

CITY OF RAYTOWN, MISSOURI

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
OCTOBER 31, 2021**

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CITY OF RAYTOWN, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ending October 31, 2021
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, 2021.

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 2021 fiscal year by \$24,360,116 (net position).

The City's total net position increased \$5,411,682 from 2020 with governmental activities increased totaling \$3,603,242 and business-type activities increased totaling \$1,808,440.

The City's General Fund balance increased \$365,719 to an ending fund balance of \$7,758,379 as of the fiscal year ended October 31, 2021.

The City's total long-term obligations decreased \$7,617,874 from 2020 with the governmental activities accounting for \$6,265,491 decrease, and business-type activities accounting for \$1,352,383 decrease as the City continues to reduce its long-term obligations. It is notable that the Net Pension decreased \$4,193,882 in the governmental activities.

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, community development and public affairs, public safety, and public works. The business-type activities for the City include the sanitary sewerage system.

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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, 2021
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Government-wide Financial Analysis

The following table reflects the condensed Statement of Net Position as of October 31, 2021 and 2020:

City of Raytown Condensed Statement of Net Position							
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>		
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	
Current assets	\$ 21,893,451	\$ 20,988,856	\$ 8,737,882	\$ 7,689,991	\$ 30,631,333	\$ 28,678,847	
Noncurrent assets	28,353,287	26,465,092	13,448,099	13,415,848	41,801,386	39,880,940	
Deferred outflows of resources	<u>1,393,139</u>	<u>2,378,440</u>	<u>98,022</u>	<u>214,307</u>	<u>1,491,161</u>	<u>2,592,747</u>	
Total assets and deferred outflows of resources	<u>\$ 51,639,877</u>	<u>\$ 49,832,388</u>	<u>\$ 22,284,003</u>	<u>\$ 21,320,146</u>	<u>\$ 73,923,880</u>	<u>\$ 71,152,534</u>	
Current liabilities	\$ 4,414,588	\$ 4,953,194	\$ 2,185,500	\$ 1,949,677	\$ 6,600,088	\$ 6,902,871	
Noncurrent liabilities	30,257,409	36,726,900	5,409,801	6,784,952	35,667,210	43,511,852	
Deferred inflows of resources	<u>6,952,786</u>	<u>1,740,442</u>	<u>343,680</u>	<u>48,935</u>	<u>7,296,466</u>	<u>1,789,377</u>	
Total liabilities and deferred inflows of resources	<u>\$ 41,624,783</u>	<u>\$ 43,420,536</u>	<u>\$ 7,938,981</u>	<u>\$ 8,783,564</u>	<u>\$ 49,563,764</u>	<u>\$ 52,204,100</u>	
Net Position:							
Net investment in capital assets	\$ 27,318,855	\$ 27,370,967	\$ 6,982,152	\$ 6,110,287	\$ 34,301,007	\$ 33,481,254	
Restricted	9,820,880	12,145,825	440,703	604,735	10,261,583	12,750,560	
Unrestricted	<u>[27,124,641]</u>	<u>[33,104,940]</u>	<u>6,922,167</u>	<u>5,821,560</u>	<u>[20,202,474]</u>	<u>[27,283,380]</u>	
Total net position	<u>\$ 10,015,094</u>	<u>\$ 6,411,852</u>	<u>\$ 14,345,022</u>	<u>\$ 12,536,582</u>	<u>\$ 24,360,116</u>	<u>\$ 18,948,434</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 \$10,015,094 for the City's governmental activities and \$14,345,022 for the City's business-type activities for a total of \$24,360,116 at the close of the 2021 fiscal year.

The largest portion of the City's net position, \$34,301,007, 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.

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The following table reflects the revenues and expenses from the City's activities for the years ended October 31, 2021 and 2020:

City of Raytown Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Revenues:						
Program revenues:						
Charges for services	\$ 1,132,575	\$ 806,854	\$ 7,830,274	\$ 7,658,500	\$ 8,962,849	\$ 8,465,354
Operating grants and contributions	1,889,375	1,526,448	-	-	1,889,375	1,526,448
Capital grants and contributions	1,200,498	92,343	-	-	1,200,498	92,343
General revenues:						
Property tax	1,854,319	1,768,330	-	-	1,854,319	1,768,330
Sales tax	8,845,362	8,765,634	-	-	8,845,362	8,765,634
Franchise tax	3,350,912	3,378,027	-	-	3,350,912	3,378,027
Intergovernmental activity tax	1,324,804	1,496,568	-	-	1,324,804	1,496,568
Miscellaneous	218,654	256,191	58,966	51,391	277,620	307,582
Investment earnings	50,478	199,593	190,747	247,880	241,225	447,473
Total revenues	<u>19,866,977</u>	<u>18,289,988</u>	<u>8,079,987</u>	<u>7,957,771</u>	<u>27,946,964</u>	<u>26,247,759</u>
Program expenses:						
General government	3,025,833	2,775,803	-	-	3,025,833	2,775,803
Parks and recreation	1,009,468	909,783	-	-	1,009,468	909,783
Community development	945,837	802,749	-	-	945,837	802,749
Public safety	6,144,019	6,167,119	-	-	6,144,019	6,167,119
Public works	4,330,734	4,741,050	-	-	4,330,734	4,741,050
Bond and arbitrage costs	-	-	-	-	-	-
Interest on long term debt	807,844	862,986	-	-	807,844	862,986
Sewer	-	-	6,271,547	6,334,846	6,271,547	6,334,846
Total expenses	<u>16,263,735</u>	<u>16,259,490</u>	<u>6,271,547</u>	<u>6,334,846</u>	<u>22,535,282</u>	<u>22,594,336</u>
Transfers in (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	3,603,242	2,030,498	1,808,440	1,622,925	5,411,682	3,653,423
Net position, beginning	<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>
Net position, ending	<u>\$ 10,015,094</u>	<u>\$ 6,411,852</u>	<u>\$ 14,345,022</u>	<u>\$ 12,536,582</u>	<u>\$ 24,360,116</u>	<u>\$ 18,948,434</u>

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Governmental Activities

Governmental activities increased the City's net position by \$3,603,242. Governmental fund revenues increased \$1,576,989 over 2020. The largest single revenue category for the City of Raytown remains taxes, including property, sales and franchise taxes. This line totaled \$14,050,593 or 71% of total governmental revenue.

Governmental activities expenses increased \$4,245 for the fiscal year ended October 31, 2021, compared to the prior year.

Business-type Activities

The Sanitary Sewer Fund is responsible for the total business-type activities for the City. In 2021, operating revenues were up \$179,349. The increase is related to an auditing change in unbilled revenue and an increase in active sewer customers and usage. Business-type operating expenses decreased \$18,843 from 2020. The expenses in these statements do not include principal and premium payments made to the sewer bonds of \$949,616, the change in net position with this included would be \$858,824.

Financial Analysis of the City's Funds

Governmental Funds

As of the end of the 2021 fiscal year, the City's governmental funds have a combined fund balance of \$18,268,652, which represents a decrease of \$1,279,265 over 2020. This can largely be attributed to the increase in expenses in the Transportation Sales Tax fund for the 350 Highway and Raytown Road intersection improvements.

General Fund

The fund balance of the General Fund increased \$365,719 during the fiscal year compared to a \$583,975 increase in 2020. The General Fund unassigned ending fund balance was \$6,224,700 or 51.74% of current year revenues and 50% of current year expenditures and transfers out.

The General Fund revenues were \$12,028,743 compared to \$9,802,906 in 2020 which represents an increase of \$2,225,837 over 2020. The Intergovernmental revenue increased \$1,170,300 over 2020 with most of this increase due to the CARES Act Coronavirus Relief Funds. The majority of the increase of taxes of \$705,070 was due to the change in reporting of the TIF EAT's taxes from a reduction in tax revenue to a Transfer out.

General Fund expenditures, including transfers out, were \$13,317,230 compared to \$10,693,427 in 2020 which represents an increase of \$2,623,803 or 24.54%. There was a transfer into General Fund from Public Safety Sales Tax Fund of \$1,654,206 to cover these costs in General Fund. After this transfer is accounted, the increase in expenses was \$969,597.

Tax Increment Finance Fund

The TIF Fund revenues were \$1,328,772 compared to \$3,175,826 in 2020, which represents a decrease of \$1,857,054. Per the recommendation of the Missouri State Auditors, revenue previously reported as Taxes revenue is now shown as a Transfer in from other funds. This change in reporting accounted for \$1,583,924 of this difference.

The expenditures were \$2,983,419 compared to \$2,918,297 in 2020 which represents an increase of \$65,122. This increase was due to the increase in debt service payments related to the 350 Highway TIF bonds.

The ending fund balance of the Tax Increment Finance (TIF) Fund was \$4,139,467 at October 31, 2021, a decrease of \$70,723 from 2020. This decrease is a result of the higher interest payments.

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Transportation Sales Tax Fund

The fund balance of the Transportation Sales Tax Fund decreased \$966,865 during the fiscal year. This decrease is due to capital expenditures on the 350 Highway and Raytown Road intersection improvements.

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 2021 were \$4,618,809 compared to \$4,056,128 in 2020, which includes a sale of capital assets in 2020 and 2021.

Combined expenditures and transfers out for other Governmental Funds were \$5,226,218 compared to \$3,212,502 in 2020 which represents an increase of \$2,013,716. Part of the increase is due to the change in reporting of taxes transferred to the TIF fund per the recommendation of the Missouri State auditors. This accounts for \$505,508 of the difference. The capital improvements for the 350 Highway and Raytown Road intersection improvements and the 2021 Stormwater Maintenance project accounts for most of the remaining difference.

The combined fund balance of the other governmental funds decreased \$607,409 to an ending balance of \$5,342,798 as of October 31, 2021.

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 \$7,889,240 in 2021 compared to operating revenues of \$7,709,891 in 2020. The increase of \$179,349 is related to an auditing change in unbilled revenue and an increase in active sewer customers and usage. Operating expenses decreased \$18,843.

The net position of the Sanitary Sewer fund at the end of the year increased \$1,808,440 to an ending balance of \$14,345,022. Of the ending net position \$6,982,152 is the City's net investment in capital assets. The amount of \$440,703 is restricted for debt service and \$6,922,168 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 \$329,615 more than the final budget. Actual expenditures and transfers out were \$998,080 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.

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Capital Asset and Debt Administration

The City's investment in capital assets for its governmental and business-type activities as of October 31, 2021, amounts to \$40,656,951 compared to \$38,846,508 in 2020 (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, 2021 and 2020:

City of Raytown Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Land	\$ 1,473,340	\$ 1,473,340	\$ 433,393	\$ 433,393	\$ 1,906,733	\$ 1,906,733
Construction in progress	3,843,483	837,236	301,864	199,057	4,145,347	1,036,293
Buildings and improvements	3,608,352	2,654,321	-	-	3,608,352	2,654,321
Equipment and vehicles	1,712,564	1,927,436	11,419	21,417	1,723,983	1,948,853
Infrastructure	<u>16,681,116</u>	<u>18,538,327</u>	<u>12,591,420</u>	<u>12,761,981</u>	<u>29,272,536</u>	<u>31,300,308</u>
Total	<u>\$27,318,855</u>	<u>\$25,430,660</u>	<u>\$ 13,338,096</u>	<u>\$ 13,415,848</u>	<u>\$40,656,951</u>	<u>\$ 38,846,508</u>

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

Debt Administration

At the end of fiscal year 2021, the City had a total of \$39,201,142 of outstanding debt compared to \$46,819,016 in 2020. This was a decrease of \$7,617,874 from the previous year, largely due to the Net Pension decrease of \$4,595,793 and the continued payments for the sewer and TIF bond principal.

