Parkville Missouri

**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; presentation attached as Exhibit A. 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
Melissa McChesney
City Clerk

February 26, 2024
Approval Date

**Report to**
**The Honorable Mayor**
**and Members of the Board of Aldermen**

**City of Parkville, Missouri**

**Financial and Compliance Audit**

**For the year ended December 31, 2022**

**Hood & Associates CPAs PC**

## *Hood & Associates CPAs PC*

- Serving Missouri, Kansas, Oklahoma, and Texas.
- Peer Review – We have been awarded the highest rating given as a result of our peer review.
- Member of-
  - American Institute of Certified Public Accountants (AICPA)
  - AICPA Government Audit Quality Center
  - One (1) member of our governmental services audit team is a member of the Government Finance Officers Association (GFOA) Special Review Committee
  - Licensed in Missouri, Kansas, Oklahoma, and Texas

# Scope of Audit

- We were engaged to perform an audit of the City's basic Financial Statements and Single Audit.



# Management Responsibilities

- 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 controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
  - Following laws and regulations.
  - Ensuring that 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.
  - Selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with accounting principles generally accepted in the United States of America.

# Auditor Responsibilities

- Conduct 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, and Uniform Guidance.
- Plan and perform our audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. 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.
- Report on internal controls over financial reporting and compliance with laws and regulations.



## The Auditing Standards Board of the American Institute of Certified Public Accountants (AICPA) recommends that we communicate the following matters to the Governing Board:

| City of Parkville, Missouri |
|---|
| Illegal Acts – None came to our attention as a result of performing our audit procedures. |
| Changes in Significant Accounting Policies – The City implemented Government Accounting Standards Board (GASB) Statement No. 87 Leases in 2022. |
| No difficulties or disagreements with management. However, there were delays in receiving certain required audit information and schedules. |
| Cooperation – Full access to books and records. |

## Financial and Compliance Audit addresses three basic questions:

| Question | Answers |
| --- | --- |
| Are the financial statements free of material misstatement? | We issued an unmodified opinion that the financial statements are fairly presented in all material respects. |
| Are internal controls over financial reporting adequately designed and operating effectively? | We identified a certain deficiency in internal control that we consider to be a material weakness.<br>➢ Financial Reporting |
| Did the City of Parkville, Missouri comply, in all material respects, with the finance-related laws and regulations? | No noncompliance was noted with the finance-related laws and regulations that govern the City's operations. |



## Other Management Letter Comments

Other Management Letter Comments – Contains suggestions for best practices and possible improvements in internal control noted in the conduct of the audit.

- Key Personnel
- Future Accounting Pronouncements

# Hood & Associates CPAs PC

**We appreciate the opportunity to serve as the auditor for**

**The City of Parkville, Missouri**