**FINANCE COMMITTEE**
Monday, July 29, 2024 4:30 PM
Administration Conference Room, City Hall

1. **Call to Order**
2. **Financial Updates**
   A. Second Quarter 2024 Budget and Investment Reports
3. **Action Items**
   A. Approve the minutes for the June 24, 2024, meeting
4. **Non-Action Items**
   A. Present the audited financial statements and required communications report for fiscal year 2023 (Administration)
5. **Unfinished Business (postponed from prior meetings)**
6. **Other Business**
7. **Adjourn**

Posted Date & Time: July 26, 2024 TIME: By: KS

# CITY OF PARKVILLE
## Policy Report

Date: July 23, 2024

| Prepared By: | Reviewed By: |
| --- | --- |
| Bryan Kidney, Deputy City Administrator/Finance Director | Alexa Barton, City Administrator |

ISSUE:
Second Quarter 2024 Budget and Investment Reports

BACKGROUND:
Staff will review the second quarter budget variances and investment report.

STRATEGIC GOAL(S):
Operational Excellence

BUDGET IMPACT:
There is no budget impact on this item

ALTERNATIVES:

1. Review 2nd quarter 2024 budget report and investment report.
2. Do not review the 2nd quarter 2024 budget report and divestment report.

STAFF RECOMMENDATION:
None

POLICY:
Parkville Municipal Code Section 143.020 directs the Finance/Audit Committee to hear financial reports and report to the Board of Aldermen on financial matters.

SUGGESTED MOTION:
Because this is a report, no motion is necessary.

ATTACHMENTS:
1. Combined Funds
2. Second Quarter 2024 Investments
3. Second Quarter 2024 Investment Summary Report

## City of Parkville, Missouri
## General Fund (10) 2024 Adopted Budget
## 30-Jun-24

| Revenues | | | | | | |
|---|---|---|---|---|---|---|
| **Category** | **2023 Budget** | **2023 Revised** | **2023 Audited** | **2024 Adopted** | **2024 Year to date** | **Percent of Year** |
| Property Taxes | $ 1,560,000 | $ 1,624,400 | $ 1,664,072 | $ 1,740,000 | $ 1,791,242 | 103% |
| Licenses | 76,800 | 73,900 | 67,553 | 80,400 | 54,999 | 68% |
| Permits | 505,300 | 304,800 | 295,362 | 518,000 | 491,881 | 95% |
| Franchise | 898,000 | 885,000 | 960,584 | 940,000 | 380,581 | 40% |
| Sales Tax | 1,452,000 | 1,653,000 | 1,730,944 | 1,703,000 | 927,152 | 54% |
| Court | 41,000 | 24,400 | 50,996 | 25,000 | 26,532 | 106% |
| Interest | 13,000 | 100,300 | 106,340 | 95,500 | 32,962 | 35% |
| Miscellaneous | 570,000 | 522,000 | 539,380 | 513,000 | 432,005 | 84% |
| Grant | 33,000 | - | - | - | - | |
| Transfers | 860,500 | 860,500 | 860,500 | 370,000 | 185,000 | 50% |
| **Total Revenues** | **6,009,600** | **6,048,300** | **6,275,731** | **5,984,900** | **4,322,355** | 72% |

| Expenditures | | | | | | |
|---|---|---|---|---|---|---|
| **Department** | | | | | | |
| Administration | 1,733,968 | 1,733,968 | 1,715,678 | 1,873,000 | 924,713 | 49% |
| Police | 2,002,650 | 2,002,650 | 1,555,262 | Moved to Police Fund-42 | | - |
| Court | 163,379 | 163,379 | 139,749 | 173,000 | 76,595 | 44% |
| Public Works | 289,440 | 289,440 | 317,823 | 433,000 | 207,922 | 48% |
| Community Development | 493,959 | 493,959 | 531,947 | 578,000 | 291,061 | 50% |
| Public Information | 35,660 | 35,660 | 28,083 | 49,000 | 11,745 | 24% |
| Transfers Out | 935,575 | 935,575 | 935,575 | 2,578,000 | 1,375,500 | 53% |
| Information Technology | 98,304 | 98,304 | 122,057 | 194,000 | 67,926 | 35% |
| Capital Outlay | 261,094 | 261,094 | 177,300 | - | - | |
| **Total Expenditures** | **6,014,029** | **6,014,029** | **5,523,474** | **5,878,000** | **2,955,462** | 50% |

| | | | | | | |
|---|---|---|---|---|---|---|
| Increase (decrease) | (4,429) | 34,271 | 752,257 | 106,900 | 1,366,893 | |
| | | | | | | |
| Beginning Fund Balance | 1,364,061 | 1,364,061 | 1,364,061 | 1,398,332 | 2,116,319 | |
| **Ending Fund Balance** | **1,359,632** | **1,398,332** | **2,116,319** | **1,505,232** | **3,483,211** | |
| Reserve Fund Balance % | 23% | 23% | 38% | 26% | 118% | |
| Plus: Emergency Fund Balance | 1,332,108 | 1,332,109 | 1,332,109 | 1,450,108 | 1,450,108 | |
| **Total Fund Balance** | **$ 2,691,740** | **$ 2,730,441** | **$ 3,448,428** | **$ 2,955,340** | **$ 4,933,319** | |

## City of Parkville, Missouri
## Sewer Services Fund (30) 2024 Adopted Budget
## 30-Jun-24

| Revenues | 2023 Budget | 2023 Amended | 2023 Unaudited | 2024 Adopted | 2024 Year to date | Percentage of Year |
|---|---|---|---|---|---|---|
| Sewer Charges | $ 1,760,193 | $ 1,760,193 | $ 1,785,086 | $ 1,813,000 | $ 841,997 | 46% |
| Sewer Tap Fees | 30,450 | 30,450 | 15,650 | 30,000 | 5,250 | 18% |
| Sewer Impact Fees | 50,750 | 50,750 | 11,817 | 51,500 | 5,217 | 10% |
| MOAW Bill Collection Payment | 550 | 550 | - | 550 | 501 | 91% |
| Grinder Pump Admin Fee | 4,620 | 4,620 | 4,620 | 4,600 | 2,310 | 50% |
| Interest Income | 5,050 | 5,050 | 3,557 | 5,500 | 1,255 | 23% |
| Transfer from Sewer CIP (34) | 187,500 | - | - | - | - | |
| Miscellaneous | - | 28,067 | 50,567 | - | 7,022 | 0 |
| **Total Revenues** | **2,039,113** | **1,879,680** | **1,871,297** | **1,905,150** | **863,552** | 45% |

| Expenses | | | | | | |
|---|---|---|---|---|---|---|
| Operating Expenses | 812,758 | 826,550 | 1,202,709 | 800,500 | 453,618 | 57% |
| Capital Expenses | 627,450 | 627,450 | 306,010 | 709,000 | 8,941 | 1% |
| Debt Service (Transfer to 34) | 182,500 | 182,500 | 172,191 | 179,000 | 15,000 | 8% |
| Transfer to General Fund | 360,500 | 360,500 | 360,500 | 370,000 | 185,000 | 50% |
| **Total Expenses** | **1,983,208** | **1,997,000** | **2,041,410** | **2,058,500** | **662,559** | 32% |
| Increase (Decrease) | 55,905 | (117,320) | (170,114) | (153,350) | 200,993 | |
| Beginning Fund Balance | 785,884 | 785,884 | 788,729 | 668,564 | 618,615 | |
| **Ending Fund Balance** | **$ 841,789** | **$ 668,564** | **$ 618,615** | **$ 515,214** | **$ 819,608** | |

## City of Parkville, Missouri
## Transportation Fund (40) 2024 Adopted Budget
## 30-Jun-24

| Revenues | | | | | | |
|---|---|---|---|---|---|---|
| **Category** | **2023 Budget** | **2023 Revised** | **2023 Audited** | **2024 Adopted** | **2024 Year to Date** | **centage of Y** |
| Taxes | $ 1,281,000 | $ 1,343,107 | $ 1,460,584 | $ 1,363,000 | $ 890,309 | 65% |
| Other | 15,000 | 15,000 | 49,076 | 15,000 | 81,871 | 546% |
| Transfers | 236,000 | 236,000 | 236,000 | 243,000 | 121,500 | 50% |
| **Total Revenues** | **1,532,000** | **1,594,107** | **1,745,660** | **1,621,000** | **1,093,680** | 67% |

| Expenditures | | | | | | |
|---|---|---|---|---|---|---|
| Salary and Benefits | 538,988 | 538,988 | 482,500 | 626,000 | 271,281 | 43% |
| Operating | 552,200 | 552,500 | 457,112 | 610,000 | 182,279 | 30% |
| Capital | 585,000 | 470,000 | 477,011 | 380,000 | 5,182 | 1% |
| Transfers Out | 66,229 | 66,229 | 66,229 | - | - | |
| **Total Expenditures** | **1,742,417** | **1,627,717** | **1,482,852** | **1,616,000** | **458,742** | 28% |
| Increase (decrease) | (210,417) | (33,610) | 262,808 | 5,000 | 634,938 | |
| | | | | | | |
| Beginning FB | 353,260 | 367,770 | 367,769 | 334,160 | 630,577 | |
| **Ending FB** | **$ 142,843** | **$ 334,160** | **$ 630,577** | **$ 339,160** | **$ 1,265,515** | |
| | | | | | | |
| Fund Balance % (of OPS) | 12% | 29% | 63% | 27% | 279% | |

## City of Parkville, Missouri
## Parks Sales Tax Fund (41)
## 30-Jun-24

| Revenues | | | | | | |
|---|---|---|---|---|---|---|
| **Category** | **2023 Budget** | **2023 Revised** | **2023 Audited** | **2024 Adopted** | **2024 Year to Date** | **centage of Y** |
| Taxes | $ 770,000 | $ 947,000 | $ 952,254 | 975,000 | 499,127 | 51% |
| Program Revenue | 40,000 | 40,000 | 34,616 | 37,000 | 30,096 | 81% |
| Other | - | - | | - | 76,340 | |
| Grants/Donations | 1,000 | 402,743 | 432,093 | 1,000 | 24,308 | 2431% |
| Transfers | 350,000 | 350,000 | 350,000 | 426,000 | 213,000 | 50% |
| **Total Revenues** | **1,161,000** | **1,739,743** | **1,768,963** | **1,439,000** | **842,871** | 59% |

| **Expenditures** | | | | | | |
|---|---|---|---|---|---|---|
| Salary and Benefits Parks | 541,496 | 541,496 | 452,949 | 771,000 | 261,468 | 34% |
| Salary and Benefits Nature | - | - | - | - | 44,295 | |
| Operating | 227,575 | 227,575 | 173,034 | 228,000 | 86,067 | 38% |
| Capital | 478,500 | 478,500 | 273,113 | 496,000 | 219,920 | 44% |
| Transfers Out | - | | - | - | - | |
| **Total Expenditures** | **1,247,571** | **1,247,571** | **899,096** | **1,495,000** | **611,750** | |
| Increase (decrease) | (86,571) | 492,172 | 869,867 | (56,000) | 231,121 | |
| | | | | | | |
| Beginning FB | 772,097 | 785,748 | 887,084 | 1,756,951 | 1,756,951 | |
| **Ending FB** | **$ 685,526** | **$ 1,277,920** | **$ 1,756,951** | **$ 1,700,951** | **$ 1,988,072** | |
| Fund Balance % (of OPS) | 89% | 166% | 281% | 170% | 507% | |
| | | | | | | |
| Year | 2023 | 2023 | 2023 | 2024 | | |
| Total Revenue | 1,161,000 | 1,739,743 | 1,768,963 | 1,439,000 | | |
| Total Expenditures | 1,247,571 | 1,247,571 | 899,096 | 1,495,000 | | |
| Fund Balance | 685,526 | 1,277,920 | 1,756,951 | 1,700,951 | | |

# City of Parkville, Missouri
## Public Safety Sales Tax (42) 2024 Adopted Budget
## 30-Jun-24

| **Revenues** | | | | | |
|---|---|---|---|---|---|
| Category | **2023 Revised** | **2023 Audited** | **2024 Adopted** | **2024 YTD** | **centage of Y** |
| Taxes | $ 229,929 | $ 192,285 | $ 966,000 | $ 477,065 | 49% |
| Other | - | | 3,000 | 77,910 | 2597% |
| Transfers | - | | 1,500,000 | 750,000 | 50% |
| **Total Revenues** | **229,929** | **192,285** | **2,469,000** | **1,304,975** | 53% |

| **Expenditures** | | | | | |
|---|---|---|---|---|---|
| Salary and Benefits | - | | 2,099,500 | 797,866 | 38% |
| Operating | - | | 214,000 | 33,300 | 16% |
| Leases | - | | 86,500 | 5,856 | 7% |
| Capital | - | | - | | |
| **Total Expenditures** | **-** | | **2,400,000** | **837,022** | 35% |
| Increase (decrease) | 229,929 | 192,285 | 69,000 | 467,953 | |
| Beginning Fund Balance | - | - | 229,929 | 192,285 | |
| **Ending Fund Balance** | **$ 229,929** | **$ 192,285** | **$ 298,929** | **$ 660,238** | |
| | | | | | |
| Fund Balance % (of OPS) | 0% | 100% | 12% | 79% | |

## City of Parkville, Missouri
## Fewson Fund (45) 2024 Adopted Budget
## 30-Jun-24

| Revenues | | | | | | |
|---|---|---|---|---|---|---|
| **Category** | **2023 Budget** | **2023 Revised** | **2023 Audited** | **2024 Adopted** | **YTD 2024** | **ercent of Ye** |
| Interest | $ 1,500 | $ 1,500 | $ 11,174 | $ 5,000 | $ 3,008 | 60% |
| **Total Revenues** | **1,500** | **1,500** | **11,174** | **5,000** | **3,008** | 745% |

| Expenditures | | | | | | |
|---|---|---|---|---|---|---|
| Operating | - | 118 | 154 | 150 | 93 | 62% |
| Capital | 24,019 | 23,937 | - | 28,355 | - | 0% |
| **Total Expenditures** | **24,019** | **24,055** | **154** | **28,505** | **93** | 0.3% |
| Increase (decrease) | (22,519) | (22,555) | 11,020 | (23,505) | 2,915 | |
| Beginning Fund Balance | 602,673 | 580,154 | 602,428 | 557,599 | 613,448 | |
| **Ending Fund Balance** | **$ 580,154** | **$ 557,599** | **$ 613,448** | **$ 534,094** | **$ 616,363** | |
| Required Minimum | $ 525,000 | $ 525,000 | $ 525,001 | $ 525,000 | $ 525,001 | |
| Fund % of Required Minimum | 111% | 106% | 117% | 102% | 117% | |

# City of Parkville, Missouri
# Economic Development Fund (46) 2024 Adopted Budget
# 30-Jun-24

| **Revenues** | | | | | | |
|---|---|---|---|---|---|---|
| **Category** | **2023 Budget** | **2023 Revised** | **2023 Audited** | **2024 Adopted** | **2024 YTD** | **rcent of Ye** |
| Guest Room Tax | $ 58,000 | $ 65,000 | $ 88,171 | $ 68,000 | $ 44,258 | 65% |
| Interest | - | - | | - | | |
| **Total Revenues** | **58,000** | **65,000** | **88,171** | **68,000** | **44,258** | 65% |

| **Expenditures** | | | | | | |
|---|---|---|---|---|---|---|
| Operating | 35,000 | 35,000 | 17,967 | 23,000 | 15,000 | 65% |
| Developer Reimbursement | 40,000 | 40,000 | 53,772 | 45,000 | 28,063 | 62% |
| **Total Expenditures** | **75,000** | **75,000** | **71,739** | **68,000** | **43,063** | 63% |
| Increase (decrease) | (17,000) | (10,000) | 16,432 | - | 1,195 | |
| | | | | | | |
| Beginning FB | 17,546 | 20,873 | 20,872 | 10,873 | 37,304 | |
| **Ending FB** | **$ 546** | **$ 10,873** | **$ 37,304** | **$ 10,873** | **$ 38,499** | |

## City of Parkville, Missouri
## Use Tax Fund (48) 2025 Adopted Budget
## 30-Jun-24

| Revenues | | | | |
|---|---|---|---|---|
| **Category** | **2023 Audited** | **2024 Adopted** | **2024 Year to Dat** | **centage of Y** |
| Taxes | $ - | $ 350,000 | $ 294,388 | 84% |
| Other | - | - | - | |
| **Total Revenues** | **-** | **350,000** | **294,388** | **84%** |

| Expenditures | | | | |
|---|---|---|---|---|
| Park Trail Maint & Capital | - | 70,000 | - | 0% |
| Street Capital | - | 204,805 | - | 0% |
| Street Maintenance | - | 56,000 | - | 0% |
| **Total Expenditures** | **-** | **330,805** | **-** | 0% |
| Increase (decrease) | - | 19,195 | 294,388 | |
| | | | | |
| Beginning FB | - | - | - | |
| **Ending FB** | **$ -** | **$ 19,195** | **$ 294,388** | |
| Fund Balance % (of OPS) | 0% | 15% | #DIV/0! | |

# City of Parkville, Missouri
## Emergency Reserve Fund (50) 2024 Adopted Budget
### 30-Jun-24

| **Revenues** | | | | | | |
|---|---|---|---|---|---|---|
| **Category** | **2023 Budget** | **2023 revised** | **2023 Audited** | **2024 Adopted** | **2024 YTD** | **centage of Y** |
| Transfers | $ - | $ - | $ - | $ 118,000 | $ 118,000 | 100% |
| **Total Revenues** | - | - | - | **118,000** | **118,000** | 100% |

| **Expenditures** | | | | | |
|---|---|---|---|---|---|
| Transfers Out | - | - | - | - | |
| **Total Expenditures** | - | - | - | - | |
| Net Change to FB | - | - | - | 118,000 | |
| Beginning FB | 1,332,108 | 1,332,108 | 1,332,108 | 1,332,108 | 1,332,108 |
| **Ending FB** | **1,332,108** | **1,332,108** | **1,332,108** | **1,450,108** | **1,332,108** |

| | | | | | |
|---|---|---|---|---|---|
| General Fund Expenditures | $ 6,014,029 | $ 6,014,029 | $ 6,014,029 | $ 5,878,000 | $ 5,878,000 |
| **Fund Balance % of Gen. Fund** | **22%** | **22%** | **22%** | **25%** | **23%** |

