

City of Parkville, Missouri

Basic Financial Statements With Independent Auditor's Report

For the Year Ended
December 31, 2015



INDEPENDENT AUDITOR’S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Parkville, Missouri (the City) as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements as listed in the table of contents.

Management’s Responsibility for the Financial Statements

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

Auditor’s Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Offices

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Emphasis of a Matter

As described in Note 7A to the financial statements, subsequent to yearend, the City acquired certain property resulting from a judicial foreclosure default judgment. The property was subject to special assessments related to the both the Brink Meyer Road and Brush Creek Drainage Neighborhood Improvement Districts.

As described in Notes 9 and 11 to the financial statements, in 2015, the City adopted new accounting guidance, *GASB Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27 and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date*. The City has made other adjustments to the 2014 financial statements as described in Note 11.

Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

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

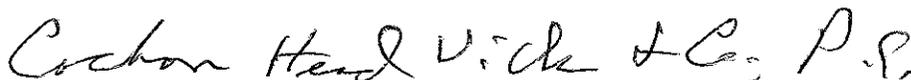
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual non-major 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 non-major fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2016, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Kansas City, Missouri
June 15, 2016

CITY OF PARKVILLE, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2015

As management of the City of Parkville, we offer readers of the City of Parkville's financial statements this narrative overview and analysis of the financial activities of the City of Parkville for the fiscal year ended December 31, 2015. We encourage readers to consider the information presented here in conjunction with the basic financial statements and the accompanying notes to those financial statements.

Financial Highlights

1. The assets and deferred outflows of the City of Parkville exceeded its liabilities and deferred inflows at the close of the year by \$9,493,329 (net position), a decrease of \$2,625,616 over the prior year.
2. As of the close of the current year, the City's governmental funds showed a combined ending balance of \$4,684,135, a decrease of \$1,177,886 from the prior year as a result of planned debt refinancing. Approximately 34 percent of the fund balance, \$1,579,944 is unassigned and available for spending at the City's discretion.
3. The City's total long-term debt decreased \$2,088,823. Debt connected with the City's government activities decreased \$1,791,551 primarily due to the pay down and refunding of the City's 2006 Certificate of Participation. Debt connected with the City's business-type activities decreased \$297,269 as the City paid off a capital lease obligation early.

Overview of the Financial Statements

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

Reporting the City as a Whole

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

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

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

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

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

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

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

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

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

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

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

Notes to the Basic Financial Statements

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

Other Information

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

Government-Wide Financial Analysis

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

Figure 1 – Statement of Net Position

	Governmental		Business-type		Total	
	Activities		Activities			
	2015	2014*	2015	2014*	2015	2014*
Current and other assets	\$ 11,919,946	\$ 16,539,744	\$ 1,224,469	\$ 1,400,259	\$ 13,144,415	\$ 17,940,003
Capital assets	9,650,764	9,596,365	3,571,218	3,783,417	13,221,982	13,379,782
Total assets	<u>21,570,710</u>	<u>26,136,109</u>	<u>4,795,687</u>	<u>5,183,676</u>	<u>26,366,397</u>	<u>31,319,785</u>
Deferred charge on refunding	33,127	-	-	-	33,127	-
Deferred outflows - pension	86,658	30,337	-	-	86,658	30,337
Total deferred outflows of resources	<u>119,785</u>	<u>30,337</u>	<u>-</u>	<u>-</u>	<u>119,785</u>	<u>30,337</u>
Long-term debt	14,667,277	16,292,917	1,518,351	1,815,620	16,185,628	18,108,537
Other liabilities	355,789	558,700	245,828	98,452	601,617	657,152
Total liabilities	<u>15,023,066</u>	<u>16,851,617</u>	<u>1,764,179</u>	<u>1,914,072</u>	<u>16,787,245</u>	<u>18,765,689</u>
Deferred inflow - property taxes	163,377	465,488	-	-	163,377	465,488
Deferred inflow - pension	42,231	-	-	-	-	-
Total deferred intflows of resources	<u>205,608</u>	<u>465,488</u>	<u>-</u>	<u>-</u>	<u>205,608</u>	<u>465,488</u>
Net position:						
Net investment in capital assets	2,338,456	767,779	2,052,867	1,967,797	4,391,323	2,735,576
Restricted	1,703,206	3,017,153	174,709	156,350	1,877,915	3,173,503
Unrestricted	2,420,159	5,064,409	803,932	1,145,457	3,224,091	6,209,866
Total net position	<u>\$ 6,461,821</u>	<u>\$ 8,849,341</u>	<u>\$ 3,031,508</u>	<u>\$ 3,269,604</u>	<u>\$ 9,493,329</u>	<u>\$ 12,118,945</u>

* as restated

Net position may serve over time as a useful indicator of a government's financial position. The City of Parkville's assets and deferred outflows exceeded liabilities and deferred inflows by \$9,493,329 at the close of the year ended December 31, 2015.

Figure 2 – Statement of Changes in Net Position

	Governmental		Business-type		Total	
	Activities		Activities		2015	2014*
	2015	2014*	2015	2014*	2015	2014*
Revenues:						
Program revenues:						
Charges for services	\$ 683,966	\$ 791,908	\$ 1,096,800	\$ 1,093,424	\$ 1,780,766	\$ 1,885,332
Operating grants and contributions	256,108	222,503	-	-	256,108	222,503
Capital grants and contributions	1,080,809	871,819	45,143	46,890	1,125,952	918,709
General revenues:						
Property taxes	1,436,359	1,404,253	-	-	1,436,359	1,404,253
Sales taxes	1,685,328	1,765,529	-	-	1,685,328	1,765,529
Franchise taxes	813,440	902,084	-	-	813,440	902,084
Intergovernmental activity taxes	160,125	164,549	-	-	160,125	164,549
Other taxes	3,254	1,592	-	-	3,254	1,592
Other	114,003	105,536	9,594	8,981	123,597	114,517
Total revenues	6,233,392	6,229,773	1,151,537	1,149,295	7,384,929	7,379,068
Expenses:						
General government	1,147,866	1,081,774	-	-	1,147,866	1,081,774
Public safety	1,313,066	1,379,740	-	-	1,313,066	1,379,740
Public works	1,541,591	1,296,926	-	-	1,541,591	1,296,926
Parks and recreation	435,047	374,837	-	-	435,047	374,837
Community development	3,556,318	729,525	-	-	3,556,318	729,525
Interest on long-term debt	627,024	1,124,864	-	-	627,024	1,124,864
Sewer	-	-	1,389,633	971,634	1,389,633	971,634
Total expenses	8,620,912	5,987,666	1,389,633	971,634	10,010,545	6,959,300
Change in net position	(2,387,520)	242,107	(238,096)	177,661	(2,625,616)	419,768
Net position, beginning	8,849,341	8,607,234	3,269,604	3,091,943	12,118,945	11,699,177
Net position, ending	\$ 6,461,821	\$ 8,849,341	\$ 3,031,508	\$ 3,269,604	\$ 9,493,329	\$ 12,118,945

* as restated

The City's net position decreased \$2,625,616 during the 2015 fiscal year. Of the total, governmental activities net position decreased \$2,387,520 and business-type activities net position decreased by \$238,096. Total 2015 governmental revenue increased \$3,619 over 2014. Total governmental activities expenses increased \$2,633,246. The increase is primarily attributable to additional Community Development expenses related to certain properties and special assessment receivable adjustments associated with the Brink Meyer Road and Brush Creek Drainage Neighborhood Improvement Districts. See Note 7A in the Notes to the Basic Financial Statements on page 33 for additional details.

Total 2015 business-type activities revenues increased slightly over 2014. Total business-type expenses increased \$417,999 resulting from intentional additional repair and maintenance expenses to catch up on deferred maintenance.

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 \$4,684,135. Of this amount \$3,104,191 is *non-spendable, restricted committed or assigned* for various purposes and \$1,579,944 is unassigned.

The general fund is the main operating fund of the City. At the end of the current fiscal year the general fund balance was \$2,924,185. 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 46.6% of total general fund expenditures. Included in the general fund's committed fund balance is the City's reserve fund which totaled \$1,269,842 at December 31, 2015.

The City's fund balance of the general fund increased by \$167,891 during the current fiscal year. 2015 general fund expenditures, excluding transfers out, were approximately \$9,200 less than 2014.

At December 31, 2015, the transportation sales tax fund has an ending fund balance of \$231,767, all of which is restricted. The fund balance decreased by \$96,229 during the year primarily related to the 2015 asphalt overlay program.

The debt service fund has a total fund balance of \$642,209, all of which is restricted for the payment of principal, interest and fees. The fund balance decreased by \$1,267,357 during the year primarily due to the pay down and refunding of the City's 2006 Certificate of Participation.

Proprietary Fund

The City's proprietary fund provide the same type of information found in the government-wide financial statements, but in more detail. The net position of the sewer fund at the end of the year totaled \$3,031,508 of which \$803,932 is unrestricted. The sewer fund's net position decreased by \$238,096 from the prior year due to an increase in repair and maintenance expenses.

General Fund Actual to Budget Analysis

Actual revenues exceed budgeted revenues by \$31,232 as taxes, intergovernmental, and other revenues exceed budgeted revenues which more than offset the fines and forfeiture budget to actual deficit. Actual expenditures were \$668,104 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. However, this amount is significantly higher than recent previous years due primarily to three factors. The City budgeted a considerable increase in 2015 for workers compensation, property, and liability coverage based on early projections. Through the negotiation process, those costs were brought down considerably. The City budgeted an increase in 2015 for legal expenses due to anticipated needs for code enforcement, economic development, and litigation. Fortunately costs were managed well below budget. Finally, three capital projects that were initiated in 2015 will not be completed until 2016, so approximately \$140,000 of approved expenses will be reported in 2016 due to the timing of payments.

Capital Asset and Debt Administration

Capital Assets

At the end of year, the City had \$13,221,982 invested in capital assets including land, buildings, equipment, vehicles, infrastructure, and sewer lines net of accumulated depreciation. (See table below) This represents a net decrease of \$157,800 from last year as current year depreciation expense exceeded current year capital assets additions.

