



Finance Committee Agenda

May 9, 2016

8:00 AM

Board Conference Room, 1st Floor, City Hall

- 1. Call to Order**
- 2. Financial Updates**
- 3. Action Items**
 - A. Approve the minutes from the April 25, 2016 meeting
 - B. Review and comment on the audit for fiscal year 2015, as prepared by Cochran Head Vick & Co., P.C. (Administration)
 - C. Approve the purchase of two new DMV-800 in-car video systems for two existing patrol vehicles from Digital Ally Inc., to be installed by KC Wireless (Police)
 - D. Approve a construction services agreement with Midwest Drain and Sewer LLC for the 2016 closed circuit television and cleaning program (Public Works)
- 4. Non-Action Items**
 - A. Quarterly Projects Update
 - B. Street maintenance change orders (Public Works)
- 5. Unfinished Business (postponed from prior meetings)**
- 6. Other Business**
 - A. Reminder: May 30 meeting cancelled – Memorial Day
- 7. Adjourn**



Finance Committee Meeting

April 25, 2016 – 8:00 a.m.

Executive Chambers – Board Room

Minutes

1. CALL TO ORDER

Chair Werner called the meeting to order at 8:00 a.m. A quorum was present.

- **Members Present:** Chair Jim Werner, Vice Chair Marc Sportsman, Nan Johnston and Diane Driver (Robert Lock attended via phone – did not vote)
- **Other Aldermen Present:** Greg Plumb
- **City Staff Present:** City Administrator Lauren Palmer, Public Works Director Alysen Abel, Community Development Director Stephen Lachky, Police Chief Kevin Chrisman, Finance/Human Resources Director Matthew Chapman, Assistant to the City Administrator Tim Blakeslee and City Clerk Melissa McChesney

2. FINANCIAL UPDATES

3. ACTION ITEMS

A. Approve the minutes from the April 11, 2016 meeting

Diane Driver moved to approve the April 11, 2016 minutes. Marc Sportsman seconded; motion passed 4-0.

B. Appoint Marc Sportsman as Finance Committee chairman effective May 9, 2016

Chair Werner said he enjoyed being the chairman and recommended that Marc Sportsman be appointed as the new chair. He thanked him for his hard work.

Driver moved to appoint Marc Sportsman as Finance Committee Chairman, effective May 9, 2016. Nan Johnston seconded; motion passed 4-0.

C. Approve a professional services agreement with The Novak Consulting Group for facilitation services for a strategic planning process

City Administrator Lauren Palmer stated that for the past two years the Board of Aldermen and staff held a day-long retreat that was helpful to develop the budget and work plan for the following year. The retreat was scheduled for July 18 and staff recommended using Patty Gentrup because she facilitated the retreat in 2015 and there was value in continuity. Palmer added the fee was higher than in 2015 because The Novak Consulting Group updated its fee structure, but it was still within the budgeted amount. The process would be similar as in 2015 and Patty Gentrup would contact each Board member to hold pre-interview sessions.

Driver moved to approve a professional services agreement with The Novak Consulting Group in the amount of \$4,500 for facilitation services for a strategic planning process. Sportsman seconded; motion passed 4-0.

D. Approve a work authorization with Absolute Comfort Technologies, Inc. for radiator repair on the Parkville City Hall generator

Assistant to the City Administrator Tim Blakeslee explained that on April 1 an alarm sounded on the generator at City Hall warning of low coolant. The maintenance contractor diagnosed the issue and said there was significant radiator damage, but was unsure why the damage occurred. Staff requested quotes from three vendors and received two responses. The lowest quote was for a full replacement of the radiator and a rebuild would cost more than replacement. Blakeslee said the project was not budgeted for 2016 but there were adequate funds in the General Fund reserve.

Driver moved to authorize staff to execute a work authorization with Absolute Comfort Technologies, Inc. in the amount of \$6,698.77 for radiator repair on the Parkville City Hall generator. Sportsman seconded; motion passed 4-0.

E. Approve the purchase of truck equipment from Kranz of Kansas City, Inc. for the new Public Works truck

Public Works Director Alysén Abel stated that in February the Board of Aldermen approved the purchase of a new truck for the Public Works Department that would be delivered in May. The new truck needed to be equipped with a salt spreader, snow plow blade and a bed. The bid opening was held in April and one response was received from Kranz of Kansas City, Inc., who had provided equipment in prior years. The purchase of the truck and equipment was anticipated to be within budget because there was a savings of \$300 for the truck purchase. Robert Lock recommended that staff reach out to other vendors to find out why they did not submit a bid.

Driver moved to recommend the Board of Aldermen approve the purchase of truck equipment from Kranz of Kansas City, Inc. for the new Public Works truck in the amount of \$26,473. Sportsman seconded; motion passed 4-0.

Dave Rittman joined the meeting at 8:18 a.m.

F. Approve Change Order No. 4 with Insituform Technologies for the cured-in-place pipe lining work for the Sanitary Sewer Phase 2 repairs

Public Works Director Alysén Abel said that since 2007 staff had gathered closed circuit television (CCTV) data on the sewer system that had been reviewed by North Hills Engineering. From the data projects were prioritized in the annual Capital Improvement Program (CIP). On July 7, 2015, the Board of Aldermen approved a contract for cured-in-place pipe (CIPP) lining repairs and the unit prices were based on the size of the pipes. Abel added that for Phase 2 the CCTV footage from 2007 was reviewed to determine the quality of the pipe lining and it was found that the pipe sizes varied from what was originally anticipated. Abel recommended an as-built change order based on unit prices to account for the differences between the specifications and the actual field conditions. Staff recommended using money from the Sewer Fund working capital to cover the overage. Abel said the alternative would be to reduce the scope of the Phase 3 manhole repair since the project was being designed and could still be changed.

Driver moved to approve the Change Order No. 4 with Insituform Technologies for the Sanitary Sewer Phase 2 repairs in the amount of \$8,339, using the reserves in the Sewer Fund to pay for the overage and preserve the full scope of the manhole project. Sportsman seconded; motion passed 4-0.

4. NON-ACTION ITEMS

5. UNFINISHED BUSINESS (postponed from prior meetings)

6. OTHER BUSINESS

A. 2016 Mill and Overlay Project – Tandem Paving – Industrial Park Work

Public Works Director Alysén Abel said that at the last meeting the Finance Committee discussed the 2016 Mill and Overlay Project and requested that staff contact the contractor to see if the company would be able to do additional work with private property owners to improve the parking lots in the Kelly Industrial Park. Abel said that a pre-construction meeting was held and the contractor was interested in expanding the scope of work and privately negotiate with the property owners. Abel added that she told the contractor the City's work was a priority. She said staff would send letters to the business owners.

Dave Rittman noted that at the last Board of Aldermen meeting the Board approved the purchase of a police interceptor and said that the prior week's automotive news said police packages would be

changed in 2017 to include LED light bars built into the roof line of a car. Police Chief Kevin Chrisman noted that he was aware and said it could have possibly only been for sports utility vehicles.

7. ADJOURNMENT

Driver moved to adjourn the meeting at 8:37 a.m. Sportsman seconded; motion passed 4-0.

Submitted by:

Melissa McChesney
City Clerk

Approval Date

CITY OF PARKVILLE Policy Report

Date: May 3, 2016

Prepared By:

Matthew Chapman
Finance/Human Resources Director

Reviewed By:

Lauren Palmer
City Administrator

ISSUE:

Review and comment on the audit for the City of Parkville for fiscal year 2015 as prepared by Cochran Head Vick & Co., P.C.

BACKGROUND:

The City entered into a contract with Cochran Head Vick & Co., P.C., to conduct an audit of the City's financial statements for the year ended December 31, 2015. The audit is nearly complete, but Cochran Head Vick & Co., P.C. and staff are still making minor edits and need additional time to prepare the final document. The final document is anticipated to be completed and distributed prior to the May 17 Board of Aldermen meeting. Staff recommends that that Finance Committee review and comment on the draft audit since the next regularly scheduled meeting on May 30 is cancelled. Mr. Michael Keenan will review the report at the committee meeting. The Finance Committee may refer the document on for final action by the Board of Aldermen or defer action to June 13 to allow additional time for review.

BUDGET IMPACT:

There is no cost associated with this action.

ALTERNATIVES:

1. Review and comment on the audited financial statements for the City of Parkville for fiscal year 2015; and direct staff and Cochran Head Vick & Co., P.C. to finalize the document for presentation to the Board of Aldermen.
2. Postpone the item to June 13.

STAFF RECOMMENDATION:

Staff recommends that the Finance Committee receive the verbal update from Mr. Keenan of Cochran Head Vick & Co., P.C. on the 2015 audit and provide comments in anticipation of final review and acceptance by the Board of Aldermen on May 17, 2016.

POLICY:

Section 143.010 of the Parkville Municipal Code states that the Finance Committee shall review and comment on the annual audit prior to the presentation to the Board of Aldermen.

MOTION:

I move to recommend that the Board of Aldermen accept the audited financial statements for the fiscal year ended December 31, 2015, subject to any final editing by staff and/or the auditor.

ATTACHMENTS:

1. Audited Financial Statements for the Year Ended December 31, 2015 (Draft)

ITEM 3B

For 05-09-16

Board of Aldermen - Finance Committee Meeting

2. Management Letter

City of Parkville, Missouri

Basic Financial Statements With Independent Auditor's Report

For the Year Ended
December 31, 2015

CITY OF PARKVILLE, MISSOURI

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CITY OF PARKVILLE, MISSOURI

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Exhibit A

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	9,675,932	-	9,675,932
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
Capital assets:			
Not being depreciated	7,080,038	59,975	7,140,013
Being depreciated, net of depreciation	3,679,151	3,511,243	7,190,394
Total assets	25,506,466	4,795,687	30,302,153
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	345,626	152,919	498,545
Due in more than one year	14,072,158	1,365,432	15,437,590
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	3,446,881	2,052,867	5,499,748
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	5,247,490	803,932	6,051,422
Total net position	\$ 10,397,577	\$ 3,031,508	\$ 13,429,085

See accompanying notes to the basic financial statements

Preliminary Draft – For Discussion Purposes Only

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

<u>Functions/Programs</u>	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Primary government:							
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	1,387,266	-	233,066	637,269	(516,931)	-	(516,931)
Parks and recreation	429,408	34,066	14,138	-	(381,204)	-	(381,204)
Community development	728,987	-	-	-	(728,987)	-	(728,987)
Interest on long-term debt	627,024	-	-	-	(627,024)	-	(627,024)
Total governmental activities	5,633,617	683,966	256,108	745,809	(3,947,734)	-	(3,947,734)
Business-type activities							
Sewer	1,389,633	1,096,800	-	45,143	-	(247,690)	(247,690)
Total business-type activities	1,389,633	1,096,800	-	45,143	-	(247,690)	(247,690)
Total primary government	\$ 7,023,250	\$ 1,780,766	\$ 256,108	\$ 790,952	(3,947,734)	(247,690)	(4,195,424)

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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	4,212,509	9,594	4,222,103
Change in net position	264,775	(238,096)	26,679
Net position, beginning of year, restated	10,132,802	3,269,604	13,402,406
Net position, end of year	\$ 10,397,577	\$ 3,031,508	\$ 13,429,085

See accompanying notes to the basic financial statements

Exhibit B

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	-	-	9,675,932	-	9,675,932
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	\$ 3,199,523	\$ 373,429	\$ 10,602,902	\$ 815,498	\$ 14,991,352
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	160,856	44,498	244,749	17,805	467,908
Deferred inflows of resources					
Unavailable revenues	114,482	8,883	9,715,944	-	9,839,309
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
Assigned:					
Capital projects	-	-	-	56,744	56,744
Unassigned	2,849,786	-	-	-	2,849,786
Total fund balance	2,924,185	320,048	642,209	797,693	4,684,135
Total liabilities, deferred inflows and fund balances	\$ 3,199,523	\$ 373,429	\$ 10,602,902	\$ 815,498	\$ 14,991,352

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	9,675,932
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental fund statements.	10,759,189
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>\$ 10,397,577</u>

See accompanying notes to the basic financial statements

Exhibit D

CITY OF PARKVILLE, MISSOURI
Statement of Revenues, Expenditures and
Changes in Fund Balances - Governmental Funds
For the Year Ended December 31, 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	86,395	469,846	-	210,125	766,366
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	345	-	-	58,540	58,885
Charges for sewer	101,500	-	-	-	101,500
Interest	7,623	-	17,855	11,334	36,812
Other	55,645	2,300	-	22,697	80,642
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

**Exhibit D
(continued)**

**CITY OF PARKVILLE, MISSOURI
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds to the Statement of Activities
For the Year Ended December 31, 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	(276,273)
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	(275,000)
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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>\$ 264,775</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

	<u>Sewer Fund</u>
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

Exhibit F

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:	
Intergovernmental	45,143
Interest income	4,974
Interest expense	(82,303)
Total nonoperating revenues	(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

Exhibit G

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

	<u>Sewer Fund</u>
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	<u>154,669</u>
Cash flows provided by (used in) investing activities:	
Interest received	<u>50,117</u>
Net cash flows provided by (used in) investing activities	<u>50,117</u>
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	<u>(366,904)</u>
Net change in cash and equivalents	(162,118)
Cash and equivalents, beginning of year	<u>1,263,374</u>
Cash and equivalents, end of year	<u>\$ 1,101,256</u>
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	<u>\$ 1,101,256</u>
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	<u>\$ 154,669</u>

See accompanying notes to the basic financial statements

Exhibit H

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

Transportation Sales Tax Fund – This fund is used to account for the 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 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.

