

**CITY OF RAYTOWN, MISSOURI**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
OCTOBER 31, 2022**

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CITY OF RAYTOWN, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Year Ending October 31, 2022  
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, 2022.

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 2022 fiscal year by \$29,554,143 (net position).

The City's total net position increased \$5,194,027 from 2021 with governmental activities increased totaling \$3,765,700 and business-type activities increased totaling \$1,428,327.

The City's General Fund balance increased \$1,664,038 to an ending fund balance of \$9,422,417 as of the fiscal year ended October 31, 2022.

The City's total long-term obligations decreased \$2,573,645 from 2021 with the governmental activities accounting for \$1,621,179 decrease, and business-type activities accounting for \$951,466 decrease as the City continues to reduce its long-term obligations.

### **Overview of the Financial Statements**

This discussion and analysis is provided as an introduction to the basic financial statements. The basic financial statements consist of three components: government-wide financial statements, fund financial statements, and notes to the basic financial statements. This report also contains required and other supplementary information in addition to the basic financial statements.

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

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

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

The government-wide financial statements report governmental activities of the City, which are principally supported by taxes and intergovernmental revenues, and business-type activities of the City, which are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities for the City include general government, parks and recreation, 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  
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**Government-Wide Financial Analysis**

The following table reflects the condensed Statement of Net Position as of October 31, 2022 and 2021:

**Condensed Statement of Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current assets	\$ 24,978,471	\$ 21,893,451	\$ 7,708,522	\$ 8,737,882	\$ 32,686,993	\$ 30,631,333
Noncurrent assets	29,042,168	28,353,287	14,769,913	13,448,099	43,812,081	41,801,386
Deferred outflows of resources	<u>1,159,758</u>	<u>1,393,139</u>	<u>87,729</u>	<u>98,022</u>	<u>1,247,487</u>	<u>1,491,161</u>
Total assets and deferred outflows of resources	<u>\$ 55,180,397</u>	<u>\$ 51,639,877</u>	<u>\$ 22,566,161</u>	<u>\$ 22,284,003</u>	<u>\$ 77,746,558</u>	<u>\$ 73,923,880</u>
Current liabilities	\$ 3,833,541	\$ 4,414,588	\$ 2,255,435	\$ 2,185,500	\$ 6,088,976	\$ 6,600,088
Noncurrent liabilities	28,636,230	30,257,409	4,458,335	5,409,801	33,094,565	35,667,210
Deferred inflows of resources	<u>8,929,832</u>	<u>6,952,786</u>	<u>79,042</u>	<u>343,680</u>	<u>9,008,874</u>	<u>7,296,466</u>
Total liabilities and deferred inflows of resources	<u>\$ 41,399,603</u>	<u>\$ 41,624,783</u>	<u>\$ 6,792,812</u>	<u>\$ 7,938,981</u>	<u>\$ 48,192,415</u>	<u>\$ 49,563,764</u>
Net Position:						
Net investment in capital assets	\$ 27,268,524	\$ 27,318,855	\$ 9,352,665	\$ 6,982,152	\$ 36,621,189	\$ 34,301,007
Restricted	9,393,602	9,820,880	459,125	440,703	9,852,727	10,261,583
Unrestricted	<u>[22,881,332]</u>	<u>[27,124,641]</u>	<u>5,961,559</u>	<u>6,922,167</u>	<u>[16,919,773]</u>	<u>[20,202,474]</u>
Total net position	<u>\$ 13,780,794</u>	<u>\$ 10,015,094</u>	<u>\$ 15,773,349</u>	<u>\$ 14,345,022</u>	<u>\$ 29,554,143</u>	<u>\$ 24,360,116</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 \$13,780,794 for the City's governmental activities and \$15,773,349 for the City's business-type activities for a total of \$29,554,143 at the close of the 2022 fiscal year.

The largest portion of the City's net position, \$36,649,939, 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, 2022 and 2021.

**Changes in Net Position**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 1,065,247	\$ 1,132,575	\$ 7,664,086	\$ 7,830,274	\$ 8,729,333	\$ 8,962,849
Operating grants and contributions	1,750,419	1,889,375	-	-	1,750,419	1,889,375
Capital grants and contributions	494,302	1,200,498	-	-	494,302	1,200,498
General revenues:						
Property tax	1,929,646	1,854,319	-	-	1,929,646	1,854,319
Sales tax	10,168,830	8,845,362	-	-	10,168,830	8,845,362
Franchise tax	3,579,603	3,350,912	-	-	3,579,603	3,350,912
Intergovernmental activity tax	1,359,746	1,324,804	-	-	1,359,746	1,324,804
Miscellaneous	144,415	218,654	31,921	58,966	176,336	277,620
Investment earnings	242,215	50,478	222,997	190,747	465,212	241,225
<b>Total revenues</b>	<u>20,734,423</u>	<u>19,866,977</u>	<u>7,919,004</u>	<u>8,079,987</u>	<u>28,653,427</u>	<u>27,946,964</u>
<b>Expenses:</b>						
General government	1,952,945	3,025,833	-	-	1,952,945	3,025,833
Parks and recreation	1,551,379	1,009,468	-	-	1,551,379	1,009,468
Community development	903,717	945,837	-	-	903,717	945,837
Public safety	7,173,043	6,144,019	-	-	7,173,043	6,144,019
Public works	4,648,974	4,330,734	-	-	4,648,974	4,330,734
Bond and arbitrage costs	-	-	-	-	-	-
Interest on long term debt	738,665	807,844	-	-	738,665	807,844
Sewer	-	-	6,490,677	6,271,547	6,490,677	6,271,547
<b>Total expenses</b>	<u>16,968,723</u>	<u>16,263,735</u>	<u>6,490,677</u>	<u>6,271,547</u>	<u>23,459,400</u>	<u>22,535,282</u>
Transfers in (out)	-	-	-	-	-	-
<b>Change in net position</b>	<u>3,765,700</u>	<u>3,603,242</u>	<u>1,428,327</u>	<u>1,808,440</u>	<u>5,194,027</u>	<u>5,411,682</u>
<b>Net position, beginning</b>	<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>
<b>Net position, ending</b>	<u>\$ 13,780,794</u>	<u>\$ 10,015,094</u>	<u>\$ 15,773,349</u>	<u>\$ 14,345,022</u>	<u>\$ 29,554,143</u>	<u>\$ 24,360,116</u>

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**Governmental Activities**

Governmental activities increased the City's net position by \$3,765,700. Governmental fund revenues increased \$867,446 over 2021. The largest single revenue category for the City of Raytown remains taxes, including property, sales and franchise taxes. This line totaled \$15,678,079 or 75% of total governmental revenue.

Governmental activities expenses increased \$704,988 for the fiscal year ended October 31, 2022, compared to the prior year.

**Business-type Activities**

The Sanitary Sewer Fund is responsible for the total business-type activities for the City. In 2022, operating revenues were down \$193,233. Business-type operating expenses increased \$256,539 from 2021. The expenses in these statements do not include principal and premium payments made to the sewer bonds of \$2,165,554, the change in net position with this included would result in decrease of \$737,227.

**Financial Analysis of the City's Funds**

**Governmental Funds**

As of the end of the 2022 fiscal year, the City's governmental funds have a combined fund balance of \$19,371,792, which represents an increase of \$1,103,140 over 2021. This can largely be attributed to the passing of the Local Use Tax by the voters in November of 2020 and went into effect January 1<sup>st</sup>, 2021.

**General Fund**

The fund balance of the General Fund increased \$1,664,038 during the fiscal year compared to a \$365,719 increase in 2021. The General Fund unassigned ending fund balance was \$7,908,882 or 58% of current year revenues and 47% of current year expenditures and transfers out.

The General Fund revenues were \$12,455,863 compared to \$12,028,743 in 2021 which represents an increase of \$427,120 over 2021. The Intergovernmental revenue saw a decrease of \$956,564 from 2021 due to a decrease in grant funding. The majority of the increase in taxes of \$1,366,505 was previously stated by the passing of the Local Sales Tax in collecting internet sales.

General Fund expenditures, including transfers out, were \$12,201,928 compared to \$13,317,230 in 2021 which represents a decrease of \$1,115,302 or 8%. There was a transfer into General Fund from Public Safety Sales Tax Fund of \$1,410,103 to cover personnel costs.

**Tax Increment Finance Fund**

The TIF Fund revenues were \$1,373,303 compared to \$1,328,772 in 2021, which represents an increase of \$44,531.

The TIF Fund expenditures were \$3,136,781 compared to \$2,983,419 in 2021 which represents an increase of \$153,362. 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 \$3,995,334 on October 31, 2022, a decrease of \$144,146 from 2021. 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 increased \$216,296 during the fiscal year. This is due to the 2022 Street Reconstruction project coming in under budget.

**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 2022 were \$5,081,620 compared to \$4,618,809 in 2021, which includes a sale of capital assets in 2021 and 2022.

Combined expenditures and transfers out for other Governmental Funds were \$5,714,668 compared to \$5,226,218 in 2021 which represents an increase of \$488,450. The capital improvements for the 2022 Stormwater Maintenance project accounts for a majority of the difference.

The combined fund balance of the other governmental funds decreased \$633,048 to an ending balance of \$4,709,750 as of October 31, 2022.

**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 \$7,696,007 in 2022 compared to operating revenues of \$7,889,240 in 2021. The decrease of \$193,233 is 3% of 2021 revenues. There were no rate adjustments during the fiscal year. Operating expenses increased \$256,539 due to the average rise in cost of sewer treatment of approximately 5% per year.

The net position of the Sanitary Sewer fund at the end of the year increased by \$1,428,327 to an ending balance of \$15,773,349. Of the ending net position \$9,352,665 is the City's investment in capital assets. The amount of \$459,125 is restricted for debt service and \$5,961,559 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 \$1,658,716 more than the final budget. Actual expenditures and transfers out were \$1,889,491 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 as previously mentioned.

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

CITY OF RAYTOWN, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
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Unaudited

**Capital Asset Administration**

The City's investment in capital assets for its governmental and business-type activities as of October 31, 2022, amounts to \$42,067,187 compared to \$40,656,951 in 2021 (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, 2022 and 2021:

**Capital Assets (Net of Depreciation)**

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 1,502,090	\$ 1,473,340	\$ 433,393	\$ 433,393	\$ 1,935,483	\$ 1,906,733
Construction in progress	1,435,903	3,843,483	2,142,447	301,864	3,578,350	4,145,347
Buildings and improvements	3,429,987	3,608,352	-	-	3,429,987	3,608,352
Equipment and vehicles	1,939,562	1,712,564	86,526	11,419	2,026,088	1,723,983
Infrastructure	18,989,732	16,681,116	12,107,547	12,591,420	31,097,279	29,272,536
Total	<u>\$27,297,274</u>	<u>\$27,318,855</u>	<u>\$ 14,769,913</u>	<u>\$ 13,338,096</u>	<u>\$42,067,187</u>	<u>\$40,656,951</u>

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

**Debt Administration**

At the end of fiscal year 2022, the City had a total of \$36,758,965 of outstanding debt compared to \$39,201,142 in 2021. This was a decrease of \$2,442,177 from the previous year, largely due to 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, 2022 and 2021:

**Long-Term Debt Analysis**

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Tax increment and sales tax revenue bonds (including premium)	\$ 22,835,000	\$ 24,955,000	\$ -	\$ -	\$ 22,835,000	\$ 24,955,000
Revenue bonds (including premium)			5,417,248	6,355,946	5,417,248	6,355,946
Compensated absences	474,874	511,456	32,692	43,115	507,566	554,571
Net Pension	6,863,377	5,949,902	51,682	-	6,915,059	5,949,902
Developer obligation	795,644	1,034,754	-	-	795,644	1,034,754
Net OPEB obligation	254,635	322,497	28,472	28,472	283,107	350,969
Total	<u>\$31,223,530</u>	<u>\$32,773,609</u>	<u>\$ 5,530,094</u>	<u>\$ 6,427,533</u>	<u>\$36,753,624</u>	<u>\$39,201,142</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 59<sup>th</sup> Street, Raytown, MO 64133.



