated February 1, 2005, in the amount of \$433,000 to fund the construction of the Community Center. The COPS were issued in Series 2005A with an interest rate of 4.75%, and are payable from the regulatory receipts of the Community Center.

The annual debt service requirements to maturity for the certificates of participation are as follows:

Year Ending <u>December 31,</u>	
2020	\$ 34,313
2021	34,078
2022	33,795
2023	34,465
2024	34,040
2025	<u>34,568</u>
Total Principal and Interest	205,259
Less: Interest	<u>30,259</u>
Total Principal	<u>\$ 175,000</u>

*Capital Lease.* On July 13, 2017, the City entered into a capital lease agreement for financing the acquisition of a Ford F250 for the Water Department. As of December 31, 2019, the balance on the lease was \$10,128.

The annual lease payment requirement to maturity for the capital lease payable is as follows:

Year Ending <u>December 31,</u>	
2020	\$ 6,941
2021	<u>3,470</u>
Total Principal and Interest	10,411
Less: Interest	<u>283</u>
Total Principal	<u>\$ 10,128</u>

CITY OF TROY, KANSAS  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2019

NOTE 4 - Long-Term Debt (Continued)

*General Obligation Bonds.* On August 4, 2015, the City issued 2015-A General Obligation Bonds in the amount of \$2,080,000. The proceeds were used to finance the 2013 Wastewater Collection System Improvement Project. The bonds carry a 2.5% interest rate, with the final payment due on August 4, 2055.

The annual debt service requirements to maturity for the general obligation bonds are as follows:

Year Ending <u>December 31,</u>	
2020	82,859
2021	82,859
2022	82,859
2023	82,859
2024	82,859
2025-2029	414,297
2030-2034	414,297
2035-2039	414,297
2040-2044	414,297
2045-2049	414,297
2050-2054	414,297
2055	<u>82,859</u>
Total Principal and Interest	2,982,936
Less: Interest	<u>1,031,080</u>
Total Principal	<u>\$1,951,856</u>

*Conduit Debt Obligations.* The City has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State of Kansas, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2019 there was one series of Industrial Revenue Bonds outstanding, with an original principal amount payable of \$1,300,000. The current principal balance remaining as of December 31, 2019 is \$401,114.

NOTE 5 - Interfund Transfers

Operating transfers were as follows:

<u>From</u>	<u>To</u>	<u>Regulatory Authority</u>	<u>Amount</u>
Electric Fund	Employee Benefit Fund	K.S.A. 12-825d	<u>\$ 110,913</u>

CITY OF TROY, KANSAS  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2019

NOTE 6 - Compensated Absences

It is the City's policy to pay employees' accrued vacation pay upon termination of employment, subject to the maximum hours of accumulation authorization in the following schedule:

	Years of Cumulative Employment			
	0 - 5	5 - 10	10 - 15	> 15
Hours Earned Per Month	6.67	8	10	12
Maximum Hours Accumulation	80	96	120	144
Equivalent Work Days	10	12	15	18
Maximum Hours for One Time Leave	80	96	120	144

It is the City's policy to pay employees, with five or more years of cumulative employment, for accrued sick leave pay upon termination of employment, subject to the maximum hours of accumulation authorization in the following schedule:

	Years of Cumulative Employment		
	5 - 10	10 - 15	> 15
Maximum Hours Accumulation	120	160	240

As of December 31, 2019, the liability for earned vacation and sick pay was \$18,009.

NOTE 7 - Commitments and Contingencies

The City receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass-through aid. The disbursements of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial statements of the City as of December 31, 2019.

NOTE 8 - Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters, for which the City has carried commercial insurance. Settled claims resulting from these risks have not exceeded commercial insurance in any of the past three fiscal years.

NOTE 9 - Other Long-Term Obligations from Operations

*Other Post-Employment Benefits.* As provided by K.S.A. 12-5040, the local government allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the City is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the government makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

*Death and Disability Other Post-Employment Benefits.* As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERs) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERs that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended December 31, 2019.

