



FINANCE COMMITTEE

Monday, June 22, 2026 4:30 PM

Administration Conference Room, City Hall

- 1. Call to Order**
- 2. Financial Updates**
- 3. Action Items**
 - A. Approve the minutes for the June 8, 2026, regular meeting
- 4. Non-Action Items**
 - A. Present the draft audited financial statements and required auditor communications report for fiscal year 2025 (Administration)
- 5. Unfinished Business (postponed from prior meetings)**
- 6. Other Business**
- 7. Adjourn**



Finance Committee Meeting
Monday, June 8, 2026 4:30 PM
Administration Conference Room, City Hall

Minutes

1. Call to Order

Chair Wylie called the June 8, 2026, meeting to order at 04:31 PM. A quorum was present.

Members Present: Ward 3 Alderman Douglas Wylie, Mayor Dean Katerndahl, Ward 2 Alderman Mark A. Hill, Ward 4 Alderman Abby LacKamp

City Staff Present: City Administrator Alexa Barton, Deputy City Administrator Bryan Kidney, Assistant City Administrator Jeffery Rhodes, Police Captain Jon Jordan, Police Chief Kevin Chrisman (via videoconference), Public Works Director Dan Harper, Community Development Director Stephen Lachky (via videoconference), Parks & Recreation Director Brittanie Propes (via videoconference), Finance Director Cindy Gray, and City Clerk Melissa Bazert

2. Financial Updates

A. First Quarter Financial Update

Finance Director Cindy Gray gave a presentation on the first quarter financials. She went over the policy report. They discussed revenue and that the expenditures have not been received. She stated the City is meeting the projections for revenues and expenditures. She stated this update will be presented to the Board at the next meeting.

3. Action Items

A. Approve the minutes for the April 27, 2026, regular meeting

Mayor Katerndahl moved to approve the minutes for the April 27, 2026, meeting. Alderman Hill seconded; motion Passed 4-0.

4. Non-Action Items

A. Update all patrol vehicle in-car video systems

Chief Chrisman gave an overview of the in-car video systems. He stated that they have looked at many systems. He said this is a cloud-based system. Digital Ally is also a local vendor. He said that timing was key as we have three new Durango vehicles. Captain Jordan explained that any future updates to the equipment will be included and there are no upgrade costs within 5 years. Chief Chrisman also stated that this technology is compatible with body cams.

Alderman Hill moved to recommend that the Board of Aldermen approve the purchase of

seven Digital Ally EVO-HD in-car camera systems from Digital Ally and the installation cost of each system in patrol vehicles for a total cost of \$62,424.00. Dean Katerndahl seconded; motion Passed 4-0.

5. Unfinished Business (postponed from prior meetings)

6. Other Business

7. Adjourn

Chair Wylie adjourned the meeting at 05:02 PM.

Submitted by:

Melissa Bazert
City Clerk

Approval Date

ITEM 4.A.

For 6/22/2026

Board of Aldermen - Finance Committee Meeting

CITY OF PARKVILLE

Policy Report

Date: June 15, 2026

Prepared By:
Bryan Kidney, Deputy City Administrator

Reviewed By:
Alexa Barton, City Administrator

ISSUE:

Present the draft audited financial statements and required auditor communications report for fiscal year 2025 (Administration)

BACKGROUND:

The City contracts with Hood and Associates, CPAs to conduct the annual audit of the City's financial statements. The 2025 audit is complete. 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. Review the audited financial statements and required communications for the fiscal year ended December 31, 2025, 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, 2025

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. 2025 City of Parkville Audit Report - Draft
2. 2025 City of Parkville Audit Req. Comm - Draft

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City of Parkville, Missouri

Basic Financial Statements With Independent Auditor's Report

For the Year Ended
December 31, 2025

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CITY OF PARKVILLE, MISSOURI
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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, 2025, 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, 2025, 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.

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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 **June xx, 2026** 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

June XX, 2026

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, 2025. 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 \$35,129,403 (net position), an increase of \$6,218,615 over the prior year. This increase is due partially from City's capitulation of stormwater and street improvements (\$1,067,782) as well as the value of projects in process of construction like the Farmer's Market (\$1,586,468). Additionally, the City's overall cash position increased by \$2,975,475 in 2025.
2. As of the close of the current year, the City's governmental funds showed a combined ending fund balance of \$14,434,944, an increase of \$2,873,287 from the prior year also due to an increase in cash positions.
3. The increase in the City's cash position in governmental funds was due, in part, to use tax and Marijuana tax receipts collected but reserved for future capital projects. The sewer fund also saw an increase in cash position due to moving the timing of sewer improvements into future years while a comprehensive sewer infrastructure assessment is being done in 2025 and 2026.

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 considered 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 14 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.

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CITY OF PARKVILLE, MISSOURI MANAGEMENT'S DISCUSSION AND ANALYSIS December 31, 2025

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		Business-type		Total	
	Activities		Activities			
	2025	2024	2025	2024	2025	2024
Current and other assets	\$ 22,296,373	\$ 20,955,732	\$ 1,087,979	\$ 435,741	\$ 23,384,352	\$ 21,391,473
Capital assets	19,584,624	16,922,068	3,886,785	3,914,940	23,471,409	20,837,008
Total assets	<u>41,880,997</u>	<u>37,877,800</u>	<u>4,974,764</u>	<u>4,350,681</u>	<u>46,855,761</u>	<u>42,228,481</u>
Deferred amount on refunding	3,457	6,424	-	-	3,457	6,424
Deferred outflows - pension	1,216,626	936,827	-	-	1,216,626	936,827
Total deferred outflows of resources	<u>1,220,083</u>	<u>943,251</u>	<u>-</u>	<u>-</u>	<u>1,220,083</u>	<u>943,251</u>
Long-term debt	10,056,305	10,559,984	-	30,000	10,056,305	10,589,984
Other liabilities	1,796,169	2,117,802	240,234	181,600	2,036,403	2,299,402
Total liabilities	<u>11,852,474</u>	<u>12,677,786</u>	<u>240,234</u>	<u>211,600</u>	<u>12,092,708</u>	<u>12,889,386</u>
Deferred inflow - leases	259,476	281,250	-	-	259,476	281,250
Deferred inflow - property taxes	342,880	766,599	-	-	342,880	766,599
Deferred inflow - pension	79,114	130,353	-	-	79,114	130,353
Deferred amount on refunding	172,263	193,356	-	-	172,263	193,356
Total deferred inflows of resources	<u>853,733</u>	<u>1,371,558</u>	<u>-</u>	<u>-</u>	<u>853,733</u>	<u>1,371,558</u>
Net position:						
Net investment in capital assets	16,476,054	13,447,833	3,886,785	3,884,940	20,362,839	17,332,773
Restricted	8,882,230	6,900,393	-	33,943	8,882,230	6,934,336
Unrestricted	5,036,589	4,423,481	847,745	220,198	5,884,334	4,643,679
Total net position	<u>\$ 30,394,873</u>	<u>\$ 24,771,707</u>	<u>\$ 4,734,530</u>	<u>\$ 4,139,081</u>	<u>\$ 35,129,403</u>	<u>\$ 28,910,788</u>

Over time, net position may serve 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 \$35,129,403 at the close of the year ended December 31, 2025.

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CITY OF PARKVILLE, MISSOURI MANAGEMENT'S DISCUSSION AND ANALYSIS December 31, 2025

Figure 2 – Statement of Changes in Net Position

	Governmental		Business-type		Total	
	Activities		Activities			
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues:						
Charges for services	\$ 1,025,319	\$ 1,195,259	\$ 1,797,914	\$ 1,727,788	\$ 2,823,233	\$ 2,923,047
Operating grants and contributions	526,737	801,066	-	-	526,737	801,066
Capital grants and contributions	3,350,336	3,761,966	4,500	286,902	3,354,836	4,048,868
General revenues:						
Property taxes	3,438,797	2,996,774	-	-	3,438,797	2,996,774
Sales taxes	7,690,491	7,204,905	-	-	7,690,491	7,204,905
Franchise taxes	986,712	937,859	-	-	986,712	937,859
Intergovernmental activity taxes	114,694	266,474	-	-	114,694	266,474
Other taxes	151,493	149,347	-	-	151,493	149,347
Gain on sale of assets	-	36,440	-	-	-	36,440
Interest and other	502,606	260,440	18,589	15,377	521,195	275,817
Total revenues	17,787,185	17,610,530	1,821,003	2,030,067	19,608,188	19,640,597
Expenses:						
General government	2,262,155	3,169,354	-	-	2,262,155	3,169,354
Public safety	2,746,716	2,125,685	-	-	2,746,716	2,125,685
Public works	3,248,815	2,376,147	-	-	3,248,815	2,376,147
Parks and recreation	1,259,912	1,127,092	-	-	1,259,912	1,127,092
Community development	2,499,796	3,311,474	-	-	2,499,796	3,311,474
Interest on long-term debt	146,625	145,610	-	-	146,625	145,610
Sewer	-	-	1,225,554	1,881,358	1,225,554	1,881,358
Total expenses	12,164,019	12,255,362	1,225,554	1,881,358	13,389,573	14,136,720
Change in net position	5,623,166	5,355,168	595,449	148,709	6,218,615	5,503,877
Net position, beginning	24,771,707	19,416,539	4,139,081	3,990,372	28,910,788	23,406,911
Net position, ending	\$ 30,394,873	\$ 24,771,707	\$ 4,734,530	\$ 4,139,081	\$ 35,129,403	\$ 28,910,788

The City's net position increased \$6,218,615 during the 2025 fiscal year. Of the total, governmental activities net position increased \$5,623,166 and business-type activities net position increased by \$595,449. Total 2025 governmental revenues increased \$176,655 from 2024 due mainly to the dissolution of the Commons tax increment financing agreement in December 2024 and therefore no longer diverting the City's General and Transportation sales taxes back to the developer. The City also fully implemented a new investment policy resulting in significant increase in interest revenue.

Total 2025 business-type activities charges for services increased \$70,126 from 2024 mostly due to a 3% rate increase. Total business-type expenses decreased \$655,804 from 2024 due to an unusually high expense of emergency repairs in 2024 and the City delaying some significant capital improvements in 2025 while a comprehensive infrastructure assessment is performed.

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 \$14,434,944. Of this amount \$662,578 is categorized as *non-spendable* and represents prepaid items and the Fewson Trust. There was \$8,275,727 in fund balance *restricted* for specific voter approved purposes, development agreements, or debt service. The City has established an emergency reserve that had a fund balance of \$1,698,658 and is categorized as *committed*. The capital project fund balance was \$745,316 and categorized as *assigned* to capital projects. The portion of the general fund balance not *committed* to emergency reserve was \$3,052,665 and categorized as unassigned.

The General Fund is the main operating fund of the City. At the end of the current fiscal year, as mentioned above, the general fund unassigned balance was \$3,052,665. 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 48.2% of total general fund expenditures and transfers out to other funds.

The City's fund balance of the general fund increased \$537,139 during the current fiscal year. General Fund revenues increased by \$120,774 from 2024 primarily related to increases in tax revenues of \$430,406. General Fund expenditures were approximately \$121,497 less than 2024 primarily due to moving administrative staff to the Internal Service Fund in 2025.

At December 31, 2025, the Transportation Sales Tax Fund has an ending fund balance of \$1,373,597. The fund balance increased \$218,183 during the year mainly due to increases in taxes and intergovernmental revenues.

The Park Sales Tax Fund has a total fund balance of \$1,639,982, a decrease of \$440,544 from 2024. The planned decrease was due to the funding of the Farmers Market Construction project in 2025.

The Public Safety Sales Tax Fund has a total fund balance of \$1,177,886 an increase of \$204,724 from 2024. The fund has two primary revenue sources: a transfer from the General Fund in 2024 of \$1,526,000 and public safety sales taxes of \$1,051,952.

The Creekside Development Fund has a total fund balance of \$738,108, an increase of \$686,091 from 2024.

The Farmers Market Fund has a total fund balance of \$328,804, an increase of \$328,804 from 2024.

The Debt Service Fund has a total fund balance of \$320,247, all of which is restricted for the payment of principal, interest, and fees.

**CITY OF PARKVILLE, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2025**

Proprietary Fund

The City's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail. The net position of the sewer fund at the end of the year totaled \$4,734,530 of which \$847,745 is unrestricted. The sewer fund's net position increased by \$595,449 from the prior year primarily due to the City delaying capital expenditures from 2025 to 2026 while a comprehensive infrastructure assessment is being performed.

General Fund Actual to Budget Analysis

Actual revenues exceeded budgeted revenues by \$698,324 primarily related to taxes, licenses and permits, and interest revenues. Actual expenditures were \$389,761 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 \$23,471,409 of capital assets including land, construction in progress, buildings, equipment, vehicles, infrastructure, and sewer lines net of accumulated depreciation. (See table below) This represents a net increase of \$2,634,401 from last year primarily related to the construction in progress of several large capital projects.

