FINANCE COMMITTEE
Monday, August 10, 2020 3:30 PM
Administration Conference Room, City Hall

In light of public health orders from the Missouri Governor and Platte County related to the COVID-19 pandemic, and given the nature of the items to be considered at this particular meeting, the members of the Finance Committee will meet via telephone or video conference. Members of the public interested in this meeting are encouraged to listen in on the meeting via the following – Telephone: (312) 626-6799; Meeting ID: 848 4081 0836; Password: 165437– rather than appear at City Hall (note: occupancy will be limited).

1. **Call to Order**

2. **Financial Updates**
   A. 2nd Quarter 2020 Budget Variance Report

3. **Action Items**
   A. Approve the minutes for the July 27, 2020, meeting
   B. Review and approve the audit for fiscal year 2019 as prepared by Cochran, Head & Vick Co., P.C. (Administration)
   C. Approve the 2020 property tax levy for fiscal year 2021 (Administration)
   D. Approve the semi-annual financial report for the first half of 2020 and direct City Administration to publish (Administration)

4. **Non-Action Items**
   A. Quarterly Projects Update
   B. Update on 202 East Street Demolition Special Assessment

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

6. **Other Business**

7. **Adjourn**

Posted Date & Time: 8/7/20 2:12 p.m. By: MM

BUDGET VARIANCE REPORT
General Fund Expenses
As of 6/30/2019

	-------------------- 2019 --------------------				-------------------- 2020 --------------------					---- FY 2020 Projections ----		
Expenditures	**Budget**	**YTD as of 6/30/2019**	**% of Budget**	**2019 Total Expenditures**	**Budget**	**YTD as of 6/30/2020**	**% of Budget**	**Budget Remaining**	**Avg Monthly Expense**	**2020 Expenditures**	**Projected (Over)/Under**	**Notes**
Administration												
Personnel	576,120	295,342	51%	569,770	607,154	282,593	47%	324,561	47,099	582,927	24,227	
Insurance	188,601	148,852	79%	166,659	207,618	162,079	78%	45,539	27,013	204,196	3,422	One time Liability expense.
Utilities	82,200	31,632	38%	62,863	75,500	36,106	48%	39,394	6,018	72,212	3,288	
Capital Expenditures	624	312	50%	624	624	312	50%	312	52	624	-	
Office Expenditures	8,700	3,994	46%	7,309	7,550	2,027	27%	5,523	338	4,053	3,497	
Maintenance	44,420	14,576	33%	43,044	44,450	17,454	39%	26,996	2,909	34,909	9,541	
City Services	13,000	14,576	112%	9,231	10,400	8,439	81%	1,961	1,406	12,005	(1,605)	One time election fees
Professional Fees	281,000	203,187	72%	315,557	308,800	54,612	18%	254,188	9,102	257,000	51,800	Adjusted for anticipated Legal and other Professional Fees
Other Expenditures	16,900	22,990	136%	276,257	117,600	84,673	72%	32,927	3,549	105,965	11,635	Adjustment - Flood Management.
Operating Expenses	**1,211,565**	**735,460**	**61%**	**1,451,314**	**1,379,696**	**648,294**	**47%**	**731,402**	**97,486**	**1,273,890**	**105,806**	
Police												
Personnel	1,103,353	516,845	47%	1,031,530	1,156,896	519,485	45%	637,411	86,581	1,038,970	117,926	Currently down two officers
Insurance	167,311	115,482	69%	185,709	214,067	138,589	65%	75,478	13,567	219,919	(5,852)	One time workers comp
Utilities	5,400	1,096	20%	2,833	6,000	1,859	31%	4,141	310	3,719	2,281	
Office Expenditures	26,150	6,215	24%	16,129	26,750	863	3%	25,887	144	25,000	1,750	Adjustment - uniforms and software purchased 3,4Q
Maintenance	66,800	19,674	29%	43,841	68,300	13,383	20%	54,917	2,230	26,765	41,535	Very low gas pricing
City Services	11,940	1,577	13%	2,253	8,700	860	10%	7,840	143	1,720	6,980	
Other Expenditures	1,850	180	10%	180	1,850	-	0%	1,850	-	1,500	350	Deer harvesting 4Q
Operating Expenses	**1,382,804**	**661,069**	**48%**	**1,282,475**	**1,482,563**	**675,038**	**46%**	**807,525**	**102,975**	**1,317,592**	**164,971**	
Municipal Court												
Personnel	123,742	63,791	52%	122,851	129,126	59,980	46%	69,146	9,997	119,959	9,167	
Insurance	13,029	8,213	63%	12,942	14,046	12,337	88%	1,709	815	17,225	(3,179)	One time workers comp
Utilities	120	50	42%	120	120	-	0%	120	-	-	120	
Office Expenditures	5,800	1,300	22%	2,974	4,800	309	6%	4,491	52	618	4,182	
Maintenance	3,250	113	3%	3,216	3,750	84	2%	3,666	14	168	3,582	
City Services	15,150	6,965	46%	12,014	15,150	5,679	37%	9,471	946	11,357	3,793	
Other Expenditures	500	-	0%	-	500	-	0%	500	-	-	500	
Operating Expenses	**161,591**	**80,432**	**50%**	**154,117**	**167,492**	**78,388**	**47%**	**89,104**	**11,823**	**149,328**	**18,164**	

BUDGET VARIANCE REPORT
General Fund Expenses
As of 6/30/2019

	-------------------- 2019 --------------------				-------------------- 2020 --------------------					---- FY 2020 Projections ----		
Expenditures	Budget	YTD as of 6/30/2019	% of Budget	2019 Total Expenditures	Budget	YTD as of 6/30/2020	% of Budget	Budget Remaining	Avg Monthly Expense	2020 Expenditures	Projected (Over)/Under	Notes
Public Works												
Personnel	183,432	92,889	51%	189,677	242,232	103,603	43%	138,629	17,267	207,205	35,027	
Insurance	27,560	13,707	50%	27,440	29,660	14,811	50%	14,849	2,468	29,622	38	
Utilities	650	224	34%	521	650	316	49%	334	53	633	17	
Office Expenditures	1,400	25	2%	239	1,400	346	25%	1,054	58	691	709	
Maintenance	3,200	1,453	45%	3,916	3,500	1,472	42%	2,028	245	2,945	555	
Professional Fees	30,000	23,245	77%	43,901	40,000	8,890	22%	31,110	1,482	40,000	-	
Other Expenditures	500	1,094	219%	405	500	129	26%	371	21	257	243	
Operating Expenses	**246,742**	**132,637**	**54%**	**266,099**	**317,942**	**129,567**	**41%**	**188,375**	**21,594**	**281,354**	**36,588**	
Community Development												
Personnel	271,101	118,981	44%	249,076	281,663	125,072	44%	156,591	20,845	250,144	31,519	
Insurance	18,219	9,099	50%	17,650	24,608	10,759	44%	13,849	1,793	21,517	3,091	
Utilities	1,650	(103)	-6%	458	1,600	484	30%	1,116	81	968	632	
Office Expenditures	3,750	1,391	37%	3,135	4,000	3,841	96%	159	640	7,681	(3,681)	
Maintenance	1,500	449	30%	1,149	2,000	452	23%	1,548	75	904	1,096	
City Services	4,500	4,500	100%	17,714	5,000	136	3%	4,864	23	272	4,728	
Professional Fees	6,700	400	6%	2,070	8,700	2,676	31%	6,024	446	5,352	3,348	
Other Expenditures	300	59	0	59	300	57	19%	243	9	114	186	
Operating Expenses	**307,720**	**134,777**	**44%**	**291,311**	**327,871**	**143,477**	**44%**	**184,394**	**23,913**	**286,953**	**40,918**	
Street Department												
Personnel	336,730	151,276	45%	290,946	340,218	147,916	43%	192,302	24,653	295,833	44,385	Under budget due to seasonal position not filled
Insurance	59,467	41,405	70%	61,621	69,581	52,006	75%	17,575	3,728	74,372	(4,791)	One time workers comp
Utilities	16,100	6,506	40%	11,948	16,800	5,452	32%	11,348	909	10,903	5,897	
Office Expenditures	10,500	2,126	20%	6,604	11,000	2,706	25%	8,294	451	5,413	5,587	
City Services	23,846	17,277	72%	25,380	26,835	8,680	32%	18,155	1,447	22,361	4,474	Adjustment - MARC HHW Contract ($5000),
Other Expenditures	250	-	0%	19	250	-	0%	250	-	-	250	
Operating Expenses	**446,893**	**218,590**	**49%**	**396,518**	**464,684**	**216,761**	**47%**	**247,923**	**31,187**	**408,881**	**55,803**	0

BUDGET VARIANCE REPORT
General Fund Expenses
As of 6/30/2019

	-------------------- 2019 --------------------				-------------------- 2020 --------------------					---- FY 2020 Projections ----		
Expenditures	Budget	YTD as of 6/30/2019	% of Budget	2019 Total Expenditures	Budget	YTD as of 6/30/2020	% of Budget	Budget Remaining	Avg Monthly Expense	2020 Expenditures	Projected (Over)/Under	Notes
Parks Department												
Personnel	207,823	103,683	50%	201,164	213,752	102,255	48%	111,497	17,042	204,510	9,242	
Insurance	26,023	22,868	88%	36,977	39,843	28,520	72%	11,323	3,051	46,828	(6,985)	One time workers comp
Utilities	29,300	13,689	47%	26,329	32,300	5,167	16%	27,133	861	21,334	10,966	Parks just recently re-energized from flood.
Office Expenditures	28,925	2,764	10%	13,245	28,775	12,293	43%	16,482	2,049	24,586	4,189	
Maintenance	42,950	9,974	23%	32,938	47,500	17,572	37%	29,928	2,929	35,145	12,355	
City Services	44,200	6,898	16%	26,904	45,200	19,020	42%	26,180	3,170	38,040	7,160	
Other Expenditures	1,000	-	0%	-	1,000	(14)	-1%	1,014	(2)	(27)	1,027	
Operating Expenses	**380,221**	**159,875**	**42%**	**337,557**	**408,370**	**184,814**	**45%**	**223,556**	**29,100**	**370,416**	**37,954**	
Nature Sanctuary												
Personnel	39,631	18,724	47%	36,431	38,809	20,797	54%	18,012	3,466	38,809	-	Adjustment - Director overlap, summer months hours
Utilities	300	-	0%	-	-	-		-	-	-	-	
Office Expenditures	6,545	1,712	26%	4,717	7,105	714	10%	6,391	119	1,427	5,678	
Maintenance	8,000	1,223	15%	2,315	7,350	804	11%	6,546	134	1,609	5,741	
City Services	300	-	0%	25	100	-	0%	100	-	-	100	
Other Expenditures	500	-	0%	218	500	-	0%	500	-	-	500	
Operating Expenses	**55,276**	**21,660**	**39%**	**43,706**	**53,864**	**22,315**	**41%**	**31,549**	**3,719**	**41,845**	**12,019**	
Public Information												
Personnel	12,750	5,150	40%	11,450	12,950	4,750	37%	8,200	792	9,500	3,450	
Capital Expenditures	100	-	0%	30	100	-	0%	100	-	-	100	
Office Expenditures	200	1,809	904%	-	3,860	-	0%	3,860	-	-	3,860	
Maintenance	7,960	1,586	20%	6,534	4,300	6,817	159%	(2,517)	1,136	6,817	(2,517)	One additional Newsletter
Operating Expenses	**21,010**	**8,545**	**41%**	**18,014**	**21,210**	**11,567**	**55%**	**9,643**	**1,928**	**16,317**	**4,893**	
Information Technology												
Personnel	20,000	7,799	39%	16,304	20,000	2,231	11%	17,769	372	20,000	-	Adjustment - Delay in receiving invoices
IT Expenditures	25,296	13,452	53%	21,053	35,520	15,962	45%	19,558	2,660	31,923	3,597	
Maintenance	2,832	1,416	50%	2,832	2,832	1,250	44%	1,582	208	2,500	332	
Operating Expenses	**48,128**	**22,667**	**47%**	**40,189**	**58,352**	**19,443**	**33%**	**38,909**	**3,240**	**54,423**	**3,929**	

BUDGET VARIANCE REPORT
General Fund Expenses
As of 6/30/2019

Expenditures	-------------------- 2019 -------------------- Budget	YTD as of 6/30/2019	% of Budget	2019 Total Expenditures	-------------------- 2020 -------------------- Budget	YTD as of 6/30/2020	% of Budget	Budget Remaining	Avg Monthly Expense	---- FY 2020 Projections ---- 2020 Expenditures	Projected (Over)/Under	Notes
General Fund Capital Outlay												
Administration	95,835		0%	92,145	122,900	21,125	17%	101,775	7,042	57,900	65,000	Adjustment - Prop Acquisition not likely
Police	41,226	25,412	62%	68,487	93,010		0%	93,010	-	89,010	4,000	Adjustment - Purchases made in 3Q, 4Q
Public Works	22,041	1,800	8%	22,041	102,041		0%	102,041	-	22,041	80,000	Adjustment - Hawver Gulch pushed 2021
Community Development	-				158,000	7,200	5%	150,800	2,400	158,000	-	
Streets	-				85,000		0%	85,000	-	35,000	50,000	Adjustment - 76th street and River road ditch pushed 2021
Parks	162,000	178,346	110%	518,895	-			-	-		-	
PIO/IT	6,000		0%	6,000	31,500		0%	31,500	-	31,500	-	Board room upgrade is not deffered.
Capital Outlay	**327,102**	**205,558**	**63%**	**707,568**	**592,451**	**28,325**	**5%**	**564,126**	**9,442**	**393,451**	**199,000**	
Transfers												
To Emergency Reserve Fund	317,500	158,750	50%	317,500	100,000	50,000	50%	50,000	8,333	100,000	-	
To Projects Fund	-	-	0%	-	400,000	400,000	100%	-	-	400,000	-	Adjustment - one time transfers
To Brush Creek NID	-	-	0%	-	140,000	140,000	100%	-	-	140,000	-	
To Brink Meyer NID	-	-	0%	-	282,822	282,822	100%	-	-	282,822	-	
Transfers	**317,500**	**158,750**	**50%**	**317,500**	**922,822**	**872,822**	**95%**	**50,000**	**8,333**	**922,822**	**-**	
Total of General Fund:	**4,906,552**	**2,540,020**	**52%**	**5,306,368**	**6,197,317**	**3,030,810**	**49%**	**3,166,507**	**344,740**	**5,517,272**	**680,045**	

Finance Committee Meeting
Monday, July 27, 2020 3:30 PM
Administration Conference Room, City Hall

Minutes

1. Call to Order

Chair Sportsman called the meeting to order at 3:35 p.m. A quorum was present.

Members Present: Chair Marc Sportsman, Vice Chair Dave Rittman, Nan Johnston, Tina Welch and Robert Lock

City Staff Present: City Administrator Joe Parente, Police Chief Kevin Chrisman, Public Works Director Alysen Abel, Finance/Human Resources Director Matthew Chapman, Community Development Director Stephen Lachky, Assistant to the City Administrator Anna Mitchell, Public Works Project Manager Chris Ashley, and City Clerk Melissa McChesney

2. Financial Updates

A. **City Administrator Approvals**

City Administrator Joe Parente provided an overview of purchases approved within his authority.

