

CITY OF RAYTOWN, MISSOURI

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
OCTOBER 31, 2019**

CITY OF RAYTOWN, MISSOURI

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CITY OF RAYTOWN, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ending October 31, 2019
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, 2019.

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 2019 fiscal year by \$15,295,011 (net position).

The City's total net position increased \$1,395,130 from 2018 with governmental activities decreased totaling \$330,183 and business-type activities increased totaling \$1,725,313.

The City's General Fund balance increased \$558,977 to an ending fund balance of \$6,808,685 as of the fiscal year ended October 31, 2019.

The City's total long-term obligations decreased \$4,752,921 from 2018 with the governmental activities accounting for \$4,107,169 decrease, and business-type activities accounting for \$645,752 decrease as the City continues to reduce its long-term obligations. There was a refinance of revenue bonds that resulted in a significant decrease in the governmental activities portion.

Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

CITY OF RAYTOWN, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ending October 31, 2019
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Government-wide Financial Analysis

The following table reflects the condensed Statement of Net Position as of October 31, 2019 and 2018:

City of Raytown						
Condensed Statement of Net Position						
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Current assets	\$19,362,026	\$20,250,727	\$ 6,750,824	\$ 5,352,650	\$26,112,850	\$25,603,377
Noncurrent assets	27,426,435	30,120,499	13,733,099	14,099,130	41,159,534	44,219,629
Deferred outflows of resources	<u>3,479,836</u>	<u>3,427,633</u>	<u>222,481</u>	<u>56,732</u>	<u>3,702,317</u>	<u>3,484,365</u>
Total assets and deferred outflows of resources	<u>\$50,268,297</u>	<u>\$53,798,859</u>	<u>\$20,706,404</u>	<u>\$19,508,512</u>	<u>\$70,974,701</u>	<u>\$73,307,371</u>
Current liabilities	\$ 4,616,663	\$14,091,871	\$ 2,050,034	\$ 2,055,933	\$ 6,666,697	\$16,147,804
Noncurrent liabilities	39,252,902	33,509,024	7,629,412	8,249,017	46,882,314	41,758,041
Deferred inflows of resources	<u>2,017,378</u>	<u>1,486,427</u>	<u>113,301</u>	<u>15,218</u>	<u>2,130,679</u>	<u>1,501,645</u>
Total liabilities and deferred inflows of resources	<u>\$45,886,943</u>	<u>\$49,087,322</u>	<u>\$ 9,792,747</u>	<u>\$10,320,168</u>	<u>\$55,679,690</u>	<u>\$59,407,490</u>
Net Position:						
Net investment in capital assets	\$27,426,435	\$30,120,499	\$ 5,517,921	\$ 5,030,257	\$32,944,356	\$35,150,756
Restricted	10,158,660	9,875,118	589,671	573,116	10,748,331	10,448,234
Unrestricted	<u>[33,203,741]</u>	<u>[35,284,080]</u>	<u>4,806,065</u>	<u>3,584,971</u>	<u>[28,397,676]</u>	<u>[31,699,109]</u>
Total net position	<u>\$ 4,381,354</u>	<u>\$ 4,711,537</u>	<u>\$10,913,657</u>	<u>\$ 9,188,344</u>	<u>\$15,295,011</u>	<u>\$13,899,881</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 \$4,381,354 for the City's governmental activities and \$10,913,657 for the City's business-type activities for a total of \$15,295,011 at the close of the 2019 fiscal year.

The largest portion of the City's net position, \$32,944,356, 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, 2019 and 2018:

City of Raytown Changes in Net Position						
	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	1,944,282	2,191,249	7,535,156	6,945,167	9,479,438	9,136,416
Operating grants and contributions	1,225,639	18,387	-	-	1,225,639	18,387
Capital grants and contributions	22,389	761,764	-	-	22,389	761,764
General revenues:						
Property tax	1,780,337	1,744,529			1,780,337	1,744,529
Sales tax	8,261,973	8,123,825			8,261,973	8,123,825
Franchise tax	3,537,487	3,812,717			3,537,487	3,812,717
Intergovernmental activity tax	1,336,286	1,347,392			1,336,286	1,347,392
Miscellaneous	1,203,235	1,465,530	79,963	-	1,283,198	1,465,530
Investment earnings	569,456	475,748	327,325	309,901	896,781	785,649
Total revenues	19,881,084	19,941,141	7,942,444	7,255,068	27,823,528	27,196,209
Program expenses:						
General government	2,335,565	2,024,656	-	-	2,335,565	2,024,656
Parks and recreation	1,037,043	1,062,475	-	-	1,037,043	1,062,475
Community development	638,225	887,204	-	-	638,225	887,204
Public safety	7,912,159	7,281,607	-	-	7,912,159	7,281,607
Public works	5,396,922	5,171,963	-	-	5,396,922	5,171,963
Bond and arbitrage costs	1,254,971	-	-	-	1,254,971	-
Interest on long term debt	1,636,383	1,647,513	-	-	1,636,383	1,647,513
Sewer	-	-	6,217,131	6,521,005	6,217,131	6,521,005
Total expenses	20,211,268	18,075,418	6,217,131	6,521,005	26,428,399	24,596,423
Transfers in (out)	-	-	-	-	-	-
Change in net position	[330,184]	1,865,723	1,725,313	734,063	1,395,129	2,599,786
Net position, beginning	4,711,538	2,845,815	9,188,344	8,454,281	13,899,882	11,300,096
Net position, ending	\$ 4,381,354	\$ 4,711,538	\$ 10,913,657	\$ 9,188,344	\$ 15,295,011	\$ 13,899,882

CITY OF RAYTOWN, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
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Governmental Activities

Governmental activities decreased the City's net position by \$330,184. Governmental fund revenues decreased \$60,057 over 2018. The largest single revenue category for the City of Raytown remains taxes, including property, sales and franchise taxes. This line totaled \$13,579,797 or 70.5% of total governmental revenue.

Governmental activities expenses increased \$2,135,850 for the fiscal year ended October 31, 2019, compared to the prior year. Bond and arbitrage costs increased by \$1,254,971 due to the refinancing of the TIF bonds.

Business-type Activities

The Sanitary Sewer Fund is responsible for the total business-type activities for the City. In 2019, operating revenues were up \$669,952 due to a 10% increase in the sewer rate structure. Business-type operating expenses decreased \$264,261 from 2018. The expenses in these statements do not include principal payments made to the sewer bonds of \$869,616, the change in net position with this included would be \$855,697.

Financial Analysis of the City's Funds

Governmental Funds

As of the end of the 2019 fiscal year, the City's governmental funds have a combined fund balance of \$17,070,299, which represents a decrease of \$1,497,683 over 2018. This can largely be attributed to the refinance of the TIF bonds which occurred in September 2019.

General Fund

The fund balance of the General Fund increased \$558,977 during the fiscal year compared to a \$1,153,484 increase in 2018. The General Fund unassigned ending fund balance was \$5,366,010 or 50.23% of current year revenues and 45.15% of current year expenditures and transfers out.

The General Fund revenues were \$10,682,273 compared to \$11,153,021 in 2018 which represents a decrease of \$470,748 over 2018. The most significant variances occurred with Charges for Services which decreased \$229,933 over 2018 as a result of diminished revenue from EMS.

General Fund expenditures, including transfers out, were \$11,883,858 compared to \$9,999,537 in 2018 which represents an increase of \$1,884,321 or 18.84%. There was a transfer into General Fund from Public Safety Sales Tax Fund of \$1,760,562 to cover these costs in General Fund. After this transfer is accounted, the increase in expenses was \$123,759.

Tax Increment Finance Fund

The TIF Fund revenues were \$3,182,666 compared to \$2,969,250 in 2018, which represents an increase of \$213,416 primarily due to city sales taxes available for TIF.

The expenditures were \$3,083,238 compared to \$3,271,933 in 2018 which represents a decrease of \$188,695. This decrease was due to the decreases in debt service payments related to the 350 Highway TIF bonds and developer obligations.

The ending fund balance of the Tax Increment Finance (TIF) Fund was \$3,952,661 at October 31, 2019, a decrease of \$2,829,664 from 2018. This reduction is a direct result from refinancing of the TIF Bonds in September 2019.

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Transportation Sales Tax Fund

The fund balance of the Transportation Sales Tax Fund increased \$864,928 during the fiscal year. It is expected that these funds will be further used in the upcoming capital projects in 2020-2021.

Other Governmental Funds (Combined)

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

The other governmental funds combined revenues and transfers in 2019 were \$4,068,449 compared to \$4,000,884 in 2018, which includes a sale of capital assets in 2019.

Combined expenditures and transfers out for other Governmental Funds were \$4,160,374 compared to \$3,146,272 in 2018 which represents an increase of \$1,014,102. The increase is due to a change in accounting of Public Safety Sales Tax now being transferred to General Fund to cover Public Safety expenses now accounted in that fund and capital outlay.

The combined fund balance of the other governmental funds decreased \$91,925 to an ending balance of \$5,106,581 as of October 31, 2019.

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 \$7,615,119 in 2019 compared to operating revenues of \$6,945,167 in 2018. The increase of \$669,952 is related to a 10% rate increase. Expenses decreased \$264,261. As discussed above, sewer treatment costs, repair and maintenance and a change in the method of cost allocation were the primary reasons for the variances.

The net position of the Sanitary Sewer fund at the end of the year increased \$1,725,313 to an ending balance of \$10,913,657. Of the ending net position \$5,517,921 is the City's investment in capital assets. The amount of \$589,671 is restricted for debt service and \$4,806,065 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 \$65,077 less than the final budget. Actual expenditures and transfers out were \$1,085,234 less than the final budget. The positive variance occurred across most departments and functions primarily related to personnel costs due to some vacancies including 2 key management personnel and reductions in supplies, services and charges expenditures.

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

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Capital Asset and Debt Administration

The City's investment in capital assets for its governmental and business-type activities as of October 31, 2019, amounts to \$41,159,534 compared to \$44,219,629 in 2018 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, collection systems, machinery and equipment, and infrastructure. In 2019, the City transferred the EMS Operation and assets to the Raytown Fire District.

The following table reflects the capital asset activity for the years ended October 31, 2019 and 2018:

City of Raytown Capital Assets (Net of Depreciation)						
	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 1,473,340	\$ 1,573,340	\$ 433,393	\$ 433,393	\$ 1,906,733	\$ 2,006,733
Construction in progress	179,278	426,607	152,121	-	331,399	426,607
Buildings and improvements	2,826,710	3,235,221	-	-	2,826,710	3,235,221
Equipment and vehicles	2,317,384	2,402,820	41,484	57,662	2,358,868	2,460,482
Infrastructure	<u>20,629,723</u>	<u>22,482,511</u>	<u>13,106,101</u>	<u>13,608,075</u>	<u>33,735,824</u>	<u>36,090,586</u>
Total	<u>\$ 27,426,435</u>	<u>\$ 30,120,499</u>	<u>\$ 13,733,099</u>	<u>\$ 14,099,130</u>	<u>\$ 41,159,534</u>	<u>\$ 44,219,629</u>

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

Debt Administration

At the end of fiscal year 2019, the City had a total of \$50,113,783 of outstanding debt compared to \$54,866,704 in 2018. This was a decrease of \$4,752,921 from the previous year, largely due to a refinance of the TIF Bonds and continued payments for sewer bond principal.

