

City of Parkville, Missouri

Basic Financial Statements With Independent Auditor's Report

For the Year Ended
December 31, 2021

CITY OF PARKVILLE, MISSOURI

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor’s Report	1-3
Management’s Discussion and Analysis	4-11

Basic Financial Statements:

		<u>Exhibit</u>	
Government-wide Financial Statements:			
Statement of Net Position	A		12
Statement of Activities	B		13
Fund Financial Statements:			
Balance Sheet – Governmental Funds	C		14
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position			15
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	D		16
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities			17
Statement of Net position – Proprietary Fund	E		18
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Fund	F		19
Statement of Cash Flows - Proprietary Fund	G		20
Statement of Fiduciary Net Position – Fiduciary Fund	H		21
Statement of Changes in Fiduciary Net Position – Fiduciary Fund	I		22

Notes to the Basic Financial Statements	23-46
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Schedule Page

Required Supplementary Information:

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	1		47
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Transportation Sales Tax Fund	2		48
Notes to Required Supplementary Information			49
Schedule of Changes in Net Pension Liability and Related Ratios	3		50
Schedule of Employer Contributions	4		51

CITY OF PARKVILLE, MISSOURI
TABLE OF CONTENTS, Continued

	<u>Schedule</u>	<u>Page</u>
Other Supplementary Information		
Combining and Individual Fund Statements and Schedules:		
Combining Balance Sheet – General Fund	5	52
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – General Fund	6	53
Combining Balance Sheet – Debt Service Funds	7	54
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Debt Service Funds	8	55
Combining Balance Sheet – Non-major Governmental Funds	9	56-57
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-major Governmental Funds	10	58-59
Combining Balance Sheet – Creekside Development Funds	11	60
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Creekside Development Funds	12	61
Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual –		
Debt Service Funds	13	62-63
Park Sales Tax Fund	14	64
Economic Development Fund	15	65
Nature Sanctuary Fund	16	66
Parks Donation Fund	17	67
Veterans Memorial Fund	18	68
ARPA Fund	19	69
Fewson Fund	20	70
Capital Projects Fund	21	71



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Parkville, Missouri (the City), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Parkville, Missouri and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Parkville, Missouri's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Parkville, Missouri's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Parkville, Missouri's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

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

Other Information

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

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated September 16, 2022 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Hood & Associates CPAs PC

Kansas City, Missouri
September 16, 2022

**CITY OF PARKVILLE, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2021**

As management of the City of Parkville (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the year ended December 31, 2021. We encourage readers to consider the information presented here in conjunction with the basic financial statements and the accompanying notes to those basic financial statements.

Financial Highlights

1. The assets and deferred outflows of the City of Parkville exceeded its liabilities and deferred inflows at the close of the year by \$20,342,820 (net position), an increase of \$197,415 over the prior year.
2. As of the close of the current year, the City's governmental funds showed a combined ending balance of \$5,153,343, a decrease of \$7,053,316 from the prior year. The primary reason for the decrease stems from the 2020 issuance of the \$3,995,000 Series 2020A, Taxable Neighborhood Improvement District Limited General Obligation Refunding Bonds (Brush Creek Drainage Area Neighborhood Improvement Project) Bonds (2020A bonds) and the \$2,730,000 Series 2020B, Taxable Neighborhood Improvement District Limited General Obligation Refunding Bonds (Brink Meyer Road Neighborhood Improvement Project) Bonds (2020B bonds). The 2020A and 2020B Bonds were structured as a crossover advance refunding. The net proceeds of the bonds along with available bond trust funds totaling approximately \$7.2 million were deposited in trust with an escrow agent. On March 1, 2021, (the crossover date), these funds were used to refund the Series 2014A and 2014B Bonds as further discussed in Note 7 in the Notes to the Basic Financial Statements.

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 5. 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.

CITY OF PARKVILLE, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2021

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

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

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

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

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

The fund financial statements begin on page 14 and provide detailed information about the most significant funds—not the City as a whole. Some funds are required to be established by State law and by bond covenants. The City establishes other funds to help it control and manage money for particular purposes. The City uses three types of funds to manage its resources: governmental, proprietary, and agency funds. A fund is a fiscal entity with a set of self-balancing accounts recording financial resources, together with all related liabilities and residual equities and balances, and the changes therein. These accounting entities are separated for the purpose of carrying on specific activities or attaining certain objectives in accordance with regulations, restrictions, or limitations.

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

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

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

**CITY OF PARKVILLE, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2021**

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			
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 15,803,930	\$ 21,367,038	\$ 1,227,610	\$ 1,146,695	\$ 17,031,540	\$ 22,513,733
Capital assets	14,573,398	14,705,767	3,611,396	3,879,314	18,184,794	18,585,081
Total assets	<u>30,377,328</u>	<u>36,072,805</u>	<u>4,839,006</u>	<u>5,026,009</u>	<u>35,216,334</u>	<u>41,098,814</u>
Deferred amount on refunding	15,325	18,292	-	-	15,325	18,292
Deferred outflows - pension	302,492	429,679	-	-	302,492	429,679
Total deferred outflows of resources	<u>317,817</u>	<u>447,971</u>	<u>-</u>	<u>-</u>	<u>317,817</u>	<u>447,971</u>
Long-term debt	11,823,464	19,504,801	550,837	718,756	12,374,301	20,223,557
Other liabilities	1,556,566	659,094	104,210	81,634	1,660,776	740,728
Total liabilities	<u>13,380,030</u>	<u>20,163,895</u>	<u>655,047</u>	<u>800,390</u>	<u>14,035,077</u>	<u>20,964,285</u>
Deferred inflow - property taxes	279,446	371,144	-	-	279,446	371,144
Deferred inflow - pension	620,173	65,951	-	-	620,173	65,951
Deferred amount on refunding	256,635	-	-	-	256,635	-
Total deferred inflows of resources	<u>1,156,254</u>	<u>437,095</u>	<u>-</u>	<u>-</u>	<u>1,156,254</u>	<u>437,095</u>
Net position:						
Net investment in capital assets	9,955,376	9,265,500	3,060,559	3,160,558	13,015,935	12,426,058
Restricted	2,835,521	1,726,878	170,290	167,031	3,005,811	1,893,909
Unrestricted	3,367,964	4,927,408	953,110	898,030	4,321,074	5,825,438
Total net position	<u>\$ 16,158,861</u>	<u>\$ 15,919,786</u>	<u>\$ 4,183,959</u>	<u>\$ 4,225,619</u>	<u>\$ 20,342,820</u>	<u>\$ 20,145,405</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 \$20,342,820 at the close of the year ended December 31, 2021.

**CITY OF PARKVILLE, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2021**

Figure 2 – Statement of Changes in Net Position

	Governmental		Business-type		Total	
	Activities		Activities			
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 1,107,311	\$ 981,167	\$ 1,628,972	\$ 1,510,656	\$ 2,736,283	\$ 2,491,823
Operating grants and contributions	424,090	580,439	-	-	424,090	580,439
Capital grants and contributions	3,520,049	1,119,458	17,663	22,571	3,537,712	1,142,029
General revenues:						
Property taxes	1,969,725	1,859,760	-	-	1,969,725	1,859,760
Sales taxes	3,042,926	2,567,205	-	-	3,042,926	2,567,205
Franchise taxes	812,268	783,913	-	-	812,268	783,913
Intergovernmental activity taxes	218,543	215,102	-	-	218,543	215,102
Other taxes	6,410	1,146	-	-	6,410	1,146
Gain on sale of assets	36,660	2,699,458	-	-	36,660	2,699,458
Other	99,676	105,853	7,007	13,457	106,683	119,310
Total revenues	<u>11,237,658</u>	<u>10,913,501</u>	<u>1,653,642</u>	<u>1,546,684</u>	<u>12,891,300</u>	<u>12,460,185</u>
Expenses:						
General government	1,649,704	1,706,346	-	-	1,649,704	1,706,346
Public safety	1,564,058	1,776,629	-	-	1,564,058	1,776,629
Public works	5,788,532	2,027,324	-	-	5,788,532	2,027,324
Parks and recreation	1,371,621	881,126	-	-	1,371,621	881,126
Community development	393,048	1,220,691	-	-	393,048	1,220,691
Interest on long-term debt	231,620	603,306	-	-	231,620	603,306
Sewer	-	-	1,695,302	1,739,032	1,695,302	1,739,032
Total expenses	<u>10,998,583</u>	<u>8,215,422</u>	<u>1,695,302</u>	<u>1,739,032</u>	<u>12,693,885</u>	<u>9,954,454</u>
Change in net position	239,075	2,698,079	(41,660)	(192,348)	197,415	2,505,731
Net position, beginning	15,919,786	13,221,707	4,225,619	4,417,967	20,145,405	17,639,674
Net position, ending	<u>\$ 16,158,861</u>	<u>\$ 15,919,786</u>	<u>\$ 4,183,959</u>	<u>\$ 4,225,619</u>	<u>\$ 20,342,820</u>	<u>\$ 20,145,405</u>

The City's net position increased \$197,415 during the 2021 fiscal year. Of the total, governmental activities net position increased \$239,075 and business-type activities net position decreased by \$41,660. Total 2021 governmental revenues increased \$324,157 from 2020 primarily due to increases in capital grants and contributions related to the Route 9 being offset by the decrease in gain on sale of assets in connection with the Creekside Development Project recognized in 2020. Sales taxes increased \$475,721 primarily resulting increased economic activity. Total governmental activities expenses increased \$2,783,161. The increase is primarily related to public works related to the Route 9 expenses.

Total 2021 business-type activities charges for services revenues increased \$118,316 from 2020. Total business-type expenses decreased \$43,730 from 2020 primarily resulting from decreases in line maintenance and repairs.

**CITY OF PARKVILLE, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2021**

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 \$5,153,343. Of this amount \$4,545,495 is *non-spendable, restricted, committed or assigned* for various purposes and \$607,848 is unassigned.

The General Fund is the main operating fund of the City. At the end of the current fiscal year the general fund balance was \$2,074,411. 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 12.3% of total general fund expenditures. Included in the general fund's committed fund balance is the City's emergency reserve fund which totaled \$1,332,108 at December 31, 2021.

The City's fund balance of the general fund decreased \$248,616 during the current fiscal year. General Fund revenues increased by \$252,756 from 2020 primarily related to increases in tax revenues of \$290,657 exceeding the decrease of \$162,435 in intergovernmental grants. 2021 General Fund expenditures were approximately \$129,470 more than 2020 primarily due to public safety expenditures.

At December 31, 2021, the Transportation Sales Tax Fund has an ending fund balance of \$291,845. The fund balance increased \$194,963 during the year mainly due to a transfer in from the ARPA fund.

The Debt Service Fund has a total fund balance of \$37,511, all of which is restricted for the payment of principal, interest, and fees. The fund balance decreased by \$7,219,806 during the year primarily due to the 2020 issuance of the Series 2020A and Series 2020B crossover refunding bonds discussed above.

Proprietary Fund

The City's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail. The net position of the sewer fund at the end of the year totaled \$4,183,959 of which \$953,110 is unrestricted. The sewer fund's net position decreased by \$41,660 from the prior year.

General Fund Actual to Budget Analysis

Actual revenues were over budgeted revenues by \$352,819 primarily related to intergovernmental and licenses and permits revenues. Actual expenditures were \$443,395 under the final budget. The City routinely outperforms budget due to careful management, conservative budgeting, and personnel savings due to routine vacancies throughout the year. Costs were managed well below budget.

**CITY OF PARKVILLE, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2021**

Capital Asset and Debt Administration

Capital Assets

At the end of year, the City had \$18,184,794 invested in capital assets including land, construction in progress, buildings, equipment, vehicles, infrastructure, and sewer lines net of accumulated depreciation. (See table below) This represents a net decrease of \$400,287 from last year as current year capital asset additions primarily related to contributed infrastructure assets 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			
	2021	2020	2021	2020	2021	2020
Land	\$ 2,719,880	\$ 2,719,880	\$ 59,975	\$ 59,975	\$ 2,779,855	\$ 2,779,855
Buildings and improvements	3,046,241	3,100,638	1,163,735	1,351,289	4,209,976	4,451,927
Equipment and vehicles	382,095	386,501	4,926	10,356	387,021	396,857
Infrastructure	8,425,182	8,498,748	2,382,760	2,457,694	10,807,942	10,956,442
Total	<u>\$ 14,573,398</u>	<u>\$ 14,705,767</u>	<u>\$ 3,611,396</u>	<u>\$ 3,879,314</u>	<u>\$ 18,184,794</u>	<u>\$ 18,585,081</u>

**CITY OF PARKVILLE, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2021**

Long-Term Obligations - At the end of the current fiscal year, the City had total long-term obligations outstanding of \$12,093,803.