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

	Governmental		Business-Type		Total	
	Activities		Activities			
	2015	2014	2015	2014	2015	2014
Land	\$ 869,880	\$ 869,880	\$ 59,975	\$ 59,975	\$ 929,855	\$ 929,855
Buildings & Improvements	3,195,009	3,306,278	2,015,051	2,188,002	5,210,060	5,494,280
Equipment & Vehicles	452,240	460,331	48,455	37,839	500,695	498,170
Infrastructure	5,133,635	4,959,876	1,447,737	1,497,601	6,581,372	6,457,477
Total	<u>\$ 9,650,764</u>	<u>\$ 9,596,365</u>	<u>\$ 3,571,218</u>	<u>\$ 3,783,417</u>	<u>\$ 13,221,982</u>	<u>\$ 13,379,782</u>

Additional information on the City's capital assets can be found in Note 6 in the Notes to the Basic Financial Statements.

Long-Term Obligations - At the end of the current fiscal year, the City had total long-term obligations outstanding of \$15,936,135.

City of Parkville, Missouri Outstanding Debt

	Governmental		Business-Type		Total	
	Activities		Activities			
	2015	2014	2015	2014	2015	2014
Limited General Obligation Bonds (plus premium)	\$ 10,993,523	\$ 11,293,620	\$ -	\$ -	\$ 10,993,523	\$ 11,293,620
Certificates of Participation (less discount)	3,383,722	4,866,626	-	-	3,383,722	4,866,626
Compensated Absences	40,539	49,092	-	-	40,539	49,092
Capital Lease Obligation	-	-	-	149,350	-	149,350
Revenue Bonds (plus premium)	-	-	1,518,351	1,666,270	1,518,351	1,666,270
Total	<u>\$ 14,417,784</u>	<u>\$ 16,209,338</u>	<u>\$ 1,518,351</u>	<u>\$ 1,815,620</u>	<u>\$ 15,936,135</u>	<u>\$ 18,024,958</u>

The government activities decreased \$1,791,554 and the business-type activities decreased \$297,269.

During fiscal year 2015, the City issued \$3,383,722 Refunding Certificates of Participation to current refund the 2006 Certificates of Participation. The City completed the refunding to reduce its debt service payments by \$1,427,903 and to obtain an economic gain of \$529,186.

In 2003, the City entered into a lease purchase agreement to fund certain improvements to the City's sewer plant property. In 2015, the City retired the remaining outstanding balance under the agreement totaling \$149,350. The early retirement resulted in an estimated interest costs savings of \$37,107.

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

Economic Factors and Next Year's Budgets and Rates

As in prior years, the City budgeted cautiously, holding 2016 revenues and expenditure budgets at or near 2015 levels. The 2016 budget maintains essential services at current levels and directs limited additional resources toward the five critical success factors identified by the Board of Aldermen in July 2015 (basic services, infrastructure, parks, economic development, and finances). The City is fortunately experiencing steady growth in its retail, residential, and commercial base that bodes well for future financial security. The Board continues to exercise caution when implementing new projects and expanding services due to the debt burden associated with the Brush Creek Drainage and Brink Meyer Road Neighborhood Improvement Districts (NIDs). However, the NID properties show strong development potential, so the City should not forgo opportunities. The City continues to take advantage of grant opportunities and strategic financing. For example, the English Landing Park restroom project, a long-deferred community priority, will be accomplished through a combination of sources – county grant, donations, and a Fewson Fund loan.

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.

CITY OF PARKVILLE, MISSOURI
Statement of Net Position
December 31, 2015

	Primary Government		Total
	Governmental Activities	Business-type Activities	
Assets			
Cash and investments	\$ 3,107,630	\$ 913,062	\$ 4,020,692
Receivables:			
Taxes	367,100	-	367,100
Special assessments	5,248,601	-	5,248,601
Accounts and other	-	121,374	121,374
Due from other governments	17,159	-	17,159
Prepays, deposits, and other assets	74,399	1,839	76,238
Restricted assets:			
Cash and investments	1,505,057	188,194	1,693,251
Land held for redevelopment	1,600,000	-	1,600,000
Capital assets:			
Not being depreciated	869,880	59,975	929,855
Being depreciated, net of depreciation	8,780,884	3,511,243	12,292,127
Total assets	21,570,710	4,795,687	26,366,397
Deferred Outflows of Resources			
Deferred charges on refunding	33,127	-	33,127
Deferred outflow - pension asset	38,548	-	38,548
Deferred outflow - employer contributions	48,110	-	48,110
Total deferred outflows of resources	119,785	-	119,785
Liabilities			
Accounts payable	162,555	194,966	357,521
Accrued payroll and benefits	61,278	908	62,186
Accrued interest	131,956	36,469	168,425
Payable from restricted assets:			
Customer deposits	-	13,485	13,485
Long term debt:			
Net pension liability	249,493	-	249,493
Due within one year	345,636	152,919	498,555
Due in more than one year	14,072,148	1,365,432	15,437,580
Total liabilities	15,023,066	1,764,179	16,787,245
Deferred Inflows of Resources			
Deferred inflow - property taxes	163,377	-	163,377
Deferred inflow - pension liability	42,231	-	42,231
Total deferred inflows of resources	205,608	-	205,608
Net Position			
Net investment in capital assets	2,338,456	2,052,867	4,391,323
Restricted :			
Capital projects	322,255	-	322,255
Debt service	642,209	174,709	816,918
Public safety	89,092	-	89,092
Parks and recreation	59,912	-	59,912
Community development	22,741	-	22,741
Fewson trust (non-expendable)	566,997	-	566,997
Unrestricted	2,420,159	803,932	3,224,091
Total net position	\$ 6,461,821	\$ 3,031,508	\$ 9,493,329

See accompanying notes to the basic financial statements

CITY OF PARKVILLE, MISSOURI
Statement of Activities
For the Year Ended December 31, 2015

<u>Functions/Programs</u>	<u>Program Revenues</u>				<u>Net (Expense) Revenue and Changes in Net Position</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating</u>	<u>Capital</u>	<u>Primary Government</u>		
			<u>Grants and Contributions</u>	<u>Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Primary government:							
Government activities							
General government	\$ 1,147,866	\$ 419,815	\$ -	\$ 108,540	\$ (619,511)	\$ -	\$ (619,511)
Public safety	1,313,066	230,085	8,904	-	(1,074,077)	-	(1,074,077)
Public Works	1,541,591	-	233,066	972,269	(336,256)	-	(336,256)
Parks and recreation	435,047	34,066	14,138	-	(386,843)	-	(386,843)
Community development	3,556,318	-	-	-	(3,556,318)	-	(3,556,318)
Interest on long-term debt	627,024	-	-	-	(627,024)	-	(627,024)
Total governmental activities	<u>8,620,912</u>	<u>683,966</u>	<u>256,108</u>	<u>1,080,809</u>	<u>(6,600,029)</u>	<u>-</u>	<u>(6,600,029)</u>
Business-type activities							
Sewer	1,389,633	1,096,800	-	45,143	-	(247,690)	(247,690)
Total business-type activities	<u>1,389,633</u>	<u>1,096,800</u>	<u>-</u>	<u>45,143</u>	<u>-</u>	<u>(247,690)</u>	<u>(247,690)</u>
Total primary government	<u>\$ 10,010,545</u>	<u>\$ 1,780,766</u>	<u>\$ 256,108</u>	<u>\$ 1,125,952</u>	<u>(6,600,029)</u>	<u>(247,690)</u>	<u>(6,847,719)</u>

General revenues:

Taxes:

Property taxes, levied for general purpose	1,097,697	-	1,097,697
Property taxes, levied for debt service	338,662	-	338,662
Sales taxes	1,685,328	-	1,685,328
Franchise taxes	813,440	-	813,440
Intergovernmental activity taxes	160,125	-	160,125
Other taxes	3,254	-	3,254
Unrestricted investment earnings	36,812	4,974	41,786
Gain on disposal of capital assets	19,247	-	19,247
Miscellaneous	57,944	4,620	62,564
Total general revenues	<u>4,212,509</u>	<u>9,594</u>	<u>4,222,103</u>
Change in net position	<u>(2,387,520)</u>	<u>(238,096)</u>	<u>(2,625,616)</u>
Net position, beginning of year, as restated	8,849,341	3,269,604	12,118,945
Net position, end of year	<u>\$ 6,461,821</u>	<u>\$ 3,031,508</u>	<u>\$ 9,493,329</u>

See accompanying notes to the basic financial statements

CITY OF PARKVILLE, MISSOURI
Balance Sheet - Governmental Funds
December 31, 2015

	General	Transportation Sales Tax Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and investments	\$ 2,596,069	\$ 265,267	\$ -	\$ 246,294	\$ 3,107,630
Receivables:					
Taxes	278,706	88,394	-	-	367,100
Special assessments	-	-	5,248,601	-	5,248,601
Due from other governments	6,274	10,885	-	-	17,159
Due from other funds	244,075	-	-	-	244,075
Prepays, deposits and other assets	74,399	-	-	-	74,399
Restricted cash and investments	-	8,883	926,970	569,204	1,505,057
Total Assets	<u>\$ 3,199,523</u>	<u>\$ 373,429</u>	<u>\$ 6,175,571</u>	<u>\$ 815,498</u>	<u>\$ 10,564,021</u>
Liabilities					
Accounts payable	\$ 99,578	\$ 44,498	\$ 674	\$ 17,805	\$ 162,555
Accrued payroll and benefits	61,278	-	-	-	61,278
Due to other funds	-	-	244,075	-	244,075
Total Liabilities	<u>160,856</u>	<u>44,498</u>	<u>244,749</u>	<u>17,805</u>	<u>467,908</u>
Deferred inflows of resources					
Unavailable revenues	<u>114,482</u>	<u>8,883</u>	<u>5,288,613</u>	<u>-</u>	<u>5,411,978</u>
Fund balances:					
Nonspendable:					
Prepaid Items	74,399	-	-	-	74,399
Fewson trust	-	-	-	566,997	566,997
Restricted:					
Capital projects	-	320,048	-	2,207	322,255
Debt service	-	-	642,209	-	642,209
Public safety	-	-	-	89,092	89,092
Parks and recreation	-	-	-	59,912	59,912
Community development	-	-	-	22,741	22,741
Committed:					
Emergency reserve	1,269,842	-	-	-	1,269,842
Assigned:					
Capital projects	-	-	-	56,744	56,744
Unassigned	1,579,944	-	-	-	1,579,944
Total fund balance	<u>2,924,185</u>	<u>320,048</u>	<u>642,209</u>	<u>797,693</u>	<u>4,684,135</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 3,199,523</u>	<u>\$ 373,429</u>	<u>\$ 6,175,571</u>	<u>\$ 815,498</u>	<u>\$ 10,564,021</u>

See accompanying notes to the basic financial statements

CITY OF PARKVILLE, MISSOURI
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position
December 31, 2015