**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		Business-Type		Total	
	Activities		Activities			
	2025	2024	2025	2024	2025	2024
Land	\$ 2,719,880	\$ 2,719,880	\$ 81,783	\$ 81,783	\$ 2,801,663	\$ 2,801,663
Construction in progress	2,348,114	473,969	-	-	2,348,114	473,969
Buildings and improvements	2,759,931	2,902,755	1,237,109	1,326,493	3,997,040	4,229,248
Equipment and vehicles	1,117,318	877,073	146,353	44,296	1,263,671	921,369
Right of use asset - Parking lot	323,013	336,832	-	-	323,013	336,832
Infrastructure	10,316,368	9,611,559	2,421,540	2,462,369	12,737,908	12,073,928
Total	<u>\$ 19,584,624</u>	<u>\$ 16,922,068</u>	<u>\$ 3,886,785</u>	<u>\$ 3,914,941</u>	<u>\$ 23,471,409</u>	<u>\$ 20,837,009</u>

Long-Term Obligations - At the end of the current fiscal year, the City had total long-term obligations outstanding of \$8,299,675.

**CITY OF PARKVILLE, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2025**

**City of Parkville, Missouri
Outstanding Debt**

	Governmental		Business-Type		Total	
	Activities		Activities			
	2025	2024	2025	2024	2025	2024
Limited General Obligation Bonds	\$ 4,780,000	\$ 5,275,000	\$ -	\$ -	\$ 4,780,000	\$ 5,275,000
Certificates of Participation	2,465,457	2,760,469	-	-	2,465,457	2,760,469
Finance leases	443,171	410,471	-	-	443,171	410,471
Right of use leases	288,606	345,469	-	-	288,606	345,469
Compensated Absences	322,441	234,946	-	-	322,441	234,946
Revenue Bonds (plus premium)	-	-	-	30,000	-	30,000
Total	<u>\$ 8,299,675</u>	<u>\$ 9,026,355</u>	<u>\$ -</u>	<u>\$ 30,000</u>	<u>\$ 8,299,675</u>	<u>\$ 9,056,355</u>

The governmental activities decreased by \$726,680, and the business-type activities decreased \$30,000.

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 2026 budget maintains essential service levels while strategically investing in Parkville’s highest priorities, as reaffirmed by the Board of Aldermen in June 2025: Governmental Operational Excellence, Infrastructure and Public Facilities, Parks and Recreation, Public Safety, Quality Development. The City has maintained a balanced five-year financial forecast across all operating funds with personnel and reserves above 15%. While projected revenue growth for 2024–2025 was higher than expected due to the close-out of the Parkville Commons Tax Increment Financing (TIF) project—resulting in approximately 15% growth for 2025—both sales and property tax revenues are forecasted to increase modestly by 1% in 2026.

The **2026–2030 Capital Improvement Plan (CIP)** outlines more than **\$15 million in planned investments**, with over **\$4.2 million programmed in 2026** alone. Major capital initiatives include, trail and sidewalk improvements, stormwater infrastructure, and ongoing park developments such as the Main Street pedestrian bridge. The CIP benefits from early adoption and prioritization using a capital rating system reviewed by the Planning and Zoning Commission and CLARB.

To support long-term sustainability, the **General Fund will transfer over \$2.98 million** to core operating funds including Transportation, Parks, Public Safety, and Stormwater. Notably, 43% of General Fund revenues will be redistributed to these dedicated funds, guided by inflation-adjusted formulas tied to certified CPI. This reflects the City’s commitment to responsible financial planning and interfund equity.

Personnel investment remains a central focus. While the salary schedule remains unchanged for 2026, there will be an across-the-board increase of 3 percent for all employees, effective January 1, 2026. This adjustment acknowledges the continuing cost pressures experienced by employees while supporting the City’s goal of retaining qualified and experienced staff across all departments. New positions include a Communications Coordinator in the General Fund and a Project Manager/Engineer-in-Training for Public Works paid partially out of both the Transportation Fund (25%) and General Fund (75%).

CITY OF PARKVILLE, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2025

The **total 2025 budget** across all funds is **\$19.191 million**, with the **General Fund** projected to end the year with a **\$2.44 million balance**—representing 35% of expenditures. Other major funds (Transportation, Parks, Public Safety) also retain strong fund balances above recommended thresholds.

Parkville remains on solid financial footing. With focused investment in infrastructure, staff, and public engagement, the 2026 budget continues to reflect the shared values and strategic goals of the community, delivering on long-term priorities while remaining agile and transparent in the face of evolving needs.

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.

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Exhibit A

CITY OF PARKVILLE, MISSOURI
Statement of Net Position
December 31, 2025

	Primary Government		Total
	Governmental Activities	Business-type Activities	
Assets			
Cash and investments	\$ 12,632,329	\$ 857,680	\$ 13,490,009
Receivables:			
Taxes	1,757,131	-	1,757,131
Special assessments	2,417,333	-	2,417,333
Accounts and other	99,014	220,999	320,013
Leases	280,118	-	280,118
Notes receivables	3,875,000	-	3,875,000
Due from other governments	34,576	-	34,576
Prepays, deposits, and other assets	175,223	-	175,223
Restricted assets:			
Cash and investments	1,025,649	9,300	1,034,949
Capital assets:			
Not being depreciated	5,067,994	81,783	5,149,777
Being depreciated	14,516,630	3,805,002	18,321,632
Total assets	41,880,997	4,974,764	46,855,761
Deferred Outflows of Resources			
Deferred amount on refunding	3,457	-	3,457
Deferred outflow - pension related activity	1,216,626	-	1,216,626
Total deferred outflows of resources	1,220,083	-	1,220,083
Liabilities			
Accounts payable	714,250	205,262	919,512
Accrued payroll and benefits	141,236	-	141,236
Accrued interest	40,683	-	40,683
Unearned revenue	-	25,672	25,672
Claims payable	900,000	-	900,000
Payable from restricted assets:			
Customer deposits	-	9,300	9,300
Long term debt:			
Due within one year	1,198,384	-	1,198,384
Due in more than one year	7,101,291	-	7,101,291
Net pension liability	1,756,630	-	1,756,630
Total liabilities	11,852,474	240,234	12,092,708
Deferred Inflows of Resources			
Deferred inflow - leases	259,476	-	259,476
Deferred inflow - property taxes	342,880	-	342,880
Deferred inflow - pension related activity	79,114	-	79,114
Deferred amount on refunding	172,263	-	172,263
Total deferred inflows of resources	853,733	-	853,733
Net Position			
Net investment in capital assets	16,476,054	3,886,785	20,362,839
Restricted :			
Capital projects	1,392,079	-	1,392,079
Debt service	320,247	-	320,247
Public safety	1,631,339	-	1,631,339
Parks and recreation	1,890,201	-	1,890,201
Community development	3,041,861	-	3,041,861
Fewson trust (non-expendable)	606,503	-	606,503
Unrestricted	5,036,589	847,745	5,884,334
Total net position	\$ 30,394,873	\$ 4,734,530	\$ 35,129,403

See accompanying notes to the basic financial statements

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CITY OF PARKVILLE, MISSOURI
Statement of Activities
For the Year Ended December 31, 2025

Exhibit B

<u>Functions/Programs</u>	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Primary government:							
Governmental activities							
General government	\$ 2,262,155	\$ 699,734	\$ 2,350	\$ -	\$ (1,560,071)	\$ -	\$ (1,560,071)
Public safety	2,746,716	51,942	30,334	-	(2,664,440)	-	(2,664,440)
Public works	3,248,815	88,515	417,272	1,968,600	(774,428)	-	(774,428)
Parks and recreation	1,259,912	66,149	46,781	1,000,000	(146,982)	-	(146,982)
Community development	2,499,796	118,979	30,000	381,736	(1,969,081)	-	(1,969,081)
Interest on long-term debt	146,625	-	-	-	(146,625)	-	(146,625)
Total governmental activities	12,164,019	1,025,319	526,737	3,350,336	(7,261,627)	-	(7,261,627)
Business-type activities							
Sewer	1,225,554	1,797,914	-	4,500	-	576,860	576,860
Total business-type activities	1,225,554	1,797,914	-	4,500	-	576,860	576,860
Total primary government	\$ 13,389,573	\$ 2,823,233	\$ 526,737	\$ 3,354,836	(7,261,627)	576,860	(6,684,767)
General revenues:							
Taxes:							
Property taxes, levied for general purpose					2,845,206	-	2,845,206
Property taxes, levied for debt service					593,591	-	593,591
Sales taxes					7,690,491	-	7,690,491
Franchise taxes					986,712	-	986,712
Intergovernmental activity taxes					114,694	-	114,694
Other taxes					151,493	-	151,493
Unrestricted investment earnings					401,256	14,052	415,308
Insurance proceeds and other					101,350	4,537	105,887
Total general revenues					12,884,793	18,589	12,903,382
Change in net position					5,623,166	595,449	6,218,615
Net position, beginning of year					24,771,707	4,139,081	28,910,788
Net position, end of year					\$ 30,394,873	\$ 4,734,530	\$ 35,129,403

See accompanying notes to the basic financial statements

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CITY OF PARKVILLE, MISSOURI
Balance Sheet - Governmental Funds
December 31, 2025

	General Fund	Transportation Sales Tax Fund	Park Sales Tax Fund	Public Safety Sales Tax Fund	Creekside Development Fund	Farmers Market Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets									
Cash and investments	\$ 4,585,344	\$ 980,237	\$ 1,474,159	\$ 878,042	\$ 883,348	\$ 328,804	\$ -	\$ 3,374,740	\$ 12,504,674
Receivables:									
Taxes	583,535	322,229	180,833	181,325	174,887	-	-	314,322	1,757,131
Special assessments	-	-	-	-	-	-	2,417,333	-	2,417,333
Other receivables	61,034	12,143	-	-	11,878	-	-	13,819	98,874
Leases	280,118	-	-	-	-	-	-	-	280,118
Notes receivables	3,875,000	-	-	-	-	-	-	-	3,875,000
Due from other governments	8,934	25,642	-	-	-	-	-	-	34,576
Due from other funds	1,750	-	-	100,138	-	-	-	-	101,888
Prepays, deposits and other assets	56,075	25,334	15,025	78,789	-	-	-	-	175,223
Restricted cash and investments	-	-	-	-	-	-	370,664	654,985	1,025,649
Total Assets	\$ 9,451,790	\$ 1,365,585	\$ 1,670,017	\$ 1,238,294	\$ 1,070,113	\$ 328,804	\$ 2,787,997	\$ 4,357,866	\$ 22,270,466
Liabilities									
Accounts payable	\$ 238,162	\$ 10,716	\$ 19,455	\$ 8,607	\$ 106,219	\$ -	\$ -	\$ 278,944	\$ 662,103
Accrued payroll and benefits	54,522	11,272	10,580	51,801	-	-	-	-	128,175
Due to other funds	-	-	-	-	100,138	-	1,750	-	101,888
Total Liabilities	292,684	21,988	30,035	60,408	206,357	-	1,750	278,944	892,166
Deferred inflows of resources									
Unavailable revenues:									
Leases	259,476	-	-	-	-	-	-	-	259,476
Notes receivables	3,875,000	-	-	-	-	-	-	-	3,875,000
taxes, and grants	217,232	-	-	-	125,648	-	2,466,000	-	2,808,880
	<u>4,351,708</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>125,648</u>	<u>-</u>	<u>2,466,000</u>	<u>-</u>	<u>6,943,356</u>
Fund balances:									
Nonspendable:									
Prepaid items	56,075	-	-	-	-	-	-	-	56,075
Fewson trust	-	-	-	-	-	-	-	606,503	606,503
Restricted:									
Capital projects	-	1,343,597	-	-	-	-	-	48,482	1,392,079
Debt service	-	-	-	-	-	-	320,247	-	320,247
Public safety	-	-	-	1,177,886	-	328,804	-	124,649	1,631,339
Parks and recreation	-	-	1,639,982	-	-	-	-	250,219	1,890,201
Community development	-	-	-	-	738,108	-	-	2,303,753	3,041,861
Committed:									
Emergency reserve	1,698,658	-	-	-	-	-	-	-	1,698,658
Assigned:									
Capital projects	-	-	-	-	-	-	-	745,316	745,316
Unassigned	3,052,665	-	-	-	-	-	-	-	3,052,665
Total fund balance	4,807,398	1,343,597	1,639,982	1,177,886	738,108	328,804	320,247	4,078,922	14,434,944
Total liabilities, deferred inflows of resources and fund balances	\$ 9,451,790	\$ 1,365,585	\$ 1,670,017	\$ 1,238,294	\$ 1,070,113	\$ 328,804	\$ 2,787,997	\$ 4,357,866	\$ 22,270,466

See accompanying notes to the basic financial statements

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Exhibit C
Continued

CITY OF PARKVILLE, MISSOURI
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position
December 31, 2025