The following table reflects changes in the City's long-term debt for the years ended October 31, 2019 and 2018:

City of Raytown Long-Term Debt						
	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Tax increment and sales tax revenue bonds (including premium)	\$ 28,800,000	\$ 32,803,094	\$ -	\$ -	\$ 28,800,000	\$ 32,803,094
Revenue bonds (including premium)	-	-	8,215,178	9,084,794	8,215,178	9,084,794
Compensated absences	478,063	463,202	45,153	46,429	523,216	509,631
Net Pension	10,478,995	10,383,173	296,118	64,871	10,775,113	10,448,044
Developer obligation	1,483,701	1,622,431	-	-	1,483,701	1,622,431
Net OPEB obligation	<u>288,843</u>	<u>364,871</u>	<u>27,732</u>	<u>33,839</u>	<u>316,575</u>	<u>398,710</u>
Total	<u>\$ 41,529,602</u>	<u>\$ 45,636,771</u>	<u>\$ 8,584,181</u>	<u>\$ 9,229,933</u>	<u>\$ 50,113,783</u>	<u>\$ 54,866,704</u>

Requests for Information

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



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Raytown, Missouri (the City), as of the year ended October 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Raytown, Missouri, as of October 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Missouri Local Government Employees Retirement System, OPEB, and Budgetary Comparison Information on pages iii through ix and 49 through 58 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with managements responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Raytown, Missouri's basic financial statements. The combining and individual non-major fund financial statements and other budgetary schedules, listed in the table of contents as supplemental information, are presented for purposes of additional analysis, and are not a required part of the basic financial statements.

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

Troutt, Beeman & Co., P.C.

Harrisonville, Missouri
June 1, 2020

**CITY OF RAYTOWN, MISSOURI
STATEMENT OF NET POSITION
OCTOBER 31, 2019**

	Primary Government		
	Governmental	Business-type	Total
	Activities	Activities	
ASSETS			
Pooled cash and investments	\$ 10,592,426	\$ 4,330,471	\$ 14,922,897
Cash and investments-restricted	4,229,223	589,671	4,818,894
Taxes receivable, net	1,681,214	-	1,681,214
Due from other governments	275,354	-	275,354
Accrued interest	15,812	6,890	22,702
Accounts receivable, net	269,878	1,743,450	2,013,328
Loan receivable	574,774	-	574,774
Fines receivable	49,956	-	49,956
Due from agency fund	14	-	14
Inventories	12,166	-	12,166
Prepaid expenses	626,777	80,342	707,119
Land held for future use	1,034,432	-	1,034,432
Capital assets:			
Land and construction in progress	1,652,618	585,514	2,238,132
Buildings and improvements	7,047,940	-	7,047,940
Vehicles and equipment	9,834,214	677,920	10,512,134
Distribution system	-	25,485,895	25,485,895
Infrastructure	66,032,794	-	66,032,794
Less: accumulated depreciation	<u>(57,141,131)</u>	<u>(13,016,230)</u>	<u>(70,157,361)</u>
Total capital assets	<u>27,426,435</u>	<u>13,733,099</u>	<u>41,159,534</u>
Total assets	<u>46,788,461</u>	<u>20,483,923</u>	<u>67,272,384</u>
DEFERRED OUTFLOWS OF RESOURCES			
OPEB	17,851	1,714	19,565
Debt refunding	-	14,152	14,152
Pension	<u>3,461,985</u>	<u>206,615</u>	<u>3,668,600</u>
Total deferred outflows of resources	<u>3,479,836</u>	<u>222,481</u>	<u>3,702,317</u>
Total assets and deferred outflows of resources	<u>50,268,297</u>	<u>20,706,404</u>	<u>70,974,701</u>
LIABILITIES			
Accounts payable and accrued expenses	2,194,878	371,834	2,566,712
Unapplied payments	-	95,606	95,606
Customer deposits	-	510,350	510,350
Courts bonds payable	46,893	-	46,893
Long-term liabilities:			
Due within one year:			
Bonds, capital leases, and contracts	1,930,000	909,616	2,839,616
Compensated absences	346,700	45,153	391,853
Accrued interest	98,192	117,475	215,667
Due in more than one year:			
Bonds, capital leases, and contracts	26,870,000	7,305,562	34,175,562
Net pension	10,478,995	296,118	10,775,113
Developer obligations	1,483,701	-	1,483,701
OPEB	288,843	27,732	316,575
Compensated absences	<u>131,363</u>	<u>-</u>	<u>131,363</u>
Total liabilities	<u>43,869,565</u>	<u>9,679,446</u>	<u>53,549,011</u>
DEFERRED INFLOWS OF RESOURCES			
Debt refunding	192,289	-	192,289
OPEB	14,988	1,439	16,427
Pension	<u>1,810,101</u>	<u>111,862</u>	<u>1,921,963</u>
Total deferred inflows of resources	<u>2,017,378</u>	<u>113,301</u>	<u>2,130,679</u>
NET POSITION			
Net investment in capital assets	27,426,435	5,517,921	32,944,356
Restricted for:			
Capital projects	2,579,325	-	2,579,325
Parks	1,018,040	-	1,018,040
Public works	1,145,004	-	1,145,004
Public safety	703,279	-	703,279
Debt service	4,086,235	589,671	4,675,906
Prepaid items	626,777	-	626,777
Unrestricted	<u>(33,203,741)</u>	<u>4,806,065</u>	<u>(28,397,676)</u>
Total net position	<u>4,381,354</u>	<u>10,913,657</u>	<u>15,295,011</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 50,268,297</u>	<u>\$ 20,706,404</u>	<u>\$ 70,974,701</u>

See accompanying notes.

**CITY OF RAYTOWN, MISSOURI
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED OCTOBER 31, 2019**

Functions/Programs	Net (Expense) Revenue and Changes in Net Position				
	Expenses	Charges for Services	Primary Government		Total
			Program Revenue and Contributions	Capital Grants and Contributions	
Primary government:					
Governmental activities:					
General government	\$ 2,335,565	\$ 289,189	\$ -	\$ -	\$ (2,046,376)
Public safety	7,912,159	1,250,300	22,500	-	(6,639,359)
Community development	638,225	251,291	-	-	(386,934)
Public works	5,396,922	51,775	1,203,139	22,389	(4,119,619)
Parks and recreation	1,037,043	101,727	-	-	(935,316)
Bond and arbitrage costs	1,254,971	-	-	-	(1,254,971)
Interest on long-term debt	1,636,383	-	-	-	(1,636,383)
Total governmental activities	20,211,268	1,944,282	1,225,639	22,389	(17,018,958)
Business-type activities:					
Water and sewer	6,217,131	7,535,156	-	-	1,318,025
Total business-type activities	6,217,131	7,535,156	-	-	1,318,025
Total primary government	\$ 26,428,399	\$ 9,479,438	\$ 1,225,639	\$ 22,389	(15,700,933)
General revenues:					
Taxes:					
Property taxes, levied for general purposes					1,187,356
Property taxes, levied for specific purposes					592,981
Franchise taxes and other taxes					3,537,487
Sales taxes					8,261,973
Intergovernmental activity tax					1,336,286
Investment earnings					569,456
Miscellaneous revenue (expense)					327,325
Total general revenues, special items, and transfers					1,203,235
Change in net position					79,963
Net position - beginning					407,288
Net position - ending					1,725,313
					(330,184)
					9,188,344
					4,711,538
					\$ 4,381,354
					\$ 10,913,657
					\$ 15,295,011

See accompanying notes.

**CITY OF RAYTOWN, MISSOURI
BALANCE SHEET
GOVERNMENTAL FUNDS
OCTOBER 31, 2019**

	<u>General</u>	<u>Transportation Sales Tax</u>	<u>TIF</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Pooled cash and investments	\$ 4,951,127	\$ 1,392,057	\$ 120,910	\$ 4,128,332	\$ 10,592,426
Cash and investments-restricted	-	-	4,229,223	-	4,229,223
Taxes receivable, net	834,623	262,159	20,142	564,290	1,681,214
Accounts receivable, net	319,834	-	-	-	319,834
Due from other funds	-	-	248,918	-	248,918
Due from other governments	100,710	-	174,644	-	275,354
Inventory	12,166	-	-	-	12,166
Accrued interest	6,988	2,039	214	6,571	15,812
Loan receivable	-	-	-	574,774	574,774
Land held for future use	1,034,432	-	-	-	1,034,432
Prepaid expenses	<u>408,243</u>	<u>-</u>	<u>-</u>	<u>218,534</u>	<u>626,777</u>
Total assets	<u>\$ 7,668,123</u>	<u>\$ 1,656,255</u>	<u>\$ 4,794,051</u>	<u>\$ 5,492,501</u>	<u>\$ 19,610,930</u>
 LIABILITIES AND FUND BALANCES					
Accounts payable	\$ 223,148	\$ 397,391	\$ 841,390	\$ 280,056	\$ 1,741,985
Accrued expenses	426,471	-	-	26,422	452,893
Court bonds payable	46,893	-	-	-	46,893
Due to other funds	<u>112,970</u>	<u>56,492</u>	<u>-</u>	<u>79,442</u>	<u>248,904</u>
Total liabilities	<u>809,482</u>	<u>453,883</u>	<u>841,390</u>	<u>385,920</u>	<u>2,490,675</u>
 DEFERRED INFLOWS OF RESOURCES					
Court Fines	<u>49,956</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,956</u>
 Fund balances:					
Nonspendable:					
Prepaid items	408,243	-	-	218,534	626,777
Land held for future use	1,034,432	-	-	-	1,034,432
Restricted:					
Capital projects	-	-	-	2,579,325	2,579,325
Parks and recreation	-	-	-	1,056,285	1,056,285
Debt service	-	-	3,952,661	241,200	4,193,861
Public works	-	1,202,372	-	-	1,202,372
Public safety	-	-	-	942,310	942,310
Assigned to:					
General government	-	-	-	68,927	68,927
Unassigned	<u>5,366,010</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,366,010</u>
Total fund balances	<u>6,808,685</u>	<u>1,202,372</u>	<u>3,952,661</u>	<u>5,106,581</u>	<u>17,070,299</u>
Total liabilities and fund balances	<u>\$ 7,668,123</u>	<u>\$ 1,656,255</u>	<u>\$ 4,794,051</u>	<u>\$ 5,492,501</u>	<u>\$ 19,610,930</u>

See accompanying notes.