## INDEPENDENT AUDITOR'S REPORT

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

### Report on the 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 the year ended October 31, 2022, 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, 2022, 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). 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*

The City's 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City'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 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, 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 Supplemental Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Missouri Local Government Employees Retirement System, OPEB, and Budgetary Comparison Information on pages iii through ix and 49 through 58 be presented to supplement the basic financial statements. Such information 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 management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***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 budgetary schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements and budgetary schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. We have applied certain limited procedures to the supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Troutt, Beeman & Co., P.C.*  
Harrisonville, Missouri  
May 26, 2023

**CITY OF RAYTOWN, MISSOURI  
STATEMENT OF NET POSITION  
OCTOBER 31, 2022**

	<b>Primary Government</b>		
	<b>Governmental</b>	<b>Business-type</b>	
	<b>Activities</b>	<b>Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Pooled cash and investments	\$ 12,516,315	\$ 5,268,697	\$ 17,785,012
Cash and investments-restricted	9,055,294	459,125	9,514,419
Taxes receivable, net	2,108,925	-	2,108,925
Due from other governments	207,429	-	207,429
Accounts receivable, net	66,959	1,912,378	1,979,337
Loan receivable	365,861	-	365,861
Fines receivable, net	16,604	-	16,604
Due from agency fund	18	-	18
Inventories	34,858	-	34,858
Prepaid expenses	606,208	68,319	674,527
Lease receivable	710,462	-	710,462
Land held for future use	1,034,432	-	1,034,432
Capital assets:			
Land and construction in progress	2,937,993	2,575,840	5,513,833
Buildings and improvements	8,336,307	-	8,336,307
Vehicles and equipment	10,501,235	760,823	11,262,058
Distribution system	-	25,972,023	25,972,023
Infrastructure	70,288,081	-	70,288,081
Less: accumulated depreciation	<u>(64,766,342)</u>	<u>(14,538,773)</u>	<u>(79,305,115)</u>
Total capital assets	<u>27,297,274</u>	<u>14,769,913</u>	<u>42,067,187</u>
Total assets	<u>54,020,639</u>	<u>22,478,432</u>	<u>76,499,071</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
OPEB	95,501	11,263	106,764
Debt refunding	-	25,392	25,392
Pension	<u>1,064,257</u>	<u>51,074</u>	<u>1,115,331</u>
Total deferred outflows of resources	<u>1,159,758</u>	<u>87,729</u>	<u>1,247,487</u>
Total assets and deferred outflows of resources	<u>55,180,397</u>	<u>22,566,161</u>	<u>77,746,558</u>
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	977,433	320,298	1,297,731
Retainage	-	1,409	1,409
Unapplied payments	-	100,988	100,988
Customer deposits	-	689,224	689,224
Courts bonds payable	84,417	-	84,417
Long-term liabilities:			
Due within one year:			
Bonds, capital leases, and contracts	2,220,000	1,039,067	3,259,067
Compensated absences	367,300	32,693	399,993
Accrued interest	184,391	71,756	256,147
Due in more than one year:			
Bonds, capital leases, and contracts	20,615,000	4,378,181	24,993,181
Net pension	6,863,377	51,682	6,915,059
Developer obligations	795,644	-	795,644
OPEB	254,635	28,472	283,107
Compensated absences	<u>107,574</u>	<u>-</u>	<u>107,574</u>
Total liabilities	<u>32,469,771</u>	<u>6,713,770</u>	<u>39,183,541</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
American rescue plan act (ARP)	5,566,193	-	5,566,193
Wellness credit	11,227	-	11,227
Debt refunding	144,217	-	144,217
OPEB	169,030	17,764	186,794
Leases	695,699	-	695,699
Pension	<u>2,343,466</u>	<u>61,278</u>	<u>2,404,744</u>
Total deferred inflows of resources	<u>8,929,832</u>	<u>79,042</u>	<u>9,008,874</u>
<b>NET POSITION</b>			
Net investment in capital assets	27,297,274	9,352,665	36,649,939
Restricted for:			
Capital projects	1,320,315	-	1,320,315
Parks	995,216	-	995,216
Public works	2,851,759	-	2,851,759
Public safety	415,369	-	415,369
Debt service	3,810,943	459,125	4,270,068
Unrestricted	<u>(22,910,082)</u>	<u>5,961,559</u>	<u>(16,948,523)</u>
Total net position	<u>13,780,794</u>	<u>15,773,349</u>	<u>29,554,143</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 55,180,397</u>	<u>\$ 22,566,161</u>	<u>\$ 77,746,558</u>

See accompanying notes.

**CITY OF RAYTOWN, MISSOURI  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED OCTOBER 31, 2022**

Functions/Programs	Net (Expense) Revenue and Changes in Net Position					
	Expenses	Charges for Services	Program Revenue		Primary Government	
			Operating Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities
<b>Primary government:</b>						
Governmental activities:						
General government	\$ 1,952,945	\$ 304,837	\$ 340,143	\$ -	\$ (1,307,965)	\$ (1,307,965)
Public safety	7,173,043	303,316	16,181	-	(6,853,546)	(6,853,546)
Community development	903,717	279,786	-	-	(623,931)	(623,931)
Public works	4,648,974	78,265	1,383,860	269,816	(2,917,033)	(2,917,033)
Parks and recreation	1,551,379	99,043	10,235	224,486	(1,217,615)	(1,217,615)
Interest on long-term debt	738,665	-	-	(738,665)	-	(738,665)
Total governmental activities	<u>16,968,723</u>	<u>1,065,247</u>	<u>1,750,419</u>	<u>494,302</u>	<u>(13,658,755)</u>	<u>(13,658,755)</u>
<b>Business-type activities:</b>						
Water and sewer	6,490,677	7,664,086	-	-	-	1,173,409
Total business-type activities	<u>6,490,677</u>	<u>7,664,086</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,173,409</u>
<b>Total primary government</b>	<b>\$ 23,459,400</b>	<b>\$ 8,729,333</b>	<b>\$ 1,750,419</b>	<b>\$ 494,302</b>	<b>(13,658,755)</b>	<b>(12,485,346)</b>
<b>General revenues:</b>						
Taxes:						
Property taxes, levied for general purposes					1,286,919	1,286,919
Property taxes, levied for specific purposes					642,727	642,727
Franchise taxes and other taxes					3,579,603	3,579,603
Sales taxes					10,168,830	10,168,830
Intergovernmental activity tax					1,359,746	1,359,746
Investment earnings					242,215	242,215
Miscellaneous revenue (expense)					144,415	144,415
Total general revenues, special items, and transfers					<u>17,424,455</u>	<u>17,424,455</u>
Change in net position					3,765,700	3,765,700
Net position - beginning					10,015,094	10,015,094
Net position - ending					<u>\$ 13,780,794</u>	<u>\$ 13,780,794</u>

**CITY OF RAYTOWN, MISSOURI  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
OCTOBER 31, 2022**

	<b>General</b>	<b>Transportation Sales Tax</b>	<b>TIF</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>					
Pooled cash and investments	\$ 7,223,208	\$ 1,124,036	\$ 239,240	\$ 3,929,831	\$ 12,516,315
Cash and investments-restricted	5,566,193	-	3,489,101	-	9,055,294
Taxes receivable, net	1,150,260	289,878	20,757	648,031	2,108,926
Accounts receivable, net	83,562	-	-	-	83,562
Due from other funds	-	-	259,617	-	259,617
Due from agency funds	18	-	-	-	18
Due from other governments	120,271	-	87,158	-	207,429
Inventory	34,858	-	-	-	34,858
Lease receivable	710,462	-	-	-	710,462
Loan receivable	-	-	-	365,861	365,861
Land held for future use	1,034,432	-	-	-	1,034,432
Prepaid expenses	<u>444,245</u>	<u>-</u>	<u>-</u>	<u>161,963</u>	<u>606,208</u>
Total assets	<u>\$ 16,367,509</u>	<u>\$ 1,413,914</u>	<u>\$ 4,095,873</u>	<u>\$ 5,105,686</u>	<u>\$ 26,982,982</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Accounts payable	\$ 274,080	\$ 110,961	\$ 100,539	\$ 191,842	\$ 677,422
Accrued expenses	279,559	-	-	20,452	300,011
Court bonds payable	84,417	-	-	-	84,417
Due to other funds	<u>28,540</u>	<u>58,662</u>	<u>-</u>	<u>172,415</u>	<u>259,617</u>
Total liabilities	<u>666,596</u>	<u>169,623</u>	<u>100,539</u>	<u>384,709</u>	<u>1,321,467</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
American rescue plan act	5,566,193	-	-	-	5,566,193
Leases	695,699	-	-	-	695,699
Wellness credit	-	-	-	11,227	11,227
Court Fines	<u>16,604</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,604</u>
Total deferred inflows or resources	<u>6,278,496</u>	<u>-</u>	<u>-</u>	<u>11,227</u>	<u>6,289,723</u>
<b>Fund balances:</b>					
Nonspendable:					
Prepaid items	444,245	-	-	161,963	606,208
Inventory	34,858	-	-	-	34,858
Land held for future use	1,034,432	-	-	-	1,034,432
Restricted:					
Capital projects	-	-	-	1,320,315	1,320,315
Parks and recreation	-	-	-	990,064	990,064
Debt service	-	-	3,995,334	-	3,995,334
Public works	-	1,244,291	-	1,676,023	2,920,314
Public safety	-	-	-	662,317	662,317
Assigned to,					
General government	10,850	-	-	-	10,850
Unassigned	<u>7,898,032</u>	<u>-</u>	<u>-</u>	<u>(100,932)</u>	<u>7,797,100</u>
Total fund balances	<u>9,422,417</u>	<u>1,244,291</u>	<u>3,995,334</u>	<u>4,709,750</u>	<u>19,371,792</u>
Total liabilities and fund balances	<u>\$ 16,367,509</u>	<u>\$ 1,413,914</u>	<u>\$ 4,095,873</u>	<u>\$ 5,105,686</u>	<u>\$ 26,982,982</u>

See accompanying notes.

