FINANCE COMMITTEE
Monday, February 26, 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 22, 2024, meeting
   B. Approve an agreement with Hood & Associates CPAs PC for auditing services for fiscal year 2023 (Administration)

4. **Non-Action Items**
   A. Quarterly Projects Update

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

6. **Other Business**

7. **Adjourn**

Posted Date & Time: 2/23/24; 11:35 a.m. By: MM

Finance Committee Meeting
Monday, January 22, 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: City Administrator Alexa Barton, Deputy City Administrator/Finance Director Bryan Kidney, Assistant City Administrator Jeffery Rhodes (*via videoconference*), Police Chief Kevin Chrisman (*via videoconference*), Public Works Director Dan Harper, Community Development Director Stephen Lachky (*via videoconference*) and Parks & Recreation Director Brittanie Propes

Others Present: Michael Keenan and Warren Herrick, Hood & Associates CPAs; and Matt Eblen, McClure Engineering

2. Financial Updates

3. Action Items

A. **Approve the minutes for the January 8, 2024, meeting**

Bob Bennett moved to approve the minutes for the January 8, 2024, meeting. Philip Wassmer seconded; motion passed 4-0.

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 Director Stephen Lachky provided a background on the grant application, construction costs, engineering and design. He said that with the passage of Proposition T, the City entered into an agreement with the Missouri Department of Transportation to accept the grant funds in order to move forward with the design process. The City approved agreements with various on-call professional services firms and five could provide the engineering services needed for the project. McClure was recommended as the best approach because they had experience with similar large City projects. Lachky said they provided an estimate to create a design, but it did not include construction inspection. He added that staff was preparing a request to Platte County for additional funds to assist with the project.

Bennett moved 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.

Wassmer seconded; motion passed 4-0.

4. Non-Action Items

A. **<u>Present audited financial statements, required communications, management letter and single audit report for fiscal year 2022</u>**

Michael Keenan, Hood & Associates CPAS, provided an overview of the 2022 Audit, the single audit and required communications and management letter. He presented a summary of the audit findings. The audit would be presented to the Board of Aldermen on January 30.

5. Unfinished Business (postponed from prior meetings)

6. Other Business

7. Adjourn

Chair Wylie adjourned the meeting at 5:11 p.m.

Submitted by:

______________________ Melissa McChesney City Clerk	____________________ Approval Date

CITY OF PARKVILLE
Policy Report

Date: February 8, 2024

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

Reviewed By:
Alexa Barton, City Administrator

ISSUE:
Approve an agreement with Hood & Associates CPAs PC for auditing services for fiscal year 2023 (Administration)

BACKGROUND:
The City contracted with Cochran Head Vick & Co., P.C. to conduct auditing services for the City for FY2018, FY 2019 and FY 2020. Cochran Head Vick & Co. merged with Hood & Associates CPAs PC in January 2022 to become Hood & Associates CPAs PC. The audit for FY2023 would be the third year of auditing services from the merged company. This fall, staff plans on requesting proposals for the audits for 2024 through 2027.

STRATEGIC GOAL(S):
Operational Excellence

BUDGET IMPACT:
The lump sum cost for services related to the 2022 Financial Statement Audit will be $26,000. The authorized 2024 budget includes adequate funds for Auditor Fees (10-501-08-02-00) for this contract.

ALTERNATIVES:

1. Approve a professional services agreement with Hood & Associates for auditing services.
2. Do not approve the agreement and provide further direction.
3. Postpone the item.

STAFF RECOMMENDATION:
Staff recommends that the Finance Committee approve the agreement with Hood & Associates.

POLICY:
The Purchasing Policy allows the City Administrator to approve this contract. However, since it is for the audit of the City's financials, staff recommends approval by the governing body.

SUGGESTED MOTION:
I move to recommend that the Board of Aldermen approve an agreement with Hood & Associates CPAs PC for auditing services for fiscal year 2023 in the amount of $26,000.

ATTACHMENTS:

1. Engagement Letter

HOOD AND ASSOCIATES CPAs, PC

January 31, 2024

Alexa Barton
City Administrator
City of Parkville, Missouri
8880 Clark Avenue
Parkville, MO 64152

We are pleased to confirm our understanding of the services we are to provide to the City of Parkville, Missouri (the City) for the year ended December 31, 2023.