**CITY OF RAYTOWN, MISSOURI
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
OCTOBER 31, 2019**

Fund balances - total governmental funds \$ 17,070,299

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

Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position. 27,426,435

Interest on long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due. (98,192)

Deferred pension and OPEB inflows and outflows are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position:

Inflows	(1,825,089)
Outflows	<u>3,479,836</u>
	<u>1,654,747</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: (192,289)

Other long-term assets are not available to pay for current period and, therefore, are reported as unavailable revenue in the funds. 49,956

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	(28,800,000)
OPEB Obligation	(288,843)
Development obligations	(1,483,701)
Net pension	(10,478,995)
Compensated absences	<u>(478,063)</u>
	<u>(41,529,602)</u>

Net Position of Governmental Activities in the Statement of Net Position \$ 4,381,354

See accompanying notes.

CITY OF RAYTOWN, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE --
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED OCTOBER 31, 2019

	<u>General Fund</u>	<u>Transportation Sales Tax</u>	<u>TIF</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES					
Taxes	\$ 7,388,194	\$ 1,190,788	\$ 1,536,387	\$ 3,464,428	\$ 13,579,797
Licenses and permits	515,713	-	-	-	515,713
Intergovernmental	1,219,541	331,776	1,380,314	6,098	2,937,729
Charges for services	1,087,431	-	-	101,727	1,189,158
Fees and fines	236,491	-	-	-	236,491
Use of money and property	109,469	23,985	265,965	170,037	569,456
Other	125,434	-	-	103,234	228,668
	<u>10,682,273</u>	<u>1,546,549</u>	<u>3,182,666</u>	<u>3,845,524</u>	<u>19,257,012</u>
Total revenues					
EXPENDITURES					
Current:					
Current expenditures:					
General government	2,023,675	-	-	42,270	2,065,945
Public safety	7,188,768	-	-	39,091	7,227,859
Public works	1,848,993	-	-	151,641	2,000,634
Parks and recreation	-	-	-	910,083	910,083
Community development	672,422	-	120,338	-	792,760
Capital outlay	-	681,621	-	1,256,727	1,938,348
Debt service:					
Principal	-	-	1,355,000	-	1,355,000
Interest and other charges	-	-	1,607,900	-	1,607,900
	<u>11,733,858</u>	<u>681,621</u>	<u>3,083,238</u>	<u>2,399,812</u>	<u>17,898,529</u>
Total expenditures					
Excess (deficiency) of revenues over expenditures	<u>(1,051,585)</u>	<u>864,928</u>	<u>99,428</u>	<u>1,445,712</u>	<u>1,358,483</u>
OTHER FINANCING SOURCES (USES)					
Refunding bonds	-	-	28,800,000	-	28,800,000
Bond issue costs	-	-	(458,660)	-	(458,660)
Payment to refunded bond escrow agent	-	-	(31,852,121)	-	(31,852,121)
Arbitrage payment	-	-	(796,311)	-	(796,311)
Forward delivery agreement	-	-	1,378,000	-	1,378,000
Sale of capital assets	-	-	-	72,925	72,925
Transfers in	1,760,562	-	-	150,000	1,910,562
Transfers out	(150,000)	-	-	(1,760,562)	(1,910,562)
	<u>1,610,562</u>	<u>-</u>	<u>(2,929,092)</u>	<u>(1,537,637)</u>	<u>(2,856,167)</u>
Total other financing sources and uses					
Net change in fund balances	558,977	864,928	(2,829,664)	(91,925)	(1,497,684)
Fund balances - beginning	<u>6,249,708</u>	<u>337,444</u>	<u>6,782,325</u>	<u>5,198,506</u>	<u>18,567,983</u>
Fund balances - ending	<u>\$ 6,808,685</u>	<u>\$ 1,202,372</u>	<u>\$ 3,952,661</u>	<u>\$ 5,106,581</u>	<u>\$ 17,070,299</u>

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, 2019

Net change in fund balances - total governmental funds: \$ (1,497,684)

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	1,938,348
Net book value of assets transferred to a fire district	(476,358)
Capital outlay expensed	(1,046,478)
Depreciation expense	<u>(3,109,576)</u>
	(2,694,064)

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:

Principal payments to escrow agent	31,240,000
Issuance of debt	(28,800,000)
Repayment of principal	<u>1,355,000</u>
	3,795,000

Governmental funds report premiums and discounts as other financing sources. In contrast, those items are capitalized on the Statement of Net Position and amortized over the life of the bonds on the Statement of Activities. This is the net amount of premiums, discounts, and amortization:

Amortization of premiums/discounts	<u>15,805</u>
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Intergovernmental revenues reported previously in the statement of activities	<u>(350,495)</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:

Pension expense	(306,254)
Accrued interest not reflected on governmental funds	583,638
Developer obligation	138,730
Compensated absences	<u>(14,860)</u>
	<u>401,254</u>

Change in net position of governmental activities	<u>\$ (330,184)</u>
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See accompanying notes.

**CITY OF RAYTOWN, MISSOURI
STATEMENT OF NET POSITION
PROPRIETARY FUND
OCTOBER 31, 2019**

	Sewer Utility
ASSETS:	
Current assets:	
Pooled cash and investments	\$ 4,330,471
Cash and investments-restricted	589,671
Receivables, net:	
Billed	488,000
Unbilled	1,255,450
Interest	6,890
Prepaid expenses	80,342
Total current assets	6,750,824
Non-current assets,	
Capital assets, net	13,733,099
Total assets	20,483,923
 DEFERRED OUTFLOWS OF RESOURCES:	
Other postemployment benefits	1,714
Debt refunding	14,152
Pension	206,615
Total deferred outflows of resources	222,481
 Total assets and deferred outflows of resources	 \$ 20,706,404
 LIABILITIES:	
Current liabilities:	
Accounts payable	317,102
Accrued expenses	54,732
Unapplied payments	95,606
Accrued interest payable	117,475
Customer deposits	510,350
Compensated absences	45,153
Bonds, notes, and loans payable	909,616
Total current liabilities	2,050,034
Non-current liabilities:	
Net pension	296,118
Other postemployment benefits	27,732
Bonds, notes, and loans payable	7,305,562
Total non-current liabilities	7,629,412
Total liabilities	9,679,446
 DEFERRED INFLOWS OF RESOURCES:	
Other postemployment benefits	1,439
Pension	111,862
Total deferred inflows of resources	113,301
 NET POSITION:	
Net investment in capital assets	5,517,921
Restricted for debt service	589,671
Unrestricted	4,806,065
Total net position	10,913,657
 Total liabilities, deferred inflows of resources, and net position	 \$ 20,706,404

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, 2019

	Sewer Utility
REVENUES:	
Charges for services	\$ 7,535,156
Miscellaneous	<u>79,963</u>
Total operating revenues	<u>7,615,119</u>
OPERATING EXPENSES:	
Personnel services	925,409
Contractual services	146,416
Materials and supplies	100,382
Maintenance and repairs	191,618
Sewer services	3,868,813
Depreciation and amortization	523,821
Bad debts	<u>60,538</u>
	<u>5,816,997</u>
Operating income	<u>1,798,122</u>
NON-OPERATING REVENUES (EXPENSES):	
Interest income	327,325
Interest expense	<u>(400,134)</u>
	<u>(72,809)</u>
Increase in net position	<u>1,725,313</u>
Total net position - beginning	<u>9,188,344</u>
Total net position - ending	<u>\$ 10,913,657</u>

See accompanying notes.

CITY OF RAYTOWN, MISSOURI

**STATEMENT OF CASH FLOWS -- PROPRIETARY FUND
FOR THE YEAR ENDED OCTOBER 31, 2019**

	<u>Water and Sewer</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Received from customers	\$ 7,239,837
Payments to employees and fringe benefits	(925,409)
Payments for operations	<u>(4,309,163)</u>
Net cash provided by operating activities	<u>2,005,265</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Acquisition and construction of capital assets	(157,792)
Principal paid on capital debt and leases	(869,616)
Interest paid on capital debt and leases	<u>(412,310)</u>
Net cash used by capital and related financing activities	<u>(1,439,718)</u>
CASH FLOWS FROM INVESTING ACTIVITIES,	
Investment income	<u>333,632</u>
Net cash provided by investing activities	<u>333,632</u>
Net increase in cash and cash equivalents	899,179
Cash and cash equivalents, Beginning of the year	<u>4,020,963</u>
Cash and cash equivalents, End of the year	<u>\$ 4,920,142</u>
Cash and investments	4,330,471
Restricted cash and investments	<u>589,671</u>
Total cash and restricted cash and investment	<u>\$ 4,920,142</u>
Reconciliation of operating income to net cash provided by operating activities,	
Operating income	<u>\$ 1,798,122</u>
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization expense	523,821
Changes in assets and liabilities:	
Receivables, net	(467,058)
Pension related deferrals and assets	59,391
Prepaid items	(31,937)
Accounts payable and accrued liabilities	18,974
Deferred revenue	98,083
Accrued interest payable	12,176
Accrued interest receivable	<u>(6,307)</u>
Total adjustments	<u>207,143</u>
Net cash provided by operating activities	<u>\$ 2,005,265</u>

See accompanying notes.

**CITY OF RAYTOWN, MISSOURI
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
October 31, 2019**

	Police Pension Trust	Agency Funds
ASSETS:		
Pooled cash and investments	\$ 10,417,113	\$ 74,756
Taxes receivable, net	-	35,115
Total assets	\$ 10,417,113	\$ 109,871
 LIABILITIES,		
Due to others	\$ -	\$ 109,871
 NET POSITION,		
Held in trust for pension benefits	\$ 10,417,113	\$ -

See accompanying notes.

**CITY OF RAYTOWN, MISSOURI
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
October 31, 2019**

	Police Pension Trust
Additions:	
Employer contributions	\$ 590,682
Investment earnings:	
Interest and dividends	587,608
Net appreciation in fair value of investments	836,185
Investment expenses	(87,337)
Total investment earnings	1,336,456
Total additions	1,927,138
 Deductions:	
Benefits paid	1,394,784
Administrative expenses and other	308,629
Total deductions	1,703,413
 Change in net position	 223,725
 Net position, beginning of year	 10,193,388
 Net position, end of year	 \$ 10,417,113

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 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 (PILOT) 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 assets and the statement of activities. Government-wide statements report information on all of the activities of the City and its component units. *Governmental activities*, which are normally supported by taxes and governmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

CITY OF RAYTOWN, MISSOURI

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Government-Wide and Fund Financial Statements (Continued):

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

Separate fund financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the 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 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 earned 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 provider 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 government 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 revenue. 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 primary 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 Storm Water Fund accounts for voter approved sales tax for maintenance and improvements for City storm water.

Proprietary fund level 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 proprietary fund:

The Sewer Fund accounts for the provision of sewer services to the residents of the City. All activities necessary to provide such service 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.

Private-sector standards of accounting and financial reporting issued prior to October 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

Fiduciary fund level 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 Retirement Plan.

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 31, 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 must be approved by the Board of Alderman. This constitutes the City's legal level of budgetary control.
- (5) Appropriations lapse at year-end, but may be reappropriated in the following fiscal year.

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

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

It is the City's policy to first use restricted net assets prior to the use of unrestricted net assets when an expense is incurred for purposes for which both restricted and unrestricted net assets 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, 2019. Receivables in the General Fund represent charges for services, taxes, intergovernmental and loans. All receivables are stated net of allowances.