**CITY OF RAYTOWN, MISSOURI  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE  
STATEMENT OF NET POSITION  
OCTOBER 31, 2022**

Fund balances - total governmental funds	\$	19,371,792
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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.		<u>27,297,274</u>
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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.		<u>(184,391)</u>
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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		(2,512,496)
Outflows		<u>1,159,758</u>
		<u>(1,352,738)</u>

Deferred debt refunding is not included in the fund financial statement, but is included in the governmental activities of the Statement of Net Position:		<u>(144,217)</u>
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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.		<u>16,604</u>
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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		(22,835,000)
OPEB Obligation		(254,635)
Development obligations		(795,644)
Net pension		(6,863,377)
Compensated absences		<u>(474,874)</u>
		<u>(31,223,530)</u>

Net Position of Governmental Activities in the Statement of Net Position	\$	<u><u>13,780,794</u></u>
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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, 2022**

	<u>General Fund</u>	<u>Transportation Sales Tax</u>	<u>TIF</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Taxes	\$ 9,544,793	\$ 1,705,196	\$ -	\$ 4,428,090	\$ 15,678,079
Licenses and permits	589,222	-	-	-	589,222
Intergovernmental	1,740,184	269,816	1,359,746	234,721	3,604,467
Charges for services	84,096	-	-	99,043	183,139
Fees and fines	308,019	-	-	-	308,019
Use of money and property	138,667	13,758	13,557	76,233	242,215
Other	50,882	-	-	57,208	108,090
Total revenues	<u>12,455,863</u>	<u>1,988,770</u>	<u>1,373,303</u>	<u>4,895,295</u>	<u>20,713,231</u>
<b>EXPENDITURES</b>					
Current:					
Current expenditures:					
General government	2,186,193	-	-	134,352	2,320,545
Public safety	6,308,634	-	-	280,836	6,589,470
Public works	1,924,746	209,547	-	48,050	2,182,343
Parks and recreation	-	-	-	1,423,967	1,423,967
Community development	897,855	-	244,972	-	1,142,827
Capital outlay	-	1,195,677	-	1,899,778	3,095,455
Debt service:					
Principal	-	-	2,120,000	-	2,120,000
Interest and other charges	-	-	771,809	-	771,809
Total expenditures	<u>11,317,428</u>	<u>1,405,224</u>	<u>3,136,781</u>	<u>3,786,983</u>	<u>19,646,416</u>
Excess (deficiency) of revenues over expenditures	<u>1,138,435</u>	<u>583,546</u>	<u>(1,763,478)</u>	<u>1,108,312</u>	<u>1,066,815</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of capital assets	-	-	-	36,325	36,325
Transfers in	1,410,103	-	1,619,332	150,000	3,179,435
Transfers out	(884,500)	(367,250)	-	(1,927,685)	(3,179,435)
Total other financing sources and (uses)	<u>525,603</u>	<u>(367,250)</u>	<u>1,619,332</u>	<u>(1,741,360)</u>	<u>36,325</u>
Net change in fund balances	1,664,038	216,296	(144,146)	(633,048)	1,103,140
Fund balances - beginning	<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>
Fund balances - ending	<u>\$ 9,422,417</u>	<u>\$ 1,244,291</u>	<u>\$ 3,995,334</u>	<u>\$ 4,709,750</u>	<u>\$ 19,371,792</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, 2022**

Net change in fund balances - total governmental funds: \$ 1,103,140

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	3,095,455
Capital outlay expensed	(520,442)
Depreciation expense	<u>(2,596,594)</u>
	<u>(21,581)</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>2,120,000</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	(15,134)
Pension expense	270,439
Accrued interest not reflected on governmental funds	17,120
Developer obligation	239,110
Compensated absences	<u>36,582</u>
	<u>564,141</u>

Change in net position of governmental activities \$ 3,765,700

See accompanying notes.

**CITY OF RAYTOWN, MISSOURI  
STATEMENT OF NET POSITION  
PROPRIETARY FUND  
OCTOBER 31, 2022**

	<b>Sewer Utility</b>
<b>ASSETS:</b>	
Current assets:	
Pooled cash and investments	\$ 5,268,697
Cash and investments-restricted	459,125
Receivables, net:	
Billed	519,157
Unbilled	1,393,221
Prepaid expenses	68,319
Total current assets	7,708,519
Non-current assets:	
Capital assets, net	14,769,913
Total non-current assets	14,769,913
Total assets	22,478,432
 <b>DEFERRED OUTFLOWS OF RESOURCES:</b>	
Other postemployment benefits	11,263
Debt refunding	25,392
Pension	51,074
Total deferred outflows of resources	87,729
 Total assets and deferred outflows of resources	\$ 22,566,161
 <b>LIABILITIES:</b>	
Current liabilities:	
Accounts payable	294,501
Accrued expenses	27,206
Unapplied payments	100,988
Accrued interest payable	71,756
Customer deposits	689,224
Compensated absences	32,693
Bonds, notes, and loans payable	1,039,067
Total current liabilities	2,255,435
Non-current liabilities:	
Net pension	51,682
Other postemployment benefits	28,472
Bonds, notes, and loans payable	4,378,181
Total non-current liabilities	4,458,335
Total liabilities	6,713,770
 <b>DEFERRED INFLOWS OF RESOURCES:</b>	
Other postemployment benefits	17,764
Pension	61,278
Total deferred inflows of resources	79,042
 <b>NET POSITION:</b>	
Net investment in capital assets	9,352,665
Restricted for debt service	459,125
Unrestricted	5,961,559
Total net position	15,773,349
 Total liabilities, deferred inflows of resources, and net position	\$ 22,566,161

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, 2022**

	<b>Sewer Utility</b>
<b>REVENUES:</b>	
Charges for services	\$ 7,664,086
Miscellaneous	31,921
Total operating revenues	7,696,007
<b>OPERATING EXPENSES:</b>	
Personnel services	754,576
Contractual services	195,330
Materials and supplies	92,553
Maintenance and repairs	164,989
Sewer services	4,464,296
Depreciation and amortization	491,669
Bad debts	49,491
Total operating expenses	6,212,904
Operating income	1,483,103
<b>NON-OPERATING REVENUES (EXPENSES):</b>	
Interest income	222,997
Interest expense	(277,773)
	(54,776)
Increase in net position	1,428,327
Total net position - beginning	14,345,022
Total net position - ending	\$ 15,773,349

See accompanying notes.

**CITY OF RAYTOWN, MISSOURI**

**STATEMENT OF CASH FLOWS -- PROPRIETARY FUND  
FOR THE YEAR ENDED OCTOBER 31, 2022**

	<b>Sewer Utility</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Received from customers	\$ 7,356,604
Payments to employees and fringe benefits	(489,938)
Payments for operations	<u>(5,005,538)</u>
Net cash provided by operating activities	<u>1,861,128</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>	
Proceeds from capital debt	1,226,857
Acquisition and construction of capital assets	(1,923,486)
Principal paid on capital debt and leases	(2,165,555)
Interest paid on capital debt and leases	<u>(311,133)</u>
Net cash used by capital and related financing activities	<u>(3,173,317)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Investment received	<u>222,997</u>
Net cash provided by investing activities	<u>222,997</u>
Net increase in cash and cash equivalents	(1,089,192)
Cash and cash equivalents, Beginning of the year	<u>6,817,014</u>
Cash and cash equivalents, End of the year	<u>\$ 5,727,822</u>
Cash and investments	5,268,697
Restricted cash and investments	<u>459,125</u>
Total cash and restricted cash and investment	<u>\$ 5,727,822</u>
Reconciliation of operating income to net cash provided by operating activities,	
Operating income	<u>\$ 1,483,103</u>
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization expense	491,670
Changes in assets and liabilities:	
Receivables, net	(74,765)
Pension related deferrals and assets	171,978
Prepaid items	14,936
Accounts payable and accrued expenses	5,484
Deferred revenue	(264,638)
Accrued interest payable	<u>33,360</u>
Total adjustments	<u>378,025</u>
Net cash provided by operating activities	<u>\$ 1,861,128</u>

See accompanying notes.

**CITY OF RAYTOWN, MISSOURI  
STATEMENT OF NET POSITION  
FIDUCIARY FUNDS  
OCTOBER 31, 2022**

	<b>Police Pension</b>	
	<b>Trust</b>	<b>Agency Funds</b>
<b>ASSETS:</b>		
Pooled cash and investments	\$ 9,284,517	\$ 73,761
Taxes receivable, net	-	32,877
Total assets	\$ 9,284,517	\$ 106,638
 <b>LIABILITIES,</b>		
Due to others	\$ -	\$ 106,638
 <b>NET POSITION,</b>		
Held in trust for pension benefits	\$ 9,284,517	\$ -

See accompanying notes.

**CITY OF RAYTOWN, MISSOURI  
STATEMENT OF CHANGES IN NET POSITION  
FIDUCIARY FUNDS  
OCTOBER 31, 2022**

	<u>Police Pension Trust</u>
<b>Additions:</b>	
Employer contributions	\$ 658,860
Investment earnings:	
Interest and dividends	466,975
Net appreciation in fair value of investments	(2,030,501)
Investment expenses	<u>(77,492)</u>
Total investment earnings	<u>(1,641,018)</u>
Total additions	<u>(982,158)</u>
 <b>Deductions:</b>	
Benefits paid	1,445,969
Administrative expenses and other	<u>68,713</u>
Total deductions	<u>1,514,682</u>
 Change in net position	 (2,496,840)
 Net position, beginning of year	 <u>11,781,357</u>
 Net position, end of year	 <u>\$ 9,284,517</u>

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 are included in budgetary schedules.

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, 2022. 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, 2022, 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 ARPA grants, wellness, leases, 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.

Leases: The City is a lessor for 2 lease agreements. A lease receivable and a deferred inflow of resources is recognized at the commencement of the lease term. The lease receivable is measured at the present value of the lease payments expected to be received during the lease term. The deferred inflows of resources should be measured at the value of the lease receivable plus any payments received at or before the commencement of the lease term that relates to future periods.

The City uses the estimated incremental borrowing rate to calculate the present value of lease payments when the rate implicit in the lease is not known. The City includes lease extension and termination options in the lease term, if after considering relevant economic factors, it is reasonably certain the City or lessee will exercise the option. The City has elected to combine lease and non-lease components for all lease contracts and also has not recognized RTU assets and lease liabilities for lease terms for 12 months or less.

**CITY OF RAYTOWN, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS**

2. DEPOSITS AND INVESTMENTS:

At October 31, 2022, the carrying amount of the City's cash on hand and demand deposits in financial institutions was \$5,354 and \$16,887,377, 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, 2022, 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	\$ 3,948,226	\$ -	\$ 3,948,226
MOSIP	6,532,235	-	6,532,235
Pension trust investments	<u>-</u>	<u>9,044,917</u>	<u>9,044,917</u>
	<u>10,480,461</u>	<u>9,044,917</u>	<u>19,525,378</u>
Cash on hand	5,355	-	5,355
Deposits	<u>16,813,615</u>	<u>313,361</u>	<u>17,126,976</u>
	<u>16,818,970</u>	<u>313,361</u>	<u>17,132,331</u>
Total	<u>\$ 27,299,431</u>	<u>\$ 9,358,278</u>	<u>\$ 36,657,709</u>

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	\$ 17,785,012	\$ 9,358,278	\$ 27,143,290
Restricted cash and investments	<u>9,514,419</u>	<u>-</u>	<u>9,514,419</u>
	<u>\$ 27,299,431</u>	<u>\$ 9,358,278</u>	<u>\$ 36,657,709</u>

**CITY OF RAYTOWN, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS**

2. DEPOSITS AND INVESTMENTS (Continued):

At October 31, 2022, the City had the following investments and maturities:

	Level 1	Maturity
Investments by fair value level:		
US Treasuries	\$ 582,954	2/15/2024-2/15/2032
Cash	29,226	
Federal Agency Issues:		
Federal National Mortgage Assoc	3,367	8/1/2035 - 4/1/2036
Federal Home Loan Mortgage Corp	2,099	2/1/2037
PC Gold Comb Gold Pool	7,856	1/1/2048
Mass Mutual DET Corporate Trust GIC	249,338	1/1/2028
Corporate bonds, stocks and notes	5,793,896	
Total investments by fair value level	6,668,736	
Investments measured by the net asset value:		
Bank Midwest Money Market	1,421,735	
MOSIP Liquid Series	6,532,235	
Fidelity Treasury Fund Class III	2,067,366	
Morgan Stanley Institutional Liquidity Fund	180,561	
Midcap SPDR Trust Series I	532,524	
Eaton Vance Floating Rate Institutional	96,538	
Lord Abbett Short Duration Income Instl	135,198	
Vanguard Group High Yield Corp Admiral	207,524	
Northern Funds Inst. Government	175,291	
DFA Funds US Small Cap Fund	505,553	
T.Rowe Price Mutual Funds Mid Cap Growth	268,298	
MFS International Value R6	53,650	
DFA Funds Emerging Mkts Core Equity	151,654	
Invesco Oppenheimer Mututal Funds Developing Mkts	284,984	
Vanguard Group REIT Index Fund	243,531	
Total investments measured at net asset value	12,856,642	
Total investments	\$ 19,525,378	

**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

#### 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 \$129,790 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 \$365,861 as of October 31, 2022.