Fund balances of governmental funds	\$ 14,434,944
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Assets and liabilities of the internal service fund are reported in governmental activities in the Statement of Net Position	62,587
Long-term note receivable and special assessments are not available to pay for current period expenditures and are therefore deferred in the fund statements	6,341,000
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental fund statements.	19,584,624
Deferred amounts on refunding are not due or payable in the current period and therefore are not reported in the governmental fund statements.	(168,806)
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	1,137,512
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.	(40,683)
The net pension liability is not due and payable and therefore is not recorded in the governmental fund statements.	(1,756,630)
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	(8,299,675)
Long-term liabilities, such as claims payable, are not due and payable in the current period and therefore are not reported in the governmental funds. This amount represents the increase in claims payable that is reported as a liability in the statement of net position.	(900,000)
Net position of governmental activities	<u>\$ 30,394,873</u>

See accompanying notes to the basic financial statements

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CITY OF PARKVILLE, MISSOURI
Statement of Revenues, Expenditures and
Changes in Fund Balances - Governmental Funds
For the Year Ended December 31, 2025

Exhibit D

	General Fund	Transportation Sales Tax Fund	Park Sales Tax Fund	Public Safety Sales Tax Fund	Creekside Development Fund	Farmers Market Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:									
Taxes	\$ 5,160,457	\$ 980,601	\$ 1,054,046	\$ 1,051,952	\$ 1,582,752	\$ -	\$ 593,591	\$ 1,844,094	\$ 12,267,493
Payments in lieu of tax	2,350	-	-	-	-	-	-	-	2,350
Intergovernmental	112,425	801,864	-	-	-	-	213,378	368,201	1,495,868
Charges for services	1,620	-	62,849	100,138	-	-	-	814	165,421
Fines and forfeitures	46,700	-	-	-	-	-	-	-	46,700
Licenses and permits	582,834	-	-	-	-	-	-	-	582,834
Special assessments	-	-	-	-	381,736	-	287,703	-	669,439
Intergovernmental activity taxes	-	-	-	-	94,035	-	-	20,660	114,695
Grants and donations	-	31,000	-	-	-	1,000,000	-	184,902	1,215,902
Charges for sewer administration	180,000	-	-	-	-	-	-	-	180,000
Interest	272,598	16,583	28,261	14,320	-	-	19,388	50,094	401,244
Other	133,801	12,648	159	4,428	-	-	-	6,199	157,235
Total Revenues	6,492,785	1,842,696	1,145,315	1,170,838	2,058,523	1,000,000	1,114,060	2,474,964	17,299,181
Expenditures:									
Current:									
General government	2,013,687	-	-	-	-	-	-	-	2,013,687
Public safety	184,587	-	-	2,492,114	-	-	-	9,289	2,685,990
Public works	664,282	752,371	-	-	-	-	-	-	1,416,653
Parks and recreation	-	-	1,178,341	-	-	-	-	4,031	1,182,372
Community development	716,683	-	-	-	1,449,080	-	-	353,035	2,518,798
Capital outlay	-	1,054,622	-	-	-	1,586,468	-	1,339,359	3,980,449
Debt service:									
Principal	-	-	-	-	-	-	783,277	56,863	840,140
Interest and fiscal charges	-	-	-	-	-	-	143,278	9,260	152,538
Refunding payment	-	-	-	-	-	-	-	-	-
Total Expenditures	3,579,239	1,806,993	1,178,341	2,492,114	1,449,080	1,586,468	926,555	1,771,837	14,790,627
Excess of Revenues									
Over (Under) Expenditures	2,913,546	35,703	(33,026)	(1,321,276)	609,443	(586,468)	187,505	703,127	2,508,554
Other financing sources (uses):									
Transfers in	12,860	257,234	475,047	1,526,000	76,648	915,272	300,000	1,241,018	4,804,079
Transfers out	(2,754,000)	(74,754)	(882,565)	-	-	-	(500,000)	(592,760)	(4,804,079)
Sale of land and capital assets	400,303	-	-	-	-	-	-	-	400,303
Total Other Financing Sources (Uses)	(2,340,837)	182,480	(407,518)	1,526,000	76,648	915,272	(200,000)	648,258	400,303
Net change in fund balances	572,709	218,183	(440,544)	204,724	686,091	328,804	(12,495)	1,351,385	2,908,857
Fund balances, beginning of year	4,270,259	1,125,414	2,080,526	973,162	52,017	-	332,742	2,727,537	11,561,657
Prior period restatement	(35,570)	-	-	-	-	-	-	-	(35,570)
Fund Balances, Beginning of Year, as restated	4,234,689	1,125,414	2,080,526	973,162	52,017	-	332,742	2,727,537	11,526,087
Fund balances, end of year	\$ 4,807,398	\$ 1,343,597	\$ 1,639,982	\$ 1,177,886	\$ 738,108	\$ 328,804	\$ 320,247	\$ 4,078,922	\$ 14,434,944

See accompanying notes to the basic financial statements

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Exhibit D
(continued)

CITY OF PARKVILLE, MISSOURI
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2025

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

Net change in fund balances - total governmental funds	\$ 2,908,857
The change in net position of the internal service fund is reported with governmental activities because the internal service fund primarily serves governmental funds.	66,269
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	2,547,498
Depreciation	(701,437)
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	(275,662)
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	840,140
Changes in unamortized bond issuance premium and deferred amounts on refunding	24,862
Changes in accrued interest expense	3,817
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	20,542
Changes in claims payable	(156,262)
Change in net position of governmental activities	<u>\$ 5,623,166</u>

See accompanying notes to the basic financial statements

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Exhibit E

CITY OF PARKVILLE, MISSOURI
Statement of Net Position
Proprietary Funds
December 31, 2025

	Sewer Fund	Internal Service Fund
Assets		
Current assets:		
Cash and investments	\$ 857,680	\$ 127,655
Receivables, net:		
Accounts and other	220,999	140
Restricted cash and investments	9,300	-
Total current assets	1,087,979	127,795
Noncurrent assets:		
Capital assets:		
Not being depreciated	81,783	-
Being depreciated, net of depreciation	3,805,002	450,334
Total noncurrent assets	3,886,785	450,334
Total assets	4,974,764	578,129
Liabilities		
Current liabilities:		
Accounts payable	205,262	52,147
Accrued liabilities	-	13,061
Unearned revenue	25,672	-
Current liabilities (payable from restricted assets):		
Customer deposits	9,300	-
Current portion of bonds payable	-	133,890
Total current liabilities:	240,234	199,098
Long-term liabilities:		
Bonds payable	-	309,282
Total long-term liabilities:	-	309,282
Total liabilities	240,234	508,380
Net position		
Net investment in capital assets	3,886,785	7,162
Unrestricted	847,745	62,587
Total net position	\$ 4,734,530	\$ 69,749

See accompanying notes to the basic financial statements

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Exhibit F

CITY OF PARKVILLE, MISSOURI
 Statement of Revenues, Expenses and Changes in Fund Net Position
 Proprietary Funds
 For the Year Ended December 31, 2025

	Sewer Fund	Internal Service Fund
Operating revenues:		
Charges for services	\$ 1,797,914	\$ 1,210,570
Other	4,537	12,654
Total operating revenues	1,802,451	1,223,224
Operating expenses:		
Personnel services	-	427,888
Contractual services	529,940	509,686
Administrative fee	180,000	-
Depreciation	295,542	124,883
Repairs and maintenance	175,152	52,583
Other	44,658	19,161
Total operating expenses	1,225,292	1,134,201
Operating income	577,159	89,023
Nonoperating revenues (expenses):		
Intergovernmental revenues	4,500	-
Interest income	14,052	12
Interest expense	(262)	(22,766)
Total nonoperating revenues (expenses)	18,290	(22,754)
Change in net position	595,449	66,269
Total net position, beginning of year	4,139,081	-
Prior period restatement	-	3,480
Total net position, beginning of year, as restated	4,139,081	3,480
Total net position, end of year	\$ 4,734,530	\$ 69,749

See accompanying notes to the basic financial statements

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Exhibit G

CITY OF PARKVILLE, MISSOURI
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2025

	Sewer Fund	Internal Service Fund
Cash flows from operating activities:		
Receipts from customers and others	\$ 1,931,796	\$ 1,223,084
Payments to suppliers	(886,638)	(529,283)
Payments to employees	-	(414,827)
Net cash flows provided by operating activities	1,045,158	278,974
Cash flows provided by noncapital financing activities:		
Intergovernmental revenues	4,500	-
Net cash flows provided by noncapital financing activities	4,500	-
Cash flows from investing activities:		
Interest received	14,052	12
Net cash flows provided by investing activities	14,052	12
Cash flows from capital and related financing activities:		
Purchases of capital assets	(267,387)	(48,527)
Interest and fiscal charges	(4,762)	(22,766)
Principal payments on long-term debt	(30,000)	(115,608)
Net cash flows (used in) capital and related financing activities	(302,149)	(186,901)
Net change in cash and equivalents	761,561	92,085
Cash and equivalents, beginning of year	105,419	35,570
Cash and equivalents, end of year	\$ 866,980	\$ 127,655
Cash and investments reported on the Statement of Net Position		
Cash and investments	\$ 857,680	\$ 127,655
Restricted cash and investments	9,300	-
Total cash and investments	\$ 866,980	\$ 127,655
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 577,159	\$ 89,023
Adjustments to reconcile operating income to net cash provided by operations:		
Depreciation and amortization	295,542	124,883
Changes in:		
Receivables	109,323	(140)
Accounts payable and accrued liabilities	43,112	65,208
Unearned revenues	12,622	-
Customer deposits	7,400	-
Net cash provided by operating activities	\$ 1,045,158	\$ 278,974
Noncash capital and financing activities:		
Finance leases	\$ -	\$ 148,309

See accompanying notes to the basic financial statements

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Exhibit H

CITY OF PARKVILLE, MISSOURI
Statement of Fiduciary Net Position
Fiduciary Fund
For the Year Ended December 31, 2025

	<u>Custodial Fund</u> <u>Municipal</u> <u>Court</u>
Assets	
Cash and investments	<u>\$ 19,165</u>
Total assets	<u>19,165</u>
Liabilities	
Due to others	<u>19,165</u>
Total liabilities	<u>19,165</u>
Net Position	<u>\$ -</u>

See accompanying notes to the basic financial statements

CITY OF PARKVILLE, MISSOURI
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Year Ended December 31, 2025

	<u>Custodial Fund</u> <u>Municipal</u> <u>Court</u>
Additions	
Deposits	\$ 86,661
Total Additions	<u>86,661</u>
Deductions	
Payments to others	<u>86,661</u>
Total deductions	<u>86,661</u>
Net changes in fiduciary net position	<u>-</u>
Net position - beginning	<u>-</u>
Net position - ending	<u>\$ -</u>

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 9,500 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, 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.

Public Safety Sales Tax Fund – This fund is used to account for revenues restricted for public safety purposes.

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

Farmers Market Capital Project Fund – This fund is used to account for capital related improvements related activities for the City's Farmers Market.

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 FUNDS

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 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.

Internal Service Fund

The Administrative Support Internal Service Fund – This fund accounts for certain administrative services that assist in supporting the assorted services provide by the City which include administration support, risk management, information technology, facilities management, and the City vehicle leasing program.

FIDUCIARY FUND

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

C. Basis of Accounting

Government-wide Financial Statements

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

Governmental Fund Financial Statements

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

Revenue Recognition

In applying the susceptible to accrual concept under the modified accrual basis, certain revenue sources are deemed both measurable and available (collectible within the current year or within 60 days after year-end to pay obligations of the current period). This includes property taxes, sales 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, fines and forfeitures, 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, if any, with a maturity date within three months of the date acquired by the City, 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.

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 are 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 and sick leave 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. An employee may not accrue more than 120 days (960 hours) of sick leave. Any unused sick leave is not payable upon resignation or dismissal of an employee.

All employer related costs of compensated absences are recognized as a liability in the government-wide financial statements if (a) the leave is attributable to services already rendered, (b) accumulates, and (c) is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

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, and special assessments.. 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 \$180,000 for the year ended December 31, 2025.

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.”

(4)

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.

O. Expenditures in Excess of Budget

In violation of the budget ordinance, actual expenditures and transfers out exceeded budgeted appropriations in the Brush Creek and Lease Purchase Agreement Funds by \$1,459 and \$2,377, respectively.

(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		14,543,542
		14,544,123
	\$	14,544,123

	Government-wide statement of net position	Fiduciary fund statement of net position	Total
Cash and investments	\$ 13,490,009	\$ 19,165	\$ 13,509,174
Restricted cash and investments	1,034,949	-	1,034,949
	\$ 14,524,958	\$ 19,165	\$ 14,544,123

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, 2025, 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, 2025.

Interest Rate Risk

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

Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by general accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted in active markets for identical assets; Level 2 inputs are significant other observable inputs such as third-party pricing services for identical assets; Level 3 inputs are significant unobservable inputs. The City does not have any investments subject to the Hierarchy level classification.

(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, 2024, was \$355,978,771.

