FINANCE COMMITTEE
Monday, January 22, 2024 4:30 PM
Administration Conference Room, City Hall

1. **Call to Order**

2. **Financial Updates**

3. **Action Items**
   A. Approve the minutes for the January 8, 2024, meeting
   B. Approve an agreement with McClure for consulting engineering services associated with the Bell Road Pedestrian Improvements project from Highway 45 to Hamilton Road (Community Development)

4. **Non-Action Items**
   A. Present audited financial statements, required communications, management letter and single audit report for fiscal year 2022 (Administration)

5. **Unfinished Business (postponed from prior meetings)**

6. **Other Business**

7. **Adjourn**

Posted Date & Time: 1/19/24; 2:10 p.m. By: MM

Finance Committee Meeting
Monday, January 8, 2024 4:30 PM
Administration Conference Room, City Hall

Minutes

1. **Call to Order**

Chair Wylie called the meeting to order at 4:30 p.m. A quorum was present.

Members Present: Chair Douglas Wylie, Vice Chair Bob Bennett, Dean Katerndahl and Philip Wassmer

City Staff Present: Deputy City Administrator/Finance Director Bryan Kidney, Police Chief Kevin Chrisman (*via videoconference*), Community Development Director Stephen Lachky (*via videoconference*), Parks & Recreation Director Brittanie Propes, and City Clerk Melissa McChesney

2. **Financial Updates**

3. **Action Items**

A. **Approve the minutes for the December 11, 2023, meeting**

Bob Bennett moved to approve the minutes for the December 11, 2023, meeting. Philip Wassmer seconded; motion passed 4-0.

B. **Approve an agreement with Platte County Parks to maintain and use the Brush Creek Trail**

Parks and Recreation Director Brittanie Propes said the trail was a two-mile, ten-foot wide concrete trail that connected the Creekside development to River Road. Per the agreement, the City would be responsible for maintenance and would have all programming power over the new trail. Platte County would be responsible for all capital maintenance. She added that the City would add trash cans, dog waste bins and benches.

Bennett moved to recommend that the Board of Aldermen approve the agreement with Platte County Parks for the maintenance and use of the Brush Creek Trail. Wassmer seconded; motion passed 4-0.

4. **Non-Action Items**

A. **Quarterly Projects Update**

Deputy City Administrator/Finance Director Bryan Kidney provided an overview of the project update.

5. **Unfinished Business (postponed from prior meetings)**

6. **Other Business**

7. Adjourn

Chair Wylie adjourned the meeting at 4:40 p.m.

Submitted by:

____________________ ____________________

Melissa McChesney Approval Date
City Clerk

CITY OF PARKVILLE
Policy Report

Date: January 17, 2024

Prepared By:
Stephen Lachky, Community Development Director

Reviewed By:
Daniel Harper, Public Works Director
Bryan Kidney, Deputy City Administrator/Finance Director
Alexa Barton, City Administrator

ISSUE:
Approve an agreement with McClure for consulting engineering services associated with the Bell Road Pedestrian Improvements project from Highway 45 to Hamilton Road (Community Development)

BACKGROUND:
On April 19, 2022, the Board of Aldermen received a presentation of the *Northwest Bell Road Complete Streets Proposal* from the University of Missouri – Kansas City's (UMKC) Spring 2022 Senior Urban Planning + Design Studio. The study contains a comprehensive analysis of the corridor's existing conditions, complete street concepts to create safe corridor environments for all road users, and includes recommended future land use and road improvements along the corridor.

On July 19, 2022, the Board of Aldermen approved Resolution No. 22-012 endorsing an application to the Mid-America Regional Council (MARC) for federal funding via the MARC 2022 Call for Projects to help fund safety and sidewalk improvements, and landscaping for stormwater management, along NW Bell Road from Highway 45 to Hamilton Road. On February 28, 2023, the City received its official award of $750,000 in Transportation Alternatives Program (TAP) federal funding.

On December 19, 2023, the Board of Aldermen approved Ordinance No. 3214 approving agreements with the Missouri Highways and Transportation Commission for the Transportation Enhancements Funds Program and for the Sidewalk Improvements to utilize federal funding for the *Bell Road Pedestrian Improvements* project. This agreement binds the City to committing future local match funds, reasonable progress deadlines and state and federal requirements.

REQUEST FOR QUALIFICATIONS FOR ENGINEERING SERVICES:
On July 13, 2023, the City released a Request for Qualifications (RFQ) for a variety of on-call professional services: transportation engineering, stormwater, utility, geothermal, surveying, landscape architecture, architecture, planning, building permit review & building inspection, construction inspection, and mechanical, electrical and plumbing engineering services. On July 27, 2023, the City held a pre-proposal meeting for consultants to ask questions about the RFQ and a selection committee comprised of Daniel Harper (Public Works Director), Stephen Lachky (Community Development Director), Jeffery Rhodes (Assistant City Administrator), Brittanie Propes (Parks & Recreation Director), and Chris Ashley (Parks & Recreation Project Manager) reviewed proposals and shortlisted firms for the various professional services. For transportation engineering services, this included Garver, GBA, McClure, OWN, and Renaissance Infrastructure Consulting

(RIC).

Since this time of selecting qualified firms for on-call transportation engineering services, the City has been working to ensure it can financially support a commitment of at least $256,000 in MARC-required local match funding in order to fulfill the federal share requirement of at least 20 percent, as well as any cost overruns, for the total project cost estimate of $1,600,000. Although a citywide vote for a 2% use tax on out-of-state and online purchases (i.e., Proposition U) failed via a special election on April 4, 2023, a citywide vote to impose a 2.5% local use tax for the purpose of funding roads, infrastructure and capital projects — including the *Bell Road Pedestrian Improvements* project — passed via a special election on November 7, 2023. As a result, the City is in a better financial position to support the difference of total project costs not supported, commence with the project (approximately $850,000) and begin expenditures related to engineering services.
On November 10, 2023, City staff reached out to all of our on-call firms for transportation engineering services, requesting assistance with survey, public involvement, right-of-way, preliminary engineering and design, and final engineering & design for the *Bell Road Pedestrian Improvements* project. After receiving proposals from our on-call providers, City staff evaluated all proposals and selected McClure as having the best approach for providing assistance and completing the associated tasks related to the project.

ESTIMATED COSTS:
McClure has provided a comprehensive fee schedule that includes all phases of engineering design which will be done entirely in-house and not need to involve any external sub-consultants (Note: this does NOT include fees associated with the construction inspection process, which will occur later in the process and involve a supplemental agreement).

McClure Engineering Services	
***Bell Road Pedestrian Improvements* project**	
Preliminary Design	
1. Preliminary Design	$19,260
2. Survey (Field & Office)	$24,110
3. Public Engagement	$8,085
4. Project Management	$1,480
5. Meetings	$1,240
Total	**$54,175**
Right-of-Way (ROW) Design	
1. Utility Coordination	$5,960
2. ROW Plan Sheets	$25,460
3. Survey (Exhibits & Legals)	$23,813
4. Project Management	$2,960
5. Meetings	$1,240
6. Environmental Clearance	$6,440
Total	**$65,873**
Plans, Specs & Estimate (PS&E) Design	
1. Utility Coordination	$3,480
2. Final Plan Sheets	$29,440
3. Specifications	$9,900
4. Public Engagement	$8,085
5. Project Management	$2,960
6. Meetings	$2,480

Total	**$56,345**
Bidding*	
Total	**$3,600**
Construction Services**	
Total	**$6,200**
All Services	
Grand Total	**$186,193**

*Bidding includes answering questions during bidding, assisting w/ addenda, attending pre-bid and bid opening, and bid tabulations/recommendations of award.

**Construction Services includes answering questions during construction, punch list and as-builts from contractor markups), construction observation and weekly meetings during construction can be added if desired. These meetings would be similar to what will occur during design. However, it would also include the contractor and any on-site representative to make sure the project continues to move forward during construction.

STRATEGIC GOAL(S):
Infrastructure and Public Facilities

BUDGET IMPACT:

Bell Road Pedestrian Improvements (Missouri Hwy 45 to NW Hamilton St) – Grant Application Project Cost Estimates	
Construction Cost Estimates	**$1,280,000**
Additional Costs	**$320,000**
Conceptual Survey, Public Involvement, Preliminary/ROW, Final Engineering & Design	$320,000
Total Project Costs	**$1,600,000**
Grant Funding Awarded	**$750,000**
MARC TAP	*$750,000*
Difference (Total Project Costs – Non-Grant Funding, City Responsibility)	**$850,000**

On November 7, 2023, the Platte County Board of Elections held a special election for the City of Parkville to consider Proposition T to impose a 2.5% local use tax for the purpose of funding roads, infrastructure and capital projects — including the *Route 9 Corridor Complete Streets Improvements* project. Results showed the majority of registered voters in the City approving Proposition T by 52.60% (505 total ballots marked Yes) to 47.40% (455 total ballots marked No). Following the City Clerk's certification of the passage of the use tax, the City will begin receiving revenues in the 2nd quarter of 2024.

Furthermore, due to the uncertainty of how much the Use Tax will generate, city staff will prepare a request to the Platte County Commission, from available BRO funds, for assistance with the Bell Road project (as well as the 9 Hwy Triangle Grant Project).

ALTERNATIVES:

1. Recommend approval of a professional services agreement with McClure in the amount of $186,193.
2. Recommend approval of a professional services agreement with McClure with revisions directed by the Finance Committee.
3. Do not approve the professional services agreement and provide further direction to staff.
4. Postpone the item.

STAFF RECOMMENDATION:
Staff recommends approval of a professional services agreement with McClure for engineering services associated with Bell Road improvements from MO-45 Highway to NW Hamilton Road.

POLICY:
The Purchasing Policy, Resolution No. 23-014, requires Board of Aldermen approval for all purchases above $50,000 upon recommendation of the Finance Committee.

SUGGESTED MOTION:
I move to recommend that the Board of Aldermen approve a professional services agreement with McClure for engineering services associated with Bell Road improvements from Highway 45 to NW Hamilton Road in the amount of $186,193.

ATTACHMENTS:
1. Agreement

PROFESSIONAL SERVICES AGREEMENT

THIS SERVICE AGREEMENT, entered into on this 30th day of January 2024, by and between the CITY OF PARKVILLE, MISSOURI (“City”) and MCCLURE (“Service Provider”).

WHEREAS, the City requires Engineering Design Services for the Pedestrian Improvements along NW Bell Road between Route 45 and NW Hamilton Street (“Project”); and

WHEREAS, Service Provider was chosen through a qualifications-based selection process and has demonstrated the necessary expertise, experience, and personnel to complete the Project.

NOW THEREFORE, IN CONSIDERATION of the mutual covenants and agreements set forth herein, the parties mutually agree as follows:

I. SCOPE OF SERVICES

A. The term “Services” when used in this Agreement shall mean any and all engineering and architectural services provided by the Service Provider in accordance with this Agreement.

B. The City agrees to retain Service Provider and Service Provider agrees to perform and complete the Services described in the Exhibit A – Scope of Services and Fees, attached hereto and incorporated by reference.

C. The City reserves the right to direct revision of the Services at the City’s discretion. Service Provider shall advise the City of additional costs and time delays, if any, in performing the revision, before Service Provider performs the revised services.

D. Service Provider shall provide Additional Services under this Agreement only upon written request of the City and only to the extent defined and required by the City. Any additional services or materials provided by the Service Provider without the City’s prior written consent shall be at the Service Provider’s own risk, cost, and expense, and Service Provider shall not make a claim for compensation from the City for such work.

II. STANDARD OF CARE

A. Service Provider shall exercise the same degree of care, skill, and diligence in the performance of all Services to the City that is ordinarily possessed and exercised by reasonable, prudent, and experienced professionals under similar circumstances.

B. Service Provider represents it has all necessary licenses, permits, knowledge, and certifications required to perform the Services described herein.

III. COMPENSATION

A. As consideration for providing the Services, the City shall pay Service Provider as follows:

  a. Services will be billed in incremental amounts upon completion of specified tasks outlined in Exhibit A.

  b. Service Provider is not eligible for reimbursement for miscellaneous expenses including travel, transportation, postage, etc. except as provided in Exhibit A.

B. Service Provider shall submit an itemized invoice to the City on the first day of each month that details the Services that were provided in the month immediately prior, as well as any other charges or reimbursements to which the Service Provider is entitled by this Agreement. The City agrees to pay the balance of an approved invoice, or undisputed portions of a disputed invoice, within 30 days of the date of receipt by the City. In the event of a dispute, and prior to the invoice’s due date, City shall pay the undisputed portion of the invoice and notify Service Provider of the nature of the dispute regarding the balance.

C. Service Provider shall maintain accounts and records, including personnel, property, and financial records, adequate to identify and account for all costs pertaining to the Agreement and such other records as may be deemed necessary by the City to assure proper accounting for all funds. These records will be made available for audit purposes to the City or any authorized representative, and will be retained for three years after the expiration of this Agreement unless permission to destroy them is granted by the City.

IV. SCHEDULE

A. Unless otherwise directed by the City, Service Provider shall commence performance of the Services upon execution of this Agreement.

B. Services shall be completed within the timeframe(s) outlined in Exhibit A – Scope of Services and Fees.

C. Neither the City nor the Service Provider shall be in default of the Agreement for delays in performance caused by circumstances beyond the reasonable control of the non-performing party.

D. If Service Provider's performance is delayed due to delays caused by the City, Service Provider shall have no claim against the City for damages or payment adjustment other than an extension of time to perform the Services.

V. LIABILITY AND INDEMNIFICATION

A. Service Provider shall indemnify, defend and hold harmless the City and its departments, elected officials, officers, employees and agents, from and against all liability, suits, actions, proceedings, judgments, claims, losses, damages, and injuries (including attorneys' fees and other expenses of litigation, arbitration, mediation or appeal), which in whole or in part arise out of or have been connected with Service Providers' negligence, error, omission, recklessness, or wrongful or criminal conduct in the performance of Services, including performance by Service Provider's employees and agents; or arising from any claim for libel, slander, defamation, copyright infringement, invasion of privacy, piracy and/or plagiarism related to any materials related to materials Service Provider creates or supplies to the City, except to the extent that such claims arise from materials created or supplied by the City.

B. Service Provider's obligation to indemnify and hold harmless shall remain in effect and shall be binding on Service Provider whether such injury shall accrue, or may be discovered, before or after termination of this Agreement.

VI. INSURANCE

The Service Provider shall secure and maintain, at its expense, through the duration of this Agreement the insurance described on Exhibit B.

VII. ASSIGNMENT OF AND RESPONSIBILITY FOR PERSONNEL

A. Service Provider's assignment of personnel to perform the Services shall be subject to the City's oversight and general guidance. The City reserves the right to request qualifications and/or reject service from any and all employees of the Service Provider.

B. While upon City premises, the Service Provider's employees and agents shall be subject to the City's rules and regulations respecting its property and the conduct of employees thereon.

VIII. OWNERSHIP OF WORK PRODUCT

Service Provider agrees that any documents, materials and work products produced in whole or in part through it under this Agreement, any intellectual property rights of Service Provider therein (collectively the "Works") are intended to be owned by the City. Accordingly, Service Provider hereby assigns to the City all of its right title and interest in and to such Works.

IX. RELATIONSHIP OF THE PARTIES

A. Service Provider represents that it has, or will secure at Service Provider's own expense, all personnel required in performing the Services under this Agreement. Such personnel shall not be employees of or have any contractual relationship with the City.

B. All of the Services required hereunder will be performed by the Service Provider or under Service Provider's supervision, and all personnel engaged in the work shall be fully qualified and shall be authorized or permitted under State and Local law to perform such services.

C. None of the work or services covered by this Agreement shall be subcontracted without the prior written approval of the City. Any work or services subcontracted hereunder shall be specified by written contract or agreement and shall be subject to each provision of this Agreement.

X. NOTICES

A. All notices required by this Agreement shall be in writing, and unless otherwise directed by this Agreement, shall be sent to the addresses as set forth in this Section:

B. Notices sent by Service Provider shall be sent to:

City of Parkville
Attn: Public Works Director
8880 Clark Ave.
Parkville, MO 64152
816-741-7676
dharper@parkvillemo.gov

McClure
Attn: Matt Eblen
1700 Swift St., Suite 100
North Kansas City, MO 64116
913-307-2588
meblen@mcclurevision.com

XI. TERM AND TERMINATION

A. The effective date of this Agreement shall be the date of execution, when the Agreement is signed by both parties.

B. The term of this Agreement shall be until the contracted duration has expired or has been terminated/no longer deemed necessary.

C. Notwithstanding Article XI, Paragraph B, the City reserves the right and may elect to terminate this Agreement at any time, with or without cause, by giving at least ten (10) days written notice to the Service Provider. The City shall compensate Service Provider for the Services that have been completed to the City's satisfaction as of the date of termination at the rates set forth on Exhibit A, or if the appropriate compensation of services performed through the date of termination is not set forth on Exhibit A, on a prorata basis determined by the percentage of completion of services as described on Exhibit A. Service Provider shall perform no activities other than reasonable wrap-up activities after receipt of notice of termination.

XII. RESOLUTION OF DISPUTES

A. City and Service Provider agree that disputes relative to the services and the Project shall first be addressed by negotiations between the parties. Such negotiations shall take place within thirty (30) days of demand by the party seeking resolution of the dispute. If direct negotiations fail to resolve the dispute, the party initiating the claim that is the basis for the dispute shall be free to take such steps as it deems necessary to protect its interests; provided, however, that notwithstanding any such dispute Service Provider shall proceed with the services as per this Agreement as if no dispute existed.

B. In order to preserve its rights to dispute a matter hereunder, the complaining party must submit a written notice to the other party setting forth the basis for its complaint within twenty (20) calendar days following receipt of the decision of the City Administrator as to such matter or other action on which the dispute is based.

C. Arbitration of disputes.

   i. Claims, except those waived as provided for elsewhere in this Agreement, which have not been resolved by the procedures described above, shall be decided by arbitration which, unless the parties mutually agree otherwise, in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association currently in effect at the time of the arbitration. The demand for arbitration shall be filed in writing with the other party to the Agreement and with the American Arbitration Association.

   ii. A demand for arbitration may be made no earlier than concurrently with the filing of a request for mediation, but in no event shall it be made after the date when institution of legal or equitable proceedings based on such Claim would be barred by the applicable statute of limitations.

   iii. An arbitration pursuant to this Section may be joined with an arbitration involving common issues of law or fact between the City or Service Provider and any person or entity with whom the City or Service Provider has a contractual obligation to arbitrate disputes which does not prohibit consolidation or joinder. No other arbitration arising out of or relating to the Agreement shall include, by consolidation, joinder or in any other manner, an additional person or entity not a party to the Agreement or not a party to an agreement with the City, except by written consent containing a specific reference to the Agreement signed by the City and Service Provider and any other person or entities sought to be joined. Consent to arbitration involving an additional person or entity shall not constitute consent to arbitration of any claim, dispute or other matter in question not described in the written consent or with a person or entity not named or described therein. The foregoing agreement to arbitrate and other agreements to arbitrate with an additional person or entity duly consented to by the parties to the Agreement shall be specifically enforceable in accordance with applicable law in any court having jurisdiction thereof.

   iv. Claims and Timely Assertion of Claims. The party filing a notice of demand for arbitration must assert in the demand all Claims then known to that party on which arbitration is permitted to be demanded.

v. Judgment on Final Award. The award rendered by the arbitrator or arbitrators shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof.

XIII. MISCELLANEOUS PROVISIONS

A. Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Missouri.

