

CITY OF RAYTOWN, MISSOURI

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
OCTOBER 31, 2020**

CITY OF RAYTOWN, MISSOURI

TABLE OF CONTENTS

INTRODUCTORY SECTION

MANAGEMENT’S DISCUSSION AND ANALYSIS..... iii

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT 1

BASIC FINANCIAL STATEMENTS:

Government-Wide Financial Statements:

Statement of Net Position..... 4
Statement of Activities 5

Government Fund Financial Statements:

Balance Sheet..... 6
Reconciliation of the Governmental Funds Balance Sheet to the Statement
of Net Position..... 7
Statement of Revenues, Expenditures, and Changes in Fund Balance 8
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities 9

Proprietary Fund Financial Statements:

Statement of Net Position..... 10
Statement of Revenues, Expenses, and Changes in Fund Net Position 11
Statement of Cash Flows 12

Fiduciary Fund Financial Statements:

Statement of Net Position 13
Statement of Changes in Net Position..... 14

Notes to Financial Statements 16

REQUIRED SUPPLEMENTAL INFORMATION OTHER THAN MD&A:

Schedule of Changes in Net Pension Liability and Related Ratios - LAGERS 49
Schedule of Contributions - LAGERS..... 50
Schedule of Changes in Net Pension Liability and Related Ratios – Police (Frozen) 51
Schedule of Contributions – Police (Frozen)..... 52
Schedule of Changes in OPEB Liability and Related Ratios..... 53
Schedule of Contributions - OPEB..... 54
Schedules of Revenues, Expenditures, and Changes in Fund Balance --
Actual and Budget -- Major Funds:
General Fund 56
Transportation Sales Tax Fund 57
TIF Fund 58

CITY OF RAYTOWN, MISSOURI

TABLE OF CONTENTS

SUPPLEMENTAL INFORMATION:

Combining Statements of Non-Major Governmental Funds:	
Combining Balance Sheet	59
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	60
Combining Statement of Fiduciary Assets and Liabilities – Agency Funds	61
Budgetary Comparison Schedules -- Non-Major Governmental Funds	62

CITY OF RAYTOWN, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ending October 31, 2020
Unaudited

The management team for the City of Raytown, Missouri (the City) offers our readers this narrative overview and analysis of the financial activities of the City for the fiscal year ended October 31, 2020.

Finances for this City are multifaceted and quite complex. As such, management desires for this narrative to be informative beyond what is seen on the face of the statements and to discuss the financial activities of the City. We hope you find these comments helpful as you read through them.

Financial Highlights

The assets and deferred outflows for the City of Raytown, Missouri (the City) exceeded its liabilities and deferred inflows at the close of the 2020 fiscal year by \$18,948,434 (net position).

The City's total net position increased \$3,653,423 from 2019 with governmental activities increased totaling \$2,030,498 and business-type activities increased totaling \$1,622,925.

The City's General Fund balance increased \$583,975 to an ending fund balance of \$7,392,660 as of the fiscal year ended October 31, 2020.

The City's total long-term obligations decreased \$3,294,767 from 2019 with the governmental activities accounting for \$2,490,502 decrease, and business-type activities accounting for \$804,265 decrease as the City continues to reduce its long-term obligations.

Overview of the Financial Statements

This discussion and analysis is provided as an introduction to the basic financial statements. The basic financial statements consist 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.

Government-wide financial statements. The government-wide financial statements are a broad overview of the City's finances presented in a manner, similar to that of a private business. These statements provide both long-term and short-term information about the City's overall financial status.

The statement of net position presents all City's assets, deferred outflows, liabilities, and deferred inflows with the difference reported as net position. Net position is an important measure of the City's overall financial health. The increases and decreases in net position can be monitored to determine whether the City's financial position is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flow. Thus, revenues and expenses are reported in this statement for certain items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

The government-wide financial statements report governmental activities of the City, which are principally supported by taxes and intergovernmental revenues, and business-type activities of the City, which are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities for the City include general government, parks and recreation, development and public affairs, public safety, and public works. The business-type activities for the City include the sanitary sewerage system.

CITY OF RAYTOWN, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ending October 31, 2020
Unaudited

Fund financial statements. Fund financial statements focus on individual parts of the City's government. These statements report the City's operations in more detail than the government-wide financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure compliance with finance-related legal requirements. These funds are divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. This information may be useful in evaluating the City's near-term financing requirements.

The focus of governmental funds is narrower than that of the government-wide financial statements, thus it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. This may enable the reader to better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Proprietary funds. There are two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Internal service funds are an accounting mechanism used to accumulate and allocate costs internally among the City's various functions. The City currently does not use internal service funds.

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

Notes to the basic financial statements. The notes provide additional information that is essential to obtain 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 contains certain required supplementary 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.

CITY OF RAYTOWN, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ending October 31, 2020
Unaudited

Government-wide Financial Analysis

The following table reflects the condensed Statement of Net Position as of October 31, 2020 and 2019:

City of Raytown
Condensed Statement of Net Position

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Current assets	\$20,988,856	\$18,327,594	\$ 7,689,991	\$ 6,750,824	\$28,678,847	\$25,078,418
Noncurrent assets	26,465,092	28,460,867	13,415,848	13,733,099	39,880,940	42,193,966
Deferred outflows of resources	<u>2,378,440</u>	<u>3,479,836</u>	<u>214,307</u>	<u>222,481</u>	<u>2,592,747</u>	<u>3,702,317</u>
Total assets and deferred outflows of resources	<u>\$49,832,388</u>	<u>\$50,268,297</u>	<u>\$21,320,146</u>	<u>\$20,706,404</u>	<u>\$71,152,534</u>	<u>\$70,974,701</u>
Current liabilities	\$ 4,953,194	\$ 4,616,663	\$ 1,949,677	\$ 2,050,034	\$ 6,902,871	\$ 6,666,697
Noncurrent liabilities	36,726,900	39,252,902	6,784,952	7,629,412	43,511,852	46,882,314
Deferred inflows of resources	<u>1,740,442</u>	<u>2,017,378</u>	<u>48,935</u>	<u>113,301</u>	<u>1,789,377</u>	<u>2,130,679</u>
Total liabilities and deferred inflows of resources	<u>\$43,420,536</u>	<u>\$45,886,943</u>	<u>\$ 8,783,564</u>	<u>\$ 9,792,747</u>	<u>\$52,204,100</u>	<u>\$55,679,690</u>
Net Position:						
Net investment in capital assets	\$27,370,967	\$27,426,435	\$ 6,110,287	\$ 5,517,921	\$33,481,254	\$32,944,356
Restricted	12,145,825	10,158,660	604,735	589,671	12,750,560	10,748,331
Unrestricted	<u>[33,104,940]</u>	<u>[33,203,741]</u>	<u>5,821,560</u>	<u>4,806,065</u>	<u>[27,283,380]</u>	<u>[28,397,676]</u>
Total net position	<u>\$ 6,411,852</u>	<u>\$ 4,381,354</u>	<u>\$12,536,582</u>	<u>\$10,913,657</u>	<u>\$18,948,434</u>	<u>\$15,295,011</u>

As indicated earlier, net position may serve as a useful indicator of the City's financial position. The City's assets and deferred outflows exceeded its liabilities and deferred inflows by \$6,411,852 for the City's governmental activities and \$12,536,582 for the City's business-type activities for a total of \$18,948,434 at the close of the 2020 fiscal year.

The largest portion of the City's net position, \$33,481,254, reflects its net investment in capital assets (e.g., land, construction in progress, buildings, improvements, machinery and equipment, and infrastructure, net of related debt). The City uses capital assets to provide services to citizens; therefore, these assets are not available for future spending.

The City currently has deficit unrestricted net position related to governmental activities due to the economic development project on 350 Highway. In 2007, the City issued tax increment and sales tax revenue bonds in the amount of \$39,990,000 to fund certain development project costs. These bonds were refinanced in September 2019, which improved the payment amounts and shortened the repayment period. Certain debt service payments are subject to annual appropriations, but not backed by the full faith and credit of the City. This obligation has resulted in the City recording the obligation with no reportable capital asset.

CITY OF RAYTOWN, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ending October 31, 2020
Unaudited

The following table reflects the revenues and expenses from the City's activities for the years ended October 31, 2020 and 2019:

City of Raytown Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenues:						
Program revenues:						
Charges for services	\$ 806,854	\$ 1,944,282	\$ 7,658,500	\$ 7,535,156	\$ 8,465,354	\$ 9,479,438
Operating grants and contributions	1,526,448	1,225,639	-	-	1,526,448	1,225,639
Capital grants and contributions	92,343	22,389	-	-	92,343	22,389
General revenues:						
Property tax	1,768,330	1,780,337	-	-	1,768,330	1,780,337
Sales tax	8,765,634	8,261,973	-	-	8,765,634	8,261,973
Franchise tax	3,378,027	3,537,487	-	-	3,378,027	3,537,487
Intergovernmental activity tax	1,496,568	1,336,286	-	-	1,496,568	1,336,286
Miscellaneous	256,191	1,203,235	51,391	79,963	307,582	1,283,198
Investment earnings	199,593	569,456	247,880	327,325	447,473	896,781
	<u>18,289,988</u>	<u>19,881,084</u>	<u>7,957,771</u>	<u>7,942,444</u>	<u>26,247,759</u>	<u>27,823,528</u>
Total revenues						
Program expenses:						
General government	2,775,803	2,335,565	-	-	2,775,803	2,335,565
Parks and recreation	909,783	1,037,043	-	-	909,783	1,037,043
Community development	802,749	638,225	-	-	802,749	638,225
Public safety	6,167,119	7,912,159	-	-	6,167,119	7,912,159
Public works	4,741,050	5,396,922	-	-	4,741,050	5,396,922
Bond and arbitrage costs	-	1,254,971	-	-	-	1,254,971
Interest on long term debt	862,986	1,636,383	-	-	862,986	1,636,383
Sewer	-	-	6,334,846	6,217,131	6,334,846	6,217,131
	<u>16,259,490</u>	<u>20,211,268</u>	<u>6,334,846</u>	<u>6,217,131</u>	<u>22,594,336</u>	<u>26,428,399</u>
Total expenses						
Transfers in (out)	-	-	-	-	-	-
Change in net position	2,030,498	[330,184]	1,622,925	1,725,313	3,653,423	1,395,129
Net position, beginning	<u>4,381,354</u>	<u>4,711,538</u>	<u>10,913,657</u>	<u>9,188,344</u>	<u>15,295,011</u>	<u>13,899,882</u>
Net position, ending	<u>\$ 6,411,852</u>	<u>\$ 4,381,354</u>	<u>\$ 12,536,582</u>	<u>\$ 10,913,657</u>	<u>\$ 18,948,434</u>	<u>\$ 15,295,011</u>

CITY OF RAYTOWN, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ending October 31, 2020
Unaudited

Governmental Activities

Governmental activities increased the City's net position by \$2,030,498. Governmental fund revenues decreased \$1,591,096 over 2019. The largest single revenue category for the City of Raytown remains taxes, including property, sales and franchise taxes. This line totaled \$13,911,991 or 76% of total governmental revenue.

Governmental activities expenses decreased \$3,951,778 for the fiscal year ended October 31, 2020, compared to the prior year. Public safety costs decreased by \$1,745,040 because of the elimination of the EMS operation within the city. Bond and arbitrage costs decreased by \$1,254,971 due to the completion of the refinancing of the TIF bonds.

Business-type Activities

The Sanitary Sewer Fund is responsible for the total business-type activities for the City. In 2020, operating revenues were up \$94,772 due mainly to a 7% increase in the sewer rate structure. Business-type operating expenses increased \$158,211 from 2019. The expenses in these statements do not include principal payments made to the sewer bonds of \$909,616, the change in net position with this included would be \$713,309.

Financial Analysis of the City's Funds

Governmental Funds

As of the end of the 2020 fiscal year, the City's governmental funds have a combined fund balance of \$19,547,917, which represents an increase of \$2,477,618 over 2019. This can largely be attributed to less expenses because of the pandemic.

General Fund

The fund balance of the General Fund increased \$583,975 during the fiscal year compared to a \$558,977 increase in 2019. The General Fund unassigned ending fund balance was \$5,843,262 or 59.61% of current year revenues and 55.42% of current year expenditures and transfers out.

The General Fund revenues were \$9,802,906 compared to \$10,682,273 in 2019 which represents a decrease of \$879,367 over 2019. The most significant variances occurred with Charges for Services which decreased \$998,781 over 2019 as a result of diminished revenue from EMS.

General Fund expenditures, including transfers out, were \$10,693,427 compared to \$11,883,858 in 2019 which represents a decrease of \$1,190,431 or 10.02%. There was a transfer into General Fund from Public Safety Sales Tax Fund of \$1,474,496 to cover these costs in General Fund. After this transfer is accounted, the decrease in expenses was \$2,664,927.

Tax Increment Finance Fund

The TIF Fund revenues were \$3,175,826 compared to \$3,182,666 in 2019, which represents a decrease of \$6,840.

The expenditures were \$2,918,297 compared to \$3,083,238 in 2019 which represents a decrease of \$164,941. This decrease was due to the decreases in debt service payments related to the 350 Highway TIF bonds.

The ending fund balance of the Tax Increment Finance (TIF) Fund was \$4,210,190 at October 31, 2020, an increase of \$257,529 from 2019. This increase is a result of the lower principal and interest payments from refinancing of the TIF Bonds in September 2019.

CITY OF RAYTOWN, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ending October 31, 2020
Unaudited

Transportation Sales Tax Fund

The fund balance of the Transportation Sales Tax Fund increased \$792,488 during the fiscal year. It is expected that these funds will be further used in the upcoming capital projects in 2020-2021.

Other Governmental Funds (Combined)

Other Governmental funds represent multiple combined funds which include Park, Risk Management, Capital Improvements, Capital Sales Tax, Public Safety Sales Tax, and Stormwater funds. These funds are combined for reporting purposes only.

The other governmental funds combined revenues and transfers in 2020 were \$4,056,128 compared to \$4,068,449 in 2019, which includes a sale of capital assets in 2019 and 2020.

Combined expenditures and transfers out for other Governmental Funds were \$3,212,502 compared to \$4,160,374 in 2019 which represents a decrease of \$947,872. The decrease is due to a reduction in Park activities and capital improvements due to the pandemic of COVID-19.

The combined fund balance of the other governmental funds increased \$843,626 to an ending balance of \$5,950,207 as of October 31, 2020.

Proprietary Funds

The City's proprietary fund statements provide the same type of information found in the government-wide statements but in more detail.

The Sanitary Sewer fund operating revenues were \$7,709,891 in 2020 compared to operating revenues of \$7,615,119 in 2019. The increase of \$94,772 is related to a 7% increase that was approved by the Board of Aldermen and implemented November of 2019. Expenses increased \$158,211. As discussed above, sewer treatment costs, repair and maintenance, and a change in methodology of sewer processing calculations were the primary reasons for the variances.