**City of Parkville, Missouri
Outstanding Debt**

	Governmental		Business-Type		Total	
	Activities		Activities			
	2021	2020	2021	2020	2021	2020
Limited General Obligation						
Bonds (plus premium)	\$ 6,725,000	\$ 14,648,038	\$ -	\$ -	\$ 6,725,000	\$ 14,648,038
Certificates of Participation	4,736,126	2,035,521	-	-	4,736,126	2,035,521
Lease purchase agreement	-	1,626,900	-	-	-	1,626,900
Compensated Absences	81,840	84,048	-	-	81,840	84,048
Revenue Bonds (plus premium)		-	550,837	718,756	550,837	718,756
Total	<u>\$ 11,542,966</u>	<u>\$ 18,394,507</u>	<u>\$ 550,837</u>	<u>\$ 718,756</u>	<u>\$ 12,093,803</u>	<u>\$ 19,113,263</u>

The governmental activities decreased by \$6,851,541 and the business-type activities decreased \$167,919. As discussed previously, the decrease in governmental activities debt relates to the 2020 issuance of the Series 2020A and Series 2020B crossover refunding bonds. The crossover refunding occurred March 1, 2021.

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 2022 revenues and expenditure budgets at or near 2021 levels. The 2022 budget maintains essential services at current levels and directs limited additional resources toward the 2023 Priorities as established by the Board of Aldermen in August 2022. The City reaffirmed the five Critical Success Factors of Basic Services, Infrastructure, Economic Development, Parks and Finances. The City established priorities for the next twelve to eighteen months that focused on specific strategies in five goal areas: Service Delivery and Communications, Parks and Recreation, Infrastructure and Public Facilities, Economic Development and Financial Stability. The City continues to experience steady growth in its retail, residential, and commercial base that bodes well for future financial security. Like all cities, Parkville has experienced some negative effects as a result of the COVID-19 pandemic. But steady revenues and ample reserves have allowed the City to weather the storm. In early 2019, the Board approved a redevelopment agreement and economic development contract with a developer for a multi-phased project known as "Creekside", a proposed mixed use development located at the southeast, southwest, and northwest quadrants of the intersection of Highway 45 and Interstate 435. Progress on this and other developments have been made throughout 2021 and 2022. The City continues to take advantage of grant opportunities and strategic financing. For example, the City reissued the Brink Meyer and Brush Creek NID Bonds which will result in taxpayer savings of over \$1.3 million. Property owners and the City's general budget will benefit from the interest savings, which will average approximately \$97,000 per year until 2034. The City received \$1,445,188 in American Rescue Plan funds. Half of these funds were distributed in 2021 with the remainder received in 2022. Amongst the eligible use of these funds is the replacement of lost public sector revenue due to the pandemic. The City is considering using a portion of these funds to offset eligible expenses in the General Fund and Transportation Fund, which will improve the City's budgetary performance.

**CITY OF PARKVILLE, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2021**

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, 2021

	Primary Government		Total
	Governmental Activities	Business-type Activities	
Assets			
Cash and investments	\$ 4,111,744	\$ 840,188	\$ 4,951,932
Receivables:			
Taxes	562,296	-	562,296
Special assessments	2,355,314	-	2,355,314
Accounts and other	-	203,647	203,647
Creekside receivables	5,600,000	-	5,600,000
Due from other governments	2,222,638	-	2,222,638
Prepays, deposits, and other assets	134,455	-	134,455
Restricted assets:			
Cash and investments	817,483	183,775	1,001,258
Capital assets:			
Not being depreciated	2,719,880	59,975	2,779,855
Being depreciated, net of depreciation	11,853,518	3,551,421	15,404,939
Total assets	<u>30,377,328</u>	<u>4,839,006</u>	<u>35,216,334</u>
Deferred Outflows of Resources			
Deferred amount on refunding	15,325	-	15,325
Deferred outflow - pension related activity	302,492	-	302,492
Total deferred outflows of resources	<u>317,817</u>	<u>-</u>	<u>317,817</u>
Liabilities			
Accounts payable	930,067	75,846	1,005,913
Accrued payroll and benefits	109,589	2,004	111,593
Accrued interest	69,316	12,875	82,191
Unearned revenue	447,594	-	447,594
Payable from restricted assets:			
Customer deposits	-	13,485	13,485
Long term debt:			
Due within one year	1,331,943	165,000	1,496,943
Due in more than one year	10,211,023	385,837	10,596,860
Net pension liability	280,498	-	280,498
Total liabilities	<u>13,380,030</u>	<u>655,047</u>	<u>14,035,077</u>
Deferred Inflows of Resources			
Deferred inflow - property taxes	279,446	-	279,446
Deferred inflow - pension related activity	620,173	-	620,173
Deferred amount on refunding	256,635	-	256,635
Total deferred inflows of resources	<u>1,156,254</u>	<u>-</u>	<u>1,156,254</u>
Net Position			
Net investment in capital assets	9,955,376	3,060,559	13,015,935
Restricted :			
Capital projects	313,422	-	313,422
Debt service	37,511	170,290	207,801
Public safety	100,343	-	100,343
Parks and recreation	979,035	-	979,035
Community development	825,614	-	825,614
Fewson trust (non-expendable)	579,596	-	579,596
Unrestricted	3,367,964	953,110	4,321,074
Total net position	<u>\$ 16,158,861</u>	<u>\$ 4,183,959</u>	<u>\$ 20,342,820</u>

See accompanying notes to the basic financial statements

CITY OF PARKVILLE, MISSOURI
Statement of Activities
For the Year Ended December 31, 2021

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Operating		Capital	Primary Government		
		Charges for Services	Grants and Contributions	Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary government:							
Governmental activities							
General government	\$ 1,649,704	\$ 993,744	\$ -	\$ -	\$ (655,960)	\$ -	\$ (655,960)
Public safety	1,564,058	66,310	20,464	-	(1,477,284)	-	(1,477,284)
Public works	5,788,532	14,782	290,222	3,378,652	(2,104,876)	-	(2,104,876)
Parks and recreation	1,371,621	32,475	113,404	16,000	(1,209,742)	-	(1,209,742)
Community development	393,048	-	-	125,397	(267,651)	-	(267,651)
Interest on long-term debt	231,620	-	-	-	(231,620)	-	(231,620)
Total governmental activities	10,998,583	1,107,311	424,090	3,520,049	(5,947,133)	-	(5,947,133)
Business-type activities							
Sewer	1,695,302	1,628,972	-	17,663	-	(48,667)	(48,667)
Total business-type activities	1,695,302	1,628,972	-	17,663	-	(48,667)	(48,667)
Total primary government	\$ 12,693,885	\$ 2,736,283	\$ 424,090	\$ 3,537,712	(5,947,133)	(48,667)	(5,995,800)
General revenues:							
Taxes:							
Property taxes, levied for general purpose					1,517,909	-	1,517,909
Property taxes, levied for debt service					451,816	-	451,816
Sales taxes					3,042,926	-	3,042,926
Franchise taxes					812,268	-	812,268
Intergovernmental activity taxes					218,543	-	218,543
Other taxes					6,410	-	6,410
Unrestricted investment earnings					6,848	1,462	8,310
Gain on sale of assets					36,660	-	36,660
Miscellaneous					92,828	5,545	98,373
Total general revenues					6,186,208	7,007	6,193,215
Change in net position					239,075	(41,660)	197,415
Net position, beginning of year					15,919,786	4,225,619	20,145,405
Net position, end of year					\$ 16,158,861	\$ 4,183,959	\$ 20,342,820

See accompanying notes to the basic financial statements

CITY OF PARKVILLE, MISSOURI
Balance Sheet - Governmental Funds
December 31, 2021

	General	Transportation Sales Tax Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash and investments	\$ 1,663,631	\$ 176,874	\$ -	\$ -	\$ 2,271,239	\$ 4,111,744
Receivables:						
Taxes	314,172	102,543	-	-	145,581	562,296
Special assessments	-	-	2,355,314	-	-	2,355,314
Accounts and other	-	-	-	-	-	-
Creekside receivables	5,600,000	-	-	-	-	5,600,000
Due from other governments	131,147	13,486	-	2,078,005	-	2,222,638
Due from other funds	435,953	-	-	-	-	435,953
Prepays, deposits and other assets	134,455	-	-	-	-	134,455
Restricted cash and investments	-	-	216,310	-	601,173	817,483
Total Assets	\$ 8,279,358	\$ 292,903	\$ 2,571,624	\$ 2,078,005	\$ 3,017,993	\$ 16,239,883
Liabilities						
Accounts payable	\$ 165,941	\$ 1,058	\$ -	\$ 698,834	\$ 64,234	\$ 930,067
Accrued payroll and benefits	109,589	-	-	-	-	109,589
Unearned revenue	-	-	-	-	447,594	447,594
Due to other funds	-	-	67,279	368,674	-	435,953
Total Liabilities	275,530	1,058	67,279	1,067,508	511,828	1,923,203
Deferred inflows of resources						
Unavailable revenues:						
Creekside receivables	5,600,000	-	-	-	-	5,600,000
Grants	124,563	-	-	767,086	-	891,649
Special assessments and property taxes	204,854	-	2,466,834	-	-	2,671,688
	5,929,417	-	2,466,834	767,086	-	9,163,337
Fund balances:						
Nonspendable:						
Prepaid items	134,455	-	-	-	-	134,455
Fewson trust	-	-	-	-	579,596	579,596
Restricted:						
Capital projects	-	291,845	-	-	21,577	313,422
Debt service	-	-	37,511	-	-	37,511
Public safety	-	-	-	-	100,343	100,343
Parks and recreation	-	-	-	-	979,035	979,035
Community development	-	-	-	-	825,614	825,614
Committed:						
Emergency reserve	1,332,108	-	-	-	-	1,332,108
Assigned:						
Capital projects	-	-	-	243,411	-	243,411
Unassigned	607,848	-	-	-	-	607,848
Total fund balance	2,074,411	291,845	37,511	243,411	2,506,165	5,153,343
Total liabilities, deferred inflows of resources and fund balances	\$ 8,279,358	\$ 292,903	\$ 2,571,624	\$ 2,078,005	\$ 3,017,993	\$ 16,239,883

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, 2021

Fund balances of governmental funds	\$ 5,153,343
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Long-term note receivable and special assessments are not available to pay for current period expenditures and are therefore deferred in the fund statements	7,992,242
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental fund statements.	14,573,398
Deferred amounts on refunding are not due or payable in the current period and therefore are not reported in the governmental fund statements	(241,310)
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	(317,681)
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.	(69,316)
The net pension liability is not due and payable and therefore is not recorded in the governmental fund statements.	(280,498)
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	(11,542,966)
Net position of governmental activities	\$ 16,158,861

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, 2021

	General	Transportation Sales Tax Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:						
Taxes	\$ 3,386,895	\$ 561,963	\$ 451,816	\$ -	\$ 1,430,654	\$ 5,831,328
Intergovernmental	212,096	514,592	125,504	1,594,180	494,603	2,940,975
Charges for services	30,885	-	-	-	-	30,885
Fines and forfeitures	66,311	-	-	-	-	66,311
Licenses and permits	589,564	-	-	-	-	589,564
Special assessments	-	-	237,610	-	125,397	363,007
Grants and donations	-	1,293	-	-	67,315	68,608
Charges for sewer administration	350,000	-	-	-	-	350,000
Interest	4,623	-	257	-	1,968	6,848
Other	146,957	16,425	-	13,000	4,724	181,106
Total Revenues	4,787,331	1,094,273	815,187	1,607,180	2,124,661	10,428,632
Expenditures:						
Current:						
General government	1,581,586	-	-	-	-	1,581,586
Public safety	1,666,975	-	-	-	22,915	1,689,890
Public works	801,362	-	-	-	-	801,362
Parks and recreation	494,981	-	-	-	880,222	1,375,203
Community development	384,483	-	-	-	21,481	405,964
Capital outlay	-	699,245	-	4,042,497	-	4,741,742
Debt service:						
Principal	-	-	9,600,709	-	-	9,600,709
Interest and fiscal charges	-	-	328,270	86,664	-	414,934
Total Expenditures	4,929,387	699,245	9,928,979	4,129,161	924,618	20,611,390
Excess of Revenues Over (Under) Expenditures	(142,056)	395,028	(9,113,792)	(2,521,981)	1,200,043	(10,182,758)
Other financing sources (uses):						
Transfers in	216,200	200,000	1,893,986	89,300	44,923	2,444,409
Transfers out	(359,420)	(400,065)	-	(1,323,801)	(361,123)	(2,444,409)
Sale of assets	36,660	-	-	-	-	36,660
Issuance of Certificates of Participation	-	-	-	2,985,000	-	2,985,000
Issuance premium	-	-	-	107,782	-	107,782
Total Other Financing Sources (Uses)	(106,560)	(200,065)	1,893,986	1,858,281	(316,200)	3,129,442
Net change in fund balances	(248,616)	194,963	(7,219,806)	(663,700)	883,843	(7,053,316)
Fund balances, beginning of year	2,323,027	96,882	7,257,317	907,111	1,622,322	12,206,659
Fund balances, end of year	\$ 2,074,411	\$ 291,845	\$ 37,511	\$ 243,411	\$ 2,506,165	\$ 5,153,343

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, 2021**

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

Net change in fund balances - total governmental funds	\$ (7,053,316)
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay costs in excess of capitalization threshold	215,617
Depreciation	(537,428)
Donated capital assets	189,442

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

Special assessments, notes receivable, and grants	582,924
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position.