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## City of Parkville, Missouri
## Parkville Nature Sanctuary (60) 2024 Adopted Budget
## 30-Jun-24

| **Revenues** | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Category** | **2022 Audited** | **2023 Budget** | **2023 Revised** | **2023 Audited** | **2024 Adopted** | **2024 YTD** | **rcentage of Y** |
| Program Revenue | $ 6,890 | $ 5,500 | $ 5,500 | | $ 5,500 | $ 190 | 3% |
| Donations/Grants | - | 4,500 | 4,500 | 8,141 | 4,500 | 909 | 20% |
| Transfers | - | 63,000 | 63,000 | 63,000 | - | - | #DIV/0! |
| **Total Revenues** | **6,890** | **73,000** | **73,000** | **71,141** | **10,000** | **1,099** | 11% |

| **Expenditures** | | | | | | | |
|---|---|---|---|---|---|---|---|
| Salary and Benefits | - | 74,119 | 74,000 | 85,724 | - | - | |
| Operating | 8,262 | 13,135 | 17,200 | 17,298 | 26,000 | 14,714 | 57% |
| Equipment | - | - | - | | - | | |
| Capital | - | 94,000 | 90,000 | | 46,000 | 3,380 | 7% |
| **Total Expenditures** | **8,262** | **181,254** | **181,200** | **103,022** | **72,000** | **18,094** | 25% |
| Increase (decrease) | (1,372) | (108,254) | (108,200) | (31,881) | (62,000) | (16,995) | |
| Beginning FB | 264,385 | 142,832 | 263,013 | 263,013 | 154,813 | 231,132 | |
| **Ending FB** | **$ 263,013** | **$ 34,578** | **$ 154,813** | **$ 231,132** | **$ 92,813** | **$ 214,137** | |

# City of Parkville, Missouri
# Veterans Memorial Fund (66) 2024 Adopted Budget
# 30-Jun-24

| Revenues | | | | | | |
|---|---|---|---|---|---|---|
| **Category** | **2023 Budget** | **2023 Revised** | **2023 Audited** | **2024 Adopted** | **2024 YTD** | **centage of Y** |
| Donations | $ 40,000 | $ 40,000 | $ 23,216 | $ 59,483 | $ 3,332 | **6%** |
| **Total Revenues** | **40,000** | **40,000** | **23,216** | **59,483** | **3,332** | **6%** |

| Expenditures | | | | | | |
|---|---|---|---|---|---|---|
| Operating | 40,000 | 40,000 | 10,249 | 100,000 | - | **0%** |
| Capital | 84,829 | 40,000 | - | - | - | |
| **Total Expenditures** | **124,829** | **80,000** | **10,249** | **100,000** | **-** | **0%** |
| Increase (decrease) | (84,829) | (40,000) | 12,967 | (40,517) | 3,332 | |
| Net Change to FB | (84,829) | (40,000) | 12,967 | (40,517) | 3,332 | |
| Beginning FB | 84,829 | 80,517 | 80,518 | 40,517 | 93,485 | |
| **Ending FB** | **$ -** | **$ 40,517** | **$ 93,485** | **$ -** | **$ 96,817** | |

## City of Parkville, Missouri
## American Rescue Plan Act (ARPA) Fund (68) 2024 Adopted Budget
## 30-Jun-24

| **Revenues** | | | | | | |
|---|---|---|---|---|---|---|
| **Category** | **2023 Budget** | **2023 Revised** | **2023 Audited** | **2024 Adopted** | **2024 YTD** | **centage of Y** |
| Grants | $ - | $ - | $ - | $ - | $ - | |
| **Total Revenues** | **-** | **-** | **-** | **-** | **-** | |

| **Expenditures** | | | | | | |
|---|---|---|---|---|---|---|
| Capital | - | - | | 359,114 | - | 0% |
| Transfers Out | 500,000 | 500,000 | 500,000 | - | - | |
| **Total Expenditures** | **500,000** | **500,000** | **500,000** | **359,114** | **-** | 0% |
| Increase (decrease) | (500,000) | (500,000) | (500,000) | (359,114) | - | |
| Beginning FB | 859,114 | 859,114 | 859,114 | 359,114 | 359,114 | |
| **Ending FB** | **$ 359,114** | **$ 359,114** | **$ 359,114** | **$ -** | **$ 359,114** | |

# City of Parkville, Missouri
# 9 highway Downtown Projects Fund (90) 2024 Adopted Budget
# 30-Jun-24

| **Revenues** | | | | | | |
|---|---|---|---|---|---|---|
| **Category** | **2023 Budget** | **2023 Revised** | **2023 Audited** | **2024 Adopted** | **2024 YTD** | **centage of Y** |
| Bond Proceeds | $ - | $ - | $ - | $ 2,954,524 | $ - | 0% |
| County Grant | - | - | - | - | | 0% |
| Marc Grant | | | | | | 0% |
| MoDot Grant | | | | | | 0% |
| Miscellaneous | - | - | - | - | | 0% |
| Transfers | - | - | - | - | | 0% |
| **Total Revenues** | **-** | **-** | **-** | **2,954,524** | **-** | 0% |

| **Expenditures** | | | | | | |
|---|---|---|---|---|---|---|
| Engineering | - | 32,000 | 32,000 | 250,000 | - | 0% |
| Construction | - | - | | - | - | 0% |
| Debt | - | - | | - | - | 0% |
| Transfers Out | - | - | | - | - | 0% |
| **Total Expenditures** | **-** | **32,000** | **32,000** | **250,000** | **-** | 0% |
| Increase (decrease) | - | (32,000) | (32,000) | 2,704,524 | - | |
| Beginning FB | - | - | - | (32,000) | (32,000) | |
| **Ending FB** | **$ -** | **$ (32,000)** | **$ (32,000)** | **$ 2,672,524** | **$ (32,000)** | |

## City of Parkville, Missouri
## Capital Projects Fund (95) 2024 Adopted Budget
## 30-Jun-24

| **Revenues** | | | | | | |
|---|---|---|---|---|---|---|
| **Category** | **2023 Budget** | **2023 Revised** | **2023 Audited** | **2024 Adopted** | **2024 YTD** | **ercent of Ye** |
| Bond Proceeds | $ - | $ - | | $ - | | |
| Grants | 500,000 | 1,398,582 | 191,838 | - | - | |
| Miscellaneous | - | - | 938 | - | | |
| Transfers | - | - | | - | | |
| **Total Revenues** | **500,000** | **1,398,582** | **192,776** | **-** | **-** | |

| **Expenditures** | | | | | | |
|---|---|---|---|---|---|---|
| Route 9 Project (Hwy 45) | - | 23,580 | 28,580 | 340,880 | - | 0% |
| Downtown Entryway | - | - | - | - | - | |
| Quiet Zone | - | 8,484 | 8,484 | 29,000 | - | 0% |
| Transfers Out | - | - | | 88,000 | 46,350 | 53% |
| **Total Expenditures** | **-** | **32,064** | **37,064** | **457,880** | **46,350** | 10% |
| Increase (decrease) | 500,000 | 1,366,518 | 155,712 | (457,880) | (46,350) | |
| Beginning FB | (365,390) | (908,638) | 310,943 | 457,880 | 466,655 | |
| **Ending FB** | **$ 134,610** | **$ 457,880** | **$ 466,655** | **$ -** | **$ 420,305** | |

## City of Parkville, Missouri
## Bell Road Projects Fund (90) 2024 Adopted Budget
## 30-Jun-24

| **Revenues** | | | | | | |
|---|---|---|---|---|---|---|
| **Category** | **2023 Budget** | **2023 Revised** | **2023 Audited** | **2024 Adopted** | **2024 YTD** | **ercent of Ye** |
| Bond Proceeds | $ - | $ - | $ - | $ 1,899,844 | $ - | 0% |
| Grants | - | - | | - | | |
| Miscellaneous | - | - | | - | | |
| Transfers (use tax) | - | - | | - | | |
| **Total Revenues** | **-** | **-** | **-** | **1,899,844** | **-** | 0% |

| **Expenditures** | | | | | | |
|---|---|---|---|---|---|---|
| Engineering | - | - | - | 50,000 | | 0% |
| Construction | - | - | - | - | | |
| Debt Service | - | - | - | - | | |
| Other | - | - | 7,500 | - | | |
| **Total Expenditures** | **-** | **-** | **7,500** | **50,000** | **-** | 0% |
| Increase (decrease) | - | - | (7,500) | 1,849,844 | - | |
| Beginning FB | - | - | - | - | (7,500) | |
| **Ending FB** | **$ -** | **$ -** | **$ (7,500)** | **$ 1,849,844** | **$ (7,500)** | |

## City of Parkville, Missouri
## Temporary Levy / 2006 Certificates of Participation (COPs) Fund (22) 2024 Adopted Budget
## 30-Jun-24

| Revenues | | | | | | |
|---|---|---|---|---|---|---|
| **Category** | **2023 Budget** | **2023 Revised** | **2023 Audited** | **2024 Adopted** | **2024 YTD** | **centage of Y** |
| Property Taxes | $ 509,000 | $ 535,000 | $ 534,535 | $ 527,000 | $ 573,007 | 109% |
| Interest Income | 300 | 300 | 1,163 | 300 | 847 | 282% |
| **Total Revenue** | **509,300** | **535,300** | **535,698** | **527,300** | **573,854** | 109% |

| Expenditures | | | | | | |
|---|---|---|---|---|---|---|
| Loss on Investments | - | - | | - | | |
| Bond Principal | 420,474 | 420,474 | 420,474 | 444,872 | 444,873 | 100% |
| Bond Interest | 23,327 | 23,327 | 23,326 | 13,635 | 9,309 | 68% |
| 2006/2015 COPS Bond Fees | - | - | | - | - | |
| City Hall Capital | 110,000 | 20,000 | - | 200,000 | - | 0% |
| **Total Expenditures** | **553,801** | **463,801** | **443,800** | **658,507** | **454,182** | 69% |
| Increase (decrease) | (44,501) | 71,499 | 91,898 | (131,207) | 119,672 | |
| Beginning Fund Balance | 130,605 | 128,691 | 128,691 | 200,190 | 220,589 | |
| **Ending Fund Balance** | **$ 86,104** | **$ 200,190** | **$ 220,589** | **$ 68,983** | **$ 340,261** | |

## City of Parkville, Missouri
## Brush Creek NID Debt Service Fund (23) 2024 Adopted Budget
## 30-Jun-24

| **Revenues** | | | | | |
|---|---|---|---|---|---|
| **Category** | **2023 Revised** | **2023 Audited** | **2024 Adopted** | **2024 YTD** | **centage of Y** |
| Special Assessment | $ 283,833 | $ 276,067 | $ 283,833 | $ 276,841 | 98% |
| Penalties | - | 119 | - | - | |
| Transfer from General | 56,278 | 56,278 | 56,000 | 56,000 | 100% |
| **Total Revenues** | **340,111** | **332,464** | **339,833** | **332,841** | 98% |

| **Expenditures** | | | | | |
|---|---|---|---|---|---|
| Bond Principal | 290,000 | 290,000 | 290,000 | 290,000 | 100% |
| Bond Interest | 53,904 | 53,904 | 51,439 | 26,372 | 51% |
| Bond Fees | 300 | 300 | 300 | 150 | 50% |
| **Total Expenditures** | **344,204** | **344,204** | **341,739** | **316,522** | 93% |
| Increase (decrease) | (4,093) | (11,740) | (1,906) | 16,319 | |
| Beginning Fund Balance | 22,725 | 22,725 | 18,632 | 10,985 | |
| **Ending Fund Balance** | **$ 18,632** | **$ 10,985** | **$ 16,726** | **$ 27,304** | |

# City of Parkville, Missouri
# Brink Meyer NID Debt Service Fund (24) 2024 Adopted Budget
## 30-Jun-24

| Revenues | | | | |
|---|---|---|---|---|
| **Category** | **2023 Audited** | **2024 Adopted** | **2024 YTD** | **centage of Y** |
| Special Assessment | $ 1,662 | $ 1,662 | $ 1,662 | 100% |
| Transfers | 230,297 | 235,000 | 235,000 | 100% |
| **Total Revenues** | **231,959** | **236,662** | **236,662** | 100% |

| Expenditures | | | | |
|---|---|---|---|---|
| Bond Principal | 195,000 | 200,000 | 195,000 | 98% |
| Bond Interest | 36,904 | 35,245 | 18,062 | 51% |
| Bond Fees | 300 | 300 | 150 | 50% |
| **Total Expenditures** | **232,204** | **235,545** | **213,212** | 91% |
| Increase (decrease) | (245) | 1,117 | 23,450 | |
| Beginning Fund Balance | 5,681 | 5,454 | 5,436 | |
| **Ending Fund Balance** | **$ 5,436** | **$ 6,571** | **$ 28,886** | |

# City of Parkville, Missouri
# Highway 9 Debt (2021 COPs) Service Fund (96) 2024 Adopted Budget
# 30-Jun-24

| Revenues | | | | | | |
|---|---|---|---|---|---|---|
| **Category** | **2023 Budget** | **2023 Revised** | **2023 Audited** | **2024 Adopted** | **2024 YTD** | **centage of Y** |
| 9 Highway CID Proceeds | $ 215,000 | $ 215,000 | $ 171,253 | $ 175,000 | $ 184,466 | 105% |
| Transfers From Projects | 66,229 | 66,229 | 66,229 | 88,000 | 43,650 | 50% |
| **Total Revenues** | **281,229** | **281,229** | **237,482** | **263,000** | **228,116** | 87% |

| Expenditures | | | | | | |
|---|---|---|---|---|---|---|
| Bond Principal | 160,000 | 160,000 | 160,000 | 160,000 | 160,000 | 100% |
| Bond Interest | 52,200 | 50,353 | 50,353 | 49,000 | 24,466 | 50% |
| Bond Fees | - | 1,750 | 1,750 | - | | #DIV/0! |
| **Total Expenditures** | **212,200** | **212,103** | **212,103** | **209,000** | **184,466** | 88% |
| Increase (decrease) | 69,029 | 69,126 | 25,379 | 54,000 | 43,650 | |
| Beginning Fund Balance | (69,029) | (0) | (69,029) | 69,126 | (43,650) | |
| **Ending Fund Balance** | **$ (0)** | **$ 69,126** | **$ (43,650)** | **$ 123,126** | **$ (0)** | |

City of Parkville, Missouri
Summary of Investments
06/30/2024

| Type | Cost | Market Value | Percent of Portfolio | Current Yield |
|---|---|---|---|---|
| Agency Securities | 3,956,603.53 | 3,982,605.45 | 39.91% | 5.42% |
| Cash and Equivalents | 5,897,045.21 | 5,897,045.21 | 59.09% | 0.50% |
| Certificate of Deposit | 100,000.00 | 100,000.00 | 1.00% | 4.17% |
| | 9,953,648.74 | 9,979,650.66 | | |

| By Fund | Cost | Market Value | Percent of Portfolio | Current Yield |
|---|---|---|---|---|
| Primary Operations | 5,550,477.33 | 5,550,477.33 | 55.62% | 0.50% |
| Secondary Liquidity Portfolio | 1,003,857.63 | 1,013,965.39 | 10.16% | 5.44% |
| Income Fund | 1,996,371.53 | 1,997,002.42 | 20.01% | 4.51% |
| Emergency Fund | 1,302,942.25 | 1,318,205.51 | 13.21% | 5.36% |
| Fewson Project Fund | 100,000.00 | 100,000.00 | 1.00% | 4.17% |
| | 9,953,648.74 | 9,979,650.65 | | |

# QUARTERLY PORTFOLIO REPORT
## QUARTER ENDING JUNE 30, 2024

| | | | |
|---|---|---|---|
| TOTAL INVESTMENTS | $9,979,651 | 12-MONTH FORWARD INCOME PROJECTION | $158,828 |
| CHANGE FROM PRIOR QUARTER | $586,865 ↑ | CHANGE FROM PRIOR QUARTER | $91,342 ↑ |
| PORTFOLIO YIELD ON COST | 2.15% | 1-YEAR TREASURY YIELD | 5.09% ↑ |
| CHANGE FROM PRIOR QUARTER | 0.82% ↑ | 2-YEAR TREASURY YIELD | 4.71% ↑ |

| Reporting Period | Market Value | Yield on Cost | Duration | 12-Month Income |
|---|---|---|---|---|
| As of June 30, 2024 | $ 9,979,651 | 2.15% | 146 Days | $ 158,828 |
| As of March 31, 2024 | $ 9,392,786 | 1.33% | 40 Days | $ 67,486 |

**Finance Committee Meeting**
Monday, June 24, 2024 4:30 PM
Administration Conference Room, City Hall

**Minutes**

## 1. Call to Order

Chair Wylie called the June 24, 2024, meeting to order at 4:32 p.m. A quorum was present.

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

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

## 2. Financial Updates

City Administrator Alexa Barton provided an update on the Veterans Memorial, noting that she signed an agreement to purchase and install the flags and flag poles.

## 3. Action Items

A. **Approve the minutes for the June 10, 2024, meeting**

**Bob Bennett moved to approve the minutes for the June 10, 2024, meeting. Philip Wassmer seconded; motion passed 5-0.**

B. **Approve an agreement with Terry Snelling Construction Inc. for the 2024 Curb Repair Program**

City Administrator Alexa Barton said the low bid was over budget and believed there were extra funds to cover the overage. She recommended moving forward with the projects discussed with the Board of Aldermen and felt there would not be adequate funds for curb work on Fox Hill Road.

Barton added that staff applied for a Planning Sustainable Places grant to assist with planning for sidewalk gaps to be used to fund construction. She noted that the funds from the extension of the general temporary levy could be used for the project.

**Bennett moved to recommend that the Board of Aldermen approve an agreement with Terry Snelling Construction Inc. for the 2024 Curb Repair Program in the amount of $58,250.50. Wassmer seconded; motion passed 5-0.**

## 4. Non-Action Items

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

**6. Other Business**

City Administrator Alexa Barton said staff was monitoring the river levels and would take action when the level reached 25 feet, which was anticipated. Staff would determine if closing the parks would be necessary.

**7. Adjourn**

Chair Wylie adjourned the meeting at 5:08 p.m.

Submitted by:

| | |
|---|---|
| ____________________ | ____________________ |
| Melissa McChesney<br>City Clerk | Approval Date |

# CITY OF PARKVILLE
# Policy Report

Date: July 23, 2024

| Prepared By: | Reviewed By: |
| --- | --- |
| Bryan Kidney, Deputy City Administrator/Finance Director | Alexa Barton, City Administrator |

ISSUE:
Present the audited financial statements and required communications report for fiscal year 2023 (Administration)

BACKGROUND:
The City contracts with Hood and Associates, CPAs to conduct the annual audit of the City's financial statements. The 2023 audit was completed on July 3, 2024. Mr. Michael Keenan will review the reports and required communication at the meeting.