The following table reflects changes in the City's long-term debt for the years ended October 31, 2021 and 2020:

City of Raytown Long-Term Debt

	Governmental Activities		Business-Type Activities		Total	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Tax increment and sales tax revenue bonds (including premium)	\$24,955,000	\$26,870,000	\$ -	\$ -	\$24,955,000	\$26,870,000
Revenue bonds (including premium)		-	6,355,946	7,305,562	6,355,946	7,305,562
Compensated absences	511,456	513,434	43,115	45,347	554,571	558,781
Net Pension	5,949,902	10,143,784	-	401,911	5,949,902	10,545,695
Developer obligation	1,034,754	1,264,211	-	-	1,034,754	1,264,211
Net OPEB obligation	<u>322,497</u>	<u>247,671</u>	<u>28,472</u>	<u>27,096</u>	<u>350,969</u>	<u>274,767</u>
Total	<u>\$32,773,609</u>	<u>\$39,039,100</u>	<u>\$ 6,427,533</u>	<u>\$ 7,779,916</u>	<u>\$39,201,142</u>	<u>\$46,819,016</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 City Council
City of Raytown, Missouri

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of October 31, 2021, 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.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages iii through xi, the Pension Information, OPEB, and Budgetary Comparison Information on pages 49 through 58 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary 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 schedules, listed in the table of contents as supplementary information, and the other information, such as the introductory and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated July 28, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City of Raytown, Missouri's internal control over financial reporting and compliance.

Troutt, Beeman & Co., P.C.

Harrisonville, Missouri
July 28, 2022

**CITY OF RAYTOWN, MISSOURI
STATEMENT OF NET POSITION
OCTOBER 31, 2021**

	Primary Government		
	Governmental	Business-type	Total
	Activities	Activities	
ASSETS			
Pooled cash and investments	\$ 12,034,084	\$ 6,376,311	\$ 18,410,395
Cash and investments-restricted	6,653,544	440,703	7,094,247
Taxes receivable, net	1,760,339	-	1,760,339
Due from other governments	120,599	-	120,599
Accounts receivable, net	129,630	1,837,613	1,967,243
Loan receivable	440,370	-	440,370
Fines receivable, net	31,737	-	31,737
Due from agency fund	6	-	6
Inventories	36,830	-	36,830
Prepaid expenses	686,312	83,255	769,567
Net pension	-	110,003	110,003
Land held for future use	1,034,432	-	1,034,432
Capital assets:			
Land and construction in progress	5,316,823	735,257	6,052,080
Buildings and improvements	8,287,987	-	8,287,987
Vehicles and equipment	10,064,163	677,920	10,742,083
Distribution system	-	25,972,023	25,972,023
Infrastructure	66,062,564	-	66,062,564
Less: accumulated depreciation	<u>(62,412,682)</u>	<u>(14,047,104)</u>	<u>(76,459,786)</u>
Total capital assets	<u>27,318,855</u>	<u>13,338,096</u>	<u>40,656,951</u>
Total assets	<u>50,246,738</u>	<u>22,185,981</u>	<u>72,432,719</u>
DEFERRED OUTFLOWS OF RESOURCES			
OPEB	107,995	9,534	117,529
Debt refunding	-	10,614	10,614
Pension	<u>1,285,144</u>	<u>77,874</u>	<u>1,363,018</u>
Total deferred outflows of resources	<u>1,393,139</u>	<u>98,022</u>	<u>1,491,161</u>
Total assets and deferred outflows of resources	<u>51,639,877</u>	<u>22,284,003</u>	<u>73,923,880</u>
LIABILITIES			
Accounts payable and accrued expenses	1,568,238	334,851	1,903,089
Retainage	55,822	1,409	57,231
Unapplied payments	-	101,222	101,222
Customer deposits	-	637,864	637,864
Courts bonds payable	72,817	-	72,817
Long-term liabilities:			
Due within one year:			
Bonds, capital leases, and contracts	2,120,000	974,616	3,094,616
Compensated absences	396,200	43,115	439,315
Accrued interest	201,511	92,423	293,934
Due in more than one year:			
Bonds, capital leases, and contracts	22,835,000	5,381,329	28,216,329
Net pension	5,949,902	-	5,949,902
Developer obligations	1,034,754	-	1,034,754
OPEB	322,497	28,472	350,969
Compensated absences	<u>115,256</u>	<u>-</u>	<u>115,256</u>
Total liabilities	<u>34,671,997</u>	<u>7,595,301</u>	<u>42,267,298</u>
DEFERRED INFLOWS OF RESOURCES			
American rescue plan act (ARP)	2,924,983	-	2,924,983
Wellness credit	5,634	-	5,634
Debt refunding	160,241	-	160,241
OPEB	125,471	9,333	134,804
Pension	<u>3,736,457</u>	<u>334,347</u>	<u>4,070,804</u>
Total deferred inflows of resources	<u>6,952,786</u>	<u>343,680</u>	<u>7,296,466</u>
NET POSITION			
Net investment in capital assets	27,318,855	6,982,152	34,301,007
Restricted for:			
Capital projects	1,456,715	-	1,456,715
Parks	1,292,458	-	1,292,458
Public works	2,579,382	-	2,579,382
Public safety	554,369	-	554,369
Debt service	3,937,956	440,703	4,378,659
Unrestricted	<u>(27,124,641)</u>	<u>6,922,167</u>	<u>(20,202,474)</u>
Total net position	<u>10,015,094</u>	<u>14,345,022</u>	<u>24,360,116</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 51,639,877</u>	<u>\$ 22,284,003</u>	<u>\$ 73,923,880</u>

See accompanying notes.

CITY OF RAYTOWN, MISSOURI
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED OCTOBER 31, 2021

Functions/Programs	Net (Expense) Revenue and Changes in Net Position					
	Expenses	Charges for Services	Program Revenue Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Business-type Activities	Total
Primary government:						
Governmental activities:						
General government	\$ 3,025,833	\$ 372,329	\$ 604,871	\$ 809,605	\$ (1,239,028)	\$ (1,239,028)
Public safety	6,144,019	297,590	24,501	-	(5,821,928)	(5,821,928)
Community development	945,837	285,111	-	-	(660,726)	(660,726)
Public works	4,330,734	53,700	1,260,003	390,893	(2,626,138)	(2,626,138)
Parks and recreation	1,009,468	123,845	-	-	(885,623)	(885,623)
Interest on long-term debt	807,844	-	-	-	(807,844)	(807,844)
Total governmental activities	16,263,735	1,132,575	1,889,375	1,200,498	(12,041,287)	(12,041,287)
Business-type activities:						
Water and sewer	6,271,547	7,830,274	-	-	1,558,727	1,558,727
Total business-type activities	6,271,547	7,830,274	-	-	1,558,727	1,558,727
Total primary government	\$ 22,535,282	\$ 8,962,849	\$ 1,889,375	\$ 1,200,498	(12,041,287)	(10,482,560)
General revenues:						
Taxes:						
Property taxes, levied for general purposes					1,236,680	1,236,680
Property taxes, levied for specific purposes					617,639	617,639
Franchise taxes and other taxes					3,350,912	3,350,912
Sales taxes					8,845,362	8,845,362
Intergovernmental activity tax					1,324,804	1,324,804
Investment earnings					50,478	50,478
Miscellaneous revenue (expense)					218,654	218,654
Total general revenues, special items, and transfers					15,644,529	15,644,529
Change in net position					249,713	249,713
Net position - beginning					1,808,440	1,808,440
Net position - ending					12,536,582	12,536,582
					\$ 14,345,022	\$ 24,360,116

See accompanying notes.

**CITY OF RAYTOWN, MISSOURI
BALANCE SHEET
GOVERNMENTAL FUNDS
OCTOBER 31, 2021**

		Transportation		Other Governmental	Total Governmental
	General	Sales Tax	TIF	Funds	Funds
ASSETS					
Pooled cash and investments	\$ 5,921,517	\$ 1,422,021	\$ 179,956	\$ 4,510,590	\$ 12,034,084
Cash and investments-restricted	2,924,983	-	3,728,561	-	6,653,544
Taxes receivable, net	878,623	272,542	17,748	591,426	1,760,339
Accounts receivable, net	116,163	24,729	-	20,475	161,367
Due from other funds	-	-	244,441	-	244,441
Due from other governments	109,406	-	11,193	-	120,599
Inventory	36,830	-	-	-	36,830
Loan receivable	-	-	-	440,370	440,370
Land held for future use	1,034,432	-	-	-	1,034,432
Prepaid expenses	<u>462,417</u>	<u>-</u>	<u>-</u>	<u>223,895</u>	<u>686,312</u>
Total assets	<u>\$ 11,484,371</u>	<u>\$ 1,719,292</u>	<u>\$ 4,181,899</u>	<u>\$ 5,786,756</u>	<u>\$ 23,172,318</u>
LIABILITIES AND FUND BALANCES					
Accounts payable	\$ 330,876	\$ 597,157	\$ 42,419	\$ 253,200	\$ 1,223,652
Retainage payable	-	38,664	-	17,158	55,822
Accrued expenses	322,387	-	-	22,199	344,586
Court bonds payable	72,817	-	-	-	72,817
Due to other funds	<u>43,192</u>	<u>55,476</u>	<u>-</u>	<u>145,767</u>	<u>244,435</u>
Total liabilities	<u>769,272</u>	<u>691,297</u>	<u>42,419</u>	<u>438,324</u>	<u>1,941,312</u>
DEFERRED INFLOWS OF RESOURCES					
American rescue plan act	2,924,983	-	-	-	2,924,983
Wellness credit	-	-	-	5,634	5,634
Court Fines	<u>31,737</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,737</u>
Total deferred inflows or resources	<u>2,956,720</u>	<u>-</u>	<u>-</u>	<u>5,634</u>	<u>2,962,354</u>
Fund balances:					
Nonspendable:					
Prepaid items	462,417	-	-	223,895	686,312
Inventory	36,830	-	-	-	36,830
Land held for future use	1,034,432	-	-	-	1,034,432
Restricted:					
Capital projects	-	-	-	1,456,715	1,456,715
Parks and recreation	-	-	-	1,291,701	1,291,701
Debt service	-	-	4,139,467	-	4,139,467
Public works	-	1,027,995	-	1,638,335	2,666,330
Public safety	-	-	-	817,806	817,806
Unassigned	<u>6,224,700</u>	<u>-</u>	<u>13</u>	<u>(85,654)</u>	<u>6,139,059</u>
Total fund balances	<u>7,758,379</u>	<u>1,027,995</u>	<u>4,139,480</u>	<u>5,342,798</u>	<u>18,268,652</u>
Total liabilities and fund balances	<u>\$ 11,484,371</u>	<u>\$ 1,719,292</u>	<u>\$ 4,181,899</u>	<u>\$ 5,786,756</u>	<u>\$ 23,172,318</u>

See accompanying notes.