Principal payments on long-term debt	9,600,709
Proceeds from debt	(2,985,000)
Premium	(107,782)
Changes in unamortized bond issuance premium and deferred amounts on refunding	81,804
Changes in accrued interest expense	101,510

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

Change in compensated absences and net pension liability	<u>150,595</u>
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Change in net position of governmental activities	<u><u>\$ 239,075</u></u>
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See accompanying notes to the basic financial statements

CITY OF PARKVILLE, MISSOURI
Statement of Net Position
Proprietary Fund
December 31, 2021

Exhibit E

	<u>Sewer Fund</u>
Assets	
Current assets:	
Cash and investments	\$ 840,188
Receivables, net:	
Accounts and other	203,647
Restricted cash and investments	183,775
Total current assets	<u>1,227,610</u>
Noncurrent assets:	
Capital assets:	
Not being depreciated	59,975
Being depreciated, net of depreciation	3,551,421
Total noncurrent assets	<u>3,611,396</u>
Total assets	<u>4,839,006</u>
Liabilities	
Current liabilities:	
Accounts payable	75,846
Accrued liabilities	2,004
Current liabilities (payable from restricted assets):	
Customer deposits	13,485
Interest payable	12,875
Current portion of bonds payable	165,000
Total current liabilities:	<u>269,210</u>
Long-term liabilities:	
Bonds payable	385,837
Total long-term liabilities:	<u>385,837</u>
Total liabilities	<u>655,047</u>
Net position	
Net investment in capital assets	3,060,559
Restricted net position for:	
Debt service	170,290
Unrestricted	953,110
Total net position	<u>\$ 4,183,959</u>

See accompanying notes to the basic financial statements

Exhibit F

CITY OF PARKVILLE, MISSOURI
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Fund
For the Year Ended December 31, 2021

	Sewer Fund
Operating revenues:	
Charges for services	\$ 1,628,972
Other	5,545
Total operating revenues	1,634,517
Operating expenses:	
Personnel services	45,482
Contractual services	355,482
Administrative fee	350,000
Depreciation	267,918
Repairs and maintenance	622,043
Other	33,666
Total operating expenses	1,674,591
Operating income (loss)	(40,074)
Nonoperating revenues (expenses):	
Intergovernmental revenues	17,663
Interest income	1,462
Interest expense	(20,711)
Total nonoperating revenues (expenses)	(1,586)
Change in net position	(41,660)
Total net position, beginning of year	4,225,619
Total net position, end of year	\$ 4,183,959

See accompanying notes to the basic financial statements

CITY OF PARKVILLE, MISSOURI
Statement of Cash Flows
Proprietary Fund
For the Year Ended December 31, 2021

	Sewer Fund
Cash flows from operating activities:	
Receipts from customers and others	\$ 1,612,045
Payments to suppliers	(1,334,831)
Payments to employees	(45,066)
Net cash provided by (used in) operating activities	232,148
Cash flows provided by noncapital financing activities:	
Intergovernmental revenues	17,663
Net cash flows provided by noncapital financing activities	17,663
Cash flows from investing activities:	
Interest received	1,462
Net cash flows provided by investing activities	1,462
Cash flows from capital and related financing activities:	
Interest and fiscal charges	(32,830)
Principal payments on long-term debt	(160,000)
Net cash provided by (used in) capital and related financing activities	(192,830)
Net change in cash and equivalents	58,443
Cash and equivalents, beginning of year	965,520
Cash and equivalents, end of year	\$ 1,023,963
Cash and investments reported on the Statement of Net Position	
Cash and investments	\$ 840,188
Restricted cash and investments	183,775
Total cash and investments	\$ 1,023,963
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:	
Operating income (loss)	\$ (40,074)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operations:	
Depreciation and amortization	267,918
Changes in:	
Receivables	(22,472)
Accounts payable	26,360
Accrued liabilities	416
Net cash provided by (used in) operating activities	\$ 232,148

See accompanying notes to the basic financial statements

CITY OF PARKVILLE, MISSOURI
 Statement of Fiduciary Net Position
 Fiduciary Fund
 December 31, 2021

	<u>Custodial Fund</u> <u>Municipal</u> <u>Court</u>
Assets	
Cash and investments	<u>\$ 12,384</u>
Total assets	<u>12,384</u>
Liabilities	
Due to others	<u>12,384</u>
Total liabilities	<u>12,384</u>
Net Position	<u>\$ -</u>

See accompanying notes to the basic financial statements

CITY OF PARKVILLE, MISSOURI
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Year Ended December 31, 2021

	Custodial Fund
	Municipal Court
Additions	
Deposits	\$ 64,711
Total Additions	64,711
Deductions	
Payments to others	64,711
Total deductions	64,711
Net changes in fiduciary net position	-
Net position - beginning	-
Net position - ending	\$ -

See accompanying notes to the basic financial statements

CITY OF PARKVILLE, MISSOURI

Notes to the Basic Financial Statements

December 31, 2021

(1) Summary of Significant Accounting Policies

The City of Parkville, Missouri (the City) was incorporated on February 6, 1957. The City is a fourth class city and operates under a Mayor-Board of Aldermen form of government. The City Administrator is the chief administrative officer of the City. The City provides services to approximately 7,200 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, 2021

Fund financial statements

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

GOVERNMENTAL FUNDS

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

The following are the City's major governmental funds:

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

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

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

Capital Projects Fund – This fund is used to account for major capital improvement projects.

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 wastewater and sewer services to the general public. All activities necessary to provide such services are accounted for in this fund, including administration, operations, maintenance, financing and related debt service, and billing and collection.

FIDUCIARY FUND

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

CITY OF PARKVILLE, MISSOURI

Notes to the Basic Financial Statements

December 31, 2021

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, 2021

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 Sewer Fund net of an allowance for doubtful accounts.

F. Special Assessments Receivable

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

G. Prepaid Items

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

H. Capital Assets

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

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, 2021

Depreciation on exhaustible assets is recorded as an allocated expense in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Position and is provided on the straight-line basis over the following estimated useful lives:

Infrastructure	20 – 40 years
Buildings and improvements	20 – 40 years
Equipment and vehicles	5 – 10 years
Sewer plant and collection systems	20 – 50 years

I. Compensated Absences

Under terms of the City's personnel policy, City employees are granted vacation 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 change in actual and projected experience, and pension contributions made by the City subsequent to the pension valuation date. The contribution amount will be applied during the next fiscal year while the changes in actual versus projected amounts and change in assumptions will be amortized over five to seven years.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net 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 three types of items, which arises under the accrual and modified accrual basis of accounting, which qualify for reporting in this category. The first one relates to changes in assumptions, the change in actual and projected experience in calculating the pension liability, and the difference between actual and projected earnings in calculating the net pension liability. The second item, unavailable revenue, is reported in both the statement of net position and in the governmental funds balance sheet. The governmental funds report unavailable revenues related to taxes, note receivable, and special assessments, fees, and grants. The third item is the deferred credit on refunding reported in the government-wide statement of net position. A deferred credit on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunding or refunded debt. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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

CITY OF PARKVILLE, MISSOURI

Notes to the Basic Financial Statements

December 31, 2021

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 \$350,000 for the year ended December 31, 2021.

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

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

L. Fund Balances

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

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

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

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

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

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

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

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

CITY OF PARKVILLE, MISSOURI

Notes to the Basic Financial Statements

December 31, 2021

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. 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, 2021

(2) Cash and Investments

A reconciliation of cash and investments as shown on the government-wide statement of net position and statement of fiduciary net position is as follows:

Cash on hand	\$	581
Demand deposits		5,391,003
Certificates of deposits		353,662
US treasuries and agency securities		50,038
Restricted cash equivalents held in trust		170,290
	\$	5,965,574

	Government-wide statement of net position	Fiduciary fund statement of net position	Total
Cash and investments	\$ 4,951,932	\$ 12,384	\$ 4,964,316
Restricted cash and investments	1,001,258	-	1,001,258
	\$ 5,953,190	\$ 12,384	\$ 5,965,574

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, 2021, 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, 2021.

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, 2021

The City has the following recurring fair value measurements as of December 31, 2021.

<u>Investment</u>	<u>Level 1</u>
Federal Home Loan Bank	\$ 50,038

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, 2021, was \$297,521,234.

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	\$ 0.4400
General Revenue- Temporary	0.1664
	\$ 0.6064

Tax revenues for the year ended December 31, 2021 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	\$ 1,402,592	\$ 1,172,035	\$ 812,268	\$ -	\$ 3,386,895
Transportation Sales Tax	-	561,963	-	-	561,963
Debt Service	451,816	-	-	-	451,816
Nonmajor funds	115,317	1,308,927	-	6,410	1,430,654
	\$ 1,969,725	\$ 3,042,925	\$ 812,268	\$ 6,410	\$ 5,831,328

CITY OF PARKVILLE, MISSOURI

Notes to the Basic Financial Statements

December 31, 2021

Taxes receivable represent property, sales, and franchise taxes, including interest and penalties, reduced by an appropriate allowance for uncollectable taxes. Taxes receivable consisted of the following at December 31, 2021:

	Sales Taxes	Franchise Taxes	Total
Major governmental funds:			
General	\$ 212,946	\$ 101,226	\$ 314,172
Transportation Sales Tax	102,543	-	102,543
Nonmajor funds	145,581	-	145,581
Total sales taxes receivable	<u>\$ 461,070</u>	<u>\$ 101,226</u>	<u>\$ 562,296</u>

(4) Intergovernmental Revenues/Receivables

Intergovernmental revenues for the year ended December 31, 2021 consisted of the following:

	General	Transportation Sales Tax	Debt Service	Capital Projects	Nonmajor Funds	Total
Grants - Federal, State and Local	\$ 124,175	\$ -	\$ -	\$ 1,594,180	\$ 275,000	\$1,993,355
State:						
Motor vehicle taxes and fees	87,921	152,240	-	-	-	240,161
Local:						
Special road district	-	168,250	-	-	-	168,250
County transportation	-	194,102	-	-	-	194,102
Economic activity taxes	-	-	-	-	219,603	219,603
9 Hwy CID	-	-	125,504	-	-	125,504
Total intergovernmental revenues	<u>\$ 212,096</u>	<u>\$ 514,592</u>	<u>\$ 125,504</u>	<u>\$ 1,594,180</u>	<u>\$ 494,603</u>	<u>\$2,940,975</u>

Amounts due from other governments at December 31, 2021, were as follows:

	General	Transportation Sales Tax	Capital Projects	Total
Grants - Federal, State and Local	\$ 124,573	\$ -	\$ 2,078,005	\$2,202,578
Motor vehicle taxes and fees	6,574	13,486	-	20,060
Total due from other governments	<u>\$ 131,147</u>	<u>\$ 13,486</u>	<u>\$ 2,078,005</u>	<u>\$2,222,638</u>

CITY OF PARKVILLE, MISSOURI

Notes to the Basic Financial Statements

December 31, 2021

(5) Interfund Activity

Transfers between funds for the year ended December 31, 2021 were as follows:

	Transfers Out:				Total
	General	Transportation Sales Tax	Capital Projects	Nonmajor Governmental Funds	
Transfers In:					
Governmental activities:					
General	\$ -	\$ 175,000	\$ -	\$ 41,200	\$ 216,200
Transportation Sales Tax	-	-	-	200,000	200,000
Debt Service	359,420	210,765	1,323,801	-	1,893,986
Capital Projects	-	-	-	89,300	89,300
Nonmajor Governmental Funds	-	14,300	-	30,623	44,923
Total	\$ 359,420	\$ 400,065	\$ 1,323,801	\$ 361,123	\$ 2,444,409

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) to use unrestricted revenues collected in a fund used to finance various programs and debt service payments accounted for in other funds in accordance with budgetary authorizations. Any transfers within the governmental funds or within the proprietary funds have been eliminated in the government-wide statement of activities.

Interfund receivable and payable balances as of December 31, 2021 were as follows:

	Due to: General Fund
Due from:	
Debt Service Fund	\$ 67,279
Capital Projects Fund	368,674
	\$ 435,953

Amounts due to the General Fund represent advances for short-term cash flow needs.