## SCHEDULE 1

CITY OF TROY, KANSAS  
 Summary of Expenditures - Actual and Budget  
 Regulatory Basis  
 For the Year Ended December 31, 2019

<u>Funds</u>	<u>Certified Budget</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance Over [Under]</u>
General Funds:					
General	\$ 425,360	\$ -	\$ 425,360	\$ 383,303	\$ 42,057
Special Purpose Funds:					
Street and Highway Fund	31,000	-	31,000	22,541	8,459
Ambulance District Fund	290,136	-	290,136	262,479	27,657
Employee Benefit Fund	115,782	-	115,782	110,948	4,834
Tort Liability Fund	61,278	-	61,278	6,130	55,148
Community Center Fund	92,500	-	92,500	60,267	32,233
Business Funds:					
Electric Fund	1,188,772	-	1,188,772	1,165,205	23,567
Water Fund	291,200	-	291,200	285,713	5,487
Sewer Fund	146,360	-	146,360	130,552	15,808

See independent auditor's report on the financial statements.

CITY OF TROY, KANSAS  
GENERAL FUND  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2019  
(With Comparative Actual Amounts for the Year Ended December 31, 2018)

	Prior Year	Current Year		Variance Over
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Receipts				
Taxes	\$ 276,908	\$ 286,388	\$ 276,070	\$ 10,318
Intergovernmental	20	20	-	20
Franchise tax	23,818	22,535	16,000	6,535
Licenses and permits	4,089	4,061	3,500	561
Use of money	4,428	6,111	3,600	2,511
Fines and fees	623	1,318	2,500	[1,182]
Miscellaneous	<u>14,647</u>	<u>42,380</u>	<u>11,740</u>	<u>30,640</u>
Total Receipts	<u>324,533</u>	<u>362,813</u>	<u>\$ 313,410</u>	<u>\$ 49,403</u>
Expenditures				
General government	52,441	73,845	\$ 85,000	\$ 11,155
Highways and streets	222,745	226,411	270,000	43,589
Public safety	44,440	83,047	70,360	[12,687]
Transfer out	<u>64,145</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>383,771</u>	<u>383,303</u>	<u>\$ 425,360</u>	<u>\$ 42,057</u>
Receipts Over [Under] Expenditures	[59,238]	[20,490]		
Unencumbered Cash, Beginning	<u>223,436</u>	<u>164,198</u>		
Unencumbered Cash, Ending	<u>\$ 164,198</u>	<u>\$ 143,708</u>		

See independent auditor's report on the financial statements.

SCHEDULE 2 - 2

CITY OF TROY, KANSAS  
STREET AND HIGHWAY FUND  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2019  
(With Comparative Actual Amounts for the Year Ended December 31, 2018)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Receipts				
Taxes	\$ 26,534	\$ 26,760	\$ 26,300	\$ 460
Total Receipts	<u>26,534</u>	<u>26,760</u>	<u>\$ 26,300</u>	<u>\$ 460</u>
Expenditures				
Commodities	24,245	20,050	\$ 28,000	\$ 7,950
Contractual	<u>2,111</u>	<u>2,491</u>	<u>3,000</u>	<u>509</u>
Total Expenditures	<u>26,356</u>	<u>22,541</u>	<u>\$ 31,000</u>	<u>\$ 8,459</u>
Receipts Over [Under] Expenditures	178	4,219		
Unencumbered Cash, Beginning	<u>17,909</u>	<u>18,087</u>		
Unencumbered Cash, Ending	<u>\$ 18,087</u>	<u>\$ 22,306</u>		

See independent auditor's report on the financial statements.

CITY OF TROY, KANSAS  
 AMBULANCE DISTRICT FUND  
 Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis  
 For the Year Ended December 31, 2019  
 (With Comparative Actual Amounts for the Year Ended December 31, 2018)

		Current Year		Variance
	Prior Year <u>Actual</u>	<u>Actual</u>	<u>Budget</u>	Over [Under]
Receipts				
Intergovernmental	\$ 57,433	\$ 2,490	\$ 98,000	\$ [95,510]
Charges for service	123,604	150,662	115,000	35,662
Contributions	81,375	5,115	8,000	[2,885]
Taxes	39,167	94,000	-	94,000
Miscellaneous	<u>10,923</u>	<u>374</u>	<u>20,000</u>	<u>[19,626]</u>
Total Receipts	<u>312,502</u>	<u>252,641</u>	<u>\$ 241,000</u>	<u>\$ 11,641</u>
Expenditures				
Personal services	166,808	215,156	\$ 198,136	\$ [17,020]
Contractual services	15,049	19,739	22,000	2,261
Commodities	19,932	27,584	30,000	2,416
Capital outlay	<u>27,358</u>	<u>-</u>	<u>40,000</u>	<u>40,000</u>
Total Expenditures	<u>229,147</u>	<u>262,479</u>	<u>\$ 290,136</u>	<u>\$ 27,657</u>
Receipts Over [Under] Expenditures	83,355	[9,838]		
Unencumbered Cash, Beginning	<u>177,789</u>	<u>261,144</u>		
Unencumbered Cash, Ending	<u>\$ 261,144</u>	<u>\$ 251,306</u>		

See independent auditor's report on the financial statements.



