

City of Parkville, Missouri

Basic Financial Statements With Independent Auditor's Report

For the Year Ended
December 31, 2016

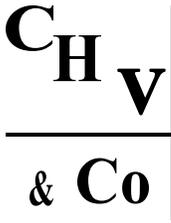
CITY OF PARKVILLE, MISSOURI

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COCHRAN HEAD VICK & CO., P.C.

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

Other offices in Missouri
and Kansas

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Parkville, Missouri (the City) as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 13, 2017, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Kansas City, Missouri
June 13, 2017

Cochran Head V. I. Chet G. P.C.

CITY OF PARKVILLE, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2016

As management of the City of Parkville, we offer readers of the City of Parkville's financial statements this narrative overview and analysis of the financial activities of the City of Parkville for the fiscal year ended December 31, 2016. We encourage readers to consider the information presented here in conjunction with the basic financial statements and the accompanying notes to those financial statements.

Financial Highlights

1. The assets and deferred outflows of the City of Parkville exceeded its liabilities and deferred inflows at the close of the year by \$9,891,836 (net position), an increase of \$398,507 over the prior year.
2. As of the close of the current year, the City's governmental funds showed a combined ending balance of \$5,189,220, an increase of \$505,085 from the prior year. Approximately 30.7 percent of the fund balance, \$1,596,231 is unassigned and available for spending at the City's discretion.
3. The City's total long-term debt decreased \$455,651. Debt connected with the City's government activities decreased \$302,732 and debt connected with the City's business-type activities decreased \$152,919.

Overview of the Financial Statements

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

Reporting the City as a Whole

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

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

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

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

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

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

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

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

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

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

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

Notes to the Basic Financial Statements

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

Other Information

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

Government-Wide Financial Analysis

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

Figure 1 – Statement of Net Position

	Governmental		Business-type		Total	
	Activities		Activities			
	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 12,109,872	\$ 11,919,946	\$ 744,511	\$ 1,224,469	\$ 12,854,383	\$ 13,144,415
Capital assets	10,141,308	9,650,764	3,469,410	3,571,218	13,610,718	13,221,982
Total assets	<u>22,251,180</u>	<u>21,570,710</u>	<u>4,213,921</u>	<u>4,795,687</u>	<u>26,465,101</u>	<u>26,366,397</u>
Deferred charge on refunding	30,160	33,127	-	-	30,160	33,127
Deferred outflows - pension	207,311	86,658	-	-	207,311	86,658
Total deferred outflows of resources	<u>237,471</u>	<u>119,785</u>	<u>-</u>	<u>-</u>	<u>237,471</u>	<u>119,785</u>
Long-term debt	14,440,725	14,667,277	1,365,432	1,518,351	15,806,157	16,185,628
Other liabilities	583,771	355,789	168,908	245,828	752,679	601,617
Total liabilities	<u>15,024,496</u>	<u>15,023,066</u>	<u>1,534,340</u>	<u>1,764,179</u>	<u>16,558,836</u>	<u>16,787,245</u>
Deferred inflow - property taxes	157,088	163,377	-	-	157,088	163,377
Deferred inflow - pension	94,812	42,231	-	-	94,812	42,231
Total deferred inflows of resources	<u>251,900</u>	<u>205,608</u>	<u>-</u>	<u>-</u>	<u>251,900</u>	<u>205,608</u>
Net position:						
Net investment in capital assets	2,914,182	2,338,456	2,103,978	2,052,867	5,018,160	4,391,323
Restricted	2,044,441	1,703,206	163,509	174,709	2,207,950	1,877,915
Unrestricted	2,253,632	2,420,159	412,094	803,932	2,665,726	3,224,091
Total net position	<u>\$ 7,212,255</u>	<u>\$ 6,461,821</u>	<u>\$ 2,679,581</u>	<u>\$ 3,031,508</u>	<u>\$ 9,891,836</u>	<u>\$ 9,493,329</u>

Net position may serve over time as a useful indicator of a government's financial position. The City of Parkville's assets and deferred outflows exceeded liabilities and deferred inflows by \$9,891,836 at the close of the year ended December 31, 2016.

Figure 2 – Statement of Changes in Net Position

	Governmental		Business-type		Total	
	Activities		Activities		2016	2015
	2016	2015	2016	2015	2016	2015
Revenues:						
Program revenues:						
Charges for services	\$ 739,645	\$ 683,966	\$ 1,067,089	\$ 1,096,800	\$ 1,806,734	\$ 1,780,766
Operating grants and contributions	304,166	256,108	-	-	304,166	256,108
Capital grants and contributions	1,493,568	1,080,809	40,876	45,143	1,534,444	1,125,952
General revenues:						
Property taxes	1,497,861	1,436,359	-	-	1,497,861	1,436,359
Sales taxes	1,695,966	1,685,328	-	-	1,695,966	1,685,328
Franchise taxes	859,041	813,440	-	-	859,041	813,440
Intergovernmental activity taxes	177,307	160,125	-	-	177,307	160,125
Other taxes	1,397	3,254	-	-	1,397	3,254
Other	76,030	114,003	9,168	9,594	85,198	123,597
Total revenues	<u>6,844,981</u>	<u>6,233,392</u>	<u>1,117,133</u>	<u>1,151,537</u>	<u>7,962,114</u>	<u>7,384,929</u>
Expenses:						
General government	1,139,101	1,147,866	-	-	1,139,101	1,147,866
Public safety	1,323,123	1,313,066	-	-	1,323,123	1,313,066
Public works	1,623,834	1,541,591	-	-	1,623,834	1,541,591
Parks and recreation	517,469	435,047	-	-	517,469	435,047
Community development	1,057,849	3,556,318	-	-	1,057,849	3,556,318
Interest on long-term debt	433,171	627,024	-	-	433,171	627,024
Sewer	-	-	1,469,060	1,389,633	1,469,060	1,389,633
Total expenses	<u>6,094,547</u>	<u>8,620,912</u>	<u>1,469,060</u>	<u>1,389,633</u>	<u>7,563,607</u>	<u>10,010,545</u>
Change in net position	750,434	(2,387,520)	(351,927)	(238,096)	398,507	(2,625,616)
Net position, beginning	6,461,821	8,849,341	3,031,508	3,269,604	9,493,329	12,118,945
Net position, ending	<u>\$ 7,212,255</u>	<u>\$ 6,461,821</u>	<u>\$ 2,679,581</u>	<u>\$ 3,031,508</u>	<u>\$ 9,891,836</u>	<u>\$ 9,493,329</u>

The City's net position increased \$398,507 during the 2016 fiscal year. Of the total, governmental activities net position increased \$750,434 and business-type activities net position decreased by \$351,927. Total 2016 governmental revenue increased \$611,589 over 2015 mostly due to increases in contributed infrastructure capital assets. Total governmental activities expenses decreased \$2,526,365. The decrease is primarily attributable to Community Development expenses related to certain properties and special assessment receivable adjustments associated with the Brink Meyer Road and Brush Creek Drainage Neighborhood Improvement Districts that occurred in 2015. See Note 7A in the Notes to the Basic Financial Statements on page 32 for additional details.

Total 2016 business-type activities revenues decreased slightly over 2015. Total business-type expenses increased \$79,427 resulting from intentional additional repair and maintenance expenses to catch up on deferred maintenance.

Financial Analysis of the Government's Funds

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

Governmental Funds

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

As mentioned earlier in this analysis, at the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$5,189,220. Of this amount \$3,592,989 is *non-spendable, restricted committed or assigned* for various purposes and \$1,596,231 is unassigned.

The general fund is the main operating fund of the City. At the end of the current fiscal year the general fund balance was \$3,133,606. As a measure of the general fund's liquidity, it is useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 43.3% of total general fund expenditures. Included in the general fund's committed fund balance is the City's reserve fund which totaled \$1,458,275 at December 31, 2016.

The City's fund balance of the general fund increased by \$209,421 during the current fiscal year. General Fund revenues increased by \$158,602 over 2015 primarily related to increases in property and franchise taxes. 2016 general fund expenditures, excluding transfers out, were approximately \$301,807 more than 2015. The increase is mostly attributable to parks and community development capital outlay.

At December 31, 2016, the transportation sales tax fund has an ending fund balance of \$287,412, all of which is restricted. The fund balance decreased by \$32,636 during the year primarily related to the 2016 asphalt overlay program.

The debt service fund has a total fund balance of \$973,266, all of which is restricted for the payment of principal, interest and fees. The fund balance increased by \$331,057 during the year. The increase eliminated the deficit beginning fund balance in the COPS debt service fund that resulted from refunding the 2003 COPS in 2015.

Proprietary Fund

The City's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail. The net position of the sewer fund at the end of the year totaled \$2,679,581 of which \$424,422 is unrestricted. The sewer fund's net position decreased by \$351,927 from the prior year due to an increase in repair and maintenance expenses.