B. Assignability. Service Provider shall not assign any interest on this Agreement, and shall not transfer any interest in the same (whether by assignment or invitation), without the prior written consent of the City thereto. Provided, however, that the claims for money by Service Provider from the City under this Agreement may be assigned to a bank, trust company, or other financial institution without such approval. Written notice of any such assignment or transfer shall be furnished promptly to the City.

C. Media Announcements. Service Provider shall not be authorized to make statements to the media or otherwise on behalf of the City without express direction and consent of the City

D. Compliance with Local Laws. Service provider shall comply with all applicable laws, ordinances, and codes of the State and local governments, and shall save the City harmless with respect to any damages arising from any tort done in performing any of the work embraced by this Agreement.

E. Equal Employment Opportunity. During the performance of this Agreement, Service Provider agrees as follows:

i. Service Provider will not discriminate against any employee or applicant for employment because of race, creed, color, national origin, religion, or sex. Service Provider will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, creed, color, national origin, religion, or sex. Such action shall include, but not be limited to, employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

ii. Service Provider will, in all solicitation or advertisements for employees placed by or on behalf of Service Provider, state that all qualified applicants will receive consideration for employment without regard to race, creed, color, national origin, religion, or sex.

iii. Service Provider will cause the foregoing provisions to be inserted in all subcontracts for any work covered by this Agreement so that provisions will be binding upon each subcontractor, provided that the foregoing provisions shall not apply to contracts or subcontracts for standard commercial supplies or raw materials.

F. Authorized Employees. Service Provider acknowledges that Section285.530, RSMo, prohibits any business entity or employer from knowingly employing, hiring for employment, or continuing to employ an unauthorized alien to perform work within the State of Missouri. Service Provider therefore covenants that it will not knowingly be in violation of subsection 1 of Section 285.530, RSMo, and that it will not knowingly employ, hire for employment, or continue to employ any unauthorized aliens to perform Services related to this Agreement, and that its employees can lawfully to work in the United States.

G. Interest of Members of a City. No member of the governing body of the City and no other officer, employee, or agent of the City who exercises any functions or responsibilities in connection with the planning and carrying out of this Agreement, shall have any personal financial interest, direct or indirect, in this Agreement, and Service Provider shall take appropriate steps to assure compliance.

H. Interest of Service Provider and Employees. Service Provider covenants that he/she presently has no interest and shall not acquire interest, direct or indirect, in the scope of work associated with this Agreement or any other interest which would conflict in any manner or degree with the performance of his/her services hereunder. Service Provider further covenants that in the performance of this Agreement, no person having any such interest shall be employed.

I. Entire Agreement. This Agreement represents the entire Agreement and understanding between the parties, and this Agreement supersedes any prior negotiations, proposals, or agreements. Unless otherwise provided in this Agreement, any amendment to this Agreement shall be in writing and shall be signed by the City and Service Provider, and attached hereto.

J. Severability. If any part, term or provision of this Agreement, or any attachments or amendments hereto, is declared invalid, void, or enforceable, all remaining parts, terms, and provisions shall remain in full force and effect.

K. Waiver. The failure of either party to require performance of this Agreement shall not affect such party's right to enforce the same. A waiver by either party of any provision of breach of this Agreement shall be in writing. A written waiver shall not affect the waiving party's rights with respect to any other provision or breach.

L. Third Parties. The Services to be performed by the Service Provider are intended solely for the benefit for the City. Nothing contained herein shall create a contractual relationship with, or any rights in favor of, any person or entity not a signatory to this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

CITY OF PARKVILLE, MISSOURI

By: ___________________________
Dean Katerndahl, Mayor

ATTEST:

____
Melissa McChesney, City Clerk

____
Matt Eblen
McClure

EXHIBIT A

SCOPE OF WORK AND FEES

***Bell Road Pedestrian Improvements* project**	
Preliminary Design	
1. Preliminary Design	$19,260
2. Survey (Field & Office)	$24,110
3. Public Engagement	$8,085
4. Project Management	$1,480
5. Meetings	$1,240
Total	**$54,175**
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1. Utility Coordination	$5,960
2. ROW Plan Sheets	$25,460
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3. Specifications	$9,900
4. Public Engagement	$8,085
5. Project Management	$2,960
6. Meetings	$2,480
Total	**$56,345**
Bidding*	
Total	**$3,600**
Construction Services**	
Total	**$6,200**
All Services	
Grand Total	**$186,193**

EXHIBIT B

INSURANCE REQUIREMENTS

1. The Service Provider shall secure and maintain through the duration of this Agreement insurance (on an occurrence basis unless stated below) of such types and in such amounts stated below, but in no case less than as may be necessary to protect the Service Provider and the City and agents of the City against all hazards or risks of loss as hereinafter specified. The City will only accept coverage from an insurance carrier who offers proof that it:

    a. Is authorized to do business in the State of Missouri;
    b. Carries a Best's policy holder rating of A-VIII or better and at least a Class X financial rating.
    c. Is a company mutually agreed upon by the City and the Service Provider.

2. The form of such insurance, together with the underwriter thereof in each case, shall be approved by the City, but regardless of such approval it shall be the responsibility of the Service Provider to maintain adequate insurance coverage at all times. City reserves the right to review certified copies of any and all insurance policies to which this Agreement is applicable. Failure of the Service Provider to maintain adequate coverage shall not relieve it of any contractual responsibility or obligation, including but not limited to, the indemnification obligation.

3. The cost of defense of claims shall not erode the limits of coverage furnished. (This does not apply to Professional Liability, see Article 13).

4. If Service Provider should retain consultants to perform any of its services, Service Provider shall see to it that such third party maintains such insurance and shall furnish evidence thereof to City.

5. The insurance policies shall require that City shall be given at least thirty (30) days written notice from the insurer(s) before cancellation (except for non-payment of premium, for which at least ten (10) days advance notice shall be given to City) of such insurance and shall contain an endorsement stating the insurers agreement to provide such notice, using CNA form G-140327-B (Ed. 07/11), Travelers Form IL T4 00 (12/09) or other equivalent carrier forms, such as Acord forms. A copy of the Notice of Cancelation Endorsement must be furnished to the City prior to commencement of Work. The Contractor shall notify the City of any reduction in limits of protection under any policy listed in the Certificate in excess of $10,000.00 at least ten (10) days prior to such change, whether or not such impairment came about as a result of the Contract. If the City determines the Contractor's aggregate limits of protection has been impaired or reduced to such an extent that the City shall determine such limits inadequate for the balance of the project, the Contractor shall, upon notice from the City, promptly reinstate the original limits of liability required hereunder and shall furnish evidence thereof to the City. Cancellation, non-renewal or material modification of coverage of any such insurance shall be the basis for the City's exercising its right to terminate the Contract.

6. Satisfactory certificates of insurance, written on a standard AIA Document G705 or ACORD form 25-S, Accord Form 27, as applicable, shall be filed with the City prior to commencement of work. The Certificate shall specify the date when such insurance expires. A renewal certificate shall be furnished to City prior to the expiration date of any coverage. Service Provider shall keep all insurance in force throughout performance of the Services and for three (3) years after the Project Completion Date, so long a policy is reasonably available

7. Severability of Interest. All insurance carried shall be endorsed to provide that, inasmuch as this policy is written to cover more than one insured, all terms, conditions, insuring agreements and endorsements, with the exception of limits of liability, shall operate in the same manner as if there were a separate policy covering each insured.

8. Service Provider shall include the Indemnitees as identified in the Agreement as additional insureds on the Commercial General Liability Insurance and the Commercial Automobile Liability Insurance policies described in Section 9. Indemnitees shall be included as additional insureds under Service Provider’s furnished insurance (except Workers’ Compensation Insurance and Professional Liability Insurance), for ongoing and completed operations. General Liability shall provide the additional insured status by using ISO Additional Insured Endorsement (CG 20 10), edition date 11/85, or an equivalent (e.g., CG 20 10, edition date 10/93, plus CG 20 37, edition date 04/13 or other carrier form per Article 5). Said insurance shall be written on an OCCURRENCE basis, and shall be PRIMARY and NON-CONTRIBUTING and shall not be deemed to limit Service Provider's liability under this Agreement.

9. Service Provider agrees to procure and carry, at its sole cost, until completion of this Agreement all insurance, with identical limits of liability and scope of coverages, as set forth below:

10.1 Commercial Automobile Liability Insurance. Service Provider shall maintain commercial automobile insurance, including contractual liabilities insuring the Indemnities set forth in the Agreement, subject to standard ISO CA0001 coverage terms and conditions, covering all owned, non-owned and hired automobiles used in connection with the services or other work hereunder and shall have minimum bodily injury and property damage limits of One Million Dollars $1,000,000.00 combined single limit each accident. An MCS-90 endorsement shall be procured when applicable.

10.2 Workers' Compensation and Employer's Liability Insurance. Service Provider shall maintain Worker's Compensation Insurance to cover the statutory limits of the Workers' Compensation laws of the state in which any work is to be performed and when applicable to Federal Laws, Voluntary Compensation and Employer's Liability (including occupational disease) coverage with limits not less than One Million Dollars $1,000,000.00 per occurrence. The Service Provider shall also be protected against claims for injury, disease or death of employees which, for any reason, may not fall within the provisions of a worker's compensation law. This policy shall include "all states" coverage.

10.3 Commercial General Liability Insurance. Service Provider shall obtain and maintain Commercial General Liability Insurance, on an occurrence form for the hazards of (i) construction operation, (ii) subcontractors (iii) independent contractors, (iv) products and completed operations (with completed operations to remain in force for as long as Service Provider or those included as Additional Insureds bear exposure under all applicable statutes of limitation following project completion), (v) explosion, collapse and underground, (vi) pollution liability, and (vii) contractual liability insuring the indemnities set forth in the Agreement subject to standard ISO CG0001 coverage terms and conditions. Each Project shall have minimum limits of Two Million Dollars

$2,000,000.00 per occurrence and Two Million Dollars $2,000,000.00 products/completed operations aggregate coverage.

10.4 Excess Liability. Service Provider shall maintain Excess Liability coverage on an umbrella form with minimum limits of One Million Dollars $1,000,000.00 per occurrence and Two Million Dollars $2,000,000.00 aggregate.

11. Waiver of Subrogation. All insurance policies supplied shall include a waiver of any right of subrogation of the insurers thereunder against City and all its assigns, affiliates, employees, insurers and underwriters.

12. No Limitation of Liability. The required coverages referred to and set forth herein shall in no way affect, nor are they intended as a limitation on, Service Provider's liability with respect to its performance of this Agreement.

13. Professional Liability coverage. The Service Provider shall procure and maintain Professional Liability Insurance in an aggregate amount of not less than Two Million Dollars ($2,000,000.00), with a deductible of not more than One Hundred Thousand Dollars ($100,000.00). Such insurance shall be issued by companies reasonably acceptable to City, and shall not be canceled, without thirty (30) days' prior written notice to the City, except for non-payment of premium, (for which at least ten (10) days advance notice shall be given to City. If any professional liability is canceled or not renewed, any substitute policy shall have a commencement date retroactive to the date upon which the Service Provider commences performance of the Services under this Agreement.

14. Service Provider shall not be permitted to commence any work on site until satisfactory copies of the Certificates evidencing insurance; Notice of Cancellation Endorsement; and Additional Insured Endorsement, have all been received and approved by City. Delay in commencement due to failure to provide such documentation shall constitute an unexcused delay.

CITY OF PARKVILLE
Policy Report

Date: January 17, 2024

Prepared By:
Bryan Kidney, Deputy City Administrator/Finance Director

Reviewed By:
Alexa Barton, City Administrator

ISSUE:
Present audited financial statements, required communications, management letter and single audit report for fiscal year 2022 (Administration)

BACKGROUND:
The City contracts with Hood and Associates, CPAs to conduct the annual audit of the City's financial statements. The 2022 audit was completed on December 27, 2023. Mr. Michael Keenan will review the reports and required communication at the meeting.

STRATEGIC GOAL(S):
Operational Excellence

BUDGET IMPACT:
There is no cost associated with the presentation.

ALTERNATIVES:

1. Accept the audited financial statements, required communications, and single audit report for the fiscal year ended December 31, 2022
2. Postpone the item.

STAFF RECOMMENDATION:
Accept the audited financial statements, required communications, and single audit report for fiscal year 2022.

POLICY:
Section 143.010 of the Parkville Municipal Code states that the Finance Committee shall review and comment on the annual audit prior to the presentation to the Board of Aldermen.

SUGGESTED MOTION:
Since this is a non-action item, no motion is needed.

ATTACHMENTS:
1. 2022 Audit
2. Single Audit Report
3. Required Communication & Management

City of Parkville, Missouri

Basic Financial Statements
With
Independent Auditor's Report

For the Year Ended
December 31, 2022

CITY OF PARKVILLE, MISSOURI

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CITY OF PARKVILLE, MISSOURI

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HOOD AND ASSOCIATES CPAs, PC

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Board of Aldermen
City of Parkville, Missouri

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Parkville, Missouri (the City), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States 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 Parkville, 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 opinion.

Change in Accounting Principle

As described in Note 1 to the financial statements, in 2022, the City adopted new accounting guidance, Government Accounting Standards Board (GASB) No. 87 Leases. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Parkville, Missouri's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, 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 of Parkville, Missouri'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 of Parkville, Missouri'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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 27, 2023 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Hood & Associates CPAs PC

Kansas City, Missouri
December 27, 2023

As management of the City of Parkville (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the year ended December 31, 2022. We encourage readers to consider the information presented here in conjunction with the basic financial statements and the accompanying notes to those basic financial statements.

Financial Highlights

1. The assets and deferred outflows of the City of Parkville exceeded its liabilities and deferred inflows at the close of the year by $21,990,091 (net position), an increase of $1,647,271 over the prior year.

2. As of the close of the current year, the City's governmental funds showed a combined ending balance of $5,605,347, an increase of $452,004 from the prior year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: government-wide financial statements, fund financial statements, and notes to the basic financial statements. This report also contains required and other supplementary information in addition to the basic financial statements.

Reporting the City as a Whole

Our analysis of the City as a whole begins on page 6. One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities reports information about the City as a whole and its activities in a way that helps answer this question. These statements include all assets, deferred outflows, liabilities, and deferred inflows using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The Statement of Net Position and the Statement of Activities report the City's net position and changes in it. You can think of the City's net position—the difference between assets and deferred outflows less liabilities and deferred inflows—as one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the City's property tax base and the condition of the City's roads, to assess the overall health of the City.

To aid in the understanding of the Statement of Activities, some additional explanation is given. Of particular interest is that the format is significantly different than a typical Statement of Revenues, Expenses, and Changes in Fund Balance. You will notice that expenses are listed in the first column with revenues from that particular program reported to the right. The result is a Net (Expense)/Revenue. The reason for this kind of format is to highlight the relative net financial costs of each of the functions on the City's taxpayers. It also identifies how much each function draws from the general revenues or if it is self-financing through fees and grants.

In the Statement of Net Position and the Statement of Activities, we divide the City into two kinds of activities:

Governmental activities—Most of the City's basic services are reported here, including general government, public safety, public works, parks and recreation, and community development. Taxes, (sales, property, and franchise) charges for services, fines, and state and federal grants finance most of these activities.

Business-type activities—The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's sanitary sewer fund activities are reported here.

Reporting the City's Most Significant Funds - Fund Financial Statements

The fund financial statements begin on page 13 and provide detailed information about the most significant funds—not the City as a whole. Some funds are required to be established by State law and by bond covenants. The City establishes other funds to help it control and manage money for particular purposes. The City uses three types of funds to manage its resources: governmental, proprietary, and agency funds. A fund is a fiscal entity with a set of self-balancing accounts recording financial resources, together with all related liabilities and residual equities and balances, and the changes therein. These accounting entities are separated for the purpose of carrying on specific activities or attaining certain objectives in accordance with regulations, restrictions, or limitations.

Governmental funds—Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in the reconciliation following the fund financial statements.

Proprietary funds—When the City charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City's sewer enterprise fund is the same as the business-type activities we report in the government-wide statements but provides more detail and additional information, such as cash flows.

Fiduciary Funds—Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements since the resources of those funds are not available to support the City's operations. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also contain certain *required supplemental information* that further explains and supports the information in the financial statements. This report also contains *other supplementary information* that provides certain combining and individual fund statements and schedules.

Government-Wide Financial Analysis

Our analysis below focuses on net position (Figure 1) and changes in net position (Figure 2) of the governmental and business-type activities.

Figure 1 – Statement of Net Position

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	$ 15,726,673	$ 15,803,930	$ 1,156,256	$ 1,227,610	$ 16,882,929	$ 17,031,540
Capital assets	15,269,691	14,573,398	3,561,003	3,611,396	18,830,694	18,184,794
Total assets	30,996,364	30,377,328	4,717,259	4,839,006	35,713,623	35,216,334
Deferred amount on refunding	12,358	15,325	-	-	12,358	15,325
Deferred outflows - pension	334,568	302,492	-	-	334,568	302,492
Total deferred outflows of resources	346,926	317,817	-	-	346,926	317,817
Long-term debt	10,733,680	11,823,464	377,918	550,837	11,111,598	12,374,301
Other liabilities	1,561,774	1,556,566	192,893	104,210	1,754,667	1,660,776
Total liabilities	12,295,454	13,380,030	570,811	655,047	12,866,265	14,035,077
Deferred inflow - leases	324,798	-	-	-	324,798	-
Deferred inflow - property taxes	383,323	279,446	-	-	383,323	279,446
Deferred inflow - pension	260,530	620,173	-	-	260,530	620,173
Deferred amount on refunding	235,542	256,635	-	-	235,542	-
Total deferred inflows of resources	1,204,193	1,156,254	-	-	879,395	899,619
Net position:						
Net investment in capital assets	11,259,898	9,955,376	3,183,085	3,060,559	14,442,983	13,015,935
Restricted	2,598,233	2,835,521	174,634	170,290	2,772,867	3,005,811
Unrestricted	3,985,512	3,367,964	788,729	953,110	4,774,241	4,321,074
Total net position	$ 17,843,643	$ 16,158,861	$ 4,146,448	$ 4,183,959	$ 21,990,091	$ 20,342,820

Net position may serve over time as a useful indicator of a government's financial position. The City of Parkville's assets and deferred outflows exceeded liabilities and deferred inflows by $21,990,091 at the close of the year ended December 31, 2022.