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
	<u>\$</u>	<u>5,807,625</u>

	<u>Government-wide statement of net position</u>	<u>Fiduciary funds statement of net position</u>	<u>Total</u>
Cash and investments	\$ 4,034,177	\$ -	\$ 4,034,177
Restricted cash and investments	<u>1,679,766</u>	<u>93,682</u>	<u>1,773,448</u>
	<u>\$ 5,713,943</u>	<u>\$ 93,682</u>	<u>\$ 5,807,625</u>

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, all of 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:

	<u>Property Taxes</u>	<u>Sales Taxes</u>	<u>Franchise Taxes</u>	<u>Other Taxes</u>	<u>Total</u>
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:

	<u>Sales Taxes</u>	<u>Franchise Taxes</u>	<u>Total</u>
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:

	<u>General Fund</u>	<u>Transportation Sales Tax</u>	<u>Other Nonmajor Funds</u>	<u>Total</u>
Grants - Federal, State and Local	\$ 15,803	\$ -	\$ 50,000	\$ 65,803
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>\$ 86,395</u>	<u>\$ 469,846</u>	<u>\$ 210,125</u>	<u>\$ 766,366</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>Transfers Out:</u>		
	<u>General</u>	<u>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 too 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:</u>
	<u>General</u>
	<u>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	6,254,821	-	-	6,254,821
Total capital assets being depreciated	12,694,710	158,214	116,501	12,736,423
Less accumulated depreciation for:				
Buildings and improvements	1,088,168	111,270	-	1,199,438
Equipment and vehicles	1,585,112	163,727	113,923	1,634,916
Infrastructure	11,484	1,276	-	12,760
Total accumulated depreciation	2,684,764	276,273	113,923	2,847,114
Total capital assets being depreciated, net	10,009,946			9,889,309
Governmental activates capital assets, net	<u>\$ 10,879,826</u>			<u>\$ 10,759,189</u>

	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	<u>\$ 3,783,417</u>			<u>\$ 3,571,218</u>

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	87,007
Economic development	<u>2,810</u>
Total depreciation expense for governmental activities	<u><u>\$ 276,273</u></u>

Business-type activities:

Sewer	<u>\$ 234,400</u>
Total depreciation expense for business-type activities	<u><u>\$ 234,400</u></u>

(7) Long Term Debt

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

	<u>Beginning of Year</u>	<u>Adjustments/ Additions</u>	<u>Adjustments/ Retirements</u>	<u>End of Year</u>	<u>Due Within One Year</u>
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
	<u>11,293,620</u>	<u>-</u>	<u>300,097</u>	<u>10,993,523</u>	<u>305,097</u>
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	40,529	49,092	40,529	40,529
Total Governmental Activities	<u>16,209,338</u>	<u>3,424,251</u>	<u>5,215,815</u>	<u>14,417,774</u>	<u>345,626</u>
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	<u>1,815,620</u>	<u>-</u>	<u>297,269</u>	<u>1,518,351</u>	<u>152,919</u>
Total Primary Government	<u><u>\$ 18,024,958</u></u>	<u><u>\$ 3,424,251</u></u>	<u><u>\$ 5,513,084</u></u>	<u><u>\$ 15,936,125</u></u>	<u><u>\$ 498,545</u></u>

* 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. The property owner in the Brink Meyer NID is also a property owner in the Brush Creek NID and is delinquent on its 2015 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

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
	<u>\$ 1,480,000</u>	<u>\$ 118,863</u>	<u>\$ 5,375,000</u>	<u>\$ 1,738,989</u>	<u>\$ 3,675,000</u>	<u>\$ 1,456,689</u>

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	-	-
	<u>\$ 3,383,722</u>	<u>\$ 425,817</u>	<u>\$ 13,913,722</u>	<u>\$ 3,740,358</u>	<u>\$ 1,455,000</u>	<u>\$ 402,596</u>

(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).

CITY OF PARKVILLE, MISSOURI

Notes to the Basic Financial Statements

December 31, 2015

(9) Employees Retirement System

A. Plan Description

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

B. Benefits Provided

LAGERS provides retirement, death and disability benefits. Benefit provisions are adopted by the governing body of the employer, within the options available in the state statutes governing LAGERS. All benefits vest after 5 years of credited service. Employees who retire on or after age 60 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 no 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.

CITY OF PARKVILLE, MISSOURI

Notes to the Basic Financial Statements

December 31, 2015

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.

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/(Asset)
	(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/(Asset) 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/(Asset) 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 Assumption	1% Increase
	6.25%	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>

CITY OF PARKVILLE, MISSOURI

Notes to the Basic Financial Statements

December 31, 2015

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:

	General	Police	Total
	Deferred	Deferred	Deferred
	Outflows/	Outflows/	Outflows/
	(Inflows) of	(Inflows) of	(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:	General	Police	Total
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	<u>(5,929)</u>	<u>(8,957)</u>	<u>(14,886)</u>
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 adjustment were necessary to properly report 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.

CITY OF PARKVILLE, MISSOURI

Notes to the Basic Financial Statements

December 31, 2015

	Governmental Funds	Governmental Activities	Sewer Fund/Business- type Activities
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	-	3,017,725	(78,860)
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)	-
Net Position, beginning of year as restated	<u>\$ 5,862,021</u>	<u>\$ 10,132,802</u>	<u>\$ 3,269,604</u>

(12) Subsequent Events

The City evaluated subsequent events through **May___, 2016**, the date the financial statements were available to be issued. No subsequent events were identified that required disclosure in the financial statements.

Schedule 1

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

	Original	2015		Variance with
	Budget	Final	Actual	Final Budget
		Budget		Positive
				(Negative)
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	3,669,141	3,669,141	3,700,373	31,232
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	4,056,135	4,056,135	3,388,031	668,104
Excess of Revenues Over (Under) Expenditures	(386,994)	(386,994)	312,342	699,336
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)	(22,500)	(22,500)	(24,576)	(2,076)
Change in fund balance	\$ (409,494)	\$ (409,494)	287,766	\$ 697,260
Fund Balances, Beginning of Year			1,366,577	
Fund Balances, End of Year			\$ 1,654,343	

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>	<u>(98,045)</u>	<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

	<u>General Fund</u>	<u>Reserve Fund</u>	<u>Equipment Reserve</u>	<u>Totals</u>
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
Unassigned	1,579,944	1,269,842	-	2,849,786
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 Schedule 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	86,395	-	-	-	86,395
Charges for services	36,616	-	-	-	36,616
Fines and forfeitures	225,128	-	-	-	225,128
Licenses and permits	315,764	-	-	-	315,764
Grants	345	-	-	-	345
Charges for sewer	101,500	-	-	-	101,500
Interest	7,623	-	-	-	7,623
Other	55,645	-	-	-	55,645
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	\$ -	\$ 4,976,775	\$ 3,384,712	\$ 9,675,932
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>\$ 5,408,233</u>	<u>\$ 3,674,399</u>	<u>\$ 10,602,902</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>4,976,775</u>	<u>3,384,712</u>	<u>9,715,944</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>\$ 5,408,233</u>	<u>\$ 3,674,399</u>	<u>\$ 10,602,902</u>

CITY OF PARKVILLE, MISSOURI
Combining Schedule 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>

Preliminary Draft – For Discussion Purposes Only

Schedule 9

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

Preliminary Draft – For Discussion Purposes Only

Schedule 10

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 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
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			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
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>	

Preliminary Draft – For Discussion Purposes Only

Schedule 12

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	(250)	-	-	-	-	178,124	(178,124)	217,250	395,624	(178,374)
Change in fund balance	\$ -	11,304	\$ 11,304	\$ -	(1,306,035)	\$ (1,306,535)	\$ -	29,290	\$ 29,290	\$ -	(1,916)	\$ (358,164)	\$ -	(1,267,357)	\$ (1,624,105)
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	213,585	213,585	108,540	(105,045)
Expenditures:				
Capital outlay	213,585	213,585	73,295	140,290
Total Expenditures	213,585	213,585	73,295	140,290
Excess of Revenues Over Expenditures	-	-	35,245	35,245
Other financing sources (uses):				
Transfers in	-	-	4,577	4,577
Total Other Financing Sources (Uses)	-	-	4,577	4,577
Change in fund balance	\$ -	\$ -	39,822	\$ 39,822
Fund Balance, Beginning of Year			16,922	
Fund Balance, End of Year			\$ 56,744	

CITY OF PARKVILLE, MISSOURI

**REQUIRED COMMUNICATIONS
AND MANAGEMENT LETTER**

For the Year Ended December 31, 2015

City of Parkville, Missouri

**Required Communications and Compliance Report
For the Year Ended December 31, 2015**

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COCHRAN HEAD VICK & CO., P.C.

& Co

Certified Public Accountants

1251 NW Briarcliff Pkwy
Suite 125
Kansas City, MO 64116
(816) 584-9955
Fax (816) 584-9958

May __, 2016

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

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Parkville, Missouri (the City) for the year ended December 31, 2015. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and Government Auditing Standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you that is incorporated as an exhibit to the professional auditing services agreement dated November 2, 2015. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. The City implemented Government Accounting Standards Board (GASB) Statement No. 68 *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* in 2015. In addition, as described in Note 11, management determined that certain adjustments to beginning net position/fund balances were necessary. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was the disclosure of certain adjustments to beginning net position/fund balances in Note 11 to the financial statements.

The financial statement disclosures are neutral, consistent and clear.

Other Offices

1333 Meadowlark Lane
Kansas City, KS 66102
(913) 287-4433
(913) 287-0010 FAX

5700 Broadmoor Street, Suite 202
Mission, Kansas 66202
(913) 378-1100
(913) 378-1177 FAX

400 Jules Street
Suite 415
St. Joseph, MO 64501
(816) 364-1118
(816) 364-6144 FAX

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

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

- An adjustment was required to reduce leases payable for principle payments of \$149,350.
- Adjustments to record trust account activity and debt service payments related to the SRF bonds of \$520,906.
- Adjustments to record special assessment receivables related to general obligation debt of \$8,292,395 and additional accrued liabilities of \$4,854.
- An adjustment to record the expiration of prepaid insurance of \$84,969.
- Adjustments to record additional accounts payable of \$17,609.
- Adjustments to correct capital assets of \$640,450 for the proprietary fund.
- Adjustments to correct capital assets of \$3,017,724 for governmental activities.
- Adjustment to properly recognize sales tax revenues of \$103,023.
- Adjustment to eliminate land held for resale of \$8,472,776.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May __, 2016.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Matters

We applied certain limited procedures to City's management's discussion and analysis, budgetary comparison information, schedule of changes in net pension liability and related ratios, schedule of employer contributions and comparison of needed-to-actual maintenance/preservation of infrastructure capital assets, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

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

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Parkville, Missouri as of and for the year ended December 31, 2015, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies in the City's internal control described under Financial Reporting to be material weaknesses.

As part of our annual audit, we try to identify opportunities for improving the management of financial resources and for improving the internal controls over financial reporting. We are submitting, for your consideration, our observations and recommendations with regard to these matters.

Management's responses to our comments are included with this report. We did not audit the City's responses and, accordingly, we express no opinion on them.

