

CITY OF RAYTOWN, MISSOURI

Basic Financial Statements



**For Year Ended
October 31, 2013**

Prepared by:

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CITY OF RAYTOWN, MISSOURI
Basic Financial Statements
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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
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 City of Raytown, Missouri (the City), as of and for the year ended October 31, 2013, 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 and standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. 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 misstatements 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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of October 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 12 to the financial statements, in 2013 the City adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 65, *Items Previously Recognized as Assets and Liabilities*. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require the budgetary comparison schedules and the schedule of funding progress be presented to supplement the basic financial statements. Such information, although not a required 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 principally of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

Other Reporting Required by Governmental Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated May 15, 2014 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's internal control over financial reporting and compliance.

Kansas City, Missouri
May 15, 2014

Cochran Head Vick & Co., P.C.

CITY OF RAYTOWN, MISSOURI

Management's Discussion and Analysis

October 31, 2013

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, 2013.

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 for the City of Raytown, Missouri (the City) exceeded its liabilities at the close of the most recent fiscal year by \$18,668,951 (net position).

The City's total net position increased \$981,436 when compared to 2012.

The City's largest area of decrease in Governmental type net position was in Capital Assets as depreciation of infrastructure and facilities was greater than investment into capital assets by \$1,349,602.

Business-Type Activities realized an increase in net position of \$789,792 over 2012.

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

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

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

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.

CITY OF RAYTOWN, MISSOURI

Management's Discussion and Analysis

October 31, 2013

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.

Government-wide Financial Analysis

As indicated earlier, net position may serve as a useful indicator of the City's financial position. The largest portion of the City's net position, \$38,881,458, reflects its 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.

CITY OF RAYTOWN, MISSOURI

Management's Discussion and Analysis

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NET POSITION

The following table reflects the condensed Statement of Net Position as of October 31, 2013 and 2012.

	Governmental		Business-type		Total	
	Activities		Activities			
	2013	2012*	2013	2012*	2013	2012*
Current and other assets	\$ 19,969,521	\$ 18,746,855	\$ 8,085,046	\$ 7,860,651	\$ 28,054,567	\$ 26,607,506
Capital assets	35,375,301	36,763,020	13,174,662	13,052,295	48,549,963	49,815,315
Total assets	<u>55,344,822</u>	<u>55,509,875</u>	<u>21,259,708</u>	<u>20,912,946</u>	<u>76,604,530</u>	<u>76,422,821</u>
Deferred charge on refunding	-	-	24,766	-	24,766	-
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>24,766</u>	<u>-</u>	<u>24,766</u>	<u>-</u>
Long-term debt	41,430,393	42,343,159	12,822,898	13,296,622	54,253,291	55,639,781
Other liabilities	2,871,973	2,315,904	835,081	779,621	3,707,054	3,095,525
Total liabilities	<u>44,302,366</u>	<u>44,659,063</u>	<u>13,657,979</u>	<u>14,076,243</u>	<u>57,960,345</u>	<u>58,735,306</u>
Net position:						
Net investment in capital assets	35,203,982	36,553,584	3,677,476	3,065,727	38,881,458	39,619,311
Restricted	9,613,073	9,085,622	505,136	492,278	10,118,209	9,577,900
Unrestricted (deficit)	<u>(33,774,599)</u>	<u>(34,788,394)</u>	<u>3,443,883</u>	<u>3,278,698</u>	<u>(30,330,716)</u>	<u>(31,509,696)</u>
Total net position	<u>\$ 11,042,456</u>	<u>\$ 10,850,812</u>	<u>\$ 7,626,495</u>	<u>\$ 6,836,703</u>	<u>\$ 18,668,951</u>	<u>\$ 17,687,515</u>

* as restated

At the end of the current fiscal year, the City is reporting positive balances in two of the three categories of net position related to governmental activities. The City currently has deficit unrestricted net position related to governmental activities due to the economic development project on 350 Highway. The City issued tax increment and sales tax revenue bonds in the amount of \$39,990,000 to fund certain development project costs. 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 liability with no reportable capital asset. The City began paying principal payments on the bonds in 2012 and currently holds \$3,825,384 in a Debt Reserve Fund should pledged revenues fall short of debt service requirements.

The City is reporting positive balances in all three categories of net position for business-type activities.

CITY OF RAYTOWN, MISSOURI

Management's Discussion and Analysis
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Change in Net Position

The following table reflects the revenues and expenses from the City's activities for the years ended October 31, 2013 and 2012:

City of Raytown Changes in Net Position

	Governmental		Business-type		Total	
	Activities		Activities			
	2013	2012*	2013	2012*	2013	2012*
Revenues:						
Program revenues:						
Charges for services	\$ 3,057,395	\$ 3,056,660	\$ 5,434,614	\$ 5,602,173	\$ 8,492,009	\$ 8,658,833
Operating grants and contributions	181,199	1,179,839	-	-	181,199	1,179,839
Capital grants and contributions	297,429	161,331	-	-	297,429	161,331
General revenues:						
Property taxes	1,777,787	1,745,314	-	-	1,777,787	1,745,314
Sales taxes	7,653,932	7,172,193	-	-	7,653,932	7,172,193
Motor vehicle taxes	1,062,104	1,072,345	-	-	1,062,104	1,072,345
Franchise taxes	4,031,026	4,039,634	-	-	4,031,026	4,039,634
Intergovernmental activity taxes	1,356,358	1,285,626	-	-	1,356,358	1,285,626
Other taxes	75,910	75,938	-	-	75,910	75,938
Other	568,213	479,057	261,014	275,063	829,227	754,120
Total revenues	20,061,353	20,267,937	5,695,628	5,877,236	25,756,981	26,145,173
Expenses:						
General government	2,603,763	2,533,506	-	-	2,603,763	2,533,506
Parks and recreation	1,355,505	1,569,021	-	-	1,355,505	1,569,021
Community development	918,391	3,660,402	-	-	918,391	3,660,402
Public safety	8,350,571	8,629,165	-	-	8,350,571	8,629,165
Public works	5,439,064	3,738,333	-	-	5,439,064	3,738,333
Interest on long-term debt	1,951,784	1,963,079	-	-	1,951,784	1,963,079
Sanitary sewer	-	-	4,156,467	5,060,855	4,156,467	5,060,855
Total expenses	20,619,078	22,093,506	4,156,467	5,060,855	24,775,545	27,154,361
Change in net assets before transfers	(557,725)	(1,825,569)	1,539,161	816,381	981,436	(1,009,188)
Transfers	749,369	282,925	(749,369)	(282,925)	-	-
Change in net position after transfers	191,644	(1,542,644)	789,792	533,456	981,436	(1,009,188)
Net position, beginning	10,850,812	12,393,456	6,836,703	6,303,247	17,687,515	18,696,703
Net position, ending	\$ 11,042,456	\$ 10,850,812	\$ 7,626,495	\$ 6,836,703	\$ 18,668,951	\$ 17,687,515

* as restated

Governmental Activities

The City saw an overall decrease in revenues in 2013 compared to 2012, however Governmental activities increased the City's net position by \$191,644 compared to 2012. The increase in net position is attributable to the decrease of expenses by \$1,474,428 compared to the 2012 levels. The majority of the decreased expenses are directly related to activities associated with Community Development such as the Neighborhood Stabilization Program and the developer obligations related to Phase 2 of the 350 Highway TIF project recognized in 2012.

The largest single revenue category for Raytown remains sales taxes which totaled \$7,653,932 or 38% of total governmental revenue and was up \$481,739 or 6.7% over 2012. Revenues from governmental

CITY OF RAYTOWN, MISSOURI

Management's Discussion and Analysis

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activities totaled \$20,061,353 or 78% of the total City revenues. This represents a decrease of \$206,584 from 2012. The main source of the decrease was reduced grant funding of \$998,640 compared to 2012. The primary source of the grant funding in 2012 was the Neighborhood Stabilization Program administered by the City, this program has since transitioned into a self-funded project.

Business-type Activities

Total business-type activities are attributable to the sanitary sewer fund. In 2013 business-type revenues were down \$181,608 or 3% while expenses decreased \$904,388 or 18% when compared to 2012. The relatively small decrease in revenue percentage wise is attributable to collections, billing cycles and reduced consumption by consumers from one year to the next. The decrease in expenses is primarily due to cost saving programs implemented by management. Savings in expenses would have been more significant if not for treatment rate increases by Kansas City Water and Little Blue Valley Sewer District during the same period. In total the Business-type activities experienced an increase in net position of \$789,792.

Financial Analysis of the City's Funds

Governmental Funds

As of the end of the current fiscal year, the City's governmental funds have a combined fund balance of \$16,962,367 which represents an increase of \$901,125 over 2012 and marks the third straight year of increasing fund balances.

General Fund

The City met its City Resolution 2039-08 requiring a contingency reserve equal to 17% of total operating revenues.

The General Fund revenues and transfers in were \$13,162,233 compared to \$11,808,439 in 2012 which represents an increase of \$1,353,794 or 11%. The main increase in revenue for the City was the transfer in from the sewer fund in the amount of \$1,089,000. This transfer is made to cover operating expenses in the General Fund that are directly attributable to the Sewer Fund. Additionally charges for services were up \$152,075 when compared to 2012.

General Fund expenditures including transfers out were \$13,062,461 compared to \$11,766,764 in 2012 which represents an increase of \$1,295,697 or 11%. Increased expenditures of \$360,783 in public safety related expenses are attributable in large part to a one time radio tower project. Public Works expenditures increased \$1,187,109 due to all fuel and vehicle repair expenses being allocated back to Public Works. Additionally positions previously split with the sewer fund are now being fully allocated to the General Fund and then reimbursed via a transfer.

The fund balance of the General Fund increased \$99,772 during the fiscal year compared to a \$41,675 increase in 2012.

Tax Increment Finance Fund

The TIF Fund revenues were \$3,004,198 compared to \$3,032,381 in 2012 which represents a decrease of \$28,183. The decrease was less than one percent and is consistent with the relatively flat sales tax collections in the TIF districts.

The expenditures were \$2,931,897 compared to \$2,792,573 in 2012 which represents an increase of \$139,324 or 5%. This is attributed to the escalation of the principal payment in 2013.

CITY OF RAYTOWN, MISSOURI

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The fund balance of the Tax Increment Finance (TIF) Fund increased \$72,301 during the fiscal year. The increase in fund balance is related the increased CID taxes, PILOTS and total revenues over expenditures. However as the debt payment schedule increases these fund surpluses will be needed to offset additional debt payments.

Other governmental funds (Combined)

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

The other governmental funds combined revenues were \$5,244,715 compared to \$5,767,150 in 2012 which represent a decrease of \$522,435 or 9%. This decrease was due primarily to the CDBG Neighborhood Stabilization Program (NSP) which received revenue of \$1,206,701 in 2012 but transitioned to being funded by project revenue only in 2013.

Combined expenditures and transfers out for other Governmental Funds were \$5,072,788 compared to \$5,939,288 in 2012. This decrease of \$866,500 is directly related to the NSP program funded by a federal grant in 2012 and transitioning to program revenue based in 2013.

The combined fund balance of the other governmental funds increased \$179,927 during the fiscal year. The primary reason for the increase is again directly related to the NSP 3 program.

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 \$5,434,614 in 2013 compared to operating revenues of \$5,602,173 in 2012. The decrease of \$167,559 is directly related to increased efficiency in household appliances resulting in decreased consumption. This is a trend that can be expected to continue as the City has no area left for new development.

The operating expenses were \$3,598,940 in 2013 compared to \$4,415,203 in 2012. The decrease of \$816,263 in expenses is primarily due to cost saving programs implemented by management and consolidating positions previously spilt with the General Fund back to the General Fund. Savings in expenses would have been more significant if not for treatment rate increases by Kansas City Water and Little Blue Valley Sewer District during the same period.

Transfers out increased \$806,075 as the Sewer Fund is now reimbursing the General Fund for its share of expenses directly related to the Sewer Fund but covered in the General Fund. Previously many of these expenses were being split with each expense leading to numerous dual entries.

This fund has a significant amount of non-operating revenues and expenses. This activity is primarily related to the city debt issuance for infrastructure improvements as part of the SRF 2007A bonds. While much of the proceeds from this debt issuance have already been invested in improvements the City has \$3,285,323 in construction funds available. These funds are currently pledged to the completion of the White Oak West line improvement currently under construction.

The net position of the Sanitary Sewer fund at the end of the year increased \$789,792. Cost saving programs implemented allowed the City to hold rates level for 2013. Net position has increased in the sewer fund for four consecutive years. Other factors concerning the finances of this fund have been addressed in the discussion of the City's business-type activities.