SCHEDULE 2 - 4

CITY OF TROY, KANSAS  
EMPLOYEE BENEFIT FUND  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2019  
(With Comparative Actual Amounts for the Year Ended December 31, 2018)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Receipts				
Transfer in	\$ 99,145	\$ 110,913	\$ 94,485	\$ 16,428
Total Receipts	<u>99,145</u>	<u>110,913</u>	<u>\$ 94,485</u>	<u>\$ 16,428</u>
Expenditures				
Social security	11,187	13,747	\$ 13,000	\$ [747]
Retirement	12,639	16,422	12,000	[4,422]
Unemployment tax	2,112	456	500	44
Worker's compensation	4,568	4,739	6,000	1,261
Other employee benefits	<u>69,756</u>	<u>75,584</u>	<u>84,282</u>	<u>8,698</u>
Total Expenditures	<u>100,262</u>	<u>110,948</u>	<u>\$ 115,782</u>	<u>\$ 4,834</u>
Receipts Over [Under] Expenditures	[1,117]	[35]		
Unencumbered Cash, Beginning	<u>[5,636]</u>	<u>[6,753]</u>		
Unencumbered Cash, Ending	<u>\$ [6,753]</u>	<u>\$ [6,788]</u>		

See independent auditor's report on the financial statements.

CITY OF TROY, KANSAS  
TORT LIABILITY FUND  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2019  
(With Comparative Actual Amounts for the Year Ended December 31, 2018)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Receipts				
Taxes	\$ 10,241	\$ 10,121	\$ 10,376	\$ [255]
Total Receipts	<u>10,241</u>	<u>10,121</u>	<u>\$ 10,376</u>	<u>\$ [255]</u>
Expenditures				
Contractual services	<u>5,448</u>	<u>6,130</u>	<u>\$ 61,278</u>	<u>\$ 55,148</u>
Total Expenditures	<u>5,448</u>	<u>6,130</u>	<u><u>\$ 61,278</u></u>	<u><u>\$ 55,148</u></u>
Receipts Over [Under] Expenditures	4,793	3,991		
Unencumbered Cash, Beginning	<u>55,776</u>	<u>60,569</u>		
Unencumbered Cash, Ending	<u><u>\$ 60,569</u></u>	<u><u>\$ 64,560</u></u>		

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## SCHEDULE 2 - 6

CITY OF TROY, KANSAS  
COMMUNITY CENTER FUND  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2019  
(With Comparative Actual Amounts for the Year Ended December 31, 2018)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Receipts				
Taxes	\$ 86,994	\$ 86,986	\$ 88,000	\$ [1,014]
Miscellaneous	<u>4,451</u>	<u>6,751</u>	<u>7,000</u>	<u>[249]</u>
Total Receipts	<u>91,445</u>	<u>93,737</u>	<u>\$ 95,000</u>	<u>\$ [1,263]</u>
Expenditures				
Capital outlay	-	514	\$ 20,000	\$ 19,486
Contractual services	22,056	25,429	38,000	12,571
Miscellaneous	<u>36,714</u>	<u>34,324</u>	<u>34,500</u>	<u>176</u>
Total Expenditures	<u>58,770</u>	<u>60,267</u>	<u>\$ 92,500</u>	<u>\$ 32,233</u>
Receipts Over [Under] Expenditures	32,675	33,470		
Unencumbered Cash, Beginning	<u>192,853</u>	<u>225,528</u>		
Unencumbered Cash, Ending	<u>\$ 225,528</u>	<u>\$ 258,998</u>		

See independent auditor's report on the financial statements.