Fund balances of governmental funds	\$	4,684,135
Amounts reported for governmental activities in the statement of net position are different because:		
Long-term assets are not available to pay for current period expenditures and are therefore deferred in the fund statements		5,248,601
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental fund statements.		9,650,764
Long-term assets held for redevelopment are not reported in the fund statements		1,600,000
Deferred charges on refunding are not due and payable in the current period and therefore not reported in the governmental fund statements		33,127
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		44,427
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.		(131,956)
The net pension liability is not due and payable and therefore is not recorded in the governmental fund statements.		(249,493)
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		(14,417,784)
Net position of governmental activities	<u>\$</u>	<u>6,461,821</u>

See accompanying notes to the basic financial statements

CITY OF PARKVILLE, MISSOURI
Statement of Revenues, Expenditures and
Changes in Fund Balances - Governmental Funds
For the Year Ended December 31, 2015

	General	Transportation Sales Tax Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 2,871,357	\$ 454,581	\$ 338,662	\$ 273,781	\$ 3,938,381
Intergovernmental	95,222	469,846	-	210,125	775,193
Charges for services	36,616	-	-	4,956	41,572
Fines and forfeitures	225,128	-	-	-	225,128
Licenses and permits	315,764	-	-	-	315,764
Special assessments	-	-	589,095	-	589,095
Grants	-	-	-	58,540	58,540
Charges for sewer administration	101,500	-	-	-	101,500
Interest	7,623	-	17,855	11,334	36,812
Other	47,163	2,300	-	22,697	72,160
Total Revenues	3,700,373	926,727	945,612	581,433	6,154,145
Expenditures:					
Current:					
General government	923,911	-	-	-	923,911
Public safety	1,203,442	-	-	11,488	1,214,930
Public works	618,882	-	-	-	618,882
Parks and recreation	349,601	-	-	42,801	392,402
Community development	292,195	-	-	438,801	730,996
Capital outlay	-	790,847	-	73,295	864,142
Debt service:					
Principal	-	-	545,000	-	545,000
Interest and fiscal charges	-	-	717,537	-	717,537
Refunding payment	-	-	1,346,056	-	1,346,056
Total Expenditures	3,388,031	790,847	2,608,593	566,385	7,353,856
Excess of Revenues Over (Under) Expenditures	312,342	135,880	(1,662,981)	15,048	(1,199,711)
Other financing sources (uses):					
Transfers in	245,000	-	395,624	4,577	645,201
Transfers out	(400,201)	(245,000)	-	-	(645,201)
Sale of capital assets	10,750	11,075	-	-	21,825
Proceeds from certificates of participation	-	-	3,383,722	-	3,383,722
Payment to escrow agent	-	-	(3,383,722)	-	(3,383,722)
Total Other Financing Sources (Uses)	(144,451)	(233,925)	395,624	4,577	21,825
Net change in fund balances	167,891	(98,045)	(1,267,357)	19,625	(1,177,886)
Fund balances, beginning of year, as restated	2,756,294	418,093	1,909,566	778,068	5,862,021
Fund balances, end of year	\$ 2,924,185	\$ 320,048	\$ 642,209	\$ 797,693	\$ 4,684,135

See accompanying notes to the basic financial statements

**CITY OF PARKVILLE, MISSOURI
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2015**

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

Net change in fund balances - total governmental funds	\$ (1,177,886)
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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	158,214
Depreciation	(436,237)
Donated capital assets	335,000
Disposal of capital assets	(2,578)

Revenues in the statement of activities that do not provide current financial resources are reported as deferred inflows in the governmental funds.

Special assessments	(3,102,331)
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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	275,000
Refunding of certificates of participation, net	1,516,278
Changes in unamortized bond issuance discount	24,850
Changes in accrued interest expense	165,441

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Change in compensated absences and net pension obligations	<u>(143,271)</u>
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Change in net position of governmental activities	<u><u>\$ (2,387,520)</u></u>
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See accompanying notes to the basic financial statements

Exhibit E

CITY OF PARKVILLE, MISSOURI
Statement of Net Position
Proprietary Fund
December 31, 2015

	Sewer Fund
Assets	
Current assets:	
Cash and investments	\$ 913,062
Receivables, net:	
Accounts and other	121,374
Prepaid expenses	1,839
Restricted cash and investments	188,194
Total current assets	<u>1,224,469</u>
Noncurrent assets:	
Capital assets:	
Not being depreciated	59,975
Being depreciated, net of depreciation	3,511,243
Total noncurrent assets	<u>3,571,218</u>
Total assets	<u>4,795,687</u>
Liabilities	
Current liabilities:	
Accounts payable	194,966
Accrued liabilities	908
Current liabilities (payable from restricted assets):	
Customer deposits	13,485
Interest payable	36,469
Current portion of bonds payable	152,919
Total current liabilities:	<u>398,747</u>
Long-term liabilities:	
Bonds payable	1,365,432
Total long-term liabilities:	<u>1,365,432</u>
Total liabilities	<u>1,764,179</u>
Net position	
Net investment in capital assets	2,052,867
Restricted net position for:	
Debt service	174,709
Unrestricted	803,932
Total net position	<u>\$ 3,031,508</u>

See accompanying notes to the basic financial statements

CITY OF PARKVILLE, MISSOURI
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Fund
For the Year Ended December 31, 2015

	Sewer Fund
Operating revenues:	
Charges for services	\$ 1,096,800
Other	4,620
Total operating revenues	1,101,420
Operating expenses:	
Personnel Services	14,152
Contractual Services	335,549
Administrative Fee	101,500
Depreciation	234,400
Repairs and maintenance	548,509
Other	73,220
Total operating expenses	1,307,330
Operating income (loss)	(205,910)
Nonoperating revenues (expenses):	
Intergovernmental	45,143
Interest income	4,974
Interest expense	(82,303)
Total nonoperating revenues (expenses)	(32,186)
Change in net position	(238,096)
Total net position, beginning of year, as restated	3,269,604
Total net position, end of year	\$ 3,031,508

See accompanying notes to the basic financial statements

CITY OF PARKVILLE, MISSOURI
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2015

Exhibit G

	Sewer Fund
Cash flows provided by (used in) operating activities:	
Receipts from customers and others	\$ 1,075,123
Payments to suppliers	(906,989)
Payments to employees	(13,465)
Net cash provided by (used in) operating activities	154,669
Cash flows provided by (used in) investing activities:	
Interest received	50,117
Net cash flows provided by (used in) investing activities	50,117
Cash flows provided by (used in) capital and related financing activities:	
Interest and fiscal charges	(47,434)
Principal payments on long-term debt	(297,269)
Net cash flows provided by (used in) capital and related financing activities	(366,904)
Net change in cash and equivalents	(162,118)
Cash and equivalents, beginning of year	1,263,374
Cash and equivalents, end of year	\$ 1,101,256
Cash and investments reported on the Statement of Net Position	
Cash and investments	\$ 913,062
Restricted cash and investments	188,194
Total cash and investments	\$ 1,101,256
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:	
Operating income (loss)	\$ (205,910)
Adjustments to reconcile operating loss to net cash used by operations:	
Depreciation	234,400
Changes in:	
Receivables	(26,297)
Accounts payable	151,789
Accrued liabilities	687
Net cash provided by (used in) operating activities	\$ 154,669

See accompanying notes to the basic financial statements

CITY OF PARKVILLE, MISSOURI
Statement of Assets and Liabilities
Fiduciary Funds
December 31, 2015

	Municipal Court	Escrow Fund	Total Agency Funds
Assets			
Cash and investments	\$ 21,730	\$ 71,952	\$ 93,682
Total assets	<u>\$ 21,730</u>	<u>\$ 71,952</u>	<u>\$ 93,682</u>
Liabilities			
Due to others	\$ 21,730	\$ 71,952	\$ 93,682
Total liabilities	<u>\$ 21,730</u>	<u>\$ 71,952</u>	<u>\$ 93,682</u>

See accompanying notes to the basic financial statements

CITY OF PARKVILLE, MISSOURI

Notes to the Basic Financial Statements

December 31, 2015

(1) Summary of Significant Accounting Policies

The City of Parkville, Missouri (the City) was incorporated on February 6, 1957. The City is a fourth class city and operates under a Mayor-Board of Aldermen form of government. The City Administrator is the chief administrative officer of the City. The City provides services to nearly 5,600 residents in many areas, including law enforcement, sewer services, community enrichment and development, and various social services.

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

A. Financial Reporting Entity

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

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

B. Basis of Presentation

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

Government-wide financial statements

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

CITY OF PARKVILLE, MISSOURI

Notes to the Basic Financial Statements

December 31, 2015

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 and Equipment Reserve Fund activities are included in the General Fund.

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

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

The City reports the following fund types of nonmajor funds:

Special Revenue Funds - These funds account for specific revenue sources that are restricted for specified purposes.

Permanent Fund – This fund reports resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support City programs.

PROPRIETARY FUND

Proprietary Funds are used to account for the City's ongoing activities which are similar to those found in the private sector. The measurement focus is upon determination of net income, financial position, and changes in financial position.

The following is the City's major proprietary fund:

The Sewer Service Fund – This fund accounts for the provision of waste water and sewer services to the general public. All activities necessary to provide such services are accounted for in this fund, including administration, operations, maintenance, financing and related debt service, and billing and collection.

FIDUCIARY FUNDS

The City maintains two fiduciary funds, the Municipal Court, which accounts for court bonds paid by defendants and the Escrow Fund which accounts for funds held in escrow for future special assessments. 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.

CITY OF PARKVILLE, MISSOURI

Notes to the Basic Financial Statements

December 31, 2015

C. Basis of Accounting

Government-wide Financial Statements

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

Governmental Fund Financial Statements

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

Revenue Recognition

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

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

Expenditure Recognition

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

Proprietary Fund Financial Statements

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

CITY OF PARKVILLE, MISSOURI

Notes to the Basic Financial Statements

December 31, 2015

D. Cash and Investments

Missouri State Statutes authorize the City, with certain restrictions, to deposit funds in open accounts, time deposits, investment pools and certificates of deposit. Statutes also require that collateral pledged must have a fair value equal to 100% of the funds on deposit, less insured amounts. Collateral securities must be held by the City or an independent third party and must be of the kind prescribed by State Statutes and approved by the State.

The City maintains and controls a cash pool in which a majority of the City's funds share. Each fund's portion of the pool is displayed on their respective balance sheet or statement of net position as "cash and investments". The City's cash and investments are primarily considered to be cash on hand, amounts in demand deposits, and certificates of deposits. Interest earned on demand deposits is allocated to the various funds on the basis of average month-end balances.