STRATEGIC GOAL(S):
Operational Excellence

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

ALTERNATIVES:

1. Accept the audited financial statements and required communications for the fiscal year ended December 31, 2023, and recommend approval by the Board of Aldermen.
2. Postpone the item.

STAFF RECOMMENDATION:
Accept the audited financial statements and required communications for the fiscal year ended December 31, 2023

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:
As this is a non-action item, no motion is necessary.

ATTACHMENTS:
1. 2023 Audit Report
2. 2023 Audit Required Communications

# City of Parkville, Missouri

## Basic Financial Statements
## With
## Independent Auditor's Report

*For the Year Ended*
December 31, 2023

## CITY OF PARKVILLE, MISSOURI

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TABLE OF CONTENTS, Continued

# INDEPENDENT AUDITOR'S REPORT

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

## Report on the Financial Statements

### Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Parkville, Missouri (the City), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Parkville, Missouri and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

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

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

## Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Parkville, Missouri's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Parkville, Missouri's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

## Required Supplementary Information

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

## Other Information

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

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

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

## Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated July 3, 2024 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Hood & Associates CPAs PC*

Kansas City, Missouri
July 3, 2024

As management of the City of Parkville (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the year ended December 31, 2023. We encourage readers to consider the information presented here in conjunction with the basic financial statements and the accompanying notes to those basic financial statements.

## Financial Highlights

1. The assets and deferred outflows of the City of Parkville exceeded its liabilities and deferred inflows at the close of the year by $23,406,911 (net position), an increase of $1,416,820 over the prior year.

2. As of the close of the current year, the City's governmental funds showed a combined ending fund balance of $7,974,017, an increase of $2,368,670 from the prior year.

## Overview of the Financial Statements

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

## Reporting the City as a Whole

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

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

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

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

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

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

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

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

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

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

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

### Notes to the Basic Financial Statements

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

### Other Information

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

## Government-Wide Financial Analysis

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

### Figure 1 – Statement of Net Position

| | Governmental Activities | | Business-type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Current and other assets | $ 16,269,940 | $ 15,726,673 | $ 962,141 | $ 1,156,256 | $ 17,232,081 | $ 16,882,929 |
| Capital assets | 15,382,457 | 15,269,691 | 3,397,125 | 3,561,003 | 18,779,582 | 18,830,694 |
| Total assets | 31,652,397 | 30,996,364 | 4,359,266 | 4,717,259 | 36,011,663 | 35,713,623 |
| Deferred amount on refunding | 9,391 | 12,358 | - | - | 9,391 | 12,358 |
| Deferred outflows - pension | 464,376 | 334,568 | - | - | 464,376 | 334,568 |
| Total deferred outflows of resources | 473,767 | 346,926 | - | - | 473,767 | 346,926 |
| Long-term debt | 10,615,071 | 10,733,680 | 200,000 | 377,918 | 10,815,071 | 11,111,598 |
| Other liabilities | 1,011,738 | 1,561,774 | 168,894 | 192,893 | 1,180,632 | 1,754,667 |
| Total liabilities | 11,626,809 | 12,295,454 | 368,894 | 570,811 | 11,995,703 | 12,866,265 |
| Deferred inflow - leases | 303,024 | 324,798 | - | - | 303,024 | 324,798 |
| Deferred inflow - property taxes | 383,134 | 383,323 | - | - | 383,134 | 383,323 |
| Deferred inflow - pension | 182,209 | 260,530 | - | - | 182,209 | 260,530 |
| Deferred amount on refunding | 214,449 | 235,542 | - | - | 214,449 | 235,542 |
| Total deferred inflows of resources | 1,082,816 | 1,204,193 | - | - | 1,082,816 | 1,204,193 |
| Net position: | | | | | | |
| Net investment in capital assets | 11,674,263 | 11,259,898 | 3,197,125 | 3,183,085 | 14,871,388 | 14,442,983 |
| Restricted | 4,098,432 | 2,598,233 | 174,531 | 174,634 | 4,272,963 | 2,772,867 |
| Unrestricted | 3,643,844 | 3,985,512 | 618,716 | 788,729 | 4,262,560 | 4,774,241 |
| Total net position | $ 19,416,539 | $ 17,843,643 | $ 3,990,372 | $ 4,146,448 | $ 23,406,911 | $ 21,990,091 |

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 $23,406,911 at the close of the year ended December 31, 2023.

### Figure 2 – Statement of Changes in Net Position

| | Governmental Activities | | Business-type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | $ 916,052 | $ 1,003,559 | $ 1,812,552 | $ 1,735,521 | $ 2,728,604 | $ 2,739,080 |
| Operating grants and contributions | 419,916 | 348,124 | - | - | 419,916 | 348,124 |
| Capital grants and contributions | 1,562,104 | 3,629,190 | 16,339 | 21,132 | 1,578,443 | 3,650,322 |
| General revenues: | | | | | | |
| Property taxes | 2,481,166 | 2,282,158 | - | - | 2,481,166 | 2,282,158 |
| Sales taxes | 4,583,760 | 3,586,772 | - | - | 4,583,760 | 3,586,772 |
| Franchise taxes | 960,584 | 894,393 | - | - | 960,584 | 894,393 |
| Intergovernmental activity taxes | 282,716 | 250,075 | - | - | 282,716 | 250,075 |
| Other taxes | 108,586 | 67,178 | - | - | 108,586 | 67,178 |
| Gain on sale of assets | - | 3,535 | - | - | - | 3,535 |
| Interest and other | 150,268 | 399,398 | 62,737 | 25,311 | 213,005 | 424,709 |
| Total revenues | 11,465,152 | 12,464,382 | 1,891,628 | 1,781,964 | 13,356,780 | 14,246,346 |
| Expenses: | | | | | | |
| General government | 1,956,982 | 1,762,311 | - | - | 1,956,982 | 1,762,311 |
| Public safety | 1,996,239 | 1,701,816 | - | - | 1,996,239 | 1,701,816 |
| Public works | 2,163,305 | 2,998,301 | - | - | 2,163,305 | 2,998,301 |
| Parks and recreation | 1,037,419 | 1,337,604 | - | - | 1,037,419 | 1,337,604 |
| Community development | 2,595,387 | 2,832,615 | - | - | 2,595,387 | 2,832,615 |
| Interest on long-term debt | 142,924 | 146,953 | - | - | 142,924 | 146,953 |
| Sewer | - | - | 2,047,704 | 1,819,475 | 2,047,704 | 1,819,475 |
| Total expenses | 9,892,256 | 10,779,600 | 2,047,704 | 1,819,475 | 11,939,960 | 12,599,075 |
| Change in net position | 1,572,896 | 1,684,782 | (156,076) | (37,511) | 1,416,820 | 1,647,271 |
| Net position, beginning | 17,843,643 | 16,158,861 | 4,146,448 | 4,183,959 | 21,990,091 | 20,342,820 |
| Net position, ending | $ 19,416,539 | $ 17,843,643 | $ 3,990,372 | $ 4,146,448 | $ 23,406,911 | $ 21,990,091 |

The City's net position increased $1,416,820 during the 2023 fiscal year. Of the total, governmental activities net position increased $1,572,896 and business-type activities net position decreased by $156,076. Total 2023 governmental revenues decreased $999,230 from 2022 with capital grants and contribution decreasing approximately $2,067,086 as Route 9 funding was completed in 2022 and the City received less contributed infrastructure. This decrease was offset by an increase in property and sales taxes of $1,195,996 due partially from the implementation of the City's public safety sales tax during 2023 and increased economic activity from the Creekside development. Total governmental activities expenses decreased $887,344. Contributing factors include a decrease in public works expenses of $834,996 mainly from less Route 9 expenses than in 2022. Community Development expenses increased $237,228 over 2022 primarily due developer reimbursements.

Total 2023 business-type activities charges for services revenues increased $77,031 from 2022. Total business-type expenses increased $228,229 from 2022 primarily resulting from increases in line maintenance and repairs.

**Financial Analysis of the Government's Funds**

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

***Governmental Funds***

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

As mentioned earlier in this analysis, at the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $7,974,017. Of this amount $5,966,310 is *non-spendable, restricted, committed or assigned* for various purposes and $2,007,707 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 $3,448,430. 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 42.2% of total general fund expenditures. Included in the general fund's committed fund balance is the City's emergency reserve fund which totaled $1,332,108 at December 31, 2023.

The City's fund balance of the general fund increased $752,259 during the current fiscal year. General Fund revenues increased by $289,131 from 2022 primarily related to increases in tax revenues of $534,024. General Fund expenditures were approximately $495,980 less than 2022 primarily due to the reporting of all parks and recreation expenditures in the Parks Sales Tax Fund in 2023.

At December 31, 2023, the Transportation Sales Tax Fund has an ending fund balance of $630,575. The fund balance increased $262,806 during the year mainly due to increases in taxes and intergovernmental revenues.

The Park Sales Tax Fund has a total fund balance of $1,759,950, an increase of $869,866 from 2022. The increase is primarily related to increases in sales taxes of $176,540 and insurance recovery of $402,743.

The Creekside Development Fund has a total fund balance of $57,491, an increase of $24,996 from 2022.

The Debt Service Fund has a total fund balance of $193,360, all of which is restricted for the payment of principal, interest, and fees.

***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 $3,990,372 of which $618,716 is unrestricted. The sewer fund's net position decreased by $156,076 from the prior year primarily due to increases in maintenance and repairs of $160,333.

***General Fund Actual to Budget Analysis***

Actual revenues exceeded budgeted revenues by $238,781 primarily related to taxes and intergovernmental revenues. Actual expenditures were $315,875 under the final budget. The City routinely outperforms budget due to careful management, conservative budgeting, and personnel savings due to routine vacancies throughout the year. Costs were managed well below budget.

## Capital Asset and Debt Administration

### Capital Assets

At the end of year, the City had $18,779,582 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 decrease of $51,112 from last year primarily related to current year depreciation expense exceeded capital asset additions.

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

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

| | Governmental Activities | | Business-Type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Land | $ 2,719,880 | $ 2,719,880 | $ 81,783 | $ 81,783 | $ 2,801,663 | $ 2,801,663 |
| Construction in progress | 73,086 | 24,759 | - | - | 73,086 | 24,759 |
| Buildings and improvements | 2,873,248 | 2,990,769 | 1,014,189 | 1,143,447 | 3,887,437 | 4,134,216 |
| Equipment and vehicles | 793,131 | 298,737 | 29,214 | 23,930 | 822,345 | 322,667 |
| Infrastructure | 8,923,112 | 9,235,546 | 2,271,939 | 2,311,843 | 11,195,051 | 11,547,389 |
| Total | $ 15,382,457 | $ 15,269,691 | $ 3,397,125 | $ 3,561,003 | $ 18,779,582 | $ 18,830,694 |

**Long-Term Obligations** - At the end of the current fiscal year, the City had total long-term obligations outstanding of $9,860,101.

### City of Parkville, Missouri
### Outstanding Debt

| | Governmental Activities | | Business-Type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Limited General Obligation Bonds | $ 5,760,000 | $ 6,245,000 | $ - | $ - | $ 5,760,000 | $ 6,245,000 |
| Certificates of Participation | 3,372,078 | 3,959,287 | - | - | 3,372,078 | 3,959,287 |
| Finance leases | 332,001 | - | - | - | 332,001 | - |
| Compensated Absences | 196,022 | 95,249 | - | - | 196,022 | 95,249 |
| Revenue Bonds (plus premium) | - | - | 200,000 | 377,918 | 200,000 | 377,918 |
| Total | $ 9,660,101 | $ 10,299,536 | $ 200,000 | $ 377,918 | $ 9,860,101 | $ 10,677,454 |

The governmental activities decreased by $639,435, and the business-type activities decreased $177,918.

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

## Economic Factors and Next Year's Budgets and Rates

The 2024 budget maintains essential services at current levels and directs additional resources toward the 2024 priorities as established by the Board of Aldermen in December 2023: Operational Excellence, Sustainable Infrastructure and Public Facilities, Quality Development, Choice Parks and Recreation, Open Communications. For example, one significant change in the 2024 budget allocation was an increase in funding toward information technology (IT). The goal with this investment is to improve, update, and automate many of the City's regular business. This includes licenses and permits, park reservations, and reporting issues to the City through an app-based tool called SeeClickFix.

The 2024 budget process started by reviewing balanced five-year financial forecasts. Along with these forecasts, the City consolidated all transportation and parks and recreation activities into their own sales tax supported funds. This move has assisted the Governing Body to create a succinct five-year capital improvements program (CIP) that balances with the financial forecasts. The first year of the CIP was then combined with the 2024 operational budget that matched expenditures to the strategic goals.

The City has seen steady growth in its retail, residential, and commercial base that bodes well for future financial stability and security. The multi-phased project known as "Creekside" at the southeast, southwest, and northwest quadrants of the intersection of Highway 45 and Interstate 435 has experienced significant growth; and as a result, the city has seen an increase in tax revenue. Other developments around the city continue to see infill developments being completed (Apex Plaza), and residential developments are moving through the planning process.

In 2023, the citizens of Parkville approved a half cent public safety sales tax, in April, to help fund the Police Department and overall public safety in Parkville. In November, voters approved a 3% marijuana sales tax to provide funding for new and ongoing stormwater improvements throughout the city. In the same election, they approved a 2.5% use tax to fund transportation and trails. These dedicated streams of revenue allow the city to plan for growth, maintain services, and improve existing infrastructure.

## Contacting the City's Financial Management

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

Exhibit A

**CITY OF PARKVILLE, MISSOURI**
**Statement of Net Position**
**December 31, 2023**

| | Primary Government | | |
|---|---|---|---|
| | **Governmental Activities** | **Business-type Activities** | **Total** |
| **Assets** | | | |
| Cash and investments | $ 7,128,871 | $ 519,578 | $ 7,648,449 |
| Receivables: | | | |
| Taxes | 1,046,090 | - | 1,046,090 |
| Special assessments | 1,849,705 | - | 1,849,705 |
| Accounts and other | 29,350 | - | 29,350 |
| Leases | 314,753 | 254,547 | 569,300 |
| Notes receivables | 4,675,000 | - | 4,675,000 |
| Due from other governments | 40,716 | - | 40,716 |
| Prepaids, deposits, and other assets | 125,444 | - | 125,444 |
| Restricted assets: | | | |
| Cash and investments | 1,060,011 | 188,016 | 1,248,027 |
| Capital assets: | | | |
| Not being depreciated | 2,792,966 | 81,783 | 2,874,749 |
| Being depreciated | 12,589,491 | 3,315,342 | 15,904,833 |
| Total assets | 31,652,397 | 4,359,266 | 36,011,663 |
| **Deferred Outflows of Resources** | | | |
| Deferred amount on refunding | 9,391 | - | 9,391 |
| Deferred outflow - pension related activity | 464,376 | - | 464,376 |
| Total deferred outflows of resources | 473,767 | - | 473,767 |
| **Liabilities** | | | |
| Accounts payable | 530,092 | 139,391 | 669,483 |
| Accrued payroll and benefits | 76,577 | 3,143 | 79,720 |
| Accrued interest | 45,955 | 12,875 | 58,830 |
| Unearned revenue | 359,114 | - | 359,114 |
| Payable from restricted assets: | | | |
| Customer deposits | - | 13,485 | 13,485 |
| Long term debt: | | | |
| Due within one year | 1,358,722 | 170,000 | 1,528,722 |
| Due in more than one year | 8,301,379 | 30,000 | 8,331,379 |
| Net pension liability | 954,970 | - | 954,970 |
| Total liabilities | 11,626,809 | 368,894 | 11,995,703 |
| **Deferred Inflows of Resources** | | | |
| Deferred inflow - leases | 303,024 | - | 303,024 |
| Deferred inflow - property taxes | 383,134 | - | 383,134 |
| Deferred inflow - pension related activity | 182,209 | - | 182,209 |
| Deferred amount on refunding | 214,449 | - | 214,449 |
| Total deferred inflows of resources | 1,082,816 | - | 1,082,816 |
| **Net Position** | | | |
| Net investment in capital assets | 11,674,263 | 3,197,125 | 14,871,388 |
| Restricted : | | | |
| Capital projects | 658,289 | - | 658,289 |
| Debt service | 193,360 | 174,531 | 367,891 |
| Public safety | 102,291 | - | 102,291 |
| Parks and recreation | 2,290,294 | - | 2,290,294 |
| Community development | 268,464 | - | 268,464 |
| Fewson trust (non-expendable) | 585,734 | - | 585,734 |
| Unrestricted | 3,643,844 | 618,716 | 4,262,560 |
| Total net position | $ 19,416,539 | $ 3,990,372 | $ 23,406,911 |

See accompanying notes to the basic financial statements

Exhibit B

# CITY OF PARKVILLE, MISSOURI
## Statement of Activities
## For the Year Ended December 31, 2023

| 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 | $ 1,956,982 | $ 688,937 | $ - | $ - | $ (1,268,045) | $ - | $ (1,268,045) |
| Public safety | 1,996,239 | 51,527 | 24,900 | - | (1,919,812) | - | (1,919,812) |
| Public works | 2,163,305 | 69,713 | 363,248 | 1,182,203 | (548,141) | - | (548,141) |
| Parks and recreation | 1,037,419 | 38,275 | 31,768 | 937 | (966,439) | - | (966,439) |
| Community development | 2,595,387 | 67,600 | - | 378,964 | (2,148,823) | - | (2,148,823) |
| Interest on long-term debt | 142,924 | - | - | - | (142,924) | - | (142,924) |
| Total governmental activities | 9,892,256 | 916,052 | 419,916 | 1,562,104 | (6,994,184) | - | (6,994,184) |
| **Business-type activities** | | | | | | | |
| Sewer | 2,047,704 | 1,812,552 | - | 16,339 | - | (218,813) | (218,813) |
| Total business-type activities | 2,047,704 | 1,812,552 | - | 16,339 | - | (218,813) | (218,813) |
| Total primary government | $ 11,939,960 | $ 2,728,604 | $ 419,916 | $ 1,578,443 | (6,994,184) | (218,813) | (7,212,997) |
| General revenues: | | | | | | | |
| Taxes: | | | | | | | |
| Property taxes, levied for general purpose | | | | | 1,946,631 | - | 1,946,631 |
| Property taxes, levied for debt service | | | | | 534,535 | - | 534,535 |
| Sales taxes | | | | | 4,583,760 | - | 4,583,760 |
| Franchise taxes | | | | | 960,584 | - | 960,584 |
| Intergovernmental activity taxes | | | | | 282,716 | - | 282,716 |
| Other taxes | | | | | 108,586 | - | 108,586 |
| Unrestricted investment earnings | | | | | 58,542 | 7,550 | 66,092 |
| Insurance proceeds and other | | | | | 91,726 | 55,187 | 146,913 |
| Total general revenues | | | | | 8,567,080 | 62,737 | 8,629,817 |
| Change in net position | | | | | 1,572,896 | (156,076) | 1,416,820 |
| Net position, beginning of year | | | | | 17,843,643 | 4,146,448 | 21,990,091 |
| Net position, end of year | | | | | $ 19,416,539 | $ 3,990,372 | $ 23,406,911 |