CITY OF RAYTOWN, MISSOURI
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
OCTOBER 31, 2021

Fund balances - total governmental funds	\$	18,268,652
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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.		27,318,855
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Interest on long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due.		(201,511)
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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		(3,861,928)
Outflows		1,393,139
		(2,468,789)

Deferred debt refunding is not included in the fund financial statement, but is included in the governmental activities of the Statement of Net Position:		(160,241)
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Other long-term assets are not available to pay for current period and, therefore, are reported as unavailable revenue in the funds.		31,737
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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		(24,955,000)
OPEB Obligation		(322,497)
Development obligations		(1,034,754)
Net pension		(5,949,902)
Compensated absences		(511,456)
		(32,773,609)

Net Position of Governmental Activities in the Statement of Net Position	\$	10,015,094
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See accompanying notes.

CITY OF RAYTOWN, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE --
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED OCTOBER 31, 2021

	<u>General Fund</u>	<u>Transportation Sales Tax</u>	<u>TIF</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES					
Taxes	\$ 8,178,288	\$ 1,664,090	\$ -	\$ 4,208,215	\$ 14,050,593
Licenses and permits	618,000	-	-	-	618,000
Intergovernmental	2,696,748	390,893	1,324,804	2,232	4,414,677
Charges for services	108,712	-	-	123,845	232,557
Fees and fines	299,275	-	-	-	299,275
Use of money and property	11,667	2,914	3,981	31,916	50,478
Other	116,053	-	-	70,840	186,893
Total revenues	<u>12,028,743</u>	<u>2,057,897</u>	<u>1,328,785</u>	<u>4,437,048</u>	<u>19,852,473</u>
EXPENDITURES					
Current:					
Current expenditures:					
General government	3,424,175	-	-	179,347	3,603,522
Public safety	5,992,059	-	-	130,442	6,122,501
Public works	1,822,855	174,171	-	53,205	2,050,231
Parks and recreation	-	-	-	876,627	876,627
Community development	943,849	-	231,445	-	1,175,294
Capital outlay	265,348	2,491,119	-	1,826,883	4,583,350
Debt service:					
Principal	-	-	1,915,000	-	1,915,000
Interest and other charges	-	-	836,974	-	836,974
Total expenditures	<u>12,448,286</u>	<u>2,665,290</u>	<u>2,983,419</u>	<u>3,066,504</u>	<u>21,163,499</u>
Excess (deficiency) of revenues over expenditures	<u>(419,543)</u>	<u>(607,393)</u>	<u>(1,654,634)</u>	<u>1,370,544</u>	<u>(1,311,026)</u>
OTHER FINANCING SOURCES (USES)					
Sale of capital assets	-	-	-	31,761	31,761
Transfers in	1,654,206	-	1,583,924	150,000	3,388,130
Transfers out	(868,944)	(359,472)	-	(2,159,714)	(3,388,130)
Total other financing sources and uses	<u>785,262</u>	<u>(359,472)</u>	<u>1,583,924</u>	<u>(1,977,953)</u>	<u>31,761</u>
Net change in fund balances	365,719	(966,865)	(70,710)	(607,409)	(1,279,265)
Fund balances - beginning	<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>
Fund balances - ending	<u>\$ 7,758,379</u>	<u>\$ 1,027,995</u>	<u>\$ 4,139,480</u>	<u>\$ 5,342,798</u>	<u>\$ 18,268,652</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, 2021

Net change in fund balances - total governmental funds: \$ (1,280,515)

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	4,583,350
Capital outlay expensed	61,349
Depreciation expense	<u>(2,756,504)</u>
	<u>1,888,195</u>

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	<u>1,915,000</u>
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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	(17,257)
Pension expense	836,004
Accrued interest not reflected on governmental funds	13,106
Developer obligation	229,457
Compensated absences	<u>1,978</u>
	<u>1,079,312</u>

Change in net position of governmental activities \$ 3,601,992

See accompanying notes.

**CITY OF RAYTOWN, MISSOURI
STATEMENT OF NET POSITION
PROPRIETARY FUND
OCTOBER 31, 2021**

	Sewer Utility
ASSETS:	
Current assets:	
Pooled cash and investments	\$ 6,376,311
Cash and investments-restricted	440,703
Receivables, net:	
Billed	513,021
Unbilled	1,324,592
Prepaid expenses	83,255
Total current assets	8,737,882
Non-current assets:	
Net pension	110,003
Capital assets, net	13,338,096
Total non-current assets	13,448,099
Total assets	22,185,981
 DEFERRED OUTFLOWS OF RESOURCES:	
Other postemployment benefits	9,534
Debt refunding	10,614
Pension	77,874
Total deferred outflows of resources	98,022
 Total assets and deferred outflows of resources	\$ 22,284,003
 LIABILITIES:	
Current liabilities:	
Accounts payable	306,275
Retainage payable	1,409
Accrued expenses	28,576
Unapplied payments	101,222
Accrued interest payable	92,423
Customer deposits	637,864
Compensated absences	43,115
Bonds, notes, and loans payable	974,616
Total current liabilities	2,185,500
Non-current liabilities:	
Other postemployment benefits	28,472
Bonds, notes, and loans payable	5,381,329
Total non-current liabilities	5,409,801
Total liabilities	7,595,301
 DEFERRED INFLOWS OF RESOURCES:	
Other postemployment benefits	9,333
Pension	334,347
Total deferred inflows of resources	343,680
 NET POSITION:	
Net investment in capital assets	6,982,151
Restricted for debt service	440,703
Unrestricted	6,922,168
Total net position	14,345,022
 Total liabilities, deferred inflows of resources, and net position	\$ 22,284,003

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, 2021

	Sewer Utility
REVENUES:	
Charges for services	\$ 7,830,274
Miscellaneous	<u>58,966</u>
Total operating revenues	<u>7,889,240</u>
OPERATING EXPENSES:	
Personnel services	649,869
Contractual services	391,143
Materials and supplies	77,410
Maintenance and repairs	6,299
Sewer services	4,305,180
Depreciation and amortization	506,559
Bad debts	<u>19,905</u>
Total operating expenses	<u>5,956,365</u>
Operating income	<u>1,932,875</u>
NON-OPERATING REVENUES (EXPENSES):	
Interest income	190,747
Interest expense	<u>(315,182)</u>
	<u>(124,435)</u>
Increase in net position	<u>1,808,440</u>
Total net position - beginning	<u>12,536,582</u>
Total net position - ending	<u>\$ 14,345,022</u>

See accompanying notes.

CITY OF RAYTOWN, MISSOURI

**STATEMENT OF CASH FLOWS -- PROPRIETARY FUND
FOR THE YEAR ENDED OCTOBER 31, 2021**

	Sewer Utility
CASH FLOWS FROM OPERATING ACTIVITIES:	
Received from customers	\$ 8,097,592
Payments to employees and fringe benefits	(944,614)
Payments for operations	(4,686,590)
Net cash provided by operating activities	2,466,388
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Acquisition and construction of capital assets	(428,807)
Principal paid on capital debt and leases	(949,616)
Interest paid on capital debt and leases	(327,541)
Net cash used by capital and related financing activities	(1,705,964)
CASH FLOWS FROM INVESTING ACTIVITIES,	
Investment received	190,955
Net cash provided by investing activities	190,955
Net increase in cash and cash equivalents	951,379
Cash and cash equivalents, Beginning of the year	5,865,635
Cash and cash equivalents, End of the year	\$ 6,817,014
Cash and investments	6,376,311
Restricted cash and investments	440,703
Total cash and restricted cash and investment	\$ 6,817,014
Reconciliation of operating income to net cash provided by operating activities,	
Operating income	\$ 1,932,875
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization expense	506,559
Changes in assets and liabilities:	
Receivables, net	(86,393)
Pension related deferrals and assets	(394,253)
Prepaid items	(10,327)
Accounts payable and accrued expenses	210,823
Deferred revenue	294,745
Accrued interest payable	12,359
Total adjustments	533,513
Net cash provided by operating activities	\$ 2,466,388

See accompanying notes.

**CITY OF RAYTOWN, MISSOURI
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
October 31, 2021**

	Police Pension Trust	Agency Funds
ASSETS:		
Pooled cash and investments	\$ 11,781,357	\$ 73,099
Taxes receivable, net	-	26,612
Total assets	\$ 11,781,357	\$ 99,711
 LIABILITIES,		
Due to others	\$ -	\$ 99,711
 NET POSITION,		
Held in trust for pension benefits	\$ 11,781,357	\$ -

See accompanying notes.

**CITY OF RAYTOWN, MISSOURI
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUND
October 31, 2021**

	Police Pension Trust
Additions:	
Employer contributions	\$ 646,431
Investment earnings:	
Interest and dividends	245,562
Net appreciation in fair value of investments	2,495,153
Investment expenses	(73,322)
Total investment earnings	2,667,393
Total additions	3,313,824
 Deductions:	
Benefits paid	1,454,085
Administrative expenses and other	47,088
Total deductions	1,501,173
 Change in net position	 1,812,651
 Net position, beginning of year	 9,968,706
 Net position, end of year	 \$ 11,781,357

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 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 \$30,000 for non-budgeted purchases and \$50,000 for budgeted purposes 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, 2021. 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, 2021, the City's cash was deposited in demand accounts, 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 - 40 years, office equipment and furniture 7 - 10 years, computer equipment 3 - 5 years, infrastructure 20 - 75 years, vehicles and equipment 5 - 15 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 ARP grants, wellness credit, 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, 2021, the carrying amount of the City’s cash on hand and demand deposits in financial institutions was \$5,554 and \$14,931,516, 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, 2021, the City’s cash and investments consisted of the following:

	<u>Primary government</u>	<u>Fiduciary funds</u>	<u>Total</u>
Investments:			
Short-term investments held in trust	\$ 4,096,165	\$ -	\$ 4,096,165
MOSIP	6,471,407	-	6,471,407
Pension trust investments	-	11,677,762	11,677,762
	<u>10,567,572</u>	<u>11,677,762</u>	<u>22,245,334</u>
Cash on hand	5,554	-	5,554
Deposits	14,931,516	176,694	15,108,210
	<u>14,937,070</u>	<u>176,694</u>	<u>15,113,764</u>
Total	<u>\$ 25,504,642</u>	<u>\$ 11,854,456</u>	<u>\$ 37,359,098</u>

CITY OF RAYTOWN, MISSOURI
NOTES TO FINANCIAL STATEMENTS

2. DEPOSITS AND INVESTMENTS (Continued):

At October 31, 2021, the City had the following investments and maturities:

	Level 1	Maturity
Investments by fair value level:		
US Treasuries	\$ 554,732	3/23/2023-2/15/2030
Federal Agency Issues:		
FSA Cap Mgmt Repayment Fund	264,662	1/1/2028
Federal National Mortgage Assoc	5,167	8/1/2035 - 4/1/2036
Federal Home Loan Mortgage Corp	4,172	2/1/2037
PC Gold Comb Gold Pool	12,283	1/1/2048
Corporate bonds, stocks and notes	7,513,893	
Total investments by fair value level	8,354,909	
Investments measured by the net asset value:		
Bank Midwest Money Market	1,423,509	
MOSIP Liquid Series	6,471,407	
Fidelity Treasury Fund Class III	2,305,052	
Morgan Stanley Institutional Liquidity Fund	176,030	
Midcap SPDR Trust Series I	712,796	
Palmer Square Income Plus	125,639	
Lord Abbett Short Duration Income Instl	226,720	
Vanguard Group High Yield Corp Admiral	230,859	
Northern Funds Inst. Government	261,140	
DFA Funds US Small Cap Fund	559,389	
T.Rowe Price Mutual Funds Mid Cap Growth	351,597	
MFS International Value R6	73,731	
DFA Funds Emerging Mkts Core Equity	202,365	
Oppenheimer Mututal Funds Developing Mkts CL Y	460,272	
Vanguard Group REIT Index Fund	309,919	
Total investments measured at net asset value	13,890,425	
Total investments	\$ 22,245,334	

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	\$ 18,410,395	\$ 11,854,456	\$ 30,264,851
Restricted cash and investments	<u>7,094,247</u>	<u>-</u>	<u>7,094,247</u>
	<u>\$ 25,504,642</u>	<u>\$ 11,854,456</u>	<u>\$ 37,359,098</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 \$128,286 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 \$440,370 as of October 31, 2021.