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

E. Accounts Receivable

Accounts receivable result primarily from miscellaneous services provided to citizens accounted for in the Governmental Funds, and from water, sewer, and sanitation services accounted for in the their respective Proprietary Fund net of an allowance for doubtful accounts.

F. Special Assessments Receivable

Special assessments receivable reflects the property taxes collectable by the City for the purpose of repaying certain Special Assessment debt held by the City. The amount collectable by the City is reduced each year as the taxes are levied against the property and, subsequently, collected by the City.

G. Prepaid Items

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

H. Capital Assets

Capital assets, which include property, equipment, and infrastructure assets (i.e. roads, streets lights, storm sewers, etc.) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are charged to expenditures as purchased in the governmental fund statements, and capitalized in the proprietary fund statements. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at estimated fair value as of the date of the donation.

As the City is a Phase III government under Governmental Accounting Standards Board (GASB) Statement No. 34, it has elected to exercise its option to forego retroactively reporting governmental infrastructure assets acquired prior to December 31, 2003. Governmental infrastructure assets on the statement of net position include only infrastructure capital assets acquired subsequent to December 31, 2003.

Capital assets are defined by the City as assets with an initial, individual cost of \$2,500 or more and an estimated useful life of greater than one year. Additions or improvements and other capital outlays that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized. Other costs incurred for repairs and maintenance is expensed as incurred. Fully depreciated capital assets are included in their respective accounts until their disposal.

CITY OF PARKVILLE, MISSOURI

Notes to the Basic Financial Statements

December 31, 2015

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:

Governmental infrastructure	20 – 40 years
Buildings	20 – 40 years
Machinery and equipment	5 – 10 years
Sewer plant and collection systems	20 – 50 years

I. Compensated Absences

Under terms of the City's personnel policy, City employees are granted vacation in varying amounts. Vacation days are required to be taken within the current or following calendar year in which earned. In the event of retirement or termination, an employee is paid for unused vacation days.

Vested or accumulation vacation is accounted for as follows:

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

J. Deferred Outflows/inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The City has three items that qualify for reporting in this category. The first two relate to the change in actual and projected earnings in calculating the pension asset and employer contributions made subsequent to the measurement date of June 30, 2015. The last is deferred charges on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two types of items, which arises under the accrual and modified accrual basis of accounting, which qualify for reporting in this category. The first one relates to the change in actual and projected experience in calculating the pension liability. The second item, unavailable revenue, is reported in both the statement of net position and in the governmental funds balance sheet for receipts of tax payments related to fiscal year 2016 property taxes. Special assessment revenues related to debt are only reported in the governmental funds balance sheet. The governmental funds report unavailable revenues related to taxes, fees, and grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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

CITY OF PARKVILLE, MISSOURI

Notes to the Basic Financial Statements

December 31, 2015

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 \$101,500 for the year ended December 31, 2015.

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 grow a general fund balance of 15% of general fund appropriations for the succeeding fiscal year. Amounts over 15% may be moved into the emergency reserve fund.

CITY OF PARKVILLE, MISSOURI

Notes to the Basic Financial Statements

December 31, 2015

M. Net Position Classifications

In the government-wide statements, equity is shown as net position and classified into three components:

- (1) Net investment in capital assets – consisting of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgage notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- (2) Restricted net position – consisting of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The City first utilizes restricted resources to finance qualifying activities.
- (3) Unrestricted net position – All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government’s policy to consider restricted net position to have been depleted before unrestricted net position is applied.

N. Expenditures in Excess of Budget Appropriations

In violation of the budget ordinance, actual expenditures exceeded budgeted appropriations as follows:

<u>Fund</u>	<u>Expenditures in Excess of Budget Appropriations</u>
Economic Development	\$ 2,777
Nature Sanctuary	10,450
Parks Donations	13,351
Debt Service Fund (Certificates of Participation)	4,692,581
Reserve Fund	178,124

O. 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.

CITY OF PARKVILLE, MISSOURI

Notes to the Basic Financial Statements

December 31, 2015

(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	\$	330
Demand deposits		4,549,242
Certificates of deposits		340,226
US treasuries and agency securities		56,027
Restricted cash equivalents held in trust		861,800
		\$ 5,807,625

	Government-wide statement of net position	Fiduciary funds statement of net position	Total
Cash and investments	\$ 4,020,692	\$ 93,682	\$ 4,114,374
Restricted cash and investments	1,693,251	0	1,693,251
	\$ 5,713,943	\$ 93,682	\$ 5,807,625

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, 2015, 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, 2015.

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.

(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, 2014, was \$195,553,232.

CITY OF PARKVILLE, MISSOURI

Notes to the Basic Financial Statements

December 31, 2015

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	\$ 0.4784
General Revenue- Temporary	0.1759
	<u>\$ 0.6543</u>

Tax revenues for the year consisted of the following:

	Property Taxes	Sales Taxes	Franchise Taxes	Other Taxes	Total
Major governmental funds:					
General	\$ 1,097,697	\$ 960,220	\$ 813,440	\$ -	\$ 2,871,357
Transportation Sales Tax	-	454,581	-	-	454,581
Debt Service	338,662	-	-	-	338,662
Nonmajor funds	-	270,527	-	3,254	273,781
	<u>\$ 1,436,359</u>	<u>\$ 1,685,328</u>	<u>\$ 813,440</u>	<u>\$ 3,254</u>	<u>\$ 3,938,381</u>

Taxes receivable represent property, sales, gross receipts, and franchise taxes, including interest and penalties, reduced by an appropriate allowance for uncollectible taxes. Taxes receivable consisted of the following at December 31, 2015:

	Sales Taxes	Franchise Taxes	Total
Major governmental funds:			
General	\$180,838	\$ 97,868	\$278,706
Transportation Sales Tax	88,394	-	88,394
	<u>\$269,232</u>	<u>\$ 97,868</u>	<u>\$367,100</u>

(4) Intergovernmental Revenue/Receivables

Intergovernmental revenue during the year consisted of the following:

	General Fund	Transportation Sales Tax	Other Nonmajor Funds	Total
Grants - Federal, State and Local	\$ 24,630	\$ -	\$ 50,000	\$ 74,630
State:				
Motor vehicle sales tax	46,053	-	-	46,053
Motor vehicle fuel tax	-	146,671	-	146,671
Motor vehicle license and title transfer fees	24,539	-	-	24,539
Local:				
Economic activity taxes	-	323,175	160,125	483,300
Total Intergovernmental Revenue	<u>\$ 95,222</u>	<u>\$ 469,846</u>	<u>\$ 210,125</u>	<u>\$ 775,193</u>

CITY OF PARKVILLE, MISSOURI

Notes to the Basic Financial Statements

December 31, 2015

Amounts due from other governments at December 31, 2015, were as follows:

	<u>General Fund</u>	<u>Transporation Sales Tax</u>	<u>Total</u>
Motor vehicle sales tax	\$ 3,836	\$ -	\$ 3,836
Motor vehicle fuel tax	-	10,885	10,885
Motor vehicle license and title transfer fees	2,438	-	2,438
Total due from other governments	<u>\$ 6,274</u>	<u>\$ 10,885</u>	<u>\$ 17,159</u>

(5) Interfund Activity

Transfers between funds for the year ended December 31, 2015 were as follows:

	<u>General</u>	<u>Transfers Out: Transporation Sales Tax</u>	<u>Total</u>
Transfers In:			
Governmental activities:			
General Fund	\$ -	\$ 245,000	\$ 245,000
Debt Service Fund	395,624	-	395,624
Other Governmental Funds	4,577	-	4,577
	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ 400,201</u>	<u>\$ 245,000</u>	<u>\$ 645,201</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, (2) use unrestricted revenues in the General Fund to meet certain special assessment debt service requirements as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs 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.

Amount due to/due from other funds as of December 31, 2015 were as follows:

	<u>Due to: General Fund</u>
Due from:	
Debt service fund	<u>\$ 244,075</u>

Interfund advances to the Debt Service Fund were used to lower annual principal bond payments through the refunding of the Certificates of Participation.

CITY OF PARKVILLE, MISSOURI
Notes to the Basic Financial Statements
December 31, 2015

(6) Capital Assets

A summary of the changes in capital assets for the year is as follows:

	December 31, 2014 ***	Additions	Retirements	December 31, 2015
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 869,880	\$ -	\$ -	\$ 869,880
Total capital assets, not being depreciated	869,880	-	-	869,880
Capital assets, being depreciated				
Buildings and improvements	4,394,446	-	-	4,394,446
Equipment and vehicles	2,045,443	158,214	116,501	2,087,156
Infrastructure	6,011,540	335,000	-	6,346,540
Total capital assets being depreciated	12,451,429	493,214	116,501	12,828,142
Less accumulated depreciation for:				
Buildings and improvements	1,088,168	111,269	-	1,199,437
Equipment and vehicles	1,585,112	163,727	113,923	1,634,916
Infrastructure	1,051,664	161,241	-	1,212,905
Total accumulated depreciation	3,724,944	436,237	113,923	4,047,258
Total capital assets being depreciated, net	8,726,485			8,780,884
Governmental activates capital assets, net	\$ 9,596,365			\$ 9,650,764

*** as restated

	December 31, 2014 ***	Additions	Retirements	December 31, 2015
Business-type activities:				
Capital assets, not being depreciated				
Land	\$ 59,975	\$ -	\$ -	\$ 59,975
Total capital assets, not being depreciated	59,975	-	-	59,975
Capital assets, being depreciated				
Buildings and improvements	5,253,934	-	-	5,253,934
Equipment and vehicles	263,593	22,201	-	285,794
Infrastructure	2,384,899	-	-	2,384,899
Total capital assets being depreciated	7,902,426	22,201	-	7,924,627
Less accumulated depreciation for:				
Buildings and improvements	3,065,932	172,951	-	3,238,883
Equipment and vehicles	225,754	11,585	-	237,339
Infrastructure	887,298	49,864	-	937,162
Total accumulated depreciation	4,178,984	234,400	-	4,413,384
Total capital assets being depreciated, net	3,723,442			3,511,243
Business-type activates capital assets, net	\$ 3,783,417			\$ 3,571,218

*** ss restated

CITY OF PARKVILLE, MISSOURI

Notes to the Basic Financial Statements

December 31, 2015

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

Governmental activities:	
General government	\$ 126,764
Public safety	59,692
Public works	212,928
Parks and recreation	34,043
Economic development	2,810
Total depreciation expense for governmental activities	\$ 436,237
Business-type activities:	
Sewer	\$ 234,400
Total depreciation expense for business-type activities	\$ 234,400