CURRENT YEAR COMMENTS

Financial Reporting – Material Weakness

Management is responsible for establishing, maintaining and monitoring internal controls over financial reporting, and for the fair presentation of the financial statements and related notes in conformity with U.S. generally accepted accounting principles. Under our professional standards, we have to assess the City's controls over preparing the financial statements including assessing the skills and competencies necessary to prevent, detect, and correct a material misstatement.

Our audit procedures identified adjustments that were required to properly report certain transactions of the City in accordance with generally accepted accounting principles. These adjustments were not initially identified by the City's internal controls over financial reporting.

We recommend that management review year-end closing procedures to ensure that transactions are properly recorded in accordance with generally accepted accounting principles. In addition, due to the complexities of financial reporting, we recommend that management explore various alternatives for improving the controls over financial reporting including the use of governmental accounting standards, reference guides and continuing education and training courses.

Management’s Response

The audit of the city’s 2013 financial statements made a similar recommendation that, “the City would find it beneficial if personnel had some knowledge of future accounting changes and their impact on Parkville’s financial statements.” Staff responded to the recommendation and, since that time, has increased the budget and time available for professional development for finance staff. Finance staff attended multiple seminars covering topics such as Long-Term Financial Planning and Fiduciary Facts, Fallacies-How the SEC’s Municipal Advisor Rule is Fairing and Why it Matters and Pension Challenges Ahead-GASB Update. Additionally, the City’s Finance/Human Resources Director will be attending the Government Finance Officers Association of Missouri’s Accounting Academy in May 2016. This intensive four-day workshop combines lecture, discussion and exercise for an overview of governmental accounting, auditing and financial reporting.

With regard to audit adjustments, in the past staff routinely made the adjustments following consultation with the auditor during the audit review process. This was intentional since often there was discussion about the proper application of accounting principles or auditing standards. For example, during the fiscal year 2014 audit, staff challenged the appropriateness of reporting approximately \$8.5 million of land held for resale. This was related to property in the Brush Creek Drainage and Brink Meyer Road Neighborhood Improvement Districts. Staff was assured by the previous auditor that this was the best way to account for the asset, even though the City did not own the underlying land. In the future, staff will make the appropriate adjustments during the year-end closings prior to review by the auditor. Staff will use all available reference guides to provide a checklist of tasks to ensure accurate and timely financial reporting. Staff understands that the City is ultimately accountable for the accuracy of the financial statements and will endeavor to increase the in-house knowledge of governmental accounting standards to improve this reporting process in the future.

Capital Assets

During our audit we noted that the City could not provide a detailed listing of governmental infrastructure capital assets. City staff subsequently provided a detail listing of governmental infrastructure after substantial research. We recommend that the City maintain and update the listing as activities occur.

Management Response

Prior to this year, the City did not associate a value with the assets listed in the inventory. That work is complete and will be updated annually as part of the audit process and as new assets are added to the City’s inventory.

Budgeting

For the year ended December 31, 2015, actual expenditures exceeded budgeted appropriations in the following funds:

<u>Fund</u>	Expenditures in Excess of Budget Appropriations
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

We recommend that management review its processes and procedures for monitoring and amending the budget.

Management's Response

Management is not aware that the City has ever previously adopted a budget amendment. It has not been done in recent history, since there is no statutory requirement to do so. In each instance of expenditures exceeding budgeted appropriations, adequate funds were available for the purchase, and the purchase was authorized by the appropriate authority in accordance with the City's adopted purchasing policy. Based on the recommendation of the auditor, staff will prepare and present budget amendments as needed in the future. The overage in the Economic Development Fund was a result of the City's contribution to participate in the Platte County Community Development Day. The overage in the Parkville Nature Sanctuary Fund occurred after funds were expended in 2015 for tree trimming in Sullivan Nature Sanctuary. The City received a Tree Resource Improvement and Maintenance (TRIM) Grant that fully funded the tree trimming expense, but the funds were not received until 2016. The overage in the Parks Donation Fund resulted from costs associated with the architectural design of the English Landing Park restroom project. The Debt Service Fund overage reflects payments of principal and interest made to the escrow agent as part of the refinancing of the 2006 series of Certificates of Participation bonds to more favorable interest rates. This refinancing benefitted the City with lower annual debt payments and a reduction in total debt of \$1,246,278. The Reserve Fund overage was the amount needed to cover the debt service payments due from the Brink Meyer NID Fund. As no assessments were collected for this fund in 2015, reserve funds were used to cover the payments. The City intends on reimbursing the Reserve Fund to the extent that there are available resources should the recovery of delinquent assessments occur.

Sewer Allowance for Doubtful Accounts

During the audit we noted that the City's sewer accounts receivable consisted of several outstanding balances that were deemed to be uncollectible. We recommend that management periodically analyze and review the receivable accounts to identify accounts that are uncollectible. We also suggest that the City review their collection efforts and monitoring of slow paying or past due accounts to improve overall collections.

Management's Response

In 2013-14, following the transition of sewer billing from the water company back to the City, the City did extensive work to create policies and procedures for collecting delinquent sewer payments. The new process included provisions for property liens and water shutoffs for delinquent customers. Within six months, the City collected approximately \$40,000 of delinquent payments. This process worked well until a staff transition in mid-2015. The delinquency process was abandoned for approximately six months, but it has since been reinstated through additional staff training and support. Staff previously identified a batch of account balances deemed to be uncollectible, but at that time staff was researching a possible relationship with a collection company to pursue overdue balances. That work was also abandoned following the staff transition. Staff is working now to revise the listing of uncollectible accounts to make a recommendation to the Board of Aldermen for writing off bad debt. In addition, staff is now better documenting the various tasks for sewer billing and delinquency collections to ensure continuity in the event of future staff changes.

Municipal Court

The Municipal Court collects fines and court costs and deposits those funds into a bank account. The monies collected are to be distributed to the State of Missouri, the City of Parkville or other agencies in accordance with State Statute and City Ordinances. It was noted during the audit that the bank account was not reconciled on a timely basis and carried an account balance of \$12,971 as of December 31, 2015. The Court could not provide a detail of the amounts owed to the entities described above for the amount remaining in the fund. We recommend that the City reconcile the remaining amount in the fund to ensure that fines and court costs collected are appropriately distributed in accordance with state and municipal regulations.

Management's Response

Court and Finance staff continue to research the account balance to determine the source and determine the appropriate distribution of these funds. Court staff currently reconciles bank accounts manually each month and each reconciliation is reviewed by the Finance/Human Resources Director. Future reconciliations will be conducted by City Finance staff

Administrative and Support Services

The General Fund provides administrative and support services for the benefit of Sewer Fund. The administrative and support services fee is based on management's estimate of the administrative and support service costs attributable to the Sewer Fund. We recommend that management implement additional procedures to better document and support the administrative and support services fees paid to the General Fund.

Management's Response

Management is aware of this issue and it was discussed fully during the 2016 budget process. Management has engaged Springsted, Inc. to perform a Wastewater Administration Charge Allocation Study to review and recommend a wastewater administrative charge allocation for General Fund activities performed for the Sewer Service Fund.

Future Accounting Pronouncements

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

- GASB Statement 72 – *Fair Value Measurement and Application*, effective for the fiscal year beginning on January 1, 2016.
- GASB Statement 73 – *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, effective for the fiscal year beginning on January 1, 2016.
- GASB Statement 74 – *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, effective for the fiscal year beginning on January 1, 2017.
- GASB Statement 75 – *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective for the fiscal year beginning on January 1, 2018.
- GASB Statement 76 – *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, effective for the fiscal year beginning on January 1, 2016.
- GASB Statement 77 – *Tax Abatement Disclosures*, effective for the fiscal year beginning on January 1, 2016.
- GASB Statement 78 – *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*, effective for the fiscal year beginning on January 1, 2016.
- GASB Statement 79 – *Certain External Investment Pools and Pool Participants*, effective for the fiscal year beginning on January 1, 2016.
- GASB Statement 80 – *Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14*, effective for the fiscal year beginning on January 1, 2017.
- GASB Statement 81 – *Irrevocable Split-Interest Agreements*, effective for the fiscal year beginning on January 1, 2017.
- GASB Statement 82 – *Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73*, effective for the fiscal year beginning on January 1, 2017.

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

Management's Response

City staff will review all recent and upcoming GASB statements and ensure that any required changes are incorporated in future financial reporting.

CONCLUSION

We hope the above comments are beneficial. We would welcome the opportunity to provide additional information or assistance regarding internal controls or enhancement of operational efficiency or to assist in the implementation of suggestions or recommendations made during our audit.

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

COMPLIANCE REPORT



COCHRAN HEAD VICK & CO., P.C.

Certified Public Accountants

251 NW Briarcliff Pkwy
Suite 125
Kansas City, MO 64116
(816) 584-9955
Fax (816) 584-9958

**Independent Auditor's Report On Internal Control Over Financial Reporting And
On Compliance And Other Matters Based On An Audit Of Financial Statements
Performed In Accordance With *Government Auditing Standards***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Raytown, 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 and have issued our report thereon dated May __, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses as item 2015-01 to be material weaknesses.

Other Offices

1333 Meadowlark Lane
Kansas City, KS 66102
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(913) 287-0010 FAX

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(913) 378-1177 FAX

400 Jules Street
Suite 415
St. Joseph, MO 64501
(816) 364-1118
(816) 364-6144 FAX

Compliance and Other Matters

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

The City's Response to the Findings

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

Purpose of this Report

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

Kansas City, Missouri
May __, 2016

**City of Parkville, Missouri
Schedule of Findings and Responses
For the Year December 31, 2015**

2015-01 Financial Reporting

Condition

Our audit procedures identified adjustments that were required to properly report certain transactions of the City in accordance with generally accepted accounting principles. These adjustments were not initially identified by the City's internal controls over financial reporting.

Criteria

Internal controls should be in place to ensure year-end balances and external financial reporting conforms to generally accepted accounting principles.

Cause

Year-end procedures were not sufficient to identify the adjustments noted above in a timely manner.

Effect

Potential exists for material misstatements to the financial statements.

Recommendation

We recommend that management review year-end closing procedures to ensure that transactions are properly recorded in accordance with generally accepted accounting principles. Additionally, due to the complexities of financial reporting, we recommend that management continue exploring various alternatives for improving the controls over financial reporting including the use of governmental accounting standards, reference guides and continuing education and training courses.

Management's Response/Corrective Action

The audit of the city's 2013 financial statements made a similar recommendation that, "the City would find it beneficial if personnel had some knowledge of future accounting changes and their impact on Parkville's financial statements." Staff responded to the recommendation and, since that time, has increased the budget and time available for professional development for finance staff. Finance staff attended multiple seminars covering topics such as Long-Term Financial Planning and Fiduciary Facts, Fallacies-How the SEC's Municipal Advisor Rule is Fairing and Why it Matters and Pension Challenges Ahead-GASB Update. Additionally, the City's Finance/Human Resources Director will be attending the Government Finance Officers Association of Missouri's Accounting Academy in May 2016. This intensive four-day workshop combines lecture, discussion and exercise for an overview of governmental accounting, auditing and financial reporting.

With regard to audit adjustments, in the past staff routinely made the adjustments following consultation with the auditor during the audit review process. This was intentional since often there was discussion about the proper application of accounting principles or auditing standards. For example, during the fiscal year 2014 audit, staff challenged the appropriateness of reporting approximately \$8.5 million of land held for resale. This was related to property in the Brush Creek Drainage and Brink Meyer Road Neighborhood Improvement Districts. Staff was assured by the previous auditor that this was the best way to account for the asset, even though the City did not own the underlying land. In the future, staff will make the appropriate adjustments during the year-end closings prior to review by the auditor. Staff will use all available reference guides to provide a checklist of tasks to ensure accurate and timely financial reporting. Staff understands that the City is ultimately accountable for the accuracy of the financial statements and will endeavor to increase the in-house knowledge of governmental accounting standards to improve this reporting process in the future.

CITY OF PARKVILLE Policy Report

Date: Thursday, April 29, 2016

Prepared By:

Jon Jordan
Captain

Reviewed By:

Kevin L. Chrisman
Chief of Police

ISSUE:

Request to approve the purchase of two new DMV-800 in-car video systems from Digital Ally Inc. of Lenexa, Kansas, to be installed by KC Wireless in two existing patrol vehicles for a total of \$7410.00.