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:

<u>Fund</u>	<u>Levy</u>
General Fund	\$ 0.4403
General Revenue- Temporary	0.1645
	<u>\$ 0.6048</u>

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CITY OF PARKVILLE, MISSOURI

Notes to the Basic Financial Statements

December 31, 2025

Tax revenues for the year ended December 31, 2025, consisted of the following:

	<u>Property Taxes</u>	<u>Sales Taxes</u>	<u>Franchise Taxes</u>	<u>Other Taxes</u>	<u>Total</u>
Major governmental funds:					
General	\$ 1,862,995	\$ 2,310,750	\$ 986,712	\$ -	\$ 5,160,457
Transportation Sales Tax	-	980,601	-	-	980,601
Park Sales Tax	-	1,054,046	-	-	1,054,046
Public Safety Sales Tax	-	1,051,952	-	-	1,051,952
Creekside Development	855,885	693,235	-	33,632	1,582,752
Debt Service Fund	593,591	-	-	-	593,591
Nonmajor funds	126,326	1,599,907	-	117,861	1,844,094
	<u>\$ 3,438,797</u>	<u>\$ 7,690,491</u>	<u>\$ 986,712</u>	<u>\$ 151,493</u>	<u>\$ 12,267,493</u>

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, 2025:

	<u>Sales Taxes</u>	<u>Franchise Taxes</u>	<u>Total</u>
Major governmental funds:			
General	\$ 442,643	\$ 140,892	\$ 583,535
Transportation Sales Tax	322,229	-	322,229
Park Sales Tax	180,833	-	180,833
Public Safety Sales Tax	181,325	-	181,325
Creekside Development	174,887	-	174,887
Nonmajor funds	314,322	-	314,322
Total sales taxes receivable	<u>\$ 1,616,239</u>	<u>\$ 140,892</u>	<u>\$ 1,757,131</u>

(4) Intergovernmental Revenues/Receivables

Intergovernmental revenues for the year ended December 31, 2025, consisted of the following:

	<u>General</u>	<u>Transportation Sales Tax</u>	<u>Debt Service</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Grants - Federal, State and Local	\$ -	\$ -	\$ -	\$ 368,201	\$ 368,201
State:					
Motor vehicle taxes and fees	112,425	304,848	-	-	417,273
Local:					
Special road district	-	218,971	-	-	218,971
County transportation	-	278,045	-	-	278,045
9 Hwy CID	-	-	213,378	-	213,378
Total intergovernmental revenues	<u>\$ 112,425</u>	<u>\$ 801,864</u>	<u>\$ 213,378</u>	<u>\$ 368,201</u>	<u>\$ 1,495,868</u>

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CITY OF PARKVILLE, MISSOURI

Notes to the Basic Financial Statements
December 31, 2025

Amounts due from other governments at December 31, 2025, were as follows:

	General	Transportation Sales Tax	Total
Motor vehicle taxes and fees	\$ 8,934	\$ 25,642	\$ 34,576
Total due from other governments	<u>\$ 8,934</u>	<u>\$ 25,642</u>	<u>\$ 34,576</u>

(5) Interfund Activity

Transfers between funds for the year ended December 31, 2025, were as follows:

	Transfers Out:					Total
	General	Transportation Sales Tax	Park Sales Tax	Debt Service	Nonmajor Governmental Funds	
Transfers In:						
Governmental activities:						
General	\$ -	\$ -	\$ -	\$ -	\$ 12,860	\$ 12,860
Transportation Sales Tax	247,000	-	-	-	10,234	257,234
Park Sales Tax	433,000	-	-	-	42,047	475,047
Public Safety Sales Tax	1,526,000	-	-	-	-	1,526,000
Creekside Development	-	-	-	-	76,648	76,648
Farmers Market	-	-	-	500,000	415,272	915,272
Debt Service	300,000	-	-	-	-	300,000
Nonmajor Governmental Funds	248,000	74,754	882,565	-	35,699	1,241,018
Total	<u>\$ 2,754,000</u>	<u>\$ 74,754</u>	<u>\$ 882,565</u>	<u>\$ 500,000</u>	<u>\$ 592,760</u>	<u>\$ 4,804,079</u>

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, 2025, were as follows:

	Due to:		Total
	General Fund	Public Safety Sale Tax Fund	
Due from:			
Debt Service Fund	\$ 1,750	\$ -	\$ 1,750
Creekside Development Fund	-	100,138	100,138
	<u>\$ 1,750</u>	<u>\$ 100,138</u>	<u>\$ 101,888</u>

Amounts due to from General fund represent advances for short-term cash flow needs. Advances to the Public Safety Fund are related to funding agreements not completed at year end.

(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 is related to future periods.

On November 2017, the City entered into a 230-month lease for the right to place communication equipment on a water 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, 2025, the value of the lease receivable is \$280,118. As of December 31, 2025, the value of the deferred inflow of resources was \$259,476, 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, 2025, is as follows:

Lease Description	Balance, beginning of year	Additions	Retirements	Balance, end of year
Land leases	\$ 297,803	\$ -	\$ 17,685	\$ 280,118

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

	Lease Receivable		
	Principal	Interest	Total
2026	\$ 18,452	\$ 11,548	\$ 30,000
2027	19,251	10,749	30,000
2028	20,086	9,914	30,000
2029	20,956	9,044	30,000
2030	21,864	8,136	30,000
2031-2035	124,383	25,617	150,000
2036-2037	55,126	2,373	57,499
	<u>\$ 280,118</u>	<u>\$ 77,381</u>	<u>\$ 357,499</u>

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CITY OF PARKVILLE, MISSOURI

Notes to the Basic Financial Statements

December 31, 2025

(7) Capital Assets

A summary of the changes in capital assets for the year ended December 31, 2025, is as follows:

	December 31,		Deletions	December 31,	
	2024	Additions		2025	2025
Governmental activities:					
Capital assets, not being depreciated					
Land	\$ 2,719,880	\$ -	\$ -	\$	2,719,880
Construction in progress	473,969	1,986,935	112,790		2,348,114
Total capital assets, not being depreciated	<u>3,193,849</u>	<u>1,986,935</u>	<u>112,790</u>		<u>5,067,994</u>
Capital assets, being depreciated					
Buildings and improvements	5,279,227	19,718	-		5,298,945
Equipment and vehicles	1,922,222	336,872	86,392		2,172,702
Internal Service Fund - Equipment and vehicles	504,024	196,837	-		700,861
Right of use asset - Parking lot	345,469	-	-		345,469
Infrastructure	13,113,297	1,067,762	-		14,181,059
Total capital assets being depreciated	<u>21,164,239</u>	<u>1,621,189</u>	<u>86,392</u>		<u>22,699,036</u>
Less accumulated depreciation for:					
Buildings and improvements	2,376,472	162,542	-		2,539,014
Equipment and vehicles	1,423,528	162,123	79,934		1,505,717
Internal Service Fund - Equipment and vehicles	125,645	124,883	-		250,528
Right of use asset - Parking lot	8,637	13,819	-		22,456
Infrastructure	3,501,738	362,953	-		3,864,691
Total accumulated depreciation	<u>7,436,020</u>	<u>826,320</u>	<u>79,934</u>		<u>8,182,406</u>
Total capital assets being depreciated, net	<u>13,728,219</u>				<u>14,516,630</u>
Governmental activities capital assets, net	<u>\$ 16,922,068</u>				<u>\$ 19,584,624</u>

	December 31,		Deletions	December 31,	
	2024	Additions		2025	2025
Business-type activities:					
Capital assets, not being depreciated					
Land	\$ 81,783	\$ -	\$ -	\$	81,783
Total capital assets, not being depreciated	<u>81,783</u>	<u>-</u>	<u>-</u>		<u>81,783</u>
Capital assets, being depreciated					
Buildings and improvements	5,944,203	116,282	-		6,060,485
Equipment and vehicles	369,985	111,417	-		481,402
Infrastructure	4,009,453	39,688	-		4,049,141
Total capital assets being depreciated	<u>10,323,641</u>	<u>267,387</u>	<u>-</u>		<u>10,591,028</u>
Less accumulated depreciation for:					
Buildings and improvements	4,617,710	205,665	-		4,823,375
Equipment and vehicles	325,690	9,360	-		335,050
Infrastructure	1,547,084	80,517	-		1,627,601
Total accumulated depreciation	<u>6,490,484</u>	<u>295,542</u>	<u>-</u>		<u>6,786,026</u>
Total capital assets being depreciated, net	<u>3,833,157</u>				<u>3,805,002</u>
Business-type activities capital assets, net	<u>\$ 3,914,940</u>				<u>\$ 3,886,785</u>

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CITY OF PARKVILLE, MISSOURI

Notes to the Basic Financial Statements

December 31, 2025

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

Governmental activities:

General government	\$	151,367
Public safety		55,691
Public works		413,143
Parks and recreation		81,236
Internal service fund		<u>124,883</u>
Total depreciation expense for governmental activities	<u>\$</u>	<u>826,320</u>

Business-type activities:

Sewer	\$	<u>295,542</u>
Total depreciation expense for business-type activities	<u>\$</u>	<u>295,542</u>

(8) Long Term Obligations

A summary of the changes in long term debt for the year ended December 31, 2025, is as follows:

	Beginning of Year	Adjustments/ Additions	Adjustments/ Retirements	End of Year	Due Within One Year
Governmental Activities:					
Limited general obligation bonds:					
Series 2020A - Brush Creek	\$ 3,130,000	\$ -	\$ 295,000	\$ 2,835,000	\$ 295,000
Series 2020B - Brink Meyer	<u>2,145,000</u>	<u>-</u>	<u>200,000</u>	<u>1,945,000</u>	<u>205,000</u>
	<u>5,275,000</u>	<u>-</u>	<u>495,000</u>	<u>4,780,000</u>	<u>500,000</u>
Certificates of participation - 2015	386,263	-	123,277	262,986	123,119
Certificates of participation - 2021A	2,290,000	-	165,000	2,125,000	165,000
Premium on issuance	84,207	-	6,736	77,471	6,736
Finance leases	410,470	148,309	115,608	443,171	133,890
Lease liabilities	345,469	-	56,863	288,606	11,686
* Compensated absences	<u>234,946</u>	<u>87,495</u>	<u>-</u>	<u>322,441</u>	<u>257,953</u>
Total Governmental Activities	<u>9,026,355</u>	<u>235,804</u>	<u>962,484</u>	<u>8,299,675</u>	<u>1,198,384</u>
Business-type Activities:					
Revenue bonds	<u>30,000</u>	<u>-</u>	<u>30,000</u>	<u>-</u>	<u>-</u>
Total Business-type Activities	<u>30,000</u>	<u>-</u>	<u>30,000</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 9,056,355</u>	<u>\$ 235,804</u>	<u>\$ 992,484</u>	<u>\$ 8,299,675</u>	<u>\$ 1,198,384</u>

* The change in compensated absences is presented as a net change

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 annual anticipated collections of special assessments are scheduled to be approximately \$274,000. During the year ended December 31, 2025, the City transferred \$300,000 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, 2025, 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%	\$ 2,835,000
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%	<u>1,945,000</u>
Total limited general obligation bonds	<u>\$ 4,780,000</u>

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, 2025, is \$262,986.

During fiscal year 2021, the City issued \$2,985,000 Certificates of Participation Series 2021A to provide funding for the Route 9 Project. 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, 2025, is \$2,125,000.

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CITY OF PARKVILLE, MISSOURI

Notes to the Basic Financial Statements

December 31, 2025

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 Sewerage 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 bonds were fully retired as of December 31, 2025.

D. Future Debt Service Requirements

Year Ending	Governmental Activities					
	Limited General Obligation Refunding Bonds - Series 2020A (Brush Creek)		Limited General Obligation Refunding Bonds - Series 2020B (Brink Meyer)		Certificates of Participation Series 2015	
	Principal	Interest	Principal	Interest	Principal	Interest
December 31,						
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	310,000	32,989	210,000	12,150	-	-
3030	315,000	27,831	215,000	19,113	-	-
2031-2035	1,310,000	51,971	900,000	35,768	-	-
2036-2038	-	-	-	-	-	-
	<u>\$ 2,835,000</u>	<u>\$ 237,800</u>	<u>\$ 1,945,000</u>	<u>\$ 111,892</u>	<u>\$ 262,986</u>	<u>\$ 6,079</u>

Year Ending	Governmental Activities			
	Certificates of Participation Series 2021A		Governmental Activities Total	
	Principal	Interest	Principal	Interest
December 31,				
2026	\$ 165,000	\$ 42,500	\$ 788,119	\$ 108,683
2027	165,000	39,200	809,867	97,613
2028	165,000	35,900	680,000	87,253
2029	170,000	30,900	690,000	76,039
3030	170,000	27,500	700,000	74,444
2031-2035	905,000	84,250	3,115,000	171,989
2036-2038	385,000	7,750	385,000	7,750
Totals	<u>\$ 2,125,000</u>	<u>\$ 268,000</u>	<u>\$ 7,167,986</u>	<u>\$ 623,772</u>

E. Finance Lease Agreements

The City has entered into fourteen (14) 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 \$1,343 with interest varying from 4.3 to 8.9%.