CITY OF RAYTOWN, MISSOURI
NOTES TO FINANCIAL STATEMENTS

4. CAPITAL ASSETS:

Capital asset activity for the year ended October 31, 2021, consisted of the following:

	Balance 11/1/2020	Additions	Retirements	Balance 10/31/2021
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,473,340	\$ -	\$ -	\$ 1,473,340
Construction in progress	837,236	4,369,849	1,363,602	3,843,483
Total capital assets not being depreciated	<u>2,310,576</u>	<u>4,369,849</u>	<u>1,363,602</u>	<u>5,316,823</u>
Capital assets being depreciated:				
Buildings and improvements	7,099,821	1,188,166	-	8,287,987
Infrastructure	66,032,794	29,770	-	66,062,564
Vehicles and equipment	9,696,552	420,516	52,905	10,064,163
Total capital assets being depreciated	<u>82,829,167</u>	<u>1,638,452</u>	<u>52,905</u>	<u>84,414,714</u>
Less: Accumulated depreciation				
Buildings and improvements	4,445,500	234,135	-	4,679,635
Infrastructure	47,494,467	1,886,981	-	49,381,448
Vehicles and equipment	7,769,116	635,388	52,905	8,351,599
Total accumulated depreciation	<u>59,709,083</u>	<u>2,756,504</u>	<u>52,905</u>	<u>62,412,682</u>
Total capital assets being depreciated, net	<u>23,120,084</u>	<u>(1,118,052)</u>	<u>-</u>	<u>22,002,032</u>
Total governmental activities capital assets, net	<u>\$ 25,430,660</u>	<u>\$ 3,251,797</u>	<u>\$1,363,602</u>	<u>\$ 27,318,855</u>

CITY OF RAYTOWN, MISSOURI
NOTES TO FINANCIAL STATEMENTS

4. CAPITAL ASSETS (Continued):

Capital asset activity for the year ended October 31, 2021, consisted of the following (Continued):

	Balance 11/1/2020	Additions	Retirements	Balance 10/31/2021
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 433,393	\$ -	\$ -	\$ 433,393
Construction in progress	199,057	285,996	183,189	301,864
Total capital assets not being depreciated	<u>632,450</u>	<u>285,996</u>	<u>183,189</u>	<u>735,257</u>
Capital assets being depreciated:				
Vehicles and equipment	677,920	-	-	677,920
Distribution system	25,646,023	326,000	-	25,972,023
Total capital assets being depreciated	<u>26,323,943</u>	<u>326,000</u>	<u>-</u>	<u>26,649,943</u>
Less: Accumulated depreciation:				
Vehicles and equipment	656,503	9,998	-	666,501
Distribution system	12,884,042	496,561	-	13,380,603
Total accumulated depreciation	<u>13,540,545</u>	<u>506,559</u>	<u>-</u>	<u>14,047,104</u>
Total capital assets being depreciated, net	<u>12,783,398</u>	<u>(180,559)</u>	<u>-</u>	<u>12,602,839</u>
Total business-type activities capital assets, net	<u>\$ 13,415,848</u>	<u>\$ 105,437</u>	<u>\$ 183,189</u>	<u>\$ 13,338,096</u>

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

Governmental activities:	
General government	\$ 103,681
Parks	128,360
Public safety	190,013
Public works	<u>2,334,450</u>
Total depreciation expense, governmental	<u>2,756,504</u>
Business-type activities,	
Sewer Utility	<u>\$ 506,559</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, 2021, 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.

	2021 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, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	49
Inactive employees entitled to but not yet receiving benefits	124
Active employees	99
	<hr/>
	272
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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 14.8% General and 9.7% Police of annual covered payroll.

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

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

Inflation	2.75% wage inflation; 2.25% price inflation
Salary Increase	2.75% to 6.75% including wage inflation
Investment rate of return	7.0%, net of investment expenses

Mortality rates were based on the PubG-2010 and PubS-2010 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 28, 2021 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%	1.05%
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 7.00%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(a) - (b)
Balances at 6/30/2020	\$ 20,741,580	\$ 16,800,137	\$ 3,941,443
Changes for the year:			
Service Cost	582,947	-	582,947
Interest	1,498,722	-	1,498,722
Difference between expected and actual experience	155,345	-	155,345
Change in assumptions	(318,364)	-	(318,364)
Contributions - employer	-	756,313	(756,313)
Contributions - employee	-	239,946	(239,946)
Net investment income	-	5,042,650	(5,042,650)
Benefit payments, including refunds	(724,537)	(724,537)	-
Administrative expense	-	(22,616)	22,616
Other changes	-	250,214	(250,214)
Net changes	1,194,113	5,541,970	(4,347,857)
Balances at 6/30/2021	<u>\$ 21,935,693</u>	<u>\$ 22,342,107</u>	<u>\$ (406,414)</u>

Sensitivity of the net pension liability to changes in the discount rate: The following presents the Net Pension Liability of the employer, calculated using the discount rate of 7.00%, as well as what the employer's Net Pension Liability would be using a discount rate that is 1 percentage point lower 6.00% or one percentage point higher 8.00% than the current rate.

	1% Decrease 6.00%	Current Single Discount Rate Assumption	1% Increase 8.00%
		7.00%	
Total Pension Liability (TPL)	\$ 25,341,964	\$ 21,935,693	\$ 19,143,046
Plan Fiduciary Net Position	22,342,107	22,342,107	22,342,107
Net Position Liability/(Asset) (NPL)	<u>\$ 2,999,857</u>	<u>\$ (406,414)</u>	<u>\$ (3,199,061)</u>

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, 2021 the employer recognized pension expense of \$756,314. 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 Resources</u>
	<u>Governmental</u>	<u>Business-type</u>	<u>Governmental</u>	<u>Business-type</u>	
Differences in experience	\$ 951,560	\$ 43,534	\$ (632,937)	\$ (18,130)	\$ 344,027
Differences in assumptions	52,978	-	(182,204)	(27,554)	(156,780)
Excess (deficit) investment returns	-	-	(2,264,871)	(288,663)	(2,553,534)
Contributions subsequent to the measurement date*	226,999	34,340	-		261,339
Total	<u>\$ 1,231,537</u>	<u>\$ 77,874</u>	<u>\$ (3,080,012)</u>	<u>\$ (334,347)</u>	<u>\$ (2,104,948)</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, 2022.

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>
2022	\$ (640,879)
2023	(588,225)
2024	(535,384)
2025	(709,390)
2026	92,596
Thereafter	14,995
	<u>\$ (2,366,287)</u>

Payable to the Pension Plan

At October 31, 2021, the City reported a payable of \$116,853 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.

2021 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, 2021, 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	24
Active employees	13
	<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, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2021.

Actuarial Assumptions: The total pension liability in the January 1, 2021, 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-2020.

The actuarial assumptions used in the January 1, 2021 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 12/31/2019	\$ 17,322,028	\$ 10,717,776	\$ 6,604,252
Changes for the year:			
Service Cost	20,260	-	20,260
Interest	1,244,830	-	1,244,830
Difference between expected and actual experience	175,442	-	175,442
Change in assumptions	(51,159)	-	(51,159)
Contributions - employer	-	635,147	(635,147)
Contributions - employee	-	-	-
Net investment income	-	1,142,826	(1,142,826)
Benefit payments, including refunds	(1,450,204)	(1,450,204)	-
Administrative expense	-	(30,661)	30,661
Other changes	-	-	-
Net changes	(60,831)	297,108	(357,939)
Balances at 12/31/2020	\$ 17,261,197	\$ 11,014,884	\$ 6,246,313

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)	\$ 18,943,698	\$ 17,261,198
Plan Fiduciary Net Position	11,014,885	11,014,885	11,014,885
Net Position Liability/(Asset) (NPL)	\$ 7,928,813	\$ 6,246,313	\$ 4,821,330

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, 2021 the employer recognized pension expense of \$635,147. 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	\$ 53,607	\$ (8,330)
Differences in assumptions	-	(38,531)
Excess (deficit) investment returns	-	(609,584)
Total	\$ 53,607	\$ (656,445)

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
2021	\$ (157,987)
2022	(37,794)
2023	(332,853)
2024	(74,204)
2025	-
Thereafter	-
	\$ (602,838)

Payable to the Pension Plan

At October 31, 2021, 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 \$3,540,813 during the year. Total gross payroll was \$6,429,493. For the year ended October 31, 2021, the City contributed \$66,829 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, 2021, consisted of the following:

Governmental Activities					
	Balance November 1, 2020	Additions	Payments/ Adjustments	Balance October 31, 2021	Due in One year
Revenue bonds	\$ 26,870,000	\$ -	\$ 1,915,000	\$ 24,955,000	\$2,120,000
Other liabilities:					
OPEB*	247,671	74,826	-	322,497	-
Net pension*	10,143,784	636,223	4,830,105	5,949,902	-
Compensated absences*	513,434	487,107	489,085	511,456	396,200
	\$ 37,774,889	\$1,198,156	\$ 7,234,190	\$ 31,738,855	\$2,516,200
Business-Type Activities					
	Balance November 1, 2020	Additions	Payments/ Adjustments	Balance October 31, 2021	Due in One year
Revenue Bonds	\$ 7,220,000	\$ -	\$ 935,000	\$ 6,285,000	\$ 960,000
Bond (discount) / premium	85,562	-	14,617	70,945	14,616
Total	7,305,562	-	949,617	6,355,945	974,616
Other liabilities:					
OPEB	27,096	1,376	-	28,472	-
Compensated absences	45,347	48,444	50,676	43,115	43,115
	\$ 7,378,005	\$ 49,820	\$ 1,000,293	\$ 6,427,532	\$1,017,731

*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, 2021, 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%	<u>\$ 24,955,000</u>
Total governmental funds	<u>\$ 24,955,000</u>
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%	\$ 2,655,000
\$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%	2,465,000
\$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%	1,165,000
Proprietary bond premium	<u>70,945</u>
Total proprietary fund	<u>\$ 6,355,945</u>

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
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	2,450,000	475,618	2,925,618
2027-2031	<u>13,500,000</u>	<u>1,118,065</u>	<u>14,618,065</u>
	<u>\$ 24,955,000</u>	<u>\$ 4,249,470</u>	<u>\$ 29,204,470</u>

Years ending October 31,	Principal	Interest	Business -Type Revenue Bonds
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	1,155,000	86,365	1,241,365
2027-2028	<u>1,000,000</u>	<u>43,715</u>	<u>1,043,715</u>
	<u>\$ 6,285,000</u>	<u>\$ 954,525</u>	<u>\$ 7,239,525</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, 2021.