3. Action Items

A. **Approve the minutes for the July 13, 2020, meeting**

Dave Rittman moved to approve the minutes for the July 13, 2020, meeting. Robert Lock seconded; motion passed 5-0.

B. **Approve a construction agreement with Twin Traffic Marking for the 2020 Pavement Marking Program**

Public Works Director Alysen Abel stated that a bid opening was held in July and three bids were received. Morgan Contractors was the low bidder and staff was concerned with the size of the truck they planned to use for the project. Based on previous experience with the contractor, staff felt the project was too big for the pickup truck they planned to use and recommended approving an agreement with the second low bidder. The City had contracted with Twin Traffic Marking for pavement marking in prior years. Abel said that there were savings anticipated in other areas of the Transportation Fund to cover the additional cost over the budgeted amount.

Discussion focused on adding the painting of a new sidewalk in downtown at First and Main streets that could be added as a change order if it met the appropriate standards. Further discussion focused on not selecting the low bidder. The consensus of the Committee was to take no action to give staff the opportunity to gather more information. The item would be presented to the Board of Aldermen on August 4.

No action was taken.

C. **Approve a three year service agreement with Alliance Water Resources for the**

management, operation and maintenance of the City's wastewater treatment and collection system

Public Works Director Alysen Abel said that the City had contracted with Alliance Water Resources since 2003. In 2019, the Finance Committee recommended that staff issue a Request for Proposals for sewer management services. Two proposals were received in June that were reviewed by staff who recommended approving a new agreement with Alliance. The fees were submitted with each proposal in a separate closed envelope and Alliance proposed fees lower than the other proposal.

Discussion focused on the fees in future years which would be based on the Consumer Price Index (CPI) or at a minimum of three percent. Historically, Alliance had proposed increases that were more consistent with CPI than the minimum of three percent.

Rittman moved to recommend that the Board of Aldermen approve a three year service agreement with Alliance Water Resources effective January 1, 2021. Tina Welch seconded; motion passed 5-0.

D. **Approve a work authorization with Vireo for a park restroom feasibility study**

Public Works Director Alysen Abel stated that the proposed work authorization would allow Vireo to conduct a restroom master plan to determine future locations of restrooms in the parks and at what point they would be needed. She noted that the cost was not budgeted in 2020 and staff sought feedback from the Committee to determine if they wanted to proceed.

Discussion focused on using the City property between the railroad tracks and Bentley Guitar and conducting a cost analysis to determine how much the City paid to clean the portable restrooms compared to what it would cost to build new restrooms.

No action was taken.

4. Non-Action Items

A. **FY 2021 Budget Calendar**

City Administrator Joe Parente provided an overview of the 2021 budget calendar, noting that it was similar to prior years. Four work sessions would be held in October and November and final budget adoption would be the second meeting in December. He said that staff was working to determine a date for the strategic planning session to discuss priorities for 2021.

5. Unfinished Business (postponed from prior meetings)

6. Other Business

Chair Sportsman asked about the attendance at the Adams Park and Watkins Park open house on July 23 and Public Works Director Alysen Abel said that two residents and two aldermen attended. She said she received helpful feedback from the two residents that lived near the parks.

City Administrator Joe Parente said that the annual audit report was delayed due to COVID-19 and would be presented to the Finance Committee on August 10.

7. Adjourn

Chair Sportsman adjourned the meeting at 4:49 p.m.

Submitted by:

______________________	____________________
Melissa McChesney City Clerk	Approval Date

CITY OF PARKVILLE
Policy Report

Date: July 7, 2020

Prepared By:
Matthew Chapman, Finance/HR Director

Reviewed By:
Joe Parente, City Administrator

ISSUE:
Review and approve the audit for fiscal year 2019 as prepared by Cochran, Head & Vick Co., P.C. (Administration)

BACKGROUND:
The City has entered into a contract with Cochran Head Vick & Co., P.C., to conduct an audit of the City finances for year 2019. Cochran Head Vick & Co., P.C has completed the audit and has issued an unmodified opinion. Mr. Michael Keenan will review the report at the meeting and any questions can be answered at this time.

BUDGET IMPACT:
There is no cost associated with this action.

ALTERNATIVES:
1. Recommend that the Board of Aldermen approve the audited financial statements for the fiscal year ended December 31, 2019.
2. Receive the update and direct staff to delay the presentation to the Board of Aldermen to September 1, 2020, to allow additional time for review.
3. Postpone the item.

STAFF RECOMMENDATION:
Staff recommends that the Finance Committee recommend that the Board of Aldermen approve the audited financial statements for the fiscal year ended December 31, 2019. Pending Finance Committee review, final action will be scheduled for the Board of Aldermen on August 18. If the Finance Committee or Board desires additional time to review the audit, final action may be deferred to September 1, 2020.

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:
I move to recommend that the Board of Aldermen approve the audited financial statements for the fiscal year ended December 31, 2019.

ATTACHMENTS:

1. 2019 Audit Draft
2. 2019 Required Communication & Compliance Report

Draft

City of Parkville, Missouri

Basic Financial Statements
With
Independent Auditor's Report

For the Year Ended

December 31, 2019

Draft

CITY OF PARKVILLE, MISSOURI

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CITY OF PARKVILLE, MISSOURI

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CHV & Co
COCHRAN HEAD VICK & CO., P.C.
Certified Public Accountants

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(816) 584-9955
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Other offices in Missouri
and Kansas

INDEPENDENT AUDITOR'S REPORT

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

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, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Draft

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of changes in net pension liability and related ratios and schedule of employer contributions as 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 combining and individual non-major fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements and schedules are the responsibility of management and were derived from and relate 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 non-major fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August xx, 2020, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and 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 the effectiveness of the City's 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.

Kansas City, Missouri
August xx, 2020

Draft

As management of the City of Parkville, we offer readers of the City of Parkville's financial statements this narrative overview and analysis of the financial activities of the City of Parkville for the fiscal year ended December 31, 2019. We encourage readers to consider the information presented here in conjunction with the basic financial statements and the accompanying notes to those 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 $17,639,674 (net position), an increase of $3,570,545 over the prior year.

2. As of the close of the current year, the City's governmental funds showed a combined ending balance of $5,900,001, a decrease of $171,028 from the prior year. Approximately 29.1 percent of the fund balance, $1,719,293 is unassigned and available for spending at the City's discretion.

3. The City's total long-term debt decreased $1,512,032 from 2018. Debt connected with the City's government activities decreased $1,349,113 and debt connected with the City's business-type activities decreased $162,919.

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.

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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.

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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	
	2019	2018	2019	2018	2019	2018
Current and other assets	$ 2,853,151	$ 11,992,430	$ 1,352,866	$ 790,051	$ 4,206,017	$ 12,782,481
Capital assets	14,277,277	13,279,415	4,155,138	4,431,204	18,432,415	17,710,619
Total assets	17,130,428	25,271,845	5,508,004	5,221,255	22,638,432	30,493,100
Deferred charge on refunding	21,259	24,226	-	-	21,259	24,226
Deferred outflows - pension	259,352	167,839	-	-	259,352	167,839
Total deferred outflows of resources	280,611	192,065	-	-	280,611	192,065
Long-term debt	12,970,184	14,319,297	886,675	1,049,594	13,856,859	15,368,891
Other liabilities	925,780	813,631	203,362	92,613	1,129,142	906,244
Total liabilities	13,895,964	15,132,928	1,090,037	1,142,207	14,986,001	16,275,135
Deferred inflow - property taxes	168,080	179,393	-	-	168,080	179,393
Deferred inflow - pension	125,288	161,508	-	-	125,288	161,508
Total deferred intflows of resources	293,368	340,901	-	-	293,368	340,901
Net position:						
Net investment in capital assets	7,768,851	6,773,956	3,268,463	3,381,610	11,037,314	10,155,566
Restricted	2,013,844	2,777,302	169,518	166,177	2,183,362	2,943,479
Unrestricted	3,439,012	438,823	979,986	531,261	4,418,998	970,084
Total net position	$ 13,221,707	$ 9,990,081	$ 4,417,967	$ 4,079,048	$ 17,639,674	$ 14,069,129

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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 $17,628,630 at the close of the year ended December 31, 2019.

Figure 2 – Statement of Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	$ 1,002,359	$ 867,726	$ 1,602,375	$ 1,397,139	$ 2,604,734	$ 2,264,865
Operating grants and contributions	706,922	536,832	-	-	706,922	536,832
Capital grants and contributions	2,370,770	3,771,910	27,427	1,254,389	2,398,197	5,026,299
General revenues:						
Property taxes	1,723,989	1,610,486	-	-	1,723,989	1,610,486
Sales taxes	2,035,755	1,790,051	-	-	2,035,755	1,790,051
Franchise taxes	801,559	885,571	-	-	801,559	885,571
Intergovernmental activity taxes	181,300	187,802	-	-	181,300	187,802
Other taxes	1,876	1,454	-	-	1,876	1,454
Other	1,884,295	112,317	32,609	9,757	1,916,904	122,074
Total revenues	10,708,825	9,764,149	1,662,411	2,661,285	12,371,236	12,425,434
Expenses:						
General government	1,782,968	1,235,154	-	-	1,782,968	1,235,154
Public safety	1,543,666	1,323,997	-	-	1,543,666	1,323,997
Public works	2,222,809	2,211,315	-	-	2,222,809	2,211,315
Parks and recreation	751,519	484,632	-	-	751,519	484,632
Community development	780,899	769,938	-	-	780,899	769,938
Interest on long-term debt	395,338	429,802	-	-	395,338	429,802
Sewer	-	-	1,323,492	1,283,359	1,323,492	1,283,359
Total expenses	7,477,199	6,454,838	1,323,492	1,283,359	8,800,691	7,738,197
Change in net position	3,231,626	3,309,311	338,919	1,377,926	3,570,545	4,687,237
Net position, beginning	9,990,081	6,680,770	4,079,048	2,701,122	14,069,129	9,381,892
Net position, ending	$ 13,221,707	$ 9,990,081	$ 4,417,967	$ 4,079,048	$ 17,639,674	$ 14,069,129

The City's net position increased $3,570,545 during the 2019 fiscal year. Of the total, governmental activities net position increased $3,231,626 and business-type activities net position increased by $338,919. Total 2019 governmental revenues increased $944,676 over 2018 primarily due to the sale of property in connection with the Creekside Development Project. Total governmental activities expenses increased $1,022,361. The increase is primarily flood related and Route 9 expenses.

Total 2019 business-type activities revenues decreased $998,874 from 2018 primarily related to contributed infrastructure capital assets received in 2018. Total business-type expenses increased $40,133 from 2018.

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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 $5,900,001. Of this amount $4,180,708 is *non-spendable, restricted, committed or assigned* for various purposes and $1,719,293 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 $3,049,308. 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 33.7% of total general fund expenditures. Included in the general fund's committed fund balance is the City's emergency reserve fund which totaled $1,232,108 at December 31, 2019.

The City's fund balance of the general fund decreased $36,722 during the current fiscal year. General Fund revenues increased by $634,737 over 2018 primarily related to increases in licenses and permits, intergovernmental grants, and other revenues. 2019 general fund expenditures and transfers out, were approximately $1,100,009 more than 2018. The increase is mostly attributable to salaries and benefits and flood related expenditures.

At December 31, 2019, the transportation sales tax fund has an ending fund balance of $115,527. The fund balance decreased $1,019,800 during the year primarily due transfers out to the Capital Projects Fund related to the Route 9 improvements projects and transfers out to the debt service fund.

The debt service fund has a total fund balance of $871,191, all of which is restricted for the payment of principal, interest and fees. The fund balance increased by $19,653 during the year.

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 $4,417,967 of which $979,986 is unrestricted. The sewer fund's net position increased by $338,919 from the prior year due to an increase in sewer revenues.

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General Fund Actual to Budget Analysis

Actual revenues exceeded budgeted revenues by $110,618 primarily due to license and permits exceeding budgeted revenues. Actual expenditures were $448,973 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. Additional savings were realized in professional services.

Capital Asset and Debt Administration

Capital Assets

At the end of year, the City had $18,432,415 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 $721,796 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 6 in the Notes to the Basic Financial Statements.

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	$ 2,719,880	$ 2,719,880	$ 59,975	$ 59,975	$ 2,779,855	$ 2,779,855
Buildings and improvements	3,021,463	3,144,205	1,538,843	1,726,397	4,560,306	4,870,602
Equipment and vehicles	308,862	398,865	22,970	35,823	331,832	434,688
Infrastructure	8,227,072	7,016,465	2,533,350	2,609,009	10,760,422	9,625,474
Total	$ 14,277,277	$ 13,279,415	$ 4,155,138	$ 4,431,204	$ 18,432,415	$ 17,710,619

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Long-Term Obligations - At the end of the current fiscal year, the City had total long-term obligations outstanding of $13,856,859.

City of Parkville, Missouri
Outstanding Debt

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Limited General Obligation Bonds (plus premium)	$ 8,648,135	$ 9,348,232	$ -	$ -	$ 8,648,135	$ 9,348,232
Certificates of Participation	2,397,321	2,751,453	-	-	2,397,321	2,751,453
Loan agreement	1,856,700	2,159,600	-	-	1,856,700	2,159,600
Compensated Absences	68,028	60,012	31,675	-	99,703	60,012
Revenue Bonds (plus premium)	-	-	855,000	1,049,594	855,000	1,049,594
Total	$ 12,970,184	$ 14,319,297	$ 886,675	$ 1,049,594	$ 13,856,859	$ 15,368,891

The governmental activities decreased $1,349,113 and the business-type activities decreased $162,919.

Additional information on the City's long-term obligations can be found in Note 7 in the Notes to the Basic Financial Statements.

Economic Factors and Next Year's Budgets and Rates

As in prior years, the City budgeted cautiously, holding 2020 revenues and expenditure budgets at or near 2019 levels. The 2020 budget maintains essential services at current levels and directs limited additional resources toward the 2020 Priorities as established by the Board of Aldermen in August 2019. The City reaffirmed the five Critical Success Factors of Basic Services, Infrastructure, Economic Development, Parks and Finances. The City established priorities for the next twelve to eighteen months that focused on specific strategies in five goal areas: Service Delivery & Communications, Parks and Recreation, Infrastructure and Public Facilities, Economic Development and Financial Stability. The City continues to experience steady growth in its retail, residential, and commercial base that bodes well for future financial security. Like all cities, Parkville has experienced some negative effects as a result of the COVID-19 pandemic. But steady revenues and ample reserves have allowed the city to weather the storm. In early 2019, the Board approved a redevelopment agreement and economic development contract with a developer for a multi-phased project known as "Creekside", a proposed mixed use development located at the southeast, southwest, and northwest quadrants of the intersection of Highway 45 and Interstate 435. Progress on this and other developments have been made throughout 2019 and 2020. The City continues to take advantage of grant opportunities and strategic financing. For example, the City reissued the Brink Meyer and Brush Creek NID Bonds which will result in taxpayer savings of over $1.3 million. Property owners and the City's general budget will benefit from the interest savings, which will average approximately $97,000 per year until 2034.

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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.