Audit Scope and Objectives

We will audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, including the disclosures, which collectively comprise the basic financial statements of the City as of and for the year ended December 31, 2023. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the City's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB) 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. As part of our engagement, we will apply certain limited procedures to the City's RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist 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 will 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. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

1) Management's Discussion and Analysis.
2) Budgetary Comparison Information.
3) Schedule of Changes in Net Pension Liability and Related Ratios.
4) Schedule of Employer Contributions.

We have also been engaged to report on supplementary information other than RSI that accompanies the City's financial statements. We will subject the following supplementary information to the auditing procedures applied in our 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS, and we will provide an opinion on it in relation to the financial statements as a whole, in a report or combined with our auditor's report on the financial statements:

1) Schedule of expenditures of federal awards, if applicable.
2) Combining and Individual Fund Financial Statements and Schedules.
3) Schedules of Revenue, Expenditures and changes in Fund Balances – Budget and Actual.

The objectives of our audit 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 issue an auditor's report that includes our opinions about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP, and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as whole. 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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements. The objectives also include reporting on:

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Auditor's Responsibilities for Audit of the Financial Statements and Single Audit

We will conduct our audit in accordance with GAAS; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the City or to acts by management or employees acting on behalf of the City. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements or noncompliance may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, direct confirmation of receivables and certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

We have identified the following significant risks of material misstatement as part of our audit planning:

- Management override of controls.
- Improper revenue recognition.

Audit Procedures - Internal Control

We will obtain an understanding of the City and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. 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, misrepresentation, or the override of internal control. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards.*

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

Audit Procedures - Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the City's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance, and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the City's major programs. For federal programs that are included in the Compliance Supplement, our compliance and internal control procedures will relate to the compliance requirements that the Compliance Supplement identifies as being subject to audit. The purpose of these procedures will be to express an opinion on the City's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Other Services

We will also assist in preparing the financial statements, schedule of expenditures of federal awards, and related notes of the City in conformity with GAAP and the Uniform Guidance based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statements, schedule of expenditures of federal awards, and related notes services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities for the financial statements, schedule of expenditures of federal awards, and related notes, and any other non-audit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, the schedule of expenditures of federal awards, and related notes and that you have reviewed and approved the financial statements, the schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the non-audit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Responsibilities of Management for the Financial Statements and Single Audit

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for (1) designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including internal controls over federal awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and accompanying information in conformity with GAAP and for compliance with applicable laws and regulations (including federal statutes), rules, and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

You are also responsible for making drafts of financial statements, schedule of expenditures of federal awards, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance; (3) additional information that we may request for the purpose of the audit; and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, granters, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants. You are also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received and COVID-19 related concepts, such as lost revenues, if applicable) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains, and indicates that we have reported on, the schedule of expenditures of federal awards. You also agree to make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with United States of America’s generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Scope and Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing. At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditor's reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditor's reports or nine months after the end of the audit period.

We will provide copies of our reports to the Board of Aldermen; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Hood & Associates CPAs, P.C. and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the Cognizant or Oversight Agency or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities.

We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Hood & Associates CPAs, P.C. personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the Cognizant Agency or oversight Agency for Audit. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Violet Kirkendall, CPA is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. We expect to begin our audit fieldwork on approximately April 15, 2024, and to issue our final reports no later than June 30, 2024.

Our fee for these services will be at our standard hourly rates. Our fee, before any adjustment, as described below, will be $26,000. If a single audit is required, the fee will be $4,000 for the audit of one (1) major program. If additional major programs require a single audit, our fees for those services will be $3,000 for each additional major program. This fee is based on anticipated cooperation from your personnel including preparation of requested audit schedules and other information. The fee also includes the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable within 30 days upon receipt.

Reporting

We will issue written reports upon completion of our Single Audit. Our reports will be addressed to Board of Aldermen of the City. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

We appreciate the opportunity to be of service to the City and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the attached copy and return it to us.

Very truly yours,
Hood & Associates CPAs, P.C.

RESPONSE:

This letter correctly sets forth an understanding of the City of Parkville, Missouri.

By: ______________________________

Title: ______________________________

Date: ______________________________

MURETCPA PLLC

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Tax, Accounting & Financial Services

Report on the Firm's System of Quality Control

August 22, 2023

To the Partners of Hood & Associates, CPAs, P.C. and the Peer Review Committee of the Oklahoma Society of Certified Public Accountants,

We have reviewed the system of quality control for the accounting and auditing practice of Hood & Associates, CPAs, P.C. (the firm) in effect for the year ended December 31, 2022. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a system review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported on in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of and compliance with the firm's system of quality control based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act, and audits of employee benefit plans.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Hood & Associates, CPAs, P.C. in effect for the year ended December 31, 2022, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. Hood & Associates, CPAs, P.C. has received a peer review rating of *pass*.