The net position of the Sanitary Sewer fund at the end of the year increased \$1,622,925 to an ending balance of \$12,536,582. Of the ending net position \$6,110,287 is the City's investment in capital assets. The amount of \$604,735 is restricted for debt service and \$5,821,560 is unrestricted. The City is attempting to build unrestricted net position to provide stability in funding for needed infrastructure and maintenance in future years.

General Fund Actual to Budget Analysis

Actual revenues and transfers in were \$395,507 less than the final budget. Actual expenditures and transfers out were \$1,827,922 less than the final budget. The positive variance occurred across most departments and functions primarily related to personnel costs due to some vacancies in personnel positions and reductions in overall costs due to uncertainties due to the COVID-19 pandemic. In March 2020, The City Administrator and staff began tracking all costs due to COVID -19 pandemic for reimbursement purposes, and also put a temporary freeze on purchases to control costs, since it the impact to City revenues were unknown.

The City far exceeded City Resolution 2039-08 requiring a contingency reserve equal to 17% of the prior year expenditures. This creates an excellent cushion in the case of an unforeseen crisis.

CITY OF RAYTOWN, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ending October 31, 2020
Unaudited

Capital Asset and Debt Administration

The City's investment in capital assets for its governmental and business-type activities as of October 31, 2020, amounts to \$38,846,508 compared to \$41,159,534 in 2019 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, collection systems, machinery and equipment, and infrastructure.

The following table reflects the capital asset activity for the years ended October 31, 2020 and 2019:

City of Raytown Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 1,473,340	\$ 1,473,340	\$ 433,393	\$ 433,393	\$ 1,906,733	\$ 1,906,733
Construction in progress	837,236	179,278	199,057	152,121	1,036,293	331,399
Buildings and improvements	2,654,321	2,826,710	-	-	2,654,321	2,826,710
Equipment and vehicles	1,927,436	2,317,384	21,417	41,484	1,948,853	2,358,868
Infrastructure	<u>18,538,327</u>	<u>20,629,723</u>	<u>12,761,981</u>	<u>13,106,101</u>	<u>31,300,308</u>	<u>33,735,824</u>
Total	<u>\$25,430,660</u>	<u>\$27,426,435</u>	<u>\$13,415,848</u>	<u>\$13,733,099</u>	<u>\$ 38,846,508</u>	<u>\$ 41,159,534</u>

For additional information on capital assets, see Note 4 to the basic financial statements.

Debt Administration

At the end of fiscal year 2020, the City had a total of \$46,819,016 of outstanding debt compared to \$50,113,783 in 2019. This was a decrease of \$3,294,767 from the previous year, largely due to a refinance of the TIF Bonds and continued payments for sewer bond principal.

The following table reflects changes in the City's long-term debt for the years ended October 31, 2020 and 2019:

City of Raytown Long-Term Debt

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Tax increment and sales tax revenue bonds (including premium)	\$26,870,000	\$28,800,000	\$ -	\$ -	\$26,870,000	\$ 28,800,000
Revenue bonds (including premium)	-	-	7,305,562	8,215,178	7,305,562	8,215,178
Compensated absences	513,434	478,063	45,347	45,153	558,781	523,216
Net Pension	10,143,784	10,478,995	401,911	296,118	10,545,695	10,775,113
Developer obligation	1,264,211	1,483,701	-	-	1,264,211	1,483,701
Net OPEB obligation	<u>247,671</u>	<u>288,843</u>	<u>27,096</u>	<u>27,732</u>	<u>274,767</u>	<u>316,575</u>
Total	<u>\$39,039,100</u>	<u>\$41,529,602</u>	<u>\$ 7,779,916</u>	<u>\$ 8,584,181</u>	<u>\$46,819,016</u>	<u>\$ 50,113,783</u>

Requests for Information

This financial report is designed to provide the reader with a general overview of the City's finances. Questions or requests for more information concerning any of the information provided in this report should be directed to Finance Director, Finance Department, City of Raytown, 10000 E 59th Street, Raytown, MO 64133.



INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor
and Members of the
Board of Alderman
City of Raytown, Missouri

Report on the Financial Statements

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 Raytown, Missouri (the City), as of the year ended October 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Raytown, Missouri, as of October 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Missouri Local Government Employees Retirement System, OPEB, and Budgetary Comparison Information on pages iii through ix and 49 through 58 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 managements 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 of Raytown, Missouri's basic financial statements. The combining and individual non-major fund financial statements and other budgetary schedules, listed in the table of contents as supplemental information, are presented for purposes of additional analysis, and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements and budgetary schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. We have applied certain limited procedures to the 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 managements 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

Troutt, Beeman & Co., P.C.

Harrisonville, Missouri
June 25, 2021

**CITY OF RAYTOWN, MISSOURI
STATEMENT OF NET POSITION
OCTOBER 31, 2020**

	Primary Government		
	Governmental	Business-type	Total
	Activities	Activities	
ASSETS			
Pooled cash and investments	\$ 14,181,497	\$ 5,260,900	\$ 19,442,397
Cash and investments-restricted	3,393,008	604,735	3,997,743
Taxes receivable, net	1,695,124	-	1,695,124
Due from other governments	224,894	-	224,894
Grants receivable	84,468	-	84,468
Accrued interest	535	208	743
Accounts receivable, net	59,049	1,751,220	1,810,269
Loan receivable	509,938	-	509,938
Fines receivable, net	48,994	-	48,994
Due from agency fund	15	-	15
Inventories	3,382	-	3,382
Prepaid expenses	787,952	72,928	860,880
Land held for future use	1,034,432	-	1,034,432
Capital assets:			
Land and construction in progress	2,310,576	632,450	2,943,026
Buildings and improvements	7,099,821	-	7,099,821
Vehicles and equipment	9,696,552	677,920	10,374,472
Distribution system	-	25,646,023	25,646,023
Infrastructure	66,032,794	-	66,032,794
Less: accumulated depreciation	<u>(59,709,083)</u>	<u>(13,540,545)</u>	<u>(73,249,628)</u>
Total capital assets	<u>25,430,660</u>	<u>13,415,848</u>	<u>38,846,508</u>
Total assets	<u>47,453,948</u>	<u>21,105,839</u>	<u>68,559,787</u>
DEFERRED OUTFLOWS OF RESOURCES			
OPEB	69,440	7,597	77,037
Debt refunding	-	12,383	12,383
Pension	<u>2,309,000</u>	<u>194,327</u>	<u>2,503,327</u>
Total deferred outflows of resources	<u>2,378,440</u>	<u>214,307</u>	<u>2,592,747</u>
Total assets and deferred outflows of resources	<u>49,832,388</u>	<u>21,320,146</u>	<u>71,152,534</u>
LIABILITIES			
Accounts payable and accrued expenses	987,218	204,379	1,191,597
Unapplied payments	-	85,731	85,731
Customer deposits	-	559,488	559,488
CARES funding	1,414,476	-	1,414,476
Courts bonds payable	24,683	-	24,683
Long-term liabilities:			
Due within one year:			
Bonds, capital leases, and contracts	1,915,000	949,616	2,864,616
Compensated absences	397,200	45,347	442,547
Accrued interest	214,617	105,116	319,733
Due in more than one year:			
Bonds, capital leases, and contracts	24,955,000	6,355,945	31,310,945
Net pension	10,143,784	401,911	10,545,695
Developer obligations	1,264,211	-	1,264,211
OPEB	247,671	27,096	274,767
Compensated absences	<u>116,234</u>	<u>-</u>	<u>116,234</u>
Total liabilities	<u>41,680,094</u>	<u>8,734,629</u>	<u>50,414,723</u>
DEFERRED INFLOWS OF RESOURCES			
Debt refunding	176,265	-	176,265
OPEB	115,595	12,646	128,241
Pension	<u>1,448,582</u>	<u>36,289</u>	<u>1,484,871</u>
Total deferred inflows of resources	<u>1,740,442</u>	<u>48,935</u>	<u>1,789,377</u>
NET POSITION			
Net investment in capital assets	27,370,967	6,110,287	33,481,254
Restricted for:			
Capital projects	2,076,870	-	2,076,870
Parks	1,150,558	-	1,150,558
Public works	3,350,442	-	3,350,442
Public safety	657,709	-	657,709
Debt service	4,122,294	604,735	4,727,029
Prepaid items	787,952	-	787,952
Unrestricted	<u>(33,104,940)</u>	<u>5,821,560</u>	<u>(27,283,380)</u>
Total net position	<u>6,411,852</u>	<u>12,536,582</u>	<u>18,948,434</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 49,832,388</u>	<u>\$ 21,320,146</u>	<u>\$ 71,152,534</u>

See accompanying notes.

CITY OF RAYTOWN, MISSOURI
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED OCTOBER 31, 2020

Functions/Programs	Net (Expense) Revenue and Changes in Net Position				
	Expenses	Charges for Services	Primary Government		Total
			Operating Grants and Contributions	Capital Grants and Contributions	
Primary government:					
Governmental activities:					
General government	\$ 2,775,803	\$ 251,121	\$ 313,344	\$ -	\$ (2,211,338)
Public safety	6,167,119	268,167	46,182	-	(5,852,770)
Community development	802,749	205,415	-	-	(597,334)
Public works	4,741,050	25,800	1,166,922	92,343	(3,455,985)
Parks and recreation	909,783	56,351	-	-	(853,432)
Interest on long-term debt	862,986	-	-	-	(862,986)
Total governmental activities	<u>16,259,490</u>	<u>806,854</u>	<u>1,526,448</u>	<u>92,343</u>	<u>(13,833,845)</u>
Business-type activities:					
Water and sewer	6,334,846	7,658,500	-	-	1,323,654
Total business-type activities	<u>6,334,846</u>	<u>7,658,500</u>	<u>-</u>	<u>-</u>	<u>1,323,654</u>
Total primary government	<u>\$ 22,594,336</u>	<u>\$ 8,465,354</u>	<u>\$ 1,526,448</u>	<u>\$ 92,343</u>	<u>(12,510,191)</u>
General revenues:					
Taxes:					
Property taxes, levied for general purposes					1,179,342
Property taxes, levied for specific purposes					588,988
Franchise taxes and other taxes					3,378,027
Sales taxes					8,765,634
Intergovernmental activity tax					1,496,568
Investment earnings					199,593
Miscellaneous revenue (expense)					256,191
Total general revenues, special items, and transfers					15,864,343
Change in net position					299,271
Net position - beginning					1,622,925
Net position - ending					10,913,657
					\$ 12,536,582
					\$ 18,948,434

See accompanying notes.

**CITY OF RAYTOWN, MISSOURI
BALANCE SHEET
GOVERNMENTAL FUNDS
OCTOBER 31, 2020**

	<u>General</u>	<u>Transportation Sales Tax</u>	<u>TIF</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Pooled cash and investments	\$ 7,128,360	\$ 1,765,732	\$ 499,124	\$ 4,788,281	\$ 14,181,497
Cash and investments-restricted	-	-	3,393,008	-	3,393,008
Taxes receivable, net	821,485	273,000	18,600	582,039	1,695,124
Accounts receivable, net	108,043	-	-	-	108,043
Due from other funds	-	-	262,366	-	262,366
Due from other governments	96,263	84,468	128,631	-	309,362
Inventory	3,382	-	-	-	3,382
Accrued interest	265	70	7	193	535
Loan receivable	-	-	-	509,938	509,938
Land held for future use	1,034,432	-	-	-	1,034,432
Prepaid expenses	<u>514,966</u>	<u>-</u>	<u>-</u>	<u>272,986</u>	<u>787,952</u>
Total assets	<u>\$ 9,707,196</u>	<u>\$ 2,123,270</u>	<u>\$ 4,301,736</u>	<u>\$ 6,153,437</u>	<u>\$ 22,285,639</u>
 LIABILITIES AND FUND BALANCES					
Accounts payable	\$ 442,802	\$ 68,866	\$ 91,546	\$ 101,375	\$ 704,589
CARES funds	1,414,476	-	-	-	1,414,476
Accrued expenses	264,508	-	-	18,121	282,629
Court bonds payable	24,683	-	-	-	24,683
Due to other funds	<u>119,073</u>	<u>59,544</u>	<u>-</u>	<u>83,734</u>	<u>262,351</u>
Total liabilities	<u>2,265,542</u>	<u>128,410</u>	<u>91,546</u>	<u>203,230</u>	<u>2,688,728</u>
 DEFERRED INFLOWS OF RESOURCES					
Court Fines	<u>48,994</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>48,994</u>
Total deferred inflows or resources	<u>48,994</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>48,994</u>
 Fund balances:					
Nonspendable:					
Prepaid items	514,966	-	-	272,986	787,952
Land held for future use	1,034,432	-	-	-	1,034,432
Restricted:					
Capital projects	-	-	-	2,076,870	2,076,870
Parks and recreation	-	-	-	1,191,633	1,191,633
Debt service	-	-	4,210,190	-	4,210,190
Public works	-	1,994,860	-	1,442,866	3,437,726
Public safety	-	-	-	950,366	950,366
Assigned to:					
General government	-	-	-	15,486	15,486
Unassigned	<u>5,843,262</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,843,262</u>
Total fund balances	<u>7,392,660</u>	<u>1,994,860</u>	<u>4,210,190</u>	<u>5,950,207</u>	<u>19,547,917</u>
Total liabilities and fund balances	<u>\$ 9,707,196</u>	<u>\$ 2,123,270</u>	<u>\$ 4,301,736</u>	<u>\$ 6,153,437</u>	<u>\$ 22,285,639</u>

See accompanying notes.

**CITY OF RAYTOWN, MISSOURI
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
OCTOBER 31, 2020**

Fund balances - total governmental funds	\$	19,547,917
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.		<u>25,430,660</u>
Interest on long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due.		<u>(214,617)</u>
Deferred pension and OPEB inflows and outflows are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position:		
Inflows		(1,564,177)
Outflows		<u>2,378,440</u>
		<u>814,263</u>
Deferred debt refunding is not included in the fund financial statement, but is included in the governmental activities of the Statement of Net Position:		<u>(176,265)</u>
Other long-term assets are not available to pay for current period and, therefore, are reported as unavailable revenue in the funds.		<u>48,994</u>
Long-term liabilities are not due and payable in the current period and are not included in the fund financial statement, but are included in the government-wide statements:		
Bonds and capital leases		(26,870,000)
OPEB Obligation		(247,671)
Development obligations		(1,264,211)
Net pension		(10,143,784)
Compensated absences		<u>(513,434)</u>
		<u>(39,039,100)</u>
Net Position of Governmental Activities in the Statement of Net Position	\$	<u><u>6,411,852</u></u>

See accompanying notes.