Draft

Exhibit A

CITY OF PARKVILLE, MISSOURI
Statement of Net Position
December 31, 2019

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash and investments	$ 4,281,962	$ 989,241	$ 5,271,203
Receivables:			
Taxes	408,912	-	408,912
Special assessments	2,857,318	-	2,857,318
Accounts and other	38	180,622	180,660
Note receivable	2,000,000	-	2,000,000
Due from other governments	292,933	-	292,933
Prepaids, deposits, and other assets	97,907	-	97,907
Restricted assets:			
Cash and investments	1,614,081	183,003	1,797,084
Land held for redevelopment	1,300,000	-	1,300,000
Capital assets:			
Not being depreciated	2,719,880	59,975	2,779,855
Being depreciated, net of depreciation	11,557,397	4,095,163	15,652,560
Total assets	27,130,428	5,508,004	32,638,432
Deferred Outflows of Resources			
Deferred charges on refunding	21,259	-	21,259
Deferred outflow - pension related activity	259,352	-	259,352
Total deferred outflows of resources	280,611	-	280,611
Liabilities			
Accounts payable	238,479	167,179	405,658
Accrued payroll and benefits	90,257	1,423	91,680
Accrued interest	135,758	21,275	157,033
Payable from restricted assets:			
Customer deposits	-	13,485	13,485
Long term debt:			
Net pension liability	461,286	-	461,286
Due within one year	2,489,725	160,000	2,649,725
Due in more than one year	10,480,459	726,675	11,207,134
Total liabilities	13,895,964	1,090,037	14,986,001
Deferred Inflows of Resources			
Deferred inflow - property taxes	168,080	-	168,080
Deferred inflow - pension related activity	125,288	-	125,288
Total deferred inflows of resources	293,368	-	293,368
Net Position			
Net investment in capital assets	7,768,851	3,268,463	11,037,314
Restricted :			
Capital projects	129,502	-	129,502
Debt service	871,191	169,518	1,040,709
Public safety	99,377	-	99,377
Parks and recreation	244,188	-	244,188
Community development	90,962	-	90,962
Fewson trust (non-expendable)	578,624	-	578,624
Unrestricted	3,439,012	979,986	4,418,998
Total net position	$ 13,221,707	$ 4,417,967	$ 17,639,674

See accompanying notes to the basic financial statements

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CITY OF PARKVILLE, MISSOURI
Statement of Activities
For the Year Ended December 31, 2019

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position — Primary Government: Governmental Activities	Business-Type Activities	Total
Primary government:							
Governmental activities							
General government	$ 1,782,968	$ 851,120	$ -	$ -	$ (931,848)	$ -	$ (931,848)
Public safety	1,543,666	16,948	17,824	-	(1,508,894)	-	(1,508,894)
Public works	2,222,809	4,547	237,664	2,086,140	105,542	-	105,542
Parks and recreation	751,519	129,744	451,434	9,828	(160,513)	-	(160,513)
Community development	780,899	-	-	274,802	(506,097)	-	(506,097)
Interest on long-term debt	395,338	-	-	-	(395,338)	-	(395,338)
Total governmental activities	7,477,199	1,002,359	706,922	2,370,770	(3,397,148)	-	(3,397,148)
Business-type activities							
Sewer	1,323,492	1,602,375	-	27,427	-	306,310	306,310
Total business-type activities	1,323,492	1,602,375	-	27,427	-	306,310	306,310
Total primary government	$ 8,800,691	$ 2,604,734	$ 706,922	$ 2,398,197	(3,397,148)	306,310	(3,090,838)

	Governmental Activities	Business-Type Activities	Total
General revenues:			
Taxes:			
Property taxes, levied for general purpose	1,307,938	-	1,307,938
Property taxes, levied for debt service	416,051	-	416,051
Sales taxes	2,035,755	-	2,035,755
Franchise taxes	801,559	-	801,559
Intergovernmental activity taxes	181,300	-	181,300
Other taxes	1,876	-	1,876
Unrestricted investment earnings	43,989	5,672	49,661
Gain on disposal of assets	1,610,082	-	1,610,082
Miscellaneous	230,224	26,937	257,161
Total general revenues	6,628,774	32,609	6,661,383
Change in net position	3,231,626	338,919	3,570,545
Net position, beginning of year	9,990,081	4,079,048	14,069,129
Net position, end of year	$ 13,221,707	$ 4,417,967	$ 17,639,674

See accompanying notes to the basic financial statements

Exhibit B

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Exhibit C

CITY OF PARKVILLE, MISSOURI
Balance Sheet - Governmental Funds
December 31, 2019

	General	Transportation Sales Tax Fund	Debt Service Fund	Nonmjor Governmental Funds	Total Governmental Funds
Assets					
Cash and investments	$ 3,072,694	$ -	$ -	$ 1,209,268	$ 4,281,962
Receivables:					
Taxes	250,574	72,678	-	85,660	408,912
Special assessments	-	-	2,857,318	-	2,857,318
Accounts and other	38	-	-	-	38
Note receivable	2,000,000	-	-	-	2,000,000
Due from other governments	280,705	12,228	-	-	292,933
Due from other funds	-	32,954	-	-	32,954
Prepaids, deposits and other assets	97,907	-	-	-	97,907
Restricted cash and investments	-	48,672	972,810	592,599	1,614,081
Total Assets	$ 5,701,918	$ 166,532	$ 3,830,128	$ 1,887,527	$ 11,586,105
Liabilities					
Accounts payable	$ 163,922	$ 51,005	$ -	$ 23,552	$ 238,479
Accrued payroll and benefits	90,257	-	-	-	90,257
Due to other funds	-	-	32,954	-	32,954
Total Liabilities	254,179	51,005	32,954	23,552	361,690
Deferred inflows of resources					
Unavailable revenues:					
Note receivable	2,000,000	-	-	-	2,000,000
Grants	274,802	-	-	-	274,802
Special assessments and property taxes	123,629	-	2,925,983	-	3,049,612
	2,398,431	-	2,925,983	-	5,324,414
Fund balances:					
Nonspendable:					
Prepaid items	97,907	-	-	-	97,907
Fewson trust	-	-	-	578,624	578,624
Restricted:					
Capital projects	-	115,527	-	13,975	129,502
Debt service	-	-	871,191	-	871,191
Public safety	-	-	-	99,377	99,377
Parks and recreation	-	-	-	244,188	244,188
Community development	-	-	-	90,962	90,962
Committed:					
Emergency reserve	1,232,108	-	-	-	1,232,108
Assigned:					
Capital projects	-	-	-	836,849	836,849
Unassigned	1,719,293	-	-	-	1,719,293
Total fund balance	3,049,308	115,527	871,191	1,863,975	5,900,001
Total liabilities, deferred inflows of resources and fund balances	$ 5,701,918	$ 166,532	$ 3,830,128	$ 1,887,527	$ 11,586,105

See accompanying notes to the basic financial statements

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CITY OF PARKVILLE, MISSOURI
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position
December 31, 2019

Fund balances of governmental funds	$	5,900,001
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Long-term notes receivable and special assessments are not available to pay for current period expenditures and are therefore deferred in the fund statements		4,881,532
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental fund statements.		14,277,277
Long-term assets held for redevelopment are not reported in the fund statements		1,300,000
Revenues in the statement of activities that do not provide current financial resources are reported as unavailable revenue in the governmental funds.		274,802
Deferred charges on refunding are not due and payable in the current period and therefore are not reported in the governmental fund statements		21,259
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		134,064
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.		(135,758)
The net pension liability is not due and payable and therefore is not recorded in the governmental fund statements.		(461,286)
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		(12,970,184)
Net position of governmental activities	$	13,221,707

See accompanying notes to the basic financial statements

Draft

Exhibit D

CITY OF PARKVILLE, MISSOURI
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Year Ended December 31, 2019

	General	Transportation Sales Tax Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	$ 3,159,443	$ 490,501	$ 416,051	$ 497,184	$ 4,563,179
Intergovernmental	506,705	539,081	126,032	191,128	1,362,946
Charges for services	16,169	-	-	635	16,804
Fines and forfeitures	130,596	-	-	-	130,596
Licenses and permits	570,892	-	-	-	570,892
Special assessments	-	-	576,750	-	576,750
Grants and donations	-	-	-	61,370	61,370
Charges for sewer administration	230,000	-	-	-	230,000
Interest	6,620	-	27,334	10,035	43,989
Other	263,723	7,550	-	1,500	272,773
Total Revenues	4,884,148	1,037,132	1,146,167	761,852	7,829,299
Expenditures:					
Current:					
General government	1,682,059	-	4,000	-	1,686,059
Public safety	1,509,838	-	-	9,593	1,519,431
Public works	919,110	-	-	-	919,110
Parks and recreation	698,001	-	-	13,271	711,272
Community development	292,926	-	-	483,018	775,944
Capital outlay	-	770,148	-	267,085	1,037,233
Debt service:					
Principal	-	-	1,332,032	-	1,332,032
Interest and fiscal charges	-	-	429,328	-	429,328
Total Expenditures	5,101,934	770,148	1,765,360	772,967	8,410,409
Excess of Revenues Over (Under) Expenditures	(217,786)	266,984	(619,193)	(11,115)	(581,110)
Other financing sources (uses):					
Transfers in	194,453	-	638,846	911,229	1,744,528
Transfers out	(423,471)	(1,286,784)	-	(34,273)	(1,744,528)
Sale of assets	410,082	-	-	-	410,082
Total Other Financing Sources (Uses)	181,064	(1,286,784)	638,846	876,956	410,082
Net change in fund balances	(36,722)	(1,019,800)	19,653	865,841	(171,028)
Fund balances, beginning of year	3,086,030	1,135,327	851,538	998,134	6,071,029
Fund balances, end of year	$ 3,049,308	$ 115,527	$ 871,191	$ 1,863,975	$ 5,900,001

See accompanying notes to the basic financial statements

Draft

Exhibit D
(continued)

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, 2019

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

Net change in fund balances - total governmental funds	$ (171,028)
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	58,589
Depreciation	(527,658)
Donated capital assets	1,466,931
Disposal of assets	1,200,000
Revenues in the statement of activities that do not provide current financial resources are reported as deferred inflows in the governmental funds.	
Special assessments, notes receivable, and grants	(197,487)
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	1,332,032
Changes in unamortized bond issuance premium and deferred charges	22,130
Changes in accrued interest expense	11,860
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.	
Change in compensated absences and net pension obligations	36,257
Change in net position of governmental activities	$ 3,231,626

See accompanying notes to the basic financial statements

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Exhibit E

CITY OF PARKVILLE, MISSOURI
Statement of Net Position
Proprietary Fund
December 31, 2019

	Sewer Fund
Assets	
Current assets:	
Cash and investments	$ 989,241
Receivables, net:	
Accounts and other	180,622
Restricted cash and investments	183,003
Total current assets	1,352,866
Noncurrent assets:	
Capital assets:	
Not being depreciated	59,975
Being depreciated, net of depreciation	4,095,163
Total noncurrent assets	4,155,138
Total assets	5,508,004
Liabilities	
Current liabilities:	
Accounts payable	167,179
Accrued liabilities	1,423
Current liabilities (payable from restricted assets):	
Customer deposits	13,485
Interest payable	21,275
Current portion of bonds payable	160,000
Total current liabilities:	363,362
Long-term liabilities:	
Bonds payable	726,675
Total long-term liabilities:	726,675
Total liabilities	1,090,037
Net position	
Net investment in capital assets	3,268,463
Restricted net position for:	
Debt service	169,518
Unrestricted	979,986
Total net position	$ 4,417,967

See accompanying notes to the basic financial statements

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Exhibit F

CITY OF PARKVILLE, MISSOURI
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Fund
For the Year Ended December 31, 2019

		Sewer Fund
Operating revenues:		
Charges for services	$	1,602,375
Other		26,937
Total operating revenues		1,629,312
Operating expenses:		
Personnel services		25,027
Contractual services		336,038
Administrative fee		230,000
Depreciation		276,066
Repairs and maintenance		369,072
Other		47,738
Total operating expenses		1,283,941
Operating income		345,371
Nonoperating revenues (expenses):		
Intergovernmental revenues		27,427
Interest income		5,672
Interest expense		(39,551)
Total nonoperating revenues (expenses)		(6,452)
Change in net position		338,919
Total net position, beginning of year		4,079,048
Total net position, end of year	$	4,417,967

See accompanying notes to the basic financial statements

Draft

Exhibit G

CITY OF PARKVILLE, MISSOURI
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2019

	Sewer Fund
Cash flows from operating activities:	
Receipts from customers and others	$ 1,601,968
Payments to suppliers	(868,004)
Payments to employees	(25,013)
Net cash provided by operating activities	708,951
Cash flows provided by noncapital financing activities:	
Intergovernmental revenues	27,427
Net cash flows provided by noncapital financing activities	27,427
Cash flows from investing activities:	
Interest received	5,672
Net cash flows provided by investing activities	5,672
Cash flows from capital and related financing activities:	
Interest and fiscal charges	(51,539)
Principal payments on long-term debt	(155,000)
Net cash flows provided by (used in) capital and related financing activities	(206,539)
Net change in cash and equivalents	535,511
Cash and equivalents, beginning of year	636,733
Cash and equivalents, end of year	$ 1,172,244
Cash and investments reported on the Statement of Net Position	
Cash and investments	$ 989,241
Restricted cash and investments	183,003
Total cash and investments	$ 1,172,244
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	$ 345,371
Adjustments to reconcile operating income to net cash provided by operations:	
Depreciation and amortization	276,066
Changes in:	
Receivables	(27,344)
Prepaid expenses and deposits	40
Accounts payable	114,804
Accrued liabilities	14
Net cash provided by operating activities	$ 708,951

See accompanying notes to the basic financial statements

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Exhibit H

CITY OF PARKVILLE, MISSOURI
Statement of Assets and Liabilities
Fiduciary Fund
December 31, 2019

	Municipal Court		Total Agency Funds	
Assets				
Cash and investments	$	21,301	$	21,301
Total assets	$	21,301	$	21,301
Liabilities				
Due to others	$	21,301	$	21,301
Total liabilities	$	21,301	$	21,301

See accompanying notes to the basic financial statements

Draft

(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 nearly 5,600 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.

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

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.

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

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 waste water 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 FUNDS

The City maintains one fiduciary fund, the Municipal Court, which accounts for court bonds paid by defendants and the Escrow Fund which accounts for funds held in escrow for others. 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.

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D. 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, and certificates of deposits. 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.

E. 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.

F. **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.

G. Prepaid Items

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

H. 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.

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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

I. 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:

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

J. 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 position 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 of the 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 position 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 two 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 asset. 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, note receivable, and special assessments, fees, and grants. 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.

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K. 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 $230,000 for the year ended December 31, 2019.

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.

L. 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 met 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.

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M. 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 government’s policy to consider restricted net position to have been depleted before unrestricted net position is applied.

N. 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	$	331
Demand deposits		5,823,021
Certificates of deposits		351,404
US treasuries and agency securities		51,025
Restricted cash equivalents held in trust		863,807
	$	7,089,588

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	Government-wide statement of net position	Fiduciary funds statement of assets and liabilities	Total
Cash and investments	$ 5,271,203	$ 21,301	$ 5,292,504
Restricted cash and investments	1,797,084	-	1,797,084
	$ 7,068,287	$ 21,301	$ 7,089,588

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, 2019, 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, 2019.

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, 2019:

	Level 1
Investment	
Federal Home Loan Bank	$ 51,025

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.

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(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, 2018, was $240,681,116.