Muret CPA PLLC

Muret CPA, PLLC

Division	Type	New or Replace	Name	Project Description	Funding Source	2022 Roll-Over	2023 Budget	Q1 Spent	Q2 Spent	Q3 Spent	Q4 Spent	2023 Funds Remaining	Status / Projected Quarter	Comments
Admin/IT	Equipment	Replacement	Computer Replacement Cycle	Continue cycle to replace 25% of office computers each year in order to maintain a four-year replacement cycle for software, hardware, operating systems, and warranties	100% General Fund	$ -	$ 8,750	$ -	$ -	$ -	$ -	$ 8,750	**ONGOING**	**Rolled to 2024 and working with RTI for new machines, updated software, and a planned replacement schedule**
Admin/IT	Software	New	Records Management Software	Electronic storage software for City records (not email) to allow for enhanced search capabilities.	100% General Fund	$ -	15,000	-	-	-	6,700	8,300	**COMPLETED**	**Contracted with Laserfiche; completed administrative and user training in December.**
Admin	Project	Replacement	City Hall Building Repairs	Repairs to City Hall	100% General Fund	$ 25,883	-	-	-	-	-	25,883	**Moved to 2024**	
Admin	Project	Replacement	City Hall External Security	Install external security measure on City Hall	100% General Fund	$ 7,500	-	-	-	-	-	7,500	**Moved to 2024**	
Admin	Project	Replacement	Security System	Security system upgrade	100% General Fund	$ 11,041	-	-	-	-	-	11,041	**Moved to 2024**	
					TOTAL ADMIN/IT/Court	**$ 44,424**	**$ 23,750**	**$ -**	**$ -**	**$ -**	**$ 6,700**	**$ 68,174**		
CD	Project	New	Architectural Design Standards	The City's Title IV – Development Code (Chapter 403 Applications & Procedures processes) requires major site plans, minor site plans, preliminary development plans and final development plans to meet development and design standards of the code.	100% General Fund	$ -	40,000	-	-	-	-	40,000	**IN PROCESS, will Continue in 2024**	**Board of Aldermen approved contract with Confluence on July 18th; Steering Committee (i.e., Planning and Zoning Commission) convened their first project workshop on October 10, 2023.**
CD	Project	New	ADA Transition Plan	The Parkville ADA Transition Plan is a Mid-America Regional Council (MARC) 2023 Planning Sustainable Places (PSP) project that involves the creation of a citywide ADA transition plan to ensure all individuals with disabilities have reasonable access to public accomodations via the citywide transportation system.	100% General Fund	$ -	5,000	-	-	-	-	5,000	**IN PROCESS, will Continue in 2024**	**Consultant team from ACTServices selected. MARC executed contract/agreement on August 25th conducted our downtown ADA audit with ACTServices. Drafting final report and project is 90% completed (need to complete City staff training).**
CD	Project	New	Housing Density Study	The Parkville Housing Study is a housing inventory & future growth analysis to identify the community's current housing needs.	100% General Fund	$ -	5,000	-	-	-	-	5,000	**CANCELLED**	**This project was a planned joint effort between the City and PACE, with the majority of costs covered via an Evergy grant-matching funding opporunity; however, Evergy is no longer able to provide said funding.**
					TOTAL COMMUNITY DEVELOPMENT	**$ -**	**$ 50,000**	**$ -**	**$ -**	**$ -**	**$ -**	$ 50,000		
Police	Equipment	Replacement	Patrol Vehicle	Purchase one AWD Police Vehicle including emergency equipment, video, radio, etc.	100% General Fund	$ 42,130	47,870	58,744	-	-	-	31,256	**COMPLETE**	
Police	Equipment	Replacement	In-Car Video Systems	Replace existing in-car video system with updated system. Will be on a five-year maintenance cycle to match warranty pending wear and tear.	100% General Fund	$ -	4,303	-	-	-	-	4,303	**COMPLETE**	
Police	Project	New	Police Co-Location Planning	Design/engineering of a Police Annex location vs. Lease of multi-use space	100% General Fund	$ -	30,000	-	-	-	-	30,000	**Rollover from 2022**	**On-Call Architect/Designer - Clark/Enerson**
Police	Project	New	Park Cameras	Install four new cameras in the park	100% General Fund	$ 9,500	5,500	-	-	-	-	15,000	**COMPLETE**	
Police	Equipment	Replacement	Holding Cell Toilet	Replace toilet in holding cell	100% General Fund	$ 10,000	-	-	-	-	-	10,000	**Rollover from 2021**	**Jeff Rhodes exploring options for replacement**
					TOTAL POLICE	**$ 61,630**	**$ 87,673**	**$ 58,744**	**$ -**	**$ -**	**$ -**	**$ 90,559**		
PW	Project	New	Thousand Oaks Tornado Siren	Install new tornado siren in Thousand Oaks	100% General Fund	$ -	26,000	1,750	19,840	8,882	3,250	(7,722)	**COMPLETE**	**Over-budget due to increases in materials and labor**