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, 2019, the City's cash was deposited in demand accounts, certificates of deposit, and money markets. Investments with maturities of less than one year are stated at cost, which approximates fair value. All investments are stated at cost, which approximates fair value. Interest income on pooled cash and investments is allocated based upon each fund's respective average cash balance.

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

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

Interfund Transactions: 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 type 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 unearned revenue 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. 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 fair market 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 are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation on all assets is computed using the straight-line method over the following estimated lives: Buildings and improvements 25 - 50 years, office equipment and furniture 7 - 10 years, computer equipment 3 - 5 years, infrastructure 20 - 50 years, machinery and other equipment 7 -15 years, vehicles 5 - 10 years.

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

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

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

CITY OF RAYTOWN, MISSOURI

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

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

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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

2. DEPOSITS AND INVESTMENTS:

At October 31, 2019, the carrying amount of the City’s cash on hand, demand deposits, and certificates of deposit in financial institutions was \$5,585, \$8,607,789, and \$1,959,000, respectively. The bank balances of demand deposits were fully insured 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, 2019, the City’s cash and investments consisted of the following:

	<u>Primary government</u>	<u>Fiduciary funds</u>	<u>Total</u>
Investments:			
Short-term investments held in trust	\$ 4,818,894	\$ -	\$ 4,818,894
MOSIP	4,425,278	-	4,425,278
Pension trust investments	-	<u>10,247,085</u>	<u>10,247,085</u>
	<u>9,244,172</u>	<u>10,247,085</u>	<u>19,491,257</u>
Certificates of deposit	1,959,000	-	1,959,000
Cash on hand	5,585	-	5,585
Deposits	<u>8,533,034</u>	<u>244,784</u>	<u>8,777,818</u>
	<u>10,497,619</u>	<u>244,784</u>	<u>10,742,403</u>
Total	<u>\$ 19,741,791</u>	<u>\$ 10,491,869</u>	<u>\$ 30,233,660</u>

CITY OF RAYTOWN, MISSOURI

NOTES TO FINANCIAL STATEMENTS

2. DEPOSITS AND INVESTMENTS (Continued):

At October 31, 2019, the City had the following investments and maturities:

	Level 1	Maturity
Investments by fair value level:		
US Treasuries	\$ 425,347	5/15/2021 - 2/15/2029
Federal Agency Issues:		
FSA Cap Mgmt Repayment Fund	249,047	1/1/2028
Federal National Mortgage Assoc	7,829	8/1/2035 - 4/1/2036
Federal Home Loan Mortgage Corp	4,690	2/1/2037
PC Gold Comb Gold Pool	30,653	1/1/2048
Corporate bonds, stocks and notes	6,329,340	
Total investments by fair value level	7,046,906	
Investments measured by the net asset value:		
Bank Midwest Money Market	1,420,245	
MOSIP Liquid Series	4,425,278	
Fidelity Treasury Fund Class III	2,808,978	
Morgan Stanley Institutional Liquidity Fund	340,624	
Midcap SPDR Trust Series I	534,345	
Schwab US Large-Cap Index ETF	344,580	
Ishares US Preferred Stock ETF	31,901	
SPDR Wells Fargo Preferred Stock ETF	11,484	
Palmer Square Income Plus	117,833	
Lord Abbett Short Duration Income Instl	241,755	
Vanguard Group High Yield Corp Admiral	208,918	
Northern Funds Inst. Government	272,885	
DFA Funds US Small Cap Fund	452,943	
T.Rowe Price Mutual Funds Mid Cap Growth	186,153	
MFS International Value R6	54,429	
DFA Funds Emerging Mkts Core Equity	158,573	
DFA Funds Intl Small Cap Value	149,569	
Oppenheimer Mututal Funds Developing Mkts CL Y	371,044	
Vanguard Group REIT Index Fund	312,814	
Total investments measured at net asset value	12,444,351	
Total investments	\$ 19,491,257	

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

Custodial Credit Risk:

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk of investments is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The City's policy is to collateralize demand deposits with securities held by the financial institution's agent and in the City's name.

CITY OF RAYTOWN, MISSOURI

NOTES TO FINANCIAL STATEMENTS

2. DEPOSITS AND INVESTMENTS (Continued):

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

	<u>Government- Wide Statement of Net Position</u>	<u>Fiduciary Funds Statement of Net Position</u>	<u>Total</u>
Pooled cash and investments	\$ 14,922,897	\$ 10,491,869	\$ 25,414,766
Restricted cash and investments	<u>4,818,894</u>	<u>-</u>	<u>4,818,894</u>
	<u>\$ 19,741,791</u>	<u>\$ 10,491,869</u>	<u>\$ 30,233,660</u>

3. RECEIVABLES:

As a result of providing water and sanitation services to its citizens, the City has extended credit to them. Accounts receivable are presented net of allowance for doubtful accounts of \$158,072 for the Water & Sewer 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 \$574,774 as of October 31, 2019.

CITY OF RAYTOWN, MISSOURI
NOTES TO FINANCIAL STATEMENTS

4. CAPITAL ASSETS:

Capital asset activity for the year ended October 31, 2019, consisted of the following:

	Balance 11/1/2018	Additions	Retirements	Balance 10/31/2019
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,573,340	\$ -	\$ 100,000	\$ 1,473,340
Construction in progress	426,607	80,841	328,170	179,278
Total capital assets not being depreciated	<u>1,999,947</u>	<u>80,841</u>	<u>428,170</u>	<u>1,652,618</u>
Capital assets being depreciated:				
Buildings and improvements	7,360,540	-	312,600	7,047,940
Infrastructure	65,712,220	320,574	-	66,032,794
Vehicles and equipment	9,831,362	818,625	815,773	9,834,214
Total capital assets being depreciated	<u>82,904,122</u>	<u>1,139,199</u>	<u>1,128,373</u>	<u>82,914,948</u>
Less: Accumulated depreciation				
Buildings and improvements	4,125,319	245,447	149,536	4,221,230
Infrastructure	43,229,709	2,173,362	-	45,403,071
Vehicles and equipment	7,428,542	690,767	602,479	7,516,830
Total accumulated depreciation	<u>54,783,570</u>	<u>3,109,576</u>	<u>752,015</u>	<u>57,141,131</u>
Total capital assets being depreciated, net	<u>28,120,552</u>	<u>(1,970,377)</u>	<u>376,358</u>	<u>25,773,817</u>
Total governmental activities capital assets, net	<u>\$ 30,120,499</u>	<u>\$ (1,889,536)</u>	<u>\$ 804,528</u>	<u>\$ 27,426,435</u>

CITY OF RAYTOWN, MISSOURI
NOTES TO FINANCIAL STATEMENTS

4. CAPITAL ASSETS (Continued):

Capital asset activity for the year ended October 31, 2019, consisted of the following (Continued):

	Balance 11/1/2018	Additions	Retirements	Balance 10/31/2018
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 433,393	\$ -	\$ -	\$ 433,393
Construction in progress	-	152,121	-	152,121
Total capital assets not being depreciated	<u>433,393</u>	<u>152,121</u>	<u>-</u>	<u>585,514</u>
Capital assets being depreciated:				
Vehicles and equipment	672,249	5,671	-	677,920
Distribution system	<u>25,485,895</u>	<u>-</u>	<u>-</u>	<u>25,485,895</u>
Total capital assets being depreciated	<u>26,158,144</u>	<u>5,671</u>	<u>-</u>	<u>26,163,815</u>
Less: Accumulated depreciation:				
Vehicles and equipment	614,587	21,849	-	636,436
Distribution system	<u>11,877,822</u>	<u>501,972</u>	<u>-</u>	<u>12,379,794</u>
Total accumulated depreciation	<u>12,492,409</u>	<u>523,821</u>	<u>-</u>	<u>13,016,230</u>
Total capital assets being depreciated, net	<u>13,665,735</u>	<u>(518,150)</u>	<u>-</u>	<u>13,147,585</u>
Total business-type activities capital assets, net	<u>\$ 14,099,128</u>	<u>\$ (366,029)</u>	<u>\$ -</u>	<u>\$ 13,733,099</u>

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

Governmental activities:	
General government	\$ 65,851
Parks	134,563
Public safety	278,313
Public works	<u>2,630,849</u>
Total depreciation expense, governmental	<u>3,109,576</u>
Business-type activities,	
Water and sewer	<u>\$ 523,821</u>

Land held for Redevelopment: The City has acquired title to certain land that is not used in the City's continuing operations but is instead held by the City for future redevelopment projects. At October 31, 2019, the valuation of the land was \$1,034,432.

CITY OF RAYTOWN, MISSOURI

NOTES TO FINANCIAL STATEMENTS

5. DEFINED PENSION PLAN:

Plan description: The City’s defined benefit pension plan provides certain retirement, disability, and death benefits to plan members and beneficiaries. The City participates in the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multiple-employer, statewide public employee pension plan established in 1967 and administered in accordance with RSMo. 70.600-70.755. As such, it is LAGERS responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt. The responsibility for the operations and administration of LAGERS is vested in the LAGERS Board of Trustees consisting of seven persons. LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the LAGERS website at www.molagers.org.

Benefits provided: LAGERS provides retirement, death, and disability benefits. Benefit provisions are adopted by the governing body of the employer, within the options available in the state statutes governing LAGERS. All benefits vest after 5 years of credited service. Employees who retire on or after age 60 (55 for police and fire) with 5 or more years of service are entitled to an allowance for life based upon the benefit program information provided below. Employees may retire with an early retirement benefit with a minimum of 5 years of credited service and after attaining age 55 (50 for police and fire) and receive a reduced allowance.

	2019 Valuation
Benefit Multiplier:	1.8%
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, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	40
Inactive employees entitled to but not yet receiving benefits	118
Active employees	95
	<hr/>
	253
	<hr/>

CITY OF RAYTOWN, MISSOURI

NOTES TO FINANCIAL STATEMENTS

5. DEFINED PENSION PLAN (Continued):

Contributions: The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the employer contribute 4% to the pension plan. Employer contribution rates are 13.8% General and 10% Police of annual covered payroll.

Net Pension Liability: The employer’s net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2019.

Actuarial Assumptions: The total pension liability in the February 28, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the February 28, 2019 valuation were based on the results of an actuarial experience study for the period March 1, 2010 through February 28, 2015.