CITY OF PARKVILLE, MISSOURI

Notes to the Basic Financial Statements

December 31, 2021

(6) Capital Assets

A summary of the changes in capital assets for the year ended December 31, 2021 is as follows:

	December 31, 2020	Additions	Deletions	December 31, 2021
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 2,719,880	\$ -	\$ -	\$ 2,719,880
Total capital assets, not being depreciated	2,719,880	-	-	2,719,880
Capital assets, being depreciated				
Buildings and improvements	4,890,410	82,397	-	4,972,807
Equipment and vehicles	2,635,563	133,220	114,531	2,654,252
Infrastructure	10,793,448	189,442	-	10,982,890
Total capital assets being depreciated	18,319,421	405,059	114,531	18,609,949
Less accumulated depreciation for:				
Buildings and improvements	1,789,772	136,794	-	1,926,566
Equipment and vehicles	2,249,062	137,626	114,531	2,272,157
Infrastructure	2,294,700	263,008	-	2,557,708
Total accumulated depreciation	6,333,534	537,428	114,531	6,756,431
Total capital assets being depreciated, net	11,985,887			11,853,518
Governmental activities capital assets, net	\$ 14,705,767			\$ 14,573,398

CITY OF PARKVILLE, MISSOURI

Notes to the Basic Financial Statements

December 31, 2021

	December 31, 2020	Additions	Deletions	December 31, 2021
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	5,503,734	-	-	5,503,734
Equipment and vehicles	320,659	-	-	320,659
Infrastructure	3,709,528	-	-	3,709,528
Total capital assets being depreciated	9,533,921	-	-	9,533,921
Less accumulated depreciation for:				
Buildings and improvements	4,152,445	187,554	-	4,339,999
Equipment and vehicles	310,303	5,430	-	315,733
Infrastructure	1,251,834	74,934	-	1,326,768
Total accumulated depreciation	5,714,582	267,918	-	5,982,500
Total capital assets being depreciated, net	3,819,339			3,551,421
Business-type activities capital assets, net	\$ 3,879,314			\$ 3,611,396

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

Governmental activities:

General government	\$ 120,085
Public safety	24,216
Public works	329,335
Parks and recreation	60,261
Community development	3,531
Total depreciation expense for governmental activities	\$ 537,428

Business-type activities:

Sewer	\$ 267,918
Total depreciation expense for business-type activities	\$ 267,918

CITY OF PARKVILLE, MISSOURI

Notes to the Basic Financial Statements

December 31, 2021

(7) Long Term Debt

A summary of the changes in long term debt for the year ended December 31, 2021 is as follows:

	Beginning of Year	Adjustments/ Additions	Adjustments/ Retirements	End of Year	Due Within One Year
Governmental Activities:					
Limited general obligation bonds:					
Series 2014A - Brush Creek	\$ 4,500,000	\$ -	\$ 4,500,000	\$ -	\$ -
Series 2014B - Brink Meyer	3,085,000	-	3,085,000	-	-
Premium on issuance	338,038	-	338,038	-	-
Series 2020A - Brush Creek	3,995,000	-	-	3,995,000	285,000
Series 2020B - Brink Meyer	2,730,000	-	-	2,730,000	195,000
	<u>14,648,038</u>	<u>-</u>	<u>7,923,038</u>	<u>6,725,000</u>	<u>480,000</u>
Certificates of participation - 2015	2,035,521	-	388,809	1,646,712	395,103
Certificates of participation - 2021A	-	2,985,000	-	2,985,000	375,000
Premium on issuance	-	107,782	3,368	104,414	-
Lease purchase agreement	1,626,900	-	1,626,900	-	-
* Compensated absences	84,048	-	2,208	81,840	81,840
	<u>18,394,507</u>	<u>3,092,782</u>	<u>9,944,323</u>	<u>11,542,966</u>	<u>1,331,943</u>
Business-type Activities:					
Revenue bonds	695,000	-	160,000	535,000	165,000
Premium on issuance	23,756	-	7,919	15,837	-
	<u>718,756</u>	<u>-</u>	<u>167,919</u>	<u>550,837</u>	<u>165,000</u>
Total Primary Government	<u>\$ 19,113,263</u>	<u>\$ 3,092,782</u>	<u>\$ 10,112,242</u>	<u>\$ 12,093,803</u>	<u>\$ 1,496,943</u>

A. Limited General Obligation Bonds

The City has issued special limited general obligation bonds to provide funds for the acquisition and construction of certain neighborhood improvement projects. Financing is provided by special assessments levied within the respective Districts. Special general obligation bonds are direct obligations and pledge the full faith and credit of the City. The City's limited general obligation bonds as of December 31, 2021 are as follows:

Series 2020A - Taxable Neighborhood Improvement District - Limited General Obligation Refunding Bonds (Brush Creek Drainage Area Neighborhood Improvement Project); due in annual installments through March 1, 2034; interest at 0.7% to 2.0%	\$ 3,995,000
Series 2020B - Taxable Neighborhood Improvement District - Limited General Obligation Refunding Bonds (Brink Meyer Road Neighborhood Improvement Project); due in annual installments through March 1, 2034; interest at 0.7% to 2.0%	<u>2,730,000</u>
Total limited general obligation bonds	<u>\$ 6,725,000</u>

CITY OF PARKVILLE, MISSOURI

Notes to the Basic Financial Statements

December 31, 2021

Crossover Refunding

In June 2020, the City issued \$3,995,000 Series 2020A, Taxable Neighborhood Improvement District Limited General Obligation Refunding Bonds (Brush Creek Drainage Area Neighborhood Improvement Project) Bonds (2020A bonds). The 2020A Bonds have been structured as a crossover advance refunding. Net proceeds of the bonds along with available Series 2014A bond trust funds totaling \$4,300,413 were deposited in trust with an escrow agent to 1) pay the interest on the Series 2020A Bonds to and including March 1, 2021, the anticipated call date of the Series 2014A Bonds and 2) redeem the Series 2014A refunded maturities on the anticipated call date of March 1, 2021 at a price of par plus accrued interest.

The City issued the 2020A bonds to reduce its net debt service payments by approximately \$685,259 which resulted in a net economic gain of \$611,747.

In June 2020, the City issued \$2,730,000 Series 2020B, Taxable Neighborhood Improvement District Limited General Obligation Refunding Bonds (Brink Meyer Road Neighborhood Improvement Project) Bonds (2020B bonds). The 2020B Bonds have been structured as a crossover advance refunding. Net proceeds of the bonds along with available Series 2014B bond trust funds totaling \$2,949,228 were deposited in trust with an escrow agent to 1) pay the interest on the Series 2020B Bonds to and including March 1, 2021, the anticipated call date of the Series 2014B Bonds and 2) redeem the Series 2014B refunded maturities on the anticipated call date of March 1, 2021 at a price of par plus accrued interest.

The City issued the 2020B bonds to reduce its net debt service payments by approximately \$681,070 which resulted in a net economic gain of \$605,627.

On March 1, 2021, the 2014A and 2014B bonds were redeemed in accordance with the crossover refunding.

Brush Creek and Brink Meyer Special Assessments

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

The City has taken legal actions against certain properties located within the Brush Creek and Brink Meyer NIDs related to delinquent special assessments on those properties. These properties are no longer subject to Brush Creek NID and/or the Brink Meyer Road NID special assessments.

The Brush Creek and Brink Meyer NID's originally scheduled annual special assessments necessary to meet the Series 2020A and 2020B (as noted above, the Series 2020A&B were issued to refund the 2014A&B bonds) debt service requirements was approximately \$670,000. Currently, the anticipated annual collections of special assessments are scheduled to be approximately \$255,000. During the year ended December 31, 2021, the City transferred \$359,420 from the General Fund to the Debt Service Fund to cover the shortfall of special assessments necessary to meet the 2020A and 2020B debt service requirements.

Tract IX Purchase Agreement – Meadows at Creekside

On March 5, 2019, the City entered into a Real Estate Purchase Agreement (Agreement) to sell approximately 70 acres of land held for development to a developer for a total purchase price of \$4,800,000. The agreement provides for the acquisition of the property in two phases. The initial portion (Phase I) of the property to be acquired is approximately 35 acres. The second portion (Phase II) of the property to be acquired is approximately 35 acres.

CITY OF PARKVILLE, MISSOURI

Notes to the Basic Financial Statements

December 31, 2021

The purchase price for Phase I is \$2,400,000 and is payable with \$400,000 due at the Phase I closing and the execution of a Promissory Note of \$2,000,000 delivered by the Meadows at Creekside Community Improvement District (the CID) (Phase I closing was completed in 2019). The Promissory Note is payable solely from the proceeds of special assessments levied by the CID and secured by a second deed of trust.

The purchase price for Phase II is \$2,400,000 and is payable with \$400,000 due at the Phase II closing and the execution of a Promissory Note delivered by the CID (Phase II closing occurred in 2020). The Promissory Note is payable solely from the CID special assessments and secured by a second deed of trust. The Promissory Note is payable solely from the proceeds of special assessments levied by the CID and secured by a second deed of trust.

The CID special assessments commenced in 2021. Payments on the promissory notes are scheduled to be \$300,000 per year up to a total of the outstanding note balances. At December 31, 2021, the outstanding balance of the related notes receivable totaled \$4,000,000.

Tract I Purchase Option – Creekside Industrial

In November 2020, the Developer exercised the Tract I Purchase Option. Under the Tract I Purchase Option, the Developer and City entered into a purchase and sale agreement (Tract I Purchase Agreement). The Tract I Purchase Agreement set the purchase price at \$1,600,000. Beginning January 1, 2022 and ending December 31, 2025, the City will receive \$100,000 per year from the Hotel Special Assessment. Beginning January 1, 2026, the amount increases to \$150,000 per year. In any year the contribution falls short, the Developer will pay the difference. In any year, the contribution from the Hotel Special Assessment falls short, or the Developer's failure to pay the difference, the City shall receive \$100,000 each year from available sources in the Creekside Incentive Fund. All payments will be deducted from the \$1,600,000 purchase and sale agreement receivable. At December 31, 2021, the outstanding balance of the purchase and sale agreement receivable totaled \$1,600,000.

B. Certificates of Participation

During fiscal year 2015, the City issued \$3,383,722 Refunding Certificates of Participation Series 2015 to current refund the 2006 Certificates of Participation issued for the purpose of constructing City Hall, public parking lot and certain other capital improvements within the City. A temporary tax levy was approved to fund a portion of the debt service payments. Principal and interest payments are due semi-annually beginning on September 1, 2016 through March 1, 2027 with principal payments ranging from \$139,867 to \$444,872, with an interest rate of 2.24%. The outstanding balance at December 31, 2021, is \$1,646,712.

During fiscal year 2021, the City issued \$2,985,000 Certificates of Participation Series 2021A to provide funding for the Route 9 Project and provide funding to pay the Lease Purchase Agreement discussed in Note 7 C. below. Principal and interest payments are due semi-annually beginning on March 1, 2022 through March 1, 2037 with principal payments ranging from \$160,000 to \$375,000, with an interest rate of 2.0%. The outstanding balance at December 31, 2021, is \$2,985,000.

C. Lease Purchase Agreement

During fiscal year 2017, the City entered into a lease purchase agreement for \$2,353,700 for the purpose of transportation related capital improvements. Principal and interest payments are due semi-annually beginning on September 1, 2017 through March 1, 2022 with principal payments ranging from \$194,100 to \$1,310,700, with an interest rate of 2.19%. On February 27, 2020, the lease purchase agreement was amended providing additional funds of \$79,700 and to restructure the scheduled note maturities due to the unanticipated delays in the project and receipt of the related funding as it was projected that the federal funds would be available to the City to be used for the originally scheduled March 1, 2020 debt service payment of \$1,329,800. The lease purchase agreement was prepaid with proceeds from the 2021A Certificates of Participation.

CITY OF PARKVILLE, MISSOURI

Notes to the Basic Financial Statements

December 31, 2021

D. Revenue Bonds

The City issued Sewerage System Revenue Bonds (State Revolving Loan Fund (SRF)) Series 2004A in the original amount of \$2,750,000. The Series 2004A Sewerage System Revenue Bonds are special, limited obligations of the City payable solely from, and secured by a pledge of, the net revenues of the Sewer Fund. The bonds are due in annual installments of \$30,000 to \$170,000 through January 1, 2025 with interest ranging from 3.0% to 5.25%. The outstanding balance at December 31, 2021, is \$535,000.