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	$ 0.4653
General Revenue-Temporary	0.1759
	$ 0.6412

Tax revenues for the year ended December 31, 2019 consisted of the following:

	Property Taxes	Sales Taxes	Franchise Taxes	Other Taxes	Total
Major governmental funds:					
General	$ 1,307,938	$ 1,049,947	$ 801,559	$ -	$ 3,159,444
Transportation Sales Tax	-	490,501	-	-	490,501
Debt Service	416,051	-	-	-	416,051
Nonmajor funds	-	495,307	-	1,876	497,183
	$ 1,723,989	$ 2,035,755	$ 801,559	$ 1,876	$ 4,563,179

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, 2019:

	Sales Taxes	Franchise Taxes	Total
Major governmental funds:			
General	$ 153,576	$ 96,998	$ 250,574
Transportation Sales Tax	72,678	-	72,678
Nonmajor funds	85,660	-	85,660
	$ 311,914	$ 96,998	$ 408,912

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(4) Intergovernmental Revenues/Receivables

Intergovernmental revenues for the year ended December 31 ,2019 consisted of the following:

	General Fund	Transportation Sales Tax	Debt Service	Nonmajor Funds	Total
Grants - Federal, State and Local	$430,407	$ -	$ -	$ 9,828	$ 440,235
State:		-	-		
Motor vehicle taxes and fees	76,298	150,365	-	-	226,663
Local:					
Special road district	-	159,097	-	-	159,097
County transportation	-	229,619	-	-	229,619
Economic activity taxes	-	-	-	181,300	181,300
9 Hwy CID	-	-	126,032	-	126,032
Total intergovernmental revenues	$506,705	$ 539,081	$ 126,032	$191,128	$ 1,362,946

Amounts due from other governments at December 31, 2019, were as follows:

	General Fund	Transportation Sales Tax	Total
Motor vehicle taxes and fees	$ 5,903	$ 12,228	$ 18,131
Grants - federal	274,802	-	274,802
Total due from other governments	$ 280,705	$ 12,228	$292,933

Draft

(5) Interfund Activity

Transfers between funds for the year ended December 31, 2019 were as follows:

	Transfers Out:			
	General	Transportation Sales Tax	Nonmajor Governmental Funds	Total
Transfers In:				
Governmental activities:				
General Fund	$ -	$ 185,000	$ 9,453	$ 194,453
Debt Service Fund	423,471	215,375	-	638,846
Nonmajor Governmental Funds	-	886,409	24,820	911,229
Total	$ 423,471	$ 1,286,784	$ 34,273	$ 1,744,528

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, 2019 were as follows:

	Due to:
	Transportation Sales Tax Fund
Due from:	
Debt Service Fund	$ 32,954
	$ 32,954

Amounts due to the Transportation Sales Tax Fund represent advances for short-term cash flow needs.

Draft

(6) Capital Assets

A summary of the changes in capital assets for the year ended December 31, 2019 is as follows:

	December 31, 2018	Additions	Deletions	December 31, 2019
Governmental activities:				
Capital assets, not being depreciated				
Land	$ 2,719,880	$ -	$ -	$ 2,719,880
Total capital assets, not being depreciated	2,719,880	-	-	2,719,880
Capital assets, being depreciated				
Buildings and improvements	4,682,779	-	-	4,682,779
Equipment and vehicles	2,389,228	58,589	27,946	2,419,871
Infrastructure	8,791,833	1,466,931	-	10,258,764
Total capital assets being depreciated	15,863,840	1,525,520	27,946	17,361,414
Less accumulated depreciation for:				
Buildings and improvements	1,538,574	122,742	-	1,661,316
Equipment and vehicles	1,990,363	148,592	27,946	2,111,009
Infrastructure	1,775,368	256,324	-	2,031,692
Total accumulated depreciation	5,304,305	527,658	27,946	5,804,017
Total capital assets being depreciated, net	10,559,535			11,557,397
Governmental activities capital assets, net	$ 13,279,415			$ 14,277,277

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		December 31, 2018		Additions		Deletions		December 31, 2019
Business-type activities:								
Capital assets, not being depreciated								
Land	$	59,975	$	-	$	-	$	59,975
Total capital assets, not being depreciated		59,975		-		-		59,975
Capital assets, being depreciated								
Buildings and improvements		5,503,734		-		-		5,503,734
Equipment and vehicles		320,659		-		-		320,659
Infrastructure		3,709,528		-		-		3,709,528
Total capital assets being depreciated		9,533,921		-		-		9,533,921
Less accumulated depreciation for:								
Buildings and improvements		3,777,337		187,554		-		3,964,891
Equipment and vehicles		284,836		12,853		-		297,689
Infrastructure		1,100,519		75,659		-		1,176,178
Total accumulated depreciation		5,162,692		276,066		-		5,438,758
Total capital assets being depreciated, net		4,371,229						4,095,163
Business-type activities capital assets, net	$	4,431,204					$	4,155,138

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

Governmental activities:		
General government	$	112,635
Public safety		25,609
Public works		334,414
Parks and recreation		44,923
Community development		10,077
Total depreciation expense for governmental activities	$	527,658
Business-type activities:		
Sewer	$	276,066
Total depreciation expense for business-type activities	$	276,066

Draft

(7) Long Term Debt

A summary of the changes in long term debt for the year ended December 31, 2019 is as follows:

Governmental Activities:	Beginning of Year	Adjustments/ Additions	Adjustments/ Retirements	End of Year	Due Within One Year
Limited general obligation bonds:					
Series 2010 - River Park	$ 620,000	$ -	$ 305,000	$ 315,000	$ 315,000
Series 2014A - Brush Creek	4,950,000	-	220,000	4,730,000	235,000
Series 2014B - Brink Meyer	3,390,000	-	150,000	3,240,000	155,000
Premium on issuance	388,232	-	25,097	363,135	25,097
	9,348,232	-	700,097	8,648,135	730,097
Certificates of participation	2,751,453	-	354,132	2,397,321	361,800
Loan agreement	2,159,600	-	302,900	1,856,700	1,329,800
* Compensated absences	60,012	8,016	-	68,028	68,028
Total Governmental Activities	14,319,297	8,016	1,357,129	12,970,184	2,489,725
Business-type Activites:					
Revenue bonds	1,010,000	-	155,000	855,000	160,000
Premium on issuance	39,594	-	7,919	31,675	7,919
Total Business-type Activites	1,049,594	-	162,919	886,675	167,919
Total Primary Government	$ 15,368,891	$ 8,016	$ 1,520,048	$ 13,856,859	$ 2,657,644

* 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, 2019 are as follows:

Series 2010 - Neighborhood Improvement District - Limited General Obligation Refunding Bonds (River Park Project); due in annual installments through March 1, 2020; interest at 1.75% to 3.25%	$ 315,000
Series 2014A - Neighborhood Improvement District - Limited General Obligation Bonds (Brush Creek Drainage Area Neighborhood Improvement Project); due in annual installments through March 1, 2034; interest at 3.0% to 4.0%	4,730,000
Series 2014B - Neighborhood Improvement District - Limited General Obligation Bonds (Brink Meyer Road Neighborhood Improvement Project); due in annual installments through March 1, 2034; interest at 3.0% to 3.25%	3,240,000
Total limited general obligation bonds	$ 8,285,000

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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. As a result, the City has acquired certain properties through conveyance and the judicial foreclosure process. City management has estimated the acquisition value of the acquired properties and has recorded these amounts as "Land held for redevelopment". These properties are no longer subject to Brush Creek NID and/or the Brink Meyer Road NID special assessments.

A summary of the changes in land held for redevelopment is as follows:

	December 31, 2018	Additions	Deletions	December 31, 2019
Land held for redevelopment	$ 2,100,000	$ -	$ 800,000	$ 1,300,000

The Brush Creek and Brink Meyer NID's originally scheduled annual special assessments necessary to meet the Series 2014A and 2014B 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, 2019, the City transferred $423,471 from the General Fund to the Debt Service Fund to cover the shortfall of special assessments necessary to meet the 2014A and 2014B debt service requirements.

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). 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. The Promissory Note is payable solely from the CID special assessments and secured by a second deed of trust. The buyer's obligation to purchase and the City's obligation to sell the Phase II property is subject to certain contingencies related to the commencement of Phase I construction that must occur by January 1, 2020. Subsequent to yearend, the first amendment to the Agreement extended the Phase I construction date to August 1, 2020. On July 31, 2020, the City completed the Phase II closing.

The CID special assessments are anticipated to begin in 2021. Payments on the promissory notes are scheduled to be $300,000 per year up to a total of $4,800,000.

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B. Certificates of Participation

During fiscal year 2015, the City issued $3,383,722 Refunding Certificates of Participation 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, 2019, is $2,397,321.

C. Loan Agreement

During fiscal year 2017, the City entered into a loan agreement for $2,353,700 for the purpose of transportation related capital improvements. Principal and interest payments are due semi-annually beginning on September 1, 2017 through March 1, 2022 with principal payments ranging from $194,100 to $1,329,800, with an interest rate of 2.19%. The outstanding balance at December 31, 2019, is $1,856,700.

Portions of the proceeds of the loan agreement ($1,020,300) will be used to fund the Route 9 Project (the Project). The total costs of the Project have been estimated at $3,484,000. The Project is currently in the engineering phase with the construction phase estimated to begin in 2021. The City has been awarded $965,000 in federal funds and is anticipating $1,734,500 in state funding for the construction costs of the Project. The state and federal funding sources requires a local match of $784,500. To provide funding for the matching requirement, the City has entered into a cooperative agreement with the 9 Highway Corridor Community Improvement District (the District). The agreement provides for reimbursements to the City for certain costs associated with the Project payable from the District's 1% sales tax.

On February 27, 2020, the loan agreement was amended to restructure the scheduled note maturities due to the unanticipated delays in the project and receipt of the related funding as it was projected that the federal funds would be available to the City to be used for the scheduled March 1, 2020 debt service payment of $1,329,800.

D. 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 (SRF) Sewage System Revenue Bonds (SRF) 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, 2019, is $855,000.

Draft

E. Future Debt Service Requirements

Year Ending December 3	Limited General Obligation Refunding Bonds - Series 2010 (River Park) Principal	Interest	Limited General Obligation Bonds - Series 2014A (Brush Creek) Principal	Interest	Limited General Obligation Bonds - Series 2014 (Brink Meyer) Principal	Interest
2020	$ 315,000	$ 5,119	$ 230,000	$ 164,287	$ 155,000	$ 132,613
2021	-	-	235,000	157,312	160,000	127,888
2022	-	-	240,000	150,188	160,000	123,088
2023	-	-	250,000	142,838	165,000	118,213
2024	-	-	255,000	135,263	170,000	113,188
2025-2029	-	-	1,425,000	538,981	955,000	466,594
2030-2034	-	-	2,095,000	245,713	1,475,000	219,125
	$ 315,000	$ 5,119	$ 4,730,000	$ 1,534,582	$ 3,240,000	$ 1,300,709

Governmental Activities

	Certificates of Participation Series 2015 Principal	Interest	Loan Agreement Principal	Interest	Total Principal	Interest
2020	$ 361,800	$ 49,648	$ 1,329,800	$ 26,100	$ 2,391,600	$ 377,767
2021	388,809	41,241	316,200	8,077	1,100,009	334,518
2022	395,103	32,461	210,700	2,307	1,005,803	308,044
2023	420,474	23,327	-	-	835,474	284,378
2024	444,872	13,635	-	-	869,872	262,086
2025-2029	386,263	13,350	-	-	2,766,263	1,018,925
2030-2034	-	-	-	-	3,570,000	464,838
Totals	$ 2,397,321	$ 173,662	$ 1,856,700	$ 36,484	$ 12,539,021	$ 3,050,556

Business-type Activities

	Sewage System Revenue Bonds Series 2004A Principal	Interest
2020	$ 160,000	$ 46,619
2021	160,000	38,350
2022	165,000	29,950
2023	170,000	21,625
2024	170,000	13,250
2025-2029	30,000	5,175
Totals	$ 855,000	$ 154,969

F. 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, 2019, there are two outstanding industrial revenue bond issuances with a total principal amount of approximately $197 million.

Draft

(8) 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, 2019, expenses incurred under these agreements were $30,728 (Kansas City, Missouri) and $21,040 (Platte County Regional Sewer District).

(9) 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.

2019 Valuation
1.5% for life
5 Years
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	2	2	4
Inactive employees entitled to but not yet receiving benefits	9	10	19
Active employees	23	14	37
	34	26	60

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 8.5% (General) and 10.9% (Police) of annual covered payroll.

E. Net Pension Liability

The City's net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2019.

F. Actuarial Assumptions

The total pension liability in the February 28, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25% wage inflation; 2.5% price inflation
Salary Increase	3.25% to 6.55% including wage inflation
Investment rate of return	7.25%, net of investment expenses

The healthy retiree mortality tables, for post-retirement mortality, were the RP-2014 Healthy Annuitant mortality tables for males and females. The disabled retiree mortality tables, for post-retirement mortality, were the RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 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-2015 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	10.00%	0.00%
Leverage	-35.00%	0.51%

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G. Discount Rate

The discount rate used to measure the total pension liability is 7.25%. 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	$ 2,159,111	$ 1,781,285	$ 377,826
Changes for the year:			
Service Cost	172,547	-	172,547
Interest	161,830	-	161,830
Difference between expected and actual	117,686	-	117,686
Contributions - employer	-	177,852	(177,852)
Contributions - employee	-	77,157	(77,157)
Net investment income	-	120,889	(120,889)
Benefit payments, including refunds	(23,897)	(23,897)	-
Administrative expense	-	(5,440)	5,440
Other changes (net transfer)	-	(1,855)	1,855
Net changes	428,166	344,706	83,460
Balances at end of year	$ 2,587,277	$ 2,125,991	$ 461,286

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 7.25%, as well as what the employer's Net Pension Liability would be using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate.

	1% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1% Increase 8.25%
Total Pension Liability	$ 3,045,019	$ 2,587,277	$ 2,219,219
Plan Fiduciary Net Position	(2,125,991)	(2,125,991)	(2,125,991)
Net Pension Liability	$ 919,028	$ 461,286	$ 93,228

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

For the year ended December 31, 2019, the City recognized LAGERS pension expense of $148,303 ($74,108 (General) and $74,195 (Police)). The City reported deferred outflows related to LAGERS pension from the following sources:

	General	Police	Total
Deferred Outflows of Resources:			
Assumption changes	$ 24,298	$ 75,007	$ 99,305
Difference in experience	48,710	14,939	63,649
Contributions subsequent to the measurement date*	58,803	37,595	96,398
Total	$ 131,811	$ 127,541	$ 259,352
Deferred Inflows of Resources:			
Assumption changes	$ 6,652	$ -	$ 6,652
Difference between projected and actual earnings on pension plan investments	21,021	15,364	36,385
Difference in experience	51,081	31,170	82,251
Total	$ 78,754	$ 46,534	$ 125,288

*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, 2020.

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
2020	$ (2,872)	$ 14,137	$ 11,265
2021	(11,299)	7,231	(4,068)
2022	(4,813)	11,821	7,008
2023	5,211	9,745	14,956
2024	7,964	478	8,442
Thereafter	63	-	63
Total	$ (5,746)	$ 43,412	$ 37,666

K. Payable to the Pension Plan

At December 31, 2019, the City paid all outstanding contributions to the LAGERS pension plan.

(10) 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, 2019, the fund had $13,975 net appreciation on assets available for expenditure which is reported as restricted fund balance and $578,624 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.