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, 2021, consisted of the following:

Account	General Fund	Special Revenue Funds	Sewer Utility Fund	Total
Grants	\$ 2,924,983	\$ -	\$ -	\$ 2,924,983
Reserve for debt service	-	<u>3,728,561</u>	<u>440,703</u>	<u>4,169,264</u>
	<u>\$ 2,924,983</u>	<u>\$ 3,728,561</u>	<u>\$ 440,703</u>	<u>\$ 7,094,247</u>

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 \$2,751,974. The incremental tax revenues generated by the 350 Highway TIF plan began in October 2009. For the year ended October 31, 2021, the City's incremental tax revenues totaled \$1,583,924. 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 \$1,328,772.

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 \$229,458 in principal payments. The remaining balance as of October 31, 2021 is \$1,034,754.

12. TAX REVENUES:

The assessed valuation of the tangible property for the purpose of local taxation as of September 3, 2020, was as follows:

Real estate	\$ 303,479,903
Personal property	<u>65,419,767</u>
	<u>\$ 368,899,670</u>

The tax levy per \$100 of assessed valuation of tangible real and personal property for the calendar year 2021 was as follows:

General Fund	\$ 0.3196
Park Fund	<u>0.1595</u>
	<u>\$ 0.4791</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, 2021, were as follows:

	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ -	\$ 43,192
Special Revenue Funds:		
Risk management	-	67,754
Transportation	-	55,476
TIF	244,441	-
Park	-	5,201
Capital sales tax	-	41,607
Public safety	-	27,738
Storm water	-	3,467
Agency Fund,		
350 Highway TDD	-	6
	<u>\$ 244,441</u>	<u>\$ 244,441</u>

Transfers during the year ended October 31, 2021, were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 1,654,206	\$ 868,944
Special Revenue Funds:		
Transportation sales tax	-	359,472
Public safety sales tax	-	1,833,942
TIF	1,583,924	-
Park	-	33,701
Capital sales tax	-	269,604
Storm water	150,000	22,467
	<u>\$ 3,388,130</u>	<u>\$ 3,388,130</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.

CITY OF RAYTOWN, MISSOURI

NOTES TO FINANCIAL STATEMENTS

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.

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 \$1,000 to the plan during fiscal year 2021.

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 \$350,969 was measured as of October 31, 2021, 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	2.28%
Actuarial cost method	Entry Age Normal - Level Percent of Pay
Healthcare cost trend rates	6.75% for 2022, 6.50% for 2023, 6.25% for 2024, 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-2021 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-2021 Full Generational Improvement.

Changes in the Net OPEB Liability:

	<u>OPEB Liability</u>
Balance at 11/1/2020	\$ 274,767
Charges of the year:	
Service cost	17,238
Interest	6,734
Changes of benefits terms	-
Differences between expected and actual experiences	37,739
Changes in assumptions and inputs	15,491
Benefit payments	(1,000)
Net changes	76,202
Balance at 10/31/2020	\$ 350,969

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 2.28%, as well as what the Net OPEB Liability would be using a discount rate 1% less(1.28%) and 1% greater (3.28%) than the current rate.

	1% Decrease 1.28%	Discount Rate 2.28%	1% Increase 3.28%
Total OPEB Liability	<u>\$ 391,937</u>	<u>\$ 350,969</u>	<u>\$ 315,526</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>\$ 304,582</u>	<u>\$ 350,969</u>	<u>\$ 407,579</u>

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

For the year ended October 31, 2021, the City reported OPEB expense/(income) of \$23,521. 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>
Changes in assumptions	\$ 83,221	\$ 12,777
Differences between expected and actual experience	<u>34,308</u>	<u>102,275</u>
Total	<u>\$ 117,529</u>	<u>\$ 115,052</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>
2022	\$ (451)
2023	(451)
2024	(451)
2025	(451)
2026	(451)
Thereafter	<u>4,732</u>
	<u>\$ 2,477</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, 2021. 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, 2021, totaled \$36,036.

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, 2021, the City's recorded encumbrances in governmental funds were as follows:

Fund	
General	\$ 39,478
Transportation Sales Tax	190,824
Capital Sales Tax	555,655
Public Safety Tax	43,000
Risk Management	38,698
Park	55,550
Storm Water	25,993
Sanitary Sewer	<u>1,607,336</u>
	<u>\$ 2,556,534</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, 2021, taxes abated for the City in connection with the Chapter 353, and Tax Increment Financing program were estimated at \$13,848, and \$28,602, respectively.

CITY OF RAYTOWN, MISSOURI
NOTES TO FINANCIAL STATEMENTS

19. INTERGOVERNMENTAL REVENUE:

Intergovernmental revenue during the year ended October 31, 2021, consisted of the following:

	<u>General Fund</u>	<u>Other Governmental Funds</u>
Federal:		
US Department of Treasury:		
CARES ACT	\$ 1,414,476	\$ -
US Department of Justice,		
Public Safety Grants	20,541	-
Department of Transportation:		
Public Safety Grants	3,308	-
Highway Planning and Construction	-	390,893
State:		
Department of Revenue:		
Motor Vehicle Sales Tax	323,242	-
Motor Vehicle Fuel Tax	789,152	-
Motor Vehicle Fees	146,029	-
County,		
TDD, CID, Pilot	<u>-</u>	<u>1,324,804</u>
	<u>\$ 2,696,748</u>	<u>\$ 1,715,697</u>

20. EVALUATION OF SUBSEQUENT EVENTS:

The City has evaluated subsequent events through May 20, 2022, 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 7 Fiscal Years**

Fiscal year ending June 30,

	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability							
Service Cost	\$ 582,947	\$ 542,561	\$ 583,567	\$ 656,159	\$ 558,483	\$ 533,362	\$ 560,833
Interest on the Total Pension Liability	1,498,722	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	155,345	(119,154)	(695,796)	(460,643)	3,722,090	152,189	(505,106)
Assumption Changes	(318,364)	-	-	-	-	591,243	-
Benefit Payments	(724,537)	(529,787)	(498,198)	(500,347)	(347,807)	(331,216)	(276,894)
Net Change in Total Pension Liability	<u>1,194,113</u>	<u>1,303,346</u>	<u>747,679</u>	<u>984,414</u>	<u>3,216,817</u>	<u>1,867,835</u>	<u>656,413</u>
Total Pension Liability beginning	<u>20,741,580</u>	<u>19,438,234</u>	<u>18,690,555</u>	<u>17,706,141</u>	<u>14,489,324</u>	<u>12,621,489</u>	<u>11,965,076</u>
Total Pension Liability ending	<u>\$ 21,935,693</u>	<u>\$ 20,741,580</u>	<u>\$ 19,438,234</u>	<u>\$ 18,690,555</u>	<u>\$ 17,706,141</u>	<u>\$ 14,489,324</u>	<u>\$ 12,621,489</u>
Plan Fiduciary Net Position							
Contributions-employer	\$ 756,313	\$ 680,823	\$ 677,189	\$ 727,010	\$ 800,985	\$ 822,633	\$ 823,197
Contributions-employee	239,946	222,306	225,529	258,512	181,359	-	-
Pension Plan Net Investment income	5,042,650	210,376	989,825	1,627,298	1,364,033	(27,096)	188,721
Benefit Payments	(724,537)	(529,787)	(498,198)	(500,347)	(347,807)	(331,216)	(276,894)
Pension Plan Administrative expense	(22,616)	(28,249)	(24,769)	(17,249)	(17,199)	(17,003)	(18,549)
Other	250,214	(13,301)	24,388	6,240	(1,977)	(1,534)	180,399
Net Change in Plan Fiduciary Net Position	<u>5,541,970</u>	<u>542,168</u>	<u>1,393,964</u>	<u>2,101,464</u>	<u>1,979,394</u>	<u>445,784</u>	<u>896,874</u>
Plan Fiduciary Net Position beginning	<u>16,800,137</u>	<u>16,257,969</u>	<u>14,864,005</u>	<u>12,762,541</u>	<u>10,783,147</u>	<u>10,337,363</u>	<u>9,440,489</u>
Plan Fiduciary Net Position ending	<u>\$ 22,342,107</u>	<u>\$ 16,800,137</u>	<u>\$ 16,257,969</u>	<u>\$ 14,864,005</u>	<u>\$ 12,762,541</u>	<u>\$ 10,783,147</u>	<u>\$ 10,337,363</u>
Employer Net Pension Liability (Asset)	<u>\$ (406,414)</u>	<u>\$ 3,941,443</u>	<u>\$ 3,180,265</u>	<u>\$ 3,826,550</u>	<u>\$ 4,943,600</u>	<u>\$ 3,706,177</u>	<u>\$ 2,284,126</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	101.85%	81.00%	83.64%	79.53%	72.08%	74.42%	81.90%
Covered Employee Payroll	\$6,466,617	\$6,104,807	\$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	-6.28%	64.56%	59.35%	62.66%	70.89%	49.70%	32.69%

Notes to schedule:

Only the last 7 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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution Contributions in relation to the actuarially determined contribution	\$763,808	\$723,455	\$674,187	\$711,773	\$757,076	\$806,116	\$838,990	\$754,880	\$508,424	\$501,898
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll Contributions as a percentage of covered-employee payroll	\$5,979,254	\$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
	12.77%	12.28%	12.15%	11.70%	10.38%	10.84%	11.34%	11.12%	12.00%	11.9%

Valuation date 2/28/2021

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

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 9 to 15 years
Asset valuation method 5 year smoothed market; 20% corridor
Inflation 2.75% wage inflation; 2.25% price inflation
Salary increases 2.75% to 6.75% including wage inflation
Investment rate of return 7.0%, net of investment expenses
Retirement age Experience-based table of rate that are specific to the type of eligibility condition
Mortality The healthy retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubG-2010 Retiree Mortality Table for males and females. The disabled retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubNS-2010 Disabled Retiree Mortality Table for males and females. The pre-retirement mortality tables used were 75% of the PubG-2010 Employee Mortality Table for males and females of General groups and 75% of the PubS-2010 Employee Mortality Tables for males and females of Police, Fire and Public Safety groups.