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Management's Discussion and Analysis

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General Fund Budgetary Highlights

Differences between the original and the final amended budget can be summarized as follows:

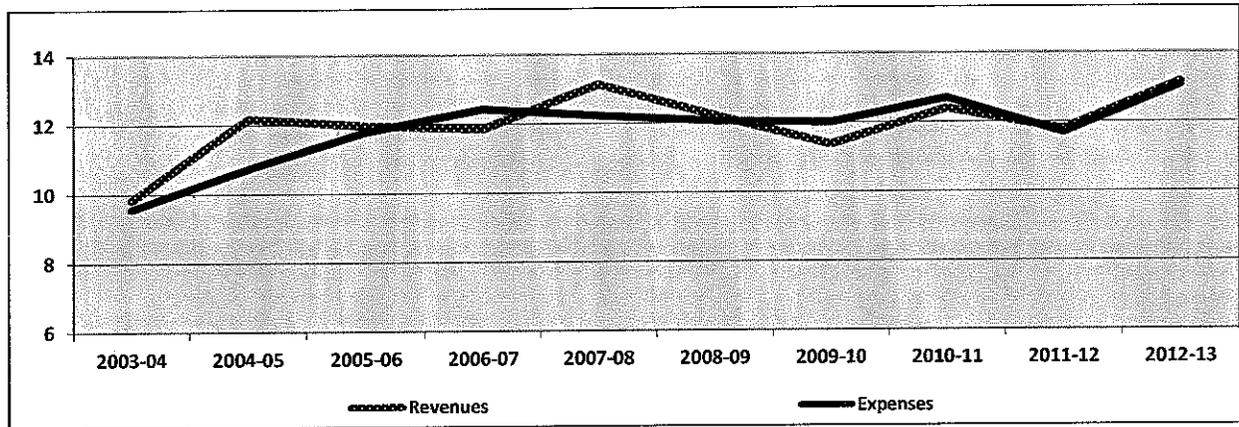
- The original revenue and transfers in budget of \$13,081,443 was not amended. Any un-budgeted revenue was simply received as miscellaneous revenue or assigned to the appropriate revenue stream.
- The original expenditure and transfer out budget of \$12,928,211 was increased by \$586,349 to \$13,514,561. The main contributors were the increase in capital outlay related to grant spending and to transfer unappropriated cash balance of \$549,125 to the 350 Highway Project.

General Fund Actual to Amended Budget Analysis

Actual revenues and transfers in were \$80,790 more than the budget. This increase represents less than a one percent variance from budget.

Actual expenditures and transfers out were \$458,204 less than the amended budgeted. The reduction in expenditures was distributed among several line items that came in significantly below budget such as workers compensation premiums, health insurance premiums and bad debt expense over time.

The following graph illustrates the City's General Fund Revenues against Expenditures for fiscal years ended 2004 through 2013:



As this graph illustrates, the City has had revenues in excess of expenditures from FY 2003-04 through FY 2005-06. In FY 2006-07, the City had expenditures in excess of revenue that had to be made up from the fund balance. In FY 2009-10, the City again had expenditures in excess of revenues primarily due to a planned spend down of fund balance for one-time projects and a minor operating subsidy. In 2010-11 the City once again had expenditures in excess of revenues that were primarily due to a transfer for a loan to an Improvement District. In FY 2011-12 the City's revenue exceeded expenditures reversing the previous two years trend. IN FY 2012-13 revenue exceeded expenditures and transfers out just slightly due to a transfer to the CIP Fund for a capital project from the General Fund unreserved fund balance.

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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, 2013, amounts to \$48,549,963 compared to \$49,815,315 in 2012 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, collections systems, machinery and equipment, and infrastructure. In 2013, the city purchased new equipment and completed numerous road projects and street maintenance programs.

**City of Raytown Capital Assets
(net of depreciation)**

	Governmental		Business-Type		Total	
	Activities		Activities			
	2013	2012	2013	2012	2013	2012
Land/ (Const. in Prog)	\$ 2,542,218	\$ 2,141,240	\$ 1,175,732	\$ 836,102	\$ 3,717,950	\$ 2,977,342
Buildings & Improvements	2,634,532	2,726,505	-	-	2,634,532	2,726,505
Equipment & Vehicles	2,324,910	2,654,634	300,701	352,956	2,625,611	3,007,590
Infrastructure	27,873,641	29,240,641	11,698,229	11,863,237	39,571,870	41,103,878
Total	\$ 35,375,301	\$ 36,763,020	\$ 13,174,662	\$ 13,052,295	\$ 48,549,963	\$ 49,815,315

For additional information on capital assets, see Note 8 to the Basic Financial Statements.

Debt Administration

At the end of fiscal year 2013, the City had a total of \$54,253,291 of outstanding debt compared to \$55,639,781 in 2012. This was an decrease of \$1,386,490 from the previous year.

City of Raytown Outstanding Debt

	Activities		Activities		Total	
	2013	2012	2013	2012	2013	2012
TIF Bonds (plus premium)	\$ 38,672,118	\$ 39,552,923	\$ -	\$ -	\$ 38,672,118	\$ 39,552,923
Developer Obligations	1,994,141	2,069,172	-	-	1,994,141	2,069,172
Capital Leases	171,319	209,436	-	-	171,319	209,436
Compensated Absences	396,787	358,828	6,855	18,416	403,642	377,244
Net OPEB Obligation	196,028	152,800	8,168	5,715	204,196	158,515
Revenue Bonds (plus premium)	-	-	12,807,875	13,272,491	12,807,875	13,272,491
Total	\$ 41,430,393	\$ 42,343,159	\$ 12,822,898	\$ 13,296,622	\$ 54,253,291	\$ 55,639,781

The City had a rated refinancing in 2013 which it received an S&P rating of A+.

For additional information on debt administration, see Note 9 to the Basic Financial Statements.

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Management's Discussion and Analysis

October 31, 2013

Other Factors

The City is currently experiencing some revitalization and growth along its major corridors. This growth has resulted in increased sales and property tax collections while some of the surrounding communities continue to struggle in these areas. One item to note however, is that much of these increased revenues have been deferred for various periods of times in the way of improvement districts and tax incremental financing areas.

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 Mark Loughry, Finance Director, Finance Department, City of Raytown, 10000 E 59th Street, Raytown, MO 64133.

CITY OF RAYTOWN, MISSOURI
Statement of Net Position
October 31, 2013

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash and investments	\$ 8,790,059	\$ 3,202,257	\$ 11,992,316
Receivables (net of allowance for uncollectibles):			
Taxes	1,899,871	-	1,899,871
Accounts	321,767	1,043,047	1,364,814
Fines	34,697	-	34,697
Intergovernmental	388,525	-	388,525
Prepays	632,606	52,444	685,050
Internal balances	3,761	(3,761)	-
Restricted cash and investments	6,042,780	3,791,059	9,833,839
Loan receivable	819,552	-	819,552
Land held for redevelopment	1,034,432	-	1,034,432
Net pension asset	1,471	-	1,471
Capital assets:			
Land, other assets and construction in progress, non-depreciable	2,542,218	1,175,732	3,717,950
Other capital assets, net of depreciation	32,833,083	11,998,930	44,832,013
Total assets	<u>55,344,822</u>	<u>21,259,708</u>	<u>76,604,530</u>
Deferred Outflows of Resources			
Deferred charge on refunding	-	24,766	24,766
Total deferred outflows of resources	<u>-</u>	<u>24,766</u>	<u>24,766</u>
Liabilities			
Accounts payable	1,633,891	397,119	2,031,010
Accrued liabilities	292,738	9,375	302,113
Customer deposits	-	263,530	263,530
Court bonds payable	139,232	-	139,232
Interest payable	806,112	165,057	971,169
Long-term obligations:			
Due within one year	1,452,828	571,471	2,024,299
Due in more than one year	39,977,565	12,251,427	52,228,992
Total liabilities	<u>44,302,366</u>	<u>13,657,979</u>	<u>57,960,345</u>
Net Position			
Net investment in capital assets	35,203,982	3,677,476	38,881,458
Restricted for:			
General government	105,495	-	105,495
Community development	697,858	-	697,858
Public safety	1,121,469	-	1,121,469
Public works	1,396,664	-	1,396,664
Debt service	6,291,587	505,136	6,796,723
Unrestricted (deficit)	(33,774,599)	3,443,883	(30,330,716)
Total net position	<u>\$ 11,042,456</u>	<u>\$ 7,626,495</u>	<u>\$ 18,668,951</u>

See accompanying notes to the basic financial statements

CITY OF RAYTOWN, MISSOURI
Statement of Activities
For the year ended October 31, 2013

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Business-Type Activities	Total
Primary government:							
Government activities:							
General government	\$ 2,603,763	\$ 421,468	\$ -	\$ -	\$ (2,182,295)	\$ -	\$ (2,182,295)
Parks and recreation	1,355,505	265,728	52,151	-	(1,037,626)	-	(1,037,626)
Community development	918,391	85,629	-	-	(832,762)	-	(832,762)
Public safety	8,350,571	2,257,323	129,048	-	(5,964,200)	-	(5,964,200)
Public works	5,439,064	27,247	-	297,429	(5,114,388)	-	(5,114,388)
Interest on long-term debt	1,951,784	-	-	-	(1,951,784)	-	(1,951,784)
Total governmental activities	20,619,078	3,057,395	181,199	297,429	(17,083,055)	-	(17,083,055)
Business-type activities							
Sewer	4,156,467	5,434,614	-	-	-	1,278,147	1,278,147
Total business-type activities	4,156,467	5,434,614	-	-	-	1,278,147	1,278,147
Total primary government	\$ 24,775,545	\$ 8,492,009	\$ 181,199	\$ 297,429	(17,083,055)	1,278,147	(15,804,908)

General revenues:

Taxes:							
Property taxes, levied for general purpose	1,191,862						1,191,862
Property taxes, levied for parks and recreation	585,925						585,925
Sales taxes	7,653,932						7,653,932
Motor vehicle tax	1,062,104						1,062,104
Franchise taxes	4,031,026						4,031,026
Intergovernmental activity taxes	1,356,358						1,356,358
Other taxes	75,910						75,910
Unrestricted investment earnings	243,003				261,014		504,017
Miscellaneous	325,210						325,210
Transfers	749,369				(749,369)		-
Total general revenues and transfers	17,274,699				(488,355)		16,786,344
Change in net position	191,644				789,792		981,436
Net position-beginning of year	10,850,812				6,836,703		17,687,515
Net position-end of year	\$ 11,042,456				\$ 7,626,495		\$ 18,668,951

See accompanying notes to the basic financial statements

CITY OF RAYTOWN, MISSOURI

Balance Sheet
Governmental Funds
October 31, 2013

	General	TIF Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and investments	\$ 4,151,713	\$ 672,504	\$ 3,965,842	\$ 8,790,059
Receivables (net of allowance):				
Taxes	857,409	248,269	794,193	1,899,871
Accounts	321,123	-	644	321,767
Fines	34,697	-	-	34,697
Intergovernmental	126,206	212,420	49,899	388,525
Interfund receivables	61,597	-	-	61,597
Prepays	350,132	-	282,474	632,606
Restricted cash and investments	139,232	5,903,548	-	6,042,780
Loan receivable	-	-	819,552	819,552
Land held for redevelopment	1,034,432	-	-	1,034,432
Total assets	\$ 7,076,541	\$ 7,036,741	\$ 5,912,604	\$ 20,025,886
Liabilities				
Accounts payable	\$ 421,313	\$ 47,296	\$ 1,165,282	\$ 1,633,891
Accrued liabilities	242,489	-	50,249	292,738
Interfund payables	-	-	57,836	57,836
Court bonds payable	139,232	-	-	139,232
Total liabilities	803,034	47,296	1,273,367	2,123,697
Deferred inflows of resources				
Unavailable revenues	38,697	-	-	38,697
Total deferred inflows of resources	38,697	-	-	38,697
Fund balances				
Nonspendable:				
Prepays	350,132	-	282,474	632,606
Loan receivable	-	-	819,552	819,552
Land held for redevelopment	1,034,432	-	-	1,034,432
Restricted for:				
Risk management	-	-	105,495	105,495
Community development	-	697,858	-	697,858
Public Safety	-	-	1,110,223	1,110,223
Public works	-	-	1,396,664	1,396,664
Debt service	-	6,291,587	-	6,291,587
Committed for:				
Capital outlay	48,430	-	-	48,430
Assigned for:				
General government	383	-	-	383
Parks and recreation	-	-	738,998	738,998
Community development	15,720	-	-	15,720
Public safety	50,561	-	-	50,561
Public works	8,902	-	-	8,902
Unassigned (deficit)	4,726,250	-	185,831	4,912,081
Total fund balances	6,234,810	6,989,445	4,639,237	17,863,492
Total liabilities, deferred inflows, and fund balances	\$ 7,076,541	\$ 7,036,741	\$ 5,912,604	\$ 20,025,886

See accompanying notes to the basic financial statements

CITY OF RAYTOWN, MISSOURI
Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Position
October 31, 2013

Amounts reported for governmental activities in the statement of net position are different because:

Ending fund balances - total governmental funds	\$	17,863,492
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental fund statements.		35,375,301
Long-term liabilities are not current obligations and, therefore, not recorded in the governmental fund statements.		(41,430,393)
Certain revenues are not available to pay for current period expenditures and therefore are deferred inflows in the governmental funds.		38,697
The net pension assets does not represent available assets and therefore is not reported in the governmental fund statements.		1,471
Liabilities for interest on long-term debt are recognized only when due in the governmental fund statements but are accrued in the government-wide statements.		<u>(806,112)</u>
Total net position of governmental activities	\$	<u><u>11,042,456</u></u>

CITY OF RAYTOWN, MISSOURI
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended October 31, 2013