Figure 2 – Statement of Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for services	$ 1,003,559	$ 1,107,311	$ 1,735,521	$ 1,628,972	$ 2,739,080	$ 2,736,283
Operating grants and contributions	348,124	424,090	-	-	348,124	424,090
Capital grants and contributions	3,629,190	3,520,049	21,132	17,663	3,650,322	3,537,712
General revenues:						
Property taxes	2,282,158	1,969,725	-	-	2,282,158	1,969,725
Sales taxes	3,586,772	3,042,926	-	-	3,586,772	3,042,926
Franchise taxes	894,393	812,268	-	-	894,393	812,268
Intergovernmental activity taxes	250,075	218,543	-	-	250,075	218,543
Other taxes	67,178	6,410	-	-	67,178	6,410
Gain on sale of assets	3,535	36,660	-	-	3,535	36,660
IntereOther	399,398	99,676	25,311	7,007	424,709	106,683
Total revenues	12,464,382	11,237,658	1,781,964	1,653,642	14,246,346	12,891,300
Expenses:						
General government	1,762,311	1,649,704	-	-	1,762,311	1,649,704
Public safety	1,701,816	1,564,058	-	-	1,701,816	1,564,058
Public works	2,998,301	5,788,532	-	-	2,998,301	5,788,532
Parks and recreation	1,337,604	812,238	-	-	1,337,604	812,238
Community development	2,832,615	952,431	-	-	2,832,615	952,431
Interest on long-term debt	146,953	231,620	-	-	146,953	231,620
Sewer	-	-	1,819,475	1,695,302	1,819,475	1,695,302
Total expenses	10,779,600	10,998,583	1,819,475	1,695,302	12,599,075	12,693,885
Change in net position	1,684,782	239,075	(37,511)	(41,660)	1,647,271	197,415
Net position, beginning	16,158,861	15,919,786	4,183,959	4,225,619	20,342,820	20,145,405
Net position, ending	$ 17,843,643	$ 16,158,861	$ 4,146,448	$ 4,183,959	$ 21,990,091	$ 20,342,820

The City's net position increased $1,647,271 during the 2022 fiscal year. Of the total, governmental activities net position increased $1,684,782 and business-type activities net position decreased by $37,511. Total 2022 governmental revenues increased $1,226,724 from 2021 primarily due to increases in property taxes (PILOTS), sales taxes, franchise taxes and insurance proceeds. Sales taxes increased $543,846 primarily from increased economic activity from the Creekside development. Total governmental activities expenses decreased $218,983. Contributing factors include a decrease in Public Works expenses of $2,790,231 mainly from less Route 9 expenses than in 2021. Community Development expenses increased $1,880,184 over 2021 primarily due to Creekside developer reimbursements and Creekside land acquisition payments to the City.

Total 2022 business-type activities charges for services revenues increased $106,549 from 2021. Total business-type expenses increased $124,173 from 2021 primarily resulting from increases in line maintenance and repairs.

Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As mentioned earlier in this analysis, at the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $5,605,347. Of this amount $4,388,225 is *non-spendable, restricted, committed or assigned* for various purposes and $1,217,122 is unassigned.

The General Fund is the main operating fund of the City. At the end of the current fiscal year the general fund balance was $2,696,171. As a measure of the general fund's liquidity, it is useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 23.1% of total general fund expenditures. Included in the general fund's committed fund balance is the City's emergency reserve fund which totaled $1,332,108 at December 31, 2022.

The City's fund balance of the general fund increased $621,760 during the current fiscal year. General Fund revenues increased by $269,919 from 2021 primarily related to increases in tax revenues of $333,987. 2022 General Fund expenditures were approximately $329,172 more than 2021 primarily due to parks and recreation.

At December 31, 2022, the Transportation Sales Tax Fund has an ending fund balance of $367,769. The fund balance increased $75,924 during the year mainly due to increases in taxes and intergovernmental revenues.

The Debt Service Fund has a total fund balance of $88,068, all of which is restricted for the payment of principal, interest, and fees.

The Capital Projects Fund has a total fund balance of $310,943, an increase of $67,532 from 2021.

Proprietary Fund

The City's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail. The net position of the sewer fund at the end of the year totaled $4,146,448 of which $788,729 is unrestricted. The sewer fund's net position decreased by $37,511 from the prior year.

General Fund Actual to Budget Analysis

Actual revenues exceeded budgeted revenues by $362,175 primarily related to taxes and intergovernmental revenues. Actual expenditures were $153,400 under the final budget. The City routinely outperforms budget due to careful management, conservative budgeting, and personnel savings due to routine vacancies throughout the year. Costs were managed well below budget.

Capital Asset and Debt Administration

Capital Assets

At the end of year, the City had $18,830,694 invested in capital assets including land, construction in progress, buildings, equipment, vehicles, infrastructure, and sewer lines net of accumulated depreciation. (See table below) This represents a net increase of $645,900 from last year as current year capital asset additions primarily related to contributed infrastructure assets exceeded depreciation expense.

City of Parkville, Missouri
Capital Assets (Net of Depreciation)

Additional information on the City's capital assets can be found in Note 7 in the Notes to the Basic Financial Statements.

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	$ 2,719,880	$ 2,719,880	$ 81,783	$ 59,975	$ 2,801,663	$ 2,779,855
Construction in progress	24,759	-	-	-	24,759	-
Buildings and improvements	2,990,769	3,046,241	1,143,447	1,163,735	4,134,216	4,209,976
Equipment and vehicles	298,737	382,095	23,930	4,926	322,667	387,021
Infrastructure	9,235,546	8,425,182	2,311,843	2,382,760	11,547,389	10,807,942
Total	$ 15,269,691	$ 14,573,398	$ 3,561,003	$ 3,611,396	$ 18,830,694	$ 18,184,794

Long-Term Obligations - At the end of the current fiscal year, the City had total long-term obligations outstanding of $10,579,776.

City of Parkville, Missouri
Outstanding Debt

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Limited General Obligation Bonds	$ 6,245,000	$ 6,725,000	$ -	$ -	$ 6,245,000	$ 6,725,000
Certificates of Participation	3,861,609	4,736,126	-	-	3,861,609	4,736,126
Compensated Absences	95,249	81,840	-	-	95,249	81,840
Revenue Bonds (plus premium)	-	-	377,918	550,837	377,918	550,837
Total	$ 10,201,858	$ 11,542,966	$ 377,918	$ 550,837	$ 10,579,776	$ 12,093,803

The governmental activities decreased by $1,341,108 and the business-type activities decreased $172,919.

Additional information on the City's long-term obligations can be found in Note 8 in the Notes to the Basic Financial Statements.

Economic Factors and Next Year's Budgets and Rates

The 2023 budget maintains essential services at current levels and directs additional resources toward the 2023 Priorities as established by the Board of Aldermen in August 2022: Operational Excellence, Sustainable Infrastructure and Public Facilities, Quality Development, Choice Parks and Recreation, Open Communications. The 2023 budget process started by reviewing balanced five-year financial forecasts early in the budget process. Along with these forecasts, the City consolidated all transportation and parks and recreation activities into their own sales tax supported funds. This move has assisted the Governing Body to create a succinct and planned out five-year capital improvements program (CIP) that balances with the financial forecasts. The first year of the CIP was then combined with the 2023 operational budget that matched expenditures to the strategic goals. The City has seen steady growth in its retail, residential, and commercial base that bodes well for future financial security. The multi-phased project known as "Creekside" at the southeast, southwest, and northwest quadrants of the intersection of Highway 45 and Interstate 435 has experienced significant growth and as a result, the City has seen an increase in sales taxes. Continued build-out of this and other developments have been made throughout 2022 and 2023.

Contacting the City's Financial Management

This report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City Clerk's office, Parkville, Missouri.

Exhibit A

CITY OF PARKVILLE, MISSOURI
Statement of Net Position
December 31, 2022

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash and investments	$ 4,252,528	$ 722,645	$ 4,975,173
Receivables:			
Taxes	732,291	-	732,291
Special assessments	2,139,705	-	2,139,705
Accounts and other	402,743	-	402,743
Leases	331,000	245,492	576,492
Notes receivables	5,075,000	-	5,075,000
Due from other governments	1,736,435	-	1,736,435
Prepaids, deposits, and other assets	146,941	-	146,941
Restricted assets:			
Cash and investments	910,030	188,119	1,098,149
Capital assets:			
Not being depreciated	2,744,639	81,783	2,826,422
Being depreciated	12,525,052	3,479,220	16,004,272
Total assets	30,996,364	4,717,259	35,713,623
Deferred Outflows of Resources			
Deferred amount on refunding	12,358	-	12,358
Deferred outflow - pension related activity	334,568	-	334,568
Total deferred outflows of resources	346,926	-	346,926
Liabilities			
Accounts payable	592,547	165,755	758,302
Accrued payroll and benefits	61,797	778	62,575
Accrued interest	48,316	12,875	61,191
Unearned revenue	859,114	-	859,114
Payable from restricted assets:			
Customer deposits	-	13,485	13,485
Long term debt:			
Due within one year	1,160,723	170,000	1,330,723
Due in more than one year	9,138,813	207,918	9,346,731
Net pension liability	434,144	-	434,144
Total liabilities	12,295,454	570,811	12,866,265
Deferred Inflows of Resources			
Deferred inflow - leases	324,798	-	324,798
Deferred inflow - property taxes	383,323	-	383,323
Deferred inflow - pension related activity	260,530	-	260,530
Deferred amount on refunding	235,542	-	235,542
Total deferred inflows of resources	1,204,193	-	1,204,193
Net Position			
Net investment in capital assets	11,259,898	3,183,085	14,442,983
Restricted :			
Capital projects	389,973	-	389,973
Debt service	88,068	174,634	262,702
Public safety	97,049	-	97,049
Parks and recreation	1,246,768	-	1,246,768
Community development	196,151	-	196,151
Fewson trust (non-expendable)	580,224	-	580,224
Unrestricted	3,985,512	788,729	4,774,241
Total net position	$ 17,843,643	$ 4,146,448	$ 21,990,091

See accompanying notes to the basic financial statements

Exhibit B

CITY OF PARKVILLE, MISSOURI
Statement of Activities
For the Year Ended December 31, 2022

		Program Revenues			Net (Expense) Revenue and Changes in Net Position — Primary Government		
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**	**Business-Type Activities**	**Total**
Primary government:							
Governmental activities							
General government	$ 1,762,311	$ 874,592	$ -	$ -	$ (887,719)	$ -	$ (887,719)
Public safety	1,701,816	48,362	22,410	-	(1,631,044)	-	(1,631,044)
Public works	2,998,301	41,035	272,611	2,800,464	115,809	-	115,809
Parks and recreation	1,337,604	39,570	53,103	455,306	(789,625)	-	(789,625)
Community development	2,832,615	-	-	373,420	(2,459,195)	-	(2,459,195)
Interest on long-term debt	146,953	-	-	-	(146,953)	-	(146,953)
Total governmental activities	10,779,600	1,003,559	348,124	3,629,190	(5,798,727)	-	(5,798,727)
Business-type activities							
Sewer	1,819,475	1,735,521	-	21,132	-	(62,822)	(62,822)
Total business-type activities	1,819,475	1,735,521	-	21,132	-	(62,822)	(62,822)
Total primary government	$ 12,599,075	$ 2,739,080	$ 348,124	$ 3,650,322	(5,798,727)	(62,822)	(5,861,549)

	Governmental Activities	Business-Type Activities	Total
General revenues:			
Taxes:			
Property taxes, levied for general purpose	1,804,110	-	1,804,110
Property taxes, levied for debt service	478,048	-	478,048
Sales taxes	3,586,772	-	3,586,772
Franchise taxes	894,393	-	894,393
Intergovernmental activity taxes	250,075	-	250,075
Other taxes	67,178	-	67,178
Unrestricted investment earnings	24,371	2,519	26,890
Gain on sale of assets	3,535	-	3,535
Insurance proceeds and other	375,027	22,792	397,819
Total general revenues	7,483,509	25,311	7,508,820
Change in net position	1,684,782	(37,511)	1,647,271
Net position, beginning of year	16,158,861	4,183,959	20,342,820
Net position, end of year	$ 17,843,643	$ 4,146,448	$ 21,990,091

See accompanying notes to the basic financial statements

Exhibit C

CITY OF PARKVILLE, MISSOURI
Balance Sheet - Governmental Funds
December 31, 2022

	General Fund	Transportation Sales Tax Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash and investments	$ 1,595,237	$ 263,737	$ -	$ -	$ 2,393,554	$ 4,252,528
Receivables:						
Taxes	409,384	132,986	-	-	189,921	732,291
Special assessments	-	-	2,139,705	-	-	2,139,705
Other receivables	-	-	-	-	402,743	402,743
Leases	331,000	-	-	-	-	331,000
Notes receivables	5,075,000	-	-	-	-	5,075,000
Due from other governments	114,885	20,583	-	1,600,967	-	1,736,435
Due from other funds	979,188	-	-	-	-	979,188
Prepaids, deposits and other assets	146,941	-	-	-	-	146,941
Restricted cash and investments	-	-	307,602	-	602,428	910,030
Total Assets	$ 8,651,635	$ 417,306	$ 2,447,307	$ 1,600,967	$ 3,588,646	$ 16,705,861
Liabilities						
Accounts payable	$ 299,408	$ 49,537	$ -	$ 177,479	$ 66,123	$ 592,547
Accrued payroll and benefits	61,797	-	-	-	-	61,797
Unearned revenue	-	-	-	-	859,114	859,114
Due to other funds	-	-	69,029	910,159	-	979,188
Total Liabilities	361,205	49,537	69,029	1,087,638	925,237	2,492,646
Deferred inflows of resources						
Unavailable revenues:						
Leases	324,798	-	-	-	-	324,798
Notes receivables	5,075,000	-	-	-	-	5,075,000
Grants	-	-	-	202,386	-	202,386
Special assessments, property taxes, and insurance recovery	194,461	-	2,290,210	-	521,013	3,005,684
	5,594,259	-	2,290,210	202,386	521,013	8,607,868
Fund balances:						
Nonspendable:						
Prepaid items	146,941	-	-	-	-	146,941
Fewson trust	-	-	-	-	580,224	580,224
Restricted:						
Capital projects	-	367,769	-	-	22,204	389,973
Debt service	-	-	88,068	-	-	88,068
Public safety	-	-	-	-	97,049	97,049
Parks and recreation	-	-	-	-	1,246,768	1,246,768
Community development	-	-	-	-	196,151	196,151
Committed:						
Emergency reserve	1,332,108	-	-	-	-	1,332,108
Assigned:						
Capital projects	-	-	-	310,943	-	310,943
Unassigned	1,217,122	-	-	-	-	1,217,122
Total fund balance	2,696,171	367,769	88,068	310,943	2,142,396	5,605,347
Total liabilities, deferred inflows of resources and fund balances	$ 8,651,635	$ 417,306	$ 2,447,307	$ 1,600,967	$ 3,588,646	$ 16,705,861

See accompanying notes to the basic financial statements

CITY OF PARKVILLE, MISSOURI
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position
December 31, 2022

Fund balances of governmental funds	$ 5,605,347
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Long-term note receivable, special assessments, and insurance receivables are not available to pay for current period expenditures and are therefore deferred in the fund statements	7,697,361
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental fund statements.	15,269,691
Deferred amounts on refunding are not due or payable in the current period and therefore are not reported in the governmental fund statements.	(223,184)
Deferred outflows and inflows related to pension activity are not required to be reported in the governmental funds but are required to be reported in the Statement of Net Position	74,038
Liabilities for interest on long-term debt are recognized only when due in the governmental fund statements but are accrued in the government-wide statements.	(48,316)
The net pension liability is not due and payable and therefore is not recorded in the governmental fund statements.	(434,144)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:	
Long-term liabilities	(10,299,536)
Net position of governmental activities	$ 17,843,643

See accompanying notes to the basic financial statements

CITY OF PARKVILLE, MISSOURI
Statement of Revenues, Expenditures and
Changes in Fund Balances - Governmental Funds
For the Year Ended December 31, 2022

	General Fund	Transportation Sales Tax Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:						
Taxes	$ 3,720,882	$ 629,500	$ 478,048	$ -	$ 1,983,137	$ 6,811,567
Intergovernmental	224,416	585,298	215,816	1,398,582	595,138	3,019,250
Charges for services	37,417	-	-	-	784	38,201
Fines and forfeitures	47,578	-	-	-	-	47,578
Licenses and permits	546,783	-	-	-	-	546,783
Special assessments	-	-	284,903	-	373,421	658,324
Grants and donations	-	-	-	-	60,904	60,904
Charges for sewer administration	350,000	-	-	-	-	350,000
Interest	22,751	-	340	-	1,280	24,371
Other	107,423	9,779	-	-	14,570	131,772
Total Revenues	5,057,250	1,224,577	979,107	1,398,582	3,029,234	11,688,750
Expenditures:						
Current:						
General government	1,680,776	-	-	-	-	1,680,776
Public safety	1,738,165	-	-	-	26,488	1,764,653
Public works	556,423	-	-	-	-	556,423
Parks and recreation	893,570	-	-	-	522,302	1,415,872
Community development	389,625	-	-	-	2,469,553	2,859,178
Capital outlay	-	710,678	-	1,656,050	-	2,366,728
Debt service:				-		
Principal	-	-	1,250,103		-	1,250,103
Interest and fiscal charges	-	-	192,815	-	-	192,815
Total Expenditures	5,258,559	710,678	1,442,918	1,656,050	3,018,343	12,086,548
Excess of Revenues Over (Under) Expenditures	(201,309)	513,899	(463,811)	(257,468)	10,891	(397,798)
Other financing sources (uses):						
Transfers in	318,693	9,787	515,625	325,000	164,430	1,333,535
Transfers out	(292,863)	(447,762)	(1,257)	-	(591,653)	(1,333,535)
Sale of land and capital assets	528,535	-	-	-	-	528,535
Insurance proceeds	268,704	-	-	-	52,563	321,267
Total Other Financing Sources (Uses)	823,069	(437,975)	514,368	325,000	(374,660)	849,802
Net change in fund balances	621,760	75,924	50,557	67,532	(363,769)	452,004
Fund balances, beginning of year	2,074,411	291,845	37,511	243,411	2,506,165	5,153,343
Fund balances, end of year	$ 2,696,171	$ 367,769	$ 88,068	$ 310,943	$ 2,142,396	$ 5,605,347

See accompanying notes to the basic financial statements

CITY OF PARKVILLE, MISSOURI
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2022

Amounts reported for governmental activities in the Statement of Activities are different because:

Net change in fund balances - total governmental funds	$	452,004
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay costs in excess of capitalization threshold		353,642
Depreciation		(567,323)
Donated capital assets		909,974
Revenues in the statement of activities that do not provide current financial resources are reported as deferred inflows in the governmental funds.		
Changes in special assessments, notes receivable, and grants		(459,144)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position.		
Principal payments on long-term debt		1,250,103
Changes in unamortized bond issuance premium and deferred amounts on refunding		24,862
Changes in accrued interest expense		21,000
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Changes in compensated absences and net pension liability		224,664
Change in net position of governmental activities	$	1,684,782

See accompanying notes to the basic financial statements

Exhibit E

CITY OF PARKVILLE, MISSOURI
Statement of Net Position
Proprietary Fund
December 31, 2022

	Sewer Fund
Assets	
Current assets:	
Cash and investments	$ 722,645
Receivables, net:	
Accounts and other	245,492
Restricted cash and investments	188,119
Total current assets	1,156,256
Noncurrent assets:	
Capital assets:	
Not being depreciated	81,783
Being depreciated, net of depreciation	3,479,220
Total noncurrent assets	3,561,003
Total assets	4,717,259
Liabilities	
Current liabilities:	
Accounts payable	165,755
Accrued liabilities	778
Current liabilities (payable from restricted assets):	
Customer deposits	13,485
Interest payable	12,875
Current portion of bonds payable	170,000
Total current liabilities:	362,893
Long-term liabilities:	
Bonds payable	207,918
Total long-term liabilities:	207,918
Total liabilities	570,811
Net position	
Net investment in capital assets	3,183,085
Restricted net position for:	
Debt service	174,634
Unrestricted	788,729
Total net position	$ 4,146,448

See accompanying notes to the basic financial statements

Exhibit F

CITY OF PARKVILLE, MISSOURI
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Fund
For the Year Ended December 31, 2022