The future minimum lease payments are as follows:

<u>Year Ending</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2026	\$ 133,890	\$ 18,107
2027	140,991	10,988
2028	108,096	4,388
2029	46,254	921
2030	13,940	138
	<u>\$ 443,171</u>	<u>\$ 34,542</u>

F. Lease liabilities

The city entered into a right of use lease agreement for the use of a parking lot under terms of 20 years. Under the right of use lease agreement, the City is scheduled to make annual payments of \$22,041 with interest of 3.59%.

The future minimum lease payments are as follows:

<u>Year Ending</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2026	\$ 11,686	\$ 10,355
2027	12,105	9,936
2028	12,540	9,501
2029	12,990	9,052
2030	13,456	8,585
2031 - 2035	74,876	35,329
2036 - 2040	89,307	20,898
2041 - 2043	61,646	4,476
	<u>\$ 288,606</u>	<u>\$ 108,132</u>

G. 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, 2025, there are two outstanding industrial revenue bond issuances with a total principal amount of approximately \$191 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, 2025, expenses incurred under these agreements were \$30,039 (Kansas City, Missouri) and \$20,558 (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.

	2025 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	16	15	31
Active employees	29	11	40
	51	30	81

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 16.6% (General) and 22.0% (Police) of annual covered payroll.

E. Net Pension Liability

The City's net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2025.

F. Actuarial Assumptions

The total pension liability in the February 28, 2025, 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-estimated 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balances at beginning of year	\$ 6,418,748	\$ 4,885,119	\$ 1,533,629
Changes for the year:			
Service Cost	370,811	-	370,811
Change in benefit terms	-	-	-
Difference between expected and actual	349,828	-	349,828
Contributions - employer	-	627,676	(627,676)
Contributions - employee	-	407	(407)
Net investment income	-	335,258	(335,258)
Benefit payments, including refunds	(108,590)	(108,590)	-
Administrative expense	-	(8,313)	8,313
Other changes (net transfer)	-	945	(945)
Net changes	1,070,384	847,383	223,001
Balances at end of year	\$ 7,489,132	\$ 5,732,502	\$ 1,756,630

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	Current Single Discount Rate	1% Increase
	6.00%	Assumption 7.00%	8.00%
Total Pension Liability	\$ 8,691,818	\$ 7,489,132	\$ 6,510,234
Plan Fiduciary Net Position	(5,732,502)	(5,732,502)	(5,732,502)
Net Pension Liability	\$ 2,959,316	\$ 1,756,630	\$ 777,732

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

For the year ended December 31, 2025, the City recognized LAGERS pension expense of \$626,066; \$389,810 (General) and \$236,256 (Police). The City reported deferred outflows related to LAGERS pension from the following sources:

	<u>General</u>	<u>Police</u>	<u>Total</u>
Deferred Outflows of Resources:			
Difference in experience	\$ 542,061	\$ 174,072	\$ 716,133
Difference in projected and actual earnings on plan investments	101,203	75,867	177,070
Contributions subsequent to the measurement date*	<u>191,728</u>	<u>131,695</u>	<u>323,423</u>
Total	<u>\$ 834,992</u>	<u>\$ 381,634</u>	<u>\$ 1,216,626</u>
 Deferred Inflows of Resources:			
Assumption changes	\$ (4,672)	\$ (549)	\$ (5,221)
Difference in experience	<u>(60,866)</u>	<u>(13,027)</u>	<u>(73,893)</u>
Total	<u>\$ (65,538)</u>	<u>\$ (13,576)</u>	<u>\$ (79,114)</u>

*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, 2026.

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:	<u>General</u>	<u>Police</u>	<u>Total</u>
2026	\$ 153,620	\$ 98,748	\$ 252,368
2027	131,653	72,644	204,297
2028	118,154	54,302	172,456
2029	116,249	10,669	126,918
2030	56,792	-	56,792
Thereafter	<u>1,258</u>	<u>-</u>	<u>1,258</u>
Total	<u>\$ 577,726</u>	<u>\$ 236,363</u>	<u>\$ 814,089</u>

K. Payable to the Pension Plan

At December 31, 2025, 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, 2025, the fund had \$48,482 net appreciation on assets available for expenditure which is reported as restricted fund balance and \$606,503 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.

On May 28, 2025, a court judgment was issued against the City awarding damages on claims of inverse condemnation and equal protection in the combined total of \$633,000, together with pre-judgement interest totaling \$110,738, resulting in a judgement against the City in the amount of \$743,738. This judgement is final and under appeal. Other additional court costs estimated at \$156,262 are expected to be incurred. In response, the City has recorded a claims payable liability of \$900,000 in the financial statements. Management does not believe this judgment will materially impact the City's ability to meet its ongoing financial obligations and is pursuing an appeal to the judgement.

(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.

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CITY OF PARKVILLE, MISSOURI

Notes to the Basic Financial Statements

December 31, 2025

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, 2025, the outstanding balance of the related notes receivable totaled \$2,675,000.

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, the City will receive \$100,000 per year from the Hotel Special Assessment. 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 any outstanding amount receive up to \$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, 2025, the outstanding balance of the related notes receivable totaled \$1,200,000.

Notes receivable activity for the year ended December 31, 2025, were as follows:

Notes Receivable	Beginning Balance	Additions	Reductions	Ending Balance
Tract IX Meadows at Creekside	\$ 2,975,000	\$ -	\$ 300,000	\$ 2,675,000
Tract I Creekside Industrial	1,300,000	-	100,000	1,200,000
	<u>\$ 4,275,000</u>	<u>\$ -</u>	<u>\$ 400,000</u>	<u>\$ 3,875,000</u>

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, 2025, certified tax increment financing reimbursable project costs totaled \$5,508,858. Current year reimbursements totaled \$601,696.

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's reimbursements totaled \$279,859.

(13) Adjustments to and Restatements of Beginning Balances

Changes to or within the Financial Reporting Entity

The City had elected to report certain administrative support services in an internal service fund. The City established the Administrative Support Internal Service Fund. This fund was originally established at the end of December 2024 and reported within the City's General Fund as there was minimal activity until 2025. The beginning balance change represents the cash balance of this fund as of December 31, 2024 of \$35,752. In addition, the City has transitioned the accounting and financial reporting for finance equipment capital assets and the related lease obligations to the internal service fund. The net book value of the finance lease capital assets was \$378,381 and the related lease liability was \$410,471 resulted in a net difference of \$32,090 at December 31, 2024. For government-wide financial reporting, the internal service fund activity is reported with the City's governmental activities, according, there is no change in the governmental activities ending net position at December 31, 2024.

Changes to or within the financial reporting entity resulted in adjustments to and restatements of beginning net position and fund balance, as follows:

	12/31/2024 as		Net		Consolidation		12/31/2024
	Previously	Beginning	Finance		of Internal		Fund Balance/
	Reported	Balance	Leases		Service Fund		Net Position
							as Restated
Government-Wide							
Governmental Activities	\$ 24,771,707	\$ -	\$ 32,090		\$ (32,090)		\$ 24,771,707
Governmental Funds:							
General Fund	\$ 4,270,259	\$ (35,570)	\$ -		\$ -		\$ 4,234,689
Proprietary Fund							
Internal Service Fund							
Administrative Support Fund	\$ -	\$ 35,570	\$ (32,090)		\$ -		\$ 3,480

(14) Subsequent Events

The City evaluated subsequent events through **June XX, 2026**, the date the financial statements were available to be issued. No subsequent events were identified that required adjustment to or disclosure in the financial statements.

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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, 2025

	2025			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes	\$ 4,844,000	\$ 4,844,000	\$ 5,160,457	\$ 316,457
Payments in lieu of tax	3,000	3,000	2,350	(650)
Intergovernmental	94,000	94,000	112,425	18,425
Charges for services		-	1,620	1,620
Fines and forfeitures	50,000	50,000	46,700	(3,300)
Licenses and permits	399,000	399,000	582,834	183,834
Charges for sewer	180,000	180,000	180,000	-
Interest	50,000	50,000	240,353	190,353
Other	119,000	119,000	110,585	(8,415)
Total Revenues	5,739,000	5,739,000	6,437,324	698,324
Expenditures:				
Current:				
General government	1,778,000	2,194,000	2,013,687	180,313
Public safety	213,000	213,000	184,587	28,413
Public works	664,000	664,000	664,282	(282)
Community development	898,000	898,000	716,683	181,317
Total Expenditures	3,553,000	3,969,000	3,579,239	389,761
Excess of Revenues Over (Under) Expenditures	2,186,000	1,770,000	2,858,085	1,088,085
Other Financing Sources (Uses):				
Transfers in	-	-	12,860	12,860
Transfers out	(2,912,000)	(2,912,000)	(2,890,000)	22,000
Sale of land and capital assets	400,000	400,000	400,303	303
Total Other Financing Sources (Uses)	(2,512,000)	(2,512,000)	(2,476,837)	35,163
Change in fund balance	\$ (326,000)	\$ (742,000)	381,248	\$ 1,123,248
Fund Balances, Beginning of Year			2,727,492	
Fund Balances, End of Year			<u>\$ 3,108,740</u>	

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

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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, 2025

		2025		
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 835,000	\$ 835,000	\$ 980,601	\$ 145,601
Intergovernmental	713,000	713,000	801,864	88,864
Grants and donations	-	-	31,000	31,000
Interest	-	-	16,583	16,583
Other	-	-	12,648	12,648
Total Revenues	1,548,000	1,548,000	1,842,696	294,696
Expenditures:				
Current:				
Public works	908,500	908,500	752,371	156,129
Capital outlay	1,256,500	1,256,500	1,054,622	201,878
Total Expenditures	2,165,000	2,165,000	1,806,993	358,007
Excess of Revenues Over (Under) Expenditures	(617,000)	(617,000)	35,703	652,703
Other Financing Sources (Uses):				
Transfers in	257,000	257,000	257,234	234
Transfers out	-	-	(74,754)	(74,754)
Total Other Financing Sources (Uses)	257,000	257,000	182,480	(74,520)
Change in fund balance	\$ (360,000)	\$ (360,000)	218,183	\$ 578,183
Fund Balances, Beginning of Year			1,125,414	
Fund Balances, End of Year			\$ 1,343,597	

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

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Schedule 3

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, 2025

		2025		Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes	\$ 1,062,000	\$ 1,062,000	\$ 1,054,046	\$ (7,954)
Charges for services	45,000	45,000	62,849	17,849
Interest	-	-	28,261	28,261
Other	-	-	159	159
Total Revenues	<u>1,107,000</u>	<u>1,107,000</u>	<u>1,145,315</u>	<u>38,315</u>
Expenditures:				
Current:				
Parks and recreation	2,019,000	2,019,000	1,178,341	840,659
Total Expenditures	<u>2,019,000</u>	<u>2,019,000</u>	<u>1,178,341</u>	<u>840,659</u>
Excess of Revenues Over Expenditures	(912,000)	(912,000)	(33,026)	878,974
Other financing sources (uses):				
Transfers in	433,000	433,000	475,047	42,047
Transfers out	<u>(520,000)</u>	<u>(520,000)</u>	<u>(882,565)</u>	<u>(362,565)</u>
Total Other Financing Sources (Uses)	<u>(87,000)</u>	<u>(87,000)</u>	<u>(407,518)</u>	<u>(320,518)</u>
Change in fund balance	<u>\$ (999,000)</u>	<u>\$ (999,000)</u>	(440,544)	<u>\$ 558,456</u>
Fund Balance, Beginning of Year			<u>2,080,526</u>	
Fund Balance, End of Year			<u>\$ 1,639,982</u>	

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

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Schedule 4

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, 2025

	2025			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes	\$ 1,033,000	\$ 1,033,000	\$ 1,051,952	\$ 18,952
Charges for service	-	-	100,138	100,138
Interest	-	-	14,320	14,320
Other	3,000	3,000	4,428	1,428
Total Revenues	1,036,000	1,036,000	1,170,838	134,838
Expenditures:				
Public safety	2,720,000	2,720,000	2,492,114	227,886
Total Expenditures	2,720,000	2,720,000	2,492,114	227,886
Excess of Revenues Over Expenditures	(1,684,000)	(1,684,000)	(1,321,276)	362,724
Other financing sources (uses):				
Transfers in	1,526,000	1,526,000	1,526,000	-
Total Other Financing Sources (Uses)	1,526,000	1,526,000	1,526,000	-
Change in fund balance	\$ (158,000)	\$ (158,000)	204,724	\$ 362,724
Fund Balance, Beginning of Year			973,162	
Fund Balance, End of Year			\$ 1,177,886	

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 Parks Donations, 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.