See accompanying notes to the basic financial statements

Exhibit C

**CITY OF PARKVILLE, MISSOURI**
**Balance Sheet - Governmental Funds**
**December 31, 2023**

| | General Fund | Transportation Sales Tax Fund | Park Sales Tax Fund | Creekside Development Fund | Debt Service Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|---|---|---|
| **Assets** | | | | | | | |
| Cash and investments | $ 3,235,869 | $ 544,966 | $ 1,594,238 | $ 114,037 | $ - | $ 1,639,761 | $ 7,128,871 |
| Receivables: | | | | | | | |
| Taxes | 488,897 | 163,009 | 162,658 | 66,012 | - | 165,514 | 1,046,090 |
| Special assessments | - | - | - | - | 1,849,705 | - | 1,849,705 |
| Other receivables | - | - | 29,350 | - | - | - | 29,350 |
| Leases | 314,753 | - | - | - | - | - | 314,753 |
| Notes receivables | 4,675,000 | - | - | - | - | - | 4,675,000 |
| Due from other governments | 8,496 | 21,672 | - | - | - | 10,548 | 40,716 |
| Due from other funds | 75,971 | - | - | - | - | - | 75,971 |
| Prepaids, deposits and other assets | 108,615 | 11,772 | 5,057 | - | - | - | 125,444 |
| Restricted cash and investments | - | - | - | - | 446,563 | 613,448 | 1,060,011 |
| Total Assets | $ 8,907,601 | $ 741,419 | $ 1,791,303 | $ 180,049 | $ 2,296,268 | $ 2,429,271 | $ 16,345,911 |
| **Liabilities** | | | | | | | |
| Accounts payable | $ 243,002 | $ 102,038 | $ 18,037 | $ - | $ - | $ 167,015 | $ 530,092 |
| Accrued payroll and benefits | 54,764 | 8,806 | 7,624 | - | - | 5,383 | 76,577 |
| Unearned revenue | - | - | - | - | - | 359,114 | 359,114 |
| Due to other funds | - | - | 8,692 | - | 67,279 | - | 75,971 |
| Total Liabilities | 297,766 | 110,844 | 34,353 | - | 67,279 | 531,512 | 1,041,754 |
| **Deferred inflows of resources** | | | | | | | |
| Unavailable revenues: | | | | | | | |
| Leases | 303,024 | - | - | - | - | - | 303,024 |
| Notes receivables | 4,675,000 | - | - | - | - | - | 4,675,000 |
| Special assessments, property taxes, and grants | 183,381 | - | - | 122,558 | 2,035,629 | 10,548 | 2,352,116 |
| | 5,161,405 | - | - | 122,558 | 2,035,629 | 10,548 | 7,330,140 |
| **Fund balances:** | | | | | | | |
| Nonspendable: | | | | | | | |
| Prepaid items | 108,615 | - | - | - | - | - | 108,615 |
| Fewson trust | - | - | - | - | - | 585,734 | 585,734 |
| Restricted: | | | | | | | |
| Capital projects | - | 630,575 | - | - | - | 27,714 | 658,289 |
| Debt service | - | - | - | - | 193,360 | - | 193,360 |
| Public safety | - | - | - | - | - | 102,291 | 102,291 |
| Parks and recreation | - | - | 1,756,950 | - | - | 533,344 | 2,290,294 |
| Community development | - | - | - | 57,491 | - | 210,973 | 268,464 |
| Committed: | | | | | | | |
| Emergency reserve | 1,332,108 | - | - | - | - | - | 1,332,108 |
| Assigned: | | | | | | | |
| Capital projects | - | - | - | - | - | 427,155 | 427,155 |
| Unassigned | 2,007,707 | - | - | - | - | - | 2,007,707 |
| Total fund balance | 3,448,430 | 630,575 | 1,756,950 | 57,491 | 193,360 | 1,887,211 | 7,974,017 |
| Total liabilities, deferred inflows of resources and fund balances | $ 8,907,601 | $ 741,419 | $ 1,791,303 | $ 180,049 | $ 2,296,268 | $ 2,429,271 | $ 16,345,911 |

See accompanying notes to the basic financial statements

## CITY OF PARKVILLE, MISSOURI
## Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position
## December 31, 2023

| | |
|---|---|
| Fund balances of governmental funds | $ 7,974,017 |
| Amounts reported for governmental activities in the Statement of Net Position are different because: | |
| Long-term note receivable, special assessments, and insurance receivables are not available to pay for current period expenditures and are therefore deferred in the fund statements | 6,643,982 |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental fund statements. | 15,382,457 |
| Deferred amounts on refunding are not due or payable in the current period and therefore are not reported in the governmental fund statements. | (205,058) |
| 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 | 282,167 |
| 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. | (45,955) |
| The net pension liability is not due and payable and therefore is not recorded in the governmental fund statements. | (954,970) |
| 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 | (9,660,101) |
| Net position of governmental activities | $ 19,416,539 |

See accompanying notes to the basic financial statements

Exhibit D

**CITY OF PARKVILLE, MISSOURI**
**Statement of Revenues, Expenditures and**
**Changes in Fund Balances - Governmental Funds**
**For the Year Ended December 31, 2023**

| | General Fund | Transportation Sales Tax Fund | Park Sales Tax Fund | Creekside Development Fund | Debt Service Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|---|---|---|
| **Revenues:** | | | | | | | |
| Taxes | $ 4,254,906 | $ 767,849 | $ 952,254 | $ 669,036 | $ 534,535 | $ 955,516 | $ 8,134,096 |
| Intergovernmental | 108,469 | 692,735 | 29,350 | 27,309 | 171,253 | 947,745 | 1,976,861 |
| Charges for services | - | - | 34,495 | - | - | 724 | 35,219 |
| Fines and forfeitures | 50,995 | - | - | - | - | - | 50,995 |
| Licenses and permits | 362,915 | - | - | 378,964 | - | - | 741,879 |
| Special assessments | - | - | - | - | 277,729 | - | 277,729 |
| Grants and donations | - | - | - | - | - | 56,046 | 56,046 |
| Charges for sewer administration | 360,500 | - | - | - | - | - | 360,500 |
| Interest | 46,180 | - | - | - | 1,282 | 11,080 | 58,542 |
| Other | 162,416 | 36,522 | 121 | - | - | 937 | 199,996 |
| Total Revenues | 5,346,381 | 1,497,106 | 1,016,220 | 1,075,309 | 984,799 | 1,972,048 | 11,891,863 |
| **Expenditures:** | | | | | | | |
| Current: | | | | | | | |
| General government | 1,862,774 | - | - | - | - | - | 1,862,774 |
| Public safety | 1,813,741 | - | - | - | - | 20,382 | 1,834,123 |
| Public works | 358,988 | 514,513 | - | - | - | - | 873,501 |
| Parks and recreation | - | - | 896,661 | - | - | 113,271 | 1,009,932 |
| Community development | 542,651 | - | - | 1,104,086 | - | 907,674 | 2,554,411 |
| Capital outlay | 174,681 | 902,112 | 42,521 | - | - | 200,233 | 1,319,547 |
| Debt service: | | | | | | | |
| Principal | 7,855 | - | 1,861 | - | 1,065,474 | 1,531 | 1,076,721 |
| Interest and fiscal charges | 1,889 | - | 575 | - | 166,837 | 846 | 170,147 |
| Total Expenditures | 4,762,579 | 1,416,625 | 941,618 | 1,104,086 | 1,232,311 | 1,243,937 | 10,701,156 |
| Excess of Revenues Over (Under) Expenditures | 583,802 | 80,481 | 74,602 | (28,777) | (247,512) | 728,111 | 1,190,707 |
| **Other financing sources (uses):** | | | | | | | |
| Transfers in | 500,000 | 245,934 | 350,000 | 53,773 | 352,804 | 116,565 | 1,619,076 |
| Transfers out | (935,575) | (66,229) | - | - | - | (617,272) | (1,619,076) |
| Sale of land and capital assets | 403,040 | 2,620 | - | - | - | - | 405,660 |
| Debt issued | 174,681 | - | 42,521 | - | | 126,047 | 343,249 |
| Insurance proceeds | 26,311 | - | 402,743 | - | - | - | 429,054 |
| Total Other Financing Sources (Uses) | 168,457 | 182,325 | 795,264 | 53,773 | 352,804 | (374,660) | 1,177,963 |
| Net change in fund balances | 752,259 | 262,806 | 869,866 | 24,996 | 105,292 | 353,451 | 2,368,670 |
| Fund balances, beginning of year | 2,696,171 | 367,769 | 887,084 | 32,495 | 88,068 | 1,533,760 | 5,605,347 |
| Fund balances, end of year | $ 3,448,430 | $ 630,575 | $ 1,756,950 | $ 57,491 | $ 193,360 | $ 1,887,211 | $ 7,974,017 |

See accompanying notes to the basic financial statements

## CITY OF PARKVILLE, MISSOURI
### Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities
### For the Year Ended December 31, 2023

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

| | |
|---|---|
| Net change in fund balances - total governmental funds | $ 2,368,670 |
| 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 | 747,310 |
| Depreciation | (620,362) |
| Loss on disposal | (14,182) |
| Revenues in the statement of activities that do not provide current financial resources are reported as deferred inflows in the governmental funds. | |
| Changes in special assessments, notes receivable, and grants | (855,765) |
| 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 | 1,076,721 |
| Changes in unamortized bond issuance premium and deferred amounts on refunding | 24,862 |
| Changes in accrued interest expense | 2,361 |
| Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. | |
| Changes in compensated absences and net pension liability | (413,470) |
| Change in net position of governmental activities | $ 1,572,896 |

See accompanying notes to the basic financial statements

Exhibit E

**CITY OF PARKVILLE, MISSOURI**
**Statement of Net Position**
**Proprietary Fund**
**December 31, 2023**

| | Sewer Fund |
|---|---|
| **Assets** | |
| Current assets: | |
| Cash and investments | $ 519,578 |
| Receivables, net: | |
| Accounts and other | 254,547 |
| Restricted cash and investments | 188,016 |
| Total current assets | 962,141 |
| Noncurrent assets: | |
| Capital assets: | |
| Not being depreciated | 81,783 |
| Being depreciated, net of depreciation | 3,315,342 |
| Total noncurrent assets | 3,397,125 |
| Total assets | 4,359,266 |
| **Liabilities** | |
| Current liabilities: | |
| Accounts payable | 139,391 |
| Accrued liabilities | 3,143 |
| Current liabilities (payable from restricted assets): | |
| Customer deposits | 13,485 |
| Interest payable | 12,875 |
| Current portion of bonds payable | 170,000 |
| Total current liabilities: | 338,894 |
| Long-term liabilities: | |
| Bonds payable | 30,000 |
| Total long-term liabilities: | 30,000 |
| Total liabilities | 368,894 |
| **Net position** | |
| Net investment in capital assets | 3,197,125 |
| Restricted net position for: | |
| Debt service | 174,531 |
| Unrestricted | 618,716 |
| Total net position | $ 3,990,372 |

See accompanying notes to the basic financial statements

**Exhibit F**

CITY OF PARKVILLE, MISSOURI
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Fund
For the Year Ended December 31, 2023

| | Sewer Fund |
|---|---|
| Operating revenues: | |
| Charges for services | $ 1,812,552 |
| Other | 55,187 |
| Total operating revenues | 1,867,739 |
| Operating expenses: | |
| Personnel services | 69,200 |
| Contractual services | 392,829 |
| Administrative fee | 360,500 |
| Depreciation | 263,641 |
| Repairs and maintenance | 871,877 |
| Other | 74,950 |
| Total operating expenses | 2,032,997 |
| Operating income (loss) | (165,258) |
| Nonoperating revenues (expenses): | |
| Intergovernmental revenues | 16,339 |
| Interest income | 7,550 |
| Interest expense | (14,707) |
| Total nonoperating revenues (expenses) | 9,182 |
| Change in net position | (156,076) |
| Total net position, beginning of year | 4,146,448 |
| Total net position, end of year | $ 3,990,372 |

See accompanying notes to the basic financial statements

Exhibit G

**CITY OF PARKVILLE, MISSOURI**
**Statement of Cash Flows**
**Proprietary Fund**
**For the Year Ended December 31, 2023**

| | Sewer Fund |
|---|---|
| Cash flows from operating activities: | |
| Receipts from customers and others | $ 1,858,684 |
| Payments to suppliers | (1,726,520) |
| Payments to employees | (66,835) |
| Net cash provided by (used in) operating activities | 65,329 |
| | |
| Cash flows provided by noncapital financing activities: | |
| Intergovernmental revenues | 16,339 |
| Net cash flows provided by noncapital financing activities | 16,339 |
| | |
| Cash flows from investing activities: | |
| Interest received | 7,550 |
| Net cash flows provided by investing activities | 7,550 |
| | |
| Cash flows from capital and related financing activities: | |
| Interest and fiscal charges | (22,625) |
| Principal payments on long-term debt | (170,000) |
| Net cash flows (used in) capital and related financing activities | (292,388) |
| | |
| Net change in cash and equivalents | (203,170) |
| | |
| Cash and equivalents, beginning of year | 910,764 |
| Cash and equivalents, end of year | $ 707,594 |
| | |
| Cash and investments reported on the Statement of Net Position | |
| Cash and investments | $ 519,578 |
| Restricted cash and investments | 188,016 |
| Total cash and investments | $ 707,594 |
| | |
| Reconciliation of operating income (loss) to net cash provided by (used in) operating activities: | |
| Operating income (loss) | $ (165,258) |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operations: | |
| Depreciation and amortization | 263,641 |
| Changes in: | |
| Receivables | (9,055) |
| Accounts payable | (26,364) |
| Accrued liabilities | 2,365 |
| Net cash provided by (used in) operating activities | $ 65,329 |

See accompanying notes to the basic financial statements

Exhibit H

CITY OF PARKVILLE, MISSOURI
Statement of Fiduciary Net Position
Fiduciary Fund
December 31, 2023

| | Custodial Fund |
|---|---|
| | Municipal Court |
| Assets | |
| Cash and investments | $ 6,632 |
| Total assets | 6,632 |
| Liabilities | |
| Due to others | 6,632 |
| Total liabilities | 6,632 |
| Net Position | $ - |

See accompanying notes to the basic financial statements

Exhibit I

**CITY OF PARKVILLE, MISSOURI**
**Statement of Changes in Fiduciary Net Position**
**Fiduciary Fund**
**For the Year Ended December 31, 2023**

| | Custodial Fund |
|---|---|
| | Municipal Court |
| **Additions** | |
| Deposits | $ 61,811 |
| Total Additions | 61,811 |
| **Deductions** | |
| Payments to others | 61,811 |
| Total deductions | 61,811 |
| Net changes in fiduciary net position | - |
| **Net position - beginning** | - |
| **Net position - ending** | $ - |

See accompanying notes to the basic financial statements

**(1) Summary of Significant Accounting Policies**

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

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

***A. Financial Reporting Entity***

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

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

***B. Basis of Presentation***

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

*Government-wide financial statements*

The statement of net position and the statement of activities display information about the City, the primary government, as a whole. These statements distinguish between the *governmental* and *business-type activities* of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. Expenses are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program is self-financing or draws from the general revenues of the City.

*Fund financial statements*

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

GOVERNMENTAL FUNDS

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

The following are the City's major governmental funds:

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

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

*Park Sales Tax Fund* – This fund is used to account for revenues restricted for parks and recreation purposes.

*Creekside Special Development Fund* – This fund is used to account for activities related to the Creekside Development.

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

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 Funds* – These funds 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 wastewater and sewer services to the general public. All activities necessary to provide such services are accounted for in this fund, including administration, operations, maintenance, financing and related debt service, and billing and collection.

<u>FIDUCIARY FUND</u>

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

### *C. Basis of Accounting*

*Government-wide Financial Statements*

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

*Governmental Fund Financial Statements*

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

*Revenue Recognition*

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

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

*Expenditure Recognition*

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

*Proprietary Fund Financial Statements*

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

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

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

### *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.

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

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

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

### *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 $360,500 for the year ended December 31, 2023.

***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 meet the criteria to be classified as committed. In accordance with the approved City policy only the Board of Alderman has the authority to assign amounts for a specific purpose in this category.

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

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

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

### *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 City’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 | $ | 581 |
| Demand deposits | | 8,317,063 |
| Certificates of deposits | | 410,932 |
| Restricted cash equivalents held in trust | | 174,532 |
| | $ | 8,903,108 |

| | Government-wide statement of net position | | Fiduciary fund statement of net position | | Total | |
|---|---|---|---|---|---|---|
| Cash and investments | $ | 7,648,449 | $ | 6,632 | $ | 7,655,081 |
| Restricted cash and investments | | 1,248,027 | | - | | 1,248,027 |
| | $ | 8,896,476 | $ | 6,632 | $ | 8,903,108 |

*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, 2023, 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, 2023.

*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.