Division	Type	New or Replace	Name	Project Description	Funding Source	2022 Roll-Over	2023 Budget	Q1 Spent	Q2 Spent	Q3 Spent	Q4 Spent	2023 Funds Remaining	Status / Projected Quarter	Comments
PW	Project	New	Public Parking Lot Lease/Purchase	Lease/purchase payment for a public parking lot. The lease/payment will continue until 2043 (25 years from 2018 = $551,025), for the use of the public parking lot for 99 years.	100% General Fund	$ -	22,041	-	-	-	22,041	-	**Complete for 2023, will continue through 2043**	
					TOTAL PW	**$ -**	**$ 48,041**	**$ 1,750**	**$ 19,840**	**$ 8,882**	**$ 25,291**	**$ 46,291**		
					TOTAL GENERAL FUND	$ 106,054	$ 209,464	$ 60,494	$ 19,840	$ 8,882	$ 31,991	$ 255,024		
Sewer	Equipment	Replacement	CCTV	Program to clean and televise a portion of the 15,000 feet per year of the City's sewers.	Sewer Fund	$ -	62,700	-	32,676	10,255	-	19,769	**COMPLETE**	
Sewer	Equipment	Replacement	Pinecrest Pump Station	Pinecrese Wiring Replacement	Sewer Fund	$ -	6,500	-	-	-	-	6,500	**Delayed**	**Project pushed to 2024 due to other pump station failures.**
Sewer	Equipment	Replacement	45 HWY Pump Station	45HWY Pump Rebuild	Sewer Fund	$ -	7,500	-	-	-	-	7,500	**Delayed**	**Project pushed to 2025 due to other pump station failures.**
Sewer	Equipment	Replacement	RAS Pump VFD Replacement	Replace VFD for RAS Pump at WWTP	Sewer Fund	$ -	7,500	-	-	-	-	7,500	**Delayed**	**Due to time restrictions and other WWTP work this was not able to be scheduled.**
Sewer	Equipment	Replacement	Clarifier Drives Replacement	Purchase 2 replacement hydraulic clarifier drives	Sewer Fund	$ -	27,500	24,990	-	-	-	2,510	**COMPLETE**	**One drive was replaced when the east clarifier had emergency repairs. The other is planned for 2024 CIP.**
Sewer	Equipment	Replacement	Clarifier Drive Installation	Install 2 replacement hydrauliz clarifier drives	Sewer Fund	$ -	18,000	-	-	-	-	18,000	**Delayed**	**One drive was replaced when the east clarifier had emergency repairs. The other is planned for 2024 CIP.**
Sewer	Equipment	Replacement	Clarifier Drive T-Valve Replacement	Replace Leaking Telescoping valve inside of RAS pump well - west clarifier	Sewer Fund	$ -	21,000	-	-	-	-	21,000	**Delayed**	**Delayed due to the emergency repair on the East Clarifier, this was moved to 2024 CIP.**