E. Future Debt Service Requirements

Year Ending December 31,	Governmental Activities					
	Limited General Obligation Refunding Bonds - Series 2020A (Brush Creek)		Limited General Obligation Refunding Bonds - Series 2020B (Brink Meyer)		Certificates of Participation Series 2015	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 285,000	\$ 56,061	\$ 195,000	\$ 38,365	\$ 395,103	\$ 32,461
2023	290,000	53,904	195,000	36,903	420,474	23,327
2024	290,000	51,439	195,000	35,245	444,872	13,635
2025	295,000	48,659	200,000	33,368	123,277	7,272
2026	295,000	45,488	205,000	33,368	123,119	4,512
2027-2031	1,550,000	162,616	1,060,000	111,538	139,867	1,567
2032-2036	990,000	29,697	680,000	20,463	-	-
	<u>\$ 3,995,000</u>	<u>\$ 447,864</u>	<u>\$ 2,730,000</u>	<u>\$ 309,250</u>	<u>\$ 1,646,712</u>	<u>\$ 82,774</u>

Year Ending December 31,	Governmental Activities				Business-type Activities	
	Certificates of Participation Series 2020A		Governmental Activities Total		Sewage System Revenue Bonds Series 2004A	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 375,000	\$ 63,578	\$ 1,250,103	\$ 190,465	\$ 165,000	\$ 29,950
2023	160,000	50,600	1,065,474	164,734	170,000	21,625
2024	160,000	47,400	1,089,872	147,719	170,000	13,250
2025	165,000	44,150	783,277	133,449	30,000	5,175
2026	165,000	40,850	788,119	124,218	-	-
2027-2031	845,000	154,250	3,594,867	429,971	-	-
2032-2036	920,000	67,900	2,590,000	118,060	-	-
2037	195,000	3,900	195,000	3,900	-	-
Totals	<u>\$ 2,985,000</u>	<u>\$ 472,628</u>	<u>\$ 11,356,712</u>	<u>\$ 1,312,516</u>	<u>\$ 535,000</u>	<u>\$ 70,000</u>

F. Conduit Debt

The City is authorized to issue industrial development revenue bonds to finance the costs of office and other industrial and commercial developments. Bonds are secured by the property financed and are payable solely from payments received on the underlying lease agreements. The bonds and the interest are limited obligations of the City payable solely out of the payments, revenues, and receipts derived by the City from the lease agreements. At December 31, 2021, there are two outstanding industrial revenue bond issuances with a total principal amount of approximately \$197 million.

(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, 2021, expenses incurred under these agreements were \$33,174 (Kansas City, Missouri) and \$17,759 (Platte County Regional Sewer District).

CITY OF PARKVILLE, MISSOURI

Notes to the Basic Financial Statements

December 31, 2021

(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>2021 Valuation</u>
Benefit Multiplier:	1.75%
Final Average Salary:	5 Years
Member Contributions:	4%

Benefit terms provide for annual post retirement adjustments to each member's retirement allowance subsequent to the member's retirement date. The annual adjustment is based on the increase in the Consumer Price Index and is limited to 4% per year.

C. Employees Covered by Benefit Terms

The following employees were covered by the benefit terms:

	<u>General</u>	<u>Police</u>	<u>Total</u>
Inactive employees or beneficiaries currently receiving benefits	2	3	5
Inactive employees entitled to but not yet receiving benefits	11	10	21
Active employees	23	15	38
	<u>36</u>	<u>28</u>	<u>64</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 11.0% (General) and 13.3% (Police) of annual covered payroll.

CITY OF PARKVILLE, MISSOURI

Notes to the Basic Financial Statements

December 31, 2021

E. Net Pension Liability

The City's net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2021.

F. Actuarial Assumptions

The total pension liability in the February 28, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75% wage inflation; 2.25% price inflation
Salary Increase	2.75% to 6.75% including wage inflation
Investment rate of return	7.00%, 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 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 a weighted average of the geometric real rates of return for each major asset class rollup are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Alpha	15.00%	3.67%
Equity	35.00%	4.78%
Fixed income	31.00%	1.41%
Real Assets	36.00%	3.29%
Strategic Assets	8.00%	5.25%
Cash/Leverage	-25.00%	-0.29%

G. Discount Rate

The discount rate used to measure the total pension liability is 7.00%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

CITY OF PARKVILLE, MISSOURI

Notes to the Basic Financial Statements

December 31, 2021

H. Changes in the Net Pension Liability

	(a)	(b)	(a) - (b)
Balances at beginning of year	\$ (3,525,964)	\$ 2,418,670	\$ 1,110,294
Changes for the year:			
Service Cost	239,471	-	239,471
Interest	263,386	-	263,386
Change in benefit terms	-	-	-
Difference between expected and actual	(220,194)	-	(220,194)
Change in assumptions	(24,731)	-	(24,731)
Contributions - employer	-	263,683	(263,683)
Contributions - employee	-	84,397	(84,397)
Net investment income	-	741,438	(741,438)
Benefit payments, including refunds	(27,877)	(27,877)	-
Administrative expense	-	(5,040)	5,040
Other changes (net transfer)	-	3,250	(3,250)
Net changes	230,055	1,059,851	(829,796)
Balances at end of year	\$ (3,295,909)	\$ 3,478,521	\$ 280,498

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

The following presents the Net Pension Liability of the employer, calculated using the discount rate of 7.00%, as well as what the employer's Net Pension Liability would be using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate.

	1% Decrease 6.00%	Current Single Discount Rate Assumption 7.00%	1% Increase 8.00%
Total Pension Liability	\$ 4,388,885	\$ 3,759,019	\$ 3,247,944
Plan Fiduciary Net Position	(3,478,521)	(3,478,521)	(3,478,521)
Net Pension Liability	\$ 910,364	\$ 280,498	\$ (230,577)

CITY OF PARKVILLE, MISSOURI

Notes to the Basic Financial Statements

December 31, 2021

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

For the year ended December 31, 2021, the City recognized LAGERS pension expense of \$126,289 (\$57,648 (General) and \$68,641 (Police)). The City reported deferred outflows related to LAGERS pension from the following sources:

	<u>General</u>	<u>Police</u>	<u>Total</u>
Deferred Outflows of Resources:			
Assumption changes	\$ 11,778	\$ 7,151	\$ 18,929
Difference in experience	91,188	55,761	146,949
Contributions subsequent to the measurement date*	82,902	53,712	136,614
Total	<u>\$ 185,868</u>	<u>\$ 116,624</u>	<u>\$ 302,492</u>
Deferred Inflows of Resources:			
Assumption changes	\$ (20,644)	\$ (3,165)	\$ (23,809)
Difference between projected and actual earnings on pension plan investments	(229,891)	(141,890)	(371,781)
Difference in experience	(133,968)	(90,615)	(224,583)
Total	<u>\$ (384,503)</u>	<u>\$ (235,670)</u>	<u>\$ (620,173)</u>

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the Net Pension Liability for the year ending December 31, 2021.

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

Year ending December 31:	<u>General</u>	<u>Police</u>	<u>Total</u>
2021	\$ (66,584)	\$ (29,606)	\$ (96,190)
2022	(56,560)	(31,682)	(88,242)
2023	(53,808)	(40,950)	(94,758)
2024	(76,888)	(56,944)	(133,832)
2025	(17,424)	(13,576)	(31,000)
Thereafter	<u>(10,273)</u>	-	<u>(10,273)</u>
Total	<u>\$ (281,537)</u>	<u>\$ (172,758)</u>	<u>\$ (454,295)</u>

K. Payable to the Pension Plan

At December 31, 2021, the City paid all outstanding contributions to the LAGERS pension plan.

CITY OF PARKVILLE, MISSOURI

Notes to the Basic Financial Statements

December 31, 2021

(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, 2021, the fund had \$21,577 net appreciation on assets available for expenditure which is reported as restricted fund balance and \$579,596 in principal which is reported as nonspendable fund balance. Both of these amounts are reported as restricted net position on the government-wide statement of net position. The State of Missouri requires that recipients of endowment gifts maintain the original principal intact at the original donation value.

C. Federal and State Grants

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

D. Litigation

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

CITY OF PARKVILLE, MISSOURI

Notes to the Basic Financial Statements

December 31, 2021

(11) Development Agreements

Tax Increment Financing and Economic Development Contract

On April 23, 2019, the City entered into a Tax Increment Financing and Economic Development Contract (the Agreement) with various Creekside Development entities (the Developer). The Agreement sets forth the implementation of the Creekside Plan, including the responsibilities of the City and the Developer.

The Creekside Plan is a multi-phased project along three quadrants of the intersection of Interstate 435 and Missouri Highway 45 in the City, and consists of the following planned developments:

- The Meadows At Creekside – a planned residential development consisting of 101 single-family homes, 96 townhome units and 216 apartment units on the southeast quadrant of the interchange (consisting of approximately 43.24 acres).
- Old Town At Creekside – a planned commercial development consisting of 13 lots for six restaurants, two mixed-use retail buildings with 100 apartment units, one café, one grocery/market, one hotel and one bank on the southeast quadrant of the interchange (consisting of approximately 38.12 acres).
- The Woods At Creekside & Creekside Village – a planned residential development consisting of 115 single-family homes (consisting of approximately 32.14 acres) and 172 townhome units in 43 buildings (consisting of approximately 23.36 acres) on the northwest quadrant of the interchange.
- Creekside Commons – a planned commercial development consisting of 10 lots for three hotels, two restaurants, a quick-serve restaurant, a gas station, a pharmacy/medical office, one mixed-use retail building with 50 apartment units, and six tournament quality youth baseball and softball fields on the northwest quadrant of the interchange. The total ballfield space of Creekside Commons consists of approximately 681,240 square feet, with total building space of the development consisting of approximately square feet, and total commercial space of the development (minus hotels) consisting of 66,100 square feet.
- Creekside Industrial – a planned industrial development consisting of 29 pad sites (a total of 1,024,106 square feet) for office/service and industrial uses on the southwest quadrant of the interchange.

The estimated cost of the entire Creekside project is approximately \$335 million with financial assistance from all sources of approximately \$52 million, plus interest and financing costs.

Tract IX Purchase Agreement – Meadows at Creekside

As discussed in Note 7A, the City entered into a real estate purchase agreement to sell approximately 70 acres for the Meadows at Creekside development project.

The Meadows at Creekside Community Improvement District (Meadows CID) has been established to levy certain special assessments on each apartment unit and single family dwelling. The annual assessment will be \$1,737 per apartment unit and \$400 per single-family home. The City is scheduled to receive \$300,000 annually as payments on the promissory notes over 16 years up to a total of \$4,000,000.

CITY OF PARKVILLE, MISSOURI

Notes to the Basic Financial Statements

December 31, 2021

Tract I Purchase Option Agreement – Creekside Industrial

As discussed in Note 7A, the Developer exercised the Tract I Purchase Option. Under the Tract I Purchase Option, the Developer and City entered into a purchase and sale agreement (Tract I Purchase Agreement). The Tract I Purchase Agreement set the purchase price at \$1,600,000. Beginning January 1, 2022 and ending December 31, 2025, the City will receive \$100,000 per year from the Hotel Special Assessment. Beginning January 1, 2026, the amount increases to \$150,000 per year. In any year, the contribution from the Hotel Special Assessment falls short, or the Developer's failure to pay the difference, the City shall receive \$100,000 each year from available sources in the Creekside Incentive Fund. All payments will be deducted from the \$1,600,000 purchase and sale agreement receivable. At December 31, 2021, the outstanding balance of the purchase and sale agreement receivable totaled \$1,600,000.

The City established the Creekside Community Improvement District (CID). The Creekside Transportation District (TDD) was established through a judicial process. The CID and TDD will impose a one percent sales tax for a period of 40 years to fund eligible CID and TDD improvements.

The City has also approved a Chapter 100 Industrial Development Plan for the portion of the site where the apartments are built. The Chapter 100 plan provides property tax abatement to the owners of the apartments for a sixteen year period. The City has issued its Taxable Industrial Development Revenue Bonds (Creekside Development Apartments Project), Series 2019, in an aggregate principal amount not to exceed \$26,000,000 and its Taxable Industrial Development Revenue Bonds (Creekside Development Apartments Project), Series 2019, in an aggregate maximum principal amount of \$171,000,000, for the purpose of providing funds to pay the costs of the Project.

The Creekside Plan is on a pay-as-you-go basis payable from the incremental increase in property and sales taxes generated within TIF areas of the Creekside Plan. Funding is also available from CID and TDD one percent sales taxes and certain Meadows CID special assessments. As of December 31, 2021, certified tax increment financing reimbursable project costs totaled \$5,041,027.

Parkville Market Place Tax Increment Financing Redevelopment Plan

In 2008, the City established the Parkville Market Place Tax Increment Financing Redevelopment Plan (Market Place Plan). The redeveloper designated as the redeveloper of Redevelopment Project Area 1 has not redeveloped Redevelopment Project Area 1. In 2018, the City amended the Market Place Plan to expand the boundaries of the original redevelopment area and created Redevelopment Project Area 2 (Project 2). Project 2 includes the construction of approximately 33,400 square feet of retail, restaurant, and/or other commercial facilities, and public and private infrastructure improvements. The Market Place Plan provides up to a maximum reimbursable project costs of \$5,916,893 for Project 2. The Market Place Plan is on a pay-as-you-go basis payable from the incremental increase in property and sales taxes. Funding is also available from the tax increment economic activity taxes portion of the Market Place Community Improvement District's one percent CID Sales tax and the tax increment economic activity taxes portion Market Place #2 Community Improvement District's one percent CID Sales tax.