CITY OF RAYTOWN, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE --
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED OCTOBER 31, 2020

	<u>General Fund</u>	<u>Transportation Sales Tax</u>	<u>TIF</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES					
Taxes	\$ 7,383,218	\$ 1,257,710	\$ 1,635,838	\$ 3,635,225	\$ 13,911,991
Licenses and permits	405,707	-	-	-	405,707
Intergovernmental	1,526,448	92,343	1,496,568	-	3,115,359
Charges for services	88,650	-	-	56,351	145,001
Fees and fines	257,108	-	-	-	257,108
Use of money and property	47,279	12,037	43,420	96,857	199,593
Other	94,496	44,000	-	85,580	224,076
Total revenues	<u>9,802,906</u>	<u>1,406,090</u>	<u>3,175,826</u>	<u>3,874,013</u>	<u>18,258,835</u>
EXPENDITURES					
Current:					
Current expenditures:					
General government	2,268,277	-	-	95,962	2,364,239
Public safety	5,699,224	-	-	61,648	5,760,872
Public works	1,779,399	218,180	-	203,455	2,201,034
Parks and recreation	-	-	-	781,504	781,504
Community development	796,527	-	225,712	-	1,022,239
Capital outlay	-	395,422	-	595,437	990,859
Debt service:					
Principal	-	-	1,930,000	-	1,930,000
Interest and other charges	-	-	762,585	-	762,585
Total expenditures	<u>10,543,427</u>	<u>613,602</u>	<u>2,918,297</u>	<u>1,738,006</u>	<u>15,813,332</u>
Excess (deficiency) of revenues over expenditures	<u>(740,521)</u>	<u>792,488</u>	<u>257,529</u>	<u>2,136,007</u>	<u>2,445,503</u>
OTHER FINANCING SOURCES (USES)					
Sale of capital assets	-	-	-	32,115	32,115
Transfers in	1,474,496	-	-	150,000	1,624,496
Transfers out	(150,000)	-	-	(1,474,496)	(1,624,496)
Total other financing sources and uses	<u>1,324,496</u>	<u>-</u>	<u>-</u>	<u>(1,292,381)</u>	<u>32,115</u>
Net change in fund balances	583,975	792,488	257,529	843,626	2,477,618
Fund balances - beginning	<u>6,808,685</u>	<u>1,202,372</u>	<u>3,952,661</u>	<u>5,106,581</u>	<u>17,070,299</u>
Fund balances - ending	<u>\$ 7,392,660</u>	<u>\$ 1,994,860</u>	<u>\$ 4,210,190</u>	<u>\$ 5,950,207</u>	<u>\$ 19,547,917</u>

See accompanying notes.

CITY OF RAYTOWN, MISSOURI
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED OCTOBER 31, 2020

Net change in fund balances - total governmental funds: \$ 2,477,618

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

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. This is the amount by which capital outlays, which are over the capitalization threshold, exceeded depreciation in the current period:

Capital outlay	990,859
Loss on capital asset disposal	(10,307)
Capital outlay expensed	(9,280)
Depreciation expense	(2,967,047)
	(1,995,775)

Governmental funds report bond proceeds as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of bond principal as an expenditure. In contrast, the Statement of Net Position reports repayment as a reduction to long-term liabilities. This is the amount by which proceeds exceed repayments:

Repayment of principal	1,930,000
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:

Deferred debt refunding	16,024
Deferred court fines	(962)
Pension expense	(464,101)
Accrued interest not reflected on governmental funds	(116,425)
Developer obligation	219,490
Compensated absences	(35,371)
	(381,345)

Change in net position of governmental activities \$ 2,030,498

See accompanying notes.

**CITY OF RAYTOWN, MISSOURI
STATEMENT OF NET POSITION
PROPRIETARY FUND
OCTOBER 31, 2020**

	Sewer Utility
ASSETS:	
Current assets:	
Pooled cash and investments	\$ 5,260,900
Cash and investments-restricted	604,735
Receivables, net:	
Billed	540,489
Unbilled	1,210,731
Interest	208
Prepaid expenses	72,928
Total current assets	7,689,991
Non-current assets,	
Capital assets, net	13,415,848
Total assets	21,105,839
 DEFERRED OUTFLOWS OF RESOURCES:	
Other postemployment benefits	7,597
Debt refunding	12,383
Pension	194,327
Total deferred outflows of resources	214,307
Total assets and deferred outflows of resources	\$ 21,320,146
 LIABILITIES:	
Current liabilities:	
Accounts payable	159,009
Accrued expenses	45,370
Unapplied payments	85,731
Accrued interest payable	105,116
Customer deposits	559,488
Compensated absences	45,347
Bonds, notes, and loans payable	949,616
Total current liabilities	1,949,677
Non-current liabilities:	
Net pension	401,911
Other postemployment benefits	27,096
Bonds, notes, and loans payable	6,355,945
Total non-current liabilities	6,784,952
Total liabilities	8,734,629
 DEFERRED INFLOWS OF RESOURCES:	
Other postemployment benefits	12,646
Pension	36,289
Total deferred inflows of resources	48,935
 NET POSITION:	
Net investment in capital assets	6,110,287
Restricted for debt service	604,735
Unrestricted	5,821,560
Total net position	12,536,582
Total liabilities, deferred inflows of resources, and net position	\$ 21,320,146

See accompanying notes.

CITY OF RAYTOWN, MISSOURI
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION --
PROPRIETARY FUND
FOR THE YEAR ENDED OCTOBER 31, 2020

	Sewer Utility
REVENUES:	
Charges for services	\$ 7,658,500
Miscellaneous	51,391
Total operating revenues	7,709,891
OPERATING EXPENSES:	
Personnel services	827,095
Contractual services	187,945
Materials and supplies	84,969
Maintenance and repairs	80,404
Sewer services	4,178,177
Depreciation and amortization	524,315
Bad debts	92,303
	5,975,208
Operating income	1,734,683
NON-OPERATING REVENUES (EXPENSES):	
Interest income	247,880
Interest expense	(359,638)
	(111,758)
Increase in net position	1,622,925
Total net position - beginning	10,913,657
Total net position - ending	\$ 12,536,582

See accompanying notes.

CITY OF RAYTOWN, MISSOURI

**STATEMENT OF CASH FLOWS -- PROPRIETARY FUND
FOR THE YEAR ENDED OCTOBER 31, 2020**

	Sewer Utility
CASH FLOWS FROM OPERATING ACTIVITIES:	
Received from customers	\$ 7,573,389
Payments to employees and fringe benefits	(762,997)
Payments for operations	<u>(4,637,700)</u>
Net cash provided by operating activities	<u>2,172,692</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Acquisition and construction of capital assets	(207,064)
Principal paid on capital debt and leases	(909,616)
Interest paid on capital debt and leases	<u>(365,081)</u>
Net cash used by capital and related financing activities	<u>(1,481,761)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Investment received	<u>254,562</u>
Net cash provided by investing activities	<u>254,562</u>
Net increase in cash and cash equivalents	945,493
Cash and cash equivalents, Beginning of the year	<u>4,920,142</u>
Cash and cash equivalents, End of the year	<u>\$ 5,865,635</u>
Cash and investments	5,260,900
Restricted cash and investments	<u>604,735</u>
Total cash and restricted cash and investment	<u>\$ 5,865,635</u>
Reconciliation of operating income to net cash provided by operating activities,	
Operating income	<u>\$ 1,734,448</u>
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization expense	524,315
Changes in assets and liabilities:	
Receivables, net	(7,770)
Pension related deferrals and assets	113,331
Prepaid items	7,414
Accounts payable and accrued expenses	(140,357)
Deferred revenue	(64,366)
Accrued interest payable	12,359
Accrued interest receivable	<u>(6,682)</u>
Total adjustments	<u>438,244</u>
Net cash provided by operating activities	<u>\$ 2,172,692</u>

See accompanying notes.

**CITY OF RAYTOWN, MISSOURI
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
October 31, 2020**

	Police Pension Trust	Agency Funds
ASSETS:		
Pooled cash and investments	\$ 9,968,706	\$ 73,055
Taxes receivable, net	-	28,287
Total assets	\$ 9,968,706	\$ 101,342
 LIABILITIES,		
Due to others	\$ -	\$ 101,342
 NET POSITION,		
Held in trust for pension benefits	\$ 9,968,706	\$ -

See accompanying notes.

**CITY OF RAYTOWN, MISSOURI
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
October 31, 2020**

	Police Pension Trust
Additions:	
Employer contributions	\$ 627,644
Investment earnings:	
Interest and dividends	310,027
Net appreciation in fair value of investments	211,176
Investment expenses	(65,201)
Total investment earnings	456,002
Total additions	1,083,646
 Deductions:	
Benefits paid	1,450,204
Administrative expenses and other	81,849
Total deductions	1,532,053
 Change in net position	(448,407)
 Net position, beginning of year	10,417,113
 Net position, end of year	\$ 9,968,706

See accompanying notes.

NOTES TO FINANCIAL STATEMENTS

The Notes to the Financial Statements include a summary of the accounting policies followed and information used by the City that are judged to be most appropriate for full disclosure in the preparation of the financial statements.

CITY OF RAYTOWN, MISSOURI

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of the City of Raytown, Missouri (the City), have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below:

Reporting Entity: The City of Raytown, Missouri, was incorporated in 1950 and covers an area of approximately ten square miles in Jackson County, Missouri. Raytown is a fourth class city and operates under the mayor/board of aldermen form of government and provides services to its residents in many areas, including law enforcement, sewer services, community enrichment and development, and various social services. Fire protection and EMS services are provided by a fire district, which is a separate government entity. The City Administrator is the chief administrative officer of the City.

The accompanying financial statements present the City's primary government and its blended component unit: the City of Raytown, Missouri Tax Increment Financing (TIF) Commission (the Commission). The Commission is governed by an eleven-member board. Six members are appointed by the City's Board of Aldermen and the remaining five members are appointed by the respective taxing districts' boards. Although the Commission is legally separate, the Commission is reported as a blended component unit 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.

Government-Wide and Fund Financial Statements: The government-wide financial statements include the statement of net position and the statement of activities. Government-wide statements report information on all of the activities of the City and its component units. *Governmental activities*, which are normally supported by taxes and governmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the government's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

CITY OF RAYTOWN, MISSOURI

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Government-Wide and Fund Financial Statements (Continued):

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate fund financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and the major individual enterprise fund are reported as separate columns in the respective fund financial statements. Non-major funds include other Special Revenue and Capital Projects funds. The combined amounts for these funds are reflected in a single column in the Governmental fund Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances. Detailed statements for non-major funds are presented with Combining and Individual Fund Statements and Schedules.

Measurement Focus, Basis of Accounting, and Basis of Presentation: The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recognized when they occur and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the following year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recognized when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to compensated absences, claims, and judgments are reported only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt are reported as other financing sources.

CITY OF RAYTOWN, MISSOURI

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued):

Property taxes that are not available for current year operations are shown as deferred inflows of resources in the Governmental Funds Balance Sheet. Property taxes are levied each year on all taxable real and personal property in the City. The City's property tax is levied each September 1 on the assessed value as of the prior January 1. Property taxes are billed in total by November 1 following the levy date and considered delinquent after January 1. On January 1, a lien attaches to all property for which taxes are unpaid.

Franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Charges for sales and services (other than utility) and miscellaneous revenues are generally recorded as revenue when received in cash because they are generally not measurable until actually received.

The City reports the following major governmental funds:

The General Fund is the main operating fund. Expenditures from this fund provide basic City services, such as police protection, planning, inspection, engineering, animal control, civil defense, municipal court, and overall basic services such as finance and data processing, personnel, and general administration of the City.

Revenue sources include taxes, which include property taxes, sales taxes, franchise taxes, and cigarette taxes. Other revenues include other fees and licenses, and revenue gathered from the municipal court and investment earnings.

The TIF Fund accounts for taxes collected and expended for operations of the City's tax increment financing plans.

The Transportation Sales Tax Fund accounts for sales tax collected and other resources to be used for road and bridge projects within the City and operation and maintenance of the City's streets, curbs, etc.

The City reports the following non-major governmental funds:

The Park Fund accounts for property taxes levied for health related programs.

The Risk Management Fund accounts for insurance and related expenses not directly attributable to any one department or fund.

The Capital Sales Tax Fund accounts for incremental property and sales taxes to be used for the maintenance and construction of capital projects.

CITY OF RAYTOWN, MISSOURI

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued):

The Public Safety Sales Tax Fund accounts for the voter-approved sales tax for the public safety.

The Capital Improvements Fund accounts for the revenues and expenditures paid for maintaining and improving the City's streets and storm sewer system. The ongoing revenue and expenditures are for the Ditzler CID.

The Storm Water Fund accounts for voter approved sales tax for maintenance and improvements for City storm water.

Proprietary fund financial statements are used to account for activities, which are similar to those found in the private-sector. The measurement focus is upon determination of net income, financial position, and cash flows. The City reports the following major proprietary fund:

The Sewer Utility Fund accounts for the provision of sewer services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing, billing, collection, and related debt service.

On the proprietary fund financial statements, operating revenues are those that flow directly from the operations of the activity, i.e., charges to customers or users who purchase or use the goods or services of that activity. Operating expenses are those that are incurred to provide those goods or services. Non-operating revenues and expenses are items such as investment income and interest expense that are not a result of the direct operations of the activity.

Fiduciary fund financial statements are custodial in nature and are merely clearing accounts for assets held by the City as an agent for individuals, private organization, or other governments. Fiduciary funds are excluded from government-wide financial statements.

The Police Pension Trust Fund accounts for the activity of the Policeman's Frozen Retirement Plan.

Agency Funds:

The Raytown Highway 350 Transportation Development District (TDD) Fund accounts for taxes collected on behalf of the TDD.

The Ditzler CID Fund accounts for taxes collected on behalf of the CID.

CITY OF RAYTOWN, MISSOURI

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Budgets: The reported budgetary data represents the final approved budget after amendments as adopted by the Board of Alderman. Annual operating budgets are adopted for the General Fund, Special Revenue Funds, Capital Projects Funds, and Proprietary Funds. Missouri law requires budgets to be adopted for all governmental funds. The City prepares its budgets on the modified accrual basis of accounting for its governmental funds and the accrual basis for its proprietary funds. The Board of Alderman has amended the budget at various times during the year and has performed the following procedures in establishing the City's budget:

- (1) Prior to September 30, the City Administrator submits to the Board of Alderman a proposed operating budget for the fiscal year commencing the following November 1. The operating budget includes proposed expenditures and the means of financing them.
- (2) Public hearings are conducted to obtain taxpayer comments.
- (3) Prior to November 1, the budget is legally enacted through the passage of an ordinance.
- (4) The City Administrator is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund greater than \$15,000 must be approved by the Board of Alderman. This constitutes the City's legal level of budgetary control.
- (5) Appropriations lapse at year-end, but may be reappropriated in the following fiscal year.

Net Position - Government-Wide Statements: Net Position is displayed in three components:

- (1) Net investment in capital assets component of net position: Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
- (2) Restricted component of net position: Consists of restricted assets, reduced by liabilities and deferred inflows of resources related to those assets, with constraints placed on the use either by (a) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (b) law through constitutional provisions or enabling legislation.
- (3) Unrestricted component of net position: Consists of the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of "net investment in capital assets" or the "restricted" component of net position.