General Fund Actual to Budget Analysis

Actual revenues exceed budgeted revenues by \$75,375 as taxes, intergovernmental, and other revenues exceed budgeted revenues which more than offset the fines and forfeiture budget to actual deficit. Actual expenditures were \$435,729 under the final budget. The city routinely outperforms budget due to careful management, conservative budgeting, and personnel savings due to routine vacancies throughout the year. The City budgeted an increase in 2016 for legal expenses due to anticipated needs for code enforcement, economic development, and litigation. Fortunately costs were managed well below budget. Additional savings were realized in Vehicle & Equipment Gas & Oil as anticipated price increases didn't come to fruition.

Capital Asset and Debt Administration

Capital Assets

At the end of year, the City had \$13,610,718 invested in capital assets including land, buildings, equipment, vehicles, infrastructure, and sewer lines net of accumulated depreciation. (See table below) This represents a net increase of \$388,736 from last year as current year capital asset additions exceeded depreciation expense.

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

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

	Governmental		Business-Type		Total	
	Activities		Activities			
	2016	2015	2016	2015	2016	2015
Land	\$ 869,880	\$ 869,880	\$ 59,975	\$ 59,975	\$ 929,855	\$ 929,855
Buildings & Improvements	3,213,826	3,195,009	1,962,025	2,015,051	5,175,851	5,210,060
Equipment & Vehicles	461,403	452,240	49,028	48,455	510,431	500,695
Infrastructure	5,596,199	5,133,635	1,398,382	1,447,737	6,994,581	6,581,372
Total	<u>\$ 10,141,308</u>	<u>\$ 9,650,764</u>	<u>\$ 3,469,410</u>	<u>\$ 3,571,218</u>	<u>\$ 13,610,718</u>	<u>\$ 13,221,982</u>

Long-Term Obligations - At the end of the current fiscal year, the City had total long-term obligations outstanding of \$15,480,484.

City of Parkville, Missouri Outstanding Debt

	Governmental		Business-Type		Total	
	Activities		Activities			
	2016	2015	2016	2015	2016	2015
Limited General Obligation Bonds (plus premium)	\$ 10,688,426	\$ 10,993,523	\$ -	\$ -	\$ 10,688,426	\$ 10,993,523
Certificates of Participation (less discount)	3,383,722	3,383,722	-	-	3,383,722	3,383,722
Compensated Absences	42,904	40,539	-	-	42,904	40,539
Revenue Bonds (plus premium)	-	-	1,365,432	1,518,351	1,365,432	1,518,351
Total	<u>\$ 14,115,052</u>	<u>\$ 14,417,784</u>	<u>\$ 1,365,432</u>	<u>\$ 1,518,351</u>	<u>\$ 15,480,484</u>	<u>\$ 15,936,135</u>

The government activities decreased \$302,732 and the business-type activities decreased \$152,919.

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

Economic Factors and Next Year's Budgets and Rates

As in prior years, the City budgeted cautiously, holding 2017 revenues and expenditure budgets at or near 2016 levels. The 2017 budget maintains essential services at current levels and directs limited additional resources toward the 2017 Priorities as established by the Board of Aldermen in July 2016. The priorities include implementing a viable strategy to develop the Highway 45/435 Corridor, improving streets and sewers and reviewing and ensuring a proper package of basic services while assessing value and cost. The City is fortunately experiencing steady growth in its retail, residential, and commercial base that bodes well for future financial security. The Board continues to exercise caution when implementing new projects and expanding services due to the debt burden associated with the Brush Creek Drainage and Brink Meyer Road Neighborhood Improvement Districts (NIDs). However, the NID properties show strong development potential, so the City should not forgo opportunities. The City continues to take advantage of grant opportunities and strategic financing.

Contacting the City's Financial Management

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

CITY OF PARKVILLE, MISSOURI
Statement of Net Position
December 31, 2016

	Primary Government		Total
	Governmental Activities	Business-type Activities	
Assets			
Cash and investments	\$ 3,771,067	\$ 433,669	\$ 4,204,736
Receivables:			
Taxes	322,027	-	322,027
Special assessments	4,211,680	-	4,211,680
Accounts and other	1,048	132,009	133,057
Due from other governments	17,891	-	17,891
Prepays, deposits, and other assets	79,100	1,839	80,939
Restricted assets:			
Cash and investments	1,607,059	176,994	1,784,053
Land held for redevelopment	2,100,000	-	2,100,000
Capital assets:			
Not being depreciated	869,880	59,975	929,855
Being depreciated, net of depreciation	9,271,428	3,409,435	12,680,863
Total assets	22,251,180	4,213,921	26,465,101
Deferred Outflows of Resources			
Deferred charges on refunding	30,160	-	30,160
Deferred outflow - pension related activity	207,311	-	207,311
Total deferred outflows of resources	237,471	-	237,471
Liabilities			
Accounts payable	350,075	122,024	472,099
Accrued payroll and benefits	84,215	555	84,770
Accrued interest	149,481	32,844	182,325
Payable from restricted assets:			
Customer deposits	-	13,485	13,485
Long term debt:			
Net pension liability	325,673	-	325,673
Due within one year	1,000,115	157,919	1,158,034
Due in more than one year	13,114,937	1,207,513	14,322,450
Total liabilities	15,024,496	1,534,340	16,558,836
Deferred Inflows of Resources			
Deferred inflow - property taxes	157,088	-	157,088
Deferred inflow - pension related activity	94,812	-	94,812
Total deferred inflows of resources	251,900	-	251,900
Net Position			
Net investment in capital assets	2,914,182	2,103,978	5,018,160
Restricted :			
Capital projects	292,307	-	292,307
Debt service	973,266	163,509	1,136,775
Public safety	92,711	-	92,711
Parks and recreation	93,455	-	93,455
Community development	23,155	-	23,155
Fewson trust (non-expendable)	569,547	-	569,547
Unrestricted	2,253,632	412,094	2,665,726
Total net position	\$ 7,212,255	\$ 2,679,581	\$ 9,891,836

See accompanying notes to the basic financial statements

CITY OF PARKVILLE, MISSOURI
Statement of Activities
For the Year Ended December 31, 2016

<u>Functions/Programs</u>	<u>Program Revenues</u>				<u>Net (Expense) Revenue and Changes in Net Position</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Primary Government</u>		
					<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Primary government:							
Government activities							
General government	\$ 1,139,101	\$ 502,314	\$ -	\$ -	\$ (636,787)	\$ -	\$ (636,787)
Public safety	1,323,123	195,920	9,722	-	(1,117,481)	-	(1,117,481)
Public Works	1,623,834	-	249,616	1,431,864	57,646	-	57,646
Parks and recreation	517,469	41,411	44,828	61,704	(369,526)	-	(369,526)
Community development	1,057,849	-	-	-	(1,057,849)	-	(1,057,849)
Interest on long-term debt	433,171	-	-	-	(433,171)	-	(433,171)
Total governmental activities	<u>6,094,547</u>	<u>739,645</u>	<u>304,166</u>	<u>1,493,568</u>	<u>(3,557,168)</u>	<u>-</u>	<u>(3,557,168)</u>
Business-type activities							
Sewer	1,469,060	1,067,089	-	40,876	-	(361,095)	(361,095)
Total business-type activities	<u>1,469,060</u>	<u>1,067,089</u>	<u>-</u>	<u>40,876</u>	<u>-</u>	<u>(361,095)</u>	<u>(361,095)</u>
Total primary government	<u>\$ 7,563,607</u>	<u>\$ 1,806,734</u>	<u>\$ 304,166</u>	<u>\$ 1,534,444</u>	<u>(3,557,168)</u>	<u>(361,095)</u>	<u>(3,918,263)</u>

General revenues:

Taxes:

Property taxes, levied for general purpose	1,159,454	-	1,159,454
Property taxes, levied for debt service	338,407	-	338,407
Sales taxes	1,695,966	-	1,695,966
Franchise taxes	859,041	-	859,041
Intergovernmental activity taxes	177,307	-	177,307
Other taxes	1,397	-	1,397
Unrestricted investment earnings	21,331	4,538	25,869
Gain on disposal of capital assets	10,625	-	10,625
Miscellaneous	44,074	4,630	48,704
Total general revenues	<u>4,307,602</u>	<u>9,168</u>	<u>4,316,770</u>
Change in net position	750,434	(351,927)	398,507
Net position, beginning of year	6,461,821	3,031,508	9,493,329
Net position, end of year	<u>\$ 7,212,255</u>	<u>\$ 2,679,581</u>	<u>\$ 9,891,836</u>