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CITY OF PARKVILLE, MISSOURI
Required Supplementary Information
Schedule of Changes in Net Pension Liability and Related Ratios
For the Year Ended December 31, 2025

Schedule 5

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Total Pension Liability										
Service costs	\$ 370,811	\$ 325,772	\$ 248,197	\$ 233,098	\$ 239,471	\$ 201,429	\$ 172,547	\$ 148,593	\$ 119,807	\$ 116,946
Interest on total pension liability	458,335	368,101	302,491	267,813	263,386	193,934	161,830	142,885	107,562	93,722
Changes in benefit terms	-	116,282	483,644	-	-	443,125	-	-	252,150	-
Difference between expected and actual experience of the total pension liability	349,828	564,474	(1,001)	115,342	(220,194)	126,146	117,686	(16,202)	19,236	(66,469)
Changes of assumptions	(108,590)	(106,864)	(160,577)	(97,043)	(27,877)	(22,947)	(23,897)	(27,488)	(18,639)	(31,360)
Benefit payments and refunds	(108,590)	(106,864)	(160,577)	(97,043)	(27,877)	(22,947)	(23,897)	(27,488)	(18,639)	(31,360)
Net change in total pension liability	1,070,384	1,267,765	872,754	519,210	230,055	941,687	428,166	247,788	467,956	192,692
Total pension liability - beginning of year	6,418,748	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
Total pension liability - end of year (a)	<u>\$ 7,489,132</u>	<u>\$ 6,418,748</u>	<u>\$ 5,150,983</u>	<u>\$ 4,278,229</u>	<u>\$ 3,759,019</u>	<u>\$ 3,528,964</u>	<u>\$ 2,587,277</u>	<u>\$ 2,159,111</u>	<u>\$ 1,911,323</u>	<u>\$ 1,443,367</u>
Plan Fiduciary Net Position										
Contributions - employer	\$ 627,676	\$ 523,090	\$ 351,758	\$ 261,709	\$ 263,683	\$ 206,382	\$ 177,852	\$ 155,363	\$ 112,455	\$ 93,771
Contributions - employee	407	56,366	101,877	84,888	84,397	82,259	77,157	68,390	62,865	61,441
Net investment income	335,258	225,913	134,301	3,647	741,438	30,625	120,889	180,098	141,948	63
Benefit payments and refunds	(108,590)	(106,864)	(160,577)	(97,043)	(27,877)	(22,947)	(23,897)	(27,488)	(18,639)	(31,360)
Administrative expenses	(8,313)	(8,562)	(9,442)	(5,858)	(5,040)	(6,190)	(5,440)	(3,246)	(3,626)	(3,451)
Other (net transfer)	945	(837)	(65,989)	118,221	3,250	2,550	(1,855)	(6,335)	1,806	(3,952)
Net change in plan fiduciary net position	847,383	689,106	351,928	365,564	1,059,851	292,679	344,706	366,782	296,809	116,512
Plan fiduciary net position - beginning of year	4,885,119	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
Plan fiduciary net position - end of year (b)	<u>\$ 5,732,502</u>	<u>\$ 4,885,119</u>	<u>\$ 4,196,013</u>	<u>\$ 3,844,085</u>	<u>\$ 3,478,521</u>	<u>\$ 2,418,670</u>	<u>\$ 2,125,991</u>	<u>\$ 1,781,285</u>	<u>\$ 1,414,503</u>	<u>\$ 1,117,694</u>
Net pension liability (a) - (b)	<u>\$ 1,756,630</u>	<u>\$ 1,533,629</u>	<u>\$ 954,970</u>	<u>\$ 434,144</u>	<u>\$ 280,498</u>	<u>\$ 1,110,294</u>	<u>\$ 461,286</u>	<u>\$ 377,826</u>	<u>\$ 496,820</u>	<u>\$ 325,673</u>
Plan net position as a percentage of the total pension liability	76.54%	76.11%	81.46%	89.85%	92.54%	68.54%	82.17%	82.50%	74.01%	77.44%
Covered employee payroll	\$ 3,280,023	\$ 2,885,767	\$ 2,361,665	\$ 2,044,016	\$ 2,033,168	\$ 2,136,492	\$ 1,935,516	\$ 1,567,178	\$ 1,457,585	\$ 1,415,099
Net pension liability/(asset) as a percentage of covered payroll	53.56%	53.14%	40.44%	21.24%	13.80%	51.97%	23.83%	24.11%	34.09%	23.01%

**CITY OF PARKVILLE, MISSOURI
Required Supplementary Information
Schedule of Employer Contributions
For the Year Ended December 31, 2025**

LAGERS (General and Police)

Fiscal Year	Actuarially Determined Contribution	Contribution in Relation	Contribution Deficiency	Covered Employee Payroll	Contribution as Percentage
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%
2024	617,239	617,240	-	3,328,421	18.54%
2025	641,194	637,492	3,702	3,480,831	18.31%

Lagers

Valuation Date February 28, 2025

Notes: The roll-forward of total pension liability from February 28, 2025 to June 30, 2025 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 6.75% including wage inflation (General)
2.75% to 6.75% including wage inflation (General)

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

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Schedule 7

CITY OF PARKVILLE, MISSOURI
Combining Balance Sheet - General Fund
December 31, 2025

	General Fund	Emergency Reserve Fund	Totals
Assets:			
Cash and investments	\$ 2,888,605	\$ 1,696,739	\$ 4,585,344
Receivables:			
Taxes	583,535	-	583,535
Leases	280,118	-	280,118
Other receivables	59,115	1,919	61,034
Notes receivables	3,875,000	-	3,875,000
Due from other governments	8,934	-	8,934
Prepaid, deposits and other assets	56,075	-	56,075
Total Assets	\$ 7,753,132	\$ 1,698,658	\$ 9,451,790
Liabilities:			
Accounts payable	\$ 238,162	\$ -	\$ 238,162
Accrued payroll and benefits	54,522	-	54,522
Total Liabilities	292,684	-	292,684
Deferred inflows of resources:			
Unavailable revenues - leases	259,476	-	259,476
Unavailable revenues - notes receivables	3,875,000	-	3,875,000
Unavailable revenues - taxes	217,232	-	217,232
	4,351,708	-	4,351,708
Fund balances:			
Nonspendable:			
Prepaid items	56,075	-	56,075
Committed:			
Emergency reserve	-	1,698,658	1,698,658
Unassigned	3,052,665	-	3,052,665
Total fund balances	3,108,740	1,698,658	4,807,398
Total liabilities, deferred inflows of resources and fund balances	\$ 7,753,132	\$ 1,698,658	\$ 9,451,790

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Schedule 8

CITY OF PARKVILLE, MISSOURI
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
General Fund
For the Year Ended December 31, 2025

	General Fund	Emergency Reserve Fund	Eliminations	Totals
Revenues:				
Taxes	\$ 5,160,457	\$ -	\$ -	\$ 5,160,457
Payments in lieu of tax	2,350	-	-	2,350
Intergovernmental	112,425	-	-	112,425
Fines and forfeitures	46,700	-	-	46,700
Licenses and permits	582,834	-	-	582,834
Charges for sewer administration	180,000	-	-	180,000
Interest	240,353	32,245	-	272,598
Other	110,585	23,216	-	133,801
Total Revenues	6,437,324	55,461	-	6,492,785
Expenditures:				
Current:				
General government	2,013,687	-	-	2,013,687
Public safety	184,587	-	-	184,587
Public works	664,282	-	-	664,282
Community development	716,683	-	-	716,683
Total Expenditures	3,579,239	-	-	3,579,239
Excess of Revenues Over (Under) Expenditures	2,858,085	55,461		2,913,546
Other financing sources (uses):				
Transfers in	12,860	136,000	(136,000)	12,860
Transfers out	(2,890,000)	-	136,000	(2,754,000)
Sale of land and capital assets	400,303	-	-	400,303
Total Other Financing Sources	(2,476,837)	136,000	-	(2,340,837)
Change in fund balance	381,248	191,461	-	572,709
Fund Balances, Beginning of Year	2,763,062	1,507,197	-	4,270,259
Prior period restatement	(35,570)	-	-	(35,570)
Fund Balances, Beginning of Year, as restated	2,727,492	1,507,197	-	4,234,689
Fund Balances, End of Year	\$ 3,108,740	\$ 1,698,658	\$ -	\$ 4,807,398

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Schedule 9

CITY OF PARKVILLE, MISSOURI
Combining Balance Sheet - Debt Service Funds
December 31, 2025

	<u>Certificates of Participation</u>	<u>Brush Creek</u>	<u>Brink Meyer</u>	<u>Lease Purchase Agreement</u>	<u>Totals</u>
Assets:					
Restricted cash and investments	\$ 303,281	\$ 55,336	\$ 12,047	\$ -	\$ 370,664
Receivables:					
Special assessments	-	2,417,333	-	-	2,417,333
Total Assets	<u>\$ 303,281</u>	<u>\$ 2,472,669</u>	<u>\$ 12,047</u>	<u>\$ -</u>	<u>\$ 2,787,997</u>
Liabilities:					
Due to other funds	\$ -	\$ -	\$ -	\$ 1,750	\$ 1,750
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,750</u>	<u>1,750</u>
Deferred inflows of resources:					
Unavailable revenues -					
Special assessments and property taxes	-	2,466,000	-	-	2,466,000
Fund balances:					
Restricted:					
Debt service	303,281	6,669	12,047	(1,750)	320,247
Total fund balances	<u>303,281</u>	<u>6,669</u>	<u>12,047</u>	<u>(1,750)</u>	<u>320,247</u>
Total liabilities, deferred inflows and fund balances (deficit)	<u>\$ 303,281</u>	<u>\$ 2,472,669</u>	<u>\$ 12,047</u>	<u>\$ -</u>	<u>\$ 2,787,997</u>

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CITY OF PARKVILLE, MISSOURI

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance -
Debt Service Funds
For the Year Ended December 31, 2025**

	Certificates of Participation	Brush Creek	Brink Meyer	Lease Purchase Agreement	Totals
Revenues:					
Taxes	\$ 593,591	\$ -	\$ -	\$ -	\$ 593,591
Intergovernmental	-	-	-	213,378	213,378
Special assessments	-	286,041	1,662	-	287,703
Interest	19,388	-	-	-	19,388
Total Revenues	612,979	286,041	1,662	213,378	1,114,060
Expenditures:					
Debt service:					
Principal	123,277	295,000	200,000	165,000	783,277
Interest and fiscal charges	7,274	51,459	36,168	48,377	143,278
	130,551	346,459	236,168	213,377	926,555
Excess of Revenues Over (Under) Expenditures	482,428	(60,418)	(234,506)	1	187,505
Other financing sources (uses):					
Transfers in	-	65,000	235,000	-	300,000
Total Other Financing Sources	(500,000)	65,000	235,000	-	(200,000)
Change in fund balance	(17,572)	4,582	494	1	(12,495)
Fund Balances (deficit), Beginning of Year	320,853	2,087	11,553	(1,751)	332,742
Fund Balances (deficit), End of Year	\$ 303,281	\$ 6,669	\$ 12,047	\$ (1,750)	\$ 320,247

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Schedule 11

CITY OF PARKVILLE, MISSOURI
Combining Balance Sheet - Non-major Governmental Funds
December 31, 2025

	Special Revenue Funds									
	Economic Development	Stormwater	Use Tax	Nature Sanctuary	Parks Donations	Veterans Memorial	Court Recoupment Fees	Police Training Fees LET	Police Shop	TIF Development
Assets										
Cash and investments	\$ 100,823	\$ 273,421	\$ 1,503,452	\$ 203,416	\$ 17,599	\$ 26,452	\$ 37,725	\$ 32,545	\$ 54,319	\$ -
Receivables:										
Taxes	-	-	281,268	-	-	-	-	-	-	-
Other	-	-	-	-	-	13,759	-	60	-	-
Restricted cash and investments	-	-	-	-	-	-	-	-	-	-
Total Assets	\$ 100,823	\$ 273,421	\$ 1,784,720	\$ 203,416	\$ 17,599	\$ 40,211	\$ 37,725	\$ 32,605	\$ 54,319	\$ -
Liabilities and Fund Balances										
Liabilities:										
Accounts payable	\$ -	\$ 20,377	\$ -	\$ -	\$ -	\$ 11,007	\$ -	\$ -	\$ -	\$ -
Total Liabilities	-	20,377	-	-	-	11,007	-	-	-	-
Fund balances										
Nonspendable:										
Fewson trust	-	-	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	37,725	32,605	54,319	-
Parks and recreation	-	-	-	203,416	17,599	29,204	-	-	-	-
Community development	100,823	253,044	1,784,720	-	-	-	-	-	-	-
Assigned:										
Capital projects	-	-	-	-	-	-	-	-	-	-
Total fund balances	100,823	253,044	1,784,720	203,416	17,599	29,204	37,725	32,605	54,319	-
Total liabilities and fund balances	\$ 100,823	\$ 273,421	\$ 1,784,720	\$ 203,416	\$ 17,599	\$ 40,211	\$ 37,725	\$ 32,605	\$ 54,319	\$ -

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CITY OF PARKVILLE, MISSOURI
Combining Balance Sheet - Non-major Governmental Funds
December 31, 2025