### (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, 2022, was $352,696,782.

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 | $ 0.4424 |
| General Revenue-Temporary | 0.1673 |
| | $ 0.6097 |

Tax revenues for the year ended December 31, 2023 consisted of the following:

| | Property Taxes | Sales Taxes | Franchise Taxes | Other Taxes | Total |
|---|---|---|---|---|---|
| Major governmental funds: | | | | | |
| General Fund | $ 1,671,847 | $ 1,622,475 | $ 960,584 | $ - | $ 4,254,906 |
| Transportation Sales Tax | - | 767,849 | - | - | 767,849 |
| Park Sales Tax | - | 952,254 | - | - | 952,254 |
| Creekside Development Fund | 167,349 | 481,271 | - | 20,416 | 669,036 |
| Debt Service Fund | 534,535 | - | - | - | 534,535 |
| Nonmajor funds | 107,435 | 759,911 | - | 88,170 | 955,516 |
| | $ 2,481,166 | $ 4,583,760 | $ 960,584 | $ 108,586 | $ 8,134,096 |

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, 2023:

| | Sales Taxes | Franchise Taxes | Total |
|---|---|---|---|
| Major governmental funds: | | | |
| General | $ 353,809 | $ 135,088 | $ 488,897 |
| Transportation Sales Tax | 163,009 | - | 163,009 |
| Park Sales Tax | 162,658 | - | 162,658 |
| Creekside Development | 66,012 | - | 66,012 |
| Nonmajor funds | 165,514 | - | 165,514 |
| Total sales taxes receivable | $ 911,002 | $ 135,088 | $ 1,046,090 |

### (4) Intergovernmental Revenues/Receivables

Intergovernmental revenues for the year ended December 31, 2023 consisted of the following:

| | General | Transportation Sales Tax | Park Sales Tax | Creekside Development | Debt Service | Nonmajor Funds | Total |
|---|---|---|---|---|---|---|---|
| Grants - Federal, State and Local | $ 108,469 | $ - | $ 29,350 | $ 27,309 | $ - | $ 691,838 | $ 856,966 |
| State: | - | | | | | | |
| Motor vehicle taxes and fees | - | 254,778 | - | - | - | - | 254,778 |
| Local: | | | | | | | |
| Special road district | - | 193,380 | - | - | - | - | 193,380 |
| County transportation | - | 244,577 | - | - | - | - | 244,577 |
| Economic activity taxes | - | - | - | - | - | 255,907 | 255,907 |
| 9 Hwy CID | - | - | - | - | 171,253 | - | 171,253 |
| Total intergovernmental revenues | $ 108,469 | $ 692,735 | $ 29,350 | $ 27,309 | $ 171,253 | $ 947,745 | $ 1,976,861 |

Amounts due from other governments at December 31, 2023, were as follows:

| | General | Transportation Sales Tax | Capital Projects | Total |
|---|---|---|---|---|
| Grants - Federal, State and Local | $ - | $ - | $ 10,548 | $ 10,548 |
| Motor vehicle taxes and fees | 8,496 | 21,672 | - | 30,168 |
| Total due from other governments | $ 8,496 | $ 21,672 | $ 10,548 | $ 40,716 |

## (5) Interfund Activity

Transfers between funds for the year ended December 31, 2023 were as follows:

| | Transfers Out: | | | |
|---|---|---|---|---|
| | General | Transportation Sales Tax | Nonmajor Governmental Funds | Total |
| Transfers In: | | | | |
| Governmental activities: | | | | |
| General | $ - | $ - | $ 500,000 | $ 500,000 |
| Transportation Sales Tax | 236,000 | - | 9,934 | 245,934 |
| Park Sales Tax | 350,000 | - | . | 350,000 |
| Creekside Development | - | - | 53,773 | 53,773 |
| Debt Service | 286,575 | 66,229 | - | 352,804 |
| Nonmajor Governmental Funds | 63,000 | - | 53,565 | 116,565 |
| Total | $ 935,575 | $ 66,229 | $ 617,272 | $ 1,619,076 |

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, 2023 were as follows:

| | Due to: General Fund |
|---|---|
| Due from: | |
| Park Sales Tax Fund | $ 8,692 |
| Debt Service Fund | 67,279 |
| | $ 75,971 |

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

## (6) Leases Receivable

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

On November 2017, the City entered into a 230 month lease for the right to place communication equipment on a tower. The lessee is required to make monthly payments totaling approximately $30,000 annually with an annual increase of 3.5 percent scheduled each November 1. The lease contains an option to extend the original lease for five (5) additional years through November 1, 2037. The lease receivable is measured as the present value of the future rent payments expected to be received during the lease term at a discount rate of 4.25%, which is the increment borrowing rate at the inception of the lease. As of December 31, 2023, the value of the lease receivable is $314,753. As of December 31, 2023, the value of the deferred inflow of resources was $303,024, and the City recognized lease revenue of $21,774 during the fiscal year.

A summary of the lease receivable activity for the year ended December 31, 2023 is as follows:

| Lease Description | Balance, beginning of year | Additions | Retirements | Balance, end of year |
|---|---|---|---|---|
| Land leases | $ 331,000 | $ - | $ 16,247 | $ 314,753 |

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

| | Lease Receivable | | |
|---|---|---|---|
| | Principal | Interest | Total |
| 2024 | $ 16,951 | $ 13,049 | $ 30,000 |
| 2025 | 17,685 | 12,315 | 30,000 |
| 2026 | 18,452 | 11,548 | 30,000 |
| 2027 | 19,251 | 10,749 | 30,000 |
| 2028 | 20,086 | 9,914 | 30,000 |
| 2029-2033 | 114,264 | 35,736 | 150,000 |
| 2034-2037 | 108,064 | 9,434 | 117,498 |
| | $ 314,753 | $ 102,745 | $ 417,498 |

## (7) Capital Assets

A summary of the changes in capital assets for the year ended December 31, 2023 is as follows:

| | December 31, 2022 | Additions | Deletions | December 31, 2023 |
|---|---|---|---|---|
| Governmental activities: | | | | |
| Capital assets, not being depreciated | | | | |
| Land | $ 2,719,880 | $ - | $ - | $ 2,719,880 |
| Construction in progress | 24,759 | 48,327 | - | 73,086 |
| Total capital assets, not being depreciated | 2,744,639 | 48,327 | - | 2,792,966 |
| Capital assets, being depreciated | | | | |
| Buildings and improvements | 5,060,940 | 32,095 | - | 5,093,035 |
| Equipment and vehicles | 2,688,119 | 666,888 | 650,922 | 2,704,085 |
| Infrastructure | 12,099,747 | - | - | 12,099,747 |
| Total capital assets being depreciated | 19,848,806 | 698,983 | 650,922 | 19,896,867 |
| Less accumulated depreciation for: | | | | |
| Buildings and improvements | 2,070,171 | 149,616 | - | 2,219,787 |
| Equipment and vehicles | 2,389,382 | 158,312 | 636,740 | 1,910,954 |
| Infrastructure | 2,864,201 | 312,434 | - | 3,176,635 |
| Total accumulated depreciation | 7,323,754 | 620,362 | 636,740 | 7,307,376 |
| Total capital assets being depreciated, net | 12,525,052 | | | 12,589,491 |
| Governmental activities capital assets, net | $ 15,269,691 | | | $ 15,382,457 |

| | December 31, 2022 | Additions | Deletions | December 31, 2023 |
|---|---|---|---|---|
| Business-type activities: | | | | |
| Capital assets, not being depreciated | | | | |
| Land | $ 81,783 | $ - | $ - | $ 81,783 |
| Total capital assets, not being depreciated | 81,783 | - | - | 81,783 |
| Capital assets, being depreciated | | | | |
| Buildings and improvements | 5,669,716 | 58,626 | - | 5,728,342 |
| Equipment and vehicles | 343,520 | 8,494 | - | 352,014 |
| Infrastructure | 3,709,528 | 32,643 | - | 3,742,171 |
| Total capital assets being depreciated | 9,722,764 | 99,763 | - | 9,822,527 |
| Less accumulated depreciation for: | | | | |
| Buildings and improvements | 4,526,269 | 187,884 | - | 4,714,153 |
| Equipment and vehicles | 319,590 | 3,210 | - | 322,800 |
| Infrastructure | 1,397,685 | 72,547 | - | 1,470,232 |
| Total accumulated depreciation | 6,243,544 | 263,641 | - | 6,507,185 |
| Total capital assets being depreciated, net | 3,479,220 | | | 3,315,342 |
| Business-type activities capital assets, net | $ 3,561,003 | | | $ 3,397,125 |

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

| | | |
|---|---|---|
| **Governmental activities:** | | |
| General government | $ | 121,582 |
| Public safety | | 55,589 |
| Public works | | 369,245 |
| Parks and recreation | | 69,422 |
| Community development | | 4,524 |
| Total depreciation expense for governmental activities | $ | 620,362 |
| | | |
| **Business-type activities:** | | |
| Sewer | $ | 263,641 |
| Total depreciation expense for business-type activities | $ | 263,641 |

## (8) Long Term Debt

A summary of the changes in long term debt for the year ended December 31, 2023 is as follows:

| Governmental Activities: | Beginning of Year | Adjustments/ Additions | Adjustments/ Retirements | End of Year | Due Within One Year |
|---|---|---|---|---|---|
| Limited general obligation bonds: | | | | | |
| Series 2020A - Brush Creek | $ 3,710,000 | $ - | $ 290,000 | $ 3,420,000 | $ 290,000 |
| Series 2020B - Brink Meyer | 2,535,000 | - | 195,000 | 2,340,000 | 195,000 |
| | 6,245,000 | - | 485,000 | 5,760,000 | 485,000 |
| Certificates of participation - 2015 | 1,251,609 | - | 420,474 | 831,135 | 444,872 |
| Certificates of participation - 2021A | 2,610,000 | - | 160,000 | 2,450,000 | 160,000 |
| Premium on issuance | 97,678 | - | 6,735 | 90,943 | 6,736 |
| Finance leases | - | 343,248 | 11,247 | 332,001 | 66,092 |
| * Compensated absences | 95,249 | 100,773 | - | 196,022 | 196,022 |
| **Total Governmental Activities** | 10,299,536 | 444,021 | 1,083,456 | 9,660,101 | 1,358,722 |
| **Business-type Activities:** | | | | | |
| Revenue bonds | 370,000 | - | 170,000 | 200,000 | 170,000 |
| Premium on issuance | 7,918 | - | 7,918 | - | - |
| **Total Business-type Activities** | 377,918 | - | 177,918 | 200,000 | 170,000 |
| **Total Primary Government** | $ 10,677,454 | $ 444,021 | $ 1,261,374 | $ 9,860,101 | $ 1,528,722 |

* 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.

In June 2020, the City issued $3,995,000 Series 2020A, Taxable Neighborhood Improvement District Limited General Obligation Refunding Bonds (Brush Creek Drainage Area Neighborhood Improvement Project) Bonds (2020A bonds).

In June 2020, the City issued $2,730,000 Series 2020B, Taxable Neighborhood Improvement District Limited General Obligation Refunding Bonds (Brink Meyer Road Neighborhood Improvement Project) Bonds (2020B bonds).

*Brush Creek and Brink Meyer Special Assessments*

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

The City has taken legal actions against certain properties located within the Brush Creek and Brink Meyer NIDs related to delinquent special assessments on those properties. These properties are no longer subject to Brush Creek NID and/or the Brink Meyer Road NID special assessments. As discussed in Note 12, the City has entered into purchase agreements related to certain properties acquired.

The Brush Creek and Brink Meyer NID's originally scheduled annual special assessments necessary to meet the Series 2020A and 2020B (the Series 2020A&B were issued to refund the 2014A&B bonds) debt service requirements were approximately $670,000. Currently, the anticipated annual collections of special assessments are scheduled to be approximately $255,000. During the year ended December 31, 2023, the City transferred $286,575 from the General Fund to the Debt Service Fund to cover the shortfall of special assessments necessary to meet the 2020A and 2020B debt service requirements.

The City's limited general obligation bonds as of December 31, 2023 are as follows:

| | | |
|---|---|---|
| Series 2020A - Taxable Neighborhood Improvement District - Limited General Obligation Refunding Bonds (Brush Creek Drainage Area Neighborhood Improvement Project); due in annual installments through March 1, 2034; interest at 0.7% to 2.0% | $ | 3,420,000 |
| Series 2020B - Taxable Neighborhood Improvement District - Limited General Obligation Refunding Bonds (Brink Meyer Road Neighborhood Improvement Project); due in annual installments through March 1, 2034; interest at 0.7% to 2.0% | | 2,340,000 |
| Total limited general obligation bonds | $ | 5,760,000 |

### *B. Certificates of Participation*

During fiscal year 2015, the City issued $3,383,722 Refunding Certificates of Participation Series 2015 to current refund the 2006 Certificates of Participation issued for the purpose of constructing City Hall, public parking lot and certain other capital improvements within the City. A temporary tax levy was approved to fund a portion of the debt service payments. Principal and interest payments are due semi-annually beginning on September 1, 2016 through March 1, 2027 with principal payments ranging from $139,867 to $444,872, with an interest rate of 2.24%. The outstanding balance at December 31, 2023, is $831,135.

During fiscal year 2021, the City issued $2,985,000 Certificates of Participation Series 2021A to provide funding for the Route 9 Project and provide funding to pay the Lease Purchase Agreement discussed in Note 7 C. below. Principal and interest payments are due semi-annually beginning on March 1, 2022 through March 1, 2037 with principal payments ranging from $160,000 to $375,000, with an interest rate of 2.0%. The outstanding balance at December 31, 2023, is $2,450,000.

### *C. Revenue Bonds*

The City issued Sewerage System Revenue Bonds (State Revolving Loan Fund (SRF)) Series 2004A in the original amount of $2,750,000. The Series 2004A Sewage System Revenue Bonds are special, limited obligations of the City payable solely from, and secured by a pledge of, the net revenues of the Sewer Fund. The bonds are due in annual installments of $30,000 to $170,000 through January 1, 2025 with interest ranging from 3.0% to 5.25%. The outstanding balance at December 31, 2023, is $200,000.

### *D. Future Debt Service Requirements*

| Year Ending December 31 | Governmental Activities: Limited General Obligation Refunding Bonds - Series 2020A (Brush Creek) Principal | Interest | Limited General Obligation Refunding Bonds - Series 2020B (Brink Meyer) Principal | Interest | Certificates of Participation Series 2015 Principal | Interest |
|---|---|---|---|---|---|---|
| 2024 | $ 290,000 | $ 51,439 | $ 195,000 | $ 18,061 | $ 444,872 | $ 13,635 |
| 2025 | 295,000 | 48,659 | 200,000 | 17,184 | 123,277 | 7,272 |
| 2026 | 295,000 | 45,488 | 205,000 | 16,184 | 123,119 | 4,512 |
| 2027 | 300,000 | 41,841 | 205,000 | 15,005 | 139,867 | 1,567 |
| 2028 | 305,000 | 37,681 | 210,000 | 13,673 | - | - |
| 2029-2033 | 1,600,000 | 109,441 | 1,095,000 | 42,525 | - | - |
| 2034-2037 | 335,000 | 3,350 | 230,000 | 2,300 | - | - |
| | $ 3,420,000 | $ 337,899 | $ 2,340,000 | $ 124,932 | $ 831,135 | $ 26,986 |

| Year Ending December 31 | Governmental Activities: Certificates of Participation Series 2021A Principal | Interest | Governmental Activities Total Principal | Interest | Business-type Activities: Sewage System Revenue Bonds Series 2004A Principal | Interest |
|---|---|---|---|---|---|---|
| 2024 | $ 160,000 | $ 49,000 | $ 1,089,872 | $ 132,135 | $ 170,000 | $ 13,250 |
| 2025 | 165,000 | 45,800 | 783,277 | 118,915 | 30,000 | 5,175 |
| 2026 | 165,000 | 42,500 | 788,119 | 108,684 | - | - |
| 2027 | 165,000 | 39,200 | 809,867 | 97,613 | - | - |
| 2028 | 165,000 | 35,900 | 680,000 | 87,254 | - | - |
| 2029-2033 | 875,000 | 128,600 | 3,570,000 | 280,566 | - | - |
| 2034-2037 | 755,000 | 38,100 | 1,320,000 | 43,750 | - | - |
| **Totals** | $ 2,450,000 | $ 379,100 | $ 9,041,135 | $ 868,917 | $ 200,000 | $ 18,425 |

### *E.* Finance Lease Agreements

The City has entered into eight (8) financing lease agreements for the acquisition of various vehicles under terms generally from forty-eight (48) to sixty (60) months. Under the financing lease agreements, the City is scheduled to make monthly payments ranging from $792 to $1,070 with interest varying from 4.3 to 8.9%.

The future minimum lease payments are as follows:

| Year Ending | Governmental Activities Principal | Interest |
|---|---|---|
| 2024 | $ 66,092 | $ 17,547 |
| 2025 | 70,068 | 13,571 |
| 2026 | 74,303 | 9,335 |
| 2027 | 78,815 | 4,823 |
| 2028 | 42,723 | 946 |
| | $ 332,001 | $ 46,222 |

### *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, 2023, there are two outstanding industrial revenue bond issuances with a total principal amount of approximately $197 million.

## (9) Cooperative Agreement – Sewer Services

The City has entered into agreements with the City of Kansas City, Missouri, and the Platte County Regional Sewer District to provide certain sewer services for the City. For the year ended December 31, 2023, expenses incurred under these agreements were $36,094 (Kansas City, Missouri) and $17,759 (Platte County Regional Sewer District).

## (10) Employees Retirement System

### *A. Plan Description*

The City's defined benefit pension plan provides certain retirement, disability, and death benefits to plan members and beneficiaries. The City participates in the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multiple-employer, statewide public employee pension plan established in 1967 and administered in accordance with RSMo. 70.600-70.755. As such, it is LAGERS responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt. The responsibility for the operations and administration of LAGERS is vested in the LAGERS Board of Trustees consisting of seven persons. LAGERS' issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the LAGERS website at www.molagers.org.

### *B. Benefits Provided*

LAGERS provides retirement, death, and disability benefits. Benefit provisions are adopted by the governing body of the employer, within the options available in the state statutes governing LAGERS. All benefits vest after 5 years of credited service. Employees who retire on or after age 60 (55 for police) with 5 or more years of service are entitled to an allowance for life based upon the benefit program information provided below. Employees may retire with an early retirement benefit with a minimum of 5 years of credited service and after attaining age 55 (50 for police) and receive a reduced allowance.

| | 2023 Valuation |
|---|---|
| Benefit Multiplier: | 2.00% |
| Final Average Salary: | 5 Years |
| Member Contributions: | 4% |

Benefit terms provide for annual post-retirement adjustments to each member's retirement allowance subsequent to the member's retirement date. The annual adjustment is based on the increase in the Consumer Price Index and is limited to 4% per year.

### *C. Employees Covered by Benefit Terms*

The following employees were covered by the benefit terms:

| | General | Police | Total |
|---|---|---|---|
| Inactive employees or beneficiaries currently receiving benefits | 6 | 4 | 10 |
| Inactive employees entitled to but not yet receiving benefits | 11 | 9 | 20 |
| Active employees | 25 | 15 | 40 |
| | 42 | 28 | 70 |

### *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 13.6% (General) and 17.2% (Police) of annual covered payroll.

### *E. Net Pension Liability*

The City's net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2023.