See accompanying notes to the basic financial statements

CITY OF PARKVILLE, MISSOURI
Balance Sheet - Governmental Funds
December 31, 2016

	General	Transportation Sales Tax Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and investments	\$ 3,235,707	\$ 300,538	\$ -	\$ 234,822	\$ 3,771,067
Receivables:					
Taxes	251,803	70,224	-	-	322,027
Special assessments	-	-	4,211,680	-	4,211,680
Accounts and other	1,048	-	-	-	1,048
Due from other governments	5,660	12,231	-	-	17,891
Due from other funds	-	-	-	-	-
Prepays, deposits and other assets	79,100	-	-	-	79,100
Restricted cash and investments	-	-	1,032,617	574,442	1,607,059
Total Assets	<u>\$ 3,573,318</u>	<u>\$ 382,993</u>	<u>\$ 5,244,297</u>	<u>\$ 809,264</u>	<u>\$ 10,009,872</u>
Liabilities					
Accounts payable	\$ 240,166	\$ 95,581	\$ -	\$ 14,328	\$ 350,075
Accrued payroll and benefits	84,215	-	-	-	84,215
Total Liabilities	<u>324,381</u>	<u>95,581</u>	<u>-</u>	<u>14,328</u>	<u>434,290</u>
Deferred inflows of resources					
Unavailable revenues	115,331	-	4,271,031	-	4,386,362
Fund balances:					
Nonspendable:					
Prepaid Items	79,100	-	-	-	79,100
Fewson trust	-	-	-	569,547	569,547
Restricted:					
Capital projects	-	287,412	-	4,895	292,307
Debt service	-	-	973,266	-	973,266
Public safety	-	-	-	92,711	92,711
Parks and recreation	-	-	-	93,455	93,455
Community development	-	-	-	23,155	23,155
Committed:					
Emergency reserve	1,458,275	-	-	-	1,458,275
Assigned:					
Capital projects	-	-	-	11,173	11,173
Unassigned	1,596,231	-	-	-	1,596,231
Total fund balance	<u>3,133,606</u>	<u>287,412</u>	<u>973,266</u>	<u>794,936</u>	<u>5,189,220</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 3,573,318</u>	<u>\$ 382,993</u>	<u>\$ 5,244,297</u>	<u>\$ 809,264</u>	<u>\$ 10,009,872</u>

See accompanying notes to the basic financial statements

CITY OF PARKVILLE, MISSOURI
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position
December 31, 2016

Fund balances of governmental funds	\$ 5,189,220
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	4,229,274
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental fund statements.	10,141,308
Long-term assets held for redevelopment are not reported in the fund statements	2,100,000
Deferred charges on refunding are not due and payable in the current period and therefore not reported in the governmental fund statements	30,160
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	112,499
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.	(149,481)
The net pension liability is not due and payable and therefore is not recorded in the governmental fund statements.	(325,673)
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	(14,115,052)
Net position of governmental activities	\$ 7,212,255

See accompanying notes to the basic financial statements

CITY OF PARKVILLE, MISSOURI
Statement of Revenues, Expenditures and
Changes in Fund Balances - Governmental Funds
For the Year Ended December 31, 2016

	General	Transportation Sales Tax Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 2,986,632	\$ 454,601	\$ 338,407	\$ 274,625	\$ 4,054,265
Intergovernmental	102,073	523,590	-	358,406	984,069
Charges for services	41,411	-	-	4,194	45,605
Fines and forfeitures	191,726	-	-	-	191,726
Licenses and permits	328,239	-	-	-	328,239
Special assessments	-	-	558,073	-	558,073
Grants and donations	-	-	-	78,243	78,243
Charges for sewer administration	103,530	-	-	-	103,530
Interest	8,149	-	7,922	5,259	21,330
Other	97,215	17,405	-	1,500	116,120
Total Revenues	<u>3,858,975</u>	<u>995,596</u>	<u>904,402</u>	<u>722,227</u>	<u>6,481,200</u>
Expenditures:					
Current:					
General government	1,015,849	-	-	-	1,015,849
Public safety	1,246,581	-	-	9,541	1,256,122
Public works	596,184	-	-	-	596,184
Parks and recreation	473,540	-	-	11,284	484,824
Community development	357,684	-	-	451,539	809,223
Capital outlay	-	838,232	-	268,530	1,106,762
Debt service:					
Principal	-	-	280,000	-	280,000
Interest and fiscal charges	-	-	437,776	-	437,776
Total Expenditures	<u>3,689,838</u>	<u>838,232</u>	<u>717,776</u>	<u>740,894</u>	<u>5,986,740</u>
Excess of Revenues Over (Under) Expenditures	169,137	157,364	186,626	(18,667)	494,460
Other financing sources (uses):					
Transfers in	190,000	-	144,431	15,910	350,341
Transfers out	(160,341)	(190,000)	-	-	(350,341)
Sale of capital assets	10,625	-	-	-	10,625
Total Other Financing Sources (Uses)	<u>40,284</u>	<u>(190,000)</u>	<u>144,431</u>	<u>15,910</u>	<u>10,625</u>
Net change in fund balances	209,421	(32,636)	331,057	(2,757)	505,085
Fund balances, beginning of year	2,924,185	320,048	642,209	797,693	4,684,135
Fund balances, end of year	<u>\$ 3,133,606</u>	<u>\$ 287,412</u>	<u>\$ 973,266</u>	<u>\$ 794,936</u>	<u>\$ 5,189,220</u>

See accompanying notes to the basic financial statements

**CITY OF PARKVILLE, MISSOURI
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2016**

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

Net change in fund balances - total governmental funds	\$	505,085
<p>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.</p>		
Capital outlay costs in excess of capitalization threshold		310,972
Depreciation		(453,584)
Donated capital assets		633,156
<p>Revenues in the statement of activities that do not provide current financial resources are reported as deferred inflows in the governmental funds.</p>		
Special assessments		(519,327)
<p>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.</p>		
Principal payments on long-term debt		280,000
Changes in unamortized bond issuance discount and premium		22,130
Changes in accrued interest expense		(17,525)
<p>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.</p>		
Change in compensated absences and net pension obligations		<u>(10,473)</u>
Change in net position of governmental activities	\$	<u><u>750,434</u></u>

See accompanying notes to the basic financial statements

Exhibit E

CITY OF PARKVILLE, MISSOURI
Statement of Net Position
Proprietary Fund
December 31, 2016

	Sewer Fund
Assets	
Current assets:	
Cash and investments	\$ 433,669
Receivables, net:	
Accounts and other	132,009
Prepaid expenses	1,839
Restricted cash and investments	176,994
Total current assets	<u>744,511</u>
Noncurrent assets:	
Capital assets:	
Not being depreciated	59,975
Being depreciated, net of depreciation	3,409,435
Total noncurrent assets	<u>3,469,410</u>
Total assets	<u>4,213,921</u>
Liabilities	
Current liabilities:	
Accounts payable	122,024
Accrued liabilities	555
Current liabilities (payable from restricted assets):	
Customer deposits	13,485
Interest payable	32,844
Current portion of bonds payable	157,919
Total current liabilities:	<u>326,827</u>
Long-term liabilities:	
Bonds payable	1,207,513
Total long-term liabilities:	<u>1,207,513</u>
Total liabilities	<u>1,534,340</u>
Net position	
Net investment in capital assets	2,103,978
Restricted net position for:	
Debt service	163,509
Unrestricted	412,094
Total net position	<u>\$ 2,679,581</u>

See accompanying notes to the basic financial statements

CITY OF PARKVILLE, MISSOURI
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Fund
For the Year Ended December 31, 2016

	Sewer Fund
Operating revenues:	
Charges for services	\$ 1,067,089
Other	4,630
Total operating revenues	1,071,719
Operating expenses:	
Personnel Services	21,826
Contractual Services	310,130
Administrative Fee	103,530
Depreciation	243,249
Repairs and maintenance	680,298
Other	51,938
Total operating expenses	1,410,971
Operating income (loss)	(339,252)
Nonoperating revenues (expenses):	
Intergovernmental	40,876
Interest income	4,538
Interest expense	(58,089)
Total nonoperating revenues (expenses)	(12,675)
Change in net position	(351,927)
Total net position, beginning of year	3,031,508
Total net position, end of year	\$ 2,679,581

See accompanying notes to the basic financial statements

CITY OF PARKVILLE, MISSOURI
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2016

Exhibit G

	Sewer Fund
Cash flows from operating activities:	
Receipts from customers and others	\$ 1,061,084
Payments to suppliers	(1,218,838)
Payments to employees	(22,179)
Net cash provided by (used in) operating activities	(179,933)
Cash flows from investing activities:	
Interest received	45,414
Net cash flows provided by (used in) investing activities	45,414
Cash flows from capital and related financing activities:	
Purchases of capital assets	(141,441)
Interest and fiscal charges	(69,633)
Principal payments on long-term debt	(145,000)
Net cash flows provided by (used in) capital and related financing activities	(356,074)
Net change in cash and equivalents	(490,593)
Cash and equivalents, beginning of year	1,101,256
Cash and equivalents, end of year	\$ 610,663
Cash and investments reported on the Statement of Net Position	
Cash and investments	\$ 433,669
Restricted cash and investments	176,994
Total cash and investments	\$ 610,663
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:	
Operating income (loss)	\$ (339,252)
Adjustments to reconcile operating loss to net cash used by operations:	
Depreciation and amortization	243,249
Changes in:	
Receivables	(10,635)
Accounts payable	(72,942)
Accrued liabilities	(353)
Net cash provided by (used in) operating activities	\$ (179,933)