	Sewer Fund
Operating revenues:	
Charges for services	$ 1,735,521
Other	22,792
Total operating revenues	1,758,313
Operating expenses:	
Personnel services	48,656
Contractual services	361,844
Administrative fee	350,000
Depreciation	261,044
Repairs and maintenance	711,545
Other	62,457
Total operating expenses	1,795,546
Operating income (loss)	(37,233)
Nonoperating revenues (expenses):	
Intergovernmental revenues	21,132
Interest income	2,519
Interest expense	(23,929)
Total nonoperating revenues (expenses)	(278)
Change in net position	(37,511)
Total net position, beginning of year	4,183,959
Total net position, end of year	$ 4,146,448

See accompanying notes to the basic financial statements

Exhibit G

CITY OF PARKVILLE, MISSOURI
Statement of Cash Flows
Proprietary Fund
For the Year Ended December 31, 2022

	Sewer Fund
Cash flows from operating activities:	
Receipts from customers and others	$ 1,716,468
Payments to suppliers	(1,395,937)
Payments to employees	(49,882)
Net cash provided by (used in) operating activities	270,649
Cash flows provided by noncapital financing activities:	
Intergovernmental revenues	21,132
Net cash flows provided by noncapital financing activities	21,132
Cash flows from investing activities:	
Interest received	2,519
Net cash flows provided by investing activities	2,519
Cash flows from capital and related financing activities:	
Interest and fiscal charges	(31,848)
Principal payments on long-term debt	(165,000)
Net cash flows (used in) capital and related financing activities	(407,499)
Net change in cash and equivalents	(113,199)
Cash and equivalents, beginning of year	1,023,963
Cash and equivalents, end of year	$ 910,764
Cash and investments reported on the Statement of Net Position	
Cash and investments	$ 722,645
Restricted cash and investments	188,119
Total cash and investments	$ 910,764
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:	
Operating income (loss)	$ (37,233)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operations:	
Depreciation and amortization	261,044
Changes in:	
Receivables	(41,845)
Accounts payable	89,909
Accrued liabilities	(1,226)
Net cash provided by (used in) operating activities	$ 270,649

See accompanying notes to the basic financial statements

Exhibit H

CITY OF PARKVILLE, MISSOURI
Statement of Fiduciary Net Position
Fiduciary Fund
December 31, 2022

	Custodial Fund
	Municipal Court
Assets	
Cash and investments	$ 2,344
Total assets	2,344
Liabilities	
Due to others	2,344
Total liabilities	2,344
Net Position	$ -

See accompanying notes to the basic financial statements

Exhibit I

CITY OF PARKVILLE, MISSOURI
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Year Ended December 31, 2022

	Custodial Fund Municipal Court
Additions	
Deposits	$ 61,920
Total Additions	61,920
Deductions	
Payments to others	61,920
Total deductions	61,920
Net changes in fiduciary net position	-
Net position - beginning	-
Net position - ending	$ -

See accompanying notes to the basic financial statements

(1) Summary of Significant Accounting Policies

The City of Parkville, Missouri (the City) was incorporated on February 6, 1957. The City is a fourth class city and operates under a Mayor-Board of Aldermen form of government. The City Administrator is the chief administrative officer of the City. The City provides services to approximately 8,500 residents in many areas, including law enforcement, sewer services, community enrichment and development, and various social services.

The accounting and reporting policies of the City conform to generally accepted accounting principles (GAAP) in the United States of America applicable to local governments. The following represent the more significant accounting and reporting policies and practices of the City.

A. Financial Reporting Entity

In evaluating how to define the government for financial reporting purposes, management has considered all potential component units. Component units are separate legal entities which are included in the primary government's financial report. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic, but not only, criterion for including a potential component unit within the reporting entity is the City's financial accountability for the potential component unit. An entity is considered a component unit if City officials appoint a voting majority of the component unit's governing body and the City is able to impose its will upon the component unit. Additionally, if the entity provides specific financial benefits to or imposes specific financial burdens on the City, it may be considered a component unit.

This report includes the financial statements of the City (the primary government) and its blended component unit, the City of Parkville, Missouri Tax Increment Financing (TIF) Commission (the Commission). The Commission is governed by a board of which six members are appointed by the Mayor with the consent of the Board of Alderman, two members appointed by the school board whose district is in the boundary of the redevelopment area, and one member appointed by the affected taxing district. Although it is legally separate from the City, the Commission is reported as if it were part of the primary government because its sole function is to use TIF as a method to finance economic development through payments in lieu of taxes (PILOTS) and economic activity taxes (EATS). The Commission does not issue separate financial statements.

B. Basis of Presentation

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds).

Government-wide financial statements

The statement of net position and the statement of activities display information about the City, the primary government, as a whole. These statements distinguish between the *governmental* and *business-type activities* of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. Expenses are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipients of the goods or services offered by the programs and 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 are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program is self-financing or draws from the general revenues of the City.

Fund financial statements

Fund financial statements report detailed information about the City. The focus of governmental and proprietary fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

GOVERNMENTAL FUNDS

Governmental Funds are those through which most governmental functions of the City are financed. The acquisition, use, and balances of the City's expendable financial resources and the related liabilities (other than those in Proprietary Funds) are accounted for through Governmental Funds. The measurement focus is upon determination of financial position and changes in financial position, rather than upon net income determination.

The following are the City's major governmental funds:

General Fund – the general fund of the City accounts for all financial transactions not accounted for in other funds. For financial reporting purposes, the City's Emergency Reserve Fund's activities are included in the General Fund.

Transportation Sales Tax Fund – This fund is used to account for revenues restricted for transportation purposes including the half-percent transportation sales taxes collected and a county tax distribution for capital improvements and the expenditures for the related items.

Debt Service Funds **–** This fund accounts for the accumulation of resources for, and the payment of, principal and interest on long-term obligations of the City.

Capital Projects Fund – This fund is used to account for major capital improvement projects.

The City reports the following fund types of nonmajor funds:

Special Revenue Funds - These funds account for specific revenue sources that are restricted for specified purposes.

Permanent Fund – This fund reports resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support City programs.

PROPRIETARY FUND

Proprietary Funds are used to account for the City's ongoing activities which are similar to those found in the private sector. The measurement focus is upon determination of net income, financial position, and changes in financial position.

The following is the City's major proprietary fund:

The Sewer Service Fund – This fund accounts for the provision of wastewater and sewer services to the general public. All activities necessary to provide such services are accounted for in this fund, including administration, operations, maintenance, financing and related debt service, and billing and collection.

FIDUCIARY FUND

The City maintains one custodial fiduciary fund, the Municipal Court, which accounts for court bonds paid by defendants. Since by definition these assets are being held for the benefit of a third party and cannot be used to support activities or obligations of the City, these funds are not incorporated into the government-wide statements.

C. Basis of Accounting

Government-wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned or when all eligibility requirements have been satisfied and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, sales tax, and donations. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. This is a similar approach to that used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Therefore, the governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Governmental Fund Financial Statements

All governmental funds are accounted for using the modified accrual basis of accounting and the current financial resources measurement focus. Under this basis, revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

Revenue Recognition

In applying the susceptible to accrual concept under the modified accrual basis, certain revenue sources are deemed both measurable and available (collectible within the current year or within 60 days after year-end to pay obligations of the current period). This includes property taxes, investment earnings and state-levied locally shared taxes (including motor vehicle fees). The City records property tax receivables at the time the lien attaches to the property. Reimbursements due for federally funded projects are accrued as revenue at the time the expenditures are made, or when received in advance, deferred until expenditures are made.

Other revenues, including licenses and permits, certain charges for services, and miscellaneous revenues, are recorded as revenue when received in cash because they are generally not measurable until actually received.

Expenditure Recognition

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred. However, principal and interest on general long-term debt, which have not matured are recognized when due. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

Proprietary Fund Financial Statements

The economic resources measurement focus and the accrual basis of accounting are utilized by the proprietary funds. Under this basis of accounting, revenues are recognized when earned and expenses are recorded when liabilities are incurred. All assets and liabilities (whether current or noncurrent) associated with a proprietary fund's activities are included on its statement of net position and statement of activities. Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. All other revenues and expenses are considered nonoperating.

D. *New Accounting Standard*

The City implemented Government Accounting Standards Board (GASB) Statement No. 87, Leases, effective for the year ended December 31, 2022. The statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The Statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use and underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about the City's leasing activities.

E. *Cash and Investments*

Missouri State Statutes authorize the City, with certain restrictions, to deposit funds in open accounts, time deposits, investment pools and certificates of deposit. Statutes also require that collateral pledged must have a fair value equal to 100% of the funds on deposit, less insured amounts. Collateral securities must be held by the City or an independent third party and must be of the kind prescribed by State Statutes and approved by the State.

The City maintains and controls a cash pool in which a majority of the City's funds share. Each fund's portion of the pool is displayed on their respective balance sheet or statement of net position as "cash and investments". The City's cash and investments are primarily considered to be cash on hand, amounts in demand deposits, certificates of deposits and US treasuries and agency securities. Interest earned on demand deposits is allocated to the various funds on the basis of average month-end balances.

For purposes of the statement of cash flows, short-term investments, and certificates of deposit with a maturity date within three months of the date acquired by the City, if any, are considered cash equivalents.

F. *Accounts Receivable*

Accounts receivable result primarily from miscellaneous services provided to citizens accounted for in the Governmental Funds and Sewer Fund net of an allowance for doubtful accounts.

G. **Special Assessments Receivable**

Special assessments receivable reflects the property taxes collectible by the City for the purpose of repaying certain Special Assessment debt held by the City. The amount collectible by the City is reduced each year as the taxes are levied against the property and, subsequently, collected by the City.

H. *Prepaid Items*

Certain payments reflect costs applicable to future accounting periods and are recorded as prepaid items.

I. *Capital Assets*

Capital assets, which include property, equipment, and infrastructure assets (i.e., roads, streets lights, storm sewers, etc.) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are charged to expenditures as purchased in the governmental fund statements and capitalized in the proprietary fund statements. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at estimated fair value as of the date of the donation.

As the City is a Phase III government under Governmental Accounting Standards Board (GASB) Statement No. 34, it has elected to exercise its option to forego retroactively reporting governmental infrastructure assets acquired prior to December 31, 2003. Governmental infrastructure assets on the statement of net position include only infrastructure capital assets acquired subsequent to December 31, 2003.

Capital assets are defined by the City as assets with an initial, individual cost of $2,500 or more and an estimated useful life of greater than one year. Additions or improvements and other capital outlays that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized. Other costs incurred for repairs and maintenance is expensed as incurred. Fully depreciated capital assets are included in their respective accounts until their disposal.

Depreciation on exhaustible assets is recorded as an allocated expense in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Position and is provided on the straight-line basis over the following estimated useful lives:

Infrastructure	20 – 40 years
Buildings and improvements	20 – 40 years
Equipment and vehicles	5 – 10 years
Sewer plant and collection systems	20 – 50 years

J. ***Compensated Absences***

Under terms of the City's personnel policy, City employees are granted vacation in varying amounts. Vacation days are required to be taken within the current or following calendar year in which earned. In the event of retirement or termination, an employee is paid for unused vacation days.

Vested or accumulation vacation is accounted for as follows:

<u>Governmental Funds</u> - The accumulated liabilities for employee vacation is recorded in the governmental activities column of the government-wide financial statements.

K. ***Deferred Outflows/inflows of Resources***

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category. The first item is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter life of the refunding or refunded debt. The second item results from actuarial assumption changes, the change in actual and projected experience, and pension contributions made by the City subsequent to the pension valuation date. The contribution amount will be applied during the next fiscal year while the changes in actual versus projected amounts and change in assumptions will be amortized over five to seven years.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has several types of items, which arises under the accrual and modified accrual basis of accounting, which qualify for reporting in this category. The first one relates to changes in assumptions, the change in actual and projected experience in calculating the pension liability, and the difference between actual and projected earnings in calculating the net pension liability. The second item, unavailable revenue, is reported in both the statement of net position and in the governmental funds balance sheet. The governmental funds report unavailable revenues related to taxes, notes receivable, special assessments, insurance proceeds, and grants. The third item related to leases receivable which will recognize inflow of resources in future periods over the term of the leases are reported in the government-wide and governmental fund statements. The final item is the deferred credit on refunding reported in the government-wide statement of net position. A deferred credit on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunding or refunded debt. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Missouri Local Government Employees Retirement System (LAGERS) and additions to/deductions from LAGERS fiduciary net position have been determined on the same basis as they are reported by LAGERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

L. ***Interfund Activity***

Loans – amounts provided with a requirement for repayment. Interfund loans are reported as interfund receivables (i.e., due from other funds) in lender funds and interfund payables (i.e. due to other funds) in borrower funds.

Services provided and used – sales and purchases of goods and services between funds for a price approximating their fair value. Interfund services provided and used are reported as revenues in funds providing the good or service and expenditures or expenses in the fund purchasing the good or service. Unpaid amounts are reported as interfund receivables and payables in the fund balance sheets or statement of net position.

The General fund provides administrative and other support services for the Sewer fund. Amounts charged to the Sewer fund for such services were $350,000 for the year ended December 31, 2022.

Reimbursements – repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them. Reimbursements are reported as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.

Transfers – flows of assets (such as cash or goods) without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers.

M. ***Fund Balances***

In the fund financial statements, governmental funds report the following fund balance classifications:

Non-Spendable – This consists of amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact.

Restricted – This consists of amounts where constraints are placed on the use of those resources which are either externally imposed by creditors, grantors, contributors, laws, or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Committed – This consists of amounts which can only be used for specific purposes determined by a formal action of passing an ordinance or resolution by the Board of Aldermen, the City's highest level of decision-making authority. Any changes or removal of specific purpose requires the same action by the Board of Aldermen.

Assigned – This consists of amounts which are constrained by City management's intent to be used for a specific purpose but do not meet the criteria to be classified as committed. In accordance with the approved City policy only the Board of Alderman has the authority to assign amounts for a specific purpose in this category.

Unassigned – This consists of the residual fund balance that does not meet the requirements for the non-spendable, restricted, committed, or assigned classifications. A positive unassigned fund balance is only possible in the general fund.

The City has a fund balance policy that provides guidance for programs with multiple revenue sources. The policy is to use restricted resources first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. For purposes of fund balance classification expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance and lastly unassigned fund balance.

Per policy, the general fund balance should be no less than 5% of general fund appropriations for the succeeding fiscal year in order to provide adequate cash flow and emergency cash funding. The City will endeavor to maintain a general fund balance of 15% of general fund appropriations for the succeeding fiscal year. Amounts over 15% may be transferred into the emergency reserve fund.

N. ***Net Position Classifications***

In the government-wide statements, equity is shown as net position and classified into three components:

(1) Net investment in capital assets – consisting of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgage notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

(2) Restricted net position – consisting of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The City first utilizes restricted resources to finance qualifying activities.

(3) Unrestricted net position – All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City’s policy to consider restricted net position to have been depleted before unrestricted net position is applied.

O. ***Use of Estimates***

The preparation of the basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(2) Cash and Investments

A reconciliation of cash and investments as shown on the government-wide statement of net position and statement of fiduciary net position is as follows:

Cash on hand	$	581
Demand deposits		5,496,001
Certificates of deposits		354,412
US treasuries and agency securities		50,038
Restricted cash equivalents held in trust		174,634
	$	6,075,666

	Government-wide statement of net position		Fiduciary fund statement of net position		Total	
Cash and investments	$	4,975,173	$	2,344	$	4,977,517
Restricted cash and investments		1,098,149		-		1,098,149
	$	6,073,322	$	2,344	$	6,075,666

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of failure of a depository financial institution, the City will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is that, in the event of the failure of a counterparty to a transaction, the City will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The City's policy is to collateralize deposits with securities held by the financial institution's agent and in the City's name.

As of December 31, 2022, the City's deposits were insured with Federal depository insurance, with the remaining uninsured balance collateralized by securities held in the City's name by their financial institution's agent. Accordingly, management has determined that none of the City's deposits were exposed to custodial credit risk as of December 31, 2022.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City structures the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and by investing operating funds primarily in shorter-term securities. The City has elected to use the segmented time distribution method of disclosure for its interest rate risk.

Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by general 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 in active markets for identical assets; Level 2 inputs are significant other observable inputs such as third party pricing services for identical assets; Level 3 inputs are significant unobservable inputs.

The City has the following recurring fair value measurements as of December 31, 2022.

	Level 1
Investment	
Federal Home Loan Bank	$ 50,038

All of the City's investments are classified as Level 1 of the fair value hierarchy using prices quoted in active markets for those securities.

(3) Tax Revenues and Taxes Receivable

The City's property taxes are levied and recorded each November 1 on the assessed value as of the prior January 1 for all property located in the City and are delinquent on January 1 (the lien date) following the levy date. Assessed values are established by county assessors, subject to review by the County's Board of Equalization. The assessed value of local property at January 1, 2021, was $315,362,274.

The City is permitted by the Missouri State Constitution to levy (without a vote of two-thirds of the voting electorate) taxes up to $1.00 per $100 of assessed valuation for general governmental services other than the payment of principal and interest on long-term debt. The City's property tax levies per $100 of assessed valuation for the year in which the revenues were earned were as follows:

Fund	Levy
General Fund	$ 0.4400
General Revenue-Temporary	0.1664
	$ 0.6064

Tax revenues for the year ended December 31, 2022 consisted of the following:

	Property Taxes	Sales Taxes	Franchise Taxes	Other Taxes	Total
Major governmental funds:					
General	$ 1,475,442	$ 1,351,047	$ 894,393	$ -	$ 3,720,882
Transportation Sales Tax	-	629,500	-	-	629,500
Debt Service	478,048	-	-	-	478,048
Nonmajor funds	328,667	1,597,732	-	56,738	1,983,137
	$ 2,282,157	$ 3,578,279	$ 894,393	$ 56,738	$ 6,811,567

Taxes receivable represent property, sales, and franchise taxes, including interest and penalties, reduced by an appropriate allowance for uncollectable taxes. Taxes receivable consisted of the following at December 31, 2022:

	Sales Taxes	Franchise Taxes	Total
Major governmental funds:			
General	$ 277,561	$ 131,823	$ 409,384
Transportation Sales Tax	132,986	-	132,986
Nonmajor funds	189,921	-	189,921
Total sales taxes receivable	$ 600,468	$ 131,823	$ 732,291

(4) Intergovernmental Revenues/Receivables

Intergovernmental revenues for the year ended December 31,2022 consisted of the following:

	General	Transportation Sales Tax	Debt Service	Capital Projects	Nonmajor Funds	Total
Grants - Federal, State and Local	$ 138,043	$ -	$ -	$ 1,398,582	$ 326,130	$1,862,755
State:						
Motor vehicle taxes and fees	86,373	186,238	-	-	-	272,611
Local:						
Special road district	-	175,903	-	-	-	175,903
County transportation	-	223,157	-	-	-	223,157
Economic activity taxes	-	-	-	-	269,008	269,008
9 Hwy CID	-	-	215,816	-	-	215,816
Total intergovernmental revenues	$ 224,416	$ 585,298	$ 215,816	$ 1,398,582	$ 595,138	$3,019,250

Amounts due from other governments at December 31, 2022, were as follows:

	General	Transportation Sales Tax	Capital Projects	Total
Grants - Federal, State and Local	$ 105,293	$ -	$ 1,600,967	$ 1,706,260
Motor vehicle taxes and fees	9,592	20,583	-	30,175
Total due from other governments	$ 114,885	$ 20,583	$ 1,600,967	$ 1,736,435

(5) Interfund Activity

Transfers between funds for the year ended December 31, 2022 were as follows:

	Transfers Out:				
	General	Transportation Sales Tax	Debt Service	Nonmajor Governmental Funds	Total
Transfers In:					
Governmental activities:					
General	$ -	$ 225,000	$ -	$ 93,693	$ 318,693
Transportation Sales Tax	-	-	-	9,787	9,787
Debt Service	292,863	222,762	-	-	515,625
Captial Projects	-	-	-	325,000	325,000
Nonmajor Governmental Funds	-	-	1,257	163,173	164,430
Total	$ 292,863	$ 447,762	$ 1,257	$ 591,653	$ 1,333,535

Transfers are used to (1) 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 (2) to use unrestricted revenues collected in a fund used to finance various programs and debt service payments accounted for in other funds in accordance with budgetary authorizations. Any transfers within the governmental funds or within the proprietary funds have been eliminated in the government-wide statement of activities.

