

BRUCE D. CULLEY, C.P.A., P.C.

3000 BROOKTREE LANE, SUITE 210
GLADSTONE, MISSOURI 64119
816-453-1040 FAX: 816-453-0721
bruceculley@sbcglobal.net

Member American Institute of
Certified Public Accountants

Member Missouri Society of
Certified Public Accountants

August 7, 2013

To the Board of Alderman
City of Parkville, Missouri
Parkville, Missouri 64152

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of City of Parkville, Missouri for the year ended December 31, 2012. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated August 16, 2012. 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 City of Parkville, Missouri are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2012. We noted no transactions entered into by the governmental unit 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. The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant 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, in the form of journal entries.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated August 7, 2013.

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 governmental unit'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 governmental unit'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

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.

Separation of Custody and Record Keeping by the Sewer Clerk

The sewer clerk opens the mail or is furnished the checks and cash (limited amount) to post to the customers computerized records. No control is established over cash and checks prior to it being received by the sewer clerk.

We would suggest that the mail be opened by someone other than the sewer clerk and control established over the total incoming cash and checks. In lieu of the cash and checks, a list of the checks might be used to do the posting. The person posting to the customer ledger should not be handling the cash and checks.

Fixed Asset Program

The fixed asset system used by the City consists of a spread sheet of the fixed assets subject to depreciation. While it has the potential to calculate depreciation correctly, the record keeping is not as thorough as a fixed asset program that would not only calculate depreciation but would calculate gains and losses on asset disposition and provide more history on asset purchases. We also discovered that one of the columns designed to calculate depreciation did not add correctly. It was a small error that was subsequently corrected.

Review of Court Bank Statements

Bank statements from the court are furnished to accounting personnel on a monthly basis but no analysis is performed to ensure that all funds have been accounted for. Checks are written to the City's general fund, state of Missouri and other restricted funds. We believe that some supervision should be provided over court personnel each month to ensure court funds are properly disbursed.

Balancing the Court Bond Account to Cash

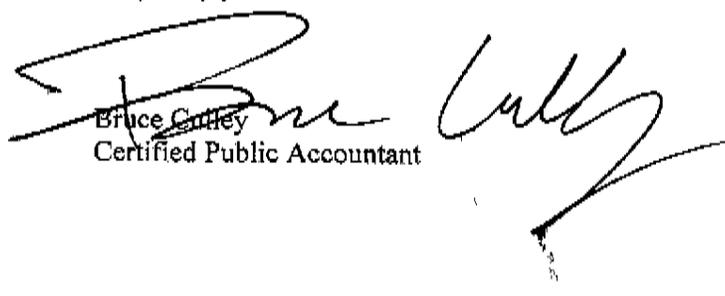
We would suggest that a copy of the bond bank account be given to the accounting staff to ensure that the balance is equal to the outstanding bonds. We asked court personnel to furnish us a list of the bonds at year end and because of computer problems one was not made available. It is critical that the city balance the bond bank account to the outstanding bonds.

Inventory of Fixed Assets

A physical inventory of fixed assets should be conducted periodically. This is not only the inventory items on the depreciation schedule but other items that may be fully depreciated or items that were never on the depreciation schedule. The city needs to establish these records for each department.

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

Very truly yours,



Bruce Cutley
Certified Public Accountant