See accompanying notes to the basic financial statements

CITY OF PARKVILLE, MISSOURI
Statement of Assets and Liabilities
Fiduciary Funds
December 31, 2016

	Municipal Court	Escrow Fund	Total Fiduciary Funds
Assets			
Cash and investments	\$ 18,034	\$ 47,910	\$ 65,944
Total assets	<u>\$ 18,034</u>	<u>\$ 47,910</u>	<u>\$ 65,944</u>
Liabilities			
Due to others	\$ 18,034	\$ 47,910	\$ 65,944
Total liabilities	<u>\$ 18,034</u>	<u>\$ 47,910</u>	<u>\$ 65,944</u>

See accompanying notes to the basic financial statements

CITY OF PARKVILLE, MISSOURI

Notes to the Basic Financial Statements

December 31, 2016

(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, 2016

Fund financial statements

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

GOVERNMENTAL FUNDS

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

The following are the City's major governmental funds:

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

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

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

The City reports the following fund types of nonmajor funds:

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

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

PROPRIETARY FUND

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

The following is the City's major proprietary fund:

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

FIDUCIARY FUNDS

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

CITY OF PARKVILLE, MISSOURI

Notes to the Basic Financial Statements

December 31, 2016

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, 2016

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 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, 2016

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 two items that qualify for reporting in this category. The first item is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunding or refunded debt. The second item results from actuarial assumption changes, the difference between actual and projected earnings in calculating the net pension asset, and pension contributions made by the City subsequent to the pension valuation date. The contribution amount will be applied during the next fiscal year while the changes in actual versus projected amounts will be amortized over five to seven years.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net 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 2017 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 additions to/deductions from LAGERS fiduciary net position have been determined on the same basis as they are reported by LAGERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

CITY OF PARKVILLE, MISSOURI

Notes to the Basic Financial Statements

December 31, 2016

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 \$103,530 for the year ended December 31, 2016.

Reimbursements – repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them. Reimbursements are reported as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.

Transfers – flows of assets (such as cash or goods) without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers.

L. Fund Balances

In the fund financial statements, governmental funds report the following fund balance classifications:

Non-Spendable – This consists of amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact.

Restricted – This consists of amounts where constraints are placed on the use of those resources which are either externally imposed by creditors, grantors, contributors, laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Committed – This consists of amounts which can only be used for specific purposes determined by a formal action of passing an ordinance or resolution by the Board of Aldermen, the City's highest level of decision-making authority. Any changes or removal of specific purpose requires the same action by the Board of Aldermen.

Assigned – This consists of amounts which are constrained by City management's intent to be used for a specific purpose but do not meet the criteria to be classified as committed. In accordance with the approved City policy only the Board of Alderman has the authority to assign amounts for a specific purpose in this category.

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

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

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

CITY OF PARKVILLE, MISSOURI

Notes to the Basic Financial Statements

December 31, 2016

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>
Parks Donations	\$ 1,384

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, 2016

(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	\$	331
Demand deposits		4,809,320
Certificates of deposits		342,573
US treasuries and agency securities		55,192
Restricted cash equivalents held in trust		847,317
	\$	6,054,733

	Government-wide statement of net position	Fiduciary funds statement of assets and liabilities	Total
Cash and investments	\$ 4,204,736	\$ 65,944	\$ 4,270,680
Restricted cash and investments	1,784,053	-	1,784,053
	\$ 5,988,789	\$ 65,944	\$ 6,054,733

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, 2016, 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, 2016.

Interest Rate Risk

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

Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by general accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted in active markets for identical assets; Level 2 inputs are significant other observable inputs such as third party pricing services for identical assets; Level 3 inputs are significant unobservable inputs.

CITY OF PARKVILLE, MISSOURI

Notes to the Basic Financial Statements

December 31, 2016

The City has the following recurring fair value measurements as of December 31, 2016:

<u>Investment</u>	<u>Level 1</u>
Federal Home Loan Bank	\$ 55,192

All of the City's investments are classified as Level 1 of the fair value hierarchy using prices quoted in active markets for those securities.

(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, 2015, was \$200,859,693.

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	\$ 0.4763
General Revenue- Temporary	0.1751
	\$ 0.6514

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	\$ 1,159,454	\$ 968,137	\$ 859,041	\$ -	\$ 2,986,632
Transportation Sales Tax	-	454,601	-	-	454,601
Debt Service	338,407	-	-	-	338,407
Nonmajor funds	-	273,228	-	1,397	274,625
	\$ 1,497,861	\$ 1,695,966	\$ 859,041	\$ 1,397	\$ 4,054,265

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, 2016:

	<u>Sales Taxes</u>	<u>Franchise Taxes</u>	<u>Total</u>
Major governmental funds:			
General	\$ 144,783	\$ 107,020	\$ 251,803
Transportation Sales Tax	70,224	-	70,224
	\$ 215,007	\$ 107,020	\$ 322,027

CITY OF PARKVILLE, MISSOURI

Notes to the Basic Financial Statements

December 31, 2016

(4) Intergovernmental Revenue/Receivables

Intergovernmental revenue during the year consisted of the following:

	General Fund	Transportation Sales Tax	Other Nonmajor Funds	Total
Grants - Federal, State and Local	\$ 30,915	\$ -	\$ 181,099	\$ 212,014
State:				
Motor vehicle sales tax	47,409	-	-	47,409
Motor vehicle fuel tax	-	149,253	-	149,253
Motor vehicle license and title transfer fees	23,749	-	-	23,749
Local:				
Special road district	-	134,676	-	134,676
County transportation	-	239,661	-	239,661
Economic activity taxes	-	-	177,307	177,307
Total Intergovernmental Revenue	\$102,073	\$ 523,590	\$ 358,406	\$ 984,069

Amounts due from other governments at December 31, 2016, were as follows:

	General Fund	Transportation Sales Tax	Total
Motor vehicle sales tax	\$ 3,705	\$ -	\$ 3,705
Motor vehicle fuel tax	-	12,231	12,231
Motor vehicle license and title transfer fees	1,955	-	1,955
Total due from other governments	\$ 5,660	\$ 12,231	\$ 17,891

(5) Interfund Activity

Transfers between funds for the year ended December 31, 2016 were as follows:

	Transfers Out:		
	General	Transportation Sales Tax	Total
Transfers In:			
Governmental activities:			
General Fund	\$ -	\$ 190,000	\$ 190,000
Debt Service Fund	144,431	-	144,431
Other Governmental Funds	15,910	-	15,910
Total	\$ 160,341	\$ 190,000	\$ 350,341

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) use unrestricted revenues in the General Fund to meet certain special assessment debt service requirements as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs or debt service 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.

CITY OF PARKVILLE, MISSOURI

Notes to the Basic Financial Statements

December 31, 2016

(6) Capital Assets

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

	December 31, 2015	Additions	Retirements	December 31, 2016
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	127,960	-	4,522,406
Equipment and vehicles	2,087,156	183,012	47,908	2,222,260
Infrastructure	6,346,540	633,156	-	6,979,696
Total capital assets being depreciated	12,828,142	944,128	47,908	13,724,362
Less accumulated depreciation for:				
Buildings and improvements	1,199,437	109,143	-	1,308,580
Equipment and vehicles	1,634,916	173,849	47,908	1,760,857
Infrastructure	1,212,905	170,592	-	1,383,497
Total accumulated depreciation	4,047,258	453,584	47,908	4,452,934
Total capital assets being depreciated, net	8,780,884			9,271,428
Governmental activates capital assets, net	<u>\$ 9,650,764</u>			<u>\$ 10,141,308</u>

	December 31, 2015	Additions	Retirements	December 31, 2016
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	123,000	-	5,376,934
Equipment and vehicles	285,794	18,441	-	304,235
Infrastructure	2,384,899	-	-	2,384,899
Total capital assets being depreciated	7,924,627	141,441	-	8,066,068
Less accumulated depreciation for:				
Buildings and improvements	3,238,883	176,026	-	3,414,909
Equipment and vehicles	237,339	17,868	-	255,207
Infrastructure	937,162	49,355	-	986,517
Total accumulated depreciation	4,413,384	243,249	-	4,656,633
Total capital assets being depreciated, net	3,511,243			3,409,435
Business-type activates capital assets, net	<u>\$ 3,571,218</u>			<u>\$ 3,469,410</u>