Schedule 11

	Special Revenue Funds			Permanent Fund	Capital Projects Funds			Totals
	Market Place Project 2 Development	Market Place CID #1	Market Place CID #2	Fewson Project	Bell Road Construction	Rt 9 Downtown	Capital Projects	
	Assets							
Cash and investments	\$ 15,109	\$ 4,249	\$ 143,648	\$ -	\$ 207,934	\$ 8,000	\$ 746,048	\$ 3,374,740
Receivables:								
Taxes	20,660	6,197	6,197	-	-	-	-	314,322
Other	-	-	-	-	-	-	-	13,819
Restricted cash and investments	-	-	-	654,985	-	-	-	654,985
Total Assets	\$ 35,769	\$ 10,446	\$ 149,845	\$ 654,985	\$ 207,934	\$ 8,000	\$ 746,048	\$ 4,357,866
Liabilities and Fund Balances								
Liabilities:								
Accounts payable	\$ 30,894	\$ -	\$ -	\$ -	\$ 207,669	\$ 7,129	\$ 1,868	\$ 278,944
Total Liabilities	30,894	-	-	-	207,669	7,129	1,868	278,944
Fund balances								
Nonspendable:								
Fewson trust	-	-	-	606,503	-	-	-	606,503
Capital projects	-	-	-	48,482	-	-	-	48,482
Public safety	-	-	-	-	-	-	-	124,649
Parks and recreation	-	-	-	-	-	-	-	250,219
Community development	4,875	10,446	149,845	-	-	-	-	2,303,753
Assigned:								
Capital projects	-	-	-	-	265	871	744,180	745,316
Total fund balances	4,875	10,446	149,845	654,985	265	871	744,180	4,078,922
Total liabilities and fund balances	\$ 35,769	\$ 10,446	\$ 149,845	\$ 654,985	\$ 207,934	\$ 8,000	\$ 746,048	\$ 4,357,866

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Schedule 12

CITY OF PARKVILLE, MISSOURI
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Non-major Governmental Funds
For the Year Ended December 31, 2025

	Special Revenue Funds								
	Economic Development	Stormwater	Use Tax	Nature Sanctuary	Parks Donations	Veterans Memorial	Court Recoupment Fees	Police Training Fees LET	Police Shop
Revenues:									
Taxes	\$ 117,861	\$ -	\$ 1,413,352	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	500	-
Charges for services	-	-	-	-	-	-	-	814	-
Interest	1,130	3,418	23,482	-	-	-	-	-	359
Intergovernmental activity taxes	-	-	-	-	-	-	-	-	-
Grants and donations	30,000	73,774	-	-	786	39,960	-	-	29,834
Other	-	-	-	5,905	-	294	-	-	-
Total Revenues	148,991	77,192	1,436,834	5,905	786	40,254	-	1,314	30,193
Expenditures:									
Current:									
Public safety	-	-	-	-	-	-	244	6,478	2,567
Parks and recreation	-	-	-	1,901	-	2,130	-	-	-
Community development	32,500	-	-	-	-	-	-	-	-
Capital outlay	-	257,148	170,047	-	-	31,552	-	-	-
Debt service:									
Principal	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-
	<u>32,500</u>	<u>257,148</u>	<u>170,047</u>	<u>1,901</u>	<u>-</u>	<u>33,682</u>	<u>244</u>	<u>6,478</u>	<u>2,567</u>
Excess of Revenues Over (Under) Expenditures	116,491	(179,956)	1,266,787	4,004	786	6,572	(244)	(5,164)	27,626
Other financing sources (uses):									
Transfers in	-	248,000	-	-	-	-	-	-	-
Transfers out	(76,648)	-	(422,162)	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(76,648)	248,000	(422,162)	-	-	-	-	-	-
Change in fund balance	39,843	68,044	844,625	4,004	786	6,572	(244)	(5,164)	27,626
Fund Balances, Beginning of Year	60,980	185,000	940,095	199,412	16,813	22,632	37,969	37,769	26,693
Fund Balances, End of Year	<u>\$ 100,823</u>	<u>\$ 253,044</u>	<u>\$ 1,784,720</u>	<u>\$ 203,416</u>	<u>\$ 17,599</u>	<u>\$ 29,204</u>	<u>\$ 37,725</u>	<u>\$ 32,605</u>	<u>\$ 54,319</u>

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Schedule 12

CITY OF PARKVILLE, MISSOURI
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Non-major Governmental Funds
For the Year Ended December 31, 2025

	Special Revenue Funds					Permanent Fund	Capital Projects Funds			Totals
	TIF Development	Market Place Project 1	Market Place Project 2	Market Place CID #1	Market Place CID #2	Fewson Project	Bell Road Construction	Rt 9 Downtown	Capital Projects	
Revenues:										
Taxes	\$ -	\$ -	\$ 183,478	\$ 64,702	\$ 64,701	\$ -	\$ -	\$ -	\$ -	\$ 1,844,094
Intergovernmental	-	-	-	-	-	-	367,701	-	-	368,201
Charges for services	-	-	-	-	-	-	-	-	-	814
Interest	135	-	-	-	-	20,935	635	-	-	50,094
Intergovernmental activity taxes	-	-	20,660	-	-	-	-	-	-	20,660
Grants and donations	-	-	-	-	-	-	-	-	10,548	184,902
Other	-	-	-	-	-	-	-	-	-	6,199
Total Revenues	135	-	204,138	64,702	64,701	20,935	368,336	-	10,548	2,474,964
Expenditures:										
Current:										
Public safety	-	-	-	-	-	-	-	-	-	9,289
Parks and recreation	-	-	-	-	-	-	-	-	-	4,031
Community development	-	-	281,898	37,921	716	-	-	-	-	353,035
Capital outlay	-	-	-	-	-	-	671,071	86,291	123,250	1,339,359
Debt service:										
Principal	-	-	-	-	-	-	-	-	56,863	56,863
Interest and fiscal charges	-	-	-	-	-	-	-	-	9,260	9,260
	-	-	281,898	37,921	716	-	671,071	86,291	189,373	1,771,837
Excess of Revenues Over (Under) Expenditures	135	-	(77,760)	26,781	63,985	20,935	(302,735)	(86,291)	(178,825)	703,127
Other financing sources (uses):										
Transfers in	-	-	70,856	-	-	-	303,000	87,162	532,000	1,241,018
Transfers out	(12,860)	-	(10,234)	(35,428)	(35,428)	-	-	-	-	(592,760)
Total Other Financing Sources (Uses)	(12,860)	-	60,622	(35,428)	(35,428)	-	303,000	87,162	532,000	648,258
Change in fund balance	(12,725)	-	(17,138)	(8,647)	28,557	20,935	265	871	353,175	1,351,385
Fund Balances, Beginning of Year	12,725	-	22,013	19,093	121,288	634,050	-	-	391,005	2,727,537
Fund Balances, End of Year	\$ -	\$ -	\$ 4,875	\$ 10,446	\$ 149,845	\$ 654,985	\$ 265	\$ 871	\$ 744,180	\$ 4,078,922

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CITY OF PARKVILLE, MISSOURI
Combining Balance Sheet - Creekside Development
December 31, 2025

	Creekside CID Fund	Creekside TDD Fund	Meadows at Creekside CID Fund	Creekside Special Allocation Fund	Totals
Assets:					
Cash and investments	\$ 40,859	\$ 38,728	\$ -	\$ 803,761	\$ 883,348
Receivables:					
Taxes	34,334	34,334	-	106,219	174,887
Other	-	-	-	11,878	11,878
Total Assets	\$ 75,193	\$ 73,062	\$ -	\$ 921,858	\$ 1,070,113
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ 106,219	\$ 106,219
Due to other funds	-	-	-	100,138	100,138
Total Liabilities	-	-	-	206,357	206,357
Deferred inflows of resources:					
Unavailable revenues -					
Property taxes	-	-	-	125,648	125,648
Fund balances:					
Restricted:					
Community development	75,193	73,062	-	589,853	738,108
Total fund balances	75,193	73,062	-	589,853	738,108
Total liabilities, deferred inflows and fund balances	\$ 75,193	\$ 73,062	\$ -	\$ 921,858	\$ 1,070,113

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CITY OF PARKVILLE, MISSOURI
Combining Statement of Revenues, Expenditures and Changes in Fund Balance -
Creekside Development
For the Year Ended December 31, 2025

	Creekside CID Fund	Creekside TDD Fund	Meadows at Creekside CID Fund	Creekside Special Allocation Fund	Eliminations	Totals
Revenues:						
Taxes	\$ 289,540	\$ 255,909	\$ -	\$ 1,037,303	\$ -	\$ 1,582,752
Special assessments	-	-	381,736	-	-	381,736
Total Revenues	<u>289,540</u>	<u>255,909</u>	<u>381,736</u>	<u>1,131,338</u>	<u>-</u>	<u>2,058,523</u>
Expenditures:						
Current:						
Community development	132,980	109,147	381,736	825,217	-	1,449,080
	<u>132,980</u>	<u>109,147</u>	<u>381,736</u>	<u>825,217</u>	<u>-</u>	<u>1,449,080</u>
Excess of Revenues Over (Under) Expenditures	<u>156,560</u>	<u>146,762</u>	<u>-</u>	<u>306,121</u>	<u>-</u>	<u>609,443</u>
Other financing sources (uses):						
Transfers in	-	-	-	298,252	(221,604)	76,648
Transfers out	(110,802)	(110,802)	-	-	221,604	-
Total Other Financing Sources	<u>(110,802)</u>	<u>(110,802)</u>	<u>-</u>	<u>298,252</u>	<u>-</u>	<u>76,648</u>
Change in fund balance	45,758	35,960	-	604,373	-	686,091
Fund Balances (Deficit)						
Beginning of Year	<u>29,435</u>	<u>37,102</u>	<u>-</u>	<u>(14,520)</u>	<u>-</u>	<u>52,017</u>
Fund Balances End of Year	<u>\$ 75,193</u>	<u>\$ 73,062</u>	<u>\$ -</u>	<u>\$ 589,853</u>	<u>\$ -</u>	<u>\$ 738,108</u>

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CITY OF PARKVILLE, MISSOURI
 Schedule of Revenues, Expenditures and Changes in
 Fund Balance - Budget and Actual
 Debt Service Funds
 For the Year Ended December 31, 2025

	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	\$ 570,000	\$ 593,591	\$ 23,591	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 570,000	\$ 593,591	\$ 23,591
Intergovernmental	-	-	-	-	-	-	-	-	-	211,000	213,378	2,378	211,000	213,378	2,378
Special assessments	-	-	-	280,000	286,041	6,041	1,700	1,662	(38)	-	-	-	281,700	287,703	6,003
Interest	1,000	19,388	18,388	-	-	-	-	-	-	-	-	-	1,000	19,388	18,388
Total Revenues	571,000	612,979	41,979	280,000	286,041	6,041	1,700	1,662	(38)	211,000	213,378	2,378	1,063,700	1,114,060	50,360
Expenditures:															
Debt service:															
Principal	124,000	123,277	723	295,000	295,000	-	205,000	200,000	5,000	165,000	165,000	-	789,000	783,277	5,723
Interest and fiscal charges	8,000	7,274	726	50,000	51,459	(1,459)	35,000	36,168	(1,168)	46,000	48,377	(2,377)	139,000	143,278	(4,278)
Total Expenditures	132,000	130,551	1,449	345,000	346,459	(1,459)	240,000	236,168	3,832	211,000	213,377	(2,377)	928,000	926,555	1,445
Excess of Revenues Over (Under) Expenditures	439,000	482,428	43,428	(65,000)	(60,418)	4,582	(238,300)	(234,506)	3,794	-	1	1	135,700	187,505	51,805
Other financing sources (uses):															
Transfers in	-	-	-	65,000	65,000	-	235,000	235,000	-	-	-	-	300,000	300,000	-
Transfers out	(500,000)	(500,000)	-	-	-	-	-	-	-	-	-	-	(500,000)	(500,000)	-
Total Other Financing Sources (Uses)	(500,000)	(500,000)	-	65,000	65,000	-	235,000	235,000	-	-	-	-	(200,000)	(200,000)	-
Change in fund balance	\$ (61,000)	(17,572)	\$ 43,428	\$ -	4,582	\$ 4,582	\$ (3,300)	494	\$ 3,794	\$ -	1	\$ 1	(64,300)	(12,495)	\$ 51,805
Fund Balance (deficit), Beginning of Year		<u>320,853</u>			<u>2,087</u>			<u>11,553</u>			<u>(1,751)</u>			<u>332,742</u>	
Fund Balance (deficit), End of Year		<u>\$ 303,281</u>			<u>\$ 6,669</u>			<u>\$ 12,047</u>			<u>\$ (1,750)</u>			<u>\$ 320,247</u>	