#### 4. CAPITAL ASSETS:

Capital asset activity for the year ended October 31, 2022, consisted of the following:

	Balance 11/1/2021	Additions	Retirements	Balance 10/31/2022
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$ 1,473,340	\$ 28,750	\$ -	\$ 1,502,090
Construction in progress	<u>3,843,483</u>	<u>1,419,860</u>	<u>3,827,440</u>	<u>1,435,903</u>
Total capital assets not being depreciated	<u>5,316,823</u>	<u>1,448,610</u>	<u>3,827,440</u>	<u>2,937,993</u>
Capital assets being depreciated:				
Buildings and improvements	8,287,987	48,320	-	8,336,307
Infrastructure	66,062,564	4,225,517	-	70,288,081
Vehicles and equipment	<u>10,064,163</u>	<u>680,006</u>	<u>242,934</u>	<u>10,501,235</u>
Total capital assets being depreciated	<u>84,414,714</u>	<u>4,953,843</u>	<u>242,934</u>	<u>89,125,623</u>
Less: Accumulated depreciation				
Buildings and improvements	4,679,635	226,685	-	4,906,320
Infrastructure	49,381,448	1,916,901	-	51,298,349
Vehicles and equipment	<u>8,351,599</u>	<u>453,008</u>	<u>242,934</u>	<u>8,561,673</u>
Total accumulated depreciation	<u>62,412,682</u>	<u>2,596,594</u>	<u>242,934</u>	<u>64,766,342</u>
Total capital assets being depreciated, net	<u>22,002,032</u>	<u>2,357,249</u>	<u>-</u>	<u>24,359,281</u>
Total governmental activities capital assets, net	<u>\$ 27,318,855</u>	<u>\$ 3,805,859</u>	<u>\$3,827,440</u>	<u>\$ 27,297,274</u>

**CITY OF RAYTOWN, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

4. CAPITAL ASSETS (Continued):

Capital asset activity for the year ended October 31, 2022, consisted of the following (Continued):

	Balance 11/1/2021	Additions	Retirements	Balance 10/31/2022
<b>Business-type activities:</b>				
Capital assets not being depreciated:				
Land	\$ 433,393	\$ -	\$ -	\$ 433,393
Construction in progress	301,864	1,840,583	-	2,142,447
Total capital assets not being depreciated	735,257	1,840,583	-	2,575,840
Capital assets being depreciated:				
Vehicles and equipment	677,920	82,903	-	760,823
Distribution system	25,972,023	-	-	25,972,023
Total capital assets being depreciated	26,649,943	82,903	-	26,732,846
Less: Accumulated depreciation:				
Vehicles and equipment	666,501	7,796	-	674,297
Distribution system	13,380,603	483,873	-	13,864,476
Total accumulated depreciation	14,047,104	491,669	-	14,538,773
Total capital assets being depreciated, net	12,602,839	(408,766)	-	12,194,073
Total business-type activities capital assets, net	\$ 13,338,096	\$ 1,431,817	\$ -	\$ 14,769,913

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

Governmental activities:

General government	\$ 84,617
Parks	132,553
Public safety	176,451
Public works	2,202,973
Total depreciation expense, governmental	2,596,594

Business-type activities,

Sewer Utility	\$ 491,669
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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, 2022, 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](http://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.

	2022 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, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	54
Inactive employees entitled to but not yet receiving benefits	127
Active employees	96
	<hr/>
	<u>277</u>

**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 15.5% General and 9.5% Police of annual covered payroll.

Net Pension Liability: The employer’s net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2022.

Actuarial Assumptions: The total pension liability in the February 28, 2022, 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, PubNS-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, 2022 valuation were based on the results of an actuarial experience study for the period March 1, 2015 through February 29, 2020.

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 6/30/2021	\$ 21,935,693	\$ 22,342,107	\$ (406,414)
Changes for the year:			
Service Cost	637,770	-	637,770
Interest	1,529,148	-	1,529,148
Difference between expected and actual experience	-	-	-
Change in assumptions	(203,302)	-	(203,302)
Contributions - employer	-	776,394	(776,394)
Contributions - employee	-	238,834	(238,834)
Net investment income	-	14,728	(14,728)
Benefit payments, including refunds	(822,350)	(822,350)	-
Administrative expense	-	(24,315)	24,315
Other changes	-	(230,396)	230,396
Net changes	1,141,266	(47,105)	1,188,371
Balances at 6/30/2022	<u>\$ 23,076,959</u>	<u>\$ 22,295,002</u>	<u>\$ 781,957</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	1% Increase 8.00%
		Rate Assumption 7.00%	
Total Pension Liability (TPL)	\$ 26,603,591	\$ 23,076,959	\$ 20,185,024
Plan Fiduciary Net Position	<u>22,295,002</u>	<u>22,295,002</u>	<u>22,295,002</u>
Net Position Liability/(Asset) (NPL)	<u>\$ 4,308,589</u>	<u>\$ 781,957</u>	<u>\$ (2,109,978)</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, 2022 the employer recognized pension expense of \$245,317. 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	\$ 577,344	\$ 32,920	\$ (557,794)	\$ (6,359)	\$ 46,111
Differences in assumptions	42,139	-	(86,149)	(15,003)	(59,013)
Excess (deficit) investment returns	-	-	(550,381)	(83,556)	(633,937)
Contributions subsequent to the measurement date*	257,968	44,954	-		302,922
Total	<u>\$ 877,451</u>	<u>\$ 77,874</u>	<u>\$ (1,194,324)</u>	<u>\$ (104,918)</u>	<u>\$ (343,917)</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, 2023.

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	\$ (323,004)
2023	(269,313)
2024	(425,095)
2025	376,888
2026	(6,315)
Thereafter	-
	<u>\$ (646,839)</u>

**Payable to the Pension Plan**

At October 31, 2022, the City reported a payable of \$82,496 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.

	2022 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, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	44
Inactive employees entitled to but not yet receiving benefits	24
Active employees	13
	<hr/>
	81
	<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, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022.

Actuarial Assumptions: The total pension liability in the January 1, 2022, 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	7.0% (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-2021.

The actuarial assumptions used in the January 1, 2022 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%	8.50%
Fixed Income	35.00%	4.25%

Discount rate: The discount rate used to measure the total pension liability is 7.0%. 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 12/31/2020	\$ 17,261,198	\$ 11,014,885	\$ 6,246,313
Changes for the year:			
Service Cost	35,220	-	35,220
Interest	1,241,753	-	1,241,753
Difference between expected and actual experience	38,703	-	38,703
Change in assumptions	816,986	-	816,986
Contributions - employer	-	648,688	(648,688)
Contributions - employee	-	-	-
Net investment income	-	1,620,779	(1,620,779)
Benefit payments, including refunds	(1,453,379)	(1,453,379)	-
Administrative expense	-	(23,594)	23,594
Other changes	-	-	-
Net changes	679,283	792,494	(113,211)
Balances at 12/31/2021	\$ 17,940,481	\$ 11,807,379	\$ 6,133,102

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 7.0%, as well as what the employer's Net Pension Liability would be using a discount rate that is 1 percentage point lower 6.0% or one percentage point higher 8.0% than the current rate.

	Current Single Discount		
	1% Decrease 6.0%	Rate Assumption 7.0%	1% Increase 8.0%
	Total Pension Liability (TPL)	\$ 19,734,565	\$ 17,940,481
Plan Fiduciary Net Position	11,807,379	11,807,379	11,807,379
Net Position Liability/(Asset) (NPL)	\$ 7,927,186	\$ 6,133,102	\$ 4,617,795

**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, 2022 the employer recognized pension expense of \$878,135. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences in experience	\$ 7,237	\$ -
Differences in assumptions	152,770	-
Excess (deficit) investment returns	-	(1,105,502)
Total	\$ 160,007	\$ (1,105,502)

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
2022	\$ (42,950)
2023	(498,016)
2024	(239,367)
2025	(165,162)
2026	-
Thereafter	-
	\$ (945,495)

**Payable to the Pension Plan**

At October 31, 2022, 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 \$3,529,310 during the year. Total gross payroll was \$6,715,857. For the year ended October 31, 2022, the City contributed \$66,362 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, 2022, consisted of the following:

<b>Governmental Activities</b>					
	<b>Balance November 1, 2021</b>	<b>Additions</b>	<b>Payments/ Adjustments</b>	<b>Balance October 31, 2022</b>	<b>Due in One year</b>
Revenue bonds	\$ 24,955,000	\$ -	\$ 2,120,000	\$ 22,835,000	\$2,220,000
Other liabilities:					
OPEB*	322,497	19,081	86,943	254,635	-
Net pension*	5,949,902	1,043,874	130,399	6,863,377	-
Compensated absences*	511,456	544,801	581,383	474,874	367,300
	\$ 31,738,855	\$ 1,607,756	\$ 2,918,725	\$ 30,427,886	\$2,587,300

<b>Business-Type Activities</b>					
	<b>Balance November 1, 2021</b>	<b>Additions</b>	<b>Payments/ Adjustments</b>	<b>Balance October 31, 2022</b>	<b>Due in One year</b>
Revenue Bonds	\$ 6,285,000	\$ 1,226,857	\$ 2,150,938	\$ 5,360,919	\$1,024,451
Bond (discount) / premium	70,945	-	14,616	56,329	14,616
Total	6,355,945	1,226,857	2,165,554	5,417,248	1,039,067
Other liabilities:					
OPEB	28,472	5,550	5,550	28,472	-
Net pension (asset)	(110,003)	235,655	73,970	51,682	-
Compensated absences	43,115	45,430	55,853	32,692	32,692
	\$ 6,317,529	\$ 1,513,492	\$ 2,300,927	\$ 5,530,094	\$1,071,759

\*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, 2022, 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>\$ 22,835,000</u>
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Total governmental funds	<u>\$ 22,835,000</u>
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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%	\$ 2,170,000
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\$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%	2,165,000
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\$1,226,857, Series 2021 sewerage system refunding revenue bonds, issued for the refunding of Series 2013 sewerage system revenue bonds, due in annual installments of \$199,451 to \$208,769, through July 1, 2027, interest at 1.62%	1,025,919
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Proprietary bond premium	<u>56,329</u>
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Total proprietary fund	<u>\$ 5,417,248</u>
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**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:

<u>Years ending October 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Governmental Revenue Bonds</u>
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	2,530,000	395,191	2,925,191
2028-2031	<u>10,970,000</u>	<u>722,874</u>	<u>11,692,874</u>
	<u>\$ 22,835,000</u>	<u>\$ 3,477,662</u>	<u>\$ 26,312,662</u>

  

<u>Years ending October 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Business -Type Revenue Bonds</u>
2023	\$ 1,024,451	\$ 208,844	\$ 1,233,295
2024	1,071,393	166,908	1,238,301
2025	1,107,716	122,957	1,230,673
2026	1,158,590	76,211	1,234,801
2027	593,769	29,523	623,292
2028	<u>405,000</u>	<u>8,859</u>	<u>413,859</u>
	<u>\$ 5,360,919</u>	<u>\$ 613,302</u>	<u>\$ 5,974,221</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, 2022.