CITY OF PARKVILLE, MISSOURI

Notes to the Basic Financial Statements

December 31, 2016

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

Governmental activities:	
General government	\$ 121,917
Public safety	56,820
Public works	236,949
Parks and recreation	31,352
Economic development	<u>6,546</u>
Total depreciation expense for governmental activities	<u><u>\$ 453,584</u></u>
Business-type activities:	
Sewer	<u>\$ 243,249</u>
Total depreciation expense for business-type activities	<u><u>\$ 243,249</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	\$ 1,480,000	\$ -	\$ 280,000	\$ 1,200,000	\$ 285,000
Series 2014A - Brush Creek	5,375,000	-	-	5,375,000	210,000
Series 2014B - Brink Meyer	3,675,000	-	-	3,675,000	140,000
Premium on issuance	463,523	-	25,097	438,426	25,097
	<u>10,993,523</u>	<u>-</u>	<u>305,097</u>	<u>10,688,426</u>	<u>660,097</u>
Certificates of participation	3,383,722	-	-	3,383,722	297,114
* Compensated absences	40,539	2,365	-	42,904	42,904
Total Governmental Activities	<u>14,417,784</u>	<u>2,365</u>	<u>305,097</u>	<u>14,115,052</u>	<u>1,000,115</u>
Business-type Activates:					
Revenue bonds	\$ 1,455,000	\$ -	\$ 145,000	\$ 1,310,000	\$ 150,000
Premium on issuance	63,351	-	7,919	55,432	7,919
Total Business-type Activates	<u>1,518,351</u>	<u>-</u>	<u>152,919</u>	<u>1,365,432</u>	<u>157,919</u>
Total Primary Government	<u><u>\$ 15,936,135</u></u>	<u><u>\$ 2,365</u></u>	<u><u>\$ 458,016</u></u>	<u><u>\$ 15,480,484</u></u>	<u><u>\$ 1,158,034</u></u>

* Primarily liquidated by the General fund in prior years.

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, 2016:

CITY OF PARKVILLE, MISSOURI

Notes to the Basic Financial Statements
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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%	\$ 1,200,000
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>\$ 10,250,000</u>

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

The City has taken legal actions against certain properties located within the Brush Creek and Brink Meyer NIDs related to delinquent special assessments on those properties. As a result, the City has acquired certain properties through conveyance and the judicial foreclosure process. City management has estimated the acquisition value of the acquired properties and has recorded these amounts as "Land held for redevelopment". These properties are no longer subject to Brush Creek NID and/or the Brink Meyer Road NID special assessments.

A summary of the changes in land held for redevelopment is as follows:

	December 31, 2015	Additions	Retirements	December 31, 2016
Land held for redevelopment	\$ 1,600,000	\$ 500,000	\$ -	\$ 2,100,000

The Brush Creek and Brink Meyer NID's originally scheduled annual special assessments necessary to meet the Series 2014A and 2014B debt service requirements was approximately \$670,000. Currently, the anticipated annual collections of special assessments is scheduled to be approximately \$255,000.

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

B. Certificates of Participation

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

CITY OF PARKVILLE, MISSOURI

Notes to the Basic Financial Statements

December 31, 2016

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) Sewerage 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, 2016, is \$1,310,000.

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
2017	\$ 285,000	\$ 33,275	\$ 210,000	\$ 183,938	\$ 140,000	\$ 145,888
2018	295,000	24,575	215,000	177,563	145,000	141,613
2019	305,000	15,193	220,000	171,038	150,000	137,188
2020	315,000	5,119	230,000	164,288	155,000	132,613
2021	-	-	235,000	157,313	160,000	127,888
2022-2026	-	-	1,285,000	673,431	855,000	563,531
2027-2031	-	-	1,525,000	435,250	1,035,000	383,300
2032-2034	-	-	1,455,000	104,300	1,035,000	93,375
	<u>\$ 1,200,000</u>	<u>\$ 78,162</u>	<u>\$ 5,375,000</u>	<u>\$ 2,067,119</u>	<u>\$ 3,675,000</u>	<u>\$ 1,725,394</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
2017	\$ 297,114	\$ 72,468	\$ 932,114	\$ 435,568	\$ 150,000	\$ 69,313
2018	335,155	65,386	990,155	409,136	150,000	61,938
2019	354,132	57,666	1,029,132	381,084	155,000	54,438
2020	361,800	49,648	1,061,800	351,667	160,000	46,619
2021	388,809	41,241	783,809	326,441	160,000	38,350
2022-2026	1,506,846	81,206	3,646,846	1,318,169	535,000	70,675
2027-2031	139,866	1,567	2,699,866	820,117	-	-
2032-2034	-	-	2,490,000	197,675	-	-
	<u>\$ 3,383,722</u>	<u>\$ 369,182</u>	<u>\$ 13,633,722</u>	<u>\$ 4,239,857</u>	<u>\$ 1,310,000</u>	<u>\$ 341,331</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, 2016, amounts recorded under these agreements were \$19,647 (Kansas City, Missouri) and \$3,961 (Platte County Regional Sewer District).

CITY OF PARKVILLE, MISSOURI

Notes to the Basic Financial Statements

December 31, 2016

(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 (55 for police) with 5 or more years of service are entitled to an allowance for life based upon the benefit program information provided below. Employees may retire with an early retirement benefit with a minimum of 5 years of credited service and after attaining age 55 (50 for police) and receive a reduced allowance.

	<u>2016 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.

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	2	3
Inactive employees entitled to but not yet receiving benefits	6	5	11
Active employees	17	13	30
	<u>24</u>	<u>20</u>	<u>44</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 5.6% (General) and 6.5% (Police) of annual covered payroll.

CITY OF PARKVILLE, MISSOURI

Notes to the Basic Financial Statements

December 31, 2016

E. Net Pension Liability

The City's net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 29, 2016.

F. Actuarial Assumptions

The total pension liability in the February 29, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25% wage inflation; 2.5% price inflation
Salary Increase	3.25% to 6.55% including wage inflation
Investment rate of return	7.25%, net of investment expenses

The healthy retiree mortality tables, for post-retirement mortality, were the RP-2014 Healthy Annuitant mortality tables for males and females. The disabled retiree mortality tables, for post-retirement mortality, were the RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 employees mortality table for males and females.

Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base year for males was then established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables.

The actuarial assumptions used in the February 29, 2016 valuation were based on the results of an actuarial experience study for the period March 1, 2010 through February 28, 2015.

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	43.00%	5.29%
Fixed Income	26.00%	2.23%
Real Assets	21.00%	3.31%
Strategic Assets	10.00%	5.73%

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 depleted in 2086 for the general division and, as a result, the 20-Bond Go Index rate was used in the determination of the single discount rate. The long-term expected rate of return of 7.25% was applied to period before 2086 and the 20-Bond Go Index rate of 2.85% was applied to periods on and after 2086, resulting in a single discount rate of 7.16%. The pension plan's fiduciary net position for the police division was projected to be available to pay all projected future benefit payments of current active and inactive employees for those divisions. 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 for the police division.

CITY OF PARKVILLE, MISSOURI

Notes to the Basic Financial Statements

December 31, 2016

H. Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension	Plan Fiduciary	Net Pension
	Liability	Net Position	Liability
	(a)	(b)	(a) - (b)
Balances at beginning of year	\$ 1,250,675	\$ 1,001,182	\$ 249,493
Changes for the year:			
Service Cost	116,946	-	116,946
Interest	93,722	-	93,722
Change in benefit terms	-	-	-
Difference between expected and actual	(66,469)	-	(66,469)
Change in assumptions	79,853	-	79,853
Contributions - employer	-	93,771	(93,771)
Contributions - employee	-	61,441	(61,441)
Net investment income	-	63	(63)
Benefit payments, including refunds	(31,360)	(31,360)	-
Administrative expense	-	(3,451)	3,451
Other changes (net transfer)	-	(3,952)	3,952
Net changes	192,692	116,512	76,180
Balances at end of year	<u>\$ 1,443,367</u>	<u>\$ 1,117,694</u>	<u>\$ 325,673</u>

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

The following presents the Net Pension Liability of the employer, calculated using the discount rate of 7.16 for general and 7.25% for police, as well as what the employer's Net Pension Liability would be using a discount rate that is one percentage point lower (6.16% and 6.25%) or one percentage point higher (8.16% and 8.25%) than the current rate.

	Current Single Discount Rate		
	1% Decrease 6.16% and 6.25%	Assumption 7.16% and 7.25%	1% Increase 8.16% and 8.25%
Total Pension Liability (TPL)	\$ 1,707,794	\$ 1,443,367	\$ 1,230,675
Plan Fiduciary Net Position	(1,117,694)	(1,117,694)	(1,117,694)
Net Pension Liability	<u>\$ 590,100</u>	<u>\$ 325,673</u>	<u>\$ 112,981</u>

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

For the year ended December 31, 2016, the City recognized LAGERS pension expense of \$101,134 (\$53,282 (General) and \$47,852 (Police)). The City reported deferred outflows related to LAGERS pension from the following sources:

	General	Police	Total
Deferred Outflows of Resources:			
Assumption changes	\$ 43,078	\$ 26,621	\$ 69,699
Excess investment returns	49,727	40,520	90,247
Contributions subsequent to the measurement date*	26,000	21,365	47,365
Total	<u>\$ 118,805</u>	<u>\$ 88,506</u>	<u>\$ 207,311</u>
Deferred Inflows of Resources:			
Difference in experience	<u>\$ 91,284</u>	<u>\$ 3,528</u>	<u>\$ 94,812</u>

CITY OF PARKVILLE, MISSOURI

Notes to the Basic Financial Statements

December 31, 2016

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the Net Pension Liability for the year ending December 31, 2017.