It is the City's policy to first use restricted net position prior to the use of unrestricted net position when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

CITY OF RAYTOWN, MISSOURI

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Fund Equity: In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

Restricted fund balance - This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance - These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the Board of Alderman—the government’s highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the Board of Alderman removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned fund balance - This classification reflects the amounts constrained by the City’s “intent” to be used for specific purposes, but are neither restricted nor committed. The Board of Alderman and the City Administrator have the authority to assign amounts to be used for specific purposes. Assigned fund balance include all remaining amounts (except negative balances) that are reported in the governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance - This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the City’s policy to use externally restricted resources first, then unrestricted resources—committed, assigned, and unassigned—in order as needed.

Receivables: Accounts receivable for sewer service is accounted for in the Sewer Fund and include billed amounts as well as an accrual for the earned but unbilled services from the previous billing date through October 31, 2020. Receivables in the General Fund represent charges for services, taxes, intergovernmental and loans. All receivables are stated net of allowances for uncollectible accounts.

Interfund Receivables and Payables: Transactions between funds that are representative of cash overdrafts from pooled cash and investing are reported as interfund receivables or payables.

CITY OF RAYTOWN, MISSOURI

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Pooled Cash, Investments, and Restricted Assets: State statutes authorize the City to invest in banking institutions and obligations of municipalities, repurchase agreements, U.S. government agency obligations, and obligations of the U.S. Treasury. Cash resources of the individual governmental fund types are combined to form a pool of cash and investments. At October 31, 2020, the City's cash was deposited in demand accounts, certificates of deposit, and money markets. Investments with maturities of less than one year are stated at cost, which approximates fair value. All investments are stated at cost, which approximates fair value. Interest income on pooled cash and investments is allocated based upon each fund's respective average cash balance.

Certain proceeds of federal grants are classified as restricted assets on the balance sheet because their use is limited by applicable grant agreements. Assets are also restricted for debt service reserve requirements.

Statement of Cash Flows: A statement of cash flows has been presented in accordance with GASB Statement 9 for the Proprietary Fund. For purposes of the statement of cash flows, all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased are considered to be cash equivalents.

Interfund Activity: During the course of normal operations, the City has transactions between funds, including expenditures and transfers of resources to provide services and construct assets. Legally authorized transfers are treated as transfers and are included in the results of operations of both Governmental and Proprietary Funds.

Inventory: Inventory, which consists principally of maintenance supplies and gasoline, is valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund inventories are recorded as expenditures when purchased.

Compensated Absences: Accumulated vacation and sick leave, that is expected to be liquidated with expendable available financial resources, is reported as an expenditure and a fund liability of the governmental fund that will pay it. Accumulated vacation and sick leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations or retirements.

Unearned Revenues: Governmental funds report deferred inflows when resources are received by the City before it has a legal claim to them. In subsequent periods, when both revenue recognition criteria are met, or when government has a legal claim to the resources, revenue is recognized. Proprietary funds report unearned revenues when resources are received by the City before services are provided. In subsequent periods after services have been provided revenue is recognized.

CITY OF RAYTOWN, MISSOURI

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Capital Assets: Capital assets, which include land, buildings and improvements, equipment, and infrastructure assets (e.g., roads and bridges), are reported in the applicable government or business-type activities columns in the government-wide statements. Capital assets are defined as assets with a cost of \$5,000 or more and expected useful lives in excess of one year. Capital assets are recorded at historical cost if purchased or constructed, or at estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at estimated acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

All reported capital assets except land and CIP are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following estimated lives: Buildings and improvements 25 - 50 years, office equipment and furniture 7 - 10 years, computer equipment 3 - 5 years, infrastructure 20 - 50 years, machinery and other equipment 7 -15 years, vehicles 5 - 10 years.

Deferred Outflows/Inflows of Resources: In addition to assets, the statement of net position will sometimes report a separate element for deferred outflows of resources. This separate financial statement element represents a consumption of net asset that applies to a future period(s) and will not be recognized as an outflow of resources, or expenses/expenditures, until then. The City reports deferred charge on refunding, pension/OPEB contributions made after the measurement date, pension changes in assumptions, pension net differences between projected and actual investment earnings and pension differences between expected and actual experience as deferred outflows of resources.

In addition to liabilities, the statement of net position will sometimes report a separate element for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period(s) and will not be recognized as an inflow of resources, or revenues, until that time. The City reports pension/OPEB differences between expected and actual experience, the net difference between projected and actual earnings on pension/OPEB investments, and changes of assumptions.

Other Post-Employment Benefits (OPEB): The fiduciary net position of the plan has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes the purpose of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to the OPEB, and OPEB expense, information about assets, liabilities and additions to/deductions from the City's fiduciary net position. Benefit payments are recognized when due and payable in accordance with the benefit terms. There are no investments as this is a "pay as you go" plan.

Long-Term Obligations: Long-term debt is recognized as a liability of a governmental fund when due. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

CITY OF RAYTOWN, MISSOURI

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Encumbrances: Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of the formal budgetary control. Encumbrances outstanding at year-end, if any, are reported as reservations of fund balance for subsequent year expenditures. When expenditures are incurred in subsequent years relating to amounts previously encumbered, such amounts are, if material, reappropriated in the year expended.

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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

2. DEPOSITS AND INVESTMENTS:

At October 31, 2020, the carrying amount of the City’s cash on hand, demand deposits, and certificates of deposit in financial institutions was \$5,585, \$13,044,649, and \$248,000, respectively. The bank balances of demand deposits were fully covered with a combination of FDIC insurance and pledged collateral held in the name of the City. All deposits were held by a qualified depository.

At October 31, 2020, the City’s cash and investments consisted of the following:

	Primary government	Fiduciary funds	Total
Investments:			
Short-term investments held in trust	\$ 3,997,743	\$ -	\$ 3,997,743
MOSIP	6,217,219	-	6,217,219
Pension trust investments	-	9,792,408	9,792,408
	10,214,962	9,792,408	20,007,370
Certificates of deposit	248,000	-	248,000
Cash on hand	5,585	-	5,585
Deposits	12,971,593	249,353	13,220,946
	13,225,178	249,353	13,474,531
Total	\$ 23,440,140	\$ 10,041,761	\$ 33,481,901

CITY OF RAYTOWN, MISSOURI
NOTES TO FINANCIAL STATEMENTS

2. DEPOSITS AND INVESTMENTS (Continued):

At October 31, 2020, the City had the following investments and maturities:

	Level 1	Maturity
Investments by fair value level:		
US Treasuries	\$ 565,856	5/15/2021 - 2/15/2030
Federal Agency Issues:		
FSA Cap Mgmt Repayment Fund	232,615	1/1/2028
Federal National Mortgage Assoc	6,782	8/1/2035 - 4/1/2036
Federal Home Loan Mortgage Corp	4,493	2/1/2037
PC Gold Comb Gold Pool	22,019	1/1/2048
Corporate bonds, stocks and notes	6,541,606	
 Total investments by fair value level	 7,373,371	
Investments measured by the net asset value:		
Bank Midwest Money Market	1,423,385	
MOSIP Liquid Series	6,217,219	
Fidelity Treasury Fund Class III	1,969,623	
Morgan Stanley Institutional Liquidity Fund	519,405	
Midcap SPDR Trust Series I	456,502	
Schwab US Large-Cap Index ETF	393,365	
Palmer Square Income Plus	344,269	
Lord Abbett Short Duration Income Instl	261,092	
Vanguard Group High Yield Corp Admiral	215,243	
Northern Funds Inst. Government	210,147	
DFA Funds US Small Cap Fund	160,365	
T.Rowe Price Mutual Funds Mid Cap Growth	153,330	
MFS International Value R6	127,296	
DFA Funds Emerging Mkts Core Equity	121,818	
Oppenheimer Mutual Funds Developing Mkts CL Y	60,233	
Vanguard Group REIT Index Fund	707	
 Total investments measured at net asset value	 12,633,999	
 Total investments	 \$ 20,007,370	

CITY OF RAYTOWN, MISSOURI

NOTES TO FINANCIAL STATEMENTS

2. DEPOSITS AND INVESTMENTS (Continued):

Credit Risk:

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Credit risk is measured using credit quality ratings of investments in debt securities as described by nationally recognized rating agencies such as Standard & Poor's and Moody's. Concentration of credit risk is the risk of loss attributed to the magnitude of investment in a single issuer.

Missouri State Statutes authorize the City, with certain restrictions, to deposit funds in open accounts, time deposits, and certificates of deposit. Statutes also require that collateral pledged have a fair market value equal to 100% of the funds on deposit, less insured amounts. Collateral securities must be held by the City or a disinterested third party and must be of the kind prescribed by statutes and approved by the State. The City may purchase any investments allowed by the State Treasurer. These include (a) obligations of the United States government or any agency or instrumentality thereof maturing and becoming payable not more than three years from the date of purchase, or (b) repurchase agreements maturing and becoming payable within 90 days secured by U.S. Treasury obligations or obligations of U.S. government agencies or instrumentalities of any maturity, as provided by law.

The City's general credit risk policy is to apply the prudent person rule: Investments shall be made with the exercise of that judgment and care, under circumstances then prevailing, which individuals of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital, as well as the probable income to be derived.

Interest Rate Risk:

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City does not have a formal policy for interest rate risk. However, the City does manage its exposure to fair value loss arising from interest rate changes on internally invested funds by reviewing the portfolio on an ongoing basis for changes in effective yield amounts. The City has elected to use the segmented time distribution method of disclosure for its interest rate risk.

Custodial Credit Risk:

The custodial credit risk for deposits is the risk that, in the event of the 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 of investments is the risk that, in the event of the failure of the 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 demand deposits with securities held by the financial institution's agent and in the City's name.

CITY OF RAYTOWN, MISSOURI

NOTES TO FINANCIAL STATEMENTS

2. DEPOSITS AND INVESTMENTS (Continued):

Deposits and investments of the City are reflected in the government-wide financial statements as follows:

	<u>Government- Wide Statement of Net Position</u>	<u>Fiduciary Funds Statement of Net Position</u>	<u>Total</u>
Pooled cash and cash equivalents	\$ 19,442,397	\$ 10,041,761	\$ 29,484,158
Restricted cash and investments	3,997,743	-	3,997,743
	<u>\$ 23,440,140</u>	<u>\$ 10,041,761</u>	<u>\$ 33,481,901</u>

3. RECEIVABLES:

As a result of providing sanitation services to its citizens, the City has extended credit to them. Accounts receivable are presented net of allowance for doubtful accounts of \$177,565 for the Sewer Utility Fund.

The City has entered into a development agreement with Gregory Square Partners, LLC and the Ditzler Community Improvement District (CID). Under the agreement, the City provided funding totaling \$850,000 to be used to finance a portion of the development cost of the project and development of certain real property located at the intersection of Gregory Boulevard and Ditzler Avenue. Under the terms of the agreement, the City is scheduled to be reimbursed for the \$850,000 in funding over a period not to exceed 20 years, including interest at 6.5%, from CID sales taxes generated from taxable sales within the CID district. The outstanding balance under the agreement is \$509,938 as of October 31, 2020.

CITY OF RAYTOWN, MISSOURI
NOTES TO FINANCIAL STATEMENTS

4. CAPITAL ASSETS:

Capital asset activity for the year ended October 31, 2020, consisted of the following:

	Balance 11/1/2019	Additions	Retirements	Balance 10/31/2020
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,473,340	\$ -	\$ -	\$ 1,473,340
Construction in progress	179,278	657,958	-	837,236
Total capital assets not being depreciated	<u>1,652,618</u>	<u>657,958</u>	<u>-</u>	<u>2,310,576</u>
Capital assets being depreciated:				
Buildings and improvements	7,047,940	58,885	7,004	7,099,821
Infrastructure	66,032,794	-	-	66,032,794
Vehicles and equipment	9,834,214	264,736	402,398	9,696,552
Total capital assets being depreciated	<u>82,914,948</u>	<u>323,621</u>	<u>409,402</u>	<u>82,829,167</u>
Less: Accumulated depreciation				
Buildings and improvements	4,221,230	231,274	7,004	4,445,500
Infrastructure	45,403,071	2,091,396	-	47,494,467
Vehicles and equipment	7,516,830	644,377	392,091	7,769,116
Total accumulated depreciation	<u>57,141,131</u>	<u>2,967,047</u>	<u>399,095</u>	<u>59,709,083</u>
Total capital assets being depreciated, net	<u>25,773,817</u>	<u>(2,643,426)</u>	<u>10,307</u>	<u>23,120,084</u>
Total governmental activities capital assets, net	<u>\$ 27,426,435</u>	<u>\$ (1,985,468)</u>	<u>\$ 10,307</u>	<u>\$ 25,430,660</u>

CITY OF RAYTOWN, MISSOURI

NOTES TO FINANCIAL STATEMENTS

4. CAPITAL ASSETS (Continued):

Capital asset activity for the year ended October 31, 2020, consisted of the following (Continued):

	Balance 11/1/2019	Additions	Retirements	Balance 10/31/2020
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 433,393	\$ -	\$ -	\$ 433,393
Construction in progress	<u>152,121</u>	<u>207,064</u>	<u>160,128</u>	<u>199,057</u>
Total capital assets not being depreciated	<u>585,514</u>	<u>207,064</u>	<u>160,128</u>	<u>632,450</u>
Capital assets being depreciated:				
Vehicles and equipment	677,920	-	-	677,920
Distribution system	<u>25,485,895</u>	<u>160,128</u>	<u>-</u>	<u>25,646,023</u>
Total capital assets being depreciated	<u>26,163,815</u>	<u>160,128</u>	<u>-</u>	<u>26,323,943</u>
Less: Accumulated depreciation:				
Vehicles and equipment	636,436	20,067	-	656,503
Distribution system	<u>12,379,794</u>	<u>504,248</u>	<u>-</u>	<u>12,884,042</u>
Total accumulated depreciation	<u>13,016,230</u>	<u>524,315</u>	<u>-</u>	<u>13,540,545</u>
Total capital assets being depreciated, net	<u>13,147,585</u>	<u>(364,187)</u>	<u>-</u>	<u>12,783,398</u>
Total business-type activities capital assets, net	<u>\$ 13,733,099</u>	<u>\$ (157,123)</u>	<u>\$ 160,128</u>	<u>\$ 13,415,848</u>

Depreciation expense was charged to the function/programs of the primary government as follows:

Governmental activities:	
General government	\$ 70,971
Parks	130,955
Public safety	230,268
Public works	<u>2,534,853</u>
Total depreciation expense, governmental	<u><u>2,967,047</u></u>
Business-type activities,	
Sewer Utility	<u>\$ 524,315</u>

Land held for Redevelopment: The City has acquired title to certain land that is not used in the City's continuing operations but is instead held by the City for future redevelopment projects. At October 31, 2020, the carrying value of the land was \$1,034,432.

CITY OF RAYTOWN, MISSOURI

NOTES TO FINANCIAL STATEMENTS

5. DEFINED PENSION PLAN:

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.