(11) 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 7 A above, 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 over 16 years up to a total of $4,800,000.

Tract I Purchase Option – Creekside Industrial

The City has granted the Developer an exclusive option for Tract I until December 31, 2025 and thereafter extended annually subject to terms and conditions in the Agreement. The Tract I Purchase Agreement shall set the purchase price equal to $1,600,000.

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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 rises to $150,000 per year. In any year the contribution falls short, the Developer will pay the difference or the option for Tract I will lapse. In any year the contribution from the Hotel Special Assessment falls short, or the option lapses due to 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 price.

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

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.

(12) Subsequent Events

The City evaluated subsequent events through August xx, 2020, the date the financial statements were available to be issued. The following subsequent events occurred in addition to those subsequent events discussed in Note 7 A and 7C:

On March 11, 2020, the World Health Organization declared the COVID-19 virus outbreak a world-wide pandemic. Due to the COVID-19 pandemic, businesses within the City and the entire State of Missouri were subject to a stay at home order. Management is closely monitoring the situation and the impact on its operations. The ultimate effect on the City's financial statements is not currently determinable.

The City issued its $3,995,000 Taxable Neighborhood Improvement District Limited General Obligation Refunding Bonds (Brush Creek Drainage Area Improvement Project), Series 2020A (Series 2020A Bonds). The proceeds of the Series 2020A Bonds, along with available City funds, will be used to (i) refund the principal of the March 1, 2022 through March 1, 2034 maturities of the City's Neighborhood Improvement District Limited General Obligation Bonds (Brush Creek Drainage Area Improvement Project), Series 2014A, dated June 11, 2014; (ii) pay the interest on the Series 2020A Bonds to and including March 1, 2021, the anticipated call date of the Series 2014A Bonds, and (iii) pay costs of issuance related to the Series 2020A Bonds.

The City issued its $2,730,000 Taxable Neighborhood Improvement District Limited General Obligation Refunding Bonds (Brink Meyer Road Improvement Project), Series 2020B (Series 2020B Bonds). The proceeds of the Series 2020B Bonds, along with available City funds, will be used to (i) refund the principal of the March 1, 2022 through March 1, 2034 maturities of the City's Neighborhood Improvement District Limited General Obligation Bonds (Brink Meyer Road Neighborhood Improvement District), Series 2014B, dated June 11, 2014; (ii) pay the interest on the Series 2020B Bonds to and including March 1, 2021, the anticipated call date of the Series 2014B Bonds, and (ii) pay the costs of issuance related to the Series 2020B Bonds.

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(1) Budgetary Data

The Board of Alderman adopted annual operating budgets for all funds except for the Veterans Memorial, Court Recoupment Fees, Police Training Fees LET, Police Shop, TIF Development, Market Place Project 1 Development, Market Place Project 2 Development, 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.

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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, 2019

	2019			Variance with Final Budget
	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues:				
Taxes	$ 3,244,515	$ 3,244,515	$ 3,159,443	$ (85,072)
Intergovernmental	84,250	490,637	506,705	16,068
Charges for services	40,825	40,825	16,169	(24,656)
Fines and forfeitures	180,000	180,000	130,596	(49,404)
Licenses and permits	352,970	352,970	570,892	217,922
Charges for sewer	230,000	230,000	230,000	-
Interest	8,400	8,400	6,620	(1,780)
Other	52,200	226,183	263,723	37,540
Total Revenues	4,193,160	4,773,530	4,884,148	110,618
Expenditures:				
Current:				
General government	1,382,541	1,820,673	1,682,059	138,614
Public safety	1,585,621	1,585,621	1,509,838	75,783
Public works	715,676	745,676	919,110	(173,434)
Parks and recreation	597,497	1,091,217	698,001	393,216
Community development	307,720	307,720	292,926	14,794
Total Expenditures	4,589,055	5,550,907	5,101,934	448,973
Excess of Revenues Over (Under) Expenditures	(395,895)	(777,377)	(217,786)	559,591
Other Financing Sources (Uses):				
Transfers in	185,000	185,000	194,453	9,453
Transfers out	(317,500)	(317,500)	(317,500)	-
Sale of assets	-	-	410,082	410,082
Total Other Financing Sources (Uses)	(132,500)	(132,500)	287,035	419,535
Change in fund balance	$ (528,395)	$ (909,877)	69,249	$ 979,126
Fund Balances, Beginning of Year			1,747,951	
Fund Balances, End of Year			$ 1,817,200	

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

Draft

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, 2019

	2019 Original Budget	2019 Final Budget	2019 Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	$ 490,135	$ 490,135	$ 490,501	$ 366
Intergovernmental	528,831	528,831	539,081	10,250
Other	3,400	3,400	7,550	4,150
Total Revenues	1,022,366	1,022,366	1,037,132	14,766
Expenditures:				
Current:				
Capital outlay	1,737,858	866,449	770,148	96,301
Total Expenditures	1,737,858	866,449	770,148	96,301
Excess of Revenues Over (Under) Expenditures	(715,492)	155,917	266,984	111,067
Other Financing Sources (Uses):				
Transfers out	(400,375)	(1,286,784)	(1,286,784)	-
Proceeds from lease	-	-	-	-
Total Other Financing Sources (Uses)	(400,375)	(1,286,784)	(1,286,784)	-
Change in fund balance	$ (1,115,867)	$ (1,130,867)	(1,019,800)	$ 111,067
Fund Balances, Beginning of Year			1,135,327	
Fund Balances, End of Year			$ 115,527	

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

Draft

CITY OF PARKVILLE, MISSOURI
Required Supplementary Information
Schedule of Changes in Net Pension Liability and Related Ratios
For the Year Ended December 31, 2019

	Lagers				
	2019	**2018**	**2017**	**2016**	**2015**
Total Pension Liability					
Service costs	$ 172,547	$ 148,593	$ 119,807	$ 116,946	$ 104,714
Interest on total pension liability	161,830	142,885	107,562	93,722	69,352
Changes in benefit terms	-	-	252,150	-	226,297
Difference between expected and actual experience of the total pension liability	117,686	(16,202)	19,236	(66,469)	(47,700)
Changes of assumptions	-	-	(12,160)	79,853	-
Benefit payments and refunds	(23,897)	(27,488)	(18,639)	(31,360)	(14,002)
Net change in total pension liability	428,166	247,788	467,956	192,692	338,661
Total pension liability - beginning of year	2,159,111	1,911,323	1,443,367	1,250,675	912,014
Total pension liability - end of year (a)	$ 2,587,277	$ 2,159,111	$ 1,911,323	$ 1,443,367	$ 1,250,675
Plan Fiduciary Net Position					
Contributions - employer	$ 177,852	$ 155,363	$ 112,455	$ 93,771	$ 73,690
Contributions - employee	77,157	68,390	62,865	61,441	60,880
Net investment income	120,889	180,098	141,948	63	17,409
Benefit payments and refunds	(23,897)	(27,488)	(18,639)	(31,360)	(14,002)
Administrative expenses	(5,440)	(3,246)	(3,626)	(3,451)	(3,356)
Other (net transfer)	(1,855)	(6,335)	1,806	(3,952)	38,126
Net change in plan fiduciary net position	344,706	366,782	296,809	116,512	172,747
Plan fiduciary net positon - beginning of year	1,781,285	1,414,503	1,117,694	1,001,182	828,435
Plan fiduciary net positon - end of year (b)	$ 2,125,991	$ 1,781,285	$ 1,414,503	$ 1,117,694	$ 1,001,182
Net pension liability (a) - (b)	$ 461,286	$ 377,826	$ 496,820	$ 325,673	$ 249,493
Plan net position as a percentage of the total pension liability	82.17%	82.50%	74.01%	77.44%	80.05%
Covered employee payroll	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	23.83%	24.11%	34.09%	23.01%	17.64%

GASB 68 requires presentation of ten years. As of December 31, 2019, only five years of information is available.

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Schedule 4

CITY OF PARKVILLE, MISSOURI
Required Supplementary Information
Schedule of Employer Contributions
For the Year Ended December 31, 2019

LAGERS (General and Police)

Fiscal Year	Actuarially Determined Contribution	Contribution in Relation	Contribution Deficiency	Covered Employee Payroll	Contribution as Percentage
2010	$ 57,366	$ 57,366	$ -	$ 1,371,930	4.18%
2011	54,185	54,185	-	1,354,526	4.00%
2012	65,702	65,702	-	1,522,146	4.32%
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%

Lagers

Valuation Date February 28, 2019

Notes: The roll-forward of total pension liability from February 28, 2019 to June 30, 2019 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 chagnes) 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 15 to 20 years

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

Inflation assumption 3.25% wage inflation; 2.5% price inflation

Salary increases 3.25% to 6.55% including wage inflation

Investment rate of return 7.25%, 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, were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were the RP-2014 disabled mortality table for male and females. The pre-retirment mortality tableas used were the RP-2014 employees mortality table for male and females.

Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period based 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-2015 mortality improvement scale to the above described tables.

Other information: None

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CITY OF PARKVILLE, MISSOURI
Combining Balance Sheet - General Fund
December 31, 2019

	General Fund	Reserve Fund	Totals
Assets:			
Cash and investments	$ 1,840,586	$ 1,232,108	$ 3,072,694
Receivables:			
Taxes	250,574	-	250,574
Accounts and other	38	-	38
Note receivable	2,000,000	-	2,000,000
Due from other governments	280,705	-	280,705
Prepaid, deposits and other assets	97,907	-	97,907
Total Assets	$ 4,469,810	$ 1,232,108	$ 5,701,918
Liabilities:			
Accounts payable	$ 163,922	$ -	$ 163,922
Accrued payroll and benefits	90,257	-	90,257
Total Liabilities	254,179	-	254,179
Deferred inflows of resources:			
Unavailable revenues - note receivable	2,000,000	-	2,000,000
Unavailable revenues - grants	274,802	-	274,802
Unavailable revenues - taxes	123,629	-	123,629
	2,398,431	-	2,398,431
Fund balances:			
Nonspendable:			
Prepaid items	97,907	-	97,907
Committed:			
Emergency reserve	-	1,232,108	1,232,108
Unassigned	1,719,293	-	1,719,293
Total fund balances	1,817,200	1,232,108	3,049,308
Total liabilities, deferred inflows of resources and fund balances	$ 4,469,810	$ 1,232,108	$ 5,701,918

Draft

Schedule 6

CITY OF PARKVILLE, MISSOURI
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
General Fund
For the Year Ended December 31, 2019

	General Fund	Reserve Fund	Eliminations	Totals
Revenues:				
Taxes	$ 3,159,443	$ -	$ -	$ 3,159,443
Intergovernmental	506,705	-	-	506,705
Charges for services	16,169	-	-	16,169
Fines and forfeitures	130,596	-	-	130,596
Licenses and permits	570,892	-	-	570,892
Charges for sewer administration	230,000	-	-	230,000
Interest	6,620	-	-	6,620
Other	263,723	-	-	263,723
Total Revenues	4,884,148	-	-	4,884,148
Expenditures:				
Current:				
General government	1,682,059	-	-	1,682,059
Public safety	1,509,838	-	-	1,509,838
Public works	919,110	-	-	919,110
Parks and recreation	698,001	-	-	698,001
Community development	292,926	-	-	292,926
	5,101,934	-	-	5,101,934
Excess of Revenues Over (Under) Expenditures	(217,786)	-	-	(217,786)
Other financing sources (uses):				
Transfers in	194,453	317,500	(317,500)	194,453
Transfers out	(317,500)	(423,471)	317,500	(423,471)
Sale of capital assets	410,082	-	-	410,082
Total Other Financing Sources	287,035	(105,971)	-	181,064
Change in fund balance	69,249	(105,971)	-	(36,722)
Fund Balances, Beginning of Year	1,747,951	1,338,079	-	3,086,030
Fund Balances, End of Year	$ 1,817,200	$ 1,232,108	$ -	$ 3,049,308

Draft

CITY OF PARKVILLE, MISSOURI
Combining Balance Sheet - Debt Service Fund
December 31, 2019

	River Park	Certificates of Participation	Brush Creek	Brink Meyer	Lease Purchase Agreement	Totals
Assets:						
Restricted cash and investments	$ 165,332	$ 78,903	$ 431,098	$ 297,477	$ -	$ 972,810
Receivables:						
Special assessments	143,129	-	2,714,189	-	-	2,857,318
Total Assets	$ 308,461	$ 78,903	$ 3,145,287	$ 297,477	$ -	$ 3,830,128
Liabilities:						
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ -
Due to other funds	-	-	-	-	32,954	32,954
Total Liabilities	-	-	-	-	32,954	32,954
Deferred inflows of resources:						
Unavailable revenues	149,445	44,451	2,732,087	-	-	2,925,983
Fund balances:						
Restricted:						
Debt service	159,016	34,452	413,200	297,477	(32,954)	871,191
Total fund balances (deficit)	159,016	34,452	413,200	297,477	(32,954)	871,191
Total liabilities, deferred inflows and fund balances (deficit)	$ 308,461	$ 78,903	$ 3,145,287	$ 297,477	$ -	$ 3,830,128

Draft

CITY OF PARKVILLE, MISSOURI
Combining Statement of Revenues, Expenditures and Changes in Fund Balance -
Debt Service Fund
For the Year Ended December 31, 2019

	River Park	Certificates of Participation	Brush Creek	Brink Meyer	Lease Purchase Agreement	Totals
Revenues:						
Taxes	$ -	$ 416,051	$ -	$ -	$ -	$ 416,051
Intergovernmental	-	-	-	-	126,032	126,032
Special assessments	323,923	-	251,036	1,791	-	576,750
Interest	198	98	15,632	11,406	-	27,334
Total Revenues	324,121	416,149	266,668	13,197	126,032	1,146,167
Expenditures:						
Current:						
General	-	-	2,000	2,000	-	4,000
Debt service:						
Principal	305,000	354,132	220,000	150,000	302,900	1,332,032
Interest and fiscal charges	15,458	57,666	173,038	139,188	43,978	429,328
	320,458	411,798	395,038	291,188	346,878	1,765,360
Excess of Revenues Over (Under) Expenditures	3,663	4,351	(128,370)	(277,991)	(220,846)	(619,193)
Other financing sources (uses):						
Transfers in	-	-	140,423	283,048	215,375	638,846
Total Other Financing Sources	-	-	140,423	283,048	215,375	638,846
Change in fund balance	3,663	4,351	12,053	5,057	(5,471)	19,653
Fund Balances, Beginning of Year	155,353	30,101	401,147	292,420	(27,483)	851,538
Fund Balances (deficit), End of Year	$ 159,016	$ 34,452	$ 413,200	$ 297,477	$ (32,954)	$ 871,191

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Schedule 9

CITY OF PARKVILLE, MISSOURI
Combining Balance Sheet - Non-major Governmental Funds
December 31, 2019