Net amounts reported as deferred outflows and deferred inflows of resources related to LAGERS pension will be recognized in pension expense as follows:

Year ending December 31:	General	Police	Total
2017	\$ 6,625	\$ 14,612	\$ 21,237
2018	6,625	14,612	21,237
2019	6,625	14,612	21,237
2020	1,288	10,312	11,600
2021	(7,141)	3,407	(3,734)
Thereafter	(12,501)	6,058	(6,443)
Total	<u>\$ 1,521</u>	<u>\$ 63,613</u>	<u>\$ 65,134</u>

K. Payable to the Pension Plan

At December 31, 2016, 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.

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, 2016, the fund had \$10,481 net appreciation on assets available for expenditure which is reported as restricted fund balance and \$563,961 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.

CITY OF PARKVILLE, MISSOURI

Notes to the Basic Financial Statements

December 31, 2016

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) Subsequent Events

The City evaluated subsequent events through June 13, 2017, the date the financial statements were available to be issued. Except for the following, no other subsequent events were identified that required adjustment to or disclosure in the financial statements.

On March 15, 2017, the City entered into a \$2,353,700 lease purchase agreement (lease agreement) with BankLiberty to obtain funds to pay the costs of acquiring and installing improvements to a portion of Route 9 within the City and for capital improvements to certain roads within the City. Annual lease agreement payments will range from \$23,768 to \$1,355,900 beginning September 1, 2017 through March 1, 2022, including interest at 2.19%.

CITY OF PARKVILLE, MISSOURI
Notes to Required Supplementary Information
December 31, 2016

(1) Budgetary Data

The Board of Alderman adopted annual operating budgets for all funds except for the Court Recoupment Fees, Police Training Fees LET, Police Shop, TIF Development and Market Place Development funds. The City's budget is adopted using Generally Accepted Accounting Principles on the Modified Accrual Basis of Accounting. Revisions to the budget can be made only by the Board of Alderman. There were one budget amendment during the year ended December 31, 2016. Legally, expenditures may not exceed the total amount of expenditures budgeted, as revised, in each fund. All annual appropriations lapse at year end if not encumbered.

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

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

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, 2016

	2016			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes	\$ 2,948,687	\$ 2,948,687	\$ 2,971,268	\$ 22,581
Intergovernmental	71,000	71,000	102,073	31,073
Charges for services	34,200	34,200	41,411	7,211
Fines and forfeitures	250,000	250,000	191,726	(58,274)
Licenses and permits	319,575	319,575	328,239	8,664
Charges for sewer	103,530	103,530	103,530	-
Interest	8,000	8,000	8,149	149
Other	33,244	33,244	97,215	63,971
Total Revenues	<u>3,768,236</u>	<u>3,768,236</u>	<u>3,843,611</u>	<u>75,375</u>
Expenditures:				
Current:				
General government	1,074,767	1,074,767	1,015,849	58,918
Public safety	1,419,876	1,419,876	1,246,581	173,295
Public works	615,343	615,343	596,184	19,159
Parks and recreation	590,188	590,188	473,540	116,648
Community development	425,393	425,393	357,684	67,709
Total Expenditures	<u>4,125,567</u>	<u>4,125,567</u>	<u>3,689,838</u>	<u>435,729</u>
Excess of Revenues Over (Under) Expenditures	<u>(357,331)</u>	<u>(357,331)</u>	<u>153,773</u>	<u>511,104</u>
Other Financing Sources (Uses):				
Transfers in	240,000	240,000	190,000	(50,000)
Transfers out	(317,500)	(317,500)	(333,410)	(15,910)
Sale of capital assets	8,000	8,000	10,625	2,625
Total Other Financing Sources (Uses)	<u>(69,500)</u>	<u>(69,500)</u>	<u>(132,785)</u>	<u>(63,285)</u>
Change in fund balance	<u>\$ (426,831)</u>	<u>\$ (426,831)</u>	20,988	<u>\$ 447,819</u>
Fund Balances, Beginning of Year			<u>1,654,343</u>	
Fund Balances, End of Year			<u>\$ 1,675,331</u>	

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

Schedule 2

CITY OF PARKVILLE, MISSOURI
Required Supplementary Information
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
Transportation Sales Tax Fund
For the Year Ended December 31, 2016

	2016			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes	\$ 456,000	\$ 456,000	\$ 454,601	\$ (1,399)
Intergovernmental	466,000	466,000	523,590	57,590
Other	5,325	5,325	17,405	12,080
Total Revenues	<u>927,325</u>	<u>927,325</u>	<u>995,596</u>	<u>68,271</u>
Expenditures:				
Capital outlay	874,000	874,000	838,232	35,768
Total Expenditures	<u>874,000</u>	<u>874,000</u>	<u>838,232</u>	<u>35,768</u>
Excess of Revenues Over (Under) Expenditures	<u>53,325</u>	<u>53,325</u>	<u>157,364</u>	<u>104,039</u>
Other Financing Sources (Uses):				
Transfers out	(240,000)	(240,000)	(190,000)	50,000
Sale of capital assets	7,500	7,500	-	(7,500)
Total Other Financing Sources (Uses)	<u>(232,500)</u>	<u>(232,500)</u>	<u>(190,000)</u>	<u>42,500</u>
Change in fund balance	<u>\$ (179,175)</u>	<u>\$ (179,175)</u>	(32,636)	<u>\$ 146,539</u>
Fund Balances, Beginning of Year			<u>320,048</u>	
Fund Balances, End of Year			<u>\$ 287,412</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, 2016

	Lagers	
	2016	2015
Total Pension Liability		
Service costs	\$ 116,946	\$ 104,714
Interest on total pension liability	93,722	69,352
Changes in benefit terms	-	226,297
Difference between expected and actual experience of the total pension liability	(66,469)	(47,700)
Changes of assumptions	79,853	
Benefit payments and refunds	(31,360)	(14,002)
Net change in total pension liability	192,692	338,661
Total pension liability - beginning of year	1,250,675	912,014
Total pension liability - end of year (a)	<u>\$ 1,443,367</u>	<u>\$ 1,250,675</u>
Plan Fiduciary Net Position		
Contributions - employer	\$ 93,771	\$ 73,690
Contributions - employee	61,441	60,880
Net investment income	63	17,409
Benefit payments and refunds	(31,360)	(14,002)
Administrative expenses	(3,451)	(3,356)
Other (net transfer)	(3,952)	38,126
Net change in plan fiduciary net position	116,512	172,747
Plan fiduciary net position - beginning of year	1,001,182	828,435
Plan fiduciary net position - end of year (b)	<u>\$ 1,117,694</u>	<u>\$ 1,001,182</u>
Net pension liability (a) - (b)	<u>\$ 325,673</u>	<u>\$ 249,493</u>
Plan net position as a percentage of the total pension liability	77.44%	80.05%
Covered employee payroll	1,415,099	1,414,512
Net pension liability/(asset) as a percentage of covered payroll	23.01%	17.64%

GASB 68 requires presentation of ten years. As of December 31, 2016, only two years of information is available.

CITY OF PARKVILLE, MISSOURI
Required Supplementary Information
Schedule of Employer Contributions
For the Year Ended December 31, 2016

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%
2016	93,266	93,266	-	1,559,830	5.98%

Lagers

Valuation Date February 29, 2016

Notes: The roll-forward of total pension liability from February 29, 2016 to December 31, 2016 reflects expected service cost and interest reduced by actual benefit payments and administrative expenses.

Methods and assumptions used to determine contributions rates:

Actuarial cost method Entry Age Normal and Modified Terminal Funding

Amortization method Level percentage of payroll, closed

Remaining amortization period Multiple bases from 14 to 23 years

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

Inflation assumption 3.25% wage inflation; 2.5% price inflation

Salary increases 3.25% to 6.55% 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 the type of eligibility condition

Mortality The healthy retiree mortality tables, for post retirement mortality, were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were the RP-2014 disabled mortality table for male and females. The pre-retirement mortality tables used were the RP-2014 employees mortality table for male and females.

Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period based year of 2006. The base year for males was then established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables.

Other information: New assumptions adopted based on the 5-year experience study for the period March 1, 2010 through February 28, 2015.

GASB 68 requires presentation of ten years. As of December 31, 2016, only eight years of information is available.