Sewer	Equipment	Replacement	UV Bulbs & Sleeves	Replace UV Bulbs, sleeves, ballasts	Sewer Fund	$ -	17,000	8,399	175	1,575	6,430	422	**COMPLETE**	**UV improvements made, additional electrical work planned in 2026 & 2027.**
Sewer	Equipment	Replacement	Riss Lake Low-Pressure System (LPS) Repairs	Proactive repairs to valves, clean out, and pits/vaults maintenance	Sewer Fund	$ -	20,000	-	-	-	-	20,000	**Delayed**	**Project delayed as part of the larger repair contract to fund East Clarifier Emergency repair.**
Sewer	Equipment	Replacement	Easement Clearing - Melody Ln & Country Gardens	Clearing trees and grading improvements ot restore access to sewer lines	Sewer Fund	$ -	29,000	-	-	-	19,305	9,695	**COMPLETE**	**Completed as part of the 2023 Sanitary Sewer Repair project.**
Sewer	Project	Replacement	Mini-Camera	Small CCTV camera for small segment of pipe review	Sewer Fund	$ -	16,000	14,461	-	-	-	1,539	**COMPLETE**	
Sewer	Project	Replacement	Odor Control Fence	Replace fencing that surrounds bioxide injection system off of Riss Lake Dr.	Sewer Fund	$ -	20,000	6,557	-	-	-	13,443	**COMPLETE**	**Fence replaced as part of the Odor Control rehabilitation project.**
Sewer	Project	Replacement	System Renewal Plan	Engineering study to analyze asset classes, project costs and plan for renewal of the entire sewer system - for the next 10 years	Sewer Fund	$ -	19,000	-	-	-	-	19,000	**Delayed**	**Study delayed pending transfer of operations. Analysis planned for 2024.**
Sewer	Project	New	System Valuation Analysis	Professional Services Agreement / Overhead allocation review, analysis, and rate study	Sewer Fund	$ -	50,000	-	-	-	-	50,000	**Delayed**	**Study delayed pending transfer of operations. Analysis planned for 2024.**
Sewer	Equipment	Replacement	Mixer	Replacement of one submersible propeller mixer in Aeration Basin tank.	100% Sewer Fund	$ 13,000		-	-	-	-	13,000	**Delayed**	**Delayed due to emergency clarifier repair, postponed until 2025.**
Sewer	Equipment	Replacement	Aeration Blower	Reconstruction of 12-year-old Aeration Blower.	100% Sewer Fund	$ -	15,000	-	-	-	-	15,000	**IN PROCESS**	**Work has started, expected completion February 2024**
Sewer	Equipment	Replacement	Aeration Basin Diffusers	Replace membrane disc air diffusers in aeration tank.	100% Sewer Fund	$ -	42,000	1,707	524	-	-	39,769	**Delayed**	**Delayed until 2024**