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

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

CITY OF RAYTOWN, MISSOURI

NOTES TO FINANCIAL STATEMENTS

5. DEFINED PENSION PLAN (Continued):

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

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balances at 6/30/2018	\$ 18,690,555	\$ 14,864,005	\$ 3,826,550
Changes for the year:			
Service Cost	583,567		583,567
Interest	1,358,106		1,358,106
Difference between expected and actual experience	(695,796)		(695,796)
Change in assumptions	-		-
Contributions - employer		677,189	(677,189)
Contributions - employee		225,529	(225,529)
Net investment income		989,825	(989,825)
Benefit payments, including refunds	(498,198)	(498,198)	-
Administrative expense		(24,769)	24,769
Other changes		24,388	(24,388)
Net changes	747,679	1,393,964	(646,285)
Balances at 6/30/2019	\$ 19,438,234	\$ 16,257,969	\$ 3,180,265

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

	1% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1% Increase 8.25%
	Total Pension Liability (TPL)	\$ 22,623,551	\$ 19,438,234
Plan Fiduciary Net Position	16,257,969	16,257,969	16,257,969
Net Position Liability/(Asset) (NPL)	\$ 6,365,582	\$ 3,180,265	\$ 586,428

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, 2019 the employer recognized pension expense of \$1,077,183. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources		Net Deferred
	<u>Governmental</u>	<u>Business-type</u>	<u>Governmental</u>	<u>Business-type</u>	
Differences in experience	\$ 1,904,230	\$ 158,585	\$ (1,007,183)	\$ (66,657)	\$ 988,975
Differences in assumptions	193,252	\$ 18,955	-	-	212,207
Excess (deficit) investment returns			(349,558)	\$ (45,205)	(394,763)
Contributions subsequent to the measurement date*	181,923	29,075	-	-	210,998
Total	<u>\$ 2,279,405</u>	<u>\$ 206,615</u>	<u>\$ (1,356,741)</u>	<u>\$ (111,862)</u>	<u>\$ 1,017,417</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, 2020.

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>
2020	\$ 348,505
2021	179,644
2022	4,427
2023	60,748
2024	45,855
Thereafter	167,240
	<u>\$ 806,419</u>

Payable to the Pension Plan

At October 31, 2019, the City reported a payable of \$53,157 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.

2019 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, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	42
Inactive employees entitled to but not yet receiving benefits	20
Active employees	20
	82
	82

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. Employees 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, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2019.

Actuarial Assumptions: The total pension liability in the January 1, 2019, 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	7.25% (net of investment fees, 2.5% inflation component)

Mortality rates were based on the PR-2014 Blue Collar generational mortality table at 2006 and updated to the most recently available (MP-2018) projection scale.

The actuarial assumptions used in the January 1, 2019 valuation were based on past experience of the plan.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	65.00%	9.00%
Fixed Income	35.00%	3.50%

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

CITY OF RAYTOWN, MISSOURI

NOTES TO FINANCIAL STATEMENTS

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

Changes in the Net Pension Liability

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

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balances at 12/31/2017	\$ 17,584,478	\$ 10,962,984	\$ 6,621,494
Changes for the year:			
Service Cost	20,437		20,437
Interest	1,272,784		1,272,784
Difference between expected and actual experience	(379,418)		(379,418)
Change in assumptions	(45,424)		(45,424)
Contributions - employer		593,459	(593,459)
Contributions - employee		-	-
Net investment income		(678,399)	678,399
Benefit payments, including refunds	(1,248,899)	(1,248,899)	-
Administrative expense	-	(20,035)	20,035
Other changes		-	-
Net changes	(380,520)	(1,353,874)	973,354
Balances at 12/31/2018	\$ 17,203,958	\$ 9,609,110	\$ 7,594,848

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

	Current Single Discount		
	1% Decrease 6.25%	Rate Assumption 7.25%	1% Increase 8.25%
	<u> </u>	<u> </u>	<u> </u>
Total Pension Liability (TPL)	\$ 18,944,991	\$ 17,203,958	\$ 15,738,109
Plan Fiduciary Net Position	9,609,110	9,609,110	9,609,110
Net Position Liability/(Asset) (NPL)	<u>\$ 9,335,881</u>	<u>\$ 7,594,848</u>	<u>\$ 6,128,999</u>

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, 2019 the employer recognized pension expense of \$756,361. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in experience	\$ 124,196	\$ (277,473)
Differences in assumptions	34,880	(175,887)
Excess (deficit) investment returns	1,023,504	-
Total	\$ 1,182,580	\$ (453,360)

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

Year Ending	Net Deferred Outflows of Resources
2019	\$ 209,670
2020	87,598
2021	136,892
2022	295,060
2023	-
Thereafter	-
	\$ 729,220

Payable to the Pension Plan

At October 31, 2019, the City reported a payable of \$49,177 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 \$3,276,153 during the year. Total gross payroll was \$6,084,588. For the year ended October 31, 2019, the City contributed \$58,114 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, 2019, consisted of the following:

Governmental Activities					
	Balance		Payments/	Balance	Due in
	November 1, 2018	Additions	Adjustments	October 31, 2019	One year
Revenue bonds	32,595,000	28,800,000	32,595,000	28,800,000	1,930,000
Bond (discount) / premium	<u>208,094</u>	<u>-</u>	<u>208,094</u>	<u>-</u>	<u>-</u>
Total	<u>32,803,094</u>	<u>28,800,000</u>	<u>32,803,094</u>	<u>28,800,000</u>	<u>1,930,000</u>
Other liabilities:					
OPEB*	364,871	-	76,028	288,843	-
Net pension*	10,383,173	95,822	-	10,478,995	-
Compensated absences*	<u>463,202</u>	<u>549,549</u>	<u>534,688</u>	<u>478,063</u>	<u>346,700</u>
	<u>44,014,340</u>	<u>29,445,371</u>	<u>33,413,810</u>	<u>40,045,901</u>	<u>2,276,700</u>
Business-Type Activities					
	Balance		Payments/	Balance	Due in
	November 1, 2018	Additions	Adjustments	October 31, 2019	One year
Revenue Bonds	8,970,000	-	855,000	8,115,000	895,000
Bond (discount) / premium	<u>114,794</u>	<u>-</u>	<u>14,616</u>	<u>100,178</u>	<u>14,616</u>
Total	<u>9,084,794</u>	<u>-</u>	<u>869,616</u>	<u>8,215,178</u>	<u>909,616</u>
Other liabilities:					
OPEB	33,839	-	6,107	27,732	-
Net pension	64,871	231,247	-	296,118	-
Compensated absences	<u>46,429</u>	<u>46,853</u>	<u>48,129</u>	<u>45,153</u>	<u>45,153</u>
	<u>9,229,933</u>	<u>278,100</u>	<u>923,852</u>	<u>8,584,181</u>	<u>954,769</u>

*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, 2019, consisted of the following:

Governmental funds,

\$28,800,000, Series 2019 refunding revenue bonds, issued for the refunding of Series 2007 revenue bonds, due in annual installments of \$1,930,000 to \$2,875,000, through February 1, 2031, interest at 3.23%	<u>\$ 28,800,000</u>
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Total governmental funds	<u>\$ 28,800,000</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%	\$ 3,565,000
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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%	3,040,000
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\$2,310,000, Series 2013 sewerage system refunding revenue bonds, issued for the refunding of Series 2005B sewerage system revenue bonds, due in annual installments of \$155,000 to \$210,000, through July 1, 2027, interest at .85% to 4.15%	1,510,000
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Proprietary bond premium	<u>100,178</u>
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Total proprietary fund	<u>\$ 8,215,178</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:

Years ending October 31,	Principal	Interest	Governmental Revenue Bonds
2020	\$ 1,930,000	\$ 762,119	\$ 2,692,119
2021	1,915,000	836,973	2,751,973
2022	2,120,000	771,808	2,891,808
2023	2,220,000	701,718	2,921,718
2024	2,295,000	628,800	2,923,800
2025-2029	12,660,000	1,962,872	14,622,872
2030-2032	<u>5,660,000</u>	<u>184,271</u>	<u>5,844,271</u>
	<u>\$ 28,800,000</u>	<u>\$ 5,848,561</u>	<u>\$ 34,648,561</u>

Years ending October 31,	Principal	Interest	Business -Type Revenue Bonds
2020	\$ 895,000	\$ 348,575	\$ 1,243,575
2021	935,000	310,437	1,245,437
2022	960,000	272,485	1,232,485
2023	1,010,000	229,859	1,239,859
2024	1,060,000	184,864	1,244,864
2025-2029	<u>3,255,000</u>	<u>267,317</u>	<u>3,522,317</u>
	<u>\$ 8,115,000</u>	<u>\$ 1,613,537</u>	<u>\$ 9,728,537</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, 2019.

Refunding:

In September 2019, the City issued Series 2019 Tax Increment & Sales Tax Refunding Bonds of \$28,800,000 to refund \$31,240,000 of outstanding Series 2007 TIF & Sales Tax Revenue Bonds. The current refunding was undertaken to reduce the total debt service payments by \$3,092,591 which resulted in an economic gain of approximately \$2,013,855.

CITY OF RAYTOWN, MISSOURI

NOTES TO FINANCIAL STATEMENTS

8. LONG-TERM DEBT (Continued):

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

9. RESTRICTED CASH:

Restricted cash and investments at October 31, 2019, consisted of the following:

Account	Special Revenue Funds	Sewer Fund	Total
Rebate	\$ 806,966	\$ 171,952	\$ 978,918
Reserve for debt service	3,422,257	417,719	3,839,976
	\$ 4,229,223	\$ 589,671	\$ 4,818,894

10. LEGAL MATTERS:

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

11. PLEDGED REVENUES:

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

CITY OF RAYTOWN, MISSOURI

NOTES TO FINANCIAL STATEMENTS

11. PLEDGED REVENUES (Continued):

For the current year, the City made debt service payments on the tax increment and sales tax revenue bonds totaling \$2,962,900. The incremental tax revenues generated by the 350 Highway TIF plan began in October 2009. For the year ended October 31, 2019, the City's incremental tax revenues totaled \$1,536,387. 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 \$1,646,279.

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 \$100,661 in principal payments. The remaining balance as of October 31, 2019 is \$1,483,701.

12. TAX REVENUES:

The assessed valuation of the tangible property for the purpose of local taxation as of September 11, 2018, was as follows:

Real estate	\$ 262,063,510
Personal property	<u>67,797,217</u>
	<u>\$ 329,860,727</u>

The tax levy per \$100 of assessed valuation of tangible real and personal property for the calendar year 2019 was as follows:

General Fund	\$ 0.3435
Park Fund	<u>0.1714</u>
	<u>\$ 0.5149</u>

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

CITY OF RAYTOWN, MISSOURI
NOTES TO FINANCIAL STATEMENTS

13. INTERFUND TRANSACTIONS:

Interfund receivable and payable balances at October 31, 2019, were as follows:

	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ -	\$ 112,970
Special Revenue Funds:		
Transportation	-	56,492
TIF	248,918	-
Park	-	5,296
Capital sales tax	-	42,369
Public safety	-	28,246
Storm water	-	3,531
Agency Fund, 350 Highway TDD	-	14
	<u>\$ 248,918</u>	<u>\$ 248,918</u>

Transfers during the year ended October 31, 2019, were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 1,760,562	\$ 150,000
Special Revenue Funds:		
Public safety	-	1,760,562
Storm water	<u>150,000</u>	<u>-</u>
	<u>\$ 1,910,562</u>	<u>\$ 1,910,562</u>

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

14. RISK MANAGEMENT:

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

CITY OF RAYTOWN, MISSOURI

NOTES TO FINANCIAL STATEMENTS

15. FIRE PROTECTION SERVICE CONTRACTS:

On September 25, 2018, the City entered into an agreement with the Raytown Fire Protection District. This agreement calls for the City to transfer emergency medical services (EMS) responsibilities to the District as of November 17, 2018. The agreement transfers all assets of the City's EMS department to the Fire District and calls for the City to pay the District \$1,350,000 in equal bi-monthly payments. The agreement expired October 31, 2019.