### *F. Actuarial Assumptions*

The total pension liability in the February 28, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

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

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

### *G. Discount Rate*

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

### *H. Changes in the Net Pension Liability*

| | Increase (Decrease) | | |
|---|---|---|---|
| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (a) - (b) |
| Balances at beginning of year | $ 4,278,229 | $ 3,844,085 | $ 434,144 |
| Changes for the year: | | | |
| Service Cost | 248,197 | - | 248,197 |
| Interest | 302,491 | - | 302,491 |
| Change in benefit terms | 483,644 | - | 483,644 |
| Difference between expected and actual | (1,001) | - | (1,001) |
| Contributions - employer | - | 351,758 | (351,758) |
| Contributions - employee | - | 101,877 | (101,877) |
| Net investment income | - | 134,301 | (134,301) |
| Benefit payments, including refunds | (160,577) | (160,577) | - |
| Administrative expense | - | (9,442) | 9,442 |
| Other changes (net transfer) | - | (65,989) | 65,989 |
| Net changes | 872,754 | 351,928 | 520,826 |
| Balances at end of year | $ 5,150,983 | $ 4,196,013 | $ 954,970 |

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

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

| | 1% Decrease 6.00% | Current Single Discount Rate Assumption 7.00% | 1% Increase 8.00% |
|---|---|---|---|
| Total Pension Liability | $ 5,997,769 | $ 5,150,983 | $ 4,460,830 |
| Plan Fiduciary Net Position | (4,196,013) | (4,196,013) | (4,196,013) |
| Net Pension Liability | $ 1,801,756 | $ 954,970 | $ 264,817 |

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

For the year ended December 31, 2023, the City recognized LAGERS pension expense of $746,020; $381,503 (General) and $364,517 (Police). The City reported deferred outflows related to LAGERS pension from the following sources:

| | General | Police | Total |
|---|---|---|---|
| **Deferred Outflows of Resources:** | | | |
| Difference in experience | $ 87,176 | $ 90,334 | $ 177,510 |
| Difference in projected and actual earnings on plan investments | 32,841 | 37,029 | 69,870 |
| Contributions subsequent to the measurement date* | 138,511 | 78,485 | 216,996 |
| Total | $ 258,528 | $ 205,848 | $ 464,376 |
| **Deferred Inflows of Resources:** | | | |
| Assumption changes | $ (11,168) | $ (1,857) | $ (13,025) |
| Difference in experience | (124,616) | (44,568) | (169,184) |
| Total | $ (135,784) | $ (46,425) | $ (182,209) |

*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, 2024.

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 |
|---|---|---|---|
| 2024 | $ (8,880) | $ 17,072 | $ 8,192 |
| 2025 | (31,960) | 1,078 | (30,882) |
| 2026 | 27,502 | 44,446 | 71,948 |
| 2027 | 5,535 | 18,342 | 23,877 |
| 2028 | (7,964) | - | (7,964) |
| Total | $ (15,767) | $ 80,938 | $ 65,171 |

### *K. Payable to the Pension Plan*

At December 31, 2023, there were no outstanding contributions payable to the LAGERS pension plan.

## (11) Commitments and Contingencies

### *A. Insurance*

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

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

### *B. Investments-Trust Fund*

The City was the recipient of funds from a resident's estate during the calendar year 2002. The funds were previously held by a trustee for the benefit of the City. In 2011, the City took over management of the fund and by Resolution No. 12-01-13, the Board of Aldermen enacted a policy restricting the use of the fund to follow the intentions of the original donor of the fund. The nature of the fund is that the principal of the contributions is to remain intact. One-half of the interest earnings are to be added to the principal and the remaining one-half of annual earnings may be used to fund City capital projects. At December 31, 2023, the fund had $27,714 net appreciation on assets available for expenditure which is reported as restricted fund balance and $585,734 in principal which is reported as nonspendable fund balance. Both of these amounts are reported as restricted net position on the government-wide statement of net position. The State of Missouri requires that recipients of endowment gifts maintain the original principal intact at the original donation value.

### *C. Federal and State Grants*

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

### *D. Litigation*

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

## (12) Development Agreements

Tax Increment Financing and Economic Development Contract

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

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

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

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

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

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

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

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

Tract IX Purchase Agreement – Meadows at Creekside

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

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

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

The Meadows at Creekside Community Improvement District (Meadows CID) has been established to levy certain special assessments on each apartment unit and single family dwelling. The annual assessment will be $1,737 per apartment unit and $400 per single-family home. The City is scheduled to receive $300,000 annually as payments on the promissory notes receivable over 16 years up to a total of $4,000,000. At December 31, 2023, the outstanding balance of the related notes receivable totaled $3,275,000.

Tract I Purchase Option Agreement – Creekside Industrial

In November 2020, the Developer exercised the Tract I Purchase Option. Under the Tract I Purchase Option, the Developer and City entered into a purchase and sale agreement (Tract I Purchase Agreement). The Tract I Purchase Agreement set the purchase price at $1,600,000. Beginning January 1, 2022 and ending December 31, 2025, the City will receive $100,000 per year from the Hotel Special Assessment. Beginning January 1, 2026, the amount increases to $150,000 per year. In any year the contribution falls short, the Developer will pay the difference. In any year, the contribution from the Hotel Special Assessment falls short, or the Developer’s failure to pay the difference, the City shall receive $100,000 each year from available sources in the Creekside Incentive Fund. All payments will be deducted from the $1,600,000 purchase and sale agreement receivable. At December 31, 2023, the outstanding balance of the related notes receivable totaled $1,400,000.

Notes receivable activity for the year ended December 31, 2023, was as follows:

| Notes Receivable | Beginning Balance | Additions | Reductions | Ending Balance |
|---|---|---|---|---|
| Tract IX Meadows at Creekside | $ 3,575,000 | $ - | $ 300,000 | $ 3,275,000 |
| Tract I Creekside Industrial | 1,500,000 | - | 100,000 | 1,400,000 |
| | $ 5,075,000 | $ - | $ 400,000 | $ 4,675,000 |

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

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

The Creekside Plan is on a pay-as-you-go basis payable from the incremental increase in property and sales taxes generated within TIF areas of the Creekside Plan. Funding is also available from CID and TDD one percent sales taxes and certain Meadows CID special assessments As of December 31, 2023, certified tax increment financing reimbursable project costs totaled $5,508,858. Current year reimbursements totaled $243,673.

Parkville Market Place Tax Increment Financing Redevelopment Plan

In 2008, the City established the Parkville Market Place Tax Increment Financing Redevelopment Plan (Market Place Plan). The redeveloper designated as the redeveloper of Redevelopment Project Area 1 has not redeveloped Redevelopment Project Area 1. In 2018, the City amended the Market Place Plan to expand the boundaries of the original redevelopment area and created Redevelopment Project Area 2 (Project 2). Project 2 includes the construction of approximately 33,400 square feet of retail, restaurant, and/or other commercial facilities, and public and private infrastructure improvements The Market Place Plan provides up to a maximum reimbursable project costs of $5,916,893 for Project 2. The Market Place Plan is on a pay-as-you-go basis payable from the incremental increase in property and sales taxes. Funding is also available from the tax increment economic activity taxes portion of the Market Place Community Improvement District's one percent CID Sales tax and the tax increment economic activity taxes portion Market Place #2 Community Improvement District's one percent CID Sales tax. Current year reimbursements totaled $207,000.

## (13) Subsequent Events

The City evaluated subsequent events through July 3, 2024, the date the financial statements were available to be issued. No events were identified that required adjustment to or disclosure in the financial statements.

Schedule 1

**CITY OF PARKVILLE, MISSOURI**
**Required Supplementary Information**
**Schedule of Revenues, Expenditures and**
**Changes in Fund Balances - Budget and Actual**
**General Fund**
**For the Year Ended December 31, 2023**

| | 2023 | | | Variance with Final Budget |
|---|---|---|---|---|
| | Original Budget | Final Budget | Actual | Positive (Negative) |
| Revenues: | | | | |
| Taxes | $ 3,817,000 | $ 3,817,000 | $ 4,254,906 | $ 437,906 |
| Intergovernmental | 126,000 | 126,000 | 108,469 | (17,531) |
| Fines and forfeitures | 41,000 | 41,000 | 50,995 | 9,995 |
| Licenses and permits | 582,100 | 582,100 | 362,915 | (219,185) |
| Charges for sewer | - | - | 360,500 | 360,500 |
| Interest | 8,000 | 8,000 | 46,180 | 38,180 |
| Other | 533,500 | 533,500 | 162,416 | (371,084) |
| Total Revenues | 5,107,600 | 5,107,600 | 5,346,381 | 238,781 |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 1,891,682 | 1,891,682 | 1,862,774 | 28,908 |
| Public safety | 2,305,332 | 2,305,332 | 1,813,741 | 491,591 |
| Public works | 337,481 | 337,481 | 358,988 | (21,507) |
| Community development | 543,959 | 543,959 | 542,651 | 1,308 |
| Capital outlay | - | - | 174,681 | (174,681) |
| Debt Service: | | | | |
| Principal | - | - | 7,855 | (7,855) |
| Interest and fiscal charges | - | - | 1,889 | (1,889) |
| Total Expenditures | 5,078,454 | 5,078,454 | 4,762,579 | 315,875 |
| Excess of Revenues Over (Under) Expenditures | 29,146 | 29,146 | 583,802 | 554,656 |
| Other Financing Sources (Uses): | | | | |
| Transfers in | 500,000 | 500,000 | 500,000 | - |
| Transfers out | (935,575) | (935,575) | (935,575) | - |
| Sale of land and assets | 402,000 | 402,000 | 403,040 | 1,040 |
| Debt issued | - | - | 174,681 | 174,681 |
| Insurance proceeds | - | - | 26,311 | 26,311 |
| Total Other Financing Sources (Use | (33,575) | (33,575) | 168,457 | 202,032 |
| Change in fund balance | $ (4,429) | $ (4,429) | 752,259 | $ 756,688 |
| Fund Balances, Beginning of Year | | | 1,364,063 | |
| Fund Balances, End of Year | | | $ 2,116,322 | |

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

Schedule 2

**CITY OF PARKVILLE, MISSOURI**
**Required Supplementary Information**
**Schedule of Revenues, Expenditures and**
**Changes in Fund Balances - Budget and Actual**
**Transportation Sales Tax Fund**
**For the Year Ended December 31, 2023**

| | 2023 | | | Variance with Final Budget Positive (Negative) |
|---|---|---|---|---|
| | Original Budget | Final Budget | Actual | |
| Revenues: | | | | |
| Taxes | $ 689,000 | $ 689,000 | $ 767,849 | $ 78,849 |
| Intergovernmental | 592,000 | 592,000 | 692,735 | 100,735 |
| Other | 5,000 | 5,000 | 36,522 | 31,522 |
| Total Revenues | 1,286,000 | 1,286,000 | 1,497,106 | 211,106 |
| Expenditures: | | | | |
| Current: | | | | |
| Public works | 571,188 | 571,188 | 514,513 | 56,675 |
| Capital outlay | 1,105,000 | 1,105,000 | 902,112 | 202,888 |
| Total Expenditures | 1,676,188 | 1,676,188 | 1,416,625 | 259,563 |
| Excess of Revenues Over (Under) Expenditures | (390,188) | (390,188) | 80,481 | 470,669 |
| Other Financing Sources (Uses): | | | | |
| Transfers in | 246,000 | 246,000 | 245,934 | (66) |
| Transfers out | (66,229) | (66,229) | (66,229) | - |
| Sale of capital assets | - | - | 2,620 | 2,620 |
| Total Other Financing Sources (Uses) | 179,771 | 179,771 | 182,325 | 2,554 |
| Change in fund balance | $ (210,417) | $ (210,417) | 262,806 | $ 473,223 |
| Fund Balances, Beginning of Year | | | 367,769 | |
| Fund Balances, End of Year | | | $ 630,575 | |

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

**CITY OF PARKVILLE, MISSOURI**
**Schedule of Revenues, Expenditures and Changes in**
**Fund Balance - Budget and Actual**
**Park Sales Tax Fund**
**For the Year Ended December 31, 2023**

| | 2023 Original Budget | 2023 Final Budget | 2023 Actual | Variance with Final Budget Positive (Negative) |
|---|---|---|---|---|
| Revenues: | | | | |
| Taxes | $ 770,000 | $ 770,000 | $ 952,254 | $ 182,254 |
| Intergovenmental | 1,000 | 1,000 | 29,350 | 28,350 |
| Charges for services | 40,000 | 40,000 | 34,495 | (5,505) |
| Other | - | - | 121 | 121 |
| Total Revenues | 811,000 | 811,000 | 1,016,220 | 205,220 |
| Expenditures: | | | | |
| Current: | | | | |
| Parks and recreation | 1,227,571 | 1,227,571 | 896,661 | 330,910 |
| Capital oulay | - | - | 42,521 | (42,521) |
| Debt service: | | | | |
| Principal | - | - | 1,861 | (1,861) |
| Interest and fiscal charges | - | - | 575 | (575) |
| Total Expenditures | 1,227,571 | 1,227,571 | 941,618 | 285,953 |
| Excess of Revenues Over Expenditures | (416,571) | (416,571) | 74,602 | 491,173 |
| Other financing sources (uses): | | | | |
| Transfers in | 350,000 | 350,000 | 350,000 | - |
| Debt issuance | - | - | 42,521 | 42,521 |
| Insurance proceeds | - | - | 402,743 | 402,743 |
| Total Other Financing Sources (Uses) | 350,000 | 350,000 | 795,264 | 445,264 |
| Change in fund balance | $ (66,571) | $ (66,571) | 869,866 | $ 936,437 |
| Fund Balance, Beginning of Year | | | 887,084 | |
| Fund Balance, End of Year | | | $1,756,950 | |

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

## (1) Budgetary Data

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

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

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

Schedule 4

**CITY OF PARKVILLE, MISSOURI**
**Required Supplementary Information**
**Schedule of Changes in Net Pension Liability and Related Ratios**
**For the Year Ended December 31, 2023**

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|---|---|---|---|
| **Total Pension Liability** | | | | | | | | | |
| Service costs | $ 248,197 | $ 233,098 | $ 239,471 | $ 201,429 | $ 172,547 | $ 148,593 | $ 119,807 | $ 116,946 | $ 104,714 |
| Interest on total pension liability | 302,491 | 267,813 | 263,386 | 193,934 | 161,830 | 142,885 | 107,562 | 93,722 | 69,352 |
| Changes in benefit terms | 483,644 | - | - | 443,125 | - | - | 252,150 | - | 226,297 |
| Difference between expected and actual experience of the total pension liability | (1,001) | 115,342 | (220,194) | 126,146 | 117,686 | (16,202) | 19,236 | (66,469) | (47,700) |
| Changes of assumptions | - | - | (24,731) | - | - | - | (12,160) | 79,853 | - |
| Benefit payments and refunds | (160,577) | (97,043) | (27,877) | (22,947) | (23,897) | (27,488) | (18,639) | (31,360) | (14,002) |
| Net change in total pension liability | 872,754 | 519,210 | 230,055 | 941,687 | 428,166 | 247,788 | 467,956 | 192,692 | 338,661 |
| Total pension liability - beginning of year | 4,278,229 | 3,759,019 | 3,528,964 | 2,587,277 | 2,159,111 | 1,911,323 | 1,443,367 | 1,250,675 | 912,014 |
| Total pension liability - end of year (a) | $ 5,150,983 | $ 4,278,229 | $ 3,759,019 | $ 3,528,964 | $ 2,587,277 | $ 2,159,111 | $ 1,911,323 | $ 1,443,367 | $ 1,250,675 |
| **Plan Fiduciary Net Position** | | | | | | | | | |
| Contributions - employer | $ 351,758 | $ 261,709 | $ 263,683 | $ 206,382 | $ 177,852 | $ 155,363 | $ 112,455 | $ 93,771 | $ 73,690 |
| Contributions - employee | 101,877 | 84,888 | 84,397 | 82,259 | 77,157 | 68,390 | 62,865 | 61,441 | 60,880 |
| Net investment income | 134,301 | 3,647 | 741,438 | 30,625 | 120,889 | 180,098 | 141,948 | 63 | 17,409 |
| Benefit payments and refunds | (160,577) | (97,043) | (27,877) | (22,947) | (23,897) | (27,488) | (18,639) | (31,360) | (14,002) |
| Administrative expenses | (9,442) | (5,858) | (5,040) | (6,190) | (5,440) | (3,246) | (3,626) | (3,451) | (3,356) |
| Other (net transfer) | (65,989) | 118,221 | 3,250 | 2,550 | (1,855) | (6,335) | 1,806 | (3,952) | 38,126 |
| Net change in plan fiduciary net position | 351,928 | 365,564 | 1,059,851 | 292,679 | 344,706 | 366,782 | 296,809 | 116,512 | 172,747 |
| Plan fiduciary net position - beginning of year | 3,844,085 | 3,478,521 | 2,418,670 | 2,125,991 | 1,781,285 | 1,414,503 | 1,117,694 | 1,001,182 | 828,435 |
| Plan fiduciary net position - end of year (b) | $ 4,196,013 | $ 3,844,085 | $ 3,478,521 | $ 2,418,670 | $ 2,125,991 | $ 1,781,285 | $ 1,414,503 | $ 1,117,694 | $ 1,001,182 |
| Net pension liability (a) - (b) | $ 954,970 | $ 434,144 | $ 280,498 | $ 1,110,294 | $ 461,286 | $ 377,826 | $ 496,820 | $ 325,673 | $ 249,493 |
| Plan net position as a percentage of the total pension liability | 81.46% | 89.85% | 92.54% | 68.54% | 82.17% | 82.50% | 74.01% | 77.44% | 80.05% |
| Covered employee payroll | 2,361,665 | 2,044,016 | 2,033,168 | 2,136,492 | 1,935,516 | 1,567,178 | 1,457,585 | 1,415,099 | 1,414,512 |
| Net pension liability/(asset) as a percentage of covered payroll | 40.44% | 21.24% | 13.80% | 51.97% | 23.83% | 24.11% | 34.09% | 23.01% | 17.64% |

GASB 68 requires presentation of ten years. As of December 31, 2023, only nine years of information is available.

**CITY OF PARKVILLE, MISSOURI**
**Required Supplementary Information**
**Schedule of Employer Contributions**
**For the Year Ended December 31, 2023**

**LAGERS (General and Police)**

| Fiscal Year | Actuarially Determined Contribution | Contribution in Relation | Contribution Deficiency | Covered Employee Payroll | Contribution as Percentage |
|---|---|---|---|---|---|
| 2014 | $ 63,625 | $ 63,625 | $ - | 1,621,236 | 3.92% |
| 2015 | 90,636 | 90,636 | - | 1,500,864 | 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 | 193,218 | 193,218 | - | 2,049,669 | 9.43% |
| 2020 | 235,257 | 235,257 | - | 2,055,071 | 11.45% |
| 2021 | 274,675 | 274,675 | - | 2,164,460 | 12.69% |
| 2022 | 272,875 | 272,875 | - | 2,284,807 | 11.94% |
| 2023 | 420,791 | 420,791 | - | 2,705,751 | 15.55% |

**Lagers**

**Valuation Date** February 28, 2023

**Notes:** The roll-forward of total pension liability from February 28, 2023 to June 30, 2023 reflects expected service cost and interest reduced by actual benefit payments and administrative expenses.