(7) Long Term Debt

A summary of the changes in long term debt is as follows:

	Beginning of Year	Adjustments/ Additions	Adjustments/ Retirements	End of Year	Due Within One Year
Governmental Activities:					
Limited general obligation bonds:					
Series 2010 - River Park	\$ 1,755,000	\$ -	\$ 275,000	\$ 1,480,000	\$ 280,000
Series 2014A - Brush Creek	5,375,000	-	-	5,375,000	-
Series 2014B - Brink Meyer	3,675,000	-	-	3,675,000	-
Premium on issuance	488,620	-	25,097	463,523	25,097
	11,293,620	-	300,097	10,993,523	305,097
Certificates of participation	4,900,000	3,383,722	4,900,000	3,383,722	-
Discount on issuance	(33,374)	-	(33,374)	-	-
* Compensated absences	49,092	40,539	49,092	40,539	40,529
Total Governmental Activities	16,209,338	3,424,261	5,215,815	14,417,784	345,626
Business-type Activates:					
Revenue bonds	\$ 1,595,000	\$ -	\$ 140,000	\$ 1,455,000	\$ 145,000
Premium on issuance	71,270	-	7,919	63,351	7,919
Capital lease obligation	149,350	-	149,350	-	-
Total Business-type Activates	1,815,620	-	297,269	1,518,351	152,919
Total Primary Government	\$ 18,024,958	\$ 3,424,261	\$ 5,513,084	\$ 15,936,135	\$ 498,545

* Primarily liquidated by the General fund in prior years.

CITY OF PARKVILLE, MISSOURI

Notes to the Basic Financial Statements

December 31, 2015

A. Limited General Obligation Bonds

The City has issues special limited general obligation bonds to provide funds for the acquisition and construction of certain neighborhood improvement projects. Financing is provided by special assessments levied within the respective Districts. Special general obligation bonds are direct obligations and pledge the full faith and credit of the City. The City's limited general obligation bonds as of December 31, 2015:

Series 2010 - Neighborhood Improvement District - Limited General Obligation Refunding Bonds (River Park Project); due in annual installments through March 1, 2020; interest at 1.75% to 3.25%	\$ 1,480,000
Series 2014A - Neighborhood Improvement District - Limited General Obligation Bonds (Brush Creek Drainage Area Neighborhood Improvement Project); due in annual installments through March 1, 2034; interest at 3.0% to 4.0%	5,375,000
Series 2014B - Neighborhood Improvement District - Limited General Obligation Bonds (Brink Meyer Road Neighborhood Improvement Project); due in annual installments through March 1, 2034; interest at 3.0% to 3.25%	<u>3,675,000</u>
Total limited general obligation bonds	<u>\$ 10,530,000</u>

In 2015, the City began the required special assessment levy on the property owners within the Brink Meyer Road Neighborhood Improvement District (Brink Meyer NID). The Brink Meyer NID's scheduled annual special assessments necessary to meet the Series 2014B debt service requirements is \$276,166 per year through 2034. The Brink Meyer NID's sole property owner is delinquent on its 2015 special assessment. Accordingly, the City transferred funds totaling \$178,124 from the General Fund to the Debt Service Fund to assist in meeting the 2015 debt service requirement on the 2014B bonds. The City is currently pursuing legal action against the property owner related to the default on the special assessments.

In 2015, the City began the required special assessment levy on the property owners within the Brush Creek Drainage Area Neighborhood Improvement District (Brush Creek NID). The Brush Creek NID's scheduled annual special assessments necessary to meet the Series 2014A debt service requirements is \$388,030 per year through 2034. Certain property in the Brink Meyer NID is also subject to special assessments in the Brush Creek NID. The property owner is delinquent on its 2015 Brush Creek NID special assessment of approximately \$81,000. The City is currently pursuing legal action against the property owner related to the default on the special assessments.

CITY OF PARKVILLE, MISSOURI

Notes to the Basic Financial Statements

December 31, 2015

Subsequent event

As a result of the judicial foreclosure default judgment issued by the Platte County Circuit Court, a sheriff's sale was held on May 24, 2016, for the approximately 73 acre tract of property on the southeast quadrant of the intersection of I-435 and Route 45. This property is subject to special assessments for both the Brink Meyer Road NID and Brush Creek Drainage NID. At the sale, the City acquired the property for a credit bid (no cash exchange) of \$10,000. City management has estimated the acquisition value of the acquired property at \$1,600,000 and has recorded this amount as "Land held for redevelopment. With the sale, all past, current and future Brink Meyer Road NID and Brush Creek Drainage NID special assessments due within the NID districts associated with the acquired property were "cleared" as part of the judicial foreclosure process and are no longer subject to Brink Meyer Road NID and Brush Creek Drainage NID a special assessments. Accordingly, the principal portion of the special assessment receivable of \$4,427,331 net of the estimated acquisition value of the property of \$1,600,000 resulted in a total of \$2,827,331 being charged to expense.

The City is actively seeking a development partnership to offset the debt exposure through a combination of property sale proceeds and new economic activity.

B. Certificates of Participation

During fiscal year 2015, the City issued \$3,383,722 Refunding Certificates of Participation to current refund the 2006 Certificates of Participation issued for the purpose of constructing City Hall, public parking lot and certain other capital improvements within the City. A temporary levy on property was approved to make 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 net proceeds of the certificates of participation together with the other available funds totaling \$4,729,779 were deposited in trust with an escrow agent to provide for all future debt service payments on the refunded 2006 Certificates of Participation. The City completed the refunding to reduce its debt service payments by \$1,427,903 and to obtain an economic gain of \$529,186.

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. Series 2004A (SRF) Sewage System Refunding Revenue Bonds (SRF) are special, limited obligations of the City payable solely from, and secured by a pledge of, the net revenues. The bonds are due in annual installments of \$30,000 to \$170,000 through January 1, 2015 with interest ranging from 3.0% to 5.25%. The outstanding balance at December 31, 2015, is \$1,455,000.

D. Lease purchase Agreement

In 2003, the City entered into a lease purchase agreement to fund certain improvements to the City's sewer plant property. In 2015, the City retired the remaining outstanding balance under the agreement totaling \$149,350.

CITY OF PARKVILLE, MISSOURI

Notes to the Basic Financial Statements

December 31, 2015

Future Debt Service Requirements

Year Ending December 31,	Governmental Activities					
	Limited General Obligation Refunding Bonds - Series 2010 (River Park)		Limited General Obligation Bonds - Series 2014A (Brush Creek)		Limited General Obligation Bonds - Series 2014B (Brink Meyer)	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 280,000	\$ 40,700	\$ -	\$ 93,544	\$ -	\$ 73,994
2017	285,000	33,275	210,000	90,394	140,000	71,894
2018	295,000	24,575	215,000	87,169	145,000	69,719
2019	305,000	15,194	220,000	83,869	150,000	67,469
2020	315,000	5,119	230,000	80,419	155,000	65,144
2021-2025	-	-	1,245,000	712,731	830,000	590,169
2026-2030	-	-	1,475,000	488,563	995,000	427,175
2031-2034	-	-	1,780,000	102,300	1,260,000	91,125
	\$ 1,480,000	\$ 118,863	\$ 5,375,000	\$ 1,738,989	\$ 3,675,000	\$ 1,456,689

Year Ending December 31,	Governmental Activities				Business-type Activities	
	Certificates of Participation Series 2015		Total		Sewerage System Revenue Bonds Series 2004	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ -	\$ 56,636	\$ 280,000	\$ 264,874	\$ 145,000	\$ 69,313
2017	297,114	72,468	932,114	268,031	150,000	61,938
2018	335,155	65,386	990,155	246,849	150,000	61,938
2019	354,132	57,666	1,029,132	224,198	155,000	54,438
2020	361,800	49,648	1,061,800	200,330	160,000	46,619
2021-2025	1,772,536	117,935	3,847,536	1,420,835	695,000	108,350
2026-2030	262,985	6,078	2,732,985	921,816	-	-
2031-2034	-	-	3,040,000	193,425	-	-
	\$ 3,383,722	\$ 425,817	\$ 13,913,722	\$ 3,740,358	\$ 1,455,000	\$ 402,596

(8) Cooperative Agreement – Sewer Services

The City has entered into agreements with the City of Kansas City, Missouri and the Platte County Regional Sewer District to provide certain sewer services for the City. For the year ended December 31, 2015, amounts recorded under these agreements were \$53,304 (Kansas City, Missouri) and \$3,961 (Platte County Regional Sewer District).

(9) Employees Retirement System

A. Plan Description

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

CITY OF PARKVILLE, MISSOURI

Notes to the Basic Financial Statements

December 31, 2015

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 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 and receive a reduced allowance.

	<u>2015 Valuation</u>
Benefit Multiplier:	1.25% for life
Final Average Salary:	3 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. Benefit terms changed from 1.0% for life to 1.25% for life since the last measurement period.

C. Employees Covered by Benefit Terms

The following employees were covered by the benefit terms:

	<u>General</u>	<u>Police</u>	<u>Total</u>
Inactive employees or beneficiaries currently receiving benefits	1	1	2
Inactive employees entitled to but not yet receiving benefits	4	4	8
Active employees	18	12	30
	<u>23</u>	<u>17</u>	<u>40</u>

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 3.5% (General) and 4.2% (Police) of annual covered payroll.

E. Net Pension Liability

The City's net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2015.

CITY OF PARKVILLE, MISSOURI

Notes to the Basic Financial Statements

December 31, 2015

F. Actuarial Assumptions

The total pension liability in the February 28, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.5% wage inflation; 3.0% price inflation
Salary Increase	3.5% to 6.8% including wage inflation (General and Police)
	3.5% to 8.6% including wage inflation (Fire)
Investment rate of return	7.25%, net of investment and administrative expenses

Mortality rates were based on 105% of the 1994 Group Annuity Mortality Table set back 0 years for both males and females.