During 2019 \$1,006,327 of capital assets were transferred to the District. The net book value of the assets transferred was \$476,358.

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 \$20,000 to the plan during fiscal year 2019.

At October 31, 2019, the following employees were covered by the benefit terms:

Active employees	143
Retirees and covered spouses	<u>8</u>
	<u>151</u>

Net OPEB Liability: The employer's net OPEB liability of \$316,575 was measured as of October 31, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2017.

CITY OF RAYTOWN, MISSOURI

NOTES TO FINANCIAL STATEMENTS

16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued):

Actuarial Assumptions: The total OPEB liability in the July 1, 2017, actuarial valuation was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

	<u>2017 Valuation</u>
Inflation	2.50%
Salary increases	3.00%
Discount rate	3.26%
Actuarial cost method	Entry Age Normal - Level Percent of Pay
Healthcare cost trend rates	7% for 2019, 6.5% for 2020, 6% for 2021, decreasing by .25% per year to an ultimate rate of 5.0% for 2025 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 RPH-2014 Adjusted to 2006 Total Dataset Headcount-weighted Mortality Tables with Scale MP-2019 Full Generational Improvement. Disabled life mortality rates were based on the Society of Actuaries RPH-2014 adjusted to 2006 Disabled Retiree Headcount-Weighted Mortality with MP-2019 Full Generational Improvement.

Changes in the Net OPEB Liability:

	<u>OPEB Liability</u>
Balance at 11/1/2018	\$ 398,710
Charges of the year:	
Service cost	19,763
Interest	16,053
Changes of benefits terms	(119,472)
Differences between expected and actual experiences	-
Changes in assumptions and inputs	21,521
Benefit payments	<u>(20,000)</u>
Net changes	<u>(82,135)</u>
Balance at 10/31/2019	<u><u>\$ 316,575</u></u>

CITY OF RAYTOWN, MISSOURI

NOTES TO FINANCIAL STATEMENTS

16. 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 3.26%, as well as what the Net OPEB Liability would be using a discount rate 1% less(2.26%) and 1% greater (4.26%) than the current rate.

	1% Decrease 2.26%	Discount Rate 3.26%	1% Increase 4.26%
Total OPEB Liability	<u>\$ 354,336</u>	<u>\$ 316,575</u>	<u>\$ 283,749</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.

	1% Decrease	Discount Rate	1% Increase
Total OPEB Liability	<u>\$ 270,175</u>	<u>\$ 316,575</u>	<u>\$ 373,385</u>

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

For the year ended October 31, 2019, the City reported OPEB expense/(income) of (\$83,525). The City reported deferred outflows and inflows of resources related to OPEB as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	<u>\$ 19,565</u>	<u>\$ 16,427</u>

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

Fiscal Year Ending	Net Deferred Outflows of Resources
2020	\$ 131
2021	131
2022	131
2023	131
2024	131
Thereafter	2,483
	<u>\$ 3,138</u>

CITY OF RAYTOWN, MISSOURI

NOTES TO FINANCIAL STATEMENTS

17. ENCUMBRANCES:

The City uses encumbrances to control expenditure commitments for the year and to enhance cash management. Encumbrances represent commitments related to executor contracts not yet performed and purchase orders not yet filled. Commitments for such expenditure of monies are encumbered to reserve a portion of applicable appropriations. Encumbrances still open at year-end are not accounted for as expenditures and liabilities, but, rather as restricted, committed, or assigned fund balance. At October 31, 2019, the City's recorded encumbrances in governmental funds were as follows:

<u>Fund</u>	
Transportation Sales Tax	\$ 84,243
Capital Sales Tax	187,192
Storm Water	60,281
Sanitary Sewer	<u>90,208</u>
	<u>\$ 421,924</u>

18. TAX ABATEMENTS:

Tax abatements are granted under the Urban Redevelopment program described under Chapter 353 of the RSMo, Tax Increment Financing program described under Section 99.800 RSMo, the Industrial Development program described under Chapter 100 of RSMo, and the Enhanced Enterprise Zone program described under Sections 135.950 to 135.973 of RSMo. For each of these programs, property taxes are abated by reducing the assessed valuation of the associated properties. For the fiscal year ended October 31, 2019, taxes abated for the City in connection with the Chapter 353, and Tax Increment Financing program were estimated at \$11,334, and \$24,209, respectively.

19. EVALUATION OF SUBSEQUENT EVENTS:

The City has evaluated subsequent events through June 1, 2020, the date which the financial statements were available to be issued. As a result of the spread of the COVID 19 coronavirus, economic uncertainties have arisen which are likely to negatively impact the collection of accounts receivable and sale tax revenues. Other financial impact could occur though such potential impact is unknown at this time.

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 5 Fiscal Years**

Fiscal year ending June 30,

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

Notes to schedule:

Only the last 5 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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially determined contribution	\$674,187	\$711,773	\$757,076	\$806,116	\$838,990	\$754,880	\$508,424	\$501,898	\$523,449	\$489,302
Contributions in relation to the										
actuarially determined contribution	674,187	711,773	757,076	806,116	838,990	754,880	508,424	501,898	523,449	489,302
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$5,547,722	\$6,083,327	\$7,295,746	\$7,437,737	\$7,395,788	\$6,787,518	\$4,236,865	\$4,217,632	\$4,326,023	\$4,292,123
Contributions as a percentage of covered-employee payroll	12.15%	11.70%	10.38%	10.84%	11.34%	11.12%	12.00%	11.9%	12.10%	11.40%

Valuation date 2/28/2019

Notes The roll-forward of total pension liability from February 28, 2018 to June 30, 2019 reflects expected service cost and interest reduced by actual benefit payments.

Methods and assumption used to determine contribution rates:

Actuarial cost method	Entry age normal and modified terminal funding
Amortization method	A level percentage of payroll amortization method is used to amortize the UAAL over a closed period of years.
Remaining amortization period	Multiple bases from 11 to 24 years
Asset valuation method	5 year smoothed market; 20% corridor
Inflation	3.25% wage inflation; 2.5% price inflation
Salary increases	3.25% to 6.55% including wage inflation
Investment rate of return	7.25%, net of investment expenses
Retirement age	Experience-based table of rate that are specific to the type of eligibility condition
Mortality	RP-2014 mortality tables for males and females, adjusted for improvement back to the observation period base year of 2006. The base year for males and females was established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables.
Other information	None

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

**Schedule of Changes in Net Pension Liability and Related Ratios - Police (Frozen)
Last 5 Fiscal Years**

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

Notes to schedule:

Only the last 5 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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Actuarially determined contributor Contributions in relation to the actuarially determined contribution	\$593,459	\$608,134	\$562,862	\$513,291	\$508,285	\$660,842	\$678,787	\$616,618	\$865,591 *	\$685,030
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ 2,971	\$ (1,595)	\$ -	\$ (7,483)	\$ (29,200)	\$ 144,558	\$ 406,176
Covered-employee payro				**	\$ 2,962,341	\$ 3,122,522	\$ 3,065,002	\$ 2,978,208	\$ 2,987,634	\$ 2,780,497
Contributions as a percentage of covered-employee payroll				**	17.21%	21.16%	22.39%	21.68%	24.13%	10.03%

Valuation date 1/1/2019

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 Unit credit
 Amortization method Closed
 Remaining amortization period 25 years
 Asset valuation method 5 year smoothed market
 Salary increases 4% (Plan is frozen, scale is for death benefits only)
 Investment rate of return 7.5% net of fees, 2.5% inflation component
 Retirement age Age 55
 Mortality RP-2014 Blue Collar tables at 2006, projected with generational improvements using the most recently available projection scale (in this valuation MP-2)
 Other information None

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

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

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

Notes to schedule:

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

CITY OF RAYTOWN, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CONTRIBUTIONS - OPEB
Last Two Fiscal Years

	<u>2019</u>	<u>2018</u>
Actuarially determined contribution	\$ 20,000	\$ 26,000
Contributions in relation to the actuarially determined contribution	20,000	26,000
Contribution deficiency (excess)	-	-
Covered-employee payroll	\$ 6,804,388	\$ 6,804,388
Contributions as a percentage of covered-employee payroll	0.29%	0.38%

7/1/2017

The results of the July 1, 2017 valuation were projected to the measurement date using standard actuarial techniques.

Methods and assumption used to determine contribution rates:

	<u>Year</u>	<u>Trend</u>
Entry age normal - Level % of pay	2019-2020	6.50%
	2020-2021	6.00%
	2021-2022	5.75%
	2022-2023	5.50%
	2023-2024	5.25%
	Thereafter	5.00%

Participation rate
 Healthy life mortality
 Disabled life mortality
 Turnover Incidence

The assumed retiree enrollment rate for future retiring employees is 45% for retirement age 60 to 64, 35% for retirement age 55 to 59, and 25% for retirement age less than 55
 SOA RPH-2014 adjusted to 2006 Total Dataset Headcount-weighted Mortality with Scale MP-2019 Full Generational Improvement
 SOA RPH-2014 Disabled Retiree Headcount-weighted Mortality Scale MP-2018 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

	<u>Years of Service</u>		<u>Police</u>		<u>General (Male)</u>		<u>General (Female)</u>	
	0-1	1-2	18%	17%	19%	17%	22%	20%
	2-3	3-4	16% <td style="text-align: center;">13% <td style="text-align: center;">15% <td style="text-align: center;">13% <td style="text-align: center;">17% <td style="text-align: center;">14% </td></td></td></td></td>	13% <td style="text-align: center;">15% <td style="text-align: center;">13% <td style="text-align: center;">17% <td style="text-align: center;">14% </td></td></td></td>	15% <td style="text-align: center;">13% <td style="text-align: center;">17% <td style="text-align: center;">14% </td></td></td>	13% <td style="text-align: center;">17% <td style="text-align: center;">14% </td></td>	17% <td style="text-align: center;">14% </td>	14%
	4-5		12% <td></td> <td style="text-align: center;">11% <td></td> <td style="text-align: center;">13% <td></td> </td></td>		11% <td></td> <td style="text-align: center;">13% <td></td> </td>		13% <td></td>	
	<u>Age</u>		<u>Police</u>		<u>General (Male)</u>		<u>General (Female)</u>	
	25	30	9.8%	7.8%	7.3%	6.5%	10.8%	8.9%
	35	40	7.8%	6.1%	5.0%	7.4%	8.9%	7.4%
	40	45	6.1%	4.4%	3.7%	5.7%	5.7%	5.7%
	45	50	4.4%	n/a	3.0%	4.2%	4.2%	4.2%
			1.8%	1.8%	2.4%	3.3%	3.3%	3.3%