Interfund receivable and payable balances as of December 31, 2022 were as follows:

	Due to: General Fund
Due from:	
Debt Service Fund	$ 69,029
Capital Projects Fund	910,159
	$ 979,188

Amounts due to the General Fund represent advances for short-term cash flow needs.

(6) Leases Receivable

During the year ended December 31, 2022, the City implemented Government Accounting Standards Board No. 87, Leases (GASB 87). Under GASB 87, a lessor is required to recognize a lease receivable and a deferred inflow of resources at the commencement of the lease term. The lease receivable is measured at the present value of the lease payments expected to be received during the lease term. The deferred inflows of resources are measured at the value of the lease receivable plus any payments received at or before the commencement of the lease term that related to future periods.

On November 2017, the City entered into a 230 month lease for the right to place communication equipment on a tower. The lessee is required to make monthly payments of totaling approximately $30,000 annually with an annual increase of 3.5 percent scheduled each November 1. The lease contains an option to extend the original lease for five (5) additional years through November 1, 2037. The lease receivable is measured as the present value of the future rent payments expected to be received during the lease term at a discount rate of 4.25%, which is the increment borrowing rate at the inception of the lease. As of December 31, 2022, the value of the lease receivable is $331,000. As of December 31, 2022, the value of the deferred inflow of resources was $324,798, and the City recognized lease revenue of $21,774 during the fiscal year.

A summary of the lease receivable activity for the year ended December 31, 2022 is as follows:

Lease Description	Balance, beginning of year	Additions	Retirements	Balance, end of year
Land leases	$ 346,572	$ -	$ 15,572	$ 331,000

The future minimum lease revenue due under the lease arrangement for the years ending December 31 are as follows:

	Lease Receivable		
	Principal	**Interest**	**Total**
2023	$ 16,247	$ 13,753	$ 30,000
2024	16,951	13,049	30,000
2025	17,685	12,315	30,000
2026	18,452	11,548	30,000
2027	19,251	10,749	30,000
2028-2032	109,518	40,482	150,000
2033-2037	132,896	14,602	147,498
	$ 331,000	$ 116,498	$ 447,498

(7) Capital Assets

A summary of the changes in capital assets for the year ended December 31, 2022 is as follows:

	December 31, 2021	Additions	Deletions	December 31, 2022
Governmental activities:				
Capital assets, not being depreciated				
Land	$ 2,719,880	$ -	$ -	$ 2,719,880
Construction in progress	-	24,759	-	24,759
Total capital assets, not being depreciated	2,719,880	24,759	-	2,744,639
Capital assets, being depreciated				
Buildings and improvements	4,972,807	88,133	-	5,060,940
Equipment and vehicles	2,654,252	33,867	-	2,688,119
Infrastructure	10,982,890	1,116,857	-	12,099,747
Total capital assets being depreciated	18,609,949	1,238,857	-	19,848,806
Less accumulated depreciation for:				
Buildings and improvements	1,926,566	143,605	-	2,070,171
Equipment and vehicles	2,272,157	117,225	-	2,389,382
Infrastructure	2,557,708	306,493	-	2,864,201
Total accumulated depreciation	6,756,431	567,323	-	7,323,754
Total capital assets being depreciated, net	11,853,518			12,525,052
Governmental activities capital assets, net	$ 14,573,398			$ 15,269,691

	December 31, 2021	Additions	Deletions	December 31, 2022
Business-type activities:				
Capital assets, not being depreciated				
Land	$ 59,975	$ 21,808	$ -	$ 81,783
Total capital assets, not being depreciated	59,975	21,808	-	81,783
Capital assets, being depreciated				
Buildings and improvements	5,503,734	165,982	-	5,669,716
Equipment and vehicles	320,659	22,861	-	343,520
Infrastructure	3,709,528	-	-	3,709,528
Total capital assets being depreciated	9,533,921	188,843	-	9,722,764
Less accumulated depreciation for:				
Buildings and improvements	4,339,999	186,270	-	4,526,269
Equipment and vehicles	315,733	3,857	-	319,590
Infrastructure	1,326,768	70,917	-	1,397,685
Total accumulated depreciation	5,982,500	261,044	-	6,243,544
Total capital assets being depreciated, net	3,551,421			3,479,220
Business-type activities capital assets, net	$ 3,611,396			$ 3,561,003

Depreciation expense was charged to functions and programs of the primary government as follows:

Governmental activities:		
General government	$	119,082
Public safety		31,141
Public works		360,069
Parks and recreation		56,430
Community development		601
Total depreciation expense for governmental activities	$	567,323
Business-type activities:		
Sewer	$	261,044
Total depreciation expense for business-type activities	$	261,044

(8) Long Term Debt

A summary of the changes in long term debt for the year ended December 31, 2022 is as follows:

Governmental Activities:	Beginning of Year	Adjustments/ Additions	Adjustments/ Retirements	End of Year	Due Within One Year
Limited general obligation bonds:					
Series 2020A - Brush Creek	$ 3,995,000	$ -	$ 285,000	$ 3,710,000	$ 290,000
Series 2020B - Brink Meyer	2,730,000	-	195,000	2,535,000	195,000
	6,725,000	-	480,000	6,245,000	485,000
Certificates of participation - 2015	1,646,712	-	395,103	1,251,609	420,474
Certificates of participation - 2021A	2,985,000	-	375,000	2,610,000	160,000
Premium on issuance	104,414	-	6,736	97,678	-
* Compensated absences	81,840	13,409	-	95,249	95,249
Total Governmental Activities	11,542,966	13,409	1,256,839	10,299,536	1,160,723
Business-type Activities:					
Revenue bonds	535,000	-	165,000	370,000	170,000
Premium on issuance	15,837	-	7,919	7,918	-
Total Business-type Activities	550,837	-	172,919	377,918	170,000
Total Primary Government	$ 12,093,803	$ 13,409	$ 1,429,758	$ 10,677,454	$ 1,330,723

* Primarily liquidated by the General fund in prior years.

A. Limited General Obligation Bonds

The City has issued special limited general obligation bonds to provide funds for the acquisition and construction of certain neighborhood improvement projects. Financing is provided by special assessments levied within the respective Districts. Special general obligation bonds are direct obligations and pledge the full faith and credit of the City. The City's limited general obligation bonds as of December 31, 2022 are as follows:

Series 2020A - Taxable Neighborhood Improvement District - Limited General Obligation Refunding Bonds (Brush Creek Drainage Area Neighborhood Improvement Project); due in annual installments through March 1, 2034; interest at 0.7% to 2.0%	$ 3,710,000
Series 2020B - Taxable Neighborhood Improvement District - Limited General Obligation Refunding Bonds (Brink Meyer Road Neighborhood Improvement Project); due in annual installments through March 1, 2034; interest at 0.7% to 2.0%	2,535,000
Total limited general obligation bonds	$ 6,245,000

Crossover Refunding

In June 2020, the City issued $3,995,000 Series 2020A, Taxable Neighborhood Improvement District Limited General Obligation Refunding Bonds (Brush Creek Drainage Area Neighborhood Improvement Project) Bonds (2020A bonds). The 2020A Bonds have been structured as a crossover advance refunding. Net proceeds of the bonds along with available Series 2014A bond trust funds totaling $4,300,413 were deposited in trust with an escrow agent to 1) pay the interest on the Series 2020A Bonds to and including March 1, 2021, call date of the Series 2014A Bonds and 2) redeem the Series 2014A refunded maturities on March 1, 2021, the call date, at a price of par plus accrued interest. The City issued the 2020A bonds to reduce its net debt service payments by approximately $685,259 which resulted in a net economic gain of $611,747.

In June 2020, the City issued $2,730,000 Series 2020B, Taxable Neighborhood Improvement District Limited General Obligation Refunding Bonds (Brink Meyer Road Neighborhood Improvement Project) Bonds (2020B bonds). The 2020B Bonds have been structured as a crossover advance refunding. Net proceeds of the bonds along with available Series 2014B bond trust funds totaling $2,949,228 were deposited in trust with an escrow agent to 1) pay the interest on the Series 2020B Bonds to and including March 1, 2021, call date of the Series 2014B Bonds and 2) redeem the Series 2014B refunded maturities on March 1, 202, the call date, at a price of par plus accrued interest. The City issued the 2020B bonds to reduce its net debt service payments by approximately $681,070 which resulted in a net economic gain of $605,627.

Brush Creek and Brink Meyer Special Assessments

In 2015, the City began the required special assessment levy on the property owners within the Brush Creek Drainage Area Neighborhood Improvement (Brush Creek NID) and the Brink Meyer Road Neighborhood Improvement District (Brink Meyer NID).

The City has taken legal actions against certain properties located within the Brush Creek and Brink Meyer NIDs related to delinquent special assessments on those properties. These properties are no longer subject to Brush Creek NID and/or the Brink Meyer Road NID special assessments.

The Brush Creek and Brink Meyer NID’s originally scheduled annual special assessments necessary to meet the Series 2020A and 2020B (as noted above, the Series 2020A&B were issued to refund the 2014A&B bonds) debt service requirements was approximately $670,000. Currently, the anticipated annual collections of special assessments are scheduled to be approximately $255,000. During the year ended December 31, 2022, the City transferred $292,863 from the General Fund to the Debt Service Fund to cover the shortfall of special assessments necessary to meet the 2020A and 2020B debt service requirements.

Tract IX Purchase Agreement – Meadows at Creekside

On March 5, 2019, the City entered into a Real Estate Purchase Agreement (Agreement) to sell approximately 70 acres of land held for development to a developer for a total purchase price of $4,800,000. The agreement provides for the acquisition of the property in two phases. The initial portion (Phase I) of the property to be acquired is approximately 35 acres. The second portion (Phase II) of the property to be acquired is approximately 35 acres.

The purchase price for Phase I is $2,400,000 and is payable with $400,000 due at the Phase I closing and the execution of a Promissory Note of $2,000,000 delivered by the Meadows at Creekside Community Improvement District (the CID) (Phase I closing was completed in 2019). The Promissory Note is payable solely from the proceeds of special assessments levied by the CID and secured by a second deed of trust.

The purchase price for Phase II is $2,400,000 and is payable with $400,000 due at the Phase II closing and the execution of a Promissory Note delivered by the CID (Phase II closing occurred in 2020). The Promissory Note is payable solely from the CID special assessments and secured by a second deed of trust. The Promissory Note is payable solely from the proceeds of special assessments levied by the CID and secured by a second deed of trust.

The CID special assessments commenced in 2021. Payments on the promissory notes are scheduled to be $300,000 per year up to a total of the outstanding note balances. At December 31, 2022, the outstanding balance of the related notes receivable totaled $3,525,000.

Tract I Purchase Option – Creekside Industrial

In November 2020, the Developer exercised the Tract I Purchase Option. Under the Tract I Purchase Option, the Developer and City entered into a purchase and sale agreement (Tract I Purchase Agreement). The Tract I Purchase Agreement set the purchase price at $1,600,000. Beginning January 1, 2022 and ending December 31, 2025, the City will receive $100,000 per year from the Hotel Special Assessment. Beginning January 1, 2026, the amount increases to $150,000 per year. In any year the contribution falls short, the Developer will pay the difference. In any year, the contribution from the Hotel Special Assessment falls short, or the Developer's failure to pay the difference, the City shall receive $100,000 each year from available sources in the Creekside Incentive Fund. All payments will be deducted from the $1,600,000 purchase and sale agreement receivable. At December 31, 2022, the outstanding balance of the related notes receivable totaled $1,500,000.

B. Certificates of Participation

During fiscal year 2015, the City issued $3,383,722 Refunding Certificates of Participation Series 2015 to current refund the 2006 Certificates of Participation issued for the purpose of constructing City Hall, public parking lot and certain other capital improvements within the City. A temporary tax levy was approved to fund a portion of the debt service payments. Principal and interest payments are due semi-annually beginning on September 1, 2016 through March 1, 2027 with principal payments ranging from $139,867 to $444,872, with an interest rate of 2.24%. The outstanding balance at December 31, 2022, is $1,251,609.

During fiscal year 2021, the City issued $2,985,000 Certificates of Participation Series 2021A to provide funding for the Route 9 Project and provide funding to pay the Lease Purchase Agreement discussed in Note 7 C. below. Principal and interest payments are due semi-annually beginning on March 1, 2022 through March 1, 2037 with principal payments ranging from $160,000 to $375,000, with an interest rate of 2.0%. The outstanding balance at December 31, 2022, is $2,610,000.

C. Revenue Bonds

The City issued Sewerage System Revenue Bonds (State Revolving Loan Fund (SRF)) Series 2004A in the original amount of $2,750,000. The Series 2004A Sewage System Revenue Bonds are special, limited obligations of the City payable solely from, and secured by a pledge of, the net revenues of the Sewer Fund. The bonds are due in annual installments of $30,000 to $170,000 through January 1, 2025 with interest ranging from 3.0% to 5.25%. The outstanding balance at December 31, 2022, is $370,000.

D. Future Debt Service Requirements

	Governmental Activities					
	Limited General Obligation Refunding Bonds - Series 2020A (Brush Creek)		Limited General Obligation Refunding Bonds - Series 2020B (Brink Meyer)		Certificates of Participation Series 2015	
Year Ending December 31	Principal	Interest	Principal	Interest	Principal	Interest
2023	$ 290,000	$ 53,904	$ 195,000	$ 36,903	$ 420,474	$ 23,327
2024	290,000	51,439	195,000	35,245	444,872	13,635
2025	295,000	48,659	200,000	33,368	123,277	7,272
2026	295,000	45,488	205,000	31,189	123,119	4,512
2027	300,000	41,841	205,000	28,678	139,867	1,567
2028-2032	1,575,000	137,122	1,075,000	94,123	-	-
2033-2036	665,000	13,350	460,000	9,200	-	-
	$ 3,710,000	$ 391,803	$ 2,535,000	$ 268,706	$ 1,251,609	$ 50,313

	Governmental Activities				Business-type Activities	
	Certificates of Participation Series 2021A		Governmental Activities Total		Sewage System Revenue Bonds Series 2004A	
Year Ending December 31	Principal	Interest	Principal	Interest	Principal	Interest
2023	$ 160,000	$ 50,600	$ 1,065,474	$ 164,734	$ 170,000	$ 21,625
2024	160,000	47,400	1,089,872	147,719	170,000	13,250
2025	165,000	44,150	783,277	133,449	30,000	5,175
2026	165,000	40,850	788,119	122,039	-	-
2027	165,000	37,550	809,867	109,636	-	-
2028-2032	860,000	137,200	3,510,000	368,445	-	-
2033-2037	935,000	51,300	2,060,000	73,850	-	-
Totals	$ 2,610,000	$ 409,050	$ 10,106,609	$ 1,119,872	$ 370,000	$ 40,050

E. Conduit Debt

The City is authorized to issue industrial development revenue bonds to finance the costs of office and other industrial and commercial developments. Bonds are secured by the property financed and are payable solely from payments received on the underlying lease agreements. The bonds and the interest are limited obligations of the City payable solely out of the payments, revenues, and receipts derived by the City from the lease agreements. At December 31, 2022, there are two outstanding industrial revenue bond issuances with a total principal amount of approximately $197 million.

(9) Cooperative Agreement – Sewer Services

The City has entered into agreements with the City of Kansas City, Missouri, and the Platte County Regional Sewer District to provide certain sewer services for the City. For the year ended December 31, 2022, expenses incurred under these agreements were $36,094 (Kansas City, Missouri) and $17,759 (Platte County Regional Sewer District).

(10) Employees Retirement System

A. Plan Description

The City's defined benefit pension plan provides certain retirement, disability, and death benefits to plan members and beneficiaries. The City 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.

B. 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.

	2022 Valuation
Benefit Multiplier:	1.75%
Final Average Salary:	5 Years
Member Contributions:	4%

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.

C. Employees Covered by Benefit Terms

The following employees were covered by the benefit terms:

	General	Police	Total
Inactive employees or beneficiaries currently receiving benefits	3	3	6
Inactive employees entitled to but not yet receiving benefits	12	12	24
Active employees	22	14	36
	37	29	66

D. 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 contribute 4% to the pension plan. Employer contribution rates are 11.0% (General) and 13.3% (Police) of annual covered payroll.

E. Net Pension Liability

The City's net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2022.

F. Actuarial Assumptions

The total pension liability in the February 28, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75% wage inflation; 2.25% price inflation
Salary Increase	2.75% to 6.75% including wage inflation (General)
	2.75% to 6.55% including wage inflation (Police)
Investment rate of return	7.00%, net of investment expenses

The healthy retiree mortality tables, for post-retirement mortality, were 115% of the PubG-2010 mortality tables for males and females. The disabled retiree mortality tables, for post-retirement mortality, were 115% of the PubG-2010 disabled mortality table for males and females. The pre-retirement mortality tables used were 75% of the PubG-2010 employees mortality table for males and females.

Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base year for males was then established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scale to the above described tables.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and a weighted average of the geometric real rates of return for each major asset class rollup are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Alpha	15.00%	3.67%
Equity	35.00%	4.78%
Fixed income	31.00%	1.41%
Real Assets	36.00%	3.29%
Strategic Assets	8.00%	5.25%
Cash/Leverage	-25.00%	-0.29%

G. Discount Rate

The discount rate used to measure the total pension liability is 7.00%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

H. Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at beginning of year	$ 3,759,019	$ 3,478,521	$ 280,498
Changes for the year:			
Service Cost	233,098	-	233,098
Interest	267,813	-	267,813
Change in benefit terms	-	-	-
Difference between expected and actual	115,342	-	115,342
Contributions - employer	-	261,709	(261,709)
Contributions - employee	-	84,888	(84,888)
Net investment income	-	3,647	(3,647)
Benefit payments, including refunds	(97,043)	(97,043)	-
Administrative expense	-	(5,858)	5,858
Other changes (net transfer)	-	118,221	(118,221)
Net changes	519,210	365,564	153,646
Balances at end of year	$ 4,278,229	$ 3,844,085	$ 434,144

I. Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the Net Pension Liability of the employer, calculated using the discount rate of 7.00%, as well as what the employer's Net Pension Liability would be using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate.

	1% Decrease 6.00%	Current Single Discount Rate Assumption 7.00%	1% Increase 8.00%
Total Pension Liability	$ 4,973,164	$ 4,278,229	$ 3,712,744
Plan Fiduciary Net Position	(3,844,085)	(3,844,085)	(3,844,085)
Net Pension Liability	$ 1,129,079	$ 434,144	$ (131,341)

J. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2022, the City recognized LAGERS pension expense of $31,453; $(10,758) (General) and $42,211 (Police)). The City reported deferred outflows related to LAGERS pension from the following sources:

	General	Police	Total
Deferred Outflows of Resources:			
Assumption changes	$ 5,518	$ 3,257	$ 8,775
Difference in experience	122,379	67,983	190,362
Contributions subsequent to the measurement date*	82,886	52,545	135,431
Total	$ 210,783	$ 123,785	$ 334,568
Deferred Inflows of Resources:			
Assumption changes	$ (15,560)	$ (2,511)	$ (18,071)
Difference between projected and actual earnings on pension plan investments	(54,720)	(19,902)	(74,622)
Difference in experience	(100,399)	(67,438)	(167,837)
Total	$ (170,679)	$ (89,851)	$ (260,530)

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the Net Pension Liability for the year ending December 31, 2022.