(12) Subsequent Events

The City evaluated subsequent events through September 16, 2022, the date the financial statements were available to be issued. No events were identified that required adjustment to or disclosure in the financial statements.

CITY OF PARKVILLE, MISSOURI
Required Supplementary Information
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
General Fund
For the Year Ended December 31, 2021

	2021			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes	\$ 3,321,198	\$ 3,321,198	\$ 3,386,895	\$ 65,697
Intergovernmental	82,320	82,320	212,096	129,776
Charges for services	34,194	34,194	30,885	(3,309)
Fines and forfeitures	130,000	130,000	66,311	(63,689)
Licenses and permits	451,800	451,800	589,564	137,764
Charges for sewer	300,000	300,000	350,000	50,000
Interest	6,000	6,000	4,623	(1,377)
Other	109,000	109,000	146,957	37,957
Total Revenues	<u>4,434,512</u>	<u>4,434,512</u>	<u>4,787,331</u>	<u>352,819</u>
Expenditures:				
Current:				
General government	1,531,421	1,590,542	1,581,586	8,956
Public safety	1,968,046	1,968,046	1,666,975	301,071
Public works	512,552	518,404	801,362	(282,958)
Parks and recreation	832,019	832,019	494,981	337,038
Community development	464,311	464,311	384,483	79,828
Total Expenditures	<u>5,308,349</u>	<u>5,373,322</u>	<u>4,929,387</u>	<u>443,935</u>
Excess of Revenues Over (Under) Expenditures	<u>(873,837)</u>	<u>(938,810)</u>	<u>(142,056)</u>	<u>796,754</u>
Other Financing Sources (Uses):				
Transfers in	216,200	216,200	216,200	-
Transfers out	(359,420)	(359,420)	(359,420)	-
Sale of assets	400,000	400,000	36,660	(363,340)
Total Other Financing Sources (Uses)	<u>256,780</u>	<u>256,780</u>	<u>(106,560)</u>	<u>(363,340)</u>
Change in fund balance	<u>\$ (617,057)</u>	<u>\$ (682,030)</u>	(248,616)	<u>\$ 433,414</u>
Fund Balances, Beginning of Year			<u>990,919</u>	
Fund Balances, End of Year			<u>\$ 742,303</u>	

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

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, 2021

	2021			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes	\$ 517,415	\$ 517,415	\$ 561,963	\$ 44,548
Intergovernmental	538,565	538,565	514,592	(23,973)
Grants and donations	-	-	1,293	1,293
Other	5,325	5,325	16,425	11,100
Total Revenues	<u>1,061,305</u>	<u>1,061,305</u>	<u>1,094,273</u>	<u>32,968</u>
Expenditures:				
Current:				
Capital outlay	771,000	771,000	699,245	71,755
Total Expenditures	<u>771,000</u>	<u>771,000</u>	<u>699,245</u>	<u>71,755</u>
Excess of Revenues Over (Under) Expenditures	<u>290,305</u>	<u>290,305</u>	<u>395,028</u>	<u>104,723</u>
Other Financing Sources (Uses):				
Transfers in	100,000	100,000	200,000	100,000
Transfers out	(388,072)	(402,372)	(400,065)	2,307
Total Other Financing Sources (Uses)	<u>(288,072)</u>	<u>(302,372)</u>	<u>(200,065)</u>	<u>102,307</u>
Change in fund balance	<u>\$ 2,233</u>	<u>\$ (12,067)</u>	194,963	<u>\$ 207,030</u>
Fund Balances, Beginning of Year			<u>96,882</u>	
Fund Balances, End of Year			<u>\$ 291,845</u>	

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

CITY OF PARKVILLE, MISSOURI
Notes to Required Supplementary Information
December 31, 2021

(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, Market Place Project 2, Market Place CID #1, Market Place CID #2, and the Creekside Development funds. The City's budget is adopted using Generally Accepted Accounting Principles on the Modified Accrual Basis of Accounting. Revisions to the budget can be made only by the Board of Alderman. Legally, expenditures may not exceed the total amount of expenditures budgeted, as revised, in each fund. All annual appropriations lapse at year end if not encumbered.

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

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

CITY OF PARKVILLE, MISSOURI
Required Supplementary Information
Schedule of Changes in Net Pension Liability and Related Ratios
For the Year Ended December 31, 2021

	Lagers						
	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability							
Service costs	\$ 239,471	\$ 201,429	\$ 172,547	\$ 148,593	\$ 119,807	\$ 116,946	\$ 104,714
Interest on total pension liability	263,386	193,934	161,830	142,885	107,562	93,722	69,352
Changes in benefit terms	-	443,125	-	-	252,150	-	226,297
Difference between expected and actual experience of the total pension liability	(220,194)	126,146	117,686	(16,202)	19,236	(66,469)	(47,700)
Changes of assumptions	(24,731)	-	-	-	(12,160)	79,853	-
Benefit payments and refunds	(27,877)	(22,947)	(23,897)	(27,488)	(18,639)	(31,360)	(14,002)
Net change in total pension liability	230,055	941,687	428,166	247,788	467,956	192,692	338,661
Total pension liability - beginning of year	3,528,964	2,587,277	2,159,111	1,911,323	1,443,367	1,250,675	912,014
Total pension liability - end of year (a)	<u>\$ 3,759,019</u>	<u>\$ 3,528,964</u>	<u>\$ 2,587,277</u>	<u>\$ 2,159,111</u>	<u>\$ 1,911,323</u>	<u>\$ 1,443,367</u>	<u>\$ 1,250,675</u>
Plan Fiduciary Net Position							
Contributions - employer	\$ 263,683	\$ 206,382	\$ 177,852	\$ 155,363	\$ 112,455	\$ 93,771	\$ 73,690
Contributions - employee	84,397	82,259	77,157	68,390	62,865	61,441	60,880
Net investment income	741,438	30,625	120,889	180,098	141,948	63	17,409
Benefit payments and refunds	(27,877)	(22,947)	(23,897)	(27,488)	(18,639)	(31,360)	(14,002)
Administrative expenses	(5,040)	(6,190)	(5,440)	(3,246)	(3,626)	(3,451)	(3,356)
Other (net transfer)	3,250	2,550	(1,855)	(6,335)	1,806	(3,952)	38,126
Net change in plan fiduciary net position	1,059,851	292,679	344,706	366,782	296,809	116,512	172,747
Plan fiduciary net position - beginning of year	2,418,670	2,125,991	1,781,285	1,414,503	1,117,694	1,001,182	828,435
Plan fiduciary net position - end of year (b)	<u>\$ 3,478,521</u>	<u>\$ 2,418,670</u>	<u>\$ 2,125,991</u>	<u>\$ 1,781,285</u>	<u>\$ 1,414,503</u>	<u>\$ 1,117,694</u>	<u>\$ 1,001,182</u>
Net pension liability (a) - (b)	<u>\$ 280,498</u>	<u>\$ 1,110,294</u>	<u>\$ 461,286</u>	<u>\$ 377,826</u>	<u>\$ 496,820</u>	<u>\$ 325,673</u>	<u>\$ 249,493</u>
Plan net position as a percentage of the total pension liability	92.54%	68.54%	82.17%	82.50%	74.01%	77.44%	80.05%
Covered employee payroll	2,033,168	2,136,492	1,935,516	1,567,178	1,457,585	1,415,099	1,414,512
Net pension liability/(asset) as a percentage of covered payroll	13.80%	51.97%	23.83%	24.11%	34.09%	23.01%	17.64%

GASB 68 requires presentation of ten years. As of December 31, 2021, only seven years of information is available.

CITY OF PARKVILLE, MISSOURI
Required Supplementary Information
Schedule of Employer Contributions
For the Year Ended December 31, 2021

LAGERS (General and Police)

Fiscal Year	Actuarially Determined Contribution	Contribution in Relation	Contribution Deficiency	Covered Employee Payroll	Contribution as Percentage
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	90,452	90,452	-	1,497,747	6.04%
2016	93,266	93,266	-	1,559,830	5.98%
2017	142,758	142,758	-	1,633,155	8.74%
2018	159,791	159,791	-	1,767,037	9.04%
2019	192,504	192,504	-	2,041,265	9.43%
2020	235,257	235,257	-	2,055,071	11.45%
2021	274,675	274,675	-	2,164,460	12.69%

Lagers

Valuation Date February 28, 2021

Notes: The roll-forward of total pension liability from February 28, 2021 to June 30, 2021 reflects expected service cost and interest reduced by actual benefit payments and administrative expenses.

Methods and assumptions used to determine contributions rates:

Actuarial cost method Entry Age Normal and Modified Terminal Funding

Amortization method Level percentage of payroll amortization method is used to amortize the UAAL over a close period of years. If the UAAL (excluding the UAAL associated with benefit changes) is negative, then this amount is amortized over the greater of (i) the remaining initial amortization period or (ii) 15 years.

Remaining amortization period Multiple bases from 13 to 18 years

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

Inflation assumption 2.75% wage inflation; 2.25% price inflation

Salary increases 2.75% to 6.75% including wage inflation

Investment rate of return 7.00%, net of investment expenses

Retirement age Experienced-based table of rates that are specific to the type of eligibility condition

Mortality The healthy retiree mortality tables, for post retirement mortality, used in evaluating allowances to be paid were 115% of the PubG-2010 Retiree Mortality Table for males and females. The disabled retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubNS-2010 Disabled Retiree Mortality Table for males and females. The preretirement mortality tables used were 75% of the PubG-2010 Employee Mortality Table for males and females of General groups and 75% of the PubS-2010 Employee Mortality Table for males and females of Police, Fire and Public Safety groups.

Mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scale to the above described tables.

Other information: None

CITY OF PARKVILLE, MISSOURI
Combining Balance Sheet - General Fund
December 31, 2021

	<u>General Fund</u>	<u>Reserve Fund</u>	<u>Totals</u>
Assets:			
Cash and investments	\$ 331,523	\$ 1,332,108	\$ 1,663,631
Receivables:			
Taxes	314,172	-	314,172
Accounts and other	-	-	-
Creekside receivables	5,600,000	-	5,600,000
Due from other governments	131,147	-	131,147
Prepaid, deposits and other assets	134,455	-	134,455
Total Assets	<u>\$ 6,947,250</u>	<u>\$ 1,332,108</u>	<u>\$ 8,279,358</u>
Liabilities:			
Accounts payable	\$ 165,941	\$ -	\$ 165,941
Accrued payroll and benefits	109,589	-	109,589
Total Liabilities	<u>275,530</u>	<u>-</u>	<u>275,530</u>
Deferred inflows of resources:			
Unavailable revenues - Creekside receivables	5,600,000	-	5,600,000
Unavailable revenues - grants	124,563	-	124,563
Unavailable revenues - taxes	204,854	-	204,854
	<u>5,929,417</u>	<u>-</u>	<u>5,929,417</u>
Fund balances:			
Nonspendable:			
Prepaid items	134,455	-	134,455
Committed:			
Emergency reserve	-	1,332,108	1,332,108
Unassigned	607,848	-	607,848
Total fund balances	<u>742,303</u>	<u>1,332,108</u>	<u>2,074,411</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 6,947,250</u>	<u>\$ 1,332,108</u>	<u>\$ 8,279,358</u>

CITY OF PARKVILLE, MISSOURI
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
General Fund
For the Year Ended December 31, 2021

	<u>General Fund</u>	<u>Reserve Fund</u>	<u>Totals</u>
Revenues:			
Taxes	\$ 3,386,895	\$ -	\$ 3,386,895
Intergovernmental	212,096	-	212,096
Charges for services	30,885	-	30,885
Fines and forfeitures	66,311	-	66,311
Licenses and permits	589,564	-	589,564
Charges for sewer administration	350,000	-	350,000
Interest	4,623	-	4,623
Other	146,957	-	146,957
Total Revenues	<u>4,787,331</u>	<u>-</u>	<u>4,787,331</u>
Expenditures:			
Current:			
General government	1,581,586	-	1,581,586
Public safety	1,666,975	-	1,666,975
Public works	801,362	-	801,362
Parks and recreation	494,981	-	494,981
Community development	384,483	-	384,483
	<u>4,929,387</u>	<u>-</u>	<u>4,929,387</u>
Excess of Revenues Over (Under) Expenditures	(142,056)	-	(142,056)
Other financing sources (uses):			
Transfers in	216,200	-	216,200
Transfers out	(359,420)	-	(359,420)
Sale of assets	36,660	-	36,660
Total Other Financing Sources	<u>(106,560)</u>	<u>-</u>	<u>(106,560)</u>
Change in fund balance	(248,616)	-	(248,616)
Fund Balances, Beginning of Year	<u>990,919</u>	<u>1,332,108</u>	<u>2,323,027</u>
Fund Balances, End of Year	<u>\$ 742,303</u>	<u>\$ 1,332,108</u>	<u>\$ 2,074,411</u>