CITY OF RAYTOWN, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS - OPEB (Continued)
Last Two 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)
55	100.0%	n/a	n/a
55-59	n/a	3.0%	3.0%
60-61	n/a	10.0%	10.0%
62	n/a	25.0%	15.0%
63-64	n/a	20.0%	15.0%
65-66	n/a	25.0%	25.0%
67-68	n/a	20.0%	25.0%
69	n/a	20.0%	20.0%
70+	n/a	100.0%	100.0%

Disability Rates

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

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

Other information

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

**CITY OF RAYTOWN, MISSOURI
BUDGETARY COMPARISON SCHEDULE --
GENERAL FUND
FOR THE YEAR ENDED OCTOBER 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Taxes	\$ 7,521,000	\$ 7,521,000	\$ 7,388,194	\$ (132,806)
Licenses and permits	358,310	358,310	515,713	157,403
Intergovernmental	1,194,600	1,211,450	1,219,541	8,091
Charges for services	1,162,610	1,162,610	1,087,431	(75,179)
Fees and fines	407,550	407,550	236,491	(171,059)
Investment earnings	35,000	35,000	109,469	74,469
Other	51,430	51,430	125,434	74,004
	<u>10,730,500</u>	<u>10,747,350</u>	<u>10,682,273</u>	<u>(65,077)</u>
EXPENDITURES:				
Current:				
General government	2,167,321	2,259,321	2,023,675	235,646
Public safety	7,391,811	7,378,661	7,188,768	189,893
Public works	2,160,417	2,130,417	1,848,993	281,424
Community development	855,693	855,693	672,422	183,271
	<u>12,575,242</u>	<u>12,624,092</u>	<u>11,733,858</u>	<u>890,234</u>
Deficiency of revenues over expenditures	<u>(1,844,742)</u>	<u>(1,876,742)</u>	<u>(1,051,585)</u>	<u>825,157</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	1,760,562	1,760,562	1,760,562	-
Transfers out	(350,000)	(318,000)	(150,000)	168,000
	<u>1,410,562</u>	<u>1,442,562</u>	<u>1,610,562</u>	<u>168,000</u>
Net change in fund balances	(434,180)	(434,180)	558,977	993,157
Fund balances - beginning	<u>6,249,708</u>	<u>6,249,708</u>	<u>6,249,708</u>	<u>-</u>
Fund balances - ending	<u>\$ 5,815,528</u>	<u>\$ 5,815,528</u>	<u>\$ 6,808,685</u>	<u>\$ 993,157</u>

**CITY OF RAYTOWN, MISSOURI
 BUDGETARY COMPARISON SCHEDULE --
 TRANSPORTATION SALES TAX FUND
 FOR THE YEAR ENDED OCTOBER 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Taxes	\$ 1,175,400	\$ 1,175,400	\$ 1,190,788	\$ 15,388
Intergovernmental	637,000	637,000	331,776	(305,224)
Investment earnings	<u>6,000</u>	<u>6,000</u>	<u>23,985</u>	<u>17,985</u>
Total revenues	<u>1,818,400</u>	<u>1,818,400</u>	<u>1,546,549</u>	<u>(271,851)</u>
EXPENDITURES,				
Capital outlay	<u>1,933,000</u>	<u>2,030,759</u>	<u>681,621</u>	<u>1,349,138</u>
Total expenditures	<u>1,933,000</u>	<u>2,030,759</u>	<u>681,621</u>	<u>1,349,138</u>
Excess (deficiency) of revenues over expenditures	<u>(114,600)</u>	<u>(212,359)</u>	<u>864,928</u>	<u>1,077,287</u>
Fund balances - beginning	<u>337,444</u>	<u>337,444</u>	<u>337,444</u>	<u>-</u>
Fund balances - ending	<u>\$ 222,844</u>	<u>\$ 125,085</u>	<u>\$ 1,202,372</u>	<u>\$ 1,077,287</u>

**CITY OF RAYTOWN, MISSOURI
BUDGETARY COMPARISON SCHEDULE --
TIF FUND
FOR THE YEAR ENDED OCTOBER 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Taxes	\$ 1,456,100	\$ 1,456,100	\$ 1,536,387	\$ 80,287
Intergovernmental	1,288,500	1,288,500	1,380,314	91,814
Investment earnings	<u>228,800</u>	<u>228,800</u>	<u>265,965</u>	<u>37,165</u>
Total revenues	<u>2,973,400</u>	<u>2,973,400</u>	<u>3,182,666</u>	<u>209,266</u>
EXPENDITURES:				
Current,				
Community development	204,840	204,840	120,338	84,502
Debt Service:				
Principal	1,355,000	1,355,000	1,355,000	-
Interest and other charges	<u>1,607,900</u>	<u>1,607,900</u>	<u>1,607,900</u>	<u>-</u>
Total expenditures	3,167,740	3,167,740	3,083,238	84,502
Excess (deficiency) of revenues over expenditures	<u>(194,340)</u>	<u>(194,340)</u>	<u>99,428</u>	<u>293,768</u>
OTHER FINANCING SOURCES (USES):				
Refunding bonds	-	28,800,000	28,800,000	-
Bond issue costs	-	(458,660)	(458,660)	-
Payment to refunded bond escrow agent	-	(31,852,121)	(31,852,121)	-
Arbitrage payment	-	(796,311)	(796,311)	-
Forward delivery agreement	-	1,378,000	1,378,000	-
Transfers in	<u>200,000</u>	<u>200,000</u>	<u>-</u>	<u>(200,000)</u>
Total other financing sources and (uses)	<u>200,000</u>	<u>(2,729,092)</u>	<u>(2,929,092)</u>	<u>(200,000)</u>
Net change in fund balances	5,660	(2,923,432)	(2,829,664)	93,768
Fund balances - beginning	<u>6,782,325</u>	<u>6,782,325</u>	<u>6,782,325</u>	<u>-</u>
Fund balances - ending	<u>\$ 6,787,985</u>	<u>\$ 3,858,893</u>	<u>\$ 3,952,661</u>	<u>\$ 93,768</u>

**CITY OF RAYTOWN, MISSOURI
COMBINING BALANCE SHEET --
NONMAJOR GOVERNMENTAL FUNDS
OCTOBER 31, 2019**

	<u>Park</u>	<u>Capital Sales Tax</u>	<u>Public Safety Sales Tax</u>	<u>Risk Management</u>	<u>Storm Water</u>	<u>Capital Improvements</u>	<u>Total Governmental Funds</u>
ASSETS:							
Cash and investments	\$ 1,059,493	\$ 1,515,405	\$ 690,575	\$ 71,347	\$ 278,333	\$ 513,179	\$ 4,128,332
Taxes receivable, net	55,971	210,341	280,450	-	17,528	-	564,290
Accrued interest	1,653	2,234	1,409	86	457	732	6,571
Other receivables	-	-	-	-	-	574,774	574,774
Prepaid expenses	<u>36,572</u>	<u>-</u>	<u>-</u>	<u>181,962</u>	<u>-</u>	<u>-</u>	<u>218,534</u>
Total assets	<u>\$ 1,153,689</u>	<u>\$ 1,727,980</u>	<u>\$ 972,434</u>	<u>\$ 253,395</u>	<u>\$ 296,318</u>	<u>\$ 1,088,685</u>	<u>\$ 5,492,501</u>
LIABILITIES AND FUND BALANCES:							
Accounts payable	\$ 29,114	\$ 161,820	\$ 1,878	\$ 2,506	\$ 51,587	\$ 33,151	\$ 280,056
Accrued expenses	26,422	-	-	-	-	-	26,422
Due to other funds	<u>5,296</u>	<u>42,369</u>	<u>28,246</u>	<u>-</u>	<u>3,531</u>	<u>-</u>	<u>79,442</u>
Total liabilities	<u>60,832</u>	<u>204,189</u>	<u>30,124</u>	<u>2,506</u>	<u>55,118</u>	<u>33,151</u>	<u>385,920</u>
Fund balances:							
Nonspendable, Prepaid items	36,572	-	-	181,962	-	-	218,534
Restricted:							
Public safety	-	-	942,310	-	-	-	942,310
Debt service	-	-	-	-	241,200	-	241,200
Parks and recreation	1,056,285	-	-	-	-	-	1,056,285
Capital projects	-	1,523,791	-	-	-	1,055,534	2,579,325
Assigned to, General government	<u>-</u>	<u>-</u>	<u>-</u>	<u>68,927</u>	<u>-</u>	<u>-</u>	<u>68,927</u>
Total fund balances	<u>1,092,857</u>	<u>1,523,791</u>	<u>942,310</u>	<u>250,889</u>	<u>241,200</u>	<u>1,055,534</u>	<u>5,106,581</u>
Total liabilities and fund balances	<u>\$ 1,153,689</u>	<u>\$ 1,727,980</u>	<u>\$ 972,434</u>	<u>\$ 253,395</u>	<u>\$ 296,318</u>	<u>\$ 1,088,685</u>	<u>\$ 5,492,501</u>

CITY OF RAYTOWN, MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE -- NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED OCTOBER 31, 2019

	Park	Capital Sales Tax	Public Safety Sales Tax	Risk Management	Storm Water	Capital Improvements	Total Governmental Funds
REVENUES:							
Taxes	\$ 875,364	\$ 999,823	\$ 1,506,013	\$ -	\$ 83,228	\$ -	\$ 3,464,428
Intergovernmental	-	6,098	-	-	-	-	6,098
Charges for service	101,727	-	-	-	-	-	101,727
Use of money and property	28,667	33,633	20,176	1,489	7,986	78,086	170,037
Miscellaneous	23,395	-	-	79,839	-	-	103,234
	<u>1,029,153</u>	<u>1,039,554</u>	<u>1,526,189</u>	<u>81,328</u>	<u>91,214</u>	<u>78,086</u>	<u>3,845,524</u>
EXPENDITURES:							
Current:							
General government	-	-	-	42,270	-	-	42,270
Parks and recreation	910,083	-	-	-	-	-	910,083
Public safety	-	-	39,091	-	-	-	39,091
Public works	-	-	-	-	151,641	-	151,641
Capital outlay	-	900,876	-	-	-	355,851	1,256,727
	<u>910,083</u>	<u>900,876</u>	<u>39,091</u>	<u>42,270</u>	<u>151,641</u>	<u>355,851</u>	<u>2,399,812</u>
Excess (deficiency) of revenues over expenditures	<u>119,070</u>	<u>138,678</u>	<u>1,487,098</u>	<u>39,058</u>	<u>(60,427)</u>	<u>(277,765)</u>	<u>1,445,712</u>
OTHER FINANCING SOURCES (USES):							
Issuance of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	31,000	41,925	-	-	-	-	72,925
Transfers in	-	-	-	-	150,000	-	150,000
Transfers out	-	-	(1,760,562)	-	-	-	(1,760,562)
	<u>31,000</u>	<u>41,925</u>	<u>(1,760,562)</u>	<u>-</u>	<u>150,000</u>	<u>-</u>	<u>(1,537,637)</u>
Net change in fund balances	150,070	180,603	(273,464)	39,058	89,573	(277,765)	(91,925)
Fund balances - beginning	<u>942,787</u>	<u>1,343,188</u>	<u>1,215,774</u>	<u>211,831</u>	<u>151,627</u>	<u>1,333,299</u>	<u>5,198,506</u>
Fund balances - ending	<u>\$ 1,092,857</u>	<u>\$ 1,523,791</u>	<u>\$ 942,310</u>	<u>\$ 250,889</u>	<u>\$ 241,200</u>	<u>\$ 1,055,534</u>	<u>\$ 5,106,581</u>