**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. LEASES:

The City has entered into two agreements to lease tower space. The lease agreements expire in 2041 and 2046, assuming that all renewal options are exercised by the lessees. During 2022, the City received \$32,889 in lease revenue which represents the total amount of inflows of resources recognized in the reporting period from leases.

The following represents the future minimum lease revenue due for governmental activities under the lease arrangements as of October 31:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 16,789	\$ 22,811	\$ 39,600
2024	17,342	22,257	39,599
2025	17,915	21,684	39,599
2026	19,499	21,091	40,590
2027	23,168	20,391	43,559
2028-2032	133,375	19,626	153,001
2033-2037	181,043	18,837	199,880
2038-2042	200,310	18,022	218,332
2043-2046	101,021	17,446	118,467
	<u>\$ 710,462</u>	<u>\$ 182,165</u>	<u>\$ 892,627</u>

**CITY OF RAYTOWN, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS**

10. RESTRICTED CASH:

Restricted cash and investments at October 31, 2022, consisted of the following:

<u>Account</u>	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Sewer Utility Fund</u>	<u>Total</u>
Grants	\$ 5,566,193	\$ -	\$ -	\$ 5,566,193
Reserve for debt service	<u>-</u>	<u>3,489,101</u>	<u>459,125</u>	<u>3,948,226</u>
	<u>\$ 5,566,193</u>	<u>\$ 3,489,101</u>	<u>\$ 459,125</u>	<u>\$ 9,514,419</u>

11. 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.

12. 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.

For the current year, the City made debt service payments on the tax increment and sales tax revenue bonds totaling \$2,891,809. The incremental tax revenues generated by the 350 Highway TIF plan began in October 2009. For the year ended October 31, 2022, the City's incremental tax revenues totaled \$1,619,332. 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 \$1,272,477.

**CITY OF RAYTOWN, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS**

12. PLEDGED REVENUES (Continued):

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 \$156,112 in principal payments. The remaining balance as of October 31, 2022 is \$795,644.

13. TAX REVENUES:

The assessed valuation of the tangible property for the purpose of local taxation as of September 3, 2021, was as follows:

Real estate	\$ 320,925,596
Personal property	<u>72,295,298</u>
	<u>\$ 393,220,894</u>

The tax levy per \$100 of assessed valuation of tangible real and personal property for the calendar year 2022 was as follows:

General Fund	\$ 0.3179
Park Fund	<u>0.1586</u>
	<u>\$ 0.4765</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**

14. INTERFUND BALANCES:

Interfund receivable and payable balances at October 31, 2022, were as follows:

	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 18	\$ 28,540
Special Revenue Funds:		
Risk management	-	88,785
Transportation	-	58,662
TIF	259,617	-
Park	-	5,524
Capital sales tax	-	44,558
Public safety	-	29,460
Storm water	-	4,088
Agency Fund,		
350 Highway TDD	-	18
	\$ 259,635	\$ 259,635

Transfers during the year ended October 31, 2022, were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 1,410,103	\$ 884,500
Special Revenue Funds:		
Transportation sales tax	-	367,250
Public safety sales tax	-	1,593,857
TIF	1,619,332	-
Park	-	34,454
Capital sales tax	-	275,999
Storm water	150,000	23,375
	\$ 3,179,435	\$ 3,179,435

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**

15. 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.

16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS:

**General information about the OPEB plan**

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

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

Funding Policy: The City requires the retirees to pay 125% of the premiums charged to active employees. Retirees and spouses have the same benefits as active employees. Effective July 1, 2018, retirees are charged 135% of plan premiums. However, all retiree coverage terminates upon Medicare entitlement or if payment is not received on a timely basis. The City contributed \$9,000 to the plan during fiscal year 2022.

At July 1, 2021, the following employees were covered by the benefit terms:

Active employees	105
Retires and covered spouses	<u>2</u>
	<u>107</u>

Net OPEB Liability: The employer's net OPEB liability of \$279,261 was measured as of October 31, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2021.

**CITY OF RAYTOWN, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS**

17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued):

Actuarial Assumptions: The total OPEB liability in the July 1, 2021, actuarial valuation was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

	<u>2021 Valuation</u>
Inflation	2.75%
Salary increases	2.00%
Discount rate	4.76%
Actuarial cost method	Entry Age Normal - Level Percent of Pay
Healthcare cost trend rates	6.25% for 2023, 6.0% for 2024, 5.75% for 2025, decreasing by .25% per year to an ultimate rate of 4.5% 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 11/1/2021	\$ <u>350,969</u>
Charges of the year:	
Service cost	20,785
Interest	8,373
Changes of benefits terms	-
Differences between expected and actual experiences	(28,401)
Changes in assumptions and inputs	(59,619)
Benefit payments	<u>(9,000)</u>
Net changes	<u>(67,862)</u>
Balance at 10/31/2022	<u>\$ 283,107</u>

**CITY OF RAYTOWN, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS**

18. 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 4.76%, as well as what the Net OPEB Liability would be using a discount rate 1% less (3.76%) and 1% greater (5.76%) than the current rate.

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
	3.76%	4.76%	5.76%
Total OPEB Liability	<u>\$ 304,381</u>	<u>\$ 283,107</u>	<u>\$ 257,202</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>\$ 254,716</u>	<u>\$ 283,107</u>	<u>\$ 308,065</u>

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

For the year ended October 31, 2022, the City reported OPEB expense of \$20,355 The City reported deferred outflows and inflows of resources related to OPEB as follows:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
	<u>of Resources</u>	<u>of Resources</u>
Changes in assumptions	\$ 73,914	\$ 65,151
Differences between expected and actual experience	<u>32,850</u>	<u>121,643</u>
Total	<u>\$ 106,764</u>	<u>\$ 186,794</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</u>
	<u>of Resources</u>
2023	\$ (8,803)
2024	(8,803)
2025	(8,803)
2026	(8,803)
2027	(8,803)
Thereafter	<u>(36,015)</u>
	<u>\$ (80,030)</u>

**CITY OF RAYTOWN, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS**

19. 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, 2022. 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, 2022, totaled \$31,407.

20. 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, 2022, the City's recorded encumbrances in governmental funds were as follows:

<u>Fund</u>	
General	\$ 10,850
Transportation Sales Tax	261,845
Capital Sales Tax	307,564
Public Safety Tax	10,701
Storm Water	36,126
Sanitary Sewer	<u>173,017</u>
	<u>\$ 800,103</u>

21. 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, 2022, taxes abated for the City in connection with the Chapter 353, and Tax Increment Financing program were estimated at \$8,362, and \$25,191, respectively.

**CITY OF RAYTOWN, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS**

22. INTERGOVERNMENTAL REVENUE:

Intergovernmental revenue during the year ended October 31, 2022, consisted of the following:

	<u>General Fund</u>	<u>Other Governmental Funds</u>
Federal:		
US Department of Treasury, American Rescue Plan Act	\$ 340,143	\$ -
US Department of Justice, Public Safety Grants	17,881	-
Department of Transportation: Public Safety Grants	1,500	-
Highway Planning and Construction	-	171,816
Department of Interior, Land and Water Conservation		224,486
State:		
Department of Revenue: Motor Vehicle Sales Tax	296,281	-
Motor Vehicle Fuel Tax	936,088	-
Motor Vehicle Fees	137,663	-
Department of Transportation, Street lights	-	98,000
Department of Public Safety, Officer Safety Equipment	7,190	
Department of Conservation, TRIM		10,235
County, TDD, CID, Pilot	<u>3,438</u>	<u>1,359,746</u>
	<u>\$ 1,740,184</u>	<u>\$ 1,864,283</u>

**CITY OF RAYTOWN, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS**

**23. CHANGE IN ACCOUNTING PRINCIPLE:**

During the year, the City implemented GASB Statement No. 87, *Leases*. The implementation of this Statement had no impact on the City's beginning of year net position or fund balance. At the beginning of the year the City's lease receivable assets were restated for governmental funds in the amount of \$727,741. The City deferred inflows of resources were restated for governmental funds in the amount of \$727,741.

**24. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY:**

For the year ended October 31, 2022, in violation of Missouri state statutes and the City's budgetary process, the City had actual expenditures in excess of budget in the following fund:

Special Revenue Fund, TIF Fund	<u>\$ 12,163</u>
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For the year ended October 31, 2022, in violation of Missouri state statutes and the City's budgetary process, the City had budgeted a deficit without adequate fund balance in the following fund:

Special Revenue Fund, Risk Management Fund	<u>\$ 25,523</u>
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For the year ended October 31, 202, in violation of Missouri state statutes and the City's budgetary process, the City had a fund balance deficit in the following fund:

Special Revenue Fund, Risk Management Fund	<u>\$ 22,462</u>
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**25. EVALUATION OF SUBSEQUENT EVENTS:**

The City has evaluated subsequent events through May 26, 2023, 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 8 Fiscal Years**

Fiscal year ending June 30,

	2022	2021	2020	2019	2018	2017	2016	2015
<b>Total Pension Liability</b>								
Service Cost	\$ 637,770	\$ 582,947	\$ 542,561	\$ 583,567	\$ 656,159	\$ 558,483	\$ 533,362	\$ 560,833
Interest on the Total Pension Liability	1,529,148	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	(203,302)	155,345	(119,154)	(695,796)	(460,643)	3,722,090	152,189	(505,106)
Assumption Changes	-	(318,364)	-	-	-	-	591,243	-
Benefit Payments	(822,350)	(724,537)	(529,787)	(498,198)	(500,347)	(347,807)	(331,216)	(276,894)
<b>Net Change in Total Pension Liability</b>	<b>1,141,266</b>	<b>1,194,113</b>	<b>1,303,346</b>	<b>747,679</b>	<b>984,414</b>	<b>3,216,817</b>	<b>1,867,835</b>	<b>656,413</b>
<b>Total Pension Liability beginning</b>	<b>21,935,693</b>	<b>20,741,580</b>	<b>19,438,234</b>	<b>18,690,555</b>	<b>17,706,141</b>	<b>14,489,324</b>	<b>12,621,489</b>	<b>11,965,076</b>
<b>Total Pension Liability ending</b>	<b>\$ 23,076,959</b>	<b>\$ 21,935,693</b>	<b>\$ 20,741,580</b>	<b>\$ 19,438,234</b>	<b>\$ 18,690,555</b>	<b>\$ 17,706,141</b>	<b>\$ 14,489,324</b>	<b>\$ 12,621,489</b>
<b>Plan Fiduciary Net Position</b>								
Contributions-employer	\$ 776,394	\$ 756,313	\$ 680,823	\$ 677,189	\$ 727,010	\$ 800,985	\$ 822,633	\$ 823,197
Contributions-employee	238,834	239,946	222,306	225,529	258,512	181,359	-	-
Pension Plan Net Investment income	14,728	5,042,650	210,376	989,825	1,627,298	1,364,033	(27,096)	188,721
Benefit Payments	(822,350)	(724,537)	(529,787)	(498,198)	(500,347)	(347,807)	(331,216)	(276,894)
Pension Plan Administrative expense	(24,315)	(22,616)	(28,249)	(24,769)	(17,249)	(17,199)	(17,003)	(18,549)
Other	(230,396)	250,214	(13,301)	24,388	6,240	(1,977)	(1,534)	180,399
<b>Net Change in Plan Fiduciary Net Position</b>	<b>(47,105)</b>	<b>5,541,970</b>	<b>542,168</b>	<b>1,393,964</b>	<b>2,101,464</b>	<b>1,979,394</b>	<b>445,784</b>	<b>896,874</b>
<b>Plan Fiduciary Net Position beginning</b>	<b>22,342,107</b>	<b>16,800,137</b>	<b>16,257,969</b>	<b>14,864,005</b>	<b>12,762,541</b>	<b>10,783,147</b>	<b>10,337,363</b>	<b>9,440,489</b>
<b>Plan Fiduciary Net Position ending</b>	<b>\$ 22,295,002</b>	<b>\$ 22,342,107</b>	<b>\$ 16,800,137</b>	<b>\$ 16,257,969</b>	<b>\$ 14,864,005</b>	<b>\$ 12,762,541</b>	<b>\$ 10,783,147</b>	<b>\$ 10,337,363</b>
<b>Employer Net Pension Liability (Asset)</b>	<b>\$ 781,957</b>	<b>\$ (406,414)</b>	<b>\$ 3,941,443</b>	<b>\$ 3,180,265</b>	<b>\$ 3,826,550</b>	<b>\$ 4,943,600</b>	<b>\$ 3,706,177</b>	<b>\$ 2,284,126</b>
<b>Plan Fiduciary Net Position as a percentage of the Total Pension Liability</b>	96.61%	101.85%	81.00%	83.64%	79.53%	72.08%	74.42%	81.90%
<b>Covered Employee Payroll</b>	<b>\$5,872,753</b>	<b>\$5,976,817</b>	<b>\$6,104,807</b>	<b>\$5,358,307</b>	<b>\$6,106,704</b>	<b>\$6,973,652</b>	<b>\$7,456,923</b>	<b>\$6,988,224</b>
<b>Employer's Net Pension Liability as a percentage of covered employee payroll</b>	13.31%	-6.80%	64.56%	59.35%	62.66%	70.89%	49.70%	32.69%