CITY OF PARKVILLE, MISSOURI
Combining Balance Sheet - General Fund
December 31, 2016

	General Fund	Reserve Fund	Totals
Assets:			
Cash and investments	\$ 1,777,432	\$ 1,458,275	\$ 3,235,707
Receivables:			
Taxes	251,803	-	251,803
Due from other governments	5,660	-	5,660
Due from other funds	-	-	-
Prepaid, deposits and other assets	79,100	-	79,100
Total Assets	<u>\$ 2,115,043</u>	<u>\$ 1,458,275</u>	<u>\$ 3,573,318</u>
Liabilities:			
Accounts payable	\$ 240,166	\$ -	\$ 240,166
Accrued payroll and benefits	84,215	-	84,215
Total Liabilities	<u>324,381</u>	<u>-</u>	<u>324,381</u>
Deferred inflows of resources:			
Unavailable revenues	<u>115,331</u>	<u>-</u>	<u>115,331</u>
Fund balances:			
Nonspendable:			
Prepaid items	79,100	-	79,100
Committed:			
Emergency reserve	-	1,458,275	1,458,275
Unassigned	1,596,231	-	1,596,231
Total fund balances	<u>1,675,331</u>	<u>1,458,275</u>	<u>3,133,606</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 2,115,043</u>	<u>\$ 1,458,275</u>	<u>\$ 3,573,318</u>

CITY OF PARKVILLE, MISSOURI
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
General Fund
For the Year Ended December 31, 2016

	<u>General Fund</u>	<u>Reserve Fund</u>	<u>Eliminations</u>	<u>Totals</u>
Revenues:				
Taxes	\$ 2,971,268	\$ 15,364	\$ -	\$ 2,986,632
Intergovernmental	102,073	-	-	102,073
Charges for services	41,411	-	-	41,411
Fines and forfeitures	191,726	-	-	191,726
Licenses and permits	328,239	-	-	328,239
Charges for sewer	103,530	-	-	103,530
Interest	8,149	-	-	8,149
Other	97,215	-	-	97,215
Total Revenues	<u>3,843,611</u>	<u>15,364</u>	<u>-</u>	<u>3,858,975</u>
Expenditures:				
Current:				
General government	1,015,849	-	-	1,015,849
Public safety	1,246,581	-	-	1,246,581
Public works	596,184	-	-	596,184
Parks and recreation	473,540	-	-	473,540
Community development	357,684	-	-	357,684
	<u>3,689,838</u>	<u>-</u>	<u>-</u>	<u>3,689,838</u>
Excess of Revenues Over (Under) Expenditures	153,773	15,364		169,137
Other financing sources (uses):				
Transfers in	190,000	317,500	(317,500)	190,000
Transfers out	(333,410)	(144,431)	317,500	(160,341)
Sale of capital assets	10,625	-	-	10,625
Total Other Financing Sources	<u>(132,785)</u>	<u>173,069</u>	<u>-</u>	<u>40,284</u>
Change in fund balance	20,988	188,433	-	209,421
Fund Balances, Beginning of Year	<u>1,654,343</u>	<u>1,269,842</u>	<u>-</u>	<u>2,924,185</u>
Fund Balances, End of Year	<u>\$ 1,675,331</u>	<u>\$ 1,458,275</u>	<u>\$ -</u>	<u>\$ 3,133,606</u>

CITY OF PARKVILLE, MISSOURI
Combining Balance Sheet - Debt Service Fund
December 31, 2016

	<u>River Park</u>	<u>Certificates of Participation</u>	<u>Brush Creek</u>	<u>Brink Meyer</u>	<u>Totals</u>
Assets:					
Restricted cash and investments	\$ 162,492	\$ 78,488	\$ 500,512	\$ 291,125	\$ 1,032,617
Receivables:					
Special assessments	1,023,709	-	3,187,971	-	4,211,680
Total Assets	<u>\$ 1,186,201</u>	<u>\$ 78,488</u>	<u>\$ 3,688,483</u>	<u>\$ 291,125</u>	<u>\$ 5,244,297</u>
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:					
Unavailable revenues	1,034,445	41,757	3,194,829	-	4,271,031
Fund balances:					
Restricted:					
Debt service	151,756	36,731	493,654	291,125	973,266
Total fund balances	<u>151,756</u>	<u>36,731</u>	<u>493,654</u>	<u>291,125</u>	<u>973,266</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 1,186,201</u>	<u>\$ 78,488</u>	<u>\$ 3,688,483</u>	<u>\$ 291,125</u>	<u>\$ 5,244,297</u>

CITY OF PARKVILLE, MISSOURI
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Debt Service Fund
For the Year Ended December 31, 2016

	<u>River Park</u>	<u>Certificates of Participation</u>	<u>Brush Creek</u>	<u>Brink Meyer</u>	<u>Totals</u>
Revenues:					
Taxes	\$ -	\$ 338,407	\$ -	\$ -	\$ 338,407
Special assessments	307,423	-	246,876	3,774	558,073
Interest	167	127	4,407	3,221	7,922
Total Revenues	<u>307,590</u>	<u>338,534</u>	<u>251,283</u>	<u>6,995</u>	<u>904,402</u>
Expenditures:					
Debt service:					
Principal	280,000	-	-	-	280,000
Interest and fiscal charges	40,965	57,736	189,087	149,988	437,776
	<u>320,965</u>	<u>57,736</u>	<u>189,087</u>	<u>149,988</u>	<u>717,776</u>
Excess of Revenues Over (Under) Expenditures	(13,375)	280,798	62,196	(142,993)	186,626
Other financing sources (uses):					
Transfers in	-	-	-	144,431	144,431
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>144,431</u>	<u>144,431</u>
Change in fund balance	(13,375)	280,798	62,196	1,438	331,057
Fund Balances, Beginning of Year	<u>165,131</u>	<u>(244,067)</u>	<u>431,458</u>	<u>289,687</u>	<u>642,209</u>
Fund Balances (deficit), End of Year	<u>\$ 151,756</u>	<u>\$ 36,731</u>	<u>\$ 493,654</u>	<u>\$ 291,125</u>	<u>\$ 973,266</u>

CITY OF PARKVILLE, MISSOURI
Combining Balance Sheet - Non-major Governmental Funds
December 31, 2016

	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	\$ 1,279	\$ 43,493	\$ 49,962	\$ 40,764	\$ 41,372	\$ 15,430	\$ 12,451	\$ 9,425	\$ -	\$ 20,646	\$ 234,822
Restricted cash and investments	-	-	-	-	-	-	-	-	574,442	-	574,442
Total Assets	<u>\$ 1,279</u>	<u>\$ 43,493</u>	<u>\$ 49,962</u>	<u>\$ 40,764</u>	<u>\$ 41,372</u>	<u>\$ 15,430</u>	<u>\$ 12,451</u>	<u>\$ 9,425</u>	<u>\$ 574,442</u>	<u>\$ 20,646</u>	<u>\$ 809,264</u>
Liabilities and Fund Balances											
Liabilities:											
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,855	\$ -	\$ -	\$ -	\$ 9,473	\$ 14,328
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,855</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,473</u>	<u>14,328</u>
Fund balances											
Nonspendable:											
Fewson trust	-	-	-	-	-	-	-	-	569,547	-	569,547
Restricted:											
Capital projects	-	-	-	-	-	-	-	-	4,895	-	4,895
Public safety	-	-	-	40,764	41,372	10,575	-	-	-	-	92,711
Parks and recreation	-	43,493	49,962	-	-	-	-	-	-	-	93,455
Community development	1,279	-	-	-	-	-	12,451	9,425	-	-	23,155
Assigned:											
Capital projects	-	-	-	-	-	-	-	-	-	11,173	11,173
Total fund balances	<u>1,279</u>	<u>43,493</u>	<u>49,962</u>	<u>40,764</u>	<u>41,372</u>	<u>10,575</u>	<u>12,451</u>	<u>9,425</u>	<u>574,442</u>	<u>11,173</u>	<u>794,936</u>
Total liabilities and fund balances	<u>\$ 1,279</u>	<u>\$ 43,493</u>	<u>\$ 49,962</u>	<u>\$ 40,764</u>	<u>\$ 41,372</u>	<u>\$ 15,430</u>	<u>\$ 12,451</u>	<u>\$ 9,425</u>	<u>\$ 574,442</u>	<u>\$ 20,646</u>	<u>\$ 809,264</u>

CITY OF PARKVILLE, MISSOURI
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Governmental Funds
For the Year Ended December 31, 2016