	General	TIF Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 7,835,827	\$ 1,446,522	\$ 4,256,306	\$ 13,538,655
Intergovernmental activity taxes	-	1,388,856	-	1,388,856
Licenses and permits	397,102	-	-	397,102
Intergovernmental	1,191,151	-	577,875	1,769,026
Fines	1,148,312	-	-	1,148,312
Charges for services	1,246,252	-	259,355	1,505,607
Interest	16,070	168,820	58,113	243,003
Other	238,519	-	93,066	331,585
Total revenues	12,073,233	3,004,198	5,244,715	20,322,146
Expenditures:				
Current:				
General government	2,284,243	-	121,859	2,406,102
Parks and recreation	-	-	1,464,472	1,464,472
Community development	615,276	15,294	289,417	919,987
Public safety	6,866,657	-	1,117,162	7,983,819
Public works	2,747,160	-	-	2,747,160
Capital outlay	-	-	2,031,880	2,031,880
Debt service:				
Principal	-	940,031	38,117	978,148
Interest and fiscal charges	-	1,976,572	9,881	1,986,453
Total expenditures	12,513,336	2,931,897	5,072,788	20,518,021
Excess of revenues over (under) expenditures	(440,103)	72,301	171,927	(195,875)
Other financing sources (uses):				
Sale of capital assets	-	-	8,000	8,000
Transfers in	1,089,000	-	549,125	1,638,125
Transfers out	(549,125)	-	-	(549,125)
Total other financing sources (uses)	539,875	-	557,125	1,097,000
Net change in fund balances	99,772	72,301	729,052	901,125
Fund balances, beginning of year	6,135,038	6,917,144	3,910,185	16,962,367
Fund balances, end of year	\$ 6,234,810	\$ 6,989,445	\$ 4,639,237	\$ 17,863,492

See accompanying notes to the basic financial statements

CITY OF RAYTOWN, MISSOURI
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balance - Governmental Funds to the Statement of Activities
For the year ended October 31, 2013

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

Net changes in fund balances - total governmental funds	\$	901,125
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay		1,682,681
Depreciation expense		(3,060,877)
Book value of capital asset disposals		(9,523)

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

Deferred revenue		(260,793)
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal payments on long-term debt		978,148
Bond premium amortization, net		15,805

Some expenses reported in the government-wide statement of activities do not require the use of current financial resources, and therefore are not reported as expenditures in governmental funds.

Change in compensated absences and other post employment benefit obligations		(81,187)
Change in accrued interest payable		18,864
Change in net pension obligation/asset		7,401

Total changes in net position of governmental activities	\$	<u>191,644</u>
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CITY OF RAYTOWN, MISSOURI
Statement of Net Position
Proprietary Fund
October 31, 2013

	Assets	<u>Sewer Fund</u>
Current Assets:		
Cash and investments		\$ 3,202,257
Accounts receivable, net		1,043,047
Prepays		52,444
Restricted assets:		
Restricted cash and investments		<u>3,791,059</u>
Total current assets		<u>8,088,807</u>
Non-current assets:		
Capital assets:		
Land, construction in progress, and and other non-depreciable capital assets		1,175,732
Other capital assets, net of depreciation		<u>11,998,930</u>
Total non-current assets		<u>13,174,662</u>
Total assets		<u>21,263,469</u>
Deferred Outflows of Resources		
Deferred charge on refunding		<u>24,766</u>
Total Deferred Outflows of Resources		<u>24,766</u>
Liabilities		
Current liabilities:		
Accounts payable		397,119
Accrued liabilities		9,375
Compensated absences		6,855
Due to other funds		3,761
Liabilities payable from restricted assets:		
Interest payable		165,057
Customer deposits		263,530
Current portion of bonds payable		<u>564,616</u>
Total current liabilities		<u>1,410,313</u>
Non-current liabilities:		
Other post employment benefits		8,168
Bonds payable		<u>12,243,259</u>
Total non-current liabilities		<u>12,251,427</u>
Total liabilities		<u>13,661,740</u>
Net position		
Net investment in capital assets		3,677,476
Restricted net position for:		
Debt service		505,136
Unrestricted		<u>3,443,883</u>
Total net position		<u>\$ 7,626,495</u>

CITY OF RAYTOWN, MISSOURI
Statement of Revenues, Expenses and Changes in
Net Position - Proprietary Funds
For the Year Ended October 31, 2013

	Sewer Fund
Operating revenues:	
Charges for services	\$ 5,399,978
Other revenue	34,636
Total operating revenues	5,434,614
Operating expenses:	
Personal services	103,101
Commodities and supplies	212,333
Contractual services	239,538
Sewer treatment charges	2,632,615
Depreciation and amortization	411,353
Total operating expenses	3,598,940
Operating income	1,835,674
Nonoperating revenues (expenses):	
Interest income	261,014
Interest expense	(557,527)
Total nonoperating revenues (expenses)	(296,513)
Income before capital contributions and transfers	1,539,161
Capital contributions	339,631
Transfers out	(1,089,000)
Change in net position	789,792
Total net position, beginning of year	6,836,703
Total net position, end of year	\$ 7,626,495

See accompanying notes to the basic financial statements

CITY OF RAYTOWN, MISSOURI
Statement of Cash Flows-
Proprietary Funds
For the Year Ended October 31, 2013

	Sewer Fund
Cash flows from operating activities:	
Receipts from customers	\$ 5,437,508
Payments to suppliers and service providers	(3,025,223)
Payments to employees	(130,635)
Net cash provided by operating activities	2,281,650
Cash flows from investment activities:	
Investments, net	(17,253)
Interest received	261,014
Net cash provided by investment activities	243,761
Cash flows from noncapital financing activities:	
Interfund advances and payments	(29,389)
Transfers out	(1,089,000)
Net cash used by noncapital financing activities	(1,118,389)
Cash flows from capital and related financing activities:	
Acquisition of capital assets	(194,089)
Interest and fiscal charges	(627,440)
Bonds issued	2,310,000
Principal payments on long-term debt	(2,760,000)
Net cash used by capital and related financing activities	(1,271,529)
Net increase in cash and cash equivalents	135,493
Cash and cash equivalents, beginning of year	802,868
Cash and cash equivalents, end of year	938,361
Certificates of deposits and investments	6,054,955
Total cash and investments, end of year	\$ 6,993,316
Financial Statement Classification:	
Cash and investments	\$ 3,202,257
Restricted cash and investments	3,791,059
	\$ 6,993,316
Cash flows from operating activities:	
Operating income	\$ 1,835,674
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation and amortization	411,353
Changes in assets and liabilities:	
Accounts receivable	(42,453)
Prepays	193
Accounts payable	59,070
Accrued liabilities	(18,426)
Compensated absences	(11,561)
Customer deposits	45,347
Other post employment benefits	2,453
Net cash provided by operating activities	\$ 2,281,650
Supplemental Cash Flow Information:	
Non-cash Capital and Related Finance Activities:	
Contributed capital assets	\$ 339,631

See accompanying notes to the basic financial statements

CITY OF RAYTOWN, MISSOURI
Statement of Fiduciary Net Position
October 31, 2013

	Pension Trust	Agency
	Police Pension	
Assets		
Cash and investments	\$ 10,181,542	\$ 78,249
Taxes receivable	-	24,599
Total assets	10,181,542	\$ 102,848
Liabilities		
Due to others	-	\$ 102,848
Net Position		
Net position:		
Held in trust for pension benefits	\$ 10,181,542	

CITY OF RAYTOWN, MISSOURI
Statement of Changes in Fiduciary Net Position
For the year ended October 31, 2013

	Pension Trust
Additions:	
Employer contributions	\$ 665,465
Investment earnings:	
Interest and dividends	288,495
Net appreciation in fair value of investments	1,064,558
Investment expenses	<u>(77,203)</u>
Total investment earnings	<u>1,275,850</u>
Total additions	<u>1,941,315</u>
 Deductions:	
Benefits paid	866,726
Administrative expenses and other	<u>26,279</u>
Total deductions	<u>893,005</u>
 Change in net position	 1,048,310
 Net position, beginning of year	 <u>9,133,232</u>
 Net position, end of year	 <u><u>\$ 10,181,542</u></u>

CITY OF RAYTOWN, MISSOURI
Notes to the Basic Financial Statements
For the Year Ended October 31, 2013

(1) Summary of Significant Accounting Policies

The City of Raytown, Missouri (the City) was incorporated in 1950 and covers an area of approximately ten square miles in Jackson County, Missouri. Raytown is a city of the fourth class and operates under the Mayor/Board of Aldermen form of government. The City provides services to its approximately 29,500 residents in many areas, including general government, law enforcement, paramedic services, public works, sewer services, community enrichment and development, and various social services. Fire protection services are provided by a fire district which is a separate governmental entity. Primary and secondary education services are provided by the Raytown School District, also a separate governmental entity.

The accounting and reporting policies of the City conform to accounting principles generally accepted in the United States of America applicable to local governments (GAAP). The following represent the more significant accounting and reporting policies and practices of the City.

A. Financial Reporting Entity

In evaluating how to define the government for financial reporting purposes, management has considered all potential component units. Component units are separate legal entities which are included in the primary government's financial report. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic, but not only, criterion for including a potential component unit within the reporting entity is the City's financial accountability for the potential component unit. An entity is considered a component unit if City officials appoint a voting majority of the component unit's governing body and the City is able to impose its will upon the component unit. Additionally, if the entity provides specific financial benefits to or imposes specific financial burdens on the City, it may be considered a component unit.

This report includes the financial statements of the City (the primary government) and its blended component unit, the City of Raytown, Missouri Tax Increment Financing (TIF) Commission (the Commission). The Commission is governed by an eleven-member board of which six members are appointed by the Board of Aldermen. The remaining five members are appointed by the respective taxing districts' boards. Although it is legally separate from the City, the Commission is reported as if it were part of the primary government because its sole function is to use TIF as a method to finance economic development through payments in lieu of taxes (PILOTS) and economic activity taxes (EATS). The Commission does not issue separate financial statements.

B. Basis of Presentation

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds).

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The statement of net position and the statement of activities display information about the City, the primary government, as a whole, with the exclusion of fiduciary funds. These statements distinguish between the governmental and business-type activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. Internal activity is eliminated to avoid "doubling up" revenues and expenses.

CITY OF RAYTOWN, MISSOURI
Notes to the Basic Financial Statements
For the Year Ended October 31, 2013

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements, but differs from the manner in which governmental fund financial statements are prepared. Therefore, each of the governmental fund financial statements includes a reconciliation with brief explanations to better identify the relationship between the governmental fund statements and the government-wide statements.

The government-wide statement of activities presents a comparison between expenses and program revenues for each program of the governmental activities. Expenses are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program is self-financing or draws from the general revenues of the City.

FUND FINANCIAL STATEMENTS

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Non-major funds are aggregated and presented in a single column.

GOVERNMENTAL FUNDS

Governmental funds are those through which most governmental functions of the City are financed. The acquisition, use and balances of the City's expendable financial resources and the related liabilities (other than those in proprietary funds) are accounted for through governmental funds.

The following are the City's major governmental funds:

General Fund - is the principal operating fund of the City and accounts for all financial transactions not accounted for in other funds. For financial reporting purposes, the City's grant fund activities are included in the General Fund. The general operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are financed through revenues received by the General Fund.

Tax Increment Financing (TIF) Fund - accounts for resources and activities of the City's tax increment financing plans.

PROPRIETARY FUNDS

Proprietary funds are used to account for the City's ongoing activities that are similar to those often found in the private sector.

The following is the City's major proprietary fund:

Sewer Fund accounts for the provision of sewer services to 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 and related debt service, and billing and collection.

CITY OF RAYTOWN, MISSOURI
Notes to the Basic Financial Statements
For the Year Ended October 31, 2013

FIDUCIARY FUNDS

The City maintains four fiduciary funds, the Police Pension Trust Fund, which accounts for the activity of the Policemen's Retirement Plan; the Jackson County Tax Agency Fund, which accounts for taxes collected on behalf of Jackson County, Missouri; the Raytown Highway 350 Transportation Development District (TDD), which accounts for taxes collected on behalf to the TDD and the Ditzler CID Fund, which accounts for taxes collected on behalf of the CID. Since by definition these assets are being held for the benefit of a third party and cannot be used to support activities or obligations of the City, these funds are not incorporated into the government-wide statements.

C. Measurement Focus/Basis of Accounting

All governmental funds utilize the current financial resources measurement focus and the modified accrual basis of accounting. Under the current financial resources measurement focus, only current assets and current liabilities are included on the balance sheet of the fund financial statements. Under the modified accrual basis of accounting, revenues are recorded as collected unless susceptible to accrual, i.e., amounts measurable and available to finance the City's operations. Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within sixty days of the end of the current period. Significant revenues that are considered susceptible to accrual include property taxes, sales taxes, interest, and certain state and federal grants and entitlements.

In applying the susceptible-to-accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended for the specific purposes or on the specific project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and nearly irrevocable, i.e.; revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if they meet the available and measurable criteria.

The City records property tax receivables and revenue at the time the lien attaches to the property. Licenses and permits, fines, charges for services and certain other miscellaneous revenues are recorded as revenues when received in cash because they are generally not measurable until actually received.