**Notes to schedule:**

Only the last 8 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**

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution	\$817,975	\$763,808	\$723,455	\$674,187	\$711,773	\$757,076	\$806,116	\$838,990	\$754,880	\$508,424
Contributions in relation to the actuarially determined contribution	817,975	763,808	723,455	674,187	711,773	757,076	806,116	838,990	754,880	508,424
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$6,215,243	\$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
Contributions as a percentage of covered-employee payroll	13.16%	12.77%	12.28%	12.15%	11.70%	10.38%	10.84%	11.34%	11.12%	12.00%

Valuation date 2/28/2022

Notes The roll-forward of total pension liability from February 28, 2022, to June 30, 2022, 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 8 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 8 Fiscal Years**

<i>Fiscal year ending December 31,</i>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Total Pension Liability</b>	\$ 35,220	\$ 20,260	\$ 20,407	\$ 20,437	\$ 15,509	\$ 15,526	\$ 12,633	\$ 12,663
Service Cost	1,241,753	1,244,830	1,236,977	1,272,784	1,291,090	1,255,628	1,211,255	1,193,469
Interest on the Total Pension Liability	38,703	175,443	139,039	(379,418)	(100,898)	263,758	148,107	(167,955)
Difference between expected and actual experience	816,986	(51,159)	150,340	(45,424)	(277,355)	-	207,116	-
Assumption Changes	(1,453,379)	(1,450,204)	(1,428,693)	(1,248,899)	(1,107,281)	(1,008,095)	(974,294)	(899,749)
Benefit Payments	679,283	(60,830)	118,070	(380,520)	(178,935)	526,817	604,817	138,428
<b>Net Change in Total Pension Liability</b>	17,261,198	17,322,028	17,203,958	17,584,478	17,763,413	17,236,596	16,631,779	16,493,351
<b>Total Pension Liability beginning</b>	\$ 17,940,481	\$ 17,261,198	\$ 17,322,028	\$ 17,203,958	\$ 17,584,478	\$ 17,763,413	\$ 17,236,596	\$ 16,631,779
<b>Total Pension Liability ending</b>								
<b>Plan Fiduciary Net Position</b>								
Contributions-employer	\$ 648,688	\$ 635,147	\$ 590,127	\$ 593,459	\$ 608,134	\$ 562,862	\$ 510,320	\$ 509,880
Pension Plan Net Investment income	1,620,779	1,142,827	1,981,217	(678,399)	1,373,429	633,761	(157,302)	512,776
Benefit Payments	(1,453,379)	(1,450,204)	(1,428,693)	(1,248,899)	(1,107,281)	(1,008,095)	(974,294)	(899,749)
Pension Plan Administrative expense	(23,594)	(30,661)	(33,985)	(20,035)	(21,491)	(12,748)	(14,400)	(99,319)
<b>Net Change in Plan Fiduciary Net Position</b>	792,494	297,109	1,108,666	(1,353,874)	852,791	175,780	(635,676)	23,588
<b>Plan Fiduciary Net Position beginning</b>	11,014,885	10,717,776	9,609,110	10,962,984	10,110,193	9,934,413	10,570,089	10,546,501
<b>Plan Fiduciary Net Position ending</b>	\$ 11,807,379	\$ 11,014,885	\$ 10,717,776	\$ 9,609,110	\$ 10,962,984	\$ 10,110,193	\$ 9,934,413	\$ 10,570,089
<b>Employer Net Pension Liability (Asset)</b>	\$ 6,133,102	\$ 6,246,313	\$ 6,604,252	\$ 7,594,848	\$ 6,621,494	\$ 7,653,220	\$ 7,302,183	\$ 6,061,690
<b>Plan Fiduciary Net Position as a percentage of the Total Pension Liability</b>	65.81%	63.81%	61.87%	55.85%	62.34%	56.92%	57.64%	63.55%
<b>Covered Employee Payroll</b>	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>Employer's Net Pension Liability as a percentage of covered employee payroll</b>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**Notes to schedule:**

Only the last 8 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**

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contribution	\$648,688	\$635,147	\$590,127	\$593,459	\$608,134	\$562,862	\$513,291	\$508,285	\$660,842	\$678,787	\$616,618
Contributions in relation to the actuarially determined contribution	648,688	635,147	590,127	593,459	608,134	562,862	510,320	509,880	660,842	686,270	645,818
Contribution deficiency (excess)	\$0	- \$	- \$	- \$	- \$	- \$	2,971	(1,595)	- \$	(7,483)	(29,200)

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

	**	\$ 2,962,341	\$ 3,122,522	\$ 3,065,002	\$ 2,978,208
	**	17.21%	21.16%	22.39%	21.68%

Valuation date 1/1/2022

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 rates :

- Actuarial cost method Traditional unit credit
- Amortization method Closed
- Remaining amortization period 22 years
- Asset valuation method 5 year smoothed market
- Salary increases 4% (Plan is frozen, scale is for death benefits only)
- Investment rate of return 7.0% 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-2021.
- Other information None

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

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

	2022	2021	2020	2019	2018
<b>Total OPEB Liability</b>					
Service Cost	\$ 20,785	\$ 17,238	\$ 16,125	\$ 19,763	\$ 29,277
Interest	8,373	6,734	10,699	16,053	19,533
Benefit Changes	-	-	-	(119,472)	(158,872)
Difference between expected and actual experience	(32,247)	37,739	(125,003)	-	-
Assumption Changes	(59,619)	15,491	65,371	21,521	(20,077)
Benefit Payments	(9,000)	(1,000)	(9,000)	(20,000)	(26,000)
<b>Net Change in Total OPEB Liability</b>	<b>(71,708)</b>	<b>76,202</b>	<b>(41,808)</b>	<b>(82,135)</b>	<b>(156,139)</b>
<b>Total OPEB Liability beginning</b>	<b>350,969</b>	<b>274,767</b>	<b>316,575</b>	<b>398,710</b>	<b>554,849</b>
<b>Total OPEB Liability ending</b>	<b>\$ 279,261</b>	<b>\$ 350,969</b>	<b>\$ 274,767</b>	<b>\$ 316,575</b>	<b>\$ 398,710</b>

<b>Covered Employee Payroll</b>	\$ 5,616,986	\$ 5,104,400	\$ 5,104,400	\$ 6,804,388	\$ 6,804,388
<b>Total OPEB Liability as a percentage of covered employee payroll</b>	4.97%	6.88%	5.38%	4.65%	5.86%

**Notes to schedule:**

Only the five 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 Five Fiscal Years

	2022	2021	2020	2019	2018
\$	29,000	8,000	9,000	20,000	26,000
	20,000	7,000	9,000	20,000	26,000
\$	9,000	1,000	-	-	-
\$	5,616,986	5,104,400	5,104,400	6,804,388	6,804,388
	0.36%	0.14%	0.18%	0.29%	0.38%

7/1/2021

The results of the July 1, 2021 valuation were projected to the measurement date using standard actuarial techniques.

Entry age normal - Level % of pay

Year	Trend
2022-2023	6.50%
2023-2024	6.25%
2024-2025	6.00%
2025-2026	5.75%
2026-2027	5.50%
2027-2028	5.25%
2028-2029	5.00%
Thereafter	4.75%
	4.50%

The assumed retiree enrollment rate for future retiring employees is 30% for retirement age 60 to 63.5, 20% for retirement age 55 to 59, and 10% 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	10.8%	8.8%	12.4%
30	8.5%	7.1%	10.2%
35	6.3%	5.6%	7.8%
40	4.6%	4.1%	5.8%
45	4.6%	3.1%	4.4%
50	2.1%	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 Five 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.

Age	Police		General (Male)		General (Female)	
	100.0%	n/a	n/a	n/a	n/a	n/a
55	100.0%	n/a	3.0%	3.0%	3.0%	3.0%
55-59	n/a	n/a	10.0%	10.0%	10.0%	10.0%
60-61	n/a	n/a	25.0%	25.0%	15.0%	15.0%
62	n/a	n/a	20.0%	20.0%	15.0%	15.0%
63-64	n/a	n/a	25.0%	25.0%	25.0%	25.0%
65	n/a	n/a	25.0%	25.0%	30.0%	30.0%
66	n/a	n/a	20.0%	20.0%	25.0%	25.0%
67-68	n/a	n/a	20.0%	20.0%	20.0%	20.0%
69	n/a	n/a	100.0%	100.0%	100.0%	100.0%
70+	n/a	n/a				

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.