BACKGROUND:

The Police Department operates six primary patrol vehicles, in which all six are equipped with Digital Ally Inc. in-car video systems. Five of the six existing in-car video systems are well past the projected life expectancy, out of warranty, no longer supported for parts and are having maintenance issues (five DMV-500 systems). The aging in-car video systems and possible failure was identified by staff as a high priority issue in 2015, and during budget meetings a plan to update the in-car video systems was put in place.

Staff discussed several in-car video system options and elected to continue to use the Digital Ally system. This sole service vendor was selected for the following reasons: (1) Allows the department to use the same in-car video systems while the department updates to new in-car video systems over the next two year period. This prevents extra cost by maintaining the old server operating system and a new server operating system at the same time. (2) Familiarization with the Digital Ally operating system by staff. (3) Easy access for assistance as Digital Ally's home office is located in the Kansas City metropolitan area. (4) The proven track record with the current Digital Ally in-car video systems as most of our in-car systems are over ten years old and still functioning. (5) The video download process from the DVM-800 system is wireless and on a secured data system, so videos will no longer need to be manually downloaded.

One new Digital Ally DVM-800 in-car video system was purchased and installed with CIP funds during the purchase of the new patrol vehicle in 2015. An updated in-car video server system (VuVault) was purchased and installed on an existing City server with funds from the 2015 Police Department Budget. The VuVault server operating system is now installed and operating. The Digital Ally VuVault server system is able to maintain videos from the old DVM-500 in-car video systems and the new DVM-800 in-car video systems during the upgrading process.

BUDGET IMPACT:

The 2016 Capital Improvement Program (CIP) includes \$7,420 from the General Fund for the purchase and installation of two new DVM-800 in-car video systems. Digital Ally quoted a price of \$3,995.00 per each DMV-800 unit and provides a \$500.00 credit toward each purchase when trading in a DVM-500 in-car video system, thus lowering the cost per unit to \$3,495.00. The total cost for two units, after two trade-ins, is \$6,990.00. The cost for KC Wireless to install a new system is \$210.00 per vehicle, totaling \$420.00 for two vehicles.

ALTERNATIVES:

1. Approve the purchase and installation costs for two new in-car video systems totaling \$7,410.00.

ITEM 3C

For 05-09-16

Board of Aldermen – Finance Committee Meeting

2. Do not approve the purchase and provide alternative direction to staff.
3. Postpone the purchase.

STAFF RECOMMENDATION:

Staff recommends that the Finance Committee approve the purchase and installation costs of two new DMV-800 in-car video systems from Digital Ally Inc.

POLICY:

Per the Purchasing Policy, Resolution No. 10-02-14, the Finance Committee may approve purchases up to and including \$10,000.00.

SUGGESTED MOTION:

I move to approve the purchase and installation of two new DMV-800 in-car video systems from Digital Ally, Inc. with installation by KC Wireless for a total amount of \$7,410.00.

ATTACHMENTS:

1. Quote from Digital Ally Inc.
2. City of Parkville Purchase Order



Quote	QUO-15551-V6W6F7
Date	4/7/2016
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9705 Loiret Blvd.
 Lenexa, KS 66219
 1-800-440-4947 www.digitalallyinc.com

Customer:

Parkville Police Department Capt. John Jordan 8880 Clark Ave. Lenexa, KS 66219

Customer ID	Salesperson	Shipping Method	Payment Terms	Created By	Quote Valid
PARMO0	TH		Net 30	Derek Butler	90 Days

Ordered	Item Number	Description	Retail Price	Item Discount	Discount	Ext. Price
2	001-00038-20	DVM-800 Complete Kit, V2	\$3995.00	\$0.00	\$0.00	\$7,990.00
2		DVM-500 Trade In Credit	\$0.00	\$500.00	\$1,000.00	(\$1,000.00)

Notes:

2 DVM-800 Complete Kits W/5 Year Warranty
 2 DVM-500 Trade in Credit

Total Discount	\$1,000.00
Subtotal	\$6,990.00
Misc	
Tax	\$0.00
Freight	
Total	\$6,990.00

Thank you for your interest in Digital Ally products. If you would like to place an order, please contact the Digital Ally Sales Team at 1-800-440-4947.

TERMS OF SALE

Your purchase of goods from Digital Ally, Inc., a Nevada corporation ("Digital Ally") will be governed by the following terms of sale ("Terms"). You will be referred to throughout these Terms as "you".

1. Exclusion of Other Terms; Entire Agreement. Additional or different terms or conditions proposed by you (including any additional or different terms provided in a purchase order) will be void and of no effect unless specifically accepted in writing by Digital Ally. Digital Ally's sales invoice, these Terms, the warranty and any special conditions executed by you and Digital Ally (collectively, the "Order") supersedes and cancels all prior communications between us, whether verbal or written, and constitutes the entire agreement between us unless modified in writing and signed by each of us.

2. Payment. Payment terms are cash on delivery, except where credit has been established and maintained to Digital Ally's satisfaction. If you have established credit, payment terms are net 30 days from date of shipment. Any invoice that you fail to pay when due will bear interest at the rate of 1-1/2% per month or the highest rate then permitted by law, whichever is less. You must also reimburse Digital Ally for its costs incurred (including internal administrative expenses and reasonable attorneys' fees) in the collection of your past due invoices.



Quote	QUO-15551-V6W6F7
Date	4/7/2016
Page	2

3. Security Interest. Digital Ally retains a security interest in all goods delivered to you and all proceeds until paid in full. You agree, without further consideration, at any time to do or cause to be done, all acts, and to execute and deliver, all such documents as Digital Ally may reasonably request in order to protect Digital Ally's security interest in the goods, including the filing of financing statements that Digital Ally may deem necessary to perfect its security interest.

4. Taxes. In addition to the purchase price, you must pay any sales, excise or similar taxes applicable to the transaction, unless you provide Digital Ally with a valid tax exemption certificate. You must pay use taxes, if applicable to the transaction, directly to the appropriate taxing authority.

5. Shipment. Digital Ally will use commercially reasonable efforts to comply with your shipping instructions. You must prepay all transportation and insurance charges prior to shipment. Unless otherwise stated by Digital Ally, all shipments will be F.O.B. (free on board) Digital Ally's manufacturing facility in Lenexa, KS.

6. Force Majeure. Digital Ally will not be liable to you for any loss, damage, delay, or failure of delivery resulting from causes that are beyond Digital Ally's reasonable control. DIGITAL ALLY WILL NOT BE LIABLE FOR INCIDENTAL, CONSEQUENTIAL, PUNITIVE, EXEMPLARY OR SPECIAL DAMAGES FROM ANY DELAY WHATSOEVER.

7. Limitation of Liability. You assume all risk from your purchase and use of the goods. Neither you nor Digital Ally will be liable to the other for any consequential damages, punitive damages, special, incidental or exemplary damages suffered by the other in connection with its performance of its obligations under this Order. DIGITAL ALLY'S AGGREGATE LIABILITY UNDER THIS ORDER WILL NOT EXCEED AMOUNTS PAID BY YOU TO DIGITAL ALLY UNDER THIS ORDER.

8. Warranty; Limitations on Remedies. Digital Ally's warranty on the goods provided under the Order is set out in a separate statement, which sets forth the only warranty applicable to the goods sold under this Order. THAT WARRANTY IS GIVEN IN LIEU OF ALL OTHER WARRANTIES. THERE ARE NO WARRANTIES THAT EXTEND BEYOND DIGITAL ALLY'S WARRANTY STATEMENT. ALL IMPLIED WARRANTIES ARE DISCLAIMED, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY, NON-INFRINGEMENT, FITNESS FOR A PARTICULAR PURPOSE, AND WARRANTIES IMPLIED FROM A COURSE OF DEALING, COURSE OF PERFORMANCE OR USAGE OF TRADE. YOUR SOLE AND EXCLUSIVE REMEDY FOR A WARRANTY CLAIM WILL BE THE REPAIR OR REPLACEMENT OF THE GOODS.

9. Indemnity. You will defend Digital Ally, its managers, agents, employees, successors and assigns, (collectively, the "Indemnified Parties"), and will pay all damages, losses, costs and expenses, including reasonable attorney's fees, incurred by the indemnified party arising out of, or incidental to, your selection, purchase and use of the goods under this Order. This indemnification will survive the expiration or termination of this Order.

10. Risk of Loss. Risk of loss to goods purchased will pass to you at the earlier of the time the goods are (a) duly delivered to the carrier, or (b) duly tendered to you for delivery.

11. Acceptance; Claims for Shortage or Error. Delivered goods will be deemed accepted upon the earlier of your formal acceptance of the goods or the expiration of 30 days from receipt. If you discover upon initial inspection that (a) some or all of the goods are defective or (b) do not conform to Digital Ally's warranty, they may be returned to Digital Ally for replacement or a refund of the purchase price. Digital Ally is not responsible for goods lost or damaged in transit. You are solely responsible for filing claims against the carrier for any loss or damage. Digital Ally will furnish all available information and give any other reasonable assistance requested to assist you in filing a claim for delivery damage. Claims for shortages in shipment not chargeable against the carrier will not be considered



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unless notice is given within 10 days from date of receipt of goods.

12. Compliance with Laws. Compliance with Laws. You will comply with all laws and regulations applicable to you, including those dealing with the purchase and distribution of the products purchased under these Terms ("Products"). You will further keep Digital Ally informed of any laws, regulations, governmental orders, or requirements, which affect the ordering, shipment, importation, sale, marketing, or distribution of the Products within your jurisdiction and will, in all cases, refrain from engaging in any activities or conduct, which would cause Digital Ally to be in violation of the laws of any jurisdiction. You agree at all times to comply with all United States laws or regulations, as they may exist from time to time, regarding export licenses or the control or regulation of exportation or re-exportation of products or technical data sold or supplied to you. Without limiting the generality of the foregoing, you specifically agree not to resell any Products purchased under these Terms to any party, if such a sale would constitute a violation of any laws or regulations of the United States. In conformity with the FCPA, you represent and warrant that neither you, nor any of your directors or any of your members, managers, officers, employees, or agents is an official agent, or employee of any foreign government or governmental agency or political party. You agree to promptly notify Digital Ally of the occurrence of any event, which would render the foregoing representation and warranty incorrect or misleading. In addition, you will at all times comply with all applicable laws of the United States concerning foreign corrupt practices or which in any manner prohibits the giving of anything of value to any official, agents or employee of any government, governmental agency, political party or any officer, employee, or agent thereof.

13. Governing Law; Jurisdiction and Venue. This Order and all disputes arising under this Order are exclusively subject to, governed by, and construed in accordance with the law of the State of Kansas, without regard to rules of conflicts of law. Any action relating to this Order must be brought in state or federal courts located in Johnson County, Kansas, and the parties hereby irrevocably consent to the exclusive jurisdiction of, and venue in such courts.

14. Prevailing Party's Attorneys' Fees. In the event of any litigation or arbitration related to this Order, the prevailing party will be entitled to recover from the non-prevailing party, the costs and expenses (including attorneys' fees) reasonably incurred by the prevailing party in connection therewith.