Most expenditures are measurable and are recorded when the related fund liability is incurred, except for principal and interest on long-term debt which are recognized as expenditures to the extent that they have matured. General capital asset acquisitions are reported as expenditures in the governmental funds. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

The economic resources measurement focus and the accrual basis of accounting are utilized by the proprietary funds. Under this basis of accounting, revenues are recognized when earned and expenses are recorded when liabilities are incurred. All assets and liabilities (whether current or noncurrent) associated with a proprietary fund's activities are included on its statement of net position. Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. All other revenues and expenses are considered nonoperating.

CITY OF RAYTOWN, MISSOURI
Notes to the Basic Financial Statements
For the Year Ended October 31, 2013

D. Cash and Investments

The City maintains and controls a cash pool in which a majority of the City's funds share. Each fund's portion of the pool is displayed on their respective balance sheet/statement of net position as "cash and investments". The City's cash and cash equivalents are primarily considered to be cash on hand, amounts in demand deposits and certificates of deposits. For purposes of the statement of cash flows, short-term investments held in proprietary funds with a maturity date within three months of the date acquired by the City, if any, are considered cash equivalents.

City investments are recorded on the financial statements at fair value or amortized cost, which approximates fair value. Pension trust investments are recorded at fair value.

E. Prepaid Items

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

F. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The City has only one item, which arises under the accrual basis of accounting that qualifies for reporting in this category. It is the deferred amount on refunding reported in the government-wide statement of net position. A deferred amount on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has only one type of item, which arises under the modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported in the governmental funds balance sheet for items that are not yet available under the modified accrual basis of accounting. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

G. Capital Assets

Capital assets acquired for general governmental purposes are recorded as expenditures in the governmental fund financial statements and are capitalized at cost or estimated historical cost in the governmental activities column in the government-wide financial statements. Capital assets owned by the proprietary fund are stated at cost or estimated historical cost in the proprietary fund financial statements and in the business-type activities column in the government-wide financial statements. All contributed capital assets received from federal, state or local sources are recorded at fair value at the time received. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year.

Additions, improvements and costs that significantly extend the useful life of an asset are capitalized. The cost of assets sold or retired and the related amounts of accumulated depreciation are eliminated from the accounts in the year of sale or retirement and any resulting gain or loss is reflected in the basic financial statements. Fully depreciated assets are included in the capital asset accounts until their disposal.

CITY OF RAYTOWN, MISSOURI
Notes to the Basic Financial Statements
For the Year Ended October 31, 2013

Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Buildings and improvements	25-50 years
Office equipment and furniture	7-10 years
Computer equipment, hard and soft	3-5 years
Machinery and other equipment	7-15 years
Vehicles	5-10 years
Infrastructure	20-50 years

H. Compensated Absences

Under terms of the City's personnel policy, City employees are granted vacation and sick leave in varying amounts based upon length of service. In the event of termination, an employee is paid for accumulated vacation days up to the maximum accruable of 240 hours. Employees are not paid for accumulated sick leave upon termination.

Vested or accumulated vacation leave is accounted for as follows:

Governmental Funds - The accumulated liabilities for employee vacation leave is recorded in the governmental activities column of the government-wide financial statements.

Proprietary Funds - The costs of vacation leave are accrued in the respective funds as earned by City employees and recorded in the proprietary fund financial statements and the business-type activities column of the government-wide financial statements.

I. Interfund Activity

Loans – amounts provided with a requirement for repayment. Interfund loans are reported as interfund receivables (e.g., due from other funds) in lender funds and interfund payables (e.g. due to other funds) in borrower funds.

Services provided and used – sales and purchases of goods and services between funds for a price approximating their fair value. Interfund services provided and used are reported as revenues in funds providing the good or service and expenditures or expenses in the fund purchasing the good or service. Unpaid amounts are reported as interfund receivables and payables in the fund balance sheets or fund statements of net position.

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

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

CITY OF RAYTOWN, MISSOURI
Notes to the Basic Financial Statements
For the Year Ended October 31, 2013

J. Fund Balances/Net Position

The governmental funds report the following fund balance classifications:

Non-Spendable – legally or contractually required to be maintained. Not in spendable form, including but not limited to, inventory, prepaid, supplies, and long-term receivables. Such constraint is binding until legal or contractual requirements are repealed or amounts become spendable.

Restricted – Externally imposed constraints, including but not limited to, creditors, grantors, contributors, and constraints by law and regulations. Such constraints are binding unless modified or rescinded by external body, laws, or regulations.

Committed – Specific purpose imposed by an ordinance approved by of the Board of Aldermen. Such constraint is binding unless modified or rescinded by the Board of Aldermen.

Assigned – Constrained by the Board of Aldermen, Finance Committee, or City Administrator's expressed intent in accordance with City policy. Includes all remaining amounts not classified in governmental funds, except the general fund. Such constraint is binding unless modified or eliminated by the Board of Aldermen, Finance Committee, or City Administrator, whoever made the assignment.

Unassigned – All amounts not included in other fund balance classifications. The General Fund shall be the only fund to report positive unassigned fund balance. All other governmental funds my report negative unassigned fund balance.

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

The General Fund balance policy is to reserve 17% of the prior fiscal year's expenditures as an emergency reserve that may only be appropriated by the Board of Aldermen. At such time the emergency reserve is depleted, the City must establish a plan to restore the reserve before any new programs may be established. Compliance with the Fund Balance Classification Policy will be reviewed as part of the annual budget adoption process.

Net Position Classifications

In the government-wide statements and proprietary fund statements, equity is shown as net position and classified into three components:

Net investment in capital assets – consisting of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgage notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position – Net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The City first utilizes restricted resources to finance qualifying activities.

Unrestricted net position – All other net position that do not meet the definition of "restricted" or "net investment in capital assets".

CITY OF RAYTOWN, MISSOURI
Notes to the Basic Financial Statements
For the Year Ended October 31, 2013

K. Expenditures in Excess of Budgeted Appropriations

In violation of the budget ordinance, actual expenditures exceeded budgeted appropriations in the Risk Management Fund by \$24,859 and the Transportation Sales Tax Fund by \$3,846.

L. Stewardship, Compliance and Accountability

RSMo section 302.341 requires the City to annually calculate the percentage of its general revenue that comes from traffic violations. Any such revenues that exceed 30% of total general revenues are required to be transferred to the Director of the Missouri Department of Revenue. In the current year, the City has reported fines and forfeitures, which includes traffic violations and other additional items, in the amount of \$1,148,312. This amount is approximately 10% of total general revenues of \$12,073,233 and, accordingly, the City believes that they are in compliance with the requirements of the Statute.

M. Use of Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

(2) Cash and Investments

At October 31, 2013, the carrying values of cash and investments are summarized as follows:

	Governmental and Business-type Activities	Fiduciary funds	Total
Cash and cash equivalents:			
Deposits	\$ 4,688,984	\$ 78,249	\$ 4,767,233
Petty cash	2,400	-	2,400
Total cash and cash equivalents	<u>4,691,384</u>	<u>78,249</u>	<u>4,769,633</u>
Investments:			
Certificates of deposit	2,384,000	-	2,384,000
Short term investments held in trust	9,694,608	-	9,694,608
U.S. government agency securities	1,020,100	-	1,020,100
Missouri securities investment program	4,036,063	-	4,036,063
Pension trust investments	-	10,181,542	10,181,542
Total investments	<u>17,134,771</u>	<u>10,181,542</u>	<u>27,316,313</u>
Total cash and investments	<u>\$ 21,826,155</u>	<u>\$ 10,259,791</u>	<u>\$ 32,085,946</u>

CITY OF RAYTOWN, MISSOURI
Notes to the Basic Financial Statements
For the Year Ended October 31, 2013

Deposits and investments are reflected in the financial statements as follows:

	Government-wide statement of net position	Fiduciary funds statement of net position	Total
Cash and investments	\$ 11,992,316	\$ 10,259,791	\$ 22,252,107
Restricted cash and investments	9,833,839	-	9,833,839
Total cash and investments	<u>\$ 21,826,155</u>	<u>\$ 10,259,791</u>	<u>\$ 32,085,946</u>

A summary of the City's significant accounting policies regarding cash and investments may be found in Note 1 of the Basic Financial Statements. The City's deposits and investments are generally segregated into two parts: City-wide cash and investments, and Pension trust cash and investments. Below is a description of the policies associated with these categories of deposits and investments.

City-Wide Cash and Investments

Investment Policy

Missouri state statutes authorize the City, with certain restrictions, to deposit or invest in open accounts, time deposits, obligations of the U.S. government or U.S. government agencies, and certificates of deposit. Statutes also require that collateral pledged must have a fair value equal to 100% of the funds on deposit, less insured amounts. Collateral securities must be held by the City or a disinterested third party and must be of the kind prescribed by state statutes and approved by the State of Missouri.

The City maintains a cash and investment pool, which is available for use by most funds. Substantially all excess cash is invested in U.S. agency securities and certificates of deposit. Interest earned is allocated to the funds on the basis of average monthly cash and investment balances. Cash and investments are held separately by some of the City's funds. The Park and Pension Trust Fund do not utilize the cash and investment pool. Additionally, certain restricted assets, related to bond ordinances and indentures and capital lease certificates, are held in escrow by financial institutions' trust departments.

Credit Risk

The credit risk for deposits and investments is the possibility that the issuer/counterparty to an investment will be unable to fulfill its obligations. It is the City's policy to limit its investments to Certificates of Deposit and Bonds or other obligations of the United States. Presented below is the actual rating by Standard and Poor's Investor Service as of yearend for each investment type:

Investment Type	Fair Value	Rating As of Oct. 31, 2013
Missouri Investment Securities Program - Money Market Series	\$ 4,036,063	AAAm
Federal National Mortgage Association	1,020,100	AA+
Total	<u>\$ 5,056,163</u>	

CITY OF RAYTOWN, MISSOURI
Notes to the Basic Financial Statements
For the Year Ended October 31, 2013

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 for 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 all demand deposits with securities held by the financial institution's agent and in the City's name.

At October 31, 2013, the City's deposits were insured by Federal depository insurance and uninsured deposits were fully collateralized by securities held in the City's name by their financial institution's agent. The City's securities were registered and held by the City's financial institution in the City's name.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City structures the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and by investing operating funds primarily in shorter-term securities. The City has elected to use the segmented time distribution method of disclosure for its interest rate risk. As of October 31, 2013, the City's investments had the following maturities:

	Investment Maturities (in years)		
	Fair Value	Less Than 1	1 - 5
Investment type:			
U.S. agencies	\$ 1,020,100	\$ -	\$ 1,020,100

Concentration of Credit Risk

The City's investment policy does not specify maximum or minimum investment concentrations by investment type. As of October 31, 2013, the following table lists the issuers of securities, and the respective fair value of those securities, that represent 5% or more of total City's investments:

Issuer	Investment Type	Total Fair Value	Percentage
Missouri Securities Investment Program	Money Market	\$ 4,036,063	80%
Federal National Mortgage Assoc.	US Government Agencies	1,020,100	20%
		\$ 5,056,163	

CITY OF RAYTOWN, MISSOURI
Notes to the Basic Financial Statements
For the Year Ended October 31, 2013

Pension Trust Investments

Pension trust cash and investments at October 31, 2013 consisted of the following:

		Police Pension Plan
Money market mutual funds	\$	604,206
Corporate equity stocks		6,456,582
Corporate fixed income securities		1,847,686
U.S. treasury securities		1,216,068
U.S. government agency securities		57,000
	\$	10,181,542

Investment Policy

The investments of the Policemen's Pension Fund (the Plan) are held separately from those of other City funds and are restricted to any investment not prohibited under the laws of the State of Missouri. The Board of Trustees, the Custodian and Investment Manager(s) chosen by the Trustees have discretionary authority concerning purchases of investments in the pension plan subject to the overall investment policy guidelines as approved by the Board of Trustees and adopted by the Board of Aldermen. The investment policy follows sections 86.590 and 105.588 of the Missouri Revised Statutes regarding constraints on the deposit and investment of Plan assets. The value of investments and changes therein have been reported to the Plan by the Custodian as having been determined through the use of fair value for all investments of the Plan.

The Plan's investment policy permits investments in high-quality domestic fixed income securities, domestic equity securities, and international equities. Under the policy, the investment manager may select fixed income securities in domestic markets, including corporate debt securities and obligations of the U.S. government or its agencies. The investment manager may select domestic equity securities or equity securities mutual funds traded on major U.S. exchanges.

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

Credit Risk

Credit risk is associated with the credit quality or rating of debt instrument investments. The Plan specifies that the pension may invest in money market mutual funds, U.S. Treasuries and Government Agency securities, asset backed securities rated A or better, and corporate obligations rated BBB or better. The Plan uses the credit ratings issued by Standard and Poor's for disclosure of credit risk. The following table summarizes the Plan investments subject to credit risk:

CITY OF RAYTOWN, MISSOURI
Notes to the Basic Financial Statements
For the Year Ended October 31, 2013

	Fair Value	Quality Ratings			
		AAA	AA	A	BBB
Investment type:					
Money market funds	\$ 604,206	\$ 604,206	\$ -	\$ -	\$ -
Corporate fixed income	1,847,686	-	848,463	858,400	140,823
U.S. government agency	1,216,068	-	1,216,068	-	-
	<u>3,667,960</u>	<u>\$ 604,206</u>	<u>\$ 2,064,531</u>	<u>\$ 858,400</u>	<u>\$ 140,823</u>
Other investments:					
Corporate stocks	6,456,582				
U.S. treasury securities	57,000				
Total	<u>\$ 10,181,542</u>				

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 Plan 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 Plan had no deposits at October 31, 2013. Custodial credit risk also applies to investment securities. The Fund's investments are held by its investment custodian in the Fund's name.