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 and fire) 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 fire) and receive a reduced allowance.

	2020 Valuation
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.

Employees covered by benefit terms: At June 30, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	45
Inactive employees entitled to but not yet receiving benefits	127
Active employees	93
	<hr/>
	265
	<hr/> <hr/>

CITY OF RAYTOWN, MISSOURI

NOTES TO FINANCIAL STATEMENTS

5. DEFINED PENSION PLAN (Continued):

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 13.8% General and 10.0% Police of annual covered payroll.

Net Pension Liability: The employer’s net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 29, 2020.

Actuarial Assumptions: The total pension liability in the February 29, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25% wage inflation	2.5% price inflation
Salary Increase	3.25% to 6.55% including wage inflation	
Investment rate of return	7.25%	

Mortality rates were based on the RP-2014 mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006.

The actuarial assumptions used in the February 29, 2020 valuation were based on the results of an actuarial experience study for the period March 1, 2010 through February 28, 2015.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	39.00%	4.16%
Fixed Income	28.00%	0.89%
Real Assets	33.0%	2.09%

CITY OF RAYTOWN, MISSOURI

NOTES TO FINANCIAL STATEMENTS

5. DEFINED PENSION PLAN (Continued):

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

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balances at 6/30/2019	\$ 19,438,234	\$ 16,257,969	\$ 3,180,265
Changes for the year:			
Service Cost	542,561	-	542,561
Interest	1,409,726	-	1,409,726
Difference between expected and actual experience	(119,154)	-	(119,154)
Change in assumptions	-	-	-
Contributions - employer	-	680,823	(680,823)
Contributions - employee	-	222,306	(222,306)
Net investment income	-	210,376	(210,376)
Benefit payments, including refunds	(529,787)	(529,787)	-
Administrative expense	-	(28,249)	28,249
Other changes	-	(13,301)	13,301
Net changes	1,303,346	542,168	761,178
Balances at 6/30/2020	\$ 20,741,580	\$ 16,800,137	\$ 3,941,443

Sensitivity of the net pension liability to changes in the discount rate: The following presents the Net Pension Liability of the employer, calculated using the discount rate of 7.25%, as well as what the employer's Net Pension Liability would be using a discount rate that is 1 percentage point lower 6.25% or one percentage point higher 8.25% than the current rate.

	Current Single Discount		
	1% Decrease 6.25%	Rate Assumption 7.25%	1% Increase 8.25%
	Total Pension Liability (TPL)	\$ 24,068,340	\$ 20,741,580
Plan Fiduciary Net Position	16,800,137	16,800,137	16,800,137
Net Position Liability/(Asset) (NPL)	\$ 7,268,203	\$ 3,941,443	\$ 1,230,386

CITY OF RAYTOWN, MISSOURI

NOTES TO FINANCIAL STATEMENTS

5. DEFINED PENSION PLAN (Continued):

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

For the year ended October 31, 2020 the employer recognized pension expense of \$1,110,493. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>		<u>Net Deferred</u>
	<u>Governmental</u>	<u>Business-type</u>	<u>Governmental</u>	<u>Business-type</u>	
Differences in experience	\$ 1,395,950	\$ 90,604	\$ (889,111)	\$ (36,289)	\$ 561,154
Differences in assumptions	109,548	7,900	-	-	117,448
Excess (deficit) investment returns	400,893	58,432	-	-	459,325
Contributions subsequent to the measurement date*	216,454	37,391	-	-	253,845
Total	<u>\$ 2,122,845</u>	<u>\$ 194,327</u>	<u>\$ (889,111)</u>	<u>\$ (36,289)</u>	<u>\$ 1,391,772</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 October 31, 2021.

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending</u>	<u>Net Deferred Outflows of Resources</u>
2021	\$ 360,621
2022	185,404
2023	232,951
2024	216,893
2025	42,889
Thereafter	99,169
	<u>\$ 1,137,927</u>

Payable to the Pension Plan

At October 31, 2020, the City reported a payable of \$124,434 for the outstanding amount of contributions due to the pension plan.

CITY OF RAYTOWN, MISSOURI

NOTES TO FINANCIAL STATEMENTS

6. POLICE OFFICERS' RETIREMENT PLAN (FROZEN):

General information about the plan

Plan description: Commissioned officers of the Police Department hired before December 31, 2013 are members of the Police Officers' Retirement Fund Pension Plan. The plan is a single-employer plan administered by the City. Benefit Trust Company Inc. acts as the investment advisor and custodian for the plan. The financial statements of this plan are included in the Pension Trust Fund in the accompanying basic financial statements of the City.

The plan was amended and restated effective December 31, 2013. Under the amendment and restated plan, benefits were frozen as of December 31, 2013, no new participants are allowed to enter the plan, and all active participants as of December 31, 2013 are 100% vested. The plan does not issue a separate financial statement.

Benefits provided: The Plan provides retirement, disability and death benefits to plan members and beneficiaries. Officers who retire at age 55 with 20 or more years of service are entitled to an allowance for life based on the benefit program information provided below.

2020 Valuation

Benefit Multiplier:	2.5% up to 20 years, plus 1% times the next 10 years
Final Average Salary:	5 highest calendar years of compensation out of last 10 years
Member Contributions:	0%

Employees covered by benefit terms: At January 1, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	44
Inactive employees entitled to but not yet receiving benefits	23
Active employees	15
	<hr/>
	82
	<hr/>

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 do not contribute to the pension plan.

CITY OF RAYTOWN, MISSOURI

NOTES TO FINANCIAL STATEMENTS

6. POLICE OFFICERS' RETIREMENT PLAN (FROZEN) (Continued):

Net Pension Liability: The employer's net pension liability was measured as of January 1, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2020.

Actuarial Assumptions: The total pension liability in the January 1, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Salary Increase	4.0% (plan is frozen, scale is for death benefits only)
Investment rate of return	7.5% (net of investment fees, 2.5% inflation component)

Mortality rates were based on the Public Safety 2010 tables for employees and annuitants projected with generational improvements using scale MP-2019.

The actuarial assumptions used in the January 1, 2020 valuation were based on past experience of the plan.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	65.00%	9.00%
Fixed Income	35.00%	4.80%

Discount rate: The discount rate used to measure the total pension liability is 7.5%. 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 RAYTOWN, MISSOURI
NOTES TO FINANCIAL STATEMENTS

6. POLICE OFFICERS' RETIREMENT PLAN (FROZEN) (Continued):

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balances at 12/31/2018	\$ 17,203,958	\$ 9,609,110	\$ 7,594,848
Changes for the year:			
Service Cost	20,407	-	20,407
Interest	1,236,977	-	1,236,977
Difference between expected and actual experience	139,039	-	139,039
Change in assumptions	150,340	-	150,340
Contributions - employer	-	590,127	(590,127)
Contributions - employee	-	-	-
Net investment income	-	1,981,217	(1,981,217)
Benefit payments, including refunds	(1,428,693)	(1,428,693)	-
Administrative expense	-	(33,985)	33,985
Other changes	-	-	-
Net changes	118,070	1,108,666	(990,596)
Balances at 12/31/2019	\$ 17,322,028	\$ 10,717,776	\$ 6,604,252

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 7.5%, as well as what the employer's Net Pension Liability would be using a discount rate that is 1 percentage point lower 6.5% or one percentage point higher 8.5% than the current rate.

	Current Single Discount		
	1% Decrease 6.50%	Rate Assumption 7.50%	1% Increase 8.50%
	Total Pension Liability (TPL)	\$ 19,055,209	\$ 17,322,028
Plan Fiduciary Net Position	10,717,776	10,717,776	10,717,776
Net Position Liability/(Asset) (NPL)	\$ 8,337,433	\$ 6,604,252	\$ 5,142,005

CITY OF RAYTOWN, MISSOURI
NOTES TO FINANCIAL STATEMENTS

6. POLICE OFFICERS' RETIREMENT PLAN (FROZEN) (Continued):

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

For the year ended October 31, 2020 the employer recognized pension expense of \$702,067. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in experience	\$ 112,519	\$ (82,390)
Differences in assumptions	73,636	(92,609)
Excess (deficit) investment returns	-	(384,472)
Total	\$ 186,155	\$ (559,471)

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending	Net Deferred Inflows of Resources
2020	\$ (29,316)
2021	(121,759)
2022	36,409
2023	(258,650)
2024	-
Thereafter	-
	\$ (373,316)

Payable to the Pension Plan

At October 31, 2020, the City reported a payable of \$0 for the outstanding amount of contributions due to the pension plan.

7. DEFERRED COMPENSATION PLAN:

Beginning on January 1, 2013, the City offers all employees not governed by a collective bargaining agreement a deferred compensation plan created in accordance with the Internal Revenue Code Section 401(a). Under the plan, the City matches 50% of employee contributions, up to 2% of the employee's annual salary deferrals to the plan. The payroll for the employees covered by the plan was \$3,358,320 during the year. Total gross payroll was \$5,772,913. For the year ended October 31, 2020, the City contributed \$62,766 to the plan.

CITY OF RAYTOWN, MISSOURI
NOTES TO FINANCIAL STATEMENTS

8. LONG-TERM DEBT:

Changes in long-term debt of the City for the year ended October 31, 2020, consisted of the following:

Governmental Activities					
	Balance November 1, 2019	Additions	Payments/ Adjustments	Balance October 31, 2020	Due in One year
Revenue bonds	\$ 28,800,000	\$ -	\$ 1,930,000	\$ 26,870,000	\$1,915,000
Other liabilities:					
OPEB*	288,843	-	41,172	247,671	-
Net pension*	10,478,995	1,545,231	1,880,442	10,143,784	-
Compensated absences*	478,063	524,142	488,771	513,434	397,200
	\$ 40,045,901	\$2,069,373	\$ 4,340,385	\$ 37,774,889	\$2,312,200

Business-Type Activities					
	Balance November 1, 2019	Additions	Payments/ Adjustments	Balance October 31, 2020	Due in One year
Revenue Bonds	\$ 8,115,000	\$ -	\$ 895,000	\$ 7,220,000	\$ 935,000
Bond (discount) / premium	100,178	-	14,616	85,562	14,616
Total	8,215,178	-	909,616	7,305,562	949,616
Other liabilities:					
OPEB	27,732	-	636	27,096	-
Net pension	296,118	183,831	78,038	401,911	-
Compensated absences	45,153	50,318	50,124	45,347	45,347
	\$ 8,584,181	\$ 234,149	\$ 1,038,414	\$ 7,779,916	\$ 994,963

*Other liabilities are primarily liquidated by the General Fund.

CITY OF RAYTOWN, MISSOURI

NOTES TO FINANCIAL STATEMENTS

8. LONG-TERM DEBT (Continued):

The compensated absences liability attributable to governmental activities will be liquidated primarily by the General Fund. The liability for compensated absences has been calculated using the vesting method, which leaves amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Total City debt at October 31, 2020, consisted of the following:

Governmental funds,

\$28,800,000, Series 2019 TIF refunding revenue bonds, issued for the refunding of Series 2007 TIF revenue bonds, due in annual installments of \$1,930,000 to \$2,875,000, through February 1, 2031, interest at 3.23% \$ 26,870,000

Total governmental funds \$ 26,870,000

Proprietary fund:

\$7,590,000, Series 2006A sewerage system revenue bonds, due in annual installments of \$35,000 to \$580,000, through July 1, 2026, interest at 4.0% to 5.25% \$ 3,120,000

\$5,495,000, Series 2007A sewerage system revenue bonds, due in annual installments of \$180,000 to \$405,000, through January 1, 2028, interest at 4.0% to 4.75% 2,760,000

\$2,310,000, Series 2013 sewerage system refunding revenue bonds, issued for the refunding of Series 2005B sewerage system revenue bonds, due in annual installments of \$155,000 to \$210,000, through July 1, 2027, interest at .85% to 4.15% 1,340,000

Proprietary bond premium 85,562

Total proprietary fund \$ 7,305,562

CITY OF RAYTOWN, MISSOURI
NOTES TO FINANCIAL STATEMENTS

8. LONG-TERM DEBT (Continued):

Aggregate annual principal and interest payments applicable to long-term debt are:

Years ending October 31,	Principal	Interest	Governmental Revenue Bonds
2021	\$ 1,915,000	\$ 836,973	\$ 2,751,973
2022	2,120,000	771,808	2,891,808
2023	2,220,000	701,718	2,921,718
2024	2,295,000	628,800	2,923,800
2025	2,370,000	553,461	2,923,461
2026-2030	13,075,000	1,547,251	14,622,251
2031	<u>2,875,000</u>	<u>46,431</u>	<u>2,921,431</u>
	<u>\$ 26,870,000</u>	<u>\$ 5,086,442</u>	<u>\$ 31,956,442</u>

Years ending October 31,	Principal	Interest	Business -Type Revenue Bonds
2021	\$ 935,000	\$ 310,437	\$ 1,245,437
2022	960,000	272,485	1,232,485
2023	1,010,000	229,859	1,239,859
2024	1,060,000	184,864	1,244,864
2025	1,100,000	137,237	1,237,237
2026-2028	<u>2,155,000</u>	<u>130,080</u>	<u>2,285,080</u>
	<u>\$ 7,220,000</u>	<u>\$ 1,264,962</u>	<u>\$ 8,484,962</u>

Bond Reserve Accounts:

Rates and fees established and charged were sufficient to satisfy bond covenant responsibilities for the sewer fund for the year ended October 31, 2020.

CITY OF RAYTOWN, MISSOURI

NOTES TO FINANCIAL STATEMENTS

8. LONG-TERM DEBT (Continued):

The Missouri State Constitution permits a city, by a vote of either two-thirds or four-sevenths of the voting electorate, depending on the date of the election, to incur general obligation indebtedness for “city purposes” not to exceed 10% of the assessed value of taxable tangible property and to incur additional general obligation indebtedness not to exceed, in the aggregate, an additional 10% of the assessed value of taxable tangible property, for the purpose of acquiring rights-of-way, construction, extending and improving streets and avenues, and/or sanitary or storm sewer systems, and purchasing or constructing waterworks, electric, or other light plants, provided the total general obligation indebtedness does not exceed 20% of the assessed valuation of taxable property.

9. RESTRICTED CASH:

Restricted cash and investments at October 31, 2020, consisted of the following:

Account	Special Revenue Funds	Sewer Utility Fund	Total
Rebate	\$ -	\$ 172,785	\$ 172,785
Reserve for debt service	3,393,008	431,950	3,824,958
	\$ 3,393,008	\$ 604,735	\$ 3,997,743

10. LEGAL MATTERS:

There are a number of claims or lawsuits to which the City is, or may be, a party as a result of certain law enforcement activities, injuries and various other matters and complaints arising in the ordinary course of activities. The City's management and legal counsel believe that the potential claims against the City not covered by insurance, if any, resulting from such matters, would not materially affect the financial position of the City.