Other information None

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

**Schedule of Changes in Net Pension Liability and Related Ratios - Police (Frozen)
Last 7 Fiscal Years**

<i>Fiscal year ending December 31,</i>	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability							
Service Cost	\$ 20,260	\$ 20,407	\$ 20,437	\$ 15,509	\$ 15,526	\$ 12,633	\$ 12,663
Interest on the Total Pension Liability	1,244,830	1,236,977	1,272,784	1,291,090	1,255,628	1,211,255	1,193,469
Difference between expected and actual experience	175,442	139,039	(379,418)	(100,898)	263,758	148,107	(167,955)
Assumption Changes	(51,159)	150,340	(45,424)	(277,355)	-	207,116	-
Benefit Payments	(1,450,204)	(1,428,693)	(1,248,899)	(1,107,281)	(1,008,095)	(974,294)	(899,749)
Net Change in Total Pension Liability	(60,831)	118,070	(380,520)	(178,935)	526,817	604,817	138,428
Total Pension Liability beginning	17,322,028	17,203,958	17,584,478	17,763,413	17,236,596	16,631,779	16,493,351
Total Pension Liability ending	\$ 17,261,197	\$ 17,322,028	\$ 17,203,958	\$ 17,584,478	\$ 17,763,413	\$ 17,236,596	\$ 16,631,779
Plan Fiduciary Net Position							
Contributions-employer	\$ 635,147	\$ 590,127	\$ 593,459	\$ 608,134	\$ 562,862	\$ 510,320	\$ 509,880
Pension Plan Net Investment income	1,142,826	1,981,217	(678,399)	1,373,429	633,761	(157,302)	512,776
Benefit Payments	(1,450,204)	(1,428,693)	(1,248,899)	(1,107,281)	(1,008,095)	(974,294)	(899,749)
Pension Plan Administrative expense	(30,661)	(33,985)	(20,035)	(21,491)	(12,748)	(14,400)	(99,319)
Net Change in Plan Fiduciary Net Position	297,108	1,108,666	(1,353,874)	852,791	175,780	(635,676)	23,588
Plan Fiduciary Net Position beginning	10,717,776	9,609,110	10,962,984	10,110,193	9,934,413	10,570,089	10,546,501
Plan Fiduciary Net Position ending	\$ 11,014,884	\$ 10,717,776	\$ 9,609,110	\$ 10,962,984	\$ 10,110,193	\$ 9,934,413	\$ 10,570,089
Employer Net Pension Liability (Asset)	\$ 6,246,313	\$ 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	63.81%	61.87%	55.85%	62.34%	56.92%	57.64%	63.55%
Covered Employee Payroll	\$0	\$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%	0.00%

Notes to schedule:

Only the last 7 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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contributor Contributions in relation to the actuarially determined contribution	\$635,147	\$590,127	\$593,459	\$608,134	\$562,862	\$513,291	\$508,285	\$660,842	\$678,787	\$616,618
Contribution deficiency (excess)	\$ -	590,127	593,459	608,134	562,862	510,320	509,880	660,842	686,270	645,818
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,971	\$ (1,595)	\$ -	\$ (7,483)	\$ (29,200)
Covered-employee payro						**	\$ 2,962,341	\$ 3,122,522	\$ 3,065,002	\$ 2,978,208
Contributions as a percentage of covered-employee payroll						**	17.21%	21.16%	22.39%	21.68%

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 23 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 2010 mortality tables for employees and annuitants, projected with generational improvements using scale MP-20209.
- Other information None

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

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

	2021	2020	2019	2018
Total OPEB Liability				
Service Cost	\$ 17,238	\$ 16,125	\$ 19,763	\$ 29,277
Interest	6,734	10,699	16,053	19,533
Benefit Changes	-	-	(119,472)	(158,872)
Difference between expected and actual experience	37,739	(125,003)	-	-
Assumption Changes	15,491	65,371	21,521	(20,077)
Benefit Payments	(1,000)	(9,000)	(20,000)	(26,000)
Net Change in Total OPEB Liability	76,202	(41,808)	(82,135)	(156,139)
Total OPEB Liability beginning	274,767	316,575	398,710	554,849
Total OPEB Liability ending	\$ 350,969	\$ 274,767	\$ 316,575	\$ 398,710
Covered Employee Payroll	\$ 5,104,400	\$ 5,104,400	\$ 6,804,388	\$ 6,804,388
Total OPEB Liability as a percentage of covered employee payroll	6.88%	5.38%	4.65%	5.86%

Notes to schedule:

Only the four 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 Four Fiscal Years

	2021	2020	2019	2018
\$	8,000	\$ 9,000	\$ 20,000	\$ 26,000
\$	7,000	9,000	20,000	26,000
\$	1,000	-	-	-
\$	5,104,400	\$ 5,104,400	\$ 6,804,388	\$ 6,804,388
	0.14%	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.

Entry age normal - Level % of pay

Year	Trend
2021-2022	6.75%
2022-2023	6.50%
2023-2024	6.25%
2024-2025	6.00%
2025-2026	5.75%
2026-2027	5.50%
2027-2028	5.25%
Thereafter	5.00%

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-2021 Full Generational Improvement
 SOA Pub-2010 Disabled Retiree Headcount-weighted Mortality Scale MP-2021 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)
0-1	18%	20%	23%
1-2	17%	18%	21%
2-3	16%	16%	18%
3-4	14%	13%	15%
4-5	13%	12%	13%
Age	Police	General (Male)	General (Female)
25	8.8%	7.3%	12.4%
30	7.1%	6.5%	10.2%
35	5.6%	5.0%	7.8%
40	4.1%	3.7%	5.8%
45	3.1%	3.0%	4.4%
50	2.4%	2.4%	3.5%

Actuarially determined contribution
 Contributions in relation to the actuarially determined contribution
 Contribution deficiency (excess)

Covered-employee payroll
 Contributions as a percentage of covered-employee payroll

Valuation date

Notes

Methods and assumption used to determine contribution rates:

Actuarial cost method
 Medical trend rate

Participation rate
 Healthy life mortality
 Disabled life mortality
 Turnover incidence

CITY OF RAYTOWN, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS - OPEB (Continued)
 Last Four 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	n/a	25.0%	25.0%
66	n/a	25.0%	30.0%
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%	0.10%	0.03%
40	0.22%	0.18%	0.09%
45	0.34%	0.25%	0.15%
50	0.53%	0.37%	0.22%
55	0.88%	0.57%	0.32%
60	n/a	0.86%	0.45%

Other information: Only the four 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, 2021**

	<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	\$ 7,802,100	\$ 8,463,100	\$ 8,178,288	\$ (284,812)
Licenses and permits	579,600	579,600	618,000	38,400
Intergovernmental	2,194,083	2,194,083	2,696,748	502,665
Charges for services	108,825	108,825	108,712	(113)
Fees and fines	258,800	258,800	299,275	40,475
Investment earnings	50,000	50,000	11,667	(38,333)
Other	44,720	44,720	116,053	71,333
	<u>11,038,128</u>	<u>11,699,128</u>	<u>12,028,743</u>	<u>329,615</u>
EXPENDITURES:				
Current:				
General government	3,116,210	3,620,495	3,424,175	196,320
Public safety	6,252,726	6,260,442	5,992,059	268,383
Public works	2,236,939	2,244,641	1,822,855	421,786
Community development	1,088,277	1,090,587	943,849	146,738
Capital outlay	-	288,145	265,348	22,797
	<u>12,694,152</u>	<u>13,504,310</u>	<u>12,448,286</u>	<u>1,056,024</u>
Deficiency of revenues over expenditures	<u>(1,656,024)</u>	<u>(1,805,182)</u>	<u>(419,543)</u>	<u>1,385,639</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	1,654,206	1,654,206	1,654,206	-
Transfers out	<u>(150,000)</u>	<u>(811,000)</u>	<u>(868,944)</u>	<u>(57,944)</u>
Total other financing sources and (uses)	<u>1,504,206</u>	<u>843,206</u>	<u>785,262</u>	<u>(57,944)</u>
Net change in fund balances	(151,818)	(961,976)	365,719	1,327,695
Fund balances - beginning	<u>7,392,660</u>	<u>7,392,660</u>	<u>7,392,660</u>	<u>-</u>
Fund balances - ending	<u>\$ 7,240,842</u>	<u>\$ 6,430,684</u>	<u>\$ 7,758,379</u>	<u>\$ 1,327,695</u>

**CITY OF RAYTOWN, MISSOURI
BUDGETARY COMPARISON SCHEDULE --
TRANSPORTATION SALES TAX FUND
FOR THE YEAR ENDED OCTOBER 31, 2021**

	<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	\$ 1,190,000	\$ 1,550,000	\$ 1,664,090	\$ 114,090
Intergovernmental	637,500	637,500	390,893	(246,607)
Investment earnings	<u>7,200</u>	<u>7,200</u>	<u>2,914</u>	<u>(4,286)</u>
Total revenues	<u>1,834,700</u>	<u>2,194,700</u>	<u>2,057,897</u>	<u>(136,803)</u>
EXPENDITURES,				
Current:				
Public works	241,500	216,770	174,171	42,599
Capital outlay	<u>1,777,900</u>	<u>2,803,110</u>	<u>2,491,119</u>	<u>311,991</u>
Total expenditures	<u>2,019,400</u>	<u>3,019,880</u>	<u>2,665,290</u>	<u>354,590</u>
Excess (deficiency) of revenues over expenditures	<u>(184,700)</u>	<u>(825,180)</u>	<u>(607,393)</u>	<u>217,787</u>
OTHER FINANCING SOURCES,				
Transfers out	<u>-</u>	<u>(360,000)</u>	<u>(359,472)</u>	<u>528</u>
Net change in fund balances	(184,700)	(1,185,180)	(966,865)	218,315
Fund balances - beginning	<u>1,994,860</u>	<u>1,994,860</u>	<u>1,994,860</u>	<u>-</u>
Fund balances - ending	<u>\$ 1,810,160</u>	<u>\$ 809,680</u>	<u>\$ 1,027,995</u>	<u>\$ 218,315</u>

**CITY OF RAYTOWN, MISSOURI
BUDGETARY COMPARISON SCHEDULE --
TIF FUND
FOR THE YEAR ENDED OCTOBER 31, 2021**

	<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	\$ 1,640,000	\$ -	\$ -	\$ -
Intergovernmental	1,455,400	1,455,400	1,324,804	(130,596)
Investment earnings	<u>22,000</u>	<u>22,000</u>	<u>3,981</u>	<u>(18,019)</u>
Total revenues	<u>3,117,400</u>	<u>1,477,400</u>	<u>1,328,785</u>	<u>(148,615)</u>
EXPENDITURES:				
Current,				
Community development	217,510	217,510	231,445	(13,935)
Debt Service:				
Principal	1,915,000	1,915,000	1,915,000	-
Interest and other charges	<u>836,974</u>	<u>836,974</u>	<u>836,974</u>	<u>-</u>
Total expenditures	2,969,484	2,969,484	2,983,419	(13,935)
Excess (deficiency) of revenues over expenditures	<u>147,916</u>	<u>(1,492,084)</u>	<u>(1,654,634)</u>	<u>(162,550)</u>
OTHER FINANCING SOURCES (USES),				
Transfers in	<u>-</u>	<u>(210,000)</u>	<u>1,583,924</u>	<u>1,793,924</u>
Net change in fund balances	147,916	(1,702,084)	(70,710)	1,631,374
Fund balances - beginning	<u>4,210,190</u>	<u>4,210,190</u>	<u>4,210,190</u>	<u>-</u>
Fund balances - ending	<u>\$ 4,358,106</u>	<u>\$ 2,508,106</u>	<u>\$ 4,139,480</u>	<u>\$ 1,631,374</u>