Interest Rate Risk

Interest rate risk is the risk associated with a portfolio's sensitivity to changes in interest rates. The Plan has no specific policy regarding interest rate risk. The following table summarizes these investments:

	Fair Value	Investment Maturity (In Years)			
		Less than 1	1-5	5-10	20-30
Investment type:					
Money market funds	\$ 604,206	\$ 604,206	\$ -	\$ -	\$ -
Corporate fixed income	1,847,686	713,328	922,875	211,483	-
U.S. government agency	1,216,068	-	581,940	634,128	-
U.S. treasury securities	57,000	463	5,075	-	51,462
	<u>3,724,960</u>	<u>\$ 1,317,997</u>	<u>\$ 1,509,890</u>	<u>\$ 845,611</u>	<u>\$ 51,462</u>
Other investments:					
Corporate stocks	6,456,582				
Total	<u>\$ 10,181,542</u>				

CITY OF RAYTOWN, MISSOURI
Notes to the Basic Financial Statements
For the Year Ended October 31, 2013

(3) Taxes Receivable and Revenues

The City's property tax is levied each September 1 on the assessed value as of the prior January 1 for all real and personal property located in the City. 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 real property for which taxes are unpaid. Taxes remaining unpaid for two years after that date are submitted to Jackson County for collection through foreclosure proceedings. Property taxes levied on September 1, 2013, are for the budget year ended October 31, 2014, and therefore, have not been reflected in the accompanying basic financial statements.

Assessed values are established by the Jackson County Assessor subject to review by the County's Board of Equalization. The assessed value for property, including railroad and utility properties located in the City as of January 1, 2012, on which the fiscal year ended October 31, 2013, levy was based, was \$300,500,201. During the year ended October 31, 2013, the City collected approximately 96% of property taxes which were levied in the period.

The City is permitted by Missouri State Statutes to levy taxes up to \$1.00 per \$100 of assessed valuation for general governmental services, other than the payment of principal and interest on long-term debt, and an unlimited amount for the payment of principal and interest on long-term debt. Property tax levies per \$100 assessed valuation for the year ended October 31, 2013 were as follows:

	<u>Levy (Dollars)</u>
General Fund	\$ 0.3694
Park Fund	0.1845
	<u>\$ 0.5539</u>

The City has established Tax Increment Financing (TIF) Districts that allows the City to provide public improvements by encouraging developers to construct and make new investments within blighted, conservation, or economic areas. Through the use of TIF Districts, the City can utilize the taxes generated by the incremental increase in property values and economic activities from the date the TIF District was established and the combined levies of all taxing jurisdictions for infrastructure improvements. Currently, the City has two active TIF Districts, the 350 Highway TIF and the USA 800 TIF. Tax revenue collected in the current year for the City's TIF Districts are recorded in the TIF Fund.

Taxes receivable for the year ended October 31, 2013 are as follows:

	Property Taxes	Sales Taxes	Franchise Taxes	Total
Major governmental funds:				
General	\$ 8,380	\$ 542,991	\$ 306,038	\$ 857,409
TIF Fund	-	248,269	-	248,269
Nonmajor funds	4,185	790,008	-	794,193
Total taxes receivable	\$ 12,565	\$ 1,581,268	\$ 306,038	\$ 1,899,871

CITY OF RAYTOWN, MISSOURI
Notes to the Basic Financial Statements
For the Year Ended October 31, 2013

Tax revenues for the year ended October 31, 2013 are as follows:

	Property Taxes	Sales Taxes	Franchise Taxes	Other taxes	Total
Major governmental funds:					
General Fund	\$ 1,191,862	\$ 2,537,029	\$ 4,031,026	\$ 75,910	\$ 7,835,827
TIF Fund	-	1,446,522	-	-	1,446,522
Nonmajor funds	585,925	3,670,381	-	-	4,256,306
Total tax revenue	<u>\$ 1,777,787</u>	<u>\$ 7,653,932</u>	<u>\$ 4,031,026</u>	<u>\$ 75,910</u>	<u>\$ 13,538,655</u>

(4) Tax Collection Services

Jackson County, Missouri prepares and mails the City's property tax bills. The County and City collect property and other taxes on behalf of each other. The County and City receive a fee equal to 1.00% of the gross amount of current taxes collected.

The County collected approximately \$2.2 million of the City's taxes, resulting in a collection charge of \$28,630 paid by the City to the County for the year ended October 31, 2013.

The City accounts for its collection of County taxes in the Jackson County Tax Fund (an Agency Fund). The City collected and remitted approximately \$14.3 million of County taxes resulting in collection fees of \$137,241 for the year ended October 31, 2013.

(5) Intergovernmental Revenue and Receivable

Amounts due from other governments were as follows:

	General	TIF Fund	Nonmajor Funds	Total
Gasoline and motor vehicle taxes	\$ 88,036	\$ -	\$ -	\$ 88,036
Intergovernmental activity taxes	-	212,420	-	212,420
Grants and other	38,170	-	49,899	88,069
	<u>\$ 126,206</u>	<u>\$ 212,420</u>	<u>\$ 49,899</u>	<u>\$ 388,525</u>

Intergovernmental revenues for the year were as follows:

	General	TIF Fund	Nonmajor Funds	Total
Gasoline and motor vehicle taxes	\$ 1,062,104	\$ -	\$ -	\$ 1,062,104
Intergovernmental activity taxes	-	1,388,856	-	1,388,856
Grants and other	129,047	-	577,875	706,922
	<u>\$ 1,191,151</u>	<u>\$ 1,388,856</u>	<u>\$ 577,875</u>	<u>\$ 3,157,882</u>

CITY OF RAYTOWN, MISSOURI
Notes to the Basic Financial Statements
For the Year Ended October 31, 2013

(6) **Land Held For Redevelopment**

From time to time, 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.

	Beginning Balances	Additions	Deletions	Ending Balances
Land held for redevelopment	\$ 1,034,432	\$ -	\$ -	\$ 1,034,432

(7) **Interfund Activity**

Interfund transfers for the year were as follows:

<u>Transfers From</u>	<u>Transfers To</u>		
	<u>General Fund</u>	<u>Nonmajor Governmental</u>	<u>Total</u>
General	\$ -	\$ 549,125	\$ 549,125
Sewer Fund	1,089,000	-	1,089,000
Total	\$ 1,089,000	\$ 549,125	\$ 1,638,125

Transfers from the Sewer Fund to the General Fund were used for reimbursement of salaries, wages, benefits and administrative fees expenditures. Transfers from the General Fund to the nonmajor governmental fund was for capital outlay.

In the government-wide statement of activities, capital contributions totaling \$339,631 from governmental activities to business-type activities has been reclassified as transfers in and transfers out. Accordingly, transfers between governmental activities and business-type activities totaled \$749,369.

Interfund receivable and payable balances at year-end were as follows:

<u>Interfund Receivable</u>	<u>Interfund Payable</u>		
	<u>Nonmajor Governmental</u>	<u>Sewer</u>	<u>Total</u>
General Fund	\$ 57,836	\$ 3,761	\$ 61,597

The interfund payables due to the General Fund represents timing differences of when amounts are paid and reimbursed for current operating costs.

CITY OF RAYTOWN, MISSOURI
Notes to the Basic Financial Statements
For the Year Ended October 31, 2013

(8) Capital Assets

A summary of changes in capital assets for the year follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated				
Land	\$ 1,749,019	\$ -	\$ -	\$ 1,749,019
Construction in progress	392,221	400,978	-	793,199
Total capital assets, not being depreciated	<u>2,141,240</u>	<u>400,978</u>	<u>-</u>	<u>2,542,218</u>
Capital assets, being depreciated				
Buildings and improvements	6,174,277	114,952	-	6,289,229
Equipment and vehicles	7,956,515	443,939	467,378	7,933,076
Infrastructure	60,000,753	722,812	-	60,723,565
Total capital assets being depreciated	<u>74,131,545</u>	<u>1,281,703</u>	<u>467,378</u>	<u>74,945,870</u>
Less accumulated depreciation for:				
Buildings and improvements	3,447,772	206,925	-	3,654,697
Equipment and vehicles	5,301,881	764,140	457,855	5,608,166
Infrastructure	30,760,112	2,089,812	-	32,849,924
Total accumulated depreciation	<u>39,509,765</u>	<u>\$ 3,060,877</u>	<u>\$ 457,855</u>	<u>42,112,787</u>
Total capital assets being depreciated, net	<u>34,621,780</u>			<u>32,833,083</u>
Governmental activities capital assets, net	<u>\$ 36,763,020</u>			<u>\$ 35,375,301</u>
	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities:				
Capital assets, not being depreciated				
Land	\$ 433,393	\$ -	\$ -	\$ 433,393
Construction in progress	402,709	339,630	-	742,339
Total capital assets, not being depreciated	<u>836,102</u>	<u>339,630</u>	<u>-</u>	<u>1,175,732</u>
Capital assets, being depreciated				
Equipment and vehicles	661,107	11,594	-	672,701
Infrastructure	21,045,099	182,496	-	21,227,595
Total capital assets being depreciated	<u>21,706,206</u>	<u>194,090</u>	<u>-</u>	<u>21,900,296</u>
Less accumulated depreciation for:				
Equipment and vehicles	308,151	63,849	-	372,000
Infrastructure	9,181,862	347,504	-	9,529,366
Total accumulated depreciation	<u>9,490,013</u>	<u>\$ 411,353</u>	<u>\$ -</u>	<u>9,901,366</u>
Total capital assets being depreciated, net	<u>12,216,193</u>			<u>11,998,930</u>
Business-type activities capital assets, net	<u>\$ 13,052,295</u>			<u>\$ 13,174,662</u>

CITY OF RAYTOWN, MISSOURI
Notes to the Basic Financial Statements
For the Year Ended October 31, 2013

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

Governmental activities:	
General government	\$ 222,453
Parks and recreation	191,979
Community development	6,237
Public safety	358,565
Public works	<u>2,281,643</u>
Total depreciation expense for governmental activities	<u>\$ 3,060,877</u>
Business-type activities:	
Sewer	<u>\$ 411,353</u>
Total depreciation expense for business-type activities	<u>\$ 411,353</u>

CITY OF RAYTOWN, MISSOURI
Notes to the Basic Financial Statements
For the Year Ended October 31, 2013

(9) Long-term Debt and other Obligations

The following is a summary of long-term obligations of the City for the year:

	Beginning Balance	Additions	Retirements	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Tax increment and sales tax revenue bonds	\$ 39,250,000	\$ -	\$ 865,000	\$ 38,385,000	\$ 960,000
Premium on issuance	302,923	-	15,805	287,118	15,805
	<u>39,552,923</u>	<u>-</u>	<u>880,805</u>	<u>38,672,118</u>	<u>975,805</u>
Developer obligations	2,069,172	-	75,031	1,994,141	80,000
Capital lease obligations	209,436	-	38,117	171,319	39,915
Compensated absences*	358,828	37,959	-	396,787	357,108
Net OPEB obligation *	152,800	43,228	-	196,028	-
	<u>42,343,159</u>	<u>81,187</u>	<u>993,953</u>	<u>41,430,393</u>	<u>1,452,828</u>
Business-type Activities:					
Revenue bonds	13,070,000	2,310,000	2,760,000	12,620,000	550,000
Premium on issuance	202,491	-	14,616	187,875	14,616
	<u>13,272,491</u>	<u>2,310,000</u>	<u>2,774,616</u>	<u>12,807,875</u>	<u>564,616</u>
Compensated absences*	18,416	-	11,561	6,855	6,855
Net OPEB obligation *	5,715	2,453	-	8,168	-
	<u>13,296,622</u>	<u>2,312,453</u>	<u>2,786,177</u>	<u>12,822,898</u>	<u>571,471</u>
Total primary government	<u>\$ 55,639,781</u>	<u>\$ 2,393,640</u>	<u>\$ 3,780,130</u>	<u>\$ 54,253,291</u>	<u>\$ 2,024,299</u>

* Primarily liquidated by the General fund, Park fund, and Sewer fund in prior years.

CITY OF RAYTOWN, MISSOURI
Notes to the Basic Financial Statements
For the Year Ended October 31, 2013

Governmental activities long-term obligations are comprised of the following:

Tax increment and sales tax revenue bonds	
\$39,990,000 - 2007 Annual Appropriation Supported Tax Increment and Sales Tax Revenue Bonds due in annual installments of \$740,000 to \$5,005,000 through December 1, 2031; interest at 4.75% to 5.125%.	\$ 38,385,000
Premium on Issuance	287,118
	<u>38,672,118</u>
Developer obligation	<u>1,994,141</u>
Capital lease obligation	<u>171,319</u>
Compensated absences	<u>396,787</u>
Net other post employment obligations	<u>196,028</u>
Total governmental activities long-term obligations	41,430,393
Less: amounts due within one year	<u>(1,452,828)</u>
Total governmental activities long-term obligations due in more than one year	<u>\$ 39,977,565</u>

Tax Increment Financing 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. Total principal and interest payments remaining on these bonds total approximately \$61.1 million. 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 amount equal to the principal and interest of the bonds due in the next fiscal year. Incremental taxes are pledged to make payments on these obligations for a period not to exceed 23 years.