The actuarial assumptions used in the February 28, 2015 valuation were based on the results of an actuarial experience study for the period March 1, 2005 through February 28, 2010.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	48.50%	5.50%
Fixed Income	25.00%	2.25%
Real Assets	20.00%	4.50%
Strategic Assets	6.50%	7.50%

G. Discount Rate

The discount rate used to measure the total pension liability is 7.25%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

CITY OF PARKVILLE, MISSOURI

Notes to the Basic Financial Statements

December 31, 2015

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	\$ 912,014	\$ 828,435	\$ 83,579
Changes for the year:			
Service Cost	104,714	-	104,714
Interest	69,352	-	69,352
Change in benefit terms	226,297	-	226,297
Difference between expected and actual	(47,700)	-	(47,700)
Contributions - employer	-	73,690	(73,690)
Contributions - employee	-	60,880	(60,880)
Net investment income	-	17,409	(17,409)
Benefit payments, including refunds	(14,002)	(14,002)	-
Administrative expense	-	(3,356)	3,356
Other changes (net transfer)	-	38,126	(38,126)
Net changes	338,661	172,747	165,914
Balances at end of year	<u>\$ 1,250,675</u>	<u>\$ 1,001,182</u>	<u>\$ 249,493</u>

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

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

	1% Decrease	Current Single Discount Rate	1% Increase
	6.25%	Assumption 7.25%	8.25%
Total Pension Liability (TPL)	\$ 1,468,062	\$ 1,250,675	\$ 1,072,627
Plan Fiduciary Net Position	(1,001,182)	(1,001,182)	(1,001,182)
Net Pension Liability	<u>\$ 466,880</u>	<u>\$ 249,493</u>	<u>\$ 71,445</u>

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

For the year ended December 31, 2015, the City recognized LAGERS pension expense of \$243,387 (\$133,422 (General) and \$109,865 (Police)). The City reported deferred outflows related to LAGERS pension from the following sources:

CITY OF PARKVILLE, MISSOURI

Notes to the Basic Financial Statements

December 31, 2015

	<u>General</u>	<u>Police</u>	<u>Total</u>
	Deferred	Deferred	Deferred
	Outflows/ (Inflows) of	Outflows/ (Inflows) of	Outflows/ (Inflows) of
	Resources	Resources	Resources
Differences in experience	\$ (17,834)	\$ (24,397)	\$ (42,231)
Excess (deficit) investment returns	21,344	17,204	38,548
Contributions subsequent to the measurement date	26,280	21,830	48,110
Total	<u>\$ 29,790</u>	<u>\$ 14,637</u>	<u>\$ 44,427</u>

Net amounts reported as deferred outflows 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>
2016	\$ 29,235	\$ 23,043	\$ 52,278
2017	2,955	1,213	4,168
2018	2,955	1,213	4,168
2019	2,955	1,213	4,168
2020	(2,381)	(3,088)	(5,469)
Thereafter	(5,929)	(8,957)	(14,886)
Total	<u>\$ 29,790</u>	<u>\$ 14,637</u>	<u>\$ 44,427</u>

K. Payable to the Pension Plan

At December 31, 2015, the City paid all outstanding contributions to the LAGERS pension plan.

(10) Commitments and Contingencies

A. Insurance

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

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

CITY OF PARKVILLE, MISSOURI

Notes to the Basic Financial Statements

December 31, 2015

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, 2015, the fund had \$2,207 net appreciation on assets available for expenditure which is reported as restricted fund balance and \$566,997 in principal which is reported as nonspendable fund balance. Both of these amounts are reported as restricted net position on the government-wide statement of net position.

The State of Missouri requires that recipients of endowment gifts maintain the original principal intact at the original donation value.

C. Federal and State Grants

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

D. Litigation

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

(11) Adjustments to Prior Period Financial Statements and Changes in Presentation

For the year ended December 31, 2015, management determined that the following adjustments were to be made to the opening net position and fund balances:

Certain revenue recognition adjustments between the governmental funds and government-wide financial statements related to sales taxes were required to be in conformity with GASB Statement No. 33.

Management determined that certain amounts held on deposit for debt service should be recorded as an asset of the City and the related debt service payments should be recognized on the date the debt service payment was made.

Management determined that certain adjustments were necessary to properly report and depreciate infrastructure and other capital assets. The City previously used the modified method to report governmental infrastructure capital assets.

Management determined that land held for resale reported in prior years related to infrastructure projects should be expensed as certain of those costs are related to assets not owned by the City.

Management determined that the total outstanding special assessments receivable should be reported. This change had no effect on fund balance as these amounts are reported as deferred inflows of resources on the fund statements under the modified accrual method. However, on the government-wide statements special assessments should be recognized on the full accrual basis of accounting.

Management implemented GASB Statement No. 68 – Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27 and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date.

CITY OF PARKVILLE, MISSOURI

Notes to the Basic Financial Statements

December 31, 2015

	Governmental Funds	Governmental Activities	Sewer Fund/Business- type Activities
	<u> </u>	<u> </u>	<u> </u>
Net position/fund balance, beginning of year as previously reported	\$ 5,758,998	\$ 5,587,140	\$ 3,400,421
Revenue recognition - sales taxes	103,023	103,023	-
Debt service activity	-	-	(51,957)
Capital assets	-	2,697,485	(39,096)
Accumulated depreciation	-	(963,221)	(39,764)
Land held for resale	-	(8,472,776)	-
Special assessments	-	9,950,932	-
Changes in accounting and reporting related to the City's pension plans	-	(53,242)	-
	<u> </u>	<u> </u>	<u> </u>
Net Position, beginning of year as restated	<u>\$ 5,862,021</u>	<u>\$ 8,849,341</u>	<u>\$ 3,269,604</u>

(12) Subsequent Events

The City evaluated subsequent events through June 15, 2016, the date the financial statements were available to be issued. No subsequent events, other than the event discussed in Note 7A, were identified that required disclosure in the financial statements.

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, 2015

	2015			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes	\$ 2,843,600	\$ 2,843,600	\$ 2,871,357	\$ 27,757
Intergovernmental	65,500	65,500	86,395	20,895
Charges for services	34,200	34,200	36,616	2,416
Fines and forfeitures	261,000	261,000	225,128	(35,872)
Licenses and permits	321,461	321,461	315,764	(5,697)
Grants	-	-	345	345
Charges for sewer	101,500	101,500	101,500	-
Interest	7,000	7,000	7,623	623
Other	34,880	34,880	55,645	20,765
Total Revenues	<u>3,669,141</u>	<u>3,669,141</u>	<u>3,700,373</u>	<u>31,232</u>
Expenditures:				
Current:				
General government	1,053,656	1,053,656	923,911	129,745
Public safety	1,437,797	1,437,797	1,203,442	234,355
Public works	780,326	780,326	618,882	161,444
Parks and recreation	383,156	383,156	349,601	33,555
Community development	401,200	401,200	292,195	109,005
Total Expenditures	<u>4,056,135</u>	<u>4,056,135</u>	<u>3,388,031</u>	<u>668,104</u>
Excess of Revenues Over (Under) Expenditures	<u>(386,994)</u>	<u>(386,994)</u>	<u>312,342</u>	<u>699,336</u>
Other Financing Sources (Uses):				
Transfers in	245,000	245,000	246,751	1,751
Transfers out	(277,500)	(277,500)	(282,077)	(4,577)
Sale of capital assets	10,000	10,000	10,750	750
Total Other Financing Sources (Uses)	<u>(22,500)</u>	<u>(22,500)</u>	<u>(24,576)</u>	<u>(2,076)</u>
Change in fund balance	<u>\$ (409,494)</u>	<u>\$ (409,494)</u>	287,766	<u>\$ 697,260</u>
Fund Balances, Beginning of Year			<u>1,366,577</u>	
Fund Balances, End of Year			<u>\$ 1,654,343</u>	

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

Schedule 2

CITY OF PARKVILLE, MISSOURI
Required Supplementary Information
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
Transportation Sales Tax Fund
For the Year Ended December 31, 2015

	2015			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes	\$ 435,000	\$ 435,000	\$ 454,581	\$ 19,581
Intergovernmental	437,000	437,000	469,846	32,846
Other	11,500	11,500	2,300	(9,200)
Total Revenues	<u>883,500</u>	<u>883,500</u>	<u>926,727</u>	<u>43,227</u>
Expenditures:				
Capital outlay	<u>855,500</u>	<u>855,500</u>	<u>790,847</u>	<u>64,653</u>
Total Expenditures	<u>855,500</u>	<u>855,500</u>	<u>790,847</u>	<u>64,653</u>
Excess of Revenues Over (Under) Expenditures	<u>28,000</u>	<u>28,000</u>	<u>135,880</u>	<u>107,880</u>
Other Financing Sources (Uses):				
Transfers out	(245,000)	(245,000)	(245,000)	-
Sale of capital assets	-	-	11,075	11,075
Total Other Financing Sources (Uses)	<u>(245,000)</u>	<u>(245,000)</u>	<u>(233,925)</u>	<u>11,075</u>
Change in fund balance	<u>\$ (217,000)</u>	<u>\$ (217,000)</u>	(98,045)	<u>\$ 118,955</u>
Fund Balances, Beginning of Year			<u>418,093</u>	
Fund Balances, End of Year			<u>\$ 320,048</u>	

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

CITY OF PARKVILLE, MISSOURI
Required Supplementary Information
Schedule of Changes in Net Pension Liability and Related Ratios
For the Year Ended December 31, 2015

	Lagers
	2015
Total Pension Liability	
Service costs	\$ 104,714
Interest on total pension liability	69,352
Changes in benefit terms	226,297
Difference between expected and actual experience of the total pension liability	(47,700)
Benefit payments and refunds	(14,002)
Net change in total pension liability	338,661
Total pension liability - beginning of year	912,014
Total pension liability - end of year (a)	\$ 1,250,675
 Plan Fiduciary Net Position	
Contributions - employer	\$ 73,690
Contributions - employee	60,880
Net investment income	17,409
Benefit payments and refunds	(14,002)
Administrative expenses	(3,356)
Other (net transfer)	38,126
Net change in plan fiduciary net position	172,747
Plan fiduciary net position - beginning of year	828,435
Plan fiduciary net position - end of year (b)	\$ 1,001,182
 Net pension liability (a) - (b)	 \$ 249,493
 Plan net position as a percentage of the total pension liability	 80.05%
 Covered employee payroll	 1,414,512
 Net pension liability/(asset) as a percentage of covered payroll	 17.64%

CITY OF PARKVILLE, MISSOURI
Required Supplementary Information
Schedule of Employer Contributions
For the Year Ended December 31, 2015

LAGERS (General and Police)

Fiscal Year	Actuarially Determined Contribution	Contribution in Relation	Contribution Deficiency	Covered Employee Payroll	Contribution as Percentage
2009	\$ 24,347	\$ 24,347	\$ -	\$ 581,934	4.18%
2010	57,324	57,324	-	1,371,930	4.18%
2011	54,185	54,185	-	1,354,526	4.00%
2012	65,702	65,702	-	1,522,146	4.32%
2013	61,194	61,194	-	1,496,050	4.09%
2014	63,625	63,625	-	1,621,236	3.92%
2015	90,692	90,692	-	1,501,816	6.04%