Division	Type	New or Replace	Name	Project Description	Funding Source	2022 Roll-Over	2023 Budget	Q1 Spent	Q2 Spent	Q3 Spent	Q4 Spent	2023 Funds Remaining	Status / Projected Quarter	Comments
Sewer	Equipment	Replacement	Clarifier Drive	Rebuild two clarifier drives at WWTP. Includes new valves and fittings.	100% Sewer Fund	$ 17,000		-	-	-	-	17,000	**COMPLETE**	**Completed as part of the 2023 Sanitary Sewer Repair project.**
Sewer	Equipment	Replacement	Sludge Buggy	Replace used trailer used to land-apply liquid sludge.	100% Sewer Fund	$ 10,000		-	-	-	8,817	1,183	**Re-allocated**	**Funds utilized to replace failed buggy tractor.**
Sewer	Equipment	New	Ongoing Sanitary Sewer Repairs	Periodic projects to rebuild sewer pipes, using the CIP process.	100% Sewer Fund	$ -	250,000	-	-	-	119,105	130,895	**COMPLETE**	**Project scope reduced due to balancing funds, project completed with reduced scope.**
Sewer	Equipment	New	SCADA	Rebuild hardware, re-program new computer system and training for SCADA system.	100% Sewer Fund	$ -	58,000	-	-	-	-	58,000	**Delayed**	**Not able to be scheduled with emergency clarifier repair, planned for 2024 CIP.**
Sewer	Project	Replacement	Odor Control Rehabilitation	Replacement of odor control injection system.	100% Sewer Fund	$ -	57,000	-	-	-	125,000	(68,000)	**COMPLETE**	
					TOTAL SEWER	**$ 40,000**	**743,700**	**56,114**	**33,375**	**11,830**	**278,657**	**403,724**		
Transportation	Equipment	New	Dump Truck	Purchase new truck and snowplowing equipment for Streets .	100% Transportation Fund	$ 70,000	95,000	-	-	-	-	165,000	**OPEN**	**Truck deferred to 2023. Purchase of equipment in 2022.**
Transportation	Equipment	New	Snow Box Attachment	New Snow box attachment for plowing parking lots and small spaces	100% Transportation Fund	$ -	5,000					5,000	**Delayed**	**Delayed due to new truck plan.**
Transportation	Maintenance	New	2" Asphalt Mill and Overlay	Contractor to mill and overlay existing asphalt streets in the City that have become deteriorated.	100% Transportation Fund	$ -	350,000	-	-	290,380	-	59,620	**COMPLETE**	
Transportation	Maintenance	New	Curb & Sidewalk Repair	Repair defective sections of curb and sidewalk due to general deterioration.	100% Transportation Fund	$ -	100,000	-	-	87,173	-	12,827	**COMPLETE**	
Transportation	Maintenance	New	Crack Sealing	Crack sealing of existing street in the City. Includes rental of crack sealing machine and crack seal material.	100% Transportation Fund	$ -	15,000	-	-	-	6,000	9,000	**COMPLETE**	**Crack seal machine purchased. Amount listed represents the cost of materials.**
Transportation	Maintenance	New	Street Striping	Needed to re-paint areas on the pavement such as centerlines and stop bars for traffic safety.	100% Transportation Fund	$ -	20,000	-	-	-	-	20,000	**CANCELLED**	**Project cancelled due to bid prices, rolled into 2024 CIP striping.**
					TOTAL TRANSPORTATION	**$ 70,000**	**$ 585,000**	**$ -**	**$ -**	**$ 377,553**	**$ 6,000**	**$ 271,447**		
Parks Sales Tax	Project	Replacement	Watkins Park Improvements	Construct shelter, parking and playground in Watkins Park.	60% Parks Sales Tax 40% Outreach Grant	$ 20,000	-	-	7,800	-	-	12,200	**COMPLETE**	**$7,800 rolled over into 2023 - for trail improvements**
Parks Sales Tax	Project	Replacement	Streambank Stabilization near Watkins Park	Improve scour occuring along the streambank bordering Watkins Park.	60% Parks Sales Tax 40% Stormwater Grant	$ 42,000	-	-	-	-	-	42,000	**COMPLETE**	**Completed 2022**
Parks Sales Tax	Project	New	Wetland Educational Area	Outdoor classroom space and kiosks for wetland education.	100% Parks Sales Tax	$ 15,000	-	-	-	-	-	15,000	**ON HOLD**	**On hold while we focus on the Wetland restoration project**
Parks Sales Tax	Equipment	New	JD 6-Series Tractor	Parks Tractor Lease. 5 years, starting in 2022. Ends in 2027 = $49,000	100% Parks Sales Tax	$ 7,000	-		-	-	-	7,000	**ONGOING**	**5 Years, started in 2022**
Parks Sales Tax	Equipment	New	Zero Turn Mower	Purchase of mower for Parks.	100% Parks Sales Tax	$ 18,500	-	-	-	-	-	18,500	**COMPLETE**	**Completed 2022**
Parks Sales Tax	Project	Replacement	Entry Signs for PLP/ELP	The design and purchase of new entry signs to English Landing and Platte Landing Parks, including wayfinding signs within the parks.	100% Parks Sales Tax	$ 100,000	-	-	-	-	-	100,000	**ON HOLD**	**On hold until Farmers Market Project is complete**
Parks Sales Tax	Equipment	New	Bike Racks and Service Areas	Purchase and installational of bike repair station and bike racks in Parkville.	100% Parks Sales Tax	$ 5,000	-	-	-	-	-	5,000	**ON HOLD**	**Seeking grant funding to add additional bike racks and bike fix-it stations.**