For the current year, the City made debt service payments on the tax increment and sales tax revenue bonds totaling \$2,817,900. The incremental tax revenues generated by the 350 Highway TIF plan began in October 2009. For the year ended October 31, 2013, the City's incremental tax revenues totaled \$1,446,522. 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 \$1,557,676.

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 from payments in lieu of taxes (PILOTS) attributable to the project. Under tax increment financing plans, the developer may be reimbursed up to the certified cost amount including interest from incremental taxes during a period not to exceed 23 years. Accordingly, certified project costs in excess of amounts reimbursed to date are reflected as a long-term obligation of the City. PILOTS were projected to produce sufficient funds to reimburse the developer for certified costs. The developer obligations are limited solely to the amount of PILOTS

CITY OF RAYTOWN, MISSOURI
Notes to the Basic Financial Statements
For the Year Ended October 31, 2013

received attributable to the project; any deficiencies are the sole responsibility of the developer and do not constitute an obligation of the Commission or of the City. For the current year, debt service on the obligation totaled \$51,704 in interest and principal payments. These payments were funded by PILOTS attributable to the City as well as from other taxing districts and governmental entities.

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 of \$1,773,001 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 \$46,999 in principal payments.

Business-Type activities long-term obligations are comprised of the following:

Revenue Bonds

\$7,590,000 - 2006A Sewage System Refunding and Improvements Revenue Bonds (State Revolving Loan (SRF)), due in annual installments of \$35,000 to \$580,000 through July 1, 2026; interest at 4% to 5.25%	\$ 5,800,000
\$5,495,000 - 2007 Sewage System Refunding and Improvements Revenue Bonds (State Revolving Loan (SRF)), due in annual installments of \$180,000 to \$405,000 through January 1, 2028; interest at 4.0% to 4.375%.	4,510,000
\$2,310,000 - 2013 Sewage System Refunding Revenue Bonds due in annual installments of \$155,000 to \$210,000 beginning July 1, 2015 through July 1, 2027; interest at .85% to 4.15%	2,310,000
2006A - SRF Bond Premium	<u>187,875</u>
Total revenue bonds	<u>12,807,875</u>
Compensated absences	<u>6,855</u>
Net other post employment benefit obligations	<u>8,168</u>
Total business-type activities long-term obligations	12,822,898
Less: amounts due within one year	<u>(571,471)</u>
Total business-type activities long-term obligations in more than one year	<u>\$ 12,251,427</u>

CITY OF RAYTOWN, MISSOURI
Notes to the Basic Financial Statements
For the Year Ended October 31, 2013

Future Debt Service Requirements

The annual debt service requirements to amortize all outstanding bonds as of October 31, 2013 are as follows:

Year Ending October 31,	<u>Governmental Activities</u>		<u>Business-type Activities</u>			
	Tax Increment and Sales Tax		Revenue Bonds 2006A		Revenue Bonds 2007A	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 960,000	\$ 1,907,275	\$ 330,000	\$ 277,013	\$ 220,000	\$ 190,025
2015	1,055,000	1,856,900	345,000	263,813	230,000	181,025
2016	1,155,000	1,801,650	360,000	246,562	240,000	171,625
2017	1,265,000	1,741,150	380,000	228,562	250,000	161,825
2018	1,355,000	1,675,650	400,000	208,612	260,000	151,625
2019-2023	7,825,000	7,289,250	2,320,000	723,886	1,465,000	583,413
2024-2028	11,375,000	4,898,384	1,665,000	156,200	1,845,000	214,681
2029-2032	13,395,000	1,533,272	-	-	-	-
	<u>\$ 38,385,000</u>	<u>\$ 22,703,531</u>	<u>\$ 5,800,000</u>	<u>\$ 2,104,648</u>	<u>\$ 4,510,000</u>	<u>\$ 1,654,219</u>

Year Ending October 31,	<u>Business-type Activities</u>		<u>Total Business-type Activities</u>		<u>Total Primary Government</u>	
	Revenue Bonds 2013		Principal	Interest	Principal	Interest
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ -	\$ 54,184	\$ 550,000	\$ 521,222	\$ 1,510,000	\$ 2,428,497
2015	155,000	65,678	730,000	510,516	1,785,000	2,367,416
2016	165,000	64,360	765,000	482,547	1,920,000	2,284,197
2017	160,000	62,463	790,000	452,850	2,055,000	2,194,000
2018	155,000	60,063	815,000	420,300	2,170,000	2,095,950
2019-2023	870,000	239,733	4,655,000	1,547,032	12,480,000	8,836,282
2024-2028	805,000	81,300	4,315,000	452,181	15,690,000	5,350,565
2029-2032	-	-	-	-	13,395,000	1,533,272
	<u>\$ 2,310,000</u>	<u>\$ 627,781</u>	<u>\$ 12,620,000</u>	<u>\$ 4,386,648</u>	<u>\$ 51,005,000</u>	<u>\$ 27,090,179</u>

Advance Refunding

The City issued \$2,310,000 Sewerage System Refunding Revenue Bonds, Series 2013 to advance refund the City's Series 2005B Revenue Bonds. The net bond proceeds of the bonds together with other available funds totaling \$2,250,358 were deposited in trust with an escrow agent to provide for all future debt service payments on the refunded Series 2005B Revenue Bonds. As a result, the refunded bonds are considered defeased and the liability for those bonds have been removed from the long-term debt. The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$25,358. This amount is reported as a deferred outflow of resources and is amortized over the remaining life of the refunded debt using the straight-line method. The City completed this advance refunding to reduce its debt service payments by \$175,957 and to obtain an economic gain \$149,496.

CITY OF RAYTOWN, MISSOURI
Notes to the Basic Financial Statements
For the Year Ended October 31, 2013

Capital Lease Obligations

The City has entered into capital leasing agreements (one lease as of October 31, 2013) for various buildings and equipment. The cumulative amount of assets acquired under the capital leases described above amounted to \$624,320 with related accumulated depreciation of \$279,404 as of October 31, 2013.

The future minimum lease obligations and the net present value of these minimum lease payments as of October 31, 2013 were as follows:

Governmental Activities:

Year ending October 31:

2014		\$	47,998	
2015			47,998	
2016			47,998	
2017			47,999	
			191,993	
Less imputed interest			(20,674)	
			\$ 171,319	

Restricted Assets

The City's Tax Increment and Sales Tax Revenue Bonds and the Sewer Fund's Revenue Bonds trust indentures require the City to establish certain special trust funds in the name of the City. Assets of these special funds consist of cash and investments stated at fair value, and are reported in the accompanying balance sheet/statement of net position as restricted cash and investments as follows:

<u>Account</u>	<u>TIF Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
Project/construction funds	\$ 697,927	\$ 3,285,923	\$ 3,983,850
Rebate funds	-	127,370	127,370
Debt service and debt service reserve funds	5,205,621	377,766	5,583,387
	\$ 5,903,548	\$ 3,791,059	\$ 9,694,607

(10) Sewerage Service Agreement

The City has entered into agreements with the City of Kansas City, Missouri and the Little Blue Valley Sewer District to provide certain sewer services for the City. For the year ended October 31, 2013, amounts recorded under these agreements were \$1,036,266 (Kansas City, Missouri) and \$1,499,761 (Little Blue Valley Sewer District).

CITY OF RAYTOWN, MISSOURI
Notes to the Basic Financial Statements
For the Year Ended October 31, 2013

(11) Commitments and Contingencies

A. Employees Retirement System

Plan Description

The City participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by Statute, Section RSMo. 70.600 – 70.755. As such, it is the system’s 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 it is tax-exempt.

LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing LAGERS, P.O. Box 1665, Jefferson City, Missouri 65102 or by calling 1-800-447-4334.

Funding Status

The City’s full-time employees do not contribute to the pension plan. The City is required by State Statute to contribute at an actuarially determined rate; the current rate is 12.0% (general) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the City. The contribution provisions of the City are established by State Statute.

Annual Pension Cost

For 2013, the City’s annual pension cost of \$492,110 was equal to the required and actual contributions. The required contribution was determined as part of the February 28, 2010 and February 28, 2011 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions as of February 28, 2013 included: (a) a rate of return on the investment of present and future assets of 7.25% per year, compounded annually, (b) projected salary increases of 3.5% per year, compounded annually, attributable to inflation; (c) additional projected salary increases ranging from 0.0% to 6.0% per year, depending on age and division, attributable to seniority/merit, (d) pre-retirement mortality based on 75% of the RP-2000 Combined Healthy Table set back 0 years for men and 0 years for women and (e) post-retirement mortality based on 105% of the 1994 Group Annuity Mortality table set back 0 years for men and 0 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The amortization period as of February 28, 2010 was 23 years. The amortization period as of February 28, 2011 was 22 years.

Three-Year Trend Information			
Fiscal Year Ending	Annual Pension Cost (APC)	Percentage Of APC Contributed	Net Pension Obligation
10/31/2011	\$ 505,811	100 %	\$ -
10/31/2012	518,094	100 %	-
10/31/2013	492,110	100 %	-

CITY OF RAYTOWN, MISSOURI
Notes to the Basic Financial Statements
For the Year Ended October 31, 2013

As of February 28, 2013, the most recent actuarial valuation date, the plan was 60 percent funded. The actuarial accrued liability for benefits was \$6,670,602 and the actuarial value of assets was \$3,973,680, resulting in an unfunded actuarial accrued liability (UAAL) of \$2,696,922. The covered payroll (annual payroll of active employees covered by the plan) was \$3,969,125, and the ratio of the UAAL to the covered payroll was 68 percent.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

B. Police Officers' Retirement Fund

Plan Description

Commissioned Officers of the Police Department are members of the Police Officer's Retirement Fund Pension Plan (The Plan). The Plan is a single employer plan administered by the City of Raytown, Missouri. Benefit Trust Company, Inc. acts as investment advisor and custodian for the Policeman's Plan. The financial statements of this Plan are included within the Pension Trust Fund in the accompanying basic financial statements.

Plan benefits for members and beneficiaries include: Normal Retirement (age 55 plus 20 years of credited service, benefits equal to 2.5% for each year of credited service up to 20 years plus 1% for each year of credited service for up to the next 10 years, all times final average compensation); Pre-retirement Death Benefit (a single lump sum equal to the member's annualized compensation plus accumulated contribution); and Disability (monthly payments equal to 50% of the disabled member's compensation payable until the earlier of the member's death, age 55 or recovery from disability).

All full-time commissioned officers who have completed two years of service and have attained the age of 25 are allowed to participate in the Policemen's Plan. Plan participants are fully vested after ten years of service.

The Plan does not issue separate financial statements.

Funding Policy

The Plan requires the City to contribute each year to the Plan in amounts as determined by the Board of Alderman as based upon the rate recommended by the Plan's actuaries in order to fund the normal cost of the amortization of the unfunded Plan liability.

CITY OF RAYTOWN, MISSOURI
Notes to the Basic Financial Statements
For the Year Ended October 31, 2013

Annual Pension Cost and Net Pension Asset

The City's annual pension cost and net pension obligation (asset) to the Plan for the current year were as follows:

Annual required contribution	\$ 678,787
Interest on net pension asset	444
Adjustment to annual required contribution	<u>(362)</u>
Annual pension cost	678,869
Contributions made	<u>686,270</u>
Change in net pension obligation (asset)	(7,401)
Net pension obligation, October 31, 2012	<u>5,930</u>
Net pension obligation (asset), October 31, 2013	<u>\$ (1,471)</u>

Three-Year Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
10/31/2011	\$ 864,084	83%	\$ 34,648
10/31/2012	617,100	105%	5,930
10/31/2013	678,869	101%	(1,471)

As of January 1, 2013, the most recent actuarial valuation date, the plan was 55 percent funded. The actuarial accrued liability for benefits was \$16,777,847 and the actuarial value of assets was \$9,268,316, resulting in an unfunded actuarial accrued liability (UAAL) of \$7,509,531. The covered payroll (annual payroll of active employees covered by the plan) was \$3,122,522 and the ratio of the UAAL to the covered payroll was 241 percent.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions

The annual required contribution for the current year was determined as part of the January 1, 2013, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.5% investment rate of return, and (b) projected salary increases of 4% per year. The actuarial value of assets was determined by projecting the prior year's actuarial value of assets to the current valuation date using the valuation interest assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a rolling 30 year period. The remaining amortization as of the January 1, 2013 valuation was thirty years.

CITY OF RAYTOWN, MISSOURI
Notes to the Basic Financial Statements
For the Year Ended October 31, 2013

C. *Insured (Frozen) Pension Plans*

Prior to the City's participation in LAGERS and the Police Officer's Retirement Fund, the City offered two defined benefit pension plans for its employees. Upon entering into LAGERS and the Police Officer's Retirement Fund, the City made payments to transfer the obligation for all future benefit payments under these plans to an outside insurance company. Accordingly, no provisions for the related assets have been made in the accompanying financial statements. The City has no future obligation to contribute any additional amounts to these plans, and no amounts were paid during 2013. Benefits paid from these plans to participants during 2013 totaled \$10,835.