11. PLEDGED REVENUES:

The City, other taxing districts and governmental entities have pledged a portion of future incremental property tax and sales tax revenues (TIF revenues) to repay the tax increment and sales tax revenue bonds described above. TIF revenues were projected to produce sufficient funds to meet debt service requirements over the life of the bonds. Should the normal TIF revenues (50% of incremental activity taxes) including those of other taxing districts and governmental entities not be sufficient to meet the required debt service obligations, the City, subject to annual appropriation, further covenants to appropriate the City's remaining 50% portion (effectively 100%) of the economic activity taxes generated by the project and other legally available funds of the City in an amount equal to the principal and interest of the bonds due in the next fiscal year. Incremental taxes are pledged to make payments on these obligations for a period not to exceed 23 years.

CITY OF RAYTOWN, MISSOURI

NOTES TO FINANCIAL STATEMENTS

11. PLEDGED REVENUES (Continued):

For the current year, the City made debt service payments on the tax increment and sales tax revenue bonds totaling \$2,692,585. The incremental tax revenues generated by the 350 Highway TIF plan began in October 2009. For the year ended October 31, 2020, the City's incremental tax revenues totaled \$1,635,838. The remaining funds necessary to meet the current year debt service requirements were derived from incremental activity tax revenues from other taxing districts and governmental entities, and interest income totaling \$1,539,988.

The City has entered into a developer agreement whereby the developer financed project costs that have been certified by the City as eligible to be reimbursed related to Phase 2 of the 350 Highway TIF Project. These obligations are to be paid from Phase 2 Economic Activity Taxes (EATs) revenues in excess of 125% of the debt service payments of the related tax increment and sales tax revenue bonds. For the current year, debt service on the obligation totaled \$219,490 in principal payments. The remaining balance as of October 31, 2020 is \$1,264,211.

12. TAX REVENUES:

The assessed valuation of the tangible property for the purpose of local taxation as of September 3, 2019, was as follows:

Real estate	\$ 310,229,646
Personal property	<u>63,599,677</u>
	<u>\$ 373,829,323</u>

The tax levy per \$100 of assessed valuation of tangible real and personal property for the calendar year 2020 was as follows:

General Fund	\$ 0.3090
Park Fund	<u>0.1540</u>
	<u>\$ 0.4630</u>

Property taxes may attach as an enforceable lien on property as of January 1. Taxes are levied no later than November 1 and are due and payable at that time. All unpaid taxes levied by November 1 become delinquent January 1 of the following year.

CITY OF RAYTOWN, MISSOURI

NOTES TO FINANCIAL STATEMENTS

13. INTERFUND BALANCES:

Interfund receivable and payable balances at October 31, 2020, were as follows:

	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ -	\$ 119,073
Special Revenue Funds:		
Transportation	-	59,544
TIF	262,366	-
Park	-	5,582
Capital sales tax	-	44,658
Public safety	-	29,772
Storm water	-	3,722
Agency Fund, 350 Highway TDD	-	15
	<u>\$ 262,366</u>	<u>\$ 262,366</u>

Transfers during the year ended October 31, 2020, were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 1,474,496	\$ 150,000
Special Revenue Funds:		
Public safety	-	1,474,496
Storm water	150,000	-
	<u>\$ 1,624,496</u>	<u>\$ 1,624,496</u>

In general, transfers are used to (1) move revenues from the fund that collects the money to the fund that expends the money, (2) move receipts restricted or earmarked for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in a fund to provide operating advances to other funds in accordance with budgetary authorizations.

14. RISK MANAGEMENT:

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; workers' compensation, and natural disasters for which the City carries commercial insurance. There have been no significant reductions in insurance coverage from the prior year and no significant losses in the past three fiscal years.

CITY OF RAYTOWN, MISSOURI

NOTES TO FINANCIAL STATEMENTS

15. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS:

General information about the OPEB plan

Plan Description: The City provides for a continuation of medical, pharmacy, dental and vision insurance benefits to eligible early retirees and their spouses. The plan is administered by Midwest Public Risk (MPR) and is an agent multiple-employer plan. No separate financial report is issued for the plan.

Benefits Provided: Retirees and their spouses may obtain Medical coverage until Medicare eligibility by paying required premium rates. Upon retiree death or attainment of age 65, spouses may continue COBRA coverage for up to three years. The required premium rates are based to some degree on combined active and retiree experience so retirees are not charged the full age-based projected cost.

Funding Policy: The City requires the retirees to pay 125% of the premiums charged to active employees. Retirees and spouses have the same benefits as active employees. Effective July 1, 2018, retirees are charged 135% of plan premiums. However, all retiree coverage terminates upon Medicare entitlement or if payment is not received on a timely basis. The City contributed \$9,000 to the plan during fiscal year 2020.

At July 1, 2019, the following employees were covered by the benefit terms:

Active employees	102
Retirees and covered spouses	<u>13</u>
	<u>115</u>

Net OPEB Liability: The employer's net OPEB liability of \$274,767 was measured as of October 31, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2019.

CITY OF RAYTOWN, MISSOURI

NOTES TO FINANCIAL STATEMENTS

15. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued):

Actuarial Assumptions: The total OPEB liability in the July 1, 2019, actuarial valuation was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

	<u>2019 Valuation</u>
Inflation	2.50%
Salary increases	2.00%
Discount rate	2.31%
Actuarial cost method	Entry Age Normal - Level Percent of Pay
Healthcare cost trend rates	7% for 2021, 6.75% for 2022, 6.5% for 2023, decreasing by .25% per year to an ultimate rate of 5.0% for 2029 and later years.

The discount rate was based on an index for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Healthy life mortality rates were based on the Society of Actuaries Pub-2010 Public Retirement Plans Headcount-weighted General and Public Safety Mortality Tables using Scale MP-2020 Full Generational Improvement. Disabled life mortality rates were based on the Society of Actuaries Pub-2010 Public Retirement Plans Disabled Retirees Headcount-weighted General and Public Safety Mortality Tables using Scale MP-2020 Full Generational Improvement.

Changes in the Net OPEB Liability:

	<u>OPEB Liability</u>
Balance at 11/1/2019	\$ 316,575
Charges of the year:	
Service cost	16,125
Interest	10,699
Changes of benefits terms	-
Differences between expected and actual experiences	(125,003)
Changes in assumptions and inputs	65,371
Benefit payments	(9,000)
Net changes	(41,808)
Balance at 10/31/2020	\$ 274,767

CITY OF RAYTOWN, MISSOURI

NOTES TO FINANCIAL STATEMENTS

15. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued):

Discount Rate Sensitivity Analysis: The following presents the Net OPEB Liability of the City, calculated using a discount rate of 2.31%, as well as what the Net OPEB Liability would be using a discount rate 1% less(1.31%) and 1% greater (3.31%) than the current rate.

	1% Decrease 1.31%	Discount Rate 2.31%	1% Increase 3.31%
Total OPEB Liability	<u>\$ 305,855</u>	<u>\$ 274,767</u>	<u>\$ 247,578</u>

Healthcare Cost Trend Analysis: The following presents the Net OPEB liability of the City, considering a 1% decrease and 1% increase of the current rate due to healthcare cost factors such as medical inflation, utilization of healthcare services, plan design and technology developments.

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
Total OPEB Liability	<u>\$ 240,415</u>	<u>\$ 274,767</u>	<u>\$ 316,281</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:

For the year ended October 31, 2020, the City reported OPEB expense/(income) of \$21,534. The City reported deferred outflows and inflows of resources related to OPEB as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 113,639
Changes in assumptions	<u>77,037</u>	<u>14,602</u>
Total	<u>\$ 77,037</u>	<u>\$ 128,241</u>

Amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expenses as follows:

<u>Fiscal Year Ending</u>	<u>Net Deferred Outflows of Resources</u>
2021	\$ (5,290)
2022	(5,290)
2023	(5,290)
2024	(5,290)
2025	(5,290)
Thereafter	<u>(24,754)</u>
	<u>\$ (51,204)</u>

CITY OF RAYTOWN, MISSOURI

NOTES TO FINANCIAL STATEMENTS

16. FROZEN PENSION PLAN:

Prior to participating in LAGERS and the Police Officers' Retirement fund, the City offered two defined benefit pension plans for its employees. Upon entering into LAGERS and the Police Officers' Retirement Fund, the City transferred the obligation for all future payments under the plans to an outside insurance company. The City has no future obligations to contribute any additional amounts to these plans, and no amounts were paid during the year ended October 31, 2020. Accordingly, no provisions for the related assets have been made in the accompanying financial statements. Benefits paid from these plans during the year ended October 31, 2020, totaled \$27,804

17. ENCUMBRANCES:

The City uses encumbrances to control expenditure commitments for the year and to enhance cash management. Encumbrances represent commitments related to executor contracts not yet performed and purchase orders not yet filled. Commitments for such expenditure of monies are encumbered to reserve a portion of applicable appropriations. Encumbrances still open at year-end are not accounted for as expenditures and liabilities, but, rather as restricted, committed, or assigned fund balance. At October 31, 2020, the City's recorded encumbrances in governmental funds were as follows:

<u>Fund</u>	
General	\$ 105,442
Transportation Sales Tax	1,000,480
Capital Sales Tax	808,602
Storm Water	18,045
Sanitary Sewer	<u>96,547</u>
	<u>\$ 2,029,116</u>

18. TAX ABATEMENTS:

Tax abatements are granted under the Urban Redevelopment program described under Chapter 353 of the RSMo, Tax Increment Financing program described under Section 99.800 RSMo, the Industrial Development program described under Chapter 100 of RSMo, and the Enhanced Enterprise Zone program described under Sections 135.950 to 135.973 of RSMo. For each of these programs, property taxes are abated by reducing the assessed valuation of the associated properties. For the fiscal year ended October 31, 2020, taxes abated for the City in connection with the Chapter 353, and Tax Increment Financing program were estimated at \$14,295, and \$1,851, respectively.

19. EVALUATION OF SUBSEQUENT EVENTS:

The City has evaluated subsequent events through June 25, 2021, the date which the financial statements were available to be issued.

REQUIRED SUPPLEMENTAY INFORMATION
OTHER THAN MD&A

**CITY OF RAYTOWN, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION**

**Schedule of Changes in Net Pension Liability and Related Ratios - LAGERS
Last 6 Fiscal Years**

Fiscal year ending June 30,

	2020	2019	2018	2017	2016	2015
Total Pension Liability						
Service Cost	\$ 542,561	\$ 583,567	\$ 656,159	\$ 558,483	\$ 533,362	\$ 560,833
Interest on the Total Pension Liability	1,409,726	1,358,106	1,289,245	1,057,979	922,257	877,580
Benefit Changes	-	-	-	(1,773,928)	-	-
Difference between expected and actual experience	(119,154)	(695,796)	(460,643)	3,722,090	152,189	(505,106)
Assumption Changes	-	-	-	-	591,243	-
Benefit Payments	(529,787)	(498,198)	(500,347)	(347,807)	(331,216)	(276,894)
Net Change in Total Pension Liability	1,303,346	747,679	984,414	3,216,817	1,867,835	656,413
Total Pension Liability beginning	19,438,234	18,690,555	17,706,141	14,489,324	12,621,489	11,965,076
Total Pension Liability ending	\$ 20,741,580	\$ 19,438,234	\$ 18,690,555	\$ 17,706,141	\$ 14,489,324	\$ 12,621,489
Plan Fiduciary Net Position						
Contributions-employer	\$ 680,823	\$ 677,189	\$ 727,010	\$ 800,985	\$ 822,633	\$ 823,197
Contributions-employee	222,306	225,529	258,512	181,359	-	-
Pension Plan Net Investment income	210,376	989,825	1,627,298	1,364,033	(27,096)	188,721
Benefit Payments	(529,787)	(498,198)	(500,347)	(347,807)	(331,216)	(276,894)
Pension Plan Administrative expense	(28,249)	(24,769)	(17,249)	(17,199)	(17,003)	(18,549)
Other	(13,301)	24,388	6,240	(1,977)	(1,534)	180,399
Net Change in Plan Fiduciary Net Position	542,168	1,393,964	2,101,464	1,979,394	445,784	896,874
Plan Fiduciary Net Position beginning	16,257,969	14,864,005	12,762,541	10,783,147	10,337,363	9,440,489
Plan Fiduciary Net Position ending	\$ 16,800,137	\$ 16,257,969	\$ 14,864,005	\$ 12,762,541	\$ 10,783,147	\$ 10,337,363
Employer Net Pension Liability (Asset)	\$ 3,941,443	\$ 3,180,265	\$ 3,826,550	\$ 4,943,600	\$ 3,706,177	\$ 2,284,126
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	81.00%	83.64%	79.53%	72.08%	74.42%	81.90%
Covered Employee Payroll	\$5,386,088	\$5,358,307	\$6,106,704	\$6,973,652	\$7,456,923	\$6,988,224
Employer's Net Pension Liability as a percentage of covered employee payroll	73.18%	59.35%	62.66%	70.89%	49.70%	32.69%

Notes to schedule:

Only the last 6 years are being shown, as other years come available they will be included until 10 years of data is shown.

CITY OF RAYTOWN, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS - LAGERS
Last 10 Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contribution	\$723,455	\$674,187	\$711,773	\$757,076	\$806,116	\$838,990	\$754,880	\$508,424	\$501,898	\$523,449
Contributions in relation to the										
actuarially determined contribution	723,455	674,187	711,773	757,076	806,116	838,990	754,880	508,424	501,898	523,449
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$5,889,623	\$5,548,441	\$6,083,327	\$7,295,746	\$7,437,737	\$7,395,788	\$6,787,518	\$4,236,865	\$4,217,632	\$4,326,023
Contributions as a percentage of	12.28%	12.15%	11.70%	10.38%	10.84%	11.34%	11.12%	12.00%	11.9%	12.10%
covered-employee payroll										

Valuation date 2/29/2020

Notes The roll-forward of total pension liability from February 29, 2019 to June 30, 2020 reflects expected service cost and interest reduced by actual benefit payments.