**CITY OF RAYTOWN, MISSOURI
COMBINING BALANCE SHEET --
NONMAJOR GOVERNMENTAL FUNDS
OCTOBER 31, 2021**

	<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	\$ 1,277,997	\$ 1,493,662	\$ 555,720	\$ -	\$ 509,270	\$ 673,941	\$ 4,510,590
Taxes receivable, net	60,007	219,897	293,197	-	18,325	-	591,426
Accounts receivable, net	-	-	-	20,475	-	-	20,475
Loan receivable	-	-	-	-	-	440,370	440,370
Prepaid expenses	41,673	-	28,093	154,129	-	-	223,895
Total assets	<u>\$ 1,379,677</u>	<u>\$ 1,713,559</u>	<u>\$ 877,010</u>	<u>\$ 174,604</u>	<u>\$ 527,595</u>	<u>\$ 1,114,311</u>	<u>\$ 5,786,756</u>
LIABILITIES AND FUND BALANCES							
Accounts payable	\$ 18,903	\$ 198,079	\$ 3,373	\$ 32,741	\$ 104	\$ -	\$ 253,200
Retainage payable	-	17,158	-	-	-	-	17,158
Accrued expenses	22,199	-	-	-	-	-	22,199
Due to other funds	5,201	41,607	27,738	67,754	3,467	-	145,767
Total liabilities	<u>46,303</u>	<u>256,844</u>	<u>31,111</u>	<u>100,495</u>	<u>3,571</u>	<u>-</u>	<u>438,324</u>
DEFERRED INFLOWS OF RESOURCES							
Wellness credit	-	-	-	5,634	-	-	5,634
Fund balances:							
Nonspendable, Prepaid items	41,673	-	28,093	154,129	-	-	223,895
Restricted:							
Public safety	-	-	817,806	-	-	-	817,806
Public works	-	-	-	-	524,024	1,114,311	1,638,335
Parks and recreation	1,291,701	-	-	-	-	-	1,291,701
Capital projects	-	1,456,715	-	-	-	-	1,456,715
Unassigned	-	-	-	(85,654)	-	-	(85,654)
Total fund balances	<u>1,333,374</u>	<u>1,456,715</u>	<u>845,899</u>	<u>68,475</u>	<u>524,024</u>	<u>1,114,311</u>	<u>5,342,798</u>
Total liabilities and fund balances	<u>\$ 1,379,677</u>	<u>\$ 1,713,559</u>	<u>\$ 877,010</u>	<u>\$ 174,604</u>	<u>\$ 527,595</u>	<u>\$ 1,114,311</u>	<u>\$ 5,786,756</u>

CITY OF RAYTOWN, MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE -- NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED OCTOBER 31, 2021

	Park	Capital Sales Tax	Public Safety Sales Tax	Risk Management	Storm Water	Capital Improvements	Total Governmental Funds
REVENUES:							
Taxes	\$ 954,262	\$ 1,346,463	\$ 1,795,282	\$ -	\$ 112,208	\$ -	\$ 4,208,215
Intergovernmental	-	2,232	-	-	-	-	2,232
Charges for service	123,845	-	-	-	-	-	123,845
Use of money and property	2,468	3,291	1,298	22	799	24,038	31,916
Miscellaneous	13,323	-	-	57,517	-	-	70,840
Total revenues	<u>1,093,898</u>	<u>1,351,986</u>	<u>1,796,580</u>	<u>57,539</u>	<u>113,007</u>	<u>24,038</u>	<u>4,437,048</u>
EXPENDITURES:							
Current:							
General government	-	-	-	179,347	-	-	179,347
Parks and recreation	876,627	-	-	-	-	-	876,627
Public safety	-	-	130,442	-	-	-	130,442
Public works	-	-	-	-	50,701	2,504	53,205
Capital outlay	93,092	1,717,887	-	-	15,904	-	1,826,883
Total expenditures	<u>969,719</u>	<u>1,717,887</u>	<u>130,442</u>	<u>179,347</u>	<u>66,605</u>	<u>2,504</u>	<u>3,066,504</u>
Excess (deficiency) of revenues over expenditures	<u>124,179</u>	<u>(365,901)</u>	<u>1,666,138</u>	<u>(121,808)</u>	<u>46,402</u>	<u>21,534</u>	<u>1,370,544</u>
OTHER FINANCING SOURCES (USES):							
Sale of capital assets	16,411	15,350	-	-	-	-	31,761
Transfers in	-	-	-	-	150,000	-	150,000
Transfers out	(33,701)	(269,604)	(1,833,942)	-	(22,467)	-	(2,159,714)
Total other financing sources and (uses)	<u>(17,290)</u>	<u>(254,254)</u>	<u>(1,833,942)</u>	<u>-</u>	<u>127,533</u>	<u>-</u>	<u>(1,977,953)</u>
Net change in fund balances	106,889	(620,155)	(167,804)	(121,808)	173,935	21,534	(607,409)
Fund balances - beginning	<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>
Fund balances - ending	<u>\$ 1,333,374</u>	<u>\$ 1,456,715</u>	<u>\$ 845,899</u>	<u>\$ 68,475</u>	<u>\$ 524,024</u>	<u>\$ 1,114,311</u>	<u>\$ 5,342,798</u>

**CITY OF RAYTOWN, MISSOURI
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES --
AGENCY FUNDS
YEAR ENDED OCTOBER 31, 2021**

350 Highway TDD	October 31, 2020	Additions	Deductions	October 31, 2021
ASSETS:				
Pooled cash and investments	\$ 73,055	\$ 82,805	\$ 82,761	\$ 73,099
Taxes receivable	<u>13,659</u>	<u>81,894</u>	<u>82,805</u>	<u>12,748</u>
Total assets	<u>\$ 86,714</u>	<u>\$ 164,699</u>	<u>\$ 165,566</u>	<u>\$ 85,847</u>
LIABILITIES,				
Due to others	<u>\$ 86,714</u>	<u>\$ 164,699</u>	<u>\$ 165,566</u>	<u>\$ 85,847</u>
Ditzler CID	October 31, 2020	Additions	Deductions	October 31, 2021
ASSETS,				
Taxes receivable	\$ 14,628	\$ -	\$ 764	\$ 13,864
Total assets	<u>\$ 14,628</u>	<u>\$ -</u>	<u>\$ 764</u>	<u>\$ 13,864</u>
LIABILITIES,				
Due to others	<u>\$ 14,628</u>	<u>\$ -</u>	<u>\$ 764</u>	<u>\$ 13,864</u>
Total Agency Funds	October 31, 2020	Additions	Deductions	October 31, 2021
ASSETS:				
Pooled cash and investments	\$ 73,055	\$ 82,805	\$ 82,761	\$ 73,099
Taxes receivable	<u>28,287</u>	<u>81,894</u>	<u>83,569</u>	<u>26,612</u>
Total assets	<u>\$ 101,342</u>	<u>\$ 164,699</u>	<u>\$ 166,330</u>	<u>\$ 99,711</u>
LIABILITIES,				
Due to others	<u>\$ 101,342</u>	<u>\$ 164,699</u>	<u>\$ 166,330</u>	<u>\$ 99,711</u>

**CITY OF RAYTOWN, MISSOURI
BUDGETARY COMPARISON SCHEDULE --
PARK FUND
FOR THE YEAR ENDED OCTOBER 31, 2021**

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
REVENUES:				
Taxes	\$ 924,334	\$ 956,234	\$ 954,262	\$ (1,972)
Intergovernmental	187,500	187,500	-	(187,500)
Charges for services	99,500	99,500	123,845	24,345
Investment earnings	7,520	7,520	2,468	(5,052)
Miscellaneous	<u>17,000</u>	<u>17,000</u>	<u>13,323</u>	<u>(3,677)</u>
Total revenues	<u>1,235,854</u>	<u>1,267,754</u>	<u>1,093,898</u>	<u>(173,856)</u>
EXPENDITURES:				
Current,				
Parks and recreation	1,096,864	1,102,864	876,627	226,237
Capital outlay	<u>474,000</u>	<u>474,000</u>	<u>93,092</u>	<u>380,908</u>
Total expenditures	<u>1,570,864</u>	<u>1,576,864</u>	<u>969,719</u>	<u>607,145</u>
Excess (deficiency) of revenues over expenditures	<u>(335,010)</u>	<u>(309,110)</u>	<u>124,179</u>	<u>433,289</u>
OTHER FINANCING SOURCES:				
Proceeds from sale capital assets	11,000	11,000	16,411	5,411
Transfers out	<u>-</u>	<u>(31,900)</u>	<u>(33,701)</u>	<u>(1,801)</u>
Total other financing sources	<u>11,000</u>	<u>(20,900)</u>	<u>(17,290)</u>	<u>3,610</u>
Net change in fund balances	(324,010)	(330,010)	106,889	436,899
Fund balances - beginning	<u>1,226,485</u>	<u>1,226,485</u>	<u>1,226,485</u>	<u>-</u>
Fund balances - ending	<u>\$ 902,475</u>	<u>\$ 896,475</u>	<u>\$ 1,333,374</u>	<u>\$ 436,899</u>

**CITY OF RAYTOWN, MISSOURI
BUDGETARY COMPARISON SCHEDULE --
CAPITAL SALES TAX FUND
FOR THE YEAR ENDED OCTOBER 31, 2021**

	<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	\$ 1,020,000	\$ 1,300,000	\$ 1,346,463	\$ 46,463
Intergovernmental	-	-	2,232	2,232
Investment earnings	<u>7,800</u>	<u>7,800</u>	<u>3,291</u>	<u>(4,509)</u>
Total revenues	<u>1,027,800</u>	<u>1,307,800</u>	<u>1,351,986</u>	<u>44,186</u>
EXPENDITURES,				
Capital outlay	<u>1,146,410</u>	<u>2,101,661</u>	<u>1,717,887</u>	<u>383,774</u>
Deficiency of revenues over expenditures	<u>(118,610)</u>	<u>(793,861)</u>	<u>(365,901)</u>	<u>427,960</u>
OTHER FINANCING SOURCES:				
Proceeds from sale capital assets	10,000	10,000	15,350	5,350
Transfers out	<u>-</u>	<u>(280,000)</u>	<u>(269,604)</u>	<u>10,396</u>
Total other financing sources	<u>10,000</u>	<u>(270,000)</u>	<u>(254,254)</u>	<u>15,746</u>
Net change in fund balances	(108,610)	(1,063,861)	(620,155)	443,706
Fund balances - beginning	<u>2,076,870</u>	<u>2,076,870</u>	<u>2,076,870</u>	<u>-</u>
Fund balances - ending	<u>\$ 1,968,260</u>	<u>\$ 1,013,009</u>	<u>\$ 1,456,715</u>	<u>\$ 443,706</u>