Net amounts reported as deferred outflows and deferred inflows of resources related to LAGERS pension will be recognized in pension expense as follows:

Year ending December 31:	General	Police	Total
2023	$ (16,396)	$ (913)	$ (17,309)
2024	(13,644)	(10,181)	(23,825)
2025	(36,724)	(26,175)	(62,899)
2026	22,738	17,193	39,931
2027	773	1,465	2,238
Thereafter	471	-	471
Total	$ (42,782)	$ (18,611)	$ (61,393)

K. Payable to the Pension Plan

At December 31, 2022, there were no outstanding contributions payable to the LAGERS pension plan.

(11) Commitments and Contingencies

A. Insurance

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.

The City is a member of the Midwest Public Risk (MPR), formerly Mid-America Regional Council Insurance Trust, a not-for-profit corporation consisting of local governments and political subdivisions. MPR was formed as a public entity risk retention pool to cover health and dental, workers' compensation, and property and casualty claims for its members. MPR has been established as assessable pools and accounting records are maintained for each line of coverage on a policy-year basis. The City pays annual premiums to MPR for all coverage. The agreement with MPR provides that MPR will be self-sustaining through member premiums. MPR has the authority to assess members for any deficiencies of revenues under expenses for any single plan year. Likewise, MPR has the authority to declare refunds to members for the excess of revenues over expenses relating to any single plan year. The City continues to carry commercial insurance for employee life insurance and short-term disability. The amount of settlements has not exceeded the City's insurance coverage in any of the past three fiscal years.

B. Investments-Trust Fund

The City was the recipient of funds from a resident's estate during the calendar year 2002. The funds were previously held by a trustee for the benefit of the City. In 2011, the City took over management of the fund and by Resolution No. 12-01-13, the Board of Aldermen enacted a policy restricting the use of the fund to follow the intentions of the original donor of the fund. The nature of the fund is that the principal of the contributions is to remain intact. One-half of the interest earnings are to be added to the principal and the remaining one-half of annual earnings may be used to fund City capital projects. At December 31, 2022, the fund had $22,204 net appreciation on assets available for expenditure which is reported as restricted fund balance and $580,224 in principal which is reported as nonspendable fund balance. Both of these amounts are reported as restricted net position on the government-wide statement of net position. The State of Missouri requires that recipients of endowment gifts maintain the original principal intact at the original donation value.

C. Federal and State Grants

The City has received financial assistance from various federal, state, and local agencies in the form of grants and entitlements. These programs are subject to audit by agents of the granting authority. Management does not believe that liabilities for reimbursements, if any, will have a materially adverse effect upon the financial condition of the City.

D. Litigation

The City is involved in legal proceedings arising from the ordinary course of City activities. While these proceedings may have future financial effect, management believes that their ultimate outcome will not be material to the basic financial statements.

(12) Development Agreements

Tax Increment Financing and Economic Development Contract

On April 23, 2019, the City entered into a Tax Increment Financing and Economic Development Contract (the Agreement) with various Creekside Development entities (the Developer). The Agreement sets forth the implementation of the Creekside Plan, including the responsibilities of the City and the Developer.

The Creekside Plan is a multi-phased project along three quadrants of the intersection of Interstate 435 and Missouri Highway 45 in the City, and consists of the following planned developments:

- The Meadows At Creekside – a planned residential development consisting of 101 single-family homes, 96 townhome units and 216 apartment units on the southeast quadrant of the interchange (consisting of approximately 43.24 acres).

- Old Town At Creekside – a planned commercial development consisting of 13 lots for six restaurants, two mixed-use retail buildings with 100 apartment units, one café, one grocery/market, one hotel and one bank on the southeast quadrant of the interchange (consisting of approximately 38.12 acres).

- The Woods At Creekside & Creekside Village – a planned residential development consisting of 115 single-family homes (consisting of approximately 32.14 acres) and 172 townhome units in 43 buildings (consisting of approximately 23.36 acres) on the northwest quadrant of the interchange.

- Creekside Commons – a planned commercial development consisting of 10 lots for three hotels, two restaurants, a quick-serve restaurant, a gas station, a pharmacy/medical office, one mixed-use retail building with 50 apartment units, and six tournament quality youth baseball and softball fields on the northwest quadrant of the interchange. The total ballfield space of Creekside Commons consists of approximately 681,240 square feet, with total building space of the development consisting of approximately square feet, and total commercial space of the development (minus hotels) consisting of 66,100 square feet.

- Creekside Industrial – a planned industrial development consisting of 29 pad sites (a total of 1,024,106 square feet) for office/service and industrial uses on the southwest quadrant of the interchange.

The estimated cost of the entire Creekside project is approximately $335 million with financial assistance from all sources of approximately $52 million, plus interest and financing costs.

Tract IX Purchase Agreement – Meadows at Creekside

As discussed in Note 8A, the City entered into a real estate purchase agreement to sell approximately 70 acres for the Meadows at Creekside development project.

The Meadows at Creekside Community Improvement District (Meadows CID) has been established to levy certain special assessments on each apartment unit and single family dwelling. The annual assessment will be $1,737 per apartment unit and $400 per single-family home. The City is scheduled to receive $300,000 annually as payments on the promissory notes receivable over 16 years up to a total of $4,000,000. At December 31, 2022, the outstanding balance of the related notes receivable totaled $3,525,000.

Tract I Purchase Option Agreement – Creekside Industrial

As discussed in Note 8A, the Developer exercised the Tract I Purchase Option. Under the Tract I Purchase Option, the Developer and City entered into a purchase and sale agreement (Tract I Purchase Agreement). The Tract I Purchase Agreement set the purchase price at $1,600,000. Beginning January 1, 2022 and ending December 31, 2025, the City will receive $100,000 per year from the Hotel Special Assessment. Beginning January 1, 2026, the amount increases to $150,000 per year. In any year, the contribution from the Hotel Special Assessment falls short, or the Developer's failure to pay the difference, the City shall receive $100,000 each year from available sources in the Creekside Incentive Fund. All payments will be deducted from the $1,600,000 note receivable. At December 31, 2022, the outstanding balance of the related note receivable totaled $1,500,000.

Notes receivable activity for the year ended December 31, 2022, was as follows:

Notes Receivable	Beginning Balance	Additions	Reductions	Beginning Balance
Tract IX Meadows at Creekside	$ 4,000,000	$ -	$ 475,000	$ 3,525,000
Tract I Creekside Industrial	1,600,000	-	100,000	1,500,000
	$ 5,600,000	$ -	$ 575,000	$ 5,025,000

The City established the Creekside Community Improvement District (CID). The Creekside Transportation District (TDD) was established through a judicial process. The CID and TDD will impose a one percent sales tax for a period of 40 years to fund eligible CID and TDD improvements.

The City has also approved a Chapter 100 Industrial Development Plan for the portion of the site where the apartments are built. The Chapter 100 plan provides property tax abatement to the owners of the apartments for a sixteen year period. The City has issued its Taxable Industrial Development Revenue Bonds (Creekside Development Apartments Project), Series 2019, in an aggregate principal amount not to exceed $26,000,000 and its Taxable Industrial Development Revenue Bonds (Creekside Development Apartments Project), Series 2019, in an aggregate maximum principal amount of $171,000,000, for the purpose of providing funds to pay the costs of the Project.

The Creekside Plan is on a pay-as-you-go basis payable from the incremental increase in property and sales taxes generated within TIF areas of the Creekside Plan. Funding is also available from CID and TDD one percent sales taxes and certain Meadows CID special assessments As of December 31, 2022, certified tax increment financing reimbursable project costs totaled $5,621,406. Current year reimbursements totaled $155,862.

Parkville Market Place Tax Increment Financing Redevelopment Plan

In 2008, the City established the Parkville Market Place Tax Increment Financing Redevelopment Plan (Market Place Plan). The redeveloper designated as the redeveloper of Redevelopment Project Area 1 has not redeveloped Redevelopment Project Area 1. In 2018, the City amended the Market Place Plan to expand the boundaries of the original redevelopment area and created Redevelopment Project Area 2 (Project 2). Project 2 includes the construction of approximately 33,400 square feet of retail, restaurant, and/or other commercial facilities, and public and private infrastructure improvements The Market Place Plan provides up to a maximum reimbursable project costs of $5,916,893 for Project 2. The Market Place Plan is on a pay-as-you-go basis payable from the incremental increase in property and sales taxes. Funding is also available from the tax increment economic activity taxes portion of the Market Place Community Improvement District's one percent CID Sales tax and the tax increment economic activity taxes portion Market Place #2 Community Improvement District's one percent CID Sales tax. Current year reimbursements totaled $594,000.

(13) Subsequent Events

The City evaluated subsequent events through December 27, 2023, the date the financial statements were available to be issued. No events were identified that required adjustment to or disclosure in the financial statements.

Schedule 1

CITY OF PARKVILLE, MISSOURI
Required Supplementary Information
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
General Fund
For the Year Ended December 31, 2022

	2022			Variance with Final Budget
	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues:				
Taxes	$ 3,414,363	$ 3,414,363	$ 3,720,882	$ 306,519
Intergovernmental	99,904	99,904	224,416	124,512
Charges for services	-	-	37,417	37,417
Fines and forfeitures	75,000	75,000	47,578	(27,422)
Licenses and permits	567,733	567,733	546,783	(20,950)
Charges for sewer	360,500	360,500	350,000	(10,500)
Interest	5,806	5,806	22,751	16,945
Other	171,769	171,769	107,423	(64,346)
Total Revenues	4,695,075	4,695,075	5,057,250	362,175
Expenditures:				
Current:				
General government	1,458,357	1,458,357	1,680,776	(222,419)
Public safety	2,098,869	2,098,869	1,738,165	360,704
Public works	590,417	590,417	556,423	33,994
Parks and recreation	886,930	886,930	893,570	(6,640)
Community development	377,386	377,386	389,625	(12,239)
Total Expenditures	5,411,959	5,411,959	5,258,559	153,400
Excess of Revenues Over (Under) Expenditures	(716,884)	(716,884)	(201,309)	515,575
Other Financing Sources (Uses):				
Transfers in	717,436	717,436	318,693	(398,743)
Transfers out	(291,162)	(291,162)	(292,863)	(1,701)
Sale of land and assets	400,000	400,000	528,535	128,535
Insurance proceeds	-	-	268,704	268,704
Total Other Financing Sources (Uses)	826,274	826,274	823,069	(3,205)
Change in fund balance	$ 109,390	$ 109,390	621,760	$ 512,370
Fund Balances, Beginning of Year			742,303	
Fund Balances, End of Year			$ 1,364,063	

Note: GAAP is the budgetary basis used to prepare this schedule

Schedule 2

CITY OF PARKVILLE, MISSOURI
Required Supplementary Information
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
Transportation Sales Tax Fund
For the Year Ended December 31, 2022

	2022			Variance with Final Budget
	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues:				
Taxes	$ 518,437	$ 518,437	$ 629,500	$ 111,063
Intergovernmental	574,179	574,179	585,298	11,119
Other	27,975	27,975	9,779	(18,196)
Total Revenues	1,120,591	1,120,591	1,224,577	103,986
Expenditures:				
Current:				
Capital outlay	868,500	868,500	710,678	157,822
Total Expenditures	868,500	868,500	710,678	157,822
Excess of Revenues Over (Under) Expenditures	252,091	252,091	513,899	261,808
Other Financing Sources (Uses):				
Transfers in	9,836	9,836	9,787	(49)
Transfers out	(447,762)	(447,762)	(447,762)	-
Total Other Financing Sources (Uses)	(437,926)	(437,926)	(437,975)	(49)
Change in fund balance	$ (185,835)	$ (185,835)	75,924	$ 261,759
Fund Balances, Beginning of Year			291,845	
Fund Balances, End of Year			$ 367,769	

Note: GAAP is the budgetary basis used to prepare this schedule

(1) Budgetary Data

The Board of Alderman adopted annual operating budgets for all funds except for the Court Recoupment Fees, Police Training Fees LET, Police Shop, TIF Development, Market Place Project 2, Market Place CID #1, Market Place CID #2, and the Creekside Development funds. The City's budget is adopted using Generally Accepted Accounting Principles on the Modified Accrual Basis of Accounting. Revisions to the budget can be made only by the Board of Alderman. Legally, expenditures may not exceed the total amount of expenditures budgeted, as revised, in each fund. All annual appropriations lapse at year end if not encumbered.

The City follows these procedures in establishing the budgetary date reflected in the financial statements, beginning in the prior year.

1. In early August, budget worksheets are issued to each department.
2. In early September, budget requests are submitted by departments to the City Administrator.
3. Budget meetings are held between the City Administrator and each department beginning in late September to early October.
4. In late October, a proposed budget is presented to the Board of Aldermen.
5. In early December, the Board of Alderman adopt the budget.

Schedule 3

CITY OF PARKVILLE, MISSOURI
Required Supplementary Information
Schedule of Changes in Net Pension Liability and Related Ratios
For the Year Ended December 31, 2022

	Lagers							
	2022	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Total Pension Liability								
Service costs	$ 233,098	$ 239,471	$ 201,429	$ 172,547	$ 148,593	$ 119,807	$ 116,946	$ 104,714
Interest on total pension liability	267,813	263,386	193,934	161,830	142,885	107,562	93,722	69,352
Changes in benefit terms	-	-	443,125	-	-	252,150	-	226,297
Difference between expected and actual experience of the total pension liability	115,342	(220,194)	126,146	117,686	(16,202)	19,236	(66,469)	(47,700)
Changes of assumptions	-	(24,731)	-	-	-	(12,160)	79,853	-
Benefit payments and refunds	(97,043)	(27,877)	(22,947)	(23,897)	(27,488)	(18,639)	(31,360)	(14,002)
Net change in total pension liability	519,210	230,055	941,687	428,166	247,788	467,956	192,692	338,661
Total pension liability - beginning of year	3,759,019	3,528,964	2,587,277	2,159,111	1,911,323	1,443,367	1,250,675	912,014
Total pension liability - end of year (a)	$ 4,278,229	$ 3,759,019	$ 3,528,964	$ 2,587,277	$ 2,159,111	$ 1,911,323	$ 1,443,367	$ 1,250,675
Plan Fiduciary Net Position								
Contributions - employer	$ 261,709	$ 263,683	$ 206,382	$ 177,852	$ 155,363	$ 112,455	$ 93,771	$ 73,690
Contributions - employee	84,888	84,397	82,259	77,157	68,390	62,865	61,441	60,880
Net investment income	3,647	741,438	30,625	120,889	180,098	141,948	63	17,409
Benefit payments and refunds	(97,043)	(27,877)	(22,947)	(23,897)	(27,488)	(18,639)	(31,360)	(14,002)
Administrative expenses	(5,858)	(5,040)	(6,190)	(5,440)	(3,246)	(3,626)	(3,451)	(3,356)
Other (net transfer)	118,221	3,250	2,550	(1,855)	(6,335)	1,806	(3,952)	38,126
Net change in plan fiduciary net position	365,564	1,059,851	292,679	344,706	366,782	296,809	116,512	172,747
Plan fiduciary net position - beginning of year	3,478,521	2,418,670	2,125,991	1,781,285	1,414,503	1,117,694	1,001,182	828,435
Plan fiduciary net position - end of year (b)	$ 3,844,085	$ 3,478,521	$ 2,418,670	$ 2,125,991	$ 1,781,285	$ 1,414,503	$ 1,117,694	$ 1,001,182
Net pension liability (a) - (b)	$ 434,144	$ 280,498	$ 1,110,294	$ 461,286	$ 377,826	$ 496,820	$ 325,673	$ 249,493
Plan net position as a percentage of the total pension liability	89.85%	92.54%	68.54%	82.17%	82.50%	74.01%	77.44%	80.05%
Covered employee payroll	2,044,016	2,033,168	2,136,492	1,935,516	1,567,178	1,457,585	1,415,099	1,414,512
Net pension liability/(asset) as a percentage of covered payroll	21.24%	13.80%	51.97%	23.83%	24.11%	34.09%	23.01%	17.64%

GASB 68 requires presentation of ten years. As of December 31, 2022, only eight years of information is available.

CITY OF PARKVILLE, MISSOURI
Required Supplementary Information
Schedule of Employer Contributions
For the Year Ended December 31, 2022

LAGERS (General and Police)

Fiscal Year	Actuarially Determined Contribution	Contribution in Relation	Contribution Deficiency	Covered Employee Payroll	Contribution as Percentage
2013	$ 61,194	$ 61,194	$ -	1,496,050	4.09%
2014	63,625	63,625	-	1,621,236	3.92%
2015	90,452	90,452	-	1,497,747	6.04%
2016	93,266	93,266	-	1,559,830	5.98%
2017	142,758	142,758	-	1,633,155	8.74%
2018	159,791	159,791	-	1,767,037	9.04%
2019	192,504	192,504	-	2,041,265	9.43%
2020	235,257	235,257	-	2,055,071	11.45%
2021	274,675	274,675	-	2,164,460	12.69%
2022	200,843	260,843	-	2,184,355	11.94%

Lagers

Valuation Date February 28, 2022

Notes: The roll-forward of total pension liability from February 28, 2022 to June 30, 2022 reflects expected service cost and interest reduced by actual benefit payments and administrative expenses.

Methods and assumptions used to determine contributions rates:

Actuarial cost method Entry Age Normal and Modified Terminal Funding

Amortization method Level percentage of payroll amortization method is used to amortize the UAAL over a close period of years. If the UAAL (excluding the UAAL associated with benefit changes) is negative, then this amount is amortized over the greater of (i) the remaining initial amortization period or (ii) 15 years.

Remaining amortization period Multiple bases from 8 to 17 years

Asset valuation method 5-year smoothed market; 20% corridor

Inflation assumption 2.75% wage inflation; 2.25% price inflation

Salary increases 2.75% to 6.55% including wage inflation

Investment rate of return 7.00%, net of investment expenses

Retirement age Experienced-based table of rates that are specific to the type of eligibility condition

Mortality The healthy retiree mortality tables, for post retirement mortality, used in evaluating allowances to be paid were 115% of the PubG-2010 Retiree Mortality Table for males and females. The disabled retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubNS-2010 Disabled Retiree Mortality Table for males and females. The preretirement mortality tables used were 75% of the PubG-2010 Employee Mortality Table for males and females of General groups and 75% of the PubS-2010 Employee Mortality Table for males and females of Police, Fire and Public Safety groups.

Mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scale to the above described tables.