Methods and assumption used to determine contribution rates:

Actuarial cost method	Entry age normal and modified terminal funding
Amortization method	A level percentage of payroll amortization method is used to amortize the UAAL over a closed period of years.
Remaining amortization period	Multiple bases from 11 to 23 years
Asset valuation method	5 year smoothed market; 20% corridor
Inflation	3.25% wage inflation; 2.5% price inflation
Salary increases	3.25% to 6.55% including wage inflation
Investment rate of return	7.25%, net of investment expenses
Retirement age	Experience-based table of rate that are specific to the type of eligibility condition
Mortality	RP-2014 mortality tables for males and females, adjusted for improvement back to the observation period base year of 2006. The base year for males and females was established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables.
Other information	None

**CITY OF RAYTOWN, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION**

**Schedule of Changes in Net Pension Liability and Related Ratios - Police (Frozen)
Last 6 Fiscal Years**

<i>Fiscal year ending December 31,</i>	2019	2018	2017	2016	2015	2014
Total Pension Liability						
Service Cost	\$ 20,407	\$ 20,437	\$ 15,509	\$ 15,526	\$ 12,633	\$ 12,663
Interest on the Total Pension Liability	1,236,977	1,272,784	1,291,090	1,255,628	1,211,255	1,193,469
Difference between expected and actual experience	139,039	(379,418)	(100,898)	263,758	148,107	(167,955)
Assumption Changes	150,340	(45,424)	(277,355)	-	207,116	-
Benefit Payments	(1,428,693)	(1,248,899)	(1,107,281)	(1,008,095)	(974,294)	(899,749)
Net Change in Total Pension Liability	118,070	(380,520)	(178,935)	526,817	604,817	138,428
Total Pension Liability beginning	17,203,958	17,584,478	17,763,413	17,236,596	16,631,779	16,493,351
Total Pension Liability ending	\$ 17,322,028	\$ 17,203,958	\$ 17,584,478	\$ 17,763,413	\$ 17,236,596	\$ 16,631,779
Plan Fiduciary Net Position						
Contributions-employer	\$ 590,127	\$ 593,459	\$ 608,134	\$ 562,862	\$ 510,320	\$ 509,880
Pension Plan Net Investment income	1,981,217	(678,399)	1,373,429	633,761	(157,302)	512,776
Benefit Payments	(1,428,693)	(1,248,899)	(1,107,281)	(1,008,095)	(974,294)	(899,749)
Pension Plan Administrative expense	(33,985)	(20,035)	(21,491)	(12,748)	(14,400)	(99,319)
Net Change in Plan Fiduciary Net Position	1,108,666	(1,353,874)	852,791	175,780	(635,676)	23,588
Plan Fiduciary Net Position beginning	9,609,110	10,962,984	10,110,193	9,934,413	10,570,089	10,546,501
Plan Fiduciary Net Position ending	\$ 10,717,776	\$ 9,609,110	\$ 10,962,984	\$ 10,110,193	\$ 9,934,413	\$ 10,570,089
Employer Net Pension Liability (Asset)	\$ 6,604,252	\$ 7,594,848	\$ 6,621,494	\$ 7,653,220	\$ 7,302,183	\$ 6,061,690
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	61.87%	55.85%	62.34%	56.92%	57.64%	63.55%
Covered Employee Payroll	\$0	\$0	\$0	\$0	\$0	\$0
Employer's Net Pension Liability as a percentage of covered employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Notes to schedule:

Only the last 6 years are being shown, as other years come available they will be included until 10 years of data is shown.

CITY OF RAYTOWN, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS - Police (Frozen)
 Last 10 Fiscal Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially determined contributor Contributions in relation to the actuarially determined contribution	\$590,127	\$593,459	\$608,134	\$562,862	\$513,291	\$508,285	\$660,842	\$678,787	\$616,618	\$865,591 *
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ 2,971	\$ (1,595)	\$ -	\$ (7,483)	\$ (29,200)	\$ 144,558

Covered-employee payro ** \$ 2,962,341 \$ 3,122,522 \$ 3,065,002 \$ 2,978,208 \$ 2,987,634
 Contributions as a percentage of covered-employee payroll ** 17.21% 21.16% 22.39% 21.68% 24.13%

Valuation date 1/1/2020

Notes * Adjusted to reflect 14-month plan year
 ** Plan benefits frozen at 12/31/13. Pay data not reported after that date.

Methods and assumption used to determine contribution rate:

Actuarial cost method	Unit credit
Amortization method	Closed
Remaining amortization period	25 years
Asset valuation method	5 year smoothed market
Salary increases	4% (Plan is frozen, scale is for death benefits only)
Investment rate of return	7.5% net of fees, 2.5% inflation component
Retirement age	Age 55
Mortality	Public Safety 2020 mortality tables for employees and annuitants, projected with generational improvements using scale MP-2019.
Other information	None

**CITY OF RAYTOWN, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION**

**Schedule of Changes in OPEB Liability and Related Ratios
Last three fiscal years**

	2020	2019	2018
Total OPEB Liability			
Service Cost	\$ 16,125	\$ 19,763	\$ 29,277
Interest	10,699	16,053	19,533
Benefit Changes	-	(119,472)	(158,872)
Difference between expected and actual experience	(125,003)	-	-
Assumption Changes	65,371	21,521	(20,077)
Benefit Payments	(9,000)	(20,000)	(26,000)
Net Change in Total OPEB Liability	(41,808)	(82,135)	(156,139)
Total OPEB Liability beginning	316,575	398,710	554,849
Total OPEB Liability ending	\$ 274,767	\$ 316,575	\$ 398,710
Covered Employee Payroll	\$ 5,104,400	\$ 6,804,388	\$ 6,804,388
Total OPEB Liability as a percentage of covered employee payroll	5.38%	4.65%	5.86%

Notes to schedule:

Only the three years are being shown, as other years come available they will be included until 10 years of data is shown.

CITY OF RAYTOWN, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS - OPEB
 Last Three Fiscal Years

	2020	2019	2018
Actuarially determined contribution	\$ 9,000	\$ 20,000	\$ 26,000
Contributions in relation to the actuarially determined contribution	9,000	20,000	26,000
Contribution deficiency (excess)	-	-	-
Covered-employee payroll	\$ 5,104,400	\$ 6,804,388	\$ 6,804,388
Contributions as a percentage of covered-employee payroll	0.18%	0.29%	0.38%

7/1/2019

The results of the July 1, 2019 valuation were projected to the measurement date using standard actuarial techniques.

Methods and assumption used to determine contribution rates:

Actuarial cost method
 Medical trend rate

Entry age normal - Level % of pay

Year	Trend
2020-2021	7.00%
2021-2022	6.75%
2022-2023	6.50%
2023-2024	6.25%
2024-2025	6.00%
2025-2026	5.77%
2026-2027	5.50%
2027-2028	5.25%
Thereafter	5.00%

Participation rate

Healthy life mortality
 Disabled life mortality
 Turnover incidence

The assumed retiree enrollment rate for future retiring employees is 40% for retirement age 60 to 64, 30% for retirement age 55 to 59, and 20% for retirement age less than 55
 SOA Pub-2010 Public Retirement Plans Headcount-weighted Mortality with Scale MP-2020 Full Generational Improvement
 SOA Pub-2010 Disabled Retiree Headcount-weighted Mortality Scale MP-2020 Full Generational Improvement
 Assumed turnover rates are based on rates used for the LAGERS pension actuarial valuation.
 Turnover rates are not applied when retirement eligibility is achieved

Years of service	Police		General (Male)		General (Female)	
	Police	General (Male)	General (Male)	General (Female)	General (Female)	General (Female)
0-1	18%	17%	19%	17%	22%	20%
1-2	17%	16%	17%	15%	20%	17%
2-3	16%	13%	15%	13%	17%	14%
3-4	13%	12%	13%	11%	14%	13%
4-5	12%		11%		13%	
Age	Police	General (Male)	General (Male)	General (Female)	General (Female)	General (Female)
25	9.8%	7.3%	7.3%	10.8%	10.8%	10.8%
30	7.8%	6.5%	6.5%	8.9%	8.9%	8.9%
35	6.1%	5.0%	5.0%	7.4%	7.4%	7.4%
40	4.4%	3.7%	3.7%	5.7%	5.7%	5.7%
45	n/a	3.0%	3.0%	4.2%	4.2%	4.2%
50	1.8%	2.4%	2.4%	3.3%	3.3%	3.3%

CITY OF RAYTOWN, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS - OPEB (Continued)
Last Three Fiscal Years

Retirement Age

Assumed rates are based on those used for the LAGERS pension actuarial valuation. Retirement rates project the annual probability of retiring for eligible employees.

<u>Age</u>	<u>Police</u>	<u>General (Male)</u>	<u>General (Female)</u>
55	100.0%	n/a	n/a
55-59	n/a	3.0%	3.0%
60-61	n/a	10.0%	10.0%
62	n/a	25.0%	15.0%
63-64	n/a	20.0%	15.0%
65-66	n/a	25.0%	25.0%
67-68	n/a	20.0%	25.0%
69	n/a	20.0%	20.0%
70+	n/a	100.0%	100.0%

Disability Rates

Assumed rates are based on those used for the LAGERS pension actuarial valuation. Rates of disability were used to estimate the probability of becoming disabled.

<u>Age</u>	<u>Police</u>	<u>General (Male)</u>	<u>General (Female)</u>
30	0.11%	0.12%	0.03%
40	0.22%	0.21%	0.10%
45	0.34%	0.30%	0.16%
50	0.53%	0.44%	0.24%
55	0.88%	0.68%	0.34%
60	n/a	1.02%	0.48%

Other information

Only the two years are being shown, as other years come available they will be included until 10 years of data is shown.

**CITY OF RAYTOWN, MISSOURI
BUDGETARY COMPARISON SCHEDULE --
GENERAL FUND
FOR THE YEAR ENDED OCTOBER 31, 2020**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Taxes	\$ 7,862,932	\$ 7,862,932	\$ 7,383,218	\$ (479,714)
Licenses and permits	447,900	447,900	405,707	(42,193)
Intergovernmental	1,226,300	1,226,300	1,526,448	300,148
Charges for services	133,850	133,850	88,650	(45,200)
Fees and fines	367,550	367,550	257,108	(110,442)
Investment earnings	91,000	91,000	47,279	(43,721)
Other	68,880	68,880	94,496	25,616
	<u>10,198,412</u>	<u>10,198,412</u>	<u>9,802,906</u>	<u>(395,506)</u>
Total revenues				
EXPENDITURES:				
Current:				
General government	2,187,440	2,954,304	2,268,277	686,027
Public safety	6,034,619	6,094,971	5,699,224	395,747
Public works	2,220,718	2,239,611	1,779,399	460,212
Community development	1,080,130	1,082,463	796,527	285,936
	<u>11,522,907</u>	<u>12,371,349</u>	<u>10,543,427</u>	<u>1,827,922</u>
Total expenditures				
Deficiency of revenues over expenditures	<u>(1,324,495)</u>	<u>(2,172,937)</u>	<u>(740,521)</u>	<u>1,432,416</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	1,474,497	1,474,497	1,474,496	(1)
Transfers out	(150,000)	(150,000)	(150,000)	-
	<u>1,324,497</u>	<u>1,324,497</u>	<u>1,324,496</u>	<u>(1)</u>
Total other financing sources and (uses)				
Net change in fund balances	2	(848,440)	583,975	1,432,415
Fund balances - beginning	<u>6,808,685</u>	<u>6,808,685</u>	<u>6,808,685</u>	<u>-</u>
Fund balances - ending	<u>\$ 6,808,687</u>	<u>\$ 5,960,245</u>	<u>\$ 7,392,660</u>	<u>\$ 1,432,415</u>

**CITY OF RAYTOWN, MISSOURI
BUDGETARY COMPARISON SCHEDULE --
TRANSPORTATION SALES TAX FUND
FOR THE YEAR ENDED OCTOBER 31, 2020**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Taxes	\$ 1,160,000	\$ 1,160,000	\$ 1,257,710	\$ 97,710
Intergovernmental	637,500	637,500	92,343	(545,157)
Investment earnings	19,240	19,240	12,037	(7,203)
Miscellaneous	<u>-</u>	<u>-</u>	<u>44,000</u>	<u>44,000</u>
Total revenues	<u>1,816,740</u>	<u>1,816,740</u>	<u>1,406,090</u>	<u>(410,650)</u>
EXPENDITURES,				
Current:				
Public works	241,500	241,500	218,180	23,320
Capital outlay	<u>1,953,000</u>	<u>1,953,000</u>	<u>395,422</u>	<u>1,557,578</u>
Total expenditures	<u>2,194,500</u>	<u>2,194,500</u>	<u>613,602</u>	<u>1,580,898</u>
Excess (deficiency) of revenues over expenditures	<u>(377,760)</u>	<u>(377,760)</u>	<u>792,488</u>	<u>1,170,248</u>
Fund balances - beginning	<u>1,202,372</u>	<u>1,202,372</u>	<u>1,202,372</u>	<u>-</u>
Fund balances - ending	<u>\$ 824,612</u>	<u>\$ 824,612</u>	<u>\$ 1,994,860</u>	<u>\$ 1,170,248</u>

**CITY OF RAYTOWN, MISSOURI
BUDGETARY COMPARISON SCHEDULE --
TIF FUND
FOR THE YEAR ENDED OCTOBER 31, 2020**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Taxes	\$ 1,470,000	\$ 1,470,000	\$ 1,635,838	\$ 165,838
Intergovernmental	1,274,500	1,274,500	1,496,568	222,068
Investment earnings	<u>335,000</u>	<u>335,000</u>	<u>43,420</u>	<u>(291,580)</u>
Total revenues	<u>3,079,500</u>	<u>3,079,500</u>	<u>3,175,826</u>	<u>96,326</u>
EXPENDITURES:				
Current,				
Community development	125,110	268,000	225,712	42,288
Debt Service:				
Principal	1,930,000	1,930,000	1,930,000	-
Interest and other charges	<u>762,119</u>	<u>762,119</u>	<u>762,585</u>	<u>(466)</u>
Total expenditures	2,817,229	2,960,119	2,918,297	41,822
Excess (deficiency) of revenues over expenditures	<u>262,271</u>	<u>119,381</u>	<u>257,529</u>	<u>138,148</u>
Fund balances - beginning	<u>3,952,661</u>	<u>3,952,661</u>	<u>3,952,661</u>	<u>-</u>
Fund balances - ending	<u>\$ 4,214,932</u>	<u>\$ 4,072,042</u>	<u>\$ 4,210,190</u>	<u>\$ 138,148</u>