CITY OF PARKVILLE, MISSOURI
Combining Balance Sheet - Debt Service Funds
December 31, 2021

	<u>River Park</u>	<u>Certificates of Participation</u>	<u>Brush Creek</u>	<u>Brink Meyer</u>	<u>Lease Purchase Agreement</u>	<u>Totals</u>
Assets:						
Restricted cash and investments	\$ 1,255	\$ 152,461	\$ 56,892	\$ 5,702	\$ -	\$ 216,310
Receivables:						
Special assessments	-	-	2,355,314	-	-	2,355,314
Total Assets	<u>\$ 1,255</u>	<u>\$ 152,461</u>	<u>\$ 2,412,206</u>	<u>\$ 5,702</u>	<u>\$ -</u>	<u>\$ 2,571,624</u>
Liabilities:						
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ 67,279	\$ 67,279
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>67,279</u>	<u>67,279</u>
Deferred inflows of resources:						
Unavailable revenues - special assessments	-	74,592	2,392,242	-	-	2,466,834
Fund balances:						
Restricted:						
Debt service	1,255	77,869	19,964	5,702	(67,279)	37,511
Total fund balances (deficit)	<u>1,255</u>	<u>77,869</u>	<u>19,964</u>	<u>5,702</u>	<u>(67,279)</u>	<u>37,511</u>
Total liabilities, deferred inflows and fund balances (deficit)	<u>\$ 1,255</u>	<u>\$ 152,461</u>	<u>\$ 2,412,206</u>	<u>\$ 5,702</u>	<u>\$ -</u>	<u>\$ 2,571,624</u>

CITY OF PARKVILLE, MISSOURI
Combining Statement of Revenues, Expenditures and Changes in Fund Balance -
Debt Service Funds
For the Year Ended December 31, 2021

	<u>River Park</u>	<u>Certificates of Participation</u>	<u>Brush Creek</u>	<u>Brink Meyer</u>	<u>Lease Purchase Agreement</u>	<u>Totals</u>
Revenues:						
Taxes	\$ -	\$ 451,816	\$ -	\$ -	\$ -	\$ 451,816
Intergovernmental	-	-	-	-	125,504	125,504
Special assessments	1,253	-	234,674	1,683	-	237,610
Interest	2	255	-	-	-	257
Total Revenues	<u>1,255</u>	<u>452,071</u>	<u>234,674</u>	<u>1,683</u>	<u>125,504</u>	<u>815,187</u>
Expenditures:						
Debt service:						
Principal	-	388,809	4,500,000	3,085,000	1,626,900	9,600,709
Interest and fiscal charges	-	41,241	144,664	109,195	33,170	328,270
	<u>-</u>	<u>430,050</u>	<u>4,644,664</u>	<u>3,194,195</u>	<u>1,660,070</u>	<u>9,928,979</u>
Excess of Revenues Over (Under) Expenditures	1,255	22,021	(4,409,990)	(3,192,512)	(1,534,566)	(9,113,792)
Other financing sources (uses):						
Transfers in	-	-	112,357	247,063	1,534,566	1,893,986
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>112,357</u>	<u>247,063</u>	<u>1,534,566</u>	<u>1,893,986</u>
Change in fund balance	1,255	22,021	(4,297,633)	(2,945,449)	-	(7,219,806)
Fund Balances (deficit), Beginning of Year	<u>-</u>	<u>55,848</u>	<u>4,317,597</u>	<u>2,951,151</u>	<u>(67,279)</u>	<u>7,257,317</u>
Fund Balances (deficit), End of Year	<u>\$ 1,255</u>	<u>\$ 77,869</u>	<u>\$ 19,964</u>	<u>\$ 5,702</u>	<u>\$ (67,279)</u>	<u>\$ 37,511</u>

CITY OF PARKVILLE, MISSOURI
Combining Balance Sheet - Non-major Governmental Funds
December 31, 2021

	Special Revenue Funds							
	Park Sales Tax	Economic Development	Nature Sanctuary	Parks Donations	Veterans Memorial	ARPA	Court Recoupment Fees	Police Training Fees LET
Assets								
Cash and investments	\$609,609	\$ 8,946	\$264,510	\$ 15,107	\$ 54,430	\$447,594	\$ 38,876	\$ 35,087
Receivables:								
Taxes	99,487	-	-	-	-	-	-	-
Restricted cash and investments	-	-	-	-	-	-	-	-
Total Assets	\$709,096	\$ 8,946	\$264,510	\$ 15,107	\$ 54,430	\$447,594	\$ 38,876	\$ 35,087
Liabilities and Fund Balances								
Liabilities:								
Accounts payable	\$ 63,983	\$ -	\$ 125	\$ -	\$ -	\$ -	\$ -	\$ -
Unearned revenue	-	-	-	-	-	447,594	-	-
Total Liabilities	63,983	-	125	-	-	447,594	-	-
Fund balances								
Nonspendable:								
Fewson trust	-	-	-	-	-	-	-	-
Restricted:								
Capital projects	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	38,876	35,087
Parks and recreation	645,113	-	264,385	15,107	54,430	-	-	-
Community development	-	8,946	-	-	-	-	-	-
Total fund balances	645,113	8,946	264,385	15,107	54,430	-	38,876	35,087
Total liabilities and fund balances	\$709,096	\$ 8,946	\$264,510	\$ 15,107	\$ 54,430	\$447,594	\$ 38,876	\$ 35,087

(Continued on Next Page)

CITY OF PARKVILLE, MISSOURI
Combining Balance Sheet - Non-major Governmental Funds
December 31, 2021

	Special Revenue Funds						Permanent Fund	Totals
	Police Shop	TIF Development	Market Place Project 2 Development	Market Place CID #1	Market Place CID #2	Creekside Development	Fewson Project	
Assets								
Cash and investments	\$ 26,506	\$ 12,541	\$ 422,104	\$ 33,525	\$ 35,534	\$ 266,870	\$ -	\$2,271,239
Receivables:								
Taxes	-	-	-	13,118	13,118	19,858	-	145,581
Restricted cash and investments	-	-	-	-	-	-	601,173	601,173
Total Assets	\$ 26,506	\$ 12,541	\$ 422,104	\$ 46,643	\$ 48,652	\$ 286,728	\$ 601,173	\$ 3,017,993
Liabilities and Fund Balances								
Liabilities:								
Accounts payable	\$ 126	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 64,234
Unearned revenue	-	-	-	-	-	-	-	447,594
Total Liabilities	126	-	-	-	-	-	-	511,828
Fund balances								
Nonspendable:								
Fewson trust	-	-	-	-	-	-	579,596	579,596
Restricted:								
Capital projects	-	-	-	-	-	-	21,577	21,577
Public safety	26,380	-	-	-	-	-	-	100,343
Parks and recreation	-	-	-	-	-	-	-	979,035
Community development	-	12,541	422,104	46,643	48,652	286,728	-	825,614
Total fund balances	26,380	12,541	422,104	46,643	48,652	286,728	601,173	2,506,165
Total liabilities and fund balances	\$ 26,506	\$ 12,541	\$ 422,104	\$ 46,643	\$ 48,652	\$ 286,728	\$ 601,173	\$ 3,017,993

CITY OF PARKVILLE, MISSOURI
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Non-major Governmental Funds
For the Year Ended December 31, 2021

	Special Revenue Funds						Court Recoupment Fees	Police Training Fees LET
	Park Sales Tax	Economic Development	Nature Sanctuary	Parks Donations	Veterans Memorial	ARPA		
Revenues:								
Taxes	\$672,672	\$ 6,410	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	644	-	-	275,000	-	416
Interest	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-
Grants and donations	-	-	5,486	-	41,781	-	-	-
Other	-	-	4,724	-	-	-	-	-
Total Revenues	<u>672,672</u>	<u>6,410</u>	<u>10,854</u>	<u>-</u>	<u>41,781</u>	<u>275,000</u>	<u>-</u>	<u>416</u>
Expenditures:								
Current:								
Public safety	-	-	-	-	-	-	2,445	2,837
Parks and recreation	313,299	-	4,190	-	3,350	-	-	-
Community development	-	1,000	-	-	-	-	-	-
	<u>313,299</u>	<u>1,000</u>	<u>4,190</u>	<u>-</u>	<u>3,350</u>	<u>-</u>	<u>2,445</u>	<u>2,837</u>
Excess of Revenues Over (Under) Expenditures	359,373	5,410	6,664	-	38,431	-	(2,445)	(2,421)
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	(41,200)	-	-	-	-	(275,000)	-	-
Total Other Financing Sources (Uses)	<u>(41,200)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	318,173	5,410	6,664	-	38,431	-	(2,445)	(2,421)
Fund Balances, Beginning of Year	<u>326,940</u>	<u>3,536</u>	<u>257,721</u>	<u>15,107</u>	<u>15,999</u>	<u>-</u>	<u>41,321</u>	<u>37,508</u>
Fund Balances, (deficit) End of Year	<u>\$645,113</u>	<u>\$ 8,946</u>	<u>\$ 264,385</u>	<u>\$ 15,107</u>	<u>\$ 54,430</u>	<u>\$ -</u>	<u>\$ 38,876</u>	<u>\$ 35,087</u>

(Continued on Next Page)

CITY OF PARKVILLE, MISSOURI
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Non-major Governmental Funds
For the Year Ended December 31, 2021

	Special Revenue Funds						Permanent Fund	Totals
	Police Shop	TIF Development	Market Place Project 2	Market Place CID #1	Market Place CID #2	Creekside Development	Fewson Project	
Revenues:								
Taxes	\$ -	\$ 340,840	\$ 156,066	\$ 53,049	\$ 53,049	\$ 148,568	\$ -	\$ 1,430,654
Intergovernmental	-	218,543	-	-	-	-	-	494,603
Interest	-	25	-	-	-	-	1,943	1,968
Special assessments	-	-	-	-	-	125,397	-	125,397
Grants and donations	20,048	-	-	-	-	-	-	67,315
Other	-	-	-	-	-	-	-	4,724
Total Revenues	20,048	559,408	156,066	53,049	53,049	273,965	1,943	2,124,661
Expenditures:								
Current:								
Public safety	17,633	-	-	-	-	-	-	22,915
Parks and recreation	-	559,383	-	-	-	-	-	880,222
Community development	-	-	6,370	6,007	1,654	6,450	-	21,481
	17,633	559,383	6,370	6,007	1,654	6,450	-	924,618
Excess of Revenues Over (Under) Expenditures	2,415	25	149,696	47,042	51,395	267,515	1,943	1,200,043
Other financing sources (uses):								
Transfers in	-	-	44,923	-	-	-	-	44,923
Transfers out	-	-	-	(22,462)	(22,461)	-	-	(361,123)
Total Other Financing Sources (Uses)	-	-	44,923	(22,462)	(22,461)	-	-	(316,200)
Change in fund balance	2,415	25	194,619	24,580	28,934	267,515	1,943	883,843
Fund Balances, Beginning of Year	23,965	12,516	227,485	22,063	19,718	19,213	599,230	1,622,322
Fund Balances, (deficit) End of Year	\$ 26,380	\$ 12,541	\$ 422,104	\$ 46,643	\$ 48,652	\$ 286,728	\$ 601,173	\$ 2,506,165

CITY OF PARKVILLE, MISSOURI
Combining Balance Sheet - Creekside Development
December 31, 2021

	<u>Creekside CID Fund</u>	<u>Creekside TDD Fund</u>	<u>Meadows at Creekside CID Fund</u>	<u>Creekside Special Allocation Fund</u>	<u>Totals</u>
Assets:					
Cash and investments	\$ 59,513	\$ 67,176	\$ 125,397	\$ 14,784	\$ 266,870
Receivables:					
Taxes	<u>9,929</u>	<u>9,929</u>	<u>-</u>	<u>-</u>	<u>19,858</u>
Total Assets	<u>\$ 69,442</u>	<u>\$ 77,105</u>	<u>\$ 125,397</u>	<u>\$ 14,784</u>	<u>\$ 286,728</u>
Liabilities:					
Accounts payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:					
Restricted:					
Community development	<u>69,442</u>	<u>77,105</u>	<u>125,397</u>	<u>14,784</u>	<u>286,728</u>
Total fund balances	<u>69,442</u>	<u>77,105</u>	<u>125,397</u>	<u>14,784</u>	<u>286,728</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 69,442</u>	<u>\$ 77,105</u>	<u>\$ 125,397</u>	<u>\$ 14,784</u>	<u>\$ 286,728</u>