Age	Police		General (Male)		General (Female)	
	0.11%	0.22%	0.10%	0.18%	0.09%	0.03%
30	0.11%	0.22%	0.10%	0.18%	0.09%	0.03%
40	0.22%	0.34%	0.25%	0.25%	0.15%	0.15%
45	0.34%	0.53%	0.37%	0.37%	0.22%	0.22%
50	0.53%	0.88%	0.57%	0.57%	0.32%	0.32%
55	0.88%	n/a	0.86%	0.86%	0.45%	0.45%
60	n/a					

Other information: Only the five 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, 2022**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Taxes	\$ 8,594,000	\$ 8,594,000	\$ 9,544,793	\$ 950,793
Licenses and permits	529,600	529,600	589,222	59,622
Intergovernmental	1,238,807	1,238,807	1,740,184	501,377
Charges for services	94,200	94,200	84,096	(10,104)
Fees and fines	266,900	266,900	308,019	41,119
Investment earnings	20,000	20,000	138,667	118,667
Other	53,640	53,640	50,882	(2,758)
	<u>10,797,147</u>	<u>10,797,147</u>	<u>12,455,863</u>	<u>1,658,716</u>
<b>EXPENDITURES:</b>				
Current:				
General government	2,283,546	2,317,746	2,186,193	131,553
Public safety	6,456,191	7,643,282	6,312,932	1,330,350
Public works	2,153,626	2,158,104	1,931,298	226,806
Community development	1,065,137	1,065,137	897,855	167,282
	<u>11,958,500</u>	<u>13,184,269</u>	<u>11,328,278</u>	<u>1,855,991</u>
Excess (deficiency) of revenues over expenditures	<u>(1,161,353)</u>	<u>(2,387,122)</u>	<u>1,127,585</u>	<u>3,514,707</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	1,410,103	1,410,103	1,410,103	-
Transfers out	(918,000)	(918,000)	(884,500)	33,500
	<u>492,103</u>	<u>492,103</u>	<u>525,603</u>	<u>33,500</u>
Net change in encumbrances	-	-	10,850	10,850
Net change in fund balances	(669,250)	(1,895,019)	1,664,038	3,559,057
Fund balances - beginning	<u>7,758,379</u>	<u>7,758,379</u>	<u>7,758,379</u>	<u>-</u>
Fund balances - ending	<u>\$ 7,089,129</u>	<u>\$ 5,863,360</u>	<u>\$ 9,422,417</u>	<u>\$ 3,559,057</u>

**CITY OF RAYTOWN, MISSOURI  
BUDGETARY COMPARISON SCHEDULE --  
TRANSPORTATION SALES TAX FUND  
FOR THE YEAR ENDED OCTOBER 31, 2022**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Taxes	\$ 1,550,000	\$ 1,550,000	\$ 1,705,196	\$ 155,196
Intergovernmental	-	-	269,816	269,816
Investment earnings	<u>3,500</u>	<u>3,500</u>	<u>13,758</u>	<u>10,258</u>
Total revenues	<u>1,553,500</u>	<u>1,553,500</u>	<u>1,988,770</u>	<u>435,270</u>
<b>EXPENDITURES:</b>				
Current:				
Public works	271,500	291,500	209,547	81,953
Capital outlay	<u>1,743,000</u>	<u>1,927,532</u>	<u>1,457,522</u>	<u>470,010</u>
Total expenditures	<u>2,014,500</u>	<u>2,219,032</u>	<u>1,667,069</u>	<u>551,963</u>
Excess (deficiency) of revenues over expenditures	<u>(461,000)</u>	<u>(665,532)</u>	<u>321,701</u>	<u>987,233</u>
<b>OTHER FINANCING USES,</b>				
Transfers out	<u>(380,000)</u>	<u>(380,000)</u>	<u>(367,250)</u>	<u>12,750</u>
Total other financing sources	<u>(380,000)</u>	<u>(380,000)</u>	<u>(367,250)</u>	<u>12,750</u>
Net change in encumbrances	-	-	261,845	261,845
Net change in fund balances	(841,000)	(1,045,532)	216,296	1,261,828
Fund balances - beginning	<u>1,027,995</u>	<u>1,027,995</u>	<u>1,027,995</u>	<u>-</u>
Fund balances - ending	<u>\$ 186,995</u>	<u>\$ (17,537)</u>	<u>\$ 1,244,291</u>	<u>\$ 1,261,828</u>

**CITY OF RAYTOWN, MISSOURI  
BUDGETARY COMPARISON SCHEDULE --  
TIF FUND  
FOR THE YEAR ENDED OCTOBER 31, 2022**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Intergovernmental	\$ 1,404,000	\$ 1,404,000	\$ 1,359,746	\$ (44,254)
Investment earnings	<u>5,500</u>	<u>5,500</u>	<u>13,557</u>	<u>8,057</u>
Total revenues	<u>1,409,500</u>	<u>1,409,500</u>	<u>1,373,303</u>	<u>(36,197)</u>
<b>EXPENDITURES:</b>				
Current,				
Community development	232,810	232,810	244,972	(12,162)
Debt Service:				
Principal	2,120,000	2,120,000	2,120,000	-
Interest and other charges	<u>771,808</u>	<u>771,808</u>	<u>771,809</u>	<u>(1)</u>
Total expenditures	3,124,618	3,124,618	3,136,781	(12,163)
Deficiency of revenues over expenditures	<u>(1,715,118)</u>	<u>(1,715,118)</u>	<u>(1,763,478)</u>	<u>(48,360)</u>
<b>OTHER FINANCING SOURCES,</b>				
Transfers in	<u>1,660,000</u>	<u>1,660,000</u>	<u>1,619,332</u>	<u>(40,668)</u>
Net change in fund balances	(55,118)	(55,118)	(144,146)	(89,028)
Fund balances - beginning	<u>4,139,480</u>	<u>4,139,480</u>	<u>4,139,480</u>	<u>-</u>
Fund balances - ending	<u>\$ 4,084,362</u>	<u>\$ 4,084,362</u>	<u>\$ 3,995,334</u>	<u>\$ (89,028)</u>

**CITY OF RAYTOWN, MISSOURI  
COMBINING BALANCE SHEET --  
NONMAJOR GOVERNMENTAL FUNDS  
OCTOBER 31, 2022**

	<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>
<b>ASSETS</b>							
Cash and investments	\$ 965,028	\$ 1,270,849	\$ 373,035	\$ -	\$ 539,767	\$ 781,152	\$ 3,929,831
Taxes receivable, net	64,177	241,595	322,126	-	20,133	-	648,031
Loan receivable	-	-	-	-	-	365,861	365,861
Prepaid expenses	40,768	-	42,725	78,470	-	-	161,963
<b>Total assets</b>	<u>\$ 1,069,973</u>	<u>\$ 1,512,444</u>	<u>\$ 737,886</u>	<u>\$ 78,470</u>	<u>\$ 559,899</u>	<u>\$ 1,147,014</u>	<u>\$ 5,105,686</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Accounts payable	\$ 13,165	\$ 147,571	\$ 3,384	\$ 920	\$ 12,674	\$ 14,128	\$ 191,842
Accrued expenses	20,452	-	-	-	-	-	20,452
Due to other funds	5,524	44,558	29,460	88,785	4,088	-	172,415
<b>Total liabilities</b>	<u>39,141</u>	<u>192,129</u>	<u>32,844</u>	<u>89,705</u>	<u>16,762</u>	<u>14,128</u>	<u>384,709</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Wellness credit	-	-	-	11,227	-	-	11,227
<b>Fund balances:</b>							
Nonspendable, Prepaid items	40,768	-	42,725	78,470	-	-	161,963
Restricted:							
Public safety	-	-	662,317	-	-	-	662,317
Public works	-	-	-	-	543,137	1,132,886	1,676,023
Parks and recreation	990,064	-	-	-	-	-	990,064
Capital projects	-	1,320,315	-	-	-	-	1,320,315
Unassigned	-	-	-	(100,932)	-	-	(100,932)
<b>Total fund balances</b>	<u>1,030,832</u>	<u>1,320,315</u>	<u>705,042</u>	<u>(22,462)</u>	<u>543,137</u>	<u>1,132,886</u>	<u>4,709,750</u>
<b>Total liabilities and fund balances</b>	<u>\$ 1,069,973</u>	<u>\$ 1,512,444</u>	<u>\$ 737,886</u>	<u>\$ 78,470</u>	<u>\$ 559,899</u>	<u>\$ 1,147,014</u>	<u>\$ 5,105,686</u>

**CITY OF RAYTOWN, MISSOURI**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE -- NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED OCTOBER 31, 2022**

	<b>Park</b>	<b>Capital Sales Tax</b>	<b>Public Safety Sales Tax</b>	<b>Risk Management</b>	<b>Storm Water</b>	<b>Capital Improvements</b>	<b>Total Governmental Funds</b>
<b>REVENUES:</b>							
Taxes	\$ 997,607	\$ 1,419,510	\$ 1,892,680	\$ -	\$ 118,293	\$ -	\$ 4,428,090
Intergovernmental	234,721	-	-	-	-	-	234,721
Charges for service	99,043	-	-	-	-	-	99,043
Use of money and property	12,193	14,877	7,275	-	6,325	35,563	76,233
Miscellaneous	13,793	-	-	43,415	-	-	57,208
<b>Total revenues</b>	<b>1,357,357</b>	<b>1,434,387</b>	<b>1,899,955</b>	<b>43,415</b>	<b>124,618</b>	<b>35,563</b>	<b>4,895,295</b>
<b>EXPENDITURES:</b>							
Current:							
General government	-	-	-	134,352	-	-	134,352
Parks and recreation	1,423,967	-	-	-	-	-	1,423,967
Public safety	-	-	280,836	-	-	-	280,836
Public works	-	-	-	-	31,062	16,988	48,050
Capital outlay	217,778	1,314,813	166,119	-	201,068	-	1,899,778
<b>Total expenditures</b>	<b>1,641,745</b>	<b>1,314,813</b>	<b>446,955</b>	<b>134,352</b>	<b>232,130</b>	<b>16,988</b>	<b>3,786,983</b>
Excess (deficiency) of revenues over expenditures	(284,388)	119,574	1,453,000	(90,937)	(107,512)	18,575	1,108,312
<b>OTHER FINANCING SOURCES (USES):</b>							
Sale of capital assets	16,300	20,025	-	-	-	-	36,325
Transfers in	-	-	-	-	150,000	-	150,000
Transfers out	(34,454)	(275,999)	(1,593,857)	-	(23,375)	-	(1,927,685)
<b>Total other financing sources and (uses)</b>	<b>(18,154)</b>	<b>(255,974)</b>	<b>(1,593,857)</b>	<b>-</b>	<b>126,625</b>	<b>-</b>	<b>(1,741,360)</b>
<b>Net change in fund balances</b>	<b>(302,542)</b>	<b>(136,400)</b>	<b>(140,857)</b>	<b>(90,937)</b>	<b>19,113</b>	<b>18,575</b>	<b>(633,048)</b>
Fund balances - beginning	1,333,374	1,456,715	845,899	68,475	524,024	1,114,311	5,342,798
Fund balances - ending	\$ 1,030,832	\$ 1,320,315	\$ 705,042	\$ (22,462)	\$ 543,137	\$ 1,132,886	\$ 4,709,750

**CITY OF RAYTOWN, MISSOURI  
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES --  
AGENCY FUNDS  
YEAR ENDED OCTOBER 31, 2022**

<b>350 Highway TDD</b>	<b>October 31, 2021</b>	<b>Additions</b>	<b>Deductions</b>	<b>October 31, 2022</b>
<b>ASSETS:</b>				
Pooled cash and investments	\$ 73,099	\$ 84,426	\$ 83,764	\$ 73,761
Taxes receivable	<u>12,754</u>	<u>85,650</u>	<u>84,426</u>	<u>13,978</u>
Total assets	<u>\$ 85,853</u>	<u>\$ 170,076</u>	<u>\$ 168,190</u>	<u>\$ 87,739</u>
<b>LIABILITIES,</b>				
Due to others	<u>\$ 85,853</u>	<u>\$ 170,076</u>	<u>\$ 168,190</u>	<u>\$ 87,739</u>
<b>Ditzler CID</b>	<b>October 31, 2021</b>	<b>Additions</b>	<b>Deductions</b>	<b>October 31, 2022</b>
<b>ASSETS,</b>				
Pooled cash and investments	\$ -	\$ -	\$ -	\$ -
Taxes receivable	<u>13,864</u>	<u>5,035</u>	<u>-</u>	<u>18,899</u>
Total assets	<u>\$ 13,864</u>	<u>\$ 5,035</u>	<u>\$ -</u>	<u>\$ 18,899</u>
<b>LIABILITIES,</b>				
Due to others	<u>\$ 13,864</u>	<u>\$ 5,035</u>	<u>\$ -</u>	<u>\$ 18,899</u>
<b>Total Agency Funds</b>	<b>October 31, 2021</b>	<b>Additions</b>	<b>Deductions</b>	<b>October 31, 2022</b>
<b>ASSETS:</b>				
Pooled cash and investments	\$ 76,385	\$ 84,426	\$ 83,764	\$ 73,761
Taxes receivable	<u>21,695</u>	<u>90,685</u>	<u>84,426</u>	<u>32,877</u>
Total assets	<u>\$ 98,080</u>	<u>\$ 175,111</u>	<u>\$ 168,190</u>	<u>\$ 106,638</u>
<b>LIABILITIES,</b>				
Due to others	<u>\$ 99,717</u>	<u>\$ 175,111</u>	<u>\$ 168,190</u>	<u>\$ 106,638</u>