15. Cancelled Orders and/or Returns. All cancelled orders and/or product returns may be subject to a 20% restocking fee.

VuVault System Requirements

This is a quick reference guide to qualify on site machines for VuVault compatibility. These include specifications for minimum requirements and recommended machines. Our minimum requirements are higher on VuVault versus VideoManager to avoid issues for now and future released features to the program. **Computers that do not meet these requirements in many cases will work however we cannot guarantee stability or performance and will not support related issues.**

Standalone Software (with or without wireless software)

Minimum Requirements

- Intel® i-Series Dual Core Processor (2.0Ghz or higher)
- 4GB RAM
- Windows 7 Professional Operating System (32 or 64-bit)
- 40GB Free Space (Boot Drive)
- Storage Drive (Qualify customer)
- DVD+/- RW Drive
- Intel® HD4000 chipset or comparable video card
- 100Mb Network Connection



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- USB 2.0 CF/SD Card Reader

Recommended Specifications

- Intel® i-Series Quad Core Processor (2.0Ghz or higher)
- 8GB RAM
- Windows 7 Professional Operating System (64-bit)
- 40GB Free Space (Boot Drive)
- Storage Drive (Qualify Customer)
- DVD +/- RW Drive
- Nvidia® GeForce 8800GS or comparable video card
- Gigabit Network Connection
- SanDisk USB 2.0 CF/SD Card Reader

Server Software (with or without wireless software)

Minimum Requirements

- Intel® i-Series Dual Core Processor (2.4Ghz or higher)
- 4GB RAM
- Windows 7 Professional Operating System (32 or 64-bit) or Windows Server 2008
- 40GB Free Space (Boot Drive)
- Storage Drive (Qualify Customer) Local NTFS (no FAT32 removable drives or **network drives**)
- 100Mb Network Connection

Recommended Specifications

- Intel® i-Series Quad Core Processor (3.00Ghz or higher)
- 8GB RAM
- Windows Server 2008 R2
- 250GB Free Space (Boot Drive)
- Storage Drive (Qualify Customer) Local NTFS (no FAT32 removable drives or **network drives**)
- Gigabit Network Connection

Client/Viewer Software

Minimum Requirements

- Intel® i-Series Dual Core Processor (2.0Ghz or higher)
- 2GB RAM
- Windows XP Service Pack 3 or Windows 7 Pro (32 or 64-bit)
- 40GB Free Space (Boot Drive)
- DVD +/- RW
- Intel® HD4000 chipset or comparable video card
- USB 2.0 CF/SD Card Reader
- 100Mb Network Connection

Recommended Specifications

- Intel® i-Series Dual Core Processor (3.0Ghz or higher)
- 4GB RAM
- Windows 7 Professional (64-bit)
- 40GB Free Space (Boot Drive)
- DVD +/- RW
- Nvidia® GeForce 8800GS or comparable video card
- SanDisk USB 2.0 CF/SD Card Reader
- Gigabit Network Connection

Wireless Requirements and Recommendations

Minimum Requirements

- Dedicated Outdoor Business Class Wireless Access Point (802.11n & 2.4Ghz)

Attachment 1



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- 5 cars transferring simultaneously per Access Point
- WPA-PSK w/TKIP Encryption (WPA2-PSK w/AES preferred)
- DHCP Component (Can be integrated to AP or external)

Recommended Model Access Points

- DLINK DAP-3520
- Ubiquiti UniFi Outdoor
- Cisco Aironet 1300 Outdoor

PURCHASE ORDER
(non-construction)

CITY OF PARKVILLE (PURCHASER)
8880 Clark Avenue
(816) 741-7676

Date:

Upon proper acceptance, we agree to purchase from you upon terms and conditions set forth below and on the attached pages hereto.

VENDOR Digital Ally Incorporated

9705 Loiret Blvd

Lenexa, KS 66219

Phone: 1 800 440 4947

SHIP TO: **will pick-up**

INVOICE TO: **Parkville Police Department 8880 NW Clark Ave. Parkville, MO 64152**

ALL MATERIAL SHALL BE DELIVERED TO PURCHASER FREIGHT PREPAID, UNLESS OTHERWISE SPECIFIED BELOW.

Vendor agrees to furnish following goods in accordance with the terms and provisions of this Purchase Order Agreement consisting of 6 pages including attachments. Purchaser agrees to pay the total sum of **six thousand, nine hundred and ninety Dollars (\$6,990.00)** for such materials, subject to any additions or deductions agreed upon in writing. **Freight charges are included in purchase price and sales taxes will not be charged to the Purchaser as a tax exempt entity. Purchaser will provide Vendor with a Tax Exemption Certificate upon request.** Payment is to be made within **thirty days** after delivery of goods and receipt of invoice. This purchase order is only valid through **June 1, 2016**.

ITEMS:

Two (2) Digital Ally DMV-800 in-car video system units

See Attachment "A" – Terms and Conditions
See Attachment "B" – Insurance Requirements

SCHEDULE OF DELIVERY:

F.O.B.

NOTE: All Terms and Conditions for Purchase Order attached hereto are incorporated herein by reference and made a part of this Purchase Order. Vendor's signature and return of this document as presented, or its delivery of any of the items covered by this Purchase Order, shall constitute acceptance of all of its terms and conditions. If this Purchase Order is not signed and returned to Purchaser within ten (10) days of the date stated on page 1 above, however, it may be deemed voidable at the option of Purchaser. Payment shall not be due until Vendor has furnished Purchaser, with the required Certificates of Insurance and any other documents required by Purchaser.

All terms in any offer, bid, order acknowledgement or other document that are inconsistent with the terms stated herein are explicitly rejected and not a part of this Purchase Order.

CITY OF PARKVILLE, MISSOURI. ("Purchaser")

("Vendor")

By: _____

By:  _____

Title: _____

Title: CFO _____

Date: _____

Date: 4-29-16 _____

CITY OF PARKVILLE Policy Report

Date: May 2, 2016

Prepared By:
Alysen Abel
Public Works Director

Reviewed By:
Lauren Palmer
City Administrator

ISSUE:

Approve a construction services agreement with Midwest Drain and Sewer LLC for the 2016 closed circuit television (CCTV) and cleaning program.

BACKGROUND:

Since 2007, the City has accumulated data from the closed-circuit television (CCTV) evaluation of sanitary sewer lines. The data were reviewed by the city's contract engineer, Jay Norco with North Hills Engineering (NHE). The deteriorated areas were prioritized based on the severity of the issues in the existing system determined by data review, field investigation, mapping, and smoke testing performed by NHE and Alliance Water Resources (AWR).

On January 11, 2016, the Finance Committee approved a work authorization with North Hills Engineering for the data review, ratings, mapping updates, and project management associated with the CCTV and sewer cleaning project.

The 2016 CCTV and sewer cleaning project will include televising 16,000 feet of sewer lines, as well as heavy cleaning of existing sewer lines. The data will be used later to assess damage, and rank and prioritize future repair efforts. The six-year Capital Improvement Program (CIP) includes funding to continue an annual CCTV and cleaning program on a cycle of reviewing the entire sanitary sewer system every 8 years in accordance with industry best management practices. The project areas are included as Attachments 1 and 2.

In April, the City released a bid request for the 2016 CCTV and cleaning program. On April 28, 2016, the City received responses from four contractors. The bid tabulation is included as Attachment 3. The overall bids were as follows:

<u>Bidder</u>	<u>Total Bid Amount</u>
TREKK Design Group	\$47,742.00
Blue Nile Contractors	\$37,620.00
Midwest Drain and Sewer	\$32,000.00
Ace Pipe Cleaning	\$39,450.00

Midwest Drain and Sewer was the low bidder, with an estimated bid amount of \$32,000.00. The bid form requested unit prices based on (1) CCTV and basic cleaning; (2) trim intruding service laterals; and (3) heavy cleaning.

Although the City of Parkville has not used Midwest Drain and Sewer, Platte County Regional Sewer District (PCRS) has contracted with Midwest Drain and Sewer on several occasions and had favorable experiences.

ITEM 3D

For 05-09-16

Board of Aldermen - Finance Committee Meeting

BUDGET IMPACT:

The Sewer Fund includes \$543,500 in the 2016 CIP for routine maintenance on sewer lines and manholes, including CCTV and cleaning. Of this amount, \$55,000 was estimated for the 2016 CCTV and cleaning project. The previously approved work authorization for North Hills Engineering was in the amount of \$7,725. The remaining balance of the budget is \$47,275. The proposed contract with Midwest Drain and Sewer is within budget at \$32,000.

ALTERNATIVES:

1. Recommend that the Board of Aldermen approve the construction services agreement with Midwest Drain and Sewer LLC for the 2016 CCTV and cleaning program.
2. Recommend that the Board of Aldermen reject all bids and provide further direction to staff.
3. Postpone the item.

STAFF RECOMMENDATION:

Staff recommends the approval of the construction services agreement with Midwest Drain and Sewer LLC for the 2016 CCTV and cleaning program in the amount of \$32,000, with the unit prices as provided in the bid documents.

POLICY:

The Purchasing Policy, Resolution No. 10-02-14, requires the Board of Aldermen to approve all purchases above \$10,000 upon recommendation of the Finance Committee.

SUGGESTED MOTION:

I move to recommend that the Board of Aldermen approve the construction services agreement with Midwest Drain and Sewer LLC for the 2016 CCTV and cleaning program in the amount of \$32,000, with the unit prices as provided in the bid documents.

ATTACHMENTS:

1. Project Map 1
2. Project Map 2
3. Bid Tabulation
4. Detailed Bid Tabulation
5. Sample Contract

**TABLE 1:
PARKVILLE CCTV FOOTAGE BY YEAR**

Year:	Footage	% of System
2007	15,816	15%
2008	2,587	3%
2009	5,308	5%
2014	21,724	21%
2015	8,711	8%
2016	13,745	13%

Avg. Progress '07-'16 = 6.6% / yr
(Now on a 12.5% program = 8-year cycle.)