Other information: None

Schedule 5

CITY OF PARKVILLE, MISSOURI
Combining Balance Sheet - General Fund
December 31, 2022

	General Fund	Reserve Fund	Totals
Assets:			
Cash and investments	$ 263,129	$ 1,332,108	$ 1,595,237
Receivables:			
Taxes	409,384	-	409,384
Leases	331,000	-	331,000
Creekside receivables	5,075,000	-	5,075,000
Due from other governments	114,885	-	114,885
Prepaid, deposits and other assets	146,941	-	146,941
Total Assets	$ 7,319,527	$ 1,332,108	$ 8,651,635
Liabilities:			
Accounts payable	$ 299,408	$ -	$ 299,408
Accrued payroll and benefits	61,797	-	61,797
Total Liabilities	361,205	-	361,205
Deferred inflows of resources:			
Unavailable revenues - leases	324,798	-	324,798
Unavailable revenues - Creekside receivables	5,075,000	-	5,075,000
Unavailable revenues - grants	-	-	-
Unavailable revenues - taxes	194,461	-	194,461
	5,594,259	-	5,594,259
Fund balances:			
Nonspendable:			
Prepaid items	146,941	-	146,941
Committed:			
Emergency reserve	-	1,332,108	1,332,108
Unassigned	1,217,122	-	1,217,122
Total fund balances	1,364,063	1,332,108	2,696,171
Total liabilities, deferred inflows of resources and fund balances	$ 7,319,527	$ 1,332,108	$ 8,651,635

Schedule 6

CITY OF PARKVILLE, MISSOURI
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
General Fund
For the Year Ended December 31, 2022

	General Fund	Reserve Fund	Totals
Revenues:			
Taxes	$ 3,720,882	$ -	$ 3,720,882
Intergovernmental	224,416	-	224,416
Charges for services	37,417	-	37,417
Fines and forfeitures	47,578	-	47,578
Licenses and permits	546,783	-	546,783
Charges for sewer administration	350,000	-	350,000
Interest	22,751	-	22,751
Other	107,423	-	107,423
Total Revenues	5,057,250	-	5,057,250
Expenditures:			
Current:			
General government	1,680,776	-	1,680,776
Public safety	1,738,165	-	1,738,165
Public works	556,423	-	556,423
Parks and recreation	893,570	-	893,570
Community development	389,625	-	389,625
Total Expenditures	5,258,559	-	5,258,559
Excess of Revenues Over (Under) Expenditures	(201,309)	-	(201,309)
Other financing sources (uses):			
Transfers in	318,693	-	318,693
Transfers out	(292,863)	-	(292,863)
Sale of land and capital assets	528,535	-	528,535
Insurance proceeds	268,704		268,704
Total Other Financing Sources	823,069	-	823,069
Change in fund balance	621,760	-	621,760
Fund Balances, Beginning of Year	742,303	1,332,108	2,074,411
Fund Balances, End of Year	$ 1,364,063	$ 1,332,108	$ 2,696,171

CITY OF PARKVILLE, MISSOURI
Combining Balance Sheet - Debt Service Funds
December 31, 2022

	River Park	Certificates of Participation	Brush Creek	Brink Meyer	Lease Purchase Agreement	Totals
Assets:						
Restricted cash and investments	$ -	$ 199,283	$ 102,638	$ 5,681	$ -	$ 307,602
Receivables:						
Special assessments	-	-	2,139,705	-	-	2,139,705
Total Assets	$ -	$ 199,283	$ 2,242,343	$ 5,681	$ -	$ 2,447,307
Liabilities:						
Due to other funds	$ -	$ -	$ -	$ -	$ 69,029	$ 69,029
Total Liabilities	-	-	-	-	69,029	69,029
Deferred inflows of resources:						
Unavailable revenues -						
Special assessments	-	70,592	2,219,618	-	-	2,290,210
Fund balances:						
Restricted:						
Debt service	-	128,691	22,725	5,681	(69,029)	88,068
Total fund balances (deficit)	-	128,691	22,725	5,681	(69,029)	88,068
Total liabilities, deferred inflows and fund balances (deficit)	$ -	$ 199,283	$ 2,242,343	$ 5,681	$ -	$ 2,447,307

Schedule 8

CITY OF PARKVILLE, MISSOURI
Combining Statement of Revenues, Expenditures and Changes in Fund Balance -
Debt Service Funds
For the Year Ended December 31, 2022

	River Park	Certificates of Participation	Brush Creek	Brink Meyer	Lease Purchase Agreement	Totals
Revenues:						
Taxes	$ -	$ 478,048	$ -	$ -	$ -	$ 478,048
Intergovernmental	-	-	-	-	215,816	215,816
Special assessments	-	-	283,241	1,662	-	284,903
Interest	2	338	-	-	-	340
Total Revenues	2	478,386	283,241	1,662	215,816	979,107
Expenditures:						
Debt service:						
Principal	-	395,103	285,000	195,000	375,000	1,250,103
Interest and fiscal charges	-	32,461	56,361	38,665	65,328	192,815
	-	427,564	341,361	233,665	440,328	1,442,918
Excess of Revenues Over (Under) Expenditures	2	50,822	(58,120)	(232,003)	(224,512)	(463,811)
Other financing sources (uses):						
Transfers in	-	-	60,881	231,982	222,762	515,625
Total Other Financing Sources	(1,257)	-	60,881	231,982	222,762	514,368
Change in fund balance	(1,255)	50,822	2,761	(21)	(1,750)	50,557
Fund Balances (deficit), Beginning of Year	1,255	77,869	19,964	5,702	(67,279)	37,511
Fund Balances (deficit), End of Year	$ -	$ 128,691	$ 22,725	$ 5,681	$ (69,029)	$ 88,068

Schedule 9

CITY OF PARKVILLE, MISSOURI
Combining Balance Sheet - Non-major Governmental Funds
December 31, 2022

	Special Revenue Funds							
	Park Sales Tax	Economic Development	Nature Sanctuary	Parks Donations	Veterans Memorial	ARPA	Court Recoupment Fees	Police Training Fees LET
Assets								
Cash and investments	$ 819,379	$ 20,872	$263,161	$ 16,153	$ 80,518	$859,114	$ 38,387	$ 35,871
Receivables:								
Taxes	132,317	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-
Other	402,743	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
Restricted cash and investments	-	-	-	-	-	-	-	-
Total Assets	$1,354,439	$ 20,872	$263,161	$ 16,153	$ 80,518	$859,114	$ 38,387	$ 35,871
Liabilities and Fund Balances								
Liabilities:								
Accounts payable	$ 64,612	$ -	$ 148	$ -	$ -	$ -	$ -	$ -
Unearned revenue	-	-	-	-	-	859,114	-	-
Total Liabilities	64,612	-	148	-	-	859,114	-	-
Deferred inflows of resources:								
Unavailable revenues	402,743	-	-	-	-	-	-	-
Fund balances								
Nonspendable:								
Fewson trust	-	-	-	-	-	-	-	-
Restricted:								
Capital projects	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	38,387	35,871
Parks and recreation	887,084	-	263,013	16,153	80,518	-	-	-
Community development	-	20,872	-	-	-	-	-	-
Total fund balances	887,084	20,872	263,013	16,153	80,518	-	38,387	35,871
Total liabilities and fund balances	$ 1,354,439	$ 20,872	$ 263,161	$ 16,153	$ 80,518	$ 859,114	$ 38,387	$ 35,871

(Continued on Next Page)

Schedule 9

CITY OF PARKVILLE, MISSOURI
Combining Balance Sheet - Non-major Governmental Funds
December 31, 2022

	Special Revenue Funds						Permanent Fund	
	Police Shop	TIF Development	Market Place Project 2 Development	Market Place CID #1	Market Place CID #2	Creekside Development	Fewson Project	Totals
Assets								
Cash and investments	$ 22,986	$ 12,566	$ 108,187	$ 4,526	$ 58,943	$ 52,891	$ -	$2,393,554
Receivables:								
Taxes	-	-	-	11,661	11,661	34,282	-	189,921
Special assessments	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	402,743
Due from other governments	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
Restricted cash and investments	-	-	-	-	-	-	602,428	602,428
Total Assets	$ 22,986	$ 12,566	$ 108,187	$ 16,187	$ 70,604	$ 87,173	$ 602,428	$ 3,588,646
Liabilities and Fund Balances								
Liabilities:								
Accounts payable	$ 195	$ -	$ -	$ -	$ -	$ 1,168	$ -	$ 66,123
Unearned revenue	-	-	-	-	-	-	-	859,114
Total Liabilities	195	-	-	-	-	1,168	-	925,237
Deferred inflows of resources:								
Unavailable revenues	-	-	64,760	-	-	53,510	-	521,013
Fund balances								
Nonspendable:								
Fewson trust	-	-	-	-	-	-	580,224	580,224
Restricted:								
Capital projects	-	-	-	-	-	-	22,204	22,204
Public safety	22,791	-	-	-	-	-	-	97,049
Parks and recreation	-	-	-	-	-	-	-	1,246,768
Community development	-	12,566	43,427	16,187	70,604	32,495	-	196,151
Total fund balances	22,791	12,566	43,427	16,187	70,604	32,495	602,428	2,142,396
Total liabilities and fund balances	$ 22,986	$ 12,566	$ 108,187	$ 16,187	$ 70,604	$ 87,173	$ 602,428	$ 3,588,646

Schedule 10

CITY OF PARKVILLE, MISSOURI
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Non-major Governmental Funds
For the Year Ended December 31, 2022

	Special Revenue Funds							
	Park Sales Tax	Economic Development	Nature Sanctuary	Parks Donations	Veterans Memorial	ARPA	Court Recoupment Fees	Police Training Fees LET
Revenues:								
Taxes	$775,714	$ 56,738	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	-	-	1,130	-	-	325,000	-	-
Interest	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-
Grants and donations	-	-	5,760	1,046	31,688	-	-	-
Other	14,570	-	-	-	-	-	-	-
Total Revenues	790,284	56,738	6,890	1,046	31,688	325,000	-	784
Expenditures:								
Current:								
Public safety	-	-	-	-	-	-	489	-
Parks and recreation	508,440	-	8,262	-	5,600	-	-	-
Community development	-	6,876	-	-	-	-	-	-
	508,440	6,876	8,262	-	5,600	-	489	-
Excess of Revenues Over (Under) Expenditures	281,844	49,862	(1,372)	1,046	26,088	325,000	(489)	784
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	(92,436)	(37,936)	-	-	-	(325,000)	-	-
Insurance proceeds	52,563	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(39,873)	(37,936)	-	-	-	(325,000)	-	-
Change in fund balance	241,971	11,926	(1,372)	1,046	26,088	-	(489)	784
Fund Balances, Beginning of Year	645,113	8,946	264,385	15,107	54,430	-	38,876	35,087
Fund Balances, End of Year	$887,084	$ 20,872	$ 263,013	$ 16,153	$ 80,518	$ -	$ 38,387	$ 35,871

(Continued on Next Page)

Schedule 10

CITY OF PARKVILLE, MISSOURI
(**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**
Non-major Governmental Funds
For the Year Ended December 31, 2022

	Special Revenue Funds						Permanent Fund	
	Police Shop	TIF Development	Market Place Project 2	Market Place CID #1	Market Place CID #2	Creekside Development	Fewson Project	Totals
Revenues:								
Taxes	$ -	$ 351,627	$ 159,975	$ 50,343	$ 50,343	$ 538,397	$ -	$ 1,983,137
Intergovernmental	-	219,927	18,934	-	-	30,147	-	595,138
Interest	-	25	-	-	-	-	1,255	1,280
Special assessments	-	-	-	-	-	373,421	-	373,421
Grants and donations	22,410	-	-	-	-	-	-	60,904
Other	-	-	-	-	-	-	-	14,570
Total Revenues	22,410	571,579	178,909	50,343	50,343	941,965	1,255	3,029,234
Expenditures:								
Current:								
Public safety	25,999	-	-	-	-	-	-	26,488
Parks and recreation	-	-	-	-	-	-	-	522,302
Community development	-	571,554	599,081	55,158	2,750	1,234,134	-	2,469,553
	25,999	571,554	599,081	55,158	2,750	1,234,134	-	3,018,343
Excess of Revenues Over (Under) Expenditures	(3,589)	25	(420,172)	(4,815)	47,593	(292,169)	1,255	10,891
Other financing sources (use								
Transfers in	-	-	51,282	-	-	113,148	-	164,430
Transfers out	-	-	(9,787)	(25,641)	(25,641)	(75,212)	-	(591,653)
Insurance proceeds	-	-	-	-	-	-	-	52,563
Total Other Financing Sources (Uses)	-	-	41,495	(25,641)	(25,641)	37,936	-	(374,660)
Change in fund balance	(3,589)	25	(378,677)	(30,456)	21,952	(254,233)	1,255	(363,769)
Fund Balances, Beginning of Year	26,380	12,541	422,104	46,643	48,652	286,728	601,173	2,506,165
Fund Balances, End of Year	$ 22,791	$ 12,566	$ 43,427	$ 16,187	$ 70,604	$ 32,495	$ 602,428	$ 2,142,396

Schedule 11

CITY OF PARKVILLE, MISSOURI
Combining Balance Sheet - Creekside Development
December 31, 2022

	Creekside CID Fund	Creekside TDD Fund	Meadows at Creekside CID Fund	Creekside Special Allocation Fund	Totals
Assets:					
Cash and investments	$ (1,766)	$ (82)	$ 792	$ 53,947	$ 52,891
Receivables:					
Taxes	17,141	17,141	-	-	34,282
Total Assets	$ 15,375	$ 17,059	$ 792	$ 53,947	$ 87,173
Liabilities:					
Accounts payable	$ -	$ -	$ -	$ 1,168	$ 1,168
Total Liabilities	-	-	-	1,168	1,168
Deferred inflows of resources:					
Unavailable revenues -					
Special assessments	-	-	792	52,718	53,510
Fund balances:					
Restricted:					
Community development	15,375	17,059	-	61	32,495
Total fund balances	15,375	17,059	-	61	32,495
Total liabilities, deferred inflows and fund balances	$ 15,375	$ 17,059	$ 792	$ 53,947	$ 87,173

Schedule 12

CITY OF PARKVILLE, MISSOURI
Combining Statement of Revenues, Expenditures and Changes in Fund Balance -
Creekside Development
For the Year Ended December 31, 2022

	Creekside CID Fund	Creekside TDD Fund	Meadows at Creekside CID Fund	Creekside Special Allocation Fund	Totals
Revenues:					
Taxes	$ 135,155	$ 124,715	$ -	$ 278,527	$ 538,397
Special assessments	-	-	373,421	-	373,421
Total Revenues	135,155	124,715	373,421	308,674	941,965
Expenditures:					
Current:					
Community development	151,616	147,155	498,818	436,545	1,234,134
	151,616	147,155	498,818	436,545	1,234,134
Excess of Revenues Over (Under) Expenditures	(16,461)	(22,440)	(125,397)	(127,871)	(292,169)
Change in fund balance	(54,067)	(60,046)	(125,397)	(14,723)	(254,233)
Fund Balances, Beginning of Year	69,442	77,105	125,397	14,784	286,728
Fund Balances, End of Year	$ 15,375	$ 17,059	$ -	$ 61	$ 32,495

CITY OF PARKVILLE, MISSOURI
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Debt Service Funds
For the Year Ended December 31, 2022

	River Park			Certificates of Participation			Brush Creek		
	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
Revenues:									
Taxes	$ -	$ -	$ -	$ 487,649	$ 478,048	$ (9,601)	$ -	$ -	$ -
Special assessments	-	-	-	-	-	-	282,180	283,241	1,061
Interest	-	2	2	120	338	218	-	-	-
Total Revenues	-	2	2	487,769	478,386	(9,383)	282,180	283,241	1,061
Expenditures:									
Debt service:									
Principal	-	-	-	395,103	395,103	-	285,000	285,000	-
Interest and fiscal charges	-	-	-	32,461	32,461	-	56,361	56,361	-
Total Expenditures	-	-	-	427,564	427,564	-	341,361	341,361	-
Excess of Revenues Over (Under) Expenditures	-	2	2	60,205	50,822	(9,383)	(59,181)	(58,120)	1,061
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	59,181	60,881	1,700
Total Other Financing Sources (Uses)	-	(1,257)	1,257	-	-	-	59,181	60,881	1,700
Change in fund balance	$ -	(1,255)	$ 1,259	$ 60,205	50,822	$ (9,383)	$ -	2,761	$ 2,761
Fund Balance (deficit), Beginning of Year		1,255			77,869			19,964	
Fund Balance (deficit), End of Year		$ -			$ 128,691			$ 22,725	

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CITY OF PARKVILLE, MISSOURI
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Debt Service Funds
For the Year Ended December 31, 2022

	Brink Meyer			Lease Purchase Agreement			Totals		
	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
Revenues:									
Taxes	$ 1,683	$ -	$ (1,683)	$ -	$ -	$ -	$ 489,332	$ 478,048	$ (11,284)
Intergovernmental	-	-	-	217,566	215,816	(1,750)	217,566	215,816	(1,750)
Special assessments	-	1,662	1,662	-	-	-	282,180	284,903	2,723
Interest	-	-	-	-	-	-	120	340	220
Total Revenues	1,683	1,662	(21)	217,566	215,816	(1,750)	989,198	979,107	(10,091)
Expenditures:									
Debt service:									
Principal	195,000	195,000	-	375,000	375,000	-	1,250,103	1,250,103	-
Interest and fiscal charges	38,665	38,665	-	65,328	65,328	-	192,815	192,815	-
Total Expenditures	233,665	233,665	-	440,328	440,328	-	1,442,918	1,442,918	-
Excess of Revenues Over (Under) Expenditures	(231,982)	(232,003)	(21)	(222,762)	(224,512)	(1,750)	(453,720)	(463,811)	(10,091)
Other financing sources (uses):									
Transfers in	231,982	231,982	-	222,762	222,762	-	513,925	515,625	1,700
Total Other Financing Sources (Uses)	231,982	231,982	-	222,762	222,762	-	513,925	514,368	443
Change in fund balance	$ -	(21)	$ (21)	$ -	(1,750)	$ (1,750)	$ 60,205	50,557	$ (9,648)
Fund Balance (deficit), Beginning of Year		5,702			(67,279)			37,511	
Fund Balance (deficit), End of Year		$ 5,681			$ (69,029)			$ 88,068	

CITY OF PARKVILLE, MISSOURI
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Park Sales Tax Fund
For the Year Ended December 31, 2022

	2022 Original Budget	2022 Final Budget	2022 Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	$ 627,804	$ 627,804	$ 775,714	$ 147,910
Intergovenmental	1,000,000	1,000,000	-	(1,000,000)
Other	-	-	14,570	14,570
Total Revenues	1,627,804	1,627,804	790,284	(837,520)
Expenditures:				
Parks and recreation	2,424,500	2,424,500	508,440	1,916,060
Total Expenditures	2,424,500	2,424,500	508,440	1,916,060
Excess of Revenues Over Expenditures	(796,696)	(796,696)	281,844	1,078,540
Other financing sources (uses):				
Transfers out	(92,436)	(92,436)	(92,436)	-
Insurance proceeds	-	-	52,563	52,563
Interfund loan proceeds	400,000	400,000	-	(400,000)
Total Other Financing Sources (Uses)	307,564	307,564	(39,873)	(347,437)
Change in fund balance	$ (489,132)	$ (489,132)	241,971	$ 731,103
Fund Balance, Beginning of Year			645,113	
Fund Balance, End of Year			$ 887,084	

CITY OF PARKVILLE, MISSOURI
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Economic Development Fund
For the Year Ended December 31, 2022

	2022 Original Budget	2022 Final Budget	2022 Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	$ 85,000	$ 85,000	$ 56,738	$ (28,262)
Total Revenues	85,000	85,000	56,738	(28,262)
Expenditures:				
Community development	83,000	83,000	6,876	76,124
Total Expenditures	83,000	83,000	6,876	76,124
Excess of Revenues Over Expenditures	2,000	2,000	49,862	47,862
Other financing sources (uses):				
Transfers out	-	-	(37,936)	(37,936)
Total Other Financing Sources (Uses)	-	-	(37,936)	(37,936)
Change in fund balance	$ 2,000	$ 2,000	11,926	$ 9,926
Fund Balance, Beginning of Year			8,946	
Fund Balance, End of Year			$ 20,872	