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Schedule 16

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, 2025

	2025			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes	\$ 100,000	\$ 100,000	\$ 117,861	\$ 17,861
Grants	-	-	30,000	30,000
Interest	-	-	1,130	1,130
Total Revenues	100,000	100,000	148,991	48,991
Expenditures:				
Community development	38,000	25,000	32,500	(7,500)
Total Expenditures	38,000	25,000	32,500	(7,500)
Excess of Revenues Over Expenditures	62,000	75,000	116,491	41,491
Other financing sources (uses):				
Transfers out	(68,000)	(91,000)	(76,648)	14,352
Total Other Financing Sources (Uses)	(68,000)	(91,000)	(76,648)	14,352
Change in fund balance	\$ (6,000)	\$ (16,000)	39,843	\$ 55,843
Fund Balance, Beginning of Year			60,980	
Fund Balance, End of Year			\$ 100,823	

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Schedule 17

CITY OF PARKVILLE, MISSOURI
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Stromwater Tax Fund
For the Year Ended December 31, 2025

	Original Budget	2025		Variance with Final Budget Positive (Negative)
		Final Budget	Actual	
Revenues:				
Interest	\$ -	\$ -	\$ 3,418	\$ 3,418
Grants and donations	-	-	73,774	73,774
Total Revenues	<u>-</u>	<u>-</u>	<u>77,192</u>	<u>77,192</u>
Expenditures:				
Capital outlay	305,000	305,000	257,148	47,852
Total Expenditures	<u>305,000</u>	<u>305,000</u>	<u>257,148</u>	<u>47,852</u>
Excess of Revenues Over Expenditures	<u>(305,000)</u>	<u>(305,000)</u>	<u>(179,956)</u>	<u>125,044</u>
Other financing sources (uses):				
Transfers in	270,000	-	248,000	248,000
Total Other Financing Sources (Uses)	<u>270,000</u>	<u>-</u>	<u>248,000</u>	<u>248,000</u>
Change in fund balance	<u>\$ (35,000)</u>	<u>\$ (305,000)</u>	68,044	<u>\$ 373,044</u>
Fund Balance, Beginning of Year			<u>185,000</u>	
Fund Balance, End of Year			<u>\$ 253,044</u>	

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Schedule 18

CITY OF PARKVILLE, MISSOURI
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Use Tax Fund
For the Year Ended December 31, 2025

	2025			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes	\$ 1,005,000	\$ 1,005,000	\$ 1,413,352	\$ 408,352
Interest	-	-	23,482	23,482
Total Revenues	1,005,000	1,005,000	1,436,834	431,834
Expenditures:				
Capital outlay	430,000	430,000	170,047	259,953
Total Expenditures	430,000	430,000	170,047	259,953
Excess of Revenues Over Expenditures	575,000	575,000	1,266,787	691,787
Other financing sources (uses):				
Transfers out	(1,000,000)	(1,000,000)	(422,162)	577,838
Total Other Financing Sources (Uses)	(1,000,000)	(1,000,000)	(422,162)	577,838
Change in fund balance	\$ (425,000)	\$ (425,000)	844,625	\$ 1,269,625
Fund Balance, Beginning of Year			940,095	
Fund Balance, End of Year			\$ 1,784,720	

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Schedule 19

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, 2025

	2025			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Other	\$ 2,000	\$ 2,000	\$ 5,905	\$ 3,905
Total Revenues	<u>2,000</u>	<u>2,000</u>	<u>5,905</u>	<u>3,905</u>
Expenditures:				
Parks and recreation	200,000	200,000	1,901	198,099
Total Expenditures	<u>200,000</u>	<u>200,000</u>	<u>1,901</u>	<u>198,099</u>
Excess of Revenues Over Expenditures	<u>(198,000)</u>	<u>(198,000)</u>	<u>4,004</u>	<u>202,004</u>
Change in fund balance	<u>\$ (198,000)</u>	<u>\$ (198,000)</u>	<u>4,004</u>	<u>\$ 202,004</u>
Fund Balance, Beginning of Year			<u>199,412</u>	
Fund Balance, End of Year			<u>\$ 203,416</u>	

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Schedule 20

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, 2025

	2025			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Grants and donations	\$ -	\$ -	\$ 39,960	\$ 39,960
Interest	50,000	50,000	294	(49,706)
Total Revenues	50,000	50,000	40,254	(9,746)
Expenditures:				
Parks and recreation	-	-	2,130	(2,130)
Capital outlay	50,000	50,000	31,552	18,448
Total Expenditures	50,000	50,000	33,682	16,318
Change in fund balance	\$ -	\$ -	6,572	\$ 6,572
Fund Balance, Beginning of Year			22,632	
Fund Balance, End of Year			\$ 29,204	

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Schedule 21

CITY OF PARKVILLE, MISSOURI
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Fewson Fund
For the Year Ended December 31, 2025

	2025			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Interest	\$ 7,000	\$ 7,000	\$ 20,935	\$ 13,935
Total Revenues	7,000	7,000	20,935	13,935
Expenditures:				
Capital outlay	35,000	35,000	-	35,000
Total Expenditures	35,000	35,000	-	35,000
Change in fund balance	\$ (28,000)	\$ (28,000)	20,935	\$ 48,935
Fund Balance, Beginning of Year			634,050	
Fund Balance, End of Year			\$ 654,985	

CITY OF PARKVILLE, MISSOURI
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Farmers Market Fund
For the Year Ended December 31, 2025

	2025		Variance with Final Budget Positive (Negative)	
	Original Budget	Final Budget		Actual
Revenues:				
Grants and donations	\$ 1,165,000	\$ 1,165,000	\$ 1,000,000	(165,000)
Total Revenues	<u>2,227,000</u>	<u>2,227,000</u>	<u>1,000,000</u>	<u>(1,227,000)</u>
Expenditures:				
Capital outlay	1,685,000	1,760,000	1,586,468	173,532
Total Expenditures	<u>1,685,000</u>	<u>1,760,000</u>	<u>1,586,468</u>	<u>173,532</u>
Excess of Revenues Over Expenditures	<u>542,000</u>	<u>467,000</u>	<u>(586,468)</u>	<u>(1,053,468)</u>
Other financing sources (uses):				
Transfers in	520,000	520,000	915,272	395,272
Total Other Financing Sources (Uses)	<u>520,000</u>	<u>520,000</u>	<u>915,272</u>	<u>395,272</u>
Change in fund balance	<u>\$ 1,062,000</u>	<u>\$ 987,000</u>	328,804	<u>\$ (658,196)</u>
Fund Balance, Beginning of Year			-	
Fund Balance, End of Year			<u>\$ 328,804</u>	

CITY OF PARKVILLE, MISSOURI
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Bell Road Construction
For the Year Ended December 31, 2025

	Original Budget	2025 Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Grants and donations	\$ 50,000	\$ 50,000	\$ 367,701	\$ 317,701
Interest	-	-	635	635
Total Revenues	<u>50,000</u>	<u>50,000</u>	<u>368,336</u>	<u>318,336</u>
Expenditures:				
Capital outlay	1,500,000	1,500,000	671,071	828,929
Total Expenditures	<u>1,500,000</u>	<u>1,500,000</u>	<u>671,071</u>	<u>828,929</u>
Excess of Revenues Over Expenditures	<u>(1,450,000)</u>	<u>(1,450,000)</u>	<u>(302,735)</u>	<u>1,147,265</u>
Other financing sources (uses):				
Transfers in	500,000	500,000	303,000	(197,000)
Debt proceeds	3,200,000	3,200,000	-	(3,200,000)
Total Other Financing Sources (Uses)	<u>3,700,000</u>	<u>3,700,000</u>	<u>303,000</u>	<u>(3,397,000)</u>
Change in fund balance	<u>\$ 2,250,000</u>	<u>\$ 2,250,000</u>	265	<u>\$ (2,249,735)</u>
Fund Balance, Beginning of Year			-	
Fund Balance, End of Year			<u>\$ 265</u>	

CITY OF PARKVILLE, MISSOURI
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Route 9 Capital Project Fund
For the Year Ended December 31, 2025

	Original Budget	2025 Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Grants and donations	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
Expenditures:				
Capital outlay	500,000	500,000	86,291	413,709
Total Expenditures	500,000	500,000	86,291	413,709
Excess of Revenues Over Expenditures	(500,000)	(500,000)	(86,291)	413,709
Other financing sources (uses):				
Transfers in	500,000	500,000	87,162	(412,838)
Total Other Financing Sources (Uses)	500,000	500,000	87,162	(412,838)
Change in fund balance	<u>\$ -</u>	<u>\$ -</u>	871	<u>\$ 871</u>
Fund Balance, Beginning of Year			-	
Fund Balance, End of Year			<u>\$ 871</u>	

CITY OF PARKVILLE, MISSOURI
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Capital Projects Fund
For the Year Ended December 31, 2025

	Original Budget	2025		Variance with Final Budget Positive (Negative)
		Final Budget	Actual	
Revenues:				
Grants and donations	\$ -	\$ -	\$ 10,548	\$ 10,548
Total Revenues	-	-	10,548	10,548
Expenditures:				
Capital outlay	305,000	305,000	123,250	181,750
Debt service:				
Principal	-	-	56,863	(56,863)
Interest and fiscal charges	-	-	9,260	(9,260)
Total Expenditures	305,000	305,000	189,373	115,627
Excess of Revenues Over Expenditures	(305,000)	(305,000)	(178,825)	126,175
Other financing sources (uses):				
Transfers in	270,000	-	532,000	532,000
Total Other Financing Sources (Uses)	270,000	-	532,000	532,000
Change in fund balance	\$ (35,000)	\$ (305,000)	353,175	\$ 658,175
Fund Balance, Beginning of Year			391,005	
Fund Balance, End of Year			\$ 744,180	

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City of Parkville, Missouri

**Required Communications
and Compliance Report**

For the Year Ended December 31, 2025

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City of Parkville, Missouri

**Required Communications and Compliance Report
For the Year Ended December 31, 2025**

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

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Parkville, Missouri (the City) as of and for the year ended December 31, 2025. 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 September 9, 2025. 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 2025.

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 correct right of use capital assets, lease liability, and transfers related to the establishment of the Administrative Support internal service fund of \$160,267.

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 **June xx, 2026**.

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, 2025, 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

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

The City takes cybersecurity risks seriously and recognizes that cyber threats, including phishing, malware, ransomware, and unauthorized access attempts, pose a significant risk to continued operations, financial systems, public records, and the delivery of City services.

In 2026, the City implemented mandatory online cybersecurity training for all staff who interact with City computer systems and conduct business on behalf of the City. This requirement includes administrative staff as well as field staff who maintain an active parkvillemo.gov email account. The training is intended to strengthen employee awareness of cybersecurity risks, improve the ability to identify phishing emails and other suspicious activity, and reinforce appropriate reporting procedures when a potential cyber incident is suspected.

The City contracted for this training through its cyber insurance provider, MPR, which administered the self-paced online training through its system. In addition to supporting the City's cybersecurity efforts, this training is part of MPR's safety training series, which may assist the City in qualifying for annual insurance premium discounts when required trainings and performance benchmarks are completed.

The City will continue to review its cybersecurity policies, procedures, and safeguards, including insurance coverage, password and multi-factor authentication practices, employee training, system security protocols, backup procedures, and incident response planning. Management agrees that continued attention to cybersecurity is critically important to protecting City systems, preserving essential data, and maintaining the continuity of City operations

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. 103, Financial Reporting Model Improvements, effective for the fiscal year beginning January 1, 2026.
- GASB Statement No. 105, Subsequent Events, effective for the fiscal year beginning January 1, 2027.

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

Management's Response

The City is proactively preparing for upcoming changes to financial reporting requirements and has registered for the 2026 GFOA GASB Update training in November 2026 to ensure staff remain informed and equipped to implement new standards effectively and in a timely manner.

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
Key Personnel and Cross-training	The City is exposed to certain management risks including among others, the possible loss of continuity and disruption in City operations with the loss of key personnel either through retirement or unanticipated circumstance. We recommend that City management evaluate and identify the exposure to such risks and develop plans to mitigate such risks. Such plans might include developing an emergency management plan; performing succession planning for key members of management; documenting specific workflow responsibilities and requirements, and increased cross-training of City personnel.	We recommend that management continue to address such management risks.
Lease and Subscription Based Information Technology Arrangements (SBITA) Reporting	The City has entered into an assortment of lease agreements. The contract provision requirements under some of these agreements are often complex, with events occurring that may require the recording of an accounting transaction in accordance with Governmental Accounting Standards Board (GASB) 87 and (GASB 96) which are often triggered by a cash and non-cash transactions or events. These types of accounting transactions are not always readily known or detected by finance personnel in the normal course of performing their assigned functions. We recommended that management review the processes related to the identification of leases and SBITAs, and recording of these types of accounting transactions.	Recommendation implemented.
Future Accounting Pronouncements	We recommended that management review upcoming standards to determine what impact they may have on the City's financial reporting.	The City implemented all applicable standards that became effective during fiscal year 2025.

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
June XX, 2026



**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, 2025, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements and have issued our report thereon dated **June XX, 2026**.

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*.

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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

June XX, 2026