Est. total system = 103,400 LF

Legend

Sanitarylines

— Sewer Not CCTV'd

CCTV & Cleaning Date

— 2016

— 2015

— 2014

— 2009

— 2008

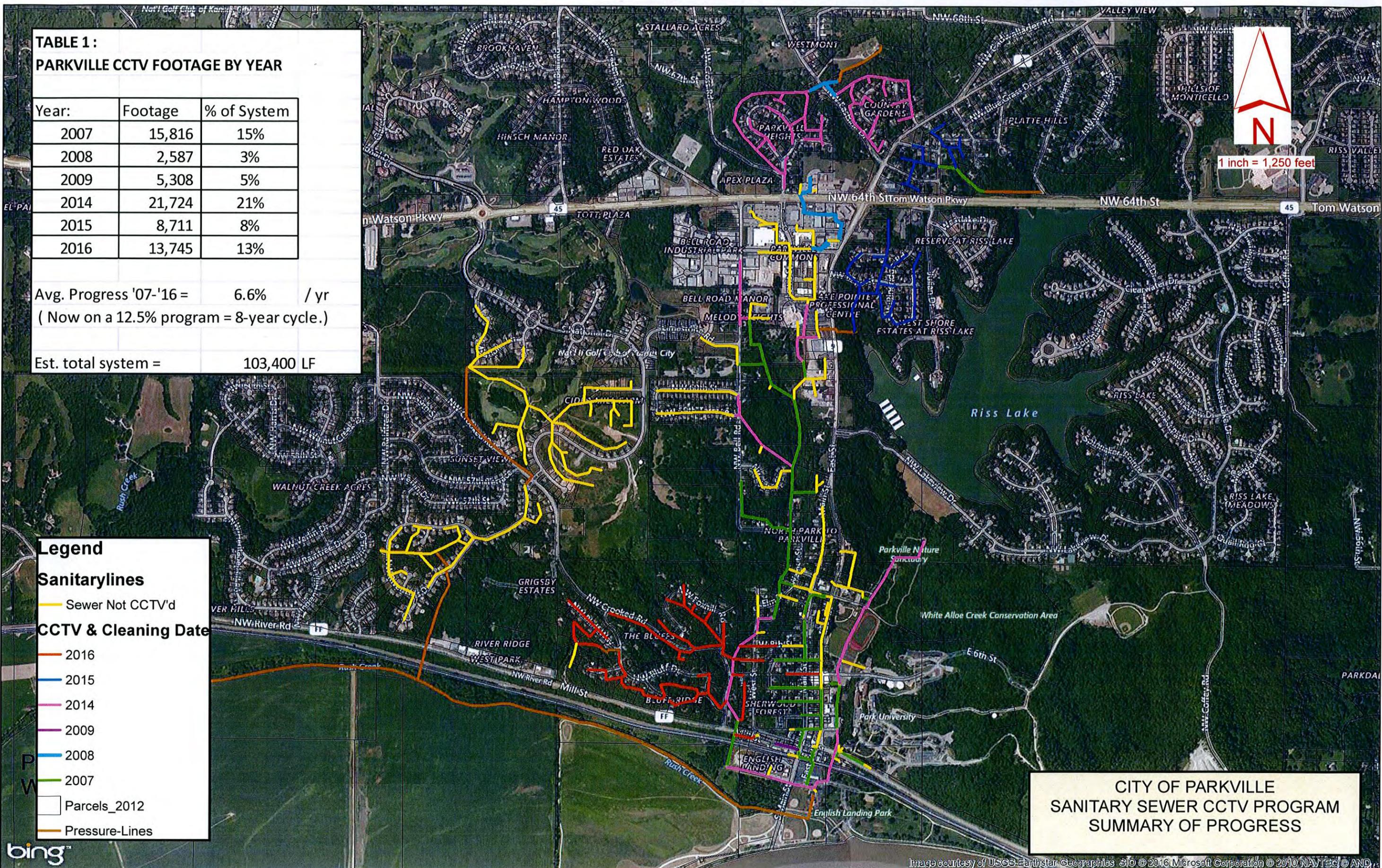
— 2007

□ Parcels_2012

— Pressure-Lines



1 inch = 1,250 feet



**CITY OF PARKVILLE
SANITARY SEWER CCTV PROGRAM
SUMMARY OF PROGRESS**

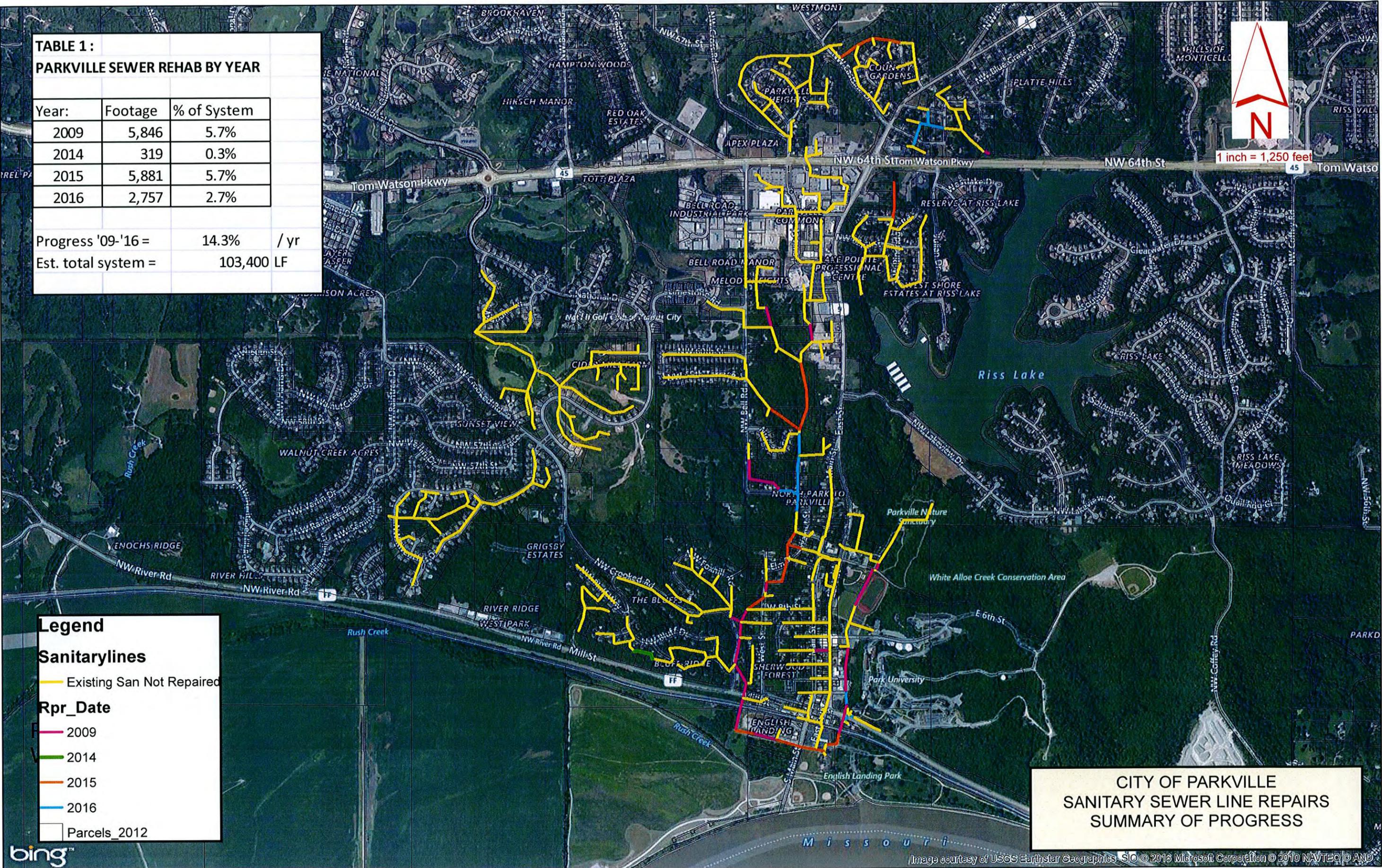
**TABLE 1:
PARKVILLE SEWER REHAB BY YEAR**

Year:	Footage	% of System
2009	5,846	5.7%
2014	319	0.3%
2015	5,881	5.7%
2016	2,757	2.7%

Progress '09-'16 = 14.3% / yr
 Est. total system = 103,400 LF



1 inch = 1,250 feet



Legend

Sanitarylines

- Existing San Not Repaired

Rpr_Date

- 2009
- 2014
- 2015
- 2016

▭ Parcels_2012

**CITY OF PARKVILLE
SANITARY SEWER LINE REPAIRS
SUMMARY OF PROGRESS**

**BID TABULATION
CCTV 2016**

Thursday, April 28, 2016
2:00 p.m. – Public Works Conference Room

Bidder	TOTAL
TREKK Design Group Kansas City, MO	\$47,742
Blue Nile Contractors Claycomo, MO	\$37,620
Midwest Drain & Sewer LLC Chilhowee, MO	\$32,000*
Ace Pipe Cleaning, Inc. Kansas City, MO	\$39,450

(*) Recommended Award of Purchase

	CCTV & Basic Cleaning (6" to 10") Estimated Quantity = 13,800 L.F.		Trim Intruding Service Lateral Pipe Estimated Quantity = 8 EA		Heavy Cleaning, with authorization Estimated Quantity = 12 Hours		Total Bid Price
	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension	
TREKK Design Group	\$3.09 per foot	\$42,642	\$255 per each	\$2,040	\$255 per hour	\$3,060	\$47,742
Blue Nile Contractors	\$2.50 per foot	\$37,500	\$150 per each	\$1,200	\$160 per hour	\$1,920	\$37,620
Midwest Drain & Sewer	\$2.00 per foot	\$27,600	\$250 per each	\$2,000	\$200 per hour	\$2,400	\$32,000
Ace Pipe Cleaning	\$2.45 per foot	\$33,810	\$300 per each	\$2,400	\$270 per hour	\$3,240	\$39,450

CONSTRUCTION SERVICES AGREEMENT MAINTENANCE OR REPAIR PROJECT

THIS SERVICE AGREEMENT, entered into on this 17th day of May 2016, by and between the CITY OF PARKVILLE, MISSOURI ("City") and Midwest Drain and Sewer LLC ("Contractor").

WHEREAS, the City seeks to hire Contractor to provide certain construction services as described in Exhibit "A" to this Agreement (the "Construction Services"); and

WHEREAS, the City has budgeted funds to acquire the services necessary to complete the Construction Services; and

WHEREAS, Contractor has the necessary staff and qualifications to provide the Construction Services to the City.

NOW THEREFORE, IN CONSIDERATION of the mutual covenants and agreements set forth herein, the parties mutually agree as follows:

I. SCOPE OF SERVICES

- A. The term "Construction Services" when used in this Agreement shall mean any and all labor, material, equipment, insurance, surety bonds or other thing of value that may be required by this Agreement including its exhibits.
- B. The City agrees to retain Contractor and Contractor agrees to perform and complete the Construction Services described in the **Exhibit "A"** – Scope of Work, attached hereto and incorporated by reference.
- C. Service Provider represents it has all necessary skills, personnel, financial capacity, licenses, permits, knowledge, and certifications required to perform the Services described herein.

II. COMPENSATION

- A. As consideration for providing the Construction Services, the City shall pay Contractor as set forth in **Exhibit "A"**.
- B. Contractor shall submit its invoices to the City either at completion of the Project, or on such milestone or other interim terms as set forth on **Exhibit "A"**. Contractor's final invoice shall be accompanied by Waivers of Lien and Releases of Claim on the forms attached as **Exhibit "B-1"** to this Agreement, executed by Contractor any all subcontractors with contract values of \$5,000 or more, and notarized. If partial payments are authorized on **Exhibit "A"**, then Contractor shall submit partial lien waivers on the form attached as **Exhibit "B-2."** The City agrees to pay the balance of an approved invoice, or undisputed portions of a disputed invoice, within 30 days of the date of receipt by the City. In the event of a dispute, and prior to the invoice's due date, City shall pay the undisputed portion of the invoice and notify Contractor of the nature of the dispute regarding the balance.
- C. Contractor shall maintain accounts and records, including personnel, property, and financial records, adequate to identify and account for all costs pertaining to the Agreement and such other records as may be deemed necessary by the City to assure proper accounting for all funds. These records will be made available for audit purposes to the City or any authorized representative, and will be retained for three years after the expiration of this Agreement unless permission to destroy them is granted by the City.

III. SCHEDULE

- A. Time is of the essence in performance of this Agreement.

- B. Unless otherwise directed by the City, Contractor shall commence performance of the Construction Services upon execution of this Agreement.
- C. Services shall be completed within the schedule set forth on **Exhibit "A"**.
- D. Neither the City nor the Contractor shall be in default of the Agreement for delays in performance caused by circumstances beyond the reasonable control of the non-performing party.
- E. If **Exhibit "A"** contains a provision for Liquidated Damages, it shall be because the parties have agreed that late completion of the Construction Services by Contractor would cause irreparable harm to the City, which harm is difficult to quantify; and that the parties have agreed that the amount stated in Exhibit "A" for Liquidated Damages is a fair approximation of the daily costs that the City would incur for late Substantial Completion of the work.

IV. CHANGES

- A. The City reserves the right issue Changes, both additive and deductive, to the Scope of Work at the City's discretion. Contractor shall advise the City of additional costs and time delays, if any, resulting from such Changes, before Contractor performs the Changes. No adjustment to the Contract Time or Contract Price will be permitted unless Contractor has advised the City of the potential impact prior to commencing work on the Change, and the City either issues a Change Order which is agreed to by the parties, or the City directs the Contractor to proceed.
- B. Contractor shall provide Construction Services under this Agreement only upon written request of the City and only to the extent defined and required by the City. Any additional services or materials provided by the Contractor without the City's prior written consent shall be at the Contractor's own risk, cost, and expense, and Contractor shall not make a claim for compensation from the City for such work.

V. INDEMNIFICATION

- A. Contractor shall indemnify and hold harmless the City and its departments, elected officials, officers, employees and agents, from and against all liability, suits, actions, proceedings, judgments, claims, losses, damages, and injuries (including attorneys' fees and other expenses of litigation, arbitration, mediation or appeal), which in whole or in part arise out of or have been connected with Contractor's negligence, error, omission, recklessness, or wrongful or criminal conduct in the performance of Construction Services, including performance by Contractor's employees and agents; or arising from any claim for libel, slander, defamation, copyright infringement, invasion of privacy, piracy and/or plagiarism related to any materials related to materials furnished by Contractor in the course of performance of the work, except to the extent that such claims arise from materials created or supplied by the City.
- B. Contractor's obligation to indemnify and hold harmless shall remain in effect and shall be binding on Contractor whether such injury shall accrue, or may be discovered, before or after termination of this Agreement.

VI. INSURANCE

- A. Contractor shall secure and maintain, at its expense, through the duration of this Agreement insurance as set forth on **Exhibit "C."**

VII. ASSIGNMENT OF AND RESPONSIBILITY FOR PERSONNEL

- A. Contractor's assignment of personnel to perform the Services shall be subject to the City's oversight and general guidance. The City reserves the right to request qualifications and/or reject service from any and all employees of the Contractor.
- B. Unless otherwise stated in **Exhibit "A"**, Contractor shall be represented by a Superintendent or Foreman authorized to give and receive all instruction and notices from and to the City at all times while performing Construction Services, and shall have on site a person who is fluent in all languages necessary to communicate instructions regarding the work and information regarding medical emergencies with Contractor's employees and subcontractors.
- C. All of the Construction Services required hereunder will be performed by the Contractor or under Contractor's supervision, and all personnel engaged in the work shall be fully qualified and shall be authorized or permitted under State and Local law to perform such services.
- D. None of the work or services covered by this Agreement shall be subcontracted without the prior written approval of the City. Any work or services subcontracted hereunder shall be specified by written contract or agreement and shall be subject to each provision of this Agreement including, but not limited to, indemnification, insurance and warranties.
- E. Contractor and all subcontractors with a contract value of \$5,000 or more shall execute affidavits on the form attached as **Exhibit "D"**, attesting to their compliance with RSMo. § 285.530.5 concerning compliance with Missouri's Worker Eligibility requirements.
- F. Contractor and all subcontractors must require all on-site employees to complete the ten-hour construction training program required under Section 292.675 RSMo. unless they have previously completed the program and have documentation of having done so. Contractor shall execute the affidavit attached as **Exhibit "E"**, attesting that it has provided OSHA safety training for its on-site employees. Contractor will forfeit a penalty to the City of \$2,500 plus an additional \$100 for each employee employed by Contractor or any subcontractor, for each calendar day, or portion thereof, such employee is employed without the required training. See Section 292.675 RSMo.
- G. No illegal drug or alcohol usage will be tolerated at the Site. All persons admitted to work on the Site will dress appropriately and avoid foul language. Music shall not be played at volume levels that would be objectionable to third-parties. Any worker found by the City to be violating these conduct requirements will be removed immediately.