	Special Revenue Funds							
	Park Sales Tax	Economic Development	Nature Sanctuary	Parks Donations	Veterans Memorial	Court Recoupment Fees	Police Training Fees LET	Police Shop
Assets								
Cash and investments	$ 39,545	$ 2,390	$ 77,659	$ 36,923	$ 13,293	$ 40,376	$ 38,164	$ 29,384
Receivables:								
Taxes	78,968	-	-	-	-	-	-	-
Restricted cash and investments	-	-	-	-	-	-	-	-
Total Assets	$ 118,513	$ 2,390	$ 77,659	$ 36,923	$ 13,293	$ 40,376	$ 38,164	$ 29,384
Liabilities and Fund Balances								
Liabilities:								
Accounts payable	$ -	$ -	$ 2,200	$ -	$ -	$ -	$ -	$ 8,547
Total Liabilities	-	-	2,200	-	-	-	-	8,547
Fund balances								
Nonspendable:								
Fewson trust	-	-	-	-	-	-	-	-
Restricted:								
Capital projects	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	40,376	38,164	20,837
Parks and recreation	118,513	-	75,459	36,923	13,293	-	-	-
Community development	-	2,390	-	-	-	-	-	-
Assigned:								
Capital projects	-	-	-	-	-	-	-	-
Total fund balances	118,513	2,390	75,459	36,923	13,293	40,376	38,164	20,837
Total liabilities and fund balances	$ 118,513	$ 2,390	$ 77,659	$ 36,923	$ 13,293	$ 40,376	$ 38,164	$ 29,384

(Continued on Next Page)

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Schedule 9

CITY OF PARKVILLE, MISSOURI
Combining Balance Sheet - Non-major Governmental Funds
December 31, 2019

	Special Revenue Funds						Permanent Fund	Capital Project Fund	
	TIF Development	Market Place Project 1 Development	Market Place Project 2 Development	Market Place CID #1	Market Place CID #2	Creekside Development	Fewson Project	Capital Projects	Totals
Assets									
Cash and investments	$ 12,493	$ -	$ 42,892	$ 12,410	$ 11,119	$ 2,966	$ -	$ 849,654	$ 1,209,268
Receivables:									-
Taxes	-	-	-	1,972	1,972	2,748	-	-	85,660
Restricted cash and investments	-	-	-	-	-	-	592,599	-	592,599
Total Assets	$ 12,493	$ -	$ 42,892	$ 14,382	$ 13,091	$ 5,714	$ 592,599	$ 849,654	$ 1,887,527
Liabilities and Fund Balances									
Liabilities:									
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 12,805	$ 23,552
Total Liabilities	-	-	-	-	-	-	-	12,805	23,552
Fund balances									
Nonspendable:									
Fewson trust	-	-	-	-	-	-	578,624	-	578,624
Restricted:									
Capital projects	-	-	-	-	-	-	13,975		13975
Public safety	-	-	-	-	-	-	-	-	99,377
Parks and recreation	-	-	-	-	-	-	-	-	244,188
Community development	12,493	-	42,892	14,382	13,091	5,714	-	-	90,962
Assigned:									
Capital projects	-	-	-	-	-	-	-	836,849	836,849
Total fund balances	12,493	-	42,892	14,382	13,091	5,714	592,599	836,849	1,863,975
Total liabilities and fund balances	$ 12,493	$ -	$ 42,892	$ 14,382	$ 13,091	$ 5,714	$ 592,599	$ 849,654	$ 1,887,527

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Schedule 10

CITY OF PARKVILLE, MISSOURI
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2019

	Special Revenue Funds							
	Park Sales Tax	Economic Development	Nature Sanctuary	Parks Donations	Veterans Memorial	Court Recoupment Fees	Police Training Fees LET	Police Shop
Revenues:								
Taxes	$ 118,513	$ 1,875	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	635	-	-
Interest	-	-	-	-	-	-	-	-
Grants and donations	-	-	6,033	26,295	11,218	-	-	17,824
Other	-	-	1,500	-	-	-	-	-
Total Revenues	118,513	1,875	7,533	26,295	11,218	635	-	17,824
Expenditures:								
Current:								
Public safety	-	-	-	-	-	-	-	9,593
Parks and recreation	-	-	6,054	-	4,625	544	2,048	-
Community development	-	1,001	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
	-	1,001	6,054	-	4,625	544	2,048	9,593
Excess of Revenues Over (Under) Expenditures	118,513	874	1,479	26,295	6,593	91	(2,048)	8,231
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-
Change in fund balance	118,513	874	1,479	26,295	6,593	91	(2,048)	8,231
Fund Balances, Beginning of Year	-	1,516	73,980	10,628	6,700	40,285	40,212	12,606
Fund Balances, End of Year	$ 118,513	$ 2,390	$ 75,459	$ 36,923	$ 13,293	$ 40,376	$ 38,164	$ 20,837

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Schedule 10

CITY OF PARKVILLE, MISSOURI
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2019

	Special Revenue Funds						Permanent Fund	Capital Project Fund	
	TIF Development	Market Place Project 1	Market Place Project 2	Market Place CID #1	Market Place CID #2	Creekside Development	Fewson Project	Capital Projects	Totals
Revenues:									
Taxes	$ 298,924	$ -	$ 18,072	$ 27,043	$ 27,043	$ 5,714	$ -	$ -	$ 497,184
Intergovernmental	181,300	-	-	-	-	-	-	9,828	191,128
Charges for services	-	-	-	-	-	-	-	-	635
Interest	12	9	-	-	-	-	10,014	-	10,035
Grants and donations	-	-	-	-	-	-	-	-	61,370
Other	-	-	-	-	-	-	-	-	1,500
Total Revenues	480,236	9	18,072	27,043	27,043	5,714	10,014	9,828	761,852
Expenditures:									
Current:									
Public safety	-	-	-	-	-	-	-	-	9,593
Parks and recreation	-	-	-	-	-	-	-	-	13,271
Community development	480,224	-	-	251	1,542	-	-	-	483,018
Capital outlay	-	-	-	-	-	-	-	267,085	267,085
	480,224	-	-	251	1,542	-	-	267,085	772,967
Excess of Revenues Over (Under) Expenditures	12	9	18,072	26,792	25,501	5,714	10,014	(257,257)	(11,115)
Other financing sources (uses):									
Transfers in	-	-	24,820	-	-	-	-	886,409	911,229
Transfers out	-	(9,453)	-	(12,410)	(12,410)	-	-	-	(34,273)
Total Other Financing Sources (Uses)	-	(9,453)	24,820	(12,410)	(12,410)	-	-	886,409	876,956
Change in fund balance	12	(9,444)	42,892	14,382	13,091	5,714	10,014	629,152	865,841
Fund Balances, Beginning of Yea	12,481	9,444	-	-	-	-	582,585	207,697	998,134
Fund Balances, End of Year	$ 12,493	$ -	$ 42,892	$ 14,382	$ 13,091	$ 5,714	$ 592,599	$ 836,849	$ 1,863,975

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Schedule 11

CITY OF PARKVILLE, MISSOURI
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Reserve Fund
For the Year Ended December 31, 2019

	2019			Variance with Final Budget
	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues:				
Taxes	$ -	$ -	$ -	$ -
Total Revenues	-	-	-	-
Total Expenditures	-	-	-	-
Excess of Revenues Over Expenditures	-	-	-	-
Other financing sources (uses):				
Transfers in	317,500	317,500	317,500	-
Transfers out	(431,434)	(431,434)	(423,471)	7,963
Total Other Financing Sources (Uses)	(113,934)	(113,934)	(105,971)	7,963
Change in fund balance	$ (113,934)	$ (113,934)	(105,971)	$ 7,963
Fund Balance, Beginning of Year			1,338,079	
Fund Balance, End of Year			$ 1,232,108	

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Schedule 12

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, 2019

	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	$ -	$ -	$ -	$ 416,409	$ 416,051	$ (358)	$ -	$ -	$ -
Intergovernmental	-	-	-	-	-	-	-	-	-
Special assessments	322,080	323,923	1,843	-	-	-	251,036	251,036	-
Interest	150	198	48	110	98	(12)	6,600	15,632	9,032
Total Revenues	322,230	324,121	1,891	416,519	416,149	(370)	257,636	266,668	9,032
Expenditures:									
Current:									
General	-	-	-	-		-	2,130	2,000	130
Debt service:									
Principal	305,000	305,000	-	354,132	354,132	-	220,000	220,000	-
Interest and fiscal charges	20,574	15,458	5,116	58,766	57,666	1,100	173,038	173,038	-
Total Expenditures	325,574	320,458	5,116	412,898	411,798	1,100	395,168	395,038	130
Excess of Revenues Over (Under) Expenditures	(3,344)	3,663	7,007	3,621	4,351	730	(137,532)	(128,370)	9,162
Other financing sources (uses):									
Transfers in	-	-	-	4,366	-	4,366	135,402	140,423	(5,021)
Total Other Financing Sources (Uses)	-	-	-	4,366	-	4,366	135,402	140,423	(5,021)
Change in fund balance	$ (3,344)	3,663	$ 7,007	$ 7,987	4,351	$ 5,096	$ (2,130)	12,053	$ 4,141
Fund Balance, Beginning of Year		155,353			30,101			401,147	
Fund Balance (deficit), End of Year		$ 159,016			$ 34,452			$ 413,200	

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Schedule 12

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, 2019

	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	$ -	$ -	$ -	$ -	$ -	$ -	$ 416,409	$ 416,051	$ (358)
Intergovernmental	-	-	-	131,504	126,032	(5,472)	131,504	126,032	(5,472)
Special assessments	1,791	1,791	-	-	-	-	574,907	576,750	1,843
Interest	4,750	11,406	6,656	-	-	-	11,610	27,334	15,724
Total Revenues	6,541	13,197	6,656	131,504	126,032	(5,472)	1,134,430	1,146,167	11,737
Expenditures:									
Current:									
General	2,000	2,000	-	-	-	-	4,130	4,000	130
Debt service:									
Principal	150,000	150,000	-	302,900	302,900	-	1,332,032	1,332,032	-
Interest and fiscal charges	139,283	139,188	95	43,979	43,978	1	435,640	429,328	6,312
Total Expenditures	291,283	291,188	95	346,879	346,878	1	1,771,802	1,765,360	6,442
Excess of Revenues Over (Under) Expenditures	(284,742)	(277,991)	6,751	(215,375)	(220,846)	(5,471)	(637,372)	(619,193)	18,179
Other financing sources (uses):									
Transfers in	282,742	283,048	306	215,375	215,375	-	637,885	638,846	961
Total Other Financing Sources (Uses)	282,742	283,048	306	215,375	215,375	-	637,885	638,846	961
Change in fund balance	$ (2,000)	5,057	$ 7,057	$ -	(5,471)	$ (5,471)	$ 513	19,653	$ 19,140
Fund Balance, Beginning of Year		292,420			(27,483)			851,538	
Fund Balance (deficit), End of Year		$ 297,477			$ (32,954)			$ 871,191	

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Schedule 13

CITY OF PARKVILLE, MISSOURI
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Economic Development
For the Year Ended December 31, 2019

	2019 Original Budget	2019 Final Budget	2019 Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	$ 1,500	$ 1,500	$ 1,875	$ 375
Total Revenues	1,500	1,500	1,875	375
Expenditures:				
Community development	2,000	2,000	1,001	999
Total Expenditures	2,000	2,000	1,001	999
Change in fund balance	$ (500)	$ (500)	874	$ 1,374
Fund Balance, Beginning of Year			1,516	
Fund Balance, End of Year			$ 2,390	

Draft

Schedule 14

CITY OF PARKVILLE, MISSOURI
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Nature Sanctuary
For the Year Ended December 31, 2019

	2019 Original Budget	2019 Final Budget	2019 Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Grants and donations	$ 11,750	$ 11,750	$ 6,033	$ (5,717)
Other	1,500	1,500	1,500	-
Total Revenues	13,250	13,250	7,533	(5,717)
Expenditures:				
Parks and recreation	12,500	12,500	6,054	6,446
Total Expenditures	12,500	12,500	6,054	6,446
Change in fund balance	$ 750	$ 750	1,479	$ 729
Fund Balance, Beginning of Year			73,980	
Fund Balance, End of Year			$ 75,459	

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Schedule 15

CITY OF PARKVILLE, MISSOURI
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Parks Donations
For the Year Ended December 31, 2019

	2019 Original Budget	2019 Final Budget	2019 Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Grants and donations	$ 27,500	$ 27,500	$ 26,295	$ (1,205)
Total Revenues	27,500	27,500	26,295	(1,205)
Expenditures:				
Parks and recreation	30,000	30,000	-	30,000
Total Expenditures	30,000	30,000	-	30,000
Change in fund balance	$ (2,500)	$ (2,500)	26,295	$ 28,795
Fund Balance, Beginning of Year			10,628	
Fund Balance, End of Year			$ 36,923	

Draft

Schedule 16

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, 2019

	2019			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Interest	$ 5,000	$ 5,000	$ -	$ (5,000)
Grants and donations	250,000	250,000	11,218	(238,782)
Total Revenues	255,000	255,000	11,218	(243,782)
Expenditures:				
Parks and recreation	240,000	-	4,625	(4,625)
Total Expenditures	240,000	-	4,625	(4,625)
Change in fund balance	$ 15,000	$ 255,000	6,593	$ (248,407)
Fund Balance, Beginning of Year			6,700	
Fund Balance, End of Year			$ 13,293	

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CITY OF PARKVILLE, MISSOURI
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Fewson Fund
For the Year Ended December 31, 2019

	2019 Original Budget	2019 Final Budget	2019 Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Interest	$ 4,750	$ 4,750	$ 10,014	$ 5,264
Total Revenues	4,750	4,750	10,014	5,264
Expenditures:				
General government	-	-	-	-
Total Expenditures	-	-	-	-
Excess of Revenues Over Expenditures	4,750	4,750	10,014	5,264
Other financing sources (uses):				
Transfers out	11,601	11,601	-	(11,601)
Total Other Financing Sources (Uses)	11,601	11,601	-	(11,601)
Change in fund balance	$ 16,351	$ 16,351	10,014	$ (6,337)
Fund Balance, Beginning of Year			582,585	
Fund Balance, End of Year			$ 592,599	

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CITY OF PARKVILLE, MISSOURI
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Capital Projects
For the Year Ended December 31, 2019

	2019			Variance with Final Budget
	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues:				
Intergovernmental	$ -	$ -	$ 9,828	$ 9,828
Grants and donations	46,000	46,000	-	(46,000)
Total Revenues	46,000	46,000	9,828	(36,172)
Expenditures:				
Capital outlay	35,000	921,409	267,085	654,324
Total Expenditures	35,000	921,409	267,085	654,324
Excess of Revenues Over Expenditures	11,000	(875,409)	(257,257)	618,152
Other financing sources (uses):				
Transfers in	-	886,409	886,409	-
Total Other Financing Sources (Uses)	-	886,409	886,409	-
Change in fund balance	$ 11,000	$ 11,000	629,152	$ 618,152
Fund Balance, Beginning of Year			207,697	
Fund Balance, End of Year			$ 836,849	

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CITY OF PARKVILLE, MISSOURI

REQUIRED COMMUNICATIONS AND COMPLIANCE REPORT

For the Year Ended December 31, 2019

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City of Parkville, Missouri

Required Communications and Compliance Report
For the Year Ended December 31, 2019

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CHV & Co

COCHRAN HEAD VICK & CO., P.C.

Certified Public Accountants

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August xx, 2020

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) for the year ended December 31, 2019. 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 December 6, 2019. 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. No new accounting policies were adopted and the application of existing policies was not changed during 2019. We noted no transactions entered into 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, value of land held for redevelopment, 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.

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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. The following material misstatement detected as a result of our audit procedures was corrected by management.

- Adjustments, reversal of accounts payable amounts, and reclassifications to cash of $131,420.
- Adjustment to record FEMA grant funds receivable and deferred inflows of $274,802.