**CITY OF RAYTOWN, MISSOURI
 COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
 AGENCY FUNDS
 YEAR ENDED OCTOBER 31, 2019**

350 Highway TDD	October 31, 2018	Additions	Deductions	October 31, 2019
ASSETS:				
Pooled cash and investments	\$ 74,570	\$ 83,648	\$ 83,462	\$ 74,756
Taxes receivable	<u>13,186</u>	<u>83,960</u>	<u>83,648</u>	<u>13,498</u>
Total assets	<u>\$ 87,756</u>	<u>\$ 167,608</u>	<u>\$ 167,110</u>	<u>\$ 88,254</u>
LIABILITIES,				
Due to others	<u>\$ 87,756</u>	<u>\$ 167,608</u>	<u>\$ 167,110</u>	<u>\$ 88,254</u>
Ditzler CID	October 31, 2018	Additions	Deductions	October 31, 2019
ASSETS,				
Taxes receivable	<u>\$ 20,698</u>	<u>\$ 919</u>	<u>\$ -</u>	<u>\$ 21,617</u>
Total assets	<u>\$ 20,698</u>	<u>\$ 919</u>	<u>\$ -</u>	<u>\$ 21,617</u>
LIABILITIES,				
Due to others	<u>\$ 20,698</u>	<u>\$ 919</u>	<u>\$ -</u>	<u>\$ 21,617</u>
Total Agency Funds	October 31, 2018	Additions	Deductions	October 31, 2019
ASSETS:				
Pooled cash and investments	\$ 74,570	\$ 83,648	\$ 83,462	\$ 74,756
Taxes receivable	<u>33,884</u>	<u>84,879</u>	<u>83,648</u>	<u>35,115</u>
Total assets	<u>\$ 108,454</u>	<u>\$ 168,527</u>	<u>\$ 167,110</u>	<u>\$ 109,871</u>
LIABILITIES,				
Due to others	<u>\$ 108,454</u>	<u>\$ 168,527</u>	<u>\$ 167,110</u>	<u>\$ 109,871</u>

**CITY OF RAYTOWN, MISSOURI
BUDGETARY COMPARISON SCHEDULE --
PARK FUND
FOR THE YEAR ENDED OCTOBER 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Taxes	\$ 863,000	\$ 863,000	\$ 875,364	\$ 12,364
Charges for services	96,700	96,700	101,727	5,027
Investment earnings	7,000	7,000	28,667	21,667
Miscellaneous	<u>26,900</u>	<u>26,900</u>	<u>23,395</u>	<u>(3,505)</u>
Total revenues	993,600	993,600	1,029,153	35,553
EXPENDITURES,				
Current,				
Parks and recreation	<u>1,047,733</u>	<u>1,082,733</u>	<u>910,083</u>	<u>172,650</u>
Total expenditures	<u>1,047,733</u>	<u>1,082,733</u>	<u>910,083</u>	<u>172,650</u>
Excess (deficiency) of revenues over expenditures	<u>(54,133)</u>	<u>(89,133)</u>	<u>119,070</u>	<u>208,203</u>
OTHER FINANCING SOURCES,				
Proceeds from sale capital assets	-	-	<u>31,000</u>	<u>31,000</u>
Total other financing sources	-	-	<u>31,000</u>	<u>31,000</u>
Net change in fund balances	(54,133)	(89,133)	150,070	239,203
Fund balances - beginning	<u>942,787</u>	<u>942,787</u>	<u>942,787</u>	<u>-</u>
Fund balances - ending	<u>\$ 888,654</u>	<u>\$ 853,654</u>	<u>\$ 1,092,857</u>	<u>\$ 239,203</u>

**CITY OF RAYTOWN, MISSOURI
BUDGETARY COMPARISON SCHEDULE --
CAPITAL SALES TAX FUND
FOR THE YEAR ENDED OCTOBER 31, 2019**

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 994,000	\$ 994,000	\$ 999,823	\$ 5,823
Intergovernmental	-	9,285	6,098	(3,187)
Investment earnings	<u>12,000</u>	<u>12,000</u>	<u>33,633</u>	<u>21,633</u>
Total revenues	<u>1,006,000</u>	<u>1,015,285</u>	<u>1,039,554</u>	<u>24,269</u>
EXPENDITURES,				
Capital outlay	<u>1,450,250</u>	<u>1,852,557</u>	<u>900,876</u>	<u>951,681</u>
Total expenditures	<u>1,450,250</u>	<u>1,852,557</u>	<u>900,876</u>	<u>951,681</u>
Excess (deficiency) of revenues over expenditures	<u>(444,250)</u>	<u>(837,272)</u>	<u>138,678</u>	<u>975,950</u>
OTHER FINANCING SOURCES,				
Proceeds from sale capital assets	<u>10,000</u>	<u>10,000</u>	<u>41,925</u>	<u>31,925</u>
Total other financing sources	<u>10,000</u>	<u>10,000</u>	<u>41,925</u>	<u>31,925</u>
Net change in fund balances	(434,250)	(827,272)	180,603	1,007,875
Fund balances - beginning	<u>1,343,188</u>	<u>1,343,188</u>	<u>1,343,188</u>	<u>-</u>
Fund balances - ending	<u>\$ 908,938</u>	<u>\$ 515,916</u>	<u>\$ 1,523,791</u>	<u>\$ 1,007,875</u>

**CITY OF RAYTOWN, MISSOURI
BUDGETARY COMPARISON SCHEDULE --
PUBLIC SAFETY SALES TAX FUND
FOR THE YEAR ENDED OCTOBER 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Taxes	\$ 1,484,000	\$ 1,484,000	\$ 1,506,013	\$ 22,013
Investment earnings	<u>10,000</u>	<u>10,000</u>	<u>20,176</u>	<u>10,176</u>
Total revenues	1,494,000	1,494,000	1,526,189	32,189
EXPENDITURES,				
Public Safety	<u>42,177</u>	<u>42,177</u>	<u>39,091</u>	<u>3,086</u>
Total expenditures	<u>42,177</u>	<u>42,177</u>	<u>39,091</u>	<u>3,086</u>
Excess of revenues over expenditures	<u>1,451,823</u>	<u>1,451,823</u>	<u>1,487,098</u>	<u>35,275</u>
OTHER FINANCING USES,				
Transfers out	<u>(1,760,562)</u>	<u>(1,760,562)</u>	<u>(1,760,562)</u>	<u>-</u>
Total other financing uses	<u>(1,760,562)</u>	<u>(1,760,562)</u>	<u>(1,760,562)</u>	<u>-</u>
Net change in fund balances	(308,739)	(308,739)	(273,464)	35,275
Fund balances - beginning	<u>1,215,774</u>	<u>1,215,774</u>	<u>1,215,774</u>	<u>-</u>
Fund balances - ending	<u>\$ 907,035</u>	<u>\$ 907,035</u>	<u>\$ 942,310</u>	<u>\$ 35,275</u>

**CITY OF RAYTOWN, MISSOURI
 BUDGETARY COMPARISON SCHEDULE --
 RISK MANAGEMENT FUND
 FOR THE YEAR ENDED OCTOBER 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Investment earnings	\$ 500	\$ 500	\$ 1,489	\$ 989
Miscellaneous	<u>54,500</u>	<u>54,500</u>	<u>79,839</u>	<u>25,339</u>
Total revenues	<u>55,000</u>	<u>55,000</u>	<u>81,328</u>	<u>26,328</u>
EXPENDITURES,				
Current,				
General government	<u>113,300</u>	<u>113,300</u>	<u>42,270</u>	<u>71,030</u>
Total expenditures	<u>113,300</u>	<u>113,300</u>	<u>42,270</u>	<u>71,030</u>
Excess (deficiency) of revenues over expenditures	<u>(58,300)</u>	<u>(58,300)</u>	<u>39,058</u>	<u>97,358</u>
Fund balances - beginning	<u>211,831</u>	<u>211,831</u>	<u>211,831</u>	<u>-</u>
Fund balances - ending	<u>\$ 153,531</u>	<u>\$ 153,531</u>	<u>\$ 250,889</u>	<u>\$ 97,358</u>

**CITY OF RAYTOWN, MISSOURI
BUDGETARY COMPARISON SCHEDULE --
STORM WATER FUND
FOR THE YEAR ENDED OCTOBER 31, 2019**

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 81,400	\$ 81,400	\$ 83,228	\$ 1,828
Investment earnings	1,800	1,800	7,986	6,186
Total revenues	<u>83,200</u>	<u>83,200</u>	<u>91,214</u>	<u>8,014</u>
EXPENDITURES,				
Current, Public works	<u>230,200</u>	<u>230,200</u>	<u>151,641</u>	<u>78,559</u>
Total expenditures	<u>230,200</u>	<u>230,200</u>	<u>151,641</u>	<u>78,559</u>
Deficiency of revenues over expenditures	<u>(147,000)</u>	<u>(147,000)</u>	<u>(60,427)</u>	<u>86,573</u>
OTHER FINANCING SOURCES,				
Transfers in	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>-</u>
Total other financing sources	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>-</u>
Net change in fund balances	3,000	3,000	89,573	86,573
Fund balances - beginning	<u>151,627</u>	<u>151,627</u>	<u>151,627</u>	<u>-</u>
Fund balances - ending	<u>\$ 154,627</u>	<u>\$ 154,627</u>	<u>\$ 241,200</u>	<u>\$ 86,573</u>

**CITY OF RAYTOWN, MISSOURI
 BUDGETARY COMPARISON SCHEDULE --
 CAPITAL IMPROVEMENTS FUND
 FOR THE YEAR ENDED OCTOBER 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES,				
Investment earnings	\$ 81,000	\$ 81,000	\$ 78,086	\$ (2,914)
Total revenues	<u>81,000</u>	<u>81,000</u>	<u>78,086</u>	<u>(2,914)</u>
EXPENDITURES,				
Capital outlay	<u>31,520</u>	<u>423,812</u>	<u>355,851</u>	<u>67,961</u>
Total expenditures	<u>31,520</u>	<u>423,812</u>	<u>355,851</u>	<u>67,961</u>
Excess (deficiency) of revenues over expenditures	<u>49,480</u>	<u>(342,812)</u>	<u>(277,765)</u>	<u>65,047</u>
Fund balances - beginning	<u>1,333,299</u>	<u>1,333,299</u>	<u>1,333,299</u>	<u>-</u>
Fund balances - ending	<u>\$ 1,382,779</u>	<u>\$ 990,487</u>	<u>\$ 1,055,534</u>	<u>\$ 65,047</u>