CITY OF PARKVILLE, MISSOURI
Combining Statement of Revenues, Expenditures and Changes in Fund Balance -
Creekside Development
For the Year Ended December 31, 2021

	Creekside CID Fund	Creekside TDD Fund	Meadows at Creekside CID Fund	Creekside Special Allocation Fund	Totals
Revenues:					
Taxes	\$ 66,892	\$ 66,892	\$ -	\$ 14,784	\$ 148,568
Special assessments	-	-	125,397	-	125,397
Total Revenues	<u>66,892</u>	<u>66,892</u>	<u>125,397</u>	<u>14,784</u>	<u>273,965</u>
Expenditures:					
Current:					
Community development	6,450	-	-	-	6,450
	<u>6,450</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,450</u>
Excess of Revenues Over (Under) Expenditures	60,442	66,892	125,397	14,784	267,515
Change in fund balance	60,442	66,892	125,397	14,784	267,515
Fund Balances, Beginning of Year	<u>9,000</u>	<u>10,213</u>	<u>-</u>	<u>-</u>	<u>19,213</u>
Fund Balances, End of Year	<u>\$ 69,442</u>	<u>\$ 77,105</u>	<u>\$ 125,397</u>	<u>\$ 14,784</u>	<u>\$ 286,728</u>

CITY OF PARKVILLE, MISSOURI
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Debt Service Funds
For the Year Ended December 31, 2021

	River Park			Certificates of Participation			Brush Creek		
	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
Revenues:									
Taxes	\$ -	\$ -	\$ -	\$ 450,970	\$ 451,816	\$ 846	\$ -	\$ -	\$ -
Special assessments	-	1,253	1,253	-	-	-	233,591	234,674	1,083
Interest	-	2	2	120	255	135	4,845	-	(4,845)
Total Revenues	-	1,255	1,255	451,090	452,071	981	238,436	234,674	(3,762)
Expenditures:									
Debt service:									
Principal	-	-	-	388,809	388,809	-	4,535,413	4,500,000	35,413
Interest and fiscal charges	-	-	-	41,241	41,241	-	115,793	144,664	(28,871)
Total Expenditures	-	-	-	430,050	430,050	-	4,651,206	4,644,664	6,542
Excess of Revenues Over (Under) Expenditures	-	1,255	1,255	21,040	22,021	981	(4,412,770)	(4,409,990)	2,780
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	112,357	112,357	-
Refunding bond proceeds	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	112,357	112,357	-
Change in fund balance	<u>\$ -</u>	<u>1,255</u>	<u>\$ 1,255</u>	<u>\$ 21,040</u>	<u>22,021</u>	<u>\$ 981</u>	<u>\$ (4,300,413)</u>	<u>(4,297,633)</u>	<u>\$ 2,780</u>
Fund Balance, Beginning of Year		<u>-</u>			<u>55,848</u>			<u>4,317,597</u>	
Fund Balance (Deficit), End of Year		<u>\$ 1,255</u>			<u>\$ 77,869</u>			<u>\$ 19,964</u>	

(Continued on Next Page)

CITY OF PARKVILLE, MISSOURI
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Debt Service Funds
For the Year Ended December 31, 2021

	Brink Meyer			Lease Purchase Agreement			Totals		
	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
Revenues:									
Taxes	\$ -	\$ -	\$ -		\$ -	\$ -	\$ 450,970	\$ 451,816	\$ 846
Intergovernmental	-	-	-	274,805	125,504	(149,301)	274,805	125,504	(149,301)
Special assessments	1,605	1,683	78	-	-	-	235,196	237,610	2,414
Interest	3,323	-	(3,323)	-	-	-	8,288	257	(8,031)
Total Revenues	4,928	1,683	(3,245)	274,805	125,504	(149,301)	969,259	815,187	(154,072)
Expenditures:									
Debt service:									
Principal	3,109,227	3,085,000	24,227	2,740,002	1,626,900	1,113,102	10,773,451	9,600,709	1,172,742
Interest and fiscal charges	91,991	109,195	(17,204)	36,677	33,170	3,507	285,702	328,270	(42,568)
Total Expenditures	3,201,218	3,194,195	7,023	2,776,679	1,660,070	1,116,609	11,059,153	9,928,979	1,130,174
Excess of Revenues Over									
(Under) Expenditures	(3,196,290)	(3,192,512)	3,778	(2,501,874)	(1,534,566)	967,308	(10,089,894)	(9,113,792)	976,102
Other financing sources (uses):									
Transfers in	247,063	247,063	-	2,501,874	1,534,566	(967,308)	2,861,294	1,893,986	(967,308)
Total Other Financing Sources (Uses)	247,063	247,063	-	2,501,874	1,534,566	(967,308)	2,861,294	1,893,986	(967,308)
Change in fund balance	\$ (2,949,227)	(2,945,449)	\$ 3,778	\$ -	-	\$ -	\$ (7,228,600)	(7,219,806)	\$ 8,794
Fund Balance (deficit),									
Beginning of Year		<u>2,951,151</u>			<u>(67,279)</u>			<u>7,257,317</u>	
Fund Balance (deficit),									
End of Year		<u>\$ 5,702</u>			<u>\$ (67,279)</u>			<u>\$ 37,511</u>	

CITY OF PARKVILLE, MISSOURI
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Park Sales Tax Fund
For the Year Ended December 31, 2021

	2021			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes	\$ 587,108	\$ 587,108	\$ 672,672	\$ 85,564
Total Revenues	<u>587,108</u>	<u>587,108</u>	<u>672,672</u>	<u>85,564</u>
Expenditures:				
Parks and recreation	1,380,000	1,380,000	313,299	1,066,701
Total Expenditures	<u>1,380,000</u>	<u>1,380,000</u>	<u>313,299</u>	<u>1,066,701</u>
Excess of Revenues Over Expenditures	(792,892)	(792,892)	359,373	1,152,265
Other financing sources (uses):				
Transfers in	650,000	650,000	-	(650,000)
Transfers out	(41,200)	(41,200)	(41,200)	-
Total Other Financing Sources (Uses)	<u>608,800</u>	<u>608,800</u>	<u>(41,200)</u>	<u>(650,000)</u>
Change in fund balance	<u>\$ (184,092)</u>	<u>\$ (184,092)</u>	318,173	<u>\$ 502,265</u>
Fund Balance, Beginning of Year			<u>326,940</u>	
Fund Balance, End of Year			<u>\$ 645,113</u>	

CITY OF PARKVILLE, MISSOURI
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Economic Development Fund
For the Year Ended December 31, 2021

	2021			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes	\$ 10,000	\$ 10,000	\$ 6,410	\$ (3,590)
Total Revenues	<u>10,000</u>	<u>10,000</u>	<u>6,410</u>	<u>(3,590)</u>
Expenditures:				
Community development	10,000	10,000	1,000	9,000
Total Expenditures	<u>10,000</u>	<u>10,000</u>	<u>1,000</u>	<u>9,000</u>
Change in fund balance	<u>\$ -</u>	<u>\$ -</u>	5,410	<u>\$ 5,410</u>
Fund Balance, Beginning of Year			<u>3,536</u>	
Fund Balance, End of Year			<u>\$ 8,946</u>	

CITY OF PARKVILLE, MISSOURI
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Nature Sanctuary Fund
For the Year Ended December 31, 2021

	2020		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Grants and donations	\$ 2,500	\$ 2,500	\$ 5,486	\$ 2,986
Other	4,200	4,200	4,724	524
Total Revenues	<u>6,700</u>	<u>6,700</u>	<u>10,854</u>	<u>4,154</u>
Expenditures:				
Parks and recreation	4,200	4,200	4,190	10
Total Expenditures	<u>4,200</u>	<u>4,200</u>	<u>4,190</u>	<u>10</u>
Change in fund balance	<u>\$ 2,500</u>	<u>\$ 2,500</u>	6,664	<u>\$ 4,164</u>
Fund Balance, Beginning of Year			<u>257,721</u>	
Fund Balance, End of Year			<u>\$ 264,385</u>	

CITY OF PARKVILLE, MISSOURI
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Parks Donations Fund
For the Year Ended December 31, 2021

	2021			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Grants and donations	\$ 2,500	\$ 2,500	\$ -	\$ (2,500)
Total Revenues	<u>2,500</u>	<u>2,500</u>	<u>-</u>	<u>(2,500)</u>
Expenditures:				
Parks and recreation	5,000	5,000	-	5,000
Total Expenditures	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Change in fund balance	<u>\$ (2,500)</u>	<u>\$ (2,500)</u>	-	<u>\$ 2,500</u>
Fund Balance, Beginning of Year			<u>15,107</u>	
Fund Balance, End of Year			<u>\$ 15,107</u>	

CITY OF PARKVILLE, MISSOURI
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Veterans Memorial Fund
For the Year Ended December 31, 2021

	2021		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Grants and donations	\$ 100,000	\$ 100,000	\$ 41,781	\$ (58,219)
Total Revenues	<u>100,000</u>	<u>100,000</u>	<u>41,781</u>	<u>(58,219)</u>
Expenditures:				
Parks and recreation	65,000	65,000	3,350	61,650
Total Expenditures	<u>65,000</u>	<u>65,000</u>	<u>3,350</u>	<u>61,650</u>
Change in fund balance	<u>\$ 35,000</u>	<u>\$ 35,000</u>	38,431	<u>\$ 3,431</u>
Fund Balance, Beginning of Year			<u>15,999</u>	
Fund Balance, End of Year			<u>\$ 54,430</u>	

CITY OF PARKVILLE, MISSOURI
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
ARPA Fund
For the Year Ended December 31, 2021

	Original Budget	2021 Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 275,000	\$ 275,000
Total Revenues	<u>-</u>	<u>-</u>	<u>275,000</u>	<u>275,000</u>
Expenditures:				
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>275,000</u>	<u>275,000</u>
Other financing sources (uses):				
Transfers out	<u>-</u>	<u>(275,000)</u>	<u>(275,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>(275,000)</u>	<u>(275,000)</u>	<u>-</u>
Change in fund balance	<u>\$ -</u>	<u>\$ (275,000)</u>	<u>-</u>	<u>\$ 275,000</u>
Fund Balance, Beginning of Year			<u>-</u>	
Fund Balance, End of Year			<u>\$ -</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, 2021

	2021		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Interest	\$ 5,350	\$ 5,350	\$ 1,943	\$ (3,407)
Total Revenues	<u>5,350</u>	<u>5,350</u>	<u>1,943</u>	<u>(3,407)</u>
Expenditures:				
General government	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over Expenditures	<u>5,350</u>	<u>5,350</u>	<u>1,943</u>	<u>(3,407)</u>
Other financing sources (uses):				
Transfers out	<u>(16,863)</u>	<u>(16,863)</u>	-	16,863
Total Other Financing Sources (Uses)	<u>(16,863)</u>	<u>(16,863)</u>	<u>-</u>	<u>16,863</u>
Change in fund balance	<u>\$ (11,513)</u>	<u>\$ (11,513)</u>	1,943	<u>\$ 13,456</u>
Fund Balance, Beginning of Year			<u>599,230</u>	
Fund Balance, End of Year			<u>\$ 601,173</u>	

CITY OF PARKVILLE, MISSOURI
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Capital Projects Fund
For the Year Ended December 31, 2021

	2021			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental	\$ 4,872,796	\$ 7,572,296	\$ 1,594,180	\$ (5,978,116)
Miscellaneous	-	-	13,000	13,000
Total Revenues	<u>4,872,796</u>	<u>7,572,296</u>	<u>1,607,180</u>	<u>(5,965,116)</u>
Expenditures:				
Capital outlay	4,390,083	4,390,083	4,042,497	347,586
Debt Service:				
Interest and fiscal charges	-	89,414	86,664	2,750
Total Expenditures	<u>4,390,083</u>	<u>4,479,497</u>	<u>4,129,161</u>	<u>350,336</u>
Excess of Revenues Over Expenditures	<u>482,713</u>	<u>3,092,799</u>	<u>(2,521,981)</u>	<u>(5,614,780)</u>
Other financing sources (uses):				
Transfers in	-	14,300	89,300	75,000
Transfers out	(965,000)	(2,288,802)	(1,323,801)	965,001
Issuance of Certificates of Participation	-	2,985,000	2,985,000	-
Issuance premium	-	107,782	107,782	-
Total Other Financing Sources (Uses)	<u>(965,000)</u>	<u>818,280</u>	<u>1,858,281</u>	<u>1,040,001</u>
Change in fund balance	<u>\$ (482,287)</u>	<u>\$ 3,911,079</u>	(663,700)	<u>\$ (4,574,779)</u>
Fund Balance, Beginning of Year			<u>907,111</u>	
Fund Balance, End of Year			<u>\$ 243,411</u>	