**Methods and assumptions used to determine contributions rates:**

**Actuarial cost method** Entry Age Normal and Modified Terminal Funding

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

**Remaining amortization period** Multiple bases from 8 to 17 years

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

**Inflation assumption** 2.75% wage inflation; 2.25% price inflation

**Salary increases** 2.75% to 6.55% including wage inflation

**Investment rate of return** 7.00%, net of investment expenses

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

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

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

**Other information:** None

Schedule 6

## CITY OF PARKVILLE, MISSOURI
## Combining Balance Sheet - General Fund
## December 31, 2023

| | General Fund | Reserve Fund | Totals |
|---|---|---|---|
| **Assets:** | | | |
| Cash and investments | $ 1,903,761 | $ 1,332,108 | $ 3,235,869 |
| Receivables: | | | |
| Taxes | 488,897 | - | 488,897 |
| Leases | 314,753 | - | 314,753 |
| Creekside receivables | 4,675,000 | - | 4,675,000 |
| Due from other governments | 8,496 | - | 8,496 |
| Prepaid, deposits and other assets | 108,615 | - | 108,615 |
| Total Assets | $ 7,575,493 | $ 1,332,108 | $ 8,907,601 |
| **Liabilities:** | | | |
| Accounts payable | $ 243,002 | $ - | $ 243,002 |
| Accrued payroll and benefits | 54,764 | - | 54,764 |
| Total Liabilities | 297,766 | - | 297,766 |
| **Deferred inflows of resources:** | | | |
| Unavailable revenues - leases | 303,024 | - | 303,024 |
| Unavailable revenues - Creekside receivables | 4,675,000 | - | 4,675,000 |
| Unavailable revenues - taxes | 183,381 | - | 183,381 |
| | 5,161,405 | - | 5,161,405 |
| **Fund balances:** | | | |
| Nonspendable: | | | |
| Prepaid items | 108,615 | - | 108,615 |
| Committed: | | | |
| Emergency reserve | - | 1,332,108 | 1,332,108 |
| Unassigned | 2,007,707 | - | 2,007,707 |
| Total fund balances | 2,116,322 | 1,332,108 | 3,448,430 |
| Total liabilities, deferred inflows of resources and fund balances | $ 7,575,493 | $ 1,332,108 | $ 8,907,601 |

Schedule 7

**CITY OF PARKVILLE, MISSOURI**
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**
**General Fund**
**For the Year Ended December 31, 2023**

| | General Fund | Reserve Fund | Totals |
|---|---|---|---|
| **Revenues:** | | | |
| Taxes | $ 4,254,906 | $ - | $ 4,254,906 |
| Intergovernmental | 108,469 | - | 108,469 |
| Fines and forfeitures | 50,995 | - | 50,995 |
| Licenses and permits | 362,915 | - | 362,915 |
| Charges for sewer administration | 360,500 | - | 360,500 |
| Interest | 46,180 | - | 46,180 |
| Other | 162,416 | - | 162,416 |
| Total Revenues | 5,346,381 | - | 5,346,381 |
| **Expenditures:** | | | |
| Current: | | | |
| General government | 1,862,774 | - | 1,862,774 |
| Public safety | 1,813,741 | - | 1,813,741 |
| Public works | 358,988 | - | 358,988 |
| Community development | 542,651 | - | 542,651 |
| Total Expenditures | 4,762,579 | - | 4,762,579 |
| Excess of Revenues Over (Under) Expenditures | 583,802 | - | 583,802 |
| **Other financing sources (uses):** | | | |
| Transfers in | 500,000 | - | 500,000 |
| Transfers out | (935,575) | - | (935,575) |
| Sale of land and capital assets | 403,040 | - | 403,040 |
| Debt proceeds | 174,681 | - | 174,681 |
| Insurance proceeds | 26,311 | | 26,311 |
| Total Other Financing Sources | 168,457 | - | 168,457 |
| Change in fund balance | 752,259 | - | 752,259 |
| Fund Balances, Beginning of Year | 1,364,063 | 1,332,108 | 2,696,171 |
| Fund Balances, End of Year | $ 2,116,322 | $ 1,332,108 | $ 3,448,430 |

Schedule 8

**CITY OF PARKVILLE, MISSOURI**
**Combining Balance Sheet - Debt Service Funds**
**December 31, 2023**

| | Certificates of Participation | Brush Creek | Brink Meyer | Lease Purchase Agreement | Totals |
|---|---|---|---|---|---|
| **Assets:** | | | | | |
| Restricted cash and investments | $ 287,236 | $ 128,600 | $ 7,098 | $ 23,629 | $ 446,563 |
| Receivables: | | | | | |
| Special assessments | - | 1,849,705 | - | - | 1,849,705 |
| Total Assets | $ 287,236 | $ 1,978,305 | $ 7,098 | $ 23,629 | $ 2,296,268 |
| **Liabilities:** | | | | | |
| Due to other funds | $ - | $ - | $ - | $ 67,279 | $ 67,279 |
| Total Liabilities | - | - | - | 67,279 | 67,279 |
| **Deferred inflows of resources:** | | | | | |
| Unavailable revenues - | | | | | |
| Special assessments | 66,647 | 1,967,320 | 1,662 | - | 2,035,629 |
| **Fund balances:** | | | | | |
| Restricted: | | | | | |
| Debt service | 220,589 | 10,985 | 5,436 | (43,650) | 193,360 |
| Total fund balances (deficit) | 220,589 | 10,985 | 5,436 | (43,650) | 193,360 |
| Total liabilities, deferred inflows and fund balances (deficit) | $ 287,236 | $ 1,978,305 | $ 7,098 | $ 23,629 | $ 2,296,268 |

**CITY OF PARKVILLE, MISSOURI**
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Debt Service Funds**
**For the Year Ended December 31, 2023**

| | Certificates of Participation | Brush Creek | Brink Meyer | Lease Purchase Agreement | Totals |
|---|---|---|---|---|---|
| **Revenues:** | | | | | |
| Taxes | $ 534,535 | $ - | $ - | $ - | $ 534,535 |
| Intergovernmental | - | - | - | 171,253 | 171,253 |
| Special assessments | - | 276,067 | 1,662 | - | 277,729 |
| Interest | 1,163 | 119 | - | - | 1,282 |
| Total Revenues | 535,698 | 276,186 | 1,662 | 171,253 | 984,799 |
| **Expenditures:** | | | | | |
| Debt service: | | | | | |
| Principal | 420,474 | 290,000 | 195,000 | 160,000 | 1,065,474 |
| Interest and fiscal charges | 23,326 | 54,204 | 37,204 | 52,103 | 166,837 |
| | 443,800 | 344,204 | 232,204 | 212,103 | 1,232,311 |
| Excess of Revenues Over (Under) Expenditures | 91,898 | (68,018) | (230,542) | (40,850) | (247,512) |
| **Other financing sources (uses):** | | | | | |
| Transfers in | - | 56,278 | 230,297 | 66,229 | 352,804 |
| Total Other Financing Sources | - | 56,278 | 230,297 | 66,229 | 352,804 |
| Change in fund balance | 91,898 | (11,740) | (245) | 25,379 | 105,292 |
| Fund Balances (deficit), Beginning of Year | 128,691 | 22,725 | 5,681 | (69,029) | 88,068 |
| Fund Balances (deficit), End of Year | $ 220,589 | $ 10,985 | $ 5,436 | $ (43,650) | $ 193,360 |

**CITY OF PARKVILLE, MISSOURI**
**Combining Balance Sheet - Non-major Governmental Funds**
**December 31, 2023**

| | Special Revenue Funds | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Public Safety Sales Tax | Economic Development | Nature Sanctuary | Parks Donations | Veterans Memorial | ARPA | Court Recoupment Fees | Police Training Fees LET |
| **Assets** | | | | | | | | |
| Cash and investments | $ 53,344 | $ 37,304 | $234,588 | $ 16,442 | $ 93,485 | $359,114 | $ 38,194 | $ 36,600 |
| Receivables: | | | | | | | | |
| Taxes | 153,616 | - | - | - | - | - | - | - |
| Due from other governments | - | - | - | - | - | - | - | - |
| Restricted cash and investments | - | - | - | - | - | - | - | - |
| Total Assets | $ 206,960 | $ 37,304 | $ 234,588 | $ 16,442 | $ 93,485 | $ 359,114 | $ 38,194 | $ 36,600 |
| **Liabilities and Fund Balances** | | | | | | | | |
| Liabilities: | | | | | | | | |
| Accounts payable | $ 9,292 | $ - | $ 3,456 | $ - | $ - | $ - | $ - | $ - |
| Accrued payroll and benefits | 5,383 | - | - | - | - | - | - | - |
| Unearned revenue | - | - | - | - | - | 359,114 | - | - |
| Total Liabilities | 14,675 | - | 3,456 | - | - | 359,114 | - | - |
| **Deferred inflows of resources:** | | | | | | | | |
| Unavailable revenues | - | - | - | - | - | - | - | - |
| **Fund balances** | | | | | | | | |
| Nonspendable: | | | | | | | | |
| Fewson trust | - | - | - | - | - | - | - | - |
| Restricted: | | | | | | | | |
| Capital projects | - | - | - | - | - | - | - | - |
| Public safety | - | - | - | - | - | - | 38,194 | 36,600 |
| Parks and recreation | 192,285 | - | 231,132 | 16,442 | 93,485 | - | - | - |
| Community development | - | 37,304 | - | - | - | - | - | - |
| Assigned: | | | | | | | | |
| Capital projects | - | - | - | - | - | - | - | - |
| Total fund balances | 192,285 | 37,304 | 231,132 | 16,442 | 93,485 | - | 38,194 | 36,600 |
| Total liabilities and fund balances | $ 206,960 | $ 37,304 | $ 234,588 | $ 16,442 | $ 93,485 | $ 359,114 | $ 38,194 | $ 36,600 |

**(Continued on Next Page)**

| | Speical Revenue Funds | | | | | Permanent Fund | Capital Projects | |
|---|---|---|---|---|---|---|---|---|
| | Police Shop | TIF Development | Market Place Project 2 Development | Market Place CID #1 | Market Place CID #2 | Fewson Project | Capital Projects | Totals |
| **Assets** | | | | | | | | |
| Cash and investments | $ 27,701 | $ 12,626 | $ 58,310 | $ 8,199 | $ 82,636 | $ - | $ 581,218 | $ 1,639,761 |
| Receivables: | | | | | | | | |
| Taxes | - | - | - | 5,949 | 5,949 | - | - | 165,514 |
| Due from other governments | - | - | - | - | - | - | 10,548 | 10,548 |
| Restricted cash and investments | - | - | - | - | - | 613,448 | - | 613,448 |
| Total Assets | $ 27,701 | $ 12,626 | $ 58,310 | $ 14,148 | $ 88,585 | $ 613,448 | $ 591,766 | $ 2,429,271 |
| **Liabilities and Fund Balances** | | | | | | | | |
| Liabilities: | | | | | | | | |
| Accounts payable | $ 204 | $ - | $ - | $ - | $ - | $ - | $ 154,063 | $ 167,015 |
| Accrued payroll and benefits | - | - | - | - | - | - | - | 5,383 |
| Unearned revenue | - | - | - | - | - | - | - | 359,114 |
| Total Liabilities | 204 | - | - | - | - | - | 154,063 | 531,512 |
| **Deferred inflows of resources:** | | | | | | | | |
| Unavailable revenues | - | - | - | - | - | - | 10,548 | 10,548 |
| **Fund balances** | | | | | | | | |
| Nonspendable: | | | | | | | | |
| Fewson trust | - | - | - | - | - | 585,734 | - | 585,734 |
| Restricted: | | | | | | | | |
| Capital projects | - | - | - | - | - | 27,714 | - | 27,714 |
| Public safety | 27,497 | - | - | - | - | - | - | 102,291 |
| Parks and recreation | - | - | - | - | - | - | - | 533,344 |
| Community development | - | 12,626 | 58,310 | 14,148 | 88,585 | - | - | 210,973 |
| Assigned: | | | | | | | | |
| Capital projects | - | - | - | - | - | - | 427,155 | 427,155 |
| Total fund balances | 27,497 | 12,626 | 58,310 | 14,148 | 88,585 | 613,448 | 427,155 | 1,887,211 |
| Total liabilities and fund balances | $ 27,701 | $ 12,626 | $ 58,310 | $ 14,148 | $ 88,585 | $ 613,448 | $ 591,766 | $ 2,429,271 |

Schedule 11

**CITY OF PARKVILLE, MISSOURI**
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**
**Non-major Governmental Funds**
**For the Year Ended December 31, 2023**

| | Special Revenue Funds | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | PS Sales Tax | Economic Development | Nature Sanctuary | Parks Donations | Veterans Memorial | ARPA | Court Recoupment Fees | Police Training Fees LET |
| **Revenues:** | | | | | | | | |
| Taxes | $ 192,285 | $ 88,171 | $ - | $ - | $ - | $ - | $ - | $ - |
| Intergovernmental | - | - | - | - | - | 500,000 | - | 500 |
| Charges for services | - | - | - | - | - | - | - | 724 |
| Interest | - | - | - | - | - | - | - | - |
| Grants and donations | - | - | 8,141 | 289 | 23,216 | - | - | - |
| Other | - | - | - | - | - | - | - | - |
| Total Revenues | 192,285 | 88,171 | 8,141 | 289 | 23,216 | 500,000 | - | 1,224 |
| **Expenditures:** | | | | | | | | |
| Current: | | | | | | | | |
| Public safety | - | - | - | - | - | - | 193 | 495 |
| Parks and recreation | - | - | 103,022 | - | 10,249 | - | - | - |
| Community development | - | 17,967 | - | - | - | - | - | - |
| Capital outlay | 123,670 | - | - | - | - | - | - | - |
| Debt service: | | | | | | | | |
| Principal | 1,531 | - | - | - | - | - | - | - |
| Interest and fiscal charges | 846 | - | - | - | - | - | - | - |
| | 126,047 | 17,967 | 103,022 | - | 10,249 | - | 193 | 495 |
| Excess of Revenues Over (Under) Expenditures | 66,238 | 70,204 | (94,881) | 289 | 12,967 | 500,000 | (193) | 729 |
| **Other financing sources (uses):** | | | | | | | | |
| Transfers in | - | - | 63,000 | - | - | - | - | - |
| Transfers out | - | (53,772) | - | - | - | (500,000) | - | - |
| Debt issued | 126,047 | - | - | - | - | - | - | - |
| Total Other Financing Sources (Uses) | 126,047 | (53,772) | 63,000 | - | - | (500,000) | - | - |
| Change in fund balance | 192,285 | 16,432 | (31,881) | 289 | 12,967 | - | (193) | 729 |
| Fund Balances, Beginning of Year | - | 20,872 | 263,013 | 16,153 | 80,518 | - | 38,387 | 35,871 |
| Fund Balances, End of Year | $ 192,285 | $ 37,304 | $ 231,132 | $ 16,442 | $ 93,485 | $ - | $ 38,194 | $ 36,600 |

**(Continued on Next Page)**

Schedule 11

**CITY OF PARKVILLE, MISSOURI**
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**
**Non-major Governmental Funds**
**For the Year Ended December 31, 2023**

| | Special Revenue Funds | | | | | Permanent Fund | Capital Projects | |
|---|---|---|---|---|---|---|---|---|
| | Police Shop | TIF Development | Market Place Project 2 | Market Place CID #1 | Market Place CID #2 | Fewson Project | Capital Projects | Totals |
| **Revenues:** | | | | | | | | |
| Taxes | $ - | $ 416,819 | $ 161,453 | $ 48,394 | $ 48,394 | $ - | $ - | $ 955,516 |
| Intergovernmental | - | 236,808 | 18,599 | - | - | - | 191,838 | 947,745 |
| Charges for services | - | - | - | - | - | - | - | 724 |
| Interest | - | 60 | - | - | - | 11,020 | - | 11,080 |
| Grants and donations | 24,400 | - | - | - | - | - | - | 56,046 |
| Other | - | - | - | - | - | - | 937 | 937 |
| Total Revenues | 24,400 | 653,687 | 180,052 | 48,394 | 48,394 | 11,020 | 192,775 | 1,972,048 |
| **Expenditures:** | | | | | | | | |
| Current: | | | | | | | | |
| Public safety | 19,694 | - | - | - | - | - | - | 20,382 |
| Parks and recreation | - | - | - | - | - | - | - | 113,271 |
| Community development | - | 653,627 | 208,800 | 23,650 | 3,630 | - | - | 907,674 |
| Capital outlay | - | - | - | - | - | - | 76,563 | 200,233 |
| Debt service: | | | | | | | | |
| Principal | - | - | - | - | - | - | - | 1,531 |
| Interest and fiscal charges | - | - | - | - | - | - | - | 846 |
| | 19,694 | 653,627 | 208,800 | 23,650 | 3,630 | - | 76,563 | 1,243,937 |
| Excess of Revenues Over (Under) Expenditures | 4,706 | 60 | (28,748) | 24,744 | 44,764 | 11,020 | 116,212 | 728,111 |
| **Other financing sources (use** | | | | | | | | |
| Transfers in | - | - | 53,565 | - | - | - | - | 116,565 |
| Transfers out | - | - | (9,934) | (26,783) | (26,783) | - | - | (617,272) |
| Debt issued | - | - | - | - | - | - | - | 126,047 |
| Total Other Financing Sources (Uses) | - | - | 43,631 | (26,783) | (26,783) | - | - | (374,660) |
| Change in fund balance | 4,706 | 60 | 14,883 | (2,039) | 17,981 | 11,020 | 116,212 | 353,451 |
| Fund Balances, Beginning of Year | 22,791 | 12,566 | 43,427 | 16,187 | 70,604 | 602,428 | 310,943 | 1,533,760 |
| Fund Balances, End of Year | $ 27,497 | $ 12,626 | $ 58,310 | $ 14,148 | $ 88,585 | $ 613,448 | $ 427,155 | $ 1,887,211 |