CITY OF PARKVILLE, MISSOURI
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Nature Sanctuary Fund
For the Year Ended December 31, 2022

	2022 Original Budget	2022 Final Budget	2022 Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	$ -	$ -	$ 1,130	$ 1,130
Grants and donations	6,700	6,700	5,760	(940)
Total Revenues	6,700	6,700	6,890	190
Expenditures:				
Parks and recreation	4,200	8,100	8,262	(162)
Total Expenditures	4,200	8,100	8,262	(162)
Change in fund balance	$ 2,500	$ (1,400)	(1,372)	$ 28
Fund Balance, Beginning of Year			264,385	
Fund Balance, End of Year			$ 263,013	

Schedule 17

CITY OF PARKVILLE, MISSOURI
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Parks Donations Fund
For the Year Ended December 31, 2022

	2022			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Grants and donations	$ 2,500	$ 2,500	$ 1,046	$ (1,454)
Total Revenues	2,500	2,500	1,046	(1,454)
Expenditures:				
Parks and recreation	5,000	5,000	-	5,000
Total Expenditures	5,000	5,000	-	5,000
Change in fund balance	$ (2,500)	$ (2,500)	1,046	$ 3,546
Fund Balance, Beginning of Year			15,107	
Fund Balance, End of Year			$ 16,153	

Schedule 18

CITY OF PARKVILLE, MISSOURI
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Veterans Memorial Fund
For the Year Ended December 31, 2022

	2022			Variance with Final Budget
	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues:				
Grants and donations	$ 100,000	$ 100,000	$ 31,688	$ (68,312)
Total Revenues	100,000	100,000	31,688	(68,312)
Expenditures:				
Parks and recreation	65,000	65,000	5,600	59,400
Total Expenditures	65,000	65,000	5,600	59,400
Change in fund balance	$ 35,000	$ 35,000	26,088	$ (8,912)
Fund Balance, Beginning of Year			54,430	
Fund Balance, End of Year			$ 80,518	

Schedule 19

CITY OF PARKVILLE, MISSOURI
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
ARPA Fund
For the Year Ended December 31, 2022

	2022 Original Budget	2022 Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	$ -	$ -	$ 325,000	$ 325,000
Total Revenues	-	-	325,000	325,000
Expenditures:				
Total Expenditures	-	-	-	-
Excess of Revenues Over Expenditures	-	-	325,000	325,000
Other financing sources (uses):				
Transfers out	(450,000)	(450,000)	(325,000)	125,000
Total Other Financing Sources (Uses)	(450,000)	(450,000)	(325,000)	125,000
Change in fund balance	$ (450,000)	$ (450,000)	-	$ 450,000
Fund Balance, Beginning of Year			-	
Fund Balance, End of Year			$ -	

Schedule 20

CITY OF PARKVILLE, MISSOURI
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Fewson Fund
For the Year Ended December 31, 2022

	2022			Variance with Final Budget
	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues:				
Interest	$ 5,500	$ 5,500	$ 1,255	$ (4,245)
Total Revenues	5,500	5,500	1,255	(4,245)
Expenditures:				
General government	17,440	17,440	-	17,440
Total Expenditures	17,440	17,440	-	17,440
Excess of Revenues Over Expenditures	(11,940)	(11,940)	1,255	13,195
Other financing sources (uses):				
Interfund loan advance	(400,000)	-	-	-
Total Other Financing Sources (Uses)	(400,000)	-	-	-
Change in fund balance	$ (411,940)	$ (11,940)	1,255	$ 13,195
Fund Balance, Beginning of Year			601,173	
Fund Balance, End of Year			$ 602,428	

CITY OF PARKVILLE, MISSOURI
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Capital Projects Fund
For the Year Ended December 31, 2022

	2022			Variance with Final Budget
	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues:				
Intergovernmental	$ -	$ -	$ 1,398,582	$ 1,398,582
Total Revenues	-	-	1,398,582	1,398,582
Expenditures:				
Capital outlay	2,777,754	2,777,754	1,656,050	1,121,704
Total Expenditures	2,777,754	2,777,754	1,656,050	1,121,704
Excess of Revenues Over Expenditures	(2,777,754)	(2,777,754)	(257,468)	2,520,286
Other financing sources (uses):				
Transfers in	325,000	325,000	325,000	-
Transfers out	(325,000)	(325,000)	-	325,000
Total Other Financing Sources (Uses)	-	-	325,000	325,000
Change in fund balance	$ (2,777,754)	$ (2,777,754)	67,532	$ 2,845,286
Fund Balance, Beginning of Year			243,411	
Fund Balance, End of Year			$ 310,943	

CITY OF PARKVILLE, MISSOURI

SINGLE AUDIT REPORT

FOR THE YEAR ENDED DECEMBER 31, 2022

City of Parkville, Missouri
Single Audit Report

For the Year Ended December 31, 2022

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Independent Auditor's Report on Schedule of Expenditures of Federal Awards

To the Honorable Mayor and
Board of Aldermen
City of Parkville, Missouri

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Parkville, Missouri (the City) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated December 27, 2023 which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is 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 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Hood and Associates CPAs, PC

Kansas City, Missouri
December 27, 2023

ADDITIONAL INFORMATION

City of Parkville, Missouri
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2022

Program	Assistance Listing Number	Pass-Through Number	Federal Expenditures
U.S. Department of Treasury:			
American Rescue Plan Act			
Coronavirus State and Local Fiscal Recovery Funds	21.027		$ 325,000
Total U.S. Department of Treasury			325,000
U.S. Department of Transportation:			
Passed Through Missouri Highways and Transportation Commission			
Highway Planning and Construction Cluster	20.205	STP-3400(442)	833,881
Total U.S. Department of Transportation			833,881
Total Expenditures of Federal Awards			$ 1,158,881

See accompanying notes to the schedule of expenditures of federal awards.

Note 1. Organization

The City of Parkville, Missouri (the City), is the recipient of federal awards. All federal awards received directly from federal agencies as well as those awards that are passed through other government agencies, are included on the Schedule of Expenditures of Federal Awards.

Note 2. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Parkville , Missouri, and is presented on the modified accrual basis of accounting. The information presented in this schedule is in accordance with the requirements of Title 2 U.S. *Code of Federal Regulation* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.* Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 3. Local Government Contributions

Local cost sharing, as defined by Title 2 CFR Part 200, Subpart D, Section 200.306 is required by certain federal grants. The amount of cost sharing varies with each program. Only the federal share of expenditures is presented in the Schedule of Expenditures of Federal Awards.

Note 4. Additional Audits

Grantor agencies reserve the right to conduct additional audits of the City's grant programs for economy and efficiency and program results that may result in disallowed costs to the City. However, management does not believe such audits would result in any disallowed costs that would be material to the City's financial position at December 31, 2022.

Note 5. Indirect Cost Rate

The City does not allocate indirect costs, and therefore has not elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

City of Parkville, Missouri
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2022

Section 1 - Summary of Auditor's Results

Financial Statements:

Type Audit Report Issued on the Basic Financial Statements of Auditee
Unmodified

Internal Control Over Financial Reporting
No significant deficiencies reported, material weakness identified.

General Compliance
The audit did not disclose any instances of noncompliance, which would be material to the basic financial statements.

Federal Awards:

Internal Control Over Major Programs
No significant deficiencies reported, no material weaknesses identified.

Type Audit Report Issued on Compliance for Major Programs
Unmodified

Audit Findings
None

Major Programs

CFDA Number	Name of Federal Program
20.205	Highway Planning and Construction Cluster

Dollar Threshold Used to Distinguish Between Type A and Type B Program
$750,000

Auditee Qualified as a Low-risk Auditee
No

Section 2 – Financial Statement Findings

Financial Statement Findings Required to be Reported in Accordance with Generally Accepted Government Auditing Standards

2022-001 Financial Reporting

Condition
Our audit procedures identified adjustments that were required to properly report certain transactions of the City in accordance with generally accepted accounting principles. These adjustments were not initially identified by the City's internal controls over financial reporting.

Criteria
An effective internal control system over financial reporting should be in place to ensure year-end balances and external financial reporting conforms to generally accepted accounting principles.

Cause
Year-end procedures were not sufficient to identify the adjustments noted above in a timely manner.

Effect
Potential exists for material misstatements to the financial statements.

Recommendation

We recommend that management review year-end closing procedures to ensure that transactions are properly recorded in accordance with generally accepted accounting principles. In addition, due to the complexities of financial reporting, we recommend that management explore various alternatives for improving the controls over financial reporting including the use of governmental accounting standards, reference guides and continuing education and training courses.

Management's Response/Corrective Action

See Corrective Action Plan – page 7

Summary Schedule of Prior Audit Findings

2021-001 Financial Reporting

Condition
Our audit procedures identified adjustments that were required to properly report certain transactions of the City in accordance with generally accepted accounting principles. These adjustments were not initially identified by the City's internal controls over financial reporting.

Recommendation
We recommended that management review year-end closing procedures to ensure that transactions are properly recorded in accordance with generally accepted accounting principles. In addition, due to the complexities of financial reporting, we recommended that management explore various alternatives for improving the controls over financial reporting including the use of governmental accounting standards, reference guides and continuing education and training courses.

Current Year Status
Comment repeated in the current year as part of finding 2022-001

Section 3 – Federal Award Findings and Questioned Costs

Federal Award Findings Required to be Reported in Accordance with the Uniform Guidance

None

Summary Schedule of Prior Audit Findings

None

CITY OF PARKVILLE · 8880 Clark Avenue · Parkville, MO 64152 · (816) 741-7676 · FAX (816) 741-0013

Corrective Action Plan
Year Ended December 31, 2022

2022-001 Financial Reporting

Criteria
An effective internal control system over financial reporting should be in place to ensure year-end balances and external financial reporting conforms to generally accepted accounting principles.

Condition
Our audit procedures identified adjustments that were required to properly report certain transactions of the City in accordance with generally accepted accounting principles. These adjustments were not initially identified by the City's internal controls over financial reporting.

Cause
Year-end procedures were not sufficient to identify the adjustments noted above in a timely manner.

Effect
Potential exists for material misstatements to the financial statements.

Recommendation
We recommend that management review year-end closing procedures to ensure that transactions are properly recorded and approved in accordance with generally accepted accounting principles.

Corrective Action Plan
Staff agrees with the adjustments recommended by our auditors. The City experienced staff turnover in the finance area at the end of 2022 that had significant impact on the timing of performing year-end adjustments. Staff understands that the City is ultimately accountable for the accuracy of the financial statements and will endeavor to increase the in-house knowledge of governmental accounting standards to improve this reporting process.

The City hired a Deputy City Administrator/Finance Director at the end of August 2023 for the purpose of restructuring the finance processes of the City. While this change took place after the 2022 fiscal year, we are encouraged that the amount of adjustments staff performed increased over prior years. Staff has already started the 2023 audit process and believe there will be substantial overall improvements in processes and procedures to make for smoother, more efficient financial audits moving forward.

Personnel responsible For Corrective Action:
Bryan Kidney, Deputy City Administrator/Finance Director, 816-268-5014

Anticipated Completion Date:
March 31, 2024

Prior Year Reference Number: 2021-001

Finding Summary: Financial Reporting – Material Adjustments

Status: See Current Year finding 2022-001

COMPLIANCE REPORTS

HOOD AND ASSOCIATES CPAs, PC

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Honorable Mayor and
Board of Aldermen
City of Parkville, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Parkville, Missouri (the City), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 27, 2023.

Report on Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control described in the accompanying schedule of findings and responses as item 2022-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

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

Purpose of this Report

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

Hood and Associates CPAs, PC

Kansas City, Missouri
December 27, 2023

Independent Auditor's Report on Compliance for the Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

To the Honorable Mayor and
Board of Aldermen
City of Parkville, Missouri

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Parkville, Missouri's (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended December 31, 2022. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

Hood and Associates CPAs, PC

Kansas City, Missouri
December 27, 2023

CITY OF PARKVILLE, MISSOURI

REQUIRED COMMUNICATIONS AND MANAGEMENT LETTER

For the Year Ended December 31, 2022

City of Parkville, Missouri

Required Communications and Management Letter

For the Year Ended December 31, 2022

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To the Honorable Mayor and
Board of Aldermen
City of Parkville, Missouri

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Parkville, Missouri (the City) as of and for the year ended December 31, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and Government Auditing Standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated January 6, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. As described in Note 1 to the financial statements, the City changed accounting policies related to leases by adopting Statement of Governmental Accounting Standards (GASB) Statement No. 87, *Leases*, during 2022. No other new accounting policies were adopted and the application of existing policies was not changed during 2022. We noted no transactions entered by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. Significant accounting estimates used by the City's management include determining the allowance for doubtful accounts, the estimated historical cost of infrastructure and the related estimated useful lives used in recording depreciation and accumulated depreciation for capital assets, and the estimated obligation relating to pension benefits. We evaluated the key factors and assumptions used in developing the above estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit. However, there were delays in receiving certain required audit information and schedules.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. We assisted with the adjustments necessary in implementing GASB Statement No. 87, *Leases*. The following material misstatements were detected as a result of our audit procedures and were corrected by management.

- Adjustments to record accrued liabilities of $268,037.
- Adjustment to record $411,520 unearned revenue for the remaining amount of unspent ARPA funds.
- Adjustment to record $402,743 of insurance proceeds receivable and related deferred inflow of $402,743.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 27, 2023.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the City's management's discussion and analysis and other required supplementary information (RSI) as listed in the table of contents which are required to supplement the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining and individual fund statements and schedules which accompany the financial statements but are not RSI. With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Parkville, Missouri as of and for the year ended December 31, 2022, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency in the City's internal control described under Financial Reporting to be a material weakness.

As part of our annual audit, we try to identify opportunities for improving the management of financial resources and for improving the internal controls over financial reporting. We are submitting, for your consideration, our observations and recommendations with regard to these matters.

Management's responses to our comments are included with this report. We did not audit the City's responses and, accordingly, we express no opinion on them.

CURRENT YEAR COMMENTS

Financial Reporting – Material Weakness

Management is responsible for establishing, maintaining, and monitoring internal controls over financial reporting, and for the fair presentation of the financial statements and related notes in conformity with U.S. generally accepted accounting principles. Under our professional standards, we have to assess the City's controls over preparing the financial statements. These controls should allow management or employees to prevent, detect, and correct financial statements on a timely basis.

Our audit procedures identified adjustments that was required to properly report a certain transaction of the City in accordance with generally accepted accounting principles. This adjustment was not initially identified by the City's internal controls over financial reporting.

We recommend that management review year-end closing procedures to ensure that transactions are properly recorded in accordance with generally accepted accounting principles. In addition, due to the complexities of financial reporting, we recommend that management explore various alternatives for improving the controls over financial reporting including the use of governmental accounting standards, reference guides and continuing education and training courses.

Management's Response

Staff agrees with the adjustments recommended by our auditors. The City experienced staff turnover in the finance area at the end of 2022 that had significant impact on the timing of performing year-end adjustments. Staff understands that the City is ultimately accountable for the accuracy of the financial statements and will endeavor to increase the in-house knowledge of governmental accounting standards to improve this reporting process.

The City hired a Deputy City Administrator/Finance Director at the end of August 2023 for the purpose of restructuring the finance processes of the City. While this change took place after the 2022 fiscal year, we are encouraged that the amount of adjustments staff performed increased over prior years. Staff has already started the 2023 audit process and believe there will be substantial overall improvements in processes and procedures to make for smoother, more efficient financial audits moving forward.

Key Personnel

The City is exposed to certain management risks including among others, the possible loss of continuity and disruption in City operations with the loss of key personnel either through retirement or unanticipated circumstance. We recommend that City management evaluate and identify the exposure to such risks and develop plans to mitigate such risks. Such plans might include developing an emergency management plan; performing succession planning for key members of management; documenting specific workflow responsibilities and requirements, and increased cross-training of City personnel.

Management's Response

The City is continuing to review continuity concerns due to any potential staff turnover. The risk to a smaller community such as Parkville is high due to having limited resources. For this reason, the City Administrator has embarked on a comprehensive review of all areas of both internal staffing and professional relationships. Throughout the past year the City has restructured positions to have an additional support and redundancy in payroll, accounts payable and utility billing. In addition, the City has also entered into new contracts for outsourcing human resources and financial advisory support to ensure ongoing technical support.

Future Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has issued the following statements which may impact the City's financial reporting requirements.

- GASB Statement No. 94 *Public-Private and Public-Public Partnerships and Availability Payment Arrangements,* effective for the fiscal year beginning January 1, 2023.
- GASB Statement No. 96 *Subscription-Based Information Technology Arrangements*, effective for the fiscal year beginning January 1, 2023.
- GASB Statement 99 *Omnibus*, generally effective for fiscal year beginning January 1, 2023.
- GASB Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62,* effective for the fiscal year beginning January 1, 2024.
- GASB Statement No. 101, *Compensated Absences*, effective for the fiscal year beginning January 1, 2024.

We recommend management review these standards to determine the impact they may have on the City's financial reporting.

Management's Response

City staff will review all recent and upcoming GASB statements and ensure that any required changes are incorporated in future financial reporting.

PRIOR YEAR COMMENTS

In the prior year, we issued certain comments and recommendations in regard to the City's accounting, internal control and financial reporting issues. The following table summarizes the nature and significance of these comments as described in the prior year's reports, and our determination of the status of those comments.

Prior Year Comment Description	Significance	Current Year Status
Financial Reporting	We identified adjustments that w ere required to properly report certain transactions in accordance w ith generally accepted accounting principles. We recommended that management review year-end closing procedures to ensure that transactions are properly recorded and approved in accordance w ith generally accepted accounting principles.	Comment is repeated as material adjustments w ere required to properly report certain transactions in accordance w ith generally accepted accounting principles w ere identified.
Grant Management	The City has a number of capital projects funded by grant agreements. Under these agreements, the City w ill incur and pay project related costs upfront and then request reimbursement for eligible costs from the Grantee. During our audit, w e noted that there w as a time lag betw een w hen the costs w ere incurred and paid and w hen the City requested reimbursement from the Grantee. Such a time lag could create cash flow concerns for the City. We recommended that the City review its grant reimbursement policies and procedures to more timely request reimbursements in accordance w ith grant agreement.	We continue to recommend that the City review its grant reimbursement policies and procedures to more timely request reimbursements in accordance w ith grant agreement.
Cyber Security	Organizations are encountering more cyberattacks than in previous years partly due to the migration of w orking remote. One example of a cyberattack is through phishing emails asking employees to click on a link w hich deploys malw are to encrypt the Organization's system. We recommend that the City continue review ing current policies and procedures related to cyber security. Procedures should include training employees on how to identify phishing emails and w hat to do if one is suspected, review cyber security protocols for key systems, test back-up systems w ith key data, and developing an incident response plan if an attack occurs.	We continue to recommend that the City continue review ing current policies and procedures related to cyber security.
Future Accounting Pronouncements	We recommended that management review upcoming standards to determine w hat impact they may have on the City's financial reporting.	The City implemented all applicable standards that became effective during fiscal year 2022.

This report is intended solely for the information and use of the Mayor, Board of Alderman, and management of the City, and is not intended to be and should not be used by anyone other than these specified parties.

Hood and Associates CPAs PC

Kansas City, Missouri
December 27, 2023