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 August xx, 2020.

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, budgetary comparison information, schedule of changes in net pension liability and related ratios and schedule of employer contributions, which are required supplementary information (RSI) that supplements 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.

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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, 2019, 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 an adjustment 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

The Board of Aldermen approved a budget that increased funding and time available for professional development for finance staff with the idea of both the Finance/Human Resources Director and the City Treasurer attending relevant training opportunities. The Finance/Human Resources Director attended the Generally Accepted Accounting Principles (GAAP) Update Webinar to learn about the most recent developments in accounting and financial reporting for state and local governments. He was scheduled to attend the Government Finance Officer of Missouri (GFOA) Winter Seminar and Spring Conference, but both of these events were cancelled due to the COVID-19 pandemic. The City Treasurer was scheduled to attend the Tyler Connect Conference and the GFOA Conference, but did not due to the pandemic. Finance staff are seeking available virtual training opportunities and anticipate additional in-person training in 2021.

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Staff will do a better job of working with our auditors during the year as questions arise that they might be able to provide direction on. Audit adjustments have decreased each year and staff will continue to strive for no audit adjustments in the future. Staff will use all available reference guides to provide a checklist of tasks to ensure accurate and timely financial reporting 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 in the future.

Other Comments

Contractual, Intergovernmental and Development Agreements

The City has entered into an assortment of contractual, intergovernmental and development agreements. The contract provision requirements under some of these agreements are often complex, with events occurring that may require the recording of an accounting transaction which are often triggered by a non-cash transaction or event. These types of accounting transactions are not always readily known or detected by finance personnel in the normal course of performing their assigned functions. We recommend that management review the processes related to the identification and recording of these types of accounting transactions.

Management's Response

Finance staff and management will review current processes for the recording of future events not currently reflected in the City's accounting records. For example, when a FEMA grant is reasonably certain to be received, but not until the following calendar year, a receivable will be recorded to reflect the anticipated receipt of the funds. The same procedure would be used for future development as well as other types of agreements entered into by the City.

Future Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has recently issued the following statements which may impact the City's financial reporting requirements. In May 2020, in response to COVID-19 pandemic, GASB issued Statement No. 95 - *Postponement of the Effective Dates of Certain Authoritative Guidance.* The following statements reflect the revised effective dates:

- GASB Statement 83 - Certain Asset Retirement Obligations, effective for the fiscal year beginning on January 1, 2020.
- GASB Statement 84 – *Fiduciary Activities*, effective for the fiscal year beginning on January 1, 2020.
- GASB Statement 87 – *Leases*, effective for fiscal year beginning January 1, 2022.
- GASB Statement 88 - *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, effective for fiscal year beginning January 1, 2020.
- GASB Statement No. 89 – *Accounting for Interest Cost Incurred before the End of a Construction Period*, effective for the fiscal year beginning January 1, 2021.
- GASB Statement No. 90 – *Majority Equity Interests* – an amendment of GASB Statements No. 14 and No. 61, effective for the fiscal year beginning January 1, 2020.
- GASB Statement No. 91 – *Conduit Debt Obligations*, effective for the fiscal year beginning January 1, 2022.
- GASB Statement No. 92 – *Omnibus 2020*, effective for the fiscal year beginning January 1, 2022.
- GASB Statement No. 93 - *Replacement of Interbank Offered Rates* effective for the fiscal year beginning January 1, 2021.
- 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 No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32, effective for the fiscal year beginning January 1, 2022.

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

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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 of these comments, the significance of the 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 an adjustment that was required to properly report certain transactions in accordance with generally accepted accounting principles. We recommended that management review year-end closing procedures to ensure that transactions are properly recorded and approved in accordance with generally accepted accounting principles.	Comment is repeated as material adjustments were required to properly report certain transactions in accordance with generally accepted accounting principles.
Budgeting	For the year ended December 31, 2018, actual expenditures and transfers out exceeded budgeted appropriations in Reserve Fund by $8,375, Lease Purchase Agreement Fund by $27,843, Parks Donation Fund by $13,334, and the Capital Projects Fund by $13,241. We recommended that management review its processes and procedures for monitoring and amending the budget.	Comment resolved.

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

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COMPLIANCE REPORT

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Other Offices in
Missouri and Kansas

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, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated August xx, 2020.

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 2019-001 that we consider to be a material weakness.

Draft

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*.

The City's Response to the Findings

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Kansas City, Missouri
August xx, 2020

Draft

2019-001 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
Internal controls 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. Additionally, due to the complexities of financial reporting, we recommend that management continue exploring 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

The Board of Aldermen approved a budget that increased funding and time available for professional development for finance staff with the idea of both the Finance/Human Resources Director and the City Treasurer attending relevant training opportunities. The Finance/Human Resources Director attended the Generally Accepted Accounting Principles (GAAP) Update Webinar to learn about the most recent developments in accounting and financial reporting for state and local governments. He was scheduled to attend the Government Finance Officer of Missouri (GFOA) Winter Seminar and Spring Conference, but both of these events were cancelled due to the COVID-19 pandemic. The City Treasurer was scheduled to attend the Tyler Connect Conference and the GFOA Conference, but did not due to the pandemic. Finance staff are seeking available virtual training opportunities and anticipate additional in-person training in 2021.

Staff will do a better job of working with our auditors during the year as questions arise that they might be able to provide direction on. Audit adjustments have decreased each year and staff will continue to strive for no audit adjustments in the future. Staff will use all available reference guides to provide a checklist of tasks to ensure accurate and timely financial reporting 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 in the future.

ITEM 3.C.

For 8/10/2020

Board of Aldermen - Finance Committee Meeting

CITY OF PARKVILLE
Policy Report

Date: July 28, 2020

Prepared By:
Michelle Hefley City Treasurer

Reviewed By:
Matthew Chapman, Finance/HR Director

ISSUE:

Approve the 2020 property tax levy for fiscal year 2021 (Administration)

BACKGROUND:

The City has received the State Auditor pro forma calculations for the General Tax Levy and the General-Temp Levy for the next tax year. The temporary levy was authorized by the voters in 2004 for 21 years (until 2025). The pro forma calculations give the maximum levy that can be set based on the City's voter-approved levies under Missouri law. Following requirements of the Hancock Amendment, the State Auditor has adjusted the maximum allowed amounts for both the General Tax levy and the General-Temp levy for the coming year to a combined total of $0.6371 per $100 of assessed valuation. In previous years the Board has elected to maintain the General levy at the maximum allowed tax rate. Beginning with 2011, the Board has also elected to keep the General-Temp near the maximum to provide sufficient reserves and for the purpose of paying off a portion of the debt early once the corresponding bonds become callable. In any year the Board may reduce, but not increase, the proposed levy, while in even-numbered years the Board has the option of increasing the tax levy upward, if the levy is below its allowed maximum. Such an adjustment would become effective for the following odd-numbered fiscal year.

The table below summarizes the cost of the proposed levy for homeowners at various levels--2020 Tax Year.

Value of Home	$100,000	$200,000	$300,000	$400,000
Assessed Valuation (19% of actual)	19,000	38,000	57,000	76,000
General Tax Levy	0.4623	0.4623	0.4623	0.4623
General-Temp Levy	0.1748	0.1748	0.1748	0.1748
Total City of Parkville Tax	121.05	242.10	363.15	484.20

BUDGET IMPACT:

The General Fund tax levy provides about 25% of the General operating funds of the City. The General–Temp levy has historically been used to pay approximately one-half of the 2006 capital improvements certificates of participation issued by the City. The estimated increase in tax revenues in 2021 due to maintaining the tax levies at the adjusted current maximum level is $41,741.51

(General) and $15,782.86 (General-Temp) for a total of $57,524.37. Lowering either tax levy would require the City to either find other sources of revenue or to reduce expenditures for 2021.

ALTERNATIVES:

1. Approve maintaining the 2020 Tax Levy for Fiscal Year 2021 at the existing rate as adjusted by the State Auditor for the current tax year.
2. Reduce the 2020 Tax Levy for Fiscal Year 2021 as the Board of Aldermen deems appropriate.

STAFF RECOMMENDATION:
Approve maintaining the 2020 Tax Levy at the existing rate for the current tax year.

POLICY:
The Board of Aldermen may establish the property tax levy to support municipal services within the limitations imposed by state law. The property tax levy will determine a substantial portion of the revenue which will be available for fiscal year 2021. The amount of the revenue expected to be generated will be used during the budget process to determine available funds for fiscal year 2021. A public hearing is required per RSMo 67.110.

SUGGESTED MOTION:
I move to recommend that the Board of Aldermen adopt an ordinance to set the 2019 General Tax Levy at $0.4623 per $100.00 of assessed valuation and the General-Temp Levy at $0.1748 per $100.00 of assessed valuation.

ATTACHMENTS:

1. Ordinance
2. Notice of Public Hearing

BILL NO. ____ ORDINANCE NO. ____

AN ORDINANCE LEVYING A TAX OF $0.6371 ON ALL TAXABLE PROPERTY IN THE CITY OF PARKVILLE FOR THE YEAR 2020

BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE CITY OF PARKVILLE, MISSOURI AS FOLLOWS:

The levy on all real and personal taxable property in the City of Parkville for the year 2020 shall be $0.6371 per one hundred dollars of assessed valuation, divided as follows:

> $0.4623 per one hundred dollars of assessed valuation for the general operating budget.
>
> $0.1748 per one hundred dollars of assessed valuation for the general operating budget (temporary).

PASSED and APPROVED this 18th day of August 2020.

____
Mayor Nanette K. Johnston

ATTESTED:

____
City Clerk Melissa McChesney

Notice of Public Hearing
on 2020 Tax Levy Adjusted to Comply with
Missouri State Statutes Chapter 137.073
City of Parkville, Missouri

A public hearing will be held before the Board of Aldermen for the City of Parkville, Missouri, on August 18, 2020, at 7:00 p.m. in the board room at Parkville City Hall, 8880 Clark Avenue, Parkville, Missouri, 64152. At that time citizens may provide public comments on the following revised property tax rate proposed to be set by the City of Parkville for the 2020 tax year. The following information is provided pursuant to RSMo §67.110:

ASSESSED VALUATION

Category	**Prior Tax Year**	**Current Tax**
Real Estate	$209,171,942	$216,927,024
Personal Property	$37,315,833	$38,064,460
Railroad & Utility Local Assessed	$285,354	$266,726
Railroad & Utility State Assessed	$7, 552,971	$8,096,985
Total Current Valuation	$254,326,100	$263,355,195
Amount of property tax revenues budgeted for 2019 (less Platte County collection fees)		$1,155,195

	General	**General Temp**
Current tax rate:	$0.4623 per $100	$0.1748
Proposed tax rate:	$0.4623 per $100	$0.1748

	General	**General Temp**
Increase in tax revenue due to increase in assessed value due to new construction and improvements, if proposed tax rate is adopted:	$35,986	$13,607
Increase in tax revenue as a result of reassessment, if proposed tax rate is adopted:	$5,087	$1,924
	0.44%	0.44%

DATE: August 13, 2019

Melissa McChesney, City Clerk

CITY OF PARKVILLE
Policy Report

Date: August 6, 2020

Prepared By:	Reviewed By:
Matthew Chapman, Finance/HR Director	Michelle Hefley City Treasurer

ISSUE:
Approve the semi-annual financial report for the first half of 2020 and direct City Administration to publish (Administration)

BACKGROUND:
Both state statute and city ordinance require the City Treasurer to produce a semi-annual financial report that summarizes revenues and expenses for a six-month period. The last report was produced in February for the second half of 2019. The semi-annual report for the first half of 2020 is ready for review and publication in a local newspaper as required by law. The report includes all revenues and expenditures that are expected to be credited and charged to the first half of 2020. To reduce publication costs, an abbreviated version of the report will be published in the newspaper, but it will direct readers to the City's website for additional information. The City Treasurer has prepared an expanded version of the report for the website that includes additional information.

BUDGET IMPACT:
There is no budget impact associated with this action other than the cost of publication which will be funded from the Administration Division (501) of the General Fund (10).

ALTERNATIVES:
1. Approve the Semi-Annual Financial Report for the first half of 2020 and direct City Administration to publish.
2. Do not approve the report and provide further direction to staff.
3. Postpone the item.

STAFF RECOMMENDATION:
Staff recommends that the Finance Committee recommend that the Board of Aldermen approve the Semi-Annual Financial Report for the first half of 2020 and direct City Administration to publish.

POLICY:
Section 130.090 of the Parkville Municipal Code requires the City Treasurer to furnish to the Board of Aldermen a semi-annual report in January and July each year of the amount of money received on account of the City during the half year, from what sources received, and the amount of money disbursed, and on what account, and the balance in his hands to the credit of the City. Section 105.130 of the Parkville Municipal Code requires the Board of Aldermen to publish the semi-annual report in some newspaper in the City. The sections of Code that require the production and

publication of a six-month report are based on corresponding sections of Missouri statutes (RSMo 79.160 and 79.165).

SUGGESTED MOTION:
I move to recommend that the Board of Aldermen approve the semi-annual financial report for the first half of 2020 and direct City Administration to publish.

ATTACHMENTS:
1. Semi-Annual Report (Publication Version)
2. Semi-Annual Report (Long Version)

City of Parkville, Missouri

Semi-Annual Report

January 1 through June 30, 2020

General Fund	
Revenue	2,655,284
Expenditures	3,091,741
Revenue, net of Expenditures	(436,457)
Enterprise Fund-Sewer Utility	
Revenue	732,358
Expenditures	626,488
Revenue, net of Expenditures	105,870
Debt Service Funds	
Revenue	1,518,588
Expenditures	1,591,294
Revenue, net of Expenditures	(72,706)
Special Revenue Funds	
Revenue	1,610,497
Expenditures	1,019,335
Revenue, net of Expenditures	591,162
Debt of City of Parkville, June 30, 2020	
Certificates of Participation	3,662,472
Sewer Utility	695,000
Neighborhood Improvement Districts (NID's)	7,585,000
Total Debt	11,942,472

For additional information, visit www.parkvillemo.gov

City of Parkville, Missouri

Semi-Annual Report

January 1 through June 30, 2020

General Fund	
Beginning Balance, January 1, 2020	-
Revenue	
Taxes	1,331,702
Licenses	10,385
Permits	258,448
Franchise Fees	176,669
Sales Taxes	532,924
Other Revenue	7,389
Court Revenue	29,325
Interest Income	3,496
Grants and Miscellaneous Revenue	37,448
Transfers In	267,500
Total Revenue	2,655,284
Expenditures	
Administration	709,225
Police Department	675,038
Municipal Court	78,388
Public Works	129,567
Community Development	143,477
Street Department	216,761
Parks Department	184,814
Nature Sanctuary	22,315
Channel 2/Website	11,567
Transfers Out	872,822
Information Technology	19,443
Capital Outlay	28,325
Total Expenditures	3,091,741
Net Revenues in Excess of Expenditures	(436,457)
Funds Carried Forward for current year	1,728,789
Revenue & Carryover, net of Expenditures	1,292,332
Enterprise Fund - Sewer Utility	
Revenue	732,358
Expenditures	626,488
Funds Carried Forward for current year	-
Revenue & Carryover, net of Expenditures	105,870
Debt Service Funds	
Revenue	1,518,588
Expenditures	1,591,294
Revenue, net of Expenditures	(72,706)
Reserved and Restricted Funds	
Revenue	1,610,497
Expenditures	1,019,335
Revenue, net of Expenditures	591,162
Debt of the City of Parkville, June 30, 2020	
Certificates of Participation	3,662,472
Sewer Utility	695,000
Neighborhood Improvement Districts (NIDs) #	7,585,000
Total Debt	11,942,472

[1] NID debt payments are a valid and legally binding indebtedness of the City payable from special assessments on properties benefitted by the improvements.