**CITY OF RAYTOWN, MISSOURI
BUDGETARY COMPARISON SCHEDULE --
PUBLIC SAFETY SALES TAX FUND
FOR THE YEAR ENDED OCTOBER 31, 2021**

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 1,563,000	\$ 1,750,000	\$ 1,795,282	\$ 45,282
Investment earnings	<u>3,600</u>	<u>3,600</u>	<u>1,298</u>	<u>(2,302)</u>
Total revenues	<u>1,566,600</u>	<u>1,753,600</u>	<u>1,796,580</u>	<u>42,980</u>
EXPENDITURES:				
Current,				
Public Safety	161,305	161,305	130,442	30,863
Capital outlay	<u>43,000</u>	<u>43,000</u>	<u>-</u>	<u>43,000</u>
Total expenditures	<u>204,305</u>	<u>204,305</u>	<u>130,442</u>	<u>73,863</u>
Excess of revenues over expenditures	<u>1,362,295</u>	<u>1,549,295</u>	<u>1,666,138</u>	<u>116,843</u>
OTHER FINANCING USES,				
Transfers out	<u>(1,654,206)</u>	<u>(1,841,206)</u>	<u>(1,833,942)</u>	<u>7,264</u>
Net change in fund balances	(291,911)	(291,911)	(167,804)	124,107
Fund balances - beginning	<u>1,013,703</u>	<u>1,013,703</u>	<u>1,013,703</u>	<u>-</u>
Fund balances - ending	<u>\$ 721,792</u>	<u>\$ 721,792</u>	<u>\$ 845,899</u>	<u>\$ 124,107</u>

**CITY OF RAYTOWN, MISSOURI
 BUDGETARY COMPARISON SCHEDULE --
 RISK MANAGEMENT FUND
 FOR THE YEAR ENDED OCTOBER 31, 2021**

	<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	\$ 22	\$ (478)
Miscellaneous	<u>54,500</u>	<u>54,500</u>	<u>57,517</u>	<u>3,017</u>
Total revenues	<u>55,000</u>	<u>55,000</u>	<u>57,539</u>	<u>2,539</u>
EXPENDITURES,				
Current,				
General government	<u>168,300</u>	<u>183,300</u>	<u>179,347</u>	<u>3,953</u>
Deficiency of revenues over expenditures	<u>(113,300)</u>	<u>(128,300)</u>	<u>(121,808)</u>	<u>6,492</u>
Fund balances - beginning	<u>190,283</u>	<u>190,283</u>	<u>190,283</u>	<u>-</u>
Fund balances - ending	<u>\$ 76,983</u>	<u>\$ 61,983</u>	<u>\$ 68,475</u>	<u>\$ 6,492</u>

**CITY OF RAYTOWN, MISSOURI
BUDGETARY COMPARISON SCHEDULE --
STORM WATER FUND
FOR THE YEAR ENDED OCTOBER 31, 2021**

	<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	\$ 85,000	\$ 108,000	\$ 112,208	\$ 4,208
Investment earnings	2,100	2,100	799	(1,301)
Total revenues	<u>87,100</u>	<u>110,100</u>	<u>113,007</u>	<u>2,907</u>
EXPENDITURES:				
Current,				
Public works	80,200	102,245	50,701	51,544
Capital outlay	150,000	146,000	15,904	130,096
Total expenditures	<u>230,200</u>	<u>248,245</u>	<u>66,605</u>	<u>181,640</u>
Excess (deficiency) of revenues over expenditures	<u>(143,100)</u>	<u>(138,145)</u>	<u>46,402</u>	<u>184,547</u>
OTHER FINANCING SOURCES:				
Transfers in	150,000	150,000	150,000	-
Transfers out	-	(23,000)	(22,467)	533
Total other financing sources	<u>150,000</u>	<u>127,000</u>	<u>127,533</u>	<u>533</u>
Net change in fund balances	6,900	(11,145)	173,935	185,080
Fund balances - beginning	<u>350,089</u>	<u>350,089</u>	<u>350,089</u>	<u>-</u>
Fund balances - ending	<u>\$ 356,989</u>	<u>\$ 338,944</u>	<u>\$ 524,024</u>	<u>\$ 185,080</u>

**CITY OF RAYTOWN, MISSOURI
 BUDGETARY COMPARISON SCHEDULE --
 CAPITAL IMPROVEMENTS FUND
 FOR THE YEAR ENDED OCTOBER 31, 2021**

	<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	\$ 46,905	\$ 46,905	\$ 24,038	\$ (22,867)
EXPENDITURES,				
Current,				
Public works	29,400	29,400	2,504	26,896
Excess of revenues over expenditures	17,505	17,505	21,534	4,029
Fund balances - beginning	1,092,777	1,092,777	1,092,777	-
Fund balances - ending	\$ 1,110,282	\$ 1,110,282	\$ 1,114,311	\$ 4,029

CITY OF RAYTOWN, MISSOURI
SINGLE AUDIT REPORT
(Uniform Guidance)
FOR THE YEAR ENDED OCTOBER 31, 2021

CITY OF RAYTOWN, MISSOURI

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**Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

Independent Auditor's Report

To the Honorable Mayor and
Members of the City Council
Raytown, Missouri

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Controller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Raytown, Missouri (the City), as of and for the year ended October 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated July 28, 2022.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

Troutt, Beeman & Co., P.C.

Harrisonville, Missouri

July 28, 2022



**Report on Compliance for Each Major Federal Program and
Report on Internal Control Over Compliance and Report on Schedule of
Expenditures of Federal Awards Required by Uniform Guidance**

Independent Auditor's Report

To the Honorable Mayor and
Members of the City Council
Raytown, Missouri

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Raytown, Missouri's (the City), compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal program for the year ended October 31, 2021. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended October 31, 2021.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (Government Auditing Standards); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended October 31, 2021, and the related note to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated July 28, 2022, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming our opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing

procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Troutt, Beeman & Co., P.C.

Harrisonville, Missouri

July 28, 2022

City of Raytown, Missouri
Schedule of Expenditures of Federal Awards
For the Year Ended October 31, 2021

Federal Grantor/Pass-Through Grantor/Program Title	Federal ALN#	Contract / Award #	Federal Expenditures	Amounts Provided to Subrecipients
U.S. Department of Justice:				
Bulletproof Vest Partnership Program	16.607	FY 18	7,518	-
Bulletproof Vest Partnership Program	16.607	FY 20	2,232	-
Passed Through City of Kansas City, Missouri:				
Greater Kansas City Crime Prevention Initiatives (JAG)	16.738	2020-DJ-BX-0522	9,750	-
Greater Kansas City Crime Prevention Initiatives (JAG)	16.780	2018-DJ-BX-080	1,693	-
<i>Total U.S. Department of Justice</i>			<u>21,193</u>	<u>-</u>
U.S. Department of Transportation:				
Highway Planning and Construction Cluster,				
Passed Through Missouri Department of Transportation Commission:				
MO-350 and Raytown Rd Intersection improvements	20.205	STP-3343 (408)	553,032	-
Active transportation assessment for school transportation service:	20.205	TEAP038	7,875	-
<i>Total Highway Planning and Construction Cluster</i>			<u>560,907</u>	<u>-</u>
Highway Safety Cluster,				
Passed Through Missouri Department of Transportation:				
Hazardous Moving Violation	20.600	21-PT-02-043	2,676	-
Click It or Ticket (CIOT) Enforcement	20.616	21-M2HVE-05-034	632	-
<i>Total Highway Safety Cluster</i>			<u>3,308</u>	<u>-</u>
<i>Total U.S. Department of Transportation</i>			<u>564,215</u>	<u>-</u>
U.S. Department of Treasury,				
Passed Through Jackson County, Missouri,				
COVID 19 - Coronavirus Relief Fund	21.019	City of Raytown	1,414,403	196,500
<i>Total U.S. Department of Treasury</i>			<u>1,414,403</u>	<u>196,500</u>
<i>Total Expenditures of Federal Awards</i>			<u>\$ 1,999,811</u>	<u>196,500</u>

See Notes to Schedule of Expenditures of Federal Awards

CITY OF RAYTOWN, MISSOURI
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED OCTOBER 31, 2021

Note 1. Organization

The City of Raytown, Missouri, is the recipient of several federal awards. The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of the City for the year ended October 31, 2021. All federal awards received directly from federal agencies, as well as those awards that are passed through other government agencies, are included on the Schedule.

Note 2. Basis of Presentation

The accompanying Schedule is presented on the accrual basis of accounting. All federal awards received directly from federal agencies, as well as federal awards passed through other governmental agencies, and expended during the year are included in the Schedule. The information presented in this Schedule is in accordance with the requirements of the OMB Compliance Supplement and the Uniform Guidance. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 3. Significant Accounting Policies

Revenues from federal awards are recognized when the City has done everything necessary to establish its right to the revenue. Expenditures of federal awards are recognized in the accounting period when the liability is incurred and approved for reimbursement. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (the Uniform Guidance)*, wherein certain types of expenditures are not allowed or are limited as to reimbursement. Donated property is considered received when the City has taken possession of the property. The City has not elected to use the 10% de minimis indirect cost rate.

Note 4. Local Government Contributions

Local cost sharing, as defined by the Office of Management and Budget Compliance Supplement and the Uniform Guidance, is required by certain federal grants. The amount of cost sharing varies with each program. Only the federal share of expenditures is presented in the Schedule.

**CITY OF RAYTOWN, MISSOURI
NOTES TO THE SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED October 31, 2021**

Note 5. Additional Audits

Grantor agencies reserve the right to conduct additional audits of the City's grant programs for economy and efficiency and program results which may result in disallowed costs to the City. However, management does not believe such audits would result in any disallowed costs that would be material to the City's financial position at October 31, 2021.

Note 6. Pass-through Awards

The amount passed through to subrecipients was \$196,500.

**CITY OF RAYTOWN, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED OCTOBER 31, 2021**

Section 1 - Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: unmodified

Internal control over financial reporting:

Are any material weaknesses identified?	___ Yes	_X_ No
Are any significant deficiencies identified?	___ Yes	_X_ None reported
Is any noncompliance material to financial statements noted?	___ Yes	_X_ No

Federal Awards

Internal control over major federal programs:

Are any material weaknesses identified?	___ Yes	_X_ No
Are any significant deficiencies identified?	___ Yes	_X_ None reported
Type of auditor's report issued on compliance for major federal programs: unmodified		
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	___ Yes	_X_ No
Identification of major federal programs:		
<u>CFDA Number(s)</u>	<u>Name of federal program or cluster</u>	
21.019	Coronavirus Relief Fund	
Dollar threshold used to distinguish between type A and type B programs:	\$750,000	
Auditee qualified as a low-risk auditee?	___ Yes	_X_ No

**CITY OF RAYTOWN, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED OCTOBER 31, 2021**

Section 2 – Financial Statement Findings

Financial Statement Findings Required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

Summary Schedule of Current Audit Findings:

None

Summary Schedule of Prior Audit Findings:

None

**CITY OF RAYTOWN, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED OCTOBER 31, 2021**

Section 3 – Federal Award Findings and Questioned Costs

Federal Award Findings Required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

Summary Schedule of Current Audit Findings:

None

Summary Schedule of Prior Audit Findings:

None