VIII. WARRANTY

- A. The Contractor warrants to the City that materials and equipment furnished under the Contract will be of good quality and new unless the Scope of Work documents require or permit otherwise. The Contractor further warrants that the work will conform to the requirements of the Scope of Work documents and will be free from defects, except for those inherent in the quality of the Work the Scope of Work documents require or permit. Work, materials, or equipment not conforming to these requirements may be considered defective. The Contractor's warranty excludes remedy for damage or defect caused by abuse, alterations to the work not executed by the Contractor or its subcontractors or suppliers, improper or insufficient maintenance or improper operation. If required by the Owner, the Contractor shall furnish satisfactory evidence as to the kind and quality of materials and equipment. The Contractor's warranties required by the Agreement (express and implied) shall remain in full force and effect even if a material or equipment item is required by the Owner to be manufactured by a specific entity, and no other equivalent product manufactured by any other entity is acceptable.
- B. The Contractor's warranty in Section IX.A. shall not be construed to replace, change or

otherwise limit any statutory or common law warranty rights of the Owner, or any other Contract requirements.

IX. OWNERSHIP OF WORK PRODUCT

A. Contractor agrees that any documents, materials and/or work products produced in whole or in part by or through it under this Agreement, any intellectual property rights of Contractor therein (collectively the "Works") are intended to be owned by the City. Accordingly, Contractor hereby assigns and agrees to assign to the City all of its right title and interest in and to such Works.

X. RELATIONSHIP OF THE PARTIES

A. Contractor represents that it is an independent contractor and that no personnel performing any of the Construction Services shall be employees of or have any contractual relationship with the City.

XI. PERFORMANCE AND PAYMENT BONDS

A. If the price for the Scope of Work set forth on Exhibit "A" is \$25,000 or more, the Contractor shall provide a Performance Bond and a Payment Bond with a surety admitted in the State of Missouri and satisfactory to the City, on bond forms which are attached to the Agreement as Exhibits "F-1" and "F-2". No payment shall be released to Contractor until such surety bonds are received, reviewed by the City, and found to be acceptable.

B. Upon the request of any person or entity appearing to be a potential beneficiary of bonds covering payment of obligations arising under the Agreement, the Contractor shall promptly furnish a copy of the bonds or shall authorize a copy to be furnished.

XII. NOTICES

A. All notices required by this Agreement shall be in writing, and unless otherwise directed by this Agreement, shall be sent to the addresses as set forth in this Section:

B. Notices sent by Contractor shall be sent to:
City of Parkville
Attn: City Administrator
8880 Clark Ave.
Parkville, MO 64152

C. Notices sent by the City shall be sent to:

XIII. CORRECTION OF WORK

The Contractor shall promptly correct work rejected by the City or failing to conform to the requirements of the Agreement, whether discovered before or after Substantial Completion and whether or not fabricated, installed or completed. Costs of correcting such rejected work, including additional testing and inspections, the cost of uncovering and replacement, and compensation for services and expenses of a designer made necessary thereby, shall be at the Contractor's expense. If the Contractor fails to correct nonconforming Work within ten (10) days after receipt of written notice from the City, the City may correct it at Contractor's expense.

XIV. TERM AND TERMINATION

- A. The effective date of this Agreement shall be the date of execution, when the Agreement is signed by both parties.
- B. Notwithstanding anything to the contrary in this Agreement or exhibit, the City reserves the right and may elect to terminate this Agreement at any time, with or without cause, by giving at least ten (10) days' written notice to the Contractor. The City shall compensate Contractor for the Construction Services that have been completed to the City's satisfaction as of the date of termination. Contractor shall perform no activities other than reasonable wrap-up activities after receipt of notice of termination.
- C. The City may terminate the Agreement for cause if the Contractor
 - 1. refuses or fails to supply enough properly skilled workers or proper materials;
 - 2. fails to make payment to Subcontractors for materials, equipment, services or labor in accordance with the respective agreements between the Contractor and the Subcontractors;
 - 3. disregards applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of a public authority;
 - 4. or its Subcontractors or Sub-subcontractors causes a work stoppage due to any strike, picket, boycott or participates in any voluntary or involuntary cessation of Work; or
 - 5. otherwise is guilty of substantial breach of a provision of the Agreement.
- D. When any of the above reasons exist, the City may without prejudice to any other rights or remedies of the City and after giving the Contractor and the Contractor's surety, if any, seven (7) days' written notice, terminate the Agreement and may, subject to any prior rights of the surety, if any:
 - 1. Exclude the Contractor from the Project site and take possession of all materials, equipment, tools, and construction equipment and machinery thereon owned by the Contractor;
 - 2. Direct the work of subcontractors; and
 - 3. Finish the Work by whatever reasonable method the City may deem expedient. Upon written request of the Contractor, the City shall furnish to the Contractor a detailed accounting of the costs incurred by the City in finishing the Work.
- E. When the Owner terminates the Agreement for one of the reasons stated in Section XIV. A., the Contractor shall not be entitled to receive further payment until the Work is finished.
- F. If the unpaid balance of the Contract Price exceeds costs of finishing the Work, including compensation for the services and expenses of a designer, and legal, consultant and testing fees made necessary thereby, and other damages incurred by the City and not expressly waived, such excess shall be paid to the Contractor. If such costs and damages exceed the unpaid balance, the Contractor or its surety, if any, shall pay the difference to the City upon demand. The obligation for payment, if any, shall survive termination of the Agreement.

XV. MISCELLANEOUS PROVISIONS

- A. Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Missouri.
- B. Assignability. Contractor shall not assign any interest on this Agreement, and shall not transfer any interest in the same (whether by assignment or invitation), without the prior

written consent of the City thereto. Provided, however, that the claims for money by Contractor from the City under this Agreement may be assigned to a bank, trust company, or other financial institution without such approval. Written notice of any such assignment or transfer shall be furnished promptly to the City.

- C. Media Announcements. Contractor shall not be authorized to make statements to the media or otherwise on behalf of the City without express direction and consent of the City
- D. Compliance with Local Laws. Contractor shall comply with all applicable laws, ordinances, and codes of the State of Missouri and local governments, and shall save the City harmless with respect to any damages arising from any tort done in performing any of the work embraced by this Agreement.
- E. Equal Employment Opportunity. During the performance of this Agreement, Contractor agrees as follows:
 - 1. Contractor will not discriminate against any employee or applicant for employment because of race, creed, color, national origin, religion, or sex. Service Provider will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, creed, color, national origin, religion, or sex. Such action shall include, but not be limited to, employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.
 - 2. Contractor will, in all solicitation or advertisements for employees placed by or on behalf of Professional, state that all qualified applicants will receive consideration for employment without regard to race, creed, color, national origin, religion, or sex.
 - 3. Contractor will cause the foregoing provisions to be inserted in all subcontracts for any work covered by this Agreement so that provisions will be binding upon each subcontractor, provided that the foregoing provisions shall not apply to contracts or subcontracts for standard commercial supplies or raw materials.
- F. Interest of Members of a City. No member of the governing body of the City and no other officer, employee, or agent of the City who exercises any functions or responsibilities in connection with the planning and carrying out of this Agreement, shall have any personal financial interest, direct or indirect, in this Agreement, and Contractor shall take appropriate steps to assure compliance.
- G. Interest of Contractor and Employees. Contractor covenants that he/she presently has no interest and shall not acquire interest, direct or indirect, in the study area or any parcels therein or any other interest which would conflict in any manner or degree with the performance of his/her services hereunder. Contractor further covenants that in the performance of this Agreement, no person having any such interest shall be employed.
- H. Entire Agreement. This Agreement represents the entire Agreement and understanding between the parties, and this Agreement supersedes any prior negotiations, proposals, or agreements. Unless otherwise provided in this Agreement, any amendment to this Agreement shall be in writing and shall be signed by the City and Contractor, and attached hereto.
- I. Severability. If any part, term or provision of this Agreement, or any attachments or amendments hereto, is declared invalid, void, or enforceable, all remaining parts, terms, and provisions shall remain in full force and effect.

- J. Waiver. The failure of either party to require performance of this Agreement shall not affect such party's right to enforce the same. A waiver by either party of any provision of breach of this Agreement shall be in writing. A written waiver shall not affect the waiving party's rights with respect to any other provision or breach.
- K. Third Parties. The Services to be performed by the Contractor are intended solely for the benefit for the City. Nothing contained herein shall create a contractual relationship with, or any rights in favor of, any person or entity not a signatory to this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

CITY OF PARKVILLE, MISSOURI

By: _____
Nanette K. Johnston, Mayor

ATTEST:

Melissa McChesney, City Clerk

Midwest Drain and Sewer LLC

By: _____

**City of Parkville
Major Projects Updates**

Updated as of May 3, 2016

2013 PROJECTS - STILL PENDING

Division	Type	New or Replacement	Name	Project Update	Funding Source	Total Cost	Remaining City Funds to Be Spent
Com Dev	Project	New	45 Highway Corridor Plan	The project was deferred to 2014, but the local match was paid in 2013. The draft report is complete and a public open house was held on April 25 at the Platte County Community Center South YMCA. Staff plans to present a final report to the County Commissioners and Board of Aldermen for adoption by July 1, 2016.	50% County, 50% Project Fund	\$ 40,000	\$ -
Parks	Project	New	Main Street Electrical Panel Upgrades	A downtown CID grant funded 3 of 4 panels in 2013. A 4th panel was to be repaired at City expense. Public Works will work with Main Street Parkville Association (MSPA) to determine if this work is still desired and, if so, to seek quotes to get it completed this year.	100% General Fund	\$ 1,800	\$ 1,800

2014 PROJECTS - STILL PENDING

Division	Type	New or Replacement	Name	Project Update	Funding Source	Total Cost	Remaining City Funds to Be Spent
Parks	Multi-year Project	Year 3 of 3	Parks Building Façade Improvements	Project is substantially complete. The contractor failed to complete the punch list and was terminated from the job. Staff is working to complete the mandatory remaining elements of the project which are focused on code compliance. Structural improvements were approved by the Finance Committee in April and are complete. Electrical upgrades were designed and will be bid this summer.	69% Parks Donations; 31% Sewer (Projects Fund)	\$ 91,081	TBD based on electrical bids

2016 PROJECTS

Division	Type	New or Replacement	Name	Project Update	Funding Source	Total Cost	Funds Remaining to be Spent
Admin	Equipment	Replacement	Radiator Replacement for City Hall Generator	On April 1 it was found that the radiator in the City Hall backup generator was damaged. In late April, the Finance Committee approved a work authorization with Absolute Comfort Technologies, Inc. for the radiator repair. Staff is currently compiling needed contract documents (business license, insurance, etc.) and will schedule the repair as soon as possible. Pending part availability, it's anticipated that the repair will take place in the next month.	100% General Fund	\$ 6,899	\$ 6,899