Lagers

Valuation Date February 28, 2015

Notes: The roll-forward of total pension liability from February 28, 2015 to December 31, 2015 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
Amortization method	Level percentage of payroll, closed
Remaining amortization period	Multiple bases from 15 to 24 years
Asset valuation method	5-year smoothed market; 20% corridor
Inflation assumption	3.5% wage inflation; 3% price inflation
Salary increases	3.5% to 6.8% including wage inflation
Investment rate of return	7.25%, net of investment and administrative expenses
Retirement age	Experienced-based table of rates that are specific to
Mortality	105% of the 1994 Group Annuity Mortality Table set

CITY OF PARKVILLE, MISSOURI
Combining Balance Sheet - General Fund
December 31, 2015

	General Fund	Reserve Fund	Equipment Reserve	Totals
Assets:				
Cash and investments	\$ 1,570,302	\$ 1,025,767	\$ -	\$ 2,596,069
Receivables:				
Taxes	278,706	-	-	278,706
Due from other governments	6,274	-	-	6,274
Due from other funds	-	244,075	-	244,075
Prepaid, deposits and other assets	74,399	-	-	74,399
Total Assets	<u>\$ 1,929,681</u>	<u>\$ 1,269,842</u>	<u>\$ -</u>	<u>\$ 3,199,523</u>
Liabilities:				
Accounts payable	\$ 99,578	\$ -	\$ -	\$ 99,578
Accrued payroll and benefits	61,278	-	-	61,278
Total Liabilities	<u>160,856</u>	<u>-</u>	<u>-</u>	<u>160,856</u>
Deferred inflows of resources:				
Unavailable revenues	114,482	-	-	114,482
Fund balances:				
Nonspendable:				
Prepaid items	74,399	-	-	74,399
Committed:				
Emergency reserve	-	1,269,842	-	1,269,842
Unassigned	1,579,944	-	-	1,579,944
Total fund balances	<u>1,654,343</u>	<u>1,269,842</u>	<u>-</u>	<u>2,924,185</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 1,929,681</u>	<u>\$ 1,269,842</u>	<u>\$ -</u>	<u>\$ 3,199,523</u>

CITY OF PARKVILLE, MISSOURI
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
General Fund
For the Year Ended December 31, 2015

	<u>General Fund</u>	<u>Reserve Fund</u>	<u>Equipment Reserve</u>	<u>Eliminations</u>	<u>Totals</u>
Revenues:					
Taxes	\$ 2,871,357	\$ -	\$ -	\$ -	\$ 2,871,357
Intergovernmental	95,222	-	-	-	95,222
Charges for services	36,616	-	-	-	36,616
Fines and forfeitures	225,128	-	-	-	225,128
Licenses and permits	315,764	-	-	-	315,764
Charges for sewer	101,500	-	-	-	101,500
Interest	7,623	-	-	-	7,623
Other	47,163	-	-	-	47,163
Total Revenues	<u>3,700,373</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,700,373</u>
Expenditures:					
Current:					
General government	923,911	-	-	-	923,911
Public safety	1,203,442	-	-	-	1,203,442
Public works	618,882	-	-	-	618,882
Parks and recreation	349,601	-	-	-	349,601
Community development	292,195	-	-	-	292,195
	<u>3,388,031</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,388,031</u>
Excess of Revenues Over (Under) Expenditures	312,342	-	-	-	312,342
Other financing sources (uses):					
Transfers in	246,751	60,000	-	(61,751)	245,000
Transfers out	(282,077)	(178,124)	(1,751)	61,751	(400,201)
Sale of capital assets	10,750	-	-	-	10,750
Total Other Financing Sources	<u>(24,576)</u>	<u>(118,124)</u>	<u>(1,751)</u>	<u>-</u>	<u>(144,451)</u>
Change in fund balance	287,766	(118,124)	(1,751)	-	167,891
Fund Balances, Beginning of Year	<u>1,366,577</u>	<u>1,387,966</u>	<u>1,751</u>	<u>-</u>	<u>2,756,294</u>
Fund Balances, End of Year	<u>\$ 1,654,343</u>	<u>\$ 1,269,842</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,924,185</u>

CITY OF PARKVILLE, MISSOURI
Combining Balance Sheet - Debt Service Fund
December 31, 2015

	<u>River Park</u>	<u>Certificates of Participation</u>	<u>Brush Creek</u>	<u>Brink Meyer</u>	<u>Totals</u>
Assets:					
Receivables:					
Special assessments	\$ 1,314,445	\$ -	\$ 3,934,156	\$ -	\$ 5,248,601
Restricted cash and investments	165,555	40,270	431,458	289,687	926,970
Total Assets	<u>\$ 1,480,000</u>	<u>\$ 40,270</u>	<u>\$ 4,365,614</u>	<u>\$ 289,687</u>	<u>\$ 6,175,571</u>
Liabilities:					
Accounts payable	\$ 424	\$ 250	\$ -	\$ -	\$ 674
Due to other funds	-	244,075	-	-	244,075
Total Liabilities	<u>424</u>	<u>244,325</u>	<u>-</u>	<u>-</u>	<u>244,749</u>
Deferred inflows of resources:					
Unavailable revenues	<u>1,314,445</u>	<u>40,012</u>	<u>3,934,156</u>	<u>-</u>	<u>5,288,613</u>
Fund balances:					
Restricted:					
Debt service (deficit)	165,131	(244,067)	431,458	289,687	642,209
Total fund balances	<u>165,131</u>	<u>(244,067)</u>	<u>431,458</u>	<u>289,687</u>	<u>642,209</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 1,480,000</u>	<u>\$ 40,270</u>	<u>\$ 4,365,614</u>	<u>\$ 289,687</u>	<u>\$ 6,175,571</u>

CITY OF PARKVILLE, MISSOURI
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Debt Service Fund
For the Year Ended December 31, 2015

	<u>River Park</u>	<u>Certificates of Participation</u>	<u>Brush Creek</u>	<u>Brink Meyer</u>	<u>Totals</u>
Revenues:					
Taxes	\$ -	\$ 338,662	\$ -	\$ -	\$ 338,662
Special assessments	332,806	-	256,198	91	589,095
Interest	178	11,179	3,755	2,743	17,855
Total Revenues	<u>332,984</u>	<u>349,841</u>	<u>259,953</u>	<u>2,834</u>	<u>945,612</u>
Expenditures:					
Debt service:					
Principal	275,000	270,000	-	-	545,000
Interest and fiscal charges	46,680	257,320	230,663	182,874	717,537
Advance refunding payment	-	1,346,056	-	-	1,346,056
	<u>321,680</u>	<u>1,873,376</u>	<u>230,663</u>	<u>182,874</u>	<u>2,608,593</u>
Excess of Revenues Over (Under) Expenditures	11,304	(1,523,535)	29,290	(180,040)	(1,662,981)
Other financing sources (uses):					
Transfers in	-	217,500	-	178,124	395,624
Proceeds from certificates of participation	-	3,383,722	-	-	3,383,722
Payment to escrow agent	-	(3,383,722)	-	-	(3,383,722)
Total Other Financing Sources	<u>-</u>	<u>217,500</u>	<u>-</u>	<u>178,124</u>	<u>395,624</u>
Change in fund balance	11,304	(1,306,035)	29,290	(1,916)	(1,267,357)
Fund Balances, Beginning of Year	<u>153,827</u>	<u>1,061,968</u>	<u>402,168</u>	<u>291,603</u>	<u>1,909,566</u>
Fund Balances (deficit), End of Year	<u>\$ 165,131</u>	<u>\$ (244,067)</u>	<u>\$ 431,458</u>	<u>\$ 289,687</u>	<u>\$ 642,209</u>

CITY OF PARKVILLE, MISSOURI
Combining Balance Sheet - Non-major Governmental Funds
December 31, 2015

	Special Revenue Funds							Permanent Fund	Capital Project Fund	Totals	
	Economic Development	Nature Sanctuary	Parks Donations	Court Recoupment Fees	Police Training Fees LET	Police Shop	TIF Development	Market Place Development	Fewson Project		Capital Projects
	Assets										
Cash and investments	\$ 881	\$ 34,708	\$ 36,377	\$ 38,929	\$ 43,477	\$ 11,550	\$ 12,444	\$ 9,416	\$ -	\$ 58,512	\$ 246,294
Restricted cash and investments	-	-	-	-	-	-	-	-	569,204	-	569,204
Total Assets	\$ 881	\$ 34,708	\$ 36,377	\$ 38,929	\$ 43,477	\$ 11,550	\$ 12,444	\$ 9,416	\$ 569,204	\$ 58,512	\$ 815,498
Liabilities and Fund Balances											
Liabilities:											
Accounts payable	\$ -	\$ -	\$ 11,173	\$ -	\$ 2,015	\$ 2,849	\$ -	\$ -	\$ -	\$ 1,768	\$ 17,805
Total Liabilities	-	-	11,173	-	2,015	2,849	-	-	-	1,768	17,805
Fund balances											
Nonspendable:											
Fewson trust	-	-	-	-	-	-	-	-	566,997	-	566,997
Restricted:											
Capital projects	-	-	-	-	-	-	-	-	2,207	-	2,207
Public safety	-	-	-	38,929	41,462	8,701	-	-	-	-	89,092
Parks and recreation	-	34,708	25,204	-	-	-	-	-	-	-	59,912
Community development	881	-	-	-	-	-	12,444	9,416	-	-	22,741
Assigned:											
Capital projects	-	-	-	-	-	-	-	-	-	56,744	56,744
Total fund balances	881	34,708	25,204	38,929	41,462	8,701	12,444	9,416	569,204	56,744	797,693
Total liabilities and fund balances	\$ 881	\$ 34,708	\$ 36,377	\$ 38,929	\$ 43,477	\$ 11,550	\$ 12,444	\$ 9,416	\$ 569,204	\$ 58,512	\$ 815,498

CITY OF PARKVILLE, MISSOURI
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Governmental Funds
For the Year Ended December 31, 2015