Division	Type	New or Replace	Name	Project Description	Funding Source	2022 Roll-Over	2023 Budget	Q1 Spent	Q2 Spent	Q3 Spent	Q4 Spent	2023 Funds Remaining	Status / Projected Quarter	Comments
Parks Sales Tax	Project	New	Brush Clearing along Rt 9 / ELP Frontage	Mowing of significant weed growth between Route 9 and the railroad tracks that impacts the view into English Landing Park.	100% Parks Sales Tax	$ 15,000	-	-	-	-	-	15,000	**COMPLETE**	**Completed 2022**
Parks Sales Tax	Project	Replacement	Southern Platte Pass Trail Maintenance	Resurfacing of the asphalt trail along Hwy 45.	100% Parks Sales Tax	$ 70,000	-	-	-	-	-	70,000	**COMPLETE**	
Parks Sales Tax	Project	Replacement	ELP Electrical Upgrades	Installation of decorative lamp posts and upgrades to electrical pedestals in English Landing Park	60% Parks Sales Tax 40% Outreach Grant	$ 20,000	-	-	-	4,500	-	15,500	**COMPLETE**	**Decorative lamp posts completed ($17,800). Upgrades to ELP pedestals completed**
Parks Sales Tax	Project	Replacement	Farmers Market	Design and construction of the Farmers Market building.	100% Parks Sales Tax	$ 20,000	250,000	-	-	-	-	270,000	**IN PROCESS**	**Awaiting response from Platte County regarding Partnership Grant Funding**
Parks Sales Tax	Project	New	HWY 9 Trailhead	City's share for constructing a new trailhead along HWY 9 to connect with the Southern Platte Pass at Gateway Park	Parks Sales Tax Partnership Grant	$ -	50,000	-	-	4,500	-	45,500	**IN PROCESS**	**Received Grant Funding from Outreach Grant. Project in process.**
Parks Sales Tax	Equipment	New	ATV/Gator w/ Cab	New ATV/Gator 4-season, park operations	Parks Sales Tax	$ -	30,000	-	27,462	-		2,538	**COMPLETE**	**Purchased and delivered**
Parks Sales Tax	Project	New	PLP Multipurpose Field	City's share to create a field and parking lot to allow placement of the Veterans Memorial - in accordance with the Land & Water Conservation Fund (LWCF) Grant	Parks Sales Tax	$ -	25,000	-	-	-	-	25,000	**ON HOLD**	**Pending the outcome of the Veteran's Memorial being relocated to Spirit Fountain**
Parks Sales Tax	Project	New	Master Plan Update	Parks Master Plan - will include an udpated community survey	Parks Sales Tax	$ -	34,500	-	-	-	-	34,500	**IN PROCESS**	**Steering committee has been reviewing proposoals and interviewing firms. BOA will vote 12/5/23**
Parks Sales Tax	Equipment	New	Facilities Management Software	Software for reservations and Park event management	Parks Sales Tax	$ -	20,000	-	8,571	-		11,429	**COMPLETE**	**Staff is in the process of training on the new software. The reservation and program software will go live 3/1/2024**
Parks Sales Tax	Maintenance	Replacement	Train Depot Maintenance	Preventative Maintenance on the historic Train Depot	Parks Sales Tax General Fund	$ -	15,000	-	-	-	-	15,000	**ON HOLD**	**Pending Direction from CLARB/BOA and Veterans Memorial. Staff prepared RFP for new uses of Train Depot.**
Parks Sales Tax	Maintenance	Replacement	Train Depot Landscaping	Landscaping enhancements at the Train Depot and Spirit Fountain	Parks Sales Tax	$ -	15,000	-	-	-	-	15,000	**ON HOLD**	**See above**
Parks Sales Tax	Project	New	PLP Dumpster	Enclosed Dumpster area in PLP	Parks Sales tax	$ -	12,000	-	-	-	-	12,000	**IN PROCESS**	**Construction approved, anticipated start date late November**
Parks Sales Tax	Project	New	Dog Drinking Fountains	Two drinking fountains in the dog parks - one in each enclosure	Parks Sales Taxk	$ -	10,000	-	-	-	-	10,000	**IN PROCESS**	**Seeking additional grant funding**
Parks Sales Tax	Maintenance	Replacement	ELP Trail Maintenance	ELP Trail Maintenance - South side of A-Truss Bridge	Parks Sales Tax	$ -	10,000	-	-	-	-	10,000	**IN PROCESS**	**This project will be in Q4 (after busy 5k/10k season ends)**
GRAND TOTAL					**TOTAL PARKS SALES TAX FUND**	**$ 332,500**	**$ 471,500**	**$ -**	**$ 43,833**	**$ 9,000**	**$ -**	**$ 751,167**		
					GRAND TOTAL	$ 654,608	$ 2,121,087	$ 175,352	$ 97,048	$ 407,265	$ 323,348	$ 1,840,095		

Quarterly Summary / End of Year Summary				
1st Quarter Actual	**2nd Quarter Actual**	**3rd Quarter Actual**	**4th Quarter Actual**	**2023 Unaudited**
$ 175,352	$ 97,048	$ 407,265	$ 323,348	$ 1,003,013