**CITY OF RAYTOWN, MISSOURI
COMBINING BALANCE SHEET --
NONMAJOR GOVERNMENTAL FUNDS
OCTOBER 31, 2020**

	<u>Park</u>	<u>Capital Sales Tax</u>	<u>Public Safety Sales Tax</u>	<u>Risk Management</u>	<u>Storm Water</u>	<u>Capital Improvements</u>	<u>Total Governmental Funds</u>
ASSETS:							
Cash and investments	\$ 1,174,006	\$ 1,909,261	\$ 693,466	\$ 22,680	\$ 388,242	\$ 600,626	\$ 4,788,281
Taxes receivable, net	57,991	216,846	289,131	-	18,071	-	582,039
Accrued interest	46	74	36	-	15	22	193
Loan receivable	-	-	-	-	-	509,938	509,938
Prepaid expenses	<u>34,852</u>	<u>-</u>	<u>63,337</u>	<u>174,797</u>	<u>-</u>	<u>-</u>	<u>272,986</u>
Total assets	<u>\$ 1,266,895</u>	<u>\$ 2,126,181</u>	<u>\$ 1,045,970</u>	<u>\$ 197,477</u>	<u>\$ 406,328</u>	<u>\$ 1,110,586</u>	<u>\$ 6,153,437</u>
LIABILITIES AND FUND BALANCES:							
Accounts payable	\$ 16,707	\$ 4,653	\$ 2,495	\$ 7,194	\$ 52,517	\$ 17,809	\$ 101,375
Accrued expenses	18,121	-	-	-	-	-	18,121
Due to other funds	<u>5,582</u>	<u>44,658</u>	<u>29,772</u>	<u>-</u>	<u>3,722</u>	<u>-</u>	<u>83,734</u>
Total liabilities	<u>40,410</u>	<u>49,311</u>	<u>32,267</u>	<u>7,194</u>	<u>56,239</u>	<u>17,809</u>	<u>203,230</u>
Fund balances:							
Nonspendable, Prepaid items	34,852	-	63,337	174,797	-	-	272,986
Restricted:							
Public safety	-	-	950,366	-	-	-	950,366
Public works	-	-	-	-	350,089	1,092,777	1,442,866
Parks and recreation	1,191,633	-	-	-	-	-	1,191,633
Capital projects	-	2,076,870	-	-	-	-	2,076,870
Assigned to, General government	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,486</u>	<u>-</u>	<u>-</u>	<u>15,486</u>
Total fund balances	<u>1,226,485</u>	<u>2,076,870</u>	<u>1,013,703</u>	<u>190,283</u>	<u>350,089</u>	<u>1,092,777</u>	<u>5,950,207</u>
Total liabilities and fund balances	<u>\$ 1,266,895</u>	<u>\$ 2,126,181</u>	<u>\$ 1,045,970</u>	<u>\$ 197,477</u>	<u>\$ 406,328</u>	<u>\$ 1,110,586</u>	<u>\$ 6,153,437</u>

CITY OF RAYTOWN, MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE -- NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED OCTOBER 31, 2020

	Park	Capital Sales Tax	Public Safety Sales Tax	Risk Management	Storm Water	Capital Improvements	Total Governmental Funds
REVENUES:							
Taxes	\$ 888,711	\$ 1,059,678	\$ 1,598,528	\$ -	\$ 88,308	\$ -	\$ 3,635,225
Charges for service	56,351	-	-	-	-	-	56,351
Use of money and property	11,760	14,225	9,009	584	3,221	58,058	96,857
Miscellaneous	808	-	-	34,772	50,000	-	85,580
Total revenues	<u>957,630</u>	<u>1,073,903</u>	<u>1,607,537</u>	<u>35,356</u>	<u>141,529</u>	<u>58,058</u>	<u>3,874,013</u>
EXPENDITURES:							
Current:							
General government	-	-	-	95,962	-	-	95,962
Parks and recreation	781,504	-	-	-	-	-	781,504
Public safety	-	-	61,648	-	-	-	61,648
Public works	-	-	-	-	182,640	20,815	203,455
Capital outlay	63,413	532,024	-	-	-	-	595,437
Total expenditures	<u>844,917</u>	<u>532,024</u>	<u>61,648</u>	<u>95,962</u>	<u>182,640</u>	<u>20,815</u>	<u>1,738,006</u>
Excess (deficiency) of revenues over expenditures	<u>112,713</u>	<u>541,879</u>	<u>1,545,889</u>	<u>(60,606)</u>	<u>(41,111)</u>	<u>37,243</u>	<u>2,136,007</u>
OTHER FINANCING SOURCES (USES):							
Sale of capital assets	20,915	11,200	-	-	-	-	32,115
Transfers in	-	-	-	-	150,000	-	150,000
Transfers out	-	-	(1,474,496)	-	-	-	(1,474,496)
Total other financing sources and (uses)	<u>20,915</u>	<u>11,200</u>	<u>(1,474,496)</u>	<u>-</u>	<u>150,000</u>	<u>-</u>	<u>(1,292,381)</u>
Net change in fund balances	133,628	553,079	71,393	(60,606)	108,889	37,243	843,626
Fund balances - beginning	<u>1,092,857</u>	<u>1,523,791</u>	<u>942,310</u>	<u>250,889</u>	<u>241,200</u>	<u>1,055,534</u>	<u>5,106,581</u>
Fund balances - ending	<u>\$ 1,226,485</u>	<u>\$ 2,076,870</u>	<u>\$ 1,013,703</u>	<u>\$ 190,283</u>	<u>\$ 350,089</u>	<u>\$ 1,092,777</u>	<u>\$ 5,950,207</u>

**CITY OF RAYTOWN, MISSOURI
 COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES --
 AGENCY FUNDS
 YEAR ENDED OCTOBER 31, 2020**

350 Highway TDD	October 31, 2019	Additions	Deductions	October 31, 2020
ASSETS:				
Pooled cash and investments	\$ 74,756	\$ 87,124	\$ 88,825	\$ 73,055
Taxes receivable	<u>13,498</u>	<u>87,285</u>	<u>87,124</u>	<u>13,659</u>
Total assets	<u>\$ 88,254</u>	<u>\$ 174,409</u>	<u>\$ 175,949</u>	<u>\$ 86,714</u>
LIABILITIES,				
Due to others	<u>\$ 88,254</u>	<u>\$ 174,409</u>	<u>\$ 175,949</u>	<u>\$ 86,714</u>
Ditzler CID	October 31, 2019	Additions	Deductions	October 31, 2020
ASSETS,				
Taxes receivable	\$ 21,617	\$ -	\$ 6,989	\$ 14,628
Total assets	<u>\$ 21,617</u>	<u>\$ -</u>	<u>\$ 6,989</u>	<u>\$ 14,628</u>
LIABILITIES,				
Due to others	<u>\$ 21,617</u>	<u>\$ -</u>	<u>\$ 6,989</u>	<u>\$ 14,628</u>
Total Agency Funds	October 31, 2019	Additions	Deductions	October 31, 2020
ASSETS:				
Pooled cash and investments	\$ 74,756	\$ 87,124	\$ 88,825	\$ 73,055
Taxes receivable	<u>35,115</u>	<u>87,285</u>	<u>94,113</u>	<u>28,287</u>
Total assets	<u>\$ 109,871</u>	<u>\$ 174,409</u>	<u>\$ 182,938</u>	<u>\$ 101,342</u>
LIABILITIES,				
Due to others	<u>\$ 109,871</u>	<u>\$ 174,409</u>	<u>\$ 182,938</u>	<u>\$ 101,342</u>

**CITY OF RAYTOWN, MISSOURI
BUDGETARY COMPARISON SCHEDULE --
PARK FUND
FOR THE YEAR ENDED OCTOBER 31, 2020**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Taxes	\$ 927,423	\$ 927,423	\$ 888,711	\$ (38,712)
Intergovernmental	124,000	124,000	-	(124,000)
Charges for services	100,300	100,300	56,351	(43,949)
Investment earnings	23,000	23,000	11,760	(11,240)
Miscellaneous	<u>20,500</u>	<u>20,500</u>	<u>808</u>	<u>(19,692)</u>
Total revenues	1,195,223	1,195,223	957,630	(237,593)
EXPENDITURES:				
Current,				
Parks and recreation	1,017,591	1,033,090	781,504	251,586
Capital outlay	<u>402,900</u>	<u>389,220</u>	<u>63,413</u>	<u>325,807</u>
	<u>1,420,491</u>	<u>1,422,310</u>	<u>844,917</u>	<u>577,393</u>
Total expenditures	<u>1,420,491</u>	<u>1,422,310</u>	<u>844,917</u>	<u>577,393</u>
Excess (deficiency) of revenues over expenditures	<u>(225,268)</u>	<u>(227,087)</u>	<u>112,713</u>	<u>339,800</u>
OTHER FINANCING SOURCES,				
Proceeds from sale capital assets	<u>-</u>	<u>-</u>	<u>20,915</u>	<u>20,915</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>20,915</u>	<u>20,915</u>
Net change in fund balances	(225,268)	(227,087)	133,628	360,715
Fund balances - beginning	<u>1,092,857</u>	<u>1,092,857</u>	<u>1,092,857</u>	<u>-</u>
Fund balances - ending	<u>\$ 867,589</u>	<u>\$ 865,770</u>	<u>\$ 1,226,485</u>	<u>\$ 360,715</u>

**CITY OF RAYTOWN, MISSOURI
BUDGETARY COMPARISON SCHEDULE --
CAPITAL SALES TAX FUND
FOR THE YEAR ENDED OCTOBER 31, 2020**

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 994,000	\$ 994,000	\$ 1,059,678	\$ 65,678
Investment earnings	<u>14,000</u>	<u>14,000</u>	<u>14,225</u>	<u>225</u>
Total revenues	<u>1,008,000</u>	<u>1,008,000</u>	<u>1,073,903</u>	<u>65,903</u>
EXPENDITURES,				
Capital outlay	<u>1,781,265</u>	<u>1,781,265</u>	<u>532,024</u>	<u>1,249,241</u>
Total expenditures	<u>1,781,265</u>	<u>1,781,265</u>	<u>532,024</u>	<u>1,249,241</u>
Excess (deficiency) of revenues over expenditures	<u>(773,265)</u>	<u>(773,265)</u>	<u>541,879</u>	<u>1,315,144</u>
OTHER FINANCING SOURCES,				
Proceeds from sale capital assets	<u>10,000</u>	<u>10,000</u>	<u>11,200</u>	<u>1,200</u>
Total other financing sources	<u>10,000</u>	<u>10,000</u>	<u>11,200</u>	<u>1,200</u>
Net change in fund balances	(763,265)	(763,265)	553,079	1,316,344
Fund balances - beginning	<u>1,523,791</u>	<u>1,523,791</u>	<u>1,523,791</u>	<u>-</u>
Fund balances - ending	<u>\$ 760,526</u>	<u>\$ 760,526</u>	<u>\$ 2,076,870</u>	<u>\$ 1,316,344</u>

**CITY OF RAYTOWN, MISSOURI
BUDGETARY COMPARISON SCHEDULE --
PUBLIC SAFETY SALES TAX FUND
FOR THE YEAR ENDED OCTOBER 31, 2020**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Taxes	\$ 1,550,000	\$ 1,550,000	\$ 1,598,528	\$ 48,528
Investment earnings	<u>13,900</u>	<u>13,900</u>	<u>9,009</u>	<u>(4,891)</u>
Total revenues	1,563,900	1,563,900	1,607,537	43,637
EXPENDITURES,				
Public Safety	<u>90,518</u>	<u>90,518</u>	<u>61,648</u>	<u>28,870</u>
Total expenditures	<u>90,518</u>	<u>90,518</u>	<u>61,648</u>	<u>28,870</u>
Excess of revenues over expenditures	<u>1,473,382</u>	<u>1,473,382</u>	<u>1,545,889</u>	<u>72,507</u>
OTHER FINANCING USES,				
Transfers out	<u>(1,474,497)</u>	<u>(1,474,497)</u>	<u>(1,474,496)</u>	<u>(1)</u>
Total other financing uses	<u>(1,474,497)</u>	<u>(1,474,497)</u>	<u>(1,474,496)</u>	<u>(1)</u>
Net change in fund balances	(1,115)	(1,115)	71,393	72,508
Fund balances - beginning	<u>942,310</u>	<u>942,310</u>	<u>942,310</u>	<u>-</u>
Fund balances - ending	<u>\$ 941,195</u>	<u>\$ 941,195</u>	<u>\$ 1,013,703</u>	<u>\$ 72,508</u>

**CITY OF RAYTOWN, MISSOURI
 BUDGETARY COMPARISON SCHEDULE --
 RISK MANAGEMENT FUND
 FOR THE YEAR ENDED OCTOBER 31, 2020**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Investment earnings	\$ 500	\$ 500	\$ 584	\$ 84
Miscellaneous	<u>54,500</u>	<u>54,500</u>	<u>34,772</u>	<u>(19,728)</u>
Total revenues	<u>55,000</u>	<u>55,000</u>	<u>35,356</u>	<u>(19,644)</u>
EXPENDITURES,				
Current,				
General government	<u>113,300</u>	<u>113,300</u>	<u>95,962</u>	<u>17,338</u>
Total expenditures	<u>113,300</u>	<u>113,300</u>	<u>95,962</u>	<u>17,338</u>
Excess (deficiency) of revenues over expenditures	<u>(58,300)</u>	<u>(58,300)</u>	<u>(60,606)</u>	<u>(2,306)</u>
Fund balances - beginning	<u>250,889</u>	<u>250,889</u>	<u>250,889</u>	<u>-</u>
Fund balances - ending	<u>\$ 192,589</u>	<u>\$ 192,589</u>	<u>\$ 190,283</u>	<u>\$ (2,306)</u>

**CITY OF RAYTOWN, MISSOURI
BUDGETARY COMPARISON SCHEDULE --
STORM WATER FUND
FOR THE YEAR ENDED OCTOBER 31, 2020**

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 89,400	\$ 89,400	\$ 88,308	\$ (1,092)
Investment earnings	1,800	1,800	3,221	1,421
Miscellaneous	<u>-</u>	<u>-</u>	<u>50,000</u>	<u>50,000</u>
Total revenues	<u>91,200</u>	<u>91,200</u>	<u>141,529</u>	<u>50,329</u>
EXPENDITURES,				
Current,				
Public works	<u>230,200</u>	<u>230,200</u>	<u>182,640</u>	<u>47,560</u>
Total expenditures	<u>230,200</u>	<u>230,200</u>	<u>182,640</u>	<u>47,560</u>
Deficiency of revenues over expenditures	<u>(139,000)</u>	<u>(139,000)</u>	<u>(41,111)</u>	<u>97,889</u>
OTHER FINANCING SOURCES,				
Transfers in	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>-</u>
Total other financing sources	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>-</u>
Net change in fund balances	11,000	11,000	108,889	97,889
Fund balances - beginning	<u>241,200</u>	<u>241,200</u>	<u>241,200</u>	<u>-</u>
Fund balances - ending	<u>\$ 252,200</u>	<u>\$ 252,200</u>	<u>\$ 350,089</u>	<u>\$ 97,889</u>

**CITY OF RAYTOWN, MISSOURI
 BUDGETARY COMPARISON SCHEDULE --
 CAPITAL IMPROVEMENTS FUND
 FOR THE YEAR ENDED OCTOBER 31, 2020**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES,				
Investment earnings	\$ 83,500	\$ 83,500	\$ 58,058	\$ (25,442)
Total revenues	<u>83,500</u>	<u>83,500</u>	<u>58,058</u>	<u>(25,442)</u>
EXPENDITURES,				
Current,				
Public works	<u>31,520</u>	<u>31,520</u>	<u>20,815</u>	<u>10,705</u>
Total expenditures	<u>31,520</u>	<u>31,520</u>	<u>20,815</u>	<u>10,705</u>
Excess (deficiency) of revenues over expenditures	<u>51,980</u>	<u>51,980</u>	<u>37,243</u>	<u>(14,737)</u>
Fund balances - beginning	<u>1,055,534</u>	<u>1,055,534</u>	<u>1,055,534</u>	<u>-</u>
Fund balances - ending	<u>\$ 1,107,514</u>	<u>\$ 1,107,514</u>	<u>\$ 1,092,777</u>	<u>\$ (14,737)</u>