D. *Post Employment Health Benefits*

In addition to providing pension benefits the City provides the post employment healthcare benefits described below.

Plan Description

The City provides for a continuation of medical, prescription drug, hearing and vision insurance benefits to employees that retire from the City. The City provides retiree healthcare benefits through the Midwest Public Risk (MPR), which is a risk pool comprised of approximately 115 entity members. It has been determined that MPR functions as an agent multiple-employer plan.

The City requires the retirees to pay 125% of the premiums charged to active employees. The rates being paid by retirees for benefits are typically lower than those for individual health insurance policies. (The retiree insurance is guaranteed issue; no medical questionnaire is required.) The difference between these amounts is the implicit rate subsidy, which is considered other post employment benefits (OPEB) under Governmental Accounting Standards Board Statement No. 45 (GASB Statement 45).

Retirees and spouses have the same benefits as active employees. However, all retiree coverage terminates upon Medicare entitlement or if payment is not received on a timely basis. When the retiree attains Medicare eligibility age, it may be a COBRA qualifying event for the spouse.

Funding Policy

GASB Statement 45 does not require funding of the OPEB liability, and the City has chosen not to fund it.

Annual OPEB Cost and Net OPEB Obligation

The City's annual OPEB cost (expense) is calculated based on the annual required contribution (ARC) of the employer, which represents an amount that is actuarially determined in accordance with the requirements of GASB Statement 45. The ARC represents the level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year plus the amortization of the unfunded actuarial liability over a period of time that the City has selected as being thirty years.

CITY OF RAYTOWN, MISSOURI
Notes to the Basic Financial Statements
For the Year Ended October 31, 2013

The following table shows the components of the City's annual OPEB cost for the year, the amount of expected employer contributions to the plan, and changes in the City's net OPEB obligation.

	Total
Annual required contribution	\$ 46,039
Interest on net OPEB obligation	7,926
Adjustment to annual required contribution	(5,284)
Annual OPEB cost (expense)	48,681
Less: Net employer contributions	3,000
Increase in net OPEB obligation	45,681
Net OPEB obligation - November 1, 2012	158,515
Net OPEB obligation - October 31, 2013	\$ 204,196
Net OPEB obligation reported with the City's:	
Governmental activities	\$ 196,028
Business-type activities	8,168
	\$ 204,196

The City's annual OPEB cost, the percentage of annual OPEB costs estimated to be contributed to the plan, and the net OPEB obligation for the fiscal year ending October 31, 2013 is as follows:

Fiscal Year	Annual Costs	Percentage of Annual OPEB	Net OPEB
10/31/2011	\$ 41,961	7.1%	\$ 115,873
10/31/2012	44,642	6.7%	158,515
10/31/2013	48,681	6.2%	204,196

Funded Status and Funding Progress

As of July 1, 2011, which represents the most recent actuarial valuation date, the actuarial accrued liability for benefits within the plan for the City is \$264,530. There were no assets set aside for funding the plan as of that date, thus the entire amount is unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$6,957,357, which results in a ratio of the unfunded actuarial accrued liability (UAAL) to the covered payroll of 4 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

CITY OF RAYTOWN, MISSOURI
Notes to the Basic Financial Statements
For the Year Ended October 31, 2013

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The projected unit credit actuarial cost method is used in the July 1, 2011 actuarial valuation. At the valuation date, actuarial present value of benefits is determined for each participant. The sum of these actuarial present values of benefits allocated to the current valuation year is the normal cost for the plan year. The sum of actuarial present values of benefits allocated to all valuation years preceding the valuation date represents the actuarial accrued liability.

The actuarial assumptions include a 5 percent investment rate of return. The actuarial assumptions for healthcare cost trend is a growth factor of 8.5 percent for the initial year and then declining by 0.5 percent per year until 5 percent is reached. The 5 percent growth is used on a go-forward basis. The UAAL is amortized over 30 years using as a level-dollar, open period amortization period.

E. Bond Issuance Authorization

On November 2, 2004, the voters approved issuance of up to \$18,500,000 for sanitary sewer revenue bonds and to appropriately raise the sewer rates to retire this debt. The funds will be used to upgrade or replace existing sewer lines. The City issued \$2,225,000 in 2005 through conventional bonding instruments, \$7,590,000 in 2006 and \$5,495,000 in 2007 through the State Revolving Fund. The remaining \$3,190,000 is authorized but unissued as of October 31, 2013. The City does not intend to issue any additional bonds in the upcoming fiscal year.

F. Litigation

The City is involved in lawsuits arising in the ordinary course of activities, including claims regarding construction contract issues, personal injury and discriminatory personnel practices, property condemnation proceedings, and suits contesting the legality of certain taxes. While these cases may have future financial effect, management, based on advice of counsel, believes that their ultimate outcome will not be material to the basic financial statements.

G. Federal Assistance

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

H. Loan Receivable - Ditzler Community Improvement District

The City of Raytown 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 such advances 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 \$819,552 at October 31, 2013.

CITY OF RAYTOWN, MISSOURI
Notes to the Basic Financial Statements
For the Year Ended October 31, 2013

I. Encumbrances

Outstanding encumbrances at October 31, 2013 were as follows: General Fund \$123,996, the Parks Fund \$11,317, Transportation Sales Tax Fund \$72,134, Capital Sales Tax Fund \$381,478, Public Safety Sales Tax Fund \$513,168 and Capital Improvements Fund \$3,009,382.

(12) Change in Accounting Standards

As of October 31, 2012, the beginning net position of the governmental activities and business-type activities/Sewer Fund were restated due to the implementation of the Governmental Accounting Standards Board Statement No. 65 (GASB 65). Under GASB 65, debt issuance costs should be expenses as incurred.

	Governmental Activities	Business-type Activities
Net Position, beginning of year as previously reported	\$ 11,536,397	\$ 7,030,220
Debt issuance costs	(685,585)	(193,517)
Net Position, beginning of year as restated	\$ 10,850,812	\$ 6,836,703

(13) Subsequent Events

The City evaluated subsequent events through May 15, 2014, the date the financial statements were available to be issued.

Effective December 31, 2013, the City's Police Officers' Retirement Fund was frozen to any future benefit accruals. Effective January 1, 2014, all current police officers and any police officers hired on or after that date meeting certain eligibility requirements will participate in the Missouri Local Government Employees Retirement System (LAGERS).

CITY OF RAYTOWN, MISSOURI
Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual
General Fund
For the year ended October 31, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 8,295,378	\$ 8,295,378	\$ 7,835,827	\$ (459,551)
Licenses and permits	334,000	334,000	397,102	63,102
Intergovernmental	1,166,000	1,166,000	1,191,151	25,151
Fines	977,000	977,000	1,148,312	171,312
Charges for services	1,137,715	1,137,715	1,246,252	108,537
Interest	15,450	15,450	16,070	620
Miscellaneous	66,900	66,900	238,519	171,619
Total revenues	<u>11,992,443</u>	<u>11,992,443</u>	<u>12,073,233</u>	<u>80,790</u>
Expenditures:				
Current:				
Mayor/Board of Alderman	99,010	99,010	73,882	25,128
Administration	1,256,249	1,256,249	1,166,281	89,968
Finance	715,327	715,327	737,638	(22,311)
Municipal court	338,119	338,119	277,445	60,674
Legal	152,038	152,038	29,380	122,658
General government	<u>2,560,743</u>	<u>2,560,743</u>	<u>2,284,626</u>	<u>276,117</u>
Community development	<u>783,210</u>	<u>783,210</u>	<u>630,996</u>	<u>152,214</u>
Police	5,622,805	5,622,805	5,876,199	(253,394)
Emergency medical services	1,083,107	1,083,107	1,040,139	42,968
Public safety	<u>6,705,912</u>	<u>6,705,912</u>	<u>6,916,338</u>	<u>(210,426)</u>
Public works	<u>2,878,347</u>	<u>2,915,571</u>	<u>2,756,062</u>	<u>159,509</u>
Total expenditures	<u>12,928,212</u>	<u>12,965,436</u>	<u>12,588,022</u>	<u>377,414</u>
Excess of revenues over (under) expenditures	<u>(935,769)</u>	<u>(972,993)</u>	<u>(514,789)</u>	<u>458,204</u>
Other financing sources (uses):				
Transfers in	1,089,000	1,089,000	1,089,000	-
Transfers out	-	(549,125)	(549,125)	-
Total other financing sources (uses)	<u>1,089,000</u>	<u>539,875</u>	<u>539,875</u>	<u>-</u>
Net change in fund balances	<u>\$ 153,231</u>	<u>\$ (433,118)</u>	25,086	<u>\$ 458,204</u>
Fund balances, beginning of year - budget basis			<u>6,085,728</u>	
Fund balance - end of year - budget basis			6,110,814	
Adjustments:			123,996	
Encumbrances			<u>\$ 6,234,810</u>	
Fund balance - end of year - GAAP basis				
Net change in fund balance - budget basis			\$ 25,086	
Adjustments:				
Encumbrances - beginning of year			(49,310)	
Encumbrances - end of year			123,996	
Net change in fund balance - GAAP basis			<u>\$ 99,772</u>	

CITY OF RAYTOWN, MISSOURI

Schedules of Funding Progress

Employees Retirement System

Fiscal Year	Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Accrued Liability	(b-a) Unfunded Accrued Liability (UAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	((b-a)/c) UAL as a Percentage of covered Payroll
10/31/2011	2/28/2011	\$ 3,381,673	\$ 6,537,540	\$ 3,155,867	52%	\$ 4,336,047	73%
10/31/2012	2/29/2012	4,151,699	6,874,557	2,722,858	60%	4,276,300	64%
10/31/2013	2/28/2013	3,973,680	6,670,602	2,696,922	60%	3,969,125	68%

The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and the Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2011, annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City.

Police Officer's Retirement Fund

Fiscal Year	Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Projected Unit Credit Actuarial Accrued Liability	(b-a) Unfunded Accrued Liability (UAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	((b-a)/c) UAL as a Percentage of covered Payroll
10/31/2008	11/1/2007	\$ 8,689,000	\$ 12,672,000	\$ 3,983,000	69%	\$ 2,686,000	148%
10/31/2009	11/1/2008	7,166,000	13,740,000	6,574,000	52%	2,780,000	236%
10/31/2010	11/1/2009	7,902,258	14,832,358	6,930,100	53%	2,987,000	232%
10/31/2011	1/1/2011	8,998,016	15,759,311	6,761,295	57%	2,978,208	227%
10/31/2012	1/1/2012	8,765,297	16,326,706	7,561,409	54%	3,065,002	247%
10/31/2013	1/1/2013	9,268,316	16,777,847	7,509,531	55%	3,122,522	240%

Other Post Employment Health Benefits

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Accrued Liability	(b-a) Unfunded Accrued Liability (UAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	((b-a)/c) UAL as a Percentage of covered Payroll
7/1/2007	\$ -	\$ 222,757	\$ 222,757	0%	\$ 6,571,362	3%
7/1/2009	-	319,274	319,274	0%	6,811,646	5%
7/1/2011	-	264,530	264,530	0%	6,957,357	4%

CITY OF RAYTOWN, MISSOURI
Combining Balance Sheet
Non-major Governmental Funds
October 31, 2013

	Park	Risk Management	Transportation Sales Tax	Capital Sales Tax	Public Safety Sales Tax	Capital Improvements	Total Other Governmental Funds
Assets							
Cash and investments	\$ 733,906	\$ 105,765	\$ 633,189	\$ 1,026,462	\$ 935,164	\$ 531,356	\$ 3,965,842
Receivables (net of allowance for uncollectibles):							
Taxes	72,014	-	246,456	203,469	272,254	-	794,193
Accounts	-	60	173	-	411	-	644
Intergovernmental	36,699	-	-	-	-	13,200	49,899
Loan receivable	-	-	-	-	-	819,552	819,552
Prepays	37,809	233,419	-	-	11,246	-	282,474
Total assets	\$ 880,428	\$ 339,244	\$ 879,818	\$ 1,229,931	\$ 1,219,075	\$ 1,364,108	\$ 5,912,604
Liabilities							
Accounts payable	\$ 66,760	\$ 330	\$ 599,195	\$ 113,890	\$ 26,382	\$ 358,725	\$ 1,165,282
Accrued liabilities	15,877	-	-	-	34,372	-	50,249
Interfund payables	20,984	-	-	-	36,852	-	57,836
Total liabilities	103,621	330	599,195	113,890	97,606	358,725	1,273,367
Fund balances							
Nonspendable:							
Prepays	37,809	233,419	-	-	11,246	-	282,474
Loan receivable	-	-	-	-	-	819,552	819,552
Restricted for:							
Risk management	-	105,495	-	-	-	-	105,495
Public Safety	-	-	-	-	1,110,223	-	1,110,223
Public works	-	-	280,623	1,116,041	-	-	1,396,664
Assigned for:							
Parks and recreation	738,998	-	-	-	-	-	738,998
Unassigned (deficit)	-	-	-	-	-	185,831	185,831
Total fund balances	776,807	338,914	280,623	1,116,041	1,121,469	1,005,383	4,639,237
Total liabilities and fund balances	\$ 880,428	\$ 339,244	\$ 879,818	\$ 1,229,931	\$ 1,219,075	\$ 1,364,108	\$ 5,912,604