Submitted by Michelle Hefley, Treasurer

2020 Projects

Division	Type	New or Replacement	Name	Project Description	Funding Source	2020 Cost	Funds Spent	Remaining Funds to Be Spent	Status / Projected Quarter
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	$ 6,000	$ -	$ 6,000	3rd Quarter
Admin	Project	Replacement	Train Depot Repairs	Repairs include addressing the external condition of the building. There are no additional operation budget costs associated	100% General Fund	$ 9,500	$ -	$ 9,500	3rd Quarter
Admin	Project	Year 4 of 4	Building Safety Upgrades	Phase 4: Install bulletproof glass panels and dais protection throughout the building in phases. This year includes the safety glass enclosure at eh 2nd floor front desk.	100% General Fund	$ 18,400	$ 16,225	$ 2,175	**Completed**
Admin	Project	Replacement	City Hall Building Repairs	Repairs include internal painting	100% General Fund	$ 25,000	$ -	$ 25,000	3rd Quarter
Admin	Project	New	HVAC Balancing	Air balance and balance report of the City Hall HVAC system.	100% General Fund	$ 5,000	$ 4,900	$ 100	**Completed**
Admin	Project	Replacement	Court Room Broadcasting Equipment	Upgrade of the Board room broadcasting equipment.	100% General Fund	$ 25,500	$ 1,424	$ 24,076	4th Quarter
					TOTAL ADMIN	**$ 154,400**	**$ 22,549**	**$ 131,851**	
CD	Project	New	Master Plan Update	The Parkville Master Plan was adopted in 2009, and is recommended to be updated every 10 years. Project includes a consultant team conducting an extensive public engagement process, and updating the current plan's vision, community goals and objectives, SWOT analysis, data, maps and future land use projections.	100% General Fund	$ 158,000	$ 24,800	$ 133,200	4th Quarter
					TOTAL COMMUNITY DEVELOPMENT	**$ 158,000**	**$ 24,800**	**$ 133,200**	

Police	Equipment	Replacement	Radio Replacement	Replace four each existing Police portable radios and two each Police mobile radios over next five years	100% General Fund	$ 14,284	$ -	$ 14,284	3rd Quarter
Police	Equipment	Replacement	Patrol Vehicle	AWD Police Vehicle including emergency equipment, video, radio, etc.	100% General Fund	$ 40,494	$ -	$ 40,494	4th Quarter
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	$ 4,055	$ -	$ 4,055	3rd Quarter
Police	Equipment	New	Police Radio DVRS Repeater	Install a Police radio DVRS in the western portion of the City to improve Police radio communications	100% General Fund	$ 27,500	$ 23,741	$ 3,759	**Completed**
Police	Equipment	New	Wireless Mobile Radio Mic Extenders	Install wireless police mobile radio mic extenders in nine patrol vehicles	100% General Fund	$ 6,677	$ 6,333	$ 344	**Completed**
					TOTAL POLICE	**$ 93,010**	**$ 30,073**	**$ 62,937**	
PW	Project	New	Hawver Gulch Watershed Study	Review the locations of the low water crossing in the Hawver Gulch watershed. Model the proposed improvements and their overall impacts.	100% General Fund	$ 80,000	$ -	$ 80,000	2021
PW	Project	New	Public Parking Lot Lease/Purchase	Lease/purchase payment for a public parking lot. The lease/payment will continue for 25 Years, for the use of the public parking lot for 99 years.	100% General Fund	$ 22,041	$ -	$ 22,041	4th Quarter
					TOTAL PW	**$ 102,041**	**$ -**	**$ 102,041**	
Streets	Project	Replacement	Storm Sewer Evaluation and Repair	Review the condition of the existing public storm sewers. Repairs will be made based on findings.	100% General Fund	$ 35,000	$ -	$ 35,000	4th Quarter
Streets	Project	Replacement	River Road Ditch Repair	Clean out the ditches along River Road due to silt build up over time	100% General Fund	$ 30,000	$ -	$ 30,000	2021
Streets	Project	Replacement	76th Street Bridge Engineering	Review the current condition of the bridge and present engineering and construction options	100% General Fund	$ 20,000	$ -	$ 20,000	2021
					TOTAL STREETS	**$ 85,000**	**$ -**	**$ 85,000**	
					TOTAL GENERAL FUND	**$ 592,451**	**$ 77,422**	**$ 515,029**	

Sewer	Maintenance	New	Sanitary Sewer Phase 5	Evaluate the existing sewer pipe and structures. Based on data acquired, point repairs can be made to the sewer.	100% Sewer Fund	$ 215,800	$ 206,088	$ 9,712	**Completed**
Sewer	Equipment	Replacement	RAS Pump AFD's	Replacement of three RAS Pump drives that control the pump speed at WWTP.	100% Sewer Fund	$ 5,400	$ -	$ 5,400	3rd Quarter
Sewer	Equipment	Replacement	RAS Pump Replacement	Replacement of one of the three RAS pumps, this is completed every 5 years.	100% Sewer Fund	$ 11,500	$ 5,864	$ 5,636	3rd Quarter
Sewer	Equipment	Replacement	RAS Flow Meters	Modify flow meters	100% Sewer Fund	$ 34,000	$ 33,704	$ 296	**Completed**
Sewer	Project	New	WWTP Exterior Lighting	Additional lights for the outside of the wastewater treatment plant	100% Sewer Fund	$ 9,000	$ -	$ 9,000	3rd Quarter
Sewer	Project	New	Sewer Manhole Inspections	Locate, open, inspect, and assess condition of manholes. Update GIS map and database.	100% Sewer Fund	$ 30,000	$ -	$ 30,000	3rd Quarter
Sewer	Equipment	Replacement	Clarifier Drive Rebuild	Clarifier Drive Rebuild	100% Sewer Fund	$ 16,000	$ -	$ 16,000	4th Quarter
Sewer	Equipment	New	Ongoing Sanitary Sewer Repairs	Periodic projects to rebuild sewer pipes, using the CIPP process.	100% Sewer Fund	$ 475,000	$ 16,921	$ 458,080	4th Quarter
Sewer	Project	New	CCTV	Program to clean and televise a portion of the 15,000 feet per year of the City's sewers.	100% Sewer Fund	$ 30,000	$ -	$ 30,000	4th Quarter
					TOTAL SEWER	**$ 826,700**	**$ 262,576**	**$ 564,124**	
Transportation	Equipment	Replacement	Dump truck, 1-ton, 4-wheel Drive, Snowplow and Salt Spreader	Replacement of older trucks and snowplowing equipment. Will replace next truck in line. Trade-in value approximately $7,000	100% Transportation Fund	$ 65,000	$ 30,264	$ 34,736	3rd Quarter
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	$ 285,000	$ 321,245	$ (36,245)	**Completed**
Transportation	Maintenance	New	Curb & Sidewalk Repair	Repair defective sections of curb and sidewalk due to general deterioration.	100% Transportation Fund	$ 50,000	$ 50,231	$ (231)	**Completed**
Transportation	Maintenance	New	Snow Box Attachment	To assist with plowing snow in the downtown and small parking areas.	100% Transportation Fund	$ 5,000	$ -	$ 5,000	2021
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	$ 10,000	$ -	$ 10,000	4th Quarter
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	$ 10,000	$ -	$ 10,000	3rd Quarter
Transportation	Equipment	New	Downtown Wayfinding Signage	The design and purchase of wayfinding signage for three locations within the downtown area.	100% Transportation Fund	$ 13,000	$ 10,877	$ 2,123	**Completed**
					TOTAL TRANSPORTATION	**$ 438,000**	**$ 412,617**	**$ 25,383**	

Project Fund	Project	Replacement	Route 9 Phases 1&2	Major Street Reconstruction	Project Funds/CID	$ 1,995,656	$ 101,185	$ 1,894,471	2021
Project Fund	Project	Replacement	Route 9 Phases 1&3	Major Street Reconstruction	MoDot Cost Share	$ 1,734,500	$ -	$ 1,734,500	2021
Project Fund	Project	Replacement	Route 9 6th Street	Major Street Reconstruction	Projects Fund/MoDot /Chapter 100	$ 800,000	$ -	$ 800,000	2021
					TOTAL PROJECTS FUND	**$ 4,530,156**	**$ 101,185**	**$ 4,428,971**	
Parks Sales Tax	Project	New	PLP Ballfields	The engineering and construction of baseball fields and multipurpose fields	100% Parks Sales Tax	$ 200,000	$ -	$ 200,000	4th Quarter
Parks Sales Tax	Project	New	Pickle ball Courts	The design and engineering of 2 to 4 pickelball courts located in ELP	100% Parks Sales Tax	$ 20,000	$ -	$ 20,000	3rd Quarter
Parks Sales Tax	Project	New	Dog Park Shade Structure	The purchase and installation of a dog park shade structure	100% Parks Sales Tax	$ 16,000	$ 32,870	$ (16,870)	**Completed**
Parks Sales Tax	Project	Replacement	Adams Park Improvements	The design , purchase, and installation of updated playground equipment	100% Parks Sales Tax	$ 18,000	$ -	$ 18,000	2021
Parks Sales Tax	Project	Replacement	Watkins Park Improvements	The design , purchase, and installation of updated playground equipment	100% Parks Sales Tax	$ 20,000	$ -	$ 20,000	2021
Parks Sales Tax	Project	Replacement	Waddell Bridge Improvement	The repainting and lighting of the Waddell bridge	100% Parks Sales Tax	$ 50,000	$ -	$ 50,000	4th Quarter
Parks Sales Tax	Project	New	Pocket Park Master Plan	The creation of a master plan by an outside third party to provide multiple options for Pocket Park.	100% Parks Sales Tax	$ 25,000	$ 11,734	$ 13,266	4th Quarter
Parks Sales Tax	Project	Replacement	Entry Signs for PLP/ELP	The design and purchase of new entry signs to ELP and PLP	100% Parks Sales Tax	$ 15,000	$ 1,312	$ 13,688	4th Quarter
Parks Sales Tax	Project	New	Lewis and Clark Monument Sign	The design and purchase of a Lewis and Clark sign to be located in ELP	100% Parks Sales Tax	$ 10,000	$ -	$ 10,000	**Completed**
Parks Sales Tax	Project	Replacement	Roundabout Makeover	The design and construction of new landscaping for the roundabout on the south side of Busch Drive.	100% Parks Sales Tax	$ 60,000	$ -	$ 60,000	4th Quarter
					TOTAL PARKS SALES TAX FUND	**$ 434,000**	**$ 45,916**	**$ 388,084**	
					GRAND TOTAL	**$ 6,821,307**	**$ 899,717**	**$ 5,921,590**	

Projected expenditures per Quarter				
1st Quarter Actual	**2nd Actual**	**3rd Projected**	**4th Projected**	**2021 Projected**
$ 421,952	$ 477,765	$ 139,820	$ 1,223,845	$ 4,478,971

ITEM 4.B.

For 8/10/2020

Board of Aldermen - Finance Committee Meeting

CITY OF PARKVILLE
Policy Report

Date: August 4, 2020

Prepared By:
Joe Parente, City Administrator

Reviewed By:
Padraic Corcoran City Attorney

ISSUE:
Update on 202 East Street Demolition Special Assessment

BACKGROUND:
In October 2018, a fire substantially damaged the property at 202 East Street in downtown Parkville. In December 2018, violations were issued under Section 108 – Unsafe Structures and Equipment of the Parkville Property Maintenance Code. Through the course of 2019, city staff engaged in enforcement action which led to a dangerous building hearing for July 3, 2019. Per the facts of finding presented at the hearing, the owner had 30 days to comply with demolition of the property; otherwise, the City shall conduct the demolition, certify the cost of work borne for the expenses, and add said expenses as a special assessment on the tax bill to be a lien upon the property. After extended attempts to resolve the issue with the property owner, the Board of Aldermen awarded a contract to a demolition contractor remove the dangerous structure from the property.

On September 23, 2019 the demolition contractor began work on the property and the demolition work was completed by the end of October. A special assessment was placed on the property for the eligible costs of demolition. The amount paid to the demolition contractor was $10,860. The special assessment will remain on the property until either paid, or through a process where the city acquires ownership of the property, or the property is sold as part of the delinquent tax process and the lien is removed from the property should the city decide to allow this to occur.

In July of 2020, the city received notice from the Platte County Collector that the 2018 Real Estate Taxes for 202 East Street were delinquent and, if not paid, subject to a tax sale on August 24, 2020. If the property owner does not pay the 2018 taxes prior to the sax sale, then a process will begin that creates a three year timeline that could lead to the auction of the property due to the tax delinquency.

Because this process would have an impact on the city's ability to be reimbursed for the demolition costs, staff is working with the City Attorney to monitor the tax sale process to preserve the city's ability to redeem its costs, or if necessary, obtain title to the property as part of the tax redemption process.

Staff would like to update the Finance Committee and outline the various scenarios that may be pursued over the next few years.

The scenarios relates to the property owner not paying the property tax bills:

- No one bids on the 2018 property taxes. The property sits for three tax sales, then a post-tax sale occurs (property is auctioned with no city special assessment).
- Prior to the property property being auctioned with no city special assessment, the city steps in and pays the back property taxes and takes title to the property. The 2018 delinquent taxes on the property are $848.75, excluding penalty and interest. It is estimated the three year tax payment will exceed $2,000.
- A private tax buyer pays the taxes. The city requests the payment of its special assessment. If the tax buyer fails to pay the lien, the city has the authority to redeem the property via payment of the back taxes to the tax buyer, and then takes ownership after three tax sales.
- A private tax buyer pays the taxes and the city cooperates with the interested party to pay all or a portion of the demolition special assessment. This would be a situation where the city considers the combined cost of redeeming the taxes and the demolition costs, and determines it is unlikely the costs will be recouped through property auction. It may also include consideration of what the tax buyer proposes to do with the property that would be of benefit to the neighborhood.
- City takes deed to the property through the payment of back taxes, and then auctions it to redeem all or a portion of the demolition costs and back taxes.

<u>BUDGET IMPACT</u>:
As this is an item being presented for information only, there is no immediate budget impact. However, depending on the outcome of delinquent tax sale process, for the City to preserve its demolition lien it may be required to redeem the property through the payment of the delinquent property taxes. The City would then have the ability to auction the property to recover all, or a portion, of the demolition costs and delinquent taxes.

<u>ALTERNATIVES</u>:
1. Request staff and the City Attorney monitor the tax sale process, and report back should the taxes be purchased.
2. Provide other direction to staff.
3. Postpone the item.

<u>STAFF RECOMMENDATION</u>:
Staff recommends monitoring the tax sale process and to take actions to preserve the city's ability to collect its demolition lien, including taking ownership of the property if necessary.

<u>POLICY</u>:
All property transactions require Board of Aldermen approval.

<u>SUGGESTED MOTION</u>:
No motion is necessary since this is a report item.

<u>ATTACHMENTS</u>:
None