	Special Revenue Funds							Permanent	Capital	Totals	
	Economic Development	Nature Sanctuary	Parks Donations	Court Recoupment Fees	Police Training Fees LET	Police Shop	TIF Development	Market Place Development	Fewson Project		Capital Projects
Revenues:											
Taxes	\$ 3,254	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 270,527	\$ -	\$ -	\$ -	\$ 273,781
Intergovernmental	-	-	-	-	-	-	160,125	-	-	50,000	210,125
Charges for services	-	-	-	2,189	2,767	-	-	-	-	-	4,956
Interest	-	-	-	-	-	-	12	9	11,313	-	11,334
Grants	-	-	-	-	-	-	-	-	-	58,540	58,540
Other	-	6,377	7,761	-	-	8,559	-	-	-	-	22,697
Total Revenues	3,254	6,377	7,761	2,189	2,767	8,559	430,664	9	11,313	108,540	581,433
Expenditures:											
Current:											
Public safety	-	-	-	2,138	5,522	3,828	-	-	-	-	11,488
Parks and recreation	-	14,450	28,351	-	-	-	-	-	-	-	42,801
Community development	2,777	-	-	-	-	-	436,024	-	-	-	438,801
Capital outlay	-	-	-	-	-	-	-	-	-	73,295	73,295
	<u>2,777</u>	<u>14,450</u>	<u>28,351</u>	<u>2,138</u>	<u>5,522</u>	<u>3,828</u>	<u>436,024</u>	<u>-</u>	<u>-</u>	<u>73,295</u>	<u>566,385</u>
Excess of Revenues Over (Under) Expenditures	477	(8,073)	(20,590)	51	(2,755)	4,731	(5,360)	9	11,313	35,245	15,048
Other financing sources (uses):											
Transfers in	-	-	-	-	-	-	-	-	-	4,577	4,577
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-	4,577	4,577
Change in fund balance	477	(8,073)	(20,590)	51	(2,755)	4,731	(5,360)	9	11,313	39,822	19,625
Fund Balances, Beginning of Year	404	42,781	45,794	38,878	44,217	3,970	17,804	9,407	557,891	16,922	778,068
Fund Balances, End of Year	<u>\$ 881</u>	<u>\$ 34,708</u>	<u>\$ 25,204</u>	<u>\$ 38,929</u>	<u>\$ 41,462</u>	<u>\$ 8,701</u>	<u>\$ 12,444</u>	<u>\$ 9,416</u>	<u>\$ 569,204</u>	<u>\$ 56,744</u>	<u>\$ 797,693</u>

CITY OF PARKVILLE, MISSOURI
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Reserve Fund
For the Year Ended December 31, 2015

	2015		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Total Revenues	\$ -	\$ -	\$ -	\$ -
Total Expenditures	-	-	-	-
Excess of Revenues Over Expenditures	-	-	-	-
Other financing sources (uses):				
Transfers in	60,000	60,000	60,000	-
Transfers out	-	-	(178,124)	(178,124)
Total Other Financing Sources (Uses)	<u>60,000</u>	<u>60,000</u>	<u>(118,124)</u>	<u>(178,124)</u>
Change in fund balance	<u>\$ 60,000</u>	<u>\$ 60,000</u>	(118,124)	<u>\$ (178,124)</u>
Fund Balance, Beginning of Year			<u>1,387,966</u>	
Fund Balance, End of Year			<u>\$ 1,269,842</u>	

CITY OF PARKVILLE, MISSOURI
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Debt Service Funds
For the Year Ended December 31, 2015

	River Park			Certificates of Participation			Brush Creek			Brink Meyer			Totals		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
Revenues:															
Taxes	\$ -	\$ -	\$ -	\$ 337,167	\$ 338,662	\$ 1,495	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 337,167	\$ 338,662	\$ 1,495
Special assessments	323,800	332,806	9,006	-	-	-	388,030	256,198	(131,832)	275,166	91	(275,075)	986,996	589,095	(397,901)
Interest	200	178	(22)	10,100	11,179	1,079	4,520	3,755	(765)	3,330	2,743	(587)	18,150	17,855	(295)
Total Revenues	324,000	332,984	8,984	347,267	349,841	2,574	392,550	259,953	(132,597)	278,496	2,834	(275,662)	1,342,313	945,612	(396,701)
Expenditures:															
Debt service:															
Principal	275,000	275,000	-	270,000	270,000	-	-	-	-	-	-	-	545,000	545,000	-
Interest and fiscal charges	49,000	46,680	2,320	294,517	257,320	37,197	392,550	230,663	161,887	278,496	182,874	95,622	1,014,563	717,537	297,026
Refunding payment	-	-	-	-	1,346,056	(1,346,056)	-	-	-	-	-	-	-	1,346,056	(1,346,056)
Total Expenditures	324,000	321,680	2,320	564,517	1,873,376	(1,308,859)	392,550	230,663	161,887	278,496	182,874	95,622	1,559,563	2,608,593	(1,049,030)
Excess of Revenues Over															
(Under) Expenditures	-	11,304	11,304	(217,250)	(1,523,535)	(1,306,285)	-	29,290	29,290	-	(180,040)	(180,040)	(217,250)	(1,662,981)	(1,445,731)
Other financing sources (uses):															
Transfers in	-	-	-	217,250	217,500	(250)	-	-	-	-	178,124	(178,124)	217,250	395,624	(178,374)
Proceeds from certificates of participation	-	-	-	-	3,383,722	(3,383,722)	-	-	-	-	-	-	-	3,383,722	(3,383,722)
Payment to escrow agent	-	-	-	-	(3,383,722)	3,383,722	-	-	-	-	-	-	-	(3,383,722)	3,383,722
Total Other Financing Sources (Uses)	-	-	-	217,250	217,500	(4,692,831)	-	-	-	-	178,124	(178,124)	217,250	395,624	(178,374)
Change in fund balance	<u>\$ -</u>	<u>11,304</u>	<u>\$ 11,304</u>	<u>\$ -</u>	<u>(1,306,035)</u>	<u>\$ (5,999,116)</u>	<u>\$ -</u>	<u>29,290</u>	<u>\$ 29,290</u>	<u>\$ -</u>	<u>(1,916)</u>	<u>\$ (358,164)</u>	<u>\$ -</u>	<u>(1,267,357)</u>	<u>\$ (1,624,105)</u>
Fund Balance, Beginning of Year		<u>153,827</u>			<u>1,061,968</u>			<u>402,168</u>		<u>291,603</u>				<u>1,909,566</u>	
Fund Balance (deficit), End of Year		<u>\$ 165,131</u>			<u>\$ (244,067)</u>			<u>\$ 431,458</u>		<u>\$ 289,687</u>				<u>\$ 642,209</u>	

CITY OF PARKVILLE, MISSOURI
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Economic Development
For the Year Ended December 31, 2015

	2015		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Taxes	\$ 1,500	\$ 1,500	\$ 3,254	\$ 1,754
Total Revenues	<u>1,500</u>	<u>1,500</u>	<u>3,254</u>	<u>1,754</u>
Expenditures:				
Community development	-	-	2,777	(2,777)
Total Expenditures	<u>-</u>	<u>-</u>	<u>2,777</u>	<u>(2,777)</u>
Change in fund balance	<u>\$ 1,500</u>	<u>\$ 1,500</u>	477	<u>\$ (1,023)</u>
Fund Balance, Beginning of Year			<u>404</u>	
Fund Balance, End of Year			<u>\$ 881</u>	

CITY OF PARKVILLE, MISSOURI
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Nature Sanctuary
For the Year Ended December 31, 2015

	2015		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Other	\$ 3,500	\$ 3,500	\$ 6,377	\$ 2,877
Total Revenues	<u>3,500</u>	<u>3,500</u>	<u>6,377</u>	<u>2,877</u>
Expenditures:				
Parks and recreation	4,000	4,000	14,450	(10,450)
Total Expenditures	<u>4,000</u>	<u>4,000</u>	<u>14,450</u>	<u>(10,450)</u>
Change in fund balance	<u>\$ (500)</u>	<u>\$ (500)</u>	(8,073)	<u>\$ (7,573)</u>
Fund Balance, Beginning of Year			<u>42,781</u>	
Fund Balance, End of Year			<u>\$ 34,708</u>	

CITY OF PARKVILLE, MISSOURI
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Parks Donations
For the Year Ended December 31, 2015

	2015		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Other	\$ -	\$ -	\$ 7,761	\$ 7,761
Total Revenues	<u>-</u>	<u>-</u>	<u>7,761</u>	<u>7,761</u>
Expenditures:				
Parks and recreation	15,000	15,000	28,351	(13,351)
Total Expenditures	<u>15,000</u>	<u>15,000</u>	<u>28,351</u>	<u>(13,351)</u>
Change in fund balance	<u>\$ (15,000)</u>	<u>\$ (15,000)</u>	(20,590)	<u>\$ (5,590)</u>
Fund Balance, Beginning of Year			<u>45,794</u>	
Fund Balance, End of Year			<u>\$ 25,204</u>	

CITY OF PARKVILLE, MISSOURI
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Fewson Fund
For the Year Ended December 31, 2015

	2015		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Interest	\$ 4,914	\$ 4,914	\$ 11,313	\$ 6,399
Total Revenues	<u>4,914</u>	<u>4,914</u>	<u>11,313</u>	<u>6,399</u>
Expenditures:				
Capital outlay	157,982	157,982	-	157,982
Total Expenditures	<u>157,982</u>	<u>157,982</u>	<u>-</u>	<u>157,982</u>
Change in fund balance	<u>\$ (153,068)</u>	<u>\$ (153,068)</u>	11,313	<u>\$ 164,381</u>
Fund Balance, Beginning of Year			<u>557,891</u>	
Fund Balance, End of Year			<u>\$ 569,204</u>	

CITY OF PARKVILLE, MISSOURI
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Capital Projects
For the Year Ended December 31, 2015

	2015			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental	\$ 30,000	\$ 30,000	\$ 50,000	\$ 20,000
Grants	183,585	183,585	58,540	(125,045)
Total Revenues	<u>213,585</u>	<u>213,585</u>	<u>108,540</u>	<u>(105,045)</u>
Expenditures:				
Capital outlay	213,585	213,585	73,295	140,290
Total Expenditures	<u>213,585</u>	<u>213,585</u>	<u>73,295</u>	<u>140,290</u>
Excess of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>35,245</u>	<u>35,245</u>
Other financing sources (uses):				
Transfers in	-	-	4,577	4,577
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>4,577</u>	<u>4,577</u>
Change in fund balance	<u>\$ -</u>	<u>\$ -</u>	39,822	<u>\$ 39,822</u>
Fund Balance, Beginning of Year			<u>16,922</u>	
Fund Balance, End of Year			<u>\$ 56,744</u>	