CITY OF RAYTOWN, MISSOURI
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Governmental Funds
For the year ended October 31, 2013

	Park	Risk Management	Transportation Sales Tax	Capital Sales Tax	Public Safety Sales Tax	Capital Improvements	Total Other Governmental Funds
Revenues:							
Taxes	\$ 902,824	\$ -	\$ 1,133,749	\$ 950,668	\$ 1,269,065	\$ -	\$ 4,256,306
Intergovernmental	52,151	-	-	-	-	525,724	577,875
Charges for services	259,355	-	-	-	-	-	259,355
Interest	1,886	276	1,170	1,727	1,401	51,653	58,113
Other	16,613	76,248	-	-	-	205	93,066
Total revenues	1,232,829	76,524	1,134,919	952,395	1,270,466	577,582	5,244,715
Expenditures:							
Current:							
General government	-	121,859	-	-	-	-	121,859
Parks and recreation	1,464,472	-	-	-	-	-	1,464,472
Community development	-	-	-	-	-	289,417	289,417
Public safety	-	-	-	-	1,117,162	-	1,117,162
Capital outlay	-	-	879,634	773,264	-	378,982	2,031,880
Debt service:							
Principal	-	-	-	38,117	-	-	38,117
Interest and fiscal charges	-	-	-	9,881	-	-	9,881
Total expenditures	1,464,472	121,859	879,634	821,262	1,117,162	668,399	5,072,788
Excess of revenues over (under) expenditures	(231,643)	(45,335)	255,285	131,133	153,304	(90,817)	171,927
Other financing sources (uses):							
Sale of capital assets	-	-	-	8,000	-	-	8,000
Transfers in	-	-	-	-	-	549,125	549,125
Total other financing sources (uses)	-	-	-	8,000	-	549,125	557,125
Net change in fund balances	(231,643)	(45,335)	255,285	139,133	153,304	458,308	729,052
Fund balances, beginning of year	1,008,450	384,249	25,338	976,908	968,165	547,075	3,910,185
Fund balances, end of year	\$ 776,807	\$ 338,914	\$ 280,623	\$ 1,116,041	\$ 1,121,469	\$ 1,005,383	\$ 4,639,237

CITY OF RAYTOWN, MISSOURI
Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual
Park Fund
For the year ended October 31, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 764,500	\$ 764,500	\$ 902,824	\$ 138,324
Intergovernmental	-	-	52,151	52,151
Charges for services	425,500	425,500	259,355	(166,145)
Interest	-	-	1,886	1,886
Other	119,101	119,101	16,613	(102,488)
Total revenues	1,309,101	1,309,101	1,232,829	(76,272)
Expenditures:				
Current:				
Parks and recreation	1,881,481	1,881,481	1,475,240	406,241
Total expenditures	1,881,481	1,881,481	1,475,240	406,241
Net change in fund balances	\$ (572,380)	\$ (572,380)	(242,411)	\$ 329,969
Fund balances, beginning of year - budget basis			1,007,901	
Fund balance - end of year - budget basis			\$ 765,490	
Adjustments:				
Encumbrances			11,317	
Fund balance - end of year - GAAP basis			\$ 776,807	
Net change in fund balance - budget basis			\$ (242,411)	
Adjustments:				
Encumbrances - beginning of year			(549)	
Encumbrances - end of year			11,317	
Net change in fund balance - GAAP basis			\$ (231,643)	

CITY OF RAYTOWN, MISSOURI
Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual
Risk Management Fund
For the year ended October 31, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Interest	\$ -	\$ -	\$ 276	\$ 276
Other	36,000	36,000	76,248	40,248
Total revenues	<u>36,000</u>	<u>36,000</u>	<u>76,524</u>	<u>40,524</u>
Expenditures:				
Current:				
General government	72,000	97,000	121,859	(24,859)
Total expenditures	<u>72,000</u>	<u>97,000</u>	<u>121,859</u>	<u>(24,859)</u>
Excess of revenues over (under) expenditures	<u>(36,000)</u>	<u>(61,000)</u>	<u>(45,335)</u>	<u>15,665</u>
Net change in fund balances	<u>\$ (36,000)</u>	<u>\$ (61,000)</u>	<u>(45,335)</u>	<u>\$ 15,665</u>
Fund balances, beginning of year			<u>384,249</u>	
Fund balances, end of year			<u>\$ 338,914</u>	

CITY OF RAYTOWN, MISSOURI
Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual
Transportation Sales Tax Fund
For the year ended October 31, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Taxes	\$ 1,057,000	\$ 1,057,000	\$ 1,133,749	\$ 76,749
Interest	500	500	1,170	670
Total revenues	<u>1,057,500</u>	<u>1,057,500</u>	<u>1,134,919</u>	<u>77,419</u>
Expenditures:				
Capital Outlay	947,922	947,922	951,768	(3,846)
Total expenditures	<u>947,922</u>	<u>947,922</u>	<u>951,768</u>	<u>(3,846)</u>
Net change in fund balances	<u>\$ 109,578</u>	<u>\$ 109,578</u>	183,151	<u>\$ 73,573</u>
Fund balances, beginning of year - budget basis			<u>25,338</u>	
Fund balance - end of year - budget basis			208,489	
Adjustments:				
Encumbrances			<u>72,134</u>	
Fund balance - end of year - GAAP basis			<u>\$ 280,623</u>	
Net change in fund balance - budget basis			\$ 183,151	
Adjustments:				
Encumbrances - beginning of year			-	
Encumbrances - end of year			<u>72,134</u>	
Net change in fund balance - GAAP basis			<u>\$ 255,285</u>	

CITY OF RAYTOWN, MISSOURI
Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual
Capital Sales Tax Fund
For the year ended October 31, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 877,214	\$ 877,214	\$ 950,668	\$ 73,454
Interest	500	500	1,727	1,227
Other	20,000	20,000	-	(20,000)
Total revenues	<u>897,714</u>	<u>897,714</u>	<u>952,395</u>	<u>54,681</u>
Expenditures:				
Capital outlay	844,494	844,494	777,620	66,874
Debt service:				
Principal	38,117	38,117	38,117	-
Interest and fiscal charges	9,881	9,881	9,881	-
Total expenditures	<u>892,492</u>	<u>892,492</u>	<u>825,618</u>	<u>66,874</u>
Excess of revenues over (under) expenditures	<u>5,222</u>	<u>5,222</u>	<u>126,777</u>	<u>121,555</u>
Other financing sources (uses):				
Sale of capital assets	20,000	20,000	8,000	(12,000)
Total other financing sources (uses)	<u>20,000</u>	<u>20,000</u>	<u>8,000</u>	<u>(12,000)</u>
Net change in fund balances	<u>\$ 25,222</u>	<u>\$ 25,222</u>	<u>134,777</u>	<u>\$ 109,555</u>
Fund balances, beginning of year - budget basis			<u>599,786</u>	
Fund balance - end of year - budget basis			734,563	
Adjustments:				
Encumbrances			<u>381,478</u>	
Fund balance - end of year - GAAP basis			<u>\$ 1,116,041</u>	
Net change in fund balance - budget basis			134,777	
Adjustments:				
Encumbrances - beginning of year			(377,122)	
Encumbrances - end of year			<u>381,478</u>	
Net change in fund balance - GAAP basis			<u>\$ 139,133</u>	

CITY OF RAYTOWN, MISSOURI
Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual
Public Safety Sales Tax Fund
For the year ended October 31, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 1,150,150	\$ 1,150,150	\$ 1,269,065	\$ 118,915
Interest	-	-	1,401	1,401
Total revenues	1,150,150	1,150,150	1,270,466	120,316
Expenditures:				
Current:				
Public safety	1,236,500	1,236,500	1,117,122	119,378
Total expenditures	1,236,500	1,236,500	1,117,122	119,378
 Net change in fund balances	<u>\$ (86,350)</u>	<u>\$ (86,350)</u>	<u>153,344</u>	<u>\$ 239,694</u>
 Fund balances, beginning of year - budget basis			454,957	
 Fund balance - end of year - budget basis			608,301	
Adjustments:				
Encumbrances			513,168	
Fund balance - end of year - GAAP basis			<u>\$ 1,121,469</u>	
 Net change in fund balance - budget basis			153,344	
Adjustments:				
Encumbrances - beginning of year			(513,208)	
Encumbrances - end of year			513,168	
Net change in fund balance - GAAP basis			<u>\$ 153,304</u>	

CITY OF RAYTOWN, MISSOURI
Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual
Capital Improvement Fund
For the year ended October 31, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 90,000	\$ 90,000	\$ 525,724	\$ 435,724
Interest	-	-	51,653	51,653
Other	75,000	75,000	205	(74,795)
Total revenues	<u>165,000</u>	<u>165,000</u>	<u>577,582</u>	<u>412,582</u>
Expenditures:				
Current:				
Community development	500,000	500,000	289,417	210,583
Capital outlay	1,112,375	4,204,327	3,368,163	836,164
Total expenditures	<u>1,612,375</u>	<u>4,704,327</u>	<u>3,657,580</u>	<u>1,046,747</u>
Excess of revenues over (under) expenditures	<u>(1,447,375)</u>	<u>(4,539,327)</u>	<u>(3,079,998)</u>	<u>1,459,329</u>
Other financing sources (uses):				
Transfers in	-	-	549,125	549,125
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>549,125</u>	<u>549,125</u>
Net change in fund balances	<u>\$ (1,447,375)</u>	<u>\$ (4,539,327)</u>	<u>(2,530,873)</u>	<u>\$ 2,008,454</u>
Fund balances, beginning of year - budget basis			<u>526,874</u>	
Fund balance - end of year - budget basis			(2,003,999)	
Adjustments:				
Encumbrances			<u>3,009,382</u>	
Fund balance - end of year - GAAP basis			<u>\$ 1,005,383</u>	
Net change in fund balance - budget basis			\$ (2,530,873)	
Adjustments:				
Encumbrances - beginning of year			(20,201)	
Encumbrances - end of year			<u>3,009,382</u>	
Net change in fund balance - GAAP basis			<u>\$ 458,308</u>	

CITY OF RAYTOWN, MISSOURI
Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual
TIF Fund
For the year ended October 31, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 1,785,000	\$ 1,785,000	\$ 1,446,522	\$ (338,478)
Intergovernmental activity taxes	815,000	815,000	1,388,856	573,856
Interest and other	200,000	200,000	168,820	(31,180)
Total revenues	<u>2,800,000</u>	<u>2,800,000</u>	<u>3,004,198</u>	<u>204,198</u>
Expenditures:				
Current:				
Community Development	74,780	22,780	15,294	7,486
Debt service:				
Principal, interest and fiscal charges	2,817,900	2,921,900	2,916,603	5,297
Total expenditures	<u>2,892,680</u>	<u>2,944,680</u>	<u>2,931,897</u>	<u>12,783</u>
Excess of revenues over (under) expenditures	<u>(92,680)</u>	<u>(144,680)</u>	<u>72,301</u>	<u>216,981</u>
Net change in fund balances	<u>\$ (92,680)</u>	<u>\$ (144,680)</u>	<u>72,301</u>	<u>\$ 216,981</u>
Fund balances, beginning of year			<u>6,917,144</u>	
Fund balances, end of year			<u>\$ 6,989,445</u>	

CITY OF RAYTOWN, MISSOURI
Statement of Changes in Assets and Liabilities -
Agency Funds
For the year ended October 31, 2013

	Balance October 31, 2012	Additions	Deductions	Balance October 31, 2013
Jackson County Tax Fund				
Assets:				
Cash	\$ 3,158	\$ 14,294,954	\$ 14,298,112	\$ -
Liabilities:				
Due to others	\$ 3,158	\$ 14,294,954	\$ 14,298,112	\$ -
 Raytown Highway 350 TDD				
Assets:				
Cash	\$ 106,666	\$ 71,431	\$ 99,848	\$ 78,249
Taxes receivable	11,217	71,613	71,431	11,399
Total assets	<u>\$ 117,883</u>	<u>\$ 143,044</u>	<u>\$ 171,279</u>	<u>\$ 89,648</u>
Liabilities:				
Due to others	<u>\$ 117,883</u>	<u>\$ 143,044</u>	<u>\$ 171,279</u>	<u>\$ 89,648</u>
 Ditzler CID				
Assets:				
Cash	\$ -	\$ 79,866	\$ 79,866	\$ -
Taxes receivable	11,331	81,735	79,866	13,200
Total assets	<u>\$ 11,331</u>	<u>\$ 161,601</u>	<u>\$ 159,732</u>	<u>\$ 13,200</u>
Liabilities:				
Due to others	<u>\$ 11,331</u>	<u>\$ 161,601</u>	<u>\$ 159,732</u>	<u>\$ 13,200</u>
 Total				
Assets:				
Cash	\$ 109,824	\$ 14,446,251	\$ 14,477,826	\$ 78,249
Taxes receivable	22,548	153,348	151,297	24,599
	<u>\$ 132,372</u>	<u>\$ 14,599,599</u>	<u>\$ 14,629,123</u>	<u>\$ 102,848</u>
Liabilities:				
Due to others	<u>\$ 132,372</u>	<u>\$ 14,599,599</u>	<u>\$ 14,629,123</u>	<u>\$ 102,848</u>