	Special Revenue Funds							Permanent	Capital	Totals	
	Economic Development	Nature Sanctuary	Parks Donations	Court Recoupment Fees	Police Training Fees LET	Police Shop	TIF Development	Market Place Development	Fewson Project		Capital Projects
Revenues:											
Taxes	\$ 1,397	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 273,228	\$ -	\$ -	\$ -	\$ 274,625
Intergovernmental	-	7,425	-	-	1,243	-	177,307	-	-	172,431	358,406
Charges for services	-	-	-	1,835	2,359	-	-	-	-	-	4,194
Interest	-	-	-	-	-	-	12	9	5,238	-	5,259
Grants and donations	-	4,760	31,142	-	-	7,723	-	-	-	34,618	78,243
Other	-	1,500	-	-	-	-	-	-	-	-	1,500
Total Revenues	1,397	13,685	31,142	1,835	3,602	7,723	450,547	9	5,238	207,049	722,227
Expenditures:											
Current:											
Public safety	-	-	-	-	3,692	5,849	-	-	-	-	9,541
Parks and recreation	-	4,900	6,384	-	-	-	-	-	-	-	11,284
Community development	999	-	-	-	-	-	450,540	-	-	-	451,539
Capital outlay	-	-	-	-	-	-	-	-	-	268,530	268,530
	<u>999</u>	<u>4,900</u>	<u>6,384</u>	<u>-</u>	<u>3,692</u>	<u>5,849</u>	<u>450,540</u>	<u>-</u>	<u>-</u>	<u>268,530</u>	<u>740,894</u>
Excess of Revenues Over (Under) Expenditures	398	8,785	24,758	1,835	(90)	1,874	7	9	5,238	(61,481)	(18,667)
Other financing sources (uses):											
Transfers in	-	-	-	-	-	-	-	-	-	15,910	15,910
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-	15,910	15,910
Change in fund balance	398	8,785	24,758	1,835	(90)	1,874	7	9	5,238	(45,571)	(2,757)
Fund Balances, Beginning of Year	881	34,708	25,204	38,929	41,462	8,701	12,444	9,416	569,204	56,744	797,693
Fund Balances, End of Year	<u>\$ 1,279</u>	<u>\$ 43,493</u>	<u>\$ 49,962</u>	<u>\$ 40,764</u>	<u>\$ 41,372</u>	<u>\$ 10,575</u>	<u>\$ 12,451</u>	<u>\$ 9,425</u>	<u>\$ 574,442</u>	<u>\$ 11,173</u>	<u>\$ 794,936</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, 2016

	2016		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Taxes	\$ 15,364	\$ 15,364	\$ 15,364	\$ -
Total Revenues	<u>15,364</u>	<u>15,364</u>	<u>15,364</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over Expenditures	<u>15,364</u>	<u>15,364</u>	<u>15,364</u>	<u>-</u>
Other financing sources (uses):				
Transfers in	317,500	317,500	317,500	-
Transfers out	(146,758)	(146,758)	(144,431)	2,327
Total Other Financing Sources (Uses)	<u>170,742</u>	<u>170,742</u>	<u>173,069</u>	<u>2,327</u>
Change in fund balance	<u>\$ 186,106</u>	<u>\$ 186,106</u>	188,433	<u>\$ 2,327</u>
Fund Balance, Beginning of Year			<u>1,269,842</u>	
Fund Balance, End of Year			<u>\$ 1,458,275</u>	

CITY OF PARKVILLE, MISSOURI
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Debt Service Funds
For the Year Ended December 31, 2016

	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	\$ -	\$ -	\$ -	\$ 330,536	\$ 338,407	\$ 7,871	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 330,536	\$ 338,407	\$ 7,871
Special assessments	321,100	307,423	(13,677)	-	-	-	248,497	246,876	(1,621)	-	3,774	3,774	569,597	558,073	(11,524)
Interest	200	167	(33)	100	127	27	4,500	4,407	(93)	3,230	3,221	(9)	8,030	7,922	(108)
Total Revenues	321,300	307,590	(13,710)	330,636	338,534	7,898	252,997	251,283	(1,714)	3,230	6,995	3,765	908,163	904,402	(3,761)
Expenditures:															
Debt service:															
Principal	280,000	280,000	-	270,000	-	270,000	-	-	-	-	-	-	550,000	280,000	270,000
Interest and fiscal charges	41,300	40,965	335	60,636	57,736	2,900	189,088	189,087	1	149,988	149,988	-	441,012	437,776	3,236
Total Expenditures	321,300	320,965	335	330,636	57,736	272,900	189,088	189,087	1	149,988	149,988	-	991,012	717,776	273,236
Excess of Revenues Over															
(Under) Expenditures	-	(13,375)	(13,375)	-	280,798	280,798	63,909	62,196	(1,713)	(146,758)	(142,993)	3,765	(82,849)	186,626	269,475
Other financing sources (uses):															
Transfers in	-	-	-	-	-	-	-	-	-	146,758	144,431	(2,327)	146,758	144,431	(2,327)
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-	146,758	144,431	(2,327)	146,758	144,431	(2,327)
Change in fund balance	\$ -	(13,375)	\$ (13,375)	\$ -	280,798	\$ 280,798	\$ 63,909	62,196	\$ (1,713)	\$ -	1,438	\$ 1,438	\$ 63,909	331,057	\$ 267,148
Fund Balance, (deficit) Beginning of Year		<u>165,131</u>			<u>(244,067)</u>			<u>431,458</u>			<u>289,687</u>			<u>642,209</u>	
Fund Balance, End of Year		<u>\$ 151,756</u>			<u>\$ 36,731</u>			<u>\$ 493,654</u>			<u>\$ 291,125</u>			<u>\$ 973,266</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, 2016

	2016		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Taxes	\$ 1,515	\$ 1,515	\$ 1,397	\$ (118)
Total Revenues	<u>1,515</u>	<u>1,515</u>	<u>1,397</u>	<u>(118)</u>
Expenditures:				
Community development	1,000	1,000	999	1
Total Expenditures	<u>1,000</u>	<u>1,000</u>	<u>999</u>	<u>1</u>
Change in fund balance	<u>\$ 515</u>	<u>\$ 515</u>	398	<u>\$ (117)</u>
Fund Balance, Beginning of Year			<u>881</u>	
Fund Balance, End of Year			<u>\$ 1,279</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, 2016

	2016		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 7,425	\$ 7,425
Grants and donations	-	-	4,760	4,760
Other	<u>3,000</u>	<u>3,000</u>	<u>1,500</u>	<u>(1,500)</u>
Total Revenues	<u>3,000</u>	<u>3,000</u>	<u>13,685</u>	<u>10,685</u>
Expenditures:				
Parks and recreation	<u>6,200</u>	<u>6,200</u>	<u>4,900</u>	<u>1,300</u>
Total Expenditures	<u>6,200</u>	<u>6,200</u>	<u>4,900</u>	<u>1,300</u>
Change in fund balance	<u><u>\$ (3,200)</u></u>	<u><u>\$ (3,200)</u></u>	8,785	<u><u>\$ 11,985</u></u>
Fund Balance, Beginning of Year			<u>34,708</u>	
Fund Balance, End of Year			<u><u>\$ 43,493</u></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, 2016

	2016		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Grants and donations	\$ 2,500	\$ 2,500	\$ 31,142	\$ 28,642
Total Revenues	<u>2,500</u>	<u>2,500</u>	<u>31,142</u>	<u>28,642</u>
Expenditures:				
Parks and recreation	5,000	5,000	6,384	(1,384)
Total Expenditures	<u>5,000</u>	<u>5,000</u>	<u>6,384</u>	<u>(1,384)</u>
Change in fund balance	<u>\$ (2,500)</u>	<u>\$ (2,500)</u>	24,758	<u>\$ 27,258</u>
Fund Balance, Beginning of Year			<u>25,204</u>	
Fund Balance, End of Year			<u>\$ 49,962</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, 2016

	2016		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Interest	\$ 6,550	\$ 6,550	\$ 5,238	\$ (1,312)
Total Revenues	<u>6,550</u>	<u>6,550</u>	<u>5,238</u>	<u>(1,312)</u>
Expenditures:				
Capital outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over Expenditures	<u>6,550</u>	<u>6,550</u>	<u>5,238</u>	<u>(1,312)</u>
Other financing sources (uses):				
Transfers out	(5,378)	(5,378)	-	5,378
Total Other Financing Sources (Uses)	<u>(5,378)</u>	<u>(5,378)</u>	<u>-</u>	<u>5,378</u>
Change in fund balance	<u>\$ 1,172</u>	<u>\$ 1,172</u>	5,238	<u>\$ 4,066</u>
Fund Balance, Beginning of Year			<u>569,204</u>	
Fund Balance, End of Year			<u>\$ 574,442</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, 2016

	2016		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Intergovernmental	\$ 50,000	\$ 50,000	\$ 172,431	\$ 122,431
Grants and donations	134,000	134,000	34,618	(99,382)
Total Revenues	<u>184,000</u>	<u>184,000</u>	<u>207,049</u>	<u>23,049</u>
Expenditures:				
Capital outlay	380,672	380,672	268,530	112,142
Total Expenditures	<u>380,672</u>	<u>380,672</u>	<u>268,530</u>	<u>112,142</u>
Excess of Revenues Over Expenditures	<u>(196,672)</u>	<u>(196,672)</u>	<u>(61,481)</u>	<u>135,191</u>
Other financing sources (uses):				
Transfers in	155,000	155,000	15,910	(139,090)
Total Other Financing Sources (Uses)	<u>155,000</u>	<u>155,000</u>	<u>15,910</u>	<u>(139,090)</u>
Change in fund balance	<u>\$ (41,672)</u>	<u>\$ (41,672)</u>	(45,571)	<u>\$ (3,899)</u>
Fund Balance, Beginning of Year			<u>56,744</u>	
Fund Balance, End of Year			<u>\$ 11,173</u>	