**City of Parkville
Major Projects Updates**

Updated as of May 3, 2016

2016 PROJECTS

Division	Type	New or Replacement	Name	Project Update	Funding Source	Total Cost	Funds Remaining to be Spent
Admin	Project	New	Maintenance Reserve Study	A professional services agreement with Reserve Advisors for a comprehensive reserve study of Parkville City Hall, Street Barn, Train Depot, and Park HQ was approved by the Finance Committee in the amount of \$7,500. Staff completed the document preparation phase of the project. Reserve Advisors will be completing an on-site visit at the end of April.	100% General Fund	\$ 7,500	\$ 7,500
Admin/IT	Equipment	Replacement	Microsoft Exchange Server	Approved by the Finance Committee February 22. Complete.	100% General Fund	\$ 4,925	\$ -
Com Dev	Multi-year Project	Year 3 of 3	Upgrade Zoning and Subdivision Regulations	The consultant team led by Gould Evans is currently conducting a section-by-section review of the City's codes and regulations, identifying issues and concerns. The Planning & Zoning Commission held working sessions for this project following regularly scheduled meetings. The consultant presented three "Issue Papers" to P&Z and plans to present 3-5 more at the upcoming meeting on May 10. The first public open house is also scheduled to take place on May 23. The goal is to have a final draft adopted by the Board of Aldermen in October.	100% General Fund	\$ 85,000	\$ 81,400
Com Dev	Equipment	Replacement	Line Locator Kit	Staff is consulting with several possible vendors and intends to borrow and test several options later in the spring before recommending a purchase. We anticipate purchasing the equipment sometime during the 3rd or 4th quarter of 2016.	100% General Fund	\$ 5,000	\$ 5,000
Com Dev	Equipment	Replacement	Inspections Vehicle	Funding is to replace the 2004 Ford Taurus with a similar sedan due to increasing age and maintenance. The vehicle will be bid in August in order to take delivery in time to auction the Taurus at the same time as the surplused Public Works truck.	100% General Fund	\$ 22,000	\$ 22,000

**City of Parkville
Major Projects Updates**

Updated as of May 3, 2016

2016 PROJECTS

Division	Type	New or Replacement	Name	Project Update	Funding Source	Total Cost	Funds Remaining to be Spent
Public Works	Multi-year Project	Year 4 of 4	Downtown Entryway Improvement Design	The contractor started work in the winter, prior to the March 14 Notice to Proceed. The inactive KCP&L pole was removed. The entryway sign base and columns were constructed. The brackets and Park University banners were installed on April 21. Staff is working with the subcontractor to finalize the city's generic banners. The wave sign and downtown marker signs will be installed in late April/early May. The electrical element on the entryway columns will be installed in mid-May. A ribbon cutting to recognize project donors is planned for June 7.	17% General Fund, 7% Fewson Fund, 27% Donation, 56% Grant	\$ 242,511	\$ 35,487
Public Works	Project	New	Demolish Home on City Property (6201 Hwy 9)	The demolition work was awarded to Madget Demolition under budget. Staff is currently working on compiling the contract documents and insurance certificate. It is anticipated that the demolition work will start in May.	100% General Fund	\$ 9,800	\$ 9,800
Parks	Project	Maintenance	Roof Replacement for Historic Train Depot	The contract was approved at the Board meeting on February 16. The work was completed at the beginning of April. The entire roof and decking at the train depot was replaced.	24% Insurance Proceeds; 76% General Fund	\$ 29,777	\$ -
Parks	Project	Year 2 of 2	Maintenance and Equipment Storage Facility	The bid documents for the Parks Storage Building are ready but the release is being temporarily delayed pending decisions regarding the English Landing Park restroom.	100% General Fund	\$ 75,000	\$ 75,000
Parks	Multi-year Project	Year 2 of 6	Replace or Improve/Expand Permanent Restroom Facility in English Landing Park	Bids were received for the ELP restroom project in early February. The bids were about \$100,000 over budget. A small committee of the Mayor, Board members, CLARB, and staff met to discuss the options for the restroom. Staff is currently working on a plan to rehabilitate the existing restroom. This item will be presented to the Board on May 17.	7.0% Park Donations; 19% Platte County Outreach Grant; 74% Fewson Fund loan	\$ 210,000	\$ 169,819
Parks	Project	New	English Landing Parks Low Water Crossing Improvements	This project would raise the low water crossing in English Landing Park to reduce the amount of time the park is closed due to backwater flooding from the Missouri River. Staff is currently working on the grant application, which is due in early June. It is anticipated that FEMA will make a decision on the grant in August. Assuming the project moves forward, it is anticipated that the design will take place at the end of 2016.	75% FEMA Grant, 25% General Fund	\$ 200,000	\$ 50,000

**City of Parkville
Major Projects Updates**

Updated as of May 3, 2016

2016 PROJECTS

Division	Type	New or Replacement	Name	Project Update	Funding Source	Total Cost	Funds Remaining to be Spent
Parks	Project	New	5K/10K Markers and Parks Signage	Awarded \$4,105 toward 5K/10K signage from a Platte County Outreach Grant. Staff discussed various design options at the April CLARB meeting. Based on that discussion at CLARB, staff plans to work on getting quotes and finalizing a design for approval.	59% General Fund, 41% Platte County Grant	\$ 10,000	\$ 10,000
Parks	Equipment	Replacement	Zero Turn Mower	The purchase of the mower was approved by the Board on March 15. The mower was delivered in April.	100% General Fund	\$ 17,500	\$ -
Parks	Project	Year 2 of 2	Parks Master Plan Update	Four key community leaders and four focus group discussions happened throughout February and March. A community open house was held on April 14 to gather community-wide input. An online survey to gather additional input will remain open until the end of April. The consultant will begin creating a summary of the community input process, developing a revised vision and goals for the parks system, and putting draft master plan documents together. The consultant plans to seek feedback on draft plans at the Fourth of July festival.	81% City; 19% Platte County Grant (Projects Fund)	\$ 52,000	\$ 42,000
Police	Equipment	Replacement	In-Car Video Systems	The project involves replacing the existing in-car video system with an updated system. Two systems will be replaced in 2016 and one in 2017 to get on a five-year maintenance cycle to match warranty pending wear and tear. The VuVault video software has been installed on the repurposed server. Staff plans to submit policy report to the Finance Committee on May 9 for purchase of two in-car video systems.	100% General Fund	\$ 7,420	\$ 7,420
Police	Equipment	Replacement	Patrol Vehicle	The purchase is for a 2016 AWD Police Ford Taurus Sedan including emergency equipment, video, radio, etc. Approval was granted at the April 19 Board Meeting for purchase from Dick Smith Ford in Raytown, MO. Vehicle has been ordered with anticipated delivery around July 20.	100% General Fund (includes trade-in value)	\$ 35,115	\$ 35,115
Sewer	Equipment	Replacement	Sludge Application Equipment	Due to the overage in the WWTP Storage building, staff will delay this budget item until 2017.	100% Sewer Fund	\$ 7,000	\$ 7,000
Sewer	Project	Maintenance	Water Line Repair	On March 1, 2016, the Board approved an agreement with Deister Company for the waterline repairs for the service to the WWTP. During construction, additional repairs were necessary. An additional emergency change order was authorized by the City Administrator. The work was completed in late March.	100% Sewer Fund	\$ 23,797	\$ -

**City of Parkville
Major Projects Updates**

Updated as of May 3, 2016

2016 PROJECTS

Division	Type	New or Replacement	Name	Project Update	Funding Source	Total Cost	Funds Remaining to be Spent
Sewer	Project	Year 2 of 2	WWTP Site Improvements	The construction contract for the WWTP Storage building was approved by the Board on April 19. Staff is currently working with the contractor on finalizing the contract documents. It is anticipated that construction will occur during the second quarter.	100% Sewer Fund	\$ 90,000	\$ 90,000
Sewer	Project	Maintenance	Clarifier Floor	A work authorization for the engineering design was approved at the March 7 Finance meeting for the clarifier floor design. Bidding for the clarifier floor will take place in late July. The construction will take place during the third quarter.	100% Sewer Fund	\$ 45,000	\$ 45,000
Sewer	Project	Maintenance	WWTP Mission Control	Staff is currently working on the specifications for the equipment and software needs. It is anticipated that the purchase of this system will be completed during the second quarter.	100% Sewer Fund	\$ 12,000	\$ 12,000
Sewer	Multi-year Project	Year 2 of 2	Pinecrest Pump Station Reconstruction	The construction of the wet well repairs is complete.	100% Sewer Fund	\$ 86,515	\$ -
Sewer	Project	Maintenance	Miscellaneous Pump Station Improvements	Includes installation of FF Hwy Pump Station valves and mission unit, Pinecrest Valve pit lid, and McAfee level transducer. Staff anticipates starting this work in the third quarter.	100% Sewer Fund	\$ 11,800	\$ 11,800
Sewer	Multi-year Project	Year 2 of 2	Sanitary Sewer Phase 2 Line Repairs	The work associated with this contract is substantially complete. The final as-built change order was approved by the Finance Committee on April 25.	100% Sewer Fund	\$ 292,957	\$ -
Sewer	Multi-year Project	Year 1 of 2	Sanitary Sewer Phase 3 Manhole Repairs	The Board approved a change order to the Phase 2 contract for the Phase 3 repairs. It is anticipated that this work will have a delayed start, similar to the Phase 2 project, with construction starting in the third and fourth quarters.	100% Sewer Fund	\$ 230,000	\$ 230,000
Sewer	Project	New	Sewer Evaluation and Mapping	Review and evaluate existing information about sewers and create updated mapping to assist with line locates and emergency calls. Maps have not been created since 2007. The work associated with this item will start in mid-September and have a completion of mid-November.	100% Sewer Fund	\$ 6,500	\$ 6,500
Sewer	Project	Maintenance	CCTV and Cleaning	The engineering design is completed. The contract for the 2016 CCTV will be presented at the May 9 Finance and May 17 Board meetings for approval. Televising will take place during the third quarter of the year.	100% Sewer Fund	\$ 55,000	\$ 55,000
Sewer	Multi-year Project	Year 1 of 2	45 Hwy Pump Station	Installation of new pumps and controls. Begin design in 2016 with installation in 2016. The design will begin in early October.	100% Sewer Fund	\$ 6,200	\$ 6,200

**City of Parkville
Major Projects Updates**

Updated as of May 3, 2016

2016 PROJECTS

Division	Type	New or Replacement	Name	Project Update	Funding Source	Total Cost	Funds Remaining to be Spent
Sewer	Multi-Year Project	Year 1 of 2	WWTP Headworks Screen Rebuild	Rebuild the influent mechanical bar screen at the WWTP. Screen is used to filter out plastics, rags and debris. Includes replacing the screen links, media shafts, and drive chain links. Begin design/bidding in 2016, construct in 2017. The design will begin in early November.	100% Sewer Fund	\$ 3,000	\$ 3,000
Streets	Equipment	New	Ditch bank mower	New tractor with cab and extendable arm mower for cutting back trees and heavy brush along right of ways. The equipment is currently out for bid. Staff will present this item to the Board in May or June. It is anticipated the equipment will be delivered in June.	100% Transportation Fund	\$ 65,000	\$ 65,000
Streets	Equipment	New	Mower Attachment	80 inch mower attachment for existing 3930 tractors that is used for mowing rights-of-way. Existing equipment is 20+ years old and repair parts are not available. The equipment is currently out for bid. Staff will present this item to the Board in May or June. It is anticipated that the equipment will be delivered in June.	100% Transportation Fund	\$ 8,000	\$ 8,000
Streets	Maintenance	New	2" Asphalt Mill and Overlay	The construction contracts were approved for the Mill and Overlay and Microsurfacing programs on April 19. Staff will host a pre-construction meeting with the contractor in late April. It is planned that the work will start in late-May.	100% Transportation Fund	\$ 206,165	\$ 206,165
Streets	Maintenance	New	Curb & Sidewalk Repair	The construction contract was approved on April 19. Staff will host a pre-construction meeting with the contractor in late April. It is planned that the work will start in early-May.	100% Transportation Fund	\$ 103,924	\$ 103,924
Streets	Maintenance	New	Crack Sealing	City crews use a rented machine from Weatherby lake for \$750 per week and plan on 4 weeks of use in addition to purchasing approx. 15 tons of sealing material to seal cracks up to 1" in width. Covers approx. 15 lane miles. It is anticipated that the majority of the work will be completed in the fall.	100% Transportation Fund	\$ 15,000	\$ 15,000
Streets	Maintenance	New	Street Striping	Needed to re-paint faded areas on the pavement such as centerlines and stop bars for traffic safety. It is anticipated that this work will begin early in the third quarter. Bid documents will be completed in May.	100% Transportation Fund	\$ 20,000	\$ 20,000
Streets	Equipment	Replacement	Street Department Truck/Plow/Spreader	The purchase was approved by the BOA on February 16. The truck should be ready in early May. A separate request for truck equipment was recommended by the Finance Committee and will go to the BOA in May. It is anticipated that the truck will be ready during the third quarter.	100% Transportation Fund	\$ 54,814	\$ 26,462