CITY OF TROY, KANSAS  
 BOND AND INTEREST FUND  
 Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis  
 For the Year Ended December 31, 2019  
 (With Comparative Actual Amounts for the Year Ended December 31, 2018)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Receipts				
Taxes	\$ 110	\$ -	\$ -	\$ -
Total Receipts	<u>110</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures				
Debt service				
Principal	-	-	\$ -	\$ -
Total Expenditures	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	110	-		
Unencumbered Cash, Beginning	<u>106,599</u>	<u>106,709</u>		
Unencumbered Cash, Ending	<u>\$ 106,709</u>	<u>\$ 106,709</u>		

See independent auditor's report on the financial statements.

CITY OF TROY, KANSAS  
ELECTRIC FUND  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2019  
(With Comparative Actual Amounts for the Year Ended December 31, 2018)

	Prior Year	Current Year		Variance Over
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Receipts				
Charges for services	\$ 1,020,773	\$ 979,115	\$ 960,000	\$ 19,115
Miscellaneous	<u>9,507</u>	<u>8,064</u>	<u>12,000</u>	<u>[3,936]</u>
Total Receipts	<u>1,030,280</u>	<u>987,179</u>	<u>\$ 972,000</u>	<u>\$ 15,179</u>
Expenditures				
Personal services	135,250	97,736	\$ 141,000	\$ 43,264
Capital outlay	8,281	-	192,000	192,000
Contractual services	72,538	256,685	20,000	[236,685]
Commodities	789,717	699,871	720,000	20,129
Transfer out	<u>35,000</u>	<u>110,913</u>	<u>115,772</u>	<u>4,859</u>
Total Expenditures	<u>1,040,786</u>	<u>1,165,205</u>	<u>\$ 1,188,772</u>	<u>\$ 23,567</u>
Receipts Over [Under] Expenditures	[10,506]	[178,026]		
Unencumbered Cash, Beginning	<u>1,005,873</u>	<u>995,367</u>		
Unencumbered Cash, Ending	<u>\$ 995,367</u>	<u>\$ 817,341</u>		

See independent auditor's report on the financial statements.

CITY OF TROY, KANSAS  
WATER FUND  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2019  
(With Comparative Actual Amounts for the Year Ended December 31, 2018)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Charges for services	\$ 268,836	\$ 268,977	\$ 278,000	\$ [9,023]
Reimbursement	<u>6,228</u>	<u>5,099</u>	<u>5,500</u>	<u>[401]</u>
Total Receipts	<u>275,064</u>	<u>274,076</u>	<u>\$ 283,500</u>	<u>\$ [9,424]</u>
Expenditures				
Personal services	132,339	137,354	\$ 135,000	\$ [2,354]
Contractual services	31,455	49,825	51,200	1,375
Commodities	<u>137,807</u>	<u>98,534</u>	<u>105,000</u>	<u>6,466</u>
Total Expenditures	<u>301,601</u>	<u>285,713</u>	<u>\$ 291,200</u>	<u>\$ 5,487</u>
Receipts Over [Under] Expenditures	[26,537]	[11,637]		
Unencumbered Cash, Beginning	<u>60,328</u>	<u>33,791</u>		
Unencumbered Cash, Ending	<u>\$ 33,791</u>	<u>\$ 22,154</u>		

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CITY OF TROY, KANSAS  
SEWER FUND  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2019  
(With Comparative Actual Amounts for the Year Ended December 31, 2018)

	Prior Year	Current Year		Variance Over
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Receipts				
Charges for services	\$ 120,817	\$ 123,375	\$ 125,000	\$ [1,625]
Miscellaneous	<u>707</u>	<u>213</u>	<u>500</u>	<u>[287]</u>
Total Receipts	<u>121,524</u>	<u>123,588</u>	<u>\$ 125,500</u>	<u>\$ [1,912]</u>
Expenditures				
Personal services	27,940	29,777	\$ 33,500	\$ 3,723
Contractual services	7,249	9,051	12,000	2,949
Commodities	3,524	8,865	18,000	9,135
Debt service	<u>82,860</u>	<u>82,859</u>	<u>82,860</u>	<u>1</u>
Total Expenditures	<u>121,573</u>	<u>130,552</u>	<u>\$ 146,360</u>	<u>\$ 15,808</u>
Receipts Over [Under] Expenditures	[49]	[6,964]		
Unencumbered Cash, Beginning	<u>169,470</u>	<u>169,421</u>		
Unencumbered Cash, Ending	<u>\$ 169,421</u>	<u>\$ 162,457</u>		

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