Schedule 12

**CITY OF PARKVILLE, MISSOURI**
**Combining Balance Sheet - Creekside Development**
**December 31, 2023**

| | Creekside CID Fund | Creekside TDD Fund | Meadows at Creekside CID Fund | Creekside Special Allocation Fund | Totals |
|---|---|---|---|---|---|
| **Assets:** | | | | | |
| Cash and investments | $ (7,750) | $ (84) | $ - | $ 121,871 | $ 114,037 |
| Receivables: | | | | | |
| Taxes | 33,006 | 33,006 | - | - | 66,012 |
| Total Assets | $ 25,256 | $ 32,922 | $ - | $ 121,871 | $ 180,049 |
| **Liabilities:** | | | | | |
| Accounts payable | $ - | $ - | $ - | $ - | $ - |
| Total Liabilities | - | - | - | - | - |
| **Deferred inflows of resources:** | | | | | |
| Unavailable revenues - | | | | | |
| Special assessments | - | - | - | 122,558 | 122,558 |
| **Fund balances:** | | | | | |
| Restricted: | | | | | |
| Community development | 25,256 | 32,922 | - | (687) | 57,491 |
| Total fund balances | 25,256 | 32,922 | - | (687) | 57,491 |
| Total liabilities, deferred inflows and fund balances | $ 25,256 | $ 32,922 | $ - | $ 121,871 | $ 180,049 |

Schedule 13

**CITY OF PARKVILLE, MISSOURI**
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance -**
**Creekside Development**
**For the Year Ended December 31, 2023**

| | Creekside CID Fund | Creekside TDD Fund | Meadows at Creekside CID Fund | Creekside Special Allocation Fund | Eliinations | Totals |
|---|---|---|---|---|---|---|
| **Revenues:** | | | | | | |
| Taxes | $ 208,798 | $ 188,383 | $ - | $ 271,855 | $ - | $ 669,036 |
| Intergovernmental | - | - | - | 27,309 | - | 27,309 |
| Special assessments | - | - | 378,964 | - | - | 378,964 |
| Total Revenues | 208,798 | 188,383 | 378,964 | 299,164 | - | 1,075,309 |
| **Expenditures:** | | | | | | |
| Current: | | | | | | |
| Community development | 129,923 | 103,526 | 378,964 | 491,673 | - | 1,104,086 |
| | 129,923 | 103,526 | 378,964 | 491,673 | - | 1,104,086 |
| Excess of Revenues Over (Under) Expenditures | 78,875 | 84,857 | - | (192,509) | - | (28,777) |
| **Other financing sources (uses):** | | | | | | |
| Transfers in | - | - | - | 191,761 | (137,988) | 53,773 |
| Transfers out | (68,994) | (68,994) | - | - | 137,988 | - |
| Total Other Financing Sources | (68,994) | (68,994) | - | 191,761 | - | 53,773 |
| Change in fund balance | 9,881 | 15,863 | - | (748) | - | 24,996 |
| Fund Balances, Beginning of Year | 15,375 | 17,059 | - | 61 | - | 32,495 |
| Fund Balances (Deficit) End of Year | $ 25,256 | $ 32,922 | $ - | $ (687) | $ - | $ 57,491 |

Schedule 14

**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, 2023**

| | Certificates of Participation | | | Brush Creek | | | Brink Meyer | | | Lease Purchase Agreement | | | Totals | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Final Budget | Actual | Variance Positive (Negative) | Final Budget | Actual | Variance Positive (Negative) | Final Budget | Actual | Variance Positive (Negative) | Final Budget | Actual | Variance Positive (Negative) | Final Budget | Actual | Variance Positive (Negative) |
| **Revenues:** | | | | | | | | | | | | | | | |
| Taxes | $ 509,000 | $ 534,535 | $ 25,535 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 509,000 | $ 534,535 | $ 25,535 |
| Intergovernmental | - | - | - | | - | - | - | - | - | 215,000 | 171,253 | (43,747) | 215,000 | 171,253 | (43,747) |
| Special assessments | - | - | - | 283,833 | 276,067 | (7,766) | 1,678 | 1,662 | (16) | - | - | - | 285,511 | 277,729 | (7,782) |
| Interest | 300 | 1,163 | 863 | - | 119 | 119 | - | - | - | - | - | | 300 | 1,282 | 982 |
| Total Revenues | 509,300 | 535,698 | 26,398 | 283,833 | 276,186 | (7,647) | 1,678 | 1,662 | (16) | 215,000 | 171,253 | (43,747) | 1,009,811 | 984,799 | (25,012) |
| **Expenditures:** | | | | | | | | | | | | | | | |
| Capital outlay | 110,000 | - | 110,000 | - | - | - | - | - | - | - | - | - | 110,000 | - | 110,000 |
| Debt service: | | | | | | | | | | | | | | | |
| Principal | 420,474 | 420,474 | - | 290,000 | 290,000 | - | 195,000 | 195,000 | - | 160,000 | 160,000 | - | 1,065,474 | 1,065,474 | - |
| Interest and fiscal charges | 23,327 | 23,326 | 1 | 54,204 | 54,204 | - | 37,202 | 37,204 | (2) | 52,200 | 52,103 | 97 | 166,933 | 166,837 | 96 |
| Total Expenditures | 553,801 | 443,800 | 110,001 | 344,204 | 344,204 | - | 232,202 | 232,204 | (2) | 212,200 | 212,103 | 97 | 1,342,407 | 1,232,311 | 110,096 |
| Excess of Revenues Over | | | | | | | | | | | | - | | | |
| (Under) Expenditures | (44,501) | 91,898 | 136,399 | (60,371) | (68,018) | (7,647) | (230,524) | (230,542) | (18) | 2,800 | (40,850) | (43,650) | (332,596) | (247,512) | 85,084 |
| **Other financing sources (uses):** | | | | | | | | | | | | | | | |
| Transfers in | - | - | - | 56,278 | 56,278 | - | 230,297 | 230,297 | - | 66,229 | 66,229 | - | 352,804 | 352,804 | - |
| Transfers out | (110,000) | - | (110,000) | - | - | - | - | - | - | - | - | - | (110,000) | - | 110,000 |
| Total Other Financing Sources (Uses) | (110,000) | - | (110,000) | 56,278 | 56,278 | - | 230,297 | 230,297 | - | 66,229 | 66,229 | - | 242,804 | 352,804 | 110,000 |
| **Change in fund balance** | $ (154,501) | 91,898 | $ 26,399 | $ (4,093) | (11,740) | $ (7,647) | $ (227) | (245) | $ (18) | $ 69,029 | 25,379 | $ (43,650) | (89,792) | 105,292 | $ 195,084 |
| **Fund Balance (deficit),** | | | | | | | | | | | | | | | |
| **Beginning of Year** | | 128,691 | | | 22,725 | | | 5,681 | | | (69,029) | | | 88,068 | |
| **Fund Balance (deficit),** | | | | | | | | | | | | | | | |
| **End of Year** | | $ 220,589 | | | $ 10,985 | | | $ 5,436 | | | $ (43,650) | | | $ 193,360 | |

Schedule 15

**CITY OF PARKVILLE, MISSOURI**
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**
**Public Safety Sales Tax Fund**
**For the Year Ended December 31, 2023**

| | 2023 Original Budget | 2023 Final Budget | 2023 Actual | Variance with Final Budget Positive (Negative) |
|---|---|---|---|---|
| Revenues: | | | | |
| Taxes | $ 770,000 | $ 770,000 | $ 192,285 | $ (577,715) |
| Intergovenmental | 1,000 | 1,000 | - | (1,000) |
| Other | 40,000 | 40,000 | - | (40,000) |
| Total Revenues | 811,000 | 811,000 | 192,285 | (618,715) |
| Expenditures: | | | | |
| Capital outlay | 1,247,571 | 1,247,571 | 123,670 | 1,123,901 |
| Debt service: | | | | |
| Principal | - | - | 1,531 | (1,531) |
| Interest and fiscal charges | - | - | 846 | (846) |
| Total Expenditures | 1,247,571 | 1,247,571 | 126,047 | 1,121,524 |
| Excess of Revenues Over Expenditures | (436,571) | (436,571) | 66,238 | 502,809 |
| Other financing sources (uses): | | | | |
| Transfers out | 350,000 | 350,000 | - | (350,000) |
| Debt issued | - | - | 126,047 | 126,047 |
| Total Other Financing Sources (Uses) | 350,000 | 350,000 | 126,047 | (223,953) |
| Change in fund balance | $ (86,571) | $ (86,571) | 192,285 | $ 278,856 |
| Fund Balance, Beginning of Year | | | - | |
| Fund Balance, End of Year | | | $ 192,285 | |

# CITY OF PARKVILLE, MISSOURI
## Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
## Economic Development Fund
## For the Year Ended December 31, 2023

| | 2023 Original Budget | 2023 Final Budget | 2023 Actual | Variance with Final Budget Positive (Negative) |
|---|---|---|---|---|
| Revenues: | | | | |
| Taxes | $ 58,000 | $ 58,000 | $ 88,171 | $ 30,171 |
| Total Revenues | 58,000 | 58,000 | 88,171 | 30,171 |
| Expenditures: | | | | |
| Community development | 35,000 | 35,000 | 17,967 | 17,033 |
| Total Expenditures | 35,000 | 35,000 | 17,967 | 17,033 |
| Excess of Revenues Over Expenditures | 23,000 | 23,000 | 70,204 | 47,204 |
| Other financing sources (uses): | | | | |
| Transfers out | (40,000) | (40,000) | (53,772) | (13,772) |
| Total Other Financing Sources (Uses) | (40,000) | (40,000) | (53,772) | (13,772) |
| Change in fund balance | $ (17,000) | $ (17,000) | 16,432 | $ 33,432 |
| Fund Balance, Beginning of Year | | | 20,872 | |
| Fund Balance, End of Year | | | $ 37,304 | |

**CITY OF PARKVILLE, MISSOURI**
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**
**Nature Sanctuary Fund**
**For the Year Ended December 31, 2023**

| | 2023 | | | Variance with Final Budget |
|---|---|---|---|---|
| | Original Budget | Final Budget | Actual | Positive (Negative) |
| Revenues: | | | | |
| Grants and donations | $ 10,000 | $ 10,000 | $ 8,141 | $ (1,859) |
| Total Revenues | 10,000 | 10,000 | 8,141 | (1,859) |
| Expenditures: | | | | |
| Parks and recreation | 181,254 | 8,100 | 103,022 | (94,922) |
| Total Expenditures | 181,254 | 8,100 | 103,022 | (94,922) |
| Excess of Revenues Over Expenditures | (171,254) | 1,900 | (94,881) | (96,781) |
| Other financing sources (uses): | | | | |
| Transfers in | 63,000 | 63,000 | 63,000 | - |
| Total Other Financing Sources (Uses) | 63,000 | 63,000 | 63,000 | - |
| Change in fund balance | $ (108,254) | $ 64,900 | (31,881) | $ (96,781) |
| Fund Balance, Beginning of Year | | | 263,013 | |
| Fund Balance, End of Year | | | $ 231,132 | |

Schedule 18

**CITY OF PARKVILLE, MISSOURI**
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**
**Veterans Memorial Fund**
**For the Year Ended December 31, 2023**

| | 2023 Original Budget | 2023 Final Budget | 2023 Actual | Variance with Final Budget Positive (Negative) |
|---|---|---|---|---|
| Revenues: | | | | |
| Grants and donations | $ 40,000 | $ 40,000 | $ 23,216 | $ (16,784) |
| Total Revenues | 40,000 | 40,000 | 23,216 | (16,784) |
| Expenditures: | | | | |
| Parks and recreation | 124,829 | 124,829 | 10,249 | 114,580 |
| Total Expenditures | 124,829 | 124,829 | 10,249 | 114,580 |
| Change in fund balance | $ (84,829) | $ (84,829) | 12,967 | $ 97,796 |
| Fund Balance, Beginning of Year | | | 80,518 | |
| Fund Balance, End of Year | | | $ 93,485 | |

**CITY OF PARKVILLE, MISSOURI**
**Schedule of Revenues, Expenditures and Changes in**
**Fund Balance - Budget and Actual**
**ARPA Fund**
**For the Year Ended December 31, 2023**

| | 2023 Original Budget | 2023 Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|---|---|---|---|
| Revenues: | | | | |
| Intergovernmental | $ - | $ - | $ 500,000 | $ 500,000 |
| Total Revenues | - | - | 500,000 | 500,000 |
| Expenditures: | | | | |
| Total Expenditures | - | - | - | - |
| Excess of Revenues Over Expenditures | - | - | 500,000 | 500,000 |
| Other financing sources (uses): | | | | |
| Transfers out | (500,000) | (500,000) | (500,000) | - |
| Total Other Financing Sources (Uses) | (500,000) | (500,000) | (500,000) | - |
| Change in fund balance | $ (500,000) | $ (500,000) | - | $ 500,000 |
| Fund Balance, Beginning of Year | | | - | |
| Fund Balance, End of Year | | | $ - | |

Schedule 20

# CITY OF PARKVILLE, MISSOURI
## Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
## Fewson Fund
## For the Year Ended December 31, 2023

| | 2023 Original Budget | 2023 Final Budget | 2023 Actual | Variance with Final Budget Positive (Negative) |
|---|---|---|---|---|
| Revenues: | | | | |
| Interest | $ 1,500 | $ 1,500 | $ 11,020 | $ 9,520 |
| Total Revenues | 1,500 | 1,500 | 11,020 | 9,520 |
| Expenditures: | | | | |
| General government | 24,019 | 24,019 | - | 24,019 |
| Total Expenditures | 24,019 | 24,019 | - | 24,019 |
| Change in fund balance | $ (22,519) | $ (22,519) | 11,020 | $ 33,539 |
| Fund Balance, Beginning of Year | | | 602,428 | |
| Fund Balance, End of Year | | | $ 613,448 | |

# City of Parkville, Missouri

## Required Communications and Compliance Report

For the Year Ended December 31, 2023

# City of Parkville, Missouri

### Required Communications and Compliance Report
### For the Year Ended December 31, 2023

### Table of Contents

HOOD AND ASSOCIATES CPAs, PC

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

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Parkville, Missouri (the City) as of and for the year ended December 31, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and Government Auditing Standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated January 31, 2024. 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 2023.

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

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

*Difficulties Encountered in Performing the Audit*

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

*Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The following material misstatement was detected as a result of our audit procedures and was corrected by management.

- Adjustment to unearned ARPA grant revenue and ARPA revenues of $500,000.

*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 July 3, 2024.

*Management Consultations with Other Independent Accountants*

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

*Other Audit Findings or Issues*

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

*Other Matters*

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

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

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Parkville, Missouri as of and for the year ended December 31, 2023, 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.

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 City's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the second paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

As part of our 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 Policy and Procedure Review

Considering the multifaceted nature of the City's services and operations, management should consider completing a comprehensive assessment of the City's financial related policies and procedures. Such assessment might include reviewing and updating significant financial policies and procedures including but not limited to, cash receipts, cash disbursements, purchasing policy, payroll processing and approvals, personnel manual, credit card policy, grants compliance and management, and financial reporting practices. Well established and defined policies and procedures are the key fundamentals of financial management and internal controls.

### Management's Response/Corrective Action Plan

Staff began a policy and procedure review in 2023. The City adopted an updated purchasing policy in December 2023, Staff updated the payroll processing and approval policy in January 2023 and the cash disbursement policy was updated in February of 2024. Staff is working with a bank to update cash receipts policy and expect a draft for review to be completed in August 2024. Staff is also working with CBIZ consultants to update the City's personnel manual with the goal of it being completed and adopted by the Board of Aldermen by the end of 2024. Staff will make the grants compliance, financial reporting practices and credit card policy a goal to be completed in early 2025.

### Cyber Security

Organizations are being exposed to an ever-increasing risks of cyberattacks. One example of a cyberattack is through phishing emails asking employees to click on a link which deploys malware to encrypt the organization's system or ransomware, malicious software designed to block access to a computer system until a sum of money is paid. We recommend that the City continue reviewing current policies and procedures related to cyber security. Procedures should include evaluating existing insurance coverage, using strong passwords, multi-factor authentication, training employees on how to identify phishing emails and what to do if one is suspected, review cyber security protocols for key systems, test back-up systems with key data, and developing an incident response plan in the event a breach occurs.

### Management's Response/Corrective Action Plan

The City switched to a new provider of computer and network support beginning January 2023. The City has migrated and updated to new systems that mitigate the City's exposure to cyberattacks. Among the upgrades have been multi-factor authentication, training and backup systems including upgrading backups from once-a-week backups to daily incremental backups and full backups of virtual machines, which will allow complete instant virtual recoveries, and provides redundant storage that is immutable that offers further protection against ransomware or similar events. These upgrades are continuing and will be reviewed and updated in consultation with our consultants and cybersecurity insurance provider throughout the year.

**Future Accounting Pronouncements**

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

- GASB Statement No. 100, Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62, effective for the fiscal year beginning January 1, 2024.
- GASB Statement No. 101, Compensated Absences, effective for the fiscal year beginning January 1, 2024.
- GASB Statement No. 102, Certain Risk Disclosures, effective for the fiscal year beginning January 1, 2025.
- GASB Statement No. 103, Financial Reporting Model Improvements, effective for the fiscal year beginning January 1, 2026.

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

Management's Response

Management will review all new standards as they become effective and will evaluate their impact on the City's financial reporting.

***PRIOR YEAR COMMENTS***

In the prior year, we issued a certain comment and recommendation in regard to the City's accounting, internal control, and financial reporting issue. The following table summarizes the nature of the comment, the significance of the comment as described in the prior year's report and our determination of the status of the comment.

| Prior Year Comment Description | Significance | Current Year Status |
|---|---|---|
| Financial Reporting | We identified adjustments that w ere required to properly report certain transactions in accordance w ith generally accepted accounting principles. We recommended that management review year-end closing procedures to ensure that transactions are properly recorded and approved in accordance w ith generally accepted accounting principles. | Significant improvement w as made as w e only identified one material misstatement. Management w as aw are of the adjustment needed, but failed to make the adjustment necessary. |
| Key Personnel | The City is exposed to certain management risks including among others, the possible loss of continuity and disruption in City operations w ith the loss of key personnel either through retirement or unanticipated circumstance. We recommend that City management evaluate and identify the exposure to such risks and develop plans to mitigate such risks. Such plans might include developing an emergency management plan; performing succession planning for key members of management; documenting specific w orkflow responsibilities and requirements, and increased cross-training of City personnel. | We recommend that the City continue evaluating and addressing such management risks. |
| Future Accounting Pronouncements | We recommended that management review upcoming standards to determine w hat impact they may have on the City's financial reporting. | The City implemented all applicable standards that became effective during fiscal year 2023. |

Restriction on Use

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

*Hood and Associates CPAs PC*

Kansas City, Missouri
July 3, 2024

**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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated July 3, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing 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 City'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 of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Report on Compliance and Other Matters**

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

**Purpose of this Report**

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

Hood and Associates CPAS PC

Kansas City, Missouri
July 3, 2024