**CITY OF RAYTOWN, MISSOURI  
BUDGETARY COMPARISON SCHEDULE --  
PARK FUND  
FOR THE YEAR ENDED OCTOBER 31, 2022**

	<b>Budgeted Amounts</b>		<b>Actual Amounts, Budgetary Basis</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES:</b>				
Taxes	\$ 920,200	\$ 920,200	\$ 997,607	\$ 77,407
Intergovernmental	225,000	225,000	234,721	9,721
Charges for services	94,400	62,900	99,043	36,143
Investment earnings	6,300	6,300	12,193	5,893
Miscellaneous	<u>15,500</u>	<u>15,500</u>	<u>13,793</u>	<u>(1,707)</u>
Total revenues	<u>1,261,400</u>	<u>1,229,900</u>	<u>1,357,357</u>	<u>127,457</u>
<b>EXPENDITURES:</b>				
Current,				
Parks and recreation	1,041,628	1,491,628	1,423,967	67,661
Capital outlay	<u>672,000</u>	<u>277,551</u>	<u>217,778</u>	<u>59,773</u>
Total expenditures	<u>1,713,628</u>	<u>1,769,179</u>	<u>1,641,745</u>	<u>127,434</u>
Deficiency of revenues over expenditures	<u>(452,228)</u>	<u>(539,279)</u>	<u>(284,388)</u>	<u>254,891</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from sale capital assets	15,000	15,000	16,300	1,300
Transfers out	<u>(32,000)</u>	<u>(32,000)</u>	<u>(34,454)</u>	<u>(2,454)</u>
Total other financing sources (uses)	<u>(17,000)</u>	<u>(17,000)</u>	<u>(18,154)</u>	<u>(1,154)</u>
Net change in fund balances	(469,228)	(556,279)	(302,542)	253,737
Fund balances - beginning	<u>1,333,374</u>	<u>1,333,374</u>	<u>1,333,374</u>	<u>-</u>
Fund balances - ending	<u>\$ 864,146</u>	<u>\$ 777,095</u>	<u>\$ 1,030,832</u>	<u>\$ 253,737</u>

**CITY OF RAYTOWN, MISSOURI  
BUDGETARY COMPARISON SCHEDULE --  
CAPITAL SALES TAX FUND  
FOR THE YEAR ENDED OCTOBER 31, 2022**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Taxes	\$ 1,300,000	\$ 1,300,000	\$ 1,419,510	\$ 119,510
Investment earnings	3,600	3,600	14,877	11,277
Total revenues	<u>1,303,600</u>	<u>1,303,600</u>	<u>1,434,387</u>	<u>130,787</u>
<b>EXPENDITURES,</b>				
Capital outlay	<u>1,377,551</u>	<u>1,933,206</u>	<u>1,622,378</u>	<u>310,828</u>
Deficiency of revenues over expenditures	<u>(73,951)</u>	<u>(629,606)</u>	<u>(187,991)</u>	<u>441,615</u>
<b>OTHER FINANCING SOURCES:</b>				
Proceeds from sale capital assets	10,000	10,000	20,025	10,025
Transfers out	<u>(280,000)</u>	<u>(280,000)</u>	<u>(275,999)</u>	<u>4,001</u>
Total other financing sources	<u>(270,000)</u>	<u>(270,000)</u>	<u>(255,974)</u>	<u>14,026</u>
Net change in encumbrances	-	-	307,565	10,850
Net change in fund balances	(343,951)	(899,606)	(136,400)	763,206
Fund balances - beginning	<u>1,456,715</u>	<u>1,456,715</u>	<u>1,456,715</u>	<u>-</u>
Fund balances - ending	<u>\$ 1,112,764</u>	<u>\$ 557,109</u>	<u>\$ 1,320,315</u>	<u>\$ 763,206</u>

**CITY OF RAYTOWN, MISSOURI  
BUDGETARY COMPARISON SCHEDULE --  
PUBLIC SAFETY SALES TAX FUND  
FOR THE YEAR ENDED OCTOBER 31, 2022**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Taxes	\$ 1,750,000	\$ 1,750,000	\$ 1,892,680	\$ 142,680
Investment earnings	<u>3,000</u>	<u>3,000</u>	<u>7,275</u>	<u>4,275</u>
Total revenues	<u>1,753,000</u>	<u>1,753,000</u>	<u>1,899,955</u>	<u>146,955</u>
<b>EXPENDITURES:</b>				
Current,				
Public Safety	304,586	322,731	280,836	41,895
Capital outlay	<u>46,470</u>	<u>179,755</u>	<u>176,820</u>	<u>2,935</u>
Total expenditures	<u>351,056</u>	<u>502,486</u>	<u>457,656</u>	<u>44,830</u>
Excess of revenues over expenditures	<u>1,401,944</u>	<u>1,250,514</u>	<u>1,442,299</u>	<u>191,785</u>
<b>OTHER FINANCING USES,</b>				
Transfers out	<u>(1,587,103)</u>	<u>(1,587,103)</u>	<u>(1,593,857)</u>	<u>(6,754)</u>
Net change in encumbrances	-	-	10,701	10,850
Net change in fund balances	(185,159)	(336,589)	(140,857)	195,732
Fund balances - beginning	<u>845,899</u>	<u>845,899</u>	<u>845,899</u>	<u>-</u>
Fund balances - ending	<u>\$ 660,740</u>	<u>\$ 509,310</u>	<u>\$ 705,042</u>	<u>\$ 195,732</u>

**CITY OF RAYTOWN, MISSOURI  
 BUDGETARY COMPARISON SCHEDULE --  
 RISK MANAGEMENT FUND  
 FOR THE YEAR ENDED OCTOBER 31, 2022**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Investment earnings	\$ 500	\$ 500	\$ -	\$ (500)
Miscellaneous	<u>67,500</u>	<u>67,500</u>	<u>43,415</u>	<u>(24,085)</u>
Total revenues	<u>68,000</u>	<u>68,000</u>	<u>43,415</u>	<u>(24,585)</u>
<b>EXPENDITURES,</b>				
Current,				
General government	<u>123,300</u>	<u>161,998</u>	<u>134,352</u>	<u>27,646</u>
Deficiency of revenues over expenditures	<u>(55,300)</u>	<u>(93,998)</u>	<u>(90,937)</u>	<u>3,061</u>
Fund balances - beginning	<u>68,475</u>	<u>68,475</u>	<u>68,475</u>	<u>-</u>
Fund balances - ending	<u>\$ 13,175</u>	<u>\$ (25,523)</u>	<u>\$ (22,462)</u>	<u>\$ 3,061</u>

**CITY OF RAYTOWN, MISSOURI  
BUDGETARY COMPARISON SCHEDULE --  
STORM WATER FUND  
FOR THE YEAR ENDED OCTOBER 31, 2022**

	<b>Budgeted Amounts</b>		<b>Actual Amounts, Budgetary Basis</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		<b>(Negative)</b>
<b>REVENUES:</b>				
Taxes	\$ 108,000	\$ 108,000	\$ 118,293	\$ 10,293
Investment earnings	1,300	1,300	6,325	5,025
Total revenues	<u>109,300</u>	<u>109,300</u>	<u>124,618</u>	<u>15,318</u>
<b>EXPENDITURES:</b>				
Current,				
Public works	89,600	91,531	31,062	60,469
Capital outlay	150,000	237,325	237,194	131
Total expenditures	<u>239,600</u>	<u>328,856</u>	<u>268,256</u>	<u>60,600</u>
Deficiency of revenues over expenditures	<u>(130,300)</u>	<u>(219,556)</u>	<u>(143,638)</u>	<u>75,918</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	150,000	150,000	150,000	-
Transfers out	(23,000)	(23,000)	(23,375)	(375)
Total other financing sources	<u>127,000</u>	<u>127,000</u>	<u>126,625</u>	<u>(375)</u>
Net change in encumbrances	-	-	36,126	10,850
Net change in fund balances	(3,300)	(92,556)	19,113	111,669
Fund balances - beginning	<u>524,024</u>	<u>524,024</u>	<u>524,024</u>	<u>-</u>
Fund balances - ending	<u>\$ 520,724</u>	<u>\$ 431,468</u>	<u>\$ 543,137</u>	<u>\$ 111,669</u>

**CITY OF RAYTOWN, MISSOURI  
BUDGETARY COMPARISON SCHEDULE --  
CAPITAL IMPROVEMENTS FUND  
FOR THE YEAR ENDED OCTOBER 31, 2022**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES,</b>				
Investment earnings	\$ 34,870	\$ 34,870	\$ 35,563	\$ 693
<b>EXPENDITURES,</b>				
Current,				
Public works	18,700	18,700	16,988	1,712
Excess of revenues over expenditures	16,170	16,170	18,575	2,405
Fund balances - beginning	1,114,311	1,114,311	1,114,311	-
Fund balances - ending	\$ 1,130,481	\$ 1,130,481	\$ 1,132,886	\$ 2,405



May 26, 2023

To the Honorable Mayor  
And Members of the  
Board of Aldermen  
City of Raytown, Missouri

We have audited the financial statements of the City of Raytown, Missouri, as of and for the year ended October 31, 2022, and have issued our report thereon dated May 26, 2023. Professional standards require that we advise you of the following matters relating to our audit.

### **Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter dated August 24, 2022, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the City of Raytown, Missouri, solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our findings regarding significant control deficiencies over financial reporting, and other matters noted during our audit in a separate letter to you dated May 26, 2023.

## **Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

## **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, our firm, and our network firms has complied with all relevant ethical requirements regarding independence.

## **Qualitative Aspects of the Entity's Significant Accounting Practices**

### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by City of Raytown, Missouri, is included in Note 1 to the financial statements. As described in Note 23 to the financial statements, during the year, the entity changed its method of accounting for leases by adopting Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. The accounting change had no effect in the Statement of Activities. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### *Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are capital asset lives, allowance for uncollectible accounts, compensated absences, and other postemployment benefits.

- Management's estimate of the useful lives of capital assets is based on historical information and industry guidance.
- Management's estimate of the allowance for uncollectible accounts for water and sewer services is based on consideration of past experience, current delinquent accounts, payment history, and other information contained in customer files.
- Management's estimate of compensated absences is based on current hourly rates and policies regarding payment of sick and vacation banks.

- Management's estimate of other postemployment benefit costs, (OPEB) including the actuarial methods and assumptions, are based on plan provisions, healthcare-related trends, and payroll data.

We evaluated the key factors and assumptions used to develop the estimates and determined that it is reasonable in relation to the basic financial statements taken as a whole.

### *Financial Statement Disclosures*

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The financial statement disclosures are neutral, consistent, and clear.

### **Significant Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

### **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. Management has corrected all identified misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The attached adjusting journal entry report lists the material entries that we identified as a result of our audit procedures and brought to the attention of, and were corrected by, management.

### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to City of Raytown, Missouri's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

## **Representations Requested from Management**

We have requested certain written representations from management, which are included in the attached letter dated May 26, 2023.

## **Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

## **Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with City of Raytown, Missouri, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as City of Raytown, Missouri's auditors.

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

*Troutt, Beeman & Co., P.C.*  
TROUTT, BEEMAN & CO., P.